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

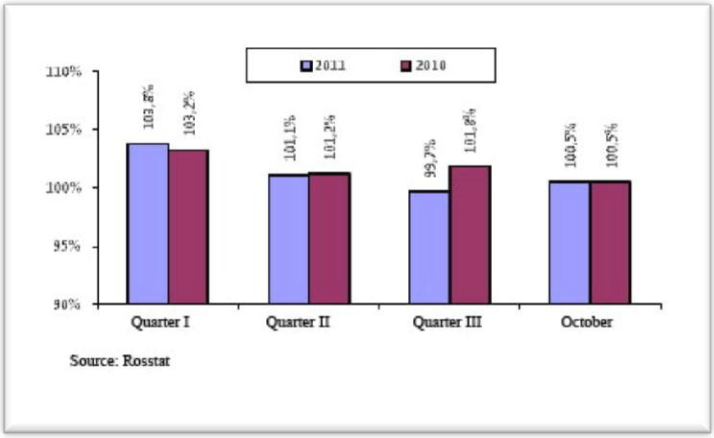
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in October 2011 the Consumer Price Index was estimated as 100.5%. For the period from start of the year, it escalated to 105.2% (in January-June 2010 – 106.8%).

In October, Industrial Producer Price Index was 101.7%, whereas in the month-earlier period it had amounted to 99.3%. For the period from start of the year, it accounted for 112.6% (in January-October 2010 – 110.7%).

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



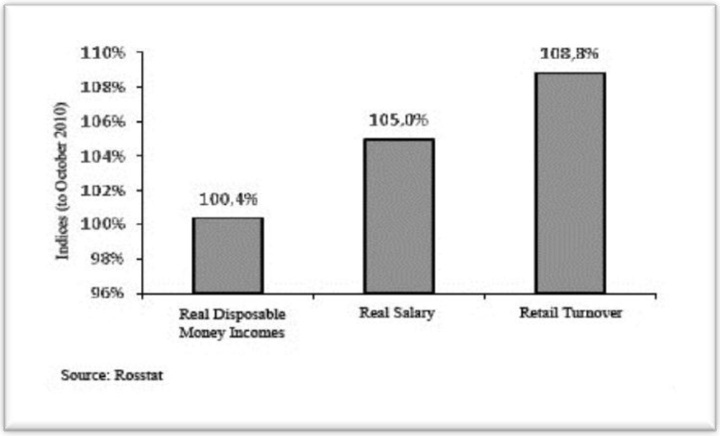
Living standard

According to preliminary Federal State Statistics Service's data, in October 2011 a gross monthly average salary per worker reached RUB 23,350 (USD 780.94) which accounts for 112.6% compared to October 2010. The real salary in October 2011 compared with the same period in 2010 accounted for 105.0%. In October 2011, the real value of cash incomes accounted for 100.4% as compared with the same period of 2010 (Fig. 2).

Retail turnover

In October 2011 the retail turnover was equal to RUB 1,693.1 bln, which in stock accounts for 108.8% as compared to the same period a year ago (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in October 2011



Manufacture of industrial products

According to Federal State Statistics Service's data, in October 2011 Industrial Production Index accounted for 103.6% compared to the same period in 2010, and 104.0% to the previous month. In January-October 2011, the Index was 105.1% (in the year-earlier period – 108.9%).

Domestic production

According to Ministry of Industry and Trade's data, in January – October 2011 Pharmaceutical Production Index was equal to 93.6% compared to January – October 2010. In October 2011 it accounted for 95.2% compared to October 2010 and 103.2% compared to September 2011.

Production volume of pharmaceutical products for the period of January – October 2011 amounted to RUB 108.5 bln.

The Top-10 domestic manufacturers by production volume at October-end 2011 are shown in Table 1. The total production volume by top ten manufacturers was estimated as USD 252.6 mln.

Table 1. Top ten chemical and pharmaceutical manufacturers by production volume in October 2011

Rank	Drug Manufacturer	Production volume, $mln.
1	Pharmstandart	90,6
2	Stada	33,8
3	Valenta	26,3
4	KRKA-RUS	22,4
5	Pharm-Center	17,8
6	Akrihin	15,9
7	Microgen	13,1
8	Materia Medica	12,9
9	Sotex	10,9
10	PHARMSINTEZ	8,9

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In September 2011 the positive sales growth was registered in all analyzed regions. The sole exception was Krasnodarsky Kray (-7%). The highest performance was observed in Perm (+29%), the lowest one in Rostovskaya Oblast (+9%).

Table 2. Pharmacy sales in the regions, 2011

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	July 2011	August 2011	September 2011	July/ June 2011	August/ July 2011	September/ August 2011
Moscow city	123,9	139,0	155,6	-19%	12%	24%
St. Petersburg	38,1	39,6	44,3	-2%	4%	24%
Krasnodarsky Kray	32,7	37,2	31,3	11%	14%	-7%
Novosibirskaya Oblast	19,4	20,8	22,3	-0,1%	7%	19%
Republic of Tatarstan	20,4	22,0	23,5	-6%	8%	18%
Krasnoyarsky Kray	13,8	14,5	15,4	-0,2%	5%	17%
Rostovskaya Oblast	19,2	21,2	20,9	8%	11%	9%
Voronezhskaya Oblast	14,2	16,2	17,3	-5%	14%	18%
Perm city	5,0	5,4	6,4	-10%	9%	29%
Tyumen city	6,1	6,3	6,3	-3%	3%	10%

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 October 2011

Rank	Company*	Quantity of broadcasts
1	Novartis	8 240
2	Berlin-Chemie Menarini Group	5 849
3	Sanofi Aventis	5 657
4	Pharmstandart	5 207
5	Reckitt Benckiser	4 522

Source – TNS Gallup AdFact

Table 4. Top five trade names in mass media in October 2011

Rank	Trade name*	Quantity of broadcasts
1	Evalar	2 820
2	Nurofen	2 067
3	Coldrex	1 877
4	Hexoral	1 872
5	Complivit	1 816

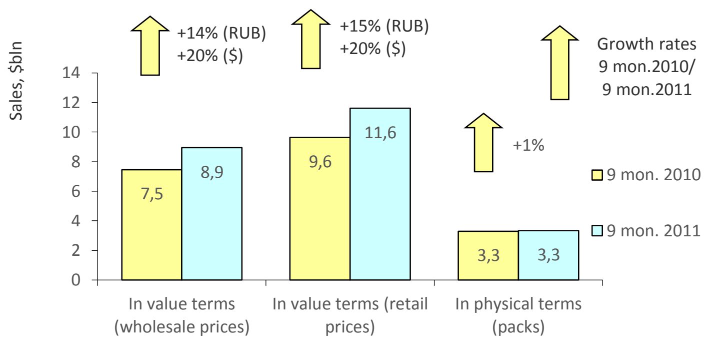
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 2011 FIRST 9 MONTHS 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 3.336 bln packs over the period of first nine months of 2011. In value terms, the Russian OTC drugs market (exclusive of Beneficiary Drug Coverage) saw 14% increase in terms of roubles and 20% increase in terms of dollars and reached RUB 257.489 bln (USD 8.941 bln) in wholesale prices (Fig.1). The average cost of an OTC pack grew as compared to the same period of the previous year (USD 2.93) and reached USD 3.48 in retail prices. The average Russian consumer spent USD 81.18 for over-the-counter drugs in the first three quarters of 2011, whereas in the same period of 2010 - USD 67.47).

Figure 1. Russia pharmacy market for 9 months of 2010 – 9 months of 2011



On the basis of the results for three quarters of 2011, the French SANOFI-AVENTIS (+12%[1]) and Russian PHARMSTANDART (+13%) continue to remain the leaders of the regional market (Table 1). However, the volumes of pharmacy sales of these manufacturers lagged behind the market average which resulted in a slight decline of their market shares. Apart from them, the other two manufacturers reduced their market shares: SERVIER (+6%) and MENARINI (+4%) which lost one rank each and moved down to numbers 4 and 5, respectively. Due to lag in output, GEDEON RICHTER (+13%) and ABBOTT (+11%) moved down to lower ranks and came in at numbers 8 and 10 respectively. Three of the other four manufacturers of the top 10 ranking showed a rating progress. BAYER (+16%), SANDOZ (+24%) and the only newcomer NOVARTIS (+23%) moved up two ranks to numbers 3, 6 and 9, respectively. Due to 20% growth in sales, NYCOMED held its own number seven in the ranking. The cumulative share of top 10 manufacturers reduced from 38.1% to 37.9%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	5,7	5,8
2	2	PHARMSTANDART	4,8	4,9
3	5	**BAYER HEALTHCARE**	3,9	3,8
4	3	**SERVIER**	3,8	4,1
5	4	**MENARINI**	3,6	4,0
6	8	**SANDOZ GROUP**	3,6	3,3
7	7	**NYCOMED**	3,5	3,3
8	6	**GEDEON RICHTER**	3,3	3,3
9	11	**NOVARTIS**	2,9	2,7
10	9	**ABBOTT**	2,8	2,8
Total			37,9	38,1

*AIPM members are in bold

Four drugs managed to retain their previous ranks in the top ten trade names ranking (table 2). They were the leaders of the top ten ARBIDOL (+8%) and ESSENTIALE N (+3%), as well as LINEX and CONCOR (+11% each) at numbers 5 and 6. VIAGRA (+12%) and ACTOVEGIN (+11%) swapped ranks – a drug to treat erectile dysfunction moved up to rank 3 by displacing a hepatoprotector down a rank. The newcomers came in at four bottom numbers of the ranking: a balancer of bone and cartilaginous tissue metabolism ALFLUTOP (+20%), angioprotector DETRALEX (+15%), mucolytic LASOLVAN (+56%) and NSAID NISE (+25%).

Table 2. Top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,3	1,5
2	2	ESSENTIALE N	1,0	1,1
3	4	VIAGRA	0,9	0,9
4	3	ACTOVEGIN	0,9	0,9
5	5	LINEX	0,7	0,7
6	6	CONCOR	0,6	0,6
7	11	ALFLUTOP	0,6	0,6
8	12	DETRALEX	0,5	0,5
9	25	LASOLVAN	0,5	0,4
10	16	NISE	0,5	0,5
Total			7,6	7,6

Three newcomers joined the top 10 INN and generic names ranking (table 3). They were AMBROXOL (+42%), NIMESULIDE (+24%) and IBUPROFEN (+16%) which came in at numbers 8 through 10, respectively. Apart from them, XYLOMETAZOLINE (+34%) and BISOPROLOL (+18%) also moved to the higher ranks, coming in at numbers two and five respectively. At the same time, less dynamic PHOSPHOLIPIDS (+6%) and BLOOD (+11%) moved down to ranks 4 and 6. ARBIDOL (+8%) 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. PANCREATIN (+11%) and SILDENAFIL (+12%) also managed to hold its own in the ranking.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,3	1,5
2	4	XYLOMETAZOLINE	1,1	1,0
3	3	PANCREATIN	1,1	1,2
4	2	PHOSPHOLIPIDS	1,1	1,2
5	6	BISOPROLOL	1,0	0,9
6	5	BLOOD	0,9	1,0
7	7	SILDENAFIL	0,9	0,9
8	15	AMBROXOL	0,8	0,7
9	13	NIMESULIDE	0,8	0,8
10	12	IBUPROFEN	0,8	0,8
Total			10,0	9,8

Only one group of the top 10 ATC groups held its own in the ranking (table 4). It was the leader of top 10 - N02 Analgesics (+11%) . Four groups (J01, C09, A11 and preparations of unidentified pharmaceutical groups) moved down to the lower ranks, whereas the other five, on the contrary, rose in the ranks. M01 Aniinflammatory and antirheumatic products (+18%), R01 Nasal preparations (+19%) and N06 Psychoanaleptics (+12%) moved up one rank, coming in at numbers 2, 8 and 10, respectively. R05 Cough and cold preparations (+38%) and G03 Sex hormones (+15%) moved up two ranks at numbers 4 and 6. The total share of the top 10 ATC groups increased from 37.8% to 38.0%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	N02	ANALGESICS	5,1	5,3
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,6	4,5
3	2	J01	ANTIBACTERIALS FOR SYST USE	4,4	4,5
4	6	R05	COUGH AND COLD PREPARATIONS	4,1	3,5
5	4	C09	AG ACT RENIN-ANGIOTENS SYST	3,6	3,7
6	8	G03	SEX HORM&MODULAT GENITAL SYS	3,4	3,3
7	5		UNIDENTIFIED	3,4	3,6
8	9	R01	NASAL PREPARATIONS	3,3	3,2
9	7	A11	VITAMINS	3,3	3,4
10	11	N06	PSYCHOANALEPTICS	2,8	2,8
Total				38,0	37,8

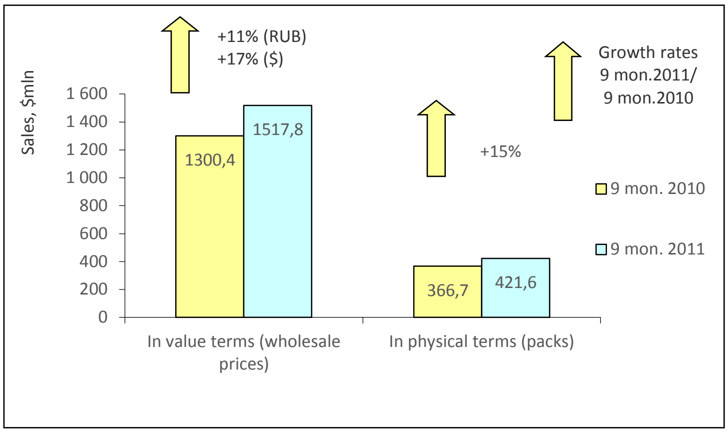
Conclusion. On the basis of the results of three quarters of 2011, the retail OTC drugs market of Russia brought in RUB 334.134 bln (USD 11.602 bln). The market saw a 15% increase in terms of roubles and 20% in terms of dollars. The city market in physical terms also showed positive, but less pronounced growth rates (+1%) and reached 3.336 bln packs. The average cost of a pack at the end of nine months was notably higher than the same indicator in the past year (USD 3.48 vs. USD 2.93). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 81.18 vs. USD 67.47).

[1] Hereinafter, unless otherwise stated, growth gains are stated in terms of roubles or national currency

RUSSIAN FEDERATION HOSPITAL MARKET: 2011 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, at the end of nine months, 2011 the hospital market of Russia in physical terms saw a 15% increase to 421.621 million packs. The market performance in value terms showed high positive growth rates both in terms of roubles (11%) and in terms of dollars (17%) (Fig.1). The internal hospital market amounted to RUB 43.537 bln (USD 1.517 bln). The average cost of a hospital pack was USD 3.60, whereas last year its cost was USD 3.55.

Figure 1. Russian hospital market for 9 months of 2010 – 9 months of 2011



At nine month-end 2011, three newcomers have broken into the top ten manufacturers ranking by pharmacy sales in the Russian hospital market (Table 1). Due to outperformance, Russian manufacturers PHARM-CENTER (+20%) and BIOTEK (+16%) came in at numbers 7 and 9, and British GLAXOSMITHKLINE (+17%) moved up from number 14 to 10. The only other market which developed by higher rates was market of PFIZER - its purchases saw one third increase which allowed it to move up from number 9 to 6. On top of that, ASTRAZENECA (+10%) and NYCOMED (+21%) moved up one rank to numbers 3 and 4, respectively. At the same time MERCK SHARP DOHME (-6%) showed negative sales rates and moved down two ranks, coming at number 5. Three manufacturers held its own in the ranking. They were the leaders for Top-10 – unidentified manufacturers and SANOFI-AVENTIS (+10%) as well as ROCHE (+3%) placed at number 8. The total share accumulated by the top 10 manufacturers increased almost 2 p.p. and escalated to 38.6%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Drug manufacturer*	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	Unidentified manuf.	9,9	8,4
2	2	**SANOFI-AVENTIS**	7,1	7,1
3	4	**ASTRAZENECA**	3,7	3,7
4	5	**NYCOMED**	3,4	3,1
5	3	**MERCK SHARP DOHME**	3,3	3,8
6	9	**PFIZER**	2,6	2,1
7	12	PHARM-CENTER	2,2	2,1
8	8	**ROCHE**	2,2	2,4
9	11	BIOTEK	2,2	2,1
10	14	**GLAXOSMITHKLINE**	2,1	2,0
Total			38,6	36,8

*AIPM members are in bold

The leader of the top 10 trade names didn't change either, antiviral NATRIUM CHLORIDUM (+30%) maintained and reinforce its position in the ranking (table 2). Apart from it, the other three preparations held their own in the ranking: CLEXAN (+14%), ACTOVEGIN and CEFOTAXIM (+17% each). Four trade names rose in the ranks and only two names (MERONEM and TIENAM) fell in the ranks. The most dynamical trade name of the top 10 HEPARIN (+73%), moved up to rank two from six. The markets of TAXOTERE and FRAXIPARINE (+64% each) which broke into the ranks of the top 10 trade names for the first time ,coming at two bottom numbers, also developed at a swift pace. GLUCOSE (+29%) showed more modest sales rates by moving up one rank.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	NATRIUM CHLORIDUM	4,6	3,9
2	6	HEPARIN	1,8	1,1
3	3	CLEXAN	1,8	1,7
4	2	MERONEM	1,7	1,7
5	5	ACTOVEGIN	1,3	1,3
6	7	GLUCOSE	1,3	1,1
7	4	TIENAM	1,1	1,3
8	8	CEFOTAXIM	1,0	1,0
9	18	TAXOTERE	0,9	0,6
10	20	FRAXIPARINE	0,9	0,6
Total			16,3	14,3

Most names of the top 10 INN and Generic Names held its own in the ranking (table 3). They were the first four INNs, as well as GLUCOSE (+23%) and BLOOD (+20%) placed at numbers 6 and 8. SODIUM (+29%) maintained and reinforced its leadership, despite the reduction in purchases, CEFTRIAXONE (-9%) held its rank two. Due to outperformance, MEROPENEM (+21%) and ENOXAPARIN SODIUM (+18%) held its own ranks 3 and 4, slightly expanding it market shares. Note that except for INN CEFOTAXIME (+3), the other INNs of the top 10 also showed outperformance rates. It allowed them to move up to higher ranks: HEPARIN (+72%) moved up from rank 12 to 5, IMMUNOGLOBULIN BASE (+24%) moved up from rank 10 to 9 and LEVOFLOXACIN (+31%) moved up from rank 13 to 10. The total share of the top ten INNs increased by 1.6 p.p. and reached 20.1%.

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

Rank		INN/Generic Name	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	SODIUM	4,6	3,9
2	2	CEFTRIAXONE	2,4	3,0
3	3	MEROPENEM	2,3	2,1
4	4	ENOXAPARIN SODIUM	1,8	1,7
5	12	HEPARIN	1,8	1,1
6	6	GLUCOSE	1,7	1,5
7	5	CEFOTAXIME	1,5	1,6
8	8	BLOOD	1,4	1,3
9	10	IMMUNOGLOBULIN BASE	1,3	1,2
10	13	LEVOFLOXACIN	1,3	1,1
Total			20,1	18,5

The top part of the top 10 ATC groups ranking remained unchanged - the first five OTC drugs held their own in the ranking (Table 4). They were J01 Antibacterials for systemic use (+6%), B05 Blood substitutes and perfusion solutions (+22%), L01 Antineoplastic agents (+27%), B01 Antithrombotic agents (+40%) and N01 Anesthetics (+14%). Some shifts occurred at the bottom part of the ranking; apart from that, one newcomer broke into the ranks of the top 10 ATC groups. It was J06 Immune sera and immunoglobulin (+28%) which moved up from rank 13 to 10. B02 Antihemorrhagics (+18%) and L03 Immunostimulants (+4%) also moved up to the higher rank, coming in at numbers 6 and 9. Groups N05 Psycholeptics (-7%) and V08 Contrast media (-1%) showed negative growth rates and moved down one rank to numbers 7 and 8, respectively. The total share of the top 10 ATC groups, as well as of the above rankings, increased and reached 61.8%.

Table 4. The top 10 ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	19,6	20,5
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	11,9	10,8
3	3	L01	ANTINEOPLASTIC AGENTS	8,0	7,0
4	4	B01	ANTITHROMBOTIC AGENTS	7,2	5,7
5	5	N01	ANESTHETICS	3,3	3,2
6	8	B02	ANTIHEMORRHAGICS	2,7	2,5
7	6	N05	PSYCHOLEPTICS	2,6	3,0
8	7	V08	CONTRAST MEDIA	2,4	2,7
9	10	L03	IMMUNOSTIMULANTS	2,1	2,3
10	13	J06	IMMUNE SERA & IMMUNOGLOBULIN	2,1	1,8
Total				61,8	59,5

Conclusion. At three quarter-end 2011, the Russian hospital market performance in value terms showed high positive growth rates both in physical terms (+15%) and in value terms (+11% in terms of roubles and +17% in terms of dollars). Its volume amounted to 421.621 mln packs and RUB 43.537 bln (USD 1.517 mln). Compared to the retail market, in physical terms the hospital sector growth rates were considerably higher than those in the retail sector, whereas in value terms retail sales, on the contrary, slightly exceeded those in the hospital sector. The average cost of a hospital pack increased as compared to the same period in the previous year (USD 3.60 vs. USD 3.55).

BENEFICIAL DRUG COVERAGE IN THE RUSSIAN FEDERATION: 2011 FIRST 9 MONTHS RESULTS

According to BDC in RF™, on the basis of the results of nine months of 2011, the OTC drugs supplies under the Federal Essential Medicines Procurement Program amounted to RUB 65.943 bln (USD 2.291 bln) in contractual prices2. The segment volume reduced 3% in terms of roubles, but increased 2% in terms of dollars as compared with the same period of last year. Drugs supplies in physical terms reduced (-1%) and amounted 76.026 mln packs. On the average, the cost of OTC pack within the scope of Program was USD 30.19 in contractual prices (during the same period in 2010 - USD 29.25).

On the basis of the results of nine months of 2011, two newcomers broke into the ranks of the top 10 manufacturers participating in the Federal Essential Medicines Procurement Program (Table 1). They were BAXTER (purchases increased 2.4 times) and LABORATORIO TUTEUR (4.1 times) which came in numbers 5 and 10, respectively. Apart from them, another two manufacturers rose in the ranks. SANOFI-AVENTIS (+4%) and ASTRAZENECA (+10%) moved up one rank, coming in at numbers 6 and 7 respectively. Note that NOVO NORDISK (-28%) that had held number six before, showed the pronounced negative sales rates and moved down to rank 8. Reduction in volumes of purchases was observed in the other two manufacturers of the top 10 ranking, NOVARTIS (-13%) and JOHNSON & JOHNSON (-18%), however they held their own ranks 2 and 3, respectively. The leader of the top 10 manufacturers also remained unchanged - ROCHE (+4%) maintained and reinforced its rank.

Table 1. The top 10 manufacturers for BDC

Rank		Drug manufacturer*	Share in total BDC, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**ROCHE**	13,2	12,5
2	2	**NOVARTIS**	11,0	12,2
3	3	**JOHNSON & JOHNSON**	8,5	10,1
4	4	**TEVA**	6,1	5,4
5	12	**BAXTER INT**	4,5	2,2
6	7	**SANOFI-AVENTIS**	4,5	4,2
7	8	**ASTRAZENECA**	3,7	3,3
8	6	**NOVO NORDISK**	3,6	4,8
9	9	**MERCK SHARP DOHME**	2,7	2,4
10	33	LABORATORIO TUTEUR	2,0	0,5
Total			59,7	57,4

*AIPM members are in bold

The top ten trade names ranking changed its leader – antineoplastic agent GLIVEC (+6%) came in at number 1 (table 2). Due to reduction in purchases by 12%, VELCADE that had topped the top 10 before, only came in at number three allowing MABTHERA (+13%) to move up. It should be noted that seven other trade names of the top 10 rose in the ranks. COPAXONE TEVA (+5%), COAGIL-VII (+12%) and HERCEPTIN (+4%) moved up one rank. Due to high sales rates, HEMOFIL M, LANTUS SOLOSTAR, REMICADE and GENFAXON broke into the ranks of the top 10, coming in at much higher numbers. Thanks largely to them, the ten-firm concentration ratio increased almost 7 p.p. and reached 35.4%.

Table 2. The top ten trade names for BDC

Rank		Trade name	Share in total BDC, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	2	GLIVEC	7,1	6,5
2	3	MABTHERA	6,4	5,6
3	1	VELCADE	6,3	7,0
4	5	COPAXONE TEVA	4,5	4,1
5	50	HEMOFIL M	2,4	0,5
6	48	LANTUS SOLOSTAR	1,9	0,5
7	8	COAGIL-VII	1,8	1,6
8	9	HERCEPTIN	1,7	1,6
9	12	REMICADE	1,6	1,2
10	N/A	GENFAXON	1,6	N/A
Total			35,4	28,6

Despite the considerable updating of the previous ranking, the top ten INN and generic names remained unchanged by composition (table 3). Nevertheless, it suffered considerable changes – only GLATIRAMER ACETATE (+5%) at number 5 held its own in the ranking. In this connection five INNs rose in the ranks. IMATINIB (+6%) and RITUXIMAB (+13%) moved up two ranks, coming in at numbers 1 and 2, respectively. At the same time, due to drop in purchases BORTEZOMIB (-12%) and FACTOR VIII (-18%) moved down to ranks 3 and 4, respectively. INTERFERON BETA-1A (+21%) and INSULIN HUMAN ISOPHANE (-9%) moved up one rank, and INSULIN GLARGINE (+12%) moved up from number 9 to 7. Evident negative growth rates caused loss of ranks by INNs INTERFERON BETA-1B (-31%) and EPTACOG ALFA (ACTIVATED) (-25%) that moved down to numbers 8 and 10. In contrast to the previous rankings, the cumulative share of the top ten reduced to 42.5%.

[2] From 2008, data on BDC comprise data on shipments in terms of contractual prices, i.e. prices at which the government shall reimburse moneys to a distributor.

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

Rank		INN/Generic Name	Share in total BDC, %	
9mon. 2011	9mon. 2010		9mon. 2011	9mon. 2010
1	3	IMATINIB	7,1	6,5
2	4	RITUXIMAB	6,4	5,6
3	2	BORTEZOMIB	6,3	7,0
4	1	FACTOR VIII	6,2	7,3
5	5	GLATIRAMER ACETATE	4,5	4,1
6	7	INTERFERON BETA-1A	3,5	2,9
7	9	INSULIN GLARGINE	2,6	2,3
8	6	INTERFERON BETA-1B	2,1	3,0
9	10	INSULIN HUMAN ISOPHANE	1,9	2,1
10	8	EPTACOG ALFA (ACTIVATED)	1,9	2,4
Total			42,5	43,2

Half of the top 10 ATC groups in BDC segment held their own in the ranking (table 4). Among them there was a top 10 leader – Group L01 Antineoplastic agents (+0.3%). B02 Antihemorrhagics placed at number two reduced their purchases by 17% and moved down to number 4 having allowed groups L03 Immunostimulants (-2%) and A10 Drugs used in diabetes (-3%) to move upwards. Groups R03, L04, B03 and L02 held their own numbers from 5 through 8 in the ranking. The only newcomer of the top 10 – A16 Other alimentary tract and metabolism products (+30%) broke into the ranks of the top 10, coming in at number nine and having displaced C09 Agents acting on the rennin-angiotensin system (+1%) to the bottom rank. The cumulative share of the top ten trade names increased and achieved 79.0%.

Table 4. The top ten ATC groups for APS

Rank		ATC code	ATC group	Share in total BDC, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	L01	ANTINEOPLASTIC AGENTS	26,3	25,6
2	3	L03	IMMUNOSTIMULANTS	11,1	11,0
3	4	A10	DRUGS USED IN DIABETES	10,7	10,7
4	2	B02	ANTIHEMORRHAGICS	10,3	12,1
5	5	R03	DRUG FOR OBSTRUCT AIRWAY DIS	4,8	4,3
6	6	L04	IMMUNOSUPPRESSANTS	4,2	4,0
7	7	B03	ANTIANEMIC PREPARATIONS	3,3	3,6
8	8	L02	ENDOCRINE THERAPY	3,3	3,1
9	11	A16	OTH ALIMENT TRACT&METAB PROD	2,6	1,9
10	9	C09	AG ACT RENIN-ANGIOTENS SYST	2,3	2,2
Total				79,0	78,6

Data on supplies to the top ten regions of Russia under BDC Program are shown in Table 5. As before, Moscow city which market share accounts for 17.6% of the segment topped the ranking by a wide margin, which is 1 p.p. more than the value in the past year. Moscovskaya Oblast (5.5%) and St. Petersburg (4.6%) held their own numbers two and three in the ranking. The considerable growth in purchases under BDC Program was observed in Sverdlovskaya Oblast, which moved up to rank 4, based on nine months results. The total share of Top-10 regions by supplies under BDC Program increased almost 2 p.p. as compared to the same period in 2010 and accounted for 47.0%.

Table 5. The top ten regions by sales for BDC

Rank		Region	Share in total BDC, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	Moscow city	17,6	16,5
2	2	Moscovskaya oblast	5,5	5,3
3	3	St. Petersburg city	4,6	3,9
4	6	Sverdlovskaya oblast	3,0	3,1
5	8	Rest of South FO	2,9	2,6
6	5	Rest of North-West FO	2,9	3,1
7	4	Krasnodarsky kray	2,9	3,1
8	7	Republic of Tatarstan	2,8	2,9
9	10	Republic of Bashkortostan	2,5	2,4
10	14	Rest of Privolzhski FO	2,3	2,3
Total			47,0	45,2

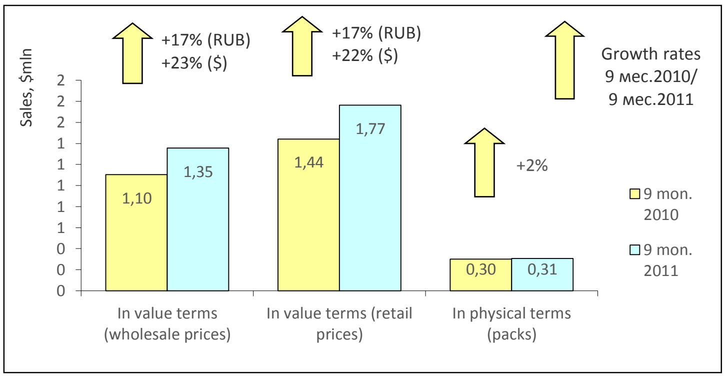
Conclusion. On the basis of the results of nine months of 2011, BDC Segment amounted to RUB 65.943 bln (USD 2.291 bln). As compared with the same period of 2010, the segment saw decrease of 3% in terms of roubles, and increased by 2% in terms of dollars. In pack terms the supplies reduced by 1% and amounted to 76.026 mln packs. The average cost of OTC pack participating in BDC Program (USD 30.19) grew as compared to the figures of the past year (USD 29.25).

MOSCOW PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 Moscow's estimated population was 11.468 mln, which accounted for 8% of the total Russian Federation population and 30% of Central FO (CFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the capital was RUB 41,416.1 (USD), which is 83% more than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first nine months of 2011 the metropolitan pharmacy market volume increased in physical terms by 2% and amounted to 305.545 million packs (Fig. 1) In wholesale prices the market also showed the positive performance - 17% in terms of roubles and 23% in terms of dollars and reached 39.005 billion roubles (USD 1.355 billion). The region share in the total volume of all-Russia pharmacy market accounts for 15.2%. The average cost of OTC pack following the results of the analyzed period was USD 5.78 (in the same period of 2010 - USD 4.80). In the first nine months of the current year, per capita expenses of Moscow residents for purchase of medicines in pharmacies amounted to USD 152.80.

Figure 1. Moscow pharmacy market for 9 months of 2010 – 9 months of 2011



At the three quarter-end of 2011, four manufacturers of the top ten held their own in the ranking (table 1). They were leaders of the ranking: SANOFI-AVENTIS (+17%), PHARMSTANDART (+13%), BAYER (+26%) and SERVIER (+4%). From the remaining six manufacturers in the ranking, only one – ABBOTT (-12%) moved down to the lower number 7. At the same time five manufacturers, on the contrary, rose in the ranks. NOVARTIS (+25%) and SANDOZ (+20%) moved up one rank, coming in at numbers 5 and 6, respectively. The newcomers broke into the bottom ranks of the top 10: NYCOMED (+28%), PFIZER (+31%) and TEVA (+29%). The total share of the top 10 manufacturers increased from 38.2% to 39.0%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	6,4	6,4
2	2	PHARMSTANDART	4,6	4,7
3	3	**BAYER HEALTHCARE**	4,5	4,2
4	4	**SERVIER**	3,7	4,2
5	6	**NOVARTIS**	3,7	3,4
6	7	**SANDOZ GROUP**	3,5	3,4
7	5	**ABBOTT**	3,4	3,5
8	11	**NYCOMED**	3,1	2,8
9	13	**PFIZER**	3,1	2,7
10	12	**TEVA**	3,0	2,8
Total			39,0	38,2

*AIPM members are in bold

Two newcomers broke into the top ten trade names ranking (table 2). They were a drug to treat erectile dysfunction CIALIS (+62%) and antiviral agent AMIXIN (+35%), coming in at numbers 7 and 10. Apart from it, VIAGRA (+30%) moved up to the higher rank three. LACTOBACILLUS ACIDOPHILUS (+1%) which earlier had held that rank, on the contrary, moved down two ranks. ACTOVEGIN (+19%) also moved down one rank, to number 8. Five trade names of the top ten managed to hold its own in the ranking including their leaders ARBIDOL (+5%) and ESSENTIALE N (+9%).

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9 mon. 2011	9 mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,5	1,7
2	2	ESSENTIALE N	1,0	1,1
3	5	VIAGRA	0,9	0,8
4	4	LINEX	0,9	0,9
5	3	OCILLOCOCCINUM	0,8	1,0
6	6	DETRALEX	0,7	0,7
7	14	CIALIS	0,7	0,5
8	7	ACTOVEGIN	0,6	0,6
9	9	HEPTRAL	0,6	0,6
10	16	AMIXIN	0,6	0,5
Total			8,3	8,4

ARBIDOL (+5%) and XYLOMETAZOLINE (+45%) held their first two ranks in the top 10 INNs and generic names ranking (table 3). The other INNs of the top 10 changed their ranks. On top of that, only two of them (PHOSPHOLIPIDS and ANAS BARBARIAE) moved down to the lower numbers four and seven, respectively. PANCREATIN and XYLOMETAZOLINE (+14% each) moved up one row, to numbers 3 and 6. DIOSMIN + HESPERIDIN (+16%), AZITHROMYCIN (+15%) and PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+17%) moved up two ranks, coming in at three bottom numbers of the top ten. SILDENAFIL (+30%) most significantly rose in the ranks – from number 8 to 5. Note that the total share of the top ten ATC groups as well as that in the previous ranking reduced by almost 0.1 p.p. and achieved (in this case) 9.8%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,5	1,7
2	2	XYLOMETAZOLINE	1,4	1,2
3	4	PANCREATIN	1,1	1,1
4	3	PHOSPHOLIPIDS	1,1	1,1
5	8	SILDENAFIL	0,9	0,8
6	7	FLUCONAZOLE	0,9	0,9
7	6	ANAS BARBARIAE	0,8	1,0
8	10	DIOSMIN + HESPERIDIN	0,7	0,7
9	11	AZITHROMYCIN	0,7	0,7
10	12	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,7	0,7
Total			9,8	9,9

Noticeable shifts occurred in the top 10 ATC groups ranking as well (table 4). Only preparations of unidentified pharmaceutical groups that were placed at number three held their own in the ranking. In this connection five INNs of the top 10 rose in the ranks. N02 Analgesics (+16%) and R01 Nasal preparations (+25%) moved up one rank, coming in at numbers 1 and 4, respectively. G03 Sex hormones (+24%) moved up to number 5 from 7. Ranks six and ten were held by the groups that broke into the ranks of the top 10 for the first time. They were L03 Immunostimulants (+56%) and R05 Cough and cold preparations (+34%). Four groups (J01, A11, A07 and M01) moved down to the lower ranks. In contrast to two above rankings, the total share of the top 10 ATC groups increased from 35.1% to 36.1%.

Table 4. The top 10 ATC Groups by pharmacy sales

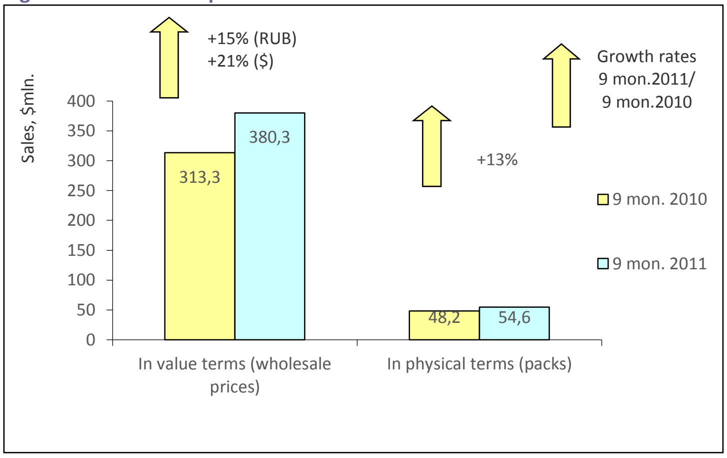
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	2	N02	ANALGESICS	4,3	4,4
2	1	J01	ANTIBACTERIALS FOR SYST USE	4,2	4,4
3	3		UNIDENTIFIED	3,8	4,2
4	5	R01	NASAL PREPARATIONS	3,7	3,5
5	7	G03	SEX HORM&MODULAT GENITAL SYS	3,5	3,2
6	14	L03	IMMUNOSTIMULANTS	3,5	2,6
7	6	A11	VITAMINS	3,4	3,4
8	4	A07	INTESTINAL ANTIINFECTIVES	3,3	3,5
9	8	M01	ANTIINFLAM & ANTIRHEUM PROD	3,3	3,2
10	12	R05	COUGH AND COLD PREPARATIONS	3,1	2,7
Total				36,1	35,1

Conclusion. The Moscow pharmacy market in the first nine months to end September 2011 brought in RUB 50.824 bln (USD 1.765 mln) in final consumption prices, which is by 17% in terms of roubles and 22% in terms of dollars more than during the same period a year ago. In pack terms the market also showed positive growth rates (+2%) and achieved 305.545 mln packs. The average cost of an OTC pack (USD 5.78) in the pharmacies increased as compared to a year earlier (USD 4.80) and was higher than the average value in Russia (USD 3.48). Expenses of residents for purchase of medicines in the city pharmacies proved to be higher than the average expenses in Russia (USD 152.80 vs. USD 81.18).

MOSCOW HOSPITAL MARKET: 2011 FIRST 9 MONTHS RESULTS

According to the results of the Audit of Hospital Purchases in Russian Federation™, in the first nine months of 2011 the Moscow hospital market saw a 13% increase in physical terms to 54.626 mln packs. In value terms the hospital purchases increased by 15% in terms of roubles and by 21% in terms of dollars and reached RUB 10.895 bln (USD 380.286 mln) in wholesale prices. The average cost of a hospital drug increased as compared to a year earlier and escalated to USD 6.96 (in 2010 - USD 6.50). The metropolitan market share accounted for 25% of the Russian hospital market in value terms.

Figure 1. Moscow hospital market for 9 months of 2010 – 9 months of 2011



In the first nine months of 2011 the ranking of the Ten-top manufacturers in Moscow hospital market suffered considerable changes (table 1). However, the preparations of unidentified manufacturers and SANOFI-AVENTIS (+64%) held their leadership in the ranking. ASTRAZENECA (+26%) moved up to rank three from four, one of the most dynamic companies of the ranking PFIZER (+74%) moved to rank four. Only the market of Israeli TEVA developed at a faster pace, which due to growth in purchases 2.7 times moved up from rank 18 to 8. BAXTER (+31%) placed at number 6 also managed to rise in the ranks. At the same time, ROCHE (-5%), MERCK SHARP DOHME (-7%), NOVARTIS (+11%) and NYCOMED (+46%) moved up to lower ranks. The total share of the top ten manufacturers increased by almost 7 p.p. and accounted for 52%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	UNIDENTIFIED MANUF	10,8	10,5
2	2	**SANOFI-AVENTIS**	8,8	6,2
3	4	**ASTRAZENECA**	5,2	4,8
4	8	**PFIZER**	5,0	3,2
5	3	**ROCHE**	4,2	5,0
6	7	**BAXTER INT**	3,9	3,4
7	5	**MERCK SHARP DOHME**	3,6	4,5
8	18	**TEVA**	3,6	1,5
9	6	**NOVARTIS**	3,5	3,6
10	9	**NYCOMED**	3,4	2,6
Total			52,0	45,5

*AIPM members are in bold

Only three trade names of hospital preparations from the ranking at 9 month-end of 2010 have been included into the top 10 on the basis of the results of the same period of 2011 (Table 2). They were the ranking leaders NATRIUM CHLORIDUM (+30%), MERONEM and TAVANIC (+50%). The other ranks in the top ten ranking were held by the newcomers. They were the blood-clotting agent FEIBA, the immunomodifier COPAXONE TEVA, antibacterial preparation ZYVOX, anticancer drug ELOXATIN, immunosuppressant XOLAIR, fluroquinolone AVELOX and anticancer drug ELOXATIN. Due to growth in purchases several times, these preparations considerably rose in the ranks. The total share of the top ten increased by 10 p.p. and achieved 21.0%.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
9 mon. 2011	9 mon. 2010		9 mon. 2011	9 mon. 2010
1	1	NATRIUM CHLORIDUM	2,8	2,5
2	2	MERONEM	2,8	2,3
3	3	TAVANIC	2,7	2,1
4	14	FEIBA	2,4	0,9
5	N/A	COPAXONE TEVA	2,1	N/A
6	23	ZYVOX	2,0	0,7
7	15	TAXOTERE	1,9	0,9
8	89	XOLAIR	1,6	0,2
9	17	AVELOX	1,4	0,8
10	36	ELOXATIN	1,4	0,5
Total			21,0	10,8

The top 10 INN and Generic Names Ranking hasn't updated so much as the previous one – only four newcomers broke into the ranks of the top 10 for the first time (table 3). FACTOR VIII INHIBITOR BYPASSING FRACTION, GLATIRAMER ACETATE, LINEZOLID and OMALIZUMAB became the newcomers, coming in at numbers five, eight, nine and ten, respectively. Apart from them, another three INNs of the top 10 rose in the ranks. Due to 50% growth in purchases, LEVOFLOXACIN moved up from rank 3 to 1, whereas the earlier leader SODIUM (+30%) moved down to number three. IMMUNOGLOBULIN BASE (+34%) moved up one rank, and the more dynamic DOCETAXEL (+85%) moved up from number 10 to 7. As in the previous ranking, the total share of the top 10 INN and Generic Names considerably increased – from 14.7% to 23.7%.

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

Rank		INN/Generic Name	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	3	LEVOFLOXACIN	2,9	2,3
2	2	MEROPENEM	2,9	2,4
3	1	SODIUM	2,8	2,5
4	5	IMMUNOGLOBULIN BASE	2,5	2,1
5	20	FACTOR VIII INHIBITOR BYPASSING FRACTION	2,4	0,9
6	4	OXALIPLATIN	2,3	2,2
7	10	DOCETAXEL	2,3	1,4
8	N/A	GLATIRAMER ACETATE	2,1	N/A
9	32	LINEZOLID	2,0	0,7
10	102	OMALIZUMAB	1,6	0,2
Total			23,7	14,7

Numerous swaps, though not so pronounced as those in the two previous rankings, took place in the top 10 ATC groups (table 4). The first three groups (J01, L01 and B05) held their own in the ranking, though group L01 Antineoplastic agents (+3%) placed at number two showed non-high growth rates and noticeably reduced its market share. Lagging in growth rates was also observed in Group L04 Immunosuppressants (+5%) and V08 Contrast media (+4%). On top of that, the former moved down one rank and the latter held its own rank 10. Five-percent reduction in purchases was also shown by group N01 Analgesics which moved down from rank 4 to 6. The other ATC Groups of the top 10 moved up to the higher ranks. There were four of them: B01 Antithrombotic agents (+34%), B02 Antihemorrhagics (+27%), J06 Immune sera and immunoglobulin (+49%) and L03 Immunostimulants (2.7-fold increase in purchases). Note that the latter two ATC groups broke into the ranks of the top 10 for first time. The cumulative share of the top 10 under review increased from 64.7% to 67.5%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	18,3	17,9
2	2	L01	ANTINEOPLASTIC AGENTS	12,3	13,8
3	3	B05	BLOOD SUBSTITUTE & PERF SOLS	8,7	7,8
4	5	B01	ANTITHROMBOTIC AGENTS	5,5	4,7
5	6	B02	ANTIHEMORRHAGICS	4,6	4,2
6	4	N01	ANESTHETICS	4,0	4,8
7	11	J06	IMMUNE SERA & IMMUNOGLOBULIN	3,8	3,0
8	15	L03	IMMUNOSTIMULANTS	3,7	1,6
9	8	L04	IMMUNOSUPPRESSANTS	3,4	3,7
10	10	V08	CONTRAST MEDIA	3,1	3,4
Total				67,5	64,7

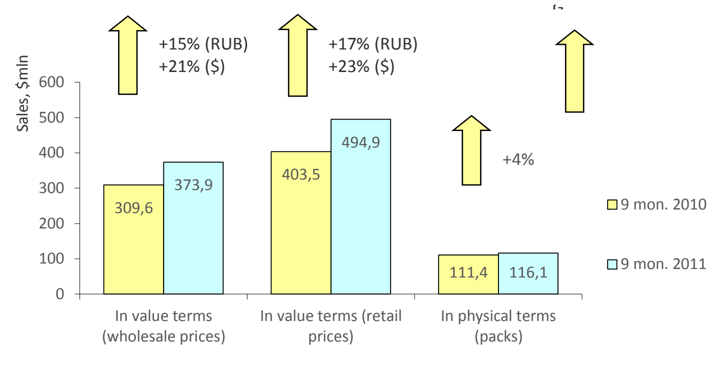
Conclusion. On the basis of the results of nine months of 2011, the Moscow hospital market performance (in value terms) proved to be pronounced and positive (+15% in terms of roubles and +21% in terms of dollars). At the same time, the market volume amounted to RUB 10.895 bln (USD 380.286 mln). In physical terms, the market performance increased by 13% to 54.625 mln packs. The average cost of OTC pack in hospitals of Moscow increased as compared to a year earlier (USD 6.96 vs. USD 6.50) and continued to remain notably higher than that on the average in Russia (USD 3.60). As the analyzed ratings showed, the regional market experienced numerous structural changes through the notable increase in market concentration.

SAINT PETERSBURG PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 St. Petersburg's estimated population was 4.869 mln, which accounts for 3.4% of the total Russian Federation population and 36% of North West FO (NWFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the city was RUB 28,791.3 (USD 976.97), which is 27% more than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in three quarters of 2011 the St. Petersburg pharmacy market volume increased in physical terms by 4% and amounted to 116.146 million packs (Fig. 1) In wholesale prices the market also showed the growth gain: 15% in terms of roubles and 21% in terms of dollars and reached 10.767 billion roubles (USD 373.888 million). The city share in the total volume of all-Russia pharmacy market accounts for 4.3%. The average cost of OTC pack in St. Petersburg pharmacies according to the results of the analyzed period was USD 4.26 (during the same period of 2010 - USD 3.62). The average sum spent by residents of St. Petersburg for purchase of medicines amounted to USD 101.65.

Figure 1. St. Petersburg pharmacy market in 9 months of 2010 – 9 months of 2011



In the first nine months of 2011, the top 10 ranking of drug manufacturers showed high stability as compared to the same period a year ago - it underwent only two shifts (table 1). Due to growth in sales by one fourth, more dynamic companies SANDOZ and NOVARTIS moved up one rank, coming in at numbers 4 and 6, respectively. They forced SERVIER (+9%) and ABBOTT (+11%) down one rank. SANOFI-AVENTIS (+13%), PHARMSTANDART (+17%) and BAYER (+16%) held the leading ranks in the regional market. At the same time, the Russian manufacturer managed to reinforce its ranks in the top 10, whereas the growth of its pharmacy sales lagged behind the market average which resulted in the reduction of its market shares. However, the total share of the analyzed top 10 remained unchanged and amounted to 39.8%.

Table 1. The top 10 drug manufacturers by pharmacy sales

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

*AIPM members are in bold

One newcomer broke into the top ten trade names ranking (table 2). It was the angioprotector DETRALEX (+16%) which moved up from rank 11 to 9. The other two trade names moved up to yet higher ranks. They were VIAGRA (+19%) and THERAFLU (+25%), which moved up two ranks, coming in at numbers 2 and7, respectively. On top of that, OCILLOCOCCINUM (-6%) and HEPTRAL (+10%) moved down to the lower ranks 4 and 8. Five trade names of the top10 managed to hold their own in the ranking. Among them there was the top 10 leader - ARBIDOL (+18%). The total share accumulated by the top ten trade names in the regional market reduced from 9.1% to 8.8%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,7	1,7
2	4	VIAGRA	1,1	1,0
3	3	ESSENTIALE N	1,1	1,2
4	2	OCILLOCOCCINUM	1,0	1,2
5	5	LINEX	0,9	0,9
6	6	PANANGIN	0,7	0,7
7	9	THERAFLU	0,7	0,6
8	7	HEPTRAL	0,6	0,7
9	11	DETRALEX	0,6	0,6
10	10	ANAFERON	0,6	0,6
Total			8,8	9,1

The leader of the top 10 INN and generic names didn't change. Following the respective preparation, ARBIDOL (+18%) remained the leader of the ranking (Table 3). As before, XYLOMETAZOLINE (+32%) held its own rank two. PHOSPHOLIPIDS (+10%) and PANCREATIN (+21%) also held their own in the ranking. It should be noted that only one INN from the top 10 – INN ANAS BARBARIAE (-6%) moved down to the lower rank 6. The other INNs of the top 10 rose in the ranks. The combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+24%) – moved up two ranks, coming in at number 3. SILDENAFIL (+19%), KETOPROFEN (+21%), AMOXICILLIN + CLAVULANIC ACID (+16%) and AZITHROMYCIN (+17%) moved up one rank, coming in at numbers 6, 8, 9 and 10, respectively. The total share of the analyzed top 10 remained unchanged and amounted to 11.0%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,7	1,7
2	2	XYLOMETAZOLINE	1,5	1,4
3	5	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,2	1,1
4	4	PHOSPHOLIPIDS	1,1	1,2
5	6	SILDENAFIL	1,1	1,0
6	3	ANAS BARBARIAE	1,0	1,2
7	7	PANCREATIN	1,0	1,0
8	9	KETOPROFEN	0,9	0,8
9	10	AMOXICILLIN + CLAVULANIC ACID	0,8	0,8
10	11	AZITHROMYCIN	0,8	0,8
Total			11,0	11,0

N02 Analgesics (+19%) became the leader of the top 10 ATC Groups ranking having displaced preparations of unidentified pharmaceutical groups to number 2 (table 4). Groups R05 Cough and cold preparations (+36%), R01 Nasal preparations (+19%) and C09 Agents acting on the rennin-angiotensin system (+11%) also rose in the ranks, coming in at numbers 3, 4 and 9, respectively. At the same time, three groups (J01, A11 and A07) moved down to the lower ranks. Two ATC groups of the top ten - M01 Anti-inflammatory and antirheumatic products (+22%) and G03 Sex hormones (+12%) held their own numbers 7 and 8 in the ranking. The cumulative share of the top10 increased from 39.0% to 39.2%.

Table 4. The top 10 ATC Groups by pharmacy sales

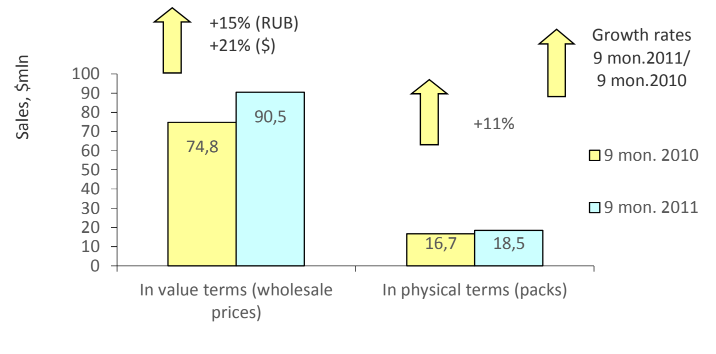
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	2	N02	ANALGESICS	4,6	4,4
2	1		UNIDENTIFIED	4,5	4,9
3	6	R05	COUGH AND COLD PREPARATIONS	4,3	3,7
4	5	R01	NASAL PREPARATIONS	4,1	4,0
5	3	J01	ANTIBACTERIALS FOR SYST USE	4,0	4,1
6	4	A11	VITAMINS	4,0	4,0
7	7	M01	ANTIINFLAM & ANTIRHEUM PROD	3,8	3,6
8	8	G03	SEX HORM&MODULAT GENITAL SYS	3,5	3,5
9	10	C09	AG ACT RENIN-ANGIOTENS SYST	3,2	3,3
10	9	A07	INTESTINAL ANTIINFECTIVES	3,2	3,4
Total				39,2	39,0

Conclusion. The St. Petersburg pharmacy market in the first nine months to end September 2011 brought in RUB 14.252 bln (USD 494.873 mln) in final consumption prices, which is 17% in terms of roubles and 23% in terms of dollars more as compared to a year earlier. The city market in terms of natural values also showed positive sales growth rates (+4%) and reached 116.146 mln packs. The average cost of an OTC pack in the analyzed period increased as compared a year earlier – USD 4.26 vs. USD 3.62 and was considerably higher than on an average in Russia (USD 3.48). In the first nine months of the current year, the average expenses of St. Petersburg residents for medicines were estimated as USD 101.65, which was considerably higher than the average expenses in Russia (USD 81.18).

SAINT PETERSBURG HOSPITAL MARKET: 2011 FIRST 9 MONTHS RESULTS

According to the results of the Audit of Hospital Purchases in Russian Federation™, in the first nine months of 2011 the St.Petersburg hospital market saw a 11% increase in physical terms to 18.536 mln packs. In value terms the hospital purchases increased by 15% in terms of roubles and by 21% in terms of dollars and reached RUB 2.596 bln (USD 90.523 mln) in wholesale prices. The average cost of a hospital drug increased as compared to a year earlier and escalated to USD 4.88 (in 2010 - USD 4.49). The regional market share accounted for 6% of the Russian hospital market in value terms.

Figure 1. St. Petersburg hospital market in 9 months of 2010 – 9 months of 2011



The ranking of the top ten manufacturers by hospital purchases in the region suffered significant changes (table 1). Its leader changed – based on the results of nine months of 2011, the top 10 was headed by MERCK SHARP DOHME (+48%) which displaced unidentified manufacturers and SANOFI-AVENTIS (+7%) down one rank. ASTRAZENECA (-9%) held its rank four despite the reduction of sales. PFIZER (+16%) placed at number 8 also held its own in the ranking. Three newcomers broke into the ranks of the top 10. They were B.BRAUN (purchases increased 3.7 times), BAXTER (2.9 times) and BOEHRINGER ING (1.9 times), coming in at numbers 7, 8 and 10, respectively. ABBOTT (+40%) also moved up one row, to number 5. And only GEDEON RICHTER (-0.1%) which moved up from rank 5 to 9, remarkably reduced its market share. However, it didn't prevent the top10 manufacturers from increasing its total share from 42.1% up to 44.5%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Drug manufacturer*	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010		9mon. 2011	9mon. 2010
1	3	**MERCK SHARP DOHME**	8,1	6,3
2	1	UNIDENTIFIED MANUF	6,7	10,4
3	2	**SANOFI-AVENTIS**	6,0	6,5
4	4	**ASTRAZENECA**	4,4	5,5
5	6	**ABBOTT**	3,9	3,2
6	25	B.BRAUN	3,8	1,2
7	22	**BAXTER INT**	3,2	1,2
8	8	**PFIZER**	3,0	2,9
9	5	**GEDEON RICHTER**	2,8	3,2
10	17	**BOEHRINGER ING**	2,6	1,6
Total			44,5	42,1

*AIPM members are in bold

Only the leader NATRIUM CHLORIDUM (+12%) didn't change their rank in the top10 hospital trade names rating in St. Petersburg (table 2). Five trade names rose in the ranks. They were PUREGON and ACTILYSE, which purchases grew 2.1 times, ELOXATIN (+19%), and DIANEAL PD4+GLUCOS (purchases increased 5.9 times) and ALBUMIN (+14%) that broke into the ranks of the top 10. Those preparations came in at numbers 2, 4, 6, 9 and 10, respectively. At the same time, four trade names moved down one rank. SEVORAN (+31%) moved down one rank, whereas MERONEM (+19%), HEPARIN (+36%) and TIENAM (+4%) lost two ranks each. The total share of the top ten ranking increased by almost 5 p.p. and achieved 21.9%.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
9 mon. 2011	9 mon. 2010		9 mon. 2011	9 mon. 2010
1	1	NATRIUM CHLORIDUM	3,9	4,0
2	4	PUREGON	3,5	1,9
3	2	SEVORAN	2,4	2,1
4	9	ACTILYSE	2,2	1,2
5	3	MERONEM	2,1	2,0
6	7	ELOXATIN	2,0	1,5
7	5	HEPARIN	1,9	1,6
8	6	TIENAM	1,4	1,6
9	84	DIANEAL PD4+GLUCOS	1,4	0,3
10	11	ALBUMIN	1,1	1,1
Total			21,9	17,3

Three names of the top ten INN and Generic Names Ranking managed to hold their own in the ranking (table 3). They were the leader of the top ten SODIUM (+13%) and OXALIPLATIN (+34%) and IMMUNOGLOBULIN BASE (+19%) at numbers 4 and 9. Due to two-fold growth in purchases, FOLLITROPIN BETA and ALTEPLASE moved up to ranks 2 and 7. On top of that, the latter became the only newcomer of the top 10. At the same time, INN CEFTRIAXONE (-14%), SEVOFLURANE (+31%), MEROPENEM (+24%), HEPARIN (+36%) and the combination CILASTATIN + IMIPENEM (+4%) moved down to the lower numbers.

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

Rank		INN/Generic Name	Share in total hospital purchases, %	
9 mon. 2011	9 mon. 2010		9 mon. 2011	9 mon. 2010
1	1	SODIUM	4,0	4,0
2	6	FOLLITROPIN BETA	3,5	1,9
3	2	CEFTRIAXONE	2,5	3,4
4	4	OXALIPLATIN	2,4	2,1
5	3	SEVOFLURANE	2,4	2,1
6	5	MEROPENEM	2,2	2,0
7	11	ALTEPLASE	2,2	1,2
8	7	HEPARIN	1,9	1,6
9	9	IMMUNOGLOBULIN BASE	1,5	1,4
10	8	CILASTATIN + IMIPENEM	1,4	1,6
Total			24,0	21,4

J01 Antibacterials for systemic use (+2%) and B05 Blood substitutes and perfusion solutions (+26%) continued to remain the best selling groups in the regional hospital market (table 4). Due to lagging behind growth rates, N05 Psycholeptics (+11%) placed at number three moved down to number 5 allowing group L01 Antineoplastic agents (+37%) and B01 Antithrombotic agents (+36%) to move upwards. Due to growth in purchases 2.2 times, G03 Sex hormones moved up two ranks, at number 6 having displaced groups N01 and V08. Two newcomers L04 Immunosuppressants (+64%) and J06 Immune sera and Immunoglobulin (+41%) broke into the ranks of the top 10, coming in at numbers 9 and 10. The cumulative share of the top 10 under review increased from 65.6% to 70.2%.

Table 4. The top 10 ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010			9mon. 2011	9mon. 2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	17,1	19,4
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	11,8	10,7
3	4	L01	ANTINEOPLASTIC AGENTS	8,8	7,3
4	5	B01	ANTITHROMBOTIC AGENTS	7,6	6,5
5	3	N05	PSYCHOLEPTICS	7,4	7,7
6	8	G03	SEX HORM&MODULAT GENITAL SYS	4,8	2,5
7	6	N01	ANESTHETICS	4,8	5,2
8	7	V08	CONTRAST MEDIA	3,3	3,1
9	11	L04	IMMUNOSUPPRESSANTS	2,6	1,8
10	13	J06	IMMUNE SERA & IMMUNOGLOBULIN	2,0	1,6
Total				70,2	65,6

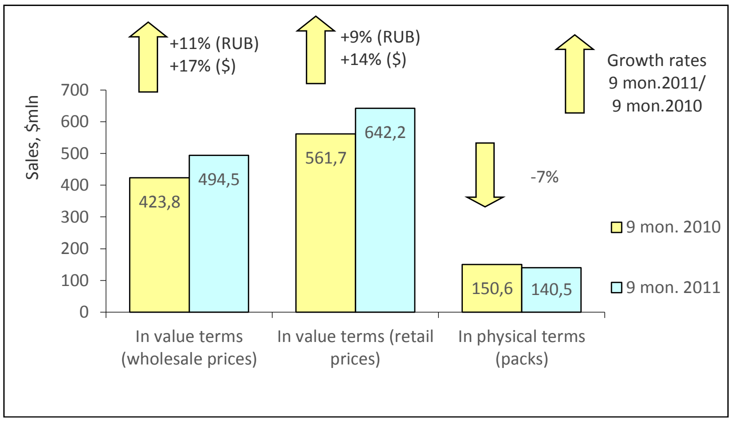
Conclusion. On the basis of the results of nine months of 2011, the St. Petersburg hospital market performance (in value terms) proved to be pronounced and positive (+15% in terms of roubles and +21% in terms of dollars). At the same time, the market volume amounted to RUB 2.596 bln (USD 90.523 mln). In physical terms, the market performance increased by 11% to 18.536 mln packs. The average cost of OTC pack in hospitals of the capital increased as compared to a year earlier (USD 4.88 vs. USD 4.49) and continued to remain notably higher than that on the average in Russia (USD 3.658).

MOSCOW REGION PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Moscow region was estimated as 7.104 mln, which makes 5.0% of the total Russian Federation population and 18.5% of Central FO (CFO). According to FSSS's data, in January-September 2011 the average salary in the Moscow region was RUB 27,338.3 (USD 927.67), which is 21% more than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in the first nine months of 2011 the volume of Moscow Region market in physical terms increased by 7% and amounted to 140.508 million packs. In value terms, the market increased by 11% in rouble terms and 17% in dollar terms and brought in 14.232 billion roubles (494.540 million dollars) in wholesale prices (exclusive of Beneficiary Drug Coverage). The city share in the total volume of Russian pharmacy market accounted for 5.5%. The average cost of an OTC pack was USD 4.57 (during the same period of 2010 - USD 3.73). Per capita expenses for the purchase of OTC drugs in the region amounted to USD 90.40,

Figure 1. Moscow Region pharmacy market for 9 months of 2010 – 9 months 2011



Following the results of nine months of 2011, no newcomers broke into the ranks of the top ten in the pharmacy market of Moscow region (Fig.1). Apart from that, four manufacturers of the top 10 held their own in the ranking. They were the ranking leaders SANOFI-AVENTIS (+10%) and PHARMSTANDART (+12%), as well as NOVARTIS (+20%) and TEVA (+7%) at numbers 7 and 10. Three manufacturers of the top 10 companies rose in the ranks, one rank each. BAYER (+17%) moved up to rank 3, SANDOZ (+14%) – to rank 5, and NYCOMED (+21%) moved up to rank 8. At the same time, they forced down one rank the less dynamic manufacturers SERVIER (-1%), MENARINI (+2%) and ABBOTT (+7%). The total share of the analyzed top 10 manufacturers remained unchanged and accounted for 38.7%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	6,3	6,3
2	2	PHARMSTANDART	4,8	4,8
3	4	**BAYER HEALTHCARE**	4,2	3,9
4	3	**SERVIER**	3,8	4,3
5	6	**SANDOZ GROUP**	3,8	3,6
6	5	**MENARINI**	3,5	3,8
7	7	**NOVARTIS**	3,4	3,1
8	9	**NYCOMED**	3,1	2,9
9	8	**ABBOTT**	3,1	3,1
10	10	**TEVA**	2,7	2,8
Total			38,7	38,7

*AIPM members are in bold

Antiviral ARBIDOL (+9%) and hepatoprotector ESSENTIALE N (-0.3%) didn't change their leading ranks in the top10 trade names rating (table 2). A drug to treat erectile dysfunction VIAGRA (+9%) came in at number three from five. OCILLOCOCCINUM which before had held rank three, on the contrary, cut its sales by 10% and moved down to rank 5 of the top 10, Apart from the leaders, another three trade names managed to hold their own in the ranking. They were LINEX (+3%), ACTOVEGIN and DETRALEX (+11% each) at numbers 4, 6 and 7, respectively. The newcomers MEXIDOL (+10%) and LASOLVAN (+35%) broke into the ranks of the top 10, coming in at the bottom two ranks.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,4	1,5
2	2	ESSENTIALE N	1,0	1,2
3	5	VIAGRA	0,9	0,9
4	4	LINEX	0,9	0,9
5	3	OCILLOCOCCINUM	0,8	1,0
6	6	ACTOVEGIN	0,7	0,7
7	7	DETRALEX	0,6	0,6
8	9	NUROFEN PLUS	0,6	0,6
9	11	MEXIDOL	0,6	0,6
10	19	LASOLVAN	0,5	0,4
Total			8,0	8,3

Only one newcomer broke into the ranks of the top ten INN and generic names rating (table 3). It was KETOPROFEN (+8%), placed at number 10, though its growth rates lagged behind the market growth. Only market of one INN - XYLOMETAZOLINE (+33%) – developed at a fast pace which allowed it to move up to the first rank of the top 10. However, the other tree INNs managed to rise in the ranks. Those were SILDENAFIL, PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+9% each) and IBUPROFEN (+5%) which came in at numbers 5, 6 and 8, respectively. It became possible due to reduction in sales and loss of ranks by INN XYANAS BARBARIAE (-9%) and LACTOBACILLUS ACIDOPHILUS (-19%) which moved down to ranks 7 and 9.

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

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

The Top-10 ATC groups ranking didn't change in composition; however numerous shifts took place in it (table 4). Due to outperformance, Groups R01 Nasal preparations (+16%) and R05 Cough and cold preparations (+20%) and G03 Sex hormones (+15%) moved up to ranks 4 and 5. At the same time, preparations of unidentified pharmaceutical groups and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+6%) moved down, coming in at numbers 6 and 7. The other top 10 ATC groups held their own in the ranking. N02 Analgesics (+6%), J01 Antibacterials for systemic use (+3%) and M01 Anti-inflammatory and antirheumatic products (+14%) remained the leaders of the top 10. As in two above rankings, the total share of the top 10 ATC groups reduced by almost 0.6 p.p. and accounted for 37.4%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	N02	ANALGESICS	4,8	5,0
2	2	J01	ANTIBACTERIALS FOR SYST USE	4,3	4,7
3	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,1	4,0
4	5	R01	NASAL PREPARATIONS	3,9	3,7
5	7	R05	COUGH AND COLD PREPARATIONS	3,7	3,4
6	4		UNIDENTIFIED	3,7	3,9
7	6	A07	INTESTINAL ANTIINFECTIVES	3,3	3,5
8	8	C09	AG ACT RENIN-ANGIOTENS SYST	3,2	3,4
9	9	A11	VITAMINS	3,2	3,3
10	10	G03	SEX HORM&MODULAT GENITAL SYS	3,1	3,0
Total				37,4	38,0

Conclusion. At 2011 nine months-end, the pharmacy market of Moscow Region brought in RUB 18.482 bln (USD 642.185 mln) in final consumer prices. The market performance was profoundly positive both in rouble terms (+9%) and in dollar terms (+14%). However, in physical terms the market reduced by 7% and the volume of market achieved 140.508 mln packs. The average cost of a pack, USD 4.57, and the average sum spent by residents of the region for the purchase of OTC drugs (USD 90.40) were higher than the average values in Russia (USD 3.48 and USD 81.18).

REGIONAL DIGEST

Beneficiary Drug Coverage/Procurement of Necessary Drugs, Government Control

November 1, 2011, The Vedomosti

State Duma adopted Law "On the Fundamentals of Public Health Protection in the Russian Federation" in the third reading

On October 1, State Duma adopted the Law "On the Fundamentals of Public Health Protection in the Russian Federation" in the third reading. The deputies upheld the draft law by 306 votes, which accounts for 68% of the total number of people's representatives.

According to the law, the main scope of authority to manage health care shall be transferred from the municipal level to the regional one. The law introduces the mechanism for the controllable choice of a health care practitioner and health care organization subject to the deadlines for delivery of health care, necessary qualifications of health professionals and required diagnostic and treatment facilities.

In addition, the law introduces the national standards and procedures for delivery of health care. The draft law obliges the healthcare organizations to insure civil liability to their patients. The law applies both to public and private health care medicine.

November 3, 2011, Pharmvestnik.ru

FAS of Russia determined stages of transition to reference pricing for medicines

On October 28, the FAS of Russia held the second discussion about the forthcoming system of medicine compensation and reference prices with experts on pharmaceutical market. FAS of Russia proposed several stages of transition to the reference pricing system, the first 3 of which shall be as follows:

1. The introduction of concepts for substitute medicines, substitute biological medicines and substitute immunobiological medicines, development of the procedure for setting out substitutability of medicines, establishment and maintenance of a register for substitute medicines.

2. The introduction of simplified procedure for registration of generic drugs, particularly for those INN within the scope of which only one trade name is registered.

3. Adoption of GMP compliance by pharmaceutical manufacturers.

November 11, 2011, Cevoz.ru

Russian Society for Orphan Disorders has been established in Russia

The delegates of Civil Conference of patients with rare diseases representing patients with 35 orphan disorders from 46 subjects of the Russian Federation have made a decision to establish Russian Society for Orphan Disorders. The chairman of the board of above organization is Ms. Ekaterina Zakharova, Genetic Metabolic Disease Research Director, Medicogenetic Scientific Centre of Russian Academy of Science. The Society shall represent interests of the patients suffering from rare diseases.

November 15, 2011, The Rossiyskaya Gazeta

Specification of dosage forms have been re-entered into the list of vitally important and most essential medicines (VIMEM)

The draft VIMEM was released to public on the website of Ministry of Public Health and Social Development of Russia as far back as end of September. The Ministry Commission decided to include in VIMEM another 24 new medicines. On top of that, specification of particular dosage forms has been removed from VIMEM which strongly worried the market. Experts believed that such action would unreasonably expand the list, as behind each INN there were several trade names. The Ministry of Public Health and Social Development met halfway the pharmaceutical manufacturers and distributors. Specification of dosage forms have been re-entered into the list of VIMEM which fully complies with recommendations of the World Health Organization and own orders of the authority.

November 15, 2011, Businessfm.bfm.ru

Russia to cut import duties on medicines

According to joining documents, after joining the WTO the rates shall be reduced from 15 to 6.5%, The documents are made available on the web-site of the Ministry of Health and Social Development.

David Melik-Guseinov, an expert of pharmaceutical market, believes that cut in prices in pharmacies is not worth waiting. First of all, the duty only applies to manufacturers and not to distributors and pharmacy retailing. Secondly, the duty rates will spiral down within 2-3 years.

November 17, 2011, The Kommersant

FAS detected a new price collusion related to government procurements of medicines

Firms R-Pharm, Rosta and Protek have been caught in price collusion. FAS Commission established that the tender for ten lots within the frame of auction for the purchase of medicines under 7 Nosologies Programme held in November 2008 had been carried out in contravention of the law "Concerning the Protection of Competition". Three pharmaceutical companies – Protek, Rosta and R-Pharma – entered into an agreement that didn't allow it to reduce prices in the course of the auction. The following stage will include the institution of administrative proceedings which may result in delivering judgements regarding particular penalty sanctions. The maximum penalty which pharmaceutical companies may face is the penalty at the rate of up to 15% of annual revenues, commented the FAS.

November 16, 2011, The Vedomosti

Foreign drug manufacturers rely on the brisk growth of Russian pharmaceutical industry

From the beginning of 2009 to October 2011, six foreign drug manufacturers announced the construction of new plants in Russia. Their total volume of stated investments into construction amounted to over USD 400 mln. The global trend comprised redistribution of resources and reduction of manufacturing facilities, said Mr. Vladimir Shipkov, Executive Director of AIMP. But in Russia, according to him, there is another trend and one of the reasons for such trend is the priority development of Russian pharmacological industry announced by the government. Developing local manufacturing facilities in the domestic market is economically feasible only if their sales reach a certain volume. A local plant makes it possible to faster address varying needs and realities of the market. Localization is the opportunity to further sell domestic medicines under government programmes.

November 29, 2011, RBCDaily

ARPM applied to Prime Minister Vladimir Putin for intervening in a situation developed around registration of prices for life-saving drugs

Russian pharmaceutical manufacturers applied to Premier Minister for taking operative actions because the situation around registration of prices for medicines from the list of life-saving drugs became critical. ARPM reminds in its letter that the Ministry of Public Health and Social Development had to submit a draft list for 2012 not later than October 15, 2011, however, up to now the fate of the letter remains unknown. The draft list presented by the Ministry of Public Health and Social Development to experts and authorities for consideration in September was taken apart by pharmaceutical community and "killed" in the government. Up to now there is no new list, there is only some list of medicines to which, as it was explained in the Ministry of Public Health and Social Development, pharmaceutical manufacturers are required to register prices for 2012. These items are expected to be added to the list for 2011.

NEWS FROM COMPANIES

November 3, 2011, Remedium.ru

AstraZeneca to contribute $1.2 billion over five years to the Russian economy

On November 2, 2011, the meeting of Minister of Industry and Trade of the Russian Federation Victor Khristenko and Executive Vice-President of Global Commercial Subdivision of AstraZeneca Tony Zook was held. The parties discussed prospects for cooperation within the scope of innovation-based development of the Russian pharmaceutical market.

During the meeting, the parties discussed the issues of strategic investments of AstraZeneca to growth of local production facilities and expansion of research and development projects on the territory of Russia.

According to Tony Zook, Russia is one of the most important to business countries for AstraZeneca. AstraZeneca will contribute $1.2 billion over five years to the Russian economy.

November 18, 2011, Advis.ru

RT-Biotechprom signed Memorandum of Understanding with Novartis Pharma LLC

Memorandum of Understanding with Novartis Pharma contemplates setting up in the Russian Federation of joint enterprises for production of modern medicines, especially, in the area of treating patients with myelosis. The parties intend to share special knowledge and practical experience related to the production, certification, storage, transportation and logistics of medications for the purposes of fast and large-scale provision of such medications to patients suffering from myelosis in the Russian Federation.

November 24, 2011, RBC

Novartis and SPSCPA to jointly train staff for a pharmaceutical plant to be constructed in St. Petersburg

Novartis and St. Petersburg State Chemical Pharmaceutical Academy signed a Memorandum. President of Novartis Group in Russia Mr. V. Vlasov said that the joint project of Swiss company and SPSCPA comprises investments to the development of high qualified specialists for domestic public health care including staff to meet needs of a pharmaceutical plant under construction in St. Petersburg.

For any questions and comments please call
Vladimir G. Shipkov, CEO, AIPM
Tel.: 933 70 40
For more information on the AIPM, please, visit our website: http://www.aipm.org
Ekaterina Korduban, Head of PR and Development of Remedium Group
Tel.: 780 34 25, fax: 780 34 26
For more information on the Remedium Group, please, visit our website: http://www.remedium.ru