СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

РЕМЕДИУМ
ГРУППА КОМПАНИЙ

AIPM
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

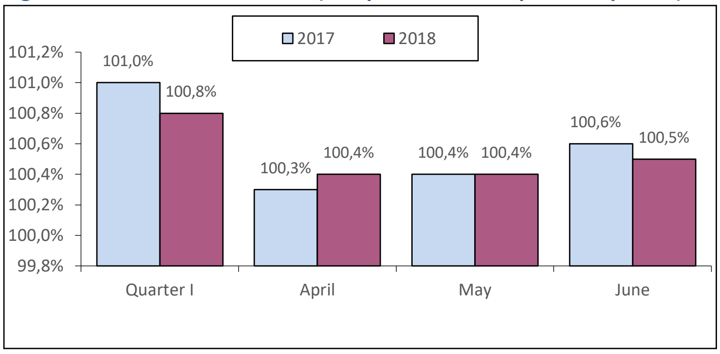
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 100.5% in June 2018, compared to the previous month, 102.1% to December 2017.

In June this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 103.4%, whereas in the month-earlier period it had amounted to 103.9%. The index accounted for 109.1% against December of the 2017.

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



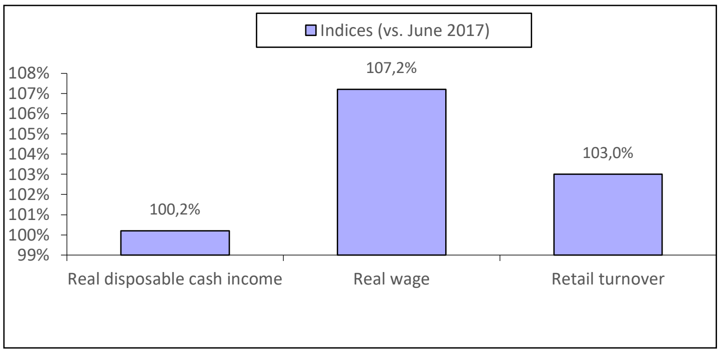
Living standard

According to preliminary Federal State Statistics Service's data, at the end of June 2018 a gross monthly average wage per worker reached RUB 45840 (USD 730.98) which accounted for 104% compared to the previous month and 109.7% compared to June 2017. The real wage in June 2018, compared to June 2017 accounted for 107.2%. In June 2018, the real value of disposable cash incomes *(without taking into account a lump sum payment to pensioners in January 2017 in the amount of 5 thousand rubles)*, accounted for 100.2% as compared with June of 2017, and 110.1% compared with the previous period (Fig. 2).

Retail turnover

In June 2018, the retail turnover was equal to RUB 2561.1 bil. or 103.0% (in comparable prices) against the level of the corresponding period of the previous year, in Quarter I, 2018 - RUB 14586.2 bil. or 102.6% (Fig. 2).

Figure 2. Real values of cash income, wage and retail turnover in June of 2018



Industrial Production

According to Federal State Statistics Service's data, in June 2018 Industrial Production Index accounted for 102.2% compared to the same period in the previous year, and 103.0% in January-June 2018.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in June 2018 accounted for 96.8% compared to the relevant period of the previous year, and - 83.2% to May 2018, 107.3% in January-June 2018.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers by sales in all segments of the market based on the results for June 2018.

Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales volume in June 2018

Rank	Manufacturer	RUB mil.
1	Otcpharm	1733.2
2	Biocad	1298.7
3	Pharmstandart	1209.7
4	Pharmasyntez	1196.2
5	Stada	1003.3
6	Veropharm	820.5
7	Akrikhin Pharma	768.9
8	Valenta	726.0
9	Sotex	707.0
10	Generium	634.7

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. Sales (in terms of roubles) decreased in all regions in May 2018, compared to the previous month. The highest reduction was observed in Moscow (-16%), the lowest one in Voronezh Region (-2%). In Krasnodar Krai and Perm, the sales increased by 20% and 2% respectively.

Table 2. Pharmacy sales in the regions, 2018

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	March 2018	April 2018	May 2018	March / February 18	April/ March 18	May/ April 18
Moscow	211.0	194.8	158.1	37%	-2%	-16%
St. Petersburg	75.4	57.8	49.9	40%	-19%	-11%
Krasnodar Krai	39.1	29.2	34.2	19%	-21%	20%
Krasnoyarsk Krai	33.1	29.3	26.5	15%	-6%	-7%
Tatarstan	27.6	21.6	18.1	28%	-17%	-14%
Rostov Region	26.0	23.0	21.0	10%	-6%	-6%
Novosibirsk Region	26.5	21.8	19.7	9%	-13%	-7%
Voronezh Region	17.8	14.3	13.7	19%	-15%	-2%
Perm	9.3	8.6	8.6	3%	-1%	2%
Tyumen	6.8	6.9	6.1	1%	7%	-9%

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 June 2018

Rank	Company*	Quantity of broadcasts
1	Otcpharm	18,483
2	Sandoz	12,402
3	GSK Consumer Healthcare	9,557
4	Sanofi Aventis	9,487
5	Johnson & Johnson	9,109

Source - Remedium according to Mediascope's data

Table 4. The top five brands in mass media in June 2018

Rank	Brand*	Quantity of broadcasts
1	Exoderil	6,374
2	Linex	3,261
3	Acipol	2,949
4	Mycoderil	2,875
5	Voltaren	2,636

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

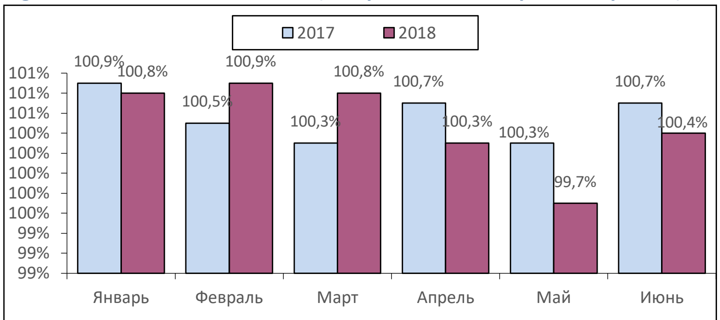
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of Belarus, in June 2018 the Consumer Price Index was estimated at 100.4% compared to the previous month, 102.9% to December 2017. At the end of the first half of 2018, the Consumer Price Index was 104.7% as compared to the same period of 2017.

In June 2018, Industrial Producer Price Index was 100.7% compared to May 2018, and 103.4% to December 2017. In the first half of 2018, the Industrial Producer Price Index was 107.1% as compared to 2017.

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



Source: Belstat

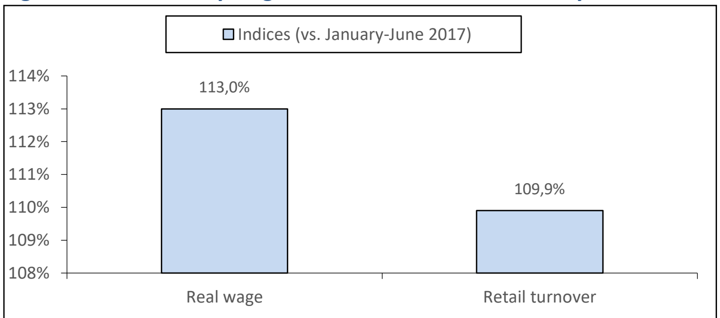
Living standard

According to the preliminary Belstat's data, in June 2018 the average monthly nominal accrued wage of the workers in the Republic of Belarus was BYR 995.3 (USD 494.12[1]), BYR 910.5 (USD 457.93) in the first half of 2018. In June 2018, the real wage accounted for 111.4% as compared to the same period of 2017, 113.0% in January-June 2018 (Fig. 2). According to Belstat's data, in January-May 2018 the real disposable cash income accounted for 107.7% as against January-May 2017.

Retail turnover

In June 2018, the retail turnover was estimated at RUB 3,783.3 mil., which accounted for 99.7% compared to the previous period and 109.0% compared to the same period of the last year. Based on the results for the first half of 2018, it amounted to RUB 21 bil. or 109.9% in comparable prices as compared to the first half of 2017 level (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-June 2018



Source: Belstat

Industrial Production

According to Belstat's data, in the first half of 2018 the industrial output by economic activities "Mining industry", "Processing Industry" and "Supply of electricity, gas, steam, hot water and conditioned air" and "Water supply; sewerage, waste management and remediation activities" amounted to BYR 53 bil, at current prices or 107.8% at comparable prices as against the first half of 2017.

According to Belstat's data, in the first half of 2018 the pharmaceutical production output of essential pharmaceutical products and pharmaceutical preparations was estimated at BYR 620.1 mil., which accounted for 111.9% to the indicators of the first half of 2017 at comparable prices.

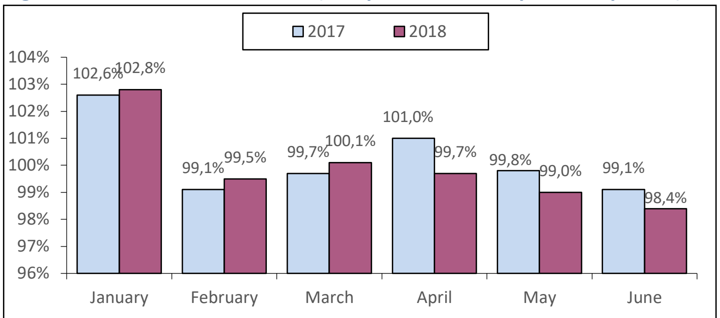
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to data of National Service of the Republic of Armenia, in June 2018 the Consumer Price Index was estimated at 98.4%, compared to December 2017 - 99.4% The Consumer Price Index accounted for 102.4% in January- June 2018 compared to the previous period.

