

Egypt Resumes Talks on Joining Customs Union

REUTERS

Egypt has resumed talks about the creation of a free-trade zone with the customs union of Russia, Belarus and Kazakhstan, Egyptian and Russian officials said Wednesday.

Russia is increasing efforts to strengthen relations with large importers of its products as the U.S. and European Union threaten steeper sanctions over Moscow's intervention in the crisis in Ukraine.

"There were talks about this [creation of the free-trade zone with Egypt] before 2011. Now we have agreed to resume these negotiations and to discuss sectors of cooperation," Russian Agriculture Minister Nikolai Fyodorov said.

"The final decision will be made after the [presidential] election campaign in Egypt, official documents will be appearing after it," he told reporters in Moscow after the meeting of the Russian-Egyptian commission for trade development.

Egypt has yet to announce the official date of presidential elections that army chief Field Marshal Abdel Fattah al-Sisi is expected to win.

Egyptian Industry and Investment Minister Mounir Fakhry Abdel Nour said that the agreement on free trade with the Customs Union could contribute to expanding cooperation between two countries.

He said the officials have also discussed a number of joint projects, including supplies of Russian liquefied natural gas and other commodities.

Russian state nuclear firm Rosatom is considering taking part in the construction of a nuclear power plant in Egypt, according to officials.

They have also agreed to revive Russia's participation in modernization of assets dating back to the Soviet era, Fyodorov said. He mentioned an aluminum plant, a hydro power plant and projects related to the light metro in Cairo and grain storage. He did not say what form Russia's involvement could take.

Egypt is the largest importer of Russian wheat, buying one-fifth of the country's exports of this commodity so far in from 2013 to 2014. It bought 2.6 million tons of Russian wheat between July 1 and the end of February.

"You [Russia] have expressed your wish to expand exports, primarily of wheat ... and we want to develop exports of vegetables and fruit. It would help widen our cooperation," Abdel Nour told the meeting.

Officials did not provide details on how Russian wheat exports could be increased.

It is unlikely that the countries will reach a major long-term wheat supply deal, although there might be other ways of a deeper cooperation, a trader said.

"What is more realistic is that they discuss together whether or not the Russian government can perhaps encourage Russian firms to participate more directly in [Egyptian state wheat buyer] GASC tenders to increase the amount of Russian offers," the trader said.

Pfizer Touts Local Partnership

Pfizer's collaboration with a local pharmaceutical company could help it win a lucrative government contract.

By Anatoly Medetsky
medetsky@imedia.ru

POKROV, Moscow Region — U.S. pharmaceutical giant Pfizer on Wednesday showed off its efforts to produce its Prevenar 13 vaccine locally, ahead of a potential government tender that could give the U.S. company millions of new customers.

Western drugmakers have been making inroads in Russia, either building their own plants, setting up joint ventures that own plants, or hiring local producers to make drugs for them, as Pfizer has done.

As part of the partnership with Petrovax, Pfizer helped set up a production line that the company dubbed the most technologically advanced operation involving a foreign pharmaceutical company in Russia.

"It is the only facility for contract production that is of such landmark importance by the amount of local content and sophistication of manufacturing process," said Leon Kogan, Pfizer's senior director for business development. "It demonstrates Pfizer's seriousness about the Russian market."

Pfizer also gave Petrovax the technology to make the vaccine against such diseases as pneumonia and meningitis, and contracted them for production beginning in 2012 of pneumococcal vaccines.

Beginning this year, the government



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An employee working in the clean room at the joint project's Moscow site.

has included pneumococcal infection on its list of viruses that require mandatory vaccination that will be funded by the federal budget. The move means a competitive bidding for a vaccine is in the offing, and Pfizer said it could offer its product.

Only locally produced vaccines may compete for these types of tenders.

The market for the pneumococcal vaccine in Russia is significant, as 1.7 million children will be eligible to take the vaccine.

Sales as part of the government-funded program, which for now includes only children, could then triple, as a total of three injections are required to achieve a permanent effect.

Pfizer's local production at a plant 16 kilometers south of Moscow could cover all those needs, Kogan said.

The production unit at Petrovax sources the Prevenar 13 vaccines' main ingredients, which are various types of the pneumococcal bacteria, or sero-

types, from Pfizer's two U.S. plants in North Carolina and Massachusetts, and one in Ireland.

The vaccine was imported from Pfizer's plant in Ireland and Britain before the local line kicked in.

The vaccine, which comes in disposable syringes, is often prescribed to people 50 years of age and above, a demographic that in Russia constitutes a population of 49.6 million as of January 2013.

For now, Pfizer sells the vaccine to 49 regional health care authorities, including Moscow and the Moscow region, which have instituted their own vaccination programs.

Pfizer is Petrovax's biggest foreign partner. The company also cooperates with Abbot and Sanofi, U.S. and French pharmaceutical companies respectively. Petrovax came under control of billionaire Vladimir Potanin earlier this year.

Petrovax's product line prominently features Grippol Plus, a flu vaccine.

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