



lishment of GMP standards as the norm and the fact that we were able to achieve this only in our 5 years of creating the association. This guarantees the safety and efficacy of our products for patients while also creating an equal manufacturing benchmark for all companies to abide by. A clear sign that we are moving in the right direction was Ukraine's accession to PIC/S in January 2011 as this was part of our lobbying agenda that we devoted much effort to.

While Ukraine offers a number of opportunities for the pharmaceutical industry, there are still a number of challenges that need to be overcome. What do you consider to be the greatest hurdles for national pharmaceutical companies today?

The main challenge is the lack of standard treatment and protocols in our healthcare system. The Ministry of Health has not been very active in creating such guidelines and therefore doctors are free to prescribe medicines as they see fit. Under

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such conditions, and given the very low salaries of health practitioners, doctors are very easily influenced by advertising as opposed to concrete medical data.

Perhaps another challenge involves the VAT on imported medical and manufacturing equipment that is extremely expensive here in Ukraine. Local companies have no choice but to import such machinery because there is no local producer of such equipment. If we manage to have this tax exonerated then we will be able to provide the same high quality medicines at much more affordable prices for our patients.

Finally, another obstacle that we have been working to improve is related to logistics and distribution regulation that is dictated by the Law of Medicines that was written in 1996. The law today has become very outdated and we are also discussing with governmental authorities to review the law so that it facilitates the distribution of medicines. One example of why this law should be reviewed is its Article 17 that concerns the importation of non-registered substances for pharmaceutical

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development. Under this article any substance that is not registered is simply not allowed into the country, which means that we are very limited in developing new pharmaceutical products because we cannot import the necessary raw materials. We spent one year to have this provision amended and finally we managed to have it reversed. Another article that we should be amended is that concerning the development of pharmaceutical products that are still under patent.

Finally, we are also working to simplify the process of price registration for medicines which at the moment is unclear and very complex. The current requirements are also unequal for foreign and national manufacturers, so we would like to standardize the procedure for all pharmaceutical companies operating in Ukraine.

Considering that Ukrainian pharmaceutical companies are so successful in their national market, what plans does the industry have to internationalize and push beyond its own borders?

Yes, indeed this is what we are undertaking at the moment. As you might be aware, Ukraine was the most important producer of pharmaceuticals during the USSR, which is why today we are exporting to most of our neighboring markets. Ukrainian companies today are exporting to Russia, Kazakhstan, Georgia, Armenia, Belarus, Moldova and also the Baltic states. The next stage is to sell our products to other EU markets, such as Germany, Romania and Poland. At the moment the biggest national manufacturers are already exporting about 20% of their production to other markets.

How do you see the Ukrainian market evolving in five years' time?

This is a dynamic market that still needs to be organized appropriately by following the highest global standards of healthcare, but for sure it will develop itself fully in the coming years.