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Russia Squeezes Foreign Medical Equipment Firms Out of State Tenders

By The Moscow Times

February 06, 2015

Foreign producers of medical devices will be phased out of government tenders in Russia.

Foreign producers of medical devices will be phased out of government tenders in Russia as Moscow strives to curb reliance on imports in key industries amid a face-off with the West over Ukraine.

Under an order published Friday on the government's website, foreign companies' applications to tenders will be denied if there are two or more entries from Russia or fellow Eurasian Economic Union members Belarus, Armenia and Kazakhstan.

More than 40 items are subject to the restriction, from medical clothing to hearing aids to equipment for blood transfusions.

The decisions "will promote the development of domestic production of medical devices," the government said in a statement Friday.

Russian producers supplied only 23 percent of the government's purchases of medical equipment as of early last year, news site Slon reported, citing data from analysis firm Bureau. The share is even lower in some sectors: Just 5 percent of surgical equipment was supplied by Russian firms, Bureau found.

This heavy reliance on foreign equipment and medication is putting the Russian healthcare system in a bind, with costs rising fast due to the ruble's nearly 50 percent fall against the U.S. dollar since last summer.

The order, which was signed Thursday by Prime Minister Dmitry Medvedev, comes as part of the government's plan for fighting Russia's economic crisis, a bundle of proposals worth at least 2.34 trillion rubles ($35 billion) announced in January.

The plan's priorities include “supporting import replacement,” particularly in agriculture and manufacturing, and “assisting the development of small and mid-sized business,” the government said in a statement.

Western sanctions over Moscow's actions in Ukraine, low oil prices and long-standing systemic issues could see Russia's gross domestic product contract by up to 5 percent this year.

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