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AIPM®

Association of International Pharmaceutical Manufacturers

Ассоциация международных фармацевтических производителей

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

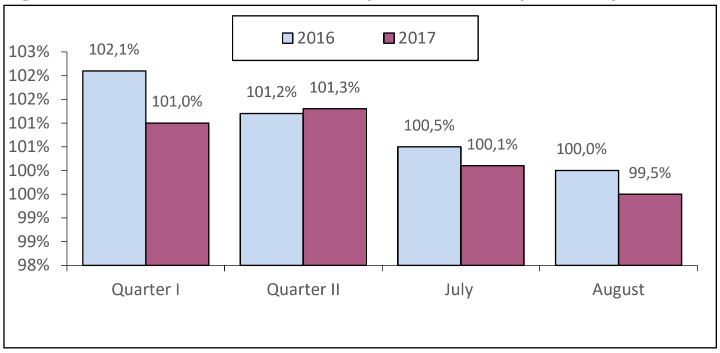
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 99.5% in August 2017, compared to the previous month, - 101.8% as against December 2016.

In August this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 101.5%, whereas in the month-earlier period it had amounted to 99.5%. The index accounted for 102.4% against December of the previous year.

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



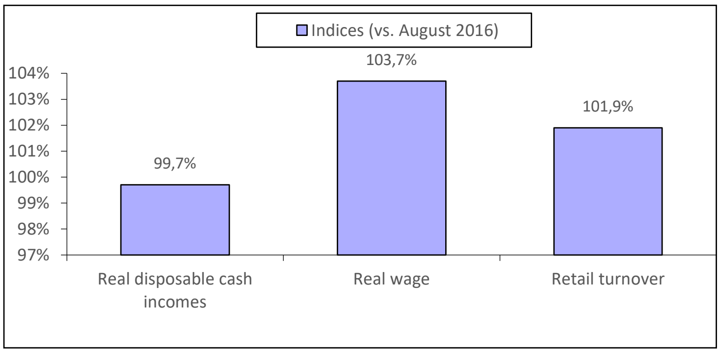
Living standard

According to preliminary Federal State Statistics Service's data, in August 2017 gross monthly average salary per worker reached RUB 38,040 (USD 637.72) which accounted for 98.5% compared to the previous month and 107.1% compared to August 2016. The real wage accounted for 103.7% in August 2017 compared to July 2016. In August 2017, the real value of disposable cash incomes accounted for 99.7% as compared with the same period of 2016 (Fig. 2).

Retail turnover

In August 2017, the retail turnover was equal to RUB 2,591.5 bil., which accounted for 101.9% in comparable prices as compared to the same period a year ago, in January-August 2017. - RUB 18997.7 bil. or 100.2% (Fig. 2).

Figure 2. Real values of cash income, wage and retail turnover in July of 2017



Industrial Production

According to Federal State Statistics Service's data, in August 2016 Industrial Production Index accounted for 101.5% compared to the same period of the previous year, and 101.9% in January - August 2017.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in August 2017 accounted for 125.6% compared to the relevant period of the previous year, and 121.1% 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 August 2017.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales in August 2017

Rank	Manufacturer	RUB mil.
1	Otcpharm	1485.6
2	Microgen	1405.4
3	Stada	972.6
4	Generium	921.7
5	Pharmstandart	907.4
6	Valenta	813.8
7	Pharmasyntez	811.4
8	Biocad	797.0
9	Veropharm	701.3
10	Sotex	678.4

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In July 2017 compared to June, growth in pharmacy sales (in terms of roubles) was reported in all analysed regions. The most pronounced growth in sales was observed in Krasnodar Krai (+37%), the least one in Voronezh Region (+10%).

Table 2. Pharmacy sales in the regions, 2017

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	May 2017	June 2017	July 2017	May/ April 17	June/ May 17	July/ June 17
Moscow	150.3	132.6	151.1	-22%	-11%	18%
St. Petersburg	44.3	46.7	51.9	-10%	7%	15%
Krasnodar Krai	34.5	36.8	49.0	9%	8%	37%
Novosibirsk Region	17.9	16.9	20.6	-2%	-4%	26%
Tatarstan	22.3	21.8	23.7	-6%	-1%	12%
Krasnoyarsk Krai	25.1	22.0	26.5	-2%	-11%	24%
Rostov Region	21.1	19.7	23.6	-1%	-5%	23%
Voronezh Region	14.1	13.0	13.8	-2%	-7%	10%
Perm	7.7	7.3	8.3	8%	-4%	17%
Tyumen	6.6	6.0	7.3	-5%	-7%	24%

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 August 2017

Rank	Company*	Quantity of broadcasts
1	Berlin-Chemie Menarini Group	13,176
2	Otcpharm	12,567
3	GSK Consumer Healthcare	10,838
4	Teva	8,536
5	Sandoz	6,956

Source - Remedium according to Mediascope's data

Table 4. Top five brand names in mass media in August, 2017

Rank	Brand*	Quantity of broadcasts
1	Enterol	3,117
2	Ketorol	2,668
3	Mezim	2,579
4	Espumisan	2,557
5	Basiron	2,465

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2017 FIRST SIX MONTHS RESULTS

According to DLO in RF™, the drugs supplies under the Federal Program amounted to RUB 69.420 bil. on the basis of the results for January-June of 2017, (USD 1.198 bil.) in contractual prices.[1]. The sector volume decreased by 5% in terms of roubles, but increased by 17% in terms of dollars as compared to 2016. Scope of supplies in pack terms reduced by 5% to 46.967 mil. packs. The average cost of a FPP pack through the DLO program was USD 25.50 in contractual prices (a year ago it was USD 20.72).

On the basis of the results for the first half of 2017, the manufacturer NATIVA (+0.3%) maintained and strengthened its leading position in the top 10 manufacturers ranking in the Federal Essential Medicines Procurement (DLO) segment[2] (Table 1). The more dynamic drugs BIOCAD (+9%), BAXTER (+13%) and GENERIUM (+21%) moved up to ranks two through four, respectively. SANOFI-AVENTIS (+2%) and the newcomer of the top ten OCTAPHARMA (+48%), which moved up to ranks six and seven, also showed the positive growth rates. Despite the negative growth rates, the manufacturer ASTRAZENECA (-6%) also managed to rise in the ranks by one p.p. Another three manufacturers showed reduction in sales. At the same time, CELGENE (-6%) and ROCHE (-58%) moved down to ranks five and ten, whereas NOVO NORDISK (-10%) kept its previous rank eight. The total share of the top ten drug manufacturers under DLO Program extended by almost 2 p.p. and accounted for 57.5%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	NATIVA	9.9	9.4
2	3	BIOCAD RF	7.8	6.8
3	5	**BAXTER INT**	7.3	6.2
4	6	GENERIUM ZAO RF	7.2	5.6
5	2	**CELGENE**	7.1	7.2
6	7	**SANOFI-AVENTIS**	5.2	4.8
7	12	OCTAPHARMA	3.8	2.4
8	8	**NOVO NORDISK**	3.3	3.5
9	10	**ASTRAZENECA**	3.0	3.0
10	4	**ROCHE**	3.0	6.7
Total			57.5	55.7

*AIPM members are in bold

The brands REVLIMIDE (-8%) and ACELLBIA (-9%) continued to hold the lead in the top ten brands ranking in the DLO segment (Table 2). On top of that, as before COAGIL-VII (+9%) held its previous rank five. Five brand names of the top 10 managed to rise in the ranks. AKSOGLATIRAN FS (+10%), ADVATE (+60%) and REBIF (+20%) moved up to ranks three, four and seven, and the newcomers OCTOFACTOR (+42%) and OCTANATE (+18%) moved up to ranks eight and ten. The other two brands of the top ten ranking BORAMILAN FS (-38%) and GENFAXON (-2%) in contrast, showed reduction in purchases, which resulted in the loss of ranks. The total share of the top 10 brands increased from 31.9% to 33.8%.

Table 2. The top 10 Brand in DLO segment

Rank in the top ten		Brand	Share in total DLO volume, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	REVLIMIDE	6.9	7.1
2	2	ACELLBIA	5.4	5.6
3	4	AKSOGLATIRAN FS	3.6	3.1
4	10	ADVATE	2.9	1.7
5	5	COAGIL-VII	2.8	2.5
6	3	BORAMILAN FS	2.8	4.2
7	8	REBIF	2.6	2.0
8	12	OCTOFACTOR	2.5	1.7
9	7	GENFAXON	2.4	2.3
10	11	OCTANATE	2.1	1.7
Total			33.8	31.9

The top ten INNs and group names ranking didn't change in composition, however numerous shifts took place in the top ten (Table 3). Its leader also changed, LENALIDOMIDE (-8%) moved up to rank one from two, while the former leader of the top ten ranking RITUXIMAB (-18%) moved down one rank. INTERFERON BETA-1A (+8%) moved up to rank three, and BORTEZOMIB (-43%), which held that rank earlier, in contrast, moved down to rank five. INN OCTOCOG ALFA (+53%) which showed the highest growth in sales among the top ten, moved up from rank ten to eight, displacing INSULIN GLARGINE (+9%) and INTERFERON BETA-1B (+26%) down one rank. Three INNs of the top ten held their own in the ranking. FACTOR VIII (-12%), GLATIRAMER ACETATE (-26%) and EPTACOG ALFA (ACTIVATED) (+14%) kept their ranks 4, 6 and 7. The total share of the top-10 reduced from 46.2% to 44.1%.

