СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ ФАРМАЦЕВТИЧЕСКИХ ПРОИЗВОДИТЕЛЕЙ И ГК РЕМЕДИУМ

РЕМЕДИУМ
ГРУППА КОМПАНИЙ

AIPM
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

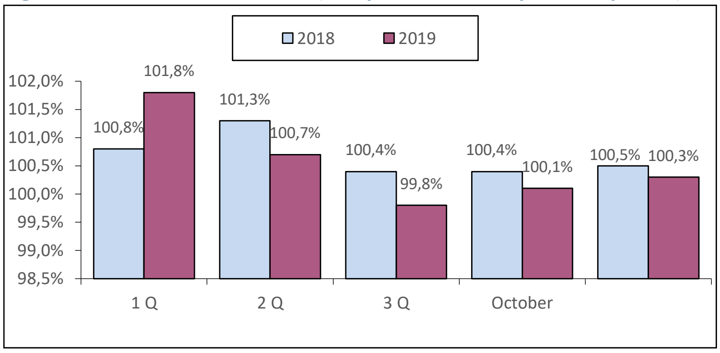
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 100.3% in November of 2019 as compared to October, 102.7% vs December of 2018.

In November of 2019, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 99.2%, whereas in the month-earlier period it had amounted to 99.8%. The index accounted for 96.1% vs December of 2018.

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



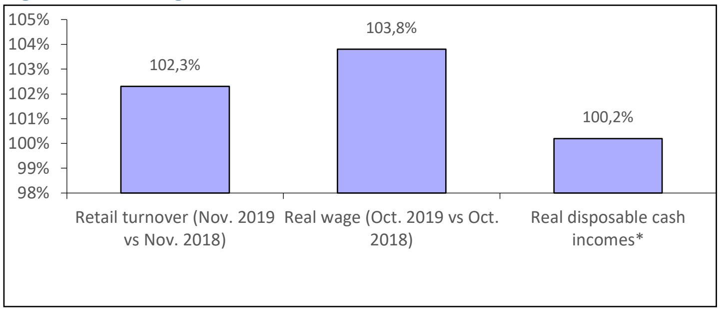
Living standard

In October of 2019, a gross monthly average wage[1] of corporate employees reached RUB 46549 (USD 723.37). It increased by 107.7% compared to the same period 2018, and 102.1% compared to the previous period. In October 2019, the real gross wage accounted for 103.8% as compared to October 2018, and 102% against the prior period. According to estimates[2], in January - September of 2019 real disposable cash incomes increased by 0.2% compared to the same period of 2018 (Fig. 2).

Retail turnover

In November of 2019, the retail turnover was RUB 2924.5 bil. or 102.3% (at comparable prices) against the level of the same period of the previous year, RUB 30057.7 bil. or 101.6% in January- November of 2019 (Fig. 2).

Figure 2. Real wage and retail turnover



* January-September 2019 vs. January-September 2018.

Industrial Production

According to Federal State Statistics Service's data, Industrial Production Index accounted for 100.3% in November 2019 compared to the same period in the previous year, and 102.4% in January - November 2019.

According to Federal State Statistics Service's data, Industrial Production Index for drugs and medical products accounted for 123.0% in November 2019 compared to the same period of 2018, and 118.4% in January-November vs January-November of 2018.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for November 2018.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales volume in November 2019

Rank	Manufacturer	RUB mil.
1	Biocad	2547.19
2	Otcpharm	1771.28
3	Microgen	1487.22
4	Pharmasyntez	1324.96
5	Pharmstandart	1186.34
6	Veropharm	1049.40
7	Stada	1001.86
8	Valenta	921.76
9	Sotex	902.70
10	Grotex	819.97

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. Sales (in terms of roubles) grew in most regions in October 2019 as compared to the previous month. The most pronounced growth in sales was observed in Tyumen (+6%), the least one– in Rostov Novosibirsk regions (+1%). A decrease in sales was reported in four regions, the most pronounced one in Perm (-6%).

Table 2. Pharmacy sales in the regions, 2019

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	August 2019	September 2019	October 2019	August/ July 19	September/ August 19	October/ September 19
Moscow	157.7	191.4	185.2	11%	20%	-4%
St. Petersburg	54.8	63.9	63.1	1%	16%	-2%
Krasnodar Krai	38.2	34.9	36.7	5%	-9%	4%
Krasnoyarsk Krai	27.6	27.5	28.5	16%	-1%	3%
Tatarstan	15.8	18.3	19.4	-3%	15%	5%
Rostov Region	21.1	21.9	22.0	6%	3%	-1%
Novosibirsk Region	17.0	19.7	20.1	-2%	15%	1%
Voronezh Region	12.1	12.4	12.6	10%	1%	1%
Perm	7.3	7.5	7.2	9%	2%	-6%
Tyumen	5.5	6.2	6.6	-13%	12%	6%

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 November 2019

Rank	Company*	Quantity of broadcasts
1	GSK Consumer Healthcare	10,269
2	Sanofi	9,523
3	Otcpharm	8,902
4	Bayer	8,406
5	Sandoz	8,283

Source - Remedium according to Mediascope's data

Table 4. Top five brands in mass media in November, 2019

Rank	Brand*	Quantity of broadcasts
1	Evalar	5,486
2	Lasolvan	3,492
3	Otrivin	3,227
4	Strepsils	3,196
5	Nurofen	3,042

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered.

[1] Starting with the report "Information on the socio-economic situation of the Russian Federation" (January-September 2019), the indicators of nominal and real accrued wages of employees of organizations will be published only after receiving reporting data. Preliminary estimates will not be submitted.

[2] Due to switching of Federal State Statistics Service to the updated methodology for calculating real disposable cash incomes of the population, the data will be published once a quarter.

STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2019 FIRST NINE MONTHS RESULTS

According to DLO in RF™, the OTC drugs supplies under the Federal Program amounted to RUB 105.940 bil. based on the results for the first nine months of 2019 (USD 1.633 bil.) in contractual prices[3]. The segment volume increased 23% in terms of roubles, and 18% in terms of dollars as compared to the same period a year ago. Scope of supplies in pack terms increased by 13% to 70.351 mil. packs. The average cost of a FPP pack through the DLO program was USD 23.22 in contractual prices (a year ago it was USD 22.18). Due to 69% increase in supplies, TAKEDA became the leader of the DLO segment[4] in January-September of 2019 (Table 1) It displaced the less dynamic CELGENE (+4%) down one rank. In addition to the leader, another five manufacturers showed high growth rates. GENERIUM (+43%), JOHNSON & JOHNSON (+73%), NOVARTIS (+46%), NOVO NORDISK (+12%) and ROCHE (+31%) moved up to ranks three, four, six, eight and nine, respectively. On top of that, the latter broke into the ranks of the top 10 ranking for the first time. The other DLO manufacturers showed negative growth rates, which resulted in the loss of their ranks. BIOCAD (-6%) and SANOFI (-7%), OCTAPHARMA (-6%) moved down two ranks, coming down from rank seven to ten. The total share of the top 10 drug manufacturers within DLO Program expanded from 56.4% to 57.3%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	2	**TAKEDA**	11.0	8.0
2	1	CELGENE	7.4	8.8
3	4	GENERIUM ZAO RF	7.4	6.4
4	6	**JOHNSON & JOHNSON**	6.5	4.6
5	3	BIOCAD RF	6.0	7.9
6	10	**NOVARTIS**	4.6	3.8
7	5	**SANOFI**	4.5	5.9
8	9	**NOVO NORDISK**	3.5	3.9
9	11	**ROCHE**	3.3	3.1
10	7	OCTAPHARMA	3.1	4.1
Total			57.3	56.4

*AIPM members are in bold

The leader of the top ten brands didn't change: Despite its low sales rates and reduction of the market share, REVLIMIDE (+3%) held its own rank one (Table 2). The more dynamic ADVATE (+39%), the newcomer of the top ten ELAPRASE (14-fold growth in purchases), as well as FEIBA (+36%) and TYSABRI (+41%) moved up to ranks two to four. TOUJEO SOLOSTAR (+46%) moved up two ranks, coming in from rank 9 to seven. At the same time, ACELLBIA (-23%) and OCTOFACTOR (-16%) that reduced their purchases and COAGIL-VII (+20%) that was displaced by more dynamic brands moved down to the lower ranks. INFIBETA (+25%) continued to hold its previous rank ten in the top ten ranking. In total, the top ten manufacturers accumulated 27.2% vs 27.0% in the year-earlier period.

Table 2. The top 10 Brands in DLO segment

Rank in the top ten		Brand	Share in total DLO volume, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	REVLIMIDE	7.1	8.4
2	4	ADVATE	3.1	2.7
3	41	ELAPRASE	2.8	0.2
4	5	FEIBA	2.5	2.3
5	6	TYSABRI	2.3	2.0
6	2	ACELLBIA	2.1	3.4
7	9	TOUJEO SOLOSTAR	2.0	1.7
8	7	COAGIL-VII	1.9	2.0
9	3	OCTOFACTOR	1.9	2.8
10	10	INFIBETA	1.5	1.5
Total			27.2	27.0

LENALIDOMIDE (+3%) remained the leader of the top 10 INN and group names ranking (Table 3). FACTOR VIII (+13%) also held its previous rank 5. Five INNs of the top 10 managed to rise in the ranks, among them are the newcomers of the top ten IDURSULFASE (14-fold growth in purchases) and ECULIZUMAB (6-fold growth) OCTOCOG ALFA (+39%) moved up to rank two from 7, the less dynamic INNs INSULIN GLARGINE (+20%) and FACTOR VIII INHIBITOR BYPASSING FRACTION (+36%) moved up a rank, coming in at numbers 7 and 8. Three INNs also showed the reduction in sales and fell in the ranks: RITUXIMAB (-26%), FACTOR VIII*FACTOR VON WILLEBRAND (-3%) and INTERFERON BETA-1A (-35%) moved down to rank 3 and the last three ranks respectively. The total share of the Top 10 reduced from 32.4% to 31.3%.

