



AIPM

PRESS ABSTRACTS

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THE RUSSIAN PILL. WHO TREATS US WITH FAKES?

(Soverchenno Sekretno, #9, September, 2002, p. 3-5) By Dmitry Frolov

In the article, the author is trying to outline the most acute problems of the Russian pharmaceutical market. For instance, it's reported that pharmaceutical counterfeiting poses a real threat to all those living in Russia. Citing the survey conducted by independent experts at the request of the AIPM, each tenth drug sold in this country is fake. Later in the article, the author criticizes Minzdrav for its plans to introduce new rules of drugs' certification. Even though such intentions are opposed by a number of high-ranking and reputable state and business figures who believe the new procedure will involve additional expenses of market insiders and increase prices for consumers, Minzdrav is reluctant to alter or give up the idea. The author concludes the article describing the on-going conflict between Bryntsalov and Minzdrav. Although Minzdrav has repeatedly accused Bryntsalov and some other producers of counterfeiting, no one has so far been brought to court because of inadequacy of Russian laws in this regard. If one gets an impression that some reforms and enactments undertaken in the sphere of pharmaceutical turnover in the recent years were not well-thought, he should also consider a possibility that behind such initiatives of state institutions is a mere wish to gain control over the quickly-growing and promising area, which is the pharmaceutical market.

FROM INEFFECTIVE CONTROL TO CONTEMPORARY STANDARDS

(Farmatsevtichesky Vestnik, #26, September 3, 2002, p. 2-3) By T. Panfilova

Standardization in the field of medicines' turnover, which is one of the most important issues for the country's healthcare system, has become a centerpiece of the recent Minzdrav board session held on August 27 in Moscow. One of those speaking at the gathering was N.M. Podgorbunskikh, who outlined the emergence of drugstore nets as a new trend of the pharmaceutical market. According to Podgorbunskikh, the great variety of legal forms of pharmacies, constant changes in the form of ownership and lack of clear standards of the manufacturing net, has created conditions for the spread of fake drugs. In this connection, one of Minzdrav's priorities is to work out a single standard system. The board participants ruled to elaborate The rules of compiling the list of vitally-essential medicines, The rules of retail trade in drugstores. It was also decided to work out a plan to hold scientific and practical conferences on standards application across Russia.

WILL DRUGS RISE IN PRICE?

(Argumenty i Fakty, #36, September 4, 2002, p. 18)

In the article Aleksander Toporkov answers the question of a newspaper reader concerned about the possible price-rise following the imposing of new certification rules. According to Toporkov, the certification is a mere inner technical altering of the pharmaceutical industry that will have no impact on prices of medicines. The new rules will make certification of drugs more efficient and cheaper. Counterfeit drugs will have fewer chances of entering the market, as each medicine will now undergo lab tests that aren't envisaged and practiced so far. The new system is scheduled for a launch on November 1.

KEEPING UP WITH RULES

(Meditsinskaya Gazeta, September 13, 2002, p. 12)

Starting with September 1, the pharmaceutical market has been operating along with a new branch standard titled The rules of wholesale trade of medicines. The document is obligatory for all organizations engaged in wholesaling of drugs on the market regardless of the form of ownership. In the article, Natalia Podgorbunskikh outlines the generals of the new rules.

THE FIGURE

(Trud, September 14, 2002, p. 1)

The sales volume of local drugstores reached \$1.4 bln in the first half of 2001, up 19 percent on last year's figures. The half-year per capita consumption in Russia is at least \$10.

THE PENSION FUND IS LIKELY TO MAKE PART OF MANDATORY MEDICAL INSURANCE

(Kommersant, September 4, 2002, p. 10) By Lisa Golikova, Tatiana Grishina

The All-Russia Union of Insurers (VSS) presented yesterday at a session of its committee for medical insurance a new concept of mandatory medical insurance (OMS). If adopted, the Russian Pension Fund (PFR) will become an insurer of the OMS system allocating up to 60 bln rubles a year on medical insurance of unemployed pensioners, the insurance companies consequently getting an access to billions of rubles. The insurers' new initiative is likely to become a stumbling block in the on-going confrontation between insurance companies and Minzdrav that first tried to expel insurers

from OMS in 1996 bringing a corresponding draft law to the State Duma. According to an unofficial source in the Ministry of Labor, the OMS system is of great interest to PFR and especially its head Mikhail Zurabov, former executive of the Max insurance company. Zurabov might be trying to monopolize the market of social insurance.

DRUGS ARE LOWERING IN NUMBER, THEIR SALES GROWING INSTEAD

(Kommersant, September 14, 2002, p. 11)

The imposing of VAT on drugs has caused an 18 percent decrease in their import to Russia in the first half of the year, according to RMBC. Experts also say the drop in imports can be related to increased import in the fourth quarter of 2001, when many companies tried to make stores of pharmaceutical products under conditions of uncertainty about VAT. In the first half of 2002, the production volumes of domestic pharmaceutical companies was \$428 mln, a 4 percent decrease on the figures of the same period last year. At the same time,

the sales volume of local drugstores reached \$1.4 bln (in terms of final consumer prices) in the first half of 2001, exceeding last year's figures by 19 percent.

QUARREL OVER A BACTERIUM

(Ekspert, #32, September 2, 2002, p. 44) By Yuriy Malinov

World's fourth-largest drug maker, GlaxoSmithKline has asked a United States court to block Novartis from importing to the United States a generic version of Glaxo's antibiotic Augmentin, saying Novartis subsidiaries are using a stolen strain of bacteria to make versions of its antibiotic Augmentin. The request is part of Glaxo effort to protect its Augmentin market, which generated \$1.4 billion in sales worldwide last year. Glaxo's petition says that "willful misappropriation of trade secrets" by Novartis and its subsidiaries has damaged Glaxo.

GlaxoSmithKline is also going to file lawsuits against some other generic drug makers, accusing them of the same wrongdoing.

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