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Australia's Blackmores buys Chinese herbal medicine firm

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Singapore: Australia's leaing vitamin maker Blackmores recently announced the acquisition of Chinese herbal medicine firm, Global Therapeutics. The $23 million deal opens up Asia's doors for Blackmores in its new area of traditional and herbal medicines.

The company's chief executive, Ms Christine Holgate, said, "We need to get in there and understand the business and we know we have got a lot of opportunities in the Australian market but we absolutely believe that in the more medium term this deal enables us to have good growth prospects in Asia." The company aims to tap into rising demand in a market worth $170 billion globally.

Global Therapeutics two main brands, Fusion and Oriental Botanicals brands are sold only in Australia currently. In an interview with a leading daily, Ms Holgate said, "She said there were vast opportunities in China and other Asian countries for the business, which would be run as a stand-alone operation at the "front end" but have better access to capital and Blackmores distribution grunt by being part of a larger group."

Ms Holgate said the Global Therapeutics deal, ill help Blackmores understand the Asian consumers better. "We do a lot of work with the National Institute of Complementary Medicine at the University of Western Sydney and we have been exploring with them the research behind Chinese traditional medicine and Chinese herbal medicine," she said.

"It is a bit like how BioCeuticals gave us access to healthcare professionals. This allows us to get much closer to the Chinese herbalist and understand the healthcare needs of the Chinese people. There is a very big and growing population of Chinese people in Australia."

Ms Holgate mentioned that there were more than 4700 reigstered traditional Chinese medicine practitioners in Australia and it was a fast-growing market. Blackmores said the acquisition was expected to be earnings accretive in the first full year under its ownership, and highlighted that after the deal it would have leading brands in pharmacy, health food stores and the

practitioner market.