Table 3. The top ten INN and group names in DLO segment

Rank in the top ten		INNs/Grouping Names	Share in total DLO volume, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	LENALIDOMIDE	7.1	8.4
2	7	OCTOCOG ALFA	3.1	2.7
3	2	RITUXIMAB	3.0	5.0
4	44	IDURSULFASE	2.8	0.2
5	5	FACTOR VIII	2.7	2.9
6	40	ECULIZUMAB	2.7	0.5
7	8	INSULIN GLARGINE	2.6	2.7
8	9	FACTOR VIII INHIBITOR BYPASSING FRACTION	2.5	2.3
9	4	FACTOR VIII*FACTOR VON WILLEBRAND	2.4	3.1
10	3	INTERFERON BETA-1A	2.4	4.5
Total			31.3	32.4

L04 Immunosuppressants (+35%), B02 Antihemorrhagics (+13%), L01 Antineoplastic drugs (+11%), A10 Drugs used in diabetes (+15%) and L03 Immunostimulants (+0.2%) continued to remain the leading ATC groups in the DLO market (Table 4). Due to increase in purchases by 3.5 and 3 times, respectively, ATC groups A16 Other alimentary tract and metabolism products and J05 Antivirals for systemic use moved up to ranks six and seven. On top of that, the latter became the only newcomer of the top ten ranking. The less dynamic R03 Drugs for obstructive airway diseases (+4%), as well as L02 Endocrine therapy (-5%) and B03 Antianemic preparations (-2%) that showed negative dynamics, shifted to the last three lines. The total share of the top 10 increased from 85.1% to 85.7%.

Table 4. The top ten ATC groups in DLO segment

Rank		ATC code	ATC group	Share in total DLO volume, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	1	L04	IMMUNOSUPPRESSANTS	20.5	18.7
2	2	B02	ANTIHEMORRHAGICS	17.0	18.5
3	3	L01	ANTINEOPLASTIC AGENTS	16.3	18.0
4	4	A10	DRUGS USED IN DIABETES	9.6	10.2
5	5	L03	IMMUNOSTIMULANTS	6.5	8.0
6	9	A16	OTHER ALIMENTARY TRACT AND METABOLISM PRODUCTS	6.2	2.1
7	11	J05	ANTIVIRALS FOR SYSTEMIC USE	2.9	1.2
8	6	R03	DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES	2.6	3.1
9	7	L02	ENDOCRINE THERAPY	2.2	2.9
10	8	B03	ANTIANEMIC PREPARATIONS	1.8	2.3
Total				85.7	85.1

Data on supplies to the top ten regions of Russia under State Reimbursement Program (DLO) are shown in Table 5. The Moscow market demonstrated the largest volumes of purchases and the highest dynamics. At the same time, its share increased and reached 30% of all purchases under the program. Moscow region and St. Petersburg were still ranked second and third, but their shares declined. Note that 9 top regions demonstrated the growth in purchases under the DLO program. Moscow region became the sole exception (-8%). The top ten regions accumulated 54.7% of the DLO market.

Table 5. The top ten regions by sales in DLO segment

Rank		Region	Share in total DLO volume, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	Moscow	30.0	24.5
2	2	Moscow Region	4.3	5.6
3	3	Saint Petersburg	3.5	4.0
4	4	North Caucasian FD, Rest	3.0	2.8
5	6	Tatarstan Republic	2.8	2.5
6	5	Krasnodar Krai	2.5	2.5
7	7	Sverdlovsk Region	2.4	2.2
8	9	Novosibirsk Region	2.2	2.1
9	8	Rostov Region	2.1	2.2
10	15	Krasnoyarsk Region	1.9	1.6
Total			54.7	49.9

Conclusion. Based on the results for 9 months of 2019, the SRP segment of Russia brought in RUB 105.940 bil. (USD 1.633 bil.) in contractual prices. which is by 23% in terms of roubles and by 18% in terms of dollars more than in the same period of 2018. In pack terms, the supplies increased by 13% to 70.351 mil. packs. The average cost of FPP included in the DLO Programme increased as compared to the past year (USD 23.22 vs USD 22.18).

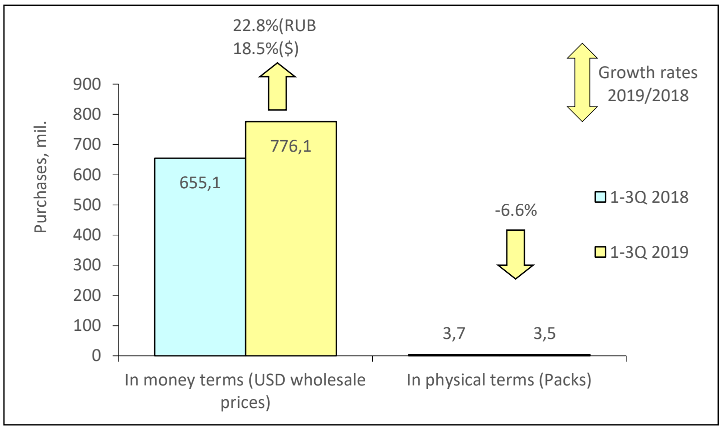
[3] From 2008 until now, data on DLO have been provided as information about shipments in contractual prices: prices at which the government will reimburse moneys to the distributor.

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

COST-INTENSIVE NOSOLOGIES (VZN) PROGRAM, 1-3 Q 2019

Purchases under the expanded list of nosologies continued in the first 9 months of 2019 (8 new INNs to treat three diseases have been included in the VZN program: hemolytic-uremic syndrome, mucopolysaccharidosis type I, II and VI, and systemic-onset juvenile arthritis). The inclusion of new drugs and a low level of purchases in 1-3 quarters of 2018 resulted in a increase in indicators in 1-3 Q 2019 in terms of money. Based on the results for the first 9 months of 2019, the purchases under VZN Program increased by 22.8% in terms of national currency and by 18.5% in terms of dollars compared with the same period of the previous year (Fig. 1). At the same time, purchases in physical terms (packs) decreased by 6.6%, mainly due to hematologic drugs (-36.2% in packs). The purchase volume amounted to RUB 50318.4 mil. or USD 776.1 mil.

Figure 1. Purchases trend under the VZN Program in 1-3 Q 2019 vs 1-3 Q 2018



The groups of drugs to treat haemophilia (+12%), drugs to treat multiple sclerosis (+9%) and drugs used in transplantology (+7%) showed the largest increase in purchases in terms of roubles (among comparable "old" groups of nosologies) as compared to the same period of the previous year. The group of drugs to treat pituitary dwarfism (-27%) and oncohematologic drugs (-10%) showed the largest decline in purchases. In the overall procurement structure, the share of "new" nosology groups amounted to 15.6% (based on the results of the 1st quarter. - 18%), which led to a decrease in the shares of "traditional" groups. The group of drugs for the treatment of haemophilia remained the leader in the procurement rating, oncohematologic drugs and agents for the treatment of multiple sclerosis held their previous ranks two and three, respectively.

Table 1. Supplies pattern under the VZN Program

Nosologies	INN	Share in total VZN supplies (RUB), %	
		1-3Q 2019	1-3Q 2018
Haemophilia		**34.0**	**37.1**
	OCTOCOG ALFA	6.5	5.8
	FACTOR VON WILLEBRAND*FACTOR VIII	-2.7	-2.2
	FACTOR VIII	5.7	6.2
	FACTOR VIII INHIBITOR BYPASSING FRACTION	5.1	4.6
	EPTACOG ALFA (ACTIVATED)	4.5	4.4
	MOROCTOCOG ALFA	4.0	5.8
	FACTOR IX	2.0	2.9
	NONACOG ALFA	0.3	0.2
Oncohematology		**22.7**	**31.0**
	LENALIDOMIDE	14.9	17.7
	RITUXIMAB	5.9	10.0
	BORTEZOMIB	1.2	1.8
	IMATINIB	0.4	1.1
	FLUDARABINE	0.3	0.5
Sclerosis Multiplex		**20.2**	**22.6**
	INTERFERON BETA-1A	5.0	9.5
	NATALIZUMAB	4.8	4.2
	INTERFERON BETA-1B	4.6	4.4
	TERIFLUNOMIDE	2.3	2.1
	PEGINTERFERON BETA-1A	1.8	0.0
	GLATIRAMER ACETATE	1.7	2.4
Mucopolysaccharidosis type I, II and VI		**9.1**	**0.0**
	IDURSULFASE	5.5	0.0
	GALSULFASE	2.4	0.0
	LARONIDASE	1.1	0.0
	IDURSULFASE BETA	0.1	0.0
Hemolytic-uremic syndrome		**4.3**	**0.0**
	ECULIZUMAB	4.3	0.0
Transplantology		**3.4**	**4.0**
	TACROLIMUS	2.2	2.1
	MYCOPHENOLIC ACID	1.0	1.6
	CICLOSPORIN	0.2	0.2
	MYCOPHENOLATE MOFETIL	0.1	0.1
Systemic-onset juvenile arthritis		**2.2**	**0.0**
	CANAKINUMAB	1.2	0.0
	TOCILIZUMAB	0.8	0.0
	ETANERCEPT	0.1	0.0
	ADALIMUMAB	0.0	0.0
Gaucher disease		**2.1**	**2.5**
	IMIGLUCERASE	1.6	1.9
	VELAGLUCERASE ALFA	0.5	0.6
Mucoviscidosis		**1.8**	**2.3**
	DORNASE ALFA	1.8	2.3
Pituitary dwarfism		**0.3**	**0.5**
	SOMATROPIN	0.3	0.5

According to the results for 9 months of 2019, the original drug Revlimid (INN Lenalidomide, Celgene) (3% growth in money terms) retained its previous rank number one and Advate (INN Octocog alfa, Shire (Takeda)) showed 39% growth in money terms and moved up to rank two in the brands ranking. The drug for the treatment of mucopolysaccharidosis Elapraz (INN Idursulfase), which was purchased for the first time, moved up to rank three in the rating. Due to 38% growth in purchases, the localized drug Feiba (INN FACTOR VIII INHIBITOR BYPASSING FRACTION) Shire (Takeda) moved down from rank 5 to four, Tizabri (INN Natalizumab) JOHNSON & JOHNSON (+41%) moved up to rank five from 6. Purchases of Acellbia (INN Rituximab) Biocad decreased by 23%, which resulted in a shift from rank 2 to six in the ranking.

