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

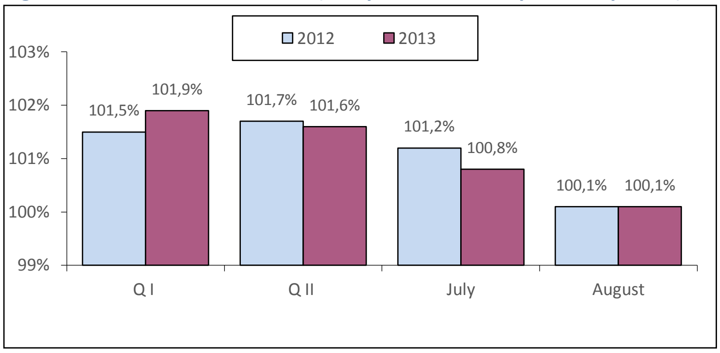
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in August 2013 Consumer Price Index was estimated as 100.1% compared to the previous month, and 104.5% for the year to date (in January-August 2012 – 104.6%).

In August this year, Industrial Producer Price Index was 102.8%, whereas in the month-earlier period it had amounted to 102.0%.

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



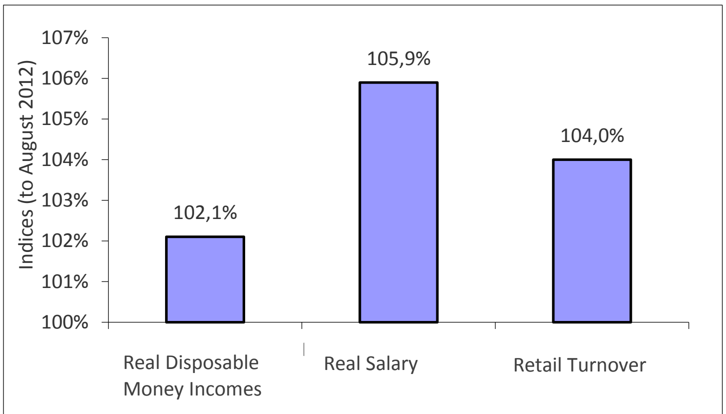
Living standard

According to preliminary Federal State Statistics Service's data, in August 2013 a gross monthly average salary per worker reached RUB 29,020 (USD 872.78) which accounted for 96% compared to the previous month and 112.8% compared to August 2012. In August 2013, the real salary accounted for 105.9% as compared with the same period in 2012. In August 2013, the real value of cash incomes accounted for 102.1% compared to the same period of 2012 (Fig. 2).

Retail turnover

In August 2013, the retail turnover was equal to RUB 2,031.6 bln, which in comparable prices accounted for 104.0% compared to the same period a year ago, in January-August 2013 - RUB 14,934.4 bln and 103.9% (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in August 2013



Source: Rosstat

Manufacture of Industrial Products

According to Federal State Statistics Service's data, in August 2013 Industrial Production Index accounted for 100.1% compared to the same period a year ago, 100.6% to the previous period of 2012, in January -August 2013 - 100,0%.

Domestic production

The top 10 domestic manufacturers by production volume at August-end 2013 are shown in Table 1. The total production volume of top ten manufacturers was estimated at USD 281.2 mln.

Table 1. Top ten chemical and pharmaceutical manufacturers by production volume in August 2013.

Rank	Manufacturer	Production volume, $mln
1	Pharmstandard	109.4
2	NEARMEDIC Plus	33.0
3	Stada	32.9
4	Sotex	23.0
5	Microgen	18.0
6	Valenta	16.2
7	Akrihin	14.5
8	KRKA-RUS	12.1
9	Materia Medica	11.1
10	Pharm-Center	11.0

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In July 2013 compared to June, pharmacy sales slump (in terms of roubles) was observed in six analysed regions. The lowest performance was observed in Krasnoyarsky Krai (-16%), the highest one in St.. Petersburg (-2%). Four regions showed increas in sales, the hightest sales were observed in Krasnodarsky Krai (+19%) and Rostovskaya Oblast (+15%).

Table 2. Pharmacy sales in the regions, 2013

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	May 2013	June 2013	July 2013	May/ April 2013	June/ May 2013	July/ June 2013
Moscow	158.8	153.9	144.8	-19%	0.4%	-5%
St Petersburg	43.0	40.5	39.3	-18%	-3%	-2%
Krasnodarsky Krai	32.7	34.3	40.6	-12%	9%	19%
Novosibirskaya Oblast	21.3	20.1	19.4	-10%	-2%	-3%
Tatarstan	26.4	23.6	23.5	-11%	-8%	0.5%
Krasnoyarsky Krai	18.5	17.9	15.0	-7%	0.3%	-16%
Rostovskaya Oblast	18.7	18.3	20.9	-14%	1%	15%
Voronezhskaya Oblast	15.4	13.4	15.0	-14%	-10%	12%
Perm	5.8	6.1	5.5	-16%	10%	-10%
Tyumen	6.6	6.8	6.1	-11%	6%	-9%

Advertising

The largest advertisers and pharmaceutical trade 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 2013

Rank	Company*	Quantity of broadcasts
1	Novartis	7,843
2	Pharmstandart	5,662
3	Berlin-Chemie Menarini Group	3,888
4	Johnson & Johnson	2,717
5	Firn M	2,682

Source - Remedium according to TNS Russia's data

Table 4. Top five trade names in mass media in August, 2013

Rank	Trade name*	Quantity of broadcasts
1	Linex	1,921
2	Grippferon	1,817
3	Next	1,635
4	No-Spa	1,425
5	Gaviscon	1,178

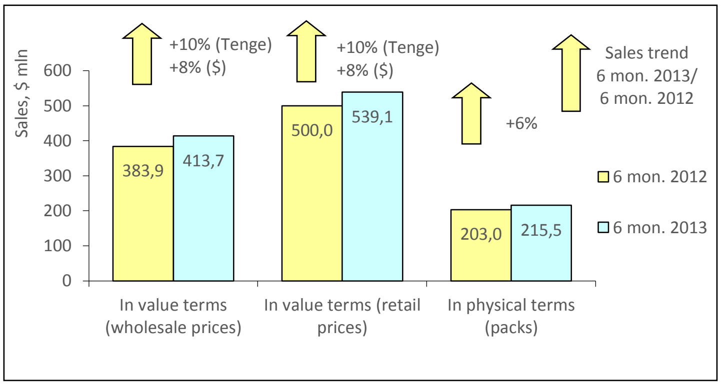
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Kazakhstan™, at the end of first six months of 2013 the sales of OTC drugs in physical terms in pharmacies of Kazakhstan saw a 6% increase to 215.485 mln packs. In value terms (exclusive of reimbursement drug list) the regional market also showed the positive growth: 10% in terms of Kazakhstan Tenges and 8% in terms of Dollars. At the same time, the market in wholesale prices reached USD 413.701 mln (Tenge 62.438 bln) and USD 539.112 mln in retail prices (Tenge 81.366 bln) (Fig.1). The average retail cost of a pack was USD 2.50, whereas in the year earlier period its cost was USD 2.46. As of the first half of 2013, the level of OTC drugs consumption per capita was USD 31.88 (during the same period in 2012 - USD 29.98).

Figure 1. Kazakhstan pharmacy market for 6 months of 2012 – 6 months of 2013



NYCOMED (+19%[1]) held and enhanced the first rank among drug manufacturers in the pharmacy market of Kazakhstan as of the first half of 2013 (Table 1). TEVA (+6%) moved up to rank two from three by displacing SANOFI (+2%) down one rank. The drug manufacturers SANTO (+22%) and BERLIN-CHEMIE /MENARINI (+20%) also moved up one rank, coming in at numbers 4 and 6. GEDEON RICHTER (+20%) moved up from rank nine to seven. The only newcomer STADA ARZNEIMITTEL AG (+16%) broke into the ranks of the top ten drug manufacturers, coming in at number ten. Two drug manufacturers from the top ten with low (BAYER) and negative (SANDOZ) sales rates moved down to the lower ranks five and ten, respectively. The drug maker ABBOTT (+6%) held its earlier rank 8. The total share of the analyzed top 10 drug manufacturers remained unchanged and accounted for 38.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	**NYCOMED**	6.0	5.6
2	3	**TEVA PHARMACEUTICAL INDASTRIES LTD**	4.4	4.6
3	2	**SANOFI**	4.4	4.8
4	5	SANTO	4.1	3.7
5	4	**BAYER HEALTHCARE**	3.8	4.2
6	7	**BERLIN-CHEMIE /MENARINI**	3.7	3.4
7	9	GEDEON RICHTER	3.2	2.9
8	8	**ABBOTT**	3.0	3.1
9	6	**SANDOZ**	2.9	3.5
10	12	**STADA ARZNEIMITTEL AG**	2.8	2.7
Total			38.4	38.4

*AIPM members are in bold

Two dominating drugs ACTOVEGIN (+10%) and THERAFLU (+9%) held their own in the top ten brand names ranking (table 2). The newcomers a nootropic CERAXON (+94%), multivitamin VITRUM (+62%) and multienzyme composition MEZYM FORTE (+36%) broke into the ranks of the top ten brand names, coming in at numbers three, four and eight. Due to significant growth rates, CANEPHRON N (+31%) moved up from rank ten to six. In addition, they displaced the drugs ESSENTIALE N (+7%) and CREON (+16%) to the lower ranks. At the same time, the brand names with negative sales rates LINEX (-6%) and CONCOR (-1%) moved down to ranks nine and ten. The total share of the top ten trade names increased by almost 0.7 p.p. and accounted for 8.5%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ACTOVEGIN	1.9	1.9
2	2	THERAFLU	0.8	0.8
3	25	CERAXON	0.8	0.5
4	17	VITRUM	0.8	0.5
5	3	ESSENTIALE	0.8	0.8
6	10	CANEPHRON N	0.8	0.6
7	5	CREON	0.7	0.7
8	16	MEZYM FORTE	0.7	0.5
9	4	LINEX	0.6	0.8
10	6	CONCOR	0.6	0.7
Total			8.5	7.8

