Joint Publication of the Association of International Pharmaceutical Manufacturers in Russia and Remedium Group

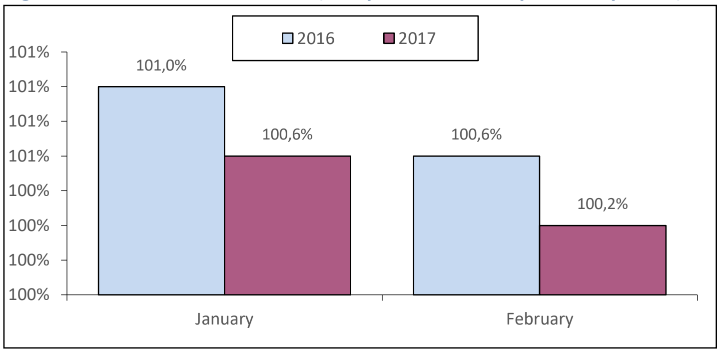
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 100.2% in February 2017 compared to the previous month, 100.8% compared to December 2016.

In February this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 100.8%, whereas in the month-earlier period it had amounted to 103.3%.

Figure 1. Consumer Price Index (compared with the previous period)



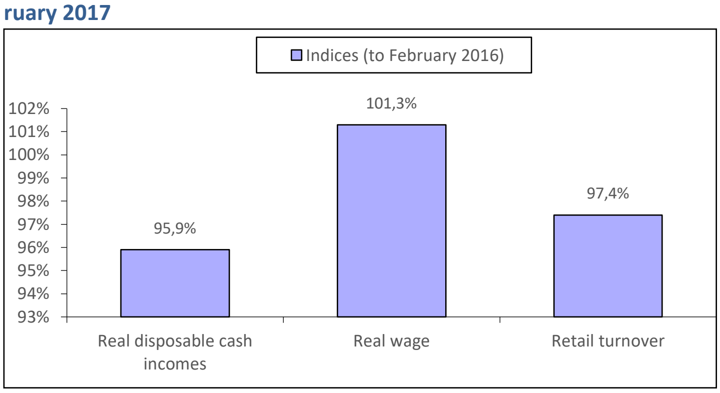
Living standard

According to preliminary Federal State Statistics Service's data, a gross monthly average wage per worker reached RUB 35,900 in February 2017 (USD 614.83) which accounted for 101.5% compared to the previous month and 106% compared to February 2016. The real salary accounted for 101.3% in February 2017 as compared with February in 2016. In February 2017, the real value of disposable cash incomes accounted for 95.9% as compared with the same period of 2016 (Fig. 2).

Retail turnover

In February 2017, the retail turnover was equal to RUB 2158.1 bil, which in comparable prices accounted for 97.4% compared to the same period a year ago, in January-February 2017 - RUB 4362.6 bil. or 97.5% (Fig. 2).

Figure 2. Real values of cash incomes, wages and retail turnover in February 2017



Industrial Production

According to Federal State Statistics Service's data, Industrial Production Index accounted for 97.3% in February 2017 compared to the same period in 2017, and in January-February 2017 - 99.7%.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in February 2017 accounted for 102.4% compared to the relevant period of the previous year, and 99.8% to the previous month.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for February 2017.

Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales volume in February 2017

Rank	Manufacturer	RUB mil.
1	Otcpharm	2073.9
2	Stada	1067.3
3	Valenta	991.2
4	Pharmstandart	978.4
5	Sotex	720.3
6	Biocad	692.3
7	Servier	676.7
8	Materia Medica	626.2
9	Akrikhin Pharma	597.9
10	Veropharm	528.2

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In January 2017 compared to December 2016, reduction in pharmacy sales (in terms of roubles) was reported in all analysed regions. The lowest performance was observed in Moscow (-40%), the highest one in Krasnoyarsk Krai (-8%).

Table 2. Pharmacy sales in the regions, 2016-2017

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	November 2016	December 2016	January 2017	November/ October 16	December /November 16	January 17/ December 16
Moscow	150.6	203.0	126.6	-5%	30%	-40%
St. Petersburg	48.8	58.1	43.4	-8%	15%	-28%
Krasnodar Krai	31.8	40.7	34.7	-9%	24%	-18%
Novosibirsk Region	20.3	22.1	20.6	-0.1%	5%	-10%
Tatarstan	20.9	26.8	23.6	-6%	23%	-15%
Krasnoyarsk Krai	23.6	27.6	26.3	1%	13%	-8%
Rostov Region	21.8	25.0	22.6	-2%	11%	-13%
Voronezh Region	14.8	18.2	15.9	-5%	19%	-16%
Perm	6.8	8.3	7.8	-8%	18%	-10%
Tyumen	5.7	7.0	6.4	-6%	19%	-12%

Advertising

The largest advertisers and pharmaceutical brand names highly publicized in mass media (TV, radio, press, outdoor advertising) are shown in Tables 3 & 4.

Table 3. Top five advertisers in mass media in February 2017

Rank	Company*	Quantity of broadcasts
1	Otcpharm	15,543
2	Berlin-Chemie Menarini Group	14,639
3	Bayer AG	12,500
4	GSK Consumer Healthcare	9,262
5	Sandoz	7,214

Source - Remedium according to Mediascope data

Table 4. Top five brand names in mass media in February 2017

Rank	Brand*	Quantity of broadcasts
1	Evalar	3,907
2	Linex	2,670
3	Espumisan	2,659
4	Supradin	2,471
5	Bepanthen	2,419

Source - Remedium according to Mediascope data

* Only products registered with State Register of Medicines were considered

STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2016 RESULTS

According to DLO in RF™™, the drugs supplies under the Federal Program amounted to RUB 107.488 bil. on the basis of the results for 2016 (USD 1.565 bil.) in contractual prices[1]. The sector volume increased 9% in terms of roubles, and reduced 4% in terms of dollars as compared to 2015. Scope of supplies in pack terms reduced by 3% to 79.770 mil. packs. The average cost of a FPP pack through the DLO program was USD 19.61 in contractual prices (a year ago it was USD 19.80).Based on the results for 2016, due to 2.7[2] -fold growth in purchases the manufacturer CELGENE became the leader among the top ten manufacturers in the DLO segment (Table 1). The Russian manufacturer BIOCAD (+24%) moved up to rank two from three, while F-SYNTEZ (-5%) that was placed at that rank earlier and the last year leader ROCHE (-34%) moved down to ranks three and four respectively, due to negative growth rates. The manufacturers JOHNSON & JOHNSON (-3%) also showed reduction in purchases, moving down one rank to number 8, giving way to GENERIUM (+32%). Another four manufacturers from the top ten held their own in the ranking. SANOFI-AVENTIS (+1%), BAXTER (+3%), NOVO NORDISK (+11%) and ASTRAZENECA (+4%) maintained their previous ranks 5, 6 and the two bottom ranks. The total share of the top ten drug manufacturers under DLO Program extended by 0.6 p.p. and accounted for 52.2%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
2016	2015		2016	2015
1	11	**CELGENE**	8.3	3.4
2	3	BIOCAD RF	6.9	6.0
3	2	F-SYNTEZ	6.4	7.3
4	1	**ROCHE**	6.0	9.9
5	5	**SANOFI-AVENTIS**	5.2	5.6
6	6	**BAXTER INT**	4.6	4.9
7	8	GENERIUM ZAO RF	4.4	3.6
8	7	**JOHNSON & JOHNSON**	3.6	4.0
9	9	**NOVO NORDISK**	3.5	3.5
10	10	**ASTRAZENECA**	3.3	3.5
Total			52.2	51.6

*AIPM members are in bold

The top ten brand names ranking in the DLO segment was noticeably updated at the year-end (Table 2). Four newcomers AKSOGLATIRAN FS, REBIF 44 (+91%), REMICADE (-24%) and ADVATE (6-fold growth of purchases) moved up to ranks five and six, and the three bottom ranks. Apart from them, another four brand names of the top 10 rose in the ranks. The immunomodulatory FPP REVLIMID moved up to rank 1 from 4 due to 2.7-fold growth in purchases. LANTUS SOLOSTAR (+1%) moved up one rank, to number 4, and the drugs COAGIL-VII (-15%) and GENFAXON (-21) improved their ranking positions by two p.p. At the same time, the past year leader BORAMILAN FS (-38%) moved down to rank 3. As before, ACELBIYA (-5%) held its previous rank two. The total share of the top-10 FPPs increased from 25.4% to 29.6%.

Table 2. The top ten brand names in DLO segment

Rank in the top ten		Brand name	Share in total DLO volume, %	
2016	2015		2016	2015
1	4	REVLIMID	8.2	3.3
2	2	ACELBIYA	4.6	5.3
3	1	BORAMILAN FS	3.1	5.4
4	5	LANTUS SOLOSTAR	2.8	3.0
5	N/A	AKSOGLATIRAN FS	2.6	N/A
6	8	COAGIL-VII	1.9	2.5
7	9	GENFAXON	1.8	2.4
8	24	REBIF 44	1.6	0.9
9	11	REMICADE	1.6	2.3
10	57	ADVATE	1.4	0.3
Total			29.6	25.4

The leader of the top 10 INN and grouping names also changed. Following the respective brand name, INN LENALIDOMIDE (+20%) move up to rank number one from six (purchases increased 2.7 times) (Table 3). On top of that, it shifted RITUXIMAB (-19%), BORTEZOMIB (-29%) and FACTOR VIII (-9%) down one rank. INTERFERON BETA-1A (+13%), INSULIN GLARGINE (+2%), EPTACOG ALFA (ACTIVATED) (-11%) and TRASTUZUMAB (-10%) held their previous ranks five, and from seven through nine. INNs GLATIRAMER ACETATE and INFLIXIMAB reduced their purchases by 21%. However, the former moved down from rank 4 to six, while the latter, in contrast, moved up from 11 to 10, becoming the only newcomer of the top ten. The total share of the top-10 reduced from 44.1% to 40.4%.