Table 2. Top ten brand names by purchases under the VZN Program

Rank		Brand	Share in total VZN supplies, %	
1-3Q 2019	1-3Q 2018		1-3Q 2019	1-3Q 2018
1	1	REVLIMIDE	14.9	17.7
2	4	ADVATE	6.5	5.8
3		ELAPRASE	5.5	0.0
4	5	FEIBA	5.1	4.6
5	6	TYSABRI	4.8	4.2
6	2	ACELLBIA	4.2	6.7
7	7	COAGIL-VII	4.1	4.2
8	3	OCTOFACTOR	4.0	5.8
9	9	INFIBETA	3.2	3.1
10	10	OCTANATE	3.0	3.1
Total			55.3	59.2

Due to 77% increase in sales, Takeda (Shire) headed the drug manufacturers rating (Table 3), including due to the inclusion of Elapraz in the VZN program. Generium (+ 39%) moved up to rank two, displacing the last year top ten ranking leader Celgene (+ 3%) to rank three. Despite a decrease in sales (-8%), Biocad retained rank four in the ranking. Due to new nosologies and new drugs in the list, Roche (Actemra INN Tocilizumab for the treatment of juvenile arthritis with systemic onset) and Biomarin Ireland (Naglazim INN Galsulfase for the treatment of mucopolysaccharidosis) broke into the ranks of the top ten manufacturers. In total, the drugs of foreign manufacturers prevailed in the top brands ranking (Table 2). A total share of the top 10 brand names slightly declined, and a share of the top ten manufacturers held its own in the ranking as compared to the same period of the previous year (Table 2 and 3).

Table 3. Top ten manufacturers by purchases under the VZN Program

Rank in the top ten		Manufacturer*	Share in total VZN supplies, %	
1-3Q 2019	1-3Q 2018		1-3Q 2019	1-3Q 2018
1	2	**TAKEDA**	21.1	14.6
2	3	GENERIUM ZAO RF	15.1	13.4
3	1	CELGENE	14.9	17.7
4	4	BIOCAD RF	9.0	12.0
5	6	**JOHNSON & JOHNSON**	6.8	4.3
6	5	OCTAPHARMA	6.3	8.4
7	9	**ROCHE**	3.1	2.9
8	8	**CSL BEHRING GMBH**	2.9	3.3
9		**BIOMARIN IRELAND**	2.4	
10	13	CINNAGEN CO	2.0	2.4
Total			83.5	83.3

*AIPM members are in bold

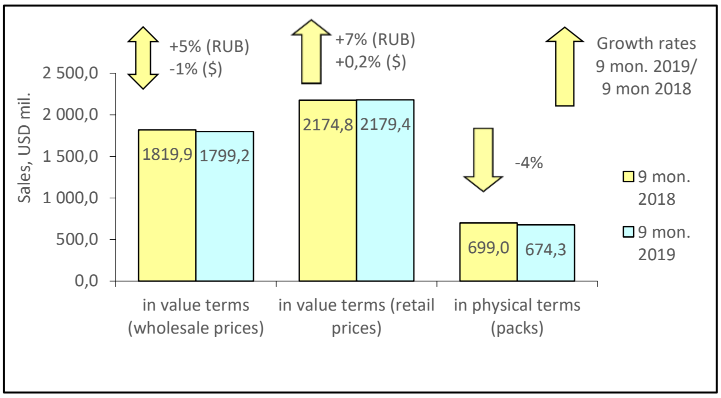
Conclusion. The drugs added to the VZN program (8 INNs) were purchased for the first time in the 1-3 quarters of 2019. This resulted in a significant increase in the indicators as compared to the same period of the previous year. Adding new INNs brought about changes in the purchases pattern. The share of domestic drugs and the share of localized products (the final manufacturing stages) in value terms reduced respectively from 30% to 28% and from 58% to 48%. The share of imported drugs increased from 11% to 23%.

CFD PHARMACY MARKET (WITHOUT MOSCOW): 2019 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2019 estimated population of the Central Federal District (CFD) (without Moscow) was 26.763 mil., which accounted for 18.2% of the total Russian Federation population. According to Federal State Statistics Service's data, the average wage in the CFD (inc. Moscow) was RUB 58512 based on the results for 9 months of 2019 (USD 899.08), which was 27% higher than the average wage in Russia (RUB 46057).

According to the results of the Retail Audit of Finished Pharmaceutical Products (FPP) in Russian Federation™, at January-September 2019 the sales of drugs in physical terms in the Central Federal District saw a 4% decrease to 674.335 mil. packs. In money terms, the market saw a 5% increase in terms of roubles and 1% decrease in terms of dollars. At the same time, the market volume reached RUB 117.095 bil. (USD 1.799 bil.) at wholesale prices (Fig.1). The region market share accounted for 20.2% of the Russian pharmacy retail sales. The average cost of a pack increased as compared to the same period of 2018: USD 3.23 vs. USD 3.11 in retail prices. For 9 months of 2019, the average amount spent by residents of the region for drugs in the pharmacies amounted to USD 81.43.

Figure 1. The CFD (without Moscow) pharmacy market for 9 months of 2018 – 9 months 2019



At the end of the first nine months of 2019, the top ten manufacturers on the pharmacy market of the Central Federal District (CFD) (without Moscow) held their own in the ranking (Table 1). The leadership was retained by BAYER (+ 6%) and SANOFI (+ 1%). GEDEON RICHTER (+3%) also held its previous rank ten. Three brand names of the top 10 rose in the ranks. SERVIER (+3%) and GLAXOSMITHKLINE (+9%) moved one rank up, to numbers three and eight. The more dynamic KRKA (+23%) moved up from rank seven to five. At the same time, they displaced the manufacturers TEVA (-7%), BERLIN-CHEMIE / MENARINI (+ 5%), OTCPHARM (-5%) and SANDOZ (-1%) down one rank, to numbers four, six, seven and nine, respectively. The consolidated share of the top 10 reduced from 34.6% to 34.0%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	**BAYER**	4.8	4.8
2	2	**SANOFI**	4.2	4.4
3	4	**SERVIER**	3.7	3.8
4	3	**TEVA**	3.6	4.1
5	7	KRKA	3.5	3.0
6	5	**BERLIN-CHEMIE/MENARINI**	3.2	3.2
7	6	OTCPHARM	2.8	3.2
8	9	**GLAXOSMITHKLINE**	2.8	2.8
9	8	**SANDOZ**	2.7	2.8
10	10	GEDEON RICHTER	2.6	2.7
Total			34.0	34.6

*AIPM members are in bold

Two newcomers MIRAMISTIN (+6%) and NIMESIL (+20%) broke into the ranks of the top ten ranking, moving down to ranks nine and ten (Table 2). Apart from the above mentioned, the other three brands moved up to the higher positions. CONCOR (+4%), NUROFEN (+12%) and PENTALGIN (+3%) moved up to ranks two, four and seven, respectively. At the same time, three brand DETRALEX (-1%), MEXIDOL (+1%) and CARDIOMAGNYL (-8%), in contrast, moved one rank down. XARELTO (+34%) and ACTOVEGIN (-6%) held their previous ranks one and six. The total share of the top 10 brands did not virtually change and accounted for 7.3%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	XARELTO	1.2	1.0
2	3	CONCOR	0.8	0.8
3	2	DETRALEX	0.8	0.8
4	5	NUROFEN	0.8	0.7
5	4	MEXIDOL	0.8	0.8
6	6	ACTOVEGIN	0.6	0.7
7	9	PENTALGIN	0.6	0.6
8	7	CARDIOMAGNYL	0.6	0.7
9	11	MIRAMISTIN	0.5	0.5
10	14	NIMESIL	0.5	0.5
Total			7.3	7.2

The top INN and group names leader managed to hold its own in the ranking: XYLOMETAZOLINE (+4%) maintained its previous rank number one (table 3). Due to 34% growth in sales, RIVAROXABAN moved up to rank two from seven, and BISOPROLOL (+11%) moved up to rank three from four. At the same time, they displaced DIOSMIN*HESPERIDIN (+3%), IBUPROFEN (+5%), NIMESULIDE and PANCREATIN (+10% each) to the lower ranks, to numbers four through seven, respectively. ETHYLMETHYLHYDROXYPYRIDINE (+1%) kept its eighth position. The newcomers DICLOFENAC (+17%) and ATORVASTATIN (+23%) rounded out the top ten ranking. The cumulative share of the top 10 under review increased by 0.5 to 11.1%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	XYLOMETAZOLINE	1.7	1.7
2	7	RIVAROXABAN	1.2	1.0
3	4	BISOPROLOL	1.2	1.1
4	2	DIOSMIN*HESPERIDIN	1.2	1.2
5	3	IBUPROFEN	1.2	1.2
6	5	NIMESULIDE	1.1	1.0
7	6	PANCREATIN	1.0	1.0
8	8	ETHYLMETHYLHYDROXYPYRIDINE	0.9	0.9
9	11	DICLOFENAC	0.8	0.8
10	13	ATORVASTATIN	0.8	0.7
Total			11.1	10.6

