

Prime Minister  
Cross 576



04 JUN 1990

Charles Powell Esq  
10 Downing Street  
LONDON  
SW1

Richmond House  
79 Whitehall  
London SW1A 2NS  
Telephone 071 210 3000  
From the  
Minister for Health

Dear Charles

May 1983

ms

Thank you for your letter of 30 May about special access to Soviet hospitals for British manufacturers of healthcare products.

The suggestion of possible "preferential treatment" for British companies arose in an informal conversation at the end of the recent visit of Departmental officials and senior businessmen to the Soviet Union for wide-ranging discussions on ways of boosting UK/USSR investment and trade. Substantial further progress was made by the Joint Working Group throughout the visit but earlier experience has shown that some Soviet proposals are less well thought through than others. Therefore, in our opinion our best course is to press the Soviets for more specific details of what they have in mind. At the end of the visit the UK Chairman asked them to do this and we have confirmed this in the attached letter.

Meanwhile we are actively boosting investment and trade in healthcare products. As you may know from his report to the Prime Minister on 20 June last year, Mr Clarke and the then Soviet Health Minister, Chazov, agreed to establish a joint working group for the healthcare industry. The first meeting was held here in January. The Soviets met over 40 British companies in an open forum and visited the factories of several leading manufacturers. Much business has resulted, both in straight trade and (the expressed preference of the Soviets) in joint manufacturing ventures. Thus:

\* Amersham International signed a joint venture on 22 May with the Cardiology Institute to manufacture new radio-diagnostics (although the deal is yet to be legally finalised). The Institute is headed by the former Health Minister, Chazov. The deal will be some £8m over 5 years in cash terms, plus transferred leading-edge technology and management. We had hoped that the Prime Minister might have visited the Institute to set the seal on this major achievement but we understand that there will not be time);



\* Smiths Industries Medical Systems are well advanced in discussions for joint manufacture of operating tables and licensed manufacture of single-use products (blood-giving sets and catheters);

\* Wellcome are in discussion about joint manufacture of some of their products for the Soviet market and for exports. The Soviets are particularly impressed with Wellcome's new plant at Dartford.

Several other UK companies are also making proposals to the Soviets. Over 20 British companies participated in a major Public Health Exhibition in Moscow last week demonstrating a range of British equipment which the Soviet Ministry of Health offered to test in the USSR after the close of the exhibition.

Much progress is being made on the healthcare front but some aspects need more careful thought. If the Prime Minister should be approached about British companies lending or giving healthcare products to Soviet hospitals for evaluation or testing we recommend that she should:

- \* emphasise the seriousness with which UK companies are already approaching the Soviet healthcare market with proposals;
- \* say that UK companies would be ready to consider urgently any detailed proposals which the Soviets may offer;
- \* ask for a detailed statement of Soviet regulatory requirements for healthcare products; and
- \* stress the real progress that is being made in trade and investment through the Anglo-Soviet Healthcare Industry Joint Working Group. (I attach a list outlining the membership of that group.)

Yours

Tim Sands

TIMOTHY SANDS  
Private Secretary

Mrs Inna Salko  
Secretary to Anglo-Soviet  
Joint Working Group

BY FAX

Your reference:

Our reference:

Date: 4 June 1990

Dear Mrs. Salko,

Mr Critchley has told me of a conversation he had with Mr Zintsov in Leningrad after I had left for London. My understanding of this is that British companies would get preferential (? fast-track) registration/approval in return for providing their products to designated hospitals.

As you know we still await from your side a detailed statement of regulatory requirements for entry to the Soviet market (the protocol of the third meeting in January and my letter of 20 March to Mrs Basova refer); this would be incorporated into the booklet on UK market entry requirements that we gave you in Moscow at the opening plenary session on 23 May.

We would very much like to take up this offer but, so that we can discuss it with our companies we need firm details in writing of what you propose, including:

- \* details of regulatory requirements in the USSR for medical equipment and, to the extent that the arrangements envisaged by Mr Zintsov would apply to them, for pharmaceuticals;
- \* any types of product which you would regard as high priority;
- \* details of the hospitals you have in mind; and
- \* arrangements for providing the products (e.g. would it be for use during testing/evaluation for subsequent sale).

I should be grateful for an early reply - I am on holiday now for two weeks but any action necessary on this will be dealt with in my absence either by one of my assistants or by Mr Critchley himself.

I very much enjoyed my stay in the Soviet Union but, having immediately gone from there to Turkey (where we just missed meeting Mr Gromyko and Dr Denisov) and thence now to Spain on holiday, it will be a little time before the many impressions settle down into some kind of order!

Yours sincerely,

R J Berry

pp. T F CRAWLEY  
Dictated by Mr Crawley and  
signed in his absence.

ANGLO-SOVIET JOINT HEALTHCARE INDUSTRY WORKING GROUP

UK

USSR

CO-CHAIRMAN

Mr Tom Critchley  
Formerly Under-Secretary  
Department of Health

CO-CHAIRMAN

Mr V V Gromyko  
Deputy Minister of Health

MEMBERS

Mr Bruce Beharrell  
Regional Director  
(Eastern Europe)  
Amersham International plc

MEMBERS

Mr Victor Zharikov  
General Director of Foreign  
Trade Organisation  
SOYUZZDRAVEKSPORT  
(Union Health Export)

Mr George Kennedy  
Chairman  
Smiths Industries  
Medical Systems

Mr Alexander Apazov  
General Director  
SOYUZPHARMATSIYA  
(Union Pharmacy)

Mr Andrew Seton  
Banking Director  
Morgan Grenfell

Mr Vladimir Victorov  
Director of Scientific  
Research Institute  
Minpribora (Min of Equipment)

Mr Devereux  
Director of Operations  
Wellcome Foundation Ltd

Mr Valeriy Mosharov  
Deputy Head of  
SOYUZMEDTEKHNIKA Union  
(Union Med Tech)

Mr Malcolm McKinnon  
Grade 7  
Department of Trade  
and Industry

Mr Albert Sorokin  
General Director  
Foreign Trade Organisation  
MEDEKSPORT (Medexport)  
Min of Medical Industry

JOINT SECRETARIES

Mr [REDACTED]  
Grade 7  
Department of Health

Mrs Inna Salko  
Sojuzdravexport  
Moscow  
Tel No: 291-93-03  
Fax : 010 7 095 2919601  
010 7 095 2919612

\* NOTE This Working Group replaces the healthcare groups established in 1970 under the Anglo-Soviet Technology Agreement of 1969 (Chairman, Bruce Beharrell)

SOVIET UNION : Paris Visit 1972

.....

