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PHARMA mergers and acquisitions get a booster dose **Abbott to rule niche segments through Piramal acquisition**

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New Delhi: In one master stroke, US pharma firm Abbott is set to clinch the leadership position in the second fastest growing pharma market from under the nose of old time giants like Cipla, Ranbaxy and Glaxo SmithKline.

A few months after it gobbled up Belgian company Solvay Pharma which has a listed subsidiary in India, it announced on Friday that it would buy out the domestic formulation business of Piramal Healthcare, the fourth largest domestic pharma firm by marketshare, which also has the largest salesforce and one of the largest formulations in the country.


The royal ride of Abbott to the top would be scripted through interesting small stories of niche drug therapeutic segments which merge together to form the totality of Indian pharma pie. The Abbott-Solvay-Piramal trio would emerge as the undisputed leader in the lucrative Rs 4,350 crore gastrointestinal market with over 11% share. Without Solvay and Piramal, Abbott stands at fourth rank currently with a share of 4.9% in the market. The trio would outperform Cadila Healthcare, Dr Reddy's and Alkem on its way. Abbott's brands in the segment include Digene (antacid), Cremmafin (laxative). In the respiratory market worth Rs 3,580 crore, which makes up almost 9% of the Indian pharma space, Abbott would command 9.1% marketshare through its Piramal buy, while the former has no presence worth mention in this segment currently.

Interestingly, in the Rs 3,110 crore vitamins and nutrients markets, Abbott and Piramal would break into top three with a combined market share of over 8% from their respective ranks of 9 and 10 and market share of 4% each. In its ascension to top, the duo would surpass rival MNCs Novartis, Pfizer, GSK, Merck among host of other companies.

In India Abbott already offers nutritional products for infants, adults and people with special dietary needs. Key brands that the company markets in domestic space in this segment include Isomil (soy-based formula for infants and children), Ensure (adult nutritionals), Glucerna (nutrition for people with diabetes) and PediaSure (complete, balanced nutrition for children).

Piramal Healthcare in domestic market

Therapy segment	Company share (in %)
Anti infective	5.6
Gastrointestinal	3.7
Respiratory	9.1
Analgesics	6
Vitamin, Nutrient	4
Derma	6.2
Neuro	6.7



The fast growing Rs 2,230 crore dermatology segment, which accounts for over 5.5% of Indian pharma market, would see Abbott being among top five players solely riding on its Piramal acquisition, which now accounts for over 6% of the market share in the concerned segment.

In the neurology space, which stands at Rs 2,230 crore and accounts for 5.6% of the total pharma pie. Abbott-Piramal duo would make solid gains and jump straight to the second position. Abbott and Piramal currently hold rank 4 and 5 with a share of 7.5% and 6.7% respectively. Although market leader Sun Pharma would still remain the undisputed leader with over 20%, the duo along with Solvay's portfolio could pose formidable challenge here. In its journey northwards it would beat Intas and Torrent in this niche area. In the lucrative Indian diabetes market worth Rs 2,180 crore, where Abbott is already the established market leader with a lion's share of over 20%, it would consolidate its position further with Piramal's 4.3% share and widen the gap with other leading players like USV, Sanofi Aventis, Sun Pharma etc in the vertical.

In other specialty areas like the Rs 6,980 crore anti-infectives, Abbott would gain significant presence riding on Piramal's strength. In the segment, while Abbott figures nowhere in the top 10, Piramal commands a market share of 5.6% and the sixth position.