

**立法會**  
**Legislative Council**

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**Panel on Commerce and Industry**

**Meeting on 18 December 2012**

**Background brief on  
research and development of Chinese medicines**

**Purpose**

This paper provides background information on the development and promotion of Chinese medicines (CM) and the review of strategy in promoting research and development (R&D) of CM in Hong Kong. It also provides a summary of views and concerns expressed by Members in previous discussions.

**Background**

Development of CM in Hong Kong

2. With its demonstrated efficacy, natural origin and fewer side effects, CM are increasingly accepted as a form of alternative medicine in the western world. Given its proximity to the richest pool of CM resources in the Mainland, state-of-the-art research infrastructures and prominence in biomedical research with international recognition, Hong Kong is well-positioned to capitalize on these strategic advantages. According to the Administration<sup>1</sup>, there have been considerable new developments and changes in the CM sector in the past decade, including the following:

- (a) the establishment of the Hong Kong Council for Testing and Certification (HKCTC) in 2009 with CM designated as one of the four selected trades with good potentials in developing testing and

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<sup>1</sup> Administration's paper on progress report on the promotion of innovation and technology development in Hong Kong for the Commerce and Industry Panel meeting on 19 April 2011 (LC Paper No. CB(1)1893/10-11(05)).

certification services. A CM panel was formed to provide a platform for collaboration among stakeholders;

- (b) the research capabilities and infrastructures of local universities in CM area have been enhanced progressively over the years. The universities have been collaborating to conduct basic and applied research in CM and to explore the feasibility of integrative Chinese and western medicines;
- (c) the Hong Kong Science and Technology Parks Corporation has been actively developing a biotechnology industry (including CM and western pharmaceuticals) cluster in recent years;
- (d) Hospital Authority (HA), in collaboration with different non-government organizations and universities, has set up 16 public CM clinics in phases since 2002 to provide modernized CM out-patient services for the public; and
- (e) there is an increasing interest from western pharmaceutical companies to develop new drugs from CM. They consider that the basic research and clinical trial capabilities of Hong Kong is of international standard and can play an important role in the R&D of new generation of drugs.

### Review of strategy in promoting R&D of CM

3. In 2011, the Administration conducted a comprehensive review of the strategy in promoting R&D of CM in Hong Kong. The scope of review included the needs of the CM sector, the most effective ways of integrating the efforts of the Government, industry, academic and research sectors to cope with future development needs, as well as the roles and cost-effectiveness of the Hong Kong Jockey Club Institute of Chinese Medicine (HKJCICM)<sup>2</sup> which had been in operation for a decade since its establishment in 2001.

4. Following the review, the Innovation and Technology Commission (ITC) recommended the disbandment of the HKJCICM, and the setting up of a new Government-led committee to co-ordinate the collaboration of all parties involved in R&D of CM.

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<sup>2</sup> HKJCICM was established in May 2001 as a joint-venture company of the Applied Science and Technology Research Institute and the Hong Kong Jockey Club (Charities) Limited. Its mission is to spearhead the development of CM as a high value added industry for Hong Kong through promotion and co-ordination of related activities and strategic support for scientific and evidence-based development programmes.

### Setting up of a Government-led committee

5. The Committee on Research and Development of Chinese Medicines (the Committee) was established in December 2011 to advise the Administration on how best to promote CM development and support R&D and testing of CM in Hong Kong. The Committee has identified four initial focus areas, namely collaboration of Chinese and Western medicine, chemical markers and development of methods of analysis, testing and certification of CM, and enhancing public awareness of R&D of CM in Hong Kong. The terms of reference and the membership of the Committee are in **Appendices I and II** respectively.

### **Previous discussions**

6. The development of CM in Hong Kong and related issues have been discussed at various meetings of the Legislative Council and the Panel on Commerce and Industry (the Panel). The major views and concerns expressed by Members are summarized in the ensuing paragraphs.

### Disbandment of HKJCICM

7. When the Panel was briefed on the outcome of the review of the strategy for promoting R&D of CM in Hong Kong on 19 April 2011, some Panel members expressed reservation about the disbandment of HKJCICM and doubted whether the setting-up of a new Government-led committee would be the most suitable and effective way to promote the development of CM in Hong Kong. These members were concerned whether the Administration had consulted the CM industry and various stakeholders before deciding on the future of HKJCICM.

8. The Panel met with relevant stakeholders in the CM sector to gauge their views on the future direction of HKJCICM at the Panel's special meeting on 14 June 2011. The majority of the deputations raised objection to the disbandment of HKJCICM which they considered would hinder the development of CM in Hong Kong. Some Panel members were of the view that the Administration should review the future of HKJCICM at a later time, allowing HKJCICM time to reform and develop new directions. The Panel passed a motion against the disbandment of HKJCICM.

