

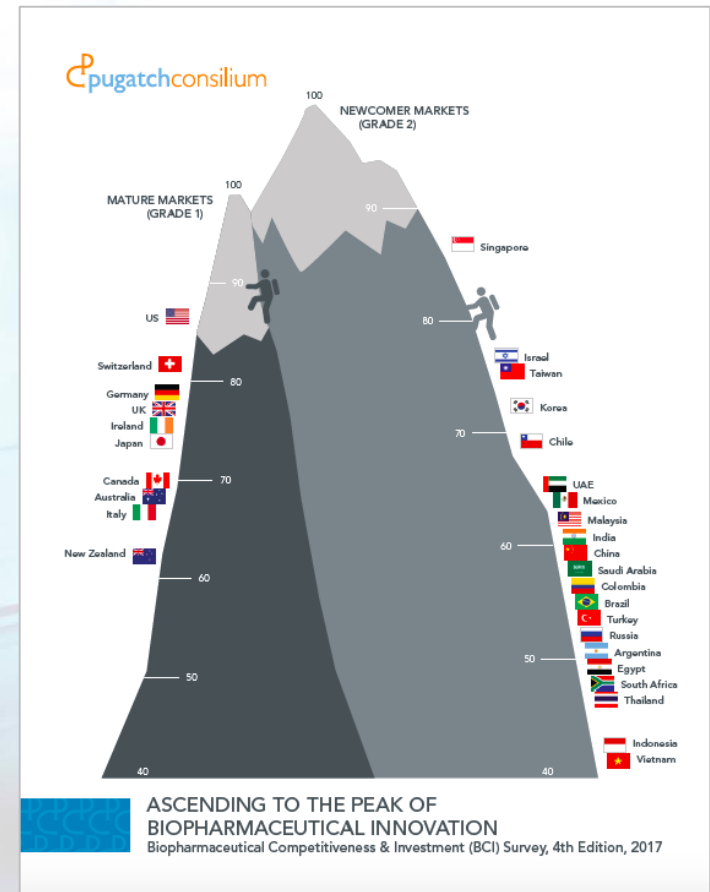
Biopharmaceutical Competitiveness & Investment (BCI) Survey 2017

Preliminary Results – Russia

September 2017

Research Team:

