REMEDIUM GROUP OF COMPANIES

AIPM
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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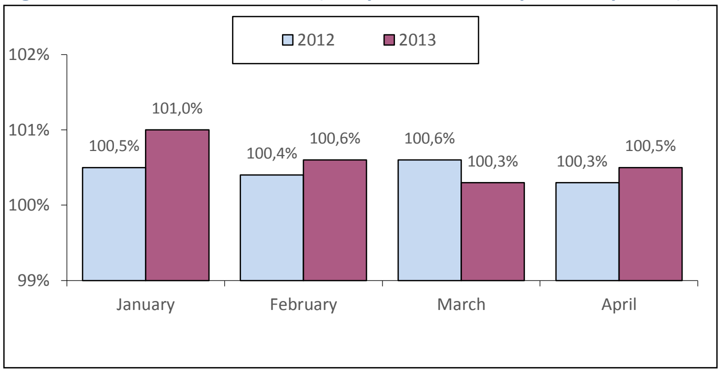
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in April 2013, the Consumer Price Index was estimated as 100.5% compared to the previous month. For the period from start of the year, it escalated to 102.4% (in January-April 2012 – 101.8%).

In April, the Industrial Producer Price Index was 98.8%, whereas a month ago it amounted to 100.5%.

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



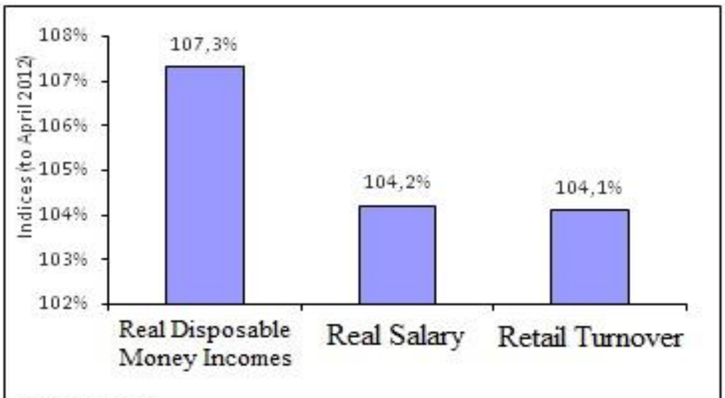
Living standard

According to preliminary Federal State Statistics Service's data, in April 2013 a gross monthly average salary per worker reached RUB 28,836 (USD 922.46) which accounted for 100.5% compared to the previous month and 111.7% compared to April 2012. The real salary in April 2013 accounted for 104.2% as compared with the same period in 2012. In April 2013, the real value of cash incomes accounted for 107.3% compared to the same period of 2012 (Fig. 2).

Retail turnover

In April 2013 the retail turnover was equal to RUB 1,844.7 bln, which in comparable prices accounted for 104.1% compared to the same period a year ago, in January-April 2013 - RUB 7,077.6 bln and 103.9% (Fig. 2).

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



Source: Rosstat

Manufacture of industrial products

According to Federal State Statistics Service's data, in April 2013 the Industrial Production Index accounted for 102.3% compared to the same period a year ago, 94.4% to the previous period of 2013, - 100,5% in January-April 2013 .

Domestic production

The Top-10 domestic manufacturers by production volume at April-end 2013 are shown in Table 1. The total production volume of top ten manufacturers was estimated at USD 245.2 mln.

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

Rank	Manufacturer	Production volume, $mln
1	Pharmstandart	71.8
2	Stada	31.7
3	KRKA-RUS	30.6
4	Microgen	21.1
5	Valenta	17.3
6	Sotex	16.6
7	Pharm-Center	15.8
8	NEARMEDIC Plus	15.0
9	Akrihin	12.9
10	Materia Medica	12.5

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In March 2013 compared to February, growth in sales (in terms of roubles) was observed in half of the analysed regions. The highest performance was observed in Moscow (+8%), the least one in St. Petersburg and Rostovskaya Oblast (+1% each). The Republic of Tatarstan showed a zero growth, and the remaining four regions showed a reduction in pharmacy sales of which the most pronounced was observed in the Novosibirskaya Oblast (-5%).

Table 2. Pharmacy sales in the regions, 2013

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	January 2013	February 2013	March 2013	January13/ December 2012	February/ January 2013	March / February 2013
Moscow	181.0	193.8	205.4	-22%	9%	8%
St Petersburg	49.5	56.8	56.7	-13%	17%	1%
Krasnodarsky Krai	35.1	38.3	39.9	-11%	11%	6%
Novosibirskaya Oblast	24.9	27.2	25.3	-7%	11%	-5%
Tatarstan	31.7	30.0	29.6	-3%	-3%	0%
Krasnoyarsky Krai	19.3	21.2	20.4	-12%	12%	-2%
Rostovskaya Oblast	23.2	25.4	25.3	-15%	12%	1%
Voronezhskaya Oblast	18.0	19.0	19.6	-10%	7%	5%
Perm	7.3	7.9	7.5	-6%	12%	-4%
Tyumen	7.6	8.3	8.0	-5%	11%	-2%

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 April 2013

Rank	Company*	Quantity of broadcasts
1	Novartis	8,382
2	Pharmstandart	7,568
3	Berlin-Chemie Menarini Group	5,862
4	Evalar	5,363
5	Bayer AG	4,605

Source – TNS Gallup AdFact

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

Rank	Trade name*	Quantity of broadcasts
1	Evalar	5,363
2	Nurofen	2,337
3	Acipol	1,893
4	Grippferon	1,888
5	Complivit	1,804

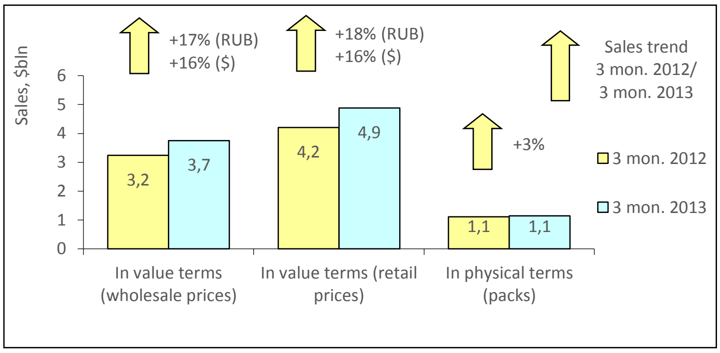
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 2013 FIRST 3 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 three months of 2013 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 3% increase to 1.141 bln packs. In value terms, the OTC drugs market increased by 17% in rouble terms and by 16% in dollar terms and reached 113.964 billion roubles (USD 3.747 billion) in wholesale prices (Fig. 1). The average cost of an OTC pack grew as compared to the same period of previous year (USD 3.79) and reached USD 4.28 in retail prices. For 3 months of 2013, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 34.06.

Figure 1. Russian pharmacy market for 3 months of 2012 – 3 months of 2013



Based on the results of the first three months of 2013, the top six drug manufacturers In the Russian pharmacy market held their own in the ranking (Table 1). They were SANOFI-AVENTIS (+12%[1]), PHARMSTANDART (+23%), BAYER (+22%), SERVIER (+12%), SANDOZ and NYCOMED/TAKEDA (+18% each). Note that only two of them, PHARMSTANDART and BAYER, showed growth rates which exceeded the mid-market rates, which allowed them to expand their shares in the market. Another two drug manufacturers of the top 10, TEVA (+28%) and NOVARTIS (+19%), showed an outperformance, which allowed them to move up to the higher ranks seven and eight respectively. On top of that, the former became the only newcomer of the top 10 ranking. MENARINI (+1%) which had been ranked seventh, showed low growth in sales, reduced its market share and moved down to rank 9. As before, ABBOTT (+9%) held its rank ten in the ranking. The cumulative share of the top 10 drug manufacturers reduced from 37.4% to 37.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	**SANOFI-AVENTIS**	5.3	5.5
2	2	PHARMSTANDART	5.0	4.8
3	3	**BAYER HEALTHCARE**	4.0	3.9
4	4	**SERVIER**	3.7	3.8
5	5	**SANDOZ GROUP**	3.6	3.6
6	6	**NYCOMED/TAKEDA**	3.5	3.5
7	11	**TEVA**	3.1	2.9
8	9	**NOVARTIS**	3.1	3.1
9	7	**MENARINI**	3.0	3.4
10	10	**ABBOTT**	2.8	3.0
Total			37.1	37.4

*AIPM members are in bold

Antiviral drug ARBIDOL (+37%) and hepatoprotector ESSENTIALE N (+23%) remained the best-selling over-the-counter drugs in the Russian market (table 2). On top of that, both of them reinforced their ranks, as they showed an outperformance in sales. Due to 2.2-fold growth in sales, one more antiviral drug KAGOCEL moved up to rank three from seven. At the same time, it forced ACTOVEGIN and LINEX (9% each) down one rank. ANAFERON (+41%) moved up to rank six from nine, and the newcomers, LASOLVAN (+36%) and CARDIOMAGNYL which sales grew 1.8 times, broke into the ranks of the top ten, coming in at numbers seven and eight. VIAGRA (-3%) and ALFLUTOP (+11%), which had been ranked fifth and sixth, moved down to ranks nine and ten, respectively. The total share of the top ten trade names increased by almost 1 p.p. and accounted for 8.2%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	ARBIDOL	1.4	1.2
2	2	ESSENTIALE N	1.2	1.1
3	7	KAGOCEL	1.1	0.6
4	3	ACTOVEGIN	0.8	0.9
5	4	LINEX	0.7	0.8
6	9	ANAFERON	0.7	0.5
7	12	LASOLVAN	0.6	0.5
8	27	CARDIOMAGNIL	0.6	0.4
9	5	VIAGRA	0.6	0.7
10	6	ALFLUTOP	0.6	0.6
Total			8.2	7.3