The Industrial Producer Price Index was 102.4% in June 2018, as compared to the previous month, 97.7% to December 2017. In January-June 2018, the Index reached 103.6% as compared to 2017.

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



Source: National Statistical Service of RA

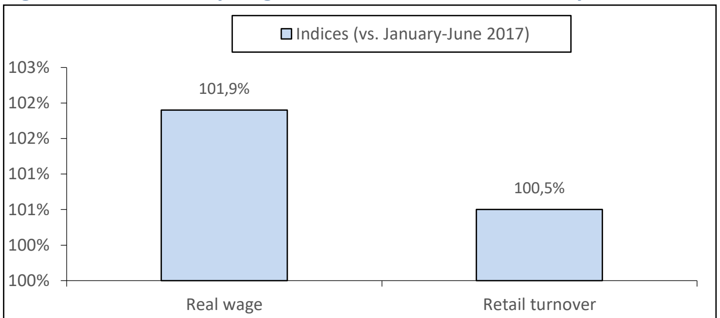
Living standard

According to preliminary estimates of the National Statistical Service of RA, in June 2018 the average monthly nominal wage[2] of the workers of the Republic of Armenia was Dram 171950 (USD 356.28) which accounted for 104.9% as compared to the same period of the last year. In January-June of 2018, the gross monthly average salary per worker was AMD 168367 (USD 349.28) or 104.4% compared to the same period of 2017, (Fig. 2). The real wage (according to Eurasian Economic Commission) accounted for 101.9% in January-June 2018, as compared to January-June in 2017.

Retail turnover

The retail turnover accounted for AMD 108671.9 mil. in June 2018, and AMD 607139.6 mil. from the beginning of the year, which accounted for 96.6% and 100.5% as compared to the same period of the last year, respectively (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-June 2018



Source: National Statistical Service of RA

Industrial Production

According to the preliminary data of Statistics Committee of the Republic of Armenia, in June of 2018 the industrial output by economic activities "Mining industry", "Processing industry" and "Supply of electricity, gas, steam, hot water and conditioned air" and "Water supply; sewerage, waste management and remediation activities" amounted to AMD 146777.4 mil, and AMD 805026.1 mil. from the beginning of the year at current prices or 108.2% and 108.2% as against the same period of 2017, respectively.

According to Statistics Committee of the Republic of Armenia, the pharmaceutical output was estimated at AMD 741.5 mil. in June 2018, and AMD 4714.9 mil. from the beginning of the year, which accounted for 113.7% and 104.0% as compared to the respective periods of the previous year.

[1] The official arithmetical average exchange rate to calculate the above indices was used from the website of the National Bank of Belarus www.nbrb.by. On July 1, 2016, in the Republic of Belarus the Belarusian ruble was denominated in the ratio of 1:10 000

[2] Since January 1, 2018, the monthly indicators also include data from micro and small organizations as the Statistics Committee of the Republic of Armenia (RA) uses a new information source for calculation - the database of the State Revenue Committee of the RA (KGA RA). Detailed explanations are available on the website of the RA Statistical Committee http://www.armstat.am.

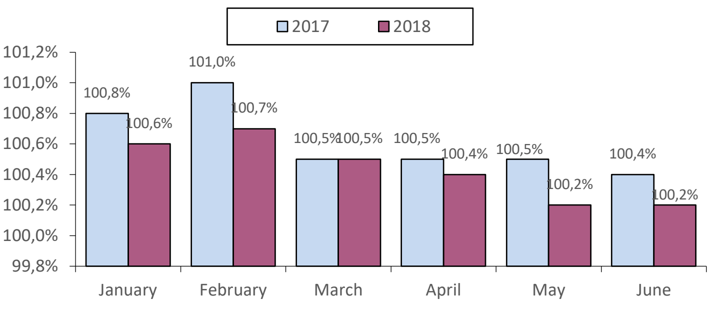
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in June 2018 the Consumer Price Index was estimated at 100.2% compared to December 2017, 102.6% to December 2017. In January-June 2018, the Index reached 106.4% as compared to 2017.

The Industrial Producer Price Index was 103.0% in June 2018, as compared to the previous month, 108.1% to December 2017. In January-June 2018, the prices of producers of industrial products increased by 15.9% as compared to January-June 2017.

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



Source: RK Committee on Statistics

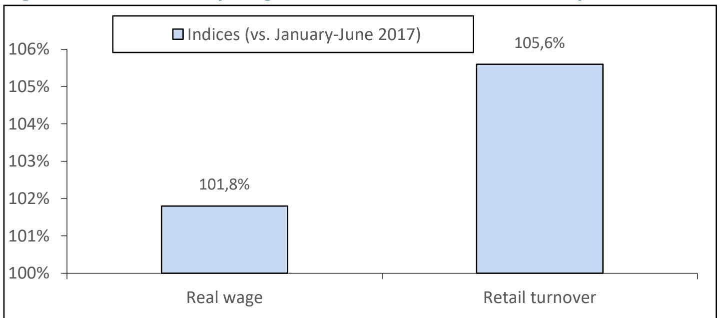
Living standard

According to the preliminary data of the RK Committee on Statistics , the gross monthly average salary per worker reached KZT 163604 (USD 486.76[3]) in June 2018, KZT 154588 (USD 473.48) in January-June of 2018. The Nominal Wage Index against the respective period of the previous year accounted for 102.9% in June 2018, 106.5% in January-December 2017, the Real Wage Index – 97.2% and 101.8%, respectively. In January-May 2018, the Real Cash Income Index was 100.8% compared to the same period of 2017 (Fig. 2).

Retail turnover

Retail trade turnover in June 2018 was equal to KZT 857.8 bil, which is 106.7% by June 2017. In January-June of 2018, it amounted to KZT 4404.1 bil. or, respectively, 105,6% to the level of the same period of 2017 (in comparable prices) (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-June 2018



Source: RK Committee on Statistics

Industrial Production

According to data of the Committee for Statistics of RK, in June 2018 the industrial output in June 2018 was KZT 2198.5 bil., in January-June of 2018 - KZT 13171.7 bil. As compared to the same period of 2017, the indices accounted for 104.2% and 105.2%, respectively.

According to data of the Committee for Statistics of RK, in January-June 2018 the essential pharmaceuticals output amounted to KZT 36208 mil., in June it was KZT 3525 mil. At the end of January-June 2018, the Industrial Production Volume Index for Pharmaceuticals was 98.6% to January-June 2018, 99.8% in June 2018 as compared to the respective period of 2017.

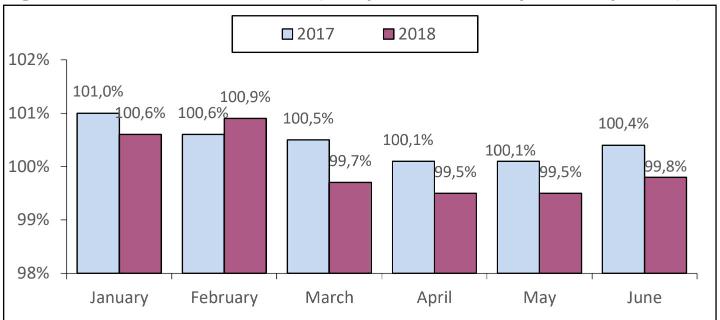
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of the Kyrgyz Republic, in June of 2018 the Consumer Price Index was estimated at 99.8%, 99.9% as against December 2017. In January-June 2018, the Index reached 102.3% as compared to January-June 2017.

In June 2018, the Producer Price Index for industrial production and services was 99.2% as compared to the previous month, 101.1% as against December 2017. The producer's prices for industrial products and services nationwide increased by 3.8% compared to the same period of 2017.

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



Source: RK Committee on Statistics

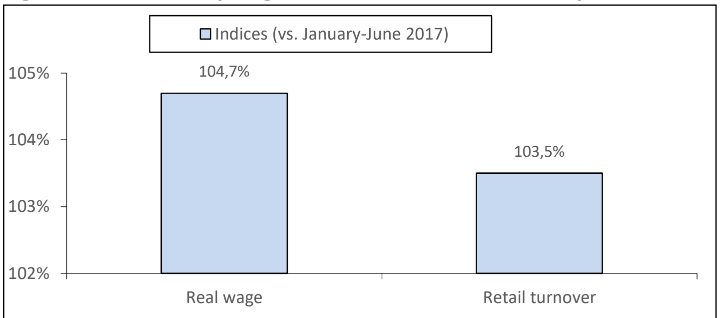
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in May 2018 the average monthly nominal wage per worker was KGS 16059 (USD 234.23[4]), in January-May 2018 - KGS 15397 (USD 224.6), which is 7.7% and 7.4% more than in the same period of 2017 respectively. In January-May of 2018, the real wage accounted for 104.7% as compared to January-May of 2018, 106.2% in May of 2018 as against May of 2017 (Fig. 2).

Retail turnover

In June 2018, the retail turnover (without cars and motorcycles sales) amounted to KGS 19282.7 mil, in January- June 2018 - - KGS 99780.4 mil. The Retail Turnover Volume Index accounted for 102.4% and 103.5% to the same period of the previous year (Fig.2).

Figure 2. Real monthly wage and retail turnover in January-June 2018



Source: RK Committee on Statistics

* - data for January-May 2018

Industrial Production

According to data of the National Committee for Statistics of the Kyrgyz Republic, in June 2018 the industrial output was KGS 17521.6 mil., in January-June 2017 it was KGS 108652.8 mil. The Industrial Products Volume Index accounted for 81.4% and 94.0% as compared to the same periods 2017.

According to the National Committee for Statistics of the Kyrgyz Republic, the pharmaceutical output amounted to KGS 23.8 mil. in June 2018, and KGS 178.9 mil. from the start of the year. At the end of June 2018, the Industrial Products Volume Index for Pharmaceuticals was 96.8% compared to the same period of the last year, 65.5% as compared to June 2017, and it was 124.7% in January- June 2018 compared to January- June 2017.

