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

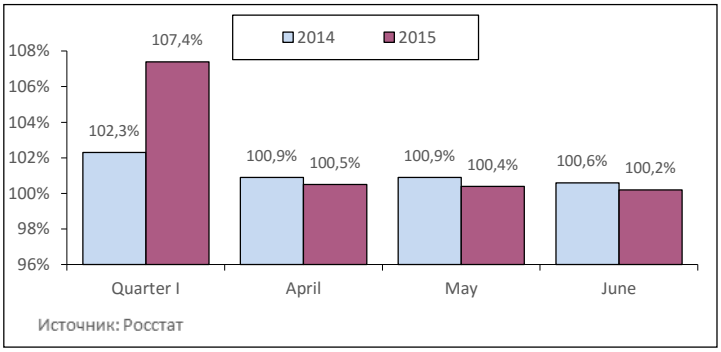
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in June 2015, the Consumer Price Index was estimated at 100.2% compared to the previous month, and 108.5% since the beginning of the year.

In June this year, Industrial Producer Price Index was 100.7%, whereas in the month-earlier period it had amounted to 98.8%.

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



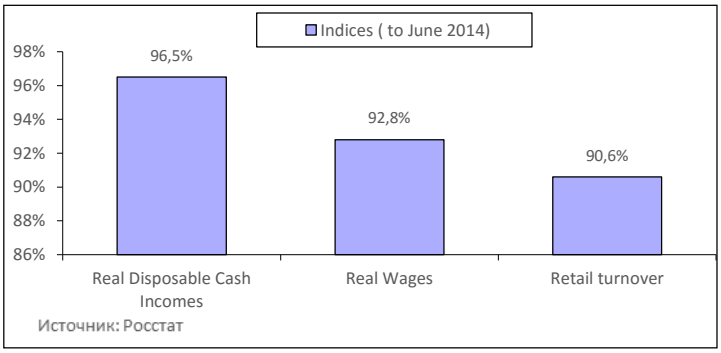
Living standard

According to preliminary Federal State Statistics Service's data, in June 2015 the gross monthly average wages per worker reached RUB 35,930 (USD 659.27) which accounted for 104.5% compared to the previous month and 107.0% compared to June 2014. The real wage in June 2015 accounted for 92.8% as compared with the same period in 2014. In June 2015, the real value of disposable cash incomes accounted for 96.5% as compared with the same period of the previous year (Fig. 2).

Retail turnover

In June 2015, the retail turnover was equal to RUB 2,232.0 bln, which in comparable prices accounted for 90.6% compared to the same period a year ago, in the first half of 2015 - RUB 12,922.5 bln and 92.0% (Fig. 2).

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



Industrial Production

According to Federal State Statistics Service's data, in June 2015 Industrial Production Index accounted for 95.2% compared to the same period a year ago, and in the first half of 2015 - 97.3%).

According to Federal State Statistics Service's data, Industrial Production Index in June 2015 accounted for 110.8% compared to the relevant period in 2014, and 111% to the previous month.

Domestic production

Top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for June 2015 is shown in Table 1.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales in June 2015

Rank	Manufacturer	Volume, $mln
1	F-Sintez	34.5
2	Otcpharm	17.1
3	Nizhpharm	12.2
4	Ozon	10.7
5	KRKA-RUS	10.5
6	Sotex	9.8
7	Biocard	9.5
8	Pharmasyntez (Irkutsk)	8.8
9	Generium	8.5
10	Valenta	8.2

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In May 2015 compared to April, reduction in pharmacy sales (in terms of roubles) was observed in virtually all regions. The lowest performance was observed in Moscow (-19%), the highest one in Tatarstan (-1%). Increase in sales was shown in Krasnoyarsk Krai (+14%). No estimates were performed separately for Perm and Tyumen, because May's figures were provided for the Perm Region and Tyumen Region taken as a whole.

