



India's CRDMO sector growth potential at \$22 - \$25 Billion by 2035, driving global pharma innovation: BCG-IPSO Report

- Eleven CRDMOs collaborate to form IPSO with the aim to elevate India's position in the global pharmaceutical value-chain
- Report states that India's CRDMO sector is poised for rapid growth with strong fundamentals and global realignments, focusing on leading-edge science and technology

Hyderabad, 25 February 2025 – The Indian Contract Research, Development, and Manufacturing Organization (CRDMO) sector is at an inflection point, with the potential to grow to \$22 - \$25 billion by 2035, as revealed in a new report, *Unleashing the Tiger: Indian CRDMO Sector 2025*, published by Boston Consulting Group (BCG) and Innovative Pharmaceutical Services Organization (IPSO). The report highlights India's strong foundation in small molecule capabilities, sustainable cost advantages and emerging biologics expertise, positioning the country as a global leader in pharmaceutical innovation.

Key findings from the report

- **India's CRDMO market is growing at a 15% CAGR**, outpacing global industry growth, fueled by its cost advantage over the West and 90% faster project startup times.
- **Global supply chain realignments** are unlocking a \$10 billion opportunity for Indian CRDMOs, with Western pharma companies looking for alternative hubs.
- **New modalities such as Antibody Drug Conjugates (ADCs), DNA & RNA therapeutics** are witnessing a 25-35% annual growth, providing India with an opportunity to leapfrog in innovation.
- **Indian biotech and pharma innovation is accelerating**, backed by over **INR 25,000 crore in government funding** to foster a self-sufficient, local innovation-driven ecosystem.

India holds a 2-3% share of the \$140-145 billion global CRDMO market but has the potential to become a global leader. Four key tailwinds are driving this growth: the push to de-risk supply chains is making India a preferred outsourcing destination; pricing pressures and policies like the Inflation Reduction Act (IRA) are accelerating offshoring; rising demand for advanced modalities like ADCs, gene therapy, and RNA therapeutics is boosting specialized CRDMO services; and growing investments in R&D and infrastructure are strengthening India's innovation ecosystem.



India's CRDMO sector must overcome five key challenges to sustain growth. It needs a 6-7x talent expansion by 2035, faster regulatory approvals and a stronger tier 1 supplier base to reduce import reliance. Limited funding and high capital costs hinder the 4-5x investment needed, while ESG compliance still lags behind Western peers.

In a step toward advancing India's CRDMO sector, eleven of the country's leading CRDMO companies have come together to launch a dedicated industry body called IPSO, bringing together diverse expertise in discovery, development, biomanufacturing, and other specialized areas. This collective initiative aims to advance India's CRDMO sector and is dedicated to fostering pharmaceutical and healthcare innovation in India, that supports research, policy advocacy and industry collaboration to drive the next wave of biotech and pharma growth.

Peter Bains, CEO Designate, Syngene International Ltd., emphasized the importance of such collaborations among all stakeholders to realize growth. *"The Indian CRDMO sector is positioned for major transformation, with the potential to become a leader in serving the global biopharma and wider life sciences outsourcing market models. Realizing this opportunity will require change and collaboration among all stakeholders in the Indian CRDMO ecosystem. As leading industry players, we must express vision, ambition and intent to move beyond our recognized strengths in small molecules development and manufacturing and into new technologies and modalities, in order to realize the inherent potential. We will also need to work with and collaborate with the Government to foster a more competitive regulatory and financial ecosystem in India to compete with other geographies. We will need to work with India's academic ecosystem to ensure a strong flow of highly talented scientists, engineers and technology leaders to ensure we are capability competitive. Only by working together, can we unlock new opportunities in drug discovery, process innovation, and advanced manufacturing, that can strengthen India's position in the global pharmaceutical value chain. This is where IPSO serves as a catalyst, bringing together leading CRDMOs to drive advocacy, build an ecosystem of innovation, and address critical challenges such as supply chain resilience and regulatory efficiencies. But no single organization can do this alone—it is the collective effort of the entire ecosystem that will enable India to move beyond being a cost-efficient outsourcing hub to a strategic global partner for cutting-edge R&D and biopharmaceutical manufacturing."*

Manni Kantipudi, CEO and Whole time Director, Aragen Life Sciences Ltd., adds, *"India's CRDMO sector has all the right ingredients to scale from its current \$3-3.5 billion market to \$22-25 billion by 2035. The shift in global pharma outsourcing, the rapid rise of biologics, and India's expertise in chemistry and process innovation create a once-in-a-generation opportunity. However, to compete at a global level, Indian CRDMOs must not only scale capabilities in new modalities like ADCs, cell & gene therapies, and RNA therapeutics but also work together to build a resilient*



supply chain and streamline regulatory pathways. IPSO is committed to driving this change by working closely with stakeholders to improve access to capital, accelerate talent development, and champion policy initiatives that make India an even more attractive destination for pharmaceutical R&D and manufacturing. As an industry, we must come together to shape the future of Indian life sciences and secure our place at the forefront of global innovation”

Commenting on the potential of India’s CRDMO sector, **Vikash Agarwalla, Managing Director and Partner at BCG**, says, *“India’s CRDMO industry is at the beginning of its “Amritkaal”, with many strong tailwinds. Our report highlights how India’s inherent strengths—small molecule expertise, cost competitiveness, and a rapidly growing innovation ecosystem—provides the springboard to becoming a dominant player in the global CRDMO market. However, unlocking this full potential will require collective push from both industry and policymakers. With the right investments in infrastructure, talent, and policy simplifications, we can truly emerge as the innovation and manufacturing hub for the global pharma industry.”*

Smruthi Suryaprakash, Partner at BCG, adds, *“The global pharmaceutical landscape is evolving, and India has the potential to play a transformative role in shaping the future of drug discovery and advanced manufacturing. As the industry moves up the tech curve to biologics, gene therapies, and next-generation modalities, Indian CRDMOs must aggressively expand capabilities in these high-growth areas. By addressing regulatory bottlenecks, fostering cutting-edge R&D collaborations, and scaling talent development, India can emerge as a leader not just in small molecules but in next gen technologies. The time to act is now - building a world-class CRDMO ecosystem will be crucial to India’s ambition of becoming a global life sciences hub.”*

To unlock India's CRDMO potential, the report highlights five key imperatives: accelerating talent development through industry-ready curricula and upskilling initiatives, streamlining policies with a CRDMO-focused regulatory framework, strengthening the supplier ecosystem by incentivizing local manufacturers and establishing Innovation Parks, expanding capital access by designating CRDMO as a sunrise sector, and enhancing sustainability through green practices and adherence to global ESG benchmarks.

With strategic investments, policy interventions, and global partnerships, India’s CRDMO sector can drive economic growth, job creation, and global pharmaceutical leadership. The next decade presents an unparalleled opportunity to solidify India's position as the world’s leading CRDMO hub.

For more details, access the full report [**Unleashing the Tiger: Indian CRDMO Sector 2025.**](#)



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About IPSO

Innovative Pharmaceutical Services Organization (IPSO) is an industry body of Contract Research, Development, and Manufacturing Organizations (CRDMOs), whose founding members include Syngene International Ltd., Aragen Life Sciences Ltd., Laxai, Sai Life Sciences, Aurigene, Anthem Biosciences, Jubilant Biosys, Piramal Pharma Solutions, TCG Lifesciences, Neuland Laboratories, and O2H Discovery. It is under the process of registration as a trade association, as of Feb 25, 2025.

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