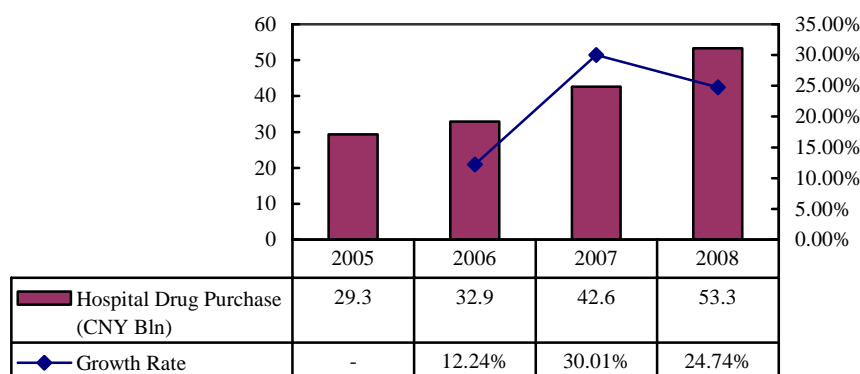


CPA: Chinese hospital drug sales up sharply in 2008

According to the hospital drug purchase audits of the Chinese Pharmaceutical Association (CPA), total drug purchase by representative hospitals in 22 Chinese cities nationwide audited by the CPA was CNY 53.3 billion in 2008, up 24.84%.

Growth of hospital drug purchase between 2005 and 2008



Source: CPA

Anti-infectives continue to lead all other therapeutic categories in 2008 with a market share of 24.53%, followed by anti-cancers & immuno-regulators (17.00%). All therapeutic categories grew last year with an average growth of 22.00%, but five categories, including muscle and skeletal system, respiratory system, nervous system, anti-cancers & immuno-regulators and digestive system drugs, had above average growth rates.

Hospital Drug Purchase by Therapeutic Classes in 2008

Therapeutic Category	Value (CNY bln)	+/- (%)
Systemic anti-infectives	13.1	+20.3
Anticancers and immuno-regulators	9.1	+30.8
Cardiovasculars	7.1	+14.2
Digestive system and metabolism drugs	6.7	+22.5
Blood and blood making system	5.8	+18.0
Nervous system	4.5	+30.9
Miscellaneous and other drugs	1.7	+22.5
Muscle and skeletal system	1.5	+33.3
Respiratory system	1.4	+31.4
Systemic steroid drugs (excl. sexhormones)	1.0	+20.4
Reproductive system and sex hormones	0.7	+11.8
Dermatologicals	0.4	+15.3
Sensory system	0.3	+11.6
Anti-parasitics, insecticides & anthelmintins	<0.1	+27.5
Bulk drugs and drugs not for direct human use	<0.1	+0.3
Total	53.3	+22.1

Source: CPA

Market share of oral dosage form down slightly

The leading four dosage forms, including injection, tablet, capsule and cream, account for more than 90% of all representative hospital drug purchases. The market share of injection was up slightly while those of oral dosage forms were down marginally in the past three years. The shares of other dosage forms had remained almost unchanged. A total of 22 drug dosage forms are used in representative hospitals.

Shares of leading dosage forms in hospital purchases 2006-2008

Dosage form	2006 (%)	2007 (%)	2008 (%)
Injections	65.04	66.09	66.59
Tablet	21.18	20.79	20.59
Capsule	8.72	8.14	7.92
Cream	1.83	1.71	1.63
Granules	0.78	0.80	0.80
Ointment	0.58	0.55	0.53
Suspension	0.41	0.40	0.44
Aerosol Inhaler	0.35	0.36	0.35
Liquid	0.19	0.25	0.30
Suppository	0.25	0.24	0.21

Source: CPA

Growth slows for imported and FIE-made drug products

Total import drug sales to representative hospitals was CNY 8.5 billion in 2008, up 22.60% year on year. It represents 16.0% of all drug sales to representative hospitals, down from 16.3% in 2007. The hospital sales growth of drug products made by foreign-invested enterprises (FIEs) slowed last year.