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

PANCREATIN (+27%) which displaced the less dynamic AMBROXOL (+6%) from rank one became a leader of the top ten INN and generic names ranking (Table 3). As before, INNs CEFTRIAXONE (+10%) and the composition MULTIVITAMIN+MULTIMINERAL (+4%) held their previous ranks three and four. The INNs with high growth rates moved up to numbers five through eight. They were AMOXICILLIN+CLAVULANIC ACID (+12%), AZITHROMYCIN (+17%), PHOSPHOLIPIDS (+19%) and the newcomer of the top ten XYLOMETAZOLINE (+25%). INNs with negative sales rates DICLOFENAC (-5%) and FLUCONAZOLE (-0.1%) moved down to numbers nine and ten of the top ten. The cumulative share of the top ten manufacturers accounted for 11.0%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	PANCREATIN	1.6	1.4
2	1	AMBROXOL	1.5	1.6
3	3	CEFTRIAXONE	1.3	1.3
4	4	MULTIVITAMIN+MULTIMINERAL	1.1	1.1
5	7	AMOXICILLIN+CLAVULANIC ACID	1.0	1.0
6	9	AZITHROMYCIN	1.0	0.9
7	10	PHOSPHOLIPIDS	0.9	0.9
8	13	XYLOMETAZOLINE	0.9	0.8
9	5	DICLOFENAC	0.9	1.1
10	6	FLUCONAZOLE	0.9	1.0
Total			11.0	10.9

Half of the top-10 ATC groups held their own in the ranking (table 4). They were the top three ATC groups J01 Antibacterials for systemic use (+6%), R05 Cough and cold preparations (+5%) and N02 Analgesics (+6%) and N02 Analgesics (+6%), as well as G04 Urologicals (+16%) and A05 Bile and liver therapy (+7%) placed at numbers 6 and 9 respectively. However, two shifts and one newcomer broke into the ranks of the top ten ATC groups. The more dynamic groups M01 Anti-inflammatory and antirheumatic products (+15%) and C09 Agents acting on the rennin-angiotensin system (+4%) moved up one rank to numbers 4 and 7, respectively. At the same time, A11 Vitamins (+9%) and G03 Sex hormones (+2%) moved down one rank. The only newcomer N06 Psychoanaleptics (+17%) broke into the ranks of the top ten, coming in at number ten. The cumulative share of the top 10 under review decreased from 42.6% to 41.9%.

Table 4. The top ten ATC Groups by pharmacy sales

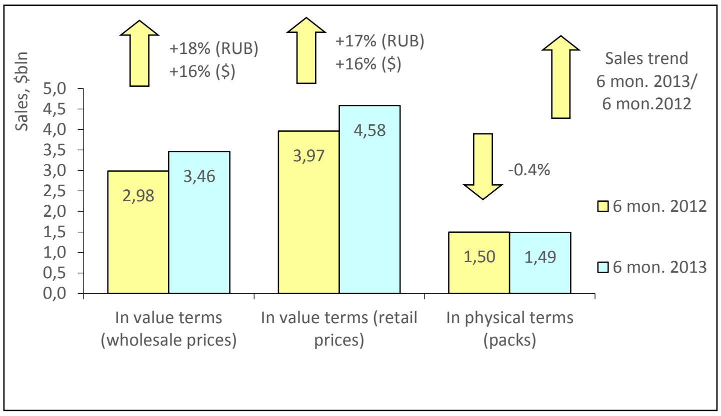
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	1	J01	ANTIBACTERIALS FOR SYST USE	9.1	9.5
2	2	R05	COUGH AND COLD PREPARATIONS	4.9	5.2
3	3	N02	ANALGESICS	4.6	4.7
4	5	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.1	4.0
5	4	A11	VITAMINS	3.9	4.0
6	6	G04	UROLOGICALS	3.4	3.2
7	8	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	3.0	3.2
8	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	2.9	3.2
9	9	A05	BILE AND LIVER THERAPY	2.9	3.0
10	11	N06	PSYCHOANALEPTICS	2.9	2.7
Total				41.9	42.6

Conclusion. At the end of first half of 2013, Kazakhstan retail market grew by 10% in national currency terms and by 8% in dollar terms and brought in USD 539.112 mln. (Tenge 81.366 bln). In pack terms, the market also showed positive growth rates (+6%) and achieved 215.485 mln packs. Compared to the indicators of in the comparable period a year earlier, both the average cost of a pack and the level of OTC drugs consumption by residents of the country slightly increased (USD 2.50 vs. USD 2.46 and USD 31.88 vs. USD 29.98).

PHARMACY OTC MARKET IN RUSSIA: 2013 FIRST 6 MONTHS RESULTS

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 2013 the sales of OTC drugs in physical terms in Kazakhstan saw a 0.4% decrease to 1.494 bln packs. In value terms, the OTC drugs market increased by 18% in rouble terms and by 16% in dollar terms and reached 107.120 billion roubles (USD 3.460 billion) in wholesale prices (Fig. 1). The average cost of an OTC pack grew as compared to the previous year (USD 2.65) and reached USD 3.08 in retail prices. For 6 months of 2013, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 31.98. A share of OTC-segment in the total pharmacy sales in Russia accounted to 70% in pack terms and 51% in value terms.

Figure 1. Russian pharmacy OTC market for 6 months of 2012 – 6 months of 2013



Following the results of the first half of 2013, the top 10 drug manufacturers in the Russian OTC market continued to show a high degree of stability (Table 1). Apart from that, five ATC groups of the top 10 ranking held their own in the ranking. They were the leading drug manufacturers PHARMSTANDART (+30%), SANOFI-AVENTIS (+13%), SANDOZ (+18%) and BAYER (+22%), as well as NYCOMED/TAKEDA (+24%) rounding out the top ten ranking. Three drug manufacturers moved up one rank. They were NOVARTIS (+26%), STADA (+25%) and JOHNSON & JOHNSON (+21%) that moved up to ranks 5, 6 and 8, respectively. At the same time, MENARINI (-0.2%) and TEVA (+24%) moved down to the lower ranks seven and nine. The cumulative share of the top 10 drug manufacturers increased and accounted for 43.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	PHARMSTANDART	7.6	6.9
2	2	**SANOFI-AVENTIS**	5.8	6.0
3	3	**SANDOZ GROUP**	4.9	4.9
4	4	**BAYER HEALTHCARE**	4.9	4.7
5	6	**NOVARTIS**	4.5	4.2
6	7	**STADA**	3.7	3.5
7	5	**MENARINI**	3.6	4.3
8	9	**JOHNSON & JOHNSON**	2.9	2.8
9	8	**TEVA**	2.8	2.8
10	10	**NYCOMED/TAKEDA**	2.5	2.4
Total			43.2	42.5

*AIPM members are in bold

Only two brand names in the top ten brand names ranking - ESSENTIALE N (+32%) and ARBIDOL (+22%) - held their own in the ranking, as before they kept ranks one and two (Table 2). Due to 95% growth in sales, antiviral agent KAGOCEL moved up to rank three, displacing LINEX (+6%) down one rank. The other drug manufacturers of the top ten ranking, except for LASOLVAN (+16%), also showed high sales rates, expanded their market shares and rose in the ranks. Among them there were three newcomers, CARDIOMAGNIL (+59%), ACC (+38%) and PENTALGIN (+46%), which moved up to ranks 5, 9 and 10, respectively. On top of that, EXODERIL (+29%) moved up from rank nine to six and ANAFERON (+26%) from rank eight to seven. The total share of the top 10 brand names increased to 13%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ESSENTIALE N	2.3	2.1
2	2	ARBIDOL	1.8	1.8
3	7	KAGOCEL	1.6	1.0
4	3	LINEX	1.3	1.5
5	12	CARDIOMAGNIL	1.1	0.8
6	9	EXODERIL	1.0	0.9
7	8	ANAFERON	1.0	0.9
8	4	LASOLVAN	1.0	1.0
9	11	ACC	0.9	0.8
10	14	PENTALGIN	0.9	0.7
Total			13.0	11.4

Two newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). INN KAGOCEL (+95%) moved up from rank 15 to seven, and the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE (+47%) moved up from rank 14 to nine. The markets of the brand names XYLOMETAZOLINE (+20%), PHOSPHOLIPIDS (+30%), UMIFENOVIR (+22%), IBUPROFEN (+20%) and AMBROXOL (+26%) also developed at a fast pace. At the same time, almost all of them, except for the second one, held their previous ranks one and four through six. INN PHOSPHOLIPIDS moved up from rank three to two, displacing PANCREATIN (+1%). The composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+6%) and INTERFERON ALFA-2B (+15%) also fell in the ranks, moving down to ranks eight and ten, respectively. The cumulative share of the top 10 under review increased to 18%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	XYLOMETAZOLINE	2.9	2.8
2	3	PHOSPHOLIPIDS	2.5	2.3
3	2	PANCREATIN	2.0	2.3
4	4	UMIFENOVIR	1.8	1.8
5	5	IBUPROFEN	1.7	1.7
6	6	AMBROXOL	1.7	1.6
7	15	KAGOCEL	1.6	1.0
8	7	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1.3	1.5
9	14	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	1.2	1.0
10	8	INTERFERON ALFA-2B	1.2	1.2
Total			18.0	17.1

The upper half of the top ten ATC groups held their own in the ranking (table 4). As before, the Groups R05 Cough and cold preparations (+35%), N02 Analgesics (+28%), R01 Nasal preparations (+15%), A11 Vitamins (+14%) and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+16%) held the first five ranks in the top ten. The lower half of the top ten showed some shifts, however the group R02 Throat preparations (+21%) held its previous rank 9 in the ranking. The newcomers J05 Antivirals for systemic use (+58%) and M01 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+27%) broke into the ranks of the top ten, coming in at numbers six and ten. At the same time, the former displaced the less dynamic groups A05 Bile and liver therapy (+22%) and L03 Immunostimulants (+27%) down one rank. The total share of the top ten under review increased by almost 3 p.p. and achieved 50.4%.

