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## Russia Reveals Renewed Commitment to Expand, Promote Biotechnology Sector

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*Global Health Progress' fact sheet summarizes country's plan to improve access to drugs, pharmaceutical R&D investment and drive economic growth*

**Global Health Progress** (GHP) released a new [fact sheet](#) highlighting Russia's commitment to expanding and promoting its biotechnology sector. Although the biopharmaceutical sector in Russia is less developed than other markets, the sector is making progress by implementing public policies that support pharmaceutical research and development (R&D) for life-changing treatments, contribute high-quality, high wage jobs to the region and increase the number of clinical trials offered to the population to improve [access to drugs](#) and help reduce the overall burden of disease...

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### **Russia: Biopharmaceutical Sector Has Potential for Growth**

#### **Country Highlights**

##### **Industry Overview**

This fact sheet presents information on the biopharmaceutical sector presence, employment, economic output, and research and development activity in Russia.<sup>4</sup> The biopharmaceutical sector is composed of an extensive and diverse group of companies, made up of pharmaceutical research and biotechnology companies, ranging in size from small start-up firms to multi-national firms. These companies focus on the discovery, development, testing and production of new medical treatments. These companies provide highly skilled, high-wage jobs through direct employment as well as indirectly through a range of other jobs outside of the sector, including those employed by construction companies who build specialized manufacturing facilities to health care providers who staff clinical trials and contract research organizations.

...Russia accounts for approximately 0.5% of the world biotechnology market,<sup>7</sup> **and approximately two-thirds of that market is biopharmaceuticals.<sup>8</sup> In 2010, the value of the biopharmaceutical market in Russia was estimated to be approximately US \$17.2 billion compared with US \$10.4 billion in 2006.<sup>9</sup>** According to analysts, the Russian market is predicted to expand at a compound annual growth rate of 8.3% over the next few years.<sup>10</sup> Based on available data, approximately 53% of the biopharmaceuticals market in Russia is comprised of innovative medicines.<sup>11</sup>

##### **...Investing in Research and Development**

...In 2009, industry-wide R&D investment globally was US \$65.3 billion.<sup>32</sup> By comparison, in Russia, PhRMA member companies invested US \$80.4 million in R&D.<sup>33</sup> **As Russia implements its national biotechnology strategy, “Biotechnological Development in Russia Until 2015,” which includes establishing special economic zones for innovative biotechnology and creating bioparks, it is anticipated that Russia’s R&D capacity will increase.**<sup>34</sup> Proximity to centers of academic excellence and other forms of noncommercial research also appears to convey benefits such as raised research productivity.<sup>35</sup>

### ...Government Policies Impacting Innovation

Recognizing the growth potential of the biopharmaceutical sector and its contributions to economic growth in Russia, the Russian government launched a national 10-year plan to promote biotechnology in 2005.<sup>37</sup> **The plan, titled “Biotechnological Development in Russia until 2015”, includes establishing special economic zones for innovative biotechnology and creating bioparks.**<sup>38</sup> The plan seeks to strengthen R&D areas that have been historically strong in Russia across 1,000 research institutions throughout the country. One of the largest-scale programs in this area is the Biotechnology Consortium for Medicine and Agriculture (BIOMAC)...

### Endnotes

7 Borodina, E. 2002, “Biotechnology market in the Russian Far East”, Business Information Service for the Newly Independent States (BISNIS). Link: <http://www.scribd.com/doc/3950910/Biotechnology>.

**8 Bakulina, Y.M. & Kogan, L.A. 2008, “How market-based policies could spur biotechnology growth in Russia”, Washington Legal Foundation - Legal Backgrounder, vol. 23, no. 14. [[www.itssd.org/Publications/03-21-08balukina.pdf](http://www.itssd.org/Publications/03-21-08balukina.pdf)]**

**9 Bakulina, Y.M. & Kogan, L.A. 2008, “How market-based policies could spur biotechnology growth in Russia”, Washington Legal Foundation - Legal Backgrounder, vol. 23, no. 14. [[www.itssd.org/Publications/03-21-08balukina.pdf](http://www.itssd.org/Publications/03-21-08balukina.pdf)]**

10 “The pharmaceutical market: Russia Opportunities and Challenges”, Espicom, 2010. Link: <https://www.espicom.com/Prodcats.nsf/Search/00000366?OpenDocument>.

**34 Bakulina, Y.M. & Kogan, L.A. 2008, “How market-based policies could spur biotechnology growth in Russia”, Washington Legal Foundation - Legal Backgrounder, vol. 23, no. 14. [[www.itssd.org/Publications/03-21-08balukina.pdf](http://www.itssd.org/Publications/03-21-08balukina.pdf)]**

35 Cockburn, I. 2009, “Intellectual Property Rights and Pharmaceuticals: Challenges and Opportunities for Economic Research,” The Economics of Intellectual Property, World Intellectual Property Organization (WIPO). Link: [http://www.wipo.int/export/sites/www/ip-development/en/economics/pdf/wo\\_1012\\_e\\_cover.pdf](http://www.wipo.int/export/sites/www/ip-development/en/economics/pdf/wo_1012_e_cover.pdf).

36 “Biological Science and Biotechnology in Russia: Controlling Diseases and Enhancing Security”. 2005, Committee on Future Contributions of the Biosciences to Public Health, Agriculture, Basic Research, Counter-terrorism, and Non-Proliferation Activities in Russia, National Research Council of the National Academies. Link: [http://www.nap.edu/catalog.php?record\\_id=11382](http://www.nap.edu/catalog.php?record_id=11382).

37 Bourinbaiar, A.S. 2006, “Recent developments in biotech industry outside of the USA and Western Europe: Report from BIO 2005”, Electronic Journal of Biotechnology, vol. 9, no. 2.

**38 Bakulina, Y.M. & Kogan, L.A. 2008, “How market-based policies could spur biotechnology growth in Russia”, Washington Legal Foundation - Legal Backgrounder, vol. 23, no. 14. [[www.itssd.org/Publications/03-21-08balukina.pdf](http://www.itssd.org/Publications/03-21-08balukina.pdf)]**

39 “Non-Commercial Partnership: Consortium BIOMAC,” 2001, International Technology Information Center (InterTec). Link: <http://www.intertec.co.at/itc2/partners/other.htm>.