1 Market Perspective

Growth in the market for services provided by contract research organizations (CROs) is expected to remain healthy over the next several years. Market research firm Markets and Markets estimates the global CRO services market, including early-phase development, clinical research, laboratory and consulting services, will expand at a compound annual growth rate (CAGR) of 7.4% from 2016 to 2021, reaching a value of $41.86 billion at the end of the forecast period.[1]

Clinical research services accounted for the largest share of the CRO services market in 2015, and the growth in the number of clinical trials is a key driver of overall growth in the sector. Increasing outsourcing of both R&D and analytical testing activities is also contributing to the current health of the CRO market. The trend to more outsourcing is a common theme in the industry as drug makers seek ways to reduce costs and development timelines for commercialization of increasingly complex therapeutics, delivery systems and treatment regimens.[2] The evolution to personalized and value-based medicine and next-generation cell, gene and immunotherapies that often target rare diseases is also creating opportunities for CROs with specialized expertise.

Geographically, North America had the greatest market share due to the high-quality standards in the pharmaceutical industry, the rapid growth in the biologics/biosimilars sector, overall rising levels of outsourcing by bio/pharmaceutical companies and an increase in clinical trial activities in this region.[1] The fastest growth in demand for pharmaceutical CRO services, however, is in the Asia-Pacific region, due to growth of the pharmaceutical industry in the region and lower costs for clinical trials.

Some leading CROs covered in the Markets and Markets report include Quintiles Transnational Holdings Inc. (U.S.), Laboratory Corporation of America Holdings (U.S.), Pharmaceutical Product Development, LLC (U.S.), PAREXEL International Corporation (U.S.), ICON Plc (Ireland), PRA Health Sciences, Inc. (U.S.), InVentiv Health Inc. (U.S.), Charles River Laboratories International Inc. (U.S.), INC Research Holdings Inc. (U.S.) and Wuxi PharmaTech (Cayman) Inc. (China).

2 Demographics

The data discussed in this report is based on input to the 2017 Nice Insight Clinical Research Organization (CRO) Outsourcing survey from 608 outsourcing-facing pharmaceutical and biotechnology executives from around the world. Respondents come from companies in Europe (45%), North America (37%) and Asia (18%) and work for bio/pharmaceutical companies of all sizes: large (over $5 billion/year in sales, 40%), midsized ($500 million to $5 billion, 34%), small ($100 million to 500 million, 20%) and emerging (<$100 million, 6%).[3]

CRO SURVEY RESPONDENTS PROFILE BY REGION

45%	Europe
North America	37%
Asia	18%

CRO SURVEY RESPONDENTS PROFILE WITH INFO BY COMPANY SIZE

40%	Big Pharma/Biotech
Midsized Pharma/Biotech	34%
Small Pharma/Biotech	20%
Emerging Pharma/Biotech	6%

These companies outsource to CROs located across the globe. At least 20% of survey participants have 6% to 10% of their outsourcing projects in Brazil and Argentina, China, Eastern Europe and Turkey, India, Japan, the Middle East, Singapore, Southeast Asia, the U.S. and Canada. In addition, 19% of respondents also have 6% to 10% of their projects in Western Europe.

THERAPEUTIC AREAS OF FOCUS

40%	Cardiovascular Diseases
Infectious Diseases	38%
Respiratory Diseases	36%
Metabolic Disorders	33%
Oncology Diseases	33%
Endocrine Diseases	29%
CNS Disorders	28%