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15.03.2011, Dr. Albrecht Läufer, Corvay GmbH
GIRT Leipzig

Der Elefant steht auf – Die Entwicklung des indischen Pharmamarkts von 1997 bis morgen

Corvay GmbH bietet...

- ... Beratung für Entscheider in der Life Science Industrie (Pharma, Impfstoffe, Biotechnologie, Medizintechnik, Chemie)
- ... Kompetenz in Unternehmensführung, Organisation, Strategische Geschäftsentwicklung, Portfolio Management und Business Development, Projekt Management, Marketing & Vertrieb, Forschung & Entwicklung, Finanzierung.
- ... Internationale Bandbreite: Deutschland, Europa, Asien, Naher Osten, Nord- und Südamerika.

Themen

- Pharmamarkt 1997 und heute
- Neue Entwicklungen
- Große Pharma- und Biotechfirmen
- Neue Impfstoffe
- Gesundheitswesen in Indien
- R&D-Zentren in India
- Kaufkräftiger Mittelstand
- Zukunft des indischen Pharma- und Biotechmarktes

! Alle Angaben in dieser Präsentation sind nach bestem Wissen und Gewissen recherchiert, jedoch ohne Gewähr !

Indischer Pharmamarkt heute

- steadily growing market (US\$ 19 billion in 2009, CAGR around 9%, expected at 55 billion USD by 2020), third in the world by volume, and 14th by value
- likely to become a competitor for global pharma in some key areas
- among world leaders in the production of generics (>20 % of world's generics; Big generic producers: Dr. Reddy's Laboratories (US\$ 1.4 billion p.a.), Cipla (US\$ 1.1 billion), Lupin, 800 million USD), and vaccines (Serum Institute of India)
- \$480 million spent on R&D in 2009
- Deal value 2009: US\$ 5.57 billion (Daiichi Sankyo / Ranbaxy)
- some of the leading local producers started conducting original research, but further development with Western drug makers (e. g. DRL & Torrent + Novartis; Ranbaxy + GSK & Schwarz Pharmaceuticals)
- decrease of market share of infective & gastrointestinal drugs (2001: 50% -> 2012: 36%), but increase of drugs for cardio-vascular problems, other chronic diseases (2001: 50% -> 2012: 64%)

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Indischer Pharmamarkt heute

- considerable contract manufacturing expertise
- CMO market: US\$ 605 mi, 100 FDA approved sites, more than in any country outside US
- Vaccine market: US\$ 780 million in 2008 (CAGR 15%), export to 150 countries, 40-70 llion in 2008, expected to reach US\$ 916 million in 2010% of WHO´s demand for DPT and BCG, 90 % for measles vaccine
- OTC market: US\$ 1.8 billion in 2008, expected to grow at 18% -> US\$ 3 billion in 2012
- Further growth by expansion of the list of the drugs which can be sold outside phamacies (government)
- Growing market of OTC vitamins and minerals, Ayurvedic therapies, only a few OTC drugs fall under price control
- Advertising of OTC drugs permitted

Rahmenbedingungen für weitere Expansion

- Indian economy worth about US\$ 1,243 billion with real GDP growth of 9 % (March 2008) and 6.7 % (March 2009)
- a major offshore business service provider (64.5 % of India's GDP)
- Indian population: 1.1 billion (2008) now, 1.6 billion in 2050
- 2008: 13 % = 140 mio of the population belong to the middle class (increase by 10 % since 1995), further increase to 34 % in the near future
- Today 60 million people in India can afford Western medicine
- By 2028 ~ 200 mio Indians will be > 60 y, up from ~90 mio in 2008
- today India is largest pool of diabetic patients (>40 mio people) -> >73 mio in 2025
- worlds second biggest pool of English speakers
- > \$70 billion worth of drugs go off patent in the US in the next three years
- Increasing health insurance coverage

Indischer Pharmamarkt 2020

- belongs to the top 10 sales market worldwide (\$50 billion worth)
- Large middle class → western medicine affordable → increased demand for drugs for cardio-vascular problems, central nervous systems disorders and other chronic diseases, such as diabetes
- Steady partner for manufacturing and R&D, and as a location for clinical trials

Indisches Gesundheitssystem heute

- reforming
- Devided in public and private sector
- Most public health facilities provide only basic care, 3/4 of medical facilities in urban areas
- Public expenditure on health care: 1% of GDP
- In 2007, only 11% of population had any form of health insurance coverage

Doctors	60 per 100,000 people
Nurses	60 per 100,000 people
Pharmacies	367,000 (urban)/183,000 (rural)
Hospitals	30,000 (67 % public, 33 private)
Hospital beds	1.7 Mio (one per 1,000 people)
Health centers	171,687 (including 145,272 sub-centers with basic facilities)

