

Research Report on Chinese Chemical Pharmaceuticals Industry, 2009

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Dated: *Apr 13, 2009*

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www.shcri.com - The chemical pharmaceuticals industry is the largest sub-sector of Chinese pharmaceuticals industry. In 2008, the sales revenues of Chinese chemical raw material medicines were 26.5 billion USD and the sales revenues of the chemical preparation industry were 3.34 billion USD, with the average growth rate all exceeding 20%. In 2008, China produced 2.2853 million tons chemical raw material medicines accumulatively, YOY up by 0.85% with the growth rate down by 15.05% compared with the same period of last year.

Because of the rigid demands for the pharmaceuticals, the influences of the international financial crisis on the pharmaceuticals industry were limited. In 2008, the export amounts of Chinese raw material medicines totaled 18 billion USD. From the aspect of the export volumes of the raw material medicines, the previous leading mass raw material medicines have been the major export variety in the international market so far. Because of the price advantage of the raw material medicines in the international market, it is predicted that the exports of Chinese raw material medicines will hold the line in 2009 to 2010.

On 17th October, 2008, State Food and Drug Administration carried out the license systems on 9 exported medicines officially for the first time, among which the raw material medicines occupied the most parts, including atorvastatin, gentamicin, sildenafil and sodium heparin which were involved in the Sino-American trade negotiation.

Antibiotics are the major export product in Chinese pharmaceuticals industry, including Penicillin-G, gentamicin, tetracycline tablets, doxycycline, oxytetracycline and fluoroquinolone antibiotics. The old products, such as tetracycline tablets, oxytetracycline, gentamicin (doxycycline 6-?) and oxytetracycline, had produced few or stopped producing in the foreign countries. Therefore, there is a steady overseas market for the raw material medicines.

In 2008, the export volumes of the Penicillin-G totaled 12 thousand tons, holding the line compared with 2007, but the average export price was increased. In 2009, with the influences of the grain price growth, the production costs were increased. Therefore, the major international manufacturers of semi-compound Penicillin-G will probably accelerate the import volumes of Chinese Penicillin-G.

According to the statistics, the accumulative export volumes of various tetracycline raw material medicines were 14 thousand tons in 2008 in China, exceeding the Penicillin-G in volume and standing the largest export raw material medicine variety in China. With the gradual discovery of the new uses of the tetracycline and the derivatives in the international pharmaceuticals field, the tetracycline antibiotics will not come to an end with the spring-up of the cefa-antibiotics just like what people predict. Conversely, the tetracycline and the derivatives will take certain place tightly in the international pharmaceuticals market (the tetracycline antibiotics are also can be used as the additives of the animal feed stuffs, there is large demands in the international market). It is predicted that the tetracycline will be one of the major export raw material medicine varieties in the next several years, with the export volumes exceeding ten thousand tons.

Cephalosporin is the leading antibiotics in the international pharmaceuticals market. At present, the best-sellers conclude 20 varieties, 80% of which can be produced in China. In 2008, China totally exported about 500 tons, in which ceftriaxone sodium accounted for 40%. A new export characteristic of Chinese

cephalosporin is the export growth of the cefaclor. From the part of the cost performance ratio, cefaclor is the commendable common antibiotics in the clinical experiments, meanwhile, the domestic producing technologies have been mature and many technology indicators have few differences with the international advanced level. In consideration of the work force and cost advantages, many overseas manufacturers set up the cephalosporin production bases in China and produced the export cephalosporin raw material products.

Anti-tumor antibiotics is also the major export raw material medicines, whose variety is few only including adriamycin and epirubicin produced and exported by Zhejiang Hisun Pharmaceutical Co., Ltd. At present, the annual yields were about 10 tons with the export volumes accounting for 80% of the yields and mainly exported to the developed countries. Chinese anti-tumor antibiotics occupy the dominate position in the international market.

Erythromycin antibiotics have a big family with more than 20 varieties. The export history of Chinese Erythromycin raw material medicines has been more than 30 years, in which the Erythromycin Thiocyanate takes the largest export volumes. In 2008, the export volumes reached to 3 thousand tons. However, Clarithromycin, Azithromycin and roxithromycin, three leading raw material medicines of Erythromycin, exported fewer.

Gatifloxacin antibiotics have more than 20 varieties and belong to the big family types of the antibiotics. China can produce 80% of the Gatifloxacin raw material medicines in the international market. In 2008, the export volumes totaled between 3.5 to 4 thousand tons.

China is the biggest producing and exporting country of the antipyretic analgesic products, the three largest export products including aspirin, paracetamol and Ibuprofen as well as Naproxen Sodium, Diclofenac Sodium and Analgin DAB. The respective export volumes of paracetamol, aspirin and Ibuprofen were 48.9 thousand tons, 30 thousand tons and 10 thousand tons in 2008. Because of the low prices, many countries including Europe and India put forward anti-dumping accusation of Chinese mass export antipyretic analgesic products, making Chinese export enterprises in the passive position.

The export volumes of Chinese vitamin raw material medicines were about 150 to 170 thousand tons in 2008 even though the influences of international financial crisis.

Due to the advantages in the VC synthetic technologies, in 2008, China totally exported more than 80-thousand-ton VC, up by 10% as well as the growth in the average export price. Other mass export vitamin raw material medicines, including 13-thousand-ton VE, B1, B2 and B6 etc, totaled 10 to 20 thousand tons in a year. The major traditional export destination of Chinese vitamins was the developed countries, such as America, Germany and Japan. In recent years, the exports to the Southeast Asia were also increased.

The hot vitamin varieties in the international market were as follows: first, the natural vitamin E which was extracted from the vegetable oil trash, the demands exceeding the supplies for a long time in the international market. It was understood that the export volumes of the natural vitamin E in Zhejiang had been to 5 hundred tons with the export price 60% higher than the compound VE; second, the vitamin H which had been discovered with the new use of health care, for example, it could be processed into hypoglycemic compound agent together with chromium preparation. Therefore, the export would be increased. The export volumes of Chinese vitamin H accounted for 45% in the international market.

The export medicines against the cardiovascular disease can be divided into two parts: one is the depressor and the other is anti-lipemic agents. The statistics showed that the growth rate of the depressor and

anti-lipemic agents was increased greatly, especially the best-sellers of statins, prils and sartans, which had been the major export raw material medicines against the cardiovascular disease in the international market.

To get more details, please visit <http://www.shcri.com/reportdetail.asp?id=279>

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The primary and secondary research was conducted by consultants in China who know the industry and the local markets well.

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Tags	chemical pharmaceuticals
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