C09 Agents acting on the rennin-angiotensin system (+20%) became the best-selling and dynamic group in the regional market (Table 4). M01 anti-inflammatory and antirheumatic drugs (+ 7%) that had been placed at rank number one earlier moved down to rank two. The shifts took place in the bottom part of the top ten ranking as well. Group A07 Anti-diarrheal, intestinal anti-inflammatory and antimicrobial agents reduced sales by 3% and moved one rank down, to number 9, giving way to C05 Vasoprotectors (+ 1%). The only newcomer N06 Psychoanaleptics (+7%) rounded out the top ten ranking. B01 Anticoagulants (+ 13%), R01 Nasal preparations (+ 6%), G03 Sex hormones, J01 Antibacterials for systemic use and N02 Analgesics (+ 3% for each of the three) held their previous ranks from three through seven. In total, the top ten ATC groups accumulated 37.5% of the regional market, whereas in the year-earlier period they accounted for 37.0%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.8	5.1
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.2	5.1
3	3	B01	ANTITHROMBOTIC AGENTS	4.1	3.8
4	4	R01	NASAL PREPARATIONS	3.8	3.7
5	5	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.4	3.5
6	6	J01	ANTIBACTERIALS FOR SYST USE	3.3	3.4
7	7	N02	ANALGESICS	3.2	3.3
8	9	C05	VASOPROTECTIVES	3.0	3.2
9	8	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	2.9	3.2
10	12	N06	PSYCHOANALEPTICS	2.8	2.7
Total				37.5	37.0

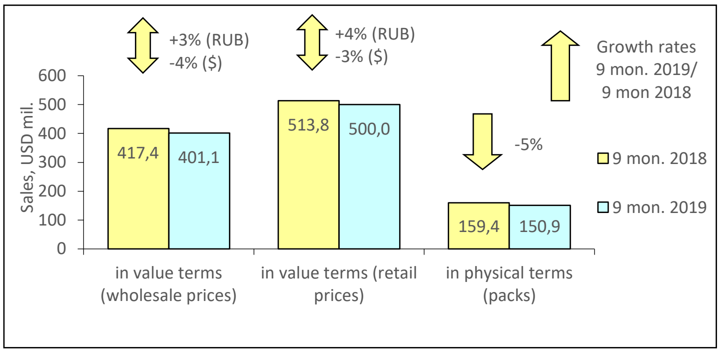
Conclusion. On the basis of the results for January-September of 2019, the retail pharmacy market of CFD (exclus. of Moscow) brought in RUB 117.095 bil. (USD 1.799 bil.), which was 7% in terms of roubles and 0.2% in terms of dollars more than in the same period of 2018. In pack terms, the market reduced by 4% and amounted to 674.335 mil. packs. According to the results for the first nine months of 2019, the average cost of an FPP pack in the regional pharmacies was USD 3.23, which was more than the last year figures (USD 3.11), but less than average figures in the country (USD 3.39). The average medicine expenses of the region residents were higher than the national average expenses in Russia (USD 81.43 vs. USD 73.61).

NWFD (EXCLUS. OF SAINT PETERSBURG) PHARMACY MARKET: 2019 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2019 estimated population of the North-Western Federal District (NWFD) (exclus. of St. Petersburg) was 8.588 mil., which accounted for 5.9% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for January-September 2019 the average wage in NWFD (inc. St. Petersburg) was RUB 51258 (USD 787.62), which was 11% higher than the average wage in Russia (RUB 46057).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federation™, at the end of January-September period of 2019 the sales of FPPs in physical terms in pharmacies of NWFD (without St. Petersburg) saw a 5% decrease to 150.855 mil. packs. In money terms, the market saw a 3% increase in terms of roubles and 4% decrease in terms of dollars. At the same time, the volume of the market achieved RUB 26.114 bil (USD 401.125 mil.) at wholesale prices (Fig. 1). The share of the region accounted for 4.6% of the Russian retail pharmacy sales. The average cost of an OTC pack in the pharmacies increased as compared to the same period of the previous year (USD 3.22) and reached USD 3.31 in retail prices. In January-September 2019, an average amount spent by the region residents for FPPs in the pharmacies amounted to USD 58.22.

Figure 1. The NWFD (without St. Petersburg) pharmacy market for 9 months of 2018 – 9 months 2019



At the end of the first nine months of 2019, the top three manufacturers on the pharmacy market of the North-Western Federal District (NWFD) (excl. of St. Petersburg) held its own in the ranking (Table 1). BAYER (+2%), SANOFI and SERVIER (-3% each) held their previous top ranks in the ranking. The most dynamic among the top ten drug manufacturers KRKA (+23%) moved up to rank four from eight. At the same time, it displaced one point down four manufacturers with negative dynamics TEVA (-6%), GEDEON RICHTER (-3%), OTCPHARM (-1%) and SANDOZ (-7%). In addition to above KRKA, another two manufacturers demonstrated positive dynamics and rose in the ranks. These were GLAXOSMITHKLINE (+6%) and BERLIN-CHEMIE/MENARINI (+5%), which rounded out the top ten ranking. Note that the latter broke into the ranks of the top -10 for the first time. The total share of the top 10 brands reduced: 36,8% vs 37,6% a year-earlier.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	**BAYER**	4.9	4.9
2	2	**SANOFI**	4.4	4.6
3	3	**SERVIER**	4.2	4.4
4	8	**KRKA**	3.7	3.1
5	4	**TEVA**	3.7	4.0
6	5	GEDEON RICHTER	3.6	3.9
7	6	OTCPHARM	3.6	3.8
8	7	**SANDOZ**	3.2	3.5
9	10	**GLAXOSMITHKLINE**	2.8	2.7
10	11	**BERLIN-CHEMIE/MENARINI**	2.7	2.6
Total			36.8	37.6

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brands (Table 2). PENTALGIN (+9%) and ELIQUIS (+47%) moved up to two bottom ranks. The other four brands also rose in the ranks. XARELTO continued to show high growth rates - its sales for the first 9 months increased by 36%, which allowed it to move up from rank four to one. Not so dynamic KAGOCEL (+ 4%) and ESSENTIALE (+ 7%) moved up one rank, coming in at numbers five and eight, and LORISTA (+ 14%) moved up from rank eight to six. The remaining four brands reduced sales and fell in the ranks. NUROFEN (-1%), DETRALEX (-11%), CONCOR (-6%) and CARDIOMAGNYL (-12%) moved down to ranks two through four and seven. The total share of the top ten brands ranking increased by 0.2 p.p. and achieved 7.5%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	4	XARELTO	1.0	0.8
2	1	NUROFEN	0.9	1.0
3	2	DETRALEX	0.8	0.9
4	3	CONCOR	0.8	0.9
5	6	KAGOCEL	0.8	0.7
6	8	LORISTA	0.7	0.6
7	5	CARDIOMAGNYL	0.7	0.8
8	9	ESSENTIALE	0.6	0.6
9	11	PENTALGIN	0.6	0.6
10	24	ELIQUIS	0.6	0.4
Total			7.5	7.3

Despite the change of leader mentioned in the rating above, XYLOMETAZOLINE (-1%) and IBUPROFEN (-0.3%), composition DIOSMIN*HESPERIDIN (-3%) and INN BISOPROLOL (+3%) held their previous top four ranks (Table 3). The shifts took place in the lower part of the top ten. Due to high growth rates of RIVAROXABAN (+36%), ATORVASTATIN (+30%) and DICLOFENAC (+13%) moved up to ranks five, eight and ten respectively. At the same time, the latter two became the newcomers of the top ten. At the same time, the less dynamic NIMESULIDE (+6%), PANCREATIN (+11%) and LOSARTAN (+12%) moved down to ranks six, seven and nine. In total, ten INNs and group names accounted for 10.9% against 10.4% in the year-earlier period.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	XYLOMETAZOLINE	1.6	1.6
2	2	IBUPROFEN	1.4	1.4
3	3	DIOSMIN*HESPERIDIN	1.2	1.3
4	4	BISOPROLOL	1.2	1.2
5	9	RIVAROXABAN	1.0	0.8
6	5	NIMESULIDE	1.0	0.9
7	6	PANCREATIN	0.9	0.9
8	13	ATORVASTATIN	0.9	0.7
9	7	LOSARTAN	0.9	0.8
10	11	DICLOFENAC	0.8	0.7
Total			10.9	10.4

The dominant three groups held their own in the top ten ATC group ranking (Table 4). Those were C09 Agents acting on the rennin-angiotensin system (+14%), M01 Anti-inflammatory and antirheumatic products (+4%) and G03 Sex hormones (+2%). B01 Anticoagulants (+ 8%) moved up to rank four from six, displacing R01 Nasal preparations (+ 1%) and N02 Analgesics (-1%) down one rank. The groups J01 Antibacterials for systemic use (-1%) and J05 Antivirals for systemic use (+ 2%) managed to move one point up, to ranks seven and ten. On top of that, the latter became the only newcomer of the top 10 ranking. C05 Vasoprotectors (-3%) held their previous rank nine, while due to 6% reduction in sales R05 Cough and cold preparations lost one p.p. and moved down to rank eight. The top ten ATC groups accounted for 38.5% of regional pharmacy sales, as in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	6.0	5.3
2	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.2	5.2
3	3	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.1	4.1
4	6	B01	ANTITHROMBOTIC AGENTS	3.7	3.5
5	4	R01	NASAL PREPARATIONS	3.6	3.7
6	5	N02	ANALGESICS	3.4	3.6
7	8	J01	ANTIBACTERIALS FOR SYST USE	3.2	3.4
8	7	R05	COUGH AND COLD PREPARATIONS	3.2	3.5
9	9	C05	VASOPROTECTIVES	3.1	3.3
10	11	J05	ANTIVIRALS FOR SYSTEMIC USE	3.1	3.1
Total				38.5	38.5

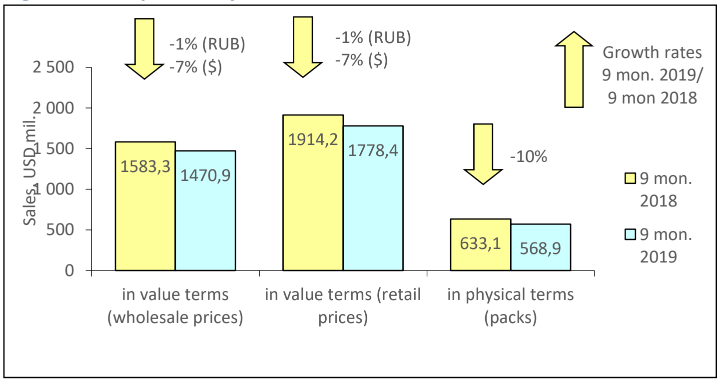
Conclusion. Based on the results for January-September of 2019, the pharmacy market of the NWFD (without St Petersburg) brought in RUB 32.551 bil. (USD 500.005 mil.). which was 4% more in terms of roubles and 3% less in terms of dollars than in the same period of 2018. In pack terms, the market reduced by 5% and amounted to 150.855 mil. packs. According to the results for 9 months of 2019, the average cost of an FPP pack in the regional pharmacies was USD 3.31, which was less than 2018 indicators (USE 3.22), but less than the average across the country (USD 3.39). The medicine expenses of the district residents were lower than the national average expenses in Russia (USD 58.22 vs USD 73.61)

VFD PHARMACY MARKET: 2019 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2019 estimated population of the Volga Federal District (VFD. 29.397 mil., which accounted for 20.0% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-September of 2019 the average wage in the VFD was RUB 33350 (USD 512.45), which was 28% lower than the national average wage in Russia (RUB 46057).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first nine months of 2019 the pharmacy market of VFD in pack terms expanded by 10% to 568.884 mil. packs as compared to the same period of the previous year (Fig. 1) In wholesale prices, the market reduced in terms of roubles (-1%) and in terms of dollars (-7%) and reached RUB 95.746 bil. (USD 1.471 bil.), A region's share in the total pharmacy sales in Russia accounted for 16.5%. Based on the results for January-September of 2019, the average cost of FPP in the VFD pharmacies increased compared with the year-earlier period (USD 3.02) and was equal to USD 3.13. The average per capita expenses for purchase of drugs in the pharmacies were estimated at USD 60.49.

