

Blockbusters set to witness new order

Biotech Drugs To Replace Chemical Entities Lipitor & Plavix As Mkt Leaders

Biologics To Chemical Reaction

Topping Sales In 2010

Drugs	Co	Sales (\$ bn)
Lipitor (Cholesterol)	Pfizer	11.7
Plavix (Anticlotting)	Sanofi/Bristol	9.63
Advair (Asthma/COPD)	GlaxoSmithKline	9.0
Remicade (Arthritis)	Merck/J&J	7.4
Enbrel (Arthritis)	Pfizer/Amgen	7.1
Humira (Arthritis)	Abbott	6.8
Avastin (Cancer)	Roche	6.7
Rituxan (Cancer)	Roche	6.1
Diovan (Hypertension)	Novartis	6.0
Crestor (Cholesterol)	AstraZeneca	5.8

Changing Order In 2014

Drugs	Co	Sales (\$ bn)
Avastin (Cancer)	Roche	8.9
Humira (Arthritis)	Abbott	8.5
Enbrel (Arthritis)	Pfizer/Amgen	8.0
Crestor (Cholesterol)	AstraZeneca	7.7
Remicade (Arthritis)	Merck/J&J	7.6
Rituxan (Cancer)	Roche	7.4
Lantus (Diabetes)	Sanofi-Aventis	7.1
Advair (Asthma/COPD)	GSK	6.8
Herceptin (Cancer)	Roche	6.4
NovoLog (Diabetes)	Novo Nordisk	5.7

Source: ThomsonReuters

Rupali Mukherjee | TNN

Mumbai: The global pecking order of blockbusters may soon be heading for a major upheaval with biotech drugs toppling the present market leaders, Pfizer's Lipitor and Sanofi's Plavix—both chemical entities. With the emerging trend of biotech drugs cornering the top slots as against chemical entities, domestic pharmaceutical companies are now trying to cash in on the \$60-billion-plus opportunity. Biotech drugs, also called biologics, are manufactured using live organisms, as against conventional medicines which are based on chemical compositions.

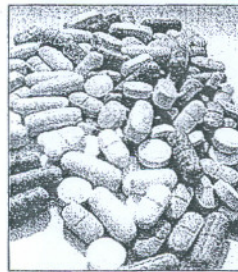
While some companies such as Dr Reddy's, Glenmark Pharmaceuticals and Biocon have fast-tracked their research in biosimilars (off-patent biotech drugs), others like Cipla have tied up with Chinese companies to make a foray in the highly complex but fast-growing segment. Analysts say that by 2014, in the first-ever instance of a biologic drug topping the list, Roche's Avastin, a monoclonal antibody for treatment of cancer with global sales of nearly \$9 billion, will ease out Pfizer's anti-cholesterol blockbuster Lipitor—the largest selling drug (chemical entity) which nets \$12 billion annually at present.

In fact, by 2014 at least six of the 10 top-selling drugs sold globally are tipped to be injectable biotech drugs, mainly for treating cancer and rheumatoid arthritis, compared to five in 2008 and just one in 2000.

Other biologics include

blood/plasma products, cultured cells and tissues, gene therapy products, all recombinant proteins, (monoclonal) antibodies and vaccines.

Anti-cancer antibodies, in particular, look set to become the most valuable therapeutic class, justifying a large proportion of Roche's move to acquire its US biotech affiliate Genentech. Over the last couple of years, there have been several deals by MNCs to acquire



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biotech assets to augment their biologics portfolio, like Pfizer's acquisition of Wyeth, and the Merck-Schering Plough deal.

Experts say that the growing commercial dominance of biologics globally presents an opportunity for domestic companies. Says Sujay Shetty, India pharma leader, PwC: "Even though domestic companies cannot export to developed markets like the US and UK due to complex regulatory pathways, there is a big addressable opportunity of biotech products for the domestic market. The domestic (biotech) market, including vaccines is not even a billion now, but is expected to grow to \$5 billion by 2020".

Dr Reddy's already has three biosimilars in the domestic market, and one of its products, Reditux (biosimilar rituximab) used in the treatment of non-hodgkin's lymphoma, is among the top 10 brands for the company with annual revenues of over Rs 24 crore. The company is also working on four biosimilars, one of them being in late-stage clinical trials.

Similarly, generic major Cipla will be soon launch its first biosimilar product by 2012-13. It plans to invest \$65 million in two biotech ventures over the next three years to manufacture monoclonal antibodies. "About 10-15% of the global pharmaceutical market consists of drugs of biotech origin and many of them are already off-patent and others are expected to go off-patent in the coming years. Cipla is investing equity stake worth 40% and 25% in the Indian and Chinese ventures respectively," S Radhakrishnan, Cipla's chief financial officer told TOI.

Glenmark is not far behind either. It has established a biologics research centre in Switzerland and has two products undergoing trials. While GBR 500 is undergoing Phase I trial in the US, its second product NBE GBR 600 is approved for Phase I trial in Europe, says Michael Buschle, president—biologics, Glenmark Pharmaceuticals. Both have a peak sales opportunity of around \$2 billion each if commercialized. It is just matter of time before more domestic companies try to cash in on this growing market, which now promises many newer treatments.