

Tapping TCM strengths on a global scale

Traditional Chinese medicine is one of the treasures of mankind and can contribute much more to the world. In that regard, the Guangdong-Hong Kong-Macao Greater Bay Area seems to offer unprecedented opportunities.

The Bay Area heralds two new development modes for TCM. The first is an innovative combination of Hong Kong's strengths in branding and the Chinese mainland's manufacturing technology, which can help fuel confidence in products. The second is a common market.

WORLD WATCH

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The integration of Hong Kong with neighboring cities implies the securing of market share and price premiums. Such an innovative combination is also a significant strategy that offers many opportunities — as evident from successful family businesses and industrial development.

The complementary strengths of Hong Kong and the mainland can bring more regional integration synergies to the industrial development of TCM. Under the principle of "one country, two systems", Hong Kong is famous for its well-established economic and legal systems and intellectual property rights protection. These unique strengths show that the city is itself a brand, generating positive associations with conscientiousness, efficiency and progress. Consumers place

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confidence in products that originate from Hong Kong.

At the industrial level, Hong Kong has positioned itself as a leader in brand building and product quality control. The city's rigorous enforcement of TCM manufacturing and certification is well recognized for its production reliability. A control system on medical products based on good manufacturing practices was rolled out in 2003. The key features of Hong Kong's TCM products are perceived to be effectiveness, safety and high quality.

This combination results in the modernization and standardization of medicine. These not only inspire confidence but also develop a new collaboration mode for the mainland and Hong Kong, in both the domestic and global TCM markets.

In the global market, 90 percent of TCM products are from brands based in Japan, South Korea and the United States. Clearly, the mainland's TCM sector is losing its competitive advantage in the domestic market while competition in the global market is growing.

In terms of product quality, Hong Kong can certainly play a vital role in dealing with these challenges.

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As a symbol of product quality and safety, Hong Kong's positive "place-of-origin" effect enables it to make headway into both the Chinese mainland and global markets. This offers great value in helping to protect the mainland market and collaborating with it to develop the TCM industry for global consumers. It could become an entry point for the mainland's TCM industry to reach international markets.

Another new mode of development involves the creation of a common market in the Bay Area. The market potential is so enormous that the driving forces of TCM have been shifting toward domestic demand.

Economic integration should help remove obstacles to the free movement of TCM products and create a common market that integrates the area to increase overall wealth.

Due to differences in scientific research, production and regulation between Hong Kong and the mainland, there is no universal registration system for the products. That means Hong Kong products have to register twice — locally and on the mainland — or vice versa. It is thus necessary to move toward a system of universal product registration.

The strategic role of TCM development is regarded as a process of industrial transformation, as well as a part of the collaboration between Hong Kong and the mainland for the wider global economy.

The collaboration, with wider implications, will be able to usher Hong Kong in to a new era of development in the national economy.

Hong Kong should proactively adopt a mode of economic development based on the demonstrated strengths. This is the best way to protect its unique identity and strengthen its importance to China's global economic development.

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