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Challenge No 10: Lack of mid-size CROs

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Lack of credible mid-size CROs is a challenge



For the CRO industry, the biggest challenge will be to develop a credible mid-sized offering to the industry. Currently, this does not exist. (Read about all 10 challenges for businesses in APAC)

"Virtually, the region has no or very limited true contract manufacturing. Some companies will offer contract work, but this is typically for spare capacity in a facility and does not offer a long-term solution," says Dr Joseph Santangelo of Inviragen, Singapore.

Some of the largest international clinical research organizations are very active in the region, but as compared to North America and Europe, there is no real "midsized" CRO offering throughout the Asia Pacific region. This severely limits the choices available to smaller drug developers in particular as they look to benefit from the rapidly globalizing nature of clinical development and Asian participation in these programs. Mr Alek Safarian, CEO, Novotech, Australia, says, "In order for the industry to develop a mid-sized offering, the challenge for smaller CROs active in the region is to develop sufficient local know-how in individual markets, while offering the kind of quality services that will be acceptable to all regulatory agencies worldwide."

Large pools of patients, low skilled labor costs, and supportive government policies have made the region a preferred destination for pharma outsourcing and manufacturing services. "As most CROs and contract manufacturing organizations are located in the more economically-developed areas, human resource costs have risen dramatically in recent years. Mid- and senior-management already receive similar remuneration packages as their counterparts in developed countries, while the starting salary for graduate roles is also growing," adds Mr Ling Sun, analyst, with Datamonitor Healthcare, China.

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