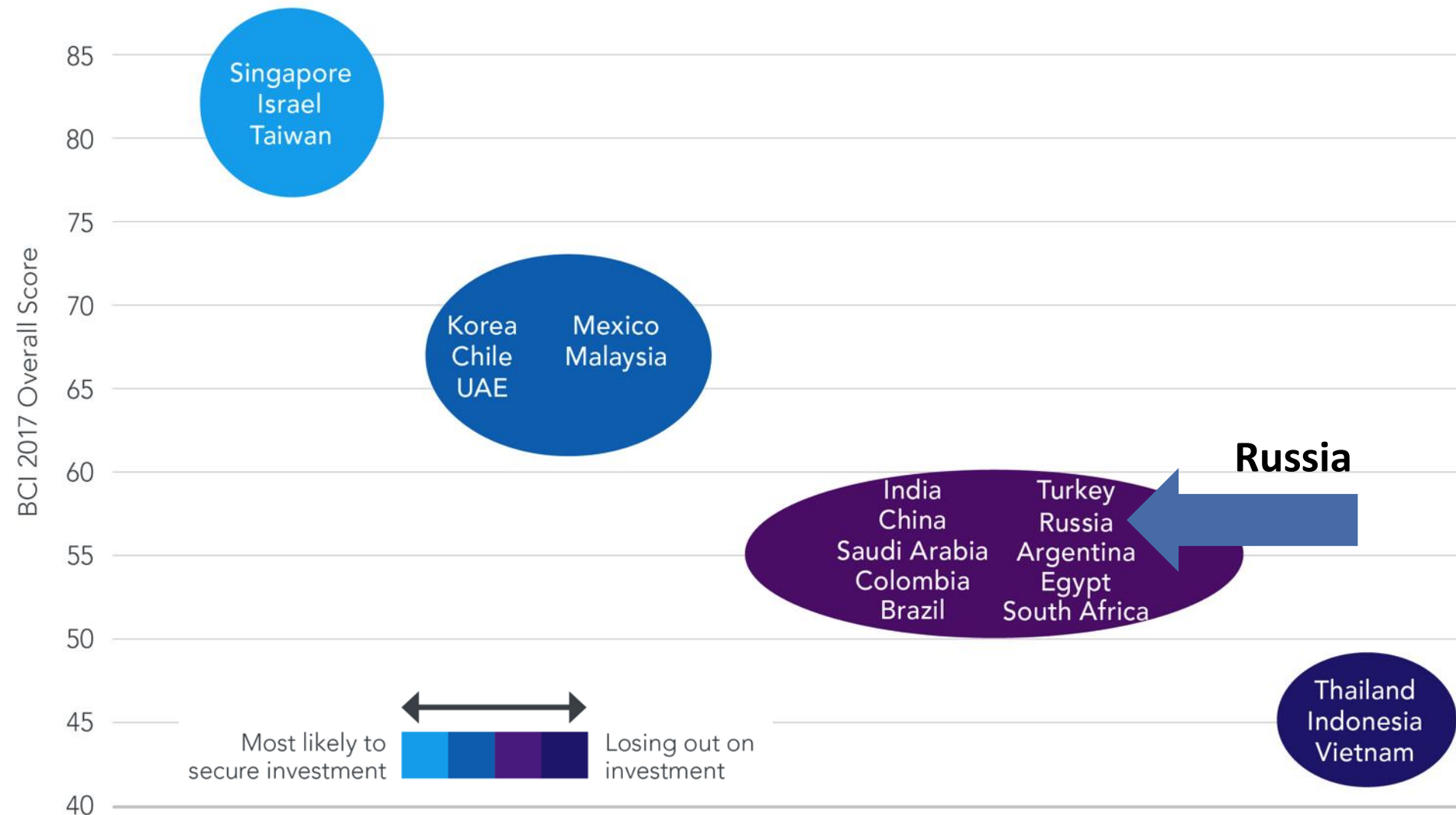
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