

## Covid-19 vaccine opportunities worth USD 10-11 billion for the Indian Pharma Sector

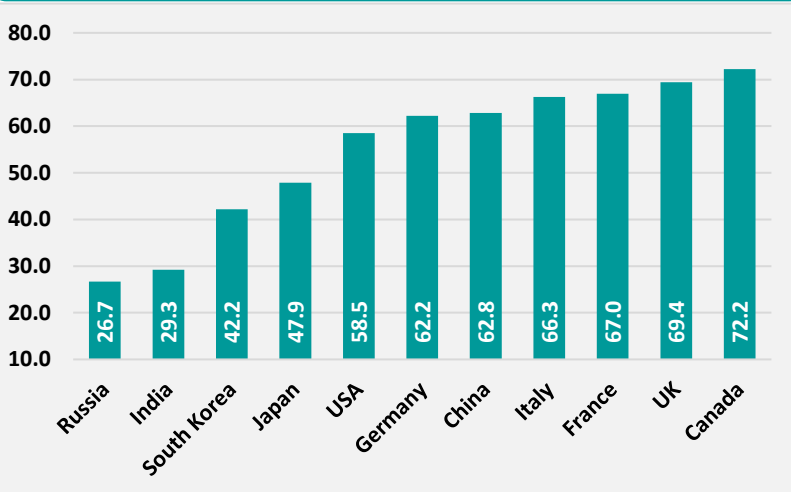
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Indian pharmaceutical sector is expected to manufacture sufficient Covid-19 vaccines to meet the domestic demand. CARE Ratings expects majority of the domestic demand to be fulfilled latest by March 2022, by which time the export opportunities in the high-income markets (i.e., Europe, North America and developed Asian countries) are likely to be completely exhausted. However, the export 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. Furthermore, several countries are considering giving booster dose to their population which will also add to the present supply opportunities. Although Indian vaccine manufacturers are unlikely to get the premium pricing being enjoyed by US-based multi-national companies (MNCs) which are priced anywhere between USD 15 and USD 25 per dose, their average realization could remain anywhere between USD 3.25 and USD 3.50 per dose. On an aggregate level (i.e., domestic plus export), CARE Ratings expects supply opportunity of at least around USD 10-11 billion during the next three years for the Indian vaccine manufacturers.

### Global vaccination scenario

The pace and extent of global vaccination will be one of the key factors which would determine when the world will return to normal. As of August 10, 2021, over 4.35 billion Covid-19 vaccine shots have been administered globally. The USA, China and most of the European countries have vaccinated more than 50% of their total eligible population with at least one dose.

**% of population vaccinated with at least one dose in major economies till August 10, 2021**



Source: ourworldindata.org, \*China has administered around 1.8 billion Covid-19 vaccines doses up to August 10, 2021, however, dose-wise details are not available.

Although the pace of vaccination in most of the major economies of the world is satisfactory, in a globalised world where supply chains are heavily intertwined, an outbreak in semi-developed/undeveloped economy thousands of miles away can cause wide-spread economic damage and risk of reinfection. According to the experts of several infectious diseases, more than 70% of the world's population needs to be vaccinated in order to achieve a safe environment from Covid-19. The above situation entails that about 11 billion Covid-19 vaccine shots (two shots per person) need to be administered. Up to July 30, 2021, the 'World Health Organization (WHO)' has approved Covid-19 vaccines of eight manufacturers for emergency use as shown in the following table. Furthermore, more than ten vaccine manufacturers are awaiting emergency use authorization (EUA) from WHO

Following table presents the list of various approved Covid-19 vaccine manufacturers across the globe:

Sr. No.	Manufacturers	Name of the Vaccine	Platform
1	Pfizer (developed jointly by Pfizer & BioNTech)	BNT162b2	mRNA
2	AstraZeneca (developed jointly by AstraZeneca and Oxford University)	AZD1222	Viral Vector
3	Serum Institute of India (under licencing from AstraZeneca)	Covishield	Viral Vector
4	Johnson & Johnson (J&J)	Ad26.COVS.2.S	Viral Vector
5	Moderna	mRNA-1273	mRNA
6	Sinopharma (China)	SARS-CoV-2 Vaccine	Inactivated Virus
7	Sinovac (China)	COVID-19 Vaccine	Inactivated Virus
8	The Gamaleya National Centre (Russia)	Sputnik – V	Viral Vector

