

Teva to set up JV with Guangzhou Pharma

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Teva Pharmaceutical Industries Ltd is planning to set up a joint venture with Guangzhou Pharmaceutical Holdings Ltd to make and sell the Israeli company's generic drugs in the world's second-biggest market for medicines.

The drugmaker known for its popular Chinese version of Viagra is awaiting local government approval for some Teva drugs.

China is revamping its approval system for medicines that will ease bottlenecks in getting new treatments to consumers. The change is a potential boon for multinationals from Pfizer Inc. to GlaxoSmithKline Plc.

China's demand for medicines has surged because of its aging population and as chronic diseases such as cancer and diabetes become commonplace.

Guangzhou Pharma is already seeing the benefits of China's determination to speed up approvals. The company's received about as many drug approvals in the last three quarters as it did in the past three years.

Teva is scouting for growth as the profit margins for generics face steady price erosion. Its generics unit has underperformed as it contends with increased competition, pressure from customer consolidation and a delay in key launches. It agreed to sell its women's health unit and oncology and pain franchises in Europe to pay off its \$35.1 billion in debt.

Guangzhou Pharma also plans to buy a controlling stake in an Indonesian listed pharmaceutical company. It will build a manufacturing plant there. In China, it plans to build specialized hospitals for maternity care, elderly care and rehabilitation centers.