Figure 1. VFD pharmacy market for 9 months of 2018 – 9 months 2019



At the end of January-September period of 2019, most manufacturers from the top ten manufacturers on the Volga federal district market, as well as the overall regional market, showed negative growth rates (Table 1). Among them were SANOFI (-4%) that held their leading positions. On top of that, BAYER (+0.2%) and TAKEDA (-0.5%) showed almost zero growth rates and held their previous ranks two and nine, and OTCPHARM (-6%) held its previous rank three despite the reduction in sales. The only newcomer of the top ten with positive growth sales KRKA (+23%), moved up to rank four from 8. At the same time, TEVA (-6%), SERVIER (-0,3%), SANDOZ (-4%) and ABBOTT (-5%) moved down one rank. The newcomer GEDEON RICHTER (-1%) broke into the ranks of the top ten, coming in at number ten. The cumulative share of the top 10 brands didn't change and accounted for 32.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	**SANOFI**	4.1	4.3
2	2	**BAYER**	4.0	3.9
3	3	OTCPHARM	3.5	3.7
4	8	**KRKA**	3.4	2.7
5	4	**TEVA**	3.3	3.5
6	5	**SERVIER**	3.1	3.1
7	6	**SANDOZ**	2.8	2.9
8	7	**ABBOTT**	2.7	2.8
9	9	**TAKEDA**	2.6	2.6
10	11	GEDEON RICHTER	2.6	2.6
Total			32.1	32.1

*AIPM members are in bold

One newcomer broke into the ranks of the top ten brand names ranking: LOZAP (-1%) moved up to the bottom rank of the top ten from 12 (Table 2). Apart from that, another four brands of the top ten managed to rise in the ranks. Due to 35% growth in sales, XARELTO moved up to rank one from ten. PENTALGIN (-2%) and CONCOR (-3%) moved up one rank, despite the reduction in sales. DETRALEX (+1%) also moved one rank up. Four brands with the pronounced negative growth rates: ACTOVEGIN (-9%), NUROFEN (-14%), KAGOCEL and CARDIOMAGNYL (-11% each) moved down to ranks three, five, seven and nine. MEXIDOL (-1%) held its previous rank two. The total share of the top 10 brands did not virtually change and accounted for 6.2%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	10	XARELTO	0.7	0.5
2	2	MEXIDOL	0.7	0.7
3	1	ACTOVEGIN	0.7	0.8
4	5	PENTALGIN	0.6	0.6
5	3	NUROFEN	0.6	0.7
6	7	CONCOR	0.6	0.6
7	4	KAGOCEL	0.6	0.6
8	9	DETRALEX	0.6	0.6
9	6	CARDIOMAGNYL	0.5	0.6
10	12	LOZAP	0.5	0.5
Total			6.2	6.3

Most of the top ten INN and group names also showed negative growth rates (Table 3). Among them is the leader of the top ten XYLOMETAZOLINE (-12%). ETHYLMETHYLHYDROXYPYRIDINE (-3%) and NIMESULIDE (-5%) held their previous ranks six and eight. Due to strong reduction in sales, the composition DIOSMIN* HESPERIDIN (-7%) and INNs IBUPROFEN and BLOOD (-11% each) moved down to the lower ranks. At the same time, they gave way to INN PANCREATIN (-3%), which sales reduced to a lesser extent. Three INNs from the top ten also showed sales growth rates. BISOPROLOL (+2%) and ROSUVASTATIN (+15%) moved up to ranks two and seven, and the newcomer RIVAROXABAN (+35%) broke into the ranks of the top ten INNs, coming in at number ten. The total share of the top 10 decreased from 9.5% to 9.3%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	XYLOMETAZOLINE	1.3	1.4
2	5	BISOPROLOL	1.1	1.0
3	4	PANCREATIN	1.0	1.1
4	3	DIOSMIN*HESPERIDIN	1.0	1.1
5	2	IBUPROFEN	1.0	1.1
6	6	ETHYLMETHYLHYDROXYPYRIDINE	0.9	0.9
7	10	ROSUVASTATIN	0.8	0.7
8	8	NIMESULIDE	0.8	0.8
9	7	BLOOD	0.8	0.9
10	24	RIVAROXABAN	0.7	0.5
Total			9.3	9.5

In contrast to the above rankings, the positive growth rates dominated in the top ten ATC-groups ranking (Table 4). However, four of them showed reduction in sales. The groups J01 Antibacterials for systemic use (-6%), R01 Nasal preparations (-7%), N02 Analgesics (-9%) and J05 Antivirals for systemic use (-15%) moved down to ranks four, seven and two bottom ranks, respectively. The other groups saw an increase in sales, the highest sales were observed in C09 Preparations acting on the rennin-angiotensin system (+14%). M01 anti-inflammatory and antirheumatic drugs (+1%) that had been placed at that rank earlier moved down to rank two. In addition to the leader, G03 Sex hormones (+ 1%), B01 Anticoagulants (+ 9%), N06 Psychoanaleptics (+ 3%) and the only newcomer of the top ten S01 Ophthalmologicals (+ 4%) rose in the ranks. In total, the top ten ATC groups accumulated 36.4% of sales, whereas in the year–earlier period 36.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.5	4.8
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.2	5.2
3	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.8	3.7
4	3	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.7
5	8	B01	ANTITHROMBOTIC AGENTS	3.4	3.1
6	10	N06	PSYCHOANALEPTICS	3.1	3.0
7	6	R01	NASAL PREPARATIONS	3.1	3.3
8	12	S01	OPHTHALMOLOGICALS	3.0	2.9
9	7	N02	ANALGESICS	2.9	3.2
10	5	J05	ANTIVIRALS FOR SYSTEMIC USE	2.9	3.4
Total				36.4	36.1

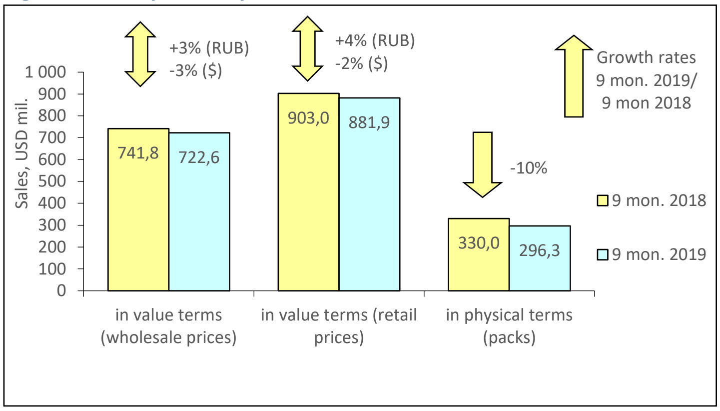
Conclusion. At the end of the first nine months of 2019, the pharmacy market in VFD was estimated at RUB 115.750 bil. (USD 1.778 bil.) in retail prices. At the same time, the market behaviour was positive both in rouble (-1%) and dollar (-7%) terms. In physical terms, the sales reduced by 10% and amounted to 568.884 mil. packs as compared to the same period in 2018. The average cost of OTC pack based on the results for January-September of 2019 was USD 3.13, which was higher compared to the same period a year ago (USD 3.02), but lower than the national average across Russia (USD 3.39). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 60.49 vs. USD 73.61).

SoFD PHARMACY MARKET: 2019 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2019 estimated population of the Southern Federal District (SoFD) was 16.455 mil., which accounted for 11.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-September of 2019 the average wage in the SoFD was RUB 33304 (USD 511.74), which was 28% less than the average salary in Russia (RUB 46,057).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of January- September 2019 the sales of drugs in physical terms in the Southern Federal District saw a 10% decrease to 296.302 mil. packs. In money terms, the market showed positive growth rates in rouble terms (+3%) and negative growth rates in dollar terms (-3%) and amounted to RUB 47.021 bil. (USD 722.627 mil.) at wholesale prices (Fig. 1). The city market share accounted for 8.2% of the pharmacy sales in Russia. The average cost of an OTC pack increased as compared to a year earlier period (USD 2.74) and reached USD 2.98 at retail prices. For the first nine months of 2019, the average amount spent by residents of the SoFD for OTC drugs amounted to USD 53.60.