Table 4. The top ten ATC Groups by pharmacy sales

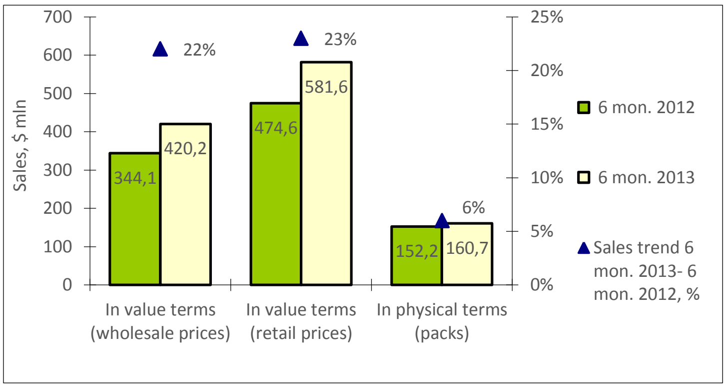
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	1	R05	COUGH AND COLD PREPARATIONS	8.0	6.9
2	2	N02	ANALGESICS	7.1	6.5
3	3	R01	NASAL PREPARATIONS	6.0	6.1
4	4	A11	VITAMINS	5.9	6.1
5	5	A07	INTESTINAL ANTIINFECTIVES	5.4	5.5
6	13	J05	ANTIVIRALS FOR SYSTEMIC USE	3.9	2.9
7	6	A05	BILE AND LIVER THERAPY	3.8	3.7
8	7	L03	IMMUNOSTIMULANTS	3.7	3.4
9	9	R02	THROAT PREPARATIONS	3.4	3.3
10	12	M01	ANTIINFLAM & ANTIRHEUM PROD	3.2	2.9
Total				50.4	47.4

Conclusion. On the basis of the results for six months of 2013, the retail pharmacy market of Russia brought in RUB 141.924 bln (USD 4.584 bln). The market saw a 17% increase in terms of roubles and 16% in terms of dollars compared to the previous year. In pack terms, the market showed reduction in sales rates (-0.4%) and achieved 1.491 bln packs. In the first half of 2013, the average cost of an OTC pack was higher than in the year-earlier period (USD 3.08 vs. USD 2.65). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased significantly (USD 31.98 vs. USD 27.72).

RUSSIAN BIOLIGICALLY ACTIVE ADDITIVE (BAA) MARKET: 2013 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of BAA in Russian Federation™, at the end of the first half of 2013, the BAA pharmacy sales in Russia brought in 13.022 billion roubles (USD 420.204 million) in wholesale prices and 18.025 bln roubles (USD 581.641 mln) - at retail prices (Fig. 1). The market performance was positive both in rouble terms (+24%) and in dollar terms (+22%) at wholesale prices. In physical terms, the BAA sales increased by 6% and amounted to 160.683 mln packs. The average cost of a BAA pack was USD 3.62, whereas in the year-earlier period its cost was USD 3.12. It should be noted that the average cost of an OTC pack (USD 4.25) was higher than that of a BAA pack. The average sum spent by residents of Russia for purchase of BAAs in the analysed period amounted to USD 4.06 (in the first half of 2012 - USD 3.32).

Figure 1. Russian BAA pharmacy market for 6 months of 2012 – 6 months of 2013



In the first half of 2013, the BAA manufacturers EVALAR (+10%) and VIS (+20%) held their leading ranks in the market of biologically active additives, though due to lagging in sales rates both of them reduced their market shares (Table 1). The Italy-based manufacturer RECORDATI (+13%) moved up one rank to number three, whereas PFIZER that held this rank earlier reduced its sales of BAA by 5% and moved down to rank four. The Russia-based manufacturer DIOD (-15%) also showed significant negative growth rates, moving down to rank ten from five. The other BAA manufacturers of the top-10 showed pronounced positive growth rates. At the same time, the manufacturers GNC PM FARMA (+48%) and PHARMAMED CANADA (+53%), as well as the newcomers POLYARIS (+96%) and POLENS (2.2-fold increase in sales), which broke into the ranks of the top ten, came in at numbers 5 though 7 and 9. QUEISSER (+39%) held its previous rank eight. The total share of top ten manufacturers in the BAA market reduced by almost 2 p.p. and accounted for 47.8%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	EVALAR	20.3	23.0
2	2	VIS	6.0	6.2
3	4	RECORDATI	3.3	3.6
4	3	**PFIZER**	3.1	4.0
5	6	GNC PM FARMA	3.0	2.5
6	7	PHARMAMED CANADA	2.9	2.3
7	14	POLYARIS	2.4	1.5
8	8	QUEISSER	2.4	2.1
9	16	POLENS	2.2	1.2
10	5	DIOD	2.2	3.2
Total			47.8	49.8

*AIPM members are in bold

A BAA to treat erectile dysfunction SEALEX FORTE (+10%) remained the best selling BAA in the Russia market (Table 2). A BAA of similar effect ALI CAPS (+46%) moved up to rank two, displacing laxative agent PHITOLAX (+9%) down one rank. Another four brand names of the top ten rose in the ranks. REDUKSIN-LIGHT (+93%) and TURBOSLIM OCHISCHAYUSCHY (+11%) moved up one rank to numbers 4 and 7. Due to 2.1-fold growth in sales, TONGKAT ALI PLATINUM moved up from rank nine to five. The sales of SUPRADIN KIDS increased 4.5 times, which allowed it to move up from rank 63 to 8 and become the only newcomer of the top ten ranking. BAA OVESOL (-6%) and HEMATOGEN RUSKY (-1%) reduced its sales in the analyzed period which resulted in the loss of ranks: they moved down to ranks 4 and 9, respectively. BAA INDINOL (+2%) held its previous rank ten. The total share of top ten increased by over 1 p.p. and accounted for 19.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	SEALEX FORTE	4.0	4.5
2	3	ALI CAPS	2.9	2.4
3	2	PHITOLAX	2.6	2.9
4	5	REDUKSIN-LIGHT	2.3	1.5
5	9	TONGKAT ALI PLATINUM	2.1	1.2
6	4	OVESOL	1.2	1.5
7	8	TURBOSLIM OCHISCHAYUSCHIY	1.1	1.3
8	63	SUPRADIN KIDS	1.1	0.3
9	7	HEMATOGEN RUSSKIY	1.1	1.3
10	10	INDINOL	1.0	1.2
Total			19.3	18.2

Two names of the top-ten INN and Generic Names Ranking managed to keep their previous ranks in the BAA market (table 3): the top two GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS (+10%) and EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA (+46%). The compositions LINOLEIC ACID + VITAMIN E (+93%) and EURYCOMA LONGIFOLIA + PANAX GINSENG + ROYAL JELLY (2.1-fold increase in sales) moved up to ranks three and four, displacing INN ASCORBIC ACID (+18%) to rank 5. The newcomers of the top ten also showed high growth rates. There were two of them: the compositions ANETHUM GRAVEOLENS + ARMENIACA VULGARIS + PLANTAGO OVATA + SENNA (+66%) and ASCORBIC ACID + CHOLINE + CYANOCOBALAMIN + FISH + NICOTINAMIDE + PYRIDOXINE (4.5-fold growth in sales), which moved up to ranks 6 and 9, respectively. At the same time, INNs INDOLE-3-CARBINOL (+6%) moved down one rank to number 10, and FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR + SENNA + LINUM USITATISSIMUM (-15%) and AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA + HELICHRYSUM ARENARIUM + MENTHA PIPERITA (-6%) reduced its sales and moved dow to ranks seven and eight. The total share of the top-10 INN and generic names increased by almost 1.6 p.p. and reached 19.1%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS	4.0	4.5
2	2	EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA	2.9	2.4
3	6	LINOLEIC ACID + VITAMIN E	2.3	1.5
4	10	EURYCOMA LONGIFOLIA + PANAX GINSENG + ROYAL JELLY	2.1	1.2
5	3	ASCORBIC ACID	1.9	2.0
6	13	ANETHUM GRAVEOLENS + ARMENIACA VULGARIS + PLANTAGO OVATA + SENNA	1.3	1.0
7	4	FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR + SENNA + LINUM USITATISSIMUM	1.2	1.8
8	5	AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA + HELICHRYSUM ARENARIUM + MENTHA PIPERITA	1.2	1.5
9	66	ASCORBIC ACID + CHOLINE + CYANOCOBALAMIN + FISH + NICOTINAMIDE + PYRIDOXINE	1.1	0.3
10	9	INDOLE-3-CARBINOL	1.0	1.2
Total			19.1	17.6

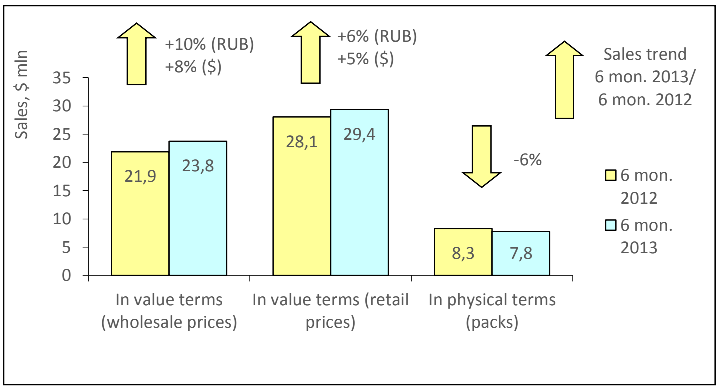
Conclusion. At the end of the first six months of 2013, BAA sales in pharmacies of the country increased 24% in terms of roubles and 23% in terms of dollars and brought in RUB 18.025 bln (USD 581.641 million) in final consumer prices. In pack terms, the BAA market grew by 6% and achieved 160.683 mln packs. The average cost of an OTC pack increased as compared to the previous year (USD 3.62 vs. USD 3.12). Expenses of residents for purchase of BAA in pharmacies proved to be much higher as well (USD 4.06 vs. USD 3.32).

