REMEDIUM GROUP OF COMPANIES

AIPM® Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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

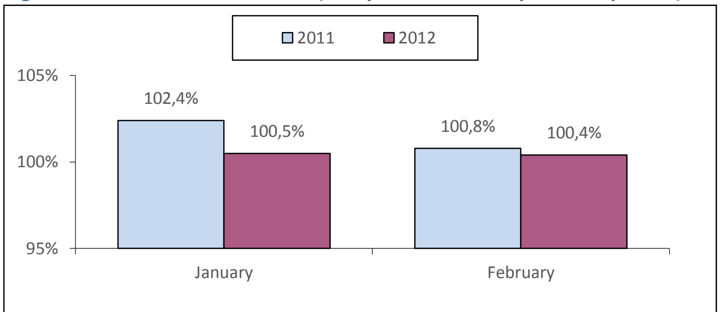
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in February 2012, compared to the previous month, the Consumer Price Index was estimated as 100.4%.

In February, Industrial Producer Price Index was 101.1%, whereas a month ago it amounted to 99.8%.

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



Source: Rosstat

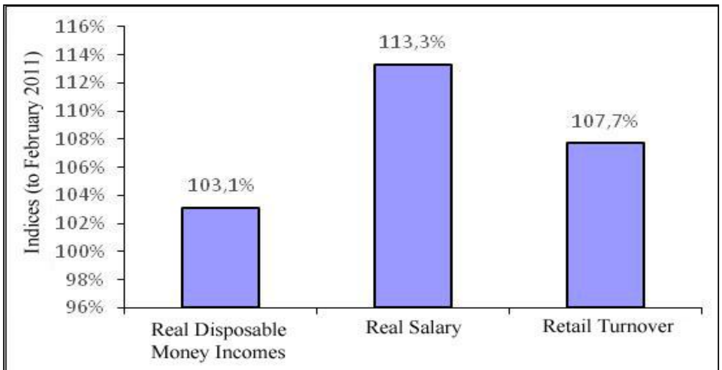
Living standard

According to preliminary Federal State Statistics Service's data, in February 2012 a gross monthly average salary per worker reached RUB 24,220 (USD 836.61) which accounted for 117.5% compared to February 2011 and 102.0% compared to January 2012. The real salary in February 2012 accounted for 113.3% as compared with the same period in 2011. In February 2012, the real value of cash incomes accounted for 103.1% compared to the same period of 2011 (Fig. 2).

Retail turnover

In February 2012, the retail turnover was equal to RUB 1,516.0 bln, which in stock accounts for 107.7% compared to the same period a year ago (Fig. 2).

Figure 2. Real value of cash incomes, real salary and retail turnover in February 2012



Source: Rosstat

Manufacture of industrial products

According to Federal State Statistics Service's data, in February 2012 Industrial Production Index accounted for 106.5% compared to the same period a year ago, 106.5% to January 2012 and 104.9% for year to date.

Domestic production

According to Ministry of Industry and Trade's data, in January – February 2012 Pharmaceutical Production Index was equal to 118.2% compared to January – February in 2011. In February 2011 it accounted for 115.6% compared to February 2010 and 131.4% compared to January 2011.

Production volume of pharmaceutical products for the period of January – February 2012 amounted to 18.4 bln roubles.

The Top-10 domestic manufacturers by production volume at February-end 2012 are shown in Table 1. The total production volume by top ten manufacturers was estimated at USD 186.97 mln.

Table 1. Top-ten chemical and pharmaceutical manufacturers by production volume in February 2012

Rank	Drug Manufacturer	Production volume, $mln.
1	Pharmstandart	48,4
2	KRKA-RUS	29,9
3	Stada	21,3
4	Akrihin	17,4
5	Pharm-Center	16,1
6	Sotex	15,9
7	Veropharm	10,0
8	Materia Medica Holding	9,7
9	Polysan	9,3
10	Valenta	9,0

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In January 2012 compared to December 2011, reduction in pharmacy sales (in terms of roubles) was observed in all analyzed regions. The most pronounced sales decline was observed in Moscow (-33%), the least sales decline – in the Republic of Tatarstan and Tyumen (-15%).

Table 2. Pharmacy sales in regions, 2011 - 2012

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (Roubles)		
	November 2011	December 2011	January 2012	November/ October 2011	December/ November 2011	January2012/ December 2011
Moscow city	164,1	194,6	137,9	10%	22%	-33%
St. Petersburg	43,7	48,4	36,3	14%	14%	-29%
Krasnodarsky Krai	30,1	31,3	26,6	7%	7%	-20%
Novosibirskaya Oblast	22,6	25,2	19,7	12%	14%	-26%
Republic of Tatarstan	26,0	25,7	23,2	11%	2%	-15%
Krasnoyarsky Krai	16,7	17,4	14,6	12%	7%	-21%
Rostovskaya Oblast	20,5	21,9	18,0	3%	10%	-23%
Voronezhskaya Oblast	17,6	17,7	14,3	9%	3%	-24%
Perm city	6,0	6,8	5,9	-2%	17%	-18%
Tyumen city	6,7	6,9	6,2	9%	7%	-15%

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 February, 2012

Rank	Company*	Quantity of broadcasts
1	Pharmstandart	6 602
2	Novartis	6 447
3	Evalar	6 133
4	Berlin-Chemie Menarini Group	4 836
5	Sanofi Aventis	4 315

Source – TNS Gallup AdFact

Table 4. Top-five trade names in mass media in February 2012

Rank	Trade name*	Quantity of broadcasts
1	Evalar	6 133
2	Tantum	2 102
3	Grippferon	1 911
4	Complivit	1 679
5	Nurofen	1 517

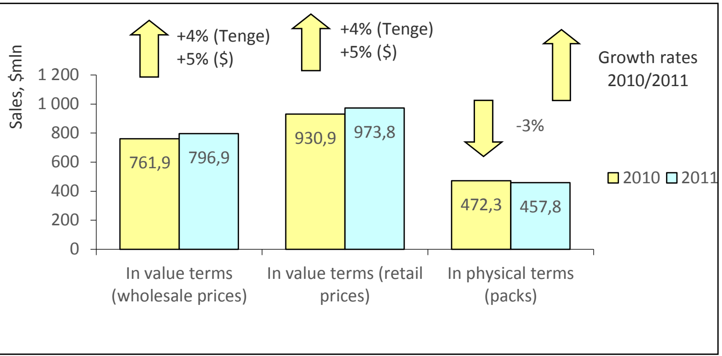
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN PHARMACY MARKET: 2011 RESULTS

According to the results of the Retail Audit of Over-the-Counter (OTC) drugs in Kazakhstan™, at the end of 2011, the retail over-the-counter drugs market in physical terms saw a 3% decrease to 457.813 mln packs. In value terms (exclusive of Beneficiary Drug Coverage) the country market showed a positive performance: 4% in terms of Kazakhstan Tenges and 5% in terms of dollars. In wholesale prices the market achieved USD 796.861 mln (Tenge 116.896 bln), in retail prices – USD 973.824 mln (Tenge 142.856 bln) (Fig.1). The average retail cost of a pack was USD 2.13, whereas in the year ago period its cost was USD 1.97. At 2011-end, the level of OTC drugs consumption per capita was USD 59.23 (in 2010 - USD 57.44).

Figure 1. Kazakhstan pharmacy market for 2010 – 2011



Nineteen percent of OTC drugs sold in pharmacies of Kazakhstan in 2011 were produced in Germany. The Russian pharmaceutical products' share in the region accounted for 7% and ranked 2nd. Products made in India, USA and France accounted for 6% of the market each. Drugs made in Kazakhstan accumulated 5% of the pharmacy market each, as well as OTC drugs from Denmark and Slovenia.

On the basis of the results for 2011, NOVARTIS (+2%[1]) became the leader of the regional pharmacy market of Kazakhstan (Table 1). Preparations of unidentified manufacturers ranked second – the share thereof noticeably reduced which resulted in the loss of one rank. SANOFI-AVENTIS (-4%) kept its third rank despite the reduction in sales. Three more drug manufacturers held their own in the top ten – as before BAYER HEALTHCARE (+1%), BERLIN-CHEMIE (+3%) and GLAXOSMITHKLINE (+5%) kept their ranks from 6 through 8. Three manufacturers (except for the leader) rose in the ranks. NYCOMED (+9%), SOLVAY (+2%) and SERVIER/EGIS (-1%) moved up one rank, coming in at numbers 4, 9 and 10 respectively. At the same time TEVA (+4%) moved down one rank, coming in at number 5. The total share accumulated by the top ten drug manufacturers reduced and accounted for 43.7%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	2	**NOVARTIS (inc. SANDOZ LEK)**	6,4	6,5
2	1	Unidentified manuf.	6,2	7,2
3	3	**SANOFI-AVENTIS**	5,6	6,0
4	5	**NYCOMED**	5,0	4,8
5	4	**TEVA**	4,9	4,9
6	6	**BAYER HEALTHCARE**	4,4	4,5
7	7	**BERLIN-CHEMIE AG/MENARINI GROUP**	3,1	3,2
8	8	**GLAXOSMITHKLINE**	3,0	2,9
9	10	**SOLVAY PHARMA**	2,7	2,7
10	11	**SERVIER/EGIS**	2,5	2,7
Total			43,7	45,3