[3] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Kazakhstan www.nationalbank.kz

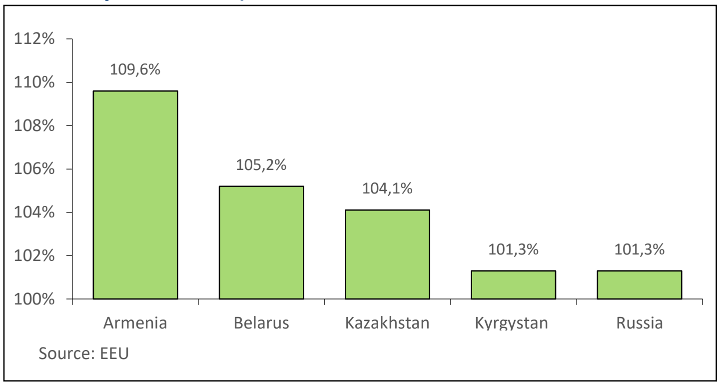
[4] The average exchange rate to calculate the above indices was used from the official website of the National Bank of the Kyrgyz Republic http://www.nbkr.kg/

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to Eurasian Economic Commission's data (EAEC), at the end of January-March 2018 GDP of EAEU member-states amounted to USD 444757.3 mil. and increased by 1.7% as compared to the same period of 2017 in fixed prices. The growth in GDP was recorded in all EAEU member-states, a more significant increase in Armenia (+9.6%), Belarus (+5.2%) and Kazakhstan (+4.1%). GDP increased by 1.3% in Kyrgyzstan and Russia (Fig. 1).

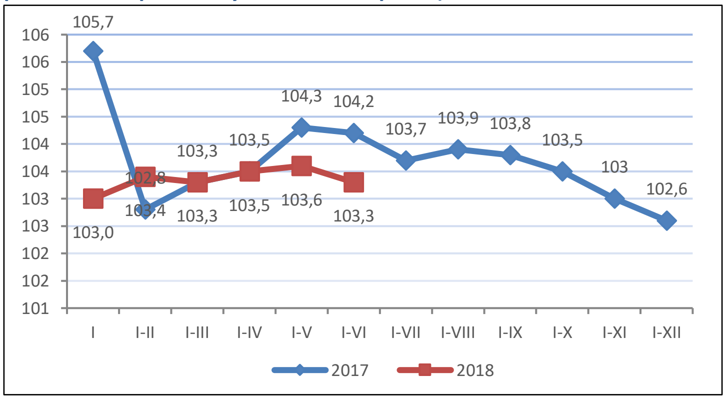
Figure 1. GDP growth in the EAEU member-states (January-March 2018 vs. January-March 2017)



Industrial Production

According to preliminary EAEC data, in January- June 2018 the volume of industrial output of the EAEU member-states amounted to USD 604.8 bil. and increased in fixed prices by 3.3% as compared with the first half of 2017 (Fig. 2). In individual countries, the Industrial Production Index accounted for 103.7% in Armenia, 107.8% in Belarus, 105.2% in Kazakhstan, 94.0% in Kyrgyzstan and 103% in Russia.

Figure 2. Dynamics of the industrial output in EAEU (as % over the same period of the previous year; constant prices)

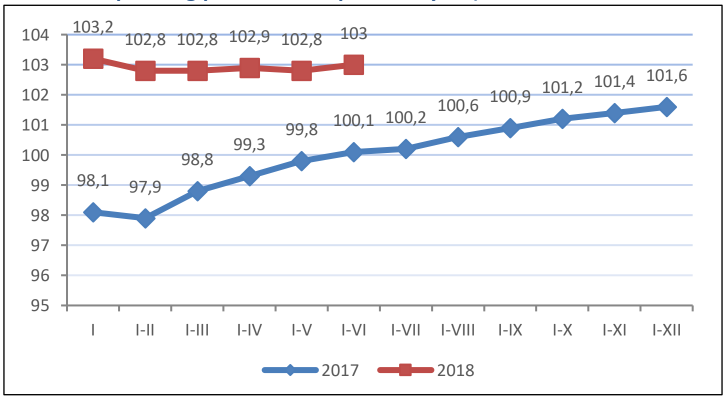


Comment. Data for the period from January 2016 to April 2018 were clarified in connection with the recalculation of industrial production indices of the Russian Federation for the above period.

Retail turnover

According to the EAEC, the retail trade turnover (through all sales channels) of EAEU member-states in January- June 2018 amounted to USD 273.3 bil. Compared with the same period of 2017, the volume of retail sales (in comparative prices) increased by 3.0%. In the analysed period, all member-states showed growth in the retail turnover. In this case, the indices accounted for 101.2% in Armenia, 109.9% in Belarus, 105.6% in Kazakhstan 105.1% Kyrgyzstan and 102.6% in Russia (Fig. 2).

Figure 3. The dynamics of the retail turnover in the EAEU (as a percentage over corresponding period of the previous year)



Nominal and real wage

According to EAEC, in January-June 2018 as compared to the respective period of 2017, the gross monthly average wage per worker increased by 4.4% in Armenia, 18.3% in Belarus , 8.3% in Kazakhstan, 6.5% in Kyrgyzstan (in January-May of 2018) 7.4% in Kyrgyzstan (in January-May 2017), 11.2% in Russia. The real wage (adjusted for the consumer price index for goods and services) increased: by 1.9% in Armenia, 13.0% in Belarus, 1.8% in Kazakhstan, 3.0 % in Kyrgyzstan (in January-May of 2018), 4.7% in Kyrgyzstan (in January-May 2017), 8.7% in Russia.

Table 1. Nominal and real wage in January-June 2018

Country	Real wage, as % to the same period of 2017	Nominal wage, USD
Armenia	101.9	349
Belarus	113.0	458
Kazakhstan	101.8	481
Russia	108.7	718
Kyrgyzstan[1]	104.7	225

[1] January-May 2018

Budget performance

According to the EAEC, in January-March 2018 Armenia, Kazakhstan and Kyrgyzstan ran a republican budget deficit, and Belarus and Russia ran a budget surplus. At the same time, the budget deficit in Kazakhstan reduced 2.5 times, while the surplus in Russia was reported for the first time since 2014. The growth rates of income and expenses on an EAEU scale saw a significant decrease as compared to the corresponding period last year. Armenia saw a decrease in incomes and expenditures instead of growth, while Belarus showed a growth in budget revenues by one third.

The growth rates of the republican budgets were as follows: income - 95% in Armenia, 131% in Belarus, 118% in Kazakhstan, 104% in Kyrgyzstan and 112% in Russia; expenses - 97% in Armenia, 112% in Belarus, 110% in Kazakhstan, 96% in Kyrgyzstan, 96% in Russia.

Table 2. Republican budget in January-March 2018

Country	USD bil.		
	Income	Expenditure	Deficit (surplus)
Armenia	0.5	0.6	-0.1
Belarus	2.7	2.1	0.6
Kazakhstan	6.7	7.0	-0.3
Kyrgyzstan	0.4	0.4	-0.2
Russia	71.7	64.5	7.1
EAEU	**82.1**	**74.6**	**7.2**

Mutual trade of EAEU member-states in January– May of 2018

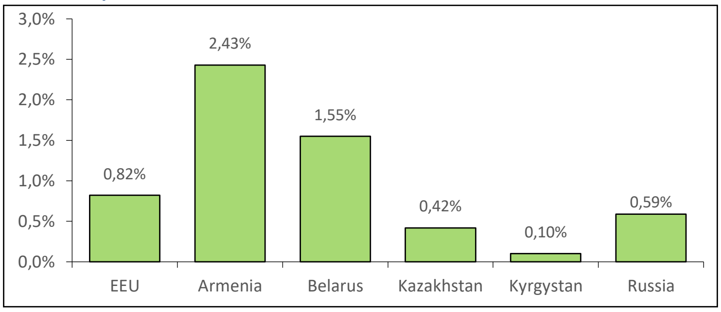
The volume of mutual trade in goods for January-May 2018, calculated as the sum of value export volumes of states, amounted to USD 24 bil., or 115.1% as compared to the respective period of 2017.

Table 3. Export volumes of the EAEU member-states in the mutual trade in January-May 2018

Countries	USD bil.	% vs January-February 2017.	Share in total, %
EAEU	**24004.2**	**115.1**	**100.0**
Armenia	241.2	132.6	1.0
Russia	233.9	131.7	97.0
Belarus	5669.5	108.7	23.6
Russia	5311.6	106.7	93.7
Kazakhstan	2316.1	110.1	9.6
Russia	2044.3	109.5	88.3
Kyrgyzstan	257.6	121.2	1.1
Russia	145.4	135.4	56.5

Pharmaceutical products account for a small share in the structure of mutual trade (Figure 4).

