G.I.T. Laboratory Journal Europe: What trends are currently becoming apparent in analysis and biotechnology in China and Europe?

Dr. V. Schwartz: Together with the USA and other leading industrialised countries, Europe is playing a leading role in the research and development of innovations in analysis and biotechnology. However, practical solutions and applications are mainly needed in emerging economies, in order to solve the problems they face with food supply, the protection of plants and the environment, or in healthcare. Above all, due to its above-average growth rates and highly dynamic markets China and India are the most important cooperation partners and customers for high-tech solutions “Made in Europe”.

In China, more than 500 researching biotechnology companies and international joint ventures involving more than 30,000 researchers, mainly in industrial parks, are already closely linked to universities and international pharmaceutical companies. For this reason China also offers many opportunities for small to medium-sized biotechnology and analysis companies to carve out their niche as providers of special solutions.

Dr. V. Schwartz: Germany now no longer plays a unique central role in Europe. From an international point of view the market has become more regional, and many new EU member states have clearly caught up with German innovations. Many products and services can now be offered anywhere in the world, so that one has to come to terms with global competition for standard products. In future, more individual solutions, more advice and close contact to one’s own customers will be required. Here it is important to find a new niche internationally, and also to hive off more areas of companies which are not within their core competence in order to become generally more competitive. In future, intelligent product management, strategic marketing, and interface management will provide the decisive competitive advantages, alongside high quality innovations and products.

The interviewer was Dr. Margareta Dellert-Ritter.

New Markets for Analysis and Biotechnology

Internationalisation and Globalisation of Research and Development

There is no doubt that the laboratory market is characterised by internationalisation and the globalisation of research and development. Within this context, there are new challenges for manufacturers. Opportunities in new markets are opening up for small to medium-sized companies. G.I.T. Laboratory Journal Europe spoke to Dr. Volker Schwartz, the manager of Fair For You International about this and about market exploitation strategies and concepts for international cooperation.
**Interview**

*Dr. V. Schwartz:* At present the Chinese economy is displaying continuous growth at a comparatively high level, a great willingness to open up to innovations, and a strong interest in cooperation with foreign countries. In our field, the drivers of this dynamism are above all the food, agriculture and health sectors, in addition to the producers of fine chemicals.

**Why?**

*Dr. V. Schwartz:* The increasing ageing of Chinese society, the generally increasing demands of a growing middle class for healthy food, and good environmental quality are driving forces in this development. Here, international solutions and products are usually trusted more than those from China.

In the future in China too, there will be a willingness to pay more for these, although international companies will always have to question whether the price/benefit ratio of their own products can keep pace with innovations from China.

**How does a small to medium-sized company gain a foothold in the Chinese market?**

*Dr. V. Schwartz:* A first step is, for example, a market reconnaissance trip, attending exhibitions as a foreigner or visitor, or the taking part in an international conference.

The regional chambers of foreign trade also provide advice. From the Chinese side, the regional CCPITs (China Council For The Promotion of International Trade) can provide support. For long-term success in China a company agency or a dependable international partner is essential in order to remain in constant contact with the customer and for the further development of joint business or joint research.

**What help can you offer?**

*Dr. V. Schwartz:* In close cooperation with regional industrial parks, universities and business promoters, FFYI offers small to medium-sized companies a suitable working and marketing platform for the exploitation of the market via the Asian BIZ Center. Here FFYI provides local project-related organisational and manpower support. Using electronic media, databases and its own networks, the FFYI also supports small and medium-sized businesses with consultation and advertising services (attending trade fairs, holding press conferences, informational events etc.). Here, together with Chinese staff, FFYI undertakes the representation of pools of companies in China, each with up to three companies, as well as the representation of individual companies.

This provides a low-cost entry into the market, initially to test the Chinese market and to identify niches in the market, even if the current business does not warrant its own agency or setting up its own Chinese business with its own staff.

**What recommendations can you give for entering the market?**

*Dr. V. Schwartz:* Three factors are especially important for an entry into the market:

- Protection of intellectual property, i.e. to maintain the innovative headstart in one’s home country and in one’s own business, and also to apply for patent and trademark protection in China, which is now also considered important by the Chinese government and Chinese producers.
- Under no circumstances to make oneself dependent on only one partner, in order to diversify risks and to regionally exploit the large Chinese market.
- Finally, to set up one’s own company, in order to ensure one’s own quality and to differentiate oneself from Chinese competitors.

Of course this includes a thorough analysis of the market and the competition, in order to identify one’s own niche in the market.

One should also not forget that the Chinese market is one of the most competitive markets in the world, and therefore an appropriate flexibility and stamina is required. Business with China is certainly a matter for the senior management, and cannot be mastered en passant. One should allow at least about 3–5 years for the development of business, because one first needs to establish one’s own position and brand, and to gain initial experience.

**What can we expect of the laboratory market of the future?**

*Dr. V. Schwartz:* The laboratory market will primarily grow where innovations are made, i.e. not necessarily just in Germany, but rather where new solutions are demanded, and also where sufficient resources for research and promotion are provided. In future, companies will therefore also need to regionally diversify their budgets, define an international and economic communication strategy, and above all cooperate more on a regional level. For many small and medium-sized companies this is an enormous challenge, but those which do not face up to the market changes and the competition for quality, including in China, will find things increasingly difficult in the global market.

---

**Dr. Volker Schwartz**

*Fair For You International*

*Munich, Germany*

*Tel.: +49 89 18923 612*

*Fax: +49 89 18923 864*

*schwartz@fair-for-you.com*

*www.fair-for-you.com*

*www.internationalbusinesspark.net*