*AIPM members are in bold

Actovegin (+14%) remained the best-selling drug in the pharmacies of Kazakhstan which due to its outstripping performance strengthened its position (Table 2). Essentiale N that had been ranked 2nd earlier reduced its sales by 6% and moved down to number 4, whereas Linex (+11%) and Theraflu Flu and Cold (+16%) moved up one rank, coming in at number 2 and 3. Note that two more trade names of the top ten reduced their sales in the analyzed period: Cefazolin and Sumamed (-3% each) held their own ranks 5 and 6. The other top 10 trade names showed positive growth rates and changed their ranks; moreover, three of them rose in the ranks. Viferon (+7%) moved up two ranks, coming in at number 7. The newcomers of the top ten Canephron N (+17%) and Ceraxon (+28%) rose in the ranks more noticeably, coming in at numbers 8 and 10. In contrast, Mezym -forte (+2%) moved down from rank 7 to 9.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	Actovegin	1,6	1,5
2	3	Linex	0,9	0,9
3	4	Theraflu Flu and Cold	0,9	0,8
4	2	Essentiale N	0,8	0,9
5	5	Cefazolin	0,7	0,7
6	6	Sumamed	0,7	0,7
7	9	Viferon	0,6	0,6
8	12	Canephron N	0,6	0,6
9	7	Mezym -forte	0,6	0,6
10	17	Ceraxon	0,6	0,5
Total			8,1	7,8

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

The top INN and generic names ranking leader, preparations of unidentified composition, managed to hold its first position (table 3). Pancreatin (+3%) kept the second rank. Apart from it, only two INNs of the top 10 maintained their ranks – Diclofenac (+8%) and Azithromycin (-0.1%) at ranks 5 and 6. Three INNs of the top 10 managed to rose in the ranks. Thus, Ambroxol (+4) moved up from rank 4 to 3, whereas the combination Multivitamin +Multimineral, which was placed on that rank earlier, reduced its sales by10% and moved down to rank 4. The newcomers broke into the ranks of the top ten, coming in at numbers seven and nine: Ceftriaxonum (+16%) and Paracetamol + Pheniramine + Phenylephrine + Ascorbic Acid (+20%) which forced INN Fluconazole (+0.3%) and Soya Beans phospholipids (-0.4%) move down one rank to numbers 8 and 10. The total share of the top 10 INNs increased from 23.1% to 23.6%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	Unidentified	13,4	12,8
2	2	Pancreatin	1,5	1,5
3	4	Ambroxol	1,4	1,4
4	3	Multivitamin +Multimineral	1,2	1,4
5	5	Diclofenac	1,1	1,1
6	6	Azithromycin	1,0	1,1
7	11	Ceftriaxonum	1,0	0,9
8	7	Fluconazole	1,0	1,1
9	12	Paracetamol + Pheniramine + Phenylephrine + Ascorbic Acid	1,0	0,8
10	9	Soya Beans phospholipids	0,9	0,9
Total			23,6	23,1

The first three groups of the top 10 ATC groups held their own in the ranking (table 4). They were J01 Antibacterials for systemic use (+1%), N02 Analgesics and R05 Cough and Cold Preparations (+12% each). Apart from that, one more group R01 Nasal preparations (+5%) held their own rank seven. Three ATC groups of the top 10 rose in the ranks. M01 Anti-inflammatory and antirheumatic products (+15%) moved up one rank and A05 Group Bile and Liver Therapy (+11%) moved up one rank each. They came in at numbers 4 and 9 respectively by forcing A11 Vitamins (-4%) and A07 Intestinal Antiinfectives (+9%) move down one rank. G04 Urologicals (+11%) moved up from rank 8 to 6, whereas G03 Sex hormones (-2%) which used to take that rank earlier, moved to number eight. The total share of the top ten under review increased by almost 1 p.p. and achieved 45.5%.

Table 4. The top 10 ATC Groups by pharmacy sales

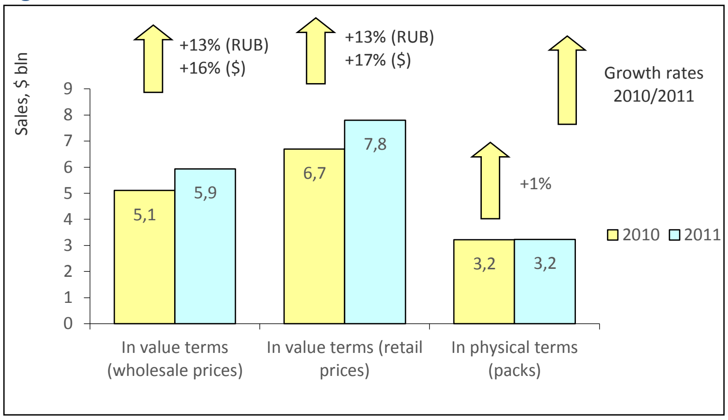
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2011	2010			2011	2010
1	1	J01	Antibacterials for systemic use	9,9	10,2
2	2	N02	Analgesics	5,7	5,3
3	3	R05	Cough and Cold Preparations	5,5	5,1
4	5	M01	Anti-inflammatory and antirheumatic products	4,2	3,8
5	4	A11	Vitamins	3,9	4,2
6	8	G04	Urologicals	3,5	3,3
7	7	R01	Nasal preparations	3,4	3,4
8	6	G03	Sex hormones	3,3	3,5
9	10	A05	Bile and Liver Therapy	3,1	2,9
10	9	A07	Intestinal Antiinfectives	3,1	2,9
Total				45,5	44,6

Conclusion. At the end of 2011, Kazakhstan retail market grew by 4% in national currency terms and by 5% in dollar terms and brought in USD 973.824 mln (Tenge 142.856 bln). In physical terms the market showed negative growth rates (-3%) and amounted to 457.813 mln packs. Compared to the indicators of the same period a year ago, both the average cost of a pack and the level of OTC drugs consumption by residents of the country increased (USD 2.13 vs. USD 1.97 and USD 59.23 vs. USD 57.44).

PHARMACY OTC MARKET IN RUSSIA: 2011 RESULTS

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, the sales of over-the-counter drugs in physical terms increased by 1% to 3.236 bln packs over the period of twelve months of 2011. In value terms, the Russian OTC drugs market saw 13% increase in terms of roubles and 16% increase in terms of dollars compared to the same period a year ago and reached RUB 175.144 bln (USD 5.939 bln) in wholesale prices (Fig.1). The average cost of an OTC pack grew as compared to a year earlier (USD 2.08) and reached USD 2.41 in retail prices. The average Russian consumer spent USD 54.64 for over-the-counter drugs for twelve months of 2011, whereas during the same period a year ago – USD 46.80.

Figure 1. Russian OTC market in 2010 – 2011



At the end of 2011, the French drug maker SANOFI-AVENTIS and the Russian drug maker PHARMSTANDART (+6% each) remained the leaders of the top ten OTC drug manufacturers ranking (Table 1). However, the volumes of pharmacy sales of these drug makers lagged behind the market average which resulted in a slight decline of their market shares. The most dynamic company of the top-10 - SANDOZ (+28%) moved up to rank three from five by forcing MENARINI (+4%) and BAYER (+12%) to move down one rank. The markets of NOVARTIS (+27%), STADA (+20%), RECKITT BENCKISER (+18%) and JOHNSON & JOHNSON (+22%) also developed at a swift pace. At the same time, three of them held their own in the ranking, whereas RECKITT BENCKISER moved up one rank, coming in at number 8. In the meantime, the less dynamic TEVA (+9%) moved down to rank 9. The cumulative share of the top 10 manufacturers didn't virtually change and accounted for 44.3%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	PHARMSTANDART	8,8	9,4
2	2	**SANOFI-AVENTIS**	5,9	6,3
3	5	**SANDOZ GROUP**	5,0	4,4
4	3	**MENARINI**	4,5	4,9
5	4	**BAYER HEALTHCARE**	4,4	4,4
6	6	**NOVARTIS**	4,2	3,7
7	7	**STADA**	3,2	3,0
8	9	**RECKITT BENCKISER**	2,9	2,8
9	8	**TEVA**	2,8	2,9
10	10	**JOHNSON & JOHNSON**	2,7	2,5
Total			44,3	44,2

*AIPM members are in bold

The leading three names of the best-selling over-the-counter drugs in Russia remained stable compared to a year earlier (Table 2). Antiviral preparation ARBIDOL (-6%), hepatoprotector ESSENTIALE N (+2%) and a preparation for restoring intestinal flora LINEX (+13%) as before held their first three ranks in the top 10 trade names ranking, though the first two reduced their shares in the market. ANAFERON (+4%), OCILLOCOCCINUM (+1%) and THERAFLU (+2%) also showed low sales rates, whereas MEZYM FORTE (-0.1%) and NO SPA (-2%) reduced their sales. That resulted in the loss of the ranks by those trade names, except for ANAFERON that held its rank 5. In contrast, OTC LASOLVAN (+38%) and a newcomer EXODERIL (2-fold increase in sales) which broke into the ranks of the top ten, coming in at numbers five and eight, respectively, showed the pronounced sales growth and rose in the ranks. The total share accumulated by the Top-10 OTC reduced by almost 1 p.p. and amounted to 13.2%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	ARBIDOL	2,7	3,3
2	2	ESSENTIALE N	1,9	2,1
3	3	LINEX	1,4	1,4
4	9	LASOLVAN	1,1	0,9
5	5	ANAFERON	1,1	1,2
6	4	OCILLOCOCCINUM	1,1	1,2
7	6	MEZYM FORTE	1,1	1,2
8	7	THERAFLU	1,0	1,1
9	29	EXODERIL	0,9	0,5
10	8	NO SPA	0,9	1,0
Total			13,2	14,0

