

Abstract

As the second largest manufacturer and main exporter of API (chemical active pharmaceutical ingredient), China is capable to manufacture pharmaceuticals, but less capable at R&D of new drug. For a long time, China has been executed the “me-too” strategy, and 97% of the chemical drugs produced in china are generic drugs. If we want to upgrade the international competition of Chinese pharmaceutical industry, we must discard the purely “me-too” strategy and gradually develop our ability in R&D of new drugs, or we will lose in the new competition. As far as R&D of new drug is concerned, US is the most powerful country in the world, holding about 60% of worldwide drug patent. Should we clearly clarify its practice and experience essential to its success, it will provide necessary framework and suggestions to improve R&D of new drug and therefore accelerate the healthy and sustainable development of pharmaceutical industry in China.

The thesis is divided into three parts. Utilizing the “diamond” system from Nation Competition Theory put forward by Michael Porter, an internationally famous strategy expert, the thesis analyzes the necessary conditions for R&D of new drug in the US, the situations and problems existing in R&D of new drug in China, and strategies of promoting Chinese R&D of new drug, from the aspects of production factors, domestic market situations, development of related industries and sciences, system and strategy of the enterprise vs.the competitors.

Key words: china new drug innovation diamond system