

Market report of Pharmaceuticals China 2020 | Pharmaceuticals & Novel Drug Delivery Summit China | November 16-17, 2020 | Shanghai, China

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Conference Series take the pleasure to proudly present “Pharmaceuticals & Novel Drug Delivery Summit China” during November 09-10, 2020 in Shanghai, China.

Importance and Scope:

The Pharmaceutical industry has an important role in designing and developing drugs, vaccines. It plays a significant role to treat diseases and more importantly to improve the quality of life. The medical technology industry is an eminent part of the healthcare sector. It includes, most of all, medical devices which simplify the prevention, diagnosis and treatment of diseases and illnesses. The most well-known medical technology products are, among others, pacemakers, imaging instruments, dialysis machines and implants.

Pharmacy Council stated that more than 275 new chemical production projects had been announced since 2010 with a total value of more than \$170 billion, with a full 49% already complete or under construction; 61% of these are the foreign direct investment. By 2021, U.S. capital spending by the chemical industry will reach \$65 billion—more than triple the level of spending at the start of this prolonged cycle in 2010. The trade surplus in chemicals (excluding pharmaceuticals) will grow to \$36 billion this year as exports rise by 2% to \$132 billion and imports hold steady at \$96 billion. Two-way trade between the U.S. and its foreign partners will reach \$227 billion this year and will grow steadily over the coming years.

Growth of Pharmaceutical Industry in China:

The pharmaceutical industry is one of the leading industries in the People's Republic of China, covering synthetic chemicals and drugs, prepared Chinese medicines, medical devices, hygiene materials, and pharmaceutical machinery. China, as of 2007, has around 3,000 to 6,000 domestic pharmaceutical manufacturers and around 14,000 domestic pharmaceutical distributors. The most often-cited adverse factors in the marketplace include a lack of protection of intellectual property rights, a lack of visibility for drug approval procedures, a lack of effective governmental oversight, poor corporate support for drug research, and differences in the treatment in China that are accorded to local and foreign firms.] Nevertheless, China is reportedly expected to become

the third-largest pharmaceuticals market in the world by 2011. In the graph shown below it can be noted that the sales of approved drugs have increased gradually.

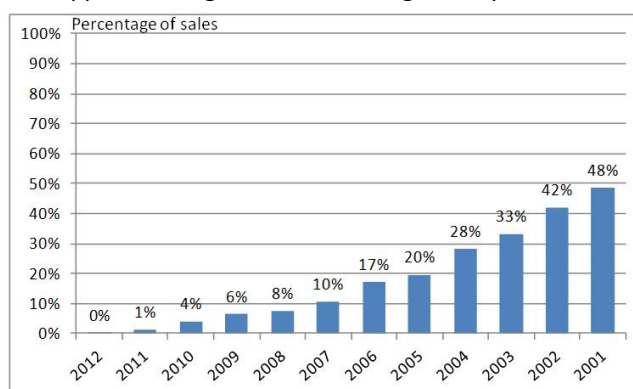


Exhibit 1: Cumulative percentage of sales coming from drugs approved since 2001

As a member of the World Intellectual Property Organization, China is active in protecting international patents. The SIPO has signed intellectual property protection memorandums with countries including Russia and Thailand on the protection of intellectual properties. Such agreements are necessary to protect international patents in China.

On July 14, 2005, China and the United States reached an agreement on intellectual property protection. According to western pharmaceutical business journals, most discouraging to US pharmaceutical companies has been the rampant theft of their intellectual property through patent infringement and counterfeiting. All those factors undermined the competitive advantage that innovative pharmaceutical companies stood to gain from marketing investments. As a result, US companies accounted for less than 10 percent of China's total pharmaceutical imports between 1998 and 2000.

China has more recently agreed to implement the Trade Related Intellectual Property Agreement of the Uruguay Round. To comply, Chinese companies will have to change their long-time practice of relying on counterfeit products. According to China's Securities Times, foreign companies will be able to file compensation claims ranging from \$400 million to \$1 billion against companies that copy patented medicines.

Regulatory requirements in the Pharmaceutical Industry:

China has strengthened patent protection: In conformity with the WTO/TRIPS agreement, the patent protection structure adopted by China approaches that of Japan, Europe, and the US. Since the end of the 1990s, the government has been striving to develop a healthcare insurance system that covers 200 million Chinese. Already, 90% of the population in major cities like Shanghai, Beijing, and Guangzhou are covered, for a total of over 80 million. The Pharmaceutical Management Law was overhauled in December 2001, and various regulations were enacted from 2002-2003. Transparency in the approval process is gradually improving. Following WTO regulations, China has committed itself to cutting tariffs, liberalizing its domestic distribution practices, and restructuring its regulatory environment. China has allowed foreign enterprises to import products and engage in distribution services. Furthermore, China has also implemented new drug administration laws designed to streamline product registration and protect Intellectual Property Rights (IPR). China has agreed to six years of "data exclusivity" and has committed itself to implementing a patent linkage system. The SFDA has worked to crack down on counterfeiters but without greater resources and stricter legal consequences, these actions alone have yet to be enough to curb this rampant problem.

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In order to alleviate the burden of medical expenses on the society and ensure the implementation of the medical insurance scheme, retail prices of pharmaceutical products qualified for the program and included in the National Basic Medical Insurance Scheme Drug Catalogue will be regulated. The pricing mechanism is based upon three considerations when setting the maximum retail price - production cost, a wholesaler spread set by the government and the prices of comparable products in the market. Any products priced above this level will be cut.

Top Pharmaceutical association in the world:

- International Pharmaceutical Federation (FIP)
- International Pharmaceutical Students' Federation (IPSF)
- American Association of Colleges of Pharmacy (AACP)
- American Pharmacists Association (APhA)
- American Society for Pharmacy Law
- American Society of Consultant Pharmacists (ASCP)
- American Society of Health-System Pharmacists (ASHP)
- Professional Compounding Centers of America
- American College of Clinical Pharmacy (ACCP)
- College of Psychiatric and Neurologic Pharmacists (CPNP)
- European Association of Employed Community Pharmacists in Europe (EPHEU)
- Pharmaceutical Group of the European Union (PGEU)
- Australian College of Pharmacy
- Pharmaceutical Society of Australia
- The Pharmacy Guild of Australia
- The Society of Hospital Pharmacists of Australia