

Evaluative and Strategy Study on Technical Bulwark of International Trade for Traditional Chinese Medicine

Abstract

Traditional Chinese Medicine (TCM) is considered the strategic industry entering the world market. So the TCM Internationalization is in the strategic status. TCM Internationalization is restricted by lots of factors which lie on TCM global market status mostly. That is to say, TCM international trade and international management are the embodiment of TCM internationalization. Trade bulwarks is a most active topic in the international trade field. Technical bulwark is the key bulwarks of the trade bulwarks. As the technical intensive industry, TCM is restricted by technical bulwarks too. This thesis provides the practical materials based on TCM industry for the international trade theory, and it also develop the theory of accelerating TCM international trade and the status of TCM international competitive power.

The objective of the research is to refer to some feasible strategy about breaking through the international technical bulwarks in TCM industry. So the thesis will discuss the scale and the structure of TCM international trade; and will analyze the characteristics and forms of technical bulwarks in some important regions, and will pay attention to the influence of technical bulwarks in international TCM trade; and will find out the strategy about how to break through the technical bulwarks finally.

Some domestic famous experts were consulted during the research period. A large number of materials are reviewed including professional books, professional magazines, professional papers, annals and almanacs, etc. such as *Pharmacopoeia of the People's Republic of China*, *European Pharmacopoeia*, and *Annual Statistical Report on Chinese Medicine* and so on. And also many materials were obtained from internet about the government websites, professional websites, data-base and medicine consulting companies. And then the comparison among the technical bulwarks of EU, USA and Japan were made. By learning the German herbal medicine developing model, and according to our country, the macro strategies and the micro ones about how to break

through the technical bulwarks are brought forward finally.

Chapter 1 is the theoretical framework and the logical starting point of the whole thesis. It introduces the definition, classification, characters of technical bulwarks and special expressional forms of TCM management, and then analyzes the technical bulwarks actuality of TCM exportation. The technical bulwarks of TCM relate to the registration regulations of TCM, management regulations of wrapping labels, production and management regulations etc. Those also include the technical standard regulations, such as Pharmacopoeia of The United State, Pharmacopoeia of The Europe and Pharmacopoeia of Japan, etc. There are also some latent technical bulwarks, such as the certified bulwarks of health, safety and environment management system.

Chapter 2 analyzes the technical bulwarks of EU, USA and Japan, basing on the theories of technical bulwarks. The technical bulwarks of natural medicine all over the world are most in these three regions. The main technical bulwarks are about the registration regulations and the standard regulations of medicine. Management regulations of wrapping labels and production and management regulations are the lesser parts about those. On the other hand, the certified bulwarkss of health, safety and environment management system are the latent technical bulwarks in future.

Chapter three is the case analysis of influence of technical bulwarks. It first analyzes the actuality and trend of TCM international trade. The exportation of TCM is about 600~700 million. The exportation of crude material, herbal extracts and medicinal preparation are 59%、25.3% and 15.7% respectively. The Asia, Europe and North America are the main market accounting for 90% of the total. Then the barrier actions of TCM technical bulwarks are augmented by cases. The technical bulwarks restrict the TCM international trade. So it influences the TCM exportation, and also influences the international competition of TCM product, and make TCM lose the advantage.

Chapter four is the analysis of the influence of inner factors in international TCM trade. The factors include the not right standard system of technological regulations in TCM, concentrating in exportation market overly, having no positivity when facing technical bulwarkss, etc., because of the undevelopment of TCM technology. Weakness of the basal researches in TCM and the undevelopment of the technology in a long time

lead exportation of TCM to face the technical bulwarkss. On the other hand, the undeveloped technological regulations and standard system have a long distance from those of the international. All of those is the external factors leading exportation of TCM to face the technical bulwarkss. Because of concentrating in exportation market overly, our country faces the technical bulwarkss from some countries and regions, which pay attention to exportation, easily.

Chapter five is the studies on the strategies how to break through the foreign technical bulwarks. By learning the German herbal medicine developing model, we can find how to break through the technical bulwarks. As a result, the macro strategies and the micro ones were given. Macroscopically, the technology regulations and the technology standard of TCM should be improved faster. And the accreditation system about drug registration should be treated actively. And also the TCM culture should be carried forward in order to make the TCM legal in other countries. And the protective system and responsive strategy of TCM trade should be established. And the TCM with green logo should be are considered as the stratagem. Microcosmically, the corporations should pay more attention to introduce new techniques and to innovate in techniques; to develop third party certification; and to develop the international management.

The four results are found during the study. Firstly, the TCM exportation takes the 7% of the global trade and 3.2% of the global market. It is a potential market which can be exploited. But the centralize degree of market is higher; the centralize degree of product is lower; and the technology is poorer. Secondly, it is found that the EU, USA and Japan are the top market which account for 83.6% of the total nature medicine except the China. But the medicinal preparation exportation to these areas only takes 47.7%, and the crude material takes 52.8%. TCM exportation is restricted by technical bulwarks in these regions mainly. Thirdly, the technical bulwarks of TCM include the bulwarks of registration regulations, of management regulations, of wrapping labels, of technical standard regulations and the Gree technical bulwarks, and so on. Lastly, the German herbal medicine developing model should be learnt.

According to the research result, the final conclusion of the thesis is that it should do deeper studies in the technical bulwarks which are the main bulwarks of the

international market. So that the international market share of TCM can be increased and competition force of TCM can be enhanced. It should seek for both the macro strategies and the micro ones considering to the situation of our country to breach the technical bulwarks. Macroscopically, the technology regulations and the technology standard of TCM should be improved faster. And the accreditation system about drug registration should be treated actively. And also the TCM culture should be carried forward in order to make the TCM legal in other countries. And the protective system and responsive strategy of TCM trade should be established. And the TCM with green logo should be are considered as the stratagem. Microcosmically, the corporations should pay more attention to introduce new techniques and to innovate in techniques; to develop third party certification; and to develop the international management. The following strategies are the key strategies. Such as improving the technology regulations and the technology standard of TCM trade by governments, introducing new techniques and innovating in techniques by corporations and developing the international management

Key Words: TCM; International Trade; Technical Bulwarks; Influence factor; Strategy