Figure 1. SoFD pharmacy market for 9 months of 2018 – 9 months 2019



In January-September 2019, BAYER held its leading position in the top 10 manufacturers ranking in the market of the Southern Federal District despite 4% reduction in sales (Table 1). The other two manufacturers also kept their positions unchanged: SANOFI (+3%) and SANDOZ (-1%) held their previous ranks two and six, respectively. Four pharmaceutical manufacturers of the top 10 rose in the ranks. SERVIER (+6%) moved up one rank, coming in at number three, BERLIN-CHEMIE/MENARINI (+3%) and ABBOTT (+9%) moved two ranks up. The only newcomer, GEDEON RICHTER (+3%) moved up to rank ten. At the same time, the manufacturers TEVA (-12%), OTCPHARM (-6%) and GLAXOSMITHKLINE (-4%) reduced their sales and moved down to the lower ranks four, seven and nine. In total, the top ten manufacturers accumulated 32.3% of the market, whereas in the same period of the last year they accounted for 33.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	**BAYER**	4.7	5.0
2	2	**SANOFI**	3.9	3.9
3	4	**SERVIER**	3.3	3.3
4	3	**TEVA**	3.3	3.9
5	7	**BERLIN-CHEMIE/MENARINI**	3.0	3.1
6	6	**SANDOZ**	3.0	3.1
7	5	OTCPHARM	2.9	3.2
8	10	**ABBOTT**	2.8	2.7
9	8	**GLAXOSMITHKLINE**	2.6	2.8
10	11	GEDEON RICHTER	2.6	2.6
Total			32.3	33.7

*AIPM members are in bold

Three newcomers broke into the top 10 brands ranking on the regional market (Table 2). The most dynamic of them, XARELTO (+57%) headed the top-10, displacing NUROFEN (-4%) and ACTOVEGIN (+7%) one rank down. Another two newcomers CONCOR (+13%) and PENTALGIN (+7%) moved up to ranks six and eight, respectively. The brand MEXIDOL (+20%) also managed to rise in the ranks, coming in at number five instead of ten. Three brands also kept their positions unchanged. DETRALEX (+9%), INGAVIRIN (+2%) and CARDIOMAGNYL (-0.3%) moved up to ranks four, seven and nine, respectively. And only THERAFLEX (-18%), which showed strong negative growth rates, moved down from rank three to ten. The total share of the top ten brands increased by 0.2 p.p. and accounted for 6.3%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	12	XARELTO	0.8	0.5
2	1	NUROFEN	0.8	0.8
3	2	ACTOVEGIN	0.7	0.7
4	4	DETRALEX	0.7	0.6
5	10	MEXIDOL	0.6	0.5
6	11	CONCOR	0.6	0.5
7	7	INGAVIRIN	0.5	0.6
8	13	PENTALGIN	0.5	0.5
9	9	CARDIOMAGNYL	0.5	0.5
10	3	THERAFLEX	0.5	0.7
Total			6.3	6.1

XYLOMETAZOLINE held its rank number one in the top ten INN and group names ranking, though its sales reduced by 9% (Table 3). IBUPROFEN (-5%) also showed negative growth rates, however it lost one rank and moved down to rank three. The other eight INNs of the top ten ranking, in contrast, saw an increase in sales. The newcomer of the top ten ranking showed the highest growth in sales, coming in at rank seven from 22. PANCREATIN (+6%) moved up two ranks, coming in at number two. The composition DIOSMIN*HESPERIDIN (+16%), as well as INNs BISOPROLOL and ROSUVASTATIN (+20% each) held their previous ranks five, six and nine respectively. At the same time, NIMESULIDE (+0.5%), BLOOD (+4%) and DICLOFENAC (+12%) moved down to the lower ranks four, eight and ten. The total share of the top ten accounted for 10.1%, whereas in 2018 it was 9.7%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	XYLOMETAZOLINE	1.6	1.9
2	4	PANCREATIN	1.1	1.1
3	2	IBUPROFEN	1.1	1.2
4	3	NIMESULIDE	1.1	1.1
5	5	DIOSMIN*HESPERIDIN	1.0	0.9
6	6	BISOPROLOL	1.0	0.9
7	22	RIVAROXABAN	0.8	0.5
8	7	BLOOD	0.8	0.8
9	9	ROSUVASTATIN	0.8	0.7
10	8	DICLOFENAC	0.8	0.7
Total			10.1	9.7

The top ten ATC groups ranking didn't change its leader either. As before, M01 Aniinflammatory and antirheumatic products (+1%) maintained its previous rank one (Table 4). C09 Preparations acting on the rennin-angiotensin system (+26%) and G03 Sex hormones (+6%) moved up to ranks two and three, displacing R01 Nasal preparations (-5%) and J01 Antibacterials for systemic use (-4%) two ranks down. The only newcomer of the top ten B01 Anticoagulants (+28%) moved up to rank six, displacing down A07 Anti-diarrheal, intestinal anti-inflammatory and antimicrobial agents (-10%), N02 Analgesics (-9%) and J05 Antivirals for systemic use (+1%). C05 Vasoprotectors (+9%) held its own in the ranking, rounding out the top ten ATC groups. The total share of the top 10 ATC groups remained unchanged and accounted for 36%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.2	5.4
2	4	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.5	3.7
3	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.6	3.5
4	2	R01	NASAL PREPARATIONS	3.6	3.9
5	3	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.7
6	11	B01	ANTITHROMBOTIC AGENTS	3.5	2.8
7	5	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.2	3.6
8	7	N02	ANALGESICS	3.1	3.5
9	8	J05	ANTIVIRALS FOR SYSTEMIC USE	3.0	3.1
10	10	C05	VASOPROTECTIVES	2.9	2.8
Total				36.0	36.0

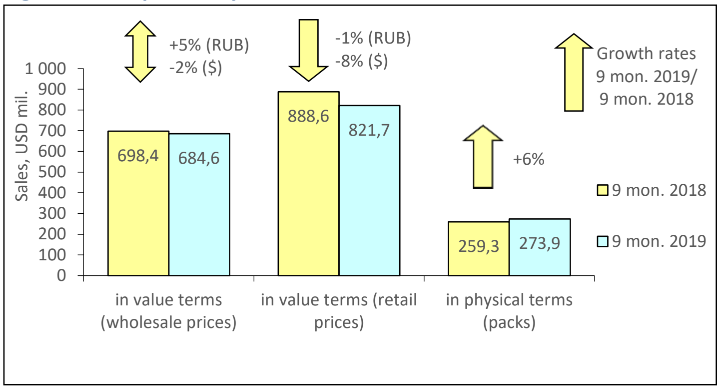
Conclusion. At the end of January-September of 2019, the retail pharmacy market of SoFD brought in RUB 57.378 bil. (USD 881.889 mil.) at retail prices. The sales saw a 4% increase in terms of roubles, and a 2% decrease in terms of dollars. In pack terms, the market reduced by 10% and amounted to 296.302 mil. packs. The average cost of an FPP pack in the district pharmacies was USD 2.98, which was higher than the previous year figures (USD 2.74), but lower than national average (USD 3.39). At the end of 9 months of 2019, the average expenses of the SoFD residents for medications in the pharmacies were also lower than the national average (USD 53.60 vs. USD 73.61).

UFD PHARMACY MARKET: 2019 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2019 estimated population of the Ural Federal District (UFD) was 12.350 mil., which accounted for 8.4% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-September of 2019 the average wage in the UFD was RUB 49,800 (USD 765.21), which was 8% more than the average salary in Russia (RUB 46,057).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first nine months of 2019 the sales of FPP drugs in physical terms in the pharmacies of UFD saw a 6% increase to 273.910 mil. packs. In money terms, the OTC drugs market showed positive growth rates (+5%) in rouble terms, negative (-2%) in dollar terms and reached RUB 44.548 bil. (USD 684.551 mil.) at wholesale prices (Fig. 1). The regional retail sales share accounted for 7.6% of all pharmacy sales in Russia. The average retail cost of an FPP pack in January-September of 2019 was USD 3.00 against USD 3.43 in the year-earlier period. In the analysed period, the average amount spent by residents of the UFD for drugs amounted to USD 66.53.

Figure 1. UFD pharmacy market for 9 months of 2018 – 9 months 2019



Despite 5% reduction in sales, SANOFI moved up to rank number on in the top ten drug manufacturers ranking on the retail market of the Ural Federal District based on the results of January-September period of 2019 (Table 1) BAYER (-10%), which used to take the lead in the top ten ranking, showed strong negative growth rates and moved down to rank two. Due to reduction in sales, the manufacturers OTCPHARM and GEDEON RICHTER (-3% each), SERVIER (-0.4%) and STADA (-5%) moved down to the lower ranks, coming in at numbers four, six, eight and ten, respectively. The remaining four manufacturers, in contrast, showed high growth sales, which allowed them to rise in the ranks. TEVA (+18%), SANDOZ (+15%), KRKA (+40%) and GLAXOSMITHKLINE (+20%) moved up one rank, coming in at numbers three, five, seven ad nine, respectively. Note that the two latter broke into the top 10 ranking for the first time. The total share of the top 10 drug manufacturers reduced from 33.1% to 32.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	2	**SANOFI**	4.2	4.8
2	1	**BAYER**	4.1	4.8
3	4	**TEVA**	3.9	3.4
4	3	OTCPHARM	3.4	3.7
5	8	**SANDOZ**	3.2	2.9
6	5	GEDEON RICHTER	3.0	3.2
7	14	**KRKA**	2.9	2.2
8	6	**SERVIER**	2.8	2.9
9	13	**GLAXOSMITHKLINE**	2.7	2.3
10	7	STADA	2.6	2.9
Total			32.7	33.1

*AIPM members are in bold

NUROFEN (+3%) became the bestselling drug in the analysed period, which moved up to rank number on from three due to positive growth rates (Table 2). Another two manufacturers from the top ten showed positive growth rates. XARELTO (+1%) moved up to rank four and newcomer LORISTA (+19%) broke into the ranks of the top ten for the first time. The other seven brand names from the ranking saw a reduction in sales. However, three of them, DETRALEX (-8%), LOZAP (-6%) and PENTALGIN (-7%) managed to move to the higher ranks three, five and ten. Four brands with the pronounced negative growth rates, in contrast, fell in the ranks. Among them are the former leader INGAVIRIN (-28%), which moved down to rank two, and KAGOCEL (-25%), ESSENTIALE (-34%), ACTOVEGIN (-25%), which moved down to ranks six, eight and nine, respectively. The cumulative share of the top-ten reduced by 1 p.p. to 5.2%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	3	NUROFEN	0.7	0.7
2	1	INGAVIRIN	0.6	0.8
3	6	DETRALEX	0.5	0.6
4	10	XARELTO	0.5	0.5
5	9	LOZAP	0.5	0.6
6	4	KAGOCEL	0.5	0.7
7	19	LORISTA	0.5	0.4
8	2	ESSENTIALE	0.5	0.7
9	7	ACTOVEGIN	0.4	0.6
10	14	PENTALGIN	0.4	0.5
Total			5.2	6.2

