Digest

Of Russia's Medical Device Market

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Key Industry News

Market Regulation

Medical clusters might be open in all Russian regions

Innovative medical clusters might be open not only in Moscow, but all around the country. Such amendments to the bill about international medical clusters were offered to the State Duma Committee on Economic Policy by a deputy Nikolay Goncharov.

Apart from the offer to establish medical clusters in different Russian regions, Goncharov also came up with a proposal to let only companies from OECD (Organization for Economic Co-operation and Development) member countries to work in the clusters. It means that companies from such counties, as China, India, Argentina or Brazil will not get an access.

In September 2014 The State Duma passed the bill about the opening of international medical clusters in Russia in the first reading. Now it is prepared for the second reading. As a deputy Igor Rudensky said, new amendments had already been negotiated with the government and if the Presidential Administration approves of them, they will be submitted by Nikolay Goncharov.

Ministry of Industry and Trade started developing criteria for identification of goods with no equivalents made in Russia

Ministry of Industry and Trade reported on the development of the Russian Federation Government Resolution on identification of criteria for classifying products as industrial products with no equivalents produced in Russia and also criteria for classifying industrial products as products made in Russia.

The document has been developed to implement stimulus measures to boost production in the industry, as well as to impose conditions, prohibitions and restrictions on admission of certain types of products (incl. medical devices) originating from foreign countries in procurement for state and municipal needs.

It is planned that the document will come into force in June 2015.

Russia's Ministry of Health has developed the draft Federal Law “On circulation of medical devices”

The Ministry of Health put up for public discussion the draft Federal Law “On circulation of medical devices”. The drafters believe that the adoption of the law will help create the conditions necessary for preventing low quality or substandard medical devices from entering the domestic market. It is also expected to ensure the competitiveness of domestic medical products both inside and outside the country.

Public discussion of the draft law is held from April 8 to May 8, 2015.

The Ministry of Healthcare is developing rules of destruction of confiscated falsified medical devices

The Russian Federation Government Resolution “On approval of the rules of destruction of falsified medical devices, poor-quality medical devices and counterfeit medical devices”.

The document should come into force in the 4th quarter of 2015. Public discussion of the draft law was carried out until 22 April 2015.

Ministry of Industry and Trade approved an import substitution plan for the medical industry

Ministry of Industry and Trade’s order №655 “About the approval an import substitution plan for the medical industry in the Russian Federation” was signed by the Minister of Industry and Trade Denis Manturov on March 31, 2015.

The document sets targets for certain types of medical devices in terms of increasing the share of domestic manufacturing output till 2020. The order contains a list of 111 medical devices, whose share of imports must be substantially reduced. Deputy Minister of Industry and Trade of the Russian Federation Sergey Tsyb was appointed responsible for the execution of the plan.

Industry Initiatives

Private business will invest in the Russian healthcare more than 200 billion rubles

In the next few years, the private business will invest in the healthcare system more than 200 billion rubles, which is about $4 billion. According to Deputy Prime Minister Olga Golodets, the money will be invested in the development of healthcare centres, which will treat people under state guarantee programs and through a system of obligatory medical insurance (OMS).

As Golodets noted, one of the pilot projects with private sector's involvement will be the manufacturing of medical devices on the basis of Novosibirsk Scientific Research Institute of Traumatology and Orthopedics. She stressed that Russian scientists have reached a fundamentally new level in the development of prostheses, which are not only competitive in the world, but even in many ways superior to their foreign counterparts.

Deputy Prime Minister added that 62 healthcare projects based on a public-private partnership are being implemented right now is 25 Russian regions.

Russia's Health Ministry will spend 55.6 million rubles to improve the image of the country's healthcare services

Russia's Ministry of Health is offering to pay 55.6 million rubles ($985 thousand) for a campaign to improve the image of the country's healthcare services, according to a notice published on the government procurement website.

The bid solicitation seeks proposals for “work on creating and placing television materials aimed at creating a positive image of the Russian health services.”

The main objectives of this campaign are improvement of the medical profession prestige, creation of a positive attitude towards the Russian health care and popularization of preventive medicine.

Works and services must be performed in several stages, the last of which must be completed no later than 30 October 2015.

