



Industry Roundtable: Parenteral Drug Manufacturing

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What is driving growth in the CDMO/CMO market for parenteral drugs, and what is the outlook for 2021?

An industry roundtable weighs in on key trends, including the impact of increased demand for COVID-19 projects.

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Current market, growth drivers, impact of COVID-19

From an industry view, how would you characterize the CDMO market for parenteral drug development and manufacturing? What factors have been driving growth? How has increased demand for projects (vaccines and therapeutics) for COVID-19 impacted the market?

Mancuso and Guadagno (BSP Pharmaceuticals): As Pharma continues to evolve toward specialty drugs and complex biologics, the sector will need a wider range of development capabilities and increased manufacturing capacity to speed up entry to the market. CDMOs have established themselves as viable alternatives to the in-house development and manufacturing units of pharmaceutical companies over recent decades. The CDMO market's trends have recorded significant and continuous growth in the last 10 years either for traditional non-injectable products and for innovative ones as injectable biotech products. The constant contribution from innovative research as well the growing demand for new drugs to meet patient's expectations for new therapies is driving the pharmaceutical industry in its consistent expansion on new capacities and capabilities.



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While solid dosage forms have long been the largest segment, sterile products are currently facing the strongest growth, taking up an increasingly large share of the pharmaceutical development and manufacturing outsourcing market. The high growth in sterile products is mainly driven by biotech products that require complex capacities in the CDMO market.

An example of this growth is from antibody drug conjugates (ADCs). The overall market value of ADCs in 2019 was about \$2.5 billion, and it is expected to grow over \$15.8 billion in 2030, at a cumulative annualized growth rate (CAGR) of 18% in the base case forecast

scenario (the CAGR of the overall market is 7% compared to 18% for ADCs).

In this scenario, projects for COVID-19 became top priority for all those companies working to develop vaccines or therapeutics and forced them to change their strategy on product sourcing with an increased demand to CDMOs either for COVID-19 or non-COVID projects. The pandemic is forcing companies to develop or consolidate a robust continuity business plan for their products to assure continuity of supply [by having] enough capacity for their needs and considering the geographic distribution of their source with potential need for multiple and back-up partners. Worldwide needs and the request for anti-COVID-products increased dramatically the demand for manufacturing capacity, driving CDMOs to make available huge capacity in a short period by revamping existing lines and investing in expanding their facilities to be ready for this dynamic situation.