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China OTC drug market grows 15% to $32 bn

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China over-the-counter drug market grows 15 percent to $32 billion



Singapore:Ã?Â The Chinese over-the-counter (OTC) medicines market is vigorously growing at 15 percent as compared to the previous year and this holds a lot of potential for marketers. Several factors have contributed to this growth, which is only going to get better with time.Ã?Â

An aging population and increasing incidence of several chronic diseases makes several therapeutic classes appealing for future Rx-to-OTC switches in China. This trend was revealed by a recently published report titled, 'Emerging markets Rx-to-OTC switch: Forecasts and opportunities' by global consulting and research firm Kline & Company.

Indications such as cholesterol, asthma, osteoporosis, migraine, and peptic ulcer are currently excluded from the list of medications allowed to be approved for OTC status. Driven by the increasing incidence of these chronic diseases, the Chinese State Food and Drug Administration (SFDA) is contemplating on including these additional indications before 2015. This will open the door for manufacturers to pursue Rx-to-OTC switches in these classes.

Ms Laura Mahecha, Kline's Healthcare Industry practice manager, said that, "To really put these incidents into context, China's phenomenal growth is six times stronger than the US over the same time, amounting to an astounding $32.4 billion for the 2011 retail OTC market. Moreover, China's growing prosperity, aging population, and increasing adoption of western lifestyles, abetted by imminent Rx-to-OTC switches for certain therapeutic classes, are expected to significantly increase

market size and OTC demand."

The registration procedure of a new active ingredient for prescription status is the same for local and multinational manufacturers. Even for an active ingredient that is registered and widely used in other countries, the registration procedure is the same as a new active ingredient in China.

"The many challenges of this market certainly cannot be ignored," continued Ms Mahecha. "But the sheer size of the market and its manifold expansion, targeted by astute marketing and carefully controlled brand management, means that the potential returns are for real. China is opening up and although it can be a daunting market to navigate, the demand for effective and trusted OTC medications is a valuable foothold for companies with vision."