BELGOROD PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Belgorod's estimated population was 373.5 thd, which accounted for 0.3% of the total Russian Federation population and 1.0% of Central FO (CFO). According to Federal State Statistics Service's data, based on the results for 6 months of 2013 the average salary in the Belgorodskaya Oblast was RUB 21,124.4 (USD 676.63), which is 27% lower than the average salary in Russia (RUB 28,787.6).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, in the first half of 2013 the sales of OTC drugs in physical terms in the pharmacies of Belgorod saw a 6% drop to 7.790 mln packs. In value terms, the city pharmacy market (exclusive of State Reimbursement Program) saw a +10% increase in terms of roubles and +8% increase in terms of dollars compared to the same period a year ago and reached RUB 739.091 mln (USD 23.757 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 0.3%. The average cost of OTC pack was USD 3.77 (in a year-earlier period – USD 3.38). In the first half of 2013, per-capita expenses spent by residents of Belgorod for OTC medications amounted to USD 78.61.

Figure 1. Belgorod pharmacy market for 6 months of 2012 – 6 months of 2013



In the first half of 2013, the top ten drug manufacturers in the regional market didn't change in composition, however only one drug manufacturer held its own in the ranking (Table 1). It was the leader of the top 10 SANOFI-AVENTIS (+5%). Five manufacturers of the top 10 ranking rose in the ranks, whereas four of them moved to the lower ranks. The manufacturers SERVIER (+7%), BAYER (+12%), TEVA (+17%) and KRKA (+18%) moved up one rank, coming in at numbers two, six, eight and nine. NYCOMED/TAKEDA (+20%) which showed the highest growth in sales among the top ten manufacturers moved up from rank 5 to three. The other drug manufacturers showed low (PHARMSTANDART and SANDOZ) and negative (MENARINI and GEDEON RICHTER) growth in sales, which resulted in the loss of ranks. The total share of the top 10 reduced from 38.6% to 37.4%.

Table 1. The top ten manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	**SANOFI-AVENTIS**	4.9	5.2
2	3	**SERVIER**	4.5	4.6
3	5	**NYCOMED/TAKEDA**	4.4	4.0
4	2	**MENARINI**	4.1	4.7
5	4	PHARMSTANDART	4.0	4.1
6	7	**BAYER HEALTHCARE**	3.7	3.6
7	6	GEDEON RICHTER	3.2	3.7
8	9	**TEVA**	3.0	2.8
9	10	**KRKA**	3.0	2.8
10	8	**SANDOZ GROUP**	2.7	3.0
Total			37.4	38.6

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brand names ranking - antiviral agent KAGOCEL which sales grew 2.2 times moved up to ranks three and seven, and appetite regulator REDUKSIN (+17%) (Table 2). Apart from them, only one brand name CARDIOMAGNIL (+51%) moved up to the higher rank, coming in at number 4 from 8. The leaders of the ranking ACTOVEGIN (+16%) and ESSENTIALE N (+34%) held and enhanced their ranks. The growth rates of the other top ten brand names, except for the drug ALFLUTOP (+11%), lagged behind the mid-market rates and those of ARBIDOL (-3%) were negative. It caused the loss of ranks by the brand names MEXIDOL and DETRALEX (7% each), as well as CONCOR (+3%) which moved down to ranks 5, 8 and 9, respectively. The cumulative share of the top-ten increased by almost 1 p.p. and achieved 8.8%.

Table 2. The top ten brand names by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ACTOVEGIN	1.4	1.3
2	2	ESSENTIALE N	1.2	1.0
3	12	KAGOCEL	1.2	0.6
4	8	CARDIOMAGNIL	0.9	0.7
5	4	MEXIDOL	0.8	0.8
6	3	ARBIDOL	0.8	0.9
7	11	REDUKSIN	0.7	0.6
8	7	DETRALEX	0.7	0.7
9	6	CONCOR	0.6	0.7
10	9	ALFLUTOP	0.6	0.6
Total			8.8	7.9

Two newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were INNs KAGOCEL (2.2-fold growth in sales) and the composition ACETYLSALICYLIC ACID + MAGNESIUM (+51%) which moved up to ranks four and eight. Apart from that, PHOSPHOLIPIDS (+30%) moved up one rank to number 2. At the same time, they moved the less dynamic INNs down: XYLOMETAZOLINE (+3%), BISOPROLOL (+6%), NIMESULIDE (+7%), PANCREATIN (-5%) and AZITHROMYCIN (+17%), which moved down to ranks 3, 5, 6, 9 and 10. BLOOD (+16%) held and enhanced its leading position. On top of that, INN ETHYLMETHYLHYDROXYPYRIDINE (+8%) also managed to hold its previous rank 7. The total share of the top 10 ATC groups increased from 10.1% to 10.9%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	BLOOD	1.5	1.4
2	3	PHOSPHOLIPIDS	1.4	1.2
3	2	XYLOMETAZOLINE	1.2	1.3
4	27	KAGOCEL	1.2	0.6
5	4	BISOPROLOL	1.1	1.1
6	5	NIMESULIDE	1.0	1.1
7	7	ETHYLMETHYLHYDROXYPYRIDINE	0.9	1.0
8	18	ACETYLSALICYLIC ACID+ MAGNESIUM	0.9	0.7
9	6	PANCREATIN	0.9	1.0
10	9	AZITHROMYCIN	0.9	0.8
Total			10.9	10.1

The leader of the top ten ATC groups ranking as well as of the above rankings didn't change. As before, M01 Aniinflammatory and antirheumatic products (+8%) held its earlier rank one (Table 4). The Groups G03 Sex hormones and L03 Immunostimulants (15% each) held their previous ranks 7 and 8. Four ATC groups of the top10 rose in the ranks. At the same time, three of them moved up one rank. They were C09 Agents acting on the rennin-angiotensin system (+15%), R05 Cough and cold preparations (+8%) and N06 Psychoanaleptics (+15%) which moved up to ranks 2, 4 and 10, respectively. Note that the latter broke into the ranks of the top -10 for the first time. J05 Antivirals for systemic use (+52%) became the second newcomer of the ranking, coming in at rank 6 from 15. At the same time, the groups J01 Antibacterials for systemic use (+8%), N02 Analgesics (+2%) and R01 Nasal preparations (+7%) moved down to the lower ranks three, five and nine. The cumulative share of top ten ATC groups increased by almost 1 p.p. and achieved 36.0%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5.0	5.1
2	3	C09	AG ACT RENIN-ANGIOTENS SYST	4.5	4.3
3	2	J01	ANTIBACTERIALS FOR SYST USE	4.2	4.3
4	5	R05	COUGH AND COLD PREPARATIONS	3.6	3.7
5	4	N02	ANALGESICS	3.5	3.8
6	15	J05	ANTIVIRALS FOR SYSTEMIC USE	3.2	2.3
7	7	G03	SEX HORM&MODULAT GENITAL SYS	3.0	2.9
8	8	L03	IMMUNOSTIMULANTS	3.0	2.9
9	6	R01	NASAL PREPARATIONS	3.0	3.1
10	11	N06	PSYCHOANALEPTICS	2.9	2.8
Total				36.0	35.1

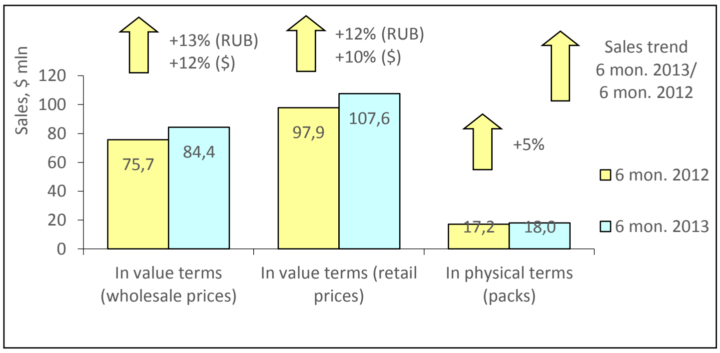
Conclusion. On the basis of the results for the first half of 2013, the retail pharmacy market of Belgorod brought in RUB 909.647 mln (USD 29.633 mln). On top of that, the market performance was positive both in rouble terms (+6%) and in dollar terms (+5%). In physical terms, the sales reduced by 6% and amounted to 7.790 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 3.77 vs. USD 3.38), however it was slightly lower than the average indicator in Russia (USD 4.25). Per capita expenses for purchase of medicines in pharmacies of Belgorod amounted to USD 78.61 which was higher than the average in the country (USD 62.71).

YEKATERINBURG PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Yekaterinburg was estimated as 1.411 mln, which accounted for 0.3% of the total Russian Federation population and 11.7% of Ural FO (UFO). According to Federal State Statistics Service's data, in the first half of 2013 the average salary in Sverdlovskaya Oblast was RUB 26,753.6 (USD 856.94), which was 7% lower than the average salary in Russia (RUB 28,787.6).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2013 the pharmacy market volume in physical terms increased by 5% and amounted to 17.966 million packs (Fig. 1) In wholesale prices, the market also showed the positive performance both in terms of roubles (+13%) and in terms of dollars (+12%) and reached 2.617 billion roubles (USD 84.431 mln). The region's share accounted for 1.2% of the total volume of all-Russia pharmacy market. Based on the results for the first half of the year, the average cost of OTC pack in the city pharmacies in the analysed period was USD 5.98 (during the same period in 2012 - USD 5.70). The average expenses of Yekaterinburg residents for purchase of drugs in the first six months of 2013 were estimated as USD 75.30.