The top 10 INN and Generic Names ranking had more noticeable changes – only one INN held its own in the top ten (table 3). It was the leader of the top ten ARBIDOL (-6%), which despite the reduction in sales and market share maintained its leading position. The most dynamic of the top ten INNs XYLOMETAZOLINE (+41%) moved up to the second rank by displacing PHOSPHOLIPIDS (+6%) and PANCREATIN (+12%) down one rank. The markets of AMBROXOL (+30%) and IBUPROFEN (+16%) also developed at a fast pace which allowed them to move up to ranks 5 and 7. One more INN of the top ten rose in the ranks—a newcomer KETOPROFEN (+11%) broke into the ranks of the top ten, moving up from rank 11 to 9. At the same time, three INNs of the top ten moved down to the lower ranks. They were the combination drug PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+7%), as well as INN IBUPROFEN (-4%) and FLUCONAZOLE (+5%). In contrast to the previous rankings, the cumulative share of the top ten reduced to 18.4%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	ARBIDOL	2,7	3,3
2	4	XYLOMETAZOLINE	2,5	2,0
3	2	PANCREATIN	2,3	2,4
4	3	PHOSPHOLIPIDS	2,1	2,2
5	7	AMBROXOL	1,8	1,6
6	5	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,6	1,8
7	8	IBUPROFEN	1,6	1,6
8	6	LACTOBACILLUS ACIDOPHILUS	1,3	1,6
9	11	KETOPROFEN	1,2	1,2
10	9	FLUCONAZOLE	1,2	1,3
Total			18,4	18,8

As compared to a year earlier, the structure of the top 10 ATC-group ranking didn't change (table 4). Apart from that, most of ATC groups retained their ranks unchanged. They were the leading groups: N02 Analgesics (+10%), R05 Cough and Cold Preparations (+29%) and preparations of unidentified pharmaceutical groups, as well as A07 Intestinal Antiinfectives (+12%), R06 Antihistamines for systemic use (+8%) and M02 Topical products for joint and muscular pain (+13%), coming in at numbers six, nine and ten, respectively. Two groups managed to rise in the ranks by one number: R01 Nasal preparations (+18%) moved up to rank 4 and J05 Antivirals for systemic use (+8%) – to rank seven. At the same time, they misplaced the less dynamic A11 Vitamins (+9%) and A05 Bile and liver therapy (+5%). The total share of the Top 10 ATC groups reduced from 54.2% to 53.9%.

Table 4. The top 10 ATC Groups by pharmacy sales

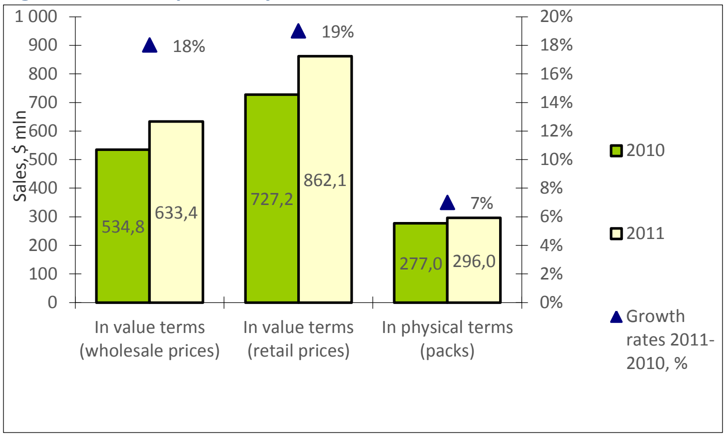
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2011	2010			2011	2010
1	1	N02	ANALGESICS	9,6	9,9
2	2	R05	COUGH AND COLD PREPARATIONS	8,0	7,1
3	3		UNIDENTIFIED	6,5	6,9
4	5	R01	NASAL PREPARATIONS	6,0	5,7
5	4	A11	VITAMINS	5,9	6,1
6	6	A07	INTESTINAL ANTIINFECTIVES	5,1	5,1
7	8	J05	ANTIVIRALS FOR SYSTEMIC USE	3,4	3,6
8	7	A05	BILE AND LIVER THERAPY	3,4	3,6
9	9	R06	ANTIHISTAMINES FOR SYST USE	3,1	3,3
10	10	M02	TOP PROD JOINT&MUSCULAR PAIN	3,0	3,0
Total				53,9	54,2

Conclusion. At the end of 2011, the retail OTC drugs market of Russia brought in RUB 230.210 bln (USD 7.807 bln). The market saw a 13% increase in terms of roubles and 17% in terms of dollars. The segment in physical terms also showed positive, but less pronounced growth rates (+1%) and reached 3.236 bln packs. The average cost of a pack at the end of 2011 was notably higher than the same indicator in the past year (USD 2.41 vs. USD 2.08). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 54.64 vs. USD 46.80).

RUSSIAN BIOLIGICALLY ACTIVE ADDITIVE (BAA) MARKET: 2011 RESULTS

According to the results of the Retail Audit of BAA in Russian Federation™, at 2011-end the BAA pharmacy sales in Russia brought in 18.648 billion roubles (USD 633.368 million) in wholesale prices and 25.381 bln roubles (USD 862.069 mln) in retail prices (Fig.1). The market performance was positive both in rouble terms (+15%) and in dollar terms (+18%) in wholesale prices. In physical terms the BAA sales also increased (7%) to 296.045 mln packs. In 2011, the average retail cost of a BAA pack was USD 2.91, whereas in a year earlier period – USD 2.62. It should be noted that the average cost of an OTC pack (USD 3.48) is higher, than that of a BAA pack. The average sum spent by residents of Russia for purchase of BAA in 2011 amounted to USD 6.03.

Figure 1. Russian pharmacy market for 2010 – 2011



At 2011-end, BAA produced by EVALAR (+9%) remained the best-selling BAAs in the BAA market, as was the case in the year-earlier period (Table 1). In contrast to the past year, the leader showed the positive growth of sales, however, it was lower then that in the BAA market on the whole. That resulted in the reduction of the manufacturer's market share by almost 1 p.p., though a share of the company as before remained very high – 22.5%. Due to one of the highest sales growth among the leaders, VIS (+57%) moved up to rank two, by forcing AKVION (-6%) down to rank three. The sales of the Russian company AVVA grew by more than two times which allowed it to move up from rank 12 to 6 and become the only newcomer of the top ten. NATUR PRODUCT (+22%) also moved up one rank, coming in at number 8. In contrast, three drug manufacturers (apart from the above AKVION) moved down to the lower ranks. DIOD (-14%) and EKOMIR (+12%) moved down two ranks, coming in at numbers 5 and 9, whereas PHARMA-MED CANADA (+14%) moved down only one rank to number 7. The cumulative share of the top 10 manufacturers at the BAA market reduced and accounted for 52.4%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	EVALAR	22,5	23,6
2	5	VIS	5,7	4,2
3	2	AKVION,RF	4,7	5,8
4	4	**PFIZER**	4,5	4,8
5	3	DIOD	3,9	5,2
6	12	AVVA RUS	3,2	1,7
7	6	PHARMA-MED CANADA	2,1	2,1
8	9	NATUR PRODUCT	2,0	1,9
9	7	EKOMIR	2,0	2,1
10	10	FARM-PRO RF	1,8	1,8
Total			52,4	53,2

*AIPM members are in bold

The leader of the top ten BAA trade names didn't change either, based on the results of the year SEALEX FORTE remained a leader of the top-10 trade names ranking (table 2). Apart from that, due to growth in sales by 1.7 times, the preparation noticeably expanded its market share and reinforced its positions. LACTOFILTRUM which sales increased 2.2 times moved up from rank five to two. FITOLAX (+39%) that used to take that position earlier, moved down one rank to number 3. A newcomer of the top-10 ALI CAPS which sales growth increased 1.8 times moved up to rank four. Apart from it, BAA TURBOSLIM CLEANING (+18%) broke into the ranks of the top ten, coming in at the bottom rank. CI-CLIM (a 1.5-fold increase in sales) which moved up from rank ten to five, showed the high growth rates. At the same time, three BAAs - OVESOL (-8%), LEONURI FORTE (+2%) and INDINOL (-5%) – showed the negative sales rates which resulted in the loss of ranks. HAEMATOGEN RUSS (+11%) held its own rank 7 in the top ten. The total share of the top-ten ranking increased by almost 3.5 p.p. and achieved 20.1%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	SEALEX FORTE	4,2	2,9
2	5	LACTOFILTRUM	3,1	1,6
3	2	FITOLAX	2,8	2,3
4	13	ALI CAPS	1,7	1,1
5	10	CI-CLIM	1,6	1,2
6	4	OVESOL	1,5	1,9
7	7	HAEMATOGEN RUSS	1,5	1,5
8	6	LEONURI FORTE	1,4	1,5
9	8	INDINOL	1,2	1,5
10	11	TURBOSLIM CLEANING	1,2	1,2
Total			20,1	16,7

The share of unidentified INN and Generic Names in the BAA market accounted for 5.1% of the market, which is less than in the year-earlier period (table 3). GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS (1.7-fold sales growth) which held its own rank 2 showed the highest sales volumes at the year-end. The markets of combination drug LACTULOSE + LIGNIN (a 2.2-fold increase in sales) and newcomers of the top ten developed at a fast pace which allowed the combination drug to move up from rank 8 to 3. The newcomers EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA (+77%) and DEXPANTHENOL + DIOSCOREA VILLOSA + HYALURONIC ACID (+53%) broke into the ranks of the top ten, coming in at numbers 7 and 8. ASCORBIC ACID (+38%) moved up two ranks, coming in at number five. In contrast, the other four INNs from the top 10 fell in the ranks. On top of that, only one of them – the combination drug AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA (-8%) – showed the negative sales rates. As in the previous ranking, the total share of the top 10 INN and Generic Names reduced, in this case from 22.6% to 25.5%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	Unidentified	5,1	5,5
2	2	GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS	4,2	2,9
3	8	LACTULOSE + LIGNIN	3,1	1,6
4	3	ASCORBIC ACID + BIOTIN + CALCIUM	2,5	2,8
5	7	ASCORBIC ACID	2,2	1,8
6	5	FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR	2,2	2,2
7	15	EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA	1,7	1,1
8	13	DEXPANTHENOL + DIOSCOREA VILLOSA + HYALURONIC ACID	1,6	1,2
9	6	AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA	1,5	1,9
10	9	PYRIDOXINE + LEONURUS SIBIRICUS	1,4	1,5
Total			25,5	22,6

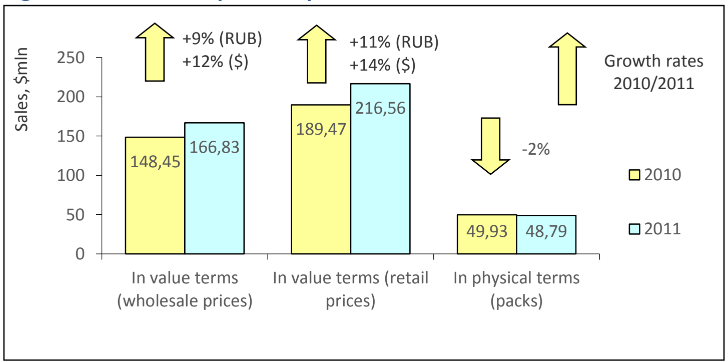
Conclusion. In contrast to the last year, at the end of 2011 BAA sales in pharmacies declined 15% in terms of roubles and 19% in terms of dollars and brought in 25.381 bln roubles (USD 862.069 million) in final consumer prices. In physical terms, the BAA market also saw 7% sales increase to 296.045 mln packs. The average retail cost of a BAA pack increased as compared to the past year (USD 2.91 vs. USD 2.62). Expenses of residents for purchase of BAA in pharmacies proved to be much higher as well (USD 6.03 vs. USD 5.09).

