

Global Formulation Development Outsourcing Market: Growth, Drivers, and Trends (2022-2031)

PORTLAND, OR, UNITED STATES, August 4, 2025 /EINPresswire.com/ -- The global [formulation development outsourcing market](#) was valued at \$22.5 billion in 2021 and is projected to reach \$51.9 billion by 2031, growing at a robust CAGR of 9% from 2022 to 2031. This significant expansion is driven by increasing clinical trials, rising complexity in drug development, and a growing preference for outsourcing specialized formulation services.



FORMULATION DEVELOPMENT OUTSOURCING MARKET
OPPORTUNITIES AND FORECAST, 2021 - 2031

Formulation development outsourcing market is expected to reach **\$51.9 Billion** by 2031

Growing at a **CAGR of 9%** (2022-2031)

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Formulation Development Outsourcing Market news

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What is Formulation Development Outsourcing?

Formulation development outsourcing involves pharmaceutical and biopharmaceutical companies contracting external experts—usually Contract Development and Manufacturing Organizations (CDMOs)—to develop drug formulations. This includes pre-formulation studies, formulation design, optimization, and scale-up activities critical for:

Ensuring drug stability, solubility, and bioavailability.

Developing advanced drug delivery systems.

Meeting regulatory compliance demands efficiently.

Accelerating drug development timelines.

Outsourcing offers access to specialized knowledge, advanced technology platforms, and regulatory expertise, helping sponsors mitigate risk, reduce costs, and focus on core competencies.

Key Growth Drivers

Rising Number of Clinical Trials: The surge in clinical research globally demands multiple formulation developments across various drug candidates.

Increasing Complexity of Drug Molecules: Biopharmaceuticals and novel drug delivery systems require specialized formulation expertise, often found in outsourcing partners.

Cost and Time Efficiency: Outsourcing avoids heavy capital investments and reduces development timelines.

Growing Prevalence of Chronic Diseases: The need for new therapies for cancer, diabetes, cardiovascular, and infectious diseases fuels demand.

Expanding Vaccine Development: Increased global focus on vaccine innovation drives demand for formulation services.

Regulatory Pressure: Stringent regulatory requirements for drug safety and efficacy necessitate sophisticated formulation development capabilities.

Challenges

Structural changes in pharmaceutical industry dynamics.

High costs and budget constraints limiting the completion of formulation projects.

Complex coordination between sponsors and service providers.

Market Segmentation

By Service Type

Pre-Formulation: Dominant segment in 2021. It involves physiochemical and biological characterization of drug candidates to narrow down suitable formulations.

Formulation Development: Includes development of dosage forms optimized for efficacy, safety, and patient compliance.

By Route of Formulation

Injectable: Commanded the largest share in 2021 due to the rise in long-acting injectables used for contraception, immunodeficiency treatments, psychiatric disorders, and enhanced patient adherence.

Oral: Includes tablets, capsules, and oral liquids.

Others: Includes topical, transdermal, inhalation, and other novel delivery methods.

By End User

Pharmaceutical Industries: Largest segment led by increasing R&D activities focused on developing potent drugs and vaccines for chronic illnesses.

Research and Academic Institutes: Also contribute, mainly in early-stage research and novel drug delivery technology development.

By Region

North America: Dominant market in 2021 and fastest growing, propelled by a high prevalence of chronic diseases, substantial clinical trial activity, and advanced healthcare infrastructure.

Europe: Significant contributor with strong pharmaceutical R&D investments.

Asia-Pacific: Emerging rapidly with increasing government support and growing pharma industry.

LAMEA: Gradual growth backed by expanding healthcare infrastructure.

Regional Spotlight: North America

The U.S. market is forecasted to witness tremendous growth owing to:

Increasing incidence of chronic diseases requiring innovative therapies.

High clinical trial volumes driving formulation needs.

Presence of major pharmaceutical firms outsourcing formulation to scale development.

Regulatory environment encouraging pharmaceutical innovation.

Key Market Players

Charles River Laboratories

Syngene International Limited

Catalent, Inc.

Piramal Pharma Ltd.

Intertek Group plc

Thermo Fisher Scientific

Eurofins Scientific

Laboratory Corporation of America Holdings (Labcorp)

Dr. Reddy's Laboratories Ltd.

EMERGENT BioSolutions

These players leverage cutting-edge technology platforms, regulatory know-how, and global footprints to serve growing formulation development outsourcing demand.

Outlook

The formulation development outsourcing market is poised for robust growth driven by expanding clinical research pipelines, growing complexity in drug delivery, and increasing emphasis on cost and time efficiencies. Strategic partnerships between pharma and CDMOs, alongside advances in formulation technologies (long-acting injectables, biologics, and novel dosage forms), will continue to shape the market landscape.

With growing prevalence of chronic and infectious diseases worldwide, formulation development outsourcing remains a critical enabler in accelerating access to innovative and effective therapeutics.

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