Figure 1. Yekaterinburg city pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results for the first half of 2013, SANOFI-AVENTIS (+6%) and BAYER (+7%) held their leading ranks in the regional top ten drug manufacturers ranking (table 1). Apart from them, only one more drug manufacturer SANDOZ (+11%) held its previous rank in the top ten. The drug manufacturers NOVARTIS (+13%) and TEVA (+16%) moved up two ranks, coming in at numbers five and eight, respectively. Despite lag in sales and reduction of market share, PHARMSTANDART (+7%) moved up one rank to number three. ABBOTT (-9%) that had been placed at that rank earlier reduced its sales and moved down to rank four. At the same time, SERVIER (+8%) and MERCK SHARP DOHME (+9%) moved down one rank, to numbers 6 and 7, respectively. GEDEON RICHTER (+4%) moved down to rank ten from eight. The total share of the top ten drug manufacturers decreased by over 2 p.p. and achieved 36.9%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	**SANOFI-AVENTIS**	5.9	6.2
2	2	**BAYER HEALTHCARE**	4.9	5.2
3	4	PHARMSTANDART	3.9	4.1
4	3	**ABBOTT**	3.9	4.8
5	7	**NOVARTIS**	3.2	3.2
6	5	**SERVIER**	3.2	3.3
7	6	**MERCK SHARP DOHME**	3.1	3.2
8	10	**TEVA**	3.0	2.9
9	9	**SANDOZ GROUP**	3.0	3.0
10	8	GEDEON RICHTER	2.8	3.1
Total			36.9	39.2

*AIPM members are in bold

Two newcomers broke into the top ten brand names ranking (table 2). They were KAGOCEL (+49%) and CIALIS (+7%), which moved up to ranks four and six, respectively. Note that another two brand names of the top ten showed positive growth rates. They were the leader of the top ten ESSENTIALE N (+3%) and ARBIDOL (+0.2%) that held its rank three. The other brand names showed reduction in sales and as a result moved down to the lower ranks. They were HEPTRAL (-19%), DETRALEX (-10%), REDUKSIN (-8%), ALFLUTOP (-12%), URSOSAN (-5%) and LINEX (-6%). The cumulative share of the top10 reduced from 8.2% to 7.1%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	ESSENTIALE N	1.1	1.2
2	1	HEPTRAL	0.9	1.2
3	3	ARBIDOL	0.8	1.0
4	12	KAGOCEL	0.8	0.6
5	4	DETRALEX	0.6	0.8
6	11	CIALIS	0.6	0.6
7	6	REDUKSIN	0.6	0.7
8	5	ALFLUTOP	0.6	0.7
9	7	URSOSAN	0.6	0.7
10	8	LINEX	0.6	0.7
Total			7.1	8.2

A total of two INNs of the top ten INN and generic names ranking showed negative growth rates (table 3). They were the leaders of the last year PANCREATIN (-10%) and ADEMETIONINE (-15%) which moved down to ranks 4 and 5, respectively. The other INNs of the top ten showed positive growth rates. At thesame time, five of them rose in the ranks. INNs XYLOMETAZOLINE (+11%) and HYALURONIC ACID (+39%) moved to the first two ranks of the top ten, and INN IBUPROFEN (+20%) moved up from rank ten to eight. The newcomers - KAGOCEL (+49%) and AMBROXOL (+36%) broke into the ranks of the top ten, coming in at numbers nine and ten. As before, PHOSPHOLIPIDS (+1%) held its rank three, and INNs URSODEOXYCHOLIC ACID (+8%) and UMIFENOVIR (+0.1) moved down one rank, to numbers 6 and 7, respectively. The total share of the top-10 reduced from 9.9% to 9.6%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	4	XYLOMETAZOLINE	1.2	1.2
2	7	HYALURONIC ACID	1.1	0.9
3	3	PHOSPHOLIPIDS	1.1	1.3
4	1	PANCREATIN	1.0	1.3
5	2	ADEMETIONINE	1.0	1.3
6	5	URSODEOXYCHOLIC ACID	1.0	1.0
7	6	UMIFENOVIR	0.8	1.0
8	10	IBUPROFEN	0.8	0.8
9	23	KAGOCEL	0.8	0.6
10	20	AMBROXOL	0.7	0.6
Total			9.6	9.9

Three newcomers broke into the ranks of the top ten ATC groups (Table 4). J05 Antivirals for systemic use (+59%) moved up to rank two from eleven, R05 Cough and cold preparations (+31%) moved up from rank 13 to 8, and L03 Immunostimulants (+27%) moved up from rank 13 to 10. Apart from that, J01 Antibacterials for systemic use (+19%) moved up one rank, to number 5. At the same time, the Groups A11 Vitamins (+5%), M01 Anti-inflammatory and antirheumatic products (+12%) and C09 Agents acting on the rennin-angiotensin system (+14%) moved down to the lower ranks, coming in at numbers 3, 4 and 6, respectively. At the same time, three ATC groups held their own in the ranking. They were the leader of top ten G03 Sex hormones (+6%), as well as N06 Psychoanaleptics (+16%) and R01 Nasal preparations (+14%) placed at ranks 7 and 9. In contrast to the previous rankings, the total share of the analysed top 10 increased by almost 2p.p. and accounted for 37.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	1	G03	SEX HORM&MODULAT GENITAL SYS	4.3	4.6
2	11	J05	ANTIVIRALS FOR SYSTEMIC USE	4.3	3.0
3	2	A11	VITAMINS	3.9	4.2
4	3	M01	ANTIINFLAM & ANTIRHEUM PROD	3.7	3.7
5	6	J01	ANTIBACTERIALS FOR SYST USE	3.7	3.5
6	4	C09	AG ACT RENIN-ANGIOTENS SYST	3.7	3.7
7	7	N06	PSYCHOANALEPTICS	3.5	3.4
8	12	R05	COUGH AND COLD PREPARATIONS	3.5	3.0
9	9	R01	NASAL PREPARATIONS	3.3	3.3
10	13	L03	IMMUNOSTIMULANTS	3.2	2.8
Total				37.1	35.3

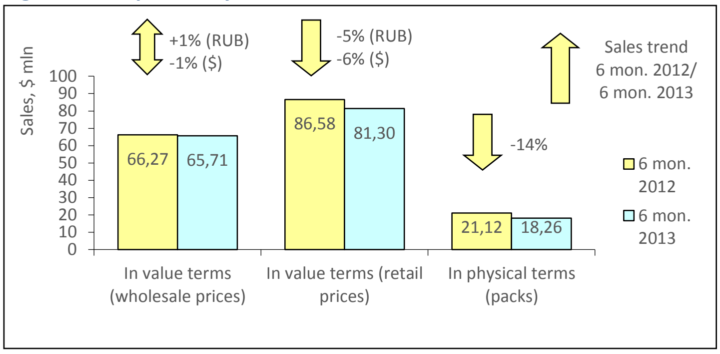
Conclusion. In the first half of 2013, the pharmacy market in Yekaterinburg was estimated at RUB 3.335 bln (USD 107.635 mln.) in final consumer prices. Note that the market performance was positive both in rouble terms and in dollar terms (+12% and +10%, respectively). In pack terms, the market expanded by 5% and achieved 17.966 mln packs. The average cost of an OTC pack (USD 5.98) in the pharmacies increased as compared to a year earlier (USD 5.70) and was higher than the average value in Russia (USD 4.25). At the same time, expenses of residents for purchase of drugs in the city pharmacies also proved to be higher than the average expenses in Russia (USD 75.30 vs. USD 62.71).

UFA PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Ufa was estimated as 1.09 mln, which accounted for 0.8% of the total Russian Federation population and 3.7% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2013 the average salary in the city was RUB 21,653.8 (USD 693.59), which was 25% lower than the average salary in Russia (RUB 28,787.6).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2013 the Ufa pharmacy market volume reduced by 14% in physical terms and amounted to 18.260 million packs. In value terms, the market also showed positive growth rates 1% in terms of roubles and reduced 1% in terms of dollars and reached RUB 2.036 bln (USD 65.711 mln) in wholesale prices. The regional market share in value terms accounted for 0.9% of the Russian pharmacy market. The average cost of an OTC drug in the region pharmacies increased as compared to a year earlier and amounted to USD 4.45 (in a year-earlier period – USD 4.10). In the first half of 2013, per capita expenses for purchase of medicines in pharmacies of Ufa amounted to USD 74.78.

Figure 1. Ufa pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results for the first half of 2013, the Russia-based drug manufacturer PHARMSTANDART topped the top ten drug manufacturers ranking in the regional market due to 16% growth in sales (Table 1). In contrast, the leader of the previous year SANOFI-AVENTIS reduced its sales 11% and moved down to rank two. Apart from it, the other five drug manufacturers of the top 10 showed negative growth rates. On top of that, four of them: ABBOTT (-13%), SERVIER (-11%), GEDEON RICHTER (-9%) and MENARINI (-8%) moved down to the lower ranks five, six, nine and ten, respectively. However, despite the reduction in sales by 4% the manufacturer NYCOMED/TAKEDA managed to move up one rank, coming in at number seven. The manufacturers with significant growth rates, BAYER (+16%) and TEVA (+6%), rose in the ranks, moving up to ranks three and eight, respectively. Only one drug manufacturer of the top ten, SANDOZ (+1%) held its own in the ranking. The total share of the top 10 drug manufacturers reduced from 40.2% to 39.3%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	PHARMSTANDART	6.0	5.2
2	1	**SANOFI-AVENTIS**	5.3	6.0
3	6	**BAYER HEALTHCARE**	4.5	3.9
4	4	**SANDOZ GROUP**	4.1	4.1
5	3	**ABBOTT**	4.1	4.7
6	5	**SERVIER**	3.5	3.9
7	8	**NYCOMED/TAKEDA**	3.1	3.3
8	10	**TEVA**	3.1	2.9
9	7	GEDEON RICHTER	3.0	3.3
10	9	**MENARINI**	2.7	2.9
Total			39.3	40.2

