



# The China Pharmaceutical Market to 2030



## Contents

CHAPTER 1 EXECUTIVE SUMMARY .....	5
1.1 REPORT DESCRIPTION .....	5
1.2 MARKET SEGMENTATION .....	6
1.3 RESEARCH METHODOLOGY .....	7
CHAPTER II DRIVERS & RESTRAINTS OF THE CHINESE PHARMACEUTICAL MARKET .....	8
CHAPTER III CHINA HEALTHCARE INDICATORS VS GLOBAL HEALTHCARE INDICATORS....	11
3.1 DEMOGRAPHIC INDICATORS .....	11
3.2 HEALTHCARE EXPENDITURE.....	12
3.3 PRIVATE EQUITY / VENTURE CAPITAL INVESTMENTS.....	13
3.4 IMPLICATIONS FROM US - CHINA TRADE WAR ON CHINA PHARMACEUTICAL MARKET	17
3.4.1. <i>No Impact on Chinese APIs</i> .....	17
3.4.2. <i>Adverse Impact on Chinese Outbound Investments, M&amp;As</i> .....	17
CHAPTER IV CHINA PHARMACEUTICAL MARKET STRUCTURE .....	19
4.1 HEALTHY CHINA 2020 REFORMS - REVIEW .....	19
4.2 HEALTHY CHINA 2030 REFORMS – IMPACT ON PHARMACEUTICAL MARKET .....	22
4.3 REGULATORY STRUCTURE.....	26
4.3.1. <i>Regulatory Authorities</i> .....	26
4.3.2. <i>Current Regulatory Policies for Drugs/Pharmaceuticals</i> .....	26
4.3.3. <i>Registration Process / Approval for Domestic and Imported Drugs</i> .....	28
4.3.4. <i>Intellectual Property Rights / Patent law</i> .....	32
4.3.5. <i>Pricing and Reimbursement</i> .....	32
4.4 DISTRIBUTION STRUCTURE .....	35
4.4.1. <i>Average Sales Force Size</i> .....	38
4.4.2. <i>Bribery Penalties - Indications of Changing Pharmaceutical Distribution Practices</i> ...	38
4.4.3. <i>China Hospitals Sales, 2020 - 2030 (\$ bn)</i> .....	40
4.4.4. <i>China Retail Pharmacies Sales, 2020 - 2030 (\$ bn)</i> .....	43
4.4.5. <i>China e-Pharmacies Sales, 2020 - 2030 (\$ bn)</i> .....	44
CHAPTER V CHINA PHARMACEUTICAL MARKET .....	47
5.1 OVERVIEW .....	47
5.2 GROWTH DRIVERS .....	49
5.2.1. <i>Higher Proportion of Geriatric Population and Increased Incidence of ‘Lifestyle’ Diseases</i>	49
5.2.2. <i>Rising Affordability</i> .....	49
5.2.3. <i>Supply-Side Reforms Augment Demand</i> .....	49
5.3 BARRIERS / RESTRAINTS .....	50
5.3.1. <i>Non-Uniform Reimbursements</i> .....	50
5.3.2. <i>Low R&amp;D% Investment</i> .....	51
5.4 COMPETITIVE LANDSCAPE .....	51
5.4.1. <i>Foreign Companies - Key Operating/High ROI Therapeutic Areas</i> .....	51
5.4.2. <i>Domestic Companies - Key Operating/High ROI Therapeutic Areas</i> .....	53

