Chinese Pharma Maintains Decent Growth and Prospects amid Deepened Reform

WiCON Announces Upcoming Publication of China Pharmaceutical Guide 2017 (12th Edition)

Beijing, China, April 18, 2017 – The Chinese pharmaceutical market rose slower in 2016 at only 8.3% to CNY 1,497.5 billion at retail price level, compared with 11.0% in 2015, according to the *China Pharmaceutical Guide 2017 (12th Edition)*, which is to be published in August 2017, and W*i*CON | *Pharma China* (www.pharmachinaonline.com) quoting official SMEI data.

On the other hand, CPIIC data suggests the Chinese pharmaceutical industry revenue and profit growth rebounded slightly in 2016 to 10.3% and 15.6% respectively, despite shadows of numerous challenges stemmed from the troubled Chinese economy, regulatory shakeups, cost containment measures and healthcare reform turbulences.

Albeit the seemingly better industry performance, which may simply mean higher inventory in the face of slower market growth, the era of single-digit Chinese pharmaceutical market growth is here to stay, the *China Pharmaceutical Guide 2017* summarizes.

QuintilesIMS reported the Chinese hospital drug sales were up 8.1% in 2016. The slowing growth was attributed by the company to be intensified government cost containment policies, implementation of rationalization policies for clinical drug consumption, control of drug sales share in total hospital revenues, and centralized hospital tender purchase. It also disclosed the sales of OTC drugs and health foods of Chinese retail pharmacy sector to have reached CNY 77.4 billion in 2016, up only 2.8%, continuing a slowing growth trend due to slower price rise and negative volume growth.

The *China Pharmaceutical Guide 2017*, an indispensable 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 W*i*CON | *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.

In 2016 and early 2017, the CFDA's move to elevate drug quality and reform drug approval system, though contradicted by other government agency's preoccupation to slash drug costs, has advanced substantially in the past year. The real questions are that, with the world's largest population, what kind of healthcare solution and product mix China can and should get for merely 5%-6% of GDP? Is the country willing or able to pay more for better drugs and healthcare being pushed?

Despite superficial slogans and touted ambitions of the Chinese government, the healthcare reform has been hijacked by cost containment and gone astray from the pledged path of improving efficiency and fixing structural flaws. With tax and other revenues drying up and under increasing threat of BMI system deficit amid a slowing Chinese economy, local governments are pressured by both the central government and the public to do more for healthcare with less financial resources.

Pushed to the corner, the Chinese pharmaceutical industry is now at the brink of business bottomlines. Nonetheless, many drug company executives are still bullish about China's long-term growth prospects. As the government improves access to healthcare, the country's pharmaceutical market is projected by QuintilesIMS to reach approximately between $140 billion and $170 billion by 2021 on slower annual growth between 5% and 8%. But the short-term picture is proving difficult, with reforms in the hospital sector affecting physician prescriptions and price pressures growing for most drugs.

The Chinese economy and the reform of its healthcare system are once again at crossroads. Pharma companies, local or foreign, must change to remain competitive and fit with the market.

Other than growing challenges on the ground in China, there are success stories from all categories of players, whether they are foreign or local, large or small, newcomer or established, private or state-owned. However, to be one of the success stories require a thorough understanding of the sector, ability to face and tackle challenges, flexibility to deal with changes, and skills to maneuver through complex situations.

Now in its 12th edition, ***China Pharmaceutical Guide 2017*** 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 2017 (12th Edition)* has been completely reorganized into four 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 2016/1H2017, 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 2017 (12th Edition)***, which will be published in early August 2017, had 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.
- ☞ Comprehensive industry, market and international trade data as well as health statistics are updated with the 2016 (full year) and available figures for the first half of 2017.
- ☞ 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 2016/1H2017 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-2017.
- ☞ 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 2016 and early 2017.
- ☞ Expanded coverage on MNC strategies 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 2017 (12th 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 W*i*CON 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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- **China Pharmaceutical Guide** (the most comprehensive and authoritative reference for China's healthcare sector)