

Struggles ahead in China for chemical and pharmaceutical companies

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China's economic downturn plus other factors, including overcapacity and tightening regulations, mean the next two to three years could be challenging for the foreign chemical and pharmaceutical companies located there. To survive in China as it adjusts to a slower pace of growth, businesses will likewise need to adapt, reports *Chemical & Engineering News* (C&EN), the weekly newsmagazine of the American Chemical Society.

Jean-François Tremblay, a senior correspondent at C&EN, notes that owing to reforms initiated in 1978, China has been a profitable place for chemical and drug companies to grow. But a corruption scandal, major layoffs and slower sales within the past year have derailed the upward trajectory. And the recent stock market turbulence has forced them to re-evaluate their positions. Some experts advise foreign companies to specialize their products to keep ahead of local competition.

Overall, however, company heads say that despite uncertainty in the immediate future, they remain confident that in the long run, they can forge a successful way ahead. China represents more than 50 percent of the Asian chemical market, and opportunities still abound, they say.

More information: Which China? cen.acs.org/articles/93/i34/Ch...eakening-Health.html

Provided by American Chemical Society

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