Krasnoyarsk scientists created “shoes” for stroke rehabilitation

Scientists from Krasnoyarsk have presented special “shoes” – “Stabilizing Platforms GS-3” – aimed to help people recovering from a stroke. It is also designed for people with balance problem (such as unsteady gait) and those suffering from dizziness.

The first version of “Stabilizing Platforms GS-3” was created by scientists from the Department of Nervous Diseases of Krasnoyarsk State Medical University 10 years ago. Since that time the invention had been continually developed and improved. In 2015 the first prototype of the device was ready.

Clinical trials have shown that inexpensive therapeutic “shoes” are comparable in efficiency to costly high-tech stabilometric systems. It was decided that the unique invention would be produced on an industrial scale – both for individual patient use and for delivery to hospitals.

Scientists in Tomsk have developed a biodegradable material for restoration of bone tissue

Scientists from Seversky Institute of Technology have developed a material based on biological hydroxyapatite for bone tissue repair.

According to the scientists, biodegradable devices made from hydroxyapatite can replace titanium screws and plates. What is important is that the hydroxyapatite is fully compatible with the human body, unlike titanium or ceramics, which are eventually rejected.

Hydroxyapatite is a white powder made from animal bones. By mixing it with biological polymers, scientists get a substance similar to clay (so-called “bone cement”). When applied to the bone, it hardens and eventually dissolves. What we finally have is a bone.

UIMC is planning to develop mobile clinics

Radio Engineering Concern Vega, part of the United Instrument Manufacturing Corporation, is preparing to start development of mobile clinics, which should make comprehensive medical checkups and other medical services more accessible to people living in remote areas.

A number of similar locally produced mobile facilities currently operate in Russia, offering one type of service: dentistry, X-ray, however, for now, there are no comprehensive mobile healthcare facilities that would comprise a full clinic with multiple specialists capable of performing a full medical checkup and treatment. “We are currently preparing to develop a line of different specialized mobile medical facilities (gynecology, dentistry, X-ray diagnostics, pediatrics), and estimating the requirement for such facilities in individual regions and the country as a whole,” Head of Medical Equipment Development and Manufacturing Alexander Kulish said in his interview for the RIA Novosti newswire.

The United Instrument Manufacturing Corporation makes Hemo Express mobile blood banks, capable of not only collecting and transporting blood, but also storing it for extended periods of time. Mobile blood banks are already operating in Kaluga and in the areas of the Moscow Region.

Russian scientists will create an artificial heart

Moscow Aviation Institute research specialists reported about the aim of creating an artificial heart in collaboration with experts from United Instrument-Making Corporation. The companies intend to begin work on the project by the end of the year.

At the moment there are only two types of artificial heart developments existing. The first type is based on constant blood flow while the second includes impulse blood flow method. Russian doctors have already used the first type of artificial heart. Unfortunately, it is not able to prolong life of the patient for a long period of time. New development will be based on impulse blood flow method. In this case operation of artificial heart will be close to operation of the real organ.

At the same time it is also known that technology of artificial heart growing can appear within several few years in Russia.

Tomsk scientists are developing a cloud server for storing and processing of MRI images

Tomsk researchers are developing a cloud-based server, which will help speed up and reduce the cost of MRI images processing. The main objective of the project is to geographically separate a scanner and a computing device.

The scientists offer to send an image from a scanner to the “cloud”, where it will be processed, and then send the results back to the doctor. According to them, it will increase the speed of information processing and eliminate the use of costly local servers.

Right now scientists have a remote server for processing of medical imaging, which is used for scientific purposes. In the future developers are planning to create a full-fledged portal, designed for use in everyday medical practice.

Market Statistics (April 2015)

Since most of Russian healthcare facilities are state owned, 75% of all medical devices are sold through a public bidding process. Therefore, the dynamics of public procurement of medical devices determines the dynamics of the whole market. It explains the importance of tracking the value of public procurement market on a monthly basis. The analysis of public procurement uses data on tenders for delivery of medical devices posted on the official procurement website www.zakupki.gov.ru.

Figure 1 shows that the value of public contracts in April 2015 was RUB 15.2 bln., which is more than 75% higher than April 2014's 8. bln. The market's sharp rebound in that period of time was a response to adoption of a new edition of the public (government and municipal) procurement law 44-FZ. Public clients seized the last chance to close deals under the old 94-FZ rules at the end of 2013. In 2014 a new edition of the public procurement law came into force, bringing down the number of deals in January-March 2014 compared to previous years.