Table 3. The top ten INN and group names in DLO segment

Rank in the top ten		Brand name	Share in total DLO volume, %	
2016	2015		2016	2015
1	6	LENALIDOMIDE	8.2	3.3
2	1	RITUXIMAB	6.0	8.1
3	2	BORTEZOMIB	5.1	7.8
4	3	FACTOR VIII	4.5	5.4
5	5	INTERFERON BETA-1A	4.2	4.1
6	4	GLATIRAMER ACETATE	3.7	5.1
7	7	INSULIN GLARGINE	2.8	3.0
8	8	EPTACOG ALFA (ACTIVATED)	2.1	2.6
9	9	TRASTUZUMAB	2.1	2.5
10	11	INFLIXIMAB	1.7	2.3
Total			40.4	44.1

L01 Antineoplastic agents (-12%) remained the bestselling group in the DLO segment, however the group showed negative growth rates (Table 4). L04 Immunosuppressants, which purchases increased by 82%, moved up to rank two. B02 Antihemorrhagics(+20%) that were placed at that rank earlier, moved down one rank, to number three, while L03 Immunostimulants (-4%) moved down from rank 3 to five. However, the other six ATC groups from the top ten held their own in the ranking. The groups A10 Drugs Used in Diabetes (+5%), R03 Drugs for obstructive airway diseases (-2%), J05 Antivirals for systemic use (+25%), B03 Antianemic preparations (+10%), L02 Endocrine therapy (+16%) and A16 Other alimentary tract and metabolism products (+8%) maintained their previous ranks four and the five bottom ranks. The total share of the top ten accounted for 84.2% of the market, which was 0.4 p.p. more than in 2015.

Table 4. The top ten ATC groups in DLO segment

Rank		ATC code	ATC group	Share in total DLO volume, %	
2016	2015			2016	2015
1	1	L01	ANTINEOPLASTIC AGENTS	22.0	27.3
2	5	L04	IMMUNOSUPPRESSANTS	15.1	9.0
3	2	B02	ANTIHEMORRHAGICS	13.0	11.9
4	4	A10	DRUGS USED IN DIABETES	10.4	10.8
5	3	L03	IMMUNOSTIMULANTS	10.3	11.6
6	6	R03	DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES	3.7	4.0
7	7	J05	ANTIBACTERIALS FOR SYSTEMIC USE	2.8	2.5
8	8	B03	ANTIANEMIC PREPARATIONS	2.5	2.5
9	9	L02	ENDOCRINE THERAPY	2.4	2.2
10	10	A16	OTHER ALIMENTARY TRACT AND METHABOLISM PRODUCTS	2.1	2.1
Total				84.2	83.8

Data on supplies to the top ten regions of Russia under State Reimbursement Program (DLO) are shown in Table 5. The highest supplies volumes were observed in Moscow with an almost 25% market share. Further follow Saint Petersburg and Moscow Region which accumulate a little bit more than 4% of the market each. In addition to Moscow, high growth rates were reported in Tatarstan (+15%) and Novosibirsk Region (+18%), while supplies were reduced in Rostov Region (-3%) and Bashkortostan (-5%). The top ten regions accumulated 45.6% of the DLO market.

Table 5. The top ten regions by sales in DLO segment

Rank		Region	Share in total DLO volume, %	
2016	2015		2016	2015
1	1	Moscow	24.8	22.5
2	3	Saint Petersburg	4.2	4.3
3	2	Moscow Region	4.1	4.6
4	4	Sverdlovsk Region	2.8	2.9
5	7	Tatarstan Republic	2.7	2.6
6	5	North Caucasian FD, Rest	2.7	2.7
7	11	Novosibirsk Region	2.1	2.0
8	10	Tyumen Region	2.1	2.1
9	8	Rostov Region	2.0	2.3
10	9	Bashkortostan Republic	1.9	2.2
Total			49.4	48.0

Conclusion. On the basis of the results for 2016, the DLO segment brought in RUB 107.488 bil. (USD 1.565 bil.) in contractual prices. This was 9% more in terms of roubles and 4% less in terms of dollars than in 2015. In pack terms, the supplies reduced by 3% and amounted to 79.770 mil. packs. The average cost of OTC pack participating in the DLO Programme reduced as compared to the figures of the past year (USD 19.61 vs USD 19.80).

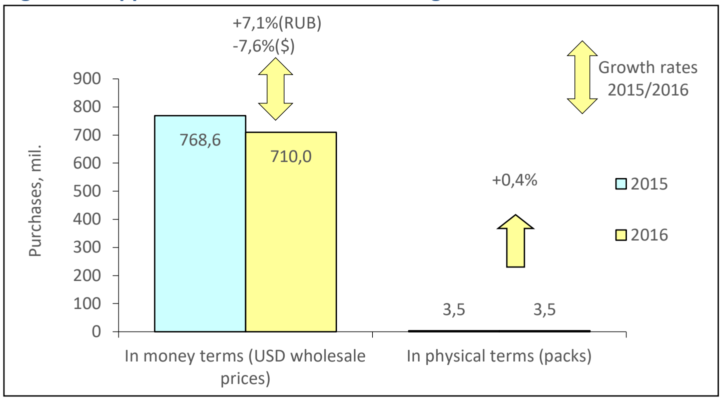
[1] From 2008 until now, data on DLO have been provided as shipments in contractual prices, which are prices at which the government will reimburse moneys to the distributor.

[2] Hereinafter, unless otherwise stated, growth gains are stated in the rouble equivalent or national currency.

2016 COST DEMANDING NOSOLOGIES (VZN) PROGRAM

At the 2016-end, the purchases under the VZN Program in physical terms (packs) have not much changed (increased by 0.4%), as compared to the same period of the previous year. In terms of national currency, the purchases grew by 7.1% (in terms of dollars reduced by 7.6%). In absolute terms, the supplies are estimated at RUB 50.1 bil. or USD 710.0 mil.

Figure 1. Supplies trend under the CDN Program in 2016 and 2015



In 2016, all segments of the 7 Nosologies Program showed positive growth rates in money terms, except for the multiple sclerosis. The top drugs used in oncohematology that established themselves as the leading drug by supplies showed an insignificant increase in procurement (+4.1%) in rouble terms and reduction (-11%) in pack terms. The leadership inside the oncologic segment in value terms come over to INN Lenalidomide group represented by a drug to treat multiple myeloma Revlimid Celgene (the second packaging and release control is executed by Pharmstandart-Leksredstva). This drug supplies grew by 3 times as compared to the previous year and accounted for 41% in the segment pattern. Alongside the growth in sales of Revlimid, all other INN groups in the oncohematology segment reduced their purchases. In particular, INN Bortezomib sales reduced in value terms by almost one third and in physical terms by 3.55. The original drugs Velcade J&J (Bortezomib) and Roche Mabthera (Rituximab) (packaging of both drugs is localized at Pharmstandart-UFAVITA) which lost 70% of their market due to termination of patent protection in 2015, continued showing reduction in sales (32,5% and 50% in terms of roubles) in 2016. Biosimilars of Russian origin Boramilan FS (F-Sintez) and Acellbiya (Biocad) accounted for about 60% and 80% in their INN Groups. The original drug Gleevec Novartis (packaged by Pharmstandart-UFAVITA) has been completely replaced by INN Imatinib from the market in 2016. The purchases of a biosimilar Philachromin FS (F-Sintez) also reduced considerably (-58% in terms of roubles and -25% in packs). On top of that Imatinib RCI ZAO accounted for almost 30% of this INN (RCI Sintez ZAO) (packaging and release control of Pharmasintez).

Table 1. Supplies pattern under the CDN Program

Nosologies	INN	Share in total CDD supplies (RUB), % 2015	2016
Gaucher disease		**2.5**	**2.4**
	IMIGLUCERASE	2.4	2.1
	IMIGLUCERASE Total	2.4	2.1
	VELAGLUCERASE ALFA	0.1	0.3
Haemophilia		**23.9**	**26.7**
	EPTACOG ALFA (ACTIVATED)	5.2	4.1
	FACTOR IX	0.8	1.0
	FACTOR VIII	3.4	3.0
	OCTOCOG ALFA	3.3	0.1
	FACTOR VIII INHIBITOR BYPASSING FRACTION	0.6	2.2
	MOROCTOCOG ALFA	0.1	2.5
	FACTOR VON WILLEBRAND*FACTOR VIII	0.1	0.7
Pituitary dwarfism		**0.3**	**0.3**
	SOMATROPIN	0.3	0.3
Mucoviscidosis		**2.8**	**2.8**
	DORNASE ALFA	2.8	2.8
Sclerosis Multiplex		**22.6**	**21.0**
	GLATIRAMER ACETATE	10.9	2.5
	INTERFERON BETA-1A	1.5	1.7
	INTERFERON BETA-1B	2.3	2.7
	NATALIZUMAB	-	0.7
Transplantology		**4.1**	**4.2**
	CICLOSPORIN	0.3	0.2
	MYCOPHENOLATE MOFETIL	0.0	0.0
	MYCOPHENOLIC ACID	1.4	1.5
	TACROLIMUS	0.0	0.3
Oncohematology		**43.9**	**42.7**
	BORTEZOMIB	4.9	3.1
	FLUDARABINE	0.3	0.3
	IMATINIB	0.0	0.0
	RITUXIMAB	4.9	2.2
	LENALIDOMIDE	6.2	17.5

The drugs used to treat haemophilia showed particularly high increase in growth rates of procurement (+19.6% in terms of roubles, +1.9% in terms of packs) (Table 1). The group's share in the supplies pattern under 7 Nosologies Program continued to expand (by 2.8 p.p. as compared to 2015) and accounted for 26.7%. Dynamics was determined by a significant increase in purchases of recombinant coagulation factor YIII - INN Moroctocog alfa (Octofactor (Generium)), anti-inhibitor coagulant complex (Feiba, Baxter Int) and factor VIII in combination with Willebrand factor (Hfemate P CSL Behring GmbH and Vilate Octapharma). Purchases of the multiple sclerosis drug group increased by 7.6% compared to the previous year in physical terms and didn't change much in value terms. The nosology group's share in the supply pattern under 7 Nosologies Program accounted for 21%. Immunosuppressants supplies increased by 11.4% in value terms (reduced by 3.5% in physical terms) and accounted for 4.2% of all supplies under the 7 Nosoloties Program. The weighted average price per pack increased by 15.5%. The Gaucher's disease drugs showed a relatively low growth in supplies (+2.3% in terms of roubles and 1.5% in terms of packs, respectively. The supplies in the cystic fibrosis segment presented by the only drug Pulmozyme (Dornase Alfa) Roche grew by 7.8% (purchase prices didn't change). In the pituitary dwarfism segment (INN Somatropin), the purchases of drug Rastan (Pharmstandart) grew slightly in value terms (+5.9%) and reduced in physical terms (-4.4%).