Source: WHO

### Indian vaccination landscape

The demand for Covid-19 vaccine has created a large opportunity for Indian pharmaceutical and bio-technology companies. India being one of the largest manufacturers of vaccines could very well capitalize on the potential domestic as well as the global Covid-19 vaccine demand. Up to August 10, 2021, India had administered around 0.52 billion Covid-19 vaccine doses and will require to administer at least another 2 billion vaccine doses. The pace of vaccination in India has been steady at about 50-55 lakh doses per day mainly due to huge demand with supply (despite being sizable) unable to match the immediate demand. The Government of India has approved five vaccines for EUA till now as shown in the following table:

Sr. No.	Name of the vaccine	Manufacturers
1	Covishield	AstraZeneca's vaccine manufactured by Serum Institute of India (SII)
2	Covaxin	Bharat Biotech Limited
3	Sputnik- V	Manufactured by The Gamaleya National Centre and distributed by Dr. Reddy's Laboratories. Later to be manufactured by Panacea Biotech, Hetero Biopharma, Gland Pharma, Wockhardt, etc., under licencing agreement.
4	mRNA-1273 (Moderna's Covid-19 vaccine)	To be imported. Not widely available yet
5	Ad26.COVS.2.S (J&J's Covid-19 vaccine)	To be imported. Not available yet; recently allowed

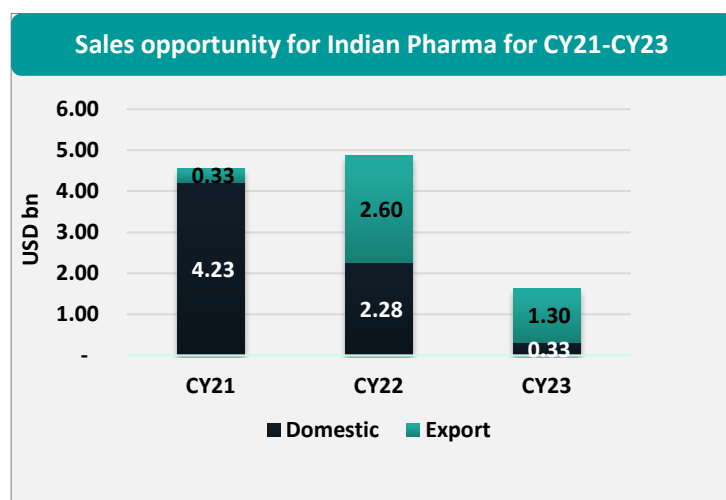
Source: Ministry of Health & Family Welfare, Govt. of India

**The following vaccines are under consideration for approval:**

Sr. No.	Name of the vaccine	Manufacturers	Status
1	Zycov-D	Cadila Healthcare Limited (Zydus Cadila)	EUA application to CDSCO under consideration
2	Covavax	To be manufactured by SII under licence from Novavax Inc, USA	Phase III trials completed in the United States. Application to WHO for EUA under consideration
3	CORBEVAX	Biological E Limited (developed in collaboration with Baylor College of Medicine, USA)	Under Phase III trials

Source: Compiled by CARE Ratings, CDSCO - Central Drug Standard Control Organization

Indian vaccine manufacturers are set to grab domestic as well as export opportunities in coming months as their manufacturing capacities expand. The present 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.



Source: Compiled by CARE Ratings

As majority of Indian populace is expected to get vaccinated during CY21, the opportunity for Indian pharma companies for this period is about USD 4.6 billion; however, the same is expected to increase to USD 4.9 billion during CY22 with increase in the exports. Furthermore, with near saturation of demand, the sales opportunity is expected to come down to about USD 1.6 billion during CY23. Thus, USD 10-11 billion worth of opportunity for Indian vaccine manufacturers during CY21-CY23.

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