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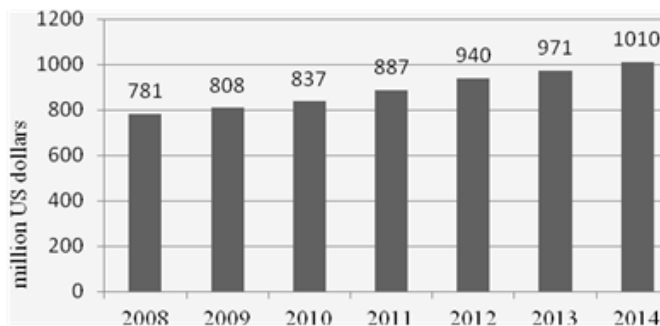
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## **CURRENT STATE OF THE WORLD PHARMACEUTICAL MARKET AND POTENTIAL OF THE UKRAINIAN ONE'S**

World pharmaceutical market is a profitable and growing sector of the global economy. Despite the general economic downturn, it continues to evolve. In 2014 the volume of world pharmaceutical market reached 1.01 trillion US dollars, in 2013 — 971 billion US dollars. Compared to the 2013, its growth in monetary terms amounted to about 4.01%. Further is expected the annual increase of 3—4% (Figure 1).



**Fig. 1. The volume of world pharmaceutical market, mln. USD. USA**

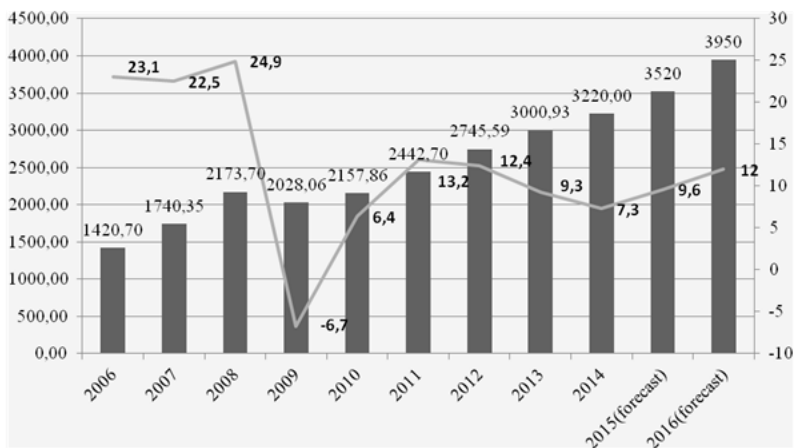
Source: compiled by the author on materials [2]

Pharmaceutical emerging markets are among the growth drivers of the world market, where their share makes 24%. However, their development is mainly due to generic drugs instead of innovative formulas while consumers of medicines are badly aware of their disease and methods of treatment. Also, the level of education, training and qualifications of health care workers in developing countries is lower than in developed ones.

In 2014, global spending on drugs amounted to 1.06 trillion US dollars, which is 7% more than in 2013 [1]. It is predicted that by

2018 global spending on medicines will increase to 1.3 trillion US dollars due to the emergence of innovative drugs.

Ukrainian pharmaceutical market belongs to the emerging markets, with countries such as South Africa, Thailand, India, Nigeria, Pakistan. In these countries, expenditure on medicines range from 7 to 81 US dollars per person, and in Ukraine, the figure is \$ 80 US dollars. According to the classification of the IMF, Ukraine belongs to the segment of the developing countries with an average income of the population (in 2138 US dollars Per capita), and hence the relatively low purchasing power [2]. The level of expenditure on health per capita in Ukraine is the lowest in Europe. Pharmaceutical market in Ukraine is growing, although with some deceleration in 2014 (Figure 2).



**Fig. 2. Dynamics and forecast of Ukraine’s pharmaceutical market (millions of US dollars and%)**

Source: compiled by the author on materials [3]

The next feature of Ukrainian pharmaceutical market, typical of the former Soviet Union markets — a significant predominance in the domestic market of drugs of local production in physical terms (packaging), in value prevailing by foreign drugs. Thus, in 2014 the share of domestic drugs was 71.6% in volume terms and 36.7% in cash.

The largest importers of Ukrainian pharmaceutical products are Russia (27%), Uzbekistan (16%), Belarus (14%), Kazakhstan (11%). The largest suppliers in Ukraine are Germany (34%), India (20%), France (15%). The leading Ukrainian pharmaceutical market is of «Farmak», «Darnitsa», «Arterium», as well as companies in Germany (Berlin-Chemie), Japan (Takeda) and France (Sanofi).

In 2014, retail sales of medicines in Ukraine increased compared to the 2013 year by 7.3%. Rise in price of medicines, difficult political situation and territorial changes reduced sales in physical terms by 12% to 1.11 billion US dollars. The pharmaceutical industry as part of the health system of state is socially important and should provide a high level of health, including appropriate level of working capacity of citizens-taxpayers. Priority tasks facing the pharmaceutical industry are: a consistent approach to the regulation of the pharmaceutical market with compulsory study of the impact of legislation on all segments of the industry; the introduction of personal responsibility for decisions; creating a system of self-regulation following the example of developed countries, which is delegated a number of powers in the hands of government agencies. Criteria for success of the pharmaceutical industry include diversification of domestic production, increasing the share of exports, access to sources of investment, training of highly qualified personnel, investments in research and development.

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## **DIRECTIONS OF FINANCIAL ASSETS MANAGEMENT IMPROVEMENT AT THE CITY DISTRICT LEVEL**

Effective functioning of the regional arrangement in the current economic conditions is impossible without the creation of a modern financial assets management system, which is an essential prerequisite for forming a basis necessary not only for the survival and stabilization, but also for the growth and development of a certain region. One of the major problems with regard to regional financial assets in Ukraine is, primarily, the dependence on state finance and the absence of an appropriate financial basis at the regional level, which would enable not only to support the public sector, but also to carry out effective regional financial policy aimed at territorial community needs.

The current Ukrainian budgeting system condition demands provision of transparency and independence of the budget formation and allocation process. The program-oriented budgeting method is the means that enables efficient and transparent budgetary funds application [1].

The given method resulted from the development of new approaches to planning and it enables to evade limitations arising from the formed line-item budget, in particular with regard to information management provision and in establishing connections between the applied resources and the obtained results. The program-oriented method facilitates strategic approach, i.e. budgetary expenditures planning for several years.

The components of the program-oriented method in the budgeting process are the budgeting programs, their datasheets and executives in charge as well as performance indicators. Government grant programs are the best elaborated instrument of the government policy implemented by means of program-oriented method application.

Thus, program-oriented method application enables to get a clear understanding of the key budget spending unit activity and the aims they try to achieve, the ways in which they do this and which results they obtain, which, in its turn, enables to improve local budget financial assets management [2, p. 16]. The effective lever in social and economic problems solution at the local level is the special-