China Healthcare Industry Dynamics

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Industry

Bulgaria to Boost Exports of Medical, Pharmaceutical Products to China
Bulgaria has the potential to boost exports of pharmaceutical and medical products to China, according to Deputy Minister of Economy and Energy Krasin Dimitrov, who had made clear that Chinese business representatives would have the opportunity to learn more about the advantages and qualities of these products during meetings with representatives of Bulgarian companies.

RMB 11.5 Billion will be Invested in County-based TCM Hospitals in the Next 3 Years in Zhejiang Province
The plan of supporting county-based traditional Chinese medicine (TCM) hospitals of Zhejiang province has been disclosed recently. Total RMB 11.5 billion will be invested from 2013 to 2015 to support county-based TCM hospitals in Zhejiang province. According to the plan, every county will have at least one TCM hospital, more than 80% of county-based TCM hospitals will reach tier 2A level, and TCM professionals will take more than 60% of total healthcare professionals by 2015.

China Increases Subsidies for Rural Medical Insurance
Medical insurance subsidies for rural residents will increase in 2013, according to China's health authority. Under the new rural cooperative medical program, the annual government grant for each rural resident will rise from 240 yuan to 280 yuan (USD 45.9), according to a National Health and Family Planning Commission statement. Under the program, rural residents will pay 20 yuan more. They will pay a 70 yuan-per person premium, bringing the total for each person to 350 yuan, up from 290 yuan in 2012.
Investment

Warburg Pincus Invests in AMCARE

AMCARE is a medical service group for women & children health which had got early stage investment from Legend Capital, but the details of two rounds of investments had not been disclosed. Founded in 2004, AMCARE is specialized in providing high quality medical services to women and children. It had set up three hospitals in Beijing and Tianjin, and is expected to set up more hospitals in Shanghai, Shenzhen and Hangzhou after this round of investment. Dr. Hu Lan, president of AMCARE, said that AMCARE has not been expanded actively and quickly before setting up the mature management model and service standards, which will help build more hospitals in other cities with same quality of medical services.

Eli Lilly Invests USD 10 Million in CanSino Biotech

Based in Tianjin city, CanSino Biotech was founded in 2009 by a team who had worked for many multinational companies in the vaccine development area. The company is specialized in developing and manufacturing a series of vaccine products, including pneumonia protein vaccines, pertussis vaccines, and recombinant tuberculosis vaccines. Darren Carroll, vice president of Eli Lilly, said that with advanced technologies and experienced project managements, CanSino could present a series of good quality vaccines in the future, not only for China market but also for the global market. The investment is also showing Lilly’s root-in-China strategy.

China’s Acebright will Invest USD 1 Million in Israel’s NasVax

The two companies signed a nonbinding memorandum of understanding, granting Acebright an exclusive license to develop and conduct clinical trials of NasVax's Anti-CD3 technology for the treatment of non-alcoholic steatohepatitis (NASH), or fatty liver disease, and to commercialize it in the Far East, including China, Hong Kong, Korea, Thailand, the Philippines, and India, but excluding Japan.

Shinva Medical Announces Revenues of RMB 1.8 billion for the First Half of 2013

Shinva Medical reported total revenues of RMB 1.8 billion for the first half of 2013, an increase of 44.3%. Nearly 80% of revenues was from its medical device business. Net profit was RMB 109 million, an increase of 49.7%. Shinva Medical attributed the growth to its heavy investments in R&D, and reorganization of its sales and marketing.
**Merge & Acquisition**

**Mindray Acquires Ulco Medical in Australia**

Founded in 1964, Ulco is specialized in providing high quality medical products to customers. Since 2007 it has been one of Mindray’s distributors of patient monitoring and life support products in Australia. Ulco will be renamed as Mindray Medical Australia and the operation will be kept unchanged. With this deal, Mindray obtains sales channels, as well as after sale service ability, which will help Mindray expand business in Australia, New Zealand, and other islands in this region.

**Erkang Pharmaceutical Acquires 33% shares of Kaibosi Starch Material Technology**

Erkang Pharmaceutical announced recently that it had signed the agreement with Ms. Yu Zhaohui about equity transfer, that it will use RMB 19.998 million to purchase 33.33% shares of Kaibosi Starch Material Technology Co., Ltd. that Ms. Yu holds. It is planned to strengthen cooperation with Kaibosi on new starch-based products, as well as other R&D projects. Kaibosi is a Zhongshan-based company in Guangdong province, while Erkang Pharmaceutical is a public company and based in Hunan province.

