METHODOLOGY
Both primary and secondary research methodologies were used in preparing this study. Initially, a comprehensive and exhaustive search of the literature on this industry was conducted. These sources included related books and journals, trade literature, marketing literature, other product/promotional literature, annual reports, security analyst reports, and other publications. Subsequently, telephone interviews or email correspondence was conducted with marketing executives etc. Other sources included related magazines, academics, and consulting companies.

INFORMATION SOURCES
The primary information sources include Company Reports, and National Bureau of Statistics of China etc.

STUDY GOAL AND OBJECTIVES
This report provides the industry executives with strategically significant competitor information, analysis, insight and projection on the competitive pattern and key companies in the industry, crucial to the development and implementation of effective business, marketing and R&D programs.

REPORT OBJECTIVES
◆ To establish a comprehensive, factual, annually updated and cost-effective information base on market size, competition patterns, market segments, goals and strategies of the leading players in the market, reviews and forecasts.
◆ To assist potential market entrants in evaluating prospective acquisition and joint venture candidates.
◆ To complement the organizations’ internal competitor information gathering efforts with strategic analysis, data interpretation and insight.
◆ To suggest for concerned investors in line with the current development of this industry as well as the development tendency.
◆ To help company to succeed in a competitive market, and
Abstract

Thanks to the continuous advancement in new medical reform, China’s pharmaceutical distribution industry has maintained a fairly rapid growth in recent years, with the sales value showed a CAGR of roughly 20% in 2005-2013. As the leading players in China’s pharmaceutical distribution industry, Shanghai Pharma, Jointown and China National Accord Medicines achieved the revenue of RMB58.1 billion, RMB24.8 billion, RMB15.8 billion, respectively, in the first three quarters of 2013.

In terms of drug categories, western medicine constitutes the first major category in Chinese medicine distribution market, accounting for approximately 70% of total revenue from Chinese pharmaceutical products during 2012-2013. Then what comes the next are Chinese patent medicine and traditional Chinese medicinal materials, which occupied 16.8% and 4.5%, respectively, of total revenue. In terms of distribution channels, the proportion of China’s drug retail terminal and hospital terminal market share stood at 1:4.

The concentration of Chinese pharmaceutical distribution industry is relatively low. Take pharmaceutical chain market for example. In recent years, China’s top 100 pharmaceutical chain enterprises have seen a rise in market share, but still less than 40%. In 2013, China’s top 100 pharmaceutical chain enterprises posted a total of RMB98.36 billion in sales, up 11.9% from a year earlier. Guoda Drugstore under China National Accord Medicines still firmly held the first place in China’s top 100 pharmaceutical chain enterprises, with the sales value for 2013 hitting RMB5.7 billion, a roughly 20% increase.

At present, Chinese pharmaceutical B2C sales model occupies a small market share in pharmaceutical terminal market, but grows rapidly. As of March 2014, a total of 235 companies in China have gained Qualification Certificate for Online Drug Trading Services, including 162 online pharmacies. In 2013, Chinese pharmaceutical B2C market presented the explosive growth, with transaction scale hitting RMB4.26 billion, up 166% from a year earlier. But due to policy restriction, consumers now fail to buy prescription drugs through pharmaceutical B2C, and medical insurance is not available, which would, to a certain extent, restrict the development of Chinese pharmaceutical B2C market.
China Pharmaceutical Distribution Industry Report, 2013-2017 involves the following:

※ Business model, operating environment, market size, sales structure, etc of Chinese drug distribution industry;
※ Stores, customers, sales structure and online pharmacies, etc of Top 100 Chinese drugstore chains;
※ Operation, profits, etc of 13 listed companies in Chinese pharmaceutical distribution industry.