NOVOSIBIRSK PHARMACY MARKET: 2011 RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Novosibirskaya Oblast was estimated as 2.666 mln, which makes 1.9% of the total Russian Federation population and 13.9% of Central FO (CFO). According to Federal State Statistics Service's data, in 2011 the average salary in Novosibirsk was RUB 20,374.00 (USD 693.46), which is 14% lower than the average salary in Russia (RUB 23,693.1).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Novosibirsk the sales of over-the-counter drugs in physical terms increased by 2% to 48.789 bln packs over the period of twelve months of 2011. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw 9% increase in terms of roubles and 12% increase in terms of dollars compared to the same period a year ago and reached RUB 4.916 bln (USD 166.826 mln) in wholesale prices (Fig.1). The region share in the total volume of all-Russia pharmacy market accounted for 1.4%. The average cost of an OTC pack grew as compared to the same period of the previous year (USD 3.79) and reached USD 4.44 in retail prices. In 2011, the Novosibirsk consumers spent on drugs USD 146.81 on the average.

Figure 1. Novosibirsk pharmacy market for 2010 – 2011



At the end of 2011, four companies in the top 10 drug manufacturers in the pharmacy market of Novosibirsk held their own in the ranking (table 1). Among them were the ranking leaders SANOFI-AVENTIS (+7%), BAYER (+13%) and PHARMSTANDART (+18%), as well as NYCOMED (+6%) placed at number eight. Note that markets of only two (BAYER and PHARMSTANDART) manufacturers of those four developed at a fast pace, which allowed them to expand their market shares. SANDOZ (+15%) and NOVARTIS (+19%) also rose in the ranks, coming in at numbers 4 and 7, respectively. MERCK SHARP DOHME (+9%) and TEVA (+8%) also moved upwards one rank. On top of that, the latter broke into the ranks of the top ten for the first time. At the same time, ABBOTT (+6%) and SERVIER (-0.3%) moved down to the lower ranks 5 and 9, respectively. The cumulative share of the top-10 manufacturers also increased and accounted for 37.8%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	**SANOFI-AVENTIS**	5,6	5,6
2	2	**BAYER HEALTHCARE**	4,8	4,6
3	3	PHARMSTANDART	4,5	4,2
4	6	**SANDOZ GROUP**	3,6	3,4
5	4	**ABBOTT**	3,5	3,6
6	7	**MERCK SHARP DOHME**	3,4	3,3
7	9	**NOVARTIS**	3,3	3,1
8	8	**NYCOMED**	3,2	3,3
9	5	**SERVIER**	3,2	3,5
10	11	**TEVA**	2,6	2,7
Total			37,8	37,4

*AIPM members are in bold

Antiviral preparation ARBIDOL (+8%) remained the best-selling drug in the regional market (table 2). One more antiviral preparation KAGOCEL shot forward, coming in at rank two – 2.5-fold growth in sales allowed it to move up to rank 2 from 23. Apart from it, two more drugs PLAVIX (+49%) and LASOLVAN (+33%) broke into the ranks of the top-10, coming in at number 8 from 14 and number 9 from 15, respectively. Due to less considerable growth in sales, VIAGRA (+11%) and YARINA (+16%) also rose in the ranks, coming in at numbers 3 and 5, respectively. In contrast, three names moved down to the lower ranks. They were ESSENTIALE N (-4%), THERAFLU (+5%) and LINEX (+14%), coming in at numbers 4, 6 and 9. Preparation ANAFERON (+14%) held its own rank 7.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	ARBIDOL	1,3	1,3
2	23	KAGOCEL	1,0	0,4
3	4	VIAGRA	0,9	0,9
4	3	ESSENTIALE N	0,8	0,9
5	6	YARINA	0,8	0,7
6	5	THERAFLU	0,8	0,8
7	7	ANAFERON	0,7	0,7
8	14	PLAVIX	0,7	0,5
9	15	LASOLVAN	0,6	0,5
10	9	LINEX	0,6	0,6
Total			8,3	7,5

Only one INN of the top-ten INN and Generic Names held its own in the ranking (table 3). It was IBUPROFEN (+21%) that held its bottom rank. The markets of six INNs of the top ten developed by high growth rates which allowed them to move up to higher ranks. They were XYLOMETAZOLINE (+34%), KAGOCEL (a 25-fold growth in sales), SILDENAFIL (+12%), PANCREATIN (+13%), AMBROXOL (+27%) and CLOPIDOGREL (+47%), coming at numbers one, four through six, as well as eight and ten. At the same time, two INNs (KAGOCEL and CLOPIDOGREL) became newcomers of the top ten. Due to much lower sales rates, ARBIDOL (+8%), PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+7%) and PHOSPHOLIPIDS (+2%) moved down to ranks 2, 3 and 7.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	3	XYLOMETAZOLINE	1,3	1,1
2	1	ARBIDOL	1,3	1,3
3	2	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,1	1,2
4	46	KAGOCEL	1,0	0,4
5	6	SILDENAFIL	0,9	0,9
6	7	PANCREATIN	0,9	0,9
7	5	PHOSPHOLIPIDS	0,9	1,0
8	9	AMBROXOL	0,9	0,8
9	21	CLOPIDOGREL	0,8	0,6
10	10	IBUPROFEN	0,8	0,8
Total			10,1	9,0

One newcomer broke into the ranks of the top ten ATC groups - Group L03 Immunostimulants (+15%) moved up one rank, coming in at number ten (table 4). Apart from that, two moves took place in the ranking. R05 Cough and cold preparations (+24%) moved up to number three from six, forcing Groups M01 and J01 as well as preparations of unidentified pharmaceutical groups to move down one rank. R01 Nasal preparations (+13%) moved up one rank, coming in at number 7, by displacing the less dynamic A11 Vitamins (+3%). The other three groups of the top-10 held their own in the ranking. Among them there was a leader of the top ten, G03 Sex hormones (+13%) and N02 Analgesics (+16%) which due to its outstripping sales growth rates expanded its market share and strengthened its position. The total share of the top ten ATC groups, as well as in the above rankings, increased and reached 39.7%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2011	2010			2011	2010
1	1	G03	SEX HORM&MODULAT GENITAL SYS	5,1	5,0
2	2		N02 ANALGESICS	5,0	4,7
3	6	R05	COUGH AND COLD PREPARATIONS	4,2	3,7
4	3	J01	ANTIBACTERIALS FOR SYST USE	4,2	4,2
5	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4,0	3,9
6	5		UNIDENTIFIED	4,0	3,9
7	8	R01	NASAL PREPARATIONS	3,7	3,6
8	7	A11	VITAMINS	3,4	3,6
9	9	C09	AG ACT RENIN-ANGIOTENS SYST	3,2	3,4
10	11	L03	IMMUNOSTIMULANTS	2,9	2,8
Total				39,7	38,8

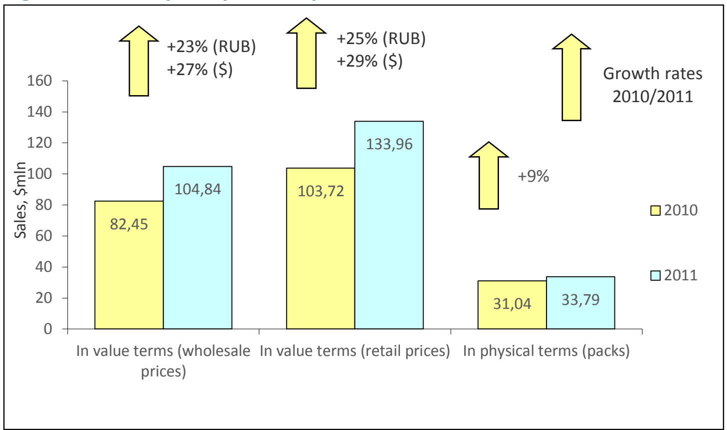
Conclusion. At the end of 2011, the retail OTC drugs market of Novosibirsk brought in RUB 6.381 bln (USD 216.558 mln). The market saw a 11% increase in terms of roubles and 14% in terms of dollars. In physical terms, the city market showed negative sales growth rates (-2%) and reached 48.789 mln packs. The average cost of a pack at the end of twelve months was markedly higher than the same value a year ago (USD 4.44 vs. USD 3.79). Per capita expenses for purchase of medicines in pharmacies of Novosibirsk amounted to USD 146.81. Note that both the average cost of an OTC pack and the average sum spent by residents of the city for the purchase of OTC were higher than the Russia average (cost of OTC drug – USD 3.48 and average expenses – USD 111.01).

