

WiCON Publishes the China Pharmaceutical Guide 2018 (13th Edition)

Chinese Pharma Growth Stabilizes amid Deepening Healthcare and Drug Regulatory Reform

Beijing, China, September 10, 2018 – WiCON International Group LLC, the publisher of well-known WiCON | Pharma China (www.pharmachinaonline.com), announced that it has officially published its *China Pharmaceutical Guide 2018 (13th Edition)*.

According to the publication, quoting latest data from SMEI, the size of China's three major pharmaceutical terminal markets, which include the public hospital market, the retail pharmacy market and the public primary healthcare market, reached CNY 1,611.8 billion and CNY 859.0 billion at the retail price level in 2017 and the first half of 2018. Adding the drug market of private hospitals and clinics as well as village clinics, the entire Chinese pharmaceutical market is estimated to be around CNY 1.9 trillion at the retail price level in 2017. Growth of the market fell slightly further to 7.6% last year (vs. 8.2% in 2016), but there are signs of stabilization in 2018.

Meanwhile, official data shows that the Chinese pharmaceutical industry revenues and net profits were up 12.2% and 16.6% respectively in 2017, accelerating by 2.3 and 1.0 percentage points and reaching CNY 2,982.6 billion and CNY 352.0 billion, according to the *China Pharmaceutical Guide 2018 (13th Edition)*. On the other hand, 21 MNC pharmaceutical companies had revenues totaling CNY 149.2 billion in 2017, up about 10%. The pack was led by Pfizer with CNY 23.3 billion in Chinese sales last year, followed by AstraZeneca and Bayer with CNY 20.0 billion and CNY 17.0 billion respectively.

In past year, China has expanded structural reform and anti-corruption campaign to all corners of its healthcare sector. The new "top level" design or reform blueprint is now near completion though it will take years before the medical system can digest the tasks and goals.

But the structural flaw of Chinese healthcare financing remains untackled. The central government continues to draw up grand plans with ambitious goals, while most of bills, however, need to be footed by local governments, which are already suffering from a chronic decline of fiscal revenues as housing market plummeted and debt escalated to an unsustainable level. Government healthcare budget increases have been limited at all levels and are not expected to be raised substantially in a stumbling economy. Achieving reform objectives set by top officials therefore rest mostly on savings from cost containments, which are doomed to hurt healthcare quality.

The pharmaceutical industry is challenged during this unsettling period and it has been squeezed by both medical providers and the government. Furthermore, MNCs are facing growing threat from local bioequivalent generics, which are supported by the government to substitute off-patent originator drugs. Meanwhile, as drug regulatory standards go up following reform, the industry is confronted by the growing pain to supply high quality products at low prices and secure the bottomline at the same time.

Recent moves of pharma MNCs to refocus their China businesses coincide with the growing discontent of foreign companies in China. The EU Chamber of Commerce in China said in its latest whitepaper that their members are suffering from "promise fatigue" in Chinese pledges to open up markets. Foreign firms have long complained of an uneven playing field and an opaque regulatory environment.

China needs to make good on its own repeated calls to open up its markets, or face consequences, warned the Chamber. In recent years, China has publicly avowed to do so, with President XI Jinping making speeches on openness and globalization. But critics say China's many words have

few actions behind them. It appears that in many areas, China is no longer opening up, but selectively closing up.

It's encouraging, however, to see the pharmaceutical industry in China, especially leading MNCs, are making considerable progress reshaping its business model to adapt with the fast changing marketplace and fast emerging opportunities in the area of innovative new medicines, as the Chinese government begin to take concrete steps on making its drug registration regime more efficient and prioritize approval of new drugs already marketed in developed markets.

The *China Pharmaceutical Guide 2018*, an indispensable annual reference for MNC pharma executives with China responsibilities for more than a decade, provides various data sets on the Chinese pharmaceutical market and drug consumption patterns from respected sources including QuintilesIMS, SMEI, CPIIC, CPA, Sinohealth, Nicholas Hall and other official sources. The publication, from the publisher of WiCON | *Pharma China* and covers all aspects of Chinese pharma/healthcare sector, aims to help HQ and local executives at proactive MNCs feel the dynamic and up-to-date pulse of Chinese healthcare in order to stay in the driver seat of their business in the country.

Now in its 13th edition, *China Pharmaceutical Guide 2018* continues 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 three decades of managing China and Asian pharma 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.
- ☞ Comprehensive and latest data on the Chinese pharmaceutical industry and market, the Chinese healthcare sector, drug evaluation and registration, and disease & drug consumption patterns – much of the data made available exclusively by reputable sources to *China Pharmaceutical Guide* and *Pharma China*.