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

Rank in the top ten		INNs/Group Names	Share in total DLO volume, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	2	LENALIDOMIDE	6.9	7.1
2	1	RITUXIMAB	6.4	7.4
3	5	INTERFERON BETA-1A	6.1	5.4
4	4	FACTOR VIII	5.6	6.1
5	3	BORTEZOMIB	4.0	6.7
6	6	GLATIRAMER ACETATE	3.7	4.8
7	7	EPTACOG ALFA (ACTIVATED)	3.2	2.6
8	10	OCTOCOG ALFA	2.9	1.8
9	8	INSULIN GLARGINE	2.7	2.4
10	9	INTERFERON BETA-1B	2.6	1.9
Total			44.1	46.2

Most of the top 10 ATC groups in DLO segment held their own in the ranking (Table 4): L01 Antineoplastic agents (-17%), B02 Antihemorrhagics (+12%), L04 Immunosuppressants (-6%), L03 Immunostimulants (-5%), A10 Drugs used in diabetes (-1%) and R03 Drugs for obstructive airway diseases (-12%) held their leading ranks, and A16 Other alimentary tract and metabolism products (+2%) held their previous rank 8. Two of the other ATC groups from the top ten rose in the ranks: L02 Endocrine therapy (+27%) and H01 Hypothalamic-pituitary hormones and analogues (-8%) moved up to ranks 7 and 10. Only B03 Antianemic preparations (-4%) moved down two ranks, to number nine. The total share of the top ten accounted for 87.1% of the market, which was 0.7 p.p. more than in the last year.

Table 4. The top ten ATC groups in DLO segment

Rank		ATC code	ATC group	Share in total DLO volume, %	
6 mon. 2017	6 mon. 2016			6 mon. 2017	6 mon. 2016
1	1	L01	ANTINEOPLASTIC AGENTS	19.8	22.7
2	2	B02	ANTIHEMORRHAGICS	19.7	16.8
3	3	L04	IMMUNOSUPPRESSANTS	13.3	13.4
4	4	L03	IMMUNOSTIMULANTS	12.7	12.7
5	5	A10	DRUGS USED IN DIABETES	9.7	9.3
6	6	R03	DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES	3.2	3.5
7	9	L02	ENDOCRINE THERAPY	2.5	1.9
8	8	A16	OTHER ALIMENTARY TRACT AND METABOLISM PRODUCTS	2.3	2.1
9	7	B03	ANTIANEMIC PREPARATIONS	2.3	2.2
10	11	H01	PITUITARY, HYPOTHALAMIC HORMONES AND ANALOGUES	1.6	1.6
Total				87.1	86.4

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 11% market share. Due to high growth rates, Moscow Region and Krasnodar Krai accumulating a little bit more than 3% and 2% of the market each also moved up to the leading ranks. Note that the positive growth rates of the segment was reported in the most regions, except for St. Petersburg, where the supplies reduced by 2%. The top ten regions accumulated 27.7% of the DLO market.

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

Rank		Region	Share in total DLO volume, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	Moscow	11.4	9.0
2	3	Moscow Region	3.3	1.5
3	6	Krasnodar Krai	2.1	1.2
4	2	Saint Petersburg	1.8	1.8
5	4	North Caucasian FD, Rest	1.7	1.3
6	7	Tatarstan Republic	1.6	1.2
7	11	Rostov Region	1.6	0.9
8	8	Sverdlovsk Region	1.5	0.9
9	13	Bashkortostan Republic	1.4	0.8
10	5	Novosibirsk Region	1.3	1.2
Total			27.7	19.8

Conclusion. On the basis of the results for the first half of 2017, the DLO segment of Russia brought in RUB 69.420 bil. (USD 1.198 bil.) in contractual prices, which is less by 5% in terms of roubles and more by 17% in terms of dollars than in the same period a 2016. In physical terms, the supplies decreased by 5% to 46.967 mil. packs. The average cost of FPP participating in the DLO Programme increased as compared to the past year (USD 25.50 vs USD 20.72).

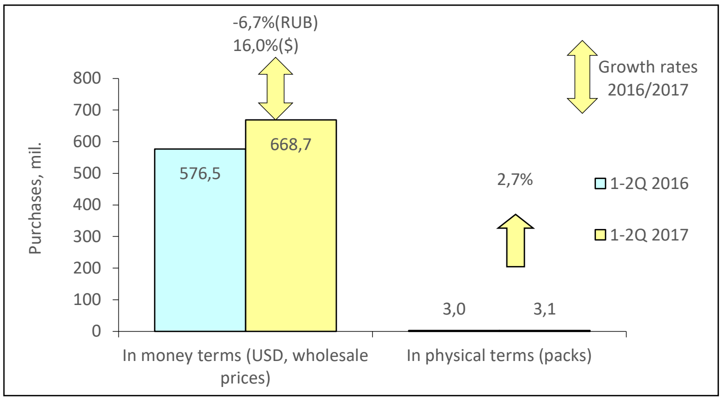
[1] From 2008 until now, data on DLO have been provided as shipments in contractual prices, which are prices at which the government will reimburse moneys to the distributor.

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

COST DEMANDING NOSOLOGIES (VZN) PROGRAM, Q 1-2, 2017

Based on the results for 2017, the purchases under VZN Program in physical terms (packs) grew by 2.7% (Fig. 1). In terms of national currency, the purchases decreased by 6.7%, in terms of dollars they grew by 16% due to strengthening of the ruble. The purchase volume amounted to RUB 38,753.9 mil. or USD 668.7.

Figure 1. Purchases trend under the DLO Program in 1-2 Q, 2017 and 1 Q, 2016



Only two nosologic segments showed positive growth rates in terms of roubles as compared to the same period of the previous year: preparations to treat haemophilia (+9.9%) and multiple sclerosis (+3.1%). They also showed the growth in purchases in physical terms by 13.9% and 3.8%, respectively. The oncohematology segment (+18.5%) was characterised by the most significant increase in supplies in terms of packs, though it reduced in value terms (19.5%). This nosologic group held its leading positions in the purchases pattern under VZN Program in value terms, but its share reduced by 5.4 p.p. and accounted for only 34% (Table 1). A share of drugs to treat haemophilia and multiple sclerosis, in contrast, expanded by 5.1 and 2.3 p.p.. On top of that, the former of these two groups has virtually come up with the market leader. The immunosuppressants used in transplantology (-15% in terms of packs and -37.7% in terms of roubles) and drugs to treat cystic fibrosis (-24% and -30.5%, respectively) showed the most significant reduction in purchases. The growth hormone preparations (-5% and -7%) also showed the negative growth rates, whereas the purchases of drugs to treat Gaucher disease changed insignificantly. Only the haemophilia segment (+6%) showed a growth in weighted average price, the other segments showed negative growth in this indicator, which was of a clearly pronounced nature for oncohematological preparations (-32%) and immunosuppressants (-27%).

Table 1. Supplies pattern under the VZN Program

Nosologies	INN	Share in total CDD supplies (RUB), %	
		1-2Q 2017	1-2Q 2016
Oncohematology		34.0	39.4
	LENALIDOMIDE	12.4	12.5
	RITUXIMAB	10.9	12.4
	BORTEZOMIB	7.2	11.7
	IMATINIB	3.1	2.3
	FLUDARABINE	0.5	0.5
Haemophilia		33.9	28.8
	FACTOR VIII	10.0	10.6
	EPTACOG ALFA (ACTIVATED)	5.7	4.6
	OCTOCOG ALFA	5.2	3.2
	MOROCTOCOG ALFA	4.5	2.9
	FACTOR VIII INHIBITOR BYPASSING FRACTION	3.0	2.4
	FACTOR IX	2.9	2.7
	FACTOR VON WILLEBRAND*FACTOR VIII	2.7	2.3
Sclerosis Multiplex		24.0	21.7
	INTERFERON BETA-1A	11.0	9.5
	GLATIRAMER ACETATE	6.7	8.3
	INTERFERON BETA-1B	4.6	3.4
	NATALIZUMAB	1.8	0.6
Transplantology		3.0	4.4
	TACROLIMUS	1.7	2.3
	MYCOPHENOLIC ACID	0.8	1.6
	CICLOSPORIN	0.3	0.3
	MYCOPHENOLATE MOFETIL	0.2	0.2
Gaucher disease		2.7	2.5
	IMIGLUCERASE	2.4	2.3
	VELAGLUCERASE ALFA	0.3	0.3
Mucoviscidosis		2.1	2.8
	DORNASE ALFA	2.1	2.8
Pituitary dwarfism		0.3	0.3
	SOMATROPIN	0.3	0.3

The first and second places by purchases in value terms in the top ten brand names ranking based on the results for 1-2 Q, 2017, as in the previous year were held by the original drug Revlimid (INN Lenalidomide) Celgene and biosimilar Acellbiya (Biocad) (Table 2). As compared with the same period of last year, the preparations saw a sales increase by 3% and 42% in terms of packs, and reduced by 7.5% and 8.6% in terms of roubles. The Revlimid market is under patent protection, and competitors have not yet succeeded in reaching it. Acellbiya accounted for 87% of all sales in INN group in value terms. Biosimilar Aksoglatiran FS (INN Glatiramer Acetate) (Nativa), which sales grew by 45.5% in physical terms and by 11.3% in value terms, moved up to rank 3 from 4 in the top ten ranking. This drug accounted for 96% in the value sales pattern, herewith Copaxone-Teva purchases were reduced to a minimum, while based on the results of the first half of the previous year this drug was placed at rank 10 in the general brand names ranking. Supplies of another drug produced by Nativa - Boramilan FS (INN Bortezomib) grew by 10.5% in physical terms and reduced by 37.4% in value terms. As a result, the drug moved down from rank 3 to 6 in the top ten brand ranking (Table 2). Boramilan FS accounted for 69% in value terms in the INN group purchases pattern. Manufacturer Nativa produces another two oncohematological drugs included in the purchases pattern under VZN Program. They are Philachromin FS (INN Imatinib) and Flidarin (INN Fludarabine), which accounted for 74% and 71% of all purchases in their INN groups. Nativa held its previous rank number one in the manufacturers ranking, though the total value sales of the manufacturer reduced by 9.5% (Table 3). Manufacturer Biocad (-3.9%) worsened its position by moving down to rank 5 from 4. Among the Russian manufacturers included in the top ten ranking, Generium (+21%) showed growth in sales, which allowed it to improve significantly its ranking and move up to rank 3 (Table 3). Recombinant activated coagulation factor YIII Octofactor, which moved up from rank 12 to 7 in the brand names ranking, showed particularly high growth rates (+42.1%) (Table 2). Other drugs of the same manufacturer Coagil-VII (+8.9%) and Infibeta (+17.7%) also showed growth in sales, the former kept its rank 5 and the latter moved up from rank 15 to 11.

