ING podcast examines Chinaâ??s biotech rise and shifting global pharma order

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The discussion highlights how US policy shifts, Europeâ??s innovation pressures and Chinaâ??s biotech expansion are reshaping global pharmaceutical manufacturing, pricing and R&D.

ING has examined the shifting global pharmaceutical landscape in a podcast discussion focused on China's biotech boom and the evolving balance of power across the United States, Europe and China.

The discussion featured Stephen Farrelly, Global Lead for Pharma and Healthcare at ING; Diederik Stadig, Senior Economist, Healthcare & Technology at ING; Lynn Song, Chief Economist for Greater China at ING; and René Willekes, Healthcare Sector Lead for Switzerland at ING.

According to the discussion, the global pharmaceutical industry is at an inflection point, with manufacturing, pricing and innovation all in flux. The participants noted that US policy shifts have increased pressure for more pharmaceutical manufacturing to take place in the United States, while most-favoured-nation pricing has placed new pressure on launch strategies and pricing decisions in Europe.

Diederik Stadig noted that Europe's share of global pharmaceutical R&D has declined from roughly half in 1990 to 26% today, while the United States has moved from 33% to a little over 50%. At the same time, China is moving from what ING described as "China 1.0", a manufacturing hub, to "China 2.0", a biotech innovation hub, with the potential to become "China 3.0", an internationalised Chinese Big Pharma sector.

Stephen Farrelly said the industry is now working through the implications of a period of major disruption. He noted that more than $500 billion of investment announcements have been made into the United States, with those investments coming at the cost of Europe. He also highlighted that some pharmaceutical companies are becoming more hesitant in European launch practices because European pricing could influence pricing expectations in the United States.

The discussion pointed to China's rapid rise as one of the most significant structural changes in the global biopharma industry. Stadig said China has surpassed Europe in the number of new drug approvals, while Farley described the Chinese biotech industry as "impressive", citing its technology, innovation level and long-term strategy.

Lynn Song attributed China’s pharmaceutical shift partly to regulatory reforms between 2015 and 2017. These reforms helped accelerate approvals, improve intellectual property protection, address clinical trial data integrity concerns and align China’s regulatory system more closely with international standards. He said this created a more favourable environment for investment, talent return and company formation.

The podcast also compared China’s biotech rise with the country’s development in electric vehicles. Song said the comparison holds to a degree, as both sectors reflect China’s move from low-cost manufacturing towards high-value innovation. However, he noted that pharmaceuticals are slower and more regulated, with higher barriers to entry and longer development cycles.

Looking ahead, the ING speakers discussed whether a future global pharmaceutical leader could emerge from China. Song said the conditions are in place, noting that a breakthrough drug could help a Chinese biotech company build global recognition. Farrelly also said China’s next stage of evolution may involve greater internationalisation, with Chinese biotechs increasingly launching products outside China rather than relying mainly on out-licensing to Western pharmaceutical companies.

Europe’s position was a recurring theme in the discussion. The speakers noted that Europe retains strong scientific talent and remains a major contributor to global scientific research, but faces challenges in commercialisation, pricing, regulatory fragmentation and capital markets. They also discussed whether China could become part of the solution to Europe’s access and supply challenges as Western pharmaceutical companies reassess European launch strategies.

René Willekes noted that Switzerland remains a leading life sciences hub because of its universities, intellectual property protection, scientific talent and specialised manufacturing capabilities. He said Switzerland should focus on staying an innovation leader, remaining globally connected and continuing to attract talent.

The podcast also identified artificial intelligence as an important future driver for the pharmaceutical industry. Stadig said AI could support clinical trials and drug discovery, while Farrelly described pharma as one of the industries likely to be a net winner from AI, with potential benefits across drug development and healthcare delivery.

The discussion concluded that the global pharma order is moving towards a more multipolar structure. The United States is expected to remain the leading profit and innovation market, China is expected to continue rising as a biotech and pharmaceutical innovation hub, and Europe will need to decide how it wants to compete in an environment shaped by pricing pressure, US policy shifts and China’s rapid progress.