

2023 Risk Radar: Life Sciences Sector



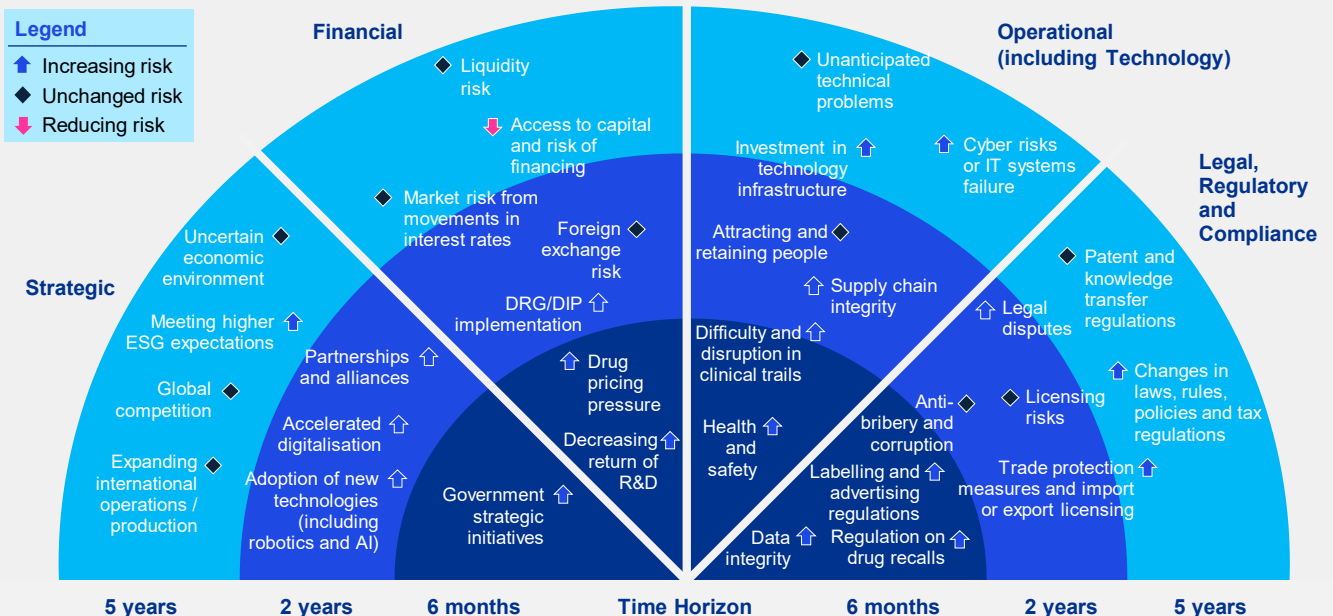
May 2023

The life sciences sector is seeing new opportunities with favourable government policies and increased demand for technology. Alongside new risks and uncertainties of the post-pandemic landscape and changing regulatory requirements, market players will need to stay vigilant and effectively manage new risk exposures to keep up with this ever-changing sector.



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

- Favourable government policies support the development of life sciences sector as driven by the 14th Five-Year Plan — including increased research funding, the establishment of national laboratories, and upgrading of research centers and innovation centers;
- China has experienced a surge in demand for Personal Protective Equipment (PPE), In Vitro Diagnostic Devices (IVD) and vaccination due to heightened awareness around public health preparedness to fight public health emergencies such as the COVID-19 pandemic;
- Post-COVID, there has been higher demand to enhanced disease control and prevention mechanisms, including enhancement of infectious disease testing capabilities, establishment of early warning and emergency handling mechanisms, and exploration of the use of traditional Chinese medicine;
- Growth in the use of artificial intelligence and big data brings new potential for the industry, including more efficient drug discovery processes, repurposing existing drugs for rare diseases, and improving health equity in drug treatment with more real-world data across races and backgrounds for drug development;
- Increasing awareness and higher expectations on climate change and environmental issues is prompting more attention to ESG strategy;
- Companies are diversifying marketing strategies and research approaches by expanding into under-researched areas, while utilising new research techniques to avoid involution and destructive competition;
- Key players are developing internationally-diversified markets and supply chains to reduce reliance on any single country and improve supply chain resilience;
- Inclusion in China's National Reimbursement Drug List is offering opportunities to gain access to wider patient populations despite pricing pressures



Contact us



Frank Mei

Head of Risk Consulting
KPMG China
T: +86 10 8508 7188
E: frank.mei@kpmg.com



Colin Yu

Head of Life Sciences
KPMG China
T: +86 (10) 8553 3588
E: cz.yu@kpmg.com



Irene Chu

Head of Life Sciences, Hong Kong
KPMG China
T: +852 2978 8151
E: irene.chu@kpmg.com



Alva Lee

Head of Governance, Risk
and Compliance, Hong Kong
KPMG China
T: +852 2143 8764
E: alva.lee@kpmg.com



kpmg.com/cn/socialmedia

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2023 KPMG Advisory (Hong Kong) Limited, a Hong Kong (SAR) limited liability company and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Printed in Hong Kong (SAR) All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.