

Why Life Sciences sector is Soaring in China

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According to research conducted by Invesco, Life Sciences as a sector has been growing annually between 15 and 20 per cent (2015-2018), with more than 370 listed healthcare companies in China and Hong Kong.

The Life Sciences market in China is expected to continue to develop, becoming one of the most diverse and expansive sectors in the country.

The demand for top talent is across many different functions within the Life Sciences sector, including Research & Development (R&D), Clinical, Manufacturing and Commercial.

Hot healthcare job opportunities

A variety of factors have contributed to the booming Life Sciences industry in China. Previously, the pharmaceutical sector in China was primarily focusing on the replication of generic drugs, leveraging on the success of global off-patent medicines and driving commercial success. However, the approach has changed in recent years and has shifted more towards vaccine development, innovative drugs and biotechnology. Particularly due to COVID-19, it resulted in a huge shift towards pharmaceutical innovations.

In 2021, Shanghai Fosun Pharmaceutical agreed to form a \$200 million joint venture with German partner BioNTech to build a plant in China to supply up to 1 billion doses of coronavirus vaccine a year. On the other hand, Sinovac Biotech Ltd, a biopharmaceutical product provider in China and one of the first few companies to develop a vaccine for the Coronavirus, unveiled its plans to construct a vaccine quality research centre in Beijing.

Globalisation and digitalisation key to growth

Globalisation has propelled multinational corporations (MNCs) to actively target the Chinese market for next generation biologics, which has created opportunities for Chinese contract research organisations (CRO) / contract development and manufacturing organisations (CDMO). Pharma companies remain unfazed by the disruption brought upon by the pandemic, and continue to maintain a positive outlook on the booming health-care market in China.

Digitalisation of the industry is another major trend that is transforming the hiring landscape in Life Sciences. Accessibility has been a long standing issue in China as resources are disproportionately concentrated in the large hospitals of major cities which struggle to keep up with demand. While investment in digitalisation was already increasing, the COVID-19 pandemic dramatically accelerated the uptake of digital technology.

Challenges in hiring

Despite the optimistic outlook for Life Sciences and China's healthcare industry as a whole, the lack of Life Sciences talent threatens the entire growth of the booming sector if left unresolved.

One of the biggest challenges facing the industry is the ability to attract and retain mid-senior level professionals amidst a limited local talent pool. To cope with increasing headcounts due to expansion, intense competition is rife between companies to ensure they snap up the talent available. The shortage of talent has also resulted in companies having to target Chinese nationals from overseas who are looking to return home, causing reverse brain drain around the world.

Apart from remuneration packages, there are other areas that Life Sciences talent will assess before committing to a decision. Some of these include the stability of the organisation, job title, ongoing projects within the company, location where the job is based within China and other benefits provided by the company. It is clear that the ability to manage these expectations is key to whether a company is able to attract and retain its talents.

Overcoming hiring challenges

As mentioned, higher compensation is a big driver for Life Sciences professionals to consider a new role, so those hiring must be offering a competitive package, to attract but also retain talent. Firms need to ensure they give top talent new challenges and projects, as well as training and learning opportunities, to keep them engaged and excited about their role, otherwise they might walk.

Talent is also much more open to relocation, with the cost of living around the world in many places increasing and the rise in remote work. Employers may need to also be open to talent potentially moving, or even open to talent from afar.

Collaboration crucial to attracting talent

Given the cultural and regulatory challenges faced by healthcare providers, it is often desirable to work with a local partner, either as a domestic advisor or joint venture partner.

Brii Biosciences Limited, a multi-national company developing innovative therapies for diseases with significant unmet medical needs and large public health burdens, announced its partnership with TSB Therapeutics (Beijing) Co., Ltd. a joint venture majority-owned by the Company and China Resources Pharmaceutical Commercial Group Co., Ltd. to advance stockpiling, channel distribution and hospital access for the company's long-acting neutralising monoclonal antibody (mAb) therapy, the amubarvimab/romlusevimab combination.

The two parties are working together to ensure timely drug supply that supports the pandemic prevention and control efforts in China. The collaboration will also explore other opportunities to enable expanded access to combination therapy in China. Such partnerships can also attract talent, both local and international, by combining their expertise and providing more opportunities to work on innovative projects – a key attraction for many Life Sciences professionals.

Government support for better job opportunities

Healthy China 2030 sets out China's long-term approach to healthcare and shows its commitment to participating in global health governance. The Healthy China 2030 initiative included innovation as one of its four core principles. As part of this initiative, the government aims to promote investment in innovation by significantly reducing the price (and therefore profitability) of generic medicines and introducing tax incentives for innovative companies to invest in research and development.

A number of legal and regulatory changes have also been implemented as part of Healthy China 2030. Two key reforms are the implementation of the Revised Drug Administration Law (rDAL) in 2019 and the associated revised Drug Registration Regulation (rDRR) in 2020. Under the new rDAL, the rules have been streamlined so that both domestically manufactured drugs and imported drugs are subjected to the same requirements – which promotes innovation by accelerating the review and approval for drugs that treat severe, rare or clinically urgent illnesses.

China has more than 100 Life Sciences parks dotted across the country, run by local governments which attract companies with tax breaks and subsidies. It is estimated that more than \$100 billion has already been invested in the Life Sciences sector by state, provincial or local governments.

China and beyond

Over the last decade, China's Life Sciences industry has grown into a RMB 6.8 trillion market capitalisation industry and is one of the largest sectors in the A share market. With regards to healthcare innovation, China's share of the global R&D pipelines rose to 13.9 per cent in 2020, up from 4.1 per cent in 2015, showing its increasing commitment to innovation.

And it's not just about China. Founded in Beijing 2010, BeiGene, a biotechnology company that specialises in the development of drugs for cancer treatment, now has a global team of over 8,000 colleagues across five continents. Recently, it has announced the opening of a new regional office in Basel, Switzerland and this new location will serve as a hub for the company's operations within the European region.

A continued expansion

Looking ahead, we expect to see the Life Sciences industry in China continuing to expand, with more companies from the western world entering the market. China's biotech industry is still young and needs time to mature, but we do foresee an increasing number of companies being able to compete on the global stage in time to come.

Local competitors will also be competing for fresh talent as they aim to develop novel technologies. Either way, there is a great amount of opportunity for professionals to tap on to grow their careers and ride the expansion wave of this burgeoning industry.

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