



## Bipolar world – potential opportunities within Emerging Economies

It seems that for many leading pharmaceutical enterprises the potential and attractive benefits of the Emerging Markets is still unknown. While the North American, Western Europe and Japanese markets are dealing with the credit crunch and looking for solutions to overcome the financial crisis and face sluggish, single-digit growth, new economies are growing and getting stronger.

- pharma industry soars in the Emerging markets, while the Old World struggling through the financial crisis
- forthcoming reforms and new initiatives make Eastern European markets investment attractive
- extensive clinical trial opportunities due to the great disease burden
- market specific issues may generate problems, but expert knowledge, insight and in-depth country understanding will help to overcome these problems

The Russian market has delivered seven consecutive years of strong economic growth; Chinese drug production soars and may lead to impressive figures within next two years, while their Sales Force is increasing rather than decreasing.

This couldn't be more different to what's going on in the States right now, with AstraZeneca planning to reduce its workforce by 4.6 per cent and all the other big guns following suit.



The Russian Prime Minister has announced a new scheme for pharma, which will boost local production and create better access to innovations among patients. The majority of Sales Reps in Russia are former doctors, and this is where we think the biggest change will occur, as recruiting Sales Reps is currently a huge problem; they simply don't have the supply. Some pharma companies have already begun to employ a higher percentage of business people, as they are usually more flexible – arguably a more important factor than ever in Russia, with the market changing as quickly as it is. However, once you have a full team the problem doesn't stop there; the next challenge is retaining them. It is not uncommon for Sales Reps to work for "big pharma" for six months, only to leave for double the money at a local Russian company.

Despite the attractiveness, growth and good forecast for economies in Central and Eastern Europe, there are still important issues and country specific upshots, which

should be taken into consideration. For example, the burden of disease is the greatest in Russia; the under treatment of many diseases in this market makes it, potentially, a very attractive market in which to conduct clinical trials and thereby generate growth for pharmaceutical companies.



In order to succeed and identify your specific niche, compliance and in-depth knowledge of the rapidly changing environment in your chosen emerging economy are essential. Further, there are issues of reimbursement, very different to what we know in the EU and US, which require detailed knowledge and country understanding.

GfK Healthcare's Market Access team has the expert knowledge and capability to conduct country studies and projects within Central and Eastern Europe, including Central Asia (e.g. in Kazakhstan medicine prices are considerable higher than international reference prices, rising to up to seven times more for innovations!).

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