Table 2. Pharmacy sales in the regions, 2015

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	March 2015	April 2015	May 2015	March / February 2015	April/March 2015	May/ April 2015
Moscow	128.3	150.3	126.9	2%	3%	-19%
St. Petersburg	35.8	39.1	35.5	-1%	-4%	-13%
Krasnodar Krai	23.0	26.1	25.2	-9%	-0.5%	-8%
Novosibirsk Region	15.5	16.4	14.7	-1%	-8%	-14%
Tatarstan	17.3	19.2	19.9	-7%	-3%	-1%
Krasnoyarsk Krai	15.7	13.4	15.9	7%	-25%	14%
Rostov Region	18.8	20.3	18.5	-2%	-5%	-13%
Voronezh Region	12.2	11.8	11.1	8%	-16%	-10%
Perm	4.2	5.2	9.9*	-4%	10%	
Tyumen	4.5	5.3	19.3*	-9%	2%	

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 June 2015

Rank	Company*	Quantity of broadcasts
1	Novartis	14,588
2	Otcpharm	9,864
3	Bayer AG	9,531
4	Sanofi Aventis	4,196
5	Reckitt Benckiser	3,621

Source - Remedium according to TNS Russia's data

Table 4. Top five brands in mass media in June, 2015

Rank	Brand*	Quantity of broadcasts
1	Filtrum	2,710
2	Exoderil	2,638
3	Solpadeine	2,559
4	Fenistil	2,555
5	Lamisil	2,443

Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

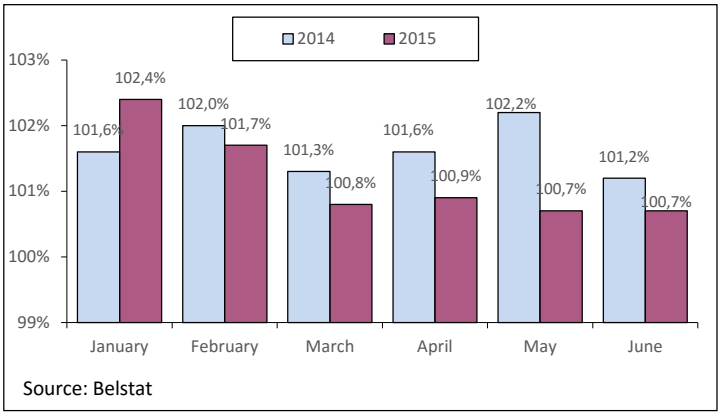
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of National Statistical Committee of the Republic of Belarus, in June 2015 the Consumer Price Index was estimated at 100.7%, compared to the previous month (for comparison in June 2014 it was 101.2%), to June 2014 - 113.2%. In the first half of this year the Consumer Price Index was 115.4% as compared to the same period of 2014.

In June this year, Industrial Producer Price Index was 101% compared to the previous month, whereas in the month-earlier period it had amounted to 100.8%. In January-June 2015, the Industrial Producer Price Index was 117.7% as compared to the same period of 2014.

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



Source: Belstat

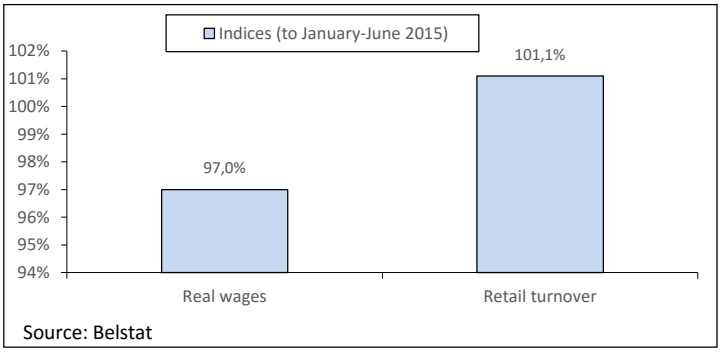
Living standard

According to the preliminary Balstat's data, in January-June 2015 the average monthly nominal accrued wage of the workers of the Republic of Belarus was BYR 6,462 thd (USD 438.63[1]). In January-June 2015, the real wage accounted for 97% as compared to January-June 2014 and increased by 2.9%, in June 2015 as compared to May 2015 (Fig.2). According to Balstat's data, In January-May 2015, the real disposable cash income accounted for 95% to the 2014 January-May level.

