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Medvedev Orders Stockpiles of Medicine as Russia's Ruble Slumps

By The Moscow Times

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Prime Minister Dmitry Medvedev has instructed the Health Ministry to stock up on life-saving medications to ensure medical supplies aren't affected by the drastic devaluation of Russia's ruble currency.

"There should be a stockpile. The Health Ministry should determine the amount of the reserves, however you see fit, maybe three months, maybe six. And it needs to be replenished as soon as the need arises," Medvedev told Health Minister Veronika Skvortsova, according to a transcript of the meeting posted Tuesday on the government website.

Ensuring these medications are accessible is especially important now, Medvedev said, as "people recalculate [the price of] all medications according to the ruble exchange rate, which is currently being influenced by negative factors."

The Russian ruble dropped about 40 percent against the U.S. dollar last year, dragged down by slowing economic growth, Western sanctions over the crisis in Ukraine and steep falls in the price of oil. The ruble continued to fall on Wednesday, sliding about 3.5 percent to more than 63 to the U.S. dollar by 4:10 p.m.

The ruble's fall directly affects the price of most medications in Russia, which imported about 75 percent of all its medicine as of September last year, according to DSM Group, a pharmaceutical market research company.

A report in business daily Vedomosti in October found that some foreign manufacturers were cutting production of life-saving medications for the Russian market as the ruble's devaluation and state pricing policies squeezed their profit margins.

Skvortsova assured the prime minister that all Russian regions currently have stocks of essential medications, with 71 regions boasting reserves that could hold up for 4 1/2 months. The medications in question are those on Russia's Vital and Essential Drugs List, a catalog of 608 medicines whose prices are regulated by the government.

Medvedev's comments come as the government seeks to increase the share of domestically produced medications on Russia's pharmaceutical market.

By 2016, the Health Ministry hopes to have set up domestic production for 12 medications that are currently only produced by foreign companies, a statement on the government's website said on Jan. 4.

Skvortsova said the Health Ministry would create 10 domestic forms of cancer drugs in 2015 to replace foreign brands as part of the initiative to boost Russia's domestic pharmaceutical industry.

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