

Foreign drugmakers report drop in Chinese sales

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Singapore: The crackdown on corruption and strict regulations by the Chinese government have resulted in a slow down, with many foreign drugmakers reporting a slump in sales and shrinking profits. China was the second largest market for prescription medicines after the United States and had attracted major investments by many pharma firms.

According to a recent analysis by Deutsche Bank, with the exception of AstraZeneca, none of the big pharma companies reporting second-quarter results have managed to achieve double-digit percentage Chinese sales growth, reported the Reuters.

Denmark's Novo Nordisk reported a 6 percent slide in Chinese sales. Eli Lilly's China sales shrank by 16 percent for Q2 as lower volume paired up with the strong dollar to drag down the numbers. Some government policies are holding back volume growth, Lilly's emerging markets chief Chito Zulueta said during a call with analysts, and more hospitals are switching to cheap generics.

Pfizer also reported pricing pressures in China but said the country remained a significant opportunity for future growth. Despite the drop in sales, many drugmakers are still positive about the Chinese market's long term prospects and are

continuing to invest in operations.