GlobalData»

The pharmaceutical market in Russia is one of the fastest growing globally and is set to rise from $20.91 billion in 2016 to $38.56 billion by 2021, representing a compound annual growth rate of 13%, according to research and consulting firm GlobalData.

The company's latest report states that key drivers of the Russian healthcare market include improving regulatory guidelines and government initiatives to develop the domestic pharmaceutical industry. The Federal Drug Reimbursement Program, for example, provides uniform, free access to over 350 drugs for the most vulnerable social groups of the country.

The implementation of a state program to improve the healthcare industry by the Russian Ministry of Industry and Trade has also had a positive impact on domestic production. The program's main goals are developing domestic medicine production, developing the domestic production of medical devices, and improving state regulations for the circulation of medicines and medical devices. In 2015, the domestic market share of medicine was 27.2%, and the government aims to increase this to 50% by 2020.

A competitive generics market will also drive pharmaceutical sales. In 2015, the market share of generics, by value, was 59% of all drugs in Russia. By volume, generic drugs accounted for 85% of marketed drug sales. The Russian company Pharmstandard is one of the leading generic manufacturers in the country, producing and marketing a range of generic and branded pharmaceuticals, biogenerics, and active pharmaceutical ingredients.

For pharmaceutical companies hoping to profit from the Russian market in coming years, the country's increasing focus on biotechnology may provide ample opportunity. In 2012, the government adopted the Comprehensive Program for Development of Biotechnology in the Russian Federation through 2020. The program sets targets for the development of the biotechnology market and will require $31.8 billion in financing from 2012 to 2020.

The government is planning to construct 10 factories for the manufacturing of biosimilars by 2020, with an additional investment of $265.3 million. Russia is currently developing its biosimilars guidelines. Draft guidelines were prepared in 2014 by the medical and pharmaceutical industries and submitted to the Ministry of Health, and are expected to be

enacted this year.