5.5	TRENDS AND FUTURE OUTLOOK .....	54
5.5.1.	<i>Massive in-bound funds flow to spur local R&amp;D/innovation</i> .....	54
5.5.2.	<i>Reverse brain-drain in China pharmaceutical market</i> .....	54
5.5.3.	<i>Digital customer engagement becoming the necessary evil</i> .....	55
CHAPTER VI CHINA PHARMACEUTICAL MARKET, BY TYPE, 2020 - 2030 (\$ BN) .....		56
6.1	CHINA SMALL MOLECULE DRUGS MARKET, 2020 – 2030 (\$ BN) .....	57
6.1.1.	<i>China Patented Small Molecule Drugs Market, 2020 – 2030 (\$ bn)</i> .....	58
6.1.2.	<i>China Generic Small Molecule Drugs Market, 2020 – 2030 (\$ bn)</i> .....	58
6.2	CHINA BIOLOGICS MARKET, 2020 – 2030 (\$ BN).....	60
6.2.1.	<i>China Patented Biologics Market, 2020 – 2030 (\$ bn)</i> .....	63
6.2.2.	<i>China Biosimilars Market, 2020 – 2030 (\$ bn)</i> .....	63
6.2.3.	<i>China Vaccines Market, 2020 – 2030 (\$ bn)</i> .....	67
CHAPTER VII CHINA APIS MARKET, 2020 - 2030 (\$ BN) .....		69
CHAPTER VIII CHINA PHARMACEUTICAL MARKET, BY KEY THERAPEUTICS, 2020 - 2030 (\$ BN) .....		72
8.1	CHINA CARDIOVASCULAR DRUGS MARKET, 2020 – 2030 (\$ BN) .....	73
8.2	CHINA ANTI-INFECTIVE DRUGS MARKET, 2020 – 2030 (\$ BN) .....	75
8.3	CHINA ONCOLOGY DRUGS MARKET, 2020 – 2030 (\$ BN) .....	77
8.4	CHINA DIABETES DRUGS MARKET, 2020 – 2030 (\$ BN) .....	79
CHAPTER IX COMPANY PROFILES .....		81
9.1.	SINO BIOPHARMACEUTICAL LTD. ....	81
9.1.1.	<i>Background</i> .....	81
9.1.2.	<i>Business Structure - China</i> .....	81
9.1.3.	<i>Products / Services - China</i> .....	82
9.1.4.	<i>Distribution Network - China</i> .....	82
9.1.5.	<i>Growth strategy - China</i> .....	82
9.1.6.	<i>Financial Information - China</i> .....	82
9.2.	CSPC PHARMACEUTICAL GROUP LTD. ....	84
9.2.1.	<i>Background</i> .....	84
9.2.2.	<i>Business Structure - China</i> .....	84
9.2.3.	<i>Products / Services - China</i> .....	84
9.2.4.	<i>Distribution Network - China</i> .....	84
9.2.5.	<i>Growth strategy - China</i> .....	84
9.2.6.	<i>Financial Information - China</i> .....	85
9.3.	ASTRAZENECA CHINA .....	86
9.3.1.	<i>Background</i> .....	86
9.3.2.	<i>Business Structure - China</i> .....	86
9.3.3.	<i>Products / Services - China</i> .....	87
9.3.4.	<i>Distribution Network - China</i> .....	87
9.3.5.	<i>Growth strategy - China</i> .....	88
9.3.6.	<i>Financial Information - China</i> .....	88
9.4.	PFIZER CHINA .....	90
9.4.1.	<i>Background</i> .....	90
9.4.2.	<i>Business Structure - China</i> .....	90

9.4.3. Products / Services - China.....	90
9.4.4. Distribution Network - China .....	90
9.4.5. Growth strategy - China .....	91
9.4.6. Financial Information - China .....	91
9.5. SHANGHAI PHARMACEUTICALS HOLDING COMPANY LTD. ....	93
9.5.1. Background .....	93
9.5.2. Business Structure - China .....	93
9.5.3. Products / Services - China.....	93
9.5.4. Distribution Network - China .....	94
9.5.5. Growth strategy - China .....	94
9.5.6. Financial Information - China .....	95
9.6. FOSUN PHARMA .....	97
9.6.1. Background .....	97
9.6.2. Business Structure - China .....	97
9.6.3. Products / Services - China.....	97
9.6.4. Distribution Network - China .....	98
9.6.5. Growth strategy - China .....	98
9.6.6. Financial Information - China .....	99
ABOUT GMR DATA .....	100

## Chapter 1 Executive Summary

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### Report Description

The Chinese government has sought a complete overhaul of its healthcare sector via the 'Healthy China 2020' and subsequent 'Healthy China 2030' program. Within the program, new Healthcare reforms, augmented by the 13<sup>th</sup> Five Year Plan has paved the way both foreign as well as local pharmaceutical companies.

