

## **Pharmaceutical industry**

### **Wealth of the nation consists of human health**

Ukraine's pharmaceutical industry is a very specific business, which covers the production of pharmaceuticals and medical articles as well as wholesale and retail trade with specialized storage and distribution through a stable sales network of drugstores and pharmacies. The state policy of Ukraine in administering the pharmaceutical industry and drug supply is being formed with a focus on the requirements of the European Union.

Speaking about pattern of local pharmaceutical production, it should be mentioned that from 133 companies obtaining license for corresponding activities 13 manufacture medically pure oxygen, 13 substances, 38 phitopharmaceuticals, and 6 specializes exclusively in bulk medicines. The rest companies manufacture different pharmaceutical therapeutic groups and medicines.

The main drug producers in Ukraine are Darnitsa pharmaceutical firm, JSC KievMedPreparat, Borschagovskiy Chemical and Pharmaceutical Plant, OJSC FARMAK, Zdorovye (Health) pharmaceutical firm, and JSC GalichPharm.

Over 9,000 drugs have been registered in Ukraine at present, as opposed to less than 4,000 just a couple of years ago. Ukraine's pharmacy (around 160 producer companies) makes up to 1,400 drugs.

Ukrainian companies implemented 192 medicines in production in 2005, though 90% of them are generics. Increase of generic consumption is a general world tendency.

The leading pharmaceutical centers are still Kiev (with up to 20% in gross production volume), Kharkov (up to 15%), Lvov region (up to 10%), and Donetsk region (up to 9%).

In general, the trade segment embraces over 1.5 ths. companies and some 15-20 ths. drugstores evenly spread all over Ukraine.

Approximately 4.5 ths. licensees are dealing with retail trade in Ukraine with 85% of drugstores and their branches are being located in towns and settlements. The pattern of retail medical institutions follows: 42% is the share of drugstores, 30% - branch pharmacies, and 24% - drugstore branches. There are 45 drugstore warehouses. In general one drugstore with drugstore branch services 3,300 people in Ukraine.

Ukrainian producers of medicines widely use local raw stock, as well as imported substances.

Similar to years before, in the last year Ukraine's pharmaceutical industry has been gradually boosting export volumes. The companies developed many articles, which may become very competitive, for example, Ukrainian enthero-sorbents. The Sillard drug developed by the Institute of Surface Chemistry under the National Science Academy of Ukraine, and patented and produced by the Institute's plants, should be soon manufactured under license in China and some other Asian countries. Its sales are mastered only in Lvov at the moment.

The companies, which have already voluntarily undergone the procedure, are StirolPharma, Borschagovskiy Chemical and Pharmaceutical Plant, and FARMAK.

Specialists mention the high level of the pharmaceutical supervision system in Ukraine. This is also proved by the fact that Ukraine was recognized a full-fledge member of the International Program of Drug Control of the World Health Organization. 30% of pharmaceutical testing is done in the CIS, whereas only 3% of world drug output is synthesized here.

Nowadays three stages of control are accomplished: registration, manufacturing, and sales of drugs. Certain state office or center is responsible for control at each of the stages. State pharmacological center is responsible for quality control at the first and probably the most important stage. When an application on registration of drug is submitted, expertise is conducted as to its therapeutic activity, toxicological properties, and simplicity of therapeutic drug management.

It should be considered that Ukrainian pharmaceutical industry would not be able to create own R&D departments to invent new original pharmaceuticals over 5-10 nearest years without drawing of investments.

System of drug licensing should be reformed, while main technical requirements should be harmonized with requirements of the European Union. It will contribute to the re-orientation of Ukrainian export shipments from markets of transfer economy countries to Western, Central, and Eastern Europe. As well, these steps facilitate the competitiveness of the national pharmaceutical industry. Besides, the harmonization of main technical requirements with the standards of the European Union may simultaneously protect pharmaceutical producers of Ukraine from competing with low-quality medicine products.