KRASNOYARSK PHARMACY MARKET: 2011 RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Krasnoyarsky Krai was estimated as 2.829 mln, which accounts for 2.0% of the total Russian Federation population and 14.7% of Central FO (CFO). According to Federal State Statistics Service's data, in 2011 the average salary in the city was RUB 25,828.4 (USD 879.12), which is 14% lower than the average salary in Russia (RUB 23,693.1).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in twelve months of 2011 the Krasnoyarsk pharmacy market volume in physical terms increased by 9% to 33.794 million packs (Fig. 1) In wholesale prices the market also showed the positive performance - 23% in terms of roubles and 27% in terms of dollars and reached 3.088 billion roubles (USD 104.839 million). The region share in the total volume of all-Russia pharmacy market accounted for 0.8%. The average cost of OTC pack in Krasnoyarsk pharmacies in the analyzed period was USD 3.96 (in 2010 - USD 3.34). In 2011, per capita expenses of Krasnoyarsk residents for purchase of medicines in pharmacies amounted to USD 136.86.

Figure 1. Krasnoyarsk pharmacy market for 2010 – 2011



At the end of 2011, four companies of the regional top ten drug manufacturers held their own in the ranking (table 1). They were the ranking leaders SANOFI-AVENTIS (+21%), BAYER (+18%) and PHARMSTANDART (+23%) as well as GEDEON RICHTER (+23%) placed at number 10. Four manufacturers from the top ten rose in the ranks. SANDOZ (+33%) and SERVIER (+27%) moved up one rank, coming at numbers 4 and 5, by displacing MERCK SHARP DOHME (+6%) to rank 6. NOVARTIS and NYCOMED (+29% each) moved up from rank 11 to 8, and from rank 9 to 7, displacing MENARINI (+16%) to the last but one rank of the top ten. The total share of the top 10 manufacturers reduced from 39.1% to 38.7%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	**SANOFI-AVENTIS**	5,7	5,8
2	2	**BAYER HEALTHCARE**	5,1	5,3
3	3	PHARMSTANDART	4,6	4,6
4	5	**SANDOZ GROUP**	4,2	3,9
5	6	**SERVIER**	3,9	3,8
6	4	**MERCK SHARP DOHME**	3,4	3,9
7	9	**NOVARTIS**	3,0	2,9
8	11	**NYCOMED**	3,0	2,8
9	7	**MENARINI**	3,0	3,2
10	10	**GEDEON RICHTER**	2,9	2,9
Total			38,7	39,1

*AIPM members are in bold

Two newcomers broke into the top ten trade names ranking (table 2). They were NUROFEN PLUS (+67%) and OCILLOCOCCINUM (+29%), coming in at numbers five and ten. Preparations ARBIDOL (+19%), SEDAL M (+25%), KETONAL (+27%) and ANAFERON (+16%) also rose in the ranks, moving up to numbers one, six, seven and nine, respectively. At the same time, TROPICAMID (-22%) and ACTOVEGIN (+21%) moved down to numbers 2 and 8. Preparations VIAGRA (+14%) and ESSENTIALE N (+29%) held their own ranks 3 and 4 in the top ten.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	2	ARBIDOL	1,4	1,4
2	1	TROPICAMID	1,3	2,1
3	3	VIAGRA	1,1	1,2
4	4	ESSENTIALE N	1,1	1,0
5	14	NUROFEN PLUS	0,7	0,5
6	8	SEDAL M	0,7	0,7
7	9	KETONAL	0,7	0,7
8	6	ACTOVEGIN	0,7	0,7
9	10	ANAFERON	0,6	0,6
10	13	OCILLOCOCCINUM	0,6	0,6
Total			8,8	9,5

Four INNs of the top ten INN and Generic Names held their own in the ranking (table 3). They were the leaders of the top-ten TROPICAMIDE (-21%) and ARBIDOL (+19%), as well as PANCREATIN (+23%) and PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+10%) placed at ranks 5 and 8. It should be noted that only one INN from the top 10 under review – INN SILDENAFIL (+15%) moved down to the lower rank six. In contrast, the other INNs rose in the ranks. KETOPROFEN (+29%) and AMBROXOL (+42%) moved up one rank to numbers 3 and 9. INN PHOSPHOLIPIDS (+34%) moved up from rank 6 to 4, XYLOMETAZOLINE (+42%) from rank 9 to 7, and BISOPROLOL (+33%) from rank 13 to 10. The total share of the analyzed ranking, as well as of the above rankings reduced and accounted for 10.8%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	TROPICAMIDE	1,4	2,1
2	2	ARBIDOL	1,4	1,4
3	4	KETOPROFEN	1,2	1,2
4	6	PHOSPHOLIPIDS	1,2	1,1
5	5	PANCREATIN	1,1	1,1
6	3	SILDENAFIL	1,1	1,2
7	9	XYLOMETAZOLINE	1,0	0,9
8	8	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,9	1,0
9	10	AMBROXOL	0,9	0,8
10	13	BISOPROLOL	0,7	0,7
Total			10,8	11,4

No newcomers broke into the ranks of the top 10 ATC groups ranking, its structure remained stable; however, numerous shifts took place in it (table 4). Groups M01 Anti-inflammatory and antirheumatic products (+24%) and G03 Sex hormones (+24%) moved up one rank, coming in at numbers 2 and 3, respectively, whereas the less dynamic Group J01 Antibacterials for systemic use (+8%) moved down to rank 4. Groups R05 Cough and cold preparations (+39%) and S01 Ophthalmologicals swapped their ranks: the more dynamic R05 moved up from rank 7 to 5, whereas the latter, in contrast, moved down to rank seven. The other five ATC groups of the top 10 ATC groups held their own in the ranking. Among them was the leading group N02 Analgesics (+24%). The total share of the analyzed top 10 ATC groups reduced and accounted for 41.7%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2011	2010			2011	2010
1	1	N02	ANALGESICS	5,9	5,9
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,6	4,5
3	4	G03	SEX HORM&MODULAT GENITAL SYS	4,5	4,5
4	2	J01	ANTIBACTERIALS FOR SYST USE	4,5	5,1
5	7	R05	COUGH AND COLD PREPARATIONS	4,4	3,9
6	6		UNIDENTIFIED	3,9	4,1
7	5	S01	OPHTHALMOLOGICALS	3,7	4,3
8	8	A11	VITAMINS	3,5	3,6
9	9	R01	NASAL PREPARATIONS	3,4	3,4
10	10	C09	AG ACT RENIN-ANGIOTENS SYST	3,4	3,2
Total				41,7	42,5

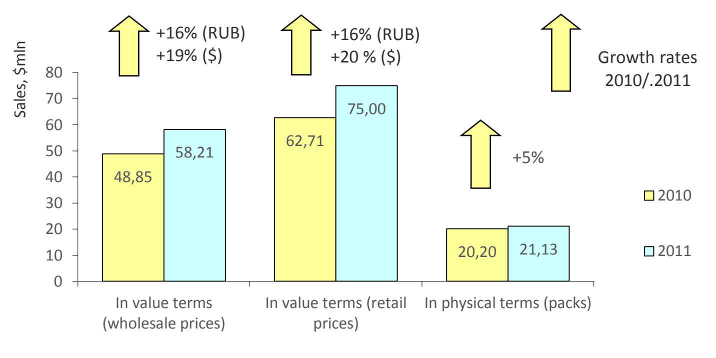
Conclusion. At 2011-end, the Krasnoyarsk pharmacy market brought in 3.945 billion roubles (USD 133.955 million) in final consumption prices, which is by 25% in terms of roubles and 29% in terms of dollars higher than during the same period a year ago. The city market in physical terms also showed positive sales growth rates (+9%) and reached 33.794 mln packs. The average cost of a pack increased as compared to a year earlier (USD 3.34) and was higher than an average cost in Russia (USD 3.48). Expenses of residents for purchase of medicines in the city pharmacies also proved to be higher than the average expenses in Russia (USD 136.86 vs. USD 111.01).

BARNAUL PHARMACY MARKET: 2011 RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Altaiski Kray was estimated as 2.417 mln, which accounts for 1.7% of the total Russian Federation population and 12.6% of Central FO (CFO). According to Federal State Statistics Service's data, in 2011 the average salary in the region was RUB 15,489.2 (USD 527.2), which is 35% lower than the average salary in Russia (RUB 23,693.1).