Two newcomers also broke into the ranks of the top ten INNs and generic names ranking, KAGOCEL (2.2-fold growth in sales) moved up from rank 19 to 4 and AZITHROMYCIN (+45%) moved up from rank 11 to 8 (Table 3). Apart from them, another two INNs from the top ten showed signs of growth: UMIFENOVIR (+37%) and AMBROXOL (+46%) moved up two ranks to numbers two and five. At the same time, INNs PHOSPHOLIPIDS (+20%), PANCREATIN (-3%), BISOPROLOL (+11%), BLOOD (+10%) and IBUPROFEN (+30%) moved down to the lower ranks three, six, seven, nine and ten respectively. INN XYLOMETAZOLINE (+19%) remained the leader of the ranking. The total share of the top ten under review, as well as that of the previous top ten, increased by almost 1 p.p. and accounted for 10.9%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	XYLOMETAZOLINE	1.5	1.5
2	4	UMIFENOVIR	1.4	1.2
3	2	PHOSPHOLIPIDS	1.3	1.3
4	19	KAGOCEL	1.1	0.6
5	7	AMBROXOL	1.1	0.9
6	3	PANCREATIN	1.0	1.2
7	5	BISOPROLOL	0.9	1.0
8	11	AZITHROMYCIN	0.9	0.7
9	6	BLOOD	0.9	0.9
10	8	IBUPROFEN	0.8	0.8
Total			10.9	10.0

The leader of the top-10 ATC-groups ranking has changed (table 4). N02 Analgesics (+7%) which had been ranked first showed the low growth rates and moved down to rank three, giving the way to the more dynamic groups R05 Cough and Cold Preparations (+45%) and J01 Antibacterials for Systemic Use (+31%). The fourth position was maintained by M01 Aniinflammatory and Antirheumatic Products (+20%). The only newcomer of the top ten, group J05 Antivirals for Systemic Use which sales grew 1.8 times, moved up to rank five, displacing R01 Nasal Preparations (+19%). The market of group L03 immunostimulants (+39%) developed at a fast pace which allowed it to move up one rank to number 7. In contrast, the three remaining ATC groups of the top 10 moved down to the lower ranks in the bottom part of the ranking. They were A11 Vitamins (+16%), C09 Agents acting on the renin-angiotensin system and G03 Sex hormones (+12% each). The total share of the top ten under review increased by almost 3 p.p. and achieved 40.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	2	R05	COUGH AND COLD PREPARATIONS	5.4	4.4
2	3	J01	ANTIBACTERIALS FOR SYST USE	4.7	4.2
3	1	N02	ANALGESICS	4.4	4.8
4	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4.3	4.2
5	12	J05	ANTIVIRALS FOR SYSTEMIC USE	4.2	2.7
6	5	R01	NASAL PREPARATIONS	3.9	3.8
7	8	L03	IMMUNOSTIMULANTS	3.8	3.2
8	7	A11	VITAMINS	3.6	3.7
9	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.5	3.7
10	9	G03	SEX HORM&MODULAT GENITAL SYS	3.0	3.2
Total				40.9	37.9

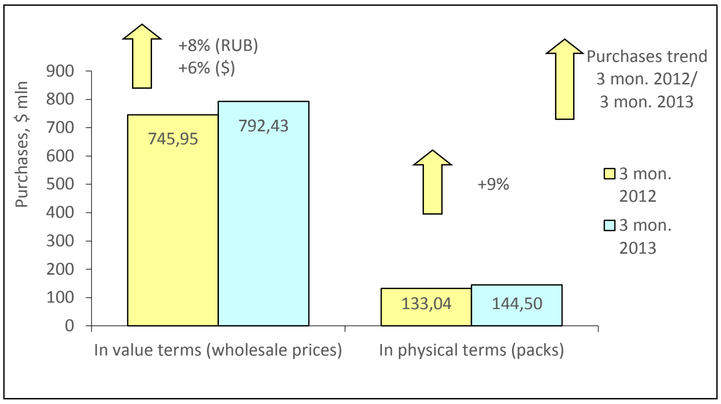
Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of Russia brought in RUB 148.493 bln (USD 4.882 bln). The market saw a 18% increase in terms of roubles and 16% increase in terms of dollars compared to the last year results. In pack terms the market also showed positive growth rates (+3%) and achieved 1.141 bln packs. In QI, 2013, the average cost of an OTC pack was higher than in the year-earlier period (USD 4.28 vs. USD 3.79). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 34.06 vs. USD 29.40).

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

RUSSIAN FEDERATION HOSPITAL MARKET: 2013 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first quarter of 2013 the Russian hospital market in physical terms increased by 9% to 144.497 million packs. In value terms, the market also showed positive growth rates (8% in terms of roubles and 6% in terms of dollars) and reached RUB 24.102 bln (USD 792.425 mln) in wholesale prices. Based on the results of 3 months 2013, the average cost of OTC pack in the hospital sector was USD 5.48, whereas in the year-earlier period its cost was USD 5.61.

Figure 1. Russian hospital market for 3 months of 2012 – 3 months of 2013



At three months-end 2013, the drug manufacturers SANOFI-AVENTIS (+2%), ROCHE (+26%) and MERCK SHARP DOHME (+21%) held their own dominating positions in the hospital market of Russia (Table 1). On top of that, due to low growth rates the first reduced its market share, whereas the second and the third ones expanded their market shares due to outstripping growth rates. The markets of drug manufacturers PFIZER (+44%), NYCOMED/TAKEDA (+10%), BAYER (+20%), NOVARTIS (+10%) and MICROGEN (+13%) also developed at a fast pace. This allowed four of them to move up to the higher ranks four, seven, nine and ten respectively. Despite the outstripping growth rates, the drug manufacturers NYCOMED/TAKEDA moved down one rank, to number six. Another two drug manufacturers also fell in the ranks. They were ASTRAZENECA (-6%) and GLAXOSMITHKLINE (-3%) with negative growth rates which moved down to ranks five and eight, respectively. The total share accumulated by the ten top manufacturers expanded from 31.2% to 32.7%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	**SANOFI-AVENTIS**	5.6	5.9
2	2	**ROCHE**	5.0	4.3
3	3	**MERCK SHARP DOHME**	4.2	3.7
4	7	**PFIZER**	3.3	2.5
5	4	**ASTRAZENECA**	2.9	3.4
6	5	**NYCOMED/TAKEDA**	2.7	2.7
7	8	**BAYER HEALTHCARE**	2.7	2.4
8	6	**GLAXOSMITHKLINE**	2.4	2.6
9	10	**NOVARTIS**	2.0	2.0
10	13	MICROGEN	1.8	1.7
Total			32.7	31.2

*AIPM members are in bold

The leaders in the top ten trade names also remained unchanged - as before, the drugs SODIUM CHLORIDE (+14%) and CLEXANE (+43%) held their own first two ranks and even reinforced their positions due to outstripping growth rates (Table 2). PEGASYS, which purchases grew 3.6 times, and CUROSURF (+46%) moved up to ranks three and four from 31 and 10 respectively. At the same time, the former became one of two newcomers of the top ten. Due to 2.2-fold growth in purchases, the preparation CEFTRIAXONE moved up to rank 9 from 30. ACTOVEGIN (+7%) moved up one rank, to number 7. The remaining four trade names of the top ten showed negative growth rates, reduced their market shares and moved down to the lower ranks. They were MERONEM (-21%), GLUCOSE (-7%), HERCEPTIN (-12%) and ULTRAVIST (-2%) placed at numbers five, six, eight and ten of the top ten. The total share of the top ten trade names increased by 1.6 p.p. and accounted for 13.8%.

Table 2. The top 10 trade names by hospital purchases

Rank in the top ten		Trade name	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	SODIUM CHLORIDE	4.0	3.8
2	2	CLEXANE	1.8	1.3
3	31	PEGASYS	1.4	0.4
4	10	CUROSURF	1.1	0.8
5	3	MERONEM	0.9	1.3
6	5	GLUCOSE	0.9	1.1
7	8	ACTOVEGIN	0.9	0.9
8	4	HERCEPTIN	0.9	1.1
9	30	CEFTRIAXONE	0.9	0.4
10	7	ULTRAVIST	0.9	1.0
Total			13.8	12.2

The Top ten INN and generic names ranking has half updated (table 3). The newcomers PEGINTERFERON ALFA-2A (3.6-fold growth in purchases), CILASTATIN + IMIPENEM (+37%), PORACTANT ALFA (+46%), HETASTARCH (+10%) and BLOOD (+9%) moved up to the bottom five ranks in the top ten. The only swap took place in the top part of the top-10 ranking: due to outperformance in sales, IMMUNOGLOBULIN BASE (+36%) and ENOXAPARIN SODIUM (+40%) moved up one rank, coming in at numbers 3 and 4, respectively. At the same time, the less dynamic CEFTRIAXONE (+14%) moved down to rank five. INNs SODIUM (+14%) and MEROPENEM (+13%) remained the leaders of the top ten ranking. The total share of the top 10 INNs increased by almost 3 p.p. and accounted for 16.9%.

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Names	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	SODIUM	4.1	3.8
2	2	MEROPENEM	1.9	1.8
3	4	IMMUNOGLOBULIN BASE	1.9	1.5
4	5	ENOXAPARIN SODIUM	1.8	1.4
5	3	CEFTRIAXONE	1.7	1.6
6	44	PEGINTERFERON ALFA-2A	1.4	0.4
7	18	CILASTATIN + IMIPENEM	1.1	0.8
8	19	PORACTANT ALFA	1.1	0.8
9	12	HETASTARCH	1.0	1.0
10	13	BLOOD	1.0	1.0
Total			16.9	14.2

The dominant four ATC groups held their own in the top ten ATC group ranking (table 4). ATC groups J01 Antibacterials for systemic use (+11%), L01 Antineoplastic agents (-9%), B05 Blood substitutes and perfusion solutions (+13%) and B01Antithrombotic Agents (+14%) held their own in the ranking and most of them reinforced their positions. Among them, only L01 reduced its purchases and shrank its market share. The groups V08 Contast media and N05 Psycholeptics (+8% each) held their own ranks six and eight. The other four ATC groups of the top 10 rose in the ranks. L03 Immunostimulants (+47%) moved up from rank nine to five, and J06 Immune sera and immunoglobulins (+38%) moved up from rank ten to seven. The newcomers L04 Immunosuppressants (+82%) and N01 Anesthetics (+26%) broke into the ranks of the top 10, coming in at numbers nine and ten. The total share of the analysed ranking, as well as one of the above rankings considerably increased and accounted for 59.9%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	1	J01	ANTIBACTERIALS FOR SYST USE	16.1	15.5
2	2	L01	ANTINEOPLASTIC AGENTS	10.5	12.4
3	3	B05	BLOOD SUBSTITUTE & PERF SOLS	10.1	9.6
4	4	B01	ANTITHROMBOTIC AGENTS	6.7	6.4
5	9	L03	IMMUNOSTIMULANTS	3.1	2.3
6	6	V08	CONTRAST MEDIA	3.0	2.9
7	10	J06	IMMUNE SERA & IMMUNOGLOBULIN	2.8	2.2
8	8	N05	PSYCHOLEPTICS	2.6	2.6
9	18	L04	IMMUNOSUPPRESSANTS	2.6	1.5
10	11		N01 ANESTHETICS	2.5	2.1
Total				59.9	57.6

Conclusion. At the end of the first quarter in 2012, the Russian hospital market grew by 8% in rouble terms and by 6% in dollar terms and brought in RUB 24.102 bln (USD 792.425 mln). In pack terms, the market also showed positive growth rates (+9%) and achieved 144.497 mln packs. In the first three months of 2012, the average cost of OTC pack in the hospital sector of the country was lower than in the year-earlier period (USD 5.48 vs. USD 5.61).

