

Update

Regulation of Medical Advertisements

With over 1.35 billion people¹, healthcare in China is already a huge, and growing, market.² Companies seeking to develop this potential have used advertising to help grow their share of the China healthcare market, which has helped to make the healthcare advertising sector in China worth more than RMB80 billion in 2010.³

The size of the healthcare advertising sector, and its capacity to impact the well-being of so many individuals, has attracted the attention of China's regulatory authorities, including the China Food and Drug Administration ("CFDA"). In January 2013 the CFDA, along with a number of other regulatory authorities, published a report ("**Report**") concerning the results of their investigations ("**2012 Investigations**") into online advertising and sales of pharmaceutical products. The Report noted that, as a result of regulatory investigations between February 2012 and October 2012, 435 administrative notices or orders were issued to website owners, and 82 pharmaceutical-related websites were closed. The impact of the 2012 Investigations demonstrated that the CFDA and other regulatory agencies responsible for healthcare advertising take regulation of this type of advertising seriously.

On 23 April 2013, the CFDA and eight other governmental departments published a notice ("**Notice**") relating to their intended investigation ("**2013 Investigations**") into false and illegal medical advertisements. These 2013 Investigations are scheduled to occur between 25 April 2013 and 25 July 2013, and will cover healthcare advertising:

- in newspapers;
- in periodicals;
- on websites;
- on radio stations; and
- on television stations.

The fact that governmental departments involved with healthcare regulation have launched separate investigations into healthcare advertising within a six month period demonstrates to healthcare advertisers that regulation of the healthcare advertising industry is a top priority for CFDA and other governmental departments. China healthcare advertisers would therefore be well advised to ensure that they have adequate compliance measures in place to ensure their healthcare advertising is in full compliance with all PRC regulatory healthcare advertising requirements.

Further information

If you would like further information on any issue raised in this update please contact:



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¹ World Population Review 2013 at <http://worldpopulationreview.com/population-of-china/>.

² Pills, potions and potential: the consumer healthcare opportunity in China at http://csi.mckinsey.com/knowledge_by_region/asia/china/consumer_healthcare_opportunity_in_china.

³ Drug Advertising Regulations in China: A Current Status Study, Asian Journal of Pharmacy, 2013, 8(1) at page 6.