

ABSTRACT

This study mainly talks about the relationships between outsourcing and developing opportunities of China pharmaceutical industry. The research background is current situations of the world pharmaceutical industry and pharmaceutical industry in China.

The aim of our study is to raise some strategic proposals for China pharmaceutical industry development through carefully looking into pharmaceutical outsourcing. Meanwhile, we also expect that our study can introduce the new concept of outsourcing into China pharmaceutical market, and help Chinese drug companies to adjust their traditional ways of running business.

In order to reach those objectives, we brought up 5 questions and answered them respectively. Those 5 questions are:

- (1) What is outsourcing?
- (2) Why pharmaceutical outsourcing can help China pharmaceutical industry to grow bigger and stronger?
- (3) What does the world pharmaceutical outsourcing market like?
- (4) What is the competition like in pharmaceutical outsourcing market?
- (5) How can China pharmaceutical industry take full advantage of the developing opportunities by promoting pharmaceutical outsourcing?

In the first section, we compared outsourcing with traditional industrial structure adjustment. After comparing their definitions and the implementary effectiveness, we found obviously differences on how they affect the target industry. The conclusion is that outsourcing can substantially promote growth in problem industry.

In the second section, we proved that outsourcing can relieve the great financial pressures in the world pharmaceutical industry, and it can also actualize the potential value of this industry. In this section, we also proved that pharmaceutical outsourcing can help China pharmaceutical industry to enter the global market and eventually become competitive.

In the third section, we collected a large amount of data and screened out useful market information to form the whole picture of the pharmaceutical market. Contract research and

contract manufacturing were mainly studied, since they are the biggest business sections in the whole business process. After that, we analysed the competition circumstance and the main competitors in pharmaceutical industry market, and we assessed the competitive abilities of China pharmaceutical industry as well. By studying the market and competitors in it, we found that China pharmaceutical industry has competitive advantages in contract manufacturing.

In the last section, we raised several strategic proposals to take good advantage of the opportunities which are created by pharmaceutical outsourcing. We suggested that the drug regulation infrastructure should be more compatible for pharmaceutical outsourcing, and more compliant to the international drug regulation system. We also suggested Chinese drug companies to open their minds and join in pharmaceutical outsourcing business. In order to make all those suggestion feasible, we redesigned the drug regulation system and described it in details. We hope our study can be fully considered when new drug policies are made.

KEY WORDS

Outsourcing, Pharmaceutical Industry, Strategic Study, “Double-layer Drug Standard”, “Diversified Regulatory System”