

2022 Risk Radar: Biotechnology Sector

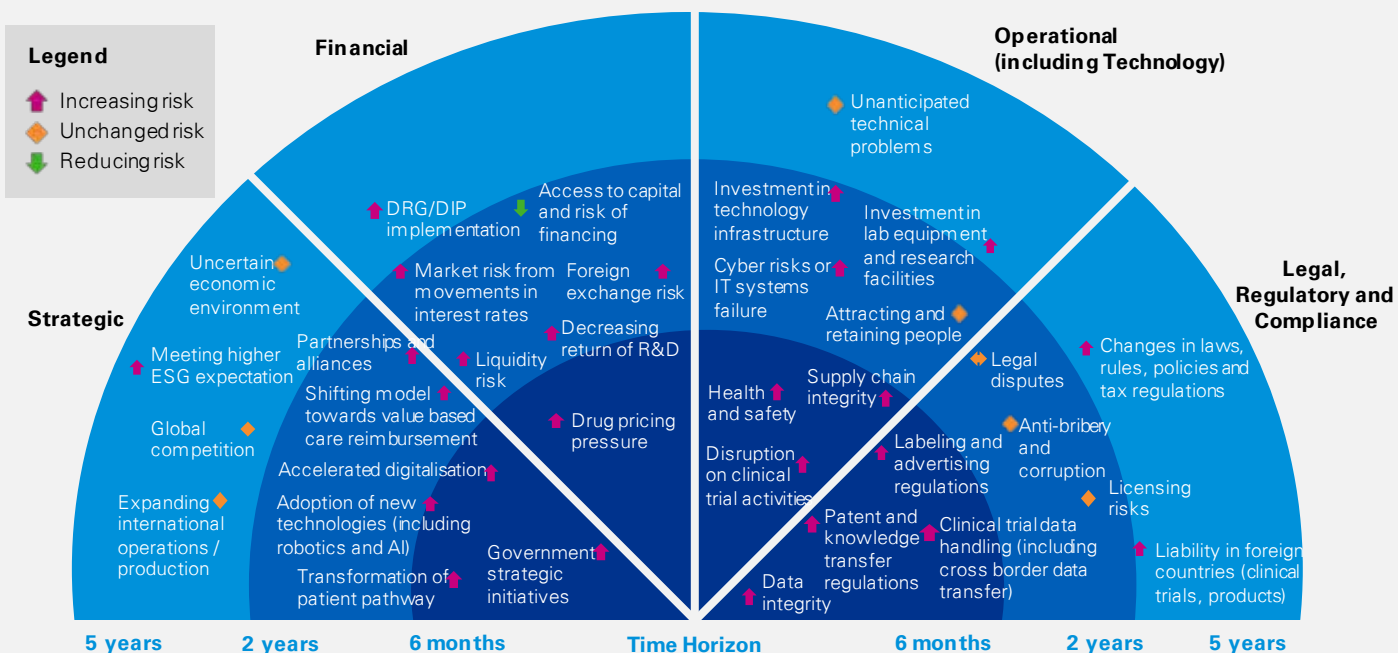
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Adapting to new regulatory requirements and keeping pace with digitalisation trends pose significant challenges for the biotechnology industry. Despite these hurdles, the market size of the biotechnology industry is expected to continue to grow. As the industry continues to grapple with the ongoing COVID-19 pandemic, firms that will achieve the most success in the future will be those that respond to challenges and embrace change while effectively managing new risk exposures that arise.



Key trends observed in the market impacting the industry in the Greater China region:

- Growing awareness and higher expectation on climate change and environmental issues;
- Increased regulatory pressures, in particular cross-border data security, patient personal data protection, patent and knowledge transfer, and medical information digitalisation and collection;
- Biotech products are shifting towards a more cost-effective value-based pricing model due to tightening laws and regulations;
- Emerging trends of omnichannel engagement, online diagnosis, digital healthcare & therapy and telemedicine patient treatment, differentiated clinical development, despite uncertainties in regulatory requirements for online prescription and reimbursement;
- Drug pricing pressure due to requirements to be included in China's National Reimbursement Drug List and national volume-based procurement policies adopted by China's social health insurance system;
- Growth in volume of research on artificial intelligence and new trend of use of cloud management enable biotech professionals to easily store, access, analyse and interpret data and information, which are vital for new product registration and market access;
- Pivot towards scientifically-differentiated innovation, encouraging the innovation of bioassets with brand new mechanisms of action, new targets or other disruptive technologies; and
- More prudent view on capital investment in biotechnology sector



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