

Nestle ventures into Chinese medicine with pharma deal

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The world's biggest food group Nestle is moving into traditional Chinese medicine by joining forces with Chinese pharma group Chi-Med, the Swiss group said on Wednesday.

The new entity, called [Nutrition Science](#) Partners (NSP), is to be owned equally by the two parties, Nestle said in a statement, without revealing any of the financials behind the deal.

NSP will research, develop, make and sell nutritional and medicinal products derived from botanical plants, it said.

The joint venture will also hand Nestle's Health Science division, which is handling the deal, access to Chi-Med's [traditional Chinese medicine](#) library, which with more than 50,000 extracts from more than 1,200 different [herbal plants](#) is one of the world's largest, the statement said.

Initially, the product focus will be on gastro-intestinal health—a market worth up to \$6 billion (4.6 billion euros) according to Chi-Med—but could in future expand into metabolic diseases and [brain health](#), Nestle said.

For Chi-Med, the deal, which is still subject to regulatory approvals, will bring "a stream of novel botanical medicines and nutritional products to market and in so doing build significant value for patients and for our shareholders," company chief executive Christian Hogg said on a conference call.

"Botanical are in the forefront in our view in the search for [new medicines](#)," the Chi-Med chief said.

Traditional Chinese plant-based medicines represented between 30 percent and 40 percent of all pharma sales in China, he added.

This joint venture provides Nestlé Health Science with an opportunity to develop and commercialise truly innovative and scientifically validated botanical-based nutrition for personalised healthcare in gastro-intestinal health, Nestle Health Science head Luis Cantarell said.

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