



Turning to nature begets huge bio-pharma opportunity

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VARIOUS multilateral agencies, be it the IMF, World Bank or OECD, have predicted a global slowdown. While the IMF expects global growth to increase 3.2 per cent in 2019 and recover marginally to 3.5 per cent in 2020, the World Bank forecast a weaker-than-expected 2.6 per cent in 2019 before it inches up to 2.7 per cent in 2020. They attribute this tepid growth to rising trade barriers, renewed financial stress, and sharper-than-expected slowdowns in several major economies and, in general, sluggish economic activity across the globe.

Yet despite the global gloom, there has been robust growth in the bio-pharmaceutical sector and this growth is expected to stay strong over the next five years, at least. According to McKinsey & Co. research, biopharmaceuticals, which already account for approximately 20 per cent of the pharmaceuticals market, generate global revenues of \$163 billion. More pertinently, the consultancy firm pointed out that this segment is by far the fastest-growing part of the industry with a compound annual growth rate of more than eight per cent, which is double that of the conventional pharmaceuticals sector. It concluded that growth is expected to con-

tinue at that rate for the foreseeable future.

Remarkably, three segments of the biopharma sector, probiotics, enzymes and nutraceuticals, in particular, have been clocking sterling growth rates.

In this article, we examine the demand and supply-side factors that are driving this buoyant trend in the biopharma sector in general and probiotics, enzymes and nutraceuticals, in particular, even in a bleak global economic scenario.

Unique features of biopharma

To understand why the industry is currently on the cusp of a great opportunity, we need to dial back a little and understand what sets it apart from the synthesized pharmaceuticals. This will lead us to the demand and supply dynamics on which this opportunity rests.

Garnered from biological processes – originated from botanicals, microbes, select animal organs – biopharma molecules are stable and deliver higher efficacy. Because of this biological process the product derived has high stability & they are efficient, target oriented and are able to solve various health related problems organically. In fact, because of their stability, and target oriented nature they have breached the barriers that chemical pharmaceuticals face.

However, until now, the very

Market	Expected Growth	% Growth in CAGR	Forecast Period
Probiotics	USD 76.88 Billion by 2024	7.5%	2019-2024
Enzymes	USD 19.29 Billion by 2025	8.9%	2019-2025
Nutraceuticals	USD 47.3 Billion by 2024	7.5%	2019-2024

same advantage of complexity has presented some operational and technical challenges, alongside the high capital investment and research costs required. But with greater focus by large pharma companies on this segment and their ability to create innovative drugs, they are able to bring truly value-added products (some for previously untreatable conditions) to the market command high prices. At the same time, growing awareness of the benefits of biopharma products has led to greater demand, even at higher prices. As a result, constraints that previously plagued the segment are fast evaporating.

What will drive consumption of bio-pharma products?

There are various levels of demand for biopharma products & processes. At present downstream industries, such as detergents, food processing, waste water treatment, cosmetics, textile and paper manufacturing, etc., still account

for a bulk of demand. There has also traditionally been strong demand for animal feed application on account of the proteinaceous nature of some biopharma formulations, especially enzymes. However,

There is a growing awareness about the benefits of consuming natural products for both curative purposes as well as preventive healthcare. Consumers are aware that towards achieving holistic health, med-

BY PRODUCT TYPE		
Functional Food	Functional Beverage	Dietary Supplements
Cereal Bakery & Confectionary Dairy Snack Other Functional Foods	Energy Drink Sports Drink Fortified Juice Dairy & Dairy Alternative Beverage Other Functional Beverages	Vitamins Minerals Botanicals Enzyme Fatty Acids Other Dietary Supplements

By Product Type	
Functional Food	Cereal Bakery and Confectionary Dairy Snack Other Functional Foods
Functional Beverage	Energy Drink Sports Drink Fortified Juice Dairy and Dairy Alternative Beverage Other Functional Beverages
Dietary Supplements	Vitamins Minerals Botanicals Enzyme Fatty Acids Proteins Other Dietary Supplements

Source: Mordor-intelligence

growing consumer awareness regarding health has given a fillip to the consumption of functional food items with biopharma ingredients. Going ahead, this segment is expected to drive the demand the world over.