Table 2. Top 10 brand names by supplies under the VZN Program

Rank 2016	Rank 2015	Brand	Share in total CDD supplies, % 2016	2015
1	4	REVLIMID	17.5%	6.2%
2	2	ACELBIYA	9.8%	11.1%
3	1	BORAMILAN FS	6.3%	11.5%
4		AKSOGLATIRAN FS	5.3%	-
5	5	COAGIL-VII	4.1%	5.2%
6	6	GENFAXON	3.8%	5.1%
7	17	REBIF 44	3.5%	1.9%
8	7	VELCADE	3.1%	4.9%
9	29	ADVATE	3.1%	0.6%
10	10	OCTANAT	3.0%	3.4%
Total			59.5%	67.1%

At 2016-year end, the drug-manufacturers rating within 7 Nosologies Program changed considerably. Due to large-scale purchases of Revlimid (Table 3), Celgene which share accounted for 17.55 of all supplies under the program, topped the rating. The Russia-based company F-Sintez moved down from rank one to two (13.2%). Biocad which sales of biosimilar Acellbiya (INN Rituximab) launched in 2015 reduced by almost 6%, moved down to rank three from two. In addition to above mentioned Russian manufacturers, Roche (due to drug Mabthera) and Laboratorio Tuteur (first of all due to Genfaxon) also showed reduction in purchases. Despite the strong negative growth rates (-30% and -21.5% respectively), these manufacturers held their own in the rating (6 and 8 respectively). Baxter Int (+3.2%) held its previous rank 4 against the background of insignificant growth. Pharmstandart (inc. Generium) also kept its previous rank 5, though its sales grew by almost one third (first of all due to Octofactor). The manufacturers Serono and CSL Behring GmbH showed considerable improvement of their positions (moved up to ranks 10 and 9 respectively), which in the first case caused by significant growth in sales of Rebif 44 and 22, and in the second case did by Hfemate P). The manufacturer Octapharma position also improved, moving up from rank 10 to 7, showing positive growth rates (+8.7%).

Table 3. Top 10 manufacturers by supplies under the CDN Program

Rank in the top ten 2016	2015	Manufacturer*	Share in total CDD supplies, % 2016	2015
1	7	**CELGENE**	17.5	6.2
2	1	F-SYNTEZ	13.2	15.4
3	2	BIOCAD RF	10.6	12.0
4	4	**BAXTER INT**	9.9	10.3
5	5	PHARMSTANDART (incl. GENERIUM)	9.7	7.9
6	6	**ROCHE**	5.1	7.7
7	10	OCTAPHARMA	4.3	4.2
8	8	LABORATORIO TUTEUR	4.0	5.5
9	13	SERONO	3.6	2.0
10	12	CSL BEHRING GMBH	3.2	2.2
Total			81.0	85.1

*AIPM members are in bold

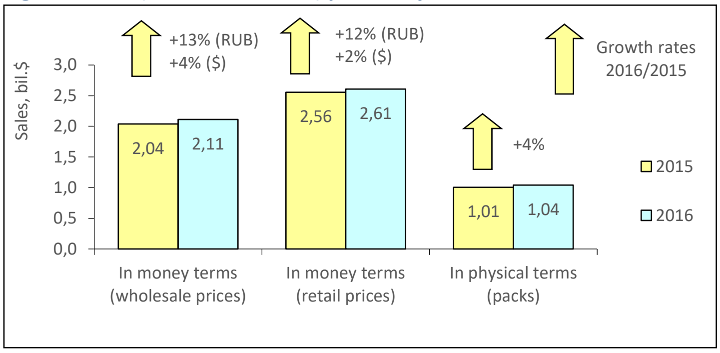
Conclusion. Under 7 Nosologies Program, considerable reduction in prices in the drug segments where competition was observed was caused by the centralized nature of tenders and control exercised by FAS. At the same time, the structure of purchases has changed in favour of drugs that were covered by patent protection and only recently included in the program (in particular, it relates to Revlemid, a number of drugs for the treatment of hemophilia, etc.). In general, there was an unprecedented increase in natural purchases (+ 38%) of Russian production within the framework of 7 Nosologies Program in 2016, while growth was relatively small in terms of value (+ 7%), which was determined by a decrease in average prices. Thus, in 2015 there was a sharp increase in purchases of Russian products within the framework of 7 Nosologies Program in value terms, and in 2016 there was an increase in growth in the natural terms.

CFD PHARMACY MARKET (WITHOUT MOSCOW): 2016 RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Central Federal District (CFD) (without Moscow) was 26.774 mil., which accounted for 18.3% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for 2016 the average wage in the CFD (without Moscow) was RUB 46,043 (USD 686.59), which was 25% higher than the average wage in Russia (RUB 36,746).

According to the results of the Retail Audit of Finished Pharmaceutical Products (FPP) in Russian Federation™, at year-end 2016 the sales of drugs in physical terms in the Central Federal District saw a 3% increase to 1.044 bil. packs. In money terms, the market saw a 13% increase in terms of roubles and 4% in terms of dollars. At the same time, the market reached RUB 140.663 bil. (USD 2.113 bil.) at wholesale prices (Fig.1). The region market share accounted for 20.6% of the Russian pharmacy retail sales. The average cost of a pack slightly reduced as compared to a year earlier period (USD 2.50) and reached USD 2.54 at retail prices. At the end of 2016, the average amount spent by the region residents for drugs in the pharmacies amounted to USD 97.33.

Figure 1. CFD (without Moscow) pharmacy market in 2015 – 2016



At 2016-end, BAYER (+17%) took the lead of the top ten manufacturers in the Central Federal District pharmacy market (without Moscow), displacing SANOFI-AVENTIS (+5%) from that position down one rank (Table 1). In addition to the leader, one more manufacturer showed high growth rates: the Russia-based OTCPHARM (+34%) moved up from rank nine to five due to the highest growth rates among the leaders. MENARINI (+10%), SANDOZ and GEDEON RICHTER (+7% each), which showed not so high growth in sales, in contrast, moved down to the lower ranks six, eight and nine, respectively. The manufacturers SERVIER (+11%), NYCOMED/TAKEDA (+7%), GLAXOSMITHKLINE (+10%) and STADA (+18%) held their previous ranks three and four and seven, and ten. The cumulative share of the top 10 manufacturers reduced from 32.5% to 32.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	2	**BAYER HEALTHCARE**	4.3	4.2
2	1	**SANOFI-AVENTIS**	4.2	4.5
3	3	**SERVIER**	3.5	3.5
4	4	**NYCOMED/TAKEDA**	3.2	3.4
5	9	OTCPHARM	3.2	2.7
6	5	**MENARINI**	3.0	3.1
7	7	**GLAXOSMITHKLINE**	2.8	2.9
8	6	**SANDOZ**	2.7	2.9
9	8	GEDEON RICHTER	2.7	2.8
10	10	STADA	2.6	2.5
Total			32.2	32.5

*AIPM members are in bold

Antiviral drugs KAGOCEL (+48%) and INGAVIRIN (2.1-fold growth in sales) have become the best-selling drugs in the regional market, moving up to the first ranks of the top 10 brand names (Table 2). At the same time, the latter became one of two newcomers of the top ten. The second newcomer of the ranking drug XARELTO (+88%) moved up to rank ten. In addition to them, another two brand names from the top ten-ranking showed growth in sales. FPP DETRALEX (+42%) and PENTALGIN (+24%) moved up to ranks six and eight. Half of the top 10 brand names moved down to the lower ranks. ESSENTIALE N (-3%), MEXIDOL (+14%), ACTOVEGIN (-2%), CARDIOMAGNYL (+13%) and CONCOR (+2%) moved down to ranks three through five, and to seven and nine respectively. The total share of the top ten brand names expended by 0.7 p.p. and reached 6.7%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	4	KAGOCEL	0.9	0.7
2	11	INGAVIRIN	0.8	0.5
3	1	ESSENTIALE N	0.7	0.9
4	3	MEXIDOL	0.7	0.7
5	2	ACTOVEGIN	0.7	0.8
6	8	DETRALEX	0.6	0.5
7	5	CARDIOMAGNYL	0.6	0.6
8	9	PENTALGIN	0.5	0.5
9	6	CONCOR	0.5	0.6
10	30	XARELTO	0.5	0.3
Total			6.7	6.0

In contrast to the above rankings, the leader of the top ten INNs and grouping names ranking didn't change: XYLOMETAZOLINE (+15%) held and strengthened its leading position (table 3). BISOPROLOL (+9%) moved up to rank two from three, displacing NIMESULIDE (+7%) down one rank. IBUPROFEN (+22%) and DIOSMIN* HESPERIDIN (+39%) moved up to the higher ranks four and six, and the newcomers of the ranking KAGOCEL (+48%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (2.1-fold growth in sales) moved up to ranks seven and eight respectively. At the same time, PANCREATIN (+7%) and ETHYLMETHYLHYDROXYPYRIDINE (+16%) moved down one rank, whereas due to reduction in sales INN PHOSPHOLIPIDS (-1%) moved down to the lowest rank from five. The total share of the top ten under review increased from 9.2% to 9.8%.

Table 3. The top 10 INNs and group names by pharmacy sales

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	XYLOMETAZOLINE	1.7	1.6
2	3	BISOPROLOL	1.0	1.1
3	2	NIMESULIDE	1.0	1.1
4	7	IBUPROFEN	1.0	0.9
5	4	PANCREATIN	0.9	1.0
6	10	DIOSMIN*HESPERIDIN	0.9	0.7
7	11	KAGOCEL	0.9	0.7
8	32	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.5
9	8	ETHYLMETHYLHYDROXYPYRIDINE	0.8	0.8
10	5	PHOSPHOLIPIDS	0.8	0.9
Total			9.8	9.2

The top ten ATC groups ranking didn't change its leader either. M01 Anti-inflammatory and antirheumatic products (+9%) and C09 Agents acting on the rennin-angiotensin system (+16%) held their previous top two ranks (Table 4). ATC-group J01 Antibacterials for systemic use (+20%) also managed to hold its previous rank five. Only a newcomer of the top ten, the group J05 Antivirals for systemic use (+60%) succeeded in rising in the ranks, moving up to rank three. The other six ATC groups from the top 10 fell in the ranks. R01 Nasal preparations (+15%), R05 Cough and Cold Preparations (+22%), G03 Sex hormones (+17%), A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents and A11 Vitamins (+12% each) lost one rank each. At the same time, N02 Analgesics (+7%) moved down three ranks, to number six. In total, the top ten ATC groups accumulated 36.6% of the regional market, whereas in the year-earlier period 35%.

