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Sanofi Moves to Local Full Cycle Insulin Production

By Anatoly Medetsky

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ORYOL — French drug maker Sanofi on Tuesday moved to a new stage of producing insulin here at a plant that has enough capacity to meet the full demand on the local market.

The change marked a further step in the arrival of foreign drug manufacturing majors to manufacture — not just sell — in Russia.

Sanofi will still import the drug's main ingredient from Germany, but from now on, the company will convert it into the end product locally, performing a full cycle of production.

"Our motivation was to be acknowledged as a local manufacturer," Martin Siewert, the Paris-based company's vice president for industrial affairs, said in an interview. "It should be recognized in the health care system that we produce locally."

France's Sanofi

will still import the drug's main ingredient from Germany.

The status will hopefully bring benefits during government tenders for the medicine, he said. Under state purchasing rules, local producers can win contracts even if their prices are higher by a certain percentage than what foreign suppliers offer.

Europe's biggest drug maker, Sanofi owns 51 percent of the plant, which is located 370 kilometers southwest of Moscow. Russian businessman Sergei Dokuchayev owns the rest.

The plant can produce up to 30 million doses of insulin a year, enough to sustain about 1 million diabetes patients taking the medicine.

Siewert declined to say when the operation in Oryol will run at full throttle, saying only that in three years it will have a "high capacity of utilization."

Planes deliver insulin crystals from Sanofi's plant in Frankfurt to Moscow in refrigerated containers. The substance then travels to Oryol by truck for about six hours, where machines turn it into a solution and pour it into cartridges. They then equip them with a needle, making an end product looks like a pen.

The German plant is "almost 10 times as big" as the Oryol operation, Siewert said, adding the exact capacity of the Frankfurt facility was confidential.

Asked if insulin will be cheaper when made in Russia, Siewert said, "Not necessarily."

At Oryol, compressed air hissed as steel manipulators plucked caps to put them on the insulin pens. Employees in green polyester headwear — often in sterile rooms behind large panels of glass — made sure the machines worked properly.

Sanofi acquired control of the plant from a Polish firm in 2010, and has since produced test batches of the medicine. It's the company's second plant worldwide to produce insulin pens.

Foreign pharmaceutical companies have been setting up production units in Russia as the market is showing promise of further expansion.

Another insulin producer, Denmark's Novo Nordisk in April 2012 broke ground in the Kaluga region on a $100 million plant that will fill cartridges with the drug.

Japan's Takeda Pharmaceutical completed building its $97 million plant in Yaroslavl in September for making products like Cardiomagnyl.

Novartis is building a $140 million facility in St. Petersburg for producing generic drugs. Construction began in 2011.

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