Biopharma companies of West approach big Indian CROs & CDMOs for multi-dimensional solutions: Dr Bhalgat

26 December 2022 | By **Nandita Vijay,** Bengaluru

http://www.pharmabiz.com/NewsDetails.aspx?aid=155355&sid=1

Biopharma companies in the West are now approaching the larger Indian CROs (contract research organizations) and CDMOs (contract development and manufacturing industry) with multi-dimensional problems requiring sophisticated, multi-dimensional solutions and integrated programs, said Mahesh Bhalgat, COO, Syngene International.

Historically, biotech and pharma companies used CROs or CDMOs to execute relatively simple work as part of their total value chain. However, there is a distinct shift in the characteristics of those relationships in recent times. Stepping up to the challenge, the CROs and CDMOs are increasingly providing innovative solutions to drug discovery and development, he added.

The collaboration between CRDMOs (contract research, development, manufacturing organizations) and pharma biotech companies in the last few years has further strengthened in 2022. The rise in R&D expenditure over the years clearly indicates a demand for specialized skills and capacity needs, Dr Bhalgat told Pharmabiz.

The global CRO services market, estimated to be US$ 68.3 billion in 2022, is projected to grow at a compound annual growth rate (CAGR) of 11.0% to reach US$ 115.1 billion in 2027. Simultaneously the global healthcare (CDMO) is expected to touch US$ 456.8 billion by 2030.

The pandemic has been a game-changer for many industries, particularly the pharmaceutical industry. The trend of outsourcing has only increased with many more biotech companies coming up and traditional pharma companies looking at ways to diversify and de-risk. There is considerable momentum for new chemical entities and new biological entity approvals by regulators underpinned by a strong pipeline of drugs in the early stages of discovery and development, noted Dr Bhalgat.

The effort to reduce cost and cycle times in drug discovery while driving productivity is expected to increase outsourcing further. There is significant interest in the integrated drug discovery and development model. On the manufacturing side, growing demand for biologics, huge capacity consumption from vaccines, the capital-intensive nature of the business, and the complexity involved in biopharmaceutical manufacturing are driving demand for outsourcing, he said.

Rising up to the opportunities, CRDMOs are becoming full-service providers to stand out from the competition and strengthen their market position. Traditional CRDMOs are also expanding their services across small molecule, large molecule, and advanced therapies to maintain a risk-balanced portfolio of traditional and novel modalities. A substantial share of the pharma pipeline comprises cell, gene and RNA therapies. The curative character and the ability to complement or replace traditional therapies force pharma companies and CRDMOs to explore these novel therapies to gain pole position. While these technologies are not new, advances in development and production are bringing them closer to realise their full potential.

Last year, Syngene scientists applied their knowledge and skills to aid diagnosis, increase understanding of immune responses and find long-term solutions to Covid-19. They generated reagents and assays for monitoring Covid-19 infection and vaccine efficacy and partnered with clients to discover and test novel vaccines, he said.

To be competitive in a highly volatile global market, pharmaceutical and life sciences companies are expected to continue the outsourcing in 2023. Outside of pure scientific caliber, ESG (Environmental, social, and governance) will play a key role role in choosing a partnering organization. As these relationships mature, we forsee a shift in outsourcing strategies from pure vendor-buyer relationships to business alliances. This paves the path for a win-win situation for the CRDMOs and pharma-biotech companies going forward on the backdrop of a strong commitment to sustainability and good governance, said Dr Bhalgat.