Table 4. The top ten ATC Groups by pharmacy sales

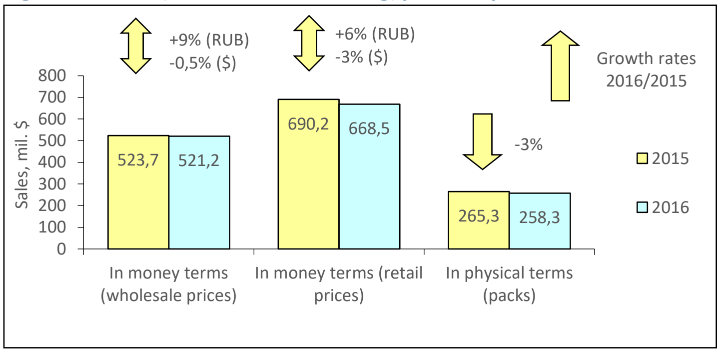
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2016	2015			2016	2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.0	5.2
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.5	4.4
3	11	J05	ANTIVIRALS FOR SYSTEMIC USE	3.9	2.7
4	3	R01	NASAL PREPARATIONS	3.8	3.7
5	5	J01	ANTIBACTERIALS FOR SYST USE	3.8	3.6
6	4	N02	ANALGESICS	3.6	3.7
7	6	R05	COUGH AND COLD PREPARATIONS	3.3	3.1
8	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.2	3.0
9	8	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	2.9	2.9
10	9	A11	VITAMINS	2.8	2.8
Total				36.6	35.0

Conclusion. On the basis of the results for 2016, the retail pharmacy market of CFD (without Moscow) brought in RUB 173.511 bil. (USD 2.606 bil.), which was by 12% in terms of roubles and 2% in terms of dollars more than in 2015. In pack terms, the market increased by 4% and amounted to 1.044 mil. packs. At the end of 2016, the average cost of an FPP pack in the regional pharmacies was USD 2.50, which was slightly lower than in the year-earlier period (USD 2.54), and less than the national average (USD 2.77). However, the average medicine expenses of the CFD residents were higher than the national average expenses in Russia (USD 97.33 vs. USD 86.2).

NWFD (WITHOUT SAINT PETERSBURG) PHARMACY MARKET: 2016 RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the North-Western Federal District (NWFD) (without St. Petersburg) was 8.628 mil., which accounted for 5.9% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for 2016 the average wage in the NWFD (without St. Petersburg) was RUB 41,007 (USD 611.05), which was 12% higher than the average wage in Russia (RUB 36,746). According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federation™, at the end of 2016 the sales of FPPs in physical terms in pharmacies of NWFD (without St. Petersburg) saw a 3% decrease to 258.331 mil. packs. In money terms, the market saw a 9% increase in terms of roubles, whereas it showed a negative decline (-0.5%) in terms of dollars. At the same time, the volume of the market achieved RUB 34.767 bil (USD 521.216 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 5.3% of the retail pharmacy sales. The average cost of a pack didn't virtually change as compared to a year earlier period (USD 2.60) and reached USD 2.59 at retail prices. In 2016, the average amount spent by the region residents for FPPs in the pharmacies amounted to USD 77.48.

Figure 1. NWFD (without St. Petersburg) pharmacy market in 2015 – 2016



The top ten companies in the pharmacy market of North-West Federal District (without St. Petersburg) have not changed in composition at the end of 2016, but underwent some shifts (Table 1). The manufacturer BAYER (+15%) moved up to rank one from two, displacing the less dynamic SANOFI-AVENTIS (+5%) down from that position. The Russian manufacturer OTCPHARM (+33%) moved up from rank ten to six due to the highest sales rates among the leaders. The less dynamic STADA (+14%) improved its position by one rank, moving up to rank eight from nine. At the same time, the manufacturers NYCOMED/TAKEDA (+5%), GLAXOSMITHKLINE (+8%) and MENARINI (+4%) moved down to ranks seven, nine and ten, respectively. Three manufacturers from the top 10 managed to hold their own in the ranking. SERVIER (+8%), GEDEON RICHTER and SANDOZ (+6% each) kept their previous ranks three through five respectfully. The cumulative share of the top 10 manufacturers didn't virtually change and accounted for 34.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	2	**BAYER HEALTHCARE**	4.5	4.3
2	1	**SANOFI-AVENTIS**	4.5	4.7
3	3	**SERVIER**	4.2	4.3
4	4	**GEDEON RICHTER**	3.7	3.8
5	5	**SANDOZ**	3.4	3.5
6	10	OTCPHARM	3.2	2.6
7	6	**NYCOMED/TAKEDA**	3.1	3.2
8	9	STADA	2.8	2.7
9	7	**GLAXOSMITHKLINE**	2.8	2.8
10	8	**MENARINI**	2.5	2.7
Total			34.5	34.4

*AIPM members are in bold

Two newcomers broke into the ranks of the regional top ten brand names ranking (table 2). The antiviral drugs INGAVIRIN (+86%) and ARBIDOL (+41%) moved up to ranks four and nine, respectively. Apart from them, another two brand names showed high growth rates. DETRALEX (+34%) moved up from rank ten to five, and PRESTARIUM A (+15%) from rank 9 to 7. At the same time, CONCOR (-1%), ACTOVEGIN (-6%) and EXODERIL (-5%) reduced their sales and moved down to the lower ranks six, eight and ten, respectively. KAGOCEL (+31%), ESSENTIALE N (-3%) and CARDIOMAGNYL (+6%) retained their leading positions in the ranking. The total share of the top 10 brand names expanded from 6.1% to 6.5%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	KAGOCEL	1.0	0.8
2	2	ESSENTIALE N	0.7	0.8
3	3	CARDIOMAGNYL	0.7	0.7
4	18	INGAVIRIN	0.7	0.4
5	10	DETRALEX	0.6	0.5
6	4	CONCOR	0.6	0.7
7	9	PRESTARIUM A	0.6	0.5
8	5	ACTOVEGIN	0.5	0.6
9	19	ARBIDOL	0.5	0.4
10	6	EXODERIL	0.5	0.6
Total			6.5	6.1

XYLOMETAZOLINE (+10%) held its leadership position in the top 10 INN and group names ranking (Table 3). IBUPROFEN (+12%) moved up to rank two from three, displacing BISOPROLOL (+4%) down one rank. INN KAGOCEL (+31%) and ATORVASTATIN (+20%) and a newcomer of the top ten the composition DIOSMIN*HESPERIDIN (+20%) also demonstrated outperformance and rose in the ranks, moving up to ranks four, nine and six, respectively. Three brand names with negative growth rates NIMESULIDE, PANCREATIN (-1% each) and PHOSPHOLIPIDS (-3%), and DICLOFENAC (+9%) moved down to the lower ranks five, seven, eight and ten. The total share of the top-10 didn't virtually change and accounted for 9.7%.

Table 3. The top 10 INNs and group names by pharmacy sales

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	XYLOMETAZOLINE	1.6	1.6
2	3	IBUPROFEN	1.2	1.1
3	2	BISOPROLOL	1.1	1.2
4	7	KAGOCEL	1.0	0.8
5	4	NIMESULIDE	0.9	1.0
6	12	DIOSMIN*HESPERIDIN	0.8	0.7
7	5	PANCREATIN	0.8	0.9
8	6	PHOSPHOLIPIDS	0.8	0.9
9	10	ATORVASTATIN	0.8	0.7
10	9	DICLOFENAC	0.7	0.7
Total			9.7	9.6

As compared to the previous year, the composition of Top-10 ATC-group rating didn't change (table 4). On top of that, five ATC groups from the top 10 held their own in the ranking. The groups M01 Anti-inflammatory and antirheumatic products (+5%) and C09 Agents acting on the rennin-angiotensin system (+12%) topped the top ten ranking, R01 Nasal preparations (+11%) and R05 Cough and cold preparations (+10%) held their previous ranks four and five, and the group A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+10%) rounded out the top ten. The groups J05 Antivirals for systemic use (+45%) and G03 Sex hormones (+16%) showed high positive growth rates and moved up to ranks three and seven, respectively. In contrast, the remaining three ATC groups from the top 10 moved down to the lower ranks. N02 Analgesics (+6%), J01 Antibacterials for systemic use](+8%) and A11 Vitamins (+10%) moved down to ranks six and nine and ten. In total, based on the results for 2016 the top ten ATC groups accumulated 37.7% of the market, while it accounted for 36.7% in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

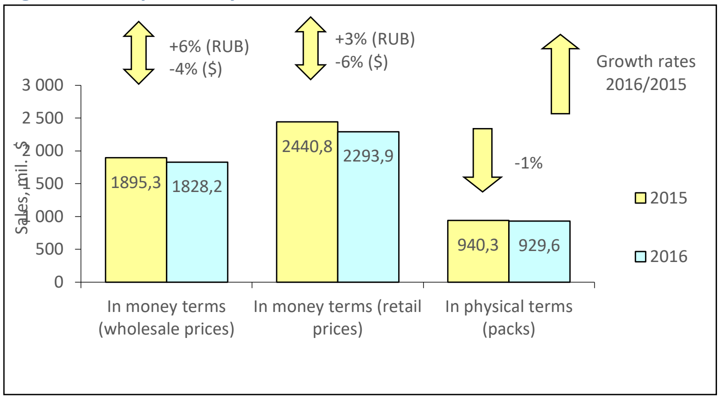
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2016	2015			2016	2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.9	5.1
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.9	4.8
3	9	J05	ANTIVIRALS FOR SYSTEMIC USE	3.8	2.9
4	4	R01	NASAL PREPARATIONS	3.7	3.7
5	5	R05	COUGH AND COLD PREPARATIONS	3.7	3.6
6	3	N02	ANALGESICS	3.6	3.7
7	8	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.4	3.3
8	6	J01	ANTIBACTERIALS FOR SYST USE	3.4	3.4
9	7	A11	VITAMINS	3.3	3.3
10	10	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	2.9	2.8
Total				37.7	36.7

Conclusion. On the basis of the results for 2016, the pharmacy market of the NWFD (without St Petersburg) brought in RUB 44.618 bil. (USD 668.529 mil.). It was 6% more in terms of roubles and 3% less in terms of dollars than in 2015. In physical terms, the market saw a 3% decrease and was equal to 258.331 mil. packs. At the end of 2016, the average cost of an FPP pack in the regional pharmacies was USD 2.59, which is almost the same as in the year-earlier period (USD 2.60), but lower than average figures in the country (USD 2.77). The average medicine expenses of the district residents in the pharmacies were lower than the national average expenses in Russia (USD 77.48 vs. USD 86.2).