Current & Future Projects in Health Care Market

Promoter	Description of Project	Project Starting Year	Project Completion Year (Expected)	Estimated Cost
Panacea Biotec	Multispeciality hospital with Gurgaon based Umkel Medicals. Panacea Biotec has 75 per stake. Overseas and affluent Indians as its target making 25 to 30 per of the market	2008	January 2010	\$ 200 million
Government of India	Building National Institute of Cancer in Vepery, Chennai and will have research, service and education activities. It will have tie up with International Cancer Research Organizations in Washington, USA and Leon, France.	2008	Mid 2011	\$125.2 million
KPC Healthcare Services	Part of US-based KPC group is building integrated health city in Kolkatta, West Bengal. It includes medical college, multi speciality hospital, super speciality hospital, an infectious disease hospital, medical information technology center.	2008	NA	\$325 million
Narayana Hrudayalaya Pvt Ltd & Biocon Ltd	Multispeciality facility at Kolkatta, Jaipur, Ahmedabad, Hydrabad. Will cater specialized quality health care to the working class and poor people.	2008	2013	\$100 million (App)
Apollo Hospitals, Western Hospitals, One Equity Partners	Apollo Hospitals is building 3 hospitals in Mumbai, Navi Mumbai, Thane. Super Speciality hospitals.	2007	Over a period of 2-3 years	\$151 million
Ranbaxy, Fortis Healthcare in joint venture agreement with DLF	15 Hospitals. Ranbaxy and Fortis are looking for other options like buy-outs and management contracts.	2007	2011	\$754 million
Parkway Health	Parkway Health's multispeciality hospitals. Along with new constructions, it is collaborating with existing groups like Apollo. It plans to initially invest \$83 million in Khubchandani Hospitals, Mumbai. Khubchandani Hospitals will be expected to be operational by 2011	2009	expected by 2011	\$125 thousand per Bed (1000 bed facility)
State Government of Chattisgarh	Bharat Aluminium Company Ltd. Annouced new Cancer Hospital and Research Center in Chattisgarh.	2008	Mid 2010	\$75 million

Reforming Health Care Policies

- Health Care- one of the priorities of the government
- Objectivs: increase expenditure on health care to 2-3 % of GDP
- 2008-2013: tax holidays for setting up hospitals anywhere in India, especially in tier-2 and tier-3 towns

Biotechnology in India

- 2008-2009 sales: US\$ 2.64 billion (CAGR 26%)
- Expected revenues 2010-2011: US\$ 5 billion
- Leading domestic players: SII, Biocon, Panacea Biotech
- Several governmental initiatives: DBT launched „Biotechnology Industry Partnership Programme“ to support high-end biotech R&D programmes to generate IP; DBT drafted the National Biotechnology Regulatory Act to set up the National Biotechnology Regulatory Authority (to regulate the biotech segment)
- Developing capabilities in dev and manufacturing of biosimilars:
 - Intas**: biosimilar of a protein for cancer treatment side effects;
 - Biocon**: registration of human rec Insulin with EMA;
 - Reliance Life Sciences** has launched 3 biosimilars Epo, GCSF, Interferon alpha in India, currently clinical trials in Europe;
 - Wockhardt** has launched recEpo and recInsulin in India, currently clinical trials in US for insulin;
 - DRL** has launched filgrastim and rituximab in emerging markets and has a pipeline of 10 biogenerics

Other related sectors in India

Bioinformatics:

- 2009 Revenues : US\$ 48 million
- Construction of India's first biotech-IT park in Bangalore: US\$ 87 million
- Institute fo Bioinformatics: data base of all known human proteins
- Centre for Fingerprinting and Diagnostics + Sun Microsystems -> Centre of Excellence focusing on medical bioinformatics
- Tata Consultancy Services deal with GSK to set up a support center in Mumbai for the GSK's global drug dev programme; Biocon and Bristol-Myers Squibb set up a research facility

Clinical Trials

- Still lack of regulatory framework, but improving
- 2008 market: US\$ 300 million, 2012: US\$ 2 billion
- Benefits: huge patient population, vast genetic diversity, many people „treatment-naive“, high ratio doctors to patients, costs

Other related sectors in India

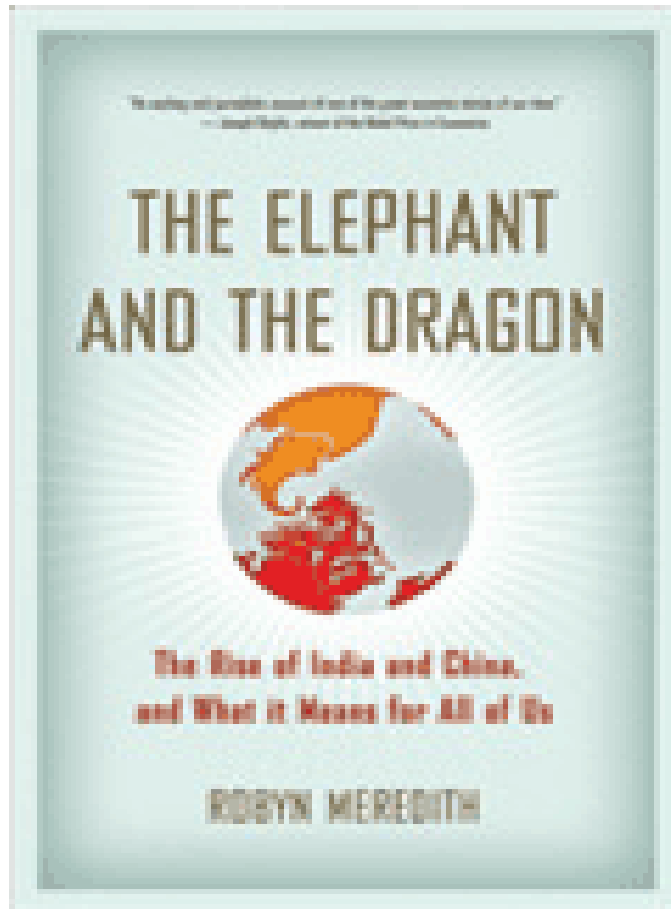
Medical Devices

- 2008 revenues : US\$ 2.75 billion, 1.25% of the global market, doubling till 2012
- Demand drivers: increasing number of clinics and labs, telemedicine services
- Sector became regulated in 2005 under the Drugs and Cosmetics Act

Stem cell research

- Over 40 institutions and hospitals involved in stem cell research
- In 2008, Stempeutics, a leading stem cell company, launched its second lab
- No laws governing stem cell research, but guidelines

recommended reading



The Elephant and the Dragon

The Rise of India and China and
What it matters for All of Us

Robyn Meredith, 2007

www.elephantanddragon.com

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