Retail turnover

In the first half of 2015, the retail turnover amounted to BYR 163.4 tln, which was 1.1% more than in the first half of 2014 in comparable prices (Fig. 2).

Figure 2. Real monthly wage and retail turnover in the first half of 2015



Source: Belstat

Industrial Production

According to Belstat's data, in the first half 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 352.1 tln. Industrial Production Index accounted for 92.6% to the first half of 2014 level.

According to Belstat's data, in the first half of 2015 the pharmaceutical production output was estimated at BYR 3,766.2 bln, which accounted for 136.4% to the first half of 2014 in comparable prices.

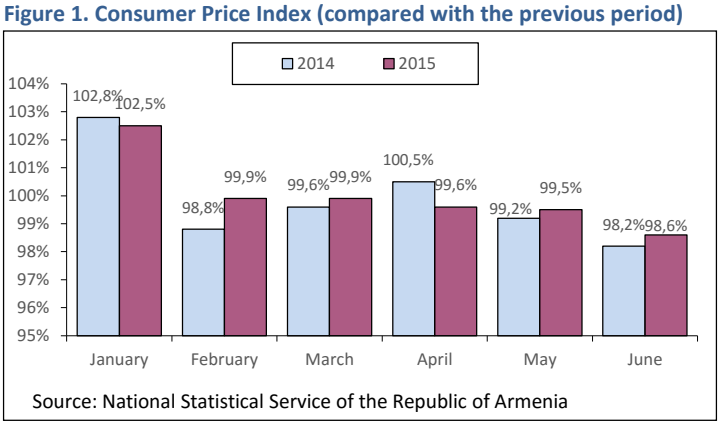
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to data of National Statistical Service of the Republic of Armenia, in June 2015 the Consumer Price Index was estimated at 98.6%, compared to June 2014. – 105.5%). For the period January-June of the current year to January-June 2014. Consumer Price Index was 105.1%.

In June this year, the Industrial Producer Price Index was 96.4% , as compared to the previous month of 2015, while in the month-earlier period it had amounted to 101.7%. Since the beginning of 2015, the index accounted for 102.3% as compared with the same period last year.

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



Source: National Statistical Service of the Republic of Armenia

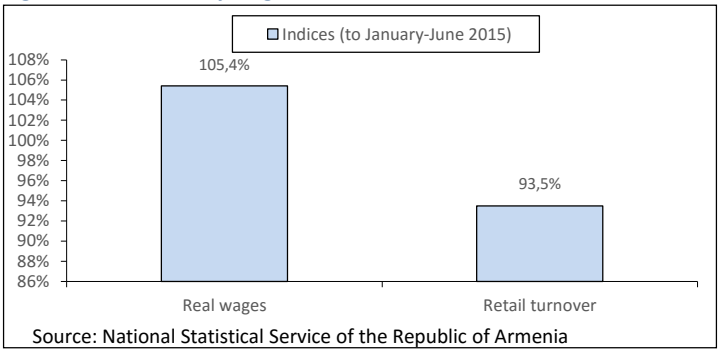
Living standard

According to the preliminary data of the National Statistical Service of RA, in June 2015 the average monthly nominal accrued wage of the workers of the Republic of Armenia was Dram 182,080.0 (USD 383), which accounts for 109.2% to the same period of the last year. In January-June 2015, the average monthly nominal wage was Dram 178,391 (USD 374) and 110.8% to January-June 2014 (Fig.2). In January-June 2015, the real wage accounted for 105.4% as compared to January-June 2014 and increased by 2.7%, in June 2015 as compared to May 2015. Calculation of real disposable income in accordance with State Statistical Efforts Program for 2008 has not been performed in the Republic of Armenia since January 1, 2008.

Retail turnover

The retail turnover amounted to Dram 113540.8 mln in June 2015, and Dram 590,920.3 mln since the start of the year, which accounted for 94.1% and 93.5% respectively, as compared to the same period of the previous year (Fig. 2).