VFD PHARMACY MARKET: 2016 RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Volga Federal District (VFD) was 29.674 mil., which accounted for 20.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in 2016 the average wage in the VFD was RUB 27,257 (USD 406.46), which was 26% lower than the national average wage in Russia (RUB 36,746). According to the results of the Retail Audit of FPP drugs in Russian Federation™, in 2016 the VFD pharmacy market volume in physical terms reduced by 1% to 929.616 mil. packs (Fig. 1) In wholesale prices, the market performance in terms of roubles showed positive sales growth (+6%), but in terms of dollars it was negative (-4%) and reached RUB 121.748 bil. (USD 1.828 bil.), A region's share in the total pharmacy sales in Russia accounted for 18.2%. Based on the results for 2016, the average cost of FPP pack in the VFD pharmacies was USD 2.47, whereas in the year-earlier period its cost was USD 2.60. At the end of 2016, the average per capita expenses for purchase of drugs in the pharmacies were estimated at USD 77.31.

Figure 1. VFD pharmacy market in 2015 – 2016



At 2016-end, the manufacturer SANOFI-AVENTIS held its rank number one in the Volga Federal District retail market despite the reduction in sales by 6% (Table 1). As before, BAYER (+11%) held its previous rank two. In addition, STADA (+1%) and MENARINI (-1%) also held their previous ranks seven and nine. The other top 10 drug manufacturers shifted their ranks; moreover, only two of them improved them. The Russia-based OTCPHARM (+22%) moved up to rank three from six, and a newcomer ABBOTT (+10%) broke into the ranks of the top ten. Four manufacturers showed zero (NYCOMED/TAKEDA) or negative: SERVIER (-3%), SANDOZ (-6%) and TEVA (-3%) growth rates, which resulted in the loss of their rating positions. the manufacturers moved down to rank four through six and ten of the top ten. The total share of the top 10 drug manufacturers decreased from 31.8% to 30.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	**SANOFI-AVENTIS**	4.2	4.7
2	2	**BAYER HEALTHCARE**	3.7	3.5
3	6	OTCPHARM	3.4	3.0
4	3	**NYCOMED/TAKEDA**	3.2	3.3
5	4	**SERVIER**	2.9	3.1
6	5	**SANDOZ**	2.8	3.1
7	7	STADA	2.7	2.8
8	11	**ABBOTT**	2.6	2.5
9	9	**MENARINI**	2.6	2.8
10	8	**TEVA**	2.6	2.8
Total			30.7	31.8

*AIPM members are in bold

Antiviral drug KAGOCEL (+20%) became the best-selling drug in the regional market, moving up to rank one from three (Table 2). The former leaders ESSENTIALE N (-24%) and ACTOVEGIN (-8%) moved down one rank. Due to 63% growth in sales, another antiviral drug INGAVIRIN moved up to rank four. ERGOFERON (+33%), which moved up to rank six, and the only newcomer of the top 10 HEPTRAL (+13%) rounding out the top ten also showed high growth rates. The names CARDIOMAGNYL (+0.2%) and PENTALGIN (+5%) managed to hold their previous ranks five and eight, while MEXIDOL (+2%) and CONCOR (-7%) moved down to ranks seven and nine. The total share of the top 10 FPPs virtually remained unchanged and accounted for 6.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	3	KAGOCEL	0.8	0.7
2	1	ESSENTIALE N	0.8	1.1
3	2	ACTOVEGIN	0.8	0.9
4	10	INGAVIRIN	0.7	0.4
5	5	CARDIOMAGNYL	0.6	0.7
6	9	ERGOFERON	0.6	0.5
7	6	MEXIDOL	0.6	0.6
8	8	PENTALGIN	0.5	0.5
9	7	CONCOR	0.5	0.5
10	12	HEPTRAL	0.4	0.4
Total			6.3	6.3

One newcomer broke into the top 10 INN and group names ranking: INN IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+63%) moved up to rank ten from 39 (Table 3). In addition, the other five INNs of the top 10 rose in the ranks. PANCREATIN (+7%), BISOPROLOL (+1%), NIMESULIDE (-1%), IBUPROFEN (+11%) and KAGOCEL (+20%) moved up one rank, coming in at numbers two and three, and ranks five through seven, respectively. PHOSPHOLIPIDS (-22%) and BLOOD (-6%) placed earlier at ranks two and five, showed negative growth rates and moved down to ranks four and eight. INNs XYLOMETAZOLINE (+2%) and ETHYLMETHYLHYDROXYPYRIDINE (+9%) held their previous ranks one and nine. The cumulative share of the top 10 didn't virtually change and accounted for 9.2%.

Table 3. The top 10 INNs and group names by pharmacy sales

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	XYLOMETAZOLINE	1.3	1.4
2	3	PANCREATIN	1.1	1.1
3	4	BISOPROLOL	1.0	1.0
4	2	PHOSPHOLIPIDS	0.9	1.2
5	6	NIMESULIDE	0.9	0.9
6	7	IBUPROFEN	0.9	0.8
7	8	KAGOCEL	0.8	0.7
8	5	BLOOD	0.8	0.9
9	9	ETHYLMETHYLHYDROXYPYRIDINE	0.7	0.7
10	37	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.7	0.4
Total			9.2	9.3

Four drug groups of Top-10 ATC groups retained their positions (table4). M01 Anti-inflammatory and antirheumatic products (-1%) and C09 Agents acting on the rennin-angiotensin system (+11%) held its previous rank one and two, R01 Nasal preparations (+5%) kept its rank six and G03 Sex hormones (+12%), N06 Psychoanaleptics and A11 Vitamins (+6%) rounded out the top ten. Group J05 Antivirals for systematic use (+29%) moved up to rank three from seven due to high growth rates. At the same time, J01Antibacterials for systemic use (+6%) and N02 Analgesics moved down one rank, coming in at numbers four and five, while R05 Cough and Cold Preparations (+2%) moved down from rank five to seven. In total, the top ten ATC groups accumulated 36.6% of sales, whereas in the year-earlier period 35.1%.

Table 4. The top ten ATC Groups by pharmacy sales

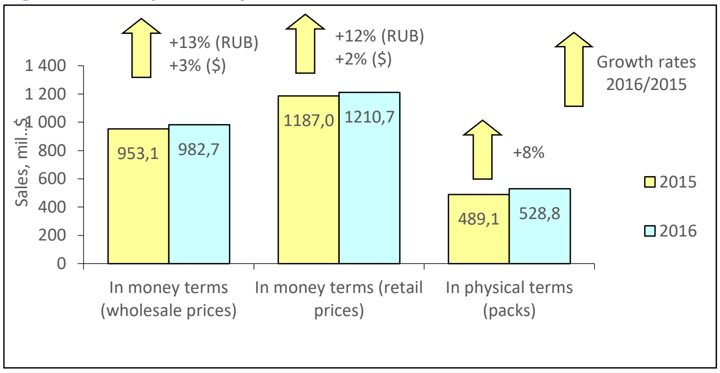
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2016	2015			2016	2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.0	5.3
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.1	3.9
3	7	J05	ANTIVIRALS FOR SYSTEMIC USE	3.9	3.2
4	3	J01	ANTIBACTERIALS FOR SYST USE	3.8	3.8
5	4	N02	ANALGESICS	3.5	3.6
6	6	R01	NASAL PREPARATIONS	3.3	3.3
7	5	R05	COUGH AND COLD PREPARATIONS	3.3	3.4
8	8	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.2	3.0
9	9	N06	PSYCHOANALEPTICS	2.9	2.8
10	10	A11	VITAMINS	2.8	2.8
Total				35.7	35.1

Conclusion. In 2016, the pharmacy market in VFD was estimated at RUB 152.792 bil. (USD 2.294 bil.) in retail prices. At the same time, the market behaviour was positive in rouble (+3%) terms and negative in dollar (-6%) terms. In physical terms, the sales reduced by 1% to 929.616 mil. packs. The average cost of an FPP pack (USD 2.47) in the pharmacies reduced as compared to a year earlier (USD 2.60), but was lower than the average value in Russia (USD 2.77). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 77.31 vs. USD 86.2).

SoFD PHARMACY MARKET: 2016 RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Southern Federal District (SoFD) was 14.045 mil., which accounted for 9.6% of the total Russian Federation population. According to Federal State Statistics Service's data, in 2016 the average wage in the SoFD was RUB 26,968 (USD 402.15), which was 27% lower than the national average wage in Russia (RUB 36,746). According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of 2016 the sales of drugs in physical terms in the Southern Federal District saw a 8% increase to 528.758 mil. packs. In money terms, the market showed positive growth rates (+13%) both in rouble terms, and in dollar terms (+3%), and reached RUB 65.447 bil. (USD 982.710 mil.) in wholesale prices (Fig. 1). The city market share accounted for 9.6% of the pharmacy sales in Russia. The average cost of an OTC pack reduced as compared to a year earlier period (USD 2.43) and reached USD 2.29 at retail prices. In 2016, the average amount spent by residents of the SoFD for drugs amounted to USD 86.20.

