



New Challenges of Ukrainian Pharmaceutical Industry

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The Ukrainian pharmaceutical authorities have declared the regulatory changes in 2009 that have required the investment of hundreds of millions of dollars. This is one more attempt to approach the Good Manufacturing Practice standards and get competitive in Eastern European markets. Despite the declaration made by the pharmaceutical authorities the relations between the pharmaceutical industry and the government play the most critical role for the quality system transformation.

The Ukrainian pharmaceutical companies are the low-cost productions with low drug prices that help them to retain its pharmaceutical manufacturing sector and compete with multinational companies. The Ukrainian pharmaceutical market, that overall is generic drug market, has grown significantly in recent years. According to a February 2009 report from the Ukrainian market research firm Morion the country's pharmaceutical market grew approximately 30.7% in 2008 with inflation index 16.2% to compare with 31.3% in 2007 with inflation index 9.0%.

The current situation on pharmaceutical market shows that the authorities are losing a control of process to achieve the new challenges. The financial crisis just aggravates the state of affairs with fluctuating exchange rates to make difficult any investment to the pharmaceutical industry. Besides a lack of regulatory policy and finances for achieving GMP requirements have left the local companies with no option to get successful transformation.

If Ukrainian government doesn't have any possibilities to invest in quality and productivity to become a real competitor with the multinational companies especially from India and China some other decisions may be required to survey. First one could be some business deals to expand the pharmaceutical manufacturing sector due to merging local companies producing the same range of generic drugs. Also, local manufactures can be forced to sign-up licensing deals with multinational companies to keep afoot financially. And last one is to sell a part of production to independent generic drug players in Ukraine.