BioSpectrum the business of Bio & Health Sciences ASIA EDITION

Daewoong buys China's Liaoning Baifeng for $20 mn

August 6, 2013 | News | By BioSpectrum Bureau



Singapore: Daewoong Pharmaceutical is going to acquire Liaoning Baifeng, a Shenyang (Liaoning Province)-based manufacturer of drug materials, and invest up to $20 million (18 billion won) to modernize the latter's facilities.

Daewoong is looking to improve Liaoning Baifeng's drug production process to the level of the EU's good manufacturing practice (GMP) by 2017 and begin production of cephalosporin antibiotics and liquid syrup and suspension there.

The company plans to achieve the sales revenue target of $450 million (500 billion won) in China within five years and the firm will soon transfer technology and management know-how to Liaoning Baifeng. A Daewoong Pharmaceutical official said, "The latest acquisition was part of our global strategy of reverse innovation."

The idea of reverse innovation does not stop at producing and selling drugs locally and goes on to marketing the items in the global market including markets of industrialized countries.

Mr Lee Jong-wook, president, Daewoong, said that, "Through our reverse innovation strategy, our overseas sales revenue will surpass that of home market by 2020 by aggressively moving toward markets in China, Indonesia, Thailand, the Philippines, and Vietnam."