Figure 1. SoFD pharmacy market in 2015 – 2016



At the end of 2016, BAYER (+13%) and SANOFI-AVENTIS (+5%) continued to take the lead in the top ten manufacturers on the Southern Federal District market (Table 1). The manufacturer MENARINI (+11%) also held its previous rank six. The drug manufacturers SANDOZ (+14%), OTCPHARM (+44%) and GLAXOSMITHKLINE (+16%) move up to ranks three through five from the lower positions. Note that the Russia-based manufacturer OTCPHARM broke in the top -10 ranking for the first time. STADA (+20%) became the second newcomer of the top ten, moving up to rank eight of the ranking. In contrast, three drug manufacturers with low and negative sales rates moved down to the lower ranks: SERVIER (+4%), TEVA (+9%) and NYCOMED/TAKEDA (-1%) moved down to ranks seven and the two lower ranks. The cumulative share of 10 drug manufacturers didn't virtually change and accounted for 31.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	**BAYER HEALTHCARE**	4.5	4.5
2	2	**SANOFI-AVENTIS**	3.9	4.2
3	4	**SANDOZ**	3.1	3.1
4	12	OTCPHARM	3.1	2.4
5	7	**GLAXOSMITHKLINE**	3.0	2.9
6	6	**MENARINI**	2.9	2.9
7	3	**SERVIER**	2.9	3.1
8	11	STADA	2.8	2.6
9	8	**TEVA**	2.7	2.7
10	5	**NYCOMED/TAKEDA**	2.7	3.0
Total			31.5	31.6

*AIPM members are in bold

The top ten brand names in the regional market have been half updated. Five newcomers broke into the ranking (Table 2). FPPs ERGOFERON (+78%), ARBIDOL (+74%), MIRAMISTIN (+31%), VIFERON (+35%) and AMIXIN (+98%) moved up to rank five, and from seven through ten, respectively. The markets of the drugs KAGOCEL (+46%) and INGAVIRIN (2.1-fold growth in sales) also developed at a fast pace which allowed them to move up to the higher ranks in the top ten. At the same time, ACTOVEGIN (-12%) and ESSENTIALE N (-5%) moved down one rank, to numbers three and four, respectively. The drug CARDIOMAGNYL (+3%) also lost one rank in the top ten and moved down to rank six. The total share of the top ten FPPs increased by 1 p.p. and accounted for 6.2%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	4	KAGOCEL	0.9	0.7
2	7	INGAVIRIN	0.9	0.5
3	2	ACTOVEGIN	0.7	0.9
4	3	ESSENTIALE N	0.7	0.8
5	19	ERGOFERON	0.6	0.4
6	5	CARDIOMAGNYL	0.5	0.6
7	27	ARBIDOL	0.5	0.3
8	12	MIRAMISTIN	0.5	0.4
9	18	VIFERON	0.5	0.4
10	48	AMIXIN	0.4	0.2
Total			6.2	5.2

Despite the considerable update of the preceding top ten, only one newcomer broke into the top-ten INN and generic names rating (table 3). It was the brand IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID which increased its sales 2.1 times and moved up to rank 6. In addition, another four INNs from the top ten ranking showed growth in sales. PANCREATIN (+13%) moved up one rank, coming in at number two. The brand names IBUPROFEN (+20%) and INTERFERON ALFA-2B (+38%) increased their ratings by two points, moving up to ranks 4 and 7. KAGOCEL (+46%) moved up from rank eight to five. BLOOD (-9%) and PHOSPHOLIPIDS (-3%), which reduced their sales, and NIMESULIDE (+7%) and BISOPROLOL (+1%), which showed relatively low growth rates, moved down to the lower ranks three and three bottom ranks, respectively. INN XYLOMETAZOLINE (+17%) remained the leader of the top ten. The total share of the top 10 INNs increased from 9.2% to 9.6%.

Table 3. The top 10 INNs and group names by pharmacy sales

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	XYLOMETAZOLINE	1.7	1.6
2	3	PANCREATIN	1.1	1.1
3	2	NIMESULIDE	1.0	1.1
4	6	IBUPROFEN	0.9	0.9
5	8	KAGOCEL	0.9	0.7
6	25	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.9	0.5
7	9	INTERFERON ALFA-2B	0.8	0.7
8	4	BLOOD	0.8	1.0
9	5	PHOSPHOLIPIDS	0.8	0.9
10	7	BISOPROLOL	0.8	0.9
Total			9.6	9.2

Most ATC groups from the top ten ranking in the analysed period showed outperformance rates and increased their market shares (Table 4). However, only two of them managed to rise in the ranks. Thus, J05 Antivirals for systemic use (+70%) moved up to rank two from nine, and the newcomer of the top ten L03 Immunostimulants (+36%) moved up to rank eight from 11. At the same time, five groups in contrast, moved down to the lower ranks. These were J01 Antibacterials for systemic use (+19%), N02 Analgesics (+14%), R05 Cough and Cold Preparations (+17%), A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+13%) and G03 Sex hormones (+165). Another two ATC groups from the top ten held their own in the ranking. As before, R01 Nasal preparations (+18%) and C09 Agents acting on the rennin-angiotenzin system (+13%) kept their previous ranks four and seven. The top ten leader, the group M01 Anti-inflammatory and antirheumatic products (+9%) kept its rank number one unchanged despite lagging behind the growth rates and decrease in the market's share. The consolidated share of the top 10 ranking under review increased from 34.8% to 37.4%.

Table 4. The top ten ATC Groups by pharmacy sales

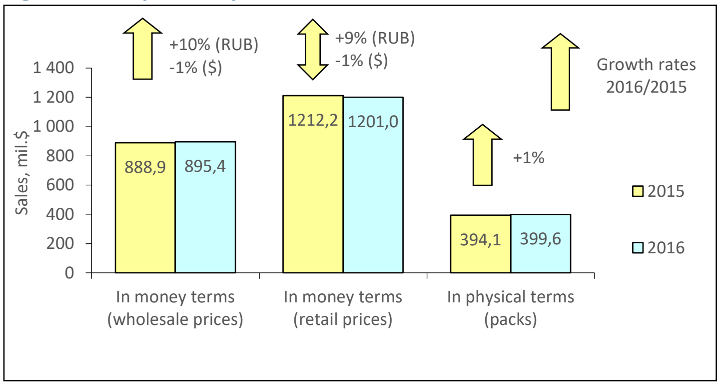
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2016	2015			2016	2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.9	5.0
2	8	J05	ANTIVIRALS FOR SYSTEMIC USE	4.7	3.1
3	2	J01	ANTIBACTERIALS FOR SYST USE	4.1	3.9
4	4	R01	NASAL PREPARATIONS	3.8	3.7
5	3	N02	ANALGESICS	3.7	3.7
6	5	R05	COUGH AND COLD PREPARATIONS	3.4	3.2
7	7	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	3.2	3.2
8	11	L03	IMMUNOSTIMULANTS	3.2	2.7
9	6	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.2	3.2
10	9	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.2	3.1
Total				37.4	34.8

Conclusion. On the basis of the results for 2016, the retail pharmacy market of the SFD brought in RUB 80.648 bil. (USD 1.211 bil.) in retail prices. The sales increased 12% in terms of roubles and 2% in terms of dollars. In physical terms, the market also showed positive growth rates (+8%) and achieved 528.758 mil. packs. The average cost of an FPP pack in the district pharmacies was USD 2.29 which was lower than the 2015 figures (USD 2.43), and lower than national average (USD 2.77). The average expenses of the SFD residents for medications in the pharmacies were equal to the national average (USD 86.2 vs. USD 86.2).

UFD PHARMACY MARKET: 2016 RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Ural Federal District (UFD) was 12.308 mil., which accounted for 8.4% of the total Russian Federation population. According to Federal State Statistics Service's data, in 2016 the average wage in the UFD was RUB 41,754 (USD 622.64), which was 14% higher than the average wage in Russia (RUB 36,746). According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of 2016 the sales of OTC drugs in physical terms in pharmacies of UFD saw a 1% increase to 399.568 mil. packs. In money terms, the market showed positive growth rates (+10%) both in rouble terms, and in dollar terms (+1%), and reached RUB 59.621 bil. (USD 895.423 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 9.5% of the total pharmacy sales in Russia. The average retail cost of an FPP pack was USD 3.01, which was slightly lower than in the year-earlier period (USD 3.08). In 2016, the average amount spent by residents of the UFD for drugs amounted to USD 97.58.

Figure 1. UFD pharmacy market in 2015 – 2016



At year-end of 2016, the top three drug manufacturers in the pharmacy market of the Ural Federal District remained unchanged. As before, the drug manufacturers SANOFI-AVENTIS (+3%), BAYER (+13%) and SERVIER (+9%) maintained their first three ranks in the top ten ranking (Table 1). OTCPHARM (+27%) and SERVIER (+12%) moved up from ranks ten and six to four and five, displacing SANDOZ (+2%) down two ranks. ABBOTT (+13%) improved its position by 2 p.p., moving up to rank seven from nine. At the same time, the manufacturers STADA (+6%), NYCOMED/TAKEDA (+4%) and TEVA (+2%) moved down to the three bottom ranks. The cumulative share of the top 10 drug manufacturers reduced from 33% to 32.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	**SANOFI-AVENTIS**	4.6	4.9
2	2	**BAYER HEALTHCARE**	4.5	4.4
3	3	GEDEON RICHTER	3.4	3.4
4	10	OTCPHARM	3.1	2.6
5	6	**SERVIER**	3.0	2.9
6	4	**SANDOZ**	2.9	3.1
7	9	**ABBOTT**	2.9	2.8
8	7	STADA	2.8	2.9
9	5	**NYCOMED/TAKEDA**	2.8	3.0
10	8	**TEVA**	2.6	2.8
Total			32.5	33.0

*AIPM members are in bold

In contrast to the previous ranking, one newcomer broke into the top 10 brand names ranking on the regional market (Table 2). HEPTRAL (+14%) moved up to rank nine from 14. The markets of brand names INGAVIRIN (+72%), DETRALEX (+42%) and ERGOFERON (+31%) also developed at fast pace, which allowed them to move up to ranks two, five and six respectfully. Another three brand names showed positive, but not so high growth rates. KAGOCEL (+7%) and ARTRA (+10%) retained their ranks, and CARDIOMAGNYL (+8%) moved down two ranks. ACTOVEGIN (-9%) and ALFLUTOP (-35%) also fell in the ranks and reduced their sales, moving down to ranks three and eight, respectively. Taking the lead in the top ten ranking ESSENTIALE N reduced its sales by 11%. The cumulative share of the top 10 didn't virtually change and accounted for 5.9%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	ESSENTIALE N	0.9	1.1
2	6	INGAVIRIN	0.8	0.5
3	2	ACTOVEGIN	0.6	0.8
4	4	KAGOCEL	0.6	0.7
5	7	DETRALEX	0.6	0.5
6	8	ERGOFERON	0.6	0.5
7	5	CARDIOMAGNYL	0.5	0.5
8	3	ALFLUTOP	0.5	0.8
9	14	HEPTRAL	0.4	0.4
10	10	ARTRA	0.4	0.4
Total			5.9	6.0

The leaders of the top ten INN and group names managed to hold its own in the ranking. As before INNs XYLOMETAZOLINE (+7%) and PHOSPHOLIPIDS (-11%) held the first two positions in the ranking (Table 3). The other top 10 INNs changed their ranks; moreover, four INNs improved them. The composition DIOSMIN*HESPERIDIN (+52%) moved up from rank ten to three, displacing PANCREATIN (+10%) down one rank. IBUPROFEN (+14%) moved up to rank six from five, and the newcomers ROSUVASTATIN (+39%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+72%) broke into the ranks of the top ten, coming in at ranks seven and nine. NIMESULIDE (-1%) which reduced its sales and CHONDROITINSULFURIC ACID* GLUCOSAMINE (+3%) and BISOPROLOL (+7%) which showed relatively low growth rates moved down to ranks eight and ten, respectively. The cumulative share of the top10 extended from 8.5% to 8.8%.

