

China state media raises pressure on Britain's GSK

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Chinese state media increased the pressure on British pharmaceutical giant GlaxoSmithKline (GSK) over a bribery investigation Tuesday, accusing the firm of being responsible rather than individual employees.

The inquiry into GSK comes as authorities target foreign firms in fields ranging from medicines to food, sometimes for what analysts say is standard practice engaged in on a larger scale by domestic companies.

Police have already accused GSK staff of offering doctors bribes to prescribe its products and detained four executives.

But the official Xinhua news agency said: "As the investigation is moving on, it is becoming clear that it is organised by GSK China rather than drug [salespeople](#)'s individual behaviour."

GSK has previously admitted that some of its executives broke Chinese law.

In a statement issued Tuesday, GSK said it was concerned about allegations of misconduct and would cooperate with the [police investigation](#).

"We remain deeply concerned by the [allegations](#) of fraudulent behaviour and ethical misconduct in our China business," it said.

"The issues identified would be a clear breach of our corporate values

and we have zero tolerance for any behaviour of this nature."

Xinhua cited one of the detained GSK officials, general manager for business development Huang Hong, as saying the company set up a special team to handle important clients which had an annual "relations" budget of nearly 10 million yuan (\$1.6 million).

The report did not say those funds were used for bribes.

Sales growth targets set by the firm as high as 25 percent put pressure on employees, Xinhua quoted Huang as saying.

"If we didn't have... enough input into safeguarding customer relations, using some methods that broke the rules, it would be hard to meet such high sales growth targets," she added.

A travel agency which allegedly served as a conduit for bribes to doctors also gave GSK executives kickbacks in return for business, Xinhua said.

The Shanghai Linjiang International Travel Agency—which has already been shut by authorities—gave more than 2.0 million yuan to GSK vice president Liang Hong, who has also been detained, the report said, and at least two other executives.

Police in Shanghai, who are leading the investigation, could not be reached for comment.

At the same time as investigating GSK, Chinese authorities are mounting a broader probe into foreign pharmaceutical firms' pricing in the country.

US drugmaker Eli Lilly and France's Sanofi have both come under scrutiny after anonymous whistleblowers cited by Chinese state media

claimed that employees paid [bribes](#).

Eli Lilly said it was investigating, while Sanofi said it was taking the claims "seriously".

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