

Bayer to buy Chinese firm Dihon Pharma

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Singapore: Germany's leading pharmaceutical company, Bayer has said that it is planning to acquire Chinese pharma firm Dihon Pharmaceutical Group as part of its global growth plan.

The pharma major pointed out in a statement that China is a key growth country and that privately held firm Dihon is a leading player in China's OTC industry. Dihon specializes in over-the-counter and herbal traditional Chinese medicine (TCM) products.

Dihon's best known products are its dandruff and scalp disorder treatment, an antifungal cream and a TCM product for various women's health indications.

Mr Marijn Dekkers, chief executive of Bayer said that the group is aiming to strengthen its life sciences portfolio with strategic bolt-on acquisitions globally. "We are very pleased to have identified a consumer health care company in China with such a strong track record of success."

Even though he did not reveal the financial details of the transaction, he explained that buying Dihon pharma moves Bayer into a leading position amongst multinationals in the OTC industry in China. "It also brings a portfolio of well-known consumer brands, which will allow us to provide consumers with an even broader range of self-care options," he added.

"Self-care is a critically important component of healthcare in China and internationally, and OTCs are an important tool to help people live happier, healthier and longer," said Dr. Zhenyu Guo, Chairman & CEO of Dihon Pharmaceutical Group Co., Ltd. "As such, we're pleased to have been able to build a business with brands that bring relief to consumers across China and other parts of the world. We believe that Bayer, with its marketing, sales, distribution and research expertise, is well positioned to take our success to the next level. This acquisition will further strengthen the Yunnan pharmaceutical industry and offers the potential to further expand TCM to other parts of the world."

Headquartered in Kunming, Dihon has several manufacturing sites throughout the country and has a total of 2,400 employees. Its products are also sold in Nigeria, Vietnam, Myanmar and Cambodia and the company's sales last year reached 123 million euros.