

Now allegations against infant formulation giant in China

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Danone probing bribery allegations in China



Singapore: Accusations of bribing medical staff to boost sales of infant formulas at hospitals in Northern China were hurled against Dumex, a unit of French food group Danone's milk powder business. This is the latest in a string of exposes' by the Chinese state TV, China Central Television (CCTV) against drug makers in the country.

Danone was accused of bribing staff in a single hospital in the northern city of Tianjin to give its milk powder to new-born babies. Dumex has also made a statement claiming that the company is probing the allegations internally and is expected to

have a report ready by early next week.

An anonymous whistleblower was quoted by CCTV who had computer records against Dumex, claiming the company spent nearly \$81,700 (500,000 yuan) in April alone in bribes to medical staff in seven provinces in northern China.

"Without our bosses' approval, we wouldn't be able to do this sort of thing," the whistleblower told CCTV. The records presented had details of the names of recipients, the amounts given and the cities where each transfer took place.

The company said in a statement, "Dumex has a strict policy prohibiting any staff or dealer to promote infant formula milk powder in hospital channels. If any employee has any illegal behaviors, we will take decisive and stringent measures to prevent and correct."

Earlier last month, China had fined a group of foreign milk powder producers at \$110 million for price fixing. As per estimates, China's foreign milk powder market is worth \$12.4 billion and it is expected to double by 2017.