In addition to, or in tandem with, governmental direction, China has seen an increase of people moving from rural to city locales, witnessed an increase in the middle class, witnessed average salaries rise and seen life expectancy increase also. These factors have driven the China Pharmaceutical market, and will broadly continue across the forecast period 2020-2030.

This report studies the China pharmaceutical market in terms of Market Structure, encompassing the study and impact analysis of reforms; it also studies the regulatory structure and distributor channel structures.

The China pharmaceutical market section gives a detailed market overview, qualitative analysis of the factors responsible for driving and restraining growth, nature of the market, competitive landscape, PE/VCs funding as well as M&As, the section also details future outlook.

Within this report the China pharmaceutical market has been segmented based on the distribution channel markets, by drug types and also by key therapeutics markets. The market size estimates and forecasts for the period 2020 to 2030 have been provided for each of the segments, in terms of \$ bn, considering 2019 as the base year for calculations. The CAGR (%) of each market segment for the forecast period 2020 to 2030 has also been provided along with market size estimations.

The report concludes with the competitive landscape and Company Profiles of key market players in this market, as of 2019. The market players profiled in this report include Sino Biopharm, CSPC, Fosun Pharma, Shanghai Pharmaceuticals, AstraZeneca China, and Pfizer China.

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## China Diabetes Drugs Market, 2020 – 2030 (\$ bn)

China has a large population of diabetics with almost 1 in 3 diabetics in the world in China. By 2030, circa 25% of world diabetic population, a total of 130 million, will be in China. Many factors contribute to growth of Chinese diabetic population such as increased urbanization, sedentary lifestyle and dietary changes towards a more Western diet.

Considering supply-side growth drivers in the China Diabetes Drugs market; up to and including 2018-2019, local companies' anti-diabetic products fell short on quality and efficacy parameters as compared to foreign companies' products - resulting in high imports of diabetes drugs ~\$4 billion i.e. ~50% of total consumption/market.

95% reimbursements meant high economic costs of the treatment of diabetes in China, and skewed trade balance of diabetes drugs - primarily of insulins (that are required for both Type I and Type II diabetics). Three companies; Eli Lilly, Novo Nordisk and Sanofi control 90% of the global insulin market by value. Often only one of these companies supplies insulin in any country and on occasion meaning a monopoly on pricing.