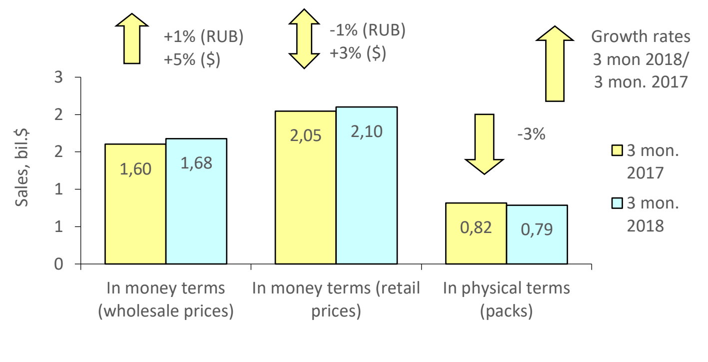
Table 4. The structure of mutual trade between EAEU member-states within the Customs Commodity Code group "Pharmaceutical products" for January-May 2018 2015 (as percentage over the total volume of mutual trade)



PHARMACY OTC MARKET IN RUSSIA: 2018 FIRST THREE MONTHS RESULTS

According to the results of the Retail Audit of Finished Pharma Product (FPP) in Russian Federation™, at the end of the first three months of 2018 the sales of OTC drugs in physical terms in the pharmacies of Russia saw a 3% decline to 788.156 mil. packs. In money terms, the OTC drugs market increased by 1% in rouble terms and by 5% in dollar terms and reached RUB 95.398 bil. (USD 1.677 bil.) in wholesale prices (Fig. 1). The share of Over-the-Counter (OTC) drugs accounted for 68.9% of sales in physical terms and 52.6% in retail prices in terms of roubles. The average cost of a pack increased as compared to the same period of 2017 (USD 2.51) and amounted to USD 2.67 in retail prices. At Quarter I-end 2018, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 14.31.

Figure 1. Russian pharmacy OTC market for 3 months of 2017 – 3 months 2018



The leading manufacturers rating in the Russian OTC market for the first three months of 2018 did not change in composition (Table 1). The top three ATC groups did not change either: OTCPHARM (+-0.2%[5]), BAYER (+1%) and SANOFI (-11%). Some shifts took place in the lower part of the top ten manufacturers ranking, as a result of which four brands rose in the ranks. JOHNSON&JOHNSON (+11%) and SANDOZ (+5%) moved up to ranks four and five from six and seven. TEVA (+7%) and VALENTA (+23%) moved up one rank, to numbers seven and nine. At the same time, GLAXOSMITHKLINE (+2%) that showed low growth rates and STADA (-14%) that reduced its sales moved down to ranks six and nine. The cumulative share of the top 10 drug manufacturers did not change and accounted for 40.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	OTCPHARM	6.5	6.6
2	2	**BAYER**	5.3	5.3
3	3	**SANOFI**	4.2	4.7
4	6	**JOHNSON & JOHNSON**	4.0	3.7
5	7	**SANDOZ**	3.8	3.6
6	5	**GLAXOSMITHKLINE**	3.8	3.7
7	8	**TEVA**	3.5	3.3
8	4	STADA	3.5	4.1
9	10	VALENTA	2.9	2.4
10	9	**BERLIN-CHEMIE/MENARINI**	2.8	2.8
Total			40.3	40.3

*AIPM members are in bold

One newcomer broke into the ranks of the top ten brand names ranking (Table 2). PENTALGIN (+12%) moved up to rank eight. Almost all of the other brands from the top ten changed their ranks, four of which rose in the ranks. INGAVIRIN (+19%) moved up to rank one from three, and DETRALEX (+3%), THERAFLU (+2%) and MIRAMISTIN (+11%) moved up to ranks four, five and seven. At the same time, NUROFEN (-8%), CARDIOMAGNYL (-9%), ESSENTIALE (-29%) and LINEX (-6%), in contrast, fell in the ranks. Brand KAGOCEL (+2%) held its previous rank four. The total share of the top 10 brands reduced from 12% to 11.7%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	3	INGAVIRIN	1.7	1.4
2	2	KAGOCEL	1.5	1.4
3	1	NUROFEN	1.3	1.4
4	6	DETRALEX	1.2	1.2
5	7	THERAFLU	1.1	1.1
6	5	CARDIOMAGNYL	1.1	1.2
7	10	MIRAMISTIN	1.1	1.0
8	12	PENTALGIN	1.0	0.9
9	4	ESSENTIALE	1.0	1.4
10	8	LINEX	0.9	1.0
Total			11.7	12.0

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

INNs XYLOMETAZOLINE and IBUPROFEN (+1% each), as well as PANCREATIN (-3%) held their own in the top ten INN and generic names ranking (Table 3). KAGOCEL (+2%) and ACETYLSALICYLIC ACID* MAGNESIUM (-7%) held their previous ranks six and eight. DIOSMIN*HESPERIDIN (+12%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+19%) moved up to ranks four and five, and the composition PARACETAMOL*ASCORBIC ACID* PHENIRAMINE*PHENYLEPHRINE (+3%) moved up to rank nine from ten. Due to reduction in sales, PHOSPHOLIPIDS (-27%) and CHONDROITINSULFURIC ACID* GLUCOSAMINE (-6%) moved down to ranks seven and nine, respectively. The total share of the top 10 ranking remained unchanged and amounted to 16.5%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	XYLOMETAZOLINE	3.3	3.3
2	2	IBUPROFEN	2.0	2.0
3	3	PANCREATIN	1.9	2.0
4	5	DIOSMIN*HESPERIDIN	1.7	1.5
5	7	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.7	1.4
6	6	KAGOCEL	1.5	1.4
7	4	PHOSPHOLIPIDS	1.2	1.6
8	8	ACETYLSALICYLIC ACID* MAGNESIUM	1.1	1.2
9	10	PARACETAMOL*ASCORBIC ACID* PHENIRAMINE*PHENYLEPHRINE	1.1	1.1
10	9	CHONDROITINSULFURIC ACID* GLUCOSAMINE	1.1	1.1
Total			16.5	16.7

R05 Cough and cold preparations (+7%) held and reinforced its previous rank number one in the top ten ATC group ranking (Table 4). The groups J05 Antivirals for systemic use (-1%), C05 Vasoprotectives (+10%) and L03 Immunostimulants (+2%) held their previous ranks four, seven and eight. Three of the remaining groups moved up one rank. R01 Nasal preparations (+1%), A07 Antidiarrheals (-0.4%) and R02 Throat preparations (+13%) moved up to ranks two, five and nine respectively. At the same time, N02 Analgesics (-1%), A11 Vitamins (-8%) and M01 Anti-inflammatory and antirheumatic products (-4%) moved down one rank. The consolidated share of the top 10 under review expanded from 50.4% to 50.6%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	1	R05	COUGH AND COLD PREPARATIONS	6.6	6.3
2	3	R01	NASAL PREPARATIONS	6.1	6.1
3	2	N02	ANALGESICS	6.0	6.1
4	4	J05	ANTIVIRALS FOR SYSTEMIC USE	5.9	6.0
5	6	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	5.1	5.1
6	5	A11	VITAMINS	4.9	5.4
7	7	C05	VASOPROTECTIVES	4.7	4.4
8	8	L03	IMMUNOSTIMULANTS	4.1	4.0
9	10	R02	THROAT PREPARATIONS	3.7	3.3
10	9	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.5	3.7
Total				50.6	50.4

Conclusion. At the end of January-March 2018, the OTC retail market of the country brought in RUB 119.589 bil. (USD 2.102 bil.), which was 1% less in terms of roubles and 3% more in terms of dollars than in the same period of 2017. In pack terms, the market also showed negative growth rates (-3%) and achieved 788.156 mil. packs. The average cost of OTC-pack in the Russian pharmacies based on the results for the first quarter of 2018 was USD 2.67, which is higher than a year earlier (USD 2.51). The average expenses of Russian residents for the purchase of OTC drugs in pharmacies also increased (USD 14.31 vs. USD 13.95).

ANALYSIS OF PRICES IN THE OUT-PATIENT SECTOR KEY PERFORMANCE INDICATORS

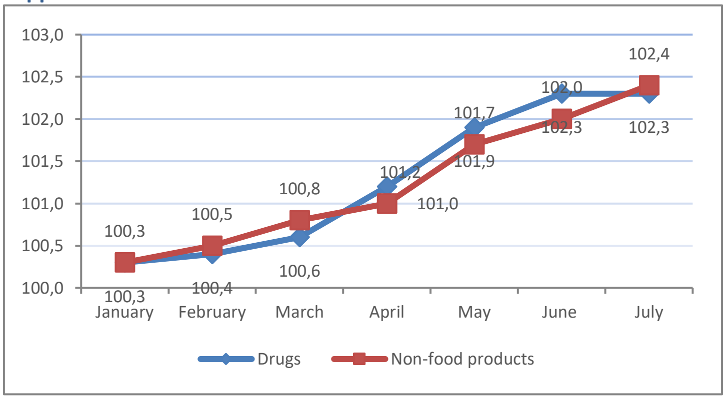
Price Indices

Table 1. Inflation rates in the Russian Federation, July 2018

	July 2018 to December 2017	January-July 2018 vs. January-July 2017
CPI	102.4	102.3
CPI for non-food products	102.4	103.0
CPI for medications	102.3	97.9

Rosstat data

Figure 1. Dynamics of the price index for non-food items and medicines supplies vs. December 2017



Rosstat data

Indicators of dynamics of prices and retail margins (according to retail audit data)

Figure 2. Dynamics of weighted average prices and retail margins in 1-2 Q 2017 – 1-2 Q 2018

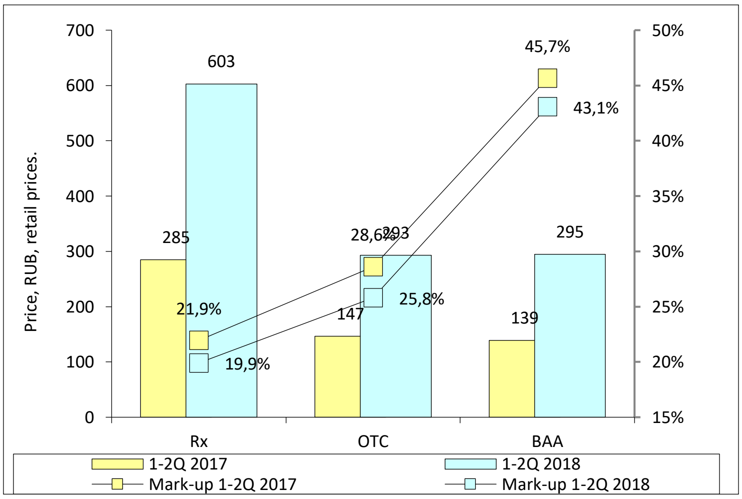


Figure 3. Dynamics of weighted average prices and retail margins in 1-2 Q 2017 – 1-2 Q 2018