Table 2. Top ten brand names by purchases under the VZN Program

Rank		Brand	Share in total VZN supplies, %	
1-2Q 2017	1-2Q 2016		1-2Q 2017	1-2Q 2016
1	1	REVLIMIDE	12.4	12.5
2	2	ACELLBIA	9.5	9.7
3	4	AKSOGLATIRAN FS	6.4	5.4
4	9	ADVATE	5.2	3.0
5	5	COAGIL-VII	5.1	4.4
6	3	BORAMILAN FS	4.9	7.4
7	12	OCTOFACTOR	4.5	2.9
8	6	GENFAXON	4.2	4.0
9	7	REBIF 44	4.2	3.4
10	11	OCTANATE	3.7	2.9
Total			60.1	56.1

Among the foreign manufacturers, Baxter Int (+12%) achieved the most significant sales volumes, moving up to rank 2 in the top ten and displacing Celgene down the ranking (Table 3). Advate (INN Octocog alfa) (+60%) made a major contribution to the growth in sales of the manufacturer Baxter Int by improving considerably its positions in the brand names ranking and moving up to rank 4 (Table 2). Among all manufacturers included in the top ten ranking, a supplier of blood factors Octapharma (+47.1%) showed the highest sales growth rates, which allowed it to move two ranks up, coming in at number 6 in the ranking (Table 3). The leading drug of this manufacturer Octanate (Factor YIII), which saw a 17.9% growth in sales, broke into the ranks of the top ten brands (Table 2). Serono (+19,7%), the manufacturer of Rebif 22 and Rebif 44 (INN Interferone beta–1a), also showed a positive growth in sales, moving up three ranks to number 7. In total, the drugs of Russian and foreign manufacturers amounted to an equal number in the top ten brand names ranking. On top of that the final manufacturing phases of all foreign drugs were localized at the facilities of the domestic manufacturers (Table 2). A total share of the top 10 brand names and manufacturers has grown, as compared to the same period of the previous year (Table 2 and 3).

Table 3. Top ten manufacturers by purchases under the VZN Program

Rank in the top ten		Manufacturer*	Share in total VZN supplies, %	
1-2Q 2017	1-2Q 2016		1-2Q 2017	1-2Q 2016
1	1	NATIVA	14.0	14.4
2	3	**BAXTER INT**	13.0	10.8
3	5	GENERIUM ZAO RF	12.8	9.9
4	2	**CELGENE**	12.4	12.5
5	4	BIOCAD RF	10.8	10.5
6	8	OCTAPHARMA	6.7	4.3
7	10	SERONO	4.6	3.6
8	7	LABORATORIO TUTEUR	4.4	4.4
9	9	**CSL BEHRING GMBH**	2.8	3.7
10	13	**SANOFI-AVENTIS**	2.4	2.4
Total			83.8	79.5

*AIPM members are in bold

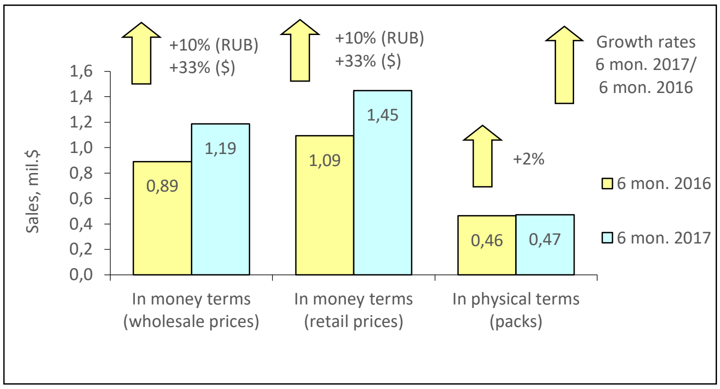
Conclusion. In the first half of 2017, a share of domestic drugs in the purchase pattern under the VZN Program increased from 37% to 40%, and a share of localized drugs (final manufacturing stage) reduced from 45% to 41% in value terms, compared to the same period a year ago. A share of imported drugs didn't change much and accounted for about 19%.

CFD PHARMACY MARKET (WITHOUT MOSCOW): 2017 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Central Federal District (CFD) (without Moscow) was 26.829 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 the first half of 2017 the average wage in the CFD (without Moscow) was RUB 49,172 (USD 848.09), which was 27% higher than the average wage in Russia (RUB 38,675).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first six months of 2017 the sales of drugs in physical terms in the CFD (without Moscow) saw a 2% increase to 471.465 mil. packs. In money terms, the market saw a 10% increase in terms of roubles and 33% in terms of dollars. At the same time, the market volume reached RUB 68.875 bil. (USD 1.188 bil.) at wholesale prices (Fig.1). The region market share accounted for 19.6% of the Russian pharmacy retail sales. The average cost of a pack increased as compared to the same period a year ago: USD 3.07 vs. USD 2.36 in retail prices. At the end of the first half of 2017, the average amount spent by the residents of the region for FPPs in the pharmacies amounted to USD 54.02.

Figure 1. The CFD (without Moscow) pharmacy market for 6 months of 2016 – 6 months 2017



At the end of the first six months of 2017, BAYER(+15%) took the lead in the top ten manufacturers ranking on the pharmacy market of the Central Federal District (CFD) (without Moscow) (Table 1). SANOFI-AVENTIS that had previously topped the ranking (+3%) moved down to rank two. TEVA (+6%) and SERVIER (+9%) held their previous ranks three and four, and MENARINI (+11%) held its previous rank seven. The manufacturer NYCOMED/TAKEDA (+20%) showed the highest among the leaders growth in sales and moved up one rank, coming in at number five. Due to high growth rates, the newcomers KRKA and STADA (+17% each) broke into the ranks of the top ten, coming in at ranks eight and nine. The less dynamic OTCPHARM (+8%) and GEDEON RICHTER (+10%) lost one rank each, moving down to ranks six and ten. The cumulative share of the top 10 manufacturers didn't virtually change and accounted for 36.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	2	**BAYER HEALTHCARE**	4.8	4.6
2	1	**SANOFI-AVENTIS**	4.6	4.9
3	3	**TEVA**	4.3	4.5
4	4	**SERVIER**	3.8	3.9
5	6	**NYCOMED/TAKEDA**	3.6	3.3
6	5	OTCPHARM	3.2	3.3
7	7	**MENARINI**	3.2	3.2
8	11	**KRKA**	2.9	2.8
9	12	STADA	2.9	2.7
10	9	GEDEON RICHTER	2.8	2.8
Total			36.1	36.0

*AIPM members are in bold

One newcomer broke into the ranks of the top ten brand names ranking: due to 63% growth in ranks, the brand XARELTO moved up to rank eight from 18 (Table 2). Note that most of the top ten brand names showed high growth rates. MEXIDOL (+20%), CONCOR (+8%), DETRALEX (+21%), ACTOVEGIN (+12%), NUROFEN (+30%) and CARDIOMAGNYL (+21%) moved up to ranks one through six respectively, and PENTALGIN (+23%) moved up to rank nine. Two names with negative growth rates ESSENTIALE (-7%) and INGAVIRIN (-42%), in contrast, fell in the ranks, moving down to ranks seven and ten, respectively. The total share of the top 10 brands didn't change and accounted for 7.2%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	6	MEXIDOL	0.8	0.8
2	3	CONCOR	0.8	0.8
3	7	DETRALEX	0.8	0.7
4	5	ACTOVEGIN	0.8	0.8
5	8	NUROFEN	0.8	0.6
6	9	CARDIOMAGNYL	0.7	0.6
7	4	ESSENTIALE	0.7	0.8
8	18	XARELTO	0.7	0.4
9	10	PENTALGIN	0.6	0.5
10	1	INGAVIRIN	0.5	1.0
Total			7.2	7.2

In contrast to the above rankings, the leader of the top ten INNs and group names ranking didn't change: XYLOMETAZOLINE (+24%) held and reinforced its previous leading position in the ranking (Table 3). Apart from the leader, the markets of another seven INNs of the top ten developed at a fast pace. Two of them DIOSMIN*HESPERIDIN (+17%) and PANCREATIN (+13%) held their previous ranks four and six, whereas the other INNs rose in the ranks. BISOPROLOL (+13%) and IBUPROFEN (+32%) moved up to ranks two and three, ETHYLMETHYLHYDROXYPYRIDINE (+23%) moved up to rank seven from five, and the newcomers BLOOD (+11%) and DICLOFENAC (+13%) broke into the ranks of the top ten, coming in at numbers eight and nine respectively. At the same time, NIMESULIDE (+2%) that showed low growth rates and PHOSPHOLIPIDS (-2%) that reduced its sales moved down to ranks five and ten. The total share of the top ten under review increased from 10.1% to 10.6%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	XYLOMETAZOLINE	1.8	1.6
2	3	BISOPROLOL	1.1	1.1
3	7	IBUPROFEN	1.1	0.9
4	4	DIOSMIN*HESPERIDIN	1.1	1.0
5	2	NIMESULIDE	1.0	1.1
6	6	PANCREATIN	1.0	1.0
7	10	ETHYLMETHYLHYDROXYPYRIDINE	1.0	0.9
8	11	BLOOD	0.9	0.9
9	12	DICLOFENAC	0.8	0.8
10	8	PHOSPHOLIPIDS	0.8	0.9
Total			10.6	10.1