![Revenue of Major Pharmaceutical Circulation Enterprises in China, 2013](chart.png)

*Source: China Pharmaceutical Distribution Industry Report, 2013 by ResearchInChina*

Unit: RMB bn

<table>
<thead>
<tr>
<th>City</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing</td>
<td>24.8</td>
</tr>
<tr>
<td>Shanghai</td>
<td>14.0</td>
</tr>
<tr>
<td>Guangzhou</td>
<td>15.8</td>
</tr>
<tr>
<td>Shenzhen</td>
<td>9.9</td>
</tr>
<tr>
<td>Nanjing</td>
<td>9.1</td>
</tr>
<tr>
<td>Chongqing</td>
<td>8.9</td>
</tr>
<tr>
<td>Wuhan</td>
<td>9.1</td>
</tr>
<tr>
<td>Shaoxing</td>
<td>1.5</td>
</tr>
<tr>
<td>Yantai</td>
<td>4.4</td>
</tr>
<tr>
<td>Nantong</td>
<td>2.4</td>
</tr>
<tr>
<td>Ningbo</td>
<td>10.9</td>
</tr>
</tbody>
</table>

Note: The figure is accumulated revenue during Jan.-Sep., 2013
1. Overview of Pharmaceutical Distribution Industry
   1.1 Definition
   1.2 Industry Chain
   1.3 Strength and Weakness of Pharmaceutical Chain Enterprises
       1.3.1 Strength of Pharmaceutical Chain Enterprises
       1.3.2 Weakness of Pharmaceutical Chain Enterprises

2. Development of China Pharmaceutical Distribution Industry
   2.1 Pharmaceutical Distribution Industry
   2.2 Industry Environment
       2.2.1 China’s Healthcare Spending
       2.2.2 China’s Healthcare Organizations
       2.2.3 Contribution of Pharmaceutical Distribution Industry to GDP, Taxation and Employment
   2.3 Relevant Policies
   2.4 Market Size
   2.5 Development Structure
       2.5.1 Sales Structure
       2.5.2 Regional Structure
       2.5.3 Ownership Structure
       2.5.4 Distribution Structure

3. China’s Top 100 Pharmacy Chains
   3.1 Sales Scale
   3.2 Store Analysis
       3.2.1 Store Size
       3.2.2 Sales per Unit Area
       3.2.3 Pharmacies with Insurance Coverage
   3.3 Consumer Analysis
       3.3.1 Membership
       3.3.2 Per Customer Transaction
       3.3.3 Per Product Transaction
       3.3.4 Average Sales Price
       3.4 Classification
       3.4.1 Total Number of Drug Specifications
       3.4.2 Prescription Drugs
       3.4.3 OTC Drugs
       3.4.4 Traditional Chinese Medicine Decoction Pieces
       3.4.5 Medical Devices
       3.4.6 Food/Health Care Products
       3.4.7 Products with Private Brand or High Gross Profit
   3.5 Single-store Analysis of Chinese Pharmacies
       3.6 Online Pharmacies
       3.6.1 Scale of China Pharmaceutical B2C
       3.6.2 Characteristics of China Pharmaceutical B2C
       3.6.3 Relevant Policies

4. Key Enterprises
   4.1 China National Accord Medicines
       4.1.1 Profile
       4.1.2 Operation
       4.1.3 Revenue Structure
   4.2 Nanjing Pharmaceutical Co., Ltd (NPC)
   4.3 Chongqing Tongjunge
   4.4 Shanghai No.1 Pharmacy
   4.5 China National Medicines
   4.6 Huadong Medicine
   4.7 Cachet
   4.8 Jointown
   4.9 Realcan Pharmaceutical
   4.10 Shanghai Pharma
   4.11 Zhejiang Int’l Group
   4.12 Zhejiang Zhenyuan
   4.13 CNPIC

