

## **Is the Chinese Pharmaceutical Market Finally Ripe for MNC pharma companies?**

Beijing, China, June 18, 2009 – According to **China Pharmaceutical Guide 2009 (4th Edition)**, the latest report from Wicon International Group LLC (publisher of *Pharma China*), the size of the Chinese drug market (including all Western and traditional Chinese medicine drug products and biopharmaceuticals) at retail price level grew at an average annual rate of 15.3% between 2001 and 2008, reaching CNY 482.6 billion (US\$70.7 billion) in 2008.

The publication reveals many optimistic estimates by industry analysts predicting between 20% and 25% in revenue growth and 30% profit growth for the Chinese pharmaceutical industry in 2009.

It is expected that drug sales in the country will expand by at least CNY 80 billion (US\$12 billion) in 2009 as coverage of the Chinese population by urban employee and resident basic medical insurance systems and the new rural cooperative medical system expands.

Positive drivers for the pharmaceutical industry in 2009 include restored order in the marketplace after regulatory corrections, anticipated market expansion brought by the healthcare reform under which government investments will increase considerably, continued industry consolidation resulting in higher market shares and profitability of larger companies, relatively steady drug prices, rise of new product launches by MNCs, and continuous inflow of foreign and domestic investments to the drug industry, according to the upcoming **China Pharmaceutical Guide 2009 (4<sup>th</sup> Edition)**.

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 (with maximum payout limit in the region of US\$10,000) that China is hoping to put into place through healthcare reform, the low percentage of healthcare expenditures in China's GDP (at below 5%) and average annual drug consumption per capita in China is only US\$53.

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 2009**, 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.

To take full advantage of what China offers, MNCs are advised not to rank China's importance by its current share in total revenues, but to elevate it to a position at least

comparable to that of Japan.

“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 2009*.

“China is at the early stage of becoming ripe for MNCs, although it is still premature for the fruit-picking at this point. But the harvest time is near, so get ready for the express train,” he concluded.

**China Pharmaceutical Guide 2009 (4th 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 third 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 900 pages with more than 138 tables and charts.
- ✓ Updated annually to ensure the most up-to-date coverage and trend analysis

The size of the 2009 Edition of China Pharmaceutical Guide increased to over 1,000 pages from previously 850 pages, and its coverage was expanded significantly in the following areas:

- ✓ Thorough summaries and analysis of the latest healthcare reform plans and documents
- ✓ Comprehensive industry, market and international trade data as well as health statistics are updated with the 2008 (full year) and early 2009 figures
- ✓ Comprehensive new topline data and research findings from our cooperation partners including IMS Health, Synovate Healthcare and Nicholas Hall.
- ✓ All regulatory changes in 2008/2009 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, 2008
- ✓ An additional 200 pages of new data, information, analysis and case studies
- ✓ New and expanded coverage on intellectual property/patent law amendments, patent litigation, pharmaceutical distribution landscape and channel strategies, drug consumption patterns, international regulatory cooperation, 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 2009 Edition. Mini case studies 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 2009 edition will receive one-year complimentary subscription of *Pharma China Weekly e-Alert (Premium Edition)*

which provides a concise summary of the top Chinese pharmaceutical news in every week 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 06/2009).

To download a brochure/order form and our promotional PDF online, please visit:  
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#### About WiCON International Group

WiCON International Group is the publisher of *Pharma China* ([www.pharmachinaonline.com](http://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)
- **SNAPI - Database-driven Sino-API Intelligence** (the only reliable database of Chinese API products and producers)