
(Sample)

Huidian Research

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3. Overview of China’s Blood Products Industry

3.2 Market Supply and Demand

Due to the shortage of blood plasma source, China’s blood products have been in short supply in recent years. Although the lot release volume of blood products in China has been increasing in recent years, the continuous economic growth, population aging trend and the changing of medication habits have determined the continuous increase of blood products demands, and the status of blood plasma shortage is difficult to change in the short term, which determines that China’s blood products will be in short supply for a quite long period of time. In this situation, the consumers almost have no bargaining power, and the industry’s profitability is strong; therefore, China’s blood products industry will continue to keep high prosperity in the future.

Fig. 9 Lot Release Volume of Human Albumin, 2007-2012

Unit: 10,000 Bottles

Source: CFDA Southern Medicine Economic Research Institute
Fig. 10 Lot Release Volume of Human Immunoglobulin for Intravenous Injection, 2007-2012

Unit: 10,000 Bottles

Source: CFDA Southern Medicine Economic Research Institute

Fig. 11 Lot Release Volume of Special Immune Products, 2008-2012

Unit: 10,000 Bottles

Source: CFDA Southern Medicine Economic Research Institute
From the lot release volumes of different products, we can see that China’s blood products market shows an upward trend. The release volume of albumin increased steadily in recent years, and the import growth rate was higher than domestic growth rate; the import volume is expected to exceed domestic albumin volume in 2013.

In 2012, the blood plasma collection volume in domestic blood products industry was still unable to meet the needs of domestic market, and the supply was in tight state. In 2011, many blood plasma collection stations in Guizhou province was shut down, which intensified the imbalance between supply and demand of blood products. In general, the blood products industry maintained the market structure of strong demand in 2012.

The per capita blood products consumption of Chinese residents is extremely low, and there is a relatively large gap compares with the developed countries. China’s albumin supply has been tight, and the annual growth rate will be about 15% in the future. The per capita consumption of human immunoglobulin for intravenous injection is only 10% of the foreign countries, since 2004, the growth rate in this aspect has been maintaining at the level of more than 30%; at present, this application in small and medium-scale hospitals is still unpopular, and the development potential is relatively huge; as for the sales of coagulation factor products, China is still in its infancy, compares with foreign market share of 40%, China owns a broad market space.
3.3 Market Price

NDRC raised the retail price of blood products; the industry profitability was improved. At present, human albumin, human prothrombin complex, coagulation factor VIII and human fibrinogen have been listed into the national basic medical insurance drug list; the maximum retail price of these products will be determined by NDRC, and other products mainly implement market-adjusted price. On February first, 2013, NDRC adjusted the retail price of some drugs. Due to the overall short supply situation in the blood products industry, doubled with continuous rising of plasma collection cost, NDRC raised the retail price of some blood products, which will improve the profitability of the blood products enterprises.

Tab. 13 Retail Price Adjustment of China’s Blood Products, 2013

<table>
<thead>
<tr>
<th>Products</th>
<th>Original limited maximum retail price (CNY)</th>
<th>Latest limited maximum retail price (CNY)</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human fibrinogen (0.5g)</td>
<td>147</td>
<td>350</td>
<td>138.00%</td>
</tr>
<tr>
<td>Tetanus immunoglobulin (250IU)</td>
<td>75.1</td>
<td>82.6</td>
<td>10.00%</td>
</tr>
<tr>
<td>Human albumin (10g)</td>
<td>360</td>
<td>378</td>
<td>5.00%</td>
</tr>
<tr>
<td>Immunoglobulin for intravenous injection (2.5g)</td>
<td>600</td>
<td>561</td>
<td>-6.50%</td>
</tr>
</tbody>
</table>

Source: Huidian Research

Tab. 14 Latest Price Limit of NDRC to Blood Products

<table>
<thead>
<tr>
<th>Products</th>
<th>Specification</th>
<th>Original maximum retail price (CNY)</th>
<th>Latest maximum retail price (CNY)</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immunoglobulin for intravenous injection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VIII factor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fibrinogen</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tetanus immunoglobulin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human rabies immunoglobulin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albumin</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CFDA Southern Medicine Economic Research Institute
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<table>
<thead>
<tr>
<th>Name</th>
<th>Specification</th>
<th>Price in U.S.</th>
<th>Price in China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extracted factor VIII</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recombinant factor VIII</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human albumin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human immunoglobulin for intravenous injection</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CFDA Southern Medicine Economic Research Institute

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