Interview with Ting Lei, Chairman, Alliance of Bio-Box Outsourcing China

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Tags: Alliance of Bio-Box Outsourcing China

Please introduce to our readers the general situation and driving force behind the creation of the Beijing Pharma and Biotech Center and its core mandate?

Established in 1996, BPBC is an affiliated agency of the Beijing Municipal Science and Technology Commission and serves as a professional service organization for the Biopharma industry in Beijing and at the State level. Organizations such as the China National Center for Biotechnology Development (CNCBD) are mainly engaged in the formulation of National Biopharma industry related macro-policy, including several projects supervised under the Ministry of Science and Technology. The driving force behind the creation of the center is rooted in the need to facilitate the development of regional economies, regardless of JVs, domestic-investment, Biotechs or CROs, with the ultimate goal to strengthen the industry.

The Center was established with strong Chinese Characteristics. There is an urgent need for the government to endeavor to promote the industry at times when the industry is relatively weak. So, our center functions as an important mechanism, adopted by the local government to facilitate the development of the Biotech industry in Beijing. Generally speaking, companies and industries in this specific phase of development have to rely on both market forces as well as the support of the government. Thus, organizations such as the BPBC work to combine government resources and the development of private companies so as to help them weather weaker early stage of the industry’s development.

Our mission is to provide governmental institutions with the most reliable future policy advice, give the most rapid and highest quality solutions for multinational companies in all China related issues. We also offer highest professional strategic consultation for domestic enterprises. As far as I know, thus far, we are the only center that has been established for the purpose of serving one specific industry.

Today is actually the 13-year anniversary of our center. It should be said that we have grown up together, along with the Chinese Biotech industry over these past 13 years. Our slogan is 'Grow up with the industry'. So during this period of time, the Beijing Biopharma sector realized a 9-fold increase, which is inseparable from the hard work and all-out efforts of our institution. A case in point is Dr. Sun. Dr. Sun is the head of one of our ABO member companies, and they have only one antibody product, and he has encountered obstacles in operation at the early stage since the establishment of his company. We provided consulting services and convinced him to transform the core technology of his company, transitioning to a service based business model. The company then grew 10 times in 2 years.

The fierce competition within the Biotechnology and Pharmaceutical industries has engendered a high level of turnover. So from the perspective of the companies, what should be done to retain and attract these talents?

I think my definition for Biology covers broader meanings, including Biotech, Pharmaceutical, CRO, Medical Equipment, and Hospital Services. Now, there is a huge demand from the Chinese companies for the talents, most of which mainly focused on technical innovative talents, including "sea turtles" and high quality biotech talents from universities. Thus a huge amount of talents have been trained for the development of our industry. The shortage experienced in Chinese Biopharmaceutical companies can be seen from the types of talents they need most from abroad, and this is technician. This is usually the first phase for importing talents to Chinese companies.

Now we can say that the Chinese companies have already transitioned to the second phase. Chinese companies have moved from the need for technical talents to business management and operating talents.

During our last meeting with the Mr. Wang Hongguang, Director General of China National Center of Biotech Development, he commented that there are lots of "Made in China" branded goods that can be found in oversea markets, but when it comes to medicine, Chinese products are conspicuously absent. What's your opinion on this comment?

I see this happening as well. Indeed, for the moment our exports of medicines are relatively low-end, which has required us to put more effort into drug independent innovation. It is our wish to see more Made in China Medicine in oversea markets, however it's not on top of our priorites at present.

It’s such a shame that the 1.3 billion people in China can’t all enjoy and benefit from the advanced and high-level medicinal services provided in other parts of the world. So it’s also this organization’s mandate and desire to improve this situation. On one hand, we help the companies develop and improve their manufacturing techniques so that they can produce higher quality medicines and offer high level medicinal services. In this sense, we can better meet the demand for medicines and enable more people to enjoy and benefit from them. Take AIDS for example, there are many AIDS patients that can’t afford the high medical expenses and so these patients can only wait to die. Pharmaceutical companies can do a lot of work to fight this terrible disease. We all live in the same global village but are treated differently, which is a very painful thing. In view of this, we have to work hard to catch up.

Could you please introduce to our readers the history behind the creation of the ABO and the growth and performance of that organization?

There are only eight companies participate in the ABO. The ABO was established from chitchat between the group’s founders. The ABO was established in September, 2005 at a time when outsourcing services were still a quite new concept in China despite being very common in other countries. We decided to be the pioneer and formed the first non-profit alliance in China engaging in Biotechnology outsourcing services.10 years ago, only 10% of the organizations were familiar with CROs. Ten years later, 99% of these organizations are intimately familiar with CROs and 50% of the pharmaceutical enterprises are willing to adopt CRO services. Four years after the establishment of the ABO, our membership grew from 8 companies to 33 more firms, including a US-based company. Total revenue is up to 500 million RMB. Fifty percent of the business and one quarter of the orders among half of the companies are from oversea markets.

We believe the manufacturing industry should be people oriented. It is also a very promising industry, as many multinational companies enter China and attribute importance to the Chinese market. Manufacturing has also performed as a driving force for growth to the bordering countries. China, India, and Bangladesh have altogether 2.5 billion people. I believe in the future, we can change the international structure of the pharmaceutical world. Beijing will establish the Biopharmaceutical industry as a pillar industry. Compared with other regions in China, Beijing is the hub for universities, institutions and the most highly skilled experts. Beijing is very likely to surpass Singapore and South Korea, becoming the hub for the biopharmaceutical industry and the center of innovation in the region.

We are now very happy to see that many multinational companies know about ABO. We are planning to participate in certain international seminars and forums every year, and take it as a chance to promote ourselves as well as the Chinese market. We hope to integrate the 33 standards of our member companies into one, or the standard of FDA, or the standards of world leading companies. The ABO’s slogan is “One World, One Standard”. We hope to offer our

customer ‘One Step’ systematic solutions through resource integration, brand sharing, and distribution alliances, making the ABO a landmark brand for innovative Chinese services.

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