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'Covid-19 holds around \$11 billion potential opportunity for vaccine companies'

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MUMBAI: Covid-19 holds a vaccine opportunity of around \$11 billion for the domestic industry over the next three years, according to CARE Ratings.

Domestic vaccine manufacturers are set to grab domestic as well as export opportunities over the next few months as their manufacturing capacities expand.

Although domestic vaccine manufacturers are unlikely to get the premium pricing enjoyed by MNCs (between \$15-25 per dose), their average realization could remain anywhere between \$3.25-3.5 per dose, it says.

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The existing Covid-19 vaccine manufacturing capacity per month is around 0.13-0.14 billion doses which is expected to reach around 0.36-0.37 billion doses by the end of December 2021.

Explaining the break-up, the CARE Ratings note says, as a majority of the Indian population is expected to get vaccinated during CY21, the opportunity for domestic pharma companies for this period is about \$4.6 billion. It is expected to increase to \$4.9 billion during CY22 with an increase in exports.

Further, with near saturation of demand, the sales opportunity is expected to come down to about \$1.6 billion during CY23. Thus adds up to a total of \$10-11 billion worth of opportunity for Indian vaccine manufacturers during CY21- CY23.

The domestic industry is expected to manufacture sufficient Covid-19 vaccines to meet the domestic demand. CARE Ratings expects a majority of the domestic demand to be fulfilled latest by March 2022, by which time the export opportunities in the high-income markets (Europe, North America and developed Asian countries) are likely to be completely exhausted.

However, the opportunities in various African, Asian (excluding China and Japan) and some South American countries (where the pace of vaccination remains very slow) would still exist, which we expect to remain greater than 1.25 billion doses.

Also, several countries are considering giving booster shots to their population which will also add to the supply opportunities.