

GSK fined a mammoth sum of \$489 mn

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Singapore: According to sources, a Chinese court has imposed a fine of \$489 million on the British drug maker, Glaxosmithkline as part of the investigation into corruption charges. The Chinese government had earlier accused the company of bribing doctors and hospital managements through a network of agents to shore up its sales.

GSK's former head Mr Mark Reilly and four other executives were sentenced to three years of imprisonment. Mr Andrew Witty, CEO, GSK, said in a statement, "Reaching a conclusion in the investigation of our Chinese business is important, but this has been deeply disappointing for GSK. We have and will continue to learn from this."

The company was punished in China's crackdown of corporate corruption. The company reiterated that it remained fully committed to China. Many experts opine that the China issue may create a long-standing problem for GSK's sales in the country.

The Chinese government said that it treated both foreign and domestic drug makers equally according to law. The agency said that the stepped-up enforcement was part of an effort to help consumers and to bring more market forces into its economy.