5. Summary and Forecast
   5.1 Summary
   5.2 Forecast
Selected Charts

- China Pharmaceutical Distribution Channel
- Difference between Pure Marketing and Allocation in China’s Pharmaceutical Distribution
- Business Models of China Pharmaceutical Distribution Industry by Market
- China’s Health Care Spending and % in GDP, 2000-2012
- Health Spending of Government, Society and Individuals in China, 2000-2012
- Percentage of Health Spending by Government, Society and Individuals in Total Health Spending in China, 2000-2012
- Per Capita Health Spending of Urban and Rural Residents in China and % in Total Health Spending, 2005-2012
- Number of Grass-Roots Medical and Health-Care Institutions, Professional Public Health Institutions and Hospitals in China, 2005-2012
- Number and Growth Rate of Medical and Health-Care Institutions in China, 2005-2012
- Policies on China Pharmaceutical Distribution Industry, 2006-2013
- Sales Scale and Growth Rate of China Drug Distribution Industry, 2005-2013
- Sales Scale and Growth Rate of Drug Retail Market in China, 2005-2012
- Product Mix of China Pharmaceutical Distribution Industry, 2012
- Sales Structure of China Pharmaceutical Distribution by Region, 2012
- Revenue Structure of China Pharmaceutical Distribution by Ownership, 2012
- Commodity Distribution Structure of Pharmaceutical Distribution Enterprises in China, 2012
- Total Sales and Growth Rate of China Pharmaceutical Chains, 2007-2013
- Sales Value and Growth Rate of China's Top 100 Pharmacy Chains, 2003-2012
- Sales Value and Ranking of Top 10 Enterprises, 2009-2012
- Total Sales of Top 100 Pharmacies in China, 2007-2013
- Number of Regular Chains of Top 100 Pharmacy Chains by Sales Value in China, 2011-2012
- Number of Outlets of Top 100 Pharmacy Chains by Sales Value in China, 2011-2012
- China’s Top 10 Pharmacy Chains by Number of Regular Chains and Number of Their Regular Chains, 2011-2012
- China’s Top 10 Pharmacy Chains by Increment of Regular Chains and Number of Their Regular Chains, 2011-2012
- China’s Top 10 Pharmacy Chains by Growth Rate of Regular Chains and Number of Their Regular Chains, 2011-2012
• China’s Top 10 Pharmacy Chains by Daily Sales per Unit Area and Their Sales Value and Business Area, 2012
• China’s Top 10 Pharmacy Chains by Daily Transaction in Unit Area and Their Transactions, 2012
• China’s Top 10 Pharmacy Chains by Number of Pharmacies with Insurance Coverage and Number and Rate of Their Pharmacies with Insurance Coverage, 2012
• China’s Top 10 Pharmacy Chains by Rate of Pharmacies with Insurance Coverage and Number and Rate of Their Pharmacies with Insurance Coverage, 2012
• China’s Top 10 Pharmacy Chains by Effective Members in Unit Area and Their Membership in Business Area and Unit Area, 2012
• Proportions of Effective Members in Unit Area of Pharmacy Chains in China, 2011-2012
• China’s Top 10 Pharmacy Chains by Proportions of Consumption by Members and Their Proportions, 2012
• Proportions of Consumption by Members in Sales Value of China’s Pharmacy Chains, 2012
• China’s Top 10 Pharmacy Chains by per Customer Transaction and Their per Customer Transaction, 2012
• Per Customer Transaction Interval Distribution of China’s Pharmacy Chains, 2009-2012
• China’s Top 10 Pharmacy Chains by per Product Transaction, Their per Customer Transaction, Quantity of Products and per Product Transaction, 2012
• Per Customer Product Interval Distribution of China’s Pharmacy Chains, 2012
• China’s Top 10 Pharmacy Chains by Average Quantity of Products and Their Average Quantity of Products, 2012
• Average Quantity of Products Interval Distribution of China’s Pharmacy Chains, 2012
• Sales Proportions of China’s Pharmacy Chains by Category, 2009-2012
• Profit Source of China’s Pharmacy Chains
• Profit Proportions of China’s Pharmacy Chains by Category, 2010-2012
• China’s Top 10 Pharmacy Chains by Total Number of Drug Specifications and % of Total, 2012
• China’s Top 10 Pharmacy Chains by Proportions of Sales Value from Prescription Drugs and % of Total, 2012
• Percentage Distribution of Sales Value from Prescription Drugs in China’s Pharmaceutical Chain Industry, 2009-2012
• China’s Top 10 Pharmacy Chains by Proportions of Profit from Prescription Drugs and % of Total, 2012
• Percentage Distribution of Profit from Prescription Drugs in China’s Pharmaceutical Chain Industry, 2009-2012
• China’s Top 10 Pharmacy Chains by Proportions of Sales Value from OTC Drugs and % of Total, 2012
• China’s Top 10 Pharmacy Chains by Proportions of Sales Value from OTC Drugs and % of Total, 2012
Selected Charts

