GBI Research
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NEW YORK (GBI Research), 16 July 2012 - In recent times **biologic therapies** have become the most consistent
revenue
generator for major pharmaceutical firms. The latest report from business intelligence experts GBI Research states these big companies are likely to be less powerful the future drugs market, if up-and-coming biotech companies
secure
future
revenues
in an age of
biosimilars
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According to the report*, large scale mergers and acquisitions have tailed off dramatically over the past two years, with top industry players making more specific stakeholder bids in small biotechnology-rich companies, in an attempt to gain control of tomorrow's biologic blockbusters.

The recent passing of the Patient Protection and Affordable Care Act (PPACA) in the US has solidified the trickle of biosimilars through the Food and Drug Administration (FDA) authorization process. The entry of biosimilars into the US market represents a significant threat to the pharmaceutical industry's lead firms, and profit erosion is inevitable unless these companies can enhance their portfolios.

Numerous patent expiries due over the next three to five years have prompted many of these pharma giants to acquire smaller companies with potential biologics products, or patented technology that will improve their current biological line-up.

Examples include Sanofi's acquisition of Genzyme in 2011 and Bristol-Myers Squibb's purchase of Inhibitex earlier this year. Amgen also acquired Micromet in 2012 to use its development technology Bispecific T cell Engager (BiTE) for antibody programs to fight cancers such as acute lymphoblastic leukemia.

The licensing of promising molecules has also become a more prominent strategy in the last three years, due to the lower level of risk involved. GBI Research identifies Johnson & Johnson's licensing of Metamark's discovery platform to identify and characterize specific proprietary cancer targets and Nuron Biotech's license agreement with Akshaya Bio for its hepatitis vaccines as examples.