STATE REIMBURSEMENT PROGRAM IN THE RUSSIAN FEDERATION: 2013 FIRST 3 MONTHS RESULTS

According to SRP in RF™, on the basis of the results of three months of 2013, the OTC drugs supplies under the Federal Program amounted to RUB 46.816 bln (USD 1.539 bln) in contractual prices[2]. The segment volume increased 34% in terms of roubles, and 32% in terms of dollars as compared to the same period a year ago. Scope of supplies in pack terms reduced by 1% to 33.332 mln packs. The average cost of OTC pack through the program was USD 46.18 in contractual prices (a year ago was USD 34.55).

Based on the results of Q1, 2013, one newcomer broke into the ranks of the top ten drug manufacturers taking part in the State Reimbursement Program. Due to 6.6-fold growth in purchases, F-SYNTEZ moved up from rank 21 to six (Table 1). At the same time, it made PHARMSTANDART (+36%) to move down one rank. The drug manufacturers JOHNSON & JOHNSON (2.1-fold growth in purchases), LABORATORIO TUTEUR (1,8-fold growth) and BAXTER (2,4-fold growth) also showed high growth rates thanks to which they moved up to ranks two, four and five. The market of the top ten leader ROCHE (+43%) also developed at a fast pace. The growth rates of other drug manufacturers of the top ten, TEVA (+16%), SANOFI-AVENTIS (+32%), NOVO NORDISK (+9%), lagged behind the mid-market rates and NOVARTIS (-65%) showed negative growth rates. That resulted in the reduction of their shares and in three cases in the loss of ranking positions. Only SANOFI-AVENTIS (as a leader) held its own rank six. The total share of the top ten drug manufacturers expanded by over 3.6 p.p. and reached 71.7%.

Table 1. The top 10 drug manufacturers for SRP

Rank		Manufacturer*	Share in total SRP volume, %	
3mon. 2013	3mon. 2012		3 mon. 2013	3 mon. 2012
1	1	**ROCHE**	18.7	17.6
2	4	**JOHNSON & JOHNSON**	11.1	7.2
3	2	**TEVA**	10.0	11.5
4	5	LABORATORIO TUTEUR	7.8	5.7
5	8	**BAXTER INT**	6.1	3.4
6	6	**SANOFI-AVENTIS**	4.5	4.6
7	21	F-SYNTEZ	4.3	0.9
8	7	PHARMSTANDART	4.1	4.0
9	3	**NOVARTIS**	2.7	10.3
10	9	**NOVO NORDISK**	2.5	3.1
Total			71.7	68.1

*AIPM members are in bold

MABTHERA (+54%) held and reinforced its dominating position in the top ten trade names ranking in the SRP segment (Table 2). VELCADE purchases increased 2.3 times, due to which it moved up from rank four to two. COPAXONE-TEVA (+12%), which had held that position earlier, moved down one rank. The newcomers broke into the ranks of the top ten trade names, coming in at numbers four and five as well as eight and ten. They were the antineoplastic agents GENFATINIB and PHILACHROMIN FS, as well as coagulants HEMOFIL M and KOATE-DVI. At the same time, they displaced GENFAXON (-9%) and COAGIL-VII (+42%) down one rank, and PULMOZYME (+36%) down two ranks, to number 9. Due to newcomers, the total share of the top ten ranking increased by almost 12 p.p. and reached 50.9%.

Table 2. The top ten trade names for SRP.

Rank		Trade name	Share in total SRP volume, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	MABTHERA	12.3	10.7
2	4	VELCADE	10.1	6.0
3	2	COPAXONE-TEVA	8.1	9.7
4	N/A	GENFATINIB	3.9	N/A
5	N/A	PHILACHROMIN FS	3.7	N/A
6	5	GENFAXON	3.5	5.2
7	6	COAGIL-VII	2.9	2.7
8	43	HEMOFIL M	2.2	0.4
9	7	PULMOZYME	2.0	2.0
10	14	KOATE-DVI	2.0	1.3
Total			50.9	38.0

Four INNs of the top ten INN and Generic Names held their own in the ranking (table 3). RITUXIMAB (+54%) remained the leader of the top ten, and INN EPTACOG ALFA (ACTIVATED) (+42%), OCTOCOG ALFA (+34%) and DORNASE ALFA (+36%) as before held their own ranks seven, eight and ten. Three INNs of the top 10 rose in the ranks. BORTEZOMIB (2.3-fold growth in purchases) moved up from rank five to two, FACTOR VIII (2.7-fold growth in purchases) moved up from rank six to three , and the only newcomer of the top ten INTERFERON BETA-1B (3.6-fold growth in purchases) moved up from rank 27 to 9. At the same time, the less dynamic INNs IMATINIB (+51%), GLATIRAMER ACETATE (+12%) and INTERFERON BETA-1A (-5%), which purchases reduced, moved down from rank four through six.

[2] From 2008 data on APS constitute information of shipments in contractual prices: prices at which the government will reimburse moneys to the distributor.

Table 3. The top ten INN and generic names for SRP

Rank		Trade name	Share in total SRP volume, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	RITUXIMAB	12.3	10.7
2	5	BORTEZOMIB	10.1	6.0
3	6	FACTOR VIII	9.0	4.5
4	3	IMATINIB	8.7	7.7
5	2	GLATIRAMER ACETATE	8.1	9.7
6	4	INTERFERON BETA-1A	4.3	6.1
7	7	EPTACOG ALFA (ACTIVATED)	2.9	2.7
8	8	OCTOCOG ALFA	2.3	2.3
9	27	INTERFERON BETA-1A	2.1	0.8
10	10	DORNASE ALFA	2.0	2.0
Total			61.9	52.5

Half of the top 10 ATC groups in BDC segment held their own in the ranking (table 4). Among them were the leader of the top ten ranking - L01 Antineoplastic drugs (+60%), as well as A10 Drugs used to treat diabetes (+16%), L04 Immunosuppressants (+8%), R03 Drugs for obstructive airway diseases (+14%) placed at numbers 4 through 6, as well as H01 Hypothalamic-Pituitary Hormones and Analogues (+13%) rounding out the top ten. B02 Antihemorrhagics (+91%) moved up one rank, to number 2, displacing L03 Immunostimulants (+17%) down one rank. R05 Cough and cold preparations (+35%) moved up two ranks. This group got rank seven which earlier had been taken by B03 Antianemic preparations (-5%). The only newcomer of the top ten, Group A16 Other alimentary tract and metabolism products (+61%) moved up to rank nine. The cumulative share of the top-ten increased by almost 5 p.p. and reached 88.4%.

Table 4. The top ten ATC groups for SRP

Rank		ATC code	ATC group	Share in total SRP volume, %	
3mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	1	L01	ANTINEOPLASTIC AGENTS	35.8	29.9
2	3	B02	ANTIHEMORRHAGICS	15.7	11.0
3	2	L03	IMMUNOSTIMULANTS	15.1	17.3
4	4	A10	DRUGS USED IN DIABETES	7.2	8.3
5	5	L04	IMMUNOSUPPRESSANTS	4.5	5.6
6	6	R03	DRUG FOR OBSTRUCT AIRWAY DIS	3.1	3.6
7	9	R05	COUGH AND COLD PREPARATIONS	2.1	2.1
8	7	B03	ANTIANEMIC PREPARATIONS	1.8	2.5
9	12	A16	OTH ALIMENT TRACT&METAB PROD	1.7	1.4
10	10	H01	PITUIT&HYPOTHAL HORM&ANALOG	1.6	1.8
Total				88.4	83.6

Data on supplies to the top ten regions of Russia under State Reimbursement Program are shown in Table 5. The Moscovskaya Oblast dominated the top ten ranking, though its share in the analysed period reduced markedly from 7% to 6.7%. The last year leader Moscow (5.4%) showed a still more pronounced reduction in market share and moved down to rank 2. The Sverdlovskaya Oblast (4.3%) held its own rank three. The Republic of Bashkortostan and Rostovskaya Oblast which moved up to ranks 4 and 6 showed the considerable growth in purchases under the State Reimbursement Programme. The total share of the top 10 regions by SRP supplies increased by almost 1.5 p.p. and accounted for 37.9%.