According to the results of the Audit of OTC drugs in Russian Federation™, in 2011 the Barnaul pharmacy market in physical terms saw 5% increase to 21.131 mln packs. In value terms, the sales volume increased 16% in terms of roubles and 19% in terms of dollars and reached RUB 1.717 bln (USD 58.208 mln) in wholesale prices. The average cost of an OTC drug in the city pharmacies increased as compared to a year earlier and amounted to USD 3.55 (in 2010 - USD 3.10). The regional market's share in value terms accounted for 0.5% of the Russian pharmacy market. Per capita expenses for purchase of medicines in pharmacies amounted to USD 111.75

Figure 1. Barnaul pharmacy market for 2010 – 2011



At 2011-end, the top five companies of the top ten drug manufacturers in the Barnaul pharmacy market held their own (table 1). They were SANOFI-AVENTIS (+11%), NYCOMED (+18%), BAYER (+14%), PHARMSTANDART (+10%) and MENARINI (+9%). In contrast, neither company in the bottom part of the ranking managed to remain in the earlier positions. On top of that, two of them: SERVIER (-3%) and SANDOZ (+21%) moved down one rank, coming in at numbers 7 and 9, whereas the remaining three rose in the ranks. ABBOTT (+13%) moved up from rank 7 to 6, GEDEON RICHTER (+26%) moved up from rank 10 to 8 and NOVARTIS (+29%) moved up from rank 11 to 10. The latter one became the only newcomer of the top-10. The total share of the top 10 manufacturers reduced from 40.1% to 39.4%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	**SANOFI-AVENTIS**	5,3	5,5
2	2	**NYCOMED**	4,8	4,8
3	3	**BAYER HEALTHCARE**	4,7	4,7
4	4	PHARMSTANDART	4,5	4,7
5	5	**MENARINI**	4,2	4,4
6	7	**ABBOTT**	3,7	3,8
7	6	**SERVIER**	3,2	3,8
8	10	**GEDEON RICHTER**	3,1	2,8
9	8	**SANDOZ GROUP**	3,1	2,9
10	11	**NOVARTIS**	3,0	2,7
Total			39,4	40,1

*AIPM members are in bold

Due to high sales rates, two newcomers – NSAID SEDAL M (+54%) and appetite regulator REDUKSIN (3.7-fold increase in sales) - broke into the ranks of the top ten trade names ranking, moving up to numbers 7 and 9, respectively (table 2). Apart from them, another three trade names rose in the ranks. ACTOVEGIN (+15%) and DUPHASTON (+4%) moved up one rank, to numbers 2 and 4, whereas NISE (+29%) moved up from number 10 to 6. At the same time, CONCOR (+11%), THERAFLU (-0.1%), ESSENTIALE N (+1%) and ANAFERON (-12%) moved down to lower ranks, coming in at numbers 3, 5, 8 and 10, respectively. Despite the delay in growth rates and reduction of market share, ARBIDOL (+5%) remained the leader of regional ranking.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	ARBIDOL	1,3	1,5
2	3	ACTOVEGIN	0,9	1,0
3	2	CONCOR	0,9	1,0
4	5	DUPHASTON	0,7	0,8
5	4	THERAFLU	0,7	0,8
6	10	NISE	0,6	0,6
7	18	SEDAL M	0,6	0,5
8	7	ESSENTIALE N	0,6	0,7
9	114	REDUKSIN	0,6	0,2
10	6	ANAFERON	0,6	0,8
Total			7,7	7,8

At the same time, at the year-end the leader of the top 10 INN and generic names changed for the more dynamic INN BISOPROLOL (+19%), that forced ARBIDOL (+5%) to moved down to number two (Table 3). The markets of the other five INNs of the top ten developed at a fast pace: XYLOMETAZOLINE (+37%), NIMESULIDE (+31%), AZITHROMYCIN (+25%), INTERFERON ALFA-2A (+39%) and SIBUTRAMINE (+61%). On top of that, almost all of them rose in the ranks, and the two latter broke into the ranks of the top ten for the first time. The exception was NIMESULIDE that held its own rank 4. BLOOD (+14%) placed at rank 6 didn't change its position. The other two INNs fell in the ranks - the combination drug PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+6%) moved down from rank 3 to 5, and INN PANCREATIN (+14%) – moved down from rank 9 to 10. The total share of the top ten (in contrast to the previous one) increased by 0.6 p.p. and accounted for 10.8%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	2	BISOPROLOL	1,4	1,4
2	1	ARBIDOL	1,3	1,5
3	5	XYLOMETAZOLINE	1,3	1,1
4	4	NIMESULIDE	1,2	1,1
5	3	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,0	1,2
6	6	BLOOD	1,0	1,0
7	8	AZITHROMYCIN	0,9	0,9
8	16	INTERFERON ALFA-2A	0,9	0,7
9	26	SIBUTRAMINE	0,8	0,6
10	9	PANCREATIN	0,8	0,8
Total			10,8	10,2

As compared to a year earlier, the structure of the top 10 ATC-groups didn't change (table 4). However, only three INNs of the top ten managed to hold its own in the ranking. Groups M01 Anti-inflammatory and antirheumatic products (+18%), J01 Antibacterials for systemic use (+16%) and preparations from unidentified pharmaceutical groups retained ranks three, four and ten. N02 Analgesics (+15%) became the leader of the top ten, whereas G03 Sex hormones (-1%) that used to be a leader of the ranking, reduced their sales and moved down to rank 2. Groups L03 Immunostimulants (+33%), R01 Nasal preparations (+24%) and C09 Agents acting on the rennin-angiotensin system (+14%) also rose in the ranks, coming in at numbers 5, 7 and 8, respectively. At the same time, they displaced R05 Cough and cold preparations (+18%) and A11 Vitamins (+4%) down to ranks six and nine. Note that the total share of the top ten drug manufacturers in the regional market reduced by 0.5 p.p. and accounted for 39.5%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2011	2010			2011	2010
1	2	N02	ANALGESICS	5,5	5,5
2	1	G03	SEX HORM&MODULAT GENITAL SYS	4,9	5,7
3	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,8	4,7
4	4	J01	ANTIBACTERIALS FOR SYST USE	4,3	4,3
5	7	L03	IMMUNOSTIMULANTS	3,9	3,4
6	5	R05	COUGH AND COLD PREPARATIONS	3,6	3,6
7	8	R01	NASAL PREPARATIONS	3,5	3,3
8	9	C09	AG ACT RENIN-ANGIOTENS SYST	3,2	3,2
9	6	A11	VITAMINS	3,1	3,4
10	10		UNIDENTIFIED	2,8	2,9
Total				39,5	40,0

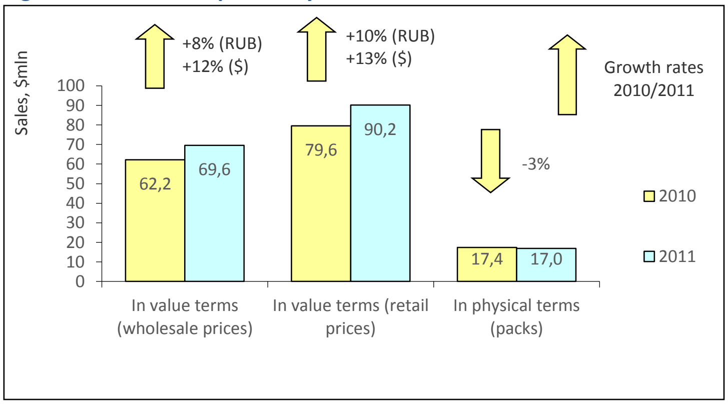
Conclusion. At the end of 2011, the Barnaul pharmacy market performance (in value terms) proved to be pronounced and positive (+16% in terms of roubles and +20% in terms of dollars). At the same time, the market volume reached RUB 2.213 bln (USD 75.004 mln). In physical terms, the market performance increased by 5% to 21.131 mln packs. The average cost of OTC pack in pharmacies of the city increased as compared to a year earlier (USD 3.55 vs. USD 3.10) and was notably higher than that on the average in Russia (USD 3.48). The average medicine expenses of residents of the region were also slightly higher than the average expenses throughout Russia (USD 111.75 vs. USD 111.01).

VLADIVOSTOK PHARMACY MARKET: 2011 RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Primorsky Krai was estimated as 1.954 mln, which accounts for 1.4% of the total Russian Federation population and 31.1% of Far Eastern FO (FEFO). According to Federal State Statistics Service's data, in 2011 the average salary in the region was RUB 24,433.1 (USD 831.62), which is 13% higher than the average salary in Russia (RUB 23,693.1).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Vladivostok the sales of over-the-counter drugs in physical terms increased by 3% to 16.963 mln packs over the period of twelve months of 2011. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw 8% increase in terms of roubles and 12% increase in terms of dollars compared to the same period a year ago and reached RUB 2.048 bln (USD 69.629 mln) in wholesale prices (Fig.1). The region share in the total volume of all-Russia pharmacy market accounted for 0.6%. The average cost of an OTC pack grew as compared to a year earlier (USD 4.56) and reached USD 5.32 in retail prices. In 2011, the Vladivostok consumers spent on drugs USD 146.36 on the average.

Figure 1. Vladivostok pharmacy market for 2010 – 2011



At the end of 2011, one newcomer, NOVARTIS (+39%) broke into the top ten manufacturers ranking, coming in at number six (table 4). Apart from that, the other two drug makers rose in the ranks: SANDOZ (+18%) and GEDEON RICHTER (+8%) moved up one rank, coming in at numbers three and nine, respectively. At the same time, three manufacturers, on the contrary, fell in the ranks. PHARMSTANDART (-5%), PFIZER (+3%) and MENARINI (-5%) moved down to ranks 4, 9 and 10, respectively. Among them were the ranking leaders SANOFI-AVENTIS (+2%) and SERVIER (-8%), BAYER (+9%) and NYCOMED (+4%) as before placed at numbers five and seven. The cumulative share of the top 10 manufacturers reduced from 39.6% to 38.3%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	**SANOFI-AVENTIS**	5,3	5,7
2	2	**SERVIER**	4,7	5,6
3	4	**SANDOZ GROUP**	4,5	4,1
4	3	PHARMSTANDART	3,9	4,5
5	5	**BAYER HEALTHCARE**	3,9	3,8
6	13	**NOVARTIS**	3,4	2,6
7	7	**NYCOMED**	3,3	3,4
8	9	**GEDEON RICHTER**	3,2	3,2
9	8	**PFIZER**	3,1	3,3
10	6	**MENARINI**	3,0	3,4
Total			38,3	39,6

*AIPM members are in bold

Preparations ESSENTIALE N (-10%), ARBIDOL (-11%) and ACTOVEGIN (+2%) didn't change their leading positions in the Top-10 trade names ranking, holding their own three ranks (table 2). In contrast, the other ATC groups of the ranking (except for VIAGRA) rose in the ranks. The "old" trade names of the top 10 moved up to numbers 4 through 6: LINEX (+22%), SUMAMED (+17%) and ALFLUTOP (+23%). The newcomers EXODERIL (+53%), CIALIS (+26%) and OCILLOCOCCINUM (+30%) broke into the ranks of the top ten, coming in at the bottom numbers of the ranking. The consolidated share of the Top-10 reduced from 8.3% to 8.1%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	ESSENTIALE N	1,3	1,6
2	2	ARBIDOL	1,2	1,5
3	3	ACTOVEGIN	0,9	0,9
4	5	LINEX	0,8	0,7
5	7	SUMAMED	0,7	0,6
6	8	ALFLUTOP	0,7	0,6
7	4	VIAGRA	0,7	0,9
8	27	EXODERIL	0,6	0,4
9	17	CIALIS	0,6	0,5
10	19	OCILLOCOCCINUM	0,6	0,5
Total			8,1	8,3

