

Asia Tougling Out the Uncertainties and Challenges

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For many looking back at 2023, the word of the year would probably be “uncertainties.” There have been lingering uncertainties about another pandemic, the ongoing wars and atrocities, and the precarious footing of the global economy.



Asia's life sciences industry has not been immune to the headwinds and uncertainties. For most sectors, ranging from pharmaceuticals to medical devices to CROs and CDMOs, there have been ever more cost pressures from customers and payers. These strains are coupled with capital market volatilities, uncertain demand outlooks, and many last-minute cancellations.

Welcome to the era of the New Normal. As much as we wish otherwise, many of the uncertainties will not vanish. In fact, there could be more geopolitical, social, economical, and industry specific challenges on the way. But it's not the end of the world.

Indeed, the life sciences industry in Asia has weathered the storm with remarkable resilience and resourcefulness over the past year.

For one thing, Asia continues to be an important engine for cutting-edge innovations.

Take CAR-T for example. Legend Biotech scored regulatory approvals across all major markets over the past year. And by joining force with JNJ, its Cilta-cel has achieved \$3.4 billion global sales in the first three quarters of 2023. More recently,

Legend signed another CAR-T deal with Novartis for \$100 million upfront and over \$1 billion milestones, making a bold bid for solid tumors.

Striving to emulate Legend's successes, IASO Bio launched its BCMA CAR-T in China and making progress in the states, having been granted Regenerative Medicine Advanced Therapy, orphan drug, and fast track designations from the US FDA. Another CAR-T therapy, Inati-cel from Juventas, recently crossed the finish line with approval in China for refractory or relapsed B cell acute lymphoblastic lymphoma.

Other cell therapies like TCR-T holds great promise for conquering solid tumors, and a number of Asian players are blazing the trail in the field. Biosyngen's BST02 and BRG03 received IND approvals in the US and China, bringing new hopes to cancers like primary liver cancer and lung cancer, which are of high prevalence and relevance in Asia.

On the gene therapies front, Belief Biomed recently struck up a collaboration with Takeda for the commercialization of its promising hemophilia B therapy. RRGene made headlines at the ESGCT with its world-first dual vector AAV gene therapy to treat auditory neuropathy, which is music to the ears of those in the field of hearing loss.

Asia also turns out to be a hotbed for deal making, and the optionality that comes with the biotech deals is especially valuable in the age of uncertainty.

Among the deals aiming at tapping into innovations from Asia, ADC stood out as a key modality and oncology remained the major TA that attracted both old and new money. BioNTech alone has made seven licensing deals with Asian biotechs in 2023 to date, using its war chest to cherry pick oncology assets at the trough. The strategy of arbitrage and diversification may prove to be well-timed for the current downcycle.

More importantly, industry players have been resourceful in revamping business models and innovating go-to-market approaches.

Roche, for example, has been revisiting the traditional sales approaches, which were already cracking during the pandemic and lockdowns. To enhance access for its flu product Xofluza, the company has taken a different thrust by resorting to strategic collaborations with private hospital chains like United Family Healthcare and online health platforms alike.

In particular, online platforms have shown strong momentum in the era of the New Normal. The number of JD Health's active users has reached 150 million for online consultations, prescriptions, and pharmacies, and Ali Health has seen revenue and users growing at 30 per cent and 47 per cent respectively in 2023. More recently, online dispensing started to enjoy reimbursements in pockets of the market like Shanghai, making online platforms more attractive for patients and pharma majors alike.

As Sun Tzu, Chinese general and strategist once quipped, when the going gets tough, the tough gets going. Asia's life science industry has been toughing out the uncertainties and challenges from 2023, pivoting for new growth in the year ahead.

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(Inputs from Miranda Wang, Consultant, Life Sciences Practice, Simon-Kucher Partners, Greater China)