

China government to probe 60 firms over drug prices

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China's top economic planner is to investigate 60 pharmaceutical companies for excessive charges, including several joint ventures with foreign firms, state media reported Thursday.

The National Development and Reform Commission (NDRC), which is already investigating foreign baby formula producers over [prices](#), will send teams to check wholesale prices and production costs of dozens of companies, the Securities Daily said.

In a statement the NDRC said firms targeted in the investigation include Sino-foreign joint ventures with Britain's GlaxoSmithKline, Germany's Boehringer-Ingelheim and global healthcare firm MSD.

The inquiry will also look at several Chinese companies, among them industry leader Sinopharm Group and Jiangsu Hengrui Medicine, which specialises in anti-tumour drugs.

Chinese police are already investigating senior staff of GlaxoSmithKline in China for suspected "economic crimes" but it was unclear whether there was any connection between the two probes.

The NDRC, which helps regulate prices in China, said the four-month survey aimed to "timely set and adjust drug prices".

Analysts said providing healthcare at affordable prices was a political platform of China's ruling Communist Party.

"There always has been a lot of pressure to make sure that common drugs are available at very cheap prices relative to what they would be sold for in a lot of Western markets," said Ben Cavender of the China Market Research Group consultancy.

It is also common practice for Chinese pharmaceutical firms to offer doctors and hospitals bribes to have their products used, industry officials say.

State media reported Tuesday that the NDRC had launched a probe of foreign baby formula makers for high prices resulting from a monopoly-like situation.

The government agency declined to confirm the reports but companies targeted said they were cooperating.

A unit of Swiss-based Nestle, Wyeth Nutrition, responded by slashing its [baby formula](#) prices in China by as much as 20 percent, while France's Danone said it planned to cut prices as well.

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