

# More foreign drug firms face scrutiny in China: report (Update)

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China is reportedly putting more foreign drug firms under scrutiny, state media said Tuesday, days after the conclusion of a police probe into alleged bribery by employees of Britain's GlaxoSmithKline (GSK).

Earlier this month, Chinese authorities ended a nearly one-year probe into GSK, accusing a top British executive of ordering employees to commit bribery and handing the case over to prosecutors.

Health authorities in the eastern city of Hangzhou were looking into the business practices of other drug companies, including US-based Eli Lilly, Britain's AstraZeneca and Novo Nordisk of Denmark, the 21st Century Business Herald newspaper reported, citing an internal document.

But two of the foreign companies named said the Hangzhou health bureau had not notified them of any such moves.

Another company, Swiss pharmaceuticals giant Roche, has previously said that officials from China's State Administration for Industry and Commerce had visited its offices in Hangzhou. Roche was not cited by the newspaper.

The GSK case came to light in June last year through a local investigation, after police in the central Chinese city of Changsha announced they were examining the company's employees for "economic crimes".

The 21st Century Business Herald said Eli Lilly, AstraZeneca and Novo Nordisk were required to conduct self inspections for kickbacks and report to local authorities.

But Eli Lilly on Tuesday denied it had been approached by Hangzhou health authorities.

"Lilly has not been contacted by (the) Hangzhou Health Bureau," the company said in a statement provided to AFP. "We fully cooperate with any inquiries we receive from (the) government and its agencies in China."

AstraZeneca offered a similar denial.

"We have not received any official communication on this topic at this time. AZ China cooperates with various Chinese authorities on a regular basis across a wide range of interactions," it said.

Novo Nordisk declined to comment, adding it would make a statement if an issue was deemed to have material impact on the company.

An official of the Hangzhou health bureau said no one was available to comment.

China's healthcare sector is widely considered to be riddled with graft, given the opaque tendering system for drugs and doctors' low salaries.

The government last year launched sweeping probes into alleged malpractice by foreign companies in several sectors, and against the backdrop of an anti-graft campaign backed by President Xi Jinping to root out official corruption.

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