- Percentage Interval Distribution of Sales Value from OTC Drugs in China’s Pharmaceutical Chain Industry, 2009-2012
- China’s Top 10 Pharmacy Chains by Proportions of Profit from OTC Drugs and % of Total, 2012
- Percentage Distribution of Profit from OTC Drugs in China’s Pharmaceutical Chain Industry, 2009-2012
- China’s Top 10 Pharmacy Chains by Sales Proportions of Traditional Chinese Medicine Decoction Piece Products and % of Total, 2012
- Percentage Distribution of Sales Value from Traditional Chinese Medicine Decoction Piece Products in China’s Pharmaceutical Chain Industry, 2009-2012
- China’s Top 10 Pharmacy Chains by Proportions of Profit from Traditional Chinese Medicine Decoction Piece Products and % of Total, 2012
- Percentage Distribution of Profit from Traditional Chinese Medicine Decoction Piece Products in China’s Pharmaceutical Chain Industry, 2009-2012
- Sales Percentage Distribution of Medical Device Products in China’s Pharmaceutical Chain Industry, 2009-2012
- Percentage Distribution of Profit from Medical Device Products in China’s Pharmaceutical Chain Industry, 2009-2012
- China’s Top 10 Pharmacy Chains by Proportions of Sales Value from Food/Health Care Products and % of Total, 2012
- Percentage Distribution of Sales Value from Food/Health Care Products in China’s Pharmaceutical Chain Industry, 2010-2012
- Top 10 Enterprises in China’s Pharmaceutical Chain Industry by Proportions of Profit from Food/Health Care Products and % of Total, 2012
- Percentage Distribution of Profit from Food/Health Care Products in China’s Pharmaceutical Chain Industry, 2010-2012
- Top 10 Enterprises in China’s Pharmaceutical Chain Industry by Number of Private Brands or Products with High Gross Margin, Their Quantity of Products and Number of Drug Specification, 2012
- Quantitative Distribution of Private Brands or Products with High Gross Margin in China’s Pharmaceutical Chain Industry, 2009-2012
- Top 10 Enterprises in China’s Pharmaceutical Chain Industry by Proportions of Private Brands or Products with High Gross Margin and % of Total, 2012
- Percentage Distribution of Private Brands or Products with High Gross Margin in China’s Pharmaceutical Chain Industry, 2009-2012
- China’s Top 10 Pharmacies in Single-Store Ranking List by Sales Value and Their Sales Value and Business Area, 2013
Selected Charts

- Operating Revenue Structure of China National Accord Medicines by Product, 2009-2013
- Revenue of China National Accord Medicines by Product, 2009-2013
- Operating Revenue Structure of China National Accord Medicines by Region, 2008-2013
- Revenue of China National Accord Medicines by Region, 2008-2013
- Gross Margin of China National Accord Medicines, 2009-2013
- China National Accord Medicines’ Revenue from Top 5 Clients and % of Total Revenue, 2008-2013
- Revenue and Net Income of NPC, 2008-2013
- Operating Revenue Structure of NPC by Region, 2008-2013
- Revenue of NPC by Region, 2008-2013
- Operating Revenue Structure of NPC by Sector, 2008-2013
- Revenue of NPC by Sector, 2008-2013
- Gross Margin of NPC, 2008-2013
- NPC’s Revenue from Major Clients and % of Total Revenue, 2008-2012
- Revenue and Net Income of Chongqing Tongjunge, 2008-2013
- Operating Revenue Structure of Chongqing Tongjunge by Region, 2008-2013
- Revenue of Chongqing Tongjunge by Region, 2008-2013
- Operating Revenue Structure of Chongqing Tongjunge by Sector, 2008-2013
- Revenue of Chongqing Tongjunge by Sector, 2008-2013
- Gross Margin of Chongqing Tongjunge in Pharmaceutical Industry, 2008-2013
- Revenue of Chongqing Tongjunge from Major Clients and % of Total Revenue, 2008-2012
- Revenue and Net Income of Shanghai No.1 Pharmacy, 2008-2013
- Operating Revenue Structure of Shanghai No.1 Pharmacy by Sector, 2008-2013
- Revenue of Shanghai No.1 Pharmacy by Sector, 2008-2013
- Gross Margin of Shanghai No.1 Pharmacy, 2008-2013

