

Press Release




Ministry of Health and Welfare,
Republic of Korea

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The 3rd Five-Year Comprehensive Plan for the Development and Support for Bio-Pharmaceutical Industry as a Bio Health Global Powerhouse

- The 1st meeting of the Pharmaceutical Industry Development and Support Committee in 2023 -

 To rank among the world's top-6 pharmaceutical powerhouses by developing two groundbreaking innovative new medicines and doubling pharmaceutical exports

- ☐ Under the plan, the government will steadily **increase public-private joint R&D investments, develop and support next-generation new technology, promote open innovation**, and provide focused support for R&D in the area of **AI and big data** based development of new medicines.
- ☐ In addition, **KRW 1 trillion will be invested in the K-Bio Vaccine Fund**, and based on the analysis of the results, another **mega fund will be set up**.
- ☐ The **number of focus cities will be increased**, and an **integrated export center** will be established.
- ☐ The plan also includes education & training for experts on **production of bio-pharmaceuticals, clinical and regulatory science, and IT-BT integration and confusion**.
- ☐ Policies and regulations regarding **licensing, insurance pricing, and certification systems** for innovative pharmaceutical companies will be improved to facilitate innovation.

- On Friday, March 24, the Ministry of Health and Welfare (Minster Cho, KyooHong) convened a meeting of the Pharmaceutical Industry Development and Support Committee at the Korea Pharmaceutical and Bio-Pharma Manufacturers Association to deliberate on and pass a resolution on “The 3rd Comprehensive Plan for the Development and Support for Bio-Pharmaceutical Industry” (2023~2027).
- The meeting held as a follow-up action on “Strategies to Create New Bio-Health Markets” presented at the meeting that was presided by President Yoon Suk Yeol on February 28, 2023, includes four support strategies and 10 key tasks to emerge as one of the top-6 global pharmaceutical and bio-pharma powerhouses.
- The plan is established every five years to present a mid to long-term policy vision and direction aimed at enhancing competitiveness of Korea’s pharmaceutical and bio-pharma industry according to Article 4 of the “Special Act on the Fostering and Support of Pharmaceutical Industry”. The implementation plan is made every year to monitor and review progress, and coordinate and discuss necessary measures.
- Global pharmaceutical market is estimated at USD 1.43 trillion as of 2021, 2.7 times as big as world semiconductor market worth USD 0.53 trillion, and the market is forecast to continue growing amid an aging population and medical advances.
- In the aftermath of COVID-19(pandemic), countries have become sensitive to health security, and started to create strategies to increase competitiveness of their bio industry as part of the national agenda as they expand policies to protect their own industries.
- The Korean pharmaceutical market ranks 13th in the world with the estimated market size amounting to KRW 25.4 trillion. Recently, it is

growing quickly, with much of the momentum attributed to its world-class manufacturing capacity for bio-pharmaceuticals consignment production* and strong sales of Korean biosimilars** in U.S. and European markets.

* Samsung Biologics is capable of producing 620,000 L if operation of 4 Plants remains normal in the 2nd quarter of 2023, which is the largest in the world.

** (Europe) Two Korean biosimilars have the largest market share, and Korea ranks second in the number of FDA-approved products with 9 out of 39 approved.

○ Furthermore, it has the potential to become a promising next-generation industry that can act as a growth engine for the national economy as pharmaceutical exports are expected to continue growing* and the industry's job growth rate** is relatively higher than that of other industries.

* Pharmaceutical exports: 'USD 4.06 in 2017→USD 5.07 in 2019→USD 7.04 in 2021 (Korea Health Industry Development Institute)

** Job growth rates by industry(2016~2020): Pharmaceuticals 4.7% > All industries 0.5% > Manufacturing -1.2%

□ The plan includes the following goals to achieve in five years.

- ▲ Develop block-buster new drugs (annual sales of KRW 1 trillion or more): zero in 2022 → 2 in 2027
- ▲ Rank among top 50 global pharmaceutical companies (annual sales of around KRW 3 trillion or more): zero in 2022 → 3 in 2027
- ▲ Double pharmaceutical exports: USD 8.1 in 202 → USD 16.0 in 2027
- ▲ Create high-quality jobs in pharmaceutical industry: 120,000 jobs in 2021 → 150,000 jobs by 2027 (cumulative)
- ▲ Achieve third place in global clinical trial: 6th place in 2021 → 3rd place by 2027