BioSpectrum
the business of Bio & Health Sciences
ASIA EDITION

GSK China scandal: Chairman urged to resign

September 2, 2014 | News | By BioSpectrum Bureau



Singapore: Even though the chairman of British drug major GlaxoSmithKline had announced that he would be resigning in 2015, the dropping share price and ever mounting allegations in its Chinese bribery scandal have led to a mass rebellion.

The company is said to be facing rebellion from its shareholders and reports added that they are calling for an early departure of GSK's chairman Mr Christopher Gent, who has served as chairman for nine years.

The Sunday Times reported that the company's shareholders are worried with GSK's underperforming share price and alleged bribes in China and want him to resign this year.

Earlier, reports revealed that the present chairman of Royal Bank of Scotland, Mr Phillip Hampton was to replace Mr Gent next year.

In July 2013, after initial probes, the Chinese police accused GSK of spending $482 million (3 billion yuan) through travel agencies to bribe doctors and medical officials. In May this year, the Chinese police finally closed the 10-month-long investigation into the British drug maker's activities, charging the former China head of the drug maker, Mr Mark Reilly with bribery.

GSK's chairman had said last year, "The allegations of fraudulent behaviour by certain employees within our business in China are wholly contrary to the company's values and we take this matter extremely seriously."

Further, reports pointed out that the company's shares have dropped 10 percent in the past year and were down a further 1.2 percent.