Among the 2,154 drug products covered by CPA, sales of the leading 10, 20, 50, 100 and 200 drug products accounted for 10.51%, 19.17%, 34.34%, 51.44% and 70.30% respectively of the total representative hospital drug sales.

Hospital drug products with highest growth rates in 2008

2008 Rank	2007 Rank	Product	Vol +/-	Value +/-
9	15	Ganglioside	+64%	+58%
20	34	Cefamandole	+67%	+69%
30	46	Compound Coenzyme	+32%	+52%
37	73	Piperacillin/Sulbactam*	+88%	+92%
38	76	Aztreonam*	+90%	+92%
41	71	Oxiracetam*	+70%	+69%
42	82	Creatine Phosphate	+87%	+88%
59	122	Cefmetazole*	+135%	+123%
61	103	Cefmenoxime	+78%	+82%
65	95	Tropisetron*	+89%	+71%

80	125	Calorose	+72%	+83%
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Source: CPA * Products listed under national reimbursement list of BMI

Leading 20 products by hospital purchase value in 2008

2008 Rank	2007 Rank	Product
1	1	Omeperazole
2	2	Chloride Sodium
3	4	Ginkgo preparations
4	9	Docetaxel
5	8	Paclitaxel
6	6	Levofloxacin
7	11	Cefotiam
8	3	Human Albumin
9	15	Ganglioside
10	5	Cefuroxime
11	10	Emulsion Fat
12	14	Clopidogrel
13	19	Thymic peptide alpha 1
14	18	Pantoprazole
15	20	Thymopentin
16	12	Oxaliplatin
17	13	Glucose
18	7	Cefoperazone Sodium/ Sulbactam Sodium
19	17	Cefminox
20	34	Cefamandole

Source: CPA

MNC pharma companies have sizable market shares

Among the leading 100 drug suppliers to the Chinese hospital market, 16 are foreign companies, 24 are fully-owned foreign subsidiaries or Sino-foreign joint ventures, and 60 are local companies.

It is found that although foreign companies and their joint ventures represented 20% of the total number pharmaceutical companies in China last year, they took up 38% of the industry's total profits.

Leading 30 pharma suppliers to Chinese hospitals in 2008

Rank	Company	Share (%)
1	Shanghai Roche Pharma	2.53
2	Dalian Pfizer Pharma	1.92
3	Shandong Qilu Pharma	1.74
4	Hanzhou Sanofi-Aventis Minsheng	1.71
5	AstraZeneca (Wuxi) Pharma	1.70
6	Jiangsu Hengrui Pharma	1.54

7	Beijing Bayer Healthcare	1.33
8	Beijing Novartis Pharma	1.33
9	Hangzhou MSD Pharma	1.24
10	Youngtze River Pharma	1.08
11	GSK (UK)	1.07
12	AstraZeneca (UK)	1.03
13	Harbin Pharma General Works	1.02
14	Bayer (Germany)	0.91
15	Shanghai Squibb Pharma	0.89
16	Sino-Swed Pharma	0.86
17	Beijing Sihuan Pharma	0.84
18	Hainan General Sanyang Pharma	0.79
19	Shanghai New Pioneer Pharma	0.79
20	XiAn Janssen Pharma	0.78
21	Beijing Shuanglu Pharma	0.77
22	Beijing Tide Pharma	0.68
23	Shandong Lunan Pharma	0.62
24	Shandong Ruiyang	0.61
25	Harbin Sanlian Pharma	0.61
26	Tianjin Novo Nordisk Pharma	0.60
27	Beijing Fresenius Pharma	0.60
28	Sanofi-Winthrop (France)	0.59
29	Sichuan Kelun Pharma	0.57
30	Guangzhou Baiyunshan Pharma	0.57
	Total	31.32

Source: CPA