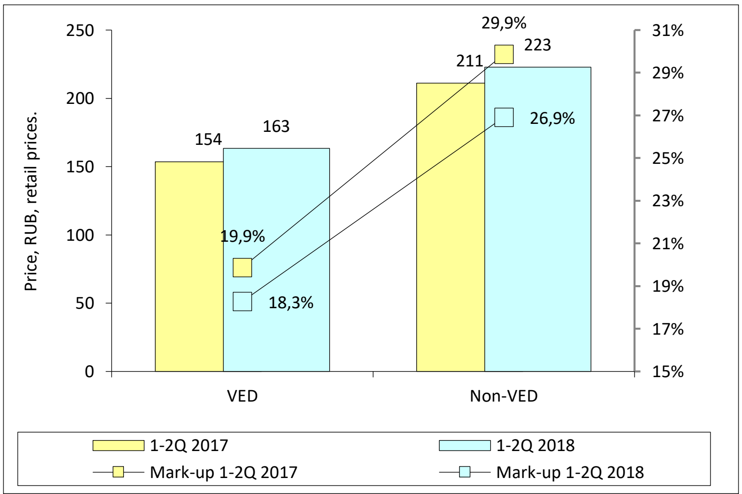
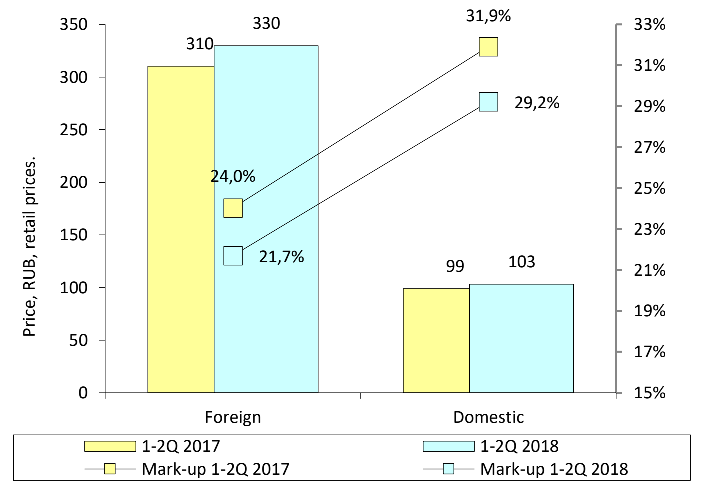


Figure 4. Dynamics of weighted average prices and retail margins in 1-2 Q 2017 – 1-2 Q 2018

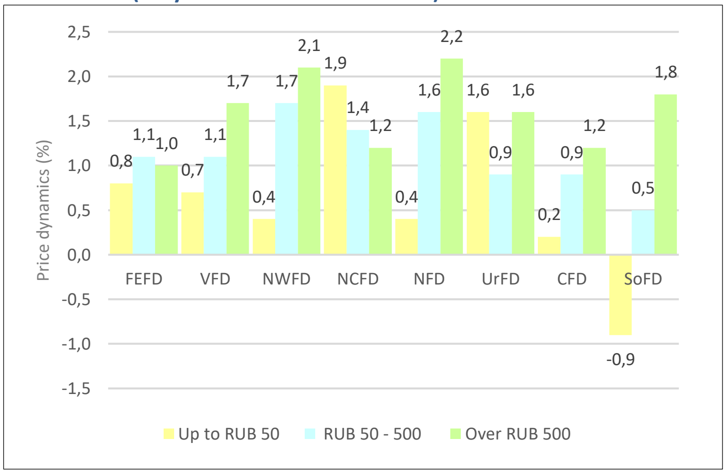


Indicators of dynamics of prices for vital and essential drugs (VED)

Table 2. Results of the VED price monitoring conducted by Roszdravnadzor in the Russian Federation

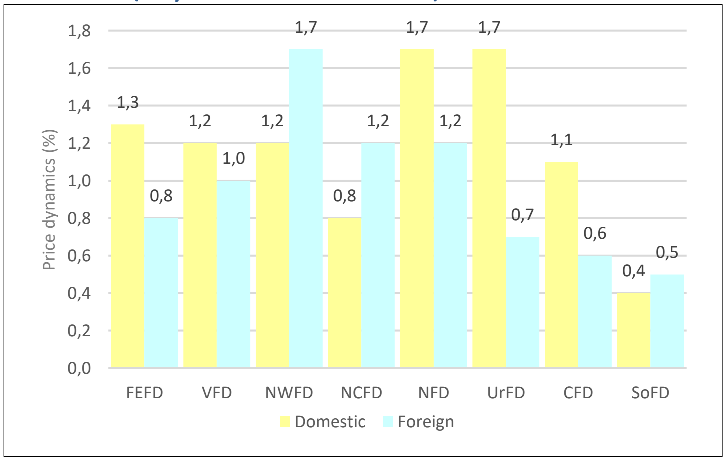
	Price dynamics in May 2018 to December 2017 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	1.0	1.4	0.3
Not more than RUB 50	0.5		
From RUB 50 to 500	1.1		
Over RUB 500	1.5		
Domestic	1.1		
Foreign	0.9		

Figure 5. Dynamics of retail VED prices within various price ranges by federal districts (May 2018 vs. December 2017)



Roszdravnadzor data

Figure 6. Dynamics of retail prices for domestic and foreign VED by federal districts (May 2018 vs. December 2017)



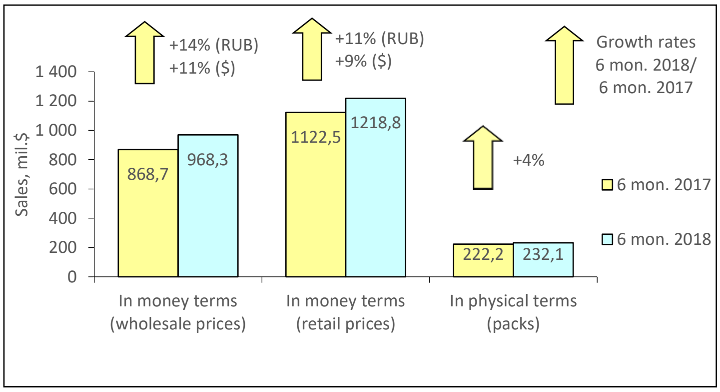
Roszdravnadzor data

MOSCOW CITY PHARMACY MARKET: 2018 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 Moscow's estimated population was 12.506 mil., which accounted for 8.5% of the total Russian Federation population and 31.8% of Central FO (CFO). According to Moscow territorial body of the Federal State Statistics Service, in Moscow the average monthly accrued wage for January- May 2018 was RUB 81269 (USD 1385.66), in May 2018 - RUB 81064. (USD 1303.07), which was 85% higher than the average wage in Russia (RUB 43815).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first six months of 2018 the sales of OTC drugs in natural terms in the pharmacies of Moscow saw a 4% decrease to 232.135 mil. packs. In value terms, the OTC drugs market increased by 14% in rouble terms and by 11% in dollar terms and reached RUB 57.403 bil. (USD 968.308 mil.) in wholesale prices (Fig. 1). The region market share accounted for 15.1% of the Russian pharmacy retail sales. An average cost of a pack grew as compared to the last year: USD 5.25 vs. USD 5.05 in retail prices. At half I-end 2018, the average amount spent by residents of Moscow for medicinal drugs in pharmacies amounted to USD 97.46.

Figure 1. Moscow pharmacy market for 6 months of 2017 – 6 months 2018



Five of the top ten manufacturers in the Moscow retail market held their own in the ranking based on the results for January-June 2018 (Table 1). These were the drug manufacturers BAYER (+20%), SANOFI (+11%), TEVA (+16%), SERVIER (+19%) and ABBOTT (+13%). Some shifts took place in the bottom part of the top ten ranking. SANDOZ (+16%), BERLIN-CHEMIE/MENARINI (+11%) and the newcomer PFIZER (+15%) moved up one rank, coming in at numbers six, eight and ten. At the same time, GLAXOSMITHKLINE (+7%) and JOHNSON & JOHNSON (+9%) moved down one rank, coming in at numbers seven and nine, respectively. The cumulative share of the top 10 manufacturers did not change and accounted for 37.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	**BAYER**	6.5	6.2
2	2	**SANOFI**	5.0	5.1
3	3	**TEVA**	3.9	3.9
4	4	**SERVIER**	3.8	3.7
5	5	**ABBOTT**	3.5	3.5
6	7	**SANDOZ**	3.3	3.3
7	6	**GLAXOSMITHKLINE**	3.1	3.4
8	9	**BERLIN-CHEMIE/MENARINI**	2.8	2.9
9	8	**JOHNSON & JOHNSON**	2.8	2.9
10	11	**PFIZER**	2.6	2.6
Total			37.4	37.4

*AIPM members are in bold

Most from the top ten brands ranking showed outperformance rates, due to which six of them rose up in the ranks (Table 2). The most dynamic brand XARELTO (+73%) took the lead in the top ten ranking; CONCOR (+19%) moved up to rank four and the only newcomer INGAVIRIN (+56%) broke into the ranks of the top ten. Despite the outperformance rates, INN CRESTOR (+16%) lost one rank, being displaced by the more dynamic leader. DETRALEX (+23%) and LINEX (+27%), and the less dynamic MIRAMISTIN (+4%) and CIALIS (+6%) held their previous ranks three, nine, five and six respectively. The brands NUROFEN (+1%) and HEPTRAL (+6%) moved down to ranks eight and ten. The aggregate share of the top-10 expended from 8% to 8.6%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	2	XARELTO	1.5	1.0
2	1	CRESTOR	1.2	1.2
3	3	DETRALEX	1.1	1.0
4	7	CONCOR	0.7	0.7
5	5	MIRAMISTIN	0.7	0.8
6	6	CIALIS	0.7	0.8
7	16	INGAVIRIN	0.7	0.5
8	4	NUROFEN	0.7	0.8
9	9	LINEX	0.6	0.6
10	8	HEPTRAL	0.6	0.7
Total			8.6	8.0