Three newcomers entered the Top-ten ATC Group rating (table 4). B01 Antithrombotic agents (+29%), N06 Psychoanaleptics and A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+15% each) moved up to rank seven and the two bottom ranks. On top of that, the groups R01 Nasal preparations (+16%), J01 Antibacterials for systemic use (+7%), N02 Analgesics (+8%) and G03 Sex hormones (+13%) moved up one rank from three through six respectively, and C05 Vasoprotectives moved up to rank eight from ten. M01 Anti-inflammatory and antirheumatic products (+12%) and C09 Agents acting on the rennin-angiotensin system (+16%) held their previous leading ranks in the top ten. In total, the top ten ATC groups accumulated 36.9% of the regional market, whereas in the year-earlier period they accounted for 35.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016			6 mon. 2017	6 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.3	5.2
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.1	4.8
3	4	R01	NASAL PREPARATIONS	4.0	3.8
4	5	J01	ANTIBACTERIALS FOR SYST USE	3.6	3.7
5	6	N02	ANALGESICS	3.6	3.6
6	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.3	3.3
7	13	B01	ANTITHROMBOTIC AGENTS	3.1	2.7
8	10	C05	VASOPROTECTIVES	3.0	2.9
9	11	N06	PSYCHOANALEPTICS	3.0	2.9
10	12	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	2.9	2.8
Total				36.9	35.7

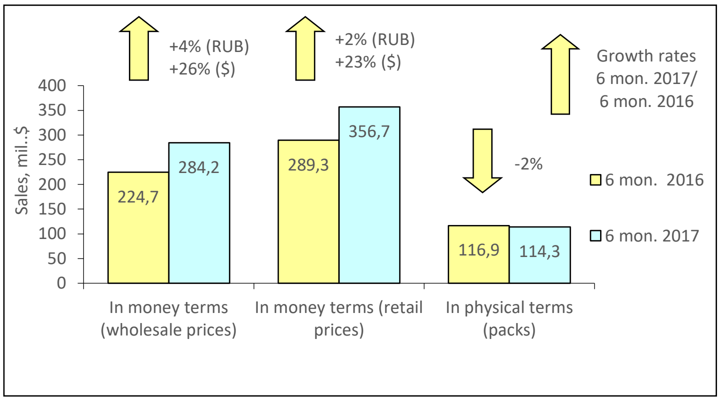
Conclusion. At the end of six months of 2017, the pharmacy market of the Central Federal District (without Moscow) brought in RUB 84.033 mil. (USD 1.449 bil.). which was 10% in terms of roubles and 33% in terms of dollars more than in the same period of 2016. In natural terms, the market increased by 2% to 471.465 mil. packs. The average cost of an FPP pack in the regional pharmacies based on the results for the first half of 2017 was USD 3.07 which was higher than in the year-earlier period (USD 2.36), and less than the national average (USD 3.31). However, the average medicine expenses of the CFD residents were higher than the national average expenses in Russia (USD 54.02 vs. USD 50.32).

NWFD (WITHOUT SAINT PETERSBURG) PHARMACY MARKET: 2017 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the North-Western Federal District (NWFD) (without St. Petersburg) was 8.618 mil., which accounted for 5.9% of the total Russian Federation population. According to Federal State Statistics Service's data, as of the end of the first six months of 2017 the average wage in the NWFD (with St. Petersburg) was RUB 43,404 (USD 748.60), which was 12% higher than the average wage in Russia (RUB 38,675).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federation™, at the end of the first half of 2017 the sales of FPPs in physical terms in pharmacies of NWFD (without St. Petersburg) saw a 2% decrease to 114.252 mil. packs. In money terms, the market saw a 4% increase in terms of roubles and 26% in terms of dollars. At the same time, the volume of the market achieved RUB 16.495 bil. (USD 284.167 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 4.8% of the retail pharmacy sales. The average cost of a pack increased as compared to a year earlier (USD 2.47) and reached USD 3.12 at retail prices. In January-June 2017, an average amount spent by the region residents for FPPs in the pharmacies amounted to USD 41.39.

Figure 1. The NWFD (without St. Petersburg) pharmacy market for 6 months of 2016 – 6 months 2017



Based on the results for the first half of 2017, the manufacturer BAYER (+11%), which displaced SANOFI-AVENTIS (-0.2%) down from that position, became the leader of the NWFD (without St. Petersburg) pharmacy market (Table 1). As before, SERVIER (-1%), TEVA and GEDEON RICHTER (+4% each) held their previous ranks from three through five. NYCOMED/TAKEDA (+9%) also held its previous rank eight. The manufacturers OTCPHARM (+14%), STADA (+13%) and KRKA (+17%), which showed outperformance rates, moved up to ranks six, nine and ten, respectively. On top of that, the latter became the only newcomer of the top 10 ranking. The less dynamic SANDOZ (+5%) lost one rank and moved down to rank seven. The total share of the top 10 drug manufacturers increased by 0.8 p.p. and accounted for 38.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	2	**BAYER HEALTHCARE**	5.0	4.7
2	1	**SANOFI-AVENTIS**	5.0	5.2
3	3	**SERVIER**	4.4	4.7
4	4	**TEVA**	4.2	4.2
5	5	GEDEON RICHTER	3.9	3.9
6	7	OTCPHARM	3.6	3.3
7	6	**SANDOZ**	3.5	3.5
8	8	**NYCOMED/TAKEDA**	3.3	3.2
9	10	STADA	2.9	2.7
10	12	**KRKA**	2.9	2.6
Total			38.8	38.0

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brands ranking in the region (Table 2). They were LORISTA (+24%) and NISE (+5%) coming in at numbers eight and ten of the top ten. In addition to them, another five brands from the top ten brands ranking showed growth in sales. NUROFEN (+28%) moved up to rank one from three, and DETRALEX (+18%), ESSENTIALE (+10%) and CARDIOMAGNYL (+14%) moved up to ranks three through five. Despite the reduction in sales by 4%, LOZAP moved up two ranks, coming in at rank seven. In contrast, KAGOCEL (-38%) and INGAVIRIN (-24%), which showed the more pronounced negative growth rates, moved down to ranks six and nine. CONCOR (+5%) kept its previous rank two. The total share of the top 10 brands reduced from 7.7% to 7.4%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	3	NUROFEN	1.1	0.9
2	2	CONCOR	0.9	0.9
3	6	DETRALEX	0.8	0.7
4	5	ESSENTIALE	0.8	0.8
5	7	CARDIOMAGNYL	0.8	0.7
6	1	KAGOCEL	0.7	1.1
7	9	LOZAP	0.6	0.7
8	16	LORISTA	0.6	0.5
9	4	INGAVIRIN	0.6	0.8
10	13	NISE	0.6	0.6
Total			7.4	7.7

The top ten leader XYLOMETAZOLINE (+19%) and NIMESULIDE (+6%) placed at rank five held their own in the top ten INNs and group names ranking (Table 3). Most of INNs from the top ten ranking rose in the ranks. IBUPROFEN (+23%) and DIOSMIN* HESPERIDIN (+14%) moved up two ranks to numbers two and four, and PANCREATIN (+8%), PHOSPHOLIPIDS (+11%), DICLOFENAC (+8%) and ACETYLSALICYLIC ACID* MAGNESIUM (+14%) moved up to ranks six through nine respectively. Note that the two latter INNs broke in the top -10 ranking for the first time. At the same time, BISOPROLOL (+6%) and ATORVASTATIN (+0.5%) moved down to ranks three and ten. The cumulative share of the top-ten increased by 0.7 p.p. and achieved 10.4%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	XYLOMETAZOLINE	1.8	1.5
2	4	IBUPROFEN	1.3	1.1
3	2	BISOPROLOL	1.2	1.2
4	6	DIOSMIN*HESPERIDIN	1.0	1.0
5	5	NIMESULIDE	1.0	1.0
6	7	PANCREATIN	0.9	0.8
7	10	PHOSPHOLIPIDS	0.8	0.8
8	11	DICLOFENAC	0.8	0.8
9	13	ACETYLSALICYLIC ACID* MAGNESIUM	0.8	0.7
10	9	ATORVASTATIN	0.8	0.8
Total			10.4	9.7

M01 Anti-inflammatory and antirheumatic products (+11%), which displaced the little bit less dynamic group C09 Agents acting on the rennin-angiotensin system (+7%) down, moved up to rank number one of the top ten ATC groups ranking (Table 4). The ATC groups R01 Nasal preparations and G03 Sex hormones (+9% each) and N02 Analgesics (+7%), and R05 Cough and cold preparations (+8%), which showed high growth rates, also moved up to numbers three through six, respectively. Despite lagging behind the growth rates, J01 Antibacterials for systemic use (+3%) also moved up one rank, and the only newcomer of the top ten B01 Antithrombotic agents (+22%) moved up to rank nine. A07 Antidiarrheals, intestinal anti-inflammatory/anti-infective agents (+11%) held its previous rank ten, whereas A11 Vitamins reduces its sales by 1% and moved down from rank five to seven. In total, the top ten ATC groups accumulated 38.7% of the market, whereas in the year-earlier period they accounted for 37.4%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016			6 mon. 2017	6 mon. 2016
1	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.4	5.1
2	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.3	5.2
3	4	R01	NASAL PREPARATIONS	3.9	3.8
4	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.7	3.6
5	6	N02	ANALGESICS	3.7	3.6
6	8	R05	COUGH AND COLD PREPARATIONS	3.6	3.5
7	5	A11	VITAMINS	3.4	3.6
8	9	J01	ANTIBACTERIALS FOR SYST USE	3.4	3.5
9	12	B01	ANTITHROMBOTIC AGENTS	3.1	2.7
10	10	A07	- ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.0	2.9
Total				38.7	37.4

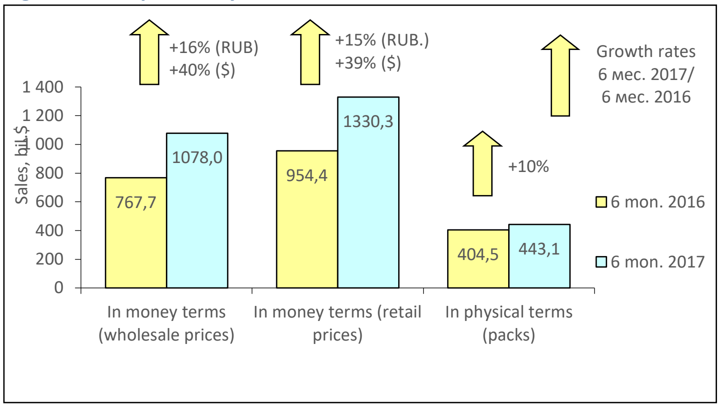
Conclusion. On the basis of the results for January-June of 2017, the pharmacy market of the NWFD (without St Petersburg) brought in RUB 20.706 bil. (USD 356.691 mil.), It was 2% in terms of roubles and 23% in terms of dollars more than in the same period of 2016. In physical terms, the market saw a 2% decrease and was equal to 114.252 mil. packs. The average cost of an FPP pack in the regional pharmacies based on the results for the first half of 2017 was USD 3.12 which was more than in the year-earlier period (USD 2.47) and lower than the national average (USD 3.31). The average medicine expenses of the district residents in the pharmacies were lower than the national average expenses in Russia (USD 41.39 vs. USD 50.32).