*AIPM members are in bold

Hepatoprotector ESSENTIALE N, which sales reduced 14%, maintained its leading position in the top 10 brand names ranking (table 2). Note that most of the brand names in the analyzed ranking, as well as in the previous one, showed negative growth rates. In the majority of cases it resulted in the loss of ranks: HEPTRAL (-24%), ACTOVEGIN (-7%), MEXIDOL (-5%) and ALFLUTOP (-13%) moved down to ranks 3, 5, 6 and 8, respectively. However, two brand names with insignificant reduction in sales - KETONAL and DUPHASTON (-2% each) moved up to the higher ranks 7 and 10. At the same time, the latter became one of two newcomers of the top ten. Apart from it, CARDIOMAGNIL (+18%) broke into the ranks of the top ten, coming in at number 9 from 13. Another two brand names with significant positive growth rates rose in the ranks. KAGOCEL (+54%) moved up to rank two from nine, and ARBIDOL (+16%) moved up to rank four from six.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ESSENTIALE N	1.7	2.0
2	9	KAGOCEL	1.1	0.7
3	2	HEPTRAL	1.0	1.3
4	6	ARBIDOL	0.9	0.8
5	3	ACTOVEGIN	0.9	1.0
6	4	MEXIDOL	0.9	0.9
7	8	KETONAL	0.8	0.8
8	5	ALFLUTOP	0.8	0.9
9	13	CARDIOMAGNIL	0.7	0.6
10	11	DUPHASTON	0.6	0.6
Total			9.4	9.7

Three newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). KAGOCEL (+54%) moved up to rank three from fourteen, and INNs UMIFENOVIR and AZITHROMYCIN (+16% each) moved up to ranks nine and ten from 11 and 12. PHOSPHOLIPIDS (-11%) and PANCREATIN (-15%) maintained their leading positions in the top ten. In addition, another two INNs held their own in the ranking. They were KETOPROFEN (-0.3%) and XYLOMETAZOLINE (+9%) placed at numbers four and seven, respectively. The remaining top 10 INNs moved down to the lower ranks. INN ADEMETIONINE (-21%), BLOOD (-6%) and ETHYLMETHYLHYDROXYPYRIDINE (-3%) moved down to ranks 5, 6 and 8, respectively. The total share of the analyzed ranking, as well as that of the above rankings slightly reduced and accounted for 11.4%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	PHOSPHOLIPIDS	1.9	2.1
2	2	PANCREATIN	1.4	1.6
3	14	KAGOCEL	1.1	0.7
4	4	KETOPROFEN	1.1	1.1
5	3	ADEMETIONINE	1.1	1.4
6	5	BLOOD	1.0	1.1
7	7	XYLOMETAZOLINE	1.0	0.9
8	6	ETHYLMETHYLHYDROXYPYRIDINE	1.0	1.0
9	11	UMIFENOVIR	0.9	0.8
10	12	AZITHROMYCIN	0.9	0.8
Total			11.4	11.6

J01 Antibacterials for systemic use (+2%) and M01 Anti-inflammatory and antirheumatic products (+5%) remained the best selling groups in the regional market (table 4). A11 Vitamins (+6%) and R05 Cough and cold preparations (+20%) moved up to ranks three and four. Apart from them, another two ATC groups managed to rise in the ranks. They were the groups L03 Immunostimulants (+9%) and the only newcomer fo the top ten J05 Antivirals for systemic use (+45%), which moved up to ranks 7 and 9, respectively. The less dynamic groups G03 Sex hormons (+5%) and N02 Analgesics (+3%) held their previous ranks 5 and 8. A05 Bile and liver therapy (-5%) and N06 Psychoanaleptics (-6%) reduced their sales and moved down to ranks six and ten. The total share of top ten ATC groups in the region increased by over 2 p.p. and achieved 38.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	1	J01	ANTIBACTERIALS FOR SYST USE	4.9	4.8
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.5	4.3
3	4	A11	VITAMINS	4.1	3.9
4	7	R05	COUGH AND COLD PREPARATIONS	4.0	3.3
5	5	G03	SEX HORM&MODULAT GENITAL SYS	4.0	3.8
6	3	A05	BILE AND LIVER THERAPY	3.8	4.1
7	10	L03	IMMUNOSTIMULANTS	3.5	3.2
8	8	N02	ANALGESICS	3.4	3.3
9	16	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	2.3
10	6	N06	PSYCHOANALEPTICS	3.2	3.4
Total				38.7	36.5

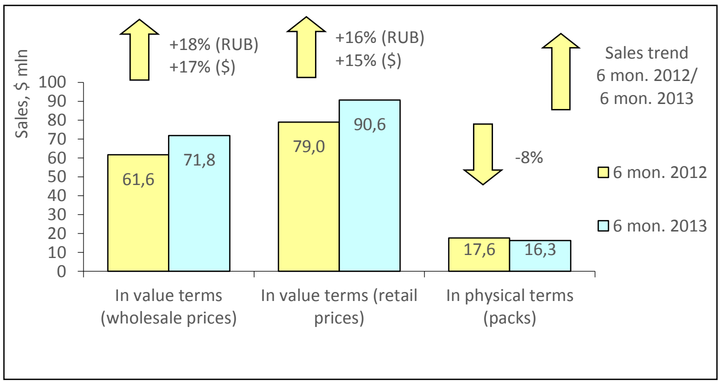
Conclusion. Following the results of the first half of 2013, the Ufal pharmacy market performance (in value terms) proved to be negative both (-5%) in terms of roubles and (-6%) in terms of dollars. At the same time, the market volume amounted to RUB 2.518 bln (USD 81.297 mln). In pack terms, the market shrank by 14% to 18.260 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 4.45 vs. USD 4.10), and was higher than the average figures in Russia (USD 4.25). The average medicine expenses of residents of Ufa were also higher than the national average expenses (USD 74.78 vs. USD 62.71).

KAZAN PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Kazan was estimated as 1.176 mln, which accounted for 0.8% of the total Russian Federation population and 4.0% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2013 the average salary in the Republic of Tatarstan was RUB 24,636.5 (USD 789.13), which was 14% lower than the average salary in Russia (RUB 28,787.6).

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 2013 the sales of OTC drugs in physical terms in pharmacies of Kazan saw a 8% decrease to 16.288 mln packs. In value terms, the OTC drugs market increased by 18% in rouble terms and by 17% in dollar terms and reached RUB 2.227 billion (USD 71.838 million) in wholesale prices (Fig. 1). The regional market share in value terms accounted for 1.0% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 4.48) and reached USD 5.56 in retail prices. For 6 months of 2013, the average amount spent by residents of Kazan for OTC drugs in pharmacies amounted to USD 77.02.

Figure 1. Kazan pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results for the first half of 2013, SANOFI-AVENTIS (+26%) which share accounted for almost 6% of the regional market held and reinforced its leading rank in the regional top ten manufacturers ranking (table 1). BAYER (+28%) and PHARMSTANDART (+14%) moved up to rank two and three, whereas SERVIER (+5%) which had been placed at rank 2 moved down to rank four due to lag in growth rates. ABBOTT (+12%), SANDOZ (+19%) and MERCK SHARP DOHME (+17%) held their previous ranks five, six and nine. The drug manufacturers TEVA (+32%) and NOVARTIS (+22%) rose in he ranks, moving up to numbers 7 and 8. The latter became the only newcomer of top 10. SERVIER (+5%) and MENARINI (+4%), which had been placed at numbers four and seven, showed low sales rates, reduced their market shares and moved down to ranks 4 and 10. The cumulative share of the top 10 drug manufacturers also reduced and accounted for 36.4%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	**SANOFI-AVENTIS**	5.8	5.5
2	3	**BAYER HEALTHCARE**	4.4	4.0
3	4	PHARMSTANDART	3.9	4.0
4	2	**SERVIER**	3.7	4.2
5	5	**ABBOTT**	3.3	3.5
6	6	**SANDOZ GROUP**	3.3	3.3
7	10	**TEVA**	3.2	2.9
8	11	**NOVARTIS**	3.0	2.9
9	9	**MERCK SHARP DOHME**	2.9	2.9
10	7	**MENARINI**	2.9	3.3
Total			36.4	36.6

*AIPM members are in bold

The top ten brand names ranking didn't change in composition (Table 2). The brand names ESSENTIALE N (+54%) and ALFLUTOP (+5%) held their leading ranks in the top ten. On top of that, HEPTRAL (+11%) also managed to hold its previous rank 4. Two brand names of the top 10 rose in the ranks. KAGOCEL (+91%) moved up from rank ten to 3, and ARBIDOL (+20%) moved up from rank 8 to 6. At the same time, the brand names with low growth rates (VIAGRA, PEGINTRON and MEXIDOL) as well as ACTOVEGIN (-2%) and DETRALEX (-1%) which showed reduction in sales moved down to the lower ranks.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ESSENTIALE N	1.6	1.3
2	2	ALFLUTOP	1.1	1.2
3	10	KAGOCEL	1.0	0.6
4	4	HEPTRAL	0.8	0.8
5	3	VIAGRA	0.8	0.9
6	8	ARBIDOL	0.7	0.7
7	5	ACTOVEGIN	0.7	0.8
8	7	PEGINTRON	0.6	0.7
9	6	DETRALEX	0.6	0.8
10	9	MEXIDOL	0.6	0.6
Total			8.6	8.5