The *China Pharmaceutical Guide 2018 (13th Edition)* is presented in four comprehensive volumes:

- ☞ Volume I – *Overview of the Chinese Pharmaceutical & Healthcare Sectors* (up-to-date coverage of China's business environment, history and structure of the Chinese pharmaceutical industry, Chinese health sector structure and statistics, health insurance sector structure and data, as well as disease and drug consumption patterns);
- ☞ Volume II – *Chinese Pharmaceutical IP and Regulatory Guide* (a complete and clear picture of the Chinese drug regulatory and IP framework is presented with thorough summaries covering all regulations in drug/biologic registration, drug pricing, research/GLP, clinical research/GCP, import and export, manufacture/GMP, packaging, distribution/GSP, OTC/ethical drug classification, drug advertising, adverse drug reaction monitoring, internet drug sales/e-commerce, physician drug prescription codes, contract manufacturing, international regulatory harmonization, compulsory licensing/technology transfer, patent and trademark application, enforcement, litigation and strategies, data exclusivity, counterfeit drugs and drug safety liabilities. Summaries of regulations are provided with needed analysis. In addition, a thorough introduction of all drug related government agencies and industry associations is given with their functions analyzed.
- ☞ Volume III – *Annual Review, Trends, Opportunities and Strategic Considerations* (including a complete review of latest data, business trends, regulatory & IP/legal developments and healthcare reform progress of the Chinese pharmaceutical industry and market in 2017/1H2018, and a large collection of feature articles from industry experts relating to

contemporary trends, issues and strategic considerations as well as promising opportunities of the present and future); and

- ☞ Volume IV – *Sales & Marketing, Entry Strategies and Case Studies* (covering orientation, models and strategies of pharmaceutical sales, marketing and distribution in China, marketing entry strategies and execution, case studies featuring success stories of MNCs and domestic players, R&D and outsourcing, human resource management and legal/IP issues), as well as appendices with full texts of important healthcare/pharmaceutical related policies, laws and regulations.

The ***China Pharmaceutical Guide 2018 (13th Edition)*** 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 in the following areas:

- ☞ Hundreds of 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, as well as coverage of the most recent government reorganization relating to healthcare and drug regulation.
- ☞ Comprehensive industry, market and international trade data as well as health statistics are updated with the 2017 (full year) and available data for the first half of 2018.
- ☞ Expanded coverage on e-commerce and digital marketing opportunities, the primary healthcare sector, the OTC and consumer healthcare sector, high-growth market segments, key regional hospital markets, and the pharmaceutical distribution sector,
- ☞ Updated coverage of the Chinese biosimilars/biologics market prospects and regulatory outlook.
- ☞ Updated coverage of emerging legal issues (including latest Chinese government crackdown on corruption in healthcare, FCPA/compliance and liability issues) and drug-related IP and trademark concerns.
- ☞ Comprehensive top line data, research findings and observations from our collaborative partners such as IMS Health, Kantar Health, Nicholas Hall, ZS Associates, Rubicon Strategy Group and RDPAC, as well as other reputable sources including the Chinese Pharmaceutical Association, SMEI, CPIIC and Sinohealth.
- ☞ All regulatory changes in 2017/1H2018 are updated to present a clear and most up-to-date picture of the Chinese drug regulatory framework with summaries and analysis of all pharmaceutical related regulations in effect by mid-2018.
- ☞ Focused coverage of China's ongoing efforts to revamp its drug regulatory regime through amendments of the *Drug Administration Law*, its latest proposal and preparations to overhaul the drug pricing mechanism, deepening reform of its drug registration and evaluation regime, new policies to support drug innovation and high clinical value generics, and its initiative to re-evaluate all generic drugs with bioequivalence studies.
- ☞ An updated section covering proposed new drug-related laws and regulations under drafting process with selective previews of the draft versions.
- ☞ Extensive review and analysis of China's drug registration applications and approvals as well as Chinese drug innovation trends in recent years.
- ☞ Comprehensive review of Sino-foreign M&A, joint venture, strategic alliance, licensing, research partnerships, co-marketing, and new drug research events in 2017 and early 2018.

- ☞ Expanded coverage on MNC performance and strategic considerations in China with healthcare reform in the backdrop, intellectual property/patent law amendments, data exclusivity, patent litigation, drug regulations, pharma marketing and distribution strategies, drug consumption patterns, the Chinese R&D and outsourcing sector, clinical studies/practices, healthcare reform, community healthcare sector, essential drug policy, regional drug consumption patterns, and the vaccine and API sectors.
- ☞ Numerous new case studies in five key areas of pharma business are added.

All purchasers of the ***China Pharmaceutical Guide 2018 (13th Edition)*** 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. To download our promotional PDF and a brochure/order form, please visit: <http://www.pharmachinaonline.com/download/index.asp>.

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WiCON International Group is the publisher of **WiCON | *Pharma China***, the most trusted English media and source of business intelligence covering the Chinese pharmaceutical / biopharmaceutical sector.

WiCON | *Pharma China* (www.pharmachinaonline.com) caters for the growing needs of the global pharma industry for up-to-date and insightful intelligence on China's burgeoning but increasingly complex healthcare marketplace. It is subscribed by most MNCs, leading CROs, investment banks, consulting firms and industry associations.

WiCON | *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** (latest edition – published annually in August)