VFD PHARMACY MARKET: 2017 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Volga Federal District (VFD) was 29.637 mil., which accounted for 20.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-June 2017, the average salary in the PFD was RUB 28,303 (USD 488.15), which was 27% lower than the national average wage (RUB 38,675).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first half of 2017 the VFD pharmacy market volume in physical terms increased by 10% to 443.121 mil. packs (Fig. 1) In wholesale prices, the market performance showed positive sales growth in terms of roubles (+16%) and in terms of dollars (+40%) and reached RUB 62.554 bil. (USD 1.078 bil.). A region's share in the total pharmacy sales in Russia accounted for 18.0%. Based on the results for January-June of 2017, the average cost of FPP in the PFD pharmacies was USD 3.00, whereas in the year-earlier period its cost was USD 2.36. At the end of the first six months of 2017, the average per capita expenses for purchase of drugs in the regional pharmacies were estimated at USD 44.89.

Figure 1. VFD pharmacy market for 6 months of 2016 – 6 months 2017



Following the results for the first half of 2017, the manufacturer SANOFI-AVENTIS (+7%) held the lead on the Volga Federal District retail market despite the lagging behind the growth rates and reduction of its market share (Table 1). The manufacturer rounding out the top ten ranking MENARINI (+11%) also held its own in the ranking. At the same time, five manufacturers from the top ten moved up one rank. The manufacturers BAYER (+20%), OTCPHARM and NYCOMED/TAKEDA (+22% each), SANDOZ (+18%) and ABBOTT (+9%) moved up to ranks two, three, five, seven and eight, respectively. TEVA (-0.5%), which reduced its sales, as well as SERVIER (+8%) and STADA (+7%), which showed rather low growth rates, moved down to ranks four, six and nine, respectively. The total share of the top 10 drug manufacturers decreased from 34.9% to 33.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	**SANOFI-AVENTIS**	4.6	5.0
2	3	**BAYER HEALTHCARE**	4.0	3.9
3	4	OTCPHARM	3.8	3.6
4	2	**TEVA**	3.6	4.3
5	6	**NYCOMED/TAKEDA**	3.5	3.3
6	5	**SERVIER**	3.1	3.3
7	8	**SANDOZ**	2.9	2.9
8	9	ABBOTT	2.7	2.9
9	7	STADA	2.7	2.9
10	10	**MENARINI**	2.7	2.8
Total			33.6	34.9

*AIPM members are in bold

In contrast to the previous ranking, one newcomer PENTALGIN (+25%) broke into the ranks of the top ten on the regional market, coming in at rank 9 (Table 2). In addition, its leader changed: the brand ESSENTIALE (+14%) moved up to rank one from three. Another four brands of the top ten managed to rise in the ranks. KAGOCEL (+17%), MEXIDOL (+34%), CARDIOMAGNYL (+24%) and NUROFEN (+23%) moved up to ranks three through five and seven, respectively. At the same time, the less dynamic CONCOR (+9%), and INGAVIRIN (-15%), which reduced its sales, moved down to ranks six and eight, respectively. Two brands ACTOVEGIN (+11%) and ERGOFERON (+16%) held their ranks two and ten. The total share of the top 10 brands didn't virtually change and accounted for 6.9%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	3	ESSENTIALE	0.8	0.8
2	2	ACTOVEGIN	0.8	0.8
3	4	KAGOCEL	0.8	0.8
4	7	MEXIDOL	0.7	0.6
5	6	CARDIOMAGNYL	0.7	0.7
6	5	CONCOR	0.7	0.7
7	8	NUROFEN	0.6	0.6
8	1	INGAVIRIN	0.6	0.8
9	11	PENTALGIN	0.6	0.5
10	10	ERGOFERON	0.6	0.6
Total			6.9	7.0

The leading three INNs XYLOMETAZOLINE (+22%), PANCREATIN (+20%) and BISOPROLOL (+17%) held their own in the top ten INNs and group names ranking (Table 3). As before, the composition DIOSMIN*HESPERIDIN (+16%) held its rank nine. The remaining brands of the top 10 shifted their ranks; moreover, most of them improved them. PHOSPHOLIPIDS (+25%), IBUPROFEN (+30%) and ETHYLMETHYLHYDROXYPYRIDINE (+34%) moved up to ranks hour through six, and the only newcomer of the top ten KAGOCEL (+17%) moved up to the last rank of the top ten. Due to lagging behind the growth rates, INNs BLOOD (+11%) and NIMESULIDE (+3%) moved down to ranks seven and eight. The total share of the top 10 increased from 9.7% to 9.9%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	XYLOMETAZOLINE	1.4	1.4
2	2	PANCREATIN	1.2	1.2
3	3	BISOPROLOL	1.1	1.0
4	5	PHOSPHOLIPIDS	1.0	1.0
5	7	IBUPROFEN	1.0	0.9
6	10	ETHYLMETHYLHYDROXYPYRIDINE	0.9	0.8
7	6	BLOOD	0.9	0.9
8	4	NIMESULIDE	0.8	1.0
9	9	DIOSMIN*HESPERIDIN	0.8	0.8
10	11	KAGOCEL	0.8	0.8
Total			9.9	9.7

Most of the top ten ATC groups managed to retain their positions unchanged (table 4). M01 Anti-inflammatory and antirheumatic products (+14%) and C09 Agents acting on the rennin-angiotensin system (+20%) held their previous top two ranks, and N02 Analgesics (+17%), R01 Nasal preparations (+18%), G03 Sex hormones (+21%) and R05 Cough and Cold Preparations (+19%) also held their previous ranks five through eight respectively. However, two shifts took place in the top ten ranking. Due to higher growth rates, J01 Antibacterials for systemic use (+16%) and N06 Psychoanaleptics (+20%) moved up one rank, coming in at numbers three and nine. At the same time, J05 Antivirals for systemic use (+2%) and A11 Vitamins (+6%) moved down one rank. In total, the top ten ATC groups accumulated 36.9% of sales, whereas in the year-earlier period 37.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016			6 mon. 2017	6 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.2	5.3
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.6	4.4
3	4	J01	ANTIBACTERIALS FOR SYST USE	4.0	4.0
4	3	J05	ANTIVIRALS FOR SYSTEMIC USE	3.7	4.2
5	5	N02	ANALGESICS	3.5	3.4
6	6	R01	NASAL PREPARATIONS	3.4	3.4
7	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.4	3.3
8	8	R05	COUGH AND COLD PREPARATIONS	3.2	3.1
9	10	N06	PSYCHOANALEPTICS	3.2	3.1
10	9	A11	VITAMINS	2.8	3.1
Total				36.9	37.2

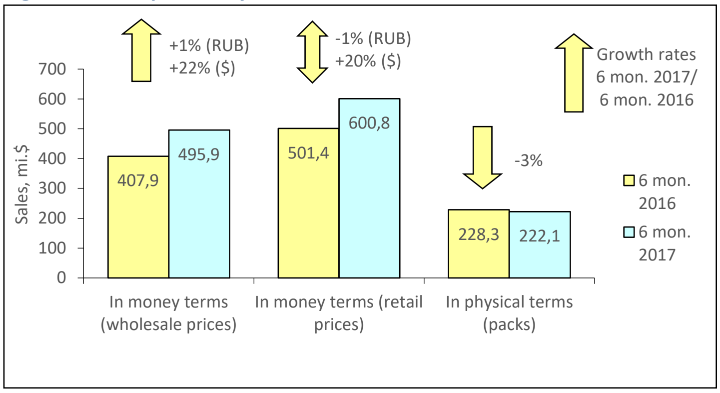
Conclusion. In the first half of 2017, the pharmacy market in VFD was estimated at RUB 77.191 bil. (USD 1.330 bil.) in retail prices. At the same time, the market behaviour was positive both in rouble (+15%) and dollar (+39%) terms. In natural terms, the sales increased by 10% to 443.121 mil. packs. The average cost of an FPP pack amounting to USD 3.00 grew as compared to a year earlier (USD 2.36), but continued to be lower than the average value in Russia (USD 3.31). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 44.89 vs. USD 50.32).

SFD PHARMACY MARKET: 2017 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Southern Federal District (SoFD) was 16.428 mil., which accounted for 11.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first half of 2016 the average salary in the SoFD was RUB 27,839 (USD 480.15), which was 28% lower than the national average wage (RUB 38,675).

According to the results of the Retail Audit of FPPs in Russian Federation™, at the end of first six months of 2017 the sales of drugs in natural terms in the SoFD saw a 3% decrease to 222.125 mil. packs. In money terms, the market showed positive growth rates both in rouble terms (+1%), and in dollar terms (+22%), and reached RUB 28.778 bil. (USD 495.887 mil.) in wholesale prices (Fig. 1). The city market share accounted for 8.1% of the pharmacy sales in Russia. The average cost of an OTC pack increased as compared to a year earlier period (USD 2.20) and reached USD 2.70 at retail prices. In January-June of 2017, the average amount spent by residents of the SoFD for drugs amounted to USD 36.57.