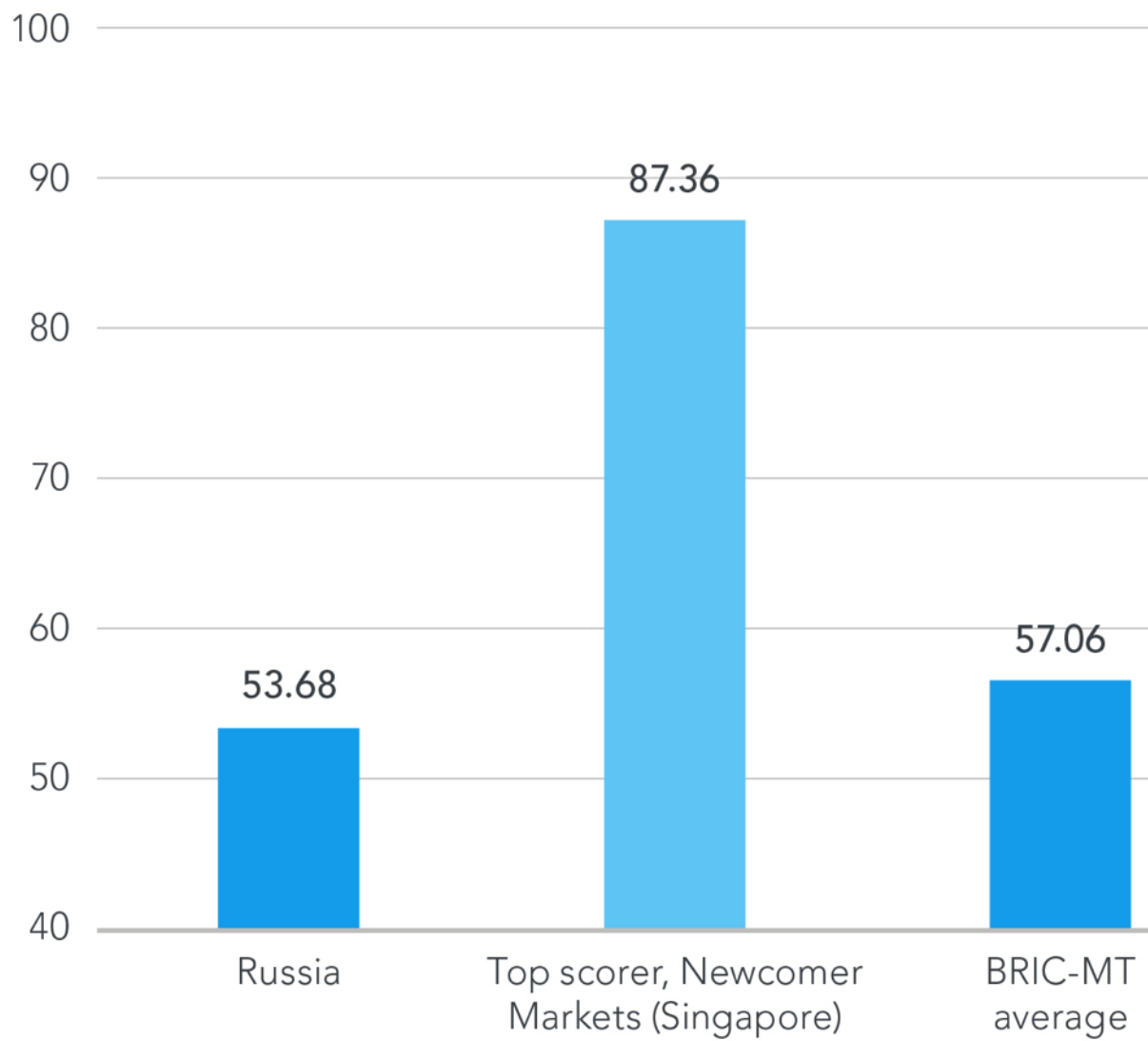
What is the BCI Survey?