Three newcomers also broke into the top 10 INN and generic names ranking (table 3). They were the combination drug AMOXICILLIN + CLAVULANIC ACID (+20%) и PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+38%), as well as AMBROXOL (+27%), coming in at three bottom numbers of the top ten. XYLOMETAZOLINE (+56%) and AZITHROMYCIN (+17%) also moved up to the higher ranks two and five. They displaced the less dynamic INNs ARBIDOL (-11%), PANCREATIN (+8%) and BLOOD (+2%) to numbers three, four and six, respectively. INN PHOSPHOLIPIDS (-6%) remained the leader of the top 10, however, the growth of its pharmacy sales lagged behind the market average which resulted in the reduction of its market share. In contrast, the total share of the top 10 INN and Generic Names ranking increased from 10.1% to 10.4%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	PHOSPHOLIPIDS	1,4	1,7
2	5	XYLOMETAZOLINE	1,3	0,9
3	2	ARBIDOL	1,2	1,5
4	3	PANCREATIN	1,2	1,2
5	6	AZITHROMYCIN	1,0	0,9
6	4	BLOOD	0,9	1,0
7	7	FLUCONAZOLE	0,9	0,9
8	12	AMOXICILLIN + CLAVULANIC ACID	0,8	0,7
9	20	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,8	0,6
10	14	AMBROXOL	0,8	0,6
Total			10,4	10,1

Due to high sales rates, the share of J01 Antibacterials for systemic use (+15%) reinforced its position and remained the best selling group in the regional market (table 4). The markets of Groups M01 Anti-inflammatory and antirheumatic products (+10%), R01 Nasal preparations (+28%) and R05 Cough and cold preparations (+44%) also developed at a fast pace, which allowed them to move to higher ranks two, four and seven, respectively. Despite the inconsiderable lag in the growth of sales, N02 Analgesics (+8%) also moved up four ranks, whereas the less dynamic group A11 Vitamins (+4%) and A05 Bile and liver therapy (+2%) moved down to numbers 8 and 10. L03 Immunostimulants (+2%) and G03 Sex hormones (+9%) also moved down one rank, coming in at numbers 3 and 8. The total share of the top 10 ATC groups increased from 33.8% to 34.5%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2011	2010			2011	2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	5,0	4,8
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	3,7	3,7
3	2	L03	IMMUNOSTIMULANTS	3,7	3,9
4	8	R01	NASAL PREPARATIONS	3,7	3,1
5	4	G03	SEX HORM&MODULAT GENITAL SYS	3,3	3,3
6	10	N02	ANALGESICS	3,1	3,1
7	14	R05	COUGH AND COLD PREPARATIONS	3,1	2,7
8	7	A11	VITAMINS	3,1	3,2
9	12		UNIDENTIFIED	3,0	2,9
10	9	A05	BILE AND LIVER THERAPY	2,9	3,1
Total				34,5	33,8

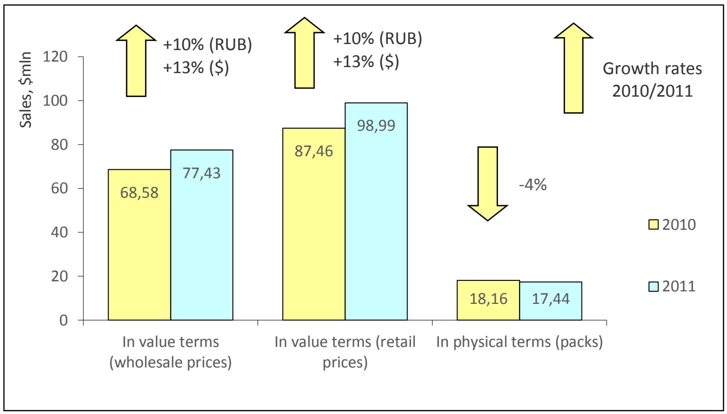
Conclusion. At the end of 2011, the retail OTC drugs market of Vladivostok brought in RUB 2.651 bln (USD 90.157 mln). The market saw a 10% increase in terms of roubles and 13% in terms of dollars. In physical terms, the city market showed negative sales growth rates (-3%) and reached 16.963 mln packs. The average cost of a pack at the end of twelve months was markedly higher than the same value a year ago (USD 5.32 vs. USD 4.56). Both the average cost of an OTC pack and the average sum spent by residents of the city for the purchase of OTC was higher than the Russia average (cost of OTC drug – USD 3.48 and average expenses – USD 111.01).

KHABAROVSK PHARMACY MARKET: 2011 RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Khabarovsky Krai was estimated as 1.343 mln, which accounted for 0.9% of the total Russian Federation population and 21.4% of Far Eastern FO (FFO). According to Federal State Statistics Service's data, in 2011 the average salary in the region was RUB 26,701.7 (USD 908.84), which is 13% higher than the average salary in Russia (RUB 23,693.1).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in twelve months of 2011 the Krasnoyarsk pharmacy market volume in physical terms reduced by 4% to 17.439 million packs (Fig. 1) In wholesale prices, the market also showed the positive performance - 10% in terms of roubles and 13% in terms of dollars and reached 2.282 billion roubles (USD 77.431 million). The region share in the total volume of all-Russia pharmacy market accounted for 0.6%. Following the results of the analyzed period, the average cost of OTC pack was USD 5.68 (in 2010 - USD 4.82). In 2011, per capita expenses of Khabarovsk residents for purchase of medicines in pharmacies amounted to USD 171.34.

Figure 1. Khabarovsk pharmacy market for 2010 – 2011



At the end of 2011, half of the regional top ten drug manufacturers held their own in the ranking (table 1). They were the leader of the top ten BAYER (+8), as well as PHARMSTANDART, NYCOMED (+9% each), GEDEON RICHTER (+6%) and MENARINI (+2%) placed at ranks four, and six through eight. Two manufacturers rose in the ranks. SANDOZ (+20%) moved up from rank 5 to 2, and NOVARTIS (+26%) moved up from rank 10 to 9. At the same time, SANOFI-AVENTIS (+3%), SERVIER (0%) and ABBOTT (+8%) moved down to the lower ranks three, five and ten, respectively. The total share of the top 10 manufacturers increased by almost 0.5 p.p. and accounted for 40.3%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	**BAYER HEALTHCARE**	5,0	5,1
2	5	**SANDOZ GROUP**	4,9	4,4
3	2	**SANOFI-AVENTIS**	4,6	4,9
4	4	PHARMSTANDART	4,6	4,6
5	3	**SERVIER**	4,4	4,8
6	6	**NYCOMED**	3,8	3,8
7	7	GEDEON RICHTER	3,6	3,7
8	8	**MENARINI**	3,5	3,7
9	10	**NOVARTIS**	3,1	2,7
10	9	**ABBOTT**	2,9	2,9
Total			40,3	40,8

*AIPM members are in bold

Two newcomers broke into the top ten trade names ranking (table 2). They were the mucolytic LASOLVAN (+37%) and NSAID KETONAL (+14%), coming in at numbers 6 and 10. However, most of the trade names of the top 10 held their own in the ranking. The leading five trade names also held their own in the top ten: ARBIDOL (-4%), ESSENTIALE N (-7%), LINEX (+12%), VIAGRA (+6%) and YARINA (+0.6%) as well as THERAFLU (+8%) at number 7. Two preparations - ACTOVEGIN (-9%) and AMOKSIKLAV (+9%) - moved down to the bottom part of the top ten, coming in at numbers 8 and 9, respectively. The total share of the top-10 preparations, best-selling drugs in the region, reduced from 9.2% to 8.7%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	1	ARBIDOL	1,6	1,8
2	2	ESSENTIALE N	1,3	1,6
3	3	LINEX	1,0	1,0
4	4	VIAGRA	0,8	0,9
5	5	YARINA	0,7	0,8
6	12	LASOLVAN	0,7	0,6
7	7	THERAFLU	0,7	0,7
8	6	ACTOVEGIN	0,6	0,8
9	8	AMOKSIKLAV	0,6	0,6
10	11	KETONAL	0,6	0,6
Total			8,7	9,2

Four INNs of the top 10 INN and Generic Names Ranking rose in the ranks (table 3). They were the leader of the top ten ranking XYLOMETAZOLINE (+39%) as well as AMBROXOL (+28%), IBUPROFEN (+19%) and FLUCONAZOLE (+11%) that moved up to ranks 5, 9 and 10, respectively. On top of that, the two latter became the newcomers of the top ten. At the same time, two INNs with negative growth rates: ARBIDOL (-4%) and PHOSPHOLIPIDS (-6%) as well as the combination drug PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+9%) moved down to ranks two, three and seven, respectively. Three INNs of the top ten held their own in the ranking. They were PANCREATIN (+4%), KETOPROFEN (+10%) and AMOXICILLIN + CLAVULANIC ACID (+12%), which kept ranks 4, 6 and 8, respectively. The total share of the top 10 remained practically unchanged and amounted to 11.3%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
2011	2010		2011	2010
1	3	XYLOMETAZOLINE	1,7	1,3
2	1	ARBIDOL	1,6	1,8
3	2	PHOSPHOLIPIDS	1,4	1,7
4	4	PANCREATIN	1,1	1,1
5	9	AMBROXOL	1,0	0,9
6	6	KETOPROFEN	1,0	1,0
7	5	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,0	1,0
8	8	AMOXICILLIN + CLAVULANIC ACID	0,9	0,9
9	13	IBUPROFEN	0,9	0,8
10	11	FLUCONAZOLE	0,9	0,8
Total			11,3	11,3

