

## Business in China

### Introduction

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China is the great economic success story of the past 30 years. China's growth has been sustained and the economy grew 8.7 per cent in 2009, the best performance of all major economies. While the rise of China is easy to acknowledge, businesses constantly need to catch up with the speed and depth of change and development in China's large and complex market space. Whether selling, trading, investing or franchising, China offers opportunities in abundance to UK companies, large or small.

### What are the Opportunities?

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The opportunities for business in China are not just in the well-known Chinese business centers of Beijing, Shanghai, Guangzhou and Shenzhen, but also further a field in numerous emerging regional centers. The British economy will benefit considerably if we can harness our strengths to the many opportunities throughout China

## Biopharmaceutical Opportunities in China

### Overview

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The biopharmaceutical industry in China has experienced impressive growth in recent years. Driven top down by state prioritization as a key high growth sector, it has benefited from a significant amount of government investment and policy support. Investment to date has resulted in a major network of showcase science parks; top universities; Clinical Research Organizations (CROs) partnering with multinationals; and the best of its manufacturing facilities operating to international standards. The biopharmaceutical market is expected to maintain double-digit growth of approximately 20-25% and to be worth over \$ 35 billion by 2015. The 12th Five Year Plan also sets forth a government strategy to invest RMB 40 billion in the biopharmaceutical sector. This rapid growth will contribute to China becoming the world's second largest pharmaceutical market by 2015.

### Opportunities

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Due to China's continued growth as a market for biopharmaceuticals and as a source of R&D talent globally, the sector has transformed in the past 6 years to being a major opportunity for the UK biopharmaceuticals value chain, in particular with the significant increase in multinationals R&D investments in China.

There are over 500 biotechnology companies in China. The current value of biologic drugs is \$8 billion, accounting for approximately 20% of China's total drug market. This figure is changing as China moves away from a reliance on the manufacturing of (off patent) generics. Further opportunities include:

- Partnering with China supplying 'Research skills' to complement China's 'Development abilities' through clinical trials to commercialization, with Chinese government support
- Supplying expert advice and innovation consultancy to government, universities/institutes/hospitals
- Supplying equipment to multinational and domestic R&D centers
- Advanced biotech and applications from US, Japan and European players are in great demand. Key domestic players are willing to form partnership agreements with new entrants, especially those with strong capability to innovate

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