China Pharmaceutical Distribution Industry Report, 2019-2026

Apr.2020

ResearchInChina

www.researchinchina.com

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

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.

Room 2-626, 6th Floor, No.1, Shanyuan Street, Haidian District, Beijing, 100080
Phone: +86 10 82600828 ● Fax: +86 10 82601570 ● www.researchinchina.com ● report@researchinchina.com

Abstract

The Chinese pharmaceutical distribution market has been expanding steadily over the recent years, being valued at RMB2,330.3 billion in 2019 with a year-on-year increase of 8.9%, of which the pharmaceutical retail market reached RMB466.1 billion, rising 9.9% on an annualized basis. The robust downstream demand spurs the Chinese pharmaceutical distribution market to grow apace and be expectedly worth RMB4,225.7 billion by 2026.

Western medicine sales dominate pharmaceutical distribution in China, accounting for 72.2% in 2018; the sales in East China and Central South China seize larger shares up to 62.1% together in 2018.

A competition pattern has been developed in the country where there are national pharmaceutical distributors represented by China National Pharmaceutical Group Corporation (Sinopharm), China Resources Pharmaceutical Commercial Group, Shanghai Pharmaceuticals and Jointown Pharmaceutical Group and the regional ones represented by NanJing Pharmaceutical, Guangzhou Pharmaceuticals, Chongqing Pharmaceutical, Huadong Medicine, Sichuan Kelun, Zhejiang Int'l, Realcan Pharmaceutical, Guangxi Liuzhou Pharmaceutical Co., Ltd. and Luyan Pharma Co., Ltd.

As of end of November 2018, there had been 13,598 pharmaceutical wholesalers nationwide which competed fiercely in the scattered market. The market tends to be concentrated with the incentive policies such as the two-invoice system and volume procurement. As to earnings, China National Pharmaceutical Group Corp. still led the pack and Shanghai Pharmaceuticals Holding Co., Ltd. ascended to the second place, while China Resources Pharmaceutical Commercial Group Co., Ltd. dropped a notch and ranked third. It is worth mentioning that the commercial segment of Shenzhen Neptunus Galaxy Pharmaceutical Investment Co., Ltd. reported the revenue of RMB36,976 million in 2018 (compared with just RMB64.48 million in 1998), an upsurge of 54.33% from a year earlier, helping it rise to the sixth place among Chinese pharmaceutical wholesale enterprises.

TOP20 Pharmaceutical Distribution Enterprises in China by Operating Revenue, 2017-2018

Rank in 2017	Company	Operating Revenue in 2017 (RMB mln)	Rank in 2018	Company	Change of Rank
1	China National Pharmaceutical Group Corp.	321,439.0	1	China National Pharmaceutical Group Corp.	-
2	China Resources Pharmaceutical Commercial Group Co., Ltd.	126,402.5	2	Shanghai Pharmaceuticals Holding Co., Ltd.	+1
3	Shanghai Pharmaceuticals Holding Co., Ltd.	121,789.5	3	China Resources Pharmaceutical Commercial Group Co., Ltd.	-1
4	Jointown Pharmaceutical Group Co., Ltd.	73,726.5	4	Jointown Pharmaceutical Group Co., Ltd.	-
5	Guangzhou Pharmaceuticals Corporation	38,392.9	5	Guangzhou Pharmaceuticals Corporation	-
6	China Meheco Co., Ltd.	30,104.0	6	Shenzhen Neptunus Galaxy Pharmaceutical Investment Co., Ltd.	-
7	Huadong Medicine Co., Ltd.	27,831.8	7	Realcan Pharmaceutical Co., Ltd.	+4
8	NanJing Pharmaceutical Company Limited	27,384.4	8	NanJing Pharmaceutical Company Limited	-
9	Cardinal Health (H.K.) Co., Limited	26,302.5	9	China Meheco Co., Ltd.	-3
10	Chongqing Pharmaceutical (Group) Co., Ltd.	21,108.5	10	Huadong Medicine Co., Ltd.	-3
11	Realcan Pharmaceutical Co., Ltd.	20,592.2	11	Anhui Huayuan Pharmaceutical Co., Ltd.	+1
12	Anhui Huayuan Pharmaceutical Co., Ltd.	20,226.2	12	Chongqing Pharmaceutical (Group) Co., Ltd.	-2
13	Zhejiang Int'l Group Co., Ltd.	18,864.2	13	Zhejiang Int'l Group Co., Ltd.	-
14	Sichuan Kelun Pharmaceuticals Trading Co., Ltd.	15,934.7	14	Cachet Pharmaceutical Co., Ltd.	+3
15	Minsheng Pharmaceutical Group Co., Ltd	15,207.8	15	Yunnan Pharmaceutical Co., Ltd.	+1
16	Yunnan Pharmaceutical Co., Ltd.	14,494.0	16	Sichuan Kelun Pharmaceuticals Trading Co., Ltd.	-2
17	Cachet Pharmaceutical Co., Ltd.	14,157.0	17	CSPC Hebei Zhongcheng Pharmaceutical Co., Ltd.	+2
18	Shandong Neptunus Galaxy Medicine Co. Ltd.	13,001.1	18	China Beijing Tong Ren Tang (Group) Co. Ltd.	+2
19	CSPC Hebei Zhongcheng Pharmaceutical Co., Ltd.	11,532.1	19	Tianjin Tasly Medicine Distribution Group Co., Ltd.	+2
20	China Beijing Tong Ren Tang (Group) Co. Ltd.	11,235.4	20	Luyan Pharmaceutical Co., Ltd.	+3