Table 3. The top 10 INNs and group names by pharmacy sales

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	XYLOMETAZOLINE	1.3	1.4
2	2	PHOSPHOLIPIDS	0.9	1.2
3	10	DIOSMIN*HESPERIDIN	0.9	0.7
4	3	PANCREATIN	0.9	0.9
5	6	IBUPROFEN	0.9	0.8
6	4	NIMESULIDE	0.8	0.9
7	13	ROSUVASTATIN	0.8	0.6
8	7	CHONDROITINSULFURIC ACID* GLUCOSAMINE	0.8	0.8
9	29	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.5
10	8	BISOPROLOL	0.7	0.8
Total			8.8	8.5

The leading three ATC groups of the top ten held their own in the ranking: the groups M01 Anti-inflammatory and antirheumatic products (+6%), G03 Sex hormones (+16%) and C09 Agents acting on the rennin-angiotenzin system (+15%) maintained and the latter two reinforced their positions (Table 4). The group J05 Antivirals for systemic use (+27%) showing the highest growth rates among the leaders moved up to rank four from seven. The group N02 Analgesics (+8%) also rose in the ranks, moving up from rank nine to eight. At the same time, A11 Vitamins and R01 Nasal preparations (+8% each), J01 Antibacterials for systemic use (+3%) and R05 Cough and cold preparations (+1%) moved down one rank, coming in at numbers five through seven and nine. As before, N06 Psychoanaleptics (+13%) rounded out the top ten. The total share of the analysed top 10 remained unchanged and amounted to 35.7%.

Table 4. The top ten ATC Groups by pharmacy sales

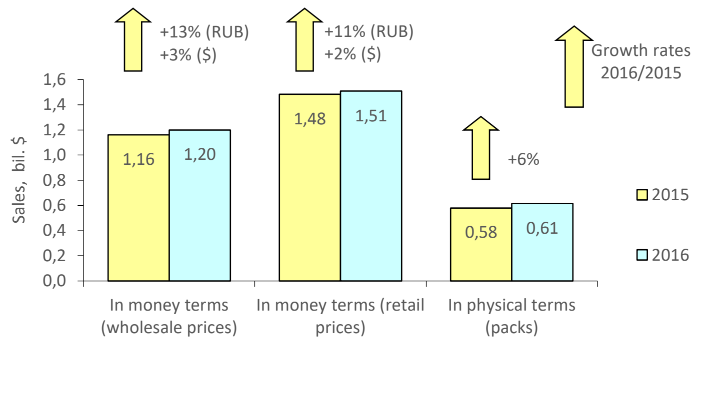
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2016	2015			2016	2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.5	4.7
2	2	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.3	4.1
3	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.1	3.9
4	7	J05	ANTIVIRALS FOR SYSTEMIC USE	3.9	3.4
5	4	A11	VITAMINS	3.4	3.5
6	5	R01	NASAL PREPARATIONS	3.4	3.5
7	6	J01	ANTIBACTERIALS FOR SYST USE	3.2	3.4
8	9	N02	ANALGESICS	3.0	3.1
9	8	R05	COUGH AND COLD PREPARATIONS	3.0	3.3
10	10	N06	PSYCHOANALEPTICS	3.0	2.9
Total				35.7	35.7

Conclusion. On the basis of the results for 2016, the retail pharmacy market of the Ural Federal District brought in RUB 80.014 bil. (USD 1.201 bil.) in retail prices. The sales saw a 9% increase in terms of roubles, and a 1% decrease in terms of dollars. In pack terms, the market also showed positive growth rates (+1%) and achieved 399.568 mil. packs. At the end of 2016, the average cost of an FPP pack in the district pharmacies was USD 3.01, which was lower than the last year figures (USD 3.08), but higher than average figures in the country (USD 2.77). The average expenses of the UFD residents for medications in the pharmacies also exceeded the national average (USD 97.58 vs. USD 86.2).

SiFD PHARMACY MARKET: 2016 RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Siberian Federal District (SiFD) was 19.324 mil., which accounted for 13.2% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for 2016 the average wage in the SFD was RUB 31,383 (USD 467.98), which was 15% lower than the national average wage in Russia (RUB 36,746). According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, in twelve months of 2016 the SiFD pharmacy market volume in physical terms increased by 6% to 614.045 million packs (Fig. 1) In wholesale prices, the market also showed the positive performance both in terms of roubles (+13%) and in terms of dollars (+3%) and reached RUB 79.907 bil. (USD 1.200 bil.). The district's share accounted for 11.9% of the total pharmacy sales in the Russian pharmacy market pattern. Based on the results for 2016, the average cost of FPP pack in the SiFD pharmacies was USD 2.46, whereas in the year-earlier period its cost was USD 2.56. In 2016, per capita expenses of the SFD residents for purchase of medicines in pharmacies amounted to USD 78.03.

Figure 1. SiFD pharmacy market in 2015 – 2016



At 2016-end, SANOFI-AVENTIS (+8%), BAYER (+20%) and SERVIER (+10%) remained the leaders of the top ten drug manufacturers ranking in the SiFD pharmacy market (Table 3). TEVA (+8%) and GEDEON RICHTER (+9%) also kept their previous ranks six and seven. Two drug manufacturers from the top ten managed to rise in the ranks. The manufacturer SANDOZ (+11%) moved up one rank, to number five, and the Russia-based manufacturer OTCPHARM (+30%) broke into the ranks of the top ten, moving up to rank 8. At the same time, NYCOMED/TAKEDA (+8%), STADA (+13%) and GLAXOSMITHKLINE (+7%) moved down one rank, coming in at ranks five and the two bottom ranks. The total share of the top ten INN and group names increased by 0.2 p.p. and achieved 31.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	**SANOFI-AVENTIS**	4.3	4.5
2	2	**BAYER HEALTHCARE**	4.3	4.1
3	3	**SERVIER**	3.3	3.4
4	5	**SANDOZ**	3.0	3.1
5	4	**NYCOMED/TAKEDA**	3.0	3.2
6	6	**TEVA**	2.9	3.0
7	7	GEDEON RICHTER	2.8	2.9
8	11	OTCPHARM	2.8	2.4
9	8	STADA	2.7	2,7
10	9	**GLAXOSMITHKLINE**	2.6	2.7
Total			31.9	32.1

*AIPM members are in bold

More significant shifts took place in the top ten brand names ranking on the district market (table 2). Two brand names INGAVIRIN (+73%) and DETRALEX (+36%) broke into the ranks of the top ten, coming in at numbers five and eight, respectively. On top of that, the leader of the top ten changed: KAGOCEL (+22%) moved up to rank one from three, whereas ESSENTIALE N (-7%) which was earlier placed at that rank, in contrast, moved down to rank three. CARDIOMAGNYL (+9%) and ACTOVEGIN (+3%) held their ranks two and four. Apart from the leader and newcomers, another two brand names managed to rise in the ranks. The brand names PENTALGIN (+14%) and MEXIDOL (+18%) moved up to ranks six and nine. At the same time, CONCOR (-1%) and LOZAP PLUS (+14%) moved down one rank. In total, the top ten brand names accumulated 5.6% of sales, in the year-earlier period 5.5%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	3	KAGOCEL	0.7	0.7
2	2	CARDIOMAGNYL	0.7	0.7
3	1	ESSENTIALE N	0.6	0.8
4	4	ACTOVEGIN	0.6	0.6
5	18	INGAVIRIN	0.5	0.4
6	8	PENTALGIN	0.5	0.5
7	6	CONCOR	0.5	0.6
8	12	DETRALEX	0.5	0.4
9	10	MEXIDOL	0.5	0.4
10	9	LOZAP PLUS	0.4	0.4
Total			5.6	5.5

The upper half of the top ten INN and group names ranking remained unchanged: INNs XYLOMETAZOLINE (+6%), BISOPROLOL (+8%), IBUPROFEN (+15%), NIMESULIDE (+6%) and PANCREATIN (+9%) held their previous top five ranks (Table 3). INN KAGOCEL (+22%) and the composition LOSARTAN* HYDROCHLOROTHIAZIDE (+18%) showing outstripping growth rates moved up to ranks six and seven from nine and ten. INN LOSARTAN market (+28%) also developed at a fast pace. At the same time, the composition ACETYLSALICYLIC ACID*MAGNESIUM (+9%) and INN PHOSPHOLIPIDS (-6%) moved down one rank, coming in at numbers eight and 10, respectively. The total share of the top 10 reduced from 8.8% to 8.6%.

