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Drug Makers Seek Dialogue With State

By Irina Filatova

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International pharmaceutical companies working in Russia said Monday that more dialogue with the government is necessary as the domestic market undergoes changes stemming from the recently adopted state strategy for the sector.

The agencies and ministries involved in health care should hold a regular dialogue with local representatives of international drug makers to provide "more predictability" in the market, said Pavel Chistyakov, local head of French pharmaceutical company Pierre Fabre.

"We have international experience, which we're ready to share," he told a news conference.

A vote by participants in a conference on the future of the country's pharmaceutical industry showed that more than 80 percent of them view the state's latest regulatory efforts as "ill-considered and creating additional barriers."

The government's long-term strategy for the drug industry — called Pharma 2020 — aims to raise competitiveness of domestic manufacturing, stimulate production of new medicines, modernize factories, remove administrative barriers for drug registration and start educational programs.

Naira Adamyan, local head of Janssen-Cilag, a subsidiary of Johnson & Johnson, said the government is facing an “affordability and accessibility dilemma,” meaning that authorities are trying to supply medicine to the largest possible number of patients while having limited financial resources.

The measures taken to cope with the situation — including price regulation — are right, but there’s still a need to use international experience, Adamyan said.

She proposed that the state consider a risk-sharing scheme, commonly used in other countries, in which the government pays a drug maker for an innovative medicine — one that’s based on cutting-edge research — only if it proves to be efficient.

“There are many such options. The question is why don’t we rely on existing international experience,” she said.

Despite challenges, the domestic pharmaceutical market remains attractive for international drug makers. The pharmaceutical market saw sales of nearly $18 billion last year.

In 2008, members of the Association of International Pharmaceutical Manufacturers pledged to invest up to 1 billion euros ($1.4 billion) in local production.

“Two years have passed, and we have confirmed our announcement with the plans of implementing certain projects,” said Vladimir Shipkov, executive director of the association.

Last year, Swiss company Nycomed began construction of a 75 million euro plant in the Yaroslavl region, while French drug maker Sanofi-Aventis took over and modernized an insulin plant in the Oryol region.

Adamyan said Janssen-Cilag was holding negotiations on transferring production technology for an innovative cancer medicine to a Russian partner.

The government envisions raising the share of domestically produced medicines from the current 23 percent to 50 percent over the next 10 years to reduce the country’s dependence on imports.

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