

Chinese pharma powers on despite global economic slowdown

Beijing, China, April 15, 2010 – According to **China Pharmaceutical Guide 2010 (5th Edition)**, which is to be officially released in June 2010 by WiCON International Group LLC (publisher of **Pharma China**), the Chinese pharmaceutical sector maintained its high growth trend in 2009 despite the global financial crisis and economic slowdown. The uninterrupted growth was driven by improved order of the Chinese pharmaceutical market place, exits of small and irregular competitors, relatively more stability in drug regulation, increased government healthcare funding and surging market demands.

Output value and sales of the Chinese pharmaceutical industry rose 21.02% and 21.19% respectively in 2009, as overall Chinese healthcare expenditures rose 11% in 2009 reaching CNY 1,611,880 million, averaging CNY 1,192 per capita. Healthcare expenditures accounted for 4.96% of China's GDP, up from 4.39% in 2008 and 4.52% in 2007.

Total export of Western medicines last year fell 0.8% while total import surged 23.59%, leading to a sharp reduction (-34.22%) of China's Western medicine trade surplus.

Big pharma companies fared well in China again in 2009 and many reported growth higher than 20%. The country is already one of the largest overseas markets for most MNC companies and it is on the way to become the largest for many in the near future.

The publication reveals many optimistic estimates by industry analysts and market research companies predicting over 20% in revenue growth for the Chinese pharmaceutical industry in 2010. Hospital drug sales, retail pharmacy sales and rural drug areas are forecasted to grow 20%, 13% and 40% respectively.

It is expected that drug sales in the country will add some CNY 20 billion in 2010 from increased coverage of the Chinese population by basic medical insurance programs and expansion of the national drug reimbursement list, according to the upcoming **China Pharmaceutical Guide 2010**.

While these positive factors provide good inspirations in a gloomy economic time, the publication reveals many less-known aspects about the realities in China healthcare. These includes the very basic coverage of the universal basic medical care system that China is hoping to put into place through healthcare reform, the small share of healthcare expenditures in China's GDP, and the fairly low average annual drug consumption per capita.

Besides, there are other negative factors and uncertainties surrounding the Chinese pharmaceutical sector include the slowdown of the Chinese and global economy, uncertainties in export growth, instabilities and turbulences caused by introduction of various new regulations and healthcare reform measures by central and local governments, looming reform of government drug pricing policies, continuous financial pressures from hospital drug purchase tenders, and rising raw material and production costs.

While the absolute drug market size of China is already comparable to that of Japan, according to **China Pharmaceutical Guide 2010**, the country still lags behind Japan by far in terms of its per capita healthcare spending and maturity of its healthcare system. However, it is important to note that China offers much higher growth, not to mention its expanding roles in global R&D and manufacturing.

“A host of factors, including continued robust market growth, successful China business restructure, active M&As, sufficient senior management attention at the headquarters and adequate resource allocations, will together foster and facilitate the market's rise as a key revenue source for MNCs in

the near future,” said James Shen, publisher and chief editor of *Pharma China* and *China Pharmaceutical Guide*.

China Pharmaceutical Guide 2010 (5th Edition) is the most authoritative and comprehensive reference in English covering China’s pharmaceutical and healthcare sector which has been widely subscribed by executives of multinational pharmaceutical companies, leading CROs, investment banking firms, consulting companies, industry associations and government agencies. Now in its fourth edition, this best-selling reference will continue to play an instrumental role in helping executives understand, navigate, manage and lead their pharmaceutical businesses in China.