The leader of the top-10 ATC groups ranking changed (table 4). R01 Nasal preparations (+18%) became the leader of the top ten, moving up one rank and displacing J01 Antibacterials for systemic use (+9%). G03 Sex hormones (+11%) kept its rank three. A11 Vitamins (+8%) and L03 Immunostimulants (+22%) also held their own in the ranking, keeping ranks 7 and 8. Due to high sales rates, Group R05 Cough and cold preparations (+28%) moved up two ranks, coming in at number four and displacing the less dynamic N02 and M01 to the lower positions. Group A07 Intestinal antiinfectives (+11%) moved up one rank, coming in at number 9. Preparations of unidentified pharmaceutical groups came in at number ten. The total share of top ten ATC groups increased by more than 1 p.p. and achieved 40.1%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2011	2010			2011	2010
1	2	R01	NASAL PREPARATIONS	5,0	4,6
2	1	J01	ANTIBACTERIALS FOR SYST USE	4,6	4,7
3	3	G03	SEX HORM&MODULAT GENITAL SYS	4,5	4,5
4	6	R05	COUGH AND COLD PREPARATIONS	4,5	3,8
5	4	N02	ANALGESICS	4,1	4,1
6	5	M01	ANTIINFLAM & ANTIRHEUM PROD	4,1	4,1
7	7	A11	VITAMINS	3,6	3,7
8	8	L03	IMMUNOSTIMULANTS	3,6	3,2
9	10	A07	INTESTINAL ANTIINFECTIVES	3,2	3,2
10	12		UNIDENTIFIED	3,0	3,0
Total				40,1	39,0

Conclusion. At 2011-end, the Khabarovsk pharmacy market brought in 2.918 billion roubles (USD 98.993 million) in final consumption prices which is by 10% in terms of roubles and 13% in terms of dollars higher than during the same period a year ago. In physical terms, the city market also showed negative sales growth rates (-4%) and reached 17.439 mln packs. The average cost of an OTC pack increased as compared to a year earlier (USD 4.82) and was higher than an average cost in Russia (USD 3.48). Expenses of residents for purchase of medicines in the city pharmacies also proved to be higher than the average expenses in Russia (USD 171.34 vs. USD 111.01).

REGIONAL DIGEST

Beneficiary Drug Coverage/Procurement of Necessary Drugs, Government Control

March 1, 2012, The Rossiyskaya Gazeta

Russia established the list of orphan disorders

The list encompasses 230 the most common genetic disorders, reported the Minister of Public Health and Social Development Tatyana Golikova. The Minister pointed out that the separate list had been created to include 24 rare diseases (life threatening and resulting in disability) which progression could be not only slowed down by special medications and medical technologies, but even stopped. The list is not exhaustive; it can be added at request of chief specialists and patient organizations.

March 6, 2012, The AMI-TASS

FAS prepared amendments to FL "On Circulation of Medicines"

Amendments to FL "On Circulation of Medicines" have been prepared by FAS by instruction of Deputy Chairman of the RF Government Igor Sechin and Principal Deputy of the Kremlin Chief of Staff Vladislav Surkov for the purpose of facilitating the market authorization of drugs. Amendments apply to the rules of the procedure for replacement of marketing authorizations issued for duplicate marketing authorizations. Amendment package requires reviewing the classification of amendments to the registration documentation of drugs quality examination and expert examination of the expected benefit and potential risk profile when administering a new drug.

March 11, 2012, The Kommersant

The Government Presidium considered amendments to the procurement law forbidding order of particular brand names of medications

The Ministry of Economy proposed to oblige customers to specify in the bidding documents only International Non-proprietary Names (INN) of medications or their chemical names (in the absence of INN). Also, the Ministry of Economy proposed to forbid having several medications with different INNs in one lot, but only in the case if the price of lot exceeds the threshold value established by the government (this is done as a matter of optimization of the number of purchases, the authority clarified). Also, the draft law "allows" without clarifications specifying brand names with respect to the medications included "into the respective list, which is approved in accordance with the procedure established by the government". The parliament building hasn't reported the results of the discussion of the draft law yet.

March 13, 2012, The Kommersant

Ministry of Public Health and Social Development to invest Federal Service for the Supervision of Public Health and Social Development with new authorities

At the panel of Federal Service for the Supervision of Public Health and Social Development (Roszdravnadzor), Head of the Ministry of Public Health Tatiana Golikova announced that the Roszdravnadzor would be invested with additional authorities to be approved by the government as soon as possible. They are required due to the adoption in November 2011 of the law On the Fundamentals of Public Health Protection in the Russian Federation containing several novels regarding Russian medicine. The main of them contains the requirement to provide medical aid according to standards of care. Roszdravnadzor will be charged with conducting checkups for compliance of medical organizations with these standards, as well as procedures for medical expert examinations, inspections and evaluations.

March 13, 2012, PRIME

Level of public expenditures on health in Russian Federation may reach 5.5% by 2015

According to GDP estimates of the Ministry of Public Health of RF, by 2015 the level of public expenditures on health will reach 5.5% of GDP in accordance with the Concept for the long-term social and economic development.

The Ministry stressed that for the last four years the federal expenditures on health increased two times: from RUB 202.8 bln to RUB 413 bln.

March 20, 2012, Pharmvestnik.ru

Local manufacturers to receive preferences in tenders

According to Decree of the Ministry of Public Health and Social Development dd. March 12, 2012, No 120, when placing orders for goods including medications, the bidders whose bid applications contain proposals to supply goods of Russian and(or) Belorussian origin shall be given a price preference at the rate of 15% of the contract value.

March 22, 2012, The Kommersant-Online

Ministry of Public Health summarized what had been done in the sphere of drug policy

As we approach the anniversary (April 2010) of state price adjustment for medications included into the list of vitally important and most essential medicines (VIMEM), the Ministry of Public Health summarized what had been done in the sphere of drug policy implemented by Tatyana Golikova since 2007. The Ministry of Health found that the drug policy gave satisfactory results: the drug price growth firmed up and the modern marketing authorization system was established. The satisfactory results are further supported by the figures: at 2011-end, adjustable prices for medications in the outpatient segment increased 2.7%, in hospital segment – 1.3%. The prices that grew last year the most were for import drugs in the outpatient segment (2.45% per year) and for domestic drugs in the hospital segment (1.9%). However, the drug prices that are not adjusted by the government grew more than 10%, which is three times as much as they grew in 2010.

March 26, 2012, RIA News

Ministry of Public Health to purchase HIV and hepatitis drugs for RUB 7.8 bln

The Ministry of Public Health and Social Development of Russia posted tenders for the supply of HIV and hepatitis B and C drugs for RF regions in 2012. The maximum contract price on all lots is RUB 7.79 bln. According to the project documentation, most of all funds – about RUB 2.9 bln – are planned to be spent on the purchase of Lopinavir+Ritonavir as tablets and oral solution, and on the purchase of Darunavir (RUB 1.4 bln). Pursuant to purchasing orders, the medications should be delivered to the RF regions in two stages not later than October 1, 2012.

NEWS FROM COMPANIES

March 7, 2012, The Kommersant

Rosnano and Domain Associates to co-invest up to USD 760 mln to set up a medical device manufacturing and pharmaceutical facility in Russia and USA

Rosnano and Domain Associates signed the investment agreement for USD 760 mln, the spokesmen for the companies said. In 2012-2015, under the agreement the partners will jointly invest in at least 20 American developers of innovative drugs that are tested at final phases of clinical trials or in the process of marketing authorization. The list of drugs will include advanced therapeutic products for the treatment of medical conditions including cardiovascular diseases, cancer and viral infections (such as hepatitis, HIV and others).

March 21, 2012, The Kommersant-Online

Production at the pharmaceutical factory Sanofi-Aventis to reach full capacity by 2012

At the beginning of 2012, the pharmaceutical factory Sanofi-Aventis started producing validation batches of insulin products. Now pilot batches of insulin and insulin analogues have been produced to demonstrate stability within the proposed shelf-life in accordance with the requirements of Russian laws.

The pharmaceutical factory will reach full capacity and launch a complete production cycle (except for production of pharmaceutical substances) by the end of 2012.

March 26, 2012, The Vedomosti

Skolkovo to set up the largest center of pre-clinical research of medicines in Russia by 2014

According to the press service of the foundation, the Skolkovo Foundation intends to create a center of biomedical and pre-clinical research of medicines by international standards GLP (GLP — good laboratory practice) of the area about 5000 sq m and cost of RUB 1.5 bln in the territory of the innovation center. The center will carry pre-clinical research for resident-companies, as well as other Russian and foreign pharmaceutical companies, and develop new models and methods of research and educate specialists in pre-clinical research. According to the website data, by March 2012 Skolkovo participants numbered 391, of which 109 companies were biomedical cluster members.

March 27, 2012, The Vedomosti

Renova to sell Natur Produkt to Canada's Valeant for USD 180 mln

The Renova group of companies has signed a deal to sell 100% of OTC pharmaceuticals company Natur Produkt International to international pharmaceuticals company headquartered in Canada Valeant Pharmaceuticals International. The sum of the deal is USD 180 mln (including the debt which amount is not disclosed by the parties).

March 29, 2012, The AMI-TASS

Merz Pharma became a new member of AIPM

Following the General Meeting decision adopted on March 28, Merz Pharma – the Russian division of Merz – became a new member of AIPM. At present, AIPM comprises 50 world's leading pharmaceutical companies which share accounts for over 80% of the world's drug production and over 60% of the drug revenue for the entire Russian pharmaceutical market.

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