**Phillips-Medisize Lands Major Order for New China Plant**

Phillips-Medisize completed the acquisition of two manufacturing operations in Suzhou, China (Adval Tech Medical (Suzhou) Co. Ltd.) and Queretaro, Mexico (Omni Manufacturing Services S.A. de C. V.) from the Adval Tech Group of Niederwangen, Switzerland. The acquisitions pushed the rapidly expanding Phillips-Medisize into desired geographical locations: China and Latin America, giving it a global reach. Since acquiring Phillips Plastics in late 2010, investment company Kohlberg & Co. has been busy expanding its footprint. The biggest move was the acquisition of Medisize in 2011. The Suzhou, China medical technology facility is both ISO 9001 and 13485 compliant and SFDA certified to manufacture finished drug delivery systems and related medical devices. The new Chinese business will be officially launched at MEDTECH China 2013 in Shanghai on Sept. 25-26.
Partnerships

GE Healthcare Life Sciences to Build KUBio Modular Biopharmaceutical Factory for JHL Biotech in China

The two companies announced on September 25 that a KUBio™ modular biopharmaceutical factory will be built for JHL Biotech. The site for the new factory, which will be fully operational beginning early 2015, is the Biolake Science Park in Wuhan city.

GE Healthcare's innovative turnkey approach will involve the assembly at the JHL Biotech site in Wuhan city of pre-made modules equipped with GE Healthcare's world-class technologies for the start-to-finish manufacture of biopharmaceuticals. In addition to GE project-managing the build, members of its experienced Shanghai Fast Trak team will be deployed to validate the equipment and provide training for JHL Biotech staff.

After completion, the JHL Biotech KUBio facility will have a floor space of approximately 2,400 square meters and will contain a number of 2,000 liters single-use bioreactors.

Amgen China R&D Center To Open On ShanghaiTech Campus

Amgen and ShanghaiTech University announced on September 24 the two organizations have entered into a memorandum of understanding (MOU) to form a strategic partnership for the advancement of biopharmaceutical discovery and translational research in China.

This agreement includes plans for Amgen to open a China research and development (R&D) center at ShanghaiTech University. Under the terms of the MOU, Amgen will co-locate its China R&D center with ShanghaiTech University's two life science institutes: the Shanghai Institute for Advanced Immunochemical Studies (SIAIS) and the iHuman Institute.

KEBO AG and Swiss Precision Industries Strategic Alliance for Asian Market

KEBO AG, in Neuhausen am Rheinfall Switzerland has formed a strategic alliance with Swiss Precision Industries located in China (Shanghai), Singapore and Thailand. KEBO AG aims to increase its presence in the medical and pharmaceutical sectors as its primary target. “Our customers have high demands and expectations in this sector, SPI offers exactly the services and support our customers need” states Andrew Sargisson, Sales Director of KEBO AG.
Company News

Boston Scientific Opens Institute For Advancing Science, Innovation Center In Shanghai

Reinforcing its ongoing commitment to leadership in the global medical technology market, Boston Scientific Corporation (NYSE: BSX) today officially opened the China branch of the Boston Scientific Institute for Advancing Science (IAS) as well as its new Innovation Center in the country. Through these state-of-the-art facilities Boston Scientific expects to foster local talent while sustainably developing innovative technologies uniquely suited to the China market.

Imaging Dynamics Company (IDC) Announces New China Sales Strategy

Imaging Dynamics Company had reached an understanding with Kangda Medical Equipment International Group on purchases of IDC’s digital radiography (DR) through the end of 2014. As a first step, IDC has received an initial firm purchase order/contract for 9 digital radiography X-ray systems. Kangda is a major worldwide China-based manufacturer of disposable medical and pharmaceutical products for clinics and hospitals. The Company recently closed a non-brokered private placement of 300,000,000 common shares in the capital of the Company (the “Common Shares”) with Kangda International Medical Canada Company Ltd. (“Kangda Canada”) (the “Private Placement”).

Korea’s SK Group will Expand China Business Actively with Three Main Targets

Mr. Lu, vice president of SK Group, disclosed that China is a very key market for SK Group and will choose Shenzhen city as its base for business development during his meeting with Mr. Wu Yihuan, vice mayor of Shenzhen city in South China.

SK Group had already set up three main targets in the Chinese healthcare market. The first target is to set up research institute of bio-medical technology industry, combining its mature information and communication technology with medical. SK Group had set up a temporary office in Shenzhen for preparation works, and it will explore the opportunity of setting up an aeromedical base in Shenzhen which will cover all Asia-Pacific regions. The second target is to set up a screening center for early stage patients, especially for those aged people with chronic diseases in China. It will also offer a series of treatments and medical services. The last target is to set up two specialized hospitals in Shenzhen, one for tumor and another for heart diseases. SK Group had cooperated with hospitals of Seoul University, and had already invested a medical device company in Xi’an city in China, which means that SK Group had prepared enough for setting up the hospitals in Shenzhen soon.
about the Newsletter

The newsletter brings you with the most updated industry dynamics in the Chinese healthcare industry, covering biotech, medical technology, and pharmaceutical markets.

Our online news center is at: http://news.chinabionews.com

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ChinaBionews also provide Member Version Newsletter which will be more specified based on your requirements (keywords), and will be updated weekly.

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