9. According to the Administration, while HKJCICM had made some achievements in the past 10 years, its overall cost effectiveness was not satisfactory. There were also concerns about staffing problems and mismanagement of HKJCICM. As the coordination of work on promoting CM development in Hong Kong had becoming increasingly complex, the

Administration considered a new Government-led committee would be more effective in coordinating the collaboration of all parties involved and provide stronger support for R&D as well as testing and certification of CM in Hong Kong to the benefit of the community.

#### Membership of the new Government-led committee

10. At the Panel meeting on 17 January 2012, the Administration briefed members on the latest initiatives in promoting R&D of CM in Hong Kong including the setting up of the new Committee. Some Panel members questioned whether a Government-led Committee chaired by the Commissioner for Innovation and Technology who might not have sufficient knowledge and experience in CM would be conducive to the sustainable long-term development of R&D of CM. Some members were of the view that the Committee should be chaired by a representative from the CM industry, and that its membership should include representatives from the commerce and industry sectors who possessed relevant knowledge and experience to help promote the commercialization of R&D results and manufacturing of proprietary CM. Some members expressed concern whether the development of CM in Hong Kong was hindered by medical professionals of Western medicine and hoped that the Committee would be able to remove the barriers between Chinese and Western medicine. Suggestions were made that indicators should be set up for evaluating the performance and effectiveness of the Committee, and that a statutory organization supported by a development fund should be established for promoting R&D of CM.

11. The Administration advised that the Committee had a wide representation including medical professionals of Chinese and Western medicine, representatives from CM and pharmaceutical industries, local universities with significant R&D of CM and leaders of the CM trade associations or chambers of commerce. The Committee's membership would be reviewed upon the completion of the two-year appointment term. As collaboration of Chinese and Western medicine was identified as one of the focus areas of the Committee, its representatives from the medical professions of Chinese and Western medicine as well as CM and pharmaceutical sectors, would help promote integrative Chinese and Western medicine.

#### Support for CM R&D projects

12. In view of the wide acceptance of the use of CM in Hong Kong and the Mainland, and the huge business opportunities for CM made in Hong Kong, Panel members were keen to ensure that sufficient resources would be deployed to support the development of CM in Hong Kong. Some members expressed concern about funding arrangements and vetting mechanism for CM R&D projects and urged for more support measures and facilities to promote testing

and certification of CM.

13. According to the Administration, ITC would continue to support projects relating to R&D of CM under the Innovation and Technology Fund. Despite the disbandment of HKJCICM, the Hong Kong Jockey Club (Charities) Limited (HKJCCL) would continue to use the balance of its pledged donation to support non-profit organizations to conduct CM projects in Hong Kong. The HKCTC would take forward initiatives to enhance technical competencies of testing laboratories and to develop a product certification scheme for herbal CM.

#### Council questions

14. At the Council meetings on 11 May, 15 June and 26 October 2011, Members raised questions on the disbandment of HKJCICM and the use of the balance of HKJCCL's pledged donation to HKJCICM after its disbandment. Questions on the setting up of public CM clinics by HA, vocational and manpower training relating to the CM industry, research facilities to promote CM R&D and infrastructure for the development of the proprietary CM manufacturing industry were also raised at Council meetings on 22 February and 13 June 2012 respectively.

#### **Latest position**

15. The Administration will brief the Panel on 18 December 2012 on the latest initiatives in promoting R&D of CM in Hong Kong.

#### **Relevant papers**

16. A list of relevant papers is in **Appendix III**.

**Committee on Research and Development of Chinese Medicines**

**Terms of reference**

- (a) To act as a platform to gauge views from various stakeholders, including Government, public bodies, industry and the academia on research and development (R&D) of Chinese medicines (CM) in Hong Kong;
- (b) To formulate the broad direction in promoting R&D of CM in Hong Kong, to identify key areas of work, monitor progress and recommend areas of improvement where necessary; and
- (c) To facilitate sharing of R&D outcome and other collaboration among parties concerned to create synergy in R&D of CM and to promote collaboration with organizations outside Hong Kong.

