Research on Development Measures for Biomedicine and the Big Health Industry

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Abstract: This paper first expounds the main characteristics of the development of biomedicine and big health industry, and then analyzes some of the existing problems, and finally introduces relevant strategies to promote the development of biomedicine and big health industry, so as to realize the sustainable development of China’s biomedicine and big health industry.

Keywords: Biomedicine and big health industry; Developmental characteristics; Problem; Strategy

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Nowadays, with China’s economy developing rapidly, people’s income is also increasing and the consumption structure has got great changes. And people pay more and more attention to healthy life. At present, the upsurge of big health industry has been set off all over the world, and today’s society has become the era of health care. Therefore, China should attach great importance to the development of biomedicine and big health industry, so that it can meet people’s needs for health.

1. Main Developmental Characteristics of Biomedicine and Big Health Industry

(1) Distinct Characteristics of Agglomeration
For the biomedicine and big health industry, the leading enterprises are the relevant listed enterprises, which have great brand influence and huge social influence. From the perspective of geographical distribution, for China’s biomedicine and big health industry, its overall distribution presents a decentralized situation, but its local is relatively concentrated. As for the three regions divided by the East, the West and the center of China, the number of listed enterprises in the East and the West are 241, 42 and 84 respectively, accounting for 65.67%, 11.44%

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and 22.89% of the total number of biomedical enterprises respectively. We can see that the leading force is located in the eastern region. In terms of provinces, Guangdong province and Zhejiang province ranked first with 48 listed enterprises, followed by 38 enterprises in Jiangsu province, 32 in Beijing, 25 in Shanghai and 23 in Shandong province by the end of 2020.

(2) Obvious Characteristics of Branding

For enterprises, the result of survival of the fittest in the market competition is directly reflected in their brands. China has launched the list of Top 100 Chinese Pharmaceutical Innovative Enterprises in 2020. The criteria of the list mainly include the following aspects: enterprises’ innovation foundation, innovation links and innovation achievements, each of which takes 25% of the total. The selected enterprises are divided into four levels. Among the top 100 enterprises, Beijing, Shanghai and Jiangsu are the regions with the largest number of enterprises. 22 enterprises were selected in Beijing, 17 enterprises in Shanghai and 12 enterprises in Jiangsu. As for these enterprises, most of them are leading enterprises with strong comprehensive advantages, and some of them are leaders in the field of segmentation, with great brand influence.

2. Main Problems in the Development of Biomedicine and Big Health Industry

(1) Lack of Industry Foundation

In recent years, although the biomedical industry has a great growth in the total industrial value, compared with other industries, it is still relatively slow in the growth of industrial output value, and its proportion in the total national output value is still in a low level. Generally speaking, the biomedical industry is still relatively weak in its foundation. There are two main reasons for this: first, on the whole, most of China’s biomedical industry are small and medium-sized enterprises. We can find that the proportion of small and medium-sized enterprises is more than 50% by analyzing the number of national pharmaceutical enterprises. These enterprises do not have strong technical ability, mainly for the production of common drugs, and the technical innovation ability is seriously insufficient, and they are unable to carry out in-depth research and development of new drugs. Second, for China’s pharmaceutical enterprises, more than half of the enterprises do not fully understand the brand awareness, and do not pay attention to intellectual property rights, which also makes our pharmaceutical enterprises unable to enhance their brand recognition.

(2) Lack of Funding

Nowadays, for the research and development of new drugs, many pharmaceutical enterprises in China have insufficient funds, and the proportion of R&D funds is only about 1% of sales, which seriously restricts the improvement of
innovation ability of pharmaceutical enterprises. The main investment channels of China’s pharmaceutical industry are government funds, bank loans, self financing and venture capital. Venture capital enterprises are not willing to invest a lot of money in China’s biomedical industry. The main reasons are as following: firstly, venture capital requires that the funds can be returned quickly, while the biomedical enterprises need a lot of funds, whose risk is not assessable and has a long payback period. Secondly, there are few specialized investment institutions that can provide funds for biomedical enterprises. Third, for most of China’s biomedical enterprises, making generic drugs is their main direction, which could not keep line with the original requirements of venture capital enterprises.