Room 502, Block 3, Tower C, Changyuan Tiandi Building, No. 18, Suzhou Street, Haidian District, Beijing, China 100080
Phone: +86 10 82600828 ● Fax: +86 10 82601570 ● www.researchinchina.com ● report@researchinchina.com
Selected Charts

- Revenue of Shanghai No.1 Pharmacy from Major Clients and % of Total Revenue, 2008-2012
- Revenue and Net Income of China National Medicines, 2008-2013
- Operating Revenue Structure of China National Medicines by Region, 2009-2012
- Revenue of China National Medicines by Region, 2009-2012
- Operating Revenue Structure of China National Medicines by Sector, 2008-2013
- Revenue of China National Medicines by Sector, 2008-2013
- Gross Margin of China National Medicines, 2008-2013
- China National Medicines’ Revenue from Major Clients and % of Total Revenue, 2008-2013
- Revenue and Net Income of Huadong Medicine, 2008-2013
- Operating Revenue Structure of Huadong Medicine by Region, 2008-2013
- Revenue of Huadong Medicine by Region, 2008-2013
- Operating Revenue Structure of Huadong Medicine by Product, 2008-2013
- Revenue of Huadong Medicine by Product, 2008-2013
- Gross Margin of Huadong Medicine, 2008-2013
- Revenue of Huadong Medicine from Major Clients and % of Total Revenue, 2008-2013
- Revenue and Net Income of Cachet, 2008-2013
- Operating Revenue Structure of Cachet by Region, 2009-2013
- Revenue of Cachet by Region, 2009-2013
- Operating Revenue Structure of Cachet by Product, 2008-2013
- Revenue of Cachet by Product, 2008-2013
- Gross Margin of Cachet, 2008-2013
- Cachet’s Revenue from Major Clients and % of Total Revenue, 2008-2013
- Revenue and Net Income of Jointown, 2008-2013
- Operating Revenue Structure of Jointown by Sector, 2008-2013
Selected Charts

- Revenue of Jointown by Sector, 2008-2013
- Gross Margin of Jointown, 2008-2013
- Jointown’s Revenue from Major Clients and % of Total Revenue, 2008-2013
- Revenue and Net Income of Realcan Pharmaceutical, 2008-2013
- Operating Revenue Structure of Realcan Pharmaceutical by Region, 2008-2013
- Revenue of Realcan Pharmaceutical by Region, 2008-2013
- Gross Margin of Realcan Pharmaceutical, 2008-2013
- Revenue of Realcan Pharmaceutical from Major Clients and % of Total Revenue, 2008-2013
- Revenue and Net Income of Shanghai Pharma, 2008-2013
- Operating Revenue Structure of Shanghai Pharma by Region, 2008-2013
- Revenue of Shanghai Pharma by Region, 2008-2013
- Operating Revenue Structure of Shanghai Pharma by Sector, 2010-2013
- Revenue of Shanghai Pharma by Sector, 2010-2013
- Gross Margin of Shanghai Pharma, 2008-2013
- Revenue of Shanghai Pharma from Major Clients and % of Total Revenue, 2008-2013
- Revenue and Net Income of Zhejiang Int’l Group, 2008-2013
- Operating Revenue Structure of Zhejiang Int’l Group by Sector, 2010-2013
- Revenue of Zhejiang Int’l Group by Sector, 2010-2013
- Gross Margin of Zhejiang Int’l Group, 2008-2013
- Revenue of Zhejiang Int’l Group from Major Clients, 2008-2013
- Revenue and Net Income of Zhejiang Zhenyuan, 2008-2013
- Operating Revenue Structure of Zhejiang Zhenyuan by Region, 2008-2013
- Revenue of Zhejiang Zhenyuan by Region, 2008-2013
- Operating Revenue Structure of Zhejiang Zhenyuan by Sector, 2008-2013
- Revenue of Zhejiang Zhenyuan by Segment, 2008-2013
Selected Charts

