



Pharma innovations – new opportunities for healthcare & industry within EAEU

**Vladimir Shipkov, Executive Director , AIPM
XI Eurasian Economic Forum in Verona
26th October 2018**



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of International
Pharmaceutical
Manufacturers

Ассоциация
международных
фармацевтических
производителей

AIPM MEMBER COMPANIES

Abbott Products

Abbvie

Alcon

Allergan

Alexion

Amgen

Angelini

Astellas

AstraZeneca

Baxter

Bayer Pharma

Bayer Consumer Care

Berlin-Chemie/A.Menarini

BioMarin

Boehringer Ingelheim

Bristol-Myers Squibb

Celgene

Chiesi Pharma

CSL Behring

Dr. Falk Pharma GmbH

EGIS PLC

Eisai

Eli Lilly Vostok S.A.

EVER Neuro Pharma GmbH

F. Hoffmann-La Roche

Ferring Pharma

Fresenius Kabi

Galderma

Genzyme a Sanofi Company

Gilead

Glenmark

GSK C.H.

GSK Pharma

IPSEN

Janssen Pharma

Johnson & Johnson

Krka

Laboratoires Boiron

Leo Pharma

Macleods

MEDA Pharmaceuticals

Merck

Merz Pharma

MSD Pharmaceuticals

Mundipharma

Novartis Pharma

Novo Nordisk

Pfizer LLC

Pierre Fabre

Polpharma

R-Pharm

Reckitt Benckiser

Sandoz

Sanofi

Sanofi Pasteur

Santen Pharmaceutical

Servier

Shire

Sun Pharma

Takeda

Teva

UCB Pharma

Zambon Pharma

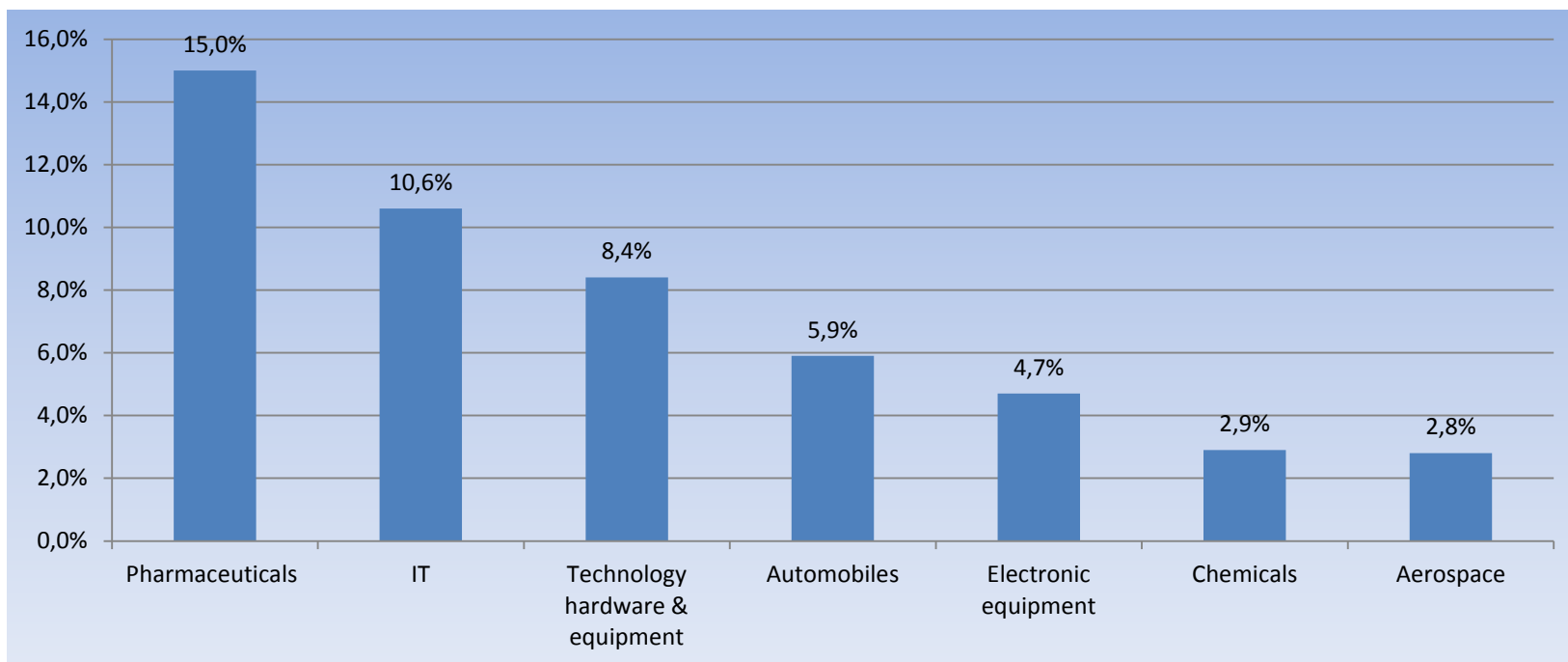


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Ranking of industrial sectors by overall investment in R&D

R&D SPEND AS PERCENTAGE OF NET SALES



Source: www.efpia.eu/media/361960/efpia-pharmafigures2018_v07-hq.pdf



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Modern trends in the development of innovative drugs

Over the next five years many more promising medicines are expected to become available

Breakthrough in the study of the genetic basis of many diseases in recent years. On the basis of this are developed:

- **Gene therapy** – helping to replace defective or missing genes in cells through the introduction of DNA for the treatment of genetic diseases
- **CAR-T therapies** – are T-cells that have been genetically modified to allow the T-cell to recognize and destroy tumor cells
- **Pharmacogenetics** becomes the basis for the evolution in Personalised Healthcare

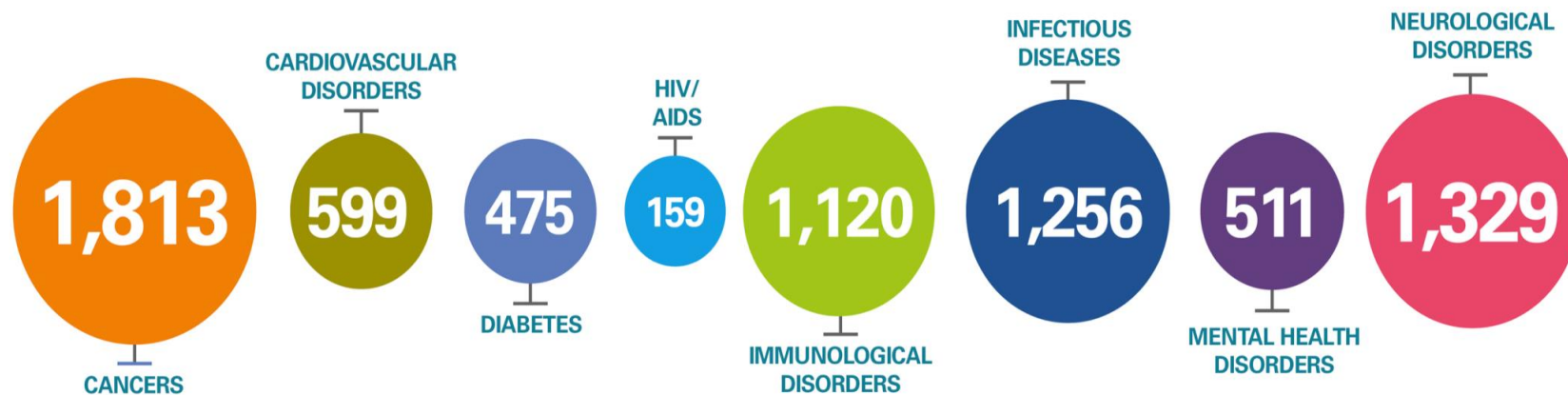


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Robust pipeline - foundation for long-term investments

With over **7000 medicines** in development, the exciting new wave of medical innovation will play a key role in addressing the challenges faced by patients and healthcare systems



Source: Health Advances analysis; Adis R&D Insight Database. March 2015, compiled by PhRMA



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Main investment policy drivers In Russia

Political will for healthcare priorities (additional budget allocations are assumed):

Increase of life expectancy

Decrease of cardiovascular, cancer mortality

Improvement of healthcare access

e-Healthcare platform development and Big Data technologies

Strategy Pharma2020:

Shift to innovative pharmaceutical industry development model (local R&D)

Key priorities declared for Pharma 2020+:

Local R&D aimed at biomedical technologies, monoclonal antibodies

Export potential development

The common pharmaceutical market of the EAEU:

EAEU regulatory requirements harmonized with international standards





Association of International Pharmaceutical Manufacturers

Ассоциация международных фармацевтических производителей

R&D & production localization examples

With local partner



90% of Association member-companies

Green field



R&D



Manufacturing



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INTERNATIONAL INDUSTRY IS A MAJOR INVESTOR in THE SECTOR

In 2006-2016 international pharmaceutical companies made significant investments in the Russian market, which contributed to the industry development and made a positive impact on the Russian economy

Contribution made by international pharmaceutical companies to the Russian economy over the period 2006-2016

RUB 1,144.5 bn
\$30.32 bn

Contribution includes:

1

RUB **209.3** bn
\$5.21 bn

Direct investments

2

RUB **186.6** bn
\$4.8 bn








Payroll expenses

3

RUB **748.6** bn
\$20.3 bn

Cumulative indirect
impact on the Russian
economy

Among direct investments the following types were identified:

| | | |
|---|---------------------------------|---|
|  | RUB 53.4 bn \$1.3 bn | 18 mergers and acquisitions in Russia |
|  | RUB 51.5 bn \$1.2 bn | 21 capital expenditure projects , incl. greenfield development, capacity expansion and modernization |
|  | RUB 36.4 bn \$0.95 bn | 3,346 clinical trials and over 790 R&D activities |
|  | RUB 19.1 bn \$0.5 bn | 59 partnership agreements with Russian companies on manufacturing, R&D and tech transfer |
|  | RUB 5.0 bn \$0.13 bn | Various production and administrative personnel training and development programs |
|  | RUB 42.5 bn \$1.1 bn | Educational programs for patients and healthcare professionals, industry forums support |
|  | RUB 1.4 bn \$0.03 bn | Social and charitable activities , incl. treatment funding and volunteer assistance programs support |

EY data

Analysis of investments, carried out by international pharmaceutical companies in Russia for the period 2006-2016, including analysis of the effect of their implementation on the development of related industries, science, health and the Russian economy as a whole.

Research on investments made by international pharmaceutical companies in Russia in 2006 – 2016 | Page 3

* 24 respondents participated in the survey

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Round table

**Pharmaceutical market of EAEU –
trends, opportunities, perspectives**

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