- The Biopharmaceutical Competitiveness Index (BCI) is a global survey-based index
- Based on an executive opinion survey – seeks to capture opinion of local country managers, decision-makers
- It examines the entire biopharmaceutical ecosystem – from clinical environment and R&D to pricing and reimbursement, IP and regulatory
- Provides comprehensive snapshot of different countries' attractiveness for biopharma investment
- What do local executives think about prevailing market conditions?
- **Russia included in survey for 3rd year in a row**

BCI 2017 Overall Scores – Newcomer Markets

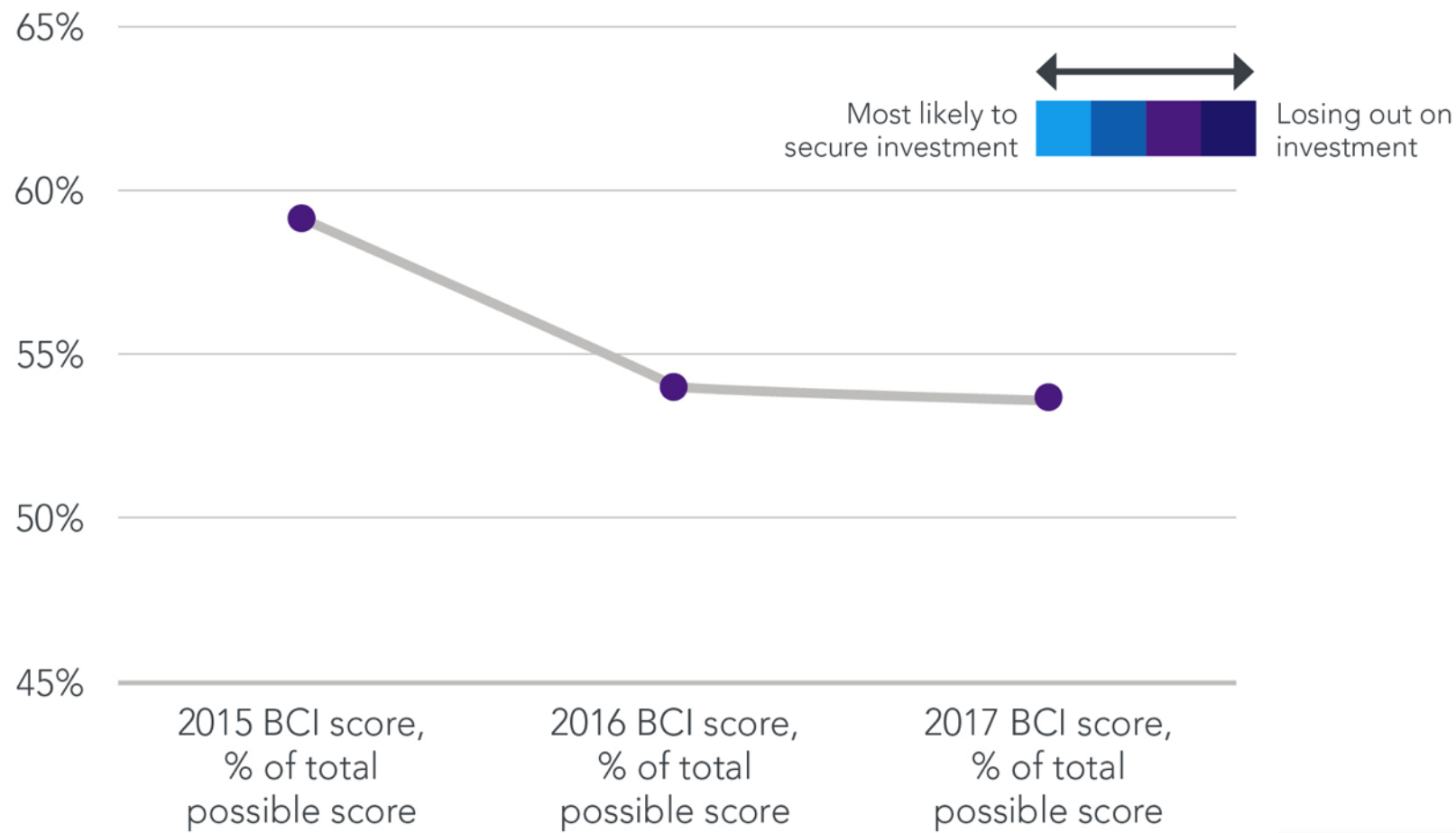


Russia's biopharma competitiveness falls short compared to other emerging markets



Executives view Russia's investment climate as deteriorating in parallel with the growth of localization requirements