Due to 25% growth in sales, ROSUVASTATIN moved up to rank one in the top ten, displacing XYLOMETAZOLINE (-2%) down one rank (Tabel 3). Another four brand names of the top ten showed the outperformance growth rates. RIVAROXABAN (+73%) moved up to rank three, displacing the composition DIOSMIN* HESPERIDIN (+29%) down one rank, BISOPROLOL (+19%) held its previous rank eight and HYALURONIC ACID (+85%) broke into the ranks of the top ten for the first time. NIMESULIDE (+14%) rounding out the top ten, became the second newcomer of the top ten. IBUPROFEN (+2%) and MIRAMISTIN (+6%) with low growth rates moved down to the lower ranks six and nine. As before, PANCREATIN (+14%) held its rank five. The cumulative share of the top 10 under review increased from 10.6% to 11.3%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	2	ROSUVASTATIN	1.6	1.5
2	1	XYLOMETAZOLINE	1.6	1.8
3	6	RIVAROXABAN	1.5	1.0
4	3	DIOSMIN*HESPERIDIN	1.3	1.2
5	5	PANCREATIN	1.0	1.0
6	4	IBUPROFEN	1.0	1.1
7	27	HYALURONIC ACID	0.9	0.6
8	8	BISOPROLOL	0.9	0.8
9	7	MIRAMISTIN	0.8	0.8
10	11	NIMESULIDE	0.7	0.7
Total			11.3	10.6

Due to 52 % growth in sales, B01 Antithrombotic agents became the bestselling ATC group on the Moscow market, moving up from rank six to one (Table 4). C09 Agents acting on the renin-angiotensin system (+19%) moved up to rank two from three in the top ten ranking. M01 Anti-inflammatory and antirheumatic products (+13%), R01 Nasal preparations (-1%) and A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+11%) moved up to ranks three through five, respectively. Apart from that, J01 Antibacterials for systemic use (+6%) moved down from rank five to eight. Two newcomers, the groups J05 antivirals for systemic use (+29%) and N06 Psychoanaleptics (+19%) moved up to ranks six and ten. As before, G03 Sex hormones (+15%) maintained its previous rank seven. In total, the top ten ATC groups accumulated 36.3% of the regional market, which was 1 p.p more than 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, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	6	B01	ANTITHROMBOTIC AGENTS	4.5	3.4
2	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.2	4.0
3	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.0	4.1
4	1	R01	NASAL PREPARATIONS	3.9	4.5
5	4	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	3.5	3.6
6	11	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	3.0
7	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.4	3.4
8	5	J01	ANTIBACTERIALS FOR SYST USE	3.2	3.5
9	10	C05	VASOPROTECTIVES	3.2	3.1
10	13	N06	PSYCHOANALEPTICS	3.0	2.9
Total				36.3	35.3

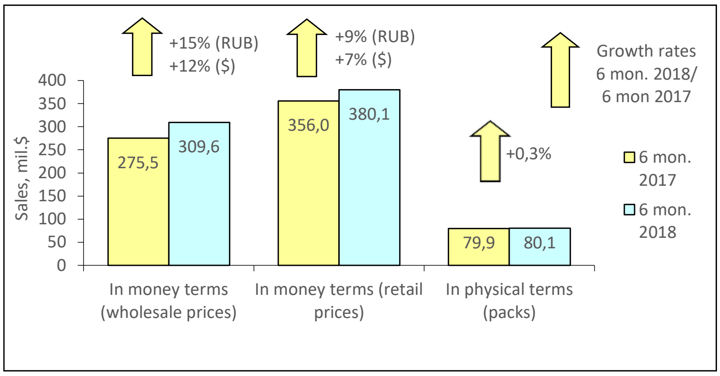
Conclusion. Based on the results for the first six months of 2018, the retail pharmacy market of Moscow reached RUB 72.252 bil. (USD 1.219 bil.), which was 11% in terms of roubles and 9% in terms of dollars more than in the same period 2017. In pack terms, the market extended by 4% and amounted to 232.135 mil. packs. The average cost of OTC pack in the city pharmacies based on the results for the first half of 2018 was USD 5.25, which is more than in the year-earlier period (USD 5.05) and the national average (USD 3.35). The average expenses of the regional residents for purchase of OTC drugs in pharmacies were also higher than the national average (USD 71.02 vs. USD 55.02).

SAINT PETERSBURG PHARMACY MARKET: 2018 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, St. Petersburg's population as of January 1, 2018 was estimated at 5.352 mil., which accounted for 3.6% of the total Russian Federation population and 38.4% of North West FD (NWFD). According to St. Petersburg territorial body of the Federal State Statistics Service, the average wage in the city in May amounted to RUB 57190 (USD 919.31), based on the results for January-May 2018 RUB 58416 (USD 939.01), which was 39.5% higher than the average wage in Russia (RUB 41.9).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of the first half of 2018 the sales of drugs in natural terms in St. Petersburg pharmacies saw a 0.3% increase to 80.150 mil. packs. In money terms, the market saw a 15% increase in terms of roubles and 12% in terms of dollars. At the same time, the volume of the market achieved RUB 18.334 bil. (USD 309.568 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 4.7% of the Russian pharmacy sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 4.46) and reached USD 4.74 at retail prices. For 6 months 2018, the average amount spent by residents of the city for drugs in the pharmacies amounted to USD 71.02.

Figure 1. St. Petersburg pharmacy market for 6 months of 2017 – 6 months 2018



Based on the results for January- June 2018, the drug manufacturers BAYER (0%) and SANOFI (+9%) continued to show the highest retail sales on the St. Petersburg market, though their market shares reduced due to lagging behind the growth rates (Table 1). Due to the same reason, TEVA (+6%) and OTCPHARM (0%) lost two ranks each and moved down to ranks five and nine, respectively. ABBOTT (+8%) showed growth rates below the market and held its previous rank six. The markets of the other manufacturers developed at a fast pace, which allowed four of them to rise in the ranks. At the same time, SERVIER (+21%), SANDOZ (+23%) and GLAXOSMITHKLINE (+19%) moved up one rank, to numbers three, four and seven, and the newcomer PFIZER (+50%) broke into the top ten, moving up to rank eight. As before, KRKA (+19%) held its rank ten in the top ten ranking. The total share of the top ten manufacturers decreased by 0.8 p.p. and accounted for 38.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	**BAYER**	6.2	7.1
2	2	**SANOFI**	5.0	5.3
3	4	**SERVIER**	4.4	4.2
4	5	**SANDOZ**	4.2	3.9
5	3	**TEVA**	4.2	4.6
6	6	**ABBOTT**	3.4	3.7
7	8	**GLAXOSMITHKLINE**	3.1	3.0
8	13	**PFIZER**	3.0	2.3
9	7	OTCPHARM	2.7	3.1
10	10	**KRKA**	2.6	2.5
Total			38.9	39.7

*AIPM members are in bold

XARELTO (+13%) and DETRALEX (+28%) held their leading positions in the top ten brands ranking (Table 2). HEPTRAL (+11%) also held its previous rank nine. Six of the remaining top 10 brand names rose in the ranks and only NUROFEN (+5%) moved down two ranks, coming in at rank six. The brands CONCOR (+37%) and LINEX (+34%) moved up to ranks four and five from 8 and 10. Four brands broke into the ranks of the top 10 ranking. ELIQUIS (+100%), INGAVIRIN (+70%), NOLIPREL (+15%) and AMOKSIKLAV (+23%) moved up to ranks three, seven, eight and ten. The total share of the top 10 brands increased from 6.6% to 7.4%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	XARELTO	1.2	1.2
2	2	DETRALEX	1.1	1.0
3	32	ELIQUIS	0.7	0.4
4	8	CONCOR	0.7	0.6
5	10	LINEX	0.7	0.6
6	4	NUROFEN	0.6	0.7
7	27	INGAVIRIN	0.6	0.4
8	11	NOLIPREL	0.6	0.6
9	9	HEPTRAL	0.6	0.6
10	15	AMOKSIKLAV	0.6	0.5
Total			7.4	6.6

In contrast to the previous rankings, the top-ten INN and group names ranking leader changed - the composition DIOSMIN*HESPERIDIN (+33%) moved up to rank number one from three (Table 3). At the same time, the drug manufacturers XYLOMETAZOLINE (-5%) and RIVAROXABAN (+13%) moved down one rank. Another two similar shifts took place in the lower part of the ranking. ROSUVASTATIN (+43%) moved up to rank four, displacing ATORVASTATIN (+10%) and PANCREATIN (+11%) down one rank, to numbers five and six. The composition AMOXICILLIN*CLAVULANIC ACID (+27%) moved up to ranks seven from the last one, whereas INN IBUPROFEN (+9%) lost two ranks and moved down to rank eight. The newcomers BISOPROLOL +33%) and NIMESULIDE (+25%) broke into the ranks of the top 10, coming in at two bottom ranks. The cumulative share of the top10 increased from 9.8% to 10.1%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	3	DIOSMIN*HESPERIDIN	1.4	1.2
2	1	XYLOMETAZOLINE	1.3	1.5
3	2	RIVAROXABAN	1.2	1.2
4	7	ROSUVASTATIN	1.0	0.8
5	4	ATORVASTATIN	0.9	1.0
6	5	PANCREATIN	0.9	0.9
7	10	AMOXICILLIN*CLAVULANIC ACID	0.9	0.8
8	6	IBUPROFEN	0.8	0.9
9	15	BISOPROLOL	0.8	0.7
10	14	NIMESULIDE	0.8	0.7
Total			10.1	9.8

The group C09 Agents acting on the rennin-angiotensin system (+17%) held and strengthened its previous rank number one in the top ten ATC groups ranking (Table 4). Shifts took place in the lower part of the top ten, and six of the top ten ATC groups managed to rise in the ranks. B01 Antithrombotic agents (+30%) and A07 Antidiarrheals, intestinal anti-inflammatory / anti-infective agents (+14%) moved up one rank, to numbers two and nine, respectively. The groups G03 Sex hormones (+13%), J01 Antibacterials for systemic use (+16%) and C05 Vasoprotectives (+21%) moved up two ranks. The only newcomer R05 Cough and cold preparations (+30%) moved up to rank eight. Three groups with relatively low growth rates fell in the ranks. M01 Anti-inflammatory and antirheumatic products (+8%), R01 Nasal preparations (+5%) and J05 Antivirals for systemic use (+7%) moved down to ranks three, six and ten. In total, the top ten ATC groups accumulated 36.9% of the market, whereas in the same period of the last year they accounted for 36.7%.

