

POLICY REVIEW

Drug, medical device sectors aided

Beneficial policies further support development of key industries

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Stronger supportive policies will further boost the development of China's pharmaceutical and medical equipment industries, injecting new momentum into their innovation-driven growth, according to experts and industry people.

The policies will also increase the presence of domestic companies in these industries overseas while helping safeguard Chinese people's interests, they said after the central government adopted new documents on the measures.

In late last month, an executive meeting of the State Council, China's Cabinet, adopted three-year action plans for the high-quality development of the pharmaceutical and medical equipment sectors.

Chaired by Premier Li Qiang, the meeting said efforts will be made to further modernize the sectors and make them more resilient, enhance the country's supply capacity of high-end drugs, key technologies and raw and auxiliary materials, and shore up weak links in high-end medical equipment.

As research and development and innovation in the pharmaceutical sector face great difficulties — in part because they are time-consuming and require large investment — stronger support will be provided to help leading pharmaceutical enterprises survive and thrive and enhance their market competitiveness, the meeting said.

It is imperative to attach great importance to the promotion and application of domestically developed medical equipment. Furthermore, relevant support policies should be fine-tuned to facilitate upgrades, the meeting noted.

Flora Zhu, director of China Corporate Research at Fitch Ratings, said China's latest plans to promote high-quality development of pharmaceutical and medical equipment manufacturing underscores the two sectors' strategic importance to the nation's economic growth and will stimulate R&D in the sectors, with the government emphasizing and promoting innovation and stepping up policy support.

"China has a large pharmaceutical market and a long and complete pharmaceutical supply chain, but its reliance on foreign products is high in segments such as innovative and biological drugs and high-performance medical equipment," she said.

"The R&D spending of domestic pharmaceutical companies has been increasing rapidly over the past few years amid China's healthcare reforms aiming to improve drug quality and encourage innovation, while the technology gaps between Chinese companies and their global peers remain large.

"Meanwhile, China's heavy reliance on value-added imports has become a potential source of vulnerability amid rising geopolitical tensions and underscores the need for further domestic innovation in the technology arenas."

Zhu said Fitch expects leading players to benefit the most from the latest plans, with the government encouraging the development of large pharmaceutical companies to



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increase competitiveness and drive industry concentration.

Leading players are also likely to further scale up R&D investment in a favorable policy environment, she added.

Making progress

China's pharmaceutical and medical device industries have been undergoing fundamental upgrades since the country ushered in a series of regulatory reforms in the sectors in 2015.

The new medical product review standards and methodologies in China are on a fast-track to align with world-class standards, and have boosted the quality and quantity of clinical trials, according to Wu Yangfeng, executive vice-president of the Peking University Clinical Research Institute.

Since 2021, R&D investment in

these industries has been growing at 23 percent per year on average, data from the Ministry of Industry and Information Technology showed.

Eighty-two homegrown innovative drugs and 217 innovative medical devices have entered the domestic market, while four innovative drugs have been registered in developed countries for market launch.

Behind that is the growing innovation capability of domestic enterprises and their eagerness to grow bigger and stronger.

For instance, at the recently concluded 2023 China International Fair for Trade in Services in Beijing, the China National Pharmaceutical Group Corporation, or Sinopharm, brought a myriad of innovative solutions used to improve people's health, ranging from newly devel-

oped drugs to medical distribution and supply systems.

The company has established five national, 43 provincial and more than 500 prefecture and city-level logistics centers, which jointly ensure its ability to supply urgently needed drugs anywhere in the country within 24 hours.

In 2020, Sinopharm successfully developed the world's first inactivated COVID-19 vaccine, which over the past several years has been approved for use in more than 119 countries, regions and international organizations.

With more than 3.5 billion doses distributed worldwide, the company has greatly contributed to anti-pandemic efforts.

Hu Jianwei, vice-president of Sinopharm, said the company will continue to seek opportunities in emerging sectors, increase invest-

ments in scientific R&D, persist in its efforts to innovate and launch more new products at a faster pace.

The company will also strengthen coordination between its huge array of businesses to make it more competitive.

Leading biotech company BeiGene also said it is aiming to discover and develop innovative oncology treatments and radically expand access to drugs for far more patients who need them.

The company has a global team of more than 10,000 people spanning five continents, with administrative offices in Beijing, Basel in Switzerland, and Cambridge in the United States.

Its flagship cancer drug Brukin-sa has been approved in over 65 markets globally, including in the US.

Policy Digest

Teachers warned over ethical violations

The Ministry of Education has vowed to take a zero tolerance approach to any violation of teaching ethics, and individuals who cross the line will be seriously punished according to laws and regulations.

Ren Youqun, director of the ministry's teacher education department, said at a news conference on Aug 31 that ethical violations by teachers this year have significantly damaged the overall image of the profession.