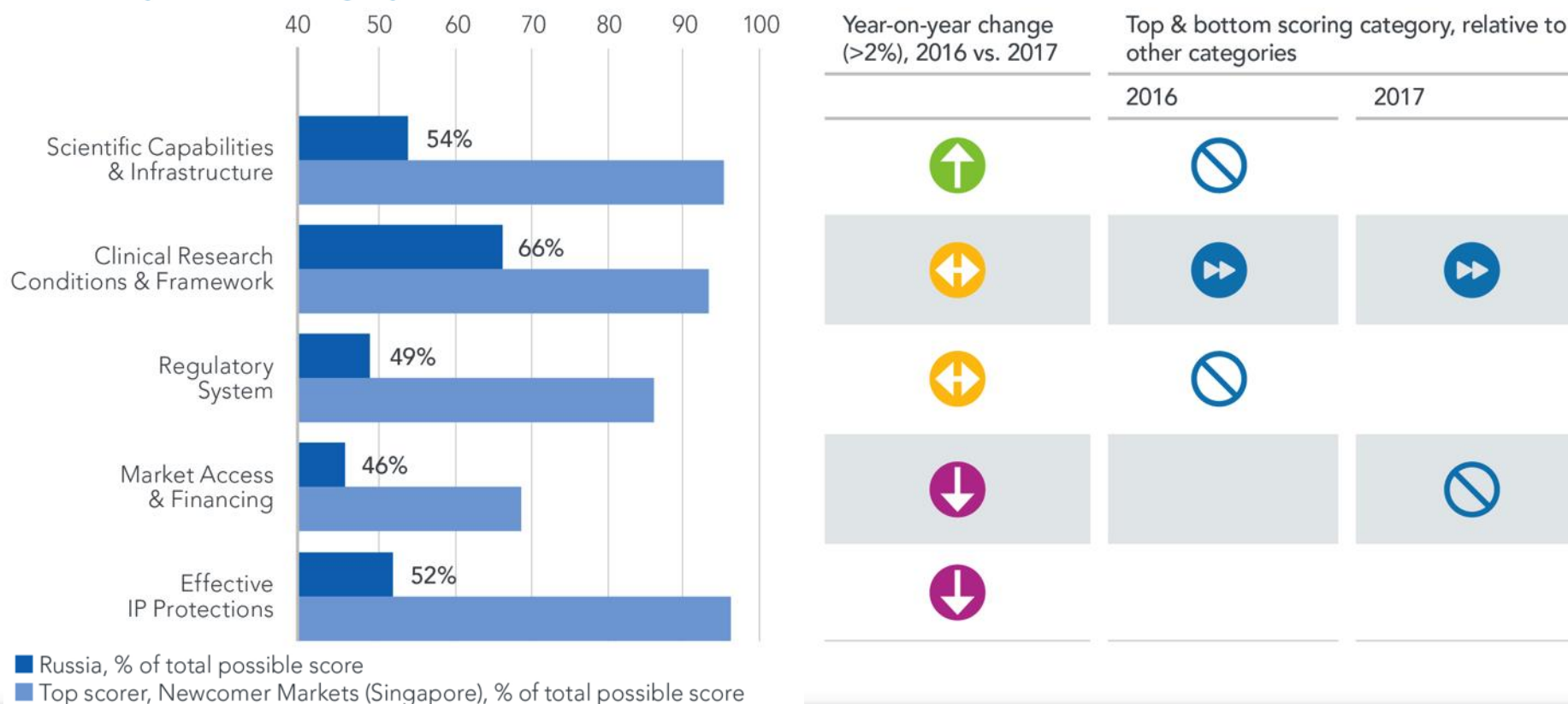
2015-2017



Russia is missing key ingredients for attracting investment

- Scientific/manufacturing capabilities are seen as a growing incrementally
- But executives identify discriminatory tenders, price cuts, and unpredictable IPRs & regulatory conditions as deterrents – and see these as worsening

BCI Survey 2017 – Category Scores



What do these results mean for Russia?

- Attracting biopharmaceutical investment requires an entire “ecosystem”
 - Top rated countries’ experience shows that putting in place supportive public policies matters just as much, if not more than human capital and infrastructure
 - Undermining policy fundamentals hurts countries’ competitiveness across the board
- Focusing on the level of domestic manufacturing = a very limited approach to economic development
 - Russia’s potential extends far beyond manufacturing
 - But policies damaging innovators are detracting from executives’ willingness to invest even in manufacturing
- Enabling, rather than forcing investment is much more effective
 - Localization requirements and preferences *deter* Russia’s attractiveness to innovator companies
 - A long-term effort toward building up capacity and policies that support innovation will spur investment spontaneously!