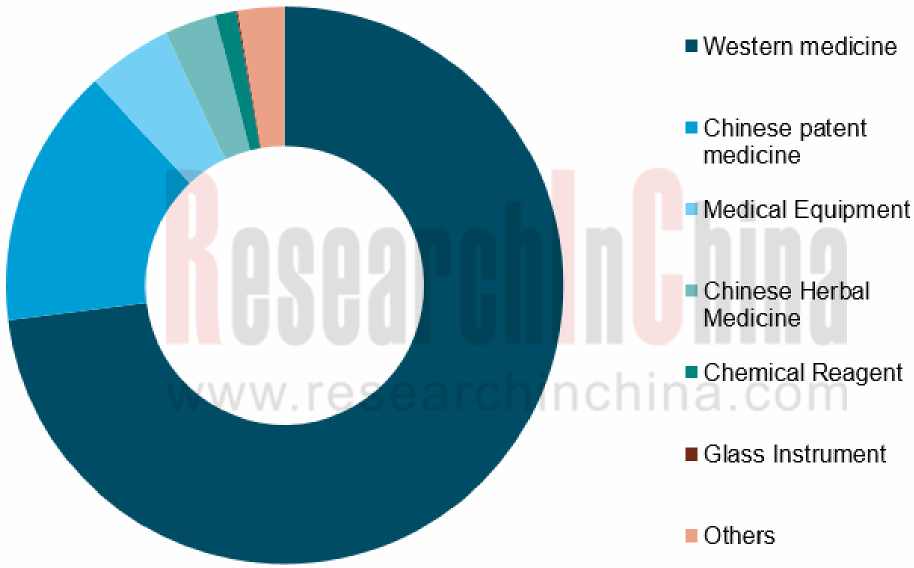
Source: Ministry of Commerce of the PRC, ResearchInChina

A total of 5,671 pharmaceutical retail chain enterprises in China as of the end of 2018 were in possession of 255,467 stores; 52.2% of pharmacies had been chained, a year-on-year increase of 1.7 percentage points; pharmacies covered by medical insurance had shared 72%.

The leading drug retail chains in China mainly include Yixintang, Dashenlin, LBX Pharmacy, Yifeng Pharmacy, Sinopharm, Nepstar, Zhongyou Health, Quanyi Health, Tong Jun Ge, Jianzhijia, to name a few. In 2018, the total sales of the top 100 Chinese pharmaceutical retail enterprises posted RMB143,982.52 million as a percentage of 33.4% in the total. Sinopharm, the largest pharmaceutical retail enterprise in China, secured the sales of RMB12250.53 million in 2018, equivalent to 2.8% of the total.

Huge potentials of the pharmaceutical distribution industry has lured investors and frequent M&As occurred over the recent years. With the in-rush of capital, pharmaceutical distribution companies are heading from traditional endogenous growth (such as adding products, developing customers and opening new stores) to the extensional growth like mergers and acquisitions, and the industry is increasingly concentrated.

Pharmaceutical Distribution Sales Structure in China by Type, 2018



Source: ResearchInChina

Highlights of the report:

- Pharmaceutical distribution industry in China (development environment, status quo, market size/structure, competitive landscape, development trends, etc.);
- Chinese pharmaceutical retail market (market size, gross margin, net profit margin, quantity, ratio of pharmacies covered by medical insurance, per customer transaction, performance comparison of leading pharmaceutical retail companies);
- 16 Chinese pharmaceutical distributors (profile, operation, revenue structure, gross margin, development strategy, etc.).