Figure 2 demonstrates that market dynamics in USD is a bit different. It reflects the trend of a strengthening ruble against the US dollar.

Figure 1. Dynamics of public procurement in 2014-2015 (RUB mln.)

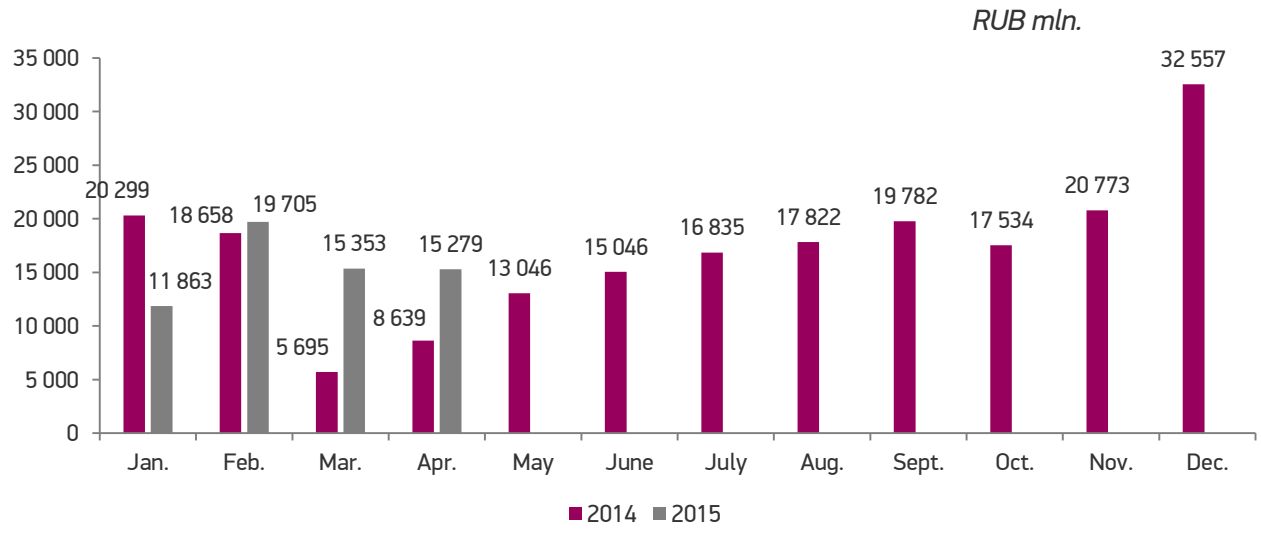
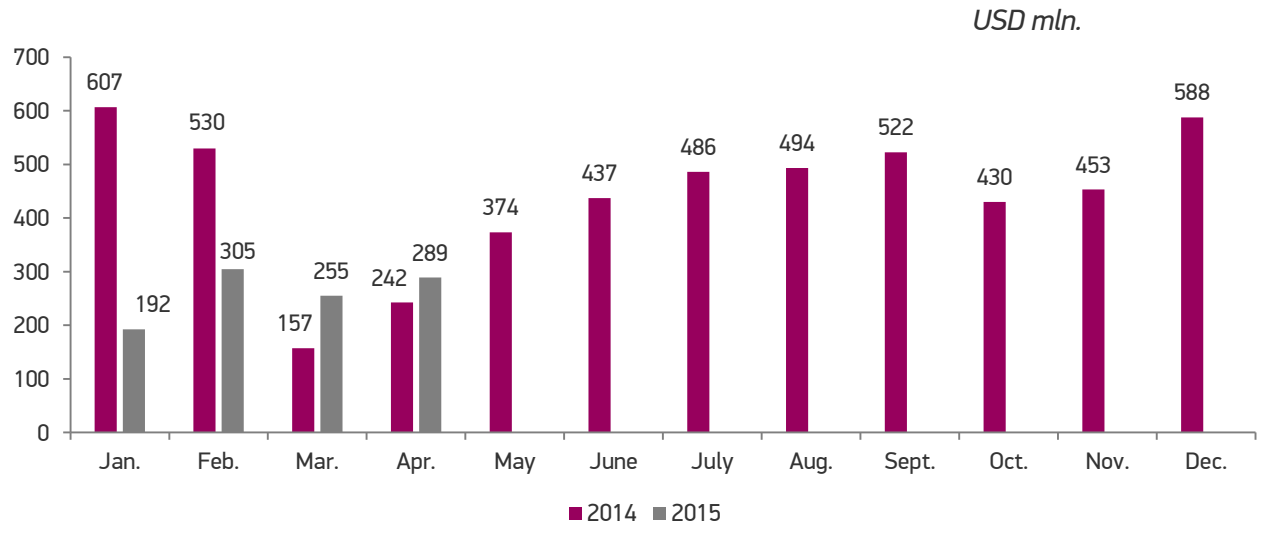
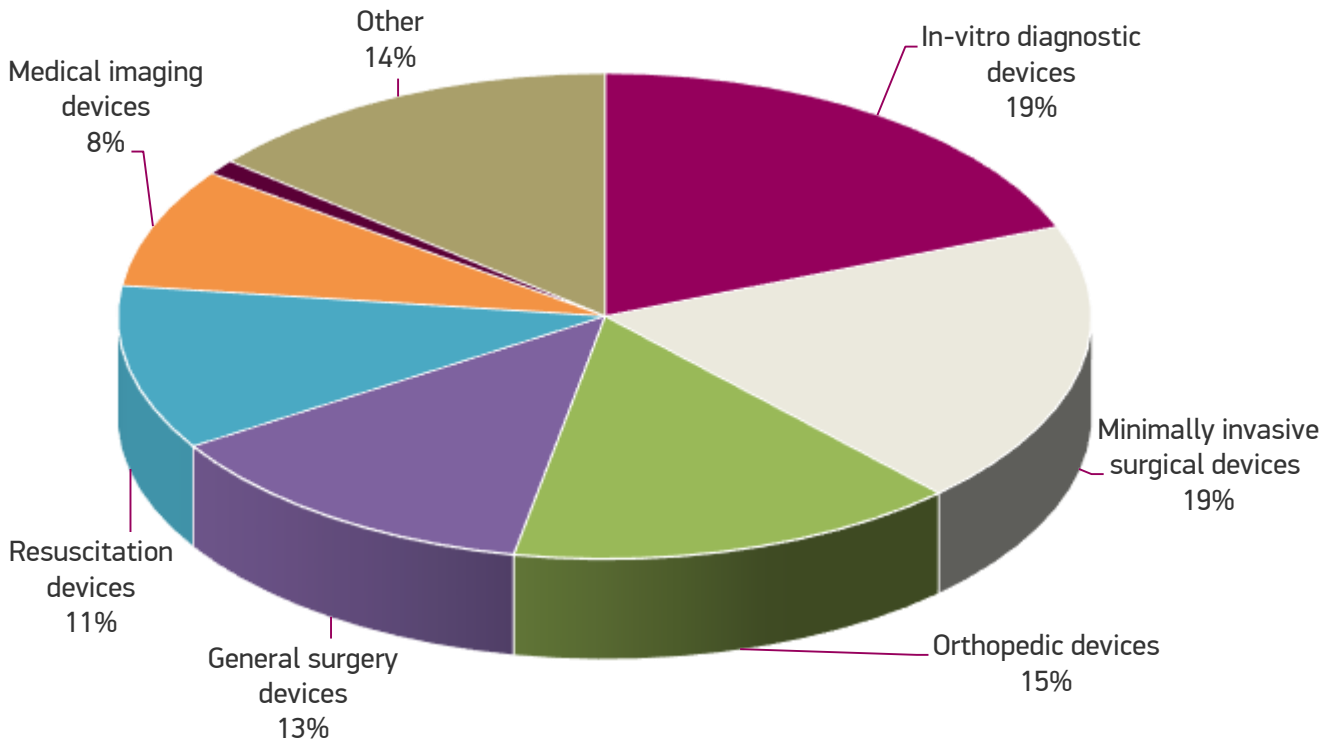


Figure 2. Dynamics of public procurement in 2014-2015 (USD mln.)



The largest segments in April 2015 were in-vitro diagnostic devices (19%), minimally invasive surgical devices (19%), and orthopedic devices (15%).

Figure 3. The structure of public procurement by segments in April 2015



Source: MDpro

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