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Generics, small molecule injectables to drive growth, says Piramal

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Singapore: India's Piramal Enterprises' Pharma Solutions division, focused on contract development and manufacturing (CDMO), has indicated that near-term growth prospects are highest across generics, small molecule injectables, and in contract services.

Mr Vivek Sharma, CEO, Pharma Solutions, Piramal Enterprises, commented, "We recently acquired Coldstream in Kentucky, USA, to enhance our sterile injectables service offering. We expect that over the next few years there will be further acquisitions by both generic and big pharma players as companies look to gain a foothold in the growing sterile injectables space. In particular, we see this access to manufacturing infrastructure as a key driver for future consolidations."

The company, in its report, highlight that the United States remains the primary outsourcing destination, particularly for high value and biological formulations. However, in the longer term, it is predicted that lower cost firms in India and China may try to enter with generic injectables. Over the next few years, CMOs focused on prefilled syringes and those with high potent handling capabilities are expected to be the biggest beneficiaries of market growth.

Mr Sharma further added, "Outsourcing in the sterile injectable segment is still focused on the US, followed by the European Union. We anticipate this market to continue growing at around 10 percent annually for the next 5 years, with the US remaining the most preferred outsourcing destination."

Small molecule injectables are likely to expand at a faster rate than steriles, albeit from a lower base, with oncology and anti-infectives representing just over 50% of the total market. In biologics, monoclonal antibodies (mAbs) account for the largest market share, followed by vaccines and insulin. "Demand for cutting edge injectable capabilities should grow as ADCs and other high value products dominate the 'potent' development space. Nevertheless, the primary driver behind the growth in injectables is the generic market. Growth in the generic injectables is outpacing growth on the innovator side. By the year 2020, we expect this market to double to circa US USD70 billion", added Sharma.

Technology is also a key component in companies' prospects, and drug delivery systems such as liposomes, PEGlyation and

Depot Injections will play an important role. The use of these technologies should see a spurt in growth, especially in therapeutic segments that require efficient targeting of drugs.

Overall, conditions remain positive, but there could be challenges for some smaller firms due to high capital and operational costs along with the complex compliance requirements for approval, the report indicates. This potential reduction in competition may also be augmented by consolidation. Finally, Piramal suggests that there may be more collaborative partnerships between larger and newer players, to overcome any in-house technology gaps.