**Membership of the Committee on  
Research and Development of Chinese Medicines**

Chairperson

Commissioner for Innovation and Technology

Ex-officio

Director of Health or representative

Representative of the Hong Kong Jockey Club

Representative of the Hong Kong Science and Technology Parks Corporation

Representative of the Hospital Authority

Representative of the Hong Kong Council for Testing and Certification

Ad personam

Mr AU Wai-hung, Anthony, BBS

Mrs CHENG CHO Chi-on, Mariana, BBS, JP

Mrs CHIN Hang-yin, Alice

Prof IP Yuk-yu, Nancy

Dr KO Wing-man, BBS, JP

Dr LAU Sze-ngar, Grace

Prof LEE Sum-ping

Prof LEUNG Ping-chung, SBS, JP

Mr LI Ying-sang, Tommy, BBS, MH, JP

Prof LIU Liang

Ms TANG Mui-fun, Karen

Mr TSANG Chiu-hing

Mr WONG Kong-hui, Kenlay, MH

Prof WONG Ngar-kok, James, MH

Ms WONG Suet-ying, Alice

Mrs YIP CHIU Kwai-fong, Florence

## Appendix III

### Research and development of Chinese medicines

#### List of relevant papers

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
19/4/2011	Panel on Commerce and Industry	Administration's paper  Minutes of meeting  Follow-up paper	CB(1)1893/10-11(05)  <a href="http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci0419cb1-1893-5-e.pdf">http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci0419cb1-1893-5-e.pdf</a>  CB(1)2403/10-11  <a href="http://www.legco.gov.hk/yr10-11/english/panels/ci/minutes/ci20110419.pdf">http://www.legco.gov.hk/yr10-11/english/panels/ci/minutes/ci20110419.pdf</a>  CB(1)2099/10-11(01)  <a href="http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci0419cb1-2099-1-e.pdf">http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci0419cb1-2099-1-e.pdf</a>
11/5/2011	Council meeting	Question No. 10 raised by Hon Raymond HO Chung-tai	Hansard (Page 10147-10149)  <a href="http://www.legco.gov.hk/yr10-11/english/counmtg/hansard/cm0511-translate-e.pdf">http://www.legco.gov.hk/yr10-11/english/counmtg/hansard/cm0511-translate-e.pdf</a>
14/6/2011	Panel on Commerce and Industry	Minutes of meeting  Administration's response to the motion passed on 14 June 2011	CB(1)3075/10-11  <a href="http://www.legco.gov.hk/yr10-11/english/panels/ci/minutes/ci20110614.pdf">http://www.legco.gov.hk/yr10-11/english/panels/ci/minutes/ci20110614.pdf</a>  CB(1)36/11-12(01)  <a href="http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci0614cb1-36-1-e.pdf">http://www.legco.gov.hk/yr10-11/english/panels/ci/papers/ci0614cb1-36-1-e.pdf</a>



Date of meeting	Meeting	Minutes/Paper	LC Paper No.
15/6/2011	Council meeting	Question No. 8 raised by Hon Ronny TONG Ka-wah	Hansard (Page 11893-11897) <a href="http://www.legco.gov.hk/yr10-11/english/counmtg/hansard/cm0615-translate-e.pdf">http://www.legco.gov.hk/yr10-11/english/counmtg/hansard/cm0615-translate-e.pdf</a>
26/10/2011	Council meeting	Question No. 11 raised by Hon Priscilla LEUNG Mei-fun	Hansard (Page 579-585) <a href="http://www.legco.gov.hk/yr11-12/english/counmtg/hansard/cm1026-translate-e.pdf">http://www.legco.gov.hk/yr11-12/english/counmtg/hansard/cm1026-translate-e.pdf</a>
17/1/2012	Panel on Commerce and Industry	Administration's paper  Background brief  Minutes of meeting	CB(1)829/11-12(03)  <a href="http://www.legco.gov.hk/yr11-12/english/panels/ci/papers/ci0117cb1-829-3-e.pdf">http://www.legco.gov.hk/yr11-12/english/panels/ci/papers/ci0117cb1-829-3-e.pdf</a>  CB(1)829/11-12(04)  <a href="http://www.legco.gov.hk/yr11-12/english/panels/ci/papers/ci0117cb1-829-4-e.pdf">http://www.legco.gov.hk/yr11-12/english/panels/ci/papers/ci0117cb1-829-4-e.pdf</a>  CB(1)1296/11-12  <a href="http://www.legco.gov.hk/yr11-12/english/panels/ci/minutes/ci20120117.pdf">http://www.legco.gov.hk/yr11-12/english/panels/ci/minutes/ci20120117.pdf</a>
22/2/2012	Council meeting	Question No. 14 raised by Dr Hon LAM Tai-fai	Hansard (Page 6083-6092) <a href="http://www.legco.gov.hk/yr11-12/english/counmtg/hansard/cm0222-translate-e.pdf">http://www.legco.gov.hk/yr11-12/english/counmtg/hansard/cm0222-translate-e.pdf</a>
13/6/2012	Council meeting	Question No. 7 raised by Hon Vincent FANG Kang	Hansard (Page 14958-14964) <a href="http://www.legco.gov.hk/yr11-12/english/counmtg/hansard/cm0613-translate-e.pdf">http://www.legco.gov.hk/yr11-12/english/counmtg/hansard/cm0613-translate-e.pdf</a>