Factors driving demand

and supplements with allopathic and chemical origins can have side effects, which bio-pharma products do not. This awareness is a leading factor spurring demand.

More importantly, with sedentary lifestyles, rising stress levels and modern-day diets, digestive disorders, nutritional deficiencies are on the rise. Moreover the continual practice of intake of synthetic medicines and antibiotics, the overall efficiency of the body has reduced. With the progression of age, the fallout of poor digestion & nutritional deficiencies becomes visible in various ailments. This has triggered interest in biopharma products – specifically probiotics, enzymes, nutraceuticals.

While allopathic medicines, which are popular & easily accessible until now, offer symptomatic relief, it

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- + Kink & Vacuum Resistant
- + Chemical Resistance
- + Flexibility
- + Suitable for CIP and SIP
- + USP Class VI
- + Peristaltic Platinum cured Silicon Tube
- + ASME BPE Tube and Fittings
- + 3A Sanitary Ball Valve
- + 3A Sanitary Non Return Valve
- + 3A Sanitary Butterfly Valve
- + FDA Sanitary Diaphragm Valve
- + Sanitary Angle Seat Valve
- + Sanitary Manual Tank Bottom Valve
- + Sanitary Safety Pressure Relief Valve



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Key biopharma players introducing various innovations

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is becoming popular that they have deep-seated side effects. Being derived from natural sources, & biological processes biopharma products are relatively much safer. More importantly, biopharma solutions are more effective over longer periods of time as they are more likely to cure rather than merely alleviate symptoms. Additionally, over time, the human body develops resistance to allopathic medicines for such conditions and the doses have to be increased in order to continue being effective.

Interestingly, as awareness of the health benefits stem from the US and Europe, where research and public consciousness is more widespread, there have been cases where acceptance emerges in these regions, which reinforces consumption in Asian, Latin American and African countries. A study by Mordor Intelligence reveals that developed markets, like the United States and Europe, are discovering the untapped segment of customized products based on health claims. The report studies functional foods as well as functional beverage and dietary supplements with which companies have begun to experiment with the use of biopharma ingredients.

Last, but not the least, better availability, display and positioning of products for retail consumption also contribute to demand. Producers have been packaging their products attractively, transporting them with cold-chain logistical support, advertising them and making them available in supermarkets, pharmacies and health food shops in developed economies in the US.

Canada and Europe as well as in India and China.

Factors driving supply

As explained earlier in the article, a number of large pharma companies have begun to show interest in biopharma

products, shifting their presence to biopharma as well. There has also been a strong organic growth of biopharma companies as investing in biotech R&D has yielded better returns than the pharma industry average.

Encouraged by the growth in demand, key players in the biopharma space, particularly in countries such as USA, Japan, South Korea, China, Japan, and India, have been introducing various innovations. Acceptance for such

curative solutions and pre-emptive healthcare has been more forthcoming in the Asia Pacific region while India is coming up as leading manufacturing hub into probiotics and enzymes.

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The Emergence of a New Standard

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- ▶ WHO-cGMP approved & ISO 9001:2008 Certified Plant.
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- ▶ DSIR approved formulation research & development facilities for all dosage forms.
- ▶ Well equipped QC/QA laboratory.

DIVISIONS AT A GLANCE



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- ▶ Liposomal Formulations
- ▶ Anti-Retroviral Formulations
- ▶ Oncology Formulations
- ▶ Nephrology Products
- ▶ Lyophilized Formulations
- ▶ Pre-filled Syringes
- ▶ Hormonal Preparations
- ▶ Gastro & Gynae Products
- ▶ Time Release Formulations
- ▶ Life Saving Antibiotics
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- ▶ Anti-Tuberculosis Products



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