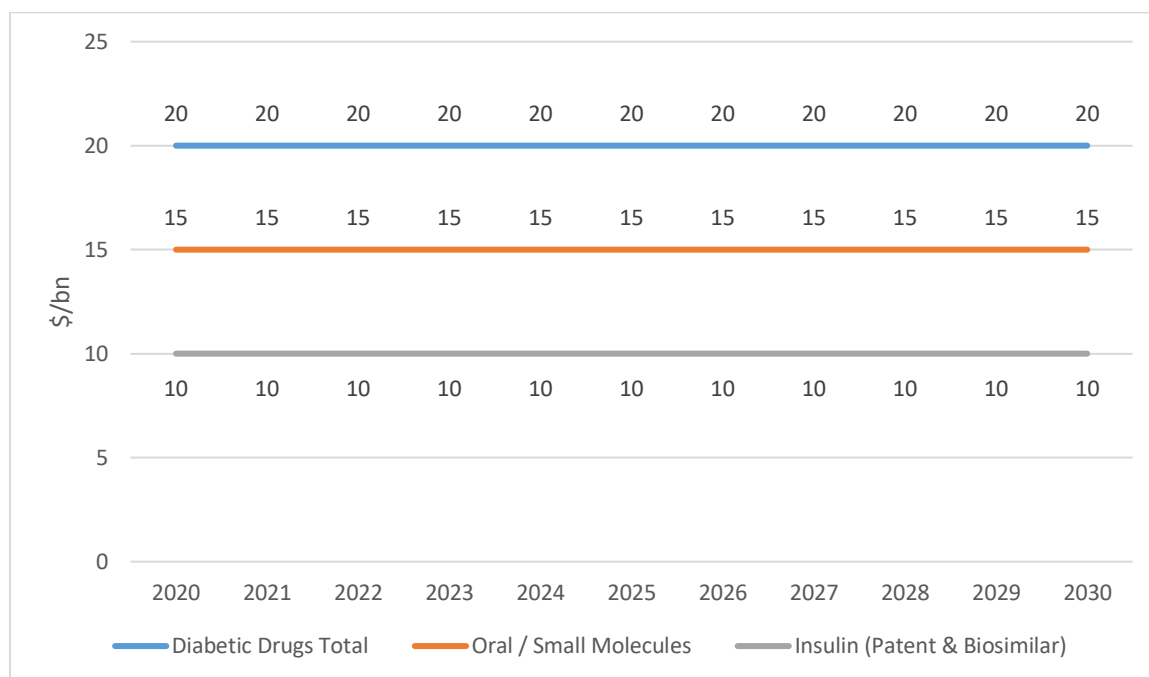
In a bid to effectively manage the growing incidence of diabetes the Chinese government has allowed biotech companies to list on the HK exchange to give access to more capital and allow re-investment in R&D, business, manufacture Diabetes drugs, primarily insulin biosimilars and supply in the local market.

Faster approval of new drugs, for example, new generation ultra-long duration basal insulin, allied with improved intellectual property rights protection detailed in the Healthy China 2030 reforms, mean that Chinese companies will be incentivized to develop and commercialize insulin biosimilars in the China market. For example, Chinese diabetes drugs developer Hua Medicine listed on the HK exchange in 2018; one of Hua Medicine investors is Ping An Insurance/Pingan good doctor, an O2O type 2 e-pharmacy.

A consortium of domestic diabetes firms, Sinocare Inc, that develops and manufactures blood glucose monitoring systems, and China Jiayin Investment Ltd (JIC), a unit of sovereign wealth fund China Investment Corp. - are bidding for Johnson & Johnson's diabetes care business (LifeScan Inc, Animas Corp, and Calibra Medical Inc.) to buy technology and supply in the local market.

Foreign companies' interest is also evident as Novo Nordisk reported plans for R&D in collaboration with local biotech firms; and its R&D centre in Beijing is establishing an open innovation platform to support drug R&D collaboration to upgrade the firm's innovation model in China.

Figure 36 China Diabetes Drugs Market, 2020 - 2030 (\$ bn)



source: GMR Data

Table 17 China Diabetes Drugs Market, 2020 - 2030 (\$ bn)

\$ bn	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	CAGR %
<b>Diabetic Drugs Total</b>	12.5	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X %
<b>Oral Diabetes Drugs / Small Molecules</b>	6.6	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X %
<b>Insulin Patented &amp; Biosimilar</b>	5.9	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X	X.X %

Source: GMR Data

With strong current and future demand allied with increasing supply of short/intermediate-acting human insulin and long-acting human insulins and its biosimilars; GMR Data forecast that the China diabetic drugs market will grow at X.X % CAGR from \$12.5 billion in 2020 to \$ X.X billion in 2030. Commercialization of insulins biosimilars will result in lower value (as compared to small molecules, wherein launch of patented, newer drugs will continually raise value of the market).



## About GMR Data

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Quickly becoming one of the leading business information companies, GMR Data brings together some of the world's leading market researchers to identify, analyse and understand your industry. We then deliver unique commercial reports with in-depth audits, clear market breakdowns, visual appraisals such as tables, graphs, charts, as well as industry surveys, plus enterprise interviews with some of the leading and innovative players in your market. This information is available nowhere else. Only by working with GMR Data can you access tomorrow's information, today.

GMR Data has firmly established itself as the first port-of-call for the industry professional that needs independent, timely and high quality original material to be relied upon.

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