Figure 1. SoFD pharmacy market for 6 months of 2016 – 6 months 2017



Following the results of the first six months of 2017, the leading five of the top ten manufacturers ranking on the Southern Federal District market didn't change in composition, but underwent some shifts (Table 1). Due to 12% growth in sales, BAYER moved up to rank one, displacing SANOFI-AVENTIS which showed negative growth rates (-4%). Despite a 1% reduction in sales, TEVA held its previous rank three, and SERVIER moved up to rank four from five. The Russia-based manufacturer with stronger negative growth rates OTCPHARM (-7%) moved down to rank five. Some shifts took place in the bottom part of the top ten ranking. Four drug manufacturers with fast growing rates: NYCOMED/TAKEDA (+10%), STADA (+5%) and ABBOTT (+8%) moved up to ranks six, nine and ten, respectively. On top of that, the latter became the only newcomer of the top 10 ranking. In contrast, SANDOZ (-3%) that reduced its sales and MENARINI (+0.3%) that showed virtually zero growth rates moved down to ranks seven and nine. The total share of the top 10 ATC groups increased by 0.5 p.p. and accounted for 35.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	2	**BAYER HEALTHCARE**	5.1	4.6
2	1	**SANOFI-AVENTIS**	4.5	4.7
3	3	**TEVA**	4.2	4.3
4	5	**SERVIER**	3.2	3.2
5	4	OTCPHARM	3.2	3.4
6	10	**NYCOMED/TAKEDA**	3.1	2.8
7	6	**SANDOZ**	3.1	3.2
8	9	STADA	3.1	2.9
9	7	**MENARINI**	3.1	3.1
10	11	ABBOTT	2.9	2.7
Total			35.4	34.9

*AIPM members are in bold

Three newcomers broke into the top 10 Brand ranking on the regional market (table 2). CARDIOMAGNYL (+11%), DETRALEX (+25%) and HEPTRAL (+48%) moved up to ranks six, eight and ten. The leader of the top ten NUROFEN (+14%) and CONCOR (+4%) that moved up to rank five also showed positive growth rates. The other brand names reduced their sales in the analysed period. Among them were the leaders of the last year INGAVIRIN and KAGOCEL (-49% each) which moved down to ranks seven and nine. In contrast, the brands that didn't show so strong negative growth rates ACTOVEGIN (-2%), ESSENTIALE (-1%) and THERAFLEX (-2%) moved up to ranks two through four respectively. The total share of the top 10 brands reduced from 7.1% to 6.4%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	6	NUROFEN	0.8	0.7
2	3	ACTOVEGIN	0.8	0.8
3	4	ESSENTIALE	0.8	0.8
4	8	THERAFLEX	0.6	0.7
5	9	CONCOR	0.6	0.6
6	11	CARDIOMAGNYL	0.6	0.5
7	1	INGAVIRIN	0.6	1.1
8	14	DETRALEX	0.6	0.5
9	2	KAGOCEL	0.6	1.1
10	29	HEPTRAL	0.5	0.4
Total			6.4	7.1

In contrast to the previous rankings, most INNs from the top ten INNs and group names ranking showed outperformance rates which resulted in the expansion of their market shares and rising in the ranks (Table 4). Among them was XYLOMETAZOLINE (+17%) which held and reinforced its leading positions. PANCREATIN (+3%) and IBUPROFEN (+17%) moved up to ranks two and three from 5 and 8, and BISOPROLOL (+8%) and PHOSPHOLIPIDS (+0.2%) moved up to ranks five and six from the last two rank in the top ten. The newcomers DICLOFENAC (+6%), DIOSMIN*HESPERIDIN (+17%) and SILDENAFIL (+20%) rounded out the top ten ranking. Due to negative growth rates, NIMESULIDE (-6%) moved down to rank four, whereas INN BLOOD (-3%) managed to hold its previous rank seven. The total share of the top 10 INNs expanded 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, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	XYLOMETAZOLINE	1.9	1.6
2	5	PANCREATIN	1.1	1.1
3	8	IBUPROFEN	1.0	0.9
4	3	NIMESULIDE	1.0	1.1
5	10	BISOPROLOL	0.9	0.8
6	9	PHOSPHOLIPIDS	0.9	0.9
7	7	BLOOD	0.9	0.9
8	13	DICLOFENAC	0.8	0.7
9	15	DIOSMIN*HESPERIDIN	0.8	0.6
10	21	SILDENAFIL	0.7	0.5
Total			9.8	9.2

M01 Anti-inflammatory and antirheumatic products (+2%), J01 Antibacterials for systemic use (-1%), R01 Nasal preparations (+8%) and C09 Agents acting on the rennin-angiotensin system (+6%) showed high growth rates and moved up to the first four ranks of the top ten ATC groups ranking (Table 4). In addition to them, the groups G03 Sex hormones (+5%), R05 Cough and Cold Preparations (+3%) and A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+5%) moved up one rank, coming in at numbers six, eight and nine. The only newcomer of the top ten ranking N06 Psychoanaleptics (+3%) moved up two ranks, coming in at number 10. Two groups with low and negative growth rates N02 Analgesics (+2%) and J05 Antivirals for systemic use (-40%) moved down to the lower ranks five and seven, respectively. The total share of the top 10 ATC groups decreased from 37.7% to 36.5%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016			6 mon. 2017	6 mon. 2016
1	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.2	5.1
2	3	J01	ANTIBACTERIALS FOR SYST USE	4.0	4.0
3	5	R01	NASAL PREPARATIONS	3.9	3.6
4	6	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	3.8	3.6
5	4	N02	ANALGESICS	3.7	3.6
6	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.5	3.3
7	1	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	5.6
8	9	R05	COUGH AND COLD PREPARATIONS	3.1	3.1
9	10	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.0	2.9
10	12	N06	PSYCHOANALEPTICS	2.8	2.8
Total				36.5	37.7

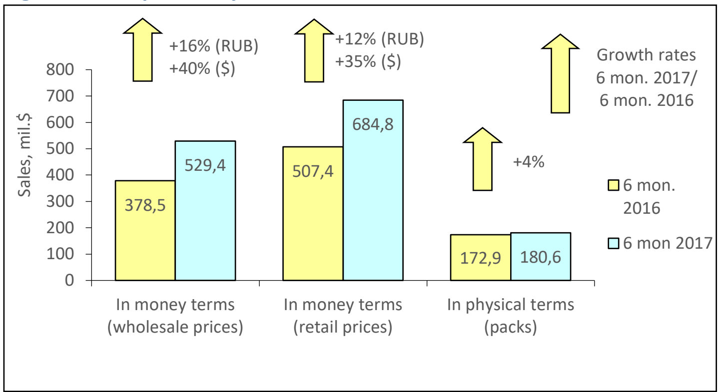
Conclusion. On the basis of the results for the first 6 months of 2017, the pharmacy market of SoFD reached RUB 34.865 bil. (USD 600.789 mil.) at retail prices. The sales decreased by 1% in terms of roubles and increased by 20% in terms of dollars. In physical terms, the market showed negative growth rates (-3%) and amounted to 222.125 mil. packs. The average cost of an FPP pack in the district pharmacies was USD 2.70 which was higher than the 2016 figures (USD 2.20), but lower than national average (USD 3.31). At the end of the first half of 2017, the average expenses of the SoFD residents for medications in the pharmacies were lower than the national average (USD 36.57 vs. USD 50.32).

UFD PHARMACY MARKET: 2017 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Ural Federal District (UFD) was 12.346 mil., which accounted for 8.4% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first half of 2017 the average salary in the UFD was RUB 43.942 (USD 757.80), which was 14% higher than the average wage in Russia (RUB 38,675).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first six months of 2017 the sales of FPP drugs in physical terms in the pharmacies of UFD saw a 4% increase to 180.597 mil. packs. In money terms, the market also showed positive growth rates both in rouble terms (+16%), and in dollar terms (+40%), and reached RUB 30.708 bil. (USD 529.432 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 9.3% of the total pharmacy sales in Russia. The average retail cost of an FPP pack was USD 3.79, which was higher than in the year-earlier period (USD 2.93). For the first half of 2017, the average amount spent by the UFD residents on drugs amounted to USD 55.47.

Figure 1. UFD pharmacy market for 6 months of 2016 – 6 months 2017



The top ten manufacturers of the top ten on the Ural Federal District market didn't change in composition following the results for January-June 2017 (Table 1). However, six drug manufacturers of the top 10 held their own in the ranking. SANOFI-AVENTIS (+9%), BAYER (+15%), TEVA (-4%) and GEDEON RICHTER (+11%) held their ranks in the upper part of the top ten, and ABBOTT (+16%) and STADA (+17%) held their previous ranks eight and ten. Two manufacturers with outperformance rates OTCPHARM (+21%) and NYCOMED/TAKEDA (+24%) improved their rating by moving to ranks five and seven respectively. As the same time, the less dynamic SERVIER (+9%) and SANDOZ (+15%) moved down to the lower ranks. The total share of the top 10 drug manufacturers reduced by 1 p.p. to 35.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	**SANOFI-AVENTIS**	5.2	5.5
2	2	**BAYER HEALTHCARE**	4.9	4.9
3	3	**TEVA**	3.5	4.3
4	4	GEDEON RICHTER	3.4	3.6
5	6	OTCPHARM	3.3	3.2
6	5	**SERVIER**	3.3	3.5
7	9	**NYCOMED/TAKEDA**	3.2	3.0
8	8	ABBOTT	3.0	3.0
9	7	**SANDOZ**	3.0	3.1
10	10	STADA	3.0	2.9
Total			35.8	36.8

*AIPM members are in bold

Two newcomers broke into the top 10 brands ranking on the regional market ARTRA (+51%) and XARELTO (+56%) moved up to ranks seven and eight (Table 2). Apart from them, another three brands managed to rise in the ranks. DETRALEX (+16%) and NUROFEN (+31%) moved up to rank two and three, and THERAFLEX (+12%) moved up to rank nine from ten. The leader of the ranking ESSENTIALE (+17%) and ACTOVEGIN (+9%) and LOZAP (+2%) placed at ranks four and six held their own in the top ten. INGAVIRIN (-9%) and KAGOCEL (-14%) reduced their sales and fell in the ranks, moving down to ranks five and ten, respectively. The total share of Top-10 didn't virtually change and accounted for 6.5%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	ESSENTIALE	1.0	1.0
2	3	DETRALEX	0.7	0.7
3	7	NUROFEN	0.7	0.6
4	4	ACTOVEGIN	0.7	0.7
5	2	INGAVIRIN	0.7	0.8
6	6	LOZAP	0.6	0.7
7	20	ARTRA	0.6	0.4
8	24	XARELTO	0.5	0.4
9	10	THERAFLEX	0.5	0.5
10	5	KAGOCEL	0.5	0.7
Total			6.5	6.6