Table 5. The top ten regions by sales for SRP

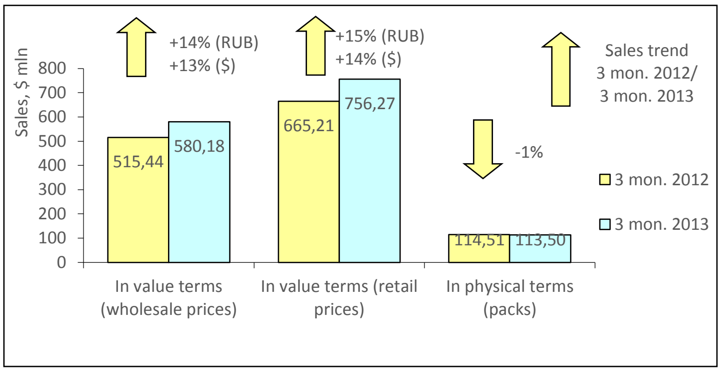
Rank		Region	Share in total SRP volume, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	2	Moscovskaya oblast	6.7	7.0
2	1	Moscow city	5.4	7.7
3	3	Sverdlovskaya oblast	4.3	3.3
4	16	Republic of Bashkortostan	4.0	2.3
5	5	Krasnodarsky kray	3.4	3.1
6	14	Moscovskaya oblast	3.2	2.3
7	6	Republic of Tatarstan	3.0	3.0
8	7	Rest of South FO	2.8	3.0
9	15	Nyzhegorodskaya oblast	2.6	2.3
10	10	St. Petersburg city	2.5	2.5
Total			37.9	36.4

Conclusion. On the basis of the results for three months of 2013, the SRP segment of Russia brought in RUB 46.816 bln. (USD1.539 bln) which is by 34% in terms of roubles and 32% in terms of dollars higher than the same indicator in the same period a year ago. In physical terms, the supplies decreased by 1% and amounted to 33.332 mln packs. The average cost of OTC pack participating in the State Reimbursement Program (USD 46.18) increase noteworthily as compared to the figures of the past year (USD 34.55).

MOSCOW CITY PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Moscow's estimated population was 11.980 mln, which accounted for 8.4% of the total Russian Federation population and 31.0% of Central FO (CFO). According to Federal State Statistics Service's data, based on the results for 3 months of 2013 the average salary was RUB 53,953.2 (USD 1,764.33), which is 97% higher than the average salary in Russia (RUB 27,339.4). According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at QI-end 2013 the sales of OTC drugs in physical terms in pharmacies of Moscow saw a 1% decrease to 113.5 mln packs. In value terms, the OTC drugs market increased by 14% in rouble terms and by 13% in dollar terms and reached RUB 17.647 billion (USD 580.184 million) in wholesale prices (Fig. 1). The city's share accounted for 15.5% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 5.81) and reached USD 6.66 in retail prices. For the first three months of 2013, the average amount spent by residents of Moscow for drugs in the pharmacies amounted to USD 63.13.

Figure 1. Moscow city pharmacy market for 3 months of 2012 – 3 months of 2013



Based on the results of the first quarter of 2013, the top ten INN and generic names ranking in Moscow didn't change in composition (table 1). As before, the top ten leader SANOFI-AVENTIS (+12%) held its own dominating rank. None of the remaining drug manufacturers of the top ten held their own in the ranking. On top of that, four of them rose in the ranks PHARMSTANDART (+25%), which showed the highest growth rates among the top ten drug manufacturers, moved up from rank three to two, displacing slightly less dynamic BAYER (+21%) down one rank. The markets of NOVARTIS (+21%), SANDOZ (+17%) and TEVA (+22%) also developed at a fast pace which allowed them to move up to the higher ranks four, five and eight respectively. At the same time, SERVIER (+13%) and ABBOTT (+5%) moved down two ranks, to numbers 6 and 7, whereas PFIZER (+14%) and NYCOMED/TAKEDA (+9%) moved down one rank to numbers nine and ten. The cumulative share of the top ten drug manufacturers increased from 38.4% to 39.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	**SANOFI-AVENTIS**	5.9	6.0
2	3	PHARMSTANDART	4.7	4.3
3	2	**BAYER HEALTHCARE**	4.5	4.3
4	7	**NOVARTIS**	3.8	3.6
5	6	**SANDOZ GROUP**	3.7	3.6
6	4	**SERVIER**	3.6	3.7
7	5	**ABBOTT**	3.4	3.7
8	10	**TEVA**	3.2	3.0
9	8	**PFIZER**	3.2	3.2
10	9	**NYCOMED/TAKEDA**	3.0	3.2
Total			39.1	38.4

*AIPM members are in bold

Due to 2.5-fold growth in sales, a newcomer INGAVIRIN broke into the ranks of the top ten trade names ranking, coming in at number ten from 52 (Table 2). On top of that, the top ten underwent numerous changes, as a result of which only one trade name DETRALEX (+14%) held its own rank 9. ESSENTIALE N (+32%) and KAGOCEL (+89%) moved up to the first two ranks from numbers two and six respectively, displacing the last year leader, but less dynamic ARBIDOL (+24%) down to rank 3. Due to 1.8-fold growth in sales, AMIXIN moved up three ranks to number 4, whereas CIALIS (+16%) moved up from rank 10 to 8. In contrast, LINEX (+8%), OSCILLOCOCCINUM (+19%) and VIAGRA (+3%) moved down to the lower ranks from 5 through 7.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	2	ESSENTIALE N	1.2	1.0
2	6	KAGOCEL	1.2	0.7
3	1	ARBIDOL	1.1	1.0
4	7	AMIXIN	1.0	0.7
5	3	LINEX	0.9	0.9
6	5	OSCILLOCOCCINUM	0.8	0.7
7	4	VIAGRA	0.7	0.7
8	10	CIALIS	0.6	0.6
9	9	DETRALEX	0.6	0.6
10	52	INGAVIRIN	0.6	0.3
Total			8.7	7.4

Two newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were KAGOCEL (1.9-fold growth in sales) and IBUPROFEN (+35%) which moved up to ranks 3 and 10. Apart from the newcomers, only one more INN of the top ten managed to rise in the ranks. INN TILORONE, which sales grew 1.7 times, moved up from rank 10 to 4. At the same time, INNs UMIFENOVIR (+24%), PANCREATIN (-1%), AZITHROMYCIN (+24%), and the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+8%) fell in the ranks and moved down to ranks 5 through 8, respectively. The other three INNs of the top 10 held their own in the ranking. They were the ranking leaders XYLOMETAZOLINE (+23%) and PHOSPHOLIPIDS (+28%), as well as AMOXICILLIN + CLAVULANIC ACID (+23%) placed at rank 9. The total share of the top ten under review, as well as one of the previous top ten ranking, increased by almost 1.3 p.p. and accounted for 10.8%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	XYLOMETAZOLINE	1.8	1.7
2	2	PHOSPHOLIPIDS	1.2	1.1
3	14	KAGOCEL	1.2	0.7
4	10	TILORONE	1.2	0.8
5	4	UMIFENOVIR	1.1	1.0
6	3	PANCREATIN	0.9	1.1
7	5	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.9
8	7	AZITHROMYCIN	0.8	0.8
9	9	AMOXICILLIN + CLAVULANIC ACID	0.8	0.8
10	18	IBUPROFEN	0.8	0.7
Total			10.8	9.5

Due to outstripping sales rates, J01 Antibacterials for systemic use (+21%) reinforced its position and remained the best-selling group in the regional market (table 4). Note that almost all ATC groups in this top ten ranking showed the outstripping growth in sales. The only exception was GroupN02 Analgesics which sales reduced by 4%, as a result of which it moved down from rank 2 to 7. The markets of Groups J05 Antivirals for systemic use (+62%), L03 Immunostimulants (+35%), R05 Cough and cold preparations (+36%) and M01 Aniinflammatory and Antirheumatic Products (+24%) developed at a fast pace, which allowed them to move up to ranks two, four, five and nine respectively. On top of that, the latter became the only newcomer of the top-10 ranking. The Groups R01 Nasal preparations (+22%) and C09 Agents acting on the renin-angiotensin system (+13%) held their own ranks three and ten. At the same time, A11 Vitamins and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+16% each) moved down to the lower ranks six and eight respectively. The total share of the top-10 ATC groups increased by almost 3 p.p. and accounted for 38.8%.

Table 4. The top ten ATC Groups by pharmacy sales

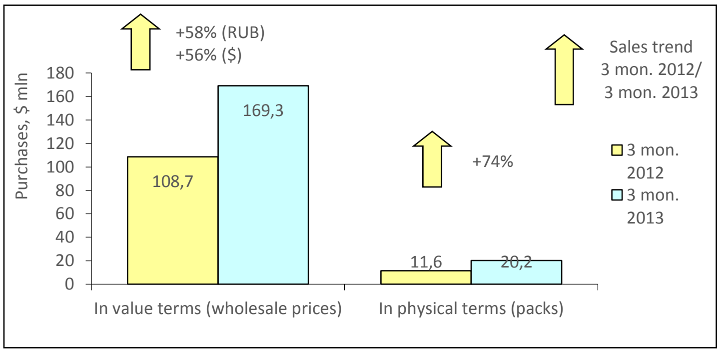
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	1	J01	ANTIBACTERIALS FOR SYST USE	4.6	4.3
2	9	J05	ANTIVIRALS FOR SYSTEMIC USE	4.4	3.1
3	3	R01	NASAL PREPARATIONS	4.4	4.1
4	5	L03	IMMUNOSTIMULANTS	4.2	3.5
5	6	R05	COUGH AND COLD PREPARATIONS	4.1	3.4
6	4	A11	VITAMINS	3.8	3.7
7	2	N02	ANALGESICS	3.6	4.3
8	7	A07	INTESTINAL ANTIINFECTIVES	3.4	3.3
9	12	M01	ANTIINFLAM & ANTIRHEUM PROD	3.3	3.0
10	10	C09	AG ACT RENIN-ANGIOTENS SYST	3.0	3.1
Total				38.8	36.0

Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of Moscow brought in RUB 23.003 bln (USD 756,270 mln). The market increased 15% in terms of roubles and 14% in terms of dollars. In pack terms, the market reduced by -1% and achieved 113.496 mln packs. At Quarter I-end 2013, the average cost of an OTC pack in the city pharmacies was higher than in the same period a year ago (USD 6.66 vs. USD 5.81) and exceeded the national average figures (USD 4.28). Per capita expenses of Moscow residents for purchase of medicines in the city pharmacies were also higher than the national average figures (USD 63.13 vs. USD 34.06).

MOSCOW CITY HOSPITAL MARKET: 2013 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first three months of 2013 the Moscow hospital market in physical terms increased by 74% to 20.209 million packs. In value terms, the market also showed positive growth rates (+58% in terms of roubles and +56% in terms of dollars) and reached RUB 5.148 bln (USD 169.263 mln) in wholesale prices. In the analysed period, the average cost of OTC pack in the hospital sector of Moscow was USD 8.38, whereas in the year-earlier period its cost was USD 9.38. The regional market share accounted for 14% of the Russian hospital market in physical terms and 21.4% in value terms.

Figure 1. Moscow city hospital market for 3 months of 2012 – 3 months of 2013



In the first three months of 2013, the drug manufacturer ROCHE, which purchases increased 2.2 times, held and reinforced its dominating position in the top ten drug manufacturers ranking in the hospital market of Moscow (Table 1). Due to 3.4-fold growth in supplies, PFIZER moved up to rank two from four, and MERCK SHARP DOHME (2.2-fold growth in purchases) held its rank three. Apart from the above PFIZER, another two drug manufacturers from the top ten showed growth in purchases. BAYER (+86%) moved up from rank eight to five, and ABBVIE (+47%) - from rank eleven - to nine. At the same time, they displaced the drug manufacturers with the lower purchase rates: ASTRAZENECA (+66%), NYCOMED/TAKEDA (+25%), GLAXOSMITHKLINE (+27%) and NOVARTIS (+27%) down one rank. SANOFI-AVENTIS (+38%) also moved down two ranks, to number 4. The total share of the top ten trade names increased by almost 6 p.p. and accounted for 40.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	**ROCHE**	7.8	5.5
2	4	**PFIZER**	7.4	3.5
3	3	**MERCK SHARP DOHME**	5.2	3.8
4	2	**SANOFI-AVENTIS**	4.2	4.8
5	8	**BAYER HEALTHCARE**	3.4	2.8
6	5	**ASTRAZENECA**	3.2	3.1
7	6	**NYCOMED/TAKEDA**	2.4	3.0
8	7	**GLAXOSMITHKLINE**	2.3	2.9
9	11	**ABBVIE**	2.2	2.4
10	9	**NOVARTIS**	2.1	2.6
Total			40.2	34.4

*AIPM members are in bold

Due to 2-fold growth in purchases, SODIUM CHLORIDE reinforced its dominating position and remained the best-selling trade name in the hospital market of Moscow (Table 2). Most of the top ten trade names joined the top ten for the first time. They were interferon drug PEGASYS (18-fold growth in purchases), antibacterial drugs ZYVOX (5-fold growth) and MEROPENEM (10-fold growth), antineoplastic drug AVASTIN (7-fold growth), immunosuppressant drug REMICADE (40-fold growth) and ALBUMIN (2.2-fold growth) which moved up to rank two, three, five, seven, eight and ten, respectively. The other three trade names of the top ten showed high positive growth rates and rose in the ranks. AVELOX moved up from rank six to four due to 2.5-fold growth in purchases, SEVORAN (2.3-fold growth in purchases) moved up from rank 9 to 6, CLEXANE (2.2-fold growth in purchases) moved up from rank 10 to 9. The total share of the top 10 trade names increased considerably from 7.2% to 15.8%.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	SODIUM CHLORIDE	2.8	2.2
2	88	PEGASYS	2.0	0.2
3	20	ZYVOX	1.9	0.6
4	6	AVELOX	1.5	0.9
5	72	MEROPENEM	1.4	0.2
6	9	SEVORAN	1.3	0.9
7	59	AVASTIN	1.3	0.3
8	160	REMICADE	1.2	0.0
9	10	CLEXANE	1.2	0.9
10	11	ALBUMINE	1.2	0.9
Total			15.8	7.2

The top ten INN and generic names ranking also has been notably updated - five newcomers broke into the ranks of the top ten INN and generic names (Table 3). Among them were PEGINTERFERON ALFA-2A (18-fold growth in purchases) and LINEZOLID (5-fold growth in purchases), which moved to ranks 4 and 5, as well as SEVOFLURANE (2.3-fold growth in purchases), BEVACIZUMAB (7-fold growth) and METHYLPREDNISOLONE (12-fold growth) which moved up to ranks eight, nine and ten respectively. IMMUNOGLOBULIN BASE (+94%) and SODIUM (+93%) retained and reinforced their leading positions in the ranking. The other three trade names: MEROPENEM (2.8-fold growth in purchases), MOXIFLOXACIN and ALBUMIN (2,4-fold growth in purchases), moved up two ranks, coming in at numbers three, six and seven respectively. The total share of the top-ten ranking increased by almost 9 p.p. and achieved 19.1%.

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Names	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	IMMUNOGLOBULIN BASE	3.4	2.8
2	2	SODIUM	2.8	2.3
3	5	MEROPENEM	2.3	1.3
4	109	PEGINTERFERON ALFA-2A	2.0	0.2
5	25	LINEZOLID	1.9	0.6
6	8	MOXIFLOXACIN	1.5	0.9
7	9	ALBUMIN	1.4	0.9
8	11	SEVOFLURANE	1.3	0.9
9	79	BEVACIZUMAB	1.3	0.3
10	117	METHYLPREDNISOLONE	1.3	0.2
Total			19.1	10.4

The top three ATC groups from the top ten ATC groups held their own in the ranking (Table 4). Groups J01 Antibacterials for systemic use (+110%), L01 Antineoplastic agents (+25%) and B05 Blood substitutes and perfusion solutions (+84%) held their own in the ranking. J06 Immune sera and immunoglobulins (+92%) moved up to rank four from seven, displacing B01 Antithrombotic Agents (+27%) down one rank. J02 Immune sera and Immunoglobulins (3.7-fold growth in purchases), L04 Immunosuppressants (2.5-fold growth) and L03 Immunostimulants (3.7-fold growth) broke into the ranks of the top ten, coming in at numbers six through eight respectively. At the same time, V08 Contrast media (+30%) and N01 Anaesthetics with 2.1-fold growth in purchases moved down to ranks nine and ten of the top ten. The total share of the top ten increased by 8.4 p.p. and accounted for 63.5%.

Table 4. The top ten ATC groups by hospital purchases

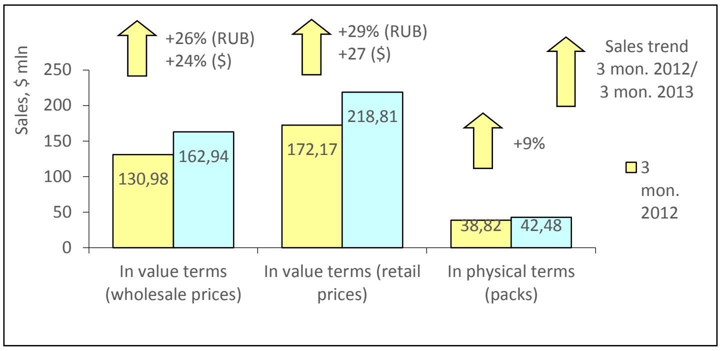
Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	1	J01	ANTIBACTERIALS FOR SYST USE	16.9	12.7
2	2	L01	ANTINEOPLASTIC AGENTS	9.6	12.2
3	3	B05	BLOOD SUBSTITUTE & PERF SOLS	8.8	7.6
4	7	J06	IMMUNE SERA & IMMUNO-GLOBULIN	5.1	4.2
5	4	B01	ANTITHROMBOTIC AGENTS	5.1	6.3
6	16	J02	ANTIMYCOTICS FOR SYSTEM USE	3.9	1.7
7	11	L04	IMMUNOSUPPRESSANTS	3.8	2.4
8	17	L03	IMMUNOSTIMULANTS	3.6	1.5
9	6	V08	CONTRAST MEDIA	3.5	4.3
10	8	N01	ANESTHETICS	3.3	2.5
Total				63.5	55.1

Conclusion. At the end of the first quarter in 2013, the Moscow hospital market grew by 58% in rouble terms and by 56% in dollar terms and brought in RUB 5.148 bln (USD 169.263 mln). In pack terms, the market also showed high positive growth rates (+74%) and brought in 20.209 mln packs. The average cost of an OTC pack in the hospital market reduced as compared to the previous year (USD 8.38 vs. USD 9.38), however it was much higher than the average indicator in Russia (USD 5.48).

SAINT PETERSBURG PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 St. Petersburg's estimated population was 5.028 mln, which accounted for 3.5% of the total Russian Federation population and 36.7% of North West FO (NWFO). According to Federal State Statistics Service's data, in Q 1, 2013 the average salary in the city was RUB 34,104 (USD 1,115.24), which is 25% higher than the average salary in Russia (RUB 27,339.4). According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at Q1-end 2013 the sales of OTC drugs in physical terms in the pharmacies of St. Petersburg saw a 9% increase to 42.478 mln packs. In value terms, the city pharmacy market (exclusive of State Reimbursement Program) also saw a +26% increase in terms of roubles and +24% increase in terms of dollars compared to the same period a year ago and reached RUB 4.956 bln (USD 162.936 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 4.5%. The average cost of an OTC pack in the pharmacies of St. Petersburg was USD 5.15 (in a year-earlier period – USD 4.43). For the first three months of 2013, the average amount spent by residents of St. Petersburg for OTC drugs amounted to USD 43.52.

Figure 1. St. Petersburg pharmacy market for 3 months of 2012 – 3 months of 2013



Based on the results for the first quarter of 2013, the top ten drug manufacturers in the regional market showed a sufficiently high stability - seven of its drug makers held their own in the ranking (Table 1). They were the companies SANOFI-AVENTIS (+27%), PHARMSTANDART (+18%), SANDOZ (+22%), BAYER (+26%), SERVIER (+27%), NOVARTIS (+28%) and ABBOTT (+23%) at numbers one through seven respectively. Note that the sales rates of three of them: PHARMSTANDART, SANDOZ and ABBOTT were lower than the regional average, which became the reason for slight reduction in their market shares. Lagging behind the sales rates led PFIZER (+21%) to not only reduction in share, but also to the loss of ranking positions, as it was displaced by the more dynamic TEVA (+30%). The only newcomer NYCOMED/TAKEDA (+30%) broke into the ranks of the top ten, coming in at the bottom rank. The total share of the top 10 drug manufacturers reduced by almost 0.3 p.p. and accounted for 39.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	**SANOFI-AVENTIS**	5.9	5.9
2	2	PHARMSTANDART	4.6	4.9
3	3	**SANDOZ GROUP**	4.4	4.5
4	4	**BAYER HEALTHCARE**	4.4	4.4
5	5	**SERVIER**	4.0	4.0
6	6	**NOVARTIS**	3.8	3.8
7	7	**ABBOTT**	3.2	3.3
8	9	**TEVA**	3.1	3.1
9	8	**PFIZER**	3.0	3.1
10	13	**NYCOMED/TAKEDA**	2.6	2.5
Total			39.1	39.4

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten trade names ranking (table 2). Due to growth in sales 1.7 times, SUPRADIN moved up from rank 17 to 7, and ANTIGRIPPIN moved up from rank 23 to 10. KAGOCEL which sales increased 2.1 times, showed an even higher growth rates. This allowed it to move up from rank six to three. ARBIDOL (+19%) and ESSENTIALE N (+43%) kept the first two ranks in the top ten. On top of that, LINEX (+15%) also managed to hold its own rank 4. The other four trade names of the top-10 fell in the ranks. They were OSCILLOCOCCINUM (-2%), VIAGRA (+6%), HEPTRAL (+24%) and ANAFERON (+22%), which moved down to ranks five, six, eight and nine respectively. The total share of the top 10 increased from 8.6% to 9%.

Table 2. The top ten trade names by pharmacy sales

Rank in the top ten		Trade name	Share in total pharmacy sales, %	
3mon. 2013	3mon. 2012		3mon. 2013	3mon 2012
1	1	ARBIDOL	1.5	1.6
2	2	ESSENTIALE N	1.4	1.2
3	6	KAGOCEL	1.2	0.7
4	4	LINEX	0.9	1.0
5	3	OSCILLOCOCCINUM	0.8	1.0
6	5	VIAGRA	0.7	0.9
7	17	SUPRADIN	0.7	0.5
8	7	HEPTRAL	0.7	0.7
9	8	ANAFERON	0.6	0.6
10	23	ANTIGRIPPIN	0.6	0.4
Total			9.0	8.6

Two newcomers broke into the ranks of the top ten INN and generic names ranking as well (table 3). INN KAGOCEL which sales increased 2.1 times moved up from rank 12 to four, and AMBROXOL (+69%) moved up from rank 15 to 8. The markets of the other four INNs of the top ten developed at a fast pace. They were PHOSPHOLIPIDS (+42%) which held their rank three, as well as the compositions PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE (+53%), AMOXICILLIN + CLAVULANIC ACID (+43%) which rose in the ranks and INN AZITHROMYCIN (+49%) which moved up to ranks five through seven respectively. At the same time, PANCREATIN (+6%) and BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+15%) with low growth rates moved down to the two bottom ranks. XYLOMETAZOLINE (+10%) and UMIFENOVIR (+19%) held their leading positions in the ranking. The total share of the top 10 ATC groups increased from 10.7% to 11.4%.

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

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	XYLOMETAZOLINE	1.7	2.0
2	2	UMIFENOVIR	1.5	1.6
3	3	PHOSPHOLIPIDS	1.4	1.3
4	12	KAGOCEL	1.2	0.7
5	10	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	1.0	0.8
6	9	AZITHROMYCIN	1.0	0.8
7	8	AMOXICILLIN + CLAVULANIC ACID	0.9	0.8
8	15	AMBROXOL	0.9	0.7
9	5	PANCREATIN	0.9	1.0
10	6	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	1.0
Total			11.4	10.7

In contrast to the above top-tens, the top ten ATC groups ranking changed its leader for R05 Cough and cold preparations (+46%) which moved up from rank two to one (Table 4). J05 Antivirals for systemic use (+79%) moved up from rank nine to two, and the last year leader R01 Nasal preparations (+13%) moved down to rank three. The other four INNs of the top ten rose in the ranks. J01 Antibacterials for systemic use (+32%) and C09 Agents acting on the renin-angiotensin system (+35%) moved up one rank to numbers 4 and 9, respectively. L03 Immunostimulants (+50%) moved up from rank eleven to seven, displacing M01 Aniinflammatory and Antirheumatic Products (+33%) down to rank 8. N02 Analgesics (+13%) and A11 Vitamins (+20%) also moved down one rank, coming in at numbers 5 and 6. A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+21%) moved down from rank eight to ten of the top ten. The cumulative share of the top-ten increased by 2.1 p.p. and achieved 41.4%.

Table 4. The top ten ATC Groups by pharmacy sales

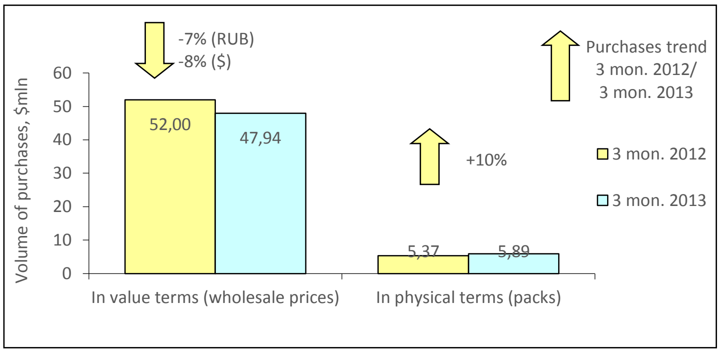
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	2	R05	COUGH AND COLD PREPARATIONS	5.7	4.9
2	9	J05	ANTIVIRALS FOR SYSTEMIC USE	4.7	3.3
3	1	R01	NASAL PREPARATIONS	4.4	4.9
4	5	J01	ANTIBACTERIALS FOR SYST USE	4.3	4.1
5	3	N02	ANALGESICS	4.1	4.6
6	4	A11	VITAMINS	4.1	4.3
7	11	L03	IMMUNOSTIMULANTS	3.8	3.2
8	7	M01	ANTIINFLAM & ANTIRHEUM PROD	3.6	3.4
9	10	C09	AG ACT RENIN-ANGIOTENS SYST	3.4	3.2
10	8	A07	INTESTINAL ANTIINFECTIVES	3.3	3.4
Total				41.4	39.3

Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of St Petersburg brought in RUB 6.655 bln (USD 218.811 mln). The market performance was positive both in rouble terms (+29%) and in dollar terms (+26%). In physical terms, the sales increased by 9% to 42.478 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 5.15 vs. USD 4.43), however it was higher than the average indicator in Russia (USD 4.28). Per capita expenses for purchase of medicines in pharmacies amounted to USD 43.52 which was higher than on the average in the country (USD 34.06).

SAINT PETERSBURG HOSPITAL MARKET: 2013 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first three months of 2013 the St. Petersburg hospital market in physical terms increased by 10% to 5.888 million packs. In value terms, the purchases movement was negative both in rouble (-7%) and in dollar terms (-8%), and the volume amounted to RUB 1.458 bln (USD 47.943 mln) in wholesale prices. In the analysed period of 2013, the average cost of OTC pack in the hospital sector of the city was USD 8.14, whereas in the year-earlier period its cost was USD 9.68. The regional market share accounted for 4.1% of the Russian hospital market in physical terms and 6.1% in value terms.

Figure 1. St. Petersburg hospital market for 3 months of 2012 – 3 months of 2013



Following the results of the first three months of 2013, MERCK SHARP DOHME (+2%) and ROCHE (+7%) held and reinforced their leading ranks in the top ten drug manufacturers in the hospital market of St. Petersburg (Table 1). NOVARTIS (-44%) that had been placed at this rank before significantly reduced its purchases and shrank its market share by 2 p.p., as a result of which it moved down to rank six. This allowed SANOFI-AVENTIS (-16%) to moved up one rank, coming in at number three despite the negative growth rates. The drug manufacturers with clear upward trend BAYER (+12%) and PFIZER (+21%) moved up to ranks four and five. Another two drug manufacturers of the top ten rose in the ranks. They were the newcomers of the top-ten NYCOMED/TAKEDA (+25%) and GLAXOSMITHKLINE (-16%) which moved up to ranks 8 and 9 respectively. In contrast, the drug makers ASTRAZENECA (-43%) and AMGEN (-42%) moved down to ranks seven and ten. The total share accumulated by the ten top manufacturers reduced from 40.3% to 38.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	**MERCK SHARP DOHME**	8.5	7.8
2	2	**ROCHE**	6.0	5.2
3	4	**SANOFI-AVENTIS**	4.2	4.7
4	6	**BAYER HEALTHCARE**	3.8	3.2
5	10	**PFIZER**	3.7	2.8
6	3	**NOVARTIS**	3.1	5.1
7	5	**ASTRAZENECA**	2.8	4.6
8	15	**NYCOMED/TAKEDA**	2.2	1.7
9	14	**GLAXOSMITHKLINE**	1.9	2.1
10	7	**AMGEN**	1.9	3.1
Total			38.2	40.3

*AIPM members are in bold

Most trade names of the top-ten trade names in the hospital regional market joined the above ranking for the first time (table 2). Due to growth in purchases 7.7 times, the preparation PEGASYS moved up to rank 2 from 71. The markets of drugs ALIMTA (85-fold growth in purchases) and REMICADE (23-fold growth) developed at a fast pace, which allowed them to move up from the ranks in the second hundred to four and seven. On top of that, the newcomers TIENAM (2.4-fold growth in purchases), SEVORAN (+28%) and CUROSURF (+11%) moved up to ranks five, nine and ten respectively. SODIUM CHLORIDE (+20%), which established a lead over the top ten trade names, showed high growth rates in purchases, moving up from rank five to one. Despite the reduction in purchases, the trade names ULTRAVIST (-22%) and MABTHERA (-26%) also rose in the ranks, moving up to numbers six and eight. Only one trade name of the top ten, its former leader PUREGON, moved down to the lower rank three due to reduction in purchases by more than a half. The total share accumulated by the top 10 manufacturers increased by more than 3 p.p. and escalated to 14.6%.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	5	SODIUM CHLORIDE	2.8	2.2
2	71	PEGASYS	2.0	0.2
3	1	PUREGON	1.9	4.1
4	182	ALIMTA	1.2	0.0
5	33	TIENAM	1.2	0.5
6	10	ULTRAVIST	1.1	1.3
7	162	REMICADE	1.1	0.0
8	9	MABTHERA	1.1	1.4
9	22	SEVORAN	1.1	0.8
10	20	CUROSURF	1.0	0.8
Total			14.6	11.3

The leader of the top 10 INN and generic names also changed. Following the respective trade name, INN SODIUM CHLORIDE (+20%) became the leader of the top ten ranking (Table 3). The newcomers broke into the ranks of the top-10 ranking. There were six of them: PEGINTERFERON ALFA-2A (7.7-fold growth in purchases), CEFTRIAXONE (+32%), CILASTATIN + IMIPENEM (2.4 growth in purchases), PEMETREXED (85-fold growth), IOPROMIDE (-22%) and INFLIXIMAB (23-fold growth in purchases), which moved up to rank two, from 4 through 6, as well as ranks eight and nine respectively. The other three trade names of the top ten showed the negative growth rates. On top of that, one trade name (FOLLITROPIN BETA) moved down from rank one to three, the other trade name (IMMUNOGLOBULIN BASE) moved up one rank to number 7, and the third one (RITUXIMAB) to number six. The total share of the top 10 increased from 12.4% to 15.2%.

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Names	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	6	SODIUM	2.9	2.2
2	85	PEGINTERFERON ALFA-2A	2.0	0.2
3	1	FOLLITROPIN BETA	1.9	4.1
4	18	CEFTRIAXONE	1.4	1.0
5	44	CILASTATIN + IMIPENEM	1.3	0.5
6	190	PEMETREXED	1.2	0.0
7	8	IMMUNOGLOBULIN BASE	1.2	1.6
8	11	IOPROMIDE	1.1	1.3
9	180	INFLIXIMAB	1.1	0.0
10	10	RITUXIMAB	1.1	1.4
Total			15.2	12.4

L01 Antineoplastic agents (-7%) and J01 Antibacterials for systemic use (-5%) remained the best-selling groups in the hospital market of the country (table 4). Five trade names of the top 10 manufacturers managed to rise in the ranks. B05 Blood substitutes and perfusion solutions (+8%) moved up one rank to number three. L04 immunosuppressants (+61%) moved up from rank ten to four and V08 Contrast media (+19%) moved up from rank eight to five. The newcomers L03 Immunostimulants (+67%) and N01 Aneasthetics (+13%) broke into the ranks of the top ten, coming in at the two bottom ranks. In contrast, three ATC groups with pronounced negative growth rates: G03 Sex hormones (-53%), B01 Antithrombotic agents (-36%) and N05 Psycholeptics (-12%) moved down to the lower ranks from six through eight respectively. The total share of the top -10 ATC groups ranking increased by 0.6 p.p. and achieved 64.6%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	1	L01	ANTINEOPLASTIC AGENTS	15.4	15.4
2	2	J01	ANTIBACTERIALS FOR SYST USE	12.5	12.4
3	4	B05	BLOOD SUBSTITUTE & PERF SOLS	7.9	6.8
4	10	L04	IMMUNOSUPPRESSANTS	5.4	3.1
5	8	V08	CONTRAST MEDIA	5.0	3.9
6	3	G03	SEX HORM&MODULAT GENITAL SYS	4.2	8.3
7	5	B01	ANTITHROMBOTIC AGENTS	3.9	5.7
8	6	N05	PSYCHOLEPTICS	3.7	3.9
9	14	L03	IMMUNOSTIMULANTS	3.6	2.0
10	12	N01	ANESTHETICS	2.9	2.4
Total				64.6	64.0

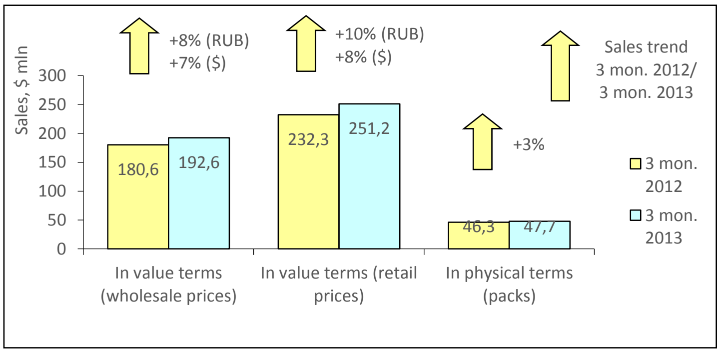
Conclusion. At the end of the first three months in 2013, the St. Petersburg hospital market shrank by 7% in rouble terms and by 8% in dollar terms and brought in RUB 1.458 bln (USD 47.943 mln). In pack terms, the market also showed positive growth rates (+10%) and achieved 5.888 mln packs. In the first three months of 2013, the average cost of an OTC pack in the regional hospital sector was lower than in the year-earlier period (USD 8.14 vs. USD 9.68), but exceeded the Russia average figures (USD 5.48).

MOSCOW REGION PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Moscow region was estimated as 7.048 mln, which made 5% of the total Russian Federation population and 18.2% of Central FO (CFO). According to Federal State Statistics Service's data, in Q 1, 2013 the average salary in the region was RUB 32,986.0 (USD 1,078.68), which is 21% higher than the average salary in Russia (RUB 27,339.4).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at Q1-end 2013 the sales of OTC drugs in physical terms in the pharmacies of the Moscow region saw a 3% increase to 47.677 mln packs. In value terms, the OTC drugs market increased by 8% in rouble terms and by 7% in dollar terms and reached 5.857 billion roubles (USD 192.570 million) in wholesale prices (Fig. 1). The city share in the total volume of all-Russia pharmacy market accounted for 5%. The average cost of OTC pack in the Moscow region pharmacies was USD 5.27, whereas in the year-earlier period its cost was USD 5.01 at retail prices. For 3 months of 2013, the average amount spent by residents of the region for drugs in the pharmacies amounted to USD 35.64.

Figure 1. Moscow region pharmacy market for 3 months of 2012 – 3 months of 2013



At QI-end 2013, the top five drug manufacturers in the Moscow region market didn't change (Table 1). SANOFI-AVENTIS (+7%), PHARMSTANDART (+17%), BAYER (+3%), SANDOZ (+11%) and SERVIER (+5%) held their own in the ranking. Some moves took place in the bottom part of the top-10 ranking as well. NOVARTIS and NYCOMED/TAKEDA (+8% each) moved up one rank, to numbers six and eight. The more dynamic drug manufacturer TEVA (+20%) moved up from rank ten to seven. In contrast, two drug manufacturers with the negative sales rates, MENARINI (-3%) and ABBOTT (-8%), moved down to the two bottom ranks of the top ten. The cumulative share of the top 10 drug manufacturers reduced to 38.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	**SANOFI-AVENTIS**	5.9	5.9
2	2	PHARMSTANDART	5.2	4.8
3	3	**BAYER HEALTHCARE**	4.1	4.3
4	4	**SANDOZ GROUP**	3.9	3.8
5	5	**SERVIER**	3.7	3.7
6	7	**NOVARTIS**	3.5	3.5
7	10	**TEVA**	3.2	2.8
8	9	**NYCOMED/TAKEDA**	3.0	3.0
9	8	**MENARINI**	3.0	3.3
10	6	**ABBOTT**	3.0	3.5
Total			38.4	38.8

*AIPM members are in bold

ARBIDOL (+13%) held and reinforced its dominant position in the top ten trade names ranking in the SRP segment (Table 2). 2). Due to 1.7-fold growth in sales, KAGOCEL moved up to rank two, displacing ESSENTIALE N (+13%) and LINEX (-3%) down one rank. The newcomers AMIXIN (+56%), LASOLVAN (+27%), ACC (+50%) and SUMAMED (+26%) broke into the ranks of the top ten, coming in at numbers five, seven, nine and ten. OSCILLOCOCCINUM (+1%) and ACTOVEGIN (+0.2%) with low growth rates moved down to ranks six and eight. The total share of the top ten trade names increased by almost 1 p.p. and accounted for 8.5%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	ARBIDOL	1.3	1.2
2	4	KAGOCEL	1.3	0.8
3	2	ESSENTIALE N	1.2	1.1
4	3	LINEX	0.9	1.0
5	13	AMIXIN	0.8	0.5
6	5	OSCILLOCOCCINUM	0.7	0.8
7	12	LASOLVAN	0.6	0.5
8	6	ACTOVEGIN	0.6	0.7
9	27	ACC	0.6	0.4
10	16	SUMAMED	0.6	0.5
Total			8.5	7.5

Only two newcomers broke into the ranks of the top ten INN and generic names: INN AMBROXOL (+44%) and the composition AMOXICILLIN + CLAVULANIC ACID (+28%), coming in at numbers six and ten (Table 3). In addition, another three INNs from the top 10 rose in the ranks. UMIFENOVIR (+13%) moved up two ranks, to number four. KAGOCEL (+74%) moved up from rank seven to four, and AZITHROMYCIN (+33%) moved up from rank ten to seven. At the same time, INNs with negative sales rates, PANCREATIN (-12%) and BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (-3%) in contrast, moved down to ranks five and eight. Three INNs of the top ten held and even reinforced their ranks due to outstripping growth rates. They were the leader of top ten XYLOMETAZOLINE (+15%), as well as PHOSPHOLIPIDS (+11%) and IBUPROFEN (+29%) placed at ranks 3 and 9. The cumulative share of the top 10 under review increased from 10.3% to 11.4%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	XYLOMETAZOLINE	2.0	1.8
2	4	UMIFENOVIR	1.3	1.2
3	3	PHOSPHOLIPIDS	1.3	1.2
4	7	KAGOCEL	1.3	0.8
5	2	PANCREATIN	1.1	1.3
6	11	AMBROXOL	1.0	0.7
7	10	AZITHROMYCIN	0.9	0.7
8	5	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	1.0
9	9	IBUPROFEN	0.9	0.8
10	13	AMOXICILLIN + CLAVULANIC ACID	0.8	0.7
Total			11.4	10.3

Only one ATC group from the top ten ATC groups held its own in the ranking. As before, Group M01 Aniinflammatory and antirheumatic products was placed at rank six (Table 4). Four ATC groups of the ranking moved up to the higher positions. R05 Cough and cold preparations (+36%) moved up from rank four to one, and J01 Antibacterials for systemic use (+22%) – from rank three moved up to rank two. The most dynamic groups J05 Antivirals for systemic use (+45%) moved up to rank five from ten, and the group L03 Immunostimulants (+25%) moved up from rank nine to seven. In contrast, the other five trade names of the top ten fell in the ranks. They were the groups R01 Nasal preparations (+13%) and N02 Analgesics (-1%) which moved down from ranks two and one to three and four respectively. A11 Vitamins (+4%), A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+7%) and C09 Agents acting on the renin-angiotensin system (+3%) moved down to the bottom part of the top ten ranking. The total share of the top ten increased by 3 p.p. and accounted for 40.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	4	R05	COUGH AND COLD PREPARATIONS	5.1	4.0
2	3	J01	ANTIBACTERIALS FOR SYST USE	4.9	4.3
3	2	R01	NASAL PREPARATIONS	4.7	4.5
4	1	N02	ANALGESICS	4.3	4.7
5	10	J05	ANTIVIRALS FOR SYSTEMIC USE	4.2	3.1
6	6	M01	ANTIINFLAM & ANTIRHEUM PROD	3.9	3.6
7	9	L03	IMMUNOSTIMULANTS	3.8	3.3
8	5	A11	VITAMINS	3.6	3.8
9	7	A07	INTESTINAL ANTIINFECTIVES	3.4	3.4
10	8	C09	AG ACT RENIN-ANGIOTENS SYST	3.1	3.3
Total				40.9	38.0

Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of the Moscow region brought in RUB 7.641 bln (USD 251.220 mln). At the same time, the market increased 10% in terms of roubles and 8% in terms of dollars. In pack terms, the market also showed positive growth rates (+3%) and achieved 47.677 mln packs. At Q1-end 2013, the average cost of an OTC pack in the pharmacies was higher than in the same period a year ago (USD 5.27 vs. USD 5.01) and exceeded the national average figures (USD 4.28). Per capita expenses amounted to USD 35.64 which is slightly higher than on the average in Russia (USD 34.06).

REGIONAL DIGEST

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

May 14, 2013, The Kommersant-Online

Ministry for Economic Development in Russia identified redundant provisions of the amendments to the Federal Law On Circulation of Medicines

In early May the Ministry of Public Health published the final version of the draft amendments to the Federal Law on Circulation of Medicines devoted to the changes in the product launch best practices. As far back as in the public hearings this winter, the document drew the fire of medical community. The reply of the Ministry of Economic Development to the amendments can't be termed positive. According to the Ministry's opinion, the new law would only make life harder for pharmaceutical companies, including the increase in time to market of the Russia Federation in 1.5 - 2 times. The market players believe that the draft law will come up for renewal to the Ministry of Public Health.

May 14, 2013, RBK.ru

Duma adopted in the first reading a draft law making increasingly tougher demands on advertising of biologically active additives

The State Duma adopted in the first reading a draft law making increasingly tougher demands on advertising of biologically active additives The bill amends several articles of the Federal law On Advertising, and also in the Code of the Russian Federation about administrative offences. It proposes to establish mandatory indication in the advertising of biologically active additives to the fact that they are not medicines. The bill also introduces liability for violation of requirements for advertising of biologically active additives, which will be imposed not only on the advertiser, but the advertisement distributor.

May 16, 2013, The Izvestia

Pharmacies shall be obliged to sell medicines containing controlled drugs

Each pharmacy shall be required to sell all medicines which contain controlled drugs and dispensed under special prescriptions. According to Deputy Mayor of Moscow for Social Development Leonid Pechatnikov, the Moscow Government approached the Federal authorities with a proposal to introduce appropriate changes in the license requirements. Nowadays, only 10% of pharmacies dispense such medicines due to their costly storage.

May 16, 2013, The Vedomosti

In 2012, the number of Clinical Trial Authorizations issued by the Ministry of Public Health increased by 60% compared to 2011

Pharmacists achieved a record by the number of clinical trials. Truth be told, they studied mostly generics, not the innovative drugs. In 2012, the Ministry of Public Health issued 915 Clinical Trial Authorizations which is 60% more than in 2011 (571 authorizations). This is an absolute record since records began in 2004, according to the report of Association of Clinical Trials Organizations (ACTO). The large number of authorizations issued by ACTO can be attributed to the boom of bio- equivalence trials, which are required to obtain marketing authorizations and bring generics to the market.

May 17, 2013

In 2013, Ministry of Industry and Trade to allocate $500 mln to the development of innovative clusters

In 2013, Ministry of Industry and Trade to allocate $500 mln to the development of innovative clusters, Deputy Minister of the Ministry of Industry and Trade of Russian Federation Igor Karavaev said. According to him, it is a case of two clusters in the Moscow region and one for each region of Kaluga, Novosibirsk, Tomsk, St. Petersburg and Altaisky Krai. "They consolidate organizations which even now develop and release new pharmaceutical and medical products", Deputy Minister said, adding that the pharmaceutical industry is a striking example for innovative cooperation in the Russian-Swiss economy.

May 22, 2013, RIA News

Vladimir Putin proposed to set up the Russian pharm-substances promotion system in the world market

At the meeting of Vladimir Putin with professors and students of the Southern Federal University, the academic advisor of that University Vladimir Minkin told the head of the state about successful developments of scientists who developed several new substances, the patents to which have been bought by pharmaceutical firms. The President proposed to set up the Russian pharm-substances promotion system in the world market.

May 22, 2013 Remedium

According to experts, amendments to Federal Law No 61 proposed by the Ministry of Public Health challenge the availability of medicines for population

When delivering a report at the Russian pharmaceutical forum in St. Petersburg, Victor Dmitriev, Director General of Association of Russian Pharmaceutical Manufacturers, said that the term "interchangeability" is introduced to promote generics which account for the most part of the pharmaceutical market of any developed country and, first of all, its state segment. Adjustment of amendments to Federal Law 61, proposed by the Ministry of Public Health, is hard on the generics and, consequently, the budget of the health service, cost and availability of medicines for population, the expert believes.

May 27, 2013, The Rossiyskaya Gazeta

Prime-Minister Dmitri Medvedev took part in the grand collegium of the Ministry of Public Health

As a free-standing authority, the Ministry of Public Health has been around for over a year. According to the Prime-Minister, the regional public health improvement programmes must be completed in 2013. In the past year, 71 health care facilities were built, almost 2.5 thousand facilities were renovated, the medical equipment purchase plan was over-fulfilled even with account of judicious use of money. The head of government demanded to bring under special control the incentive measures to increase attraction and retention of health workers in remote and rural areas. The control over salaries to be paid to health workers will be tightened. According to the head of government, it will be difficult to attract highly qualified and conscientious practitioners to the industry without a pay rise.

May 29, 2013, The Pharmatsevticheski Vestnik

Ministry of Justice of Russia registered Decree on Preferences for Russian Manufacturers

On May 28, the Ministry of Justice of Russia registered the Decree of the Ministry of Economic Development Decree On Terms of Import Goods Admissibility for Purposes of Placing Orders for Delivery of Goods for Customers' Needs of April 17, 2013 No 211. The document determined that at the stage of placement orders for supply of goods including medicines, the parties to a procurement process shall be provided with price preferences up to 15% if their requests for proposal tender contain goods of Russia and (or) Belarus origin. Domestic manufacturers won't be able to use preferences to the fullest extent, as a part of auctions have been already conducted.

NEWS FROM COMPANIES

May 21, 2013, Agentstvo Biznes Novostey

Novartis plans to put into operation new greenfield facilities in the Novoorlovskaya Special Economic Zone in 2014

The pharmaceutical company Novartis, the largest resident of Novoorlovskaya Special Economic Zone, expects phase one of the construction project to be completed and production facilities to be put into operation by 2014, announced the President of Novartis Group Russia Vadim Vlasov at the visiting meeting on the Novoorlovskaya site held by the Vice-Governor of St. Petersburg Igor Golikov.

May 27. 2013, The Vedomosti

NovaMedica to build a plant for production of innovative drugs in Kaluga region

NovaMedica plans to build a new plant on the site of pharmaceutical cluster in Kaluga, a Board member of Team Drive, the project manager, Vladimir Gurdus announced at the Russian Pharmaceutical Forum held by the Adam Smith Conferences. According to the spokesman for the company, the parties signed a memorandum of understanding; a cooperation agreement will be signed in the short run. The documents have been signed, the Minister of Economic Development for Kaluga region, Vladimir Popov said to the Vedomosti.

May 29, 2013, Vidal.ru

Pfizer and NPO Petrovax Pharm's pneumococcal conjugate vaccine localisation project

Today, pneumococcus is ranked as the first leading cause of death from vaccine preventing diseases among children and adults in the world. Pfizer recently teamed up with Russia PetrovaxPharm to produce at the modern full-cycle production complex in compliance with GMP-standards its 13-valent pneumococcal conjugate vaccines against pneumococcal infection which ensures the maximum among conjugate vaccines cover of serotypes causing pneumococcal diseases. At the present time, the production lines are ready for commercial production of products.

May 29. 2013, The Vedomosti

Pharmstandard has acquired 97% of Ukrainian Biolec

The Russian pharmaceutical manufacturer Pharmstandart has acquired 41.93% of drug maker Biolec (Biolec-Pharmstandart from June 2011) to reach 97% participation in the company, the Russian spokesman said. According to the Investor Relations Manager of Pharmstandart Irina Bakhturina, neither the deal value nor the vendor is disclosed. Mr. Sergey Shulyak, Director General, DSM Group, estimates 100% of Biolec as USD 30 mln.

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Source of information – IMS Health

If you have questions or comments, please contact:

Vladimir Grigorievich Shipkov, Executive Director of AIPM

Tel: 933 70 40

Information of AIPM in Internet: http://www.aipm.org

Ekaterina Korduban, Director for PR and Remedium Group Development

Tel: 780 34 25, fax: 780 34 26

Information of Remedium Group in Internet: http://www.remedium.ru