In contrast to the above rankings, the top five INNs held its own in the top ten INNs and group name ranking (Table 3). They were XYLOMETAZOLINE (-9%), IBUPROFEN (+5%), DIOSMIN*HESPERIDIN (-2%), PANCREATIN and ROSUVASTATIN (+4%). Shifts took place in the lower part of the top 10 ranking, but four INNs rose in the ranks. BISOPROLOL (+15%) moved up from rank ten to six, and the newcomers DICLOFENAC (+32%), LOSARTAN (+12%) and ATORVASTATIN (+27%) broke into the ranks of the top ten ranking, coming in at numbers seven and two bottom ranks. Only NIMESULIDE (-7%) moved down from rank six to eight. The cumulative share of the top 10 didn't change and accounted for 9%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	XYLOMETAZOLINE	1.4	1.6
2	2	IBUPROFEN	1.1	1.1
3	3	DIOSMIN*HESPERIDIN	1.0	1.0
4	4	PANCREATIN	1.0	1.0
5	5	ROSUVASTATIN	0.9	0.9
6	10	BISOPROLOL	0.8	0.8
7	18	DICLOFENAC	0.7	0.6
8	6	NIMESULIDE	0.7	0.8
9	15	LOSARTAN	0.7	0.6
10	23	ATORVASTATIN	0.7	0.5
Total			9.0	9.0

M01 Anti-inflammatory and antirheumatic products (+12%), C09 Agents acting on the renin-angiotensin system (+24%) and G03 Sex hormones (-3%) held their top ranks in the top ten ATC groups ranking (Table 4). The groups R01 Nasal preparations and B01 Anticoagulants (-7% each) also held their previous ranks five and ten. Among those remaining, only the market of the group J01 Antibacterials for systemic use (+9%) developed at a fast pace, which allowed it to move up three p.p., coming in at rank four. Apart from it, the other three ATC group from the top ten ranking moved up to yet higher ranks. R05 Cough and cold preparations (+1%) moved up to rank six from eight, and N02 Analgesics (+2%) moved up to rank eight from nine. The only newcomer G04 Urologicals (+5%) moved up to rank nine. And only J05 Antivirals for systemic use reduced their sales by 15% and moved down from rank four to seven. In total, the top ten ATC groups accumulated 36.1% of the regional market, whereas in the year-earlier period they accounted for 36,8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.1	4.7
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.0	4.2
3	3	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.9	4.2
4	7	J01	ANTIBACTERIALS FOR SYST USE	3.6	3.4
5	5	R01	NASAL PREPARATIONS	3.4	3.8
6	8	R05	COUGH AND COLD PREPARATIONS	3.3	3.4
7	4	J05	ANTIVIRALS FOR SYSTEMIC USE	3.2	3.9
8	9	N02	ANALGESICS	3.1	3.2
9	12	G04	UROLOGICALS	2.8	2.8
10	10	B01	ANTITHROMBOTIC AGENTS	2.8	3.1
Total				36.1	36.8

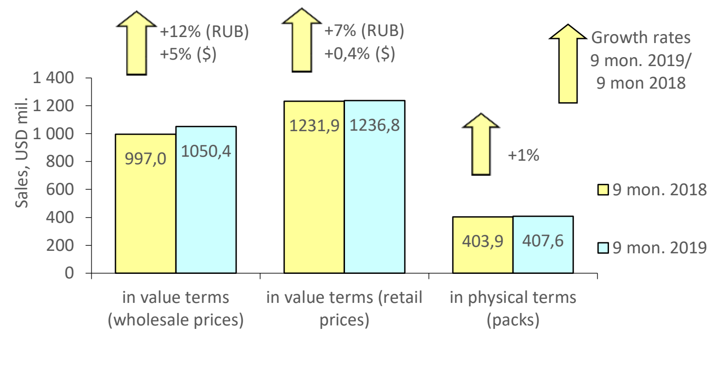
Conclusion. In January- September of 2019, the retail pharmacy market of the Ural Federal District brought in RUB 53.472 bil. (USD 821.688 mil.) at retail prices. The sales reduced both in rouble terms (-1%) and in dollar terms (-8%). In pack terms, the market also showed positive growth rates (+6%) and achieved 273.910 mil. packs. According to the results for 9 months of 2019, the average cost of an FPP pack in the district pharmacies was USD 3.00, which was higher than the last year figures (USD 3.43) and the national average (USD 3.39). Per capita expenses of the UFD residents for purchase of medicines in the pharmacies were also lower the national average figures (USD 66.53 vs. USD 73.61).

SiFD PHARMACY MARKET: 2019 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2019 estimated population of the Siberian Federal District (SiFD. 17.173 mil., which accounted for 11.7% of the total Russian Federation population. According to Federal State Statistics Service's data, the average wage for 9 months of 2019 in the SiFD was RUB 39,699 (USD 610.00), which was 14% lower than the average wages in Russia (RUB 46057).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in January - September of 2019 the SiFD pharmacy market volume in physical terms increased by 1% to 407.588 mil. packs (Fig. 1) In wholesale prices, the market also showed the positive performance both in terms of roubles (+12%) and in terms of dollars (+5%) and reached 68.361 bil. roubles (USD 1.050 bil.), The district's share accounted for 11.4% of the total pharmacy sales in the Russian pharmacy market pattern. Based on the results for 9 months of 2019, the average cost of FPP pack in the SiFD pharmacies was USD 3.03, whereas in the year-earlier period its cost was USD 3.05. In this period, per capita expenses of the SFD residents for purchase of medicines in pharmacies amounted to USD 72.02.

Figure 1. SiFD pharmacy market for 9 months of 2018 – 9 months 2019



Based on the results for the first nine months of 2019, half of top ten drug manufactures in the Siberian Federal District market held their own in the ranking (Table 1). They were the ranking leaders BAYER (+12%), SANOFI (+9%), TEVA (-2%) and SERVIER (+10%), as well as ABBOTT (+12%) placed at number nine. Due to 25% growth in sales, KRKA moved up to rank five. At the same time, OTCPHARM (+7%), SANDOZ (+1%) and GEDEON RICHTER (+10%) moved down one rank. Its only newcomer GLAXOSMITHKLINE (+11%) moved up to the bottom rank in the top 10 ranking. The total share of the top 10 drug manufacturers reduced by almost 1 p.p. and accounted for 33.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	**BAYER**	4.6	4.6
2	2	**SANOFI**	4.2	4.3
3	3	**TEVA**	3.6	4.1
4	4	**SERVIER**	3.6	3.6
5	8	**KRKA**	3.2	2.8
6	5	OTCPHARM	3.2	3.3
7	6	**SANDOZ**	2.9	3.2
8	7	GEDEON RICHTER	2.8	2.9
9	9	**ABBOTT**	2.7	2.7
10	12	**GLAXOSMITHKLINE**	2.5	2.5
Total			33.1	34.0

*AIPM members are in bold

One newcomer broke into the ranks of the top ten brand names ranking (Table 2). It was XARELTO (+61%), which headed the top ten ranking. Due to outstripping growth rates, DETRALEX (+13%) and LORISTA (+16%) moved up to the higher ranks, coming in at numbers two and four. At the same time, the former leaders LOZAP (+7%) and CARDIOMAGNYL (-0.4%) moved down from the top two ranks to ranks three and seven. CONCOR and ACTOVEGIN (+5% each) lost two ranks each, PENTALGIN (+15%) also moved down one rank. NUROFEN (+12%) and MEXIDOL (+14%) held their previous ranks five and nine. In total, top ten brands accumulated 6.4% of sales.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	12	XARELTO	0.7	0.5
2	3	DETRALEX	0.7	0.7
3	1	LOZAP	0.7	0.7
4	6	LORISTA	0.6	0.6
5	5	NUROFEN	0.6	0.6
6	4	CONCOR	0.6	0.7
7	2	CARDIOMAGNYL	0.6	0.7
8	7	PENTALGIN	0.6	0.6
9	9	MEXIDOL	0.6	0.6
10	8	ACTOVEGIN	0.5	0.6
Total			6.4	6.3

Despite almost zero growth rates, XYLOMETAZOLINE (+0.2%) held the leading positions in the top ten INN and grouping names ranking didn't change its rank (Table 3). The other brands showed positive growth rates, most of them - outperformance rates. The markets of the newcomers ATORVASTATIN (+31%) and RIVAROXABAN (+61%) developed at highest pace and moved up to two bottom ranks. BISOPROLOL and LOSARTAN (+16% each) also moved to the higher ranks two and seven. On top of that, they displaced IBUPROFEN (+9%) and ROSUVASTATIN (+13%) down one rank. The composition DIOSMIN*HESPERIDIN (+10%) and INN NIMESULIDE (+12%) and PANCREATIN (+14%) held their previous ranks from four through six, respectively. The cumulative share of the top-ten increased by 0.2 p.p. and achieved 9.4%

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	XYLOMETAZOLINE	1.4	1.6
2	3	BISOPROLOL	1.1	1.1
3	2	IBUPROFEN	1.1	1.1
4	4	DIOSMIN*HESPERIDIN	1.0	1.0
5	5	NIMESULIDE	0.8	0.9
6	6	PANCREATIN	0.8	0.8
7	8	LOSARTAN	0.8	0.8
8	7	ROSUVASTATIN	0.8	0.8
9	15	ATORVASTATIN	0.8	0.6
10	26	RIVAROXABAN	0.7	0.5
Total			9.4	9.2

