

Largest ever joint venture in pharmaceuticals in China signed between Janssen Pharmaceutica of Belgium and the People's Republic of China

Janssen Pharmaceutica N.V. of Beerse, Belgium, has just signed the largest joint pharmaceutical project ever with the People's Republic of China which was subsequently celebrated at a banquet attended by Prime Minister Wilfried Martens of Belgium.

Why Janssen – and how did they do it?

Janssen is arguably an unusual company in the world of pharmaceuticals. Indeed it is an unusual organisation by the standards of most industries.

Dr Paul Janssen, guiding light of the Belgian company since 1953, was recently awarded the 10th award in medicinal chemistry by the American Chemical Society, USA., for his innovative work. Over the years, Dr Janssen and his team of researchers have discovered no less than 60 original key pharmaceuticals, mostly for human but also for veterinary applications and for plant protection. The company employs 6,000 people worldwide, its products are in use in 150 countries, and yet, to quote Dr Harry Schwartz, writer in residence at the College of Physicians and Surgeons, Columbia University, New York, "In a sense tens of millions of people throughout the world are Dr Janssen's patients, benefiting from his discoveries...yet his name is 99 percent unknown...he is an unsung pharmaceutical hero" (Script no. 983, March 20th, 1985).

The company creates new markets by going on and solving old problems. In the 1970's alone Dr Janssen and his team produced a world record: 21 new product introductions. The pioneering work includes anesthesia and analgesia, psychiatry, gastroenterology, allergy, immunology and cardiovascular diseases. The quiet but busy Belgians discovered, developed and manufactured three drugs – haloperidol, mebendazole and miconazole which are regarded as world leaders in combating psychiatric disorders and worm and fungal infections respectively.

In his interview with Dr Schwartz, Dr Janssen explained the secret of his team's productivity. "No committees, we are a collection of individuals. If a researcher wants to follow-up a given hunch, he writes me a short memo. If I disagree – which very occasionally I do – I explain why, otherwise he or she goes ahead".

A new clue is never ignored. It is observed, evaluated and followed up immediately. If need be, extra researchers are co-opted.

And so to China, to Xian and Shaanxi province, 1,000 km, 1 day by train, 2 hours by air from the capital of the

People's Republic, Beijing. When the first two representatives of Janssen pharmaceuticals arrived there in 1978 they were understandably curious – no less so their hosts since westerners were a novelty.

The Belgians had to prove themselves. Janssen's record as a pharmaceutical innovator could be taken as read, the provincial authorities wanted to know what the company was prepared to invest and what level of return it required.

Much legislation relating to foreign investment dated from the turn of the century. As negotiations progressed and mutual trust and respect were established, so the regulations were updated, Agreement was eventually reached on a combined licensing and exchange project.

Janssen's role was to be as follows:

— The design of a chemical plant for the production of raw materials/basic

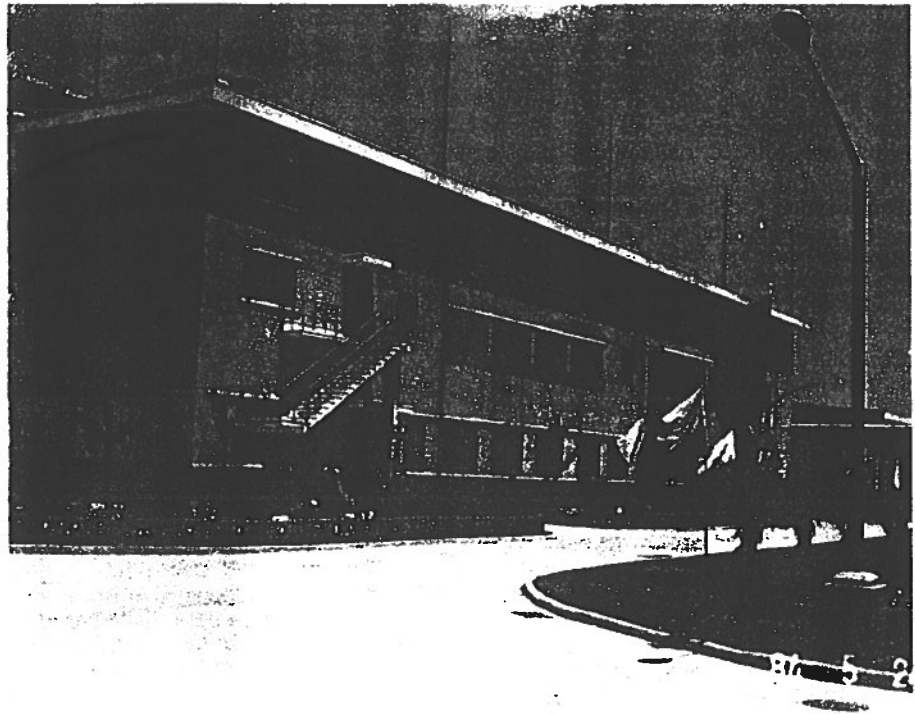
materials for pharmaceutical products.

- The design of a water purification plant and ancillary buildings.
- Supply of (Belgian made) production machinery and technological know-how for the manufacture of mebendazole, a Janssen anti-internal parasitic for both human and veterinary use.
- Supervision of the building phase, 'starting-up' and 'running-in' of the installations.

The Shaanxi authorities took responsibility for:

- The actual construction work on the chemical plant, the water purification plant and ancillary buildings.

The two parties agreed that Janssen's payment would take the form of the product manufactured in the new plant. Design and construction continued apace. Production started in November 1983. When Dr Paul Janssen arrived for the official opening of the Hanjiang pharmaceutical factory on 24th May 1984, his



Hanjiang Pharmaceutical Factory.

Chinese hosts received him with almost overwhelming cordiality and courtesy.

The success of this initial project owed everything to the enthusiasm and determination of the Provincial Authorities, the State Pharmaceutical Administration, the Ministry of Foreign Relations and Trade in the capital, Beijing, and the Chinese Embassy in Brussels.

The Belgian Embassy, the foreign and trade ministers and the Ministry for Development Cooperation lent invaluable support. A good start was made; a start which led to the signing of the Xian-Janssen Pharmaceutical Limited joint project on 19th April 1985.

Xian-Janssen Pharmaceutical Limited is the largest ever Chinese/Western joint pharmaceutical project. On the Chinese side there are three partners:

- Shaanxi Pharmaceutical Industry Corp., the pharmaceutical umbrella organisation in Shaanxi province.
- The China National Corp. for pharmaceutical, technical and economic cooperation (a division of the state pharmaceutical administration) in Beijing.
- Hanjiang Pharmaceutical factory, Janssen's original partner.

The Board of the new company has five Chinese and five Belgian members. A start will now be made on the planning and construction phase. Plans include a modest chemical plant for the necessary basic materials, a pharmaceutical plant for the end products, a water purification system and administrative and service buildings.

Janssen will design the production build-

ings and their Chinese partners will handle engineering and construction.

Janssen will train Chinese engineers and executives on the spot and at their headquarters in Beerse, Belgium. Construction will start late 1985 and production late 1987. Six hundred personnel will eventually be employed and Janssen executives will be involved on the spot during the first years of operation.

From the arrival of those first two Janssen representatives in Xian six years ago, the priority has been the actual needs of the Chinese people. The detailed preparatory research in over 1,000 hospitals throughout the country, actual production and the personnel involved all have one common factor and aim: to improve and maintain health standards among the more than one billion people in China.