(3) Lack of Innovation

Nowadays, generally speaking, there are few influential brands in China’s pharmaceutical enterprises in the world. We can find that most of the influential brands in the world are produced and developed by multinational groups. In addition, in terms of the number of patent R&D applications, there are a large number of R&D institutions in China, and few enterprises apply for patents. From this we can see that enterprises can not play the main role in China’s biomedical industry. As for some top pharmaceutical enterprises in China, they lack enough enthusiasm in R&D. China allocates corresponding pharmaceutical research funds every year, and a large number of them flow into scientific research institutions. These scientific research institutions have excellent equipment and talents, and their R&D ability is strong. However, they lack the ability to industrialize the production of drugs. As a result, scientific research institutions have become the main force in China’s patent applications, while enterprises become the auxiliary force.

3. Strategies to Promote the Development of Biomedicine and Big Health Industry

(1) Improve the Industrial Structure

First of all, we should have a clear self-positioning and can no longer pursue a “large and comprehensive” development model. Nowadays, the development of biomedicine and big health industry focuses on the innovation of technology and R&D. Therefore, Chinese pharmaceutical enterprises should speed up the technological innovation and expand the technology of pharmaceutical industry chain in the world, so as to optimize our industry. For China’s biomedical industry, it is necessary to focus on the research and development of modern biopharmaceuticals and modern traditional Chinese medicine, both of which contain high scientific and technological content. And they need high-level technological innovation, which can ensure China’s biomedical industry realize the goal in the transformation and upgrading. Pharmaceutical enterprises can innovate their own pharmaceutical products through the research and development of vaccines and
modern Chinese medicine preparations, so as to improve their added value and promote the development of China’s pharmaceutical industry towards high-tech level.

(2) Perfect the R&D System

Currently, there are more than 400 units in pharmaceutical research field in China, including scientific research institutions, pharmaceutical enterprises and medical departments. However, for these units, there are great differences in drug research level and research standardization, and there are insufficient communication among them. They often operate independently. In order to improve their core competitiveness, bio-pharmaceutical enterprises should not only strengthen their scientific research ability, but also break the restrictions of the industry. In this way, they can realize the sharing of resources in drug research and development. Bio-pharmaceutical enterprises should cooperate more with scientific research institutions, and build drug R&D alliance institutions, so as to improve the innovation efficiency of drugs.

(3) Strengthen Brand Awareness

As a matter of fact, the competition among enterprises will rely on their products at last. Therefore, it is necessary to make a good brand strategy in the formulation of its business strategy for China’s industry, and to enhance market competitiveness through the brand effect. Only in this way can we effectively improve the current situation of insufficient competitiveness of China’s biomedical and health industry in the market, and enhance the added value of products. To be specific, it is imperative to implement the “big brand” strategy, expand the product lines, and adjust the product structure, so as to ensure the sustainable development of biomedicine and big health industry. At the same time, we need to make the whole industry form a new mechanism to actively participate in technological innovation.

(4) Innovate the Development Mechanism

For China’s biomedicine and big health industry, only by making a good plan for its own development direction, can it establish itself in an assailable position in the fierce market competition, and then make new breakthroughs in the development of enterprises. China should actively encourage local governments to gradually build up multinational groups of biomedicine. Through the construction of multinational groups, we can effectively enhance the technological innovation ability of the bio-pharmaceutical industry, and then promote the innovation ability of China’s overall pharmaceutical enterprises, so as to finally realize the benign development of China’s bio-pharmaceutical and big health industries.
4. Conclusion

Nowadays, China has issued a lot of policies to support the development of biomedicine and big health industry, which have been flourishing in recent years. However, there are still some problems in their development, which we need to seriously analyze and take effective measures, so as to achieve the goal of sustainable development of China’s biomedicine and big health industries.

Reference


