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How scandals have affected GSK sales in China?

September 25, 2013 | News | By BioSpectrum Bureau



Singapore: British drug major GlaxoSmithKline that has been tangled in a major bribery and corruption scandal in China, is now estimated to have lost a third of its revenues. According to Citigroup analysts, GlaxoSmithKline's sales in China are estimated to have dropped by a third in volume terms since news of the bribery investigation broke.

As per estimates, China accounted for $1 billion in pharmaceutical and vaccines sales for the group last year, which was a 17 percent increase over 2011. The company's Chief Executive Andrew Witty had said while announcing the second quarter results that its Chinese business may be impacted by the investigations.

After the GSK scandal, other multinational foreign pharmaceutical companies too were brought involved in various corruption allegations in the country. The analysts believe these companies, Eli Lilly, Sanofi, Novartis-Alcon, and others could report 10-to-20 percent sales decline in China.

The Chinese government has meanwhile announced that it would be starting a pricing investigation in the pharmaceutical sector.