Table 4. The top ten ATC Groups by pharmacy sales

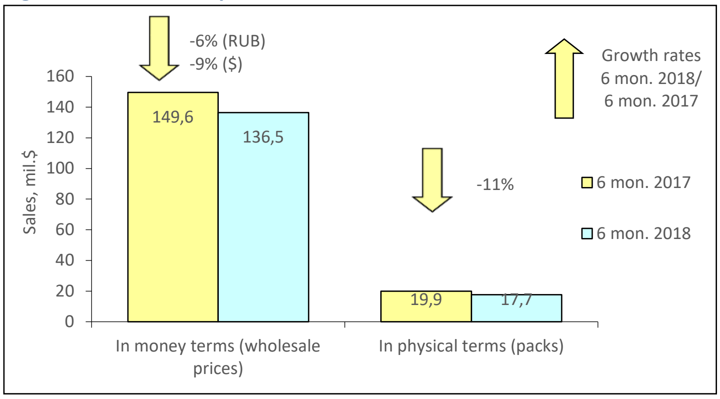
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.0	4.9
2	3	B01	ANTITHROMBOTIC AGENTS	4.4	3.9
3	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.9	4.2
4	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.7	3.8
5	7	J01	ANTIBACTERIALS FOR SYST USE	3.4	3.4
6	5	R01	NASAL PREPARATIONS	3.4	3.8
7	9	C05	VASOPROTECTIVES	3.4	3.3
8	11	R05	COUGH AND COLD PREPARATIONS	3.3	2.9
9	10	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.2	3.2
10	8	J05	ANTIVIRALS FOR SYSTEMIC USE	3.1	3.4
Total				36.9	36.7

Conclusion. Based on the results for the first half of 2018, the pharmacy market of St. Petersburg brought in RUB 22.507 bil. (USD 380.073 mil.), which was 9% in terms of roubles and 7% in terms of dollars more than in the same period of 2017. In pack terms, the market reduced by 0.3% and amounted to 80.150 mil. packs. In the first six months of 2018, the average cost of FPP pack in the city pharmacies was USD 4.74, which was more than in the year-earlier period (USD 4.46) and the national average (USD 3.35). The average medicine expenses of St. Petersburg residents in the pharmacies were higher than the national average expenses in Russia (USD 71.02 vs. USD 55.02).

MOSCOW CITY HOSPITAL MARKET: 2018 FIRST SIX MONTHS RESULTS

According to the results of the Budget Audit of Finished Pharma Products (FFP) in the Russian Federation, at the end of the first six months of 2018 the Moscow hospital market in physical terms reduced by 11% compared to the previous year and amounted to 17.734 mil. packs. In money terms, the market also showed negative growth rates both in terms of roubles (-6%) and in terms of dollars (-9%) and reached RUB 8.155 bil. (USD 136.476 mil.) in wholesale prices. At the first half of 2018, the average cost of an FPP pack in the hospital sector of Moscow was USD 7.70, whereas in the year-earlier period its cost was USD 7.53.

Figure 1. Moscow hospital market for 6 months of 2017 – 6 months 2018



According to the results of the first half of 2018, the most dynamic ABBVIE (2.3-fold growth in purchases) moved up to rank number one of the top ten manufacturers ranking on the Moscow hospital market (Table 1). In addition to the leader, another five companies showed growth rates. One of them, MSD (+22%) lost one rank and moved down to rank three. Another manufacturer, SANOFI (+8%), held its previous rank four. The manufacturers PHARMASYNTEZ (+19%), BAYER (+44%) and NOVARTIS (+6%) rose in the ranks, moving up to ranks five, six and ten. On top of that, the latter became the only newcomer of the top 10 ranking. At the same time, four manufacturers with negative rates, PFIZER (-16%), BIOCAD (-20%), JOHNSON & JOHNSON (-38%) and BAXTER (-9%) fell in the ranks and moved down to numbers two, seven, eight and nine respectively. The total share of the top ten trade names increased by over 5 p.p. and accounted for 41.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	6	**ABBVIE**	7.4	3.1
2	1	**PFIZER**	6.2	6.9
3	2	**MSD**	5.8	4.5
4	4	**SANOFI**	3.9	3.5
5	7	PHARMASYNTEZ	3.8	3.0
6	9	**BAYER**	3.7	2.4
7	5	BIOCAD RF	2.9	3.4
8	3	**JOHNSON & JOHNSON**	2.7	4.2
9	8	BAXTER	2.4	2.5
10	11	**NOVARTIS**	2.3	2.1
Total			41.2	35.5

*AIPM members are in bold

The ranking of the top ten brand names was half updated – it acquired five newcomers (Table 2). SYNAGIS (43-fold growth in purchases) moved up to rank number one, and PNEUMOVAX-23 (4-fold growth), PENTAXIM (11-fold growth), EYLEA 2.4-fold growth) and ROTATEQ (31.5-fold growth) moved up to ranks four, seven and the last two ranks. At the same time, PREVENAR 13 (-21%) and MYCAMINE (+27%) moved down one rank to numbers two and seven. The brands NATRIUM CHLORIDUM (-1%), SEVORAN (+24%) and VFEND (+17%) held their previous ranks three, five and six. The total share of the Top-10 increased from 8.5% to 17%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	42	SYNAGIS	4.4	0.1
2	1	PREVENAR 13	2.2	2.6
3	3	NATRIUM CHLORIDUM	1.8	1.7
4	21	PNEUMOVAX-23	1.4	0.6
5	5	SEVORAN	1.3	1.0
6	6	VFEND	1.3	1.0
7	41	PENTAXIM	1.2	0.1
8	7	MYCAMINE	1.2	0.9
9	30	EYLEA	1.1	0.4
10	46	ROTATEQ	1.1	0.0
Total			17.0	8.5

Five newcomers also broke into the ranks of the top ten INN and group names ranking (Table 3). PALIVIZUMAB (43-fold growth in purchases), SEVOFLURANE (+23%), ENOXAPARIN SODIUM (+4%), AFLIBERCEPT (2.5-fold growth) and VORICONAZOLE (+12%) moved up to ranks one, six and three bottom ranks. Apart from the above mentioned, the other two names moved up to the higher positions. Despite the reduction in purchases, SODIUM (-1%) and ALBUMIN (-10%) moved up one rank, to numbers four and seven. Three INNs with stronger negative growth rates, VACCINE, PNEUMOCOCCAL (-13%), IMMUNOGLOBULIN BASE (-25%) and MEROPENEM (-40%) moved down to ranks two, three and five. The total share of the analysed top ten also increased from 16.5% to 20.4%.

Table 3. The top 10 INNs and grouping names by hospital purchases

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	44	PALIVIZUMAB	4.4	0.1
2	1	VACCINE, PNEUMOCOCCAL	3.6	3.9
3	2	IMMUNOGLOBULIN BASE	2.3	2.9
4	5	SODIUM	1.8	1.7
5	3	MEROPENEM	1.6	2.5
6	12	SEVOFLURANE	1.5	1.1
7	8	ALBUMIN	1.4	1.5
8	11	ENOXAPARIN SODIUM	1.3	1.2
9	34	AFLIBERCEPT	1.3	0.5
10	13	VORICONAZOLE	1.3	1.1
Total			20.4	16.5

As in the previous rankings, the top ten ATC groups ranking changed its leader (Table 4): Despite 13% reduction in purchases, L01 Antineoplastic agents moved up to rank one from two (Table 4). The former leader of the top ten J01 Antibacterials for systemic use (-34%) reduced their purchases by one third and moved down to rank two. J05 Antivirals for systemic use (-36%) and B01 Antithrombotic agents (-3%) also showed negative growth rates, due to which moved down to the lower ranks six and eight. In contrast, J07 Vaccines (+64%) and J06 Immune sera and immunoglobulins (+99%) showed high growth rates and moved up to ranks three and five. The groups B05 Blood substitutes and perfusion solutions (+8%), V08 Contrast media (+14%) and N01 Anaesthetics (+11%) held their previous ranks four, seven and ten. The group J02 Antimycotics for systemic use (+11%) moved down one rank, to number ten.. The total share of the top 10 increased from 65.9% to 69.5%.