Progress has been made in recent years in promoting ethics and conduct among teachers. The vast majority of teachers have strong ideals and convictions and are fulfilling their task of fostering virtue among students, Ren said.

The ministry will keep working to strengthen the professional integrity of teachers, expose cases of misconduct and ensure that local authorities and schools accountable fulfill their responsibilities, he said.

Meanwhile, groundless complaints and tipoffs against teachers will be publicly clarified in a timely manner, he added.

Malicious distortion of facts, slander and defamation of teachers aimed at grabbing attention will be firmly refuted to safeguard their legitimate rights and interests.

Railway police crack 5,700 criminal cases

Railway police cracked more than 5,700 cases involving crimes during the summer vacation, which ended on Aug 31.

The authorities said strict measures were taken to crack down on various criminal and wayward behavior such as theft, robbery, fraud, hogging seats and smoking on high-speed trains.

More than 24,000 public security cases were handled, and over 10,000 people accused of such behavior were arrested.

Retired instructors urged to return to work

China is encouraging retired teachers to start working again in response to challenges with the nation's aging population, urging them to play a bigger role in building a society where lifelong learning is pursued by everyone, according to the Ministry of Education.

According to a national action plan jointly published on Aug 30 by the ministry and nine other departments, 120,000 retired "silver age" teachers will return to education work both online and offline in the next three years.

The plan called for efforts to utilize retired teachers as vital human resources with the focus on key industry areas that need urgent development.

Retired teachers will be recruited to support the country's development of higher education as well as vocational, community and private education, the plan said.

It also stressed the coordination of government departments in sectors such as education, science and technology and healthcare, to motivate qualified retired staff to participate in the action plan.

MO JINGXI

Experts urge rapid digitalization of TCM to reap full benefits

By LIU ZHIHUA

Traditional Chinese medicine is expected to play a bigger role in protecting Chinese people's health, with the top leadership determined to promote its development, according to experts and practitioners.

They also said the TCM community should make greater efforts to accelerate the digitalization of the time-honored practice to boost its development.

They made the comments after a recent State Council executive meeting chaired by Premier Li Qiang, which called for further leveraging the advantages of TCM. Greater efforts should be made to ensure both its development and

security, the meeting stressed.

"TCM, a treasure of China passed from one generation to another, has been practiced in more than 196 countries and regions," said Liu Baoyan, chairman of the World Federation of Acupuncture-Moxibustion Societies.

During the COVID-19 pandemic, TCM was used in the treatment of 92 percent of cases, according to an official document released in June 2020, when the country had just experienced the first severe eruption of the virus. In some hospitals, TCM was solely used to successfully treat COVID-19 patients. "The main advantage of TCM lies in treatment of diseases which mainstream modern medicine has failed to work on,"

said Chen Qianru, a licensed TCM practitioner at a public hospital in Yingtan, Jiangxi province. "It can also shorten the recovery period and reduce medical spending."

"What the State should do is ensure the quality of herbal medicine and train more qualified TCM practitioners who are truly capable of curing diseases."

Sun Xibao, a 48-year-old from Hangzhou, Zhejiang province, said TCM is very good at helping people restore health in a fast and effective manner.

"The State should increase its input to train more grassroots-level TCM practitioners to better serve the people," Sun said.

In recent years, China has

ramped up efforts to boost the development of TCM. The State Council, the nation's Cabinet, approved a plan in February to revitalize TCM through a series of programs, including the establishment of several national TCM centers, rehabilitation centers and 35 bases for national TCM disease prevention and control.

In addition, China's master development plan for the 14th Five-Year Plan (2021-25) period also urges better use of TCM in disease prevention, treatment and patient rehabilitation. It also calls for promoting innovative development of TCM as well as strengthening its global presence.

Data from the National Develop-

ment and Reform Commission's Social Development Bureau showed that as of early 2023, the central government had dedicated nearly 50 billion yuan (\$6.86 billion) to developing and improving TCM-related programs since the 13th Five-Year Plan (2016-20) period, including upgrading the infrastructure and facilities of 670 county-level TCM clinics.

Meanwhile, another 1.2 billion yuan had been invested in 19 TCM universities. The number of undergraduates majoring in TCM, and those with higher degrees in the discipline, rose from 32,000 in 2015 to 46,000 in 2020.

Liu, who is also chief researcher at the China Academy of Chinese

Medical Sciences, said TCM is a trove of economic resources, scientific and technological inspiration, and cultural heritage.

Digitalization is an important path for TCM to take to play its full role in China's high-quality development, and efforts in regard to this need to be stepped up.

The scientific circle has long faced the challenge of using proper methods to assess the efficacy of TCM and find statistics-based evidence for its effectiveness. Through digitalization, the value of TCM could be better understood, Liu said.

He added that the lack of awareness of digitalization, as well as the absence of key infrastructure, equipment and talent, are curbing the digital transformation of TCM.

Xin Zhiming contributed to this story.