Two newcomers broke into the top 10 INN and group names ranking as well. BISOPROLOL (+12%) and the composition DROSPIRENONE* ETHINYLESTRADIOL (+19%) moved up to ranks eight and ten (Table 3). INN PHOSPHOLIPIDS (+23%) moved up one rank to number two, displacing DIOSMIN*HESPERIDIN (+21%) down to rank three. IBUPROFEN (+31%) and CHONDROITINSULFURIC ACID* GLUCOSAMINE (+19%) improved their rating by three ranks, moving up to ranks five and seven, respectively. INNs XYLOMETAZOLINE and PANCREATIN (+20% each), ROSUVASTATIN (+23%) and BLOOD (+9%) held their previous ranks one, four, six and nine, respectively. The cumulative share of the top10 increased from 9.2% to 9.5%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	XYLOMETAZOLINE	1.3	1.3
2	3	PHOSPHOLIPIDS	1.1	1.1
3	2	DIOSMIN*HESPERIDIN	1.1	1.1
4	4	PANCREATIN	1.0	1.0
5	8	IBUPROFEN	0.9	0.8
6	6	ROSUVASTATIN	0.9	0.8
7	10	CHONDROITINSULFURIC ACID* GLUCOSAMINE	0.8	0.8
8	11	BISOPROLOL	0.8	0.8
9	9	BLOOD	0.7	0.8
10	12	DROSPIRENONE*ETHINYLESTRADIOL	0.7	0.7
Total			9.5	9.2

Half of the top-10 ATC groups held their own in the ranks (Table 4). They were its leading groups M01 Anti-inflammatory and antirheumatic products (+17%), G03 Sex hormones (+20%) and C09 Agents acting on the rennin-angiotensin system (+15%), and R01 Nasal preparations (+1%) and N06 Psychoanaleptics (+21%) placed at ranks six and eight. Three groups of the top ten rose in the ranks. A11 Vitamins (+8%) moved up to rank four from five, B01 Antithrombotic agents (+29%) moved up to rank seven from ten, and the newcomer A07 Antidiarrheals (+20%) broke into the top ten, coming in at rank ten. At the same time, J05 Antivirals for systemic use (-4%) moved down one rank, and J01 Antibacterials for systemic use (+13%) moved down to rank nine from seven. The consolidated share of the top 10 under review reduced from 37.3% to 36.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016			6 mon. 2017	6 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	4.7
2	2	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.6	4.5
3	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.4	4.4
4	5	A11	VITAMINS	3.5	3.8
5	4	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	4.2
6	6	R01	NASAL PREPARATIONS	3.4	3.5
7	10	B01	ANTITHROMBOTIC AGENTS	3.3	3.0
8	8	N06	PSYCHOANALEPTICS	3.3	3.1
9	7	J01	ANTIBACTERIALS FOR SYST USE	3.2	3.3
10	11	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.1	3.0
Total				36.9	37.3

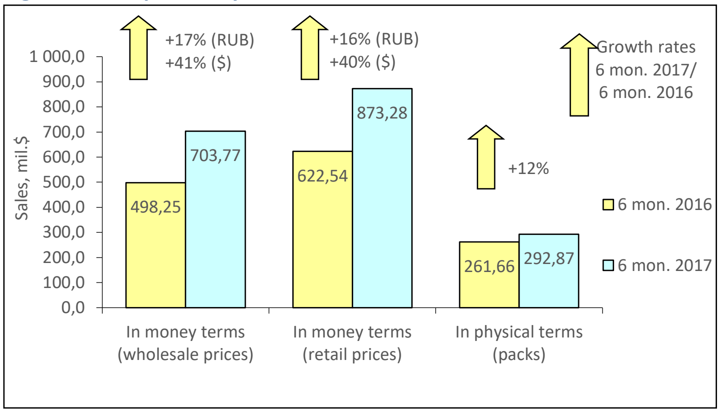
Conclusion. On the basis of the results for six months of 2017, the pharmacy market of the Ural Federal District brought in RUB 39.723 bil. (USD 684.832 mil.) at retail prices. The sales increased 12% in terms of roubles and 35% in terms of dollars. In physical terms, the market also showed positive growth rates (+4%) and achieved 180.597 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results for the first half of 2017 was USD 3.79 which was higher than the last year figures (USD 2.93) and the national average (USD 3.31). The average expenses of the UFD residents for medications in the pharmacies also exceeded the national average (USD 55.47 vs. USD 50.32).

SiFD PHARMACY MARKET: 2017 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Siberian Federal District (SiFD) was 19.326 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 January-June of 2017 the average wage in SiFD was RUB 33,076 (USD 570.46), which was 14% lower than the national average wage (RUB 38,675).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first half of 2017 the SiFD pharmacy market volume in physical terms increased by 12% to 292.871 mil. packs (Fig. 1) In wholesale prices, the market showed the positive performance both in terms of roubles (+17%) and in terms of dollars (+41%) and reached RUB 40.852 bil. (USD 703.768 mil.), The district's share accounted for 11.8% of the total pharmacy sales in the Russian pharmacy market pattern. Based on the results for six months of 2017, the average cost of FPP pack in the SiFD pharmacies was USD 2.98, whereas in the year-earlier period its cost was USD 2.38. In the first half of 2017, per capita expenses of the SFD residents for purchase of medicines in pharmacies amounted to USD 45.19.

Figure 1. SiFD pharmacy market for 6 months of 2016 – 6 months 2017



Despite lagging behind the growth rates and reduction in market share, the manufacturer SANOFI-AVENTIS (+8%) kept its rank number one in the top ten manufacturers ranking following the results for January-June of 2017 (Table 1). Due to 20% growth in sales, BAYER moved up to rank two. The markets of another four manufacturers developed at a fast pace. NYCOMED/TAKEDA (+22%), OTCPHARM (+27%) and STADA (+23%) moved up to ranks five, seven and eight, and the newcomer manufacturer KRKA (+24%) broke into the ranks of the top ten. TEVA (+14%), SANDOZ (+17%) and GEDEON RICHTER (+12%) that didn't show so high growth rates moved down to ranks three, six and nine respectively, whereas SERVIER (+12%) held its previous rank four. The total share of the analysed top 10 manufacturers didn't virtually change and accounted for 35.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	**SANOFI-AVENTIS**	4.7	5.1
2	3	**BAYER HEALTHCARE**	4.7	4.5
3	2	**TEVA**	4.5	4.6
4	4	**SERVIER**	3.6	3.7
5	6	**NYCOMED/TAKEDA**	3.3	3.2
6	5	**SANDOZ**	3.2	3.2
7	8	OTCPHARM	3.2	2.9
8	9	STADA	3.0	2.8
9	7	GEDEON RICHTER	2.9	3.0
10	13	**KRKA**	2.7	2.6
Total			35.7	35.6

*AIPM members are in bold

CARDIOMAGNYL (+17%) and NUROFEN (+19%) moved up to the upper ranks of the top 10 brands, displacing LOZAP (+2%) and CONCOR (+7%) down one rank, to numbers three and four (Table 2). Apart from them, another three brands from the top ten showed outstripping growth rates and improved their positions. DETRALEX (+34%), LORISTA (+26%) and the only newcomer PENTALGIN (+22%) moved up to ranks five, seven and ten respectively. At the same time, ACTOVEGIN (+16%) moved down one rank, to number seven, whereas the last year leader KAGOCEL moved down to rank nine, due to 18% reduction in sales. The brand name ESSENTIALE (+11%) held its previous rank six. In total, the top ten brands accumulated 6.6% of sales, which was less than in the year-earlier period (6.9%).

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	4	CARDIOMAGNYL	0.7	0.7
2	5	NUROFEN	0.7	0.7
3	2	LOZAP	0.7	0.8
4	3	CONCOR	0.7	0.8
5	10	DETRALEX	0.6	0.6
6	6	ESSENTIALE	0.6	0.7
7	9	LORISTA	0.6	0.6
8	7	ACTOVEGIN	0.6	0.6
9	1	KAGOCEL	0.6	0.8
10	12	PENTALGIN	0.6	0.6
Total			6.6	6.9

The leader of the top ten INN and group names ranking XYLOMETAZOLINE (+27%) maintained and strengthened the leading position in the ranking (Table 3). The shifts took part in the lower part of the top ten. On top of that, seven INNs of the top ten managed to rise in the ranks. INNs IBUPROFEN (+29%), PANCREATIN (+13%) and the composition ACETYLSALICYLIC ACID*MAGNESIUM (+17%) moved up one rank, whereas the more dynamic composition DIOSMIN*HESPERIDIN (+31%) moved up to rank five from seven. Three newcomers ROSUVASTATIN (+37%), DICLOFENAC (+21%) and LOSARTAN (+20%) broke into the ranks of the top ten, coming in at numbers seven and the last two ranks. INNs BISOPROLOL (+13%) and NIMESULIDE (+5%), which showed low growth rates, moved down to the lower ranks three and six, respectively. The total share of the top 10 reduced from 8.9% to 9.2%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	XYLOMETAZOLINE	1.6	1.4
2	3	IBUPROFEN	1.1	1.0
3	2	BISOPROLOL	1.0	1.1
4	5	PANCREATIN	0.9	0.9
5	7	DIOSMIN*HESPERIDIN	0.8	0.8
6	4	NIMESULIDE	0.8	0.9
7	16	ROSUVASTATIN	0.8	0.7
8	9	ACETYLSALICYLIC ACID*MAGNESIUM	0.7	0.7
9	12	DICLOFENAC	0.7	0.7
10	11	LOSARTAN	0.7	0.7
Total			9.2	8.9