The top-10 ATC-groups ranking showed high stability – six of its groups hold its own in the ranking (Table 4). The leading groups C09 Agents acting on renin-angiotensin system (+ 21%), M01 Anti-inflammatory and anti-rheumatic drugs (+ 15%) and G03 Sex hormones (+ 13%), as well as R05 Cough and cold preparations and G04 Urologicals (+ 7% each), as well as C05 Vasoprotectors (+ 8%) rounded out the top ten. Some shift took place in the middle part of the top ten ranking. The most dynamic among the leaders, the group B01 Anticoagulants (+ 23%) moved up from rank seven to four, displacing N02 Analgesics (+ 5%), R01 Nasal preparations (+ 4%) and J01 Antibacterials for systemic use (+9 %) one rank down. In total, the top ten ATC - groups accumulated 36.7%, whereas the year-earlier period they accounted for 36.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.4	5.0
2	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.1	4.9
3	3	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.5	4.5
4	7	B01	ANTITHROMBOTIC AGENTS	3.4	3.1
5	4	N02	ANALGESICS	3.4	3.6
6	5	R01	NASAL PREPARATIONS	3.3	3.6
7	6	J01	ANTIBACTERIALS FOR SYST USE	3.3	3.4
8	8	R05	COUGH AND COLD PREPARATIONS	2.9	3.0
9	9	G04	UROLOGICALS	2.8	2.9
10	10	C05	VASOPROTECTIVES	2.8	2.9
Total				36.7	36.8

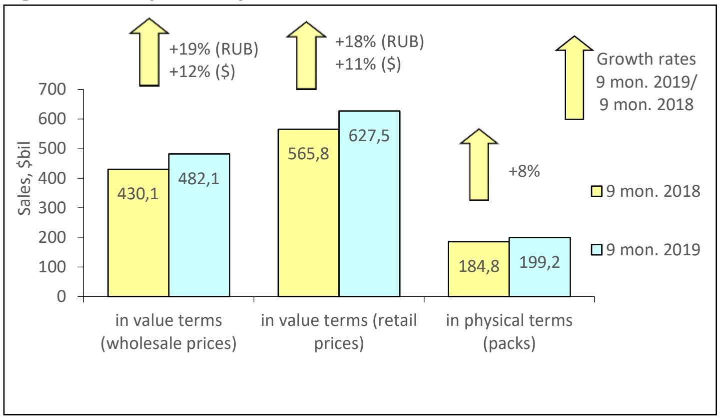
Conclusion. At the end of the first nine months of 2019, the pharmacy market in the Siberian Federal District was estimated at RUB 80.492 bil. (USD 1.237 bil.) at final consumer prices. At the same time, the market behaviour was positive in rouble (+7%) and almost zero (+0.4%) in dollar terms. In natural terms, the sales increased by 1% and amounted to 407.588 mil. packs. The average cost of an FPP pack slightly decreased as compared to a year earlier (USD 3.03 vs. USD 3.05), but still was lower than the national FPP price average in Russia (USD 3.39). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 72.02 vs. USD 73.61).

FEFD PHARMACY MARKET: 2019 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2019 estimated population of the Far Eastern Federal District (FEFD. 8.189 mil., which accounted for 5.6% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-September of 2019 the average wage in the FEFD was RUB 54,181 (USD 832.53), which was 17% higher than the average wage in Russia (RUB 46057).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first nine months of 2019 the sales of FPP drugs in physical terms in the pharmacies of FEFD saw a 8% increase to 199.226 mil. packs. In value terms, the OTC drugs market increased by 19% in rouble terms and by 12% in dollar terms and reached RUB 31.390 bil. (USD 482.061 mil.) in wholesale prices (Fig. 1). The district's share reached 5.8% of the all-Russia sales in retail prices. The average cost of a pack increased as compared to a year earlier period and reached USD 3.15 (vs. USD 3.06). At the end of January-September of 2019, an average amount spent by the FEFD region residents for the drugs in the pharmacies amounted to USD 76.63.

Figure 1. FEFD pharmacy market for 9 months of 2018 – 9 months 2019



BAYER (+10%) and SANOFI (+11%) continued to remain the leading manufacturers of the top ten manufacturers ranking in the retail market of FEFD based on the results for nine months of 2019 (Table 1). The most dynamic company KRKA (+34%) moved up to rank three from seven. The other two drug manufacturers also moved up to the higher ranks: GLAXOSMITHKLINE (+29%) moved up one rank. to number eight, and the newcomer TAKEDA (+18%) broke into the ranks of the top ten ranking, coming in to rank ten. At the same time, GEDEON RICHTER (+12%), SANDOZ (+20%) and OTCPHARM (+13%) lost one rank each, whereas SERVIER (+10%) moved down from rank four to six. TEVA (+19%) held its previous rank five in the top ten. The total share of the top 10 reduced from 34.0% to 33.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	**BAYER**	4.4	4.8
2	2	**SANOFI**	3.5	3.8
3	7	**KRKA**	3.5	3.1
4	3	GEDEON RICHTER	3.4	3.7
5	5	**TEVA**	3.4	3.4
6	4	**SERVIER**	3.3	3.6
7	6	**SANDOZ**	3.2	3.2
8	9	**GLAXOSMITHKLINE**	3.0	2.8
9	8	OTCPHARM	2.9	3.1
10	12	**TAKEDA**	2.5	2.6
Total			33.2	34.0

*AIPM members are in bold

NUROFEN (+12%) held its previous rank one in the top ten brands ranking (Table 2). KAGOCEL (+43%) moved up to rank two from five, and INGAVIRIN (+22%) held and reinforced its previous rank three. Due to outstripping growth rates, LORISTA (+30%), XARELTO (+26%), the newcomer of the top ten THERAFLU (+45%) and MIRAMISTIN (+28%) moved up from rank five through seven. At the same time, the less dynamic CARDIOMAGNYL (+16%), CONCOR (+8%) and DETRALEX (+14%), in contrast, moved down to ranks four and two bottom ranks. The aggregate share of the top-10 expended from 7.1% to 7.4%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	NUROFEN	0.9	0.9
2	5	KAGOCEL	0.9	0.7
3	3	INGAVIRIN	0.8	0.7
4	2	CARDIOMAGNYL	0.8	0.8
5	6	LORISTA	0.7	0.7
6	7	XARELTO	0.7	0.7
7	11	THERAFLU	0.7	0.6
8	10	MIRAMISTIN	0.7	0.6
9	4	CONCOR	0.7	0.7
10	8	DETRALEX	0.6	0.7
Total			7.4	7.1

XYLOMETAZOLINE (+23%), IBUPROFEN (+11%) and BISOPROLOL (+17%) held their previous top three ranks in the top ten INN and grouping names ranking (Table 3). In addition, NIMESULIDE (+19%) held its previous rank six. Three INNs of the top ten moved to the higher ranks. Thus, PANCREATIN (+19%) moved up to ranks four from five, and KAGOCEL (+43%) moved up from rank ten to seven, and the newcomer of the top ten SILDENAFIL (+27%) moved up to rank nine. At the same time, the composition DIOSMIN*HESPERIDIN (+15%) and ACETYLSALICYLIC ACID* MAGNESIUM (+18%) lost one rank each, whereas INN IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+22%) moved down to rank ten from eight despite the outstripping growth rates. The total share of the top-10 ranking remained virtually unchanged and amounted to 10.1%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	XYLOMETAZOLINE	1.8	1.8
2	2	IBUPROFEN	1.4	1.5
3	3	BISOPROLOL	1.0	1.0
4	5	PANCREATIN	0.9	0.9
5	4	DIOSMIN*HESPERIDIN	0.9	1.0
6	6	NIMESULIDE	0.9	0.9
7	10	KAGOCEL	0.9	0.7
8	7	ACETYLSALICYLIC ACID*MAGNESIUM	0.8	0.8
9	11	SILDENAFIL	0.8	0.7
10	8	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.7
Total			10.1	10.0

The top 10 ATC groups ranking showed stability in composition (Table 4). On top of that, most of its ATC groups held their own in the ranking. M01 Antiinflammatory and anti-rheumatic drugs (+ 15%) and C09 Agents acting on the renin-angiotensin system (+ 32%) held their leading positions, J01 Antibacterials for systemic use (+ 24%) held its previous rank five, as well as R05 Cough and cold preparations (+ 23%), B01 Anticoagulants (+ 25%) and A07 Antidiarrheal, intestinal anti-inflammatory and antimicrobial agents (+ 20%) rounded out the top ten ranking. However, two shifts took place in the top ten ranking. The more dynamic groups R01 Nasal preparations (+24%) and J05 Antivirals for systemic use (+33%) moved up one rank, coming in at numbers three and six, respectively. On top of that, they shifted G03 Sex hormones (+7%) and N02 Analgesics (+19%) down one rank. The total share of the top ten under review increased by 0.7 p.p. and achieved 37.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	5.0
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.8	4.3
3	4	R01	NASAL PREPARATIONS	4.0	3.9
4	3	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.7	4.2
5	5	J01	ANTIBACTERIALS FOR SYST USE	3.7	3.6
6	7	J05	ANTIVIRALS FOR SYSTEMIC USE	3.6	3.3
7	6	N02	ANALGESICS	3.4	3.4
8	8	R05	COUGH AND COLD PREPARATIONS	3.2	3.1
9	9	B01	ANTITHROMBOTIC AGENTS	3.1	2.9
10	10	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	2.8	2.8
Total				37.2	36.5

Conclusion. Based on the results for January-September 2019, the retail market of the Far Eastern Federal District brought in RUB 40.857 bil. (USD 627.484 mil.). which was 18% in terms of roubles and 11% in terms of dollars more than in the same period of 2018. In pack terms, the market also showed positive growth rates (+8%) and achieved 199.226 mil. packs. The average cost of a pack in the FEFD pharmacies based on the results for the first 9 months of 2019 was USD 3.15 (in a year-earlier period - USD 3.06), which was lower than the national average (USD 3.39). The average medicine expenses of the district residents were higher than the national average expenses in Russia (76.63 USD vs. 73.61 USD).