- Gross Margin of Zhejiang Zhenyuan, 2008-2013
- Zhejiang Zhenyuan’s Revenue from Major Clients and % of Total Revenue, 2008-2013
- Revenue and Net Income of CNPIC, 2008-2013
- Operating Revenue Structure of CNPIC by Sector, 2011-2013
- Revenue of CNPIC by Sector, 2011-2013
- Gross Margin from Main Business of CNPIC, 2008-2013
- Revenue of CNPIC from Major Clients and % of Total Revenue, 2008-2013
- Sales Value and Growth Rate of China’s Top 100 Pharmacy Chains, 2003-2012
- Sales Value, Profit and Growth Rate of Major Listed Pharmaceutical Chains in China, 2012-2013
You can place your order in the following alternative ways:

1. Order online at [www.researchinchina.com](http://www.researchinchina.com)
2. Fax order sheet to us at fax number: +86 10 82601570
3. Email your order to: report@researchinchina.com
4. Phone us at +86 10 82600828/ 82601561

### Party A:

<table>
<thead>
<tr>
<th>Name:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td></td>
</tr>
<tr>
<td>Contact Person:</td>
<td>Tel</td>
</tr>
<tr>
<td>E-mail:</td>
<td>Fax</td>
</tr>
</tbody>
</table>

### Party B:

<table>
<thead>
<tr>
<th>Name: Beijing Waterwood Technologies Co., Ltd (ResearchInChina)</th>
<th>Address: Room 502, Block 3, Tower C, Changyuan Tiandi Building, No. 18, Suzhou Street, Haidian District, Beijing, China 100080</th>
<th>Contact Person: Liao Yan</th>
<th>Phone: 86-10-82600828</th>
<th>E-mail: <a href="mailto:report@researchinchina.com">report@researchinchina.com</a></th>
<th>Fax: 86-10-82601570</th>
</tr>
</thead>
</table>

### Bank details:

Beneficial Name: Beijing Waterwood Technologies Co., Ltd  
Bank Name: Bank of Communications, Beijing Branch  
Bank Address: NO.1 jinxiyuan shijicheng, Landianchang, Haidian District, Beijing  
Bank Account No #: 110060668012015061217  
Routing No #: 332906  
Bank SWIFT Code: COMMCNSHBJG

---

### Choose type of format

<table>
<thead>
<tr>
<th>Format</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDF (Single user license)</td>
<td>2,400 USD</td>
</tr>
<tr>
<td>Hard copy</td>
<td>2,600 USD</td>
</tr>
<tr>
<td>PDF (Enterprisewide license)</td>
<td>3,700 USD</td>
</tr>
</tbody>
</table>

※ Reports will be dispatched immediately once full payment has been received.
Payment may be made by wire transfer or credit card via PayPal.
About ResearchInChina

ResearchInChina (www.researchinchina.com) is a leading independent provider of China business intelligence. Our research is designed to meet the diverse planning and information needs of businesses, institutions, and professional investors worldwide. Our services are used in a variety of ways, including strategic planning, product and sales forecasting, risk and sensitivity management, and as investment research.

Our Major Activities

- Multi-users market reports
- Database-RICDB
- Custom Research
- Company Search

RICDB (http://www.researchinchina.com/data/database.html), is a visible financial data base presented by map and graph covering global and China macroeconomic data, industry data, and company data. It has included nearly 500,000 indices (based on time series), and is continuing to update and increase. The most significant feature of this base is that the vast majority of indices (about 400,000) can be displayed in map.

After purchase of our report, you will be automatically granted to enjoy 2 weeks trial service of RICDB for free.

After trial, you can decide to become our formal member or not. We will try our best to meet your demand. For more information, please find at www.researchinchina.com

For any problems, please contact our service team at:

Room 502, Block 3, Tower C, Changyuan Tiandi Building, No. 18, Suzhou Street, Haidian District, Beijing, China 100080
Phone: +86 10 82600828 ● Fax: +86 10 82601570 ● www.researchinchina.com ● report@researchinchina.com