

The International Development of Pharmaceutical Industry of PRC – the role of Macao SAR

. Abstract

1.Introduction

Chinese medicine moving into international market is one of the main objective of the pharmaceutical enterprises of PRC.

As a Special Administrative Region, the link between Macao and mainland China is closer than ever. Throughout years under the Portuguese administration, lack of industrial and economical developments, the main government income is from tourist and casinos taxes. However in the past few years, pharmaceutical industry investments from mainland enterprises have been increase, looking forward that Macao strives function as a platform for the development of pharmaceutical activity. The Macao SAR government policy on Chinese Medicine was summarized in the Chief Executive's 2003 Policy Address on Macao SAR.

Pharmaceutical Industry is among the preferential industry lines encouraged by Macao government, thus the government could give various support in this area. Study was made on current local pharmaceutical manufacturers, trying to know their development strategy, their goals and encountered difficulties.

Also made a comparative study in government policy of Macao, Hong Kong and Taiwan on Chinese medicine development. Interpretation on Macao government incentives, the expected advantages and targets approached by the investors.

SWOT Analyses on two pharmaceutical enterprises from mainland, understanding their encountered difficulties in developing their activity in Macao SAR.

The Macao government have been making efforts to promote the local industries, within which the pharmaceutical manufacturers have been developed, offering a list of favorable policies to attract local and overseas investments. However the efficacy and credibility of the government strategies should be analyzed upon a non-promotional vision, but also at a regulative administrator and at a financial investor perspectives.

2. General Aims

1. Understand the Pharmaceutical Industry Profile in PRC.

Analysis on the current situation of Chinese medicine development in mainland.

2. Pharmaceutical manufacturing in Macao SAR

Pharmaceutical Industry is among the preferential industrial lines encouraged by Macao government, thus the government could give various support to this industry.

Data collection and interpretation on the current and up coming pharmaceutical industries in Macao SAR. Review on their pharmaceutical activity and interpretation on the local government pharmaceutical regulations and strategies.

3. Comparative study with neighbor territories Hong Kong SAR and Taiwan

Analyze the pharmaceutical industry development in Hong Kong SAR and in Taiwan.

From brief SWOT Analysis of two pharmaceutical industries in Macao SAR, do interpretation on the out-come and related influencing factors originated by government related strategies.

4. A roadmap on regulatory framework should be draw up. Set up recommendations on future perspective for the pharmaceutical activity development in Macao SAR. Defined the role of Macao SAR for internationalization of pharmaceutical industries of PRC.

3. Methodologies

Analysis studies of the current situation and the up and coming pharmaceutical industry development in Macao SAR. The data collection base on current data resources from the related authorities, the pharmaceutical industry licensing department, Macao Economic Service and the regulatory department, Macao Health Department. Also collected data from the department provided assistance for the investors, such as Institute of Promotion and Investment of Macao. Related government policy and regulations were also review mainly from related web-sites. Review were also made through web-sites related to Hong Kong SAR and Taiwan, and from other international authorities published information, such as from SFDA, ICH, WHO, TGA.

Also a lot of information were collected from magazines, brochures, newspapers mainly related to investments approaches in Macao SAR. Also assisting Forum, Conferences or meetings of the related field allow to understand the current pharmaceutical development and the expectations on the coming future, also provide opportunities to review the comments of some government or private sectors

representatives.

However for the SWOT analysis of the two pharmaceutical industries, many information were provided by the mainland pharmaceutical industries, through conversation, interview and/or meetings with the representatives of the manufacturers. Dialogues and interviews of the pharmaceutical manufacturers provide a lot of opinions and experiences sharing to this kind of research. A lot of ideas exchange and discussions were results from years of relationship establishing.

4. Results

1. Interpretation on the problems related to industry development of PRC, under the enforcement of WTO. Indeed, the pharmaceutical manufacturing industry development and Chinese medicine moving into international market are inter-related.

Defined the strategies of Chinese medicines moving to international market.

2. The pharmaceutical industry development of Macao SAR is directly related to the pharmaceutical investments from PRC, which are affected by the government policy and incentives.

The local government policy incentives, based on the strategy of promotional parties, however the current Macao medicine and pharmaceutical regulations, the relationship between Macao SAR and mainland, and European Union countries, Portuguese-speaking countries are also important factors influencing new investment in this field by PRC pharmaceutical enterprises.

3. Comparative study on pharmaceutical industry development in Macao SAR, Hong Kong SAR and Taiwan. However due to different background from the mentioned territories, such as population, economical growth, political and social discrepancies...the interpretation on the influencing factors for pharmaceutical industry development are mainly from investors review and experiences sharing.

Generally, the strengths of Macao SAR include social, economical and political stability, advantageous location, low tax rate, relatively low rents and wages, international financial system, advanced telecommunications technology and high quality of medical care.

Base in data provided by the manufacturers and related regulatory authority, the analysis on two Chinese medicine manufacturer (one considered small and one considered the big), study the eventual Strengths, Weakness, Opportunities and

Threats. Trying to understand the encountered difficulties, whenever from intrinsic or extrinsic factors that will constitute barrier on its development and market explore.

4. Recommendations

Macao SAR strives as a platform for the internationalization of Chinese medicine pharmaceutical enterprises have a lot of strategies plans to be considered and a lot of work from different sectors to accompanied the intended development.

The role of Macao SAR in this field is affected by numerous parameters, and the success of a pharmaceutical investment remain suffering challenges from different intrinsic and extrinsic factors.

Study the working framework from government parties: Promotional Part; Educational Part; Regulatory Part and also opinions from experiences sharing by pharmaceutical enterprises investing in Macao SAR.

Key Words

(pharmaceutical industry; chinese medicine; Macao SAR government policy)