

News release from the Co-operative Group

Co-operative group announces chinese pharmaceutical manufacturing joint venture.

The Co-operative Group is to begin sourcing prescription medicines from China in a joint venture with one of that country's leading traditional herbal medicine and pharmaceutical manufacturers.

The Group's pharmaceutical wholesale subsidiary, Sants, has signed an agreement with Tasly Group China which will lead to the construction of a state-of-the-art production facility in the city of Tianjin in a total investment of £20m.

It will employ up to 200 people and is expected to begin production of a range of well-established generic prescription drugs within a year. These will be supplied by Sants to over 600 Co-operative pharmacy outlets in the UK and marketing opportunities will be sought across the wider European Union.

John Nuttall, Managing Director Healthcare for The Co-operative Group, said the agreement established the Co-operative Pharmacy as a clear leader in the UK's healthcare sector.

"This is a milestone in our development which has clear benefits for our business," he explained. "It will give us absolute control over our source of supply and it will help protect our commercial return as the Government puts increasing pressure on suppliers to cut the wholesale cost of prescription drugs."

The Tasly Group has a market capitalisation of around £1.1bn and is one of China's top three pharmaceutical suppliers. It is well established as a supplier of both generic drugs and traditional herbal medicines in China's domestic market and its two existing pharmaceutical factories in Tianjin and Huaian offer a high standard of production facilities, matching those in the West. It is highly regarded in the country as a major source of charitable support for the community.

The new plant will be built to UK standards of environmental compliance, and best practice, as informed by international labour standards, will be pursued in managing employment conditions.