Table of contents

Table of contents

Table of contents

Selected Charts

Selected Charts

China's Tier-1 and Tier-2 Capital Investment in Pharmacies by Region
Regulatory Policies Prompt the Concentration of Retail Pharmacy Market in China, 2015-2019
Representative Pharmaceutical Distribution Enterprises in China by Regional Market
Policies for Prescription Outflow in China, 2015-2018
Top 10 Pharmacies in China by Prescription Drug Sales, 2018
BATJ's Layout in Pharmaceutical O2O Platforms in China
Drug Retail Market Size and YoY Growth in China, 2012-2019
Drug Retail Market Size and YoY Growth in China, 2019-2026E
Average Gross Margin of Sample Pharmacies in China by Value, 2010-2019
Average Net Margin of Sample Pharmacies in China by Value, 2010-2019
Number of Drug Retail Chains in China, 2012-2018
Drug Retail Chains in China by Number of Stores, 2012-2018
Number of Independent Retail Drugstores in China, 2012-2018
Pharmaceutical Retail Chain Ratio in China, 2009-2018
Top 100 Pharmacy Chains in China by Total Revenue, 2018
Top 100 Pharmacy Chains via Direct Sales Mode in China, 2019
Top 50 Online Pharmacies in China, 2019
Top 30 Independent Pharmacies in China by Revenue, 2018
Proportion of New Pharmacies in China, 2014-2018
Enterprises Whose New Pharmacies Made up over 30% in China, 2018
Average Investment in a Pharmacy in China, 2014-2018
Proportion of Closed Pharmacies in China, 2014-2018
Enterprises Whose Closed Pharmacies Made up over 5% in China, 2018
Proportion of Pharmacies Covered by Medical Insurance in China, 2014-2018
Enterprises Owning 600 Pharmacies Covered by Medical Insurance in China, 2018

Selected Charts

Selected Charts

Selected Charts

Gross Margin of Zhejiang Int'l Group’s Pharmaceutical Sales Business, 2016-2019
Revenue and Net Income of Zhejiang Zhenyuan, 2013-2019
Revenue Breakdown of Zhejiang Zhenyuan by Business, 2014-2019
Revenue Structure of Zhejiang Zhenyuan by Business, 2014-2019
Gross Margin of Zhejiang Zhenyuan by Business, 2014-2019
Revenue and Net Income of China Meheco, 2013-2019
Revenue Breakdown of China Meheco by Business, 2014-2019
Revenue Structure of China Meheco by Business, 2014-2019
Gross Margin of China Meheco by Business, 2014-2019
Revenue and Net Income of Charmacy Pharmaceutical, 2013-2019
Revenue Breakdown of Charmacy Pharmaceutical by Product/Client, 2013-2019
Revenue Structure of Charmacy Pharmaceutical by Product/Client, 2013-2019
Gross Margin of Charmacy Pharmaceutical, 2013-2019
Revenue and Net Income of Luyan Pharma, 2013-2019
Revenue Breakdown of Luyan Pharma by Business, 2014-2019
Revenue Structure of Luyan Pharma by Business, 2014-2019
Gross Margin of Luyan Pharma’s Pharmaceutical Wholesale Business, 2014-2019
Revenue and Net Income of China Resources Pharmaceutical Group, 2013-2019
Revenue Breakdown of China Resources Pharmaceutical Group by Business, 2013-2019
Revenue Structure of China Resources Pharmaceutical Group by Business, 2013-2019
Gross Margin of China Resources Pharmaceutical Group, 2013-2019
Development Strategy of China Resources Pharmaceutical Commercial Group Co., Ltd., 2020
Revenue and Net Income of DaShenLin Pharmaceutical, 2014-2019
Gross Margin of DaShenLin Pharmaceutical, 2013-2018

How to Buy

You can place your order in the following alternative ways:

1.Order online at 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

Party A:			
Name:			
Address:			
Contact Person:		Tel	
E-mail:		Fax	

Party B:			
Name:	Beijing Waterwood Technologies Co., Ltd (ResearchInChina)		
Address:	Room 2-626, 6th Floor, No.1, Shanyuan Street, Haidian District, Beijing, 100080		
Contact Person:	Liao Yan	Phone:	86-10-82600828
E-mail:	report@researchinchina.com	Fax:	86-10-82601570
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		

Title	**Format**	**Cost**
Total		

Choose type of format

PDF (Single user license) …………..2,800 USD

Hard copy ………………….……. 3,000 USD

PDF (Enterprisewide license)…....... 4,200 USD

※ Reports will be dispatched immediately once full payment has been received.

Payment may be made by wire transfer or credit card via PayPal.

ResearchInChina
www.researchinchina.com

RICDB service

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: