Association of International Pharmaceutical Manufacturers

Ассоциация международных фармацевтических производителей

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

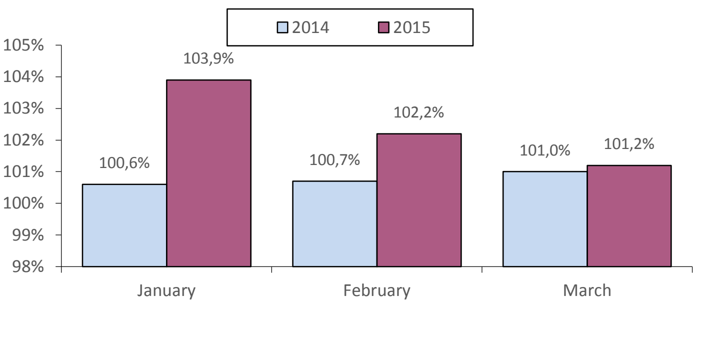
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in March 2015, the Consumer Price Index was estimated as 101.2%, compared to the previous month. At the first quarter-end 2015, the index was 107.4%.

According to preliminary data, industrial Producer Price Index was 105.5% in March this year, while in the month-earlier period it had amounted to 102.1%.

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



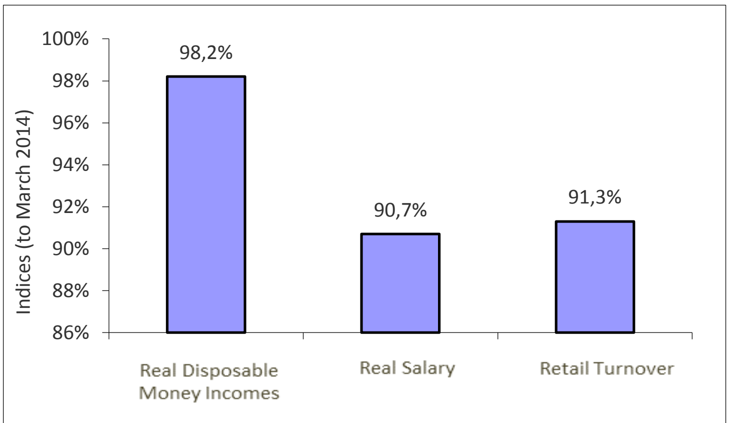
Living standard

According to preliminary Federal State Statistics Service's data, in March 2015 a gross average monthly salary per worker reached RUB 33,205 (USD 551.3) which accounted for 106% compared to the previous month and 106.1% compared to March 2014. The real wage in March 2015 accounted for 90.7% as compared with the same period in 2014. In March 2015, the real value of disposable cash income accounted for 98.2% as compared with the same period of 2014 (Fig. 2).

Retail turnover

In March 2015, the retail turnover was equal to RUB 2,201.2 bln, which in comparable prices accounted for 91.3% compared to the same period a year ago, in the first quarter of 2015. - RUB 6286.5 bln and 93.3% (Fig. 2).

Figure 2. Real values of cash income, wage and retail turnover in March 2015



Source: Rosstat

Manufacture of Industrial Products

According to Federal State Statistics Service's data, in March 2015 Industrial Production Index accounted for 99.4% compared to the same period in 2014, and in in the first quarter of 2015 - 99.6%).

According to Federal State Statistics Service's data, in the first quarter of 2015 Pharmaceutical Production Index accounted for 111.6% (in physical term) compared to the same period in 2014.

Domestic production

The top-10 domestic pharmaceutical manufacturers by production volume at March-end 2015 are shown in Table 1 The total production volume of top ten manufacturers was estimated at USD 114.30 mln.

Table 1. Top ten chemical and pharmaceutical manufacturers by production volume in March 2015

Rank	Manufacturer	Production volume, $mln
1	Otcpharm	24.64
2	Pharmstandart	15.31
3	Valenta	12.33
4	Stada	11.98
5	Sotex	9.83
6	KRKA	9.31
7	Nearmedic Plus	7.86
8	Ozon	7.86
9	Veropharm	7.75
10	Materia Medica	7.44

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In February 2015 compared to the previous month, the positive growth in pharmacy sales (in terms of roubles) was observed in all regions. The highest performance was observed in Krasnodar Krai (+36%), the lowest one in Rostov Region (+11%).

Table 2. Pharmacy sales in the regions, 2014-2015

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	December 2014	January 2015	February 2015	December/ November 2014	January15/ December 2014	February/ January 2015
Moscow	181.2	100.9	117.0	41%	-38%	22%
St. Petersburg	41.7	29.1	33.8	24%	-22%	22%
Krasnodar Krai	28.6	18.2	23.5	32%	-29%	36%
Novosibirsk Region	20.1	13.2	14.6	36%	-27%	16%
Tatarstan	24.8	13.9	17.3	52%	-38%	31%
Krasnoyarsk Krai	14.9	12.5	13.7	8%	-7%	15%
Rostov Region	21.6	16.8	17.8	19%	-14%	11%
Voronezh Region	16.9	9.6	10.6	50%	-37%	15%
Perm	7.1	3.5	4.1	72%	-45%	23%
Tyumen	6.3	4.0	4.6	37%	-30%	21%

Advertising

The largest advertisers and pharmaceutical brand names highly publicized in mass media (TV, radio, press, outdoor advertising) are shown in Tables 3 & 4.

Table 3. Top five advertisers in mass media in March 2015

Rank	Company*	Quantity of broadcasts
1	Novartis	18,732
2	Otcpharm	16,214
3	Bayer AG	14,003
4	Sanofi Aventis	12,064
5	Reckitt Benckiser	6,432

Source - Remedium according to TNS Russia's data

Table 4. Top five brand names in mass media in March, 2015

Rank	Brand*	Quantity of broadcasts
1	Strepsils	3,274
2	Essentiale	3,152
3	Linex	2,837
4	Persen	2,776
5	Evalar	2,678

Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

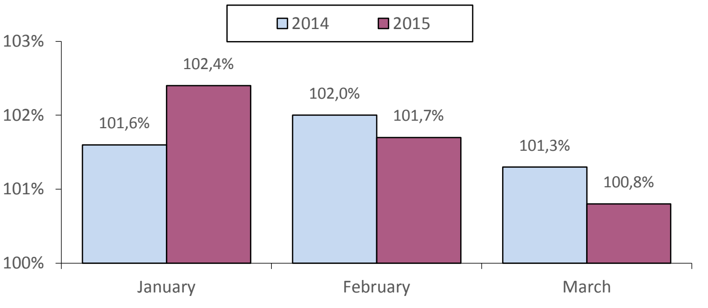
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of National Statistical Committee of the Republic of Belarus, in March 2014 the Consumer Price Index was estimated at 100.8%, compared to the previous month (for comparison in March 2014 it was %), to March 2014 - 116.2%. In the first quarter of this year the Consumer Price Index was 116.7% as compared to the same period of 2014.

In March this year, the Industrial Producer Price Index was 100.8% , as compared to February 2015, while in the month-earlier period it had amounted to 103.3%. In the first quarter of this year, the Industrial Producer Price Index was 117.3% as compared to the same period of 2014.

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



Source: Belstat

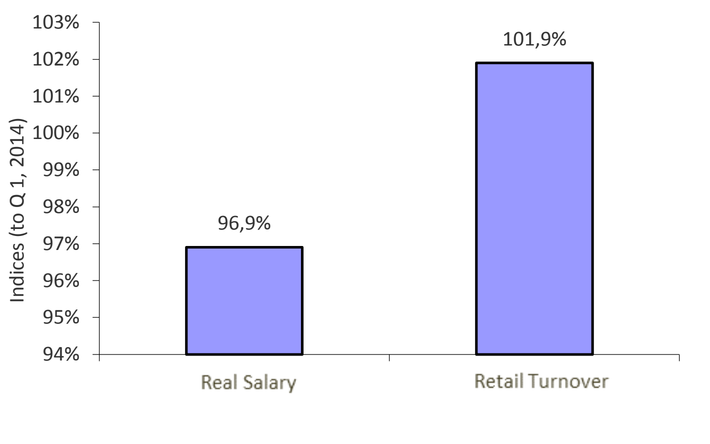
Living standard

According to the preliminary Balstat's data, in January-March 2015 the average monthly nominal accrued wage of the workers of the Republic of Belarus was BYR 6,226.4 thd (USD 421.1[1]). In January-March 2015, the real wage reduced by 3.1% as compared to January-March 2014 and accounted for 96.9%, in March 2015 it increased by 5% as compared to February 2015. In January-March 2015, the real disposable cash income accounted for 97% to the 2014 January-March level (Fig. 2).

Retail turnover

In the first quarter of 2015, the retail turnover amounted to BYR 78.3 tln, which was 1.9% more in comparable prices than in the first quarter of 2014 (Fig. 2).

Figure 2. Real values of cash income, wage and retail turnover in the first quarter of 2015



Source: Belstat

Manufacture of Industrial Products

According to Belstat's data, in the first quarter of 2015 the industrial output by economic activities "Mining industry", "Processing Industry" and "Production and distribution of electricity, gas and water" at current prices amounted to BYR 172.6 tln. Industrial Production Index accounted for 92.7% to the first quarter 2014 level.

According to Belstat's data, in the first quarter 2015 the pharmaceutical production output was estimated at BYR 1,740.4 bln, which accounted for 129.3% to the first quarter 2014 in comparable prices.

[1] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Belarus www.nbrb.

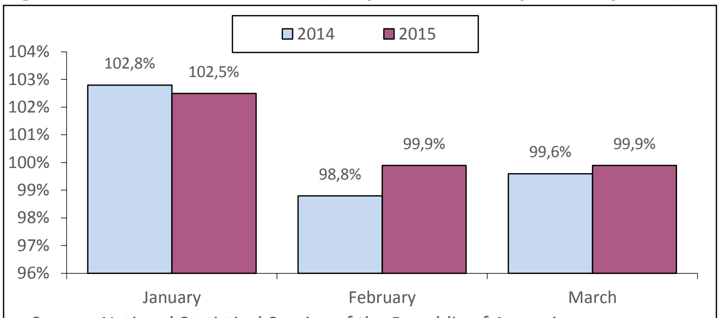
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to data of National Statistical Service of the Republic of Armenia, in March 2015 the Consumer Price Index was estimated at 99.9%, compared to the previous month. For the period from January to March this year, the Index accounted for 105.1%.

In March this year, the Industrial Producer Price Index was 99.5%, as compared to February 2015, while in the month-earlier period it had amounted to 98.4%. For the period from start of the year, it accounted to 105.4%.

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



Source: National Statistical Service of the Republic of Armenia

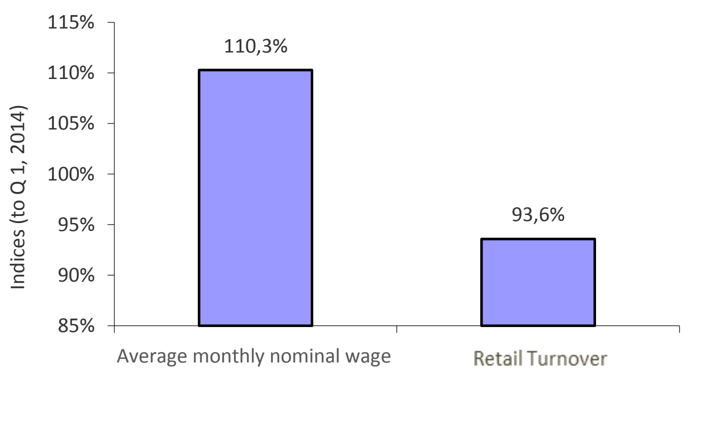
Living standard

According to the preliminary data of the National Statistical Service of RA, in March 2015 the average monthly nominal accrued wage of the workers of the Republic of Armenia was Dram 176,269.0 (USD 369,03). In January-March 2015, the average monthly nominal wage was Dram 174,347.0 (USD 365) and 110.3% to January-March 2014 (Fig.2). According to the State Statistical Efforts Program for 2008, calculation of real disposable income has not been performed since 1 January 2008.

Retail turnover

The retail turnover amounted to Dram 101,140.4 mln in March 2015, and Dram 271.123.8 mln since the start of the year, which accounted for 93.9% and 93.6% respectively, as compared to the same period of the previous year (Fig. 2).

Figure 2. Average monthly wage and retail turnover in the first quarter of 2015



Source: National Statistical Service of the Republic of Armenia

Manufacture of Industrial Products

According to the preliminary data of the National Statistical Service of RA, in March of 2015 the industrial output by economic activities "Mining industry", "Processing Industry" and "Supply (service) of electricity, gas, steam and conditioned air" and "Water supply, sewage water, management and disposal of waste" at current prices amounted to Dram 104,898.7 mln, in the first quarter - Dram 288,738.3 or 102% to January-March 2014.

According to the National Statistical Service of RA, in March 2015 the pharmaceutical production output was estimated at Dram 721.0 mln, which accounted for 152.5% to March 2014.

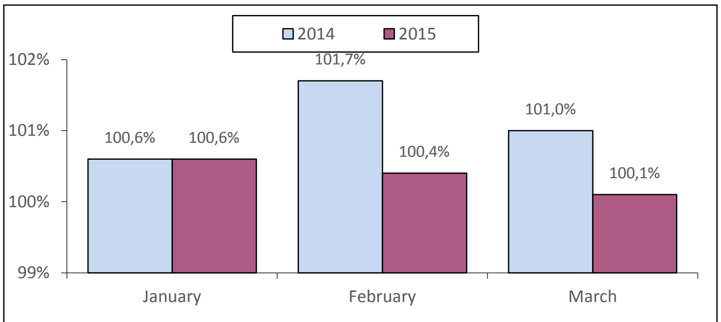
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in March 2015 the Consumer Price Index was estimated at 100.1%, compared to the previous month. In January-March of this year the Consumer Price Index was 106.2% as compared to the same period of 2014.

In March 2015, the core industrial producer price index (with due account for the production services) accounted for 103.6% as compared to February of this year. A month earlier, it was 91.7%, and in January-March 2015 it was 80.1% as compared to January-March 2014.

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



Source: Committee for Statistics of RK

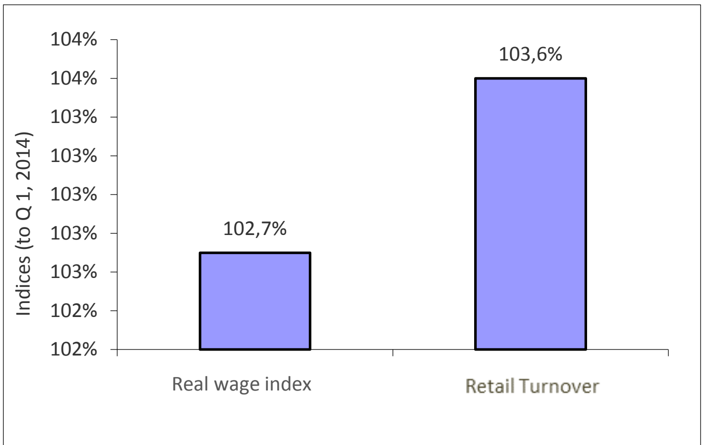
Living standard

According to the preliminary data of the Committee for Statistics of RK, in March the average monthly nominal wage per worker was Tenge 132,544.0, in the first quarter - Tenge 118,638 (USD 643.69 [2]). The Nominal Wage Index to the first quarter of 2014 accounted for 109.1%, the Real Wage Index - 102.7%. In January-February 2015, the Real Cash Income Index to the same period of the previous year was 104.1% (Fig. 2).

Retail turnover

In January-March 2015, the retail turnover amounted to Tenge 1,310,559 mln. The Volume of Retail Turnover index to the same period of the previous year accounted for 103.6% (Fig.2).

Figure 2. Average monthly wage index and retail turnover in the first quarter of 2015



Source: Committee for Statistics of RK

Manufacture of Industrial Products

According to data of the Committee for Statistics of RK, in January-March 2015 the industrial output was Tenge 3,372,315 mln. In the first quarter of 2015, the Volume of Industrial Products index to the same period of the previous year accounted for 100.6%.

According to data of the Committee for Statistics of RK, in the first quarter of 2015 the essential pharmaceuticals output was Tenge 6,561 mln. At the end of January-March 2015, the Volume of Industrial Production for Pharmaceuticals index to January-March 2014 was 98.6%.

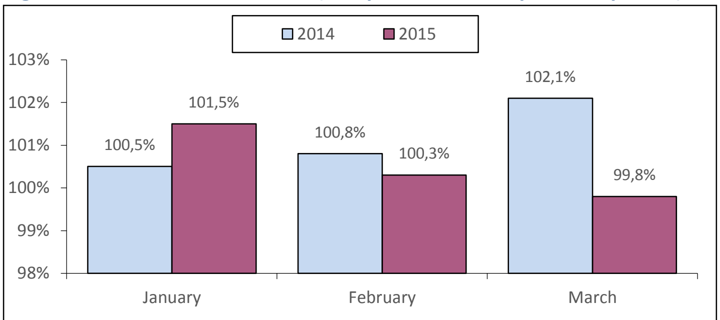
MACROECONOMIC INDICES OF THE REPUBLIC OF KYRGYZSTAN

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of the Republic of Kyrgyzstan, in March 2015 the Consumer Price Index was estimated at 98.8%, compared to the previous month. In January-March of this year, the Index was 110.3% as compared to the same period of 2014.

In January-March 2015, the Core Industrial Producer Price Index (with due account for the production services) accounted for 108.4% as compared to January-March 2014.

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



Source: Committee for Statistics of RK

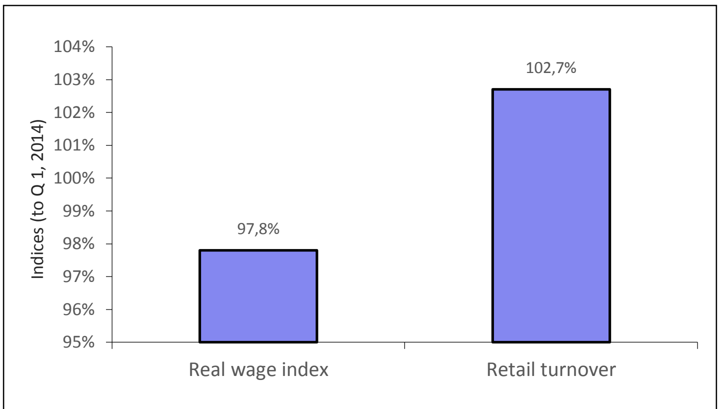
Living standard

According to data of the Committee for Statistics of the Republic of Kyrgyzstan, in February the average monthly nominal wage per worker was Som 11,703, yearly average in 2014 - Som 12,522 (USD 233.36 [3]). In the first quarter 2015, the Real Wage Index to the first quarter of 2014 accounted for 97.8% (Fig. 2).

Retail turnover

In January-March 2015, the retail turnover amounted to Som 21,801.7 mln. The Volume of Retail Turnover Index to the same period of the previous year accounted for 102.7% (Fig.2).

Figure 2. Average monthly wage index and retail turnover in the first quarter of 2015



Source: National Committee for Statistics of RK

Manufacture of Industrial Products

According to data of the National Committee for Statistics of the Republic of Kyrgyzstan, in January-March 2015 the industrial output was Som 50179.7 mln (USD 836 mln). In the first quarter of 2015, the Volume of Industrial Products index to the same period of the previous year accounted for 120.9%.

According to data of the National Committee for Statistics of the Republic of Kyrgyzstan, in the first quarter of 2015 the essential pharmaceuticals output amounted to Tenge 41.8 mln. At the end of January-March 2015, the Volume of Industrial Production for Pharmaceuticals index to January-March 2014 was 114.9%.

[2] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Kazakhstan www.nationalbank.kz

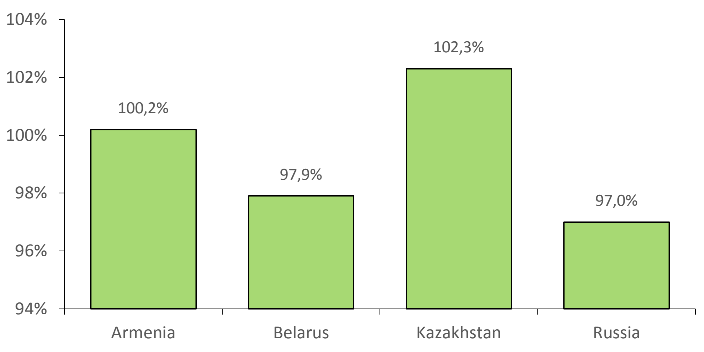
[3] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Kyrgyzstan www.nbkr.kg

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN UNION (EEU)

GDP

According to Eurasian Economic Commission's data (EEC), at the end of January-March 2015 GDP growth was registered in Kazakhstan (+2.3%) and Armenia (+0.2%). In two countries, Russia (-3%) and Belarus (-2.1%) GDP reduced as compared to the same period of 2014 (Fig. 1).

Figure 1. GDP growth of EEU countries (January-March 2015 to January-March 2014)

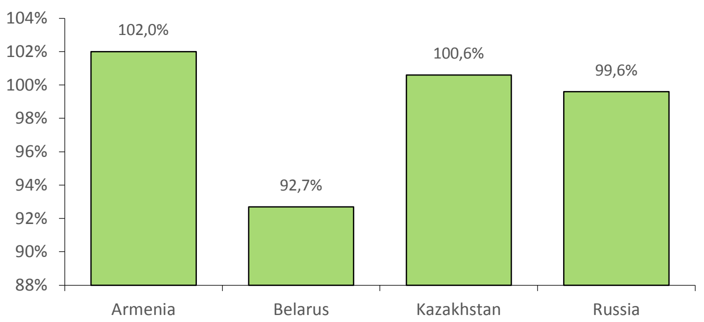


Source: EEU

Manufacture of Industrial Products

According to EEU's data, the volume of industrial production (at constant prices) in the CIS countries in the first three months of 2015 as compared to the same period of 2014 was as follows: 102% in Armenia, 92.7% in Belarus, 100.6% in Kazakhstan, 99.6% in Russia (Fig.2).

Figure 2. Industrial production in the EEU member-states in the first quarter of 2015 (as compared to Q1, 2014)

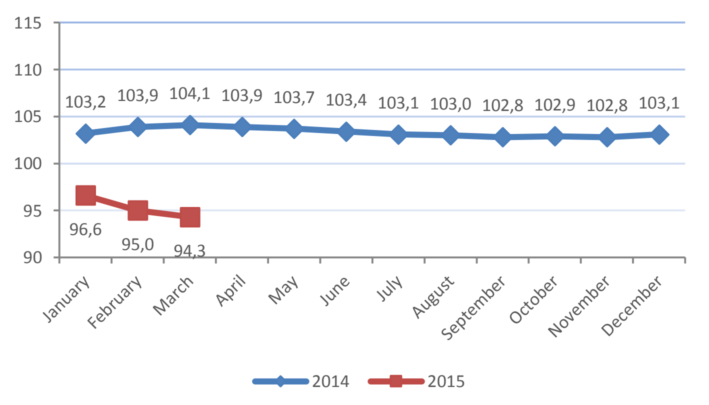


Source: EEU

Retail turnover

According to the EEC, the retail trade turnover (through all sales channels) of EEU member-states in January-March 2015 amounted to USD 116.3 bln. Compared with the same period of 2014, the volume of retail sales (in comparative prices) decreased by 5.7%. The main reason for the overall decline was the decline in retail turnover in Russia (-6.7%) and Armenia (-6.6%). In Kazakhstan and Belarus, the retail trade turnover increased (by 3.6% and 1.9%, respectively).

Figure 3. Retail turnover in January-March 2015



Nominal and real wage

According to the EEC's data, in the first quarter of 2015 the nominal wages increased in all EEU member-states. In January-March 2015, the average monthly nominal wage increased by 10.3% in Armenia , 13.1% in Belarus, - 9.1% in Kazakhstan, 6.5% in Russia, as compared with the same period of 2014. Given the increase in consumer prices for goods and services, the real wage increased by 4.9% in Armenia, 2.7% in Kazakhstan; and decreased by 3.1% in Belarus, and by 8.3% in Russia.

Table 1. Nominal and real wage in January-March 2015

Country	Real wage, as % to the same period of 2014	Nominal wage, USD
Armenia	104.9	365.3
Belarus	96.9	419.4
Kazakhstan	102.7	642.5
Russia	91.7	511.6
Kyrgyzstan	97.8	194.5

Budget implementation in the first quarter of 2015

According to the EEC's data, in January-March 2015 the republican1 budget surpluses have given way to the budget deficits in Armenia, Kazakhstan and Russia, due to lower income growth in Armenia and reduction of income in Russia and Kazakhstan, as compared to the same period of the previous year. In Belarus, on the contrary, the national budget surplus increased due to outstripping growth rates of income.

The expenditure part of the republican budget has increased in all EEU member-states and Kyrgyzstan.

Table 2. Republican budget in January-March 2015

Country	USD bln		
	Income	Expenditure	Deficit (surplus)
Armenia	0.5	0.6	-0.0
Belarus	2.4	1.9	0.5
Kazakhstan	7.7	8.4	-0.7
Russia	55.3	66.4	-11.1
EEU	**65.9**	**77.3**	**-11.3**
Kyrgyzstan	0.3	0.3	0.03

Mutual trade of EEU member-states in January-February 2015

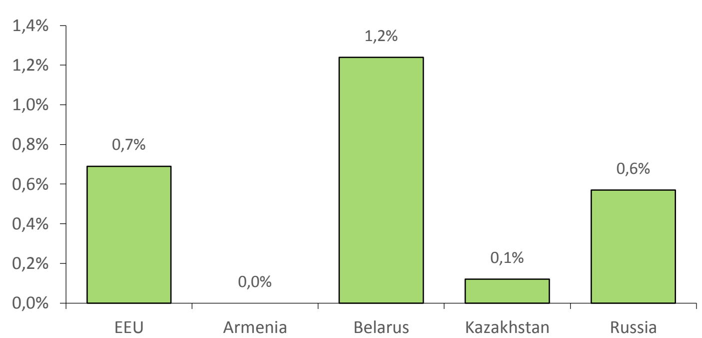
The volume of mutual trade in commodities of EEU member-states in January-February 2015 amounted to USD 5.9 bln or 68.9% as against January-February 2014.

Table 3. Volumes of mutual trade in commodities of EEU member-states in January-February 2015

Countries	USD bln	As % to January-February 2014	As % of total
EEU	5,918.2	68.9	100.0
Armenia - Belarus	2.9	62.8	0.0
Armenia - Kazakhstan	0.1	x	0.0
Armenia - Russia	187.3	77.8	3.2
Belarus - Kazakhstan	77.5	76.0	1.3
Kazakhstan - Russia	3,569.7	65.0	60.3
Russia - Belarus	2,080.7	75.5	35.2

Pharmaceutical products accounted for a small share In the structure of mutual trade (less than 1%) (Figure 4).

Table 4. The structure of mutual trade between EEU member-states within the Customs Commodity Code group "Pharmaceutical products" in Q1 2015 (as percentage of total volume of mutual trade)



RUSSIAN FEDERATION REGIONAL HOSPITAL MARKETS: 2014 RESULTS

According to the results of the Hospital Purchase Audit in Russian Federation™, at 2014-end, eleven regional markets taken individually accounted for 43.1% of the entire hospital sector of Russian Federation. In the year-earlier period they accounted for 46.2%. The biggest market is the market of Moscow which share accounted for 15.1% of hospital purchases (Fig. 1). Further follow the markets of Saint Petersburg (6.8%), Sverdlovskaya Oblast (4.4%) and Krasnodarsky Krai (3.1%). The regional markets considerably differ by average cost of a hospital OTC pack. The highest average cost of a hospital pack was registered in St. Petersburg (USD 10.12). St. Petersburg was followed by Moscow (USD 9.0), Krasnoyarsk Krai (USD 7.47) and Ekaterinburg Region (USD 7.13). The lowest average price was recorded in the Republic of Bashkortostan (USD 4.09).

Figure 1. Region's share in total hospital purchases in the Russian Federation at the end of 2014

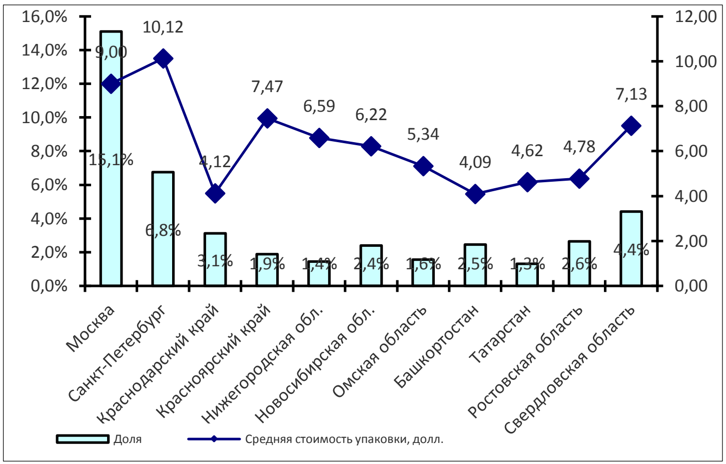


Table 1 provides information of the ranks of the All-Russia top drug manufacturers in the regional top ten rankings. At the year-end 2014, the largest share of the Russian hospital market was accounted for by the drugs made by the drug manufacturer Pfizer. But it became the leader only in one analysed region - Omsk Region. Pfizer was ranked third in the Krasnodar Krai, and fifth in the Nizhny Novgorod Region. In another five regions the drug manufacturer entered the top ten ranking, and in the other three regions it was ranked among the top twenty drug manufacturers. The drug manufacturer Sanofi-Aventis placed at rank 2 in the All-Russia ranking was ranked number one in the hospital markets of Krasnodar Krai and Rostov Region, the second in the market of Moscow and the third in the Republic of Bashkortostan, Nizhny Novgorod Region and Omsk Region. Note that in all analysed regions this manufacturer was not ranked lower than the ninth. Rounding out the top three, Roche was placed at the same ranks in the markets of St. Petersburg, in Ekaterinburg Region and Rostov Region, and was ranked fourth in Moscow. The manufacturer was placed at ranks 6 through 9 in five regions of the Russian Federation, respectively. However, in Krasnoyarsk Krai it was ranked number one, and only 13th in the Krasnodar Krai. Note that the leader of the top 10 in Nizhny Novgorod (Menarini) didn't enter the All-Russia top ten. The maximum number of "crossings" with the regional and all-Russia rankings was observed in the Novosibirsk Region (9 positions), the minimum number – in the Rostov Region (4 positions).

Table 1. The top 10 drug manufacturers by hospital purchases (rank in the regional rankings)

Rank in RF ranking	Company	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodar Krai	Bashkortostan	Tatarstan	Ekaterinburg Region	Niizhny Novgorod Region	Rostov Region	Novosibirsk Region	Krasnoyarsk Krai	Omsk Region
1	Pfizer	8	7	3	8	11	9	5	11	7	17	1
2	Sanofi Aventis	2	5	1	3	9	4	3	1	9	5	3
3	Roche	4	3	13	7	8	3	6	3	8	1	9
4	Abbvie	6	6	19	1	6	1	8	27	3	13	17
5	Merck Sharp Dohme	3	2	4	6	5	5	10	6	5	2	8
6	Johnson & Johnson	1	1	6	16	2	6	11	12	6	6	12
7	GlaxoSmith-Kline	7	4	12	4	1	2	4	30	1	9	13
8	Nycomed/Takeda	11	15	9	14	7	19	14	2	2	3	18
9	AstraZeneca	13	12	7	11	26	22	18	14	11	12	5
10	Bayer Healthcare	12	11	20	18	10	10	21	15	10	10	14

More significant deviations in the regional top 10 rankings were observed with a breakdown of individual brands (Table 2). The leader of the Russian hospital market PREVENAR was ranked among the top ten brand names in seven regions, not becoming a leader in either of them. The drug was ranked among the top twenty brand names in St. Petersburg and Tatarstan, and among the top three brand names in Moscow and Krasnoyarsk Krai. The traditional hospital drug SODIUM CHLORIDE was ranked number one in Krasnodar Krai, Rostov Region and Omsk Region. It was ranked 2nd in Bashkortostan, 3rd in St. Petersburg and Ekaterinburg Region, and fifth in Tatarstan and Novosibirsk Region. However, this brand moved up to rank 8 in Moscow and rank 15 in Nizhny Novgorod Region. Placed at rank three in the All-Russia ranking, KALETRA was ranked number one in four analysed markets (St. Petersburg, Tatarstan, Ekaterinburg Region and Novosibirks Region). The drug was placed at rank three in Moscow and Bashkortostan, rank six and nine in Krasnodar Krai and Nizhny Novgorod Region, respectively. It moved down to much lower ranks in the remaining three regions. Note that in four analysed regions the local ranking leader was not included in the All-Russia top ten. The maximum number of "crossings" with the all-Russia list of top brand names was observed in Ekaterinburg region (seven positions), the minimum number of those was registered in Moscow, Nizhny Novgorod Region and Omsk Region (three positions each).

Table 2. The top 10 brands by hospital purchases (rank in the regional rankings)

Rank in RF ranking	Brand	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodar Krai	Bashkortostan	Tatarstan	Ekaterinburg Region	Niizhny Novgorod Region	Rostov Region	Novosibirsk Region	Krasnoyarsk Krai	Omsk Region
1	PREVENAR	29	11	2	5	12	7	3	7	3	26	3
2	SODIUM CHLORIDE	8	3	1	2	5	3	15	1	5	6	1
3	KALETRA	3	1	6	3	1	1	9	31	1	16	26
4	PREZISTA	2	8	52	27	6	4	19	69	4	7	162
5	HERCEPTIN	40	7	294	11	N/A	9	10	5	37	3	75
6	CLEXANE	13	19	3	14	18	8	12	4	20	5	16
7	KIVEXA	16	21	12	10	3	2	17	334	10	8	247
8	REYATAZ	44	9	36	7	2	5	11	58	45	24	76
9	ISENTRESS	23	17	34	15	7	6	27	81	11	10	315
10	CEFTRIAX-ONE	56	45	15	4	13	18	41	22	16	13	5

Considerable variance in the consumption structure of not only individual drugs, but also of pharmacotherapeutic groups is observed depending on the regions (table 3). However, it should be noted that the leader of all-Russia ranking – J05 Antivirals for systemic use was ranked among the top five ATC groups in almost all regions. On top of that, this ATC group topped the regional top 10 in five of them. It was ranked 10th only in Nizhny Novgorod Region. The second group of All-Russia hospital ranking - J01 Antibacterials for systemic use - has got short-listed in the top three in all analysed regions. At the same time, it topped the top 10 in the Krasnodar Krai and Krasnoyarsk Krai, and Omsk Region. Ranked third, ATC group L01 Antineoplastic agents was ranked number one in the top ten of St. Petersburg and Rostov Region, and ranked second in the Ekaterinburg Region. It was placed at rank three and four in another seven regions, whereas in Tatarstan it was placed only at rank 27. The top-10 ATC groups of all-Russia hospital sector was reproduced to the maximum extent in St. Petersburg and Krasnodar Krai (9 positions match) and to the minimum extent in Nizhny Novgorod Region (five positions).

Table 3. The top 10 ATC groups by hospital purchases (rank in the regional rankings)

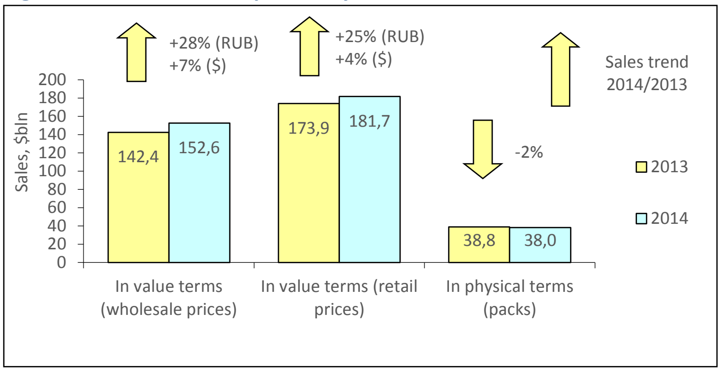
Rank in RF ranking	ATC code	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodar Krai	Bashkortostan	Tatarstan	Ekaterinburg Region	Niizhny Novgorod Region	Rostov Region	Novosibirsk Region	Krasnoyarsk Krai	Omsk Region
1	J05	2	2	5	1	1	1	1	5	1	2	10
2	J01	3	3	1	2	3	3	2	2	2	1	1
3	L01	4	1	3	4	27	2	3	1	4	4	3
4	B05	5	5	2	3	4	5	14	3	3	62	2
5	J07	1	6	6	7	7	4	5	13	6	10	4
6	B01	8	9	4	5	2	6	12	4	7	3	6
7	V08	9	7	9	11	5	11	21	17	5	6	16
8	J04	27	21	10	15	6	7	7	6	8	7	8
9	L04	6	8	8	27	9	10	20	32	13	19	14
10	N05	15	4	13	10	13	16	19	11	18	16	9

Conclusion. As comparison of the main rankings shows, the Russian hospital sector was marked by the pronounced regional specificity of market profile. However, in most cases the leaders of all-Russia rankings got high ranks in the regional hospital markets as well.

ROSTOV-ON-DON PHARMACY MARKET: 2014 RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Rostov-on-Don was estimated as 1.11 mln, which accounted for 0.8% of the total Russian Federation population and 7.9% of Southern FO (SFO). According to Federal State Statistics Service's data, in 2014 the average salary in the Rostov region was RUB 23,621 (USD 503.0), which was 28% lower than the national average wage in Russia (RUB 32,611). According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at year-end 2014 the sales of drugs in physical terms in the pharmacies of Rostov-On-Don saw a 2% decrease to 38.035 mln packs. In value terms, the OTC drugs market increased by 28% in rouble terms and by +7% in dollar terms and reached RUB 5.809 bln (USD 6.508 bln) in wholesale prices (Fig. 1). The city market share accounted for 1.1% of the sales (in retail prices). The average cost of an OTC pack increased as compared to a year earlier and reached USD 4.78 (vs. USD 4.48) in retail prices. At year-end 2014, the average amount spent by residents of Rostov-On-Don for OTC drugs in the pharmacies amounted to USD 163.71.

Figure 1. Rostov-On-Don pharmacy market in 2013 – 2014



Due to high growth rates, at 2014-year end BAYER (+57%[4]) held and strengthened the leading positions in the Rostov-On-Don market (table 1). The markets of another three manufacturers developed at outstripping pace. NYCOMED/TAKEDA (+94%) moved up to rank two from nine, and TEVA (+32%) also moved up one rank, to number six. Due to two-fold growth in sales, the only newcomer of the top ten GEDEON RICHTER moved up to rank four. At the same time, the less dynamic manufacturers, on the contrary, fell in the ranks. The manufacturers SANOFI-AVENTIS (+17%), SERVIER (+18%), SANDOZ (+3%), ABBOTT (-1%) and NOVARTIS (+14%) moved down to ranks three and five from ranks seven through nine, respectively. As before, MENARINI (+22%) held its previous rank ten in the top ten. The cumulative share of the top ten manufacturers increased from 36.1% to 37.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	**BAYER HEALTHCARE**	6.3	5.2
2	9	**NYCOMED/TAKEDA**	4.7	3.1
3	2	**SANOFI-AVENTIS**	4.3	4.7
4	12	GEDEON RICHTER	3.7	2.3
5	3	**SERVIER**	3.6	3.9
6	7	TEVA	3.6	3.5
7	4	**SANDOZ GROUP**	3.1	3.7
8	5	**ABBOTT**	2.8	3.6
9	8	**NOVARTIS**	2.8	3.1
10	10	**MENARINI**	2.8	2.9
Total			37.6	36.1

*AIPM members are in bold

Most of the top-10 brand names rose in the ranks (table 2). ACTOVEGIN (+61%) moved up to rank number one from three. On top of that, hepatoprotector ESSENTIALE N (+28%) kept its previous rank two and the last year leader LYRICA (-18%) moved down to rank three. LINEX (+15%) moved up one rank, coming in at number 4. The newcomers broke into the ranks of the top ten, coming in at numbers five through eight and ten, respectively. Sales of THERAFLEX increased 2.5 times, MEXIDOL - 1.8 times, ELEVIT PRONATAL - 2.3 times, NIMESIL - 42% and CONCOR - 98%. The brand name KAGOCEL (+12%) moved down from rank six to nine. The total share of the top ten brand names increased by 0.7 p.p. and accounted for 8.2%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	3	ACTOVEGIN	1.3	1.0
2	2	ESSENTIALE N	1.2	1.2
3	1	LYRICA	1.0	1.5
4	5	LINEX	0.8	0.9
5	30	THERAFLEX	0.7	0.4
6	22	MEXIDOL	0.7	0.5
7	29	ELEVIT PRONATAL	0.7	0.4
8	11	NIMESIL	0.7	0.6
9	6	KAGOCEL	0.6	0.7
10	41	CONCOR	0.5	0.3
Total			8.2	7.5

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

The leader of the top-10 INN and group names ranking also changed (table 3). Due to 60% growth in sales, INN BLOOD moved up to rank one from five. Apart from the leader, another four INNs developed their markets at a fast pace. NIMESULIDE (+29%) moved up to rank two, and the newcomers of the top ten CHONDROITINSULFURIC ACID + GLUCOSAMINE (2.2-fold growth in sales), BISOPROLOL (+74%) and ETHYLMETHYLHYDROXYPYRIDINE (+86%) moved up to ranks six, seven and nine, respectively. Only INN PHOSPHOLIPIDS (+27%) managed to hold its own in the ranking. The other four INNs from the top 10 moved down to the lower ranks. INNs XYLOMETAZOLINE (+17%), PREGABALIN (-3%), PANCREATIN (-1%) and the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+15%) came in at numbers three, five, eight and ten, respectively. The cumulative share of the top 10 under review increased 0.3 p.p. to 10.7%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	5	BLOOD	1.4	1.1
2	3	NIMESULIDE	1.3	1.3
3	2	XYLOMETAZOLINE	1.2	1.4
4	4	PHOSPHOLIPIDS	1.2	1.2
5	1	PREGABALIN	1.2	1.6
6	18	CHONDROITINSULFURIC ACID + GLUCOSAMINE	1.0	0.6
7	16	BISOPROLOL	0.9	0.6
8	6	PANCREATIN	0.8	1.1
9	29	ETHYLMETHYLHYDROXYPYRIDINE	0.8	0.5
10	8	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.8	0.9
Total			10.7	10.4

The newcomers also entered the top-ten ATC Groups ranking (table 4). There were three of them: the groups A11 Vitamins (+58%), C09 Agents acting on the rennin-angiotenzin system (+46%), and A05 Bile and live therapy (+49%) which moved to ranks six, nine and ten, respectively. M01 Anti-inflammatory and antirheumatic products (+49%) remained the best selling group in the regional market. The most dynamic group of the top ten N06 Psychoanaleptics (+64%) moved up to rank two from ten. J01 Antibacterials for systemic use (+22%) held their previous rank three. J05 Antivirals for systemic use (+4%) showed the low sales growth rates and moved down from rank two to four. Apart from that, R01 Nasal preparations (+22%) and A07 Antidiarrheals, intestinal anti-inflammatory/anti-infective agents (+18%) also moved down to the lower ranks seven and eight. The total share of the analysed ranking, as well as one of the above rankings, increased in this case from 35.1% to 36.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2014	2013			2014	2013
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5.9	5.1
2	10	N06	PSYCHOANALEPTICS	3.8	3.0
3	3	J01	ANTIBACTERIALS FOR SYST USE	3.7	3.9
4	2	J05	ANTIVIRALS FOR SYSTEMIC USE	3.6	4.5
5	7	G03	SEX HORM&MODULAT GENITAL SYS	3.6	3.4
6	11	A11	VITAMINS	3.4	2.8
7	5	R01	NASAL PREPARATIONS	3.3	3.6
8	6	A07	INTESTINAL ANTIINFECTIVES	3.2	3.4
9	13	C09	AG ACT RENIN-ANGIOTENS SYST	3.2	2.8
10	14	A05	BILE AND LIVER THERAPY	3.1	2.7
Total				36.8	35.1

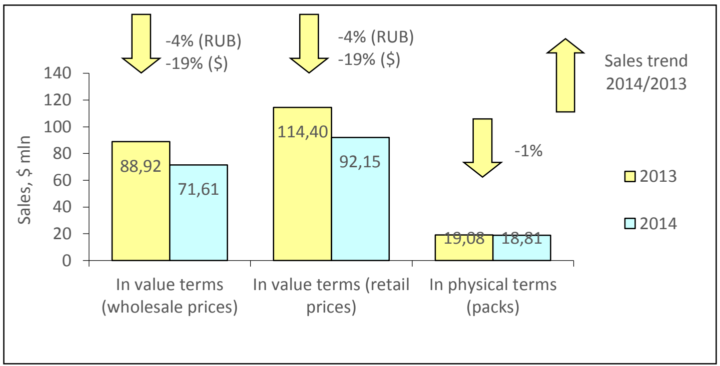
Conclusion. On the basis of the results for 2014, the retail pharmacy market of Rostov-On-Don brought in RUB 6.913 bln (USD 181.693 mln). It was 25% more in terms of roubles and 4% in terms of dollars than in 2013. In physical terms, the market showed the negative growth rates (-2%) and was equal to 38.035 mln packs. The average cost of OTC-pack in the Rostov-On-Don pharmacies was USD 4.78 based on the results for 2014 (in a year-earlier period - USD 4.48), it was more than the national average (USD 3.90). The average expenses of Rostov-On-Don residents for purchase of OTC drugs in pharmacies were also higher than the national average (USD 163.71 vs. USD 114.29).

KHABAROVSK PHARMACY MARKET: 2014 RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Khabarovsk's estimated population was 601.0 thd, which accounted for 0.4% of the total Russian Federation population and 9.7% of Far Eastern FO (FFO). According to Federal State Statistics Service's data, based on the results for 2014 the average wage in the Khabarovsk Krai was RUB 36,243 (USD 771.78), which was 11% higher than the average wage in Russia (RUB 32,611).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at year-end 2014 the sales of drugs in physical terms in Khabarovsk saw a 1% decrease to 18.812 mln packs. In value terms, the city pharmacy market (exclusive of DLO Programme) saw a 4% reduction in terms of roubles and -19% reduction in terms of dollars as compared to a year ago and reached RUB 2.717 bln (USD 71.606 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 0.6%. In 2014, the average cost of a FPP pack in the Khabarovsk pharmacies was USD 4.90 which was notably lower than in the year-earlier period (USD 5.99). At year-end 2014, the average amount spent by residents of Khabarovsk for drugs in the pharmacies amounted to USD 153.32.

Figure 1. Khabarovsk pharmacy market for 2013 – 2014



At year-end 2014, half of drug manufacturers from the top ten ranking, as well as the overall regional market, showed negative growth rates (Table 1). Among them were SANDOZ (-9%) and BAYER (-11%) that held their leading positions. The drug manufacturers NOVARTIS (-12%) and OTCPHARM (-13%) with accentuated decrease in sales fell in the ranks, moving down to ranks five and nine, respectively. However, the manufacturer TEVA (-2%) managed to move up one rank, coming in at number seven, despite the reduction in sales. Apart from it, the other three drug manufacturers from the top ten moved up to yet higher ranks. The drug manufacturers SERVIER (+6%) and NYCOMED/TAKEDA (+5%), as well as the only newcomer of the top ten GEDEON RICHTER (+15%) moved up one rank, coming in at numbers four and six. SANOFI-AVENTIS (+1%) and MENARINI (+2%) maintained their previous ranks three and ten. The cumulative share of the top ten manufacturers increased from 38.1% to 38.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	**BAYER HEALTHCARE**	5.2	5.5
2	2	**SANDOZ GROUP**	4.9	5.3
3	3	**SANOFI-AVENTIS**	4.3	4.1
4	5	**SERVIER**	4.1	3.7
5	4	**NOVARTIS**	3.8	4.1
6	7	**NYCOMED/TAKEDA**	3.5	3.3
7	8	TEVA	3.3	3.3
8	12	GEDEON RICHTER	3.2	2.7
9	6	OTCPHARM	3.1	3.4
10	10	**MENARINI**	3.0	2.8
Total			38.4	38.1

*AIPM members are in bold

As before, the leaders of the top ten brand names - ARBIDOL (-20%) and LINEX (-17%) - held the top two ranks of the ranking (Table 2). Note that virtually all brand names from the top ten showed reduction in sales. Only newcomers from the top ten - ESSENTIALE N (+31%) and INGAVIRIN (+8%) that moved to ranks three and seven - increased their sales volumes. However, two more brand names managed to rise in the ranks. Despite the negative growth rates, CYTOVIR-3 (-10%) moved up to rank four from six, and the product ACC (-11%) moved up to rank six from seven. Almost all the other brand names of the top-10 moved down to the lower positions. For example, LASOLVAN (-23%) moved down to rank five from three, and OSCILLOCOCCINUM (-28%) and KAGOCEL (-30%) moved down to the two bottom ranks of the top ten. Only AMOKSIKLAV (-13%) kept its previous rank eight. The total share of the top 10 decreased from 8.7% to 7.9%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	ARBIDOL	1.3	1.5
2	2	LINEX	1.0	1.1
3	13	ESSENTIALE N	0.8	0.6
4	6	CYTOVIR-3	0.8	0.8
5	3	LASOLVAN	0.7	0.9
6	7	ACC	0.7	0.8
7	11	INGAVIRIN	0.7	0.6
8	8	AMOKSIKLAV	0.7	0.7
9	5	OSCILLOCOCCINUM	0.6	0.9
10	4	KAGOCEL	0.6	0.9
Total			7.9	8.7

Half INNs from the top ten INNs and grouping names held their own in the ranking (table 3). The leading INNs XYLOMETAZOLINE (-5%), UMIFENOVIR (-20%), AMBROXOL (-14%) and the composition PARACETAMOL+ ASCORBIC ACID+ PHENIRAMINE+ PHENYLEPHRINE (-13%) held their leading positions, and IBUPROFEN (-5%) maintained its previous rank eight. Only one INN from the top ten fell in the ranks: the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (-17%) moved down from rank five to seven. At the same time, AMOXICILLIN + CLAVULANIC ACID (-11%) and INTERFERON ALFA-2B (0%) moved up one rank, coming in at numbers 5 and 6. The newcomers PHOSPHOLIPIDS (+31%) and PANCREATIN (0%) broke into the ranks of the top ten, coming in at numbers nine and ten. The cumulative share of the top-ten decreased by 0.5 p.p. and achieved 11.8%.

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

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	XYLOMETAZOLINE	2.4	2.5
2	2	UMIFENOVIR	1.3	1.5
3	3	AMBROXOL	1.2	1.4
4	4	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	1.2	1.3
5	6	AMOXICILLIN + CLAVULANIC ACID	1.0	1.1
6	7	INTERFERON ALFA-2B	1.0	0.9
7	5	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1.0	1.1
8	8	IBUPROFEN	0.9	0.9
9	19	PHOSPHOLIPIDS	0.9	0.7
10	14	PANCREATIN	0.8	0.8
Total			11.8	12.3

The top ten ATC groups in the regional market showed high stability - most of the groups did not change their ranking positions (Table 4). R01 Nasal preparations (-9%), R05 Cough and cold preparations (-11%) and J01 Antibacterials for systemic use (-9%) remained the top three best-selling groups in the regional market. As before, the groups N02 Analgesics (-8%), G03 Sex hormones (-3%), A11 Vitamins (-7%) and A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (-11%) held their previous rank five and three bottom ranks. At the same time, the ATC group M01 Anti-inflammatory and antirheumatic products (+4%) showed positive growth rates and moved up three ranks, coming in at number four. In contrast, the ATC groups J05 Antivirals for systemic use (-17%) and L03 Immunostimulants (-9%) moved down to the lower ranks 6 and 7, respectively. The total share of top ten ATC groups reduced by 2 p.p. and achieved 44.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2014	2013			2014	2013
1	1	R01	NASAL PREPARATIONS	6.2	6.6
2	2	R05	COUGH AND COLD PREPARATIONS	5.7	6.1
3	3	J01	ANTIBACTERIALS FOR SYST USE	4.7	5.0
4	7	M01	ANTIINFLAM & ANTIRHEUM PROD	4.3	4.0
5	5	N02	ANALGESICS	4.3	4.4
6	4	J05	ANTIVIRALS FOR SYSTEMIC USE	4.1	4.7
7	6	L03	IMMUNOSTIMULANTS	4.1	4.3
8	8	G03	SEX HORM&MODULAT GENITAL SYS	4.0	3.9
9	9	A11	VITAMINS	3.5	3.7
10	10	A07	INTESTINAL ANTIINFECTIVES	3.3	3.5
Total				44.2	46.1

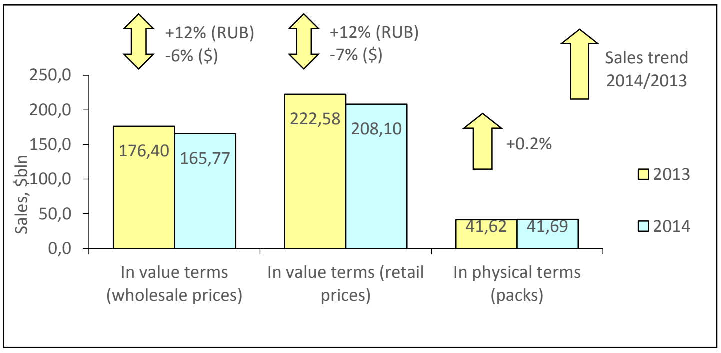
Conclusion. On the basis of the results for 2014, the retail pharmacy market of Khabarovsk brought in RUB 3.492 bln (USD 92.152 mln). At the same time, the market performance was negative both in rouble terms (-4%) and in dollar terms (-19%). In physical terms, the sales decreased by 1% to 18.812 mln packs. The average cost of a FPP pack in the regional pharmacies reduced as compared to the previous year (USD 4.90 vs. USD 5.99), but was higher than the national average in Russia (USD 4.13). Per capita expenses of Khabarovsk residents for purchase of medicines in the pharmacies amounted to USD 153.32 which was higher than on the average in the country (USD 114.29).

NOVOSIBIRSK PHARMACY MARKET: 2014 RESULTS

According to Federal State Statistics Service, as of January 1, 2014, the population of Novosibirsk was estimated at 1.55 mln, which accounted for 1.1% of the total Russian Federation population and 8% of Siberian FO (SFO). According to Federal State Statistics Service's data, based on the results for 2014 the average wage in the city was RUB 27,267 (USD 580.64), which was 16% lower than the national average wage in Russia (RUB 32,611).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in twelve months of 2014 the Novosibirsk pharmacy market volume in physical terms increased by 0.2% to 41.689 mln packs (Fig. 1) In wholesale prices, the market showed the positive performance in terms of roubles (+12%) and the negative performance in terms of dollars (-6%) and reached RUB 6.299 bln (USD 165.765 mln). The region's share accounted for 1.3% of the total pharmacy sales in the Russian pharmacy market pattern. The average cost of a FPP pack in the Novosibirsk pharmacies was USD 4.99 according to the results for 2014. (in 2013 - USD 5.35). At the end of 2014, per capita expenses of Novosibirsk residents for purchase of medicines in pharmacies amounted to USD 134.44.

Figure 1. Novosibirsk pharmacy market in 2013 – 2014



At the year-end 2014, the top ten drug manufacturers ranking in the Novosibirsk pharmacy market showed high stability (Table 1). Almost all drug manufacturers of the top ten held their own in the ranking. At the same time, only a few of them managed to strengthen their positions: the drug manufacturers BAYER (+16%), NYCOMED/TAKEDA and TEVA (+15% each) showed high growth rates and expanded their market shares. The growth rates of SANOFI-AVENTIS (+12%) and SERVIER (+12%) placed at rank 8 coincided with the national average rates, while the growth rates of SANDOZ (+6%), ABBOTT (+8%), NOVARTIS (+10%) and MERCK SHARP DOHME (+9%) lagged behind the national average. The only change affected the last rank of the top ten, where the newcomer of the ranking JOHNSON & JOHNSON (+17%) moved up to for the first time. At the year-end 2014, OTCPHARM (+1%) showed low growth rates and dropped out of the top ten. The total share of the analysed top 10 manufacturers remained unchanged and accounted for 35.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	**SANOFI-AVENTIS**	5.6	5.6
2	2	**BAYER HEALTHCARE**	5.4	5.2
3	3	**SANDOZ GROUP**	3.4	3.6
4	4	**ABBOTT**	3.4	3.5
5	5	**NOVARTIS**	3.4	3.4
6	6	**NYCOMED/TAKEDA**	3.3	3.2
7	7	TEVA	3.1	3.0
8	8	**SERVIER**	3.0	3.0
9	9	**MERCK SHARP DOHME**	2.6	2.7
10	11	**JOHNSON & JOHNSON**	2.4	2.4
Total			35.8	35.8

*AIPM members are in bold

Numerous swaps took place in the top-10 brand names (table 2). Despite the low growth rates, hepatoprotector ESSENTIALE N (+3%) became the leader of the top ten, while the former top-ten leader KAGOCEL reduced its sales by 8% and moved down to rank two. The drug VIAGRA (-7%) also showed negative growth rates, moving down two ranks, coming in at number six. The other brand names showed high growth rates. However, two brand names with low growth rates, HEPTRAL and LINEX (+2% each), fell in the ranks, moving down to ranks seven and nine, respectively. The brand name ACTOVEGIN (+10%) held its previous rank ten. Four FPPs with outstripping growth rates rose in the ranks. DUPHASTON (+15%) and CARDIOMAGNIL (+18%) moved up to ranks four and five, and the newcomers CRESTOR (+35%) and NISE (+22%) broke into the ranks of the top ten, coming in at numbers three and eight, respectively. In total, the top ten brand names accumulated 6.6% of sales, which was 0.3 p.p. less than in the year-earlier period.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	2	ESSENTIALE N	1.0	1.1
2	1	KAGOCEL	1.0	1.3
3	11	CRESTOR	0.6	0.5
4	7	DUPHASTON	0.6	0.6
5	8	CARDIOMAGNIL	0.6	0.6
6	4	VIAGRA	0.6	0.7
7	5	HEPTRAL	0.6	0.6
8	13	NISE	0.5	0.5
9	6	LINEX	0.5	0.6
10	10	ACTOVEGIN	0.5	0.5
Total			6.6	6.9

Three newcomers broke into the ranks of the top ten INN and grouping names ranking (table 3). INNs ROSUVASTATIN (+23%), NIMESULIDE (+23%) and BISOPROLOL (+17%) moved up to ranks five, six and eight, respectively. URSODEOXYCHOLIC ACID (+36%) also showed high sales growth rates, and as a result moved up from rank ten to four. On top of that, INN PHOSPHOLIPIDS (+2%) managed to move up one rank, while due to reduction in sales, INN KAGOCEL (-8%) placed at that rank earlier fell in the ranks, moving down to rank three. The other three INNs of the top ten moved to yet lower ranks. BUPROFEN (+11%), PANCREATIN (+9%) and INTERFERON ALFA-2B (+4%) moved down to ranks seven, nine and ten, respectively. INN XYLOMETAZOLINE (+18%) held and strengthened its previous rank number one. The cumulative share of the top 10 under review didn't virtually change and accounted for 9.5%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	XYLOMETAZOLINE	1.6	1.5
2	3	PHOSPHOLIPIDS	1.1	1.2
3	2	KAGOCEL	1.0	1.3
4	10	URSODEOXYCHOLIC ACID	0.9	0.8
5	18	ROSUVASTATIN	0.8	0.7
6	13	NIMESULIDE	0.8	0.7
7	5	IBUPROFEN	0.8	0.8
8	12	BISOPROLOL	0.8	0.8
9	6	PANCREATIN	0.8	0.8
10	4	INTERFERON ALFA-2B	0.8	0.9
Total			9.5	9.4

The leaders of the top ten ATC groups didn't change either - G03 Sex hormones (+15%) and M01 Anti-inflammatory and antirheumatic products (+17%) held their previous top two ranks (Table 4). Apart from that, some shifts took place in the lower part of the top-10 ranking. The groups with outstripping sales growth rates R01 Nasal preparations (+16%), C09 Agents acting on the rennin-angiotenzin system (+23%), A05 Bile and live therapy (+14%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+16%) moved up to the higher ranks three, five, seven and ten, respectively. The latter two ATC groups broke into the ranks of the top ten for the first time. Four groups with lagging rates moved down to the lower ranks. J01 Antibacterials for systemic use (+4%), N02 Analgesics (+5%) and A11 Vitamins (+8%) moved down one rank, to numbers 4, 6 and 9. Group J05 Antivirals for systemic use (+6%) moved down from rank six to eight. The cumulative share of the top ten accounted for 37.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2014	2013			2014	2013
1	1	G03	SEX HORM&MODULAT GENITAL SYS	5.0	4.9
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.2	4.1
3	4	R01	NASAL PREPARATIONS	3.9	3.8
4	3	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.0
5	9	C09	AG ACT RENIN-ANGIOTENS SYST	3.7	3.4
6	5	N02	ANALGESICS	3.5	3.8
7	11	A05	BILE AND LIVER THERAPY	3.4	3.3
8	6	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	3.6
9	8	A11	VITAMINS	3.3	3.4
10	12	A07	INTESTINAL ANTIINFECTIVES	3.1	3.0
Total				37.1	37.2

Conclusion. At the end of 2014, the pharmacy market in Novosibirsk was estimated at RUB 7.903 bln (USD 208.097 mln) in final consumer prices. At the same time, the market performance was positive in rouble terms (+12%), whereas in dollar terms the national market reduced by 7%. In physical terms, the sales increased by 0.2% and amounted to 41.689 mln packs. The average cost of an FPP pack (USD 4.99) reduced as compared to a year earlier (USD 5.35), but was markedly higher than the national average FPP cost in Russia (USD 3.90). Per capita expenses of Novosibirsk residents for purchase of medicines in the city pharmacies also exceeded the national average figures (USD 134.44 vs. USD 114.29)

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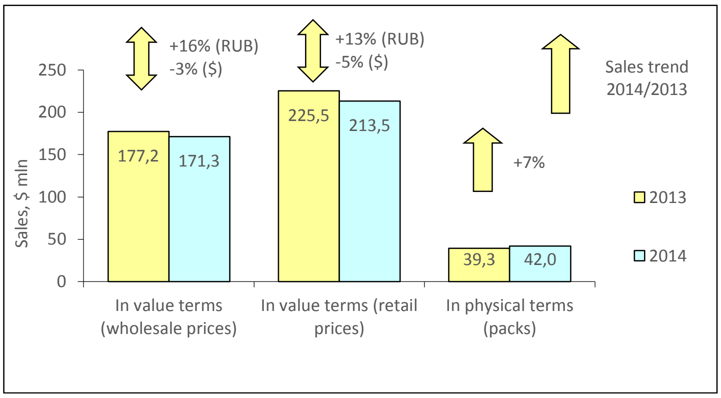
EKATERINBURG PHARMACY MARKET: 2014 RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Yekaterinburg was estimated as 1.41 mln, which accounted for 1% of the total Russian Federation population and 11.5% of Ural FO (UFO). According to Federal State Statistics Service's data, in 2014 the average salary in Ekaterinburg was RUB 29,744 (USD 633.39), which was 9% lower than the national average wage in Russia (RUB 32,611).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at year-end 2014 the sales of drugs in physical terms in the pharmacies of Ekaterinburg saw a 7% increase to 41.956 mln packs. In value terms, the market showed positive growth rates (+16%) in rouble terms and negative rates (3%) in dollar terms and reached RUB 6.524 bln (USD 171.343 mln) in wholesale prices (Fig. 1). The regional market share accounted for 1.3% of the total pharmacy sales in Russia. The average cost of an OTC pack reduced as compared to a year earlier period (USD 5.74) and reached USD 5.09 at retail prices. For 12 months of 2014, the average amount spent by residents of Yekaterinburg for medications amounted to USD 151.15.

Figure 1. Ekaterinburg pharmacy market in 2013 – 2014



As of 2014, SANOFI-AVENTIS (+11%), BAYER (+23%) and ABBOTT (+13%) continued to show the highest sales in the Ekaterinburg pharmacy market, holding the first three leading positions in the top ten ranking (Table 1). One more drug-manufacturer TEVA (+12%) held its own in the ranking, as before maintaining its previous rank seven. The other top 10 drug manufacturers changed their ranks; moreover, four ATC groups improved them. SERVIER (+16%) and GEDEON RICHTER (+31%) moved up to ranks four and five, displacing NOVARTIS (+6%) and SANDOZ GROUP (+11%) down two ranks, to numbers six and eight, respectively. The drug manufacturers with high growth rates moved up to the two bottom ranks in the top ten. NYCOMED/TAKEDA (+21%) moved up one rank and a newcomer of the top ten STADA (+16%) came in at rank ten. The cumulative share of the top 10 drug manufacturers kept its previous level 35.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	**SANOFI-AVENTIS**	5.8	6.0
2	2	**BAYER HEALTHCARE**	5.3	5.1
3	3	**ABBOTT**	3.7	3.8
4	5	**SERVIER**	3.1	3.1
5	8	GEDEON RICHTER	3.1	2.7
6	4	**NOVARTIS**	3.1	3.4
7	7	TEVA	3.0	3.1
8	6	**SANDOZ GROUP**	3.0	3.1
9	10	**NYCOMED/TAKEDA**	2.7	2.6
10	13	STADA	2.4	2.4
Total			35.3	35.3

*AIPM members are in bold

The leaders of the top 10 brand names ranking didn't change either – despite the reduction in sales ESSENTIALE N (-6%) and HEPTRAL (-2%) held their top two ranks in the ranking (table 2). Placed earlier at rank three, ARBIDOL cut its sales by 16% and moved down to rank nine. The newcomer ALFLUTOP (+43%) broke into the ranks of the top ten, coming in at number three. One more newcomer REDUKSIN (+16%) moved up to rank ten in the top ten ranking. KAGOCEL (+12%) moved up one rank, coming in at number four. The more dynamic trade names URSOSAN (+20%) and ACTOVEGIN (+18%) moved up two ranks, coming in at numbers six and nine. At the same time, CIALIS (+1%) and DETRALEX (+12%) moved down to the lower ranks five and eight. The total share of the top ten brands reduced by 0.5 p.p. to 6.4%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	ESSENTIALE N	0.9	1.1
2	2	HEPTRAL	0.7	0.8
3	12	ALFLUTOP	0.7	0.6
4	5	KAGOCEL	0.6	0.7
5	4	CIALIS	0.6	0.7
6	8	URSOSAN	0.6	0.6
7	9	ACTOVEGIN	0.6	0.6
8	6	DETRALEX	0.6	0.6
9	3	ARBIDOL	0.6	0.8
10	11	REDUKSIN	0.6	0.6
Total			6.4	6.9

In contrast to the above rankings, the leaders of top ten INNs and grouping names ranking changed (table 3). XYLOMETAZOLINE (+10%) moved up to rank one from two, and INN URSODEOXYCHOLIC ACID moved up to rank two from six due to growth in sales by one-third. PANCREATIN (+17%) kept its rank three. Due to reduction in sales, the former top ten leader, INN PHOSPHOLIPIDS (-5%), moved down to rank 4, displacing HYALURONIC ACID (+4%) down one rank. INNs ADEMETIONINE (+0.3%) and IBUPROFEN (+5%) also moved down to the lower ranks, coming in at numbers seven and nine, respectively. The newcomers of the top ten ROSUVASTATIN (+43%) and ATORVASTATIN (+25%) came in at ranks six and ten, respectively. The composition CHONDROITINSULFURIC ACID + GLUCOSAMINE (+30%) moved up one rank, to number eight. The cumulative share of the top 10 didn't virtually change and accounted for 9.2%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	2	XYLOMETAZOLINE	1.1	1.2
2	5	URSODEOXYCHOLIC ACID	1.1	1.0
3	3	PANCREATIN	1.1	1.1
4	1	PHOSPHOLIPIDS	1.0	1.2
5	4	HYALURONIC ACID	0.9	1.0
6	13	ROSUVASTATIN	0.8	0.7
7	6	ADEMETIONINE	0.8	0.9
8	9	CHONDROITINSULFURIC ACID + GLUCOSAMINE	0.8	0.7
9	7	IBUPROFEN	0.8	0.9
10	12	ATORVASTATIN	0.7	0.7
Total			9.2	9.3

J01 Antibacterials for systemic use (+11%) and G03 Sex hormones (+21%) remained the best selling ATC groups in the regional market (table 4). C09 Agents acting on the rennin-angiotensin system (+24%) moved up to rank three from six, whereas M01 Anti-inflammatory and antirheumatic products (+14%) kept their previous rank four. Rounding out the top ten, A05 Bile and live therapy (+15%) also held their own in the ranking. Apart from the above group, another two ATC groups rose in the ranks. R01 Nasal preparations (+18%) moved up one rank, to number 7, and a newcomer of the top ten A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+21%) moved up to rank 8. In contrast, three ATC groups moved down. A11 Vitamins (+13%), N06 Psychoanaleptics (+15%) and J01 Antibacterials for systemic use (+7%) moved down to ranks 5, 6 and 9, respectively. The total share of the analysed top 10 remained unchanged and amounted to 37.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2014	2013			2014	2013
1	1	J05	ANTIVIRALS FOR SYSTEMIC USE	4.6	4.9
2	2	G03	SEX HORM&MODULAT GENITAL SYS	4.4	4.2
3	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.9	3.6
4	4	M01	ANTIINFLAM & ANTIRHEUM PROD	3.8	3.8
5	3	A11	VITAMINS	3.8	3.8
6	5	N06	PSYCHOANALEPTICS	3.7	3.7
7	8	R01	NASAL PREPARATIONS	3.4	3.3
8	11	A07	INTESTINAL ANTIINFECTIVES	3.3	3.2
9	7	J01	ANTIBACTERIALS FOR SYST USE	3.3	3.6
10	10	A05	BILE AND LIVER THERAPY	3.2	3.2
Total				37.3	37.3

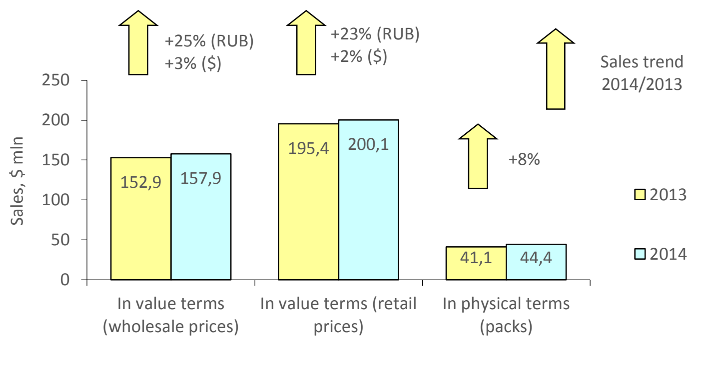
Conclusion. On the basis of the results for 2014, the pharmacy market of Ekaterinburg brought in RUB 8.118 bln (USD 213.478 mln) in retail prices. The sales saw a 13% increase in terms of roubles, and a 5% decrease in terms of dollars. In physical terms, the market also showed positive growth rates (+7%) and achieved 41.956 mln packs. According to the results for 2014, the average cost of an FPP pack in the Ekaterinburg pharmacies was USD 5.09 which was lower than the last year figures (USD 5.74), but higher than average figures in the country (USD 3.90). The average expenses of city residents for medications in the pharmacies exceeded the national average (USD 151.15 vs. USD 114.29).

NIZHNY NOVGOROD PHARMACY MARKET: 2014 RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Nizhny Novgorod was estimated as 1.264 mln, which accounted for 0.9% of the total Russian Federation population and 4.2% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, based on the results for 2014 the average wage in the Nizhny Novgorod region was RUB 25,941 (USD 552.41), which was 20% lower than the national average wage in Russia (RUB 32,611).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in twelve months of 2014 the Nizhny Novgorod pharmacy market volume in physical terms increased by 8% to 44.379 mln packs (Fig. 1) In wholesale prices, the market showed the positive performance both in terms of roubles (+25%) and in terms of dollars (+3%) and reached RUB 6.069 bln (USD 157.938 mln). A region's share in the total pharmacy sales in Russia accounted for 1.2%. The average cost of a FPP pack in the Nizhny Novgorod pharmacies was USD 4.51 according to the results for 2014 (in 2013 - USD 4.75). The average per capita expenses for purchase of drugs in the pharmacies at the year-end were estimated at USD 158.35.

Figure 1. Nizhny Novgorod pharmacy market in 2013 – 2014



The top ten companies in the retail market of Nizhny Novgorod have not changed in composition at the end of 2014, and most of them held their own in the ranking (Table 1). The leader of the top ten, the drug manufacturer SANOFI-AVENTIS (+31%), held and strengthened its leading position in the regional market. As before, the drug-manufacturers SERVIER (+32%), NYCOMED/TAKEDA (+29%), TEVA (+19%), ABBOTT (+27%) and NOVARTIS (+16%) held their previous ranks from four through eight. However, two shifts took place in the top ten ranking. The more dynamic drug manufacturers BAYER (+23%) and PFIZER (+24%) moved up one rank to numbers two and nine, displacing SANDOZ (+21%) and OTCPHARM (+9%) down one rank. The total share of the top 10 manufacturers has reduced from 37.9% to 37.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	**SANOFI-AVENTIS**	6.4	6.1
2	3	**BAYER HEALTHCARE**	4.1	4.1
3	2	**SANDOZ GROUP**	4.0	4.1
4	4	**SERVIER**	4.0	3.8
5	5	**NYCOMED/TAKEDA**	3.9	3.8
6	6	TEVA	3.5	3.7
7	7	**ABBOTT**	3.4	3.4
8	8	**NOVARTIS**	3.0	3.3
9	10	**PFIZER**	2.7	2.7
10	9	OTCPHARM	2.6	3.0
Total			37.7	37.9

*AIPM members are in bold

The leader of top 10 brand names didn't change either, the hepatoprotective product ESSENTIALE N (+41%) held its rank number one (table 2). INGAVIRIN (+56%) moved up to rank two from five, whereas ACTOVEGIN (+12%) that had been placed at that rank earlier, on the contrary, moved down to rank 5. Another five brand names of the top ten improved their positions. The most dynamic among the top ten brand names KAGOCEL (+71%) moved up from rank nine to four. LINEX (+30%) moved up to rank six from seven, and EXODERIL (+18%) moved up to rank seven from ten. The newcomers PENTALGIN (+35%) and BIFIFORM (+51%) broke into the ranks of the top ten, coming in at numbers eight and nine, displacing KETONAL (+8%) to rank ten. CONCOR (+30%) maintained its previous rank three. In total, the top ten brand names accumulated 7.8% of sales, which was higher than in the year-earlier period (7.2%).

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	ESSENTIALE N	1.3	1.2
2	5	INGAVIRIN	1.0	0.8
3	3	CONCOR	0.9	0.9
4	9	KAGOCEL	0.8	0.6
5	2	ACTOVEGIN	0.8	0.9
6	7	LINEX	0.7	0.7
7	10	EXODERIL	0.6	0.6
8	12	PENTALGIN	0.6	0.5
9	18	BIFIFORM	0.6	0.5
10	8	KETONAL	0.6	0.6
Total			7.8	7.2

Two newcomers KAGOCEL (+71%) and IBUPROFEN (+23%) broke into the ranks of the top ten INN and grouping names ranking, coming in at numbers eight and ten (table 3). Another five INNs from the top ten, that were placed at the top five ranks, showed the outperformance rates. At the same time, XYLOMETAZOLINE (+35%) and PANCREATIN (+32%) held their previous ranks one and four. INN PHOSPHOLIPIDS (+39%) moved up one rank to number two, displacing BISOPROLOL (+31%) down to rank three. IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+56%) moved up to rank five from ten, displacing KETOPROFEN and BLOOD down one rank (+11% each). The composition AMOXICILLIN + CLAVULANIC ACID (+24%) kept its previous rank nine. The total share of the top ten increased by 0.5 p.p. and accounted for 10.4%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	XYLOMETAZOLINE	1.5	1.4
2	3	PHOSPHOLIPIDS	1.4	1.2
3	2	BISOPROLOL	1.4	1.3
4	4	PANCREATIN	1.1	1.0
5	10	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.0	0.8
6	5	KETOPROFEN	0.9	1.0
7	6	BLOOD	0.9	1.0
8	15	KAGOCEL	0.8	0.6
9	9	AMOXICILLIN + CLAVULANIC ACID	0.8	0.8
10	12	IBUPROFEN	0.7	0.7
Total			10.4	9.9

C09 Agents acting on the rennin-angiotensin system (+35%) became the best selling group in the regional market (Table 4). The last year leader M01 Anti-inflammatory and antirheumatic products (+25%) moved down to rank two. The ATC groups J05 Antivirals for systemic use (+28%) and R01 Nasal preparations (+25%) showing virtually the same growth rates moved up to ranks three and four from the lower ones. They displaced the less dynamic ATC groups J01 Antibacterials for Systemic Use (+13%) and N02 Analgesics (+14%) down two ranks. Some shifts also took place in the lower part of the top ten ranking, however two ATC groups from the top ten managed to keep their positions. R05 Cough and cold preparations (+19%) and G03 Sex hormones (+20%) held their previous ranks seven and ten. ATC group A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+34%) moved up one rank, to number 8, and the only newcomer of the top ten moved up to rank nine - A05 Bile and live therapy (+42%). The cumulative share of the top 10 didn't change and accounted for 37.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2014	2013			2014	2013
1	2	C09	AG ACT RENIN-ANGIOTENS SYST	4.7	4.4
2	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.5	4.4
3	5	J05	ANTIVIRALS FOR SYSTEMIC USE	3.9	3.9
4	6	R01	NASAL PREPARATIONS	3.7	3.7
5	3	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.1
6	4	N02	ANALGESICS	3.6	3.9
7	7	R05	COUGH AND COLD PREPARATIONS	3.4	3.7
8	9	A07	INTESTINAL ANTIINFECTIVES	3.4	3.2
9	13	A05	BILE AND LIVER THERAPY	3.1	2.7
10	10	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.2
Total				37.1	37.1

Conclusion. At the year-end 2014, the pharmacy market in Nizhny Novgorod was estimated at RUB 7.677 bln (USD 200.133 mln) in final consumer prices. At the same time, the market behaviour was positive both in rouble (+23%) and dollar (+2%) terms. In physical terms, the sales increased by 8% and amounted to 44.379 mln packs. The average cost of an OTC pack (USD 4.51) in the pharmacies reduced as compared to a year earlier (USD 4.75), but was higher than the average value in Russia (USD 3.90). The average expenses of Nizhny Novgorod residents for purchase of OTC drugs in the pharmacies also were considerably higher than the Russia average expenses (USD 158.35 vs. USD 114.29).