Table 3. The top 10 INNs and group names by pharmacy sales

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	XYLOMETAZOLINE	1.4	1.5
2	2	BISOPROLOL	1.0	1.0
3	3	IBUPROFEN	0.9	0.9
4	4	NIMESULIDE	0.9	0.9
5	5	PANCREATIN	0.8	0.9
6	9	KAGOCEL	0.7	0.7
7	10	LOSARTAN*HYDROCHLOROTHIAZIDE	0.7	0.7
8	7	ACETYLSALICYLIC ACID*MAGNESIUM	0.7	0.7
9	13	LOSARTAN	0.7	0.6
10	6	PHOSPHOLIPIDS	0.7	0.8
Total			8.6	8.8

The top ten ATC groups ranking didn't change its leaders either. M01 Anti-inflammatory and antirheumatic products (+9%) and C09 Agents acting on the rennin-angiotensin system (+20%) held their previous leading positions (Table 4). 4). Groups J01 Antibacterials for systemic use (+12%) and R01 Nasal preparations (+9%) placed at ranks 5 and 6 also held their own in the ranking. Due to high growth rates, the groups G03 Sex hormones (+18%), J05 Antivirals for systemic use (+37%) and G04 Urologicals (+24%) moved up to the higher ranks three, seven and ten, respectively. On top of that, the latter became the only newcomer of the top 10 ranking. The less dynamic N02 Analgesics (+10%), R05 Cough and cold preparations (+9%) and A11 Vitamins (+13%) moved down one rank, to numbers four, eight and nine, respectively. The total share of the top ten ranking increased by 0.6 p.p. and achieved 36%.

Table 4. The top ten ATC Groups by pharmacy sales

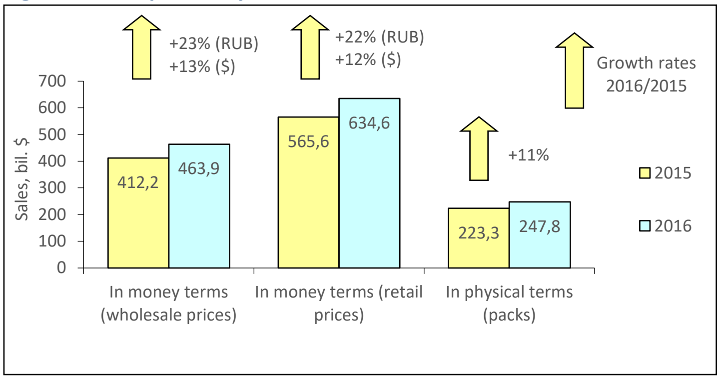
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2016	2015			2016	2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	5.0
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.4	4.1
3	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.9	3.8
4	3	N02	ANALGESICS	3.9	4.0
5	5	J01	ANTIBACTERIALS FOR SYST USE	3.6	3.6
6	6	R01	NASAL PREPARATIONS	3.5	3.6
7	9	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	2.7
8	7	R05	COUGH AND COLD PREPARATIONS	3.2	3.3
9	8	A11	VITAMINS	3.0	3.0
10	13	G04	UROLOGICALS	2.6	2.4
Total				36.0	35.4

Conclusion. At the year-end 2016, the pharmacy market in the Siberian Federal District was estimated at RUB 100.421 bil. (USD 1.508 bil.) in final consumer prices. At the same time, the market behaviour was positive both in rouble (+2%) and dollar (+2%) terms. In physical terms, the sales increased by 6% and reached 611.046 mil. packs. The average cost of a FPP pack (USD 2.46) reduced as compared to a year earlier (USD 2.56), but was lower than the national average FPP cost in Russia (USD 2.77). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 78.03 vs. USD 86.20).

FEFD PHARMACY MARKET: 2016 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Far Eastern Federal District (FEFD) was 6.195 mil., which accounted for 4.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in 2016 the average wage in the FEFD was RUB 46,113 (USD 687.64), which was 25% higher than the average wage in Russia (RUB 36,746). According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at year-end 2016 the sales of drugs in physical terms in the pharmacies of the FEFD saw a 11% increase to 247.795 mil. packs. In value terms, the market increased both in rouble terms (+23%) and in dollar terms (+13%) and reached RUB 30.860 bil. (USD 463.866 mil.) in wholesale prices (Fig. 1). The district's share reached 5.0% of the all-Russia sales in retail prices. The average cost of an OTC pack didn't practically change as compared to a year earlier and reached USD 2.56 (vs. USD 2.54). At the end of 2016, the average amount spent by the FEFD residents for drugs in the pharmacies amounted to USD 102.44.

Figure 1. FEFD pharmacy market in 2015 – 2016



At the end of 2016, the manufacturer BAYER (+30%) demonstrated the largest sales on the FEFD retail market and moved up to rank number one of the top ten manufacturers (Table 1). At the same time, the less dynamic former leaders SANOFI-AVENTIS (+15%) and SERVIER (+12%) moved down one rank. GEDEON RICHTER (+14%) kept its previous rank four. GLAXOSMITHKLINE (+29%) also held its own in the ranking. Almost all the other brand names of the top ten rose in the ranks. SANDOZ (+36%) and KRKA (+26%) moved up one rank to numbers five and nine, and the newcomers OTCPHARM (+48%) and STADA (+25%) broke into the ranks of the top ten, coming in at numbers eight and ten. GEDEON RICHTER (+13%), which showed low growth rates, moved down from rank five to six. The total share of the analysed top 10 manufacturers didn't virtually change and accounted for 32.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	3	**BAYER HEALTHCARE**	4.0	3.8
2	1	**SANOFI-AVENTIS**	3.9	4.1
3	2	**SERVIER**	3.6	3.9
4	4	GEDEON RICHTER	3.5	3.8
5	6	**SANDOZ**	3.2	2.9
6	5	**NYCOMED/TAKEDA**	3.1	3.4
7	7	**GLAXOSMITHKLINE**	3.0	2.9
8	12	OTCPHARM	2.8	2.3
9	10	**KRKA**	2.6	2.6
10	11	STADA	2.6	2.5
Total			32.4	32.3

*AIPM members are in bold

Due to 2.2-fold growth in sales, antiviral drug INGAVIRIN moved up to rank number one from ten in the top ten brand names ranking (Table 2). In addition, another five brand names improved their positions. KAGOCEL (+29%), MYDOCALM (+11%) and DETRALEX (+46%) moved up one rank, coming in at numbers three, eight and ten. At the same time, the latter became one of two newcomers of the top ten. The drug MIRAMISTIN (+65%) also entered the top ten ranking for the first time, moving up to rank seven. MEXIDOL (+30%) moved up from rank seven to five. At the same time, four brand names moved down to the lower ranks. The former leader ESSENTIALE N (+6%), and CARDIOMAGNYL (+16%), ACTOVEGIN (-7%) and CONCOR (+6%) moved down to ranks two, four, six and nine, respectively. The cumulative share of the Top ten accounted for 6.1%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	10	INGAVIRIN	0.8	0.5
2	1	ESSENTIALE N	0.7	0.8
3	4	KAGOCEL	0.7	0.7
4	3	CARDIOMAGNYL	0.7	0.7
5	7	MEXIDOL	0.6	0.6
6	2	ACTOVEGIN	0.6	0.8
7	17	MIRAMISTIN	0.5	0.4
8	9	MYDOCALM	0.5	0.6
9	6	CONCOR	0.5	0.6
10	11	DETRALEX	0.5	0.4
Total			6.1	6.0

In contrast to the above rankings, the leader of the top ten INNs and grouping names ranking didn't change: INN XYLOMETAZOLINE (+31%) held and strengthened its previous rank (table 3). As before, PANCREATIN (+17%) held its rank six. Four trade names of the top 10 manufacturers managed to rise in the ranks. IBUPROFEN (+27%) and KAGOCEL (+29%) moved up to ranks two and nine, and the newcomers of the top ten IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (2.2-fold growth in sales) and SILDENAFIL (+53%) broke into the ranks of the top ten, coming in at ranks five and eight. The less dynamic BISOPROLOL (+10%) and NIMESULIDE (+4%) lost one rank each, moving down to ranks three and four, and PHOSPHOLIPIDS (+7%) and ACETYLSALICYLIC ACID*MAGNESIUM (+16%) moved down two ranks, coming in at numbers seven and ten. The cumulative share of the top10 increased from 8.9% to 9.1%.

Table 3. The top 10 INNs and group names by pharmacy sales

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2016	2015		2016	2015
1	1	XYLOMETAZOLINE	1.7	1.6
2	4	IBUPROFEN	1.1	1.0
3	2	BISOPROLOL	1.0	1.1
4	3	NIMESULIDE	0.9	1.0
5	31	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.5
6	6	PANCREATIN	0.8	0.8
7	5	PHOSPHOLIPIDS	0.8	0.9
8	14	SILDENAFIL	0.7	0.6
9	10	KAGOCEL	0.7	0.7
10	8	ACETYLSALICYLIC ACID*MAGNESIUM	0.7	0.7
Total			9.1	8.9

At the end of 2016, the top four ATC groups didn't change on the regional market (Table 4). These were groups M01 Anti-inflammatory and antirheumatic products (+15%), C09 Agents acting on the rennin-angiotensin system (+22%), R01 Nasal preparations (+28%) and N02 Analgesics (Table 4). The groups J05 Antivirals for systemic use (+61%) and L03 Immunostimulants (+45%), which showed high growth rates, moved up to ranks five and ten, respectively. On top of that, the latter became the only newcomer of the top 10 ranking. At the same time, the groups J01 Antibacterials for systemic use (+26%), R05 Cough and cold preparations (+23%), G03 Sex hormones (+24%) and A11 Vitamins (+18%) moved down one rank, coming in at ranks six through nine, respectively. The consolidated share of the top 10 ranking under review increased from 34.7% to 36%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2016	2015			2016	2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.6	4.9
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.0	4.0
3	3	R01	NASAL PREPARATIONS	3.9	3.8
4	4	N02	ANALGESICS	3.8	3.8
5	9	J05	ANTIVIRALS FOR SYSTEMIC USE	3.7	2.8
6	5	J01	ANTIBACTERIALS FOR SYST USE	3.6	3.5
7	6	R05	COUGH AND COLD PREPARATIONS	3.4	3.4
8	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.1	3.1
9	8	A11	VITAMINS	2.9	3.0
10	13	L03	IMMUNOSTIMULANTS	2.9	2.4
Total				36.0	34.7

Conclusion. On the basis of the results for 2016, the retail market of the Far Eastern Federal District brought in RUB 42.417 bil. (USD 634.595 mil.). It was 22% more in terms of roubles and 12% more in terms of dollars than in 2015. In physical terms, the market also showed the positive growth rates (+11%) and was equal to 247.795 mil. packs. At the end of 2016, the average cost of a pack in the FEFD pharmacies was USD 2.56, (in a year-earlier period - USD 2.53), which was lower than the national average (USD 2.77). The average medicine expenses of the district residents were higher than the national average expenses in Russia (102.44 USD vs. 86.20 USD).