

China Healthcare

Key takeaways from expert call on plasma-based products

Industry Overview

To have insights on the plasma-based product market in China, we hosted a conference call with the Vice General Manager of Shanghai BuFan Medical Technology, Mr. Yabing Yun to discuss latest trend of the industry and address the market's concern.

Latest update of the plasma-based product market

For the market consolidation, Mr. Yun points out that the trend of acquisition activity will continue in the near future with SOEs being the main buyers. After the number of new plasma collection centers expanded rapidly in 2022, it slowed in 2023, per the expert's observation. Meanwhile, the growing number of plasma collection centers did not result in a significant price fluctuation, as Mr. Yun saw only a RMB5-10 change for human albumin in the ex-factory price and almost no change in the sales price. Also, there is no significant price difference between the domestic product and imported products, and imported products do not always have higher prices. Meanwhile, with the rising awareness towards plasma-based products, the general public has started to accept IVIG as a product that enhances the immune system instead of human albumin. According to the expert, the demand for such products is expected to soar, and importing is not allowed in this category. However, owing to the large supply shortage, the import substitution of the overall industry is not expected to make major progress in the near future. In addition, the recent ACC has had little impact on the industry, but the regulation on the usage of BMI and other policies, including DRG/DIP, have driven product sales from the hospital to retail channels. For eg, plasma-based product sales at the retail channel made up over 60% of the total market in 2023 vs c.55% in 2022.

Other insights of the industry

Similar to other pharmaceutical products, each category of plasma-based product generally has two to three brands selling at hospitals. Even though demand for human albumin and IVIG is much greater than their supply, the capability of the sales team still matters since competition exists among suppliers for other categories of products. In general, those categories are viewed as the byproducts within the plasma-based product manufacturing process, so their sales are largely viewed as a pure profit. Regarding the establishment of plasma collection centers, the expert does not see a large increase in reimbursement fees for donors. Even though the number of centers and production volume are what differentiate the market leaders, the market participant holds a cautious attitude while building new stations, given the scarcity of profitable station locations. The expert expressed that the regulation on the frequency of blood donation allowed for one donor could be relaxed in the future to encourage donation. Further, Mr. Yun saw distinctive performances of recombinant plasma-based products, as the market of recombinant human coagulation factors VIII reached RMB240-250mn in 2021 and surpassed that of human plasma-based products, but the recombinant human albumin did not pose a challenge to the market of human plasma-based product.

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Abbreviation:

SOE: State-owned enterprise

ACC: Anti-corruption campaign

IVIG: Intravenous Immunoglobulin

BMI: Basic Medical Insurance

DRG: Diagnosis-related group

DIP: Diagnosis-intervention packet

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