The upper half of the top ten ATC groups held their own in the ranking the groups M01 Anti-inflammatory and antirheumatic products (+16%), C09 Agents acting on the rennin-angiotensin system (+20%), G03 Sex hormones (+18%), N02 Analgesics and J01 Antibacterials for systemic use (+15% each) held their previous first five ranks in the top ten ranking (Table 4). R01 Nasal preparations (+18%) and R05 Cough and Cold Preparations (+22%) moved up to ranks six and seven, displacing the groups J05 Antivirals for systemic use (-3%) and A11 Vitamins (+7%) to ranks eight and nine respectively. The newcomer G04 Urologicals (+24%) broke into the top ten ranking, coming in at rank ten. The cumulative share of the top-ten increased by 0.6 p.p. and achieved 37.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016			6 mon. 2017	6 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.0	5.1
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.7	4.6
3	3	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.1	4.0
4	4	N02	ANALGESICS	3.9	3.9
5	5	J01	ANTIBACTERIALS FOR SYST USE	3.7	3.8
6	7	R01	NASAL PREPARATIONS	3.6	3.6
7	9	R05	COUGH AND COLD PREPARATIONS	3.4	3.2
8	6	J05	ANTIVIRALS FOR SYSTEMIC USE	3.1	3.7
9	8	A11	VITAMINS	3.0	3.3
10	12	G04	UROLOGICALS	2.8	2.6
Total				37.2	37.8

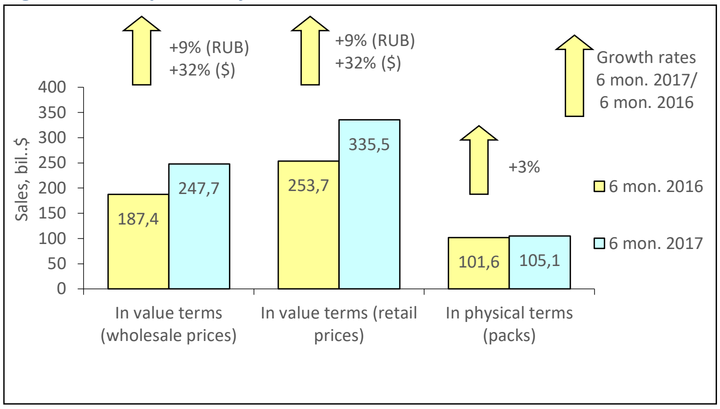
Conclusion. At the end of the first half of 2017, the pharmacy market in the Siberian Federal District was estimated at RUB 50.689 mil. (USD 873.284 mil.) in final consumer prices. At the same time, the market behaviour was positive both in rouble (+16%), and in dollar (+40%) terms. In physical terms, the sales increased by 12% and reached 292.871 mil. packs. The average cost of an FPP pack (USD 2.98) increased as compared to a year earlier (USD 2.38), but continued to be lower than the national FPP price average in Russia (USD 3.31). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 45.19 vs. USD 50.32).

FEFD PHARMACY MARKET: 2017 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Far Eastern Federal District (FEFD) was 6.183 mil., which accounted for 4.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first half of 2017 the average salary in the FEFD was RUB 48,156 (USD 830.56), which was 25% higher than the average wage in Russia (RUB 38,675).

According to the results of the Retail Audit of Finished Pharma Products in Russian Federation™, in January-June 2017 the sales of drugs in physical terms in the pharmacies of the FEFD saw a 3% increase to 105.069 mil. packs. In value terms, the market increased both in rouble terms (+9%) and in dollar terms (+32%) and reached RUB 14.385 bil. (USD 247.725 mil.) in wholesale prices (Fig. 1). The district's share reached 4.5% of the all-Russia sales in retail prices. The average cost of a pack increased as compared with the same period of the Year and escalated to USD 3.19 (vs. USD 2.50). At the end of the first six months of 2017, the average amount spent by the residents of the FEFD for the drugs in pharmacies amounted to USD 54.27.

Figure 1. FEFD pharmacy market for 6 months of 2016 – 6 months 2017



Based on the results for January-June of 2017, the manufacturer BAYER (+18%) 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 former leader SANOFI-AVENTIS (-0.1%) moved down one rank. Two more shifts took place in the lower part of the top ten ranking. The more dynamic TEVA (+5%) and KRKA (+16%) moved up to ranks three and eight, displacing SERVIER (-3%) and GLAXOSMITHKLINE (-0.3%) that reduced their sales and the less dynamic OTCPHARM (+3%) to rank four and the last two ranks. GEDEON RICHTER (+2%), NYCOMED/TAKEDA (+15%) and SANDOZ (+25%) held their previous ranks five through seven, respectively. The total share of the top 10 drug manufacturers reduced from 36.1% to 35.2%

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	2	**BAYER HEALTHCARE**	4.6	4.3
2	1	**SANOFI-AVENTIS**	4.2	4.6
3	4	**TEVA**	3.7	3.9
4	3	**SERVIER**	3.7	4.1
5	5	GEDEON RICHTER	3.5	3.7
6	6	**NYCOMED/TAKEDA**	3.4	3.2
7	7	**SANDOZ**	3.4	3.2
8	10	**KRKA**	2.9	2.8
9	8	**GLAXOSMITHKLINE**	2.9	3.2
10	9	OTCPHARM	2.9	3.1
Total			35.2	36.1

*AIPM members are in bold

NUROFEN (+19%) and CONCOR (+5%) moved up to the first two ranks in the top ten brands ranking, whereas the former leaders INGAVIRIN (-17%) and ESSENTIALE (-12%) reduced their sales and moved down to ranks three and five respectively (Table 2). The other INNs showed positive growth rates. The brands CARDIOMAGNYL (+8%) and MEXIDOL (+9%) moved up two ranks, ACTOVEGIN (+10%) and DETRALEX (+7%) moved up one rank, coming in at ranks four, six, eight and nine respectively. The newcomers LORISTA (+17%) and THERAFLU (+9%) broke into the ranks of the top ten, moving up to numbers seven and the last rank. The total share of the top ten was 6.8%, whereas in the year-earlier period it was 7.1%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	4	NUROFEN	0.8	0.8
2	5	CONCOR	0.7	0.8
3	1	INGAVIRIN	0.7	1.0
4	6	CARDIOMAGNYL	0.7	0.7
5	2	ESSENTIALE	0.7	0.8
6	8	MEXIDOL	0.7	0.7
7	12	LORISTA	0.6	0.6
8	9	ACTOVEGIN	0.6	0.6
9	10	DETRALEX	0.6	0.6
10	11	THERAFLU	0.6	0.6
Total			6.8	7.1

XYLOMETAZOLINE (+22%), IBUPROFEN (+30%) and BISOPROLOL (+6%) held their previous three ranks in the top ten INN and group names ranking (Table 3). The name NOVARTIS (-2%) also managed to hold its previous rank five. The other top 10 INNs changed their ranks; moreover, four INNs improved them. PANCREATIN (+17%) moved up to rank four from seven, and the composition DIOSMIN*HESPERIDIN (+8%) moved up from rank nine to six. The newcomers ETHYLMETHYLHYDROXYPYRIDINE (+10%) and DICLOFENAC (+7%) broke into the top 10 ranking, coming in at numbers seven and nine. At the same time, IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-17%) and PHOSPHOLIPIDS (-10%) in contrast showed negative growth rates and moved down to the lower ranks. The cumulative share of the top 10 didn't virtually change and accounted for 9.5%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	XYLOMETAZOLINE	1.8	1.6
2	2	IBUPROFEN	1.2	1.0
3	3	BISOPROLOL	1.0	1.0
4	7	PANCREATIN	0.9	0.8
5	5	NIMESULIDE	0.8	0.9
6	9	DIOSMIN*HESPERIDIN	0.8	0.8
7	12	ETHYLMETHYLHYDROXYPYRIDINE	0.7	0.7
8	4	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.7	1.0
9	11	DICLOFENAC	0.7	0.7
10	6	PHOSPHOLIPIDS	0.7	0.9
Total			9.5	9.6

The leader of the top ten ATC groups didn't change either - as before M01 Anti-inflammatory and antirheumatic products (+8%) held its rank number one (Table 4). J05 Antivirals for systemic use, which had been placed at rank number two earlier, reduced their sales by 14% and moved down to rank seven. At the same time, the groups C09 Agents acting on the rennin-angiotensin system and R01 Nasal preparations (+9% each) moved up one rank, to numbers two and three, and J01 Antibacterials for systemic use (+18%) and G03 Sex hormones (+20%) moved up to ranks four and five. The newcomer of the top ten N06 Psychoanaleptics also improved its positions, moving up to the last rank in the top ten ranking. The groups N02 Analgesics (+3%) and A11 Vitamins (+1%) moved down to ranks six and nine due to lagging behind the growth rates. R05 Cough and cold preparations (+9%) held their previous rank eight. The consolidated share of the top 10 under review decreased from 37.1% to 36.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2017	6 mon. 2016			6 mon. 2017	6 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	4.8
2	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.3	4.3
3	4	R01	NASAL PREPARATIONS	3.9	3.9
4	6	J01	ANTIBACTERIALS FOR SYST USE	3.9	3.6
5	9	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.5	3.2
6	5	N02	ANALGESICS	3.5	3.7
7	2	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	4.3
8	8	R05	COUGH AND COLD PREPARATIONS	3.2	3.2
9	7	A11	VITAMINS	3.0	3.3
10	11	N06	PSYCHOANALEPTICS	2.8	2.8
Total				36.2	37.1

Conclusion. On the basis of the results for January-June 2017, the retail market of the Far Eastern Federal District brought in RUB 19.483 bil. (USD 335.251 mil.), which was 9% in terms of roubles and 32% in terms of dollars more than in the same period of 2016. In physical terms, the market also showed the positive growth rates (+3%) and achieved 105.069 mil. packs. The average cost of a pack in the FEFD pharmacies based on the results for the first half of 2017 was USD 3.19 (in a year-earlier period - USD 2.50), which was lower than the national average (USD 3.31). The average medicine expenses of the district residents were higher than the national average expenses in Russia (54.27 USD vs. 50.32 USD).