



Breaking News on Pharmaceutical Technology

## CEE could gain from Asia's reputation for fakes

By Gareth Macdonald, 22-Jan-2009

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**A new report suggests the large numbers of fake drugs produced in China could drive CMO customers away and see Central and Eastern Europe (CEE) emerge as a contract manufacturing hotbed.**

The main thrust of the report is that while Europe has lost out to Asia much in contract active pharmaceutical (API) production due to higher costs and stricter regulations, the lack of guidelines in China and India, and susceptibility to rogue producers, will shift the balance back. In particular, it predicts that Central and Eastern European (CEE) will see significant gains.

The research, which was carried out by Polish market research firm PMR, quotes a European Fine Chemicals Group (EFCG) study claiming around 5,000 rogue manufacturers are operating in China. This argument is in keeping with the litany of high profile scares about APIs and ingredients sourced in the the country that have dominated the news in recent years.

However, PMR also cites data from the European Chemicals Industry Council (ECIC) that, in Europe, counterfeiters in Russia and the Ukraine are responsible for a high proportion of fakes and argues that as a result only certain CEE countries will gain if confidence in the Asian CMO sector does fall away.

Of these the Czech Republic emerges as the front runner. The report argues that the country's drug industry is one of the most developed in the region, particularly in terms of APIs.

The study also suggests that the Czech biotech industry is developing rapidly and providing a platform for specialisation, although it concedes that many of the companies currently operating in this market are focusing on the contract production of nutritional supplements.

In addition the authors suggest that Poland, which like the Czech republic is a member of the Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme, may be attractive to drug firm's seeking an alternative to China.

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