Table 4. The top ten ATC groups by hospital purchases

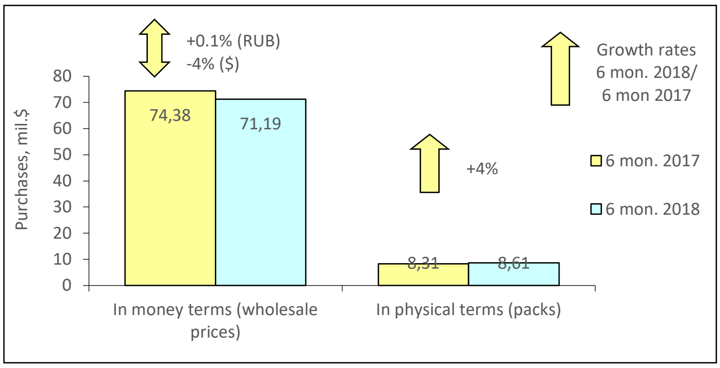
Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	2	L01	ANTINEOPLASTIC AGENTS	10.0	10.8
2	1	J01	ANTIBACTERIALS FOR SYST USE	10.0	14.2
3	5	J07	VACCINES	9.7	5.6
4	4	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	8.3	7.2
5	9	J06	IMMUNE SERA & IMMUNOGLOBULIN	7.7	3.6
6	3	J05	ANTIVIRALS FOR SYSTEMIC USE	5.8	8.5
7	7	V08	CONTRAST MEDIA	5.2	4.3
8	6	B01	ANTITHROMBOTIC AGENTS	4.7	4.6
9	8	J02	ANTIMYCOTICS FOR SYSTEMIC USE	4.3	3.7
10	10	N01	ANESTHETICS	3.9	3.3
Total				69.5	65.9

Conclusion. At the end of the first six month in 2018, the Moscow hospital market reduced by 6% in rouble terms and by 9% in dollar terms and brought in RUB 8.155 bil. (USD 136.476 mil.). In pack terms, the market also showed negative growth rates (-11%) and achieved 17.734 mil. packs. The average cost of an FPP pack in the Moscow hospital market increased as compared to the same period of the previous year (USD 7.70 vs. USD 7.53).

SAINT PETERSBURG HOSPITAL MARKET: 2018 FIRST SIX MONTHS RESULTS

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit), at the end of the first half of 2018, the St. Petersburg hospital market increased in physical terms by 4% and amounted to 8.612 mil. packs. In money terms, the purchases dynamics was almost zero in rouble (+0.1%) and negative in dollar (-4%) terms, and the volume amounted to RUB 4.298 bil. (USD 71.189 mil.) in wholesale prices. Based on the results for the first six months of 2018, the average cost of OTC pack in the hospitals of the city was USD 8.27, whereas in the year-earlier period its cost was USD – 8.95.

Figure 1. St. Petersburg hospital market for 6 months of 2017 – 6 months 2018



Following the results of the first six months of 2018, the drug manufacturer JOHNSON & JOHNSON (-27%) continued to held its leading position in the top-ten drug manufacturers ranking in the St. Petersburg hospital market, though its purchases reduced considerably (Table 1). MSD (-4%) also showed negative growth rates, moving down from rank two to four. At the same time, PFIZER (+14%) and NOVARTIS (+23%) moved up to ranks two and three. Apart from them, another three companies rose in the ranks. PHARMASYNTEZ (+47%) and SANOFI (+56%) moved up to ranks six and seven, and the only newcomer ASTELLAS (+17%) broke into the ranks of the top ten for the first time. ABBVIE (+11%) and BIOCAD (+18%) kept their previous ranks five and eight, and the manufacturer BAYER (+6%) moved down from rank six to nine. In total, the top ten drug manufactures accumulated 47.8% of the hospital market of the region, whereas in the year-earlier period 45.4%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2018	6 mon. 2017		**6 mon. 2018**	6 mon. 2017
1	1	**JOHNSON & JOHNSON**	9.4	12.9
2	3	**PFIZER**	5.6	4.9
3	4	**NOVARTIS**	5.3	4.3
4	2	**MSD**	4.8	5.0
5	5	**ABBVIE**	4.7	4.3
6	9	PHARMASYNTEZ	4.5	3.1
7	10	**SANOFI**	4.1	2.7
8	8	BIOCAD RF	3.7	3.1
9	6	**BAYER**	3.6	3.4
10	12	**ASTELLAS PHARMA**	2.1	1.8
Total			47.8	45.4

*AIPM members are in bold

The top ten brand names ranking in the city hospital market revealed significant update - five new brand names broke into the ranks of the top ten for the first time (Table 2). Due to 2.5-fold growth of purchases, IMBRUVICA moved up to rank number one, SIMANOD (4.5-fold growth of purchases) and PENTAXIM (4.1-fold growth) moved up to ranks five and six, and RIBOMUSTIN (+44%) and OMNIPAQUE (+29%) rounded out the top ten. In addition, the brand EVIPLERA (+35%) moved up three ranks, coming in at number two. KALETRA (-23%) and NATRIUM CHLORIDUM (-21%) reduced their purchases and held their previous ranks three and four, whereas ISENTRESS (-52%) that showed more negative growth rates moved down from rank one to eight. PREVENAR 13 (+10%) lost one rank, moving down to rank seven. The total share of the top 10 reduced from 13.3% to 15.6%.

Table 2. The top 10 brands by hospital purchases

Rank		Brand	Share in total hospital purchases, %	
6 mon. 2018	6 mon. 2017		**6 mon. 2018**	6 mon. 2017
1	15	IMBRUVICA	1.9	0.7
2	5	EVIPLERA	1.8	1.4
3	3	KALETRA	1.8	2.4
4	4	NATRIUM CHLORIDUM	1.7	2.1
5	31	SIMANOD	1.6	0.4
6	30	PENTAXIM	1.5	0.4
7	6	PREVENAR 13	1.5	1.3
8	1	ISENTRESS	1.3	2.8
9	11	RIBOMUSTIN	1.3	0.9
10	12	OMNIPAQUE	1.2	0.9
Total			15.6	13.3

Numerous changes took place in the top 10 INN and group names rating (Table 3). Only one of the top ten INNs SODIUM (-20%) managed to hold its own in the ranking. One of its newcomers IBRUTINIB (2.5-fold growth in purchases) became the leader of the top ten ranking. Another three newcomers AFLIBERCEPT (+38%), VACCINE, ACEL.PERT.DIP.TET. POLIO & HIB (4.1-fold growth) and BENDAMUSTINE (+44%), moved up to ranks seven, eight and ten, respectively. The compositions TENOFOVIR DISOPROXIL* EMTRICITABINE*RILPIVIRINE (+35%), LOPINAVIR*RITONAVIR (-23%) and INNs VACCINE, PNEUMOCOCCAL (+18%) and ATAZANAVIR (+19%) also improved their ranks, moving up to rank two through four and six. The brand name RALTEGRAVIR (-52%) moved down from rank two to nine. The total share accumulated by the top-ten INNs and grouping names increased from 14.6% to 16.3%.

Table 3. The top 10 INNs and grouping names by hospital purchases

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
6 mon. 2018	6 mon. 2017		**6 mon. 2018**	6 mon. 2017
1	20	IBRUTINIB	1.9	0.7
2	8	TENOFOVIR DISOPROXIL* EMTRICITABINE*RILPIVIRINE	1.8	1.4
3	4	LOPINAVIR*RITONAVIR	1.8	2.4
4	6	VACCINE, PNEUMOCOCCAL	1.7	1.5
5	5	SODIUM	1.7	2.1
6	7	ATAZANAVIR	1.7	1.4
7	13	AFLIBERCEPT	1.5	1.1
8	37	VACCINE, ACEL.PERT.DIP.TET. POLIO & HIB	1.5	0.4
9	2	RALTEGRAVIR	1.3	2.8
10	16	BENDAMUSTINE	1.3	0.9
Total			16.3	14.6

Only one newcomer entered the top ten ATC Group: L04 Immunosuppressants (+63%) moved up to rank nine from 13 (Table 4). In addition, the other two groups moved up yet to higher positions. L01 Antineoplastic agents (+64%) moved up to rank one from two, and J07 Vaccines (+93%) moved up to rank four from nine. The other three ATC groups of the top 10 held their own in the ranking. J01 Antibacterials for systemic use (-11%), V08 Contrast media (+4%) and N01 Anaesthetics (-8%) kept their previous ranks three, six and eight, respectively. Four groups with strong negative growth rates J05 Antivirals for systemic use (-28%), N05 Psycholeptics (-30%), B05 Blood substitutes and perfusion solutions (-11%) and B01 Antithrombotic agents (-24%) moved down to ranks two, five, seven and ten. Based on the results for six months of 2018, the top ten ATC groups accumulated 74.5% of the regional market, which accounted for 69.9% in the year-earlier period.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2018	6 mon. 2017			**6 mon. 2018**	6 mon. 2017
1	2	L01	ANTINEOPLASTIC AGENTS	26.4	16.1
2	1	J05	ANTIVIRALS FOR SYSTEMIC USE	14.3	19.8
3	3	J01	ANTIBACTERIALS FOR SYST USE	6.3	7.1
4	9	J07	VACCINES	5.9	3.1
5	4	N05	PSYCHOLEPTICS	4.5	6.5
6	6	V08	CONTRAST MEDIA	4.5	4.3
7	5	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	4.4	4.9
8	8	N01	ANESTHETICS	2.8	3.1
9	13	L04	IMMUNOSUPPRESSANTS	2.8	1.7
10	7	B01	ANTITHROMBOTIC AGENTS	2.5	3.3
Total				74.5	69.9

Conclusion. At the first half-end 2018, the St. Petersburg hospital market did not virtually change (0.1%) in rouble terms and reduced by 4% in dollar terms, and brought in RUB 4.298 bil. (USD 71.189 mil). In pack terms, the market showed positive growth rates (+4%) and amounted to 8.612 mil. packs. In January- June 2018, the average cost of a FPP pack on the city hospital sector was lower than that in the year-earlier period (USD 8.27 vs. USD 8.95).