All INNs of the top ten INN and Generic Names Ranking showed positive growth rates (table 3). At the same time, the markets of four of them developed at a fast pace. They were the leader of the top ten PHOSPHOLIPIDS (+51%), as well as KAGOCEL (+91%) and AZITHROMYCIN (+34%) that moved up to ranks three and four, as well as ADEMETIONINE (+19%) that held its previous rank 7. INN FISH (+5%) and the composition DIOSMIN + HESPERIDIN (+15%) placed at ranks two and ten in the top ten held their own in the ranking. Four INNs moved down to the lower ranks. They were XYLOMETAZOLINE (+16%), PANCREATIN (+7%), SILDENAFIL (+14%) and CHONDROITINSULFURIC ACID + GLUCOSAMINE (+4%) placed at ranks 5, 6, 8 and 9. The total share of the top 10 under review increased and accounted for 10.1%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	PHOSPHOLIPIDS	1.8	1.4
2	2	FISH	1.1	1.2
3	23	KAGOCEL	1.0	0.6
4	9	AZITHROMYCIN	1.0	0.9
5	4	XYLOMETAZOLINE	1.0	1.0
6	3	PANCREATIN	0.9	1.0
7	7	ADEMETIONINE	0.9	0.9
8	6	SILDENAFIL	0.9	0.9
9	5	CHONDROITINSULFURIC ACID + GLUCOSAMINE	0.9	1.0
10	10	DIOSMIN + HESPERIDIN	0.8	0.8
Total			10.1	9.7

Two leaders of the top ten ATC groups ranking as well as of the above rankings didn't change. M01 Anti-inflammatory and antirheumatic products (+23%) and J01 Antibacterials for systemic use (+25%) retained and enhanced their own in the ranking. A05 Bile and live therapy (+31%) which sales increased by almost one third, moved up from rank six to three. The newcomer of the top ten J05 Antivirals for systemic use (+65%) showed a yet higher growth rates, coming in at number 7. Apart from that, R05 Cough and cold preparations (+23%) moved up one rank, to number 8. At the same time, the less dynamic groups G03 Sex hormons (+15%), N02 Analgesics (+18%), C09 Agents acting on the rennin-angiotensin system (+15%) and A11 Vitamins (+16%) moved down to the lower ranks four, five, nine and ten, respectively. The group L03 Immunostimulants (+16%) held its previous rank four. The total share of the top ten under review increased by almost 1.6 p.p. and achieved 37.4%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.9	4.7
2	2	J01	ANTIBACTERIALS FOR SYST USE	4.7	4.4
3	6	A05	BILE AND LIVER THERAPY	3.8	3.4
4	4	L03	IMMUNOSTIMULANTS	3.7	3.7
5	3	G03	SEX HORM&MODULAT GENITAL SYS	3.7	3.8
6	5	N02	ANALGESICS	3.5	3.5
7	15	J05	ANTIVIRALS FOR SYSTEMIC USE	3.5	2.5
8	9	R05	COUGH AND COLD PREPARATIONS	3.3	3.2
9	7	C09	AG ACT RENIN-ANGIOTENS SYST	3.3	3.4
10	8	A11	VITAMINS	3.2	3.3
Total				37.4	35.8

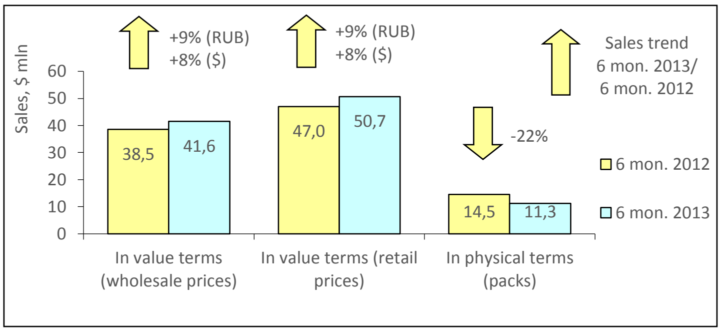
Conclusion. On the basis of the results for six months of 2013, the retail pharmacy market of Kazan brought in RUB 2.808 bln (USD 90.595 mln). The market saw a 16% increase in terms of roubles and 15% increase in terms of dollars compared to the last year results. In pack terms, the market showed negative growth rates (-8%) and achieved 16.288 mln packs. At Q I-end 2013, the average cost of an OTC pack in the city pharmacies was higher than in the year-earlier period (USD 5.56 vs. USD 4.48) and exceeded the Russia average figures (USD 4.25). The average medicine expenses of residents of the region were also lower than the national average expenses (USD 77.02 vs. USD 62.71).

PERM PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Perm was estimated as 1.014 mln, which accounted for 0.7% of the total Russian Federation population and 3.4% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2013 the average salary in the city was RUB 23,392 (USD 749.26), which was 19% lower than the average salary in Russia (RUB 28,787.6).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2013 the pharmacy market volume in physical terms reduced by 22% and amounted to 11.268 million packs (Fig. 1) In wholesale prices, the market showed the positive performance both in terms of roubles (+9%) and in terms of dollars (+8%) and reached 1.287 million roubles (USD 41.556 mln). The region's share accounted for 0.6% of the total volume of all-Russia pharmacy market. Based on the results for the first half of the year, the average cost of OTC pack in the city pharmacies in the analysed period was USD 4.50 (during the same period in 2012 - USD 3.23). The average expenses of Perm residents for purchase of drugs in the first six months of 2013 were estimated as USD 49.97.

Figure 1. Perm pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results for the first half of 2013, SANOFI-AVENTIS (+13%) became the leader of the regional top ten drug manufacturers ranking (Table 1). PHARMSTANDART which reduced its sales by 9% moved down to rank two. Another drug manufacturer of the top ten MENARINI (-8%) also showed negative growth rates and moved down to rank nine from 6. On top of that, the more dynamic drug maker SANDOZ (+11%)displaced the manufacturer NYCOMED/TAKEDA (+4%) down one rank. The markets of the other INNs of the top ten developed at a fast pace. At the same time, two of them BAYER (+13%) and TEVA (+15%) held their previous ranks three and ten. The manufacturers SERVIER (+13%), ABBOTT (+17%) and NOVARTIS (+20%) showed high growth rates and moved up to ranks six through eight respectively. On top of that, the latter broke into the ranks of the top 10 ranking for the first time. The total share of the top 10 ATC groups increased by 0.6 p.p. and accounted for 36.5%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	**SANOFI-AVENTIS**	5.0	4.8
2	1	PHARMSTANDART	4.6	5.5
3	3	**BAYER HEALTHCARE**	4.3	4.1
4	5	**SANDOZ GROUP**	3.7	3.6
5	4	**NYCOMED/TAKEDA**	3.6	3.7
6	7	**SERVIER**	3.5	3.4
7	8	**ABBOTT**	3.3	3.0
8	11	**NOVARTIS**	2.9	2.7
9	6	**MENARINI**	2.9	3.4
10	10	**TEVA**	2.9	2.7
Total			36.5	37.1

*AIPM members are in bold

The leading three brand names of the top ten held their own in the ranking (table 2). ARBIDOL (-9%), ACTOVEGIN (-1%) and ESSENTIALE N (+14%) held their own in the ranking despite the reduction in sales of the first two. Two brand names VIAGRA (-9%) and CIALIS (-4%) showed negative growth rates and moved down to the lower ranks six and ten. Due to low growth rates, ANAFERON (+1%) significantly fell in the ranks, moving down to rank eight from five. In contrast, the other brand names of the top-10 showed pronounced positive growth rates. At the same time, three of them became the newcomers of the top ten. They were ASEPTOLIN (+38%), KAGOCEL (+69%) and INGAVIRIN which sales increased 2.9 times, coming in at numbers 4, 7 and 9 respectively. On top of that, CARDIOMAGNIL (+29%) moved up from rank eight to five. The cumulative share of the top10 increased from 7.0% to 7.4%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ARBIDOL	0.9	1.1
2	2	ACTOVEGIN	0.9	1.0
3	3	ESSENTIALE N	0.9	0.8
4	11	ASEPTOLIN	0.7	0.6
5	8	CARDIOMAGNIL	0.7	0.6
6	4	VIAGRA	0.7	0.8
7	21	KAGOCEL	0.7	0.4
8	5	ANAFERON	0.7	0.7
9	74	INGAVIRIN	0.6	0.2
10	7	CIALIS	0.5	0.6
Total			7.4	7.0

A total of three newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were the composition AMOXICILLIN + CLAVULANIC ACID (+36%), as well as INN ATORVASTATIN (+83%) and AMBROXOL (+20%) which moved up to ranks 7, 9 and 10, respectively. Apart from that, another two INNs of the top ten PHOSPHOLIPIDS (+13%) and BLOOD (+1%) also showed positive growth rates, which allowed them to move up to ranks two and three. The other INNs of the top ten showed reduction in sales which allowed them in most cases to move down to the lower ranks. INNs PANCREATIN (-6%), UMIFENOVIR (-9%), NIMESULIDE (-1%) and SILDENAFIL (-2%) moved down to ranks 4 through 6 and 8, respectively. INN XYLOMETAZOLINE reduced its sales by 5%, but held its previous leading rank in the top ten. The total share of the top-10 reduced from 9.2% to 9.0%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	XYLOMETAZOLINE	1.1	1.2
2	6	PHOSPHOLIPIDS	1.0	1.0
3	4	BLOOD	1.0	1.1
4	3	PANCREATIN	0.9	1.1
5	2	UMIFENOVIR	0.9	1.1
6	5	NIMESULIDE	0.9	1.0
7	15	AMOXICILLIN + CLAVULANIC ACID	0.8	0.7
8	7	SILDENAFIL	0.8	0.9
9	40	ATORVASTATIN	0.8	0.5
10	17	AMBROXOL	0.7	0.7
Total			9.0	9.2

