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Demand for generics in Asia is drawing pharma majors

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The clinical trials market in the Asia Pacific (APAC) region has been steadily growing with increased focus primarily on India and China, with South Korea, Singapore and Taiwan being the other favorite destinations. India and China are rapidly becoming global hubs for the clinical trials market, with increased presence of international and domestic clinical research organizations (CROs). A look at the clinical trials scenario in each of these countries.

India
The number of clinical trials conducted in India was 467 in 2010, with MNCs representing more than 75 percent of the pie. The number of clinical trials is expected to grow at a compound annual growth rate (CAGR) of 17.4 percent to reach 1,217 trials in 2016. This growth is likely to be fueled by the fact that India is a low-cost destination with a large patient pool and with a broad spectrum of diseases.

However, lengthy approval time, a regulatory system that is still evolving, concerns over the quality and authenticity of data generated, lack of quality infrastructure and ethical concerns due to increasing number of illegal trials are serious challenges that plague the Indian clinical trials industry.

China
China is an equally attractive destination for conducting clinical trials. The Chinese pharmaceutical industry witnessed 207 mergers and acquisitions (M&As) between 2010 and April 2012. This significant trend of M&As in the Chinese pharmaceutical industry is a clear evidence of global pharma majors showing interest in the Chinese market.

The over-sized population and increasing presence of pharma majors are expected to propel clinical trials in China. The market for CROs in China is expected to witness a CAGR of 15 percent between 2010 and 2015, and reach $768 million by 2015.

South Korea

Driven by the government's continuous support to develop infrastructure and a skilled workforce, South Korea is witnessing a rapid growth in the number of clinical trials that are being conducted. It is expected to reach 345 in 2015, growing at a CAGR of 26 percent. Korea National Enterprise for Clinical Trials (KoNECT) was founded in 2007 and is primarily focused on enhancing national competitiveness to help the country become a global clinical trial hub.

Strong regulatory reforms, systematic technology development, global business partnership systems, and balanced infrastructure development are driving the South Korean clinical trials market.

Singapore

Singapore has several advantages that have encouraged proliferation of the clinical trials market. These include infrastructure, skilled workforce, regulatory approvals, intellectual property (IP) protections, and focus on translational medicine. The Singapore market was worth $132 million in
2010 and is expected to reach $166.5 million in 2015, with a CAGR of 4.4 percent. In Singapore, international pharma majors conduct more than 80 percent of all trials. This trend is likely to continue, with predominant focus on oncology, followed by clinical pharmacology and ophthalmology.

Taiwan

Taiwan's continuing government commitment and investment in infrastructure, focus on biomedical industry, promotion of R&D, along with increasing presence of international CROs are driving the clinical trials market there. International and regional trials (including China and Japan) account for two-thirds of clinical trials conducted in Taiwan. The Taiwanese market was valued at $114.9 million in 2010 and is expected to reach $209.7 million in 2015, growing at a CAGR of 13 percent.

For both Singapore and Taiwan, limited population size and less availability of skilled workforce would be a restraint for market expansion. The Taiwanese government's initiative to sign the Economic Cooperation Framework Agreement (EFCA) with China, allowing exchange of clinical trial data between the countries and engaging in regional trials in association with China and Japan, would help Taiwan tap the population in these countries and conduct late phase trials.

Clinical trials form an important bridge between a disruptive innovation and a successful drug. Drivers such as growing interest of pharma majors, investment in research infrastructure, oversized population, cost advantage, and favorable regulations are set to transform the APAC clinical trials market from an emerging market to a developed hub for global clinical trials.