- ✓ Authored by James J. Shen, a veteran pharmaceutical executive and the Publisher/Chief Editor of *Pharma China*, who has over 20 years of managing China and Asian pharmaceutical businesses as a leading China business consultant, multinational company executive and an entrepreneur.
- ✓ Prepared for the Real World Executives to help them navigate through the complex and turbulent Chinese healthcare business environment for success
- ✓ Extensive coverage on China's pharmaceutical industry structure and market environment, regulatory framework, healthcare provision and financing, disease & drug consumption patterns, pharmaceutical sales, marketing & distribution, contemporary trends and opportunities, market entry strategies, case studies of successes and failures in six key areas of the Chinese pharmaceutical business, and profiles of leading MPCs in China.
- ✓ Comprehensive and latest data and statistics on the Chinese pharmaceutical industry and market, the Chinese healthcare sector, and disease & drug consumption patterns – much of the data made available exclusively by reputable sources to *China Pharmaceutical Guide* and *Pharma China*.
- ✓ A complete and clear picture of the Chinese drug regulatory framework is presented with thorough coverage of all regulations in drug registration, research/GLP, clinical/GCP, import and export, manufacture/GMP, packaging, advertising, distribution/GSP, OTC/ethical drug classification, adverse drug reaction monitoring, internet drug sales, physician drug prescription, etc. Summaries of all these regulations are provided with analysis. In addition, a thorough introduction of all drug related government agencies and industry associations is given with their functions analyzed.
- ✓ A thorough review of contemporary issues and challenges facing the pharmaceutical industry in China, as well as promising opportunities with many real world examples.
- ✓ Market entry strategies are evaluated and analyzed with real world examples.
- ✓ Divided into 10 Parts with 53 Chapters excluding Preface, Executive Summary and Appendices, it has nearly 1,100 pages with around 150 tables and charts.
- ✓ Updated annually to ensure the most up-to-date coverage and trend analysis

The *China Pharmaceutical Guide 2010* has been thoroughly updated with ample latest data from many reputable sources, abundant analysis by leading industry experts, new regulations and more case studies. Its coverage was renewed and expanded significantly in the following areas:

- ✓ An additional 100 pages of new data, information, analysis and case studies
- ✓ Thorough summaries and analysis of the latest healthcare reform, drug pricing & reimbursement and hospital tender purchase policies
- ✓ Comprehensive industry, market and international trade data as well as health statistics are updated with the 2009 (full year) and early 2010 figures

- ✓ Comprehensive new top line data and research findings from our collaborative partners such as IMS Health, Synovate Healthcare, Nicholas Hall, ZS Associates and RDPAC
- ✓ All regulatory changes in 2009/2010 are updated to present a clear and most up-to-date picture of the Chinese drug regulatory framework with summaries and analysis of all drug regulations in effect including new regulations by June 9, 2010
- ✓ New and expanded coverage on MNC strategies in China with healthcare reform in the backdrop, intellectual property/patent law amendments, data exclusivity, patent litigation, drug regulation, pharmaceutical marketing and distribution strategies, drug consumption patterns, the Chinese R&D and outsourcing sector, clinical studies and practices, healthcare reform, community healthcare sector, essential drug policy, regional drug consumption patterns, and the vaccine sector.
- ✓ More case studies are added in the 2010 Edition. Mini case studies are in six important areas including market entry, R&D outsourcing, human resource management, market size/information sources, legal/IPR battles and local success stories.
- ✓ Comprehensive revision of MNC companies profiles to reflect their latest performance, business deals, legal disputes and outlook.
- ✓ Full text official translations of 11 Chinese laws and regulations directly related to pharmaceutical/healthcare businesses in China

All purchasers of the **China Pharmaceutical Guide 2010** will receive one-year complimentary subscription of *Pharma China Weekly e-Alert (Premium Edition)* which provides a weekly summary of the top Chinese pharmaceutical news and *Breaking News Alerts* which notifies subscribers of any major unfolding events in the Chinese pharmaceutical and healthcare sectors.

For further information, please contact WiCON International Group to request a free promotional PDF containing the executive summary, the table of contents, the lists of tables and charts, and preface/bio of the author (available after 06/2010).

To download a brochure/order form and our promotional PDF online (available after 06/2010), please visit: <http://www.pharmachinaonline.com/download/index.asp>.

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About WiCON International Group

WiCON International Group is the publisher of *Pharma China* (www.pharmachinaonline.com), which is the most influential English media and source of business intelligence covering the Chinese pharmaceutical / biopharmaceutical sector.

Pharma China caters for the growing needs of the international pharmaceutical industry for up-to-date and insightful intelligence on China's burgeoning but increasingly complex healthcare marketplace. It is subscribed by most multinational pharmaceutical companies, leading CROs, investment banks, consulting firms and industry associations.

Pharma China publishes the following products:

- **Pharma China Journal Edition** (monthly in PDF and Print)
- **Pharma China Web Edition** (continuously-updated news and in-depth commentaries)
- **China Pharmaceutical Guide** (the most comprehensive and authoritative reference for China's healthcare sector)