As before, M01 Anti-inflammatory and antirheumatic products (+6%) and A11 Vitamins (0%) held the first two ranks in the top ten ATC groups ranking (Table 4). Apart from them, another two ATC groups of the top ten held their own in the ranking. They were J01 Antibacterials for systemic use (+16%) and R01 Nasal preparations (+2%) placed at ranks 5 and 8. At the same time four ATC groups showed high growth rates. C09 Agents acting on the rennin-angiotensin system (+13%) and R05 Cough and cold preparations (+10%) moved up one rank, coming in at numbers 3 and 6. L03 Immunostimulants (+17%) moved up from rank six to four and the only newcomer of the top ten J05 Antivirals for systemic use (+50%) moved up to rank seven. At the same time, the groups N02 Analgesics (-27%) and G03 Sex hormones (+12%) moved down to the lower ranks, coming in at numbers nine and ten of the ranking. The cumulative share of the top-ten increased by 0.7 p.p. and achieved 37.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.7	4.8
2	2	A11	VITAMINS	4.3	4.7
3	4	C09	AG ACT RENIN-ANGIOTENS SYST	4.2	4.1
4	6	L03	IMMUNOSTIMULANTS	4.1	3.8
5	5	J01	ANTIBACTERIALS FOR SYST USE	4.1	3.8
6	7	R05	COUGH AND COLD PREPARATIONS	3.6	3.6
7	15	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	2.4
8	8	R01	NASAL PREPARATIONS	3.2	3.4
9	3	N02	ANALGESICS	3.1	4.7
10	9	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.1
Total				37.8	38.5

Conclusion. In the first half of 2013, the pharmacy market in Perm was estimated at RUB 1.569 bln (USD 50.662 mln.) in final consumer prices. Note that the market performance was positive both in rouble terms and in dollar terms (+9% and +8%, respectively). In pack terms, the market significantly decreased (-22%) and amounted to 11.268 mln packs. The average cost of an OTC pack (USD 4.50) in the pharmacies increased as compared to a year earlier (USD 3.23) and was higher than the average value in Russia (USD 4.25). At the same time, expenses of residents for purchase of drugs in the city pharmacies proved to be lower than the average expenses in Russia (USD 49.97 vs. USD 62.71).

REGIONAL DIGEST

State Reimbursement Program//Procurement of Necessary Drugs, Government Control

September 5, 2013, The Izvestia

State Duma proposed to stiffen penalties for manufacturers and distributors of counterfeit pharmaceuticals

The manufacture and distribution of counterfeit pharmaceuticals may be equated with the grave offences. Just Russia supporter Oleg Mikheev prepared amendments to the Criminal Code which introduce the penalties in respect of counterfeiters of pharmaceuticals. According to the new proposal, the minimum penalty would rise to a fine and the maximum penalty would be a life term if administration of such pharmaceuticals caused death. Some ot these days they will be submitted to the Government and Supreme Court for consideration.

September 5, 2013, RIA News

Ministry of Public Health to set up Public Council to protect the interests of citizens

According to the press-service of the Ministry, The Ministry of Public Health of Russia invites members of nonprofit organizations, patient associations and business communities to go into the Public Council to be set up under the Ministry to protect the interests of citizens. It has been stated that the Public Council is set up to protect the interests of citizens of the Russian Federation, non-profit organizations and government bodies, as well as to control the Ministry of Public Health.

September 9, 2013, The Novaya Gazeta

According to the International Narcotics Control Board, in Russia intake of opioids with a view to medical treatment reduced 3 times

Krasnoyarsk regional court overturned the conviction of GP Alevtina Khorinyak found guilty of writing a prescription for pain medications to an oncologic patient dying from pain shock. Worldwide Palliative Care Alliance and European Palliative Care Association showed concern for prosecution of a doctor. Doctors from all over the world apply to the RF Government for immediate revision of laws restricting availability of opioid analgesics in the treatment of pain. According to the International Narcotics Control Board, in Europe intake of opioids with a view to medical treatment has increased by 41 times, morphine - by 6 times from 1992. However, in Russia intake of opioids has reduced by 3 times, morphine - by 8 times for the same period of time. In 2010, in the Russian Federation opioids with a view to medical treatment (mg per man) were administered 154 times less than in Germany which sets the pace for other European countries. Morphine - 47 times less.

September 9, 2013, ITAR-TASS

FAS finds it necessary to prohibit the marking authorization of BAA with names sounding similar to pharmaceuticals names

The Federal Anti-monopoly Service of Russia proposed to phoribit the marketing authorization of biologically active additives with names sounding similar to pharmaceuticals names, according to the Service's report following the results of a meeting of the Anti-monopoly Investigation Group held within the scope of Competition Day in Irkutsk on September 9, 2013. A spokesman for the Service said that the BAA trade name expert proceedings would be introduced.

September 10, 2013, The Rossiyskaya Business-Gazeta

ARPM proposed the pharmaceutical industry support system

In the context of public health budget cutting, the procurement of citizens of the Russian Federation with necessary drugs can only be ensured by developing the domestic pharmaceutical industry. On top of that, we must end our dependence on imported drugs at least to the extent of strategically important drugs and substances. These objectives are set for the industry by the Federal Target Programme *Development of Pharmaceutical and Medical Industries of the Russian Federation untill 2020 and Further*, however neither definition for the term "RF drug substance" has been adopted nor scheme of preferences for Russian manufacturers has been created yet which is necessary for the development of local pharmaceutical industry. By instruction of the President of Russia of June 14, 2013, ARPM (Association of Russian Pharmaceutical Manufacturers), ARPM developed and submited to the Government the proposed scheme of preferences for the Russian drug manufacturers.

September 17, 2013, ITAR-TASS

RF Government to review a draft law on introduction of pneumococcal vaccination into the National Calendar of Prophylactic Immunization

The RF Government will review a draft law submitted by the Ministry of Public Health to improve the system of immunoprophylaxis of infectious diseases. The legislative initiative proposed to amend Article 9 of the Act Concerning the Immunoprophylaxis of Infectious Diseases by adding the National Calendar of Prophylactic Immunization with a vaccine against pneumococcal disease.

September 19. 2013, The Vedomosti

Ministry of Public Health proposed to postpone the reregistration of medicinal products for three years

The Ministry of Public Health met the needs of pharmacy chains. The authority proposed to postpone the reregistration of sanitary and hygeinic products for three years. Otherwise the pharmacies stood in jeopardy of losing their rights to sell them. The Ministry prepared amendments to the draft decree of the government concerning adoption of regulations for state registration of medicinal products (it is published on the unified portal of information disclosure). The document is intended to resolve the conflict due to which the Russian pharmacies may lose the right to sell condoms, syrengies, medical thermometers, test strips, bandages and sanitary and hygeinic products.

September 19, 2013, The Izvestia

Ministry of Public Health prepared a draft strategy for formation of healthy lifestyle among the citizens of Russia until 2020

Ministry of Public Health prepared a draft strategy for formation of healthy lifestyle among the citizens of Russia until 2020. According to the document, the consumption of alcoholic beverages in the coutnry will drop by 25%, tobacco - by 28% with the adults and by 53% with the children and teenagers. The consumption of narcortic and psychotropic substances will be reduced much less - only by 4%. The forecast concerning obesity is much worse - the rate of overweight people will not be reduced at all.

September 25, 2013, The Meditsinski Vestnik

Pilot projects introducing medication insurance in the regions to start in 2014

The Ministry of Public Health of the Russian Federation is looking into the possibilities of pilot projects introducing medication insurance, said Assistant Minister of Public Health Elena Maksimkina at the brifing on September 19. According to her story, as yet the strategy of drug supply and its implementation plan in the Russian Federation until 2025 doesn't contain any procedure for large-scale introduction of medication insurance, but applications from the regions that desire to take part in the pilot projects are accepted and considered.

September 27, 2013, The Vedomosti

The Russian insurance companies began to include cancer coverage in the voluntary insurance plans

The Russian insurance companies began to include cancer and other critical illness coverage in the voluntary health insurance plans. Allianz insurance company and the European Medical Center (GEMC) launched the programme allowing the VHI holders to treat oncological diseases in the GEMC hospitals. If the Group fails to provide adequate medical care, a patient will be referred to the specific medical facilities abroad. Very few insurers provide insurance products that cover the high medical costs in treating oncological diseases, said Deputy Director General of Ingosstrakh Tatiana Kaigorodova. She believes that such programmes are unlikely to become popular. The Russians appear unwilling to insure against dangerous diseases, and some of them think that buying a cancer insurance policy will result in drawing troubles upon themselves.

NEWS FROM COMPANIES

September 3, 2013, GMPnews.ru

FAS approved an Alvansa Limited's request to buy 80% stock in Obolenskoye

The Federal Anti-monopoly Service approved the decision of Cyprus-based Alvansa Limited to buy 80.55% of voting shares of Obolenskoye Pharmaceutical Plant, CJSC (OBL Pharm, Obolensk, Moscow Region), as reported by FAS. Among the shareholders of the company is the manager of OBL Pharm Andrey Mladentsev (33.4%), the head of one of Venture Funds of the EBRD Vladimir Ulyanov (33.3%) and Director General of the investment fund Teknoinvest Management AS Stiven Morrell (33.3%).

September 25, 2013, The Vedomosti

Owners of Pharmacy Chain 36.6 sell 30% of their stock

The structures of the majority shareholder of Credit Bank of Moscow may become the biggest shareholder of not only a drug manufacturer Veropharm, but also of its former parent company Pharmacy Chain 36.6. The majority shareholders of Pharmacy Chain 36.6 Artem Bektemirov and Sergey Krivosheev carry on negotiations for the sale of a share in the pharmacy net to the structures of the majority shareholder of Credit Bank of Moscow (MKB Bank) Roman Avdeev, according to several members of the pharmaceutical market and two sources close to one of the parties to the bargain.

September 30, 2013, The Kommersant

Shareholders of OAO Pharmstandard approved the spin-off of its over-the-counter business into a separate entity

The shareholders of Pharmstandard, the biggest drug manufacturer in the Russian Federation, supported the spin-off of its over-the-counter business into a seperate entity. Not only majority shareholders entering into the Board of Directors, but also a part of minority shareholders voted to spin-off OTC business. The new OAO Otisipharm which will start its operation in February 2014 may be sold in the period ahead.

Source of information – IMS Health

If you have questions or comments, please contact:

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