Figure 2. Real monthly wage and retail turnover in the first half of 2015



Source: National Statistical Service of the Republic of Armenia

Industrial Production

According to the preliminary data of the National Statistical Service of RA, in June 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 104898.7 mln, in January-June - Dram 613639.7 mln or 105.1% to January-June 2014.

According to the National Statistical Service of RA, in June 2015 the pharmaceutical production output was estimated at Dram 732.2 mln, and in January-June - Dram 3,758.3 mln, which accounted for 127% and 135.4% respectively to the same periods of the previous year.

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

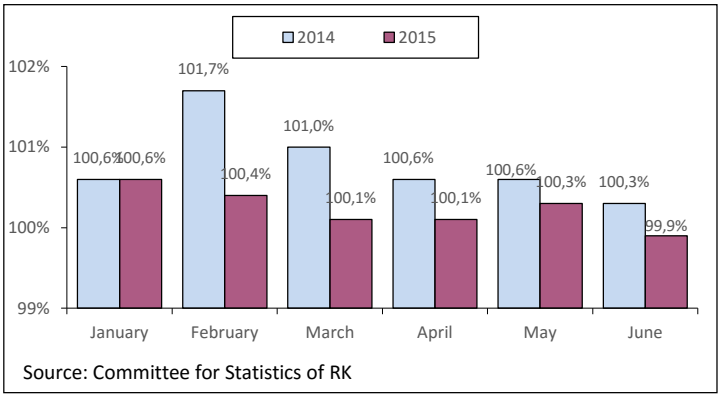
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in June 2015 the Consumer Price Index was estimated at 99.9%, compared to the previous month. In January-June of this year, the Index was 105.2% as compared to the same period of 2014.

In June 2015, the core industrial producer price index (with due account for the production services) accounted for 102.8% as compared to February of this year. A month earlier, it was 102.2%, and in January-June 2015 it was 77.4% as compared to January-June 2014.

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



Source: Committee for Statistics of RK

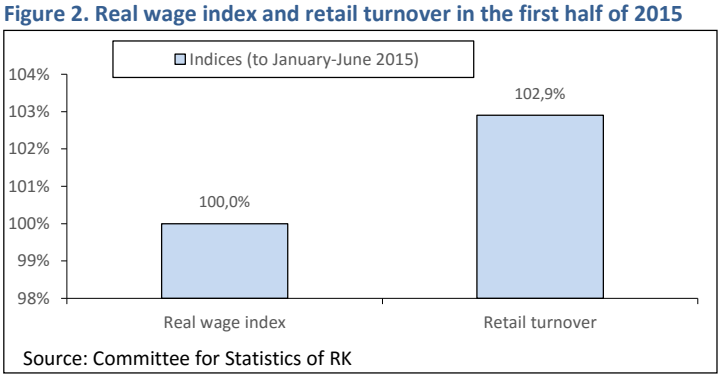
Living standard

According to the preliminary data of the Committee for Statistics of RK, in June the average monthly nominal wage per worker was Tenge 125,035.0, in January-June - Tenge 121,037 (USD 653.37 [2]). The Nominal Wage Index to the first half of 2014 accounted for 105.2%, the Real Wage Index - 100%. In January-June 2015, the Real Cash Income Index to the same period of the previous year was 99.7% (Fig. 2).

Retail turnover

In June 2015, the retail turnover accounted for Tenge 535,582.4 mln, and Tenge 2,790,460 mln from the beginning of the year. In January-June 2015, the Volume of Retail Turnover Index to the same period of the previous year accounted for 102.9% (Fig.2).

Figure 2. Real wage index and retail turnover in the first half of 2015



Source: Committee for Statistics of RK

Industrial Production

According to data of the Committee for Statistics of RK, in January-June 2015 the industrial output was Tenge 6,816,457 mln. In the first half 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 half of 2015 the essential pharmaceuticals output was Tenge 13,553 mln. At the end of January-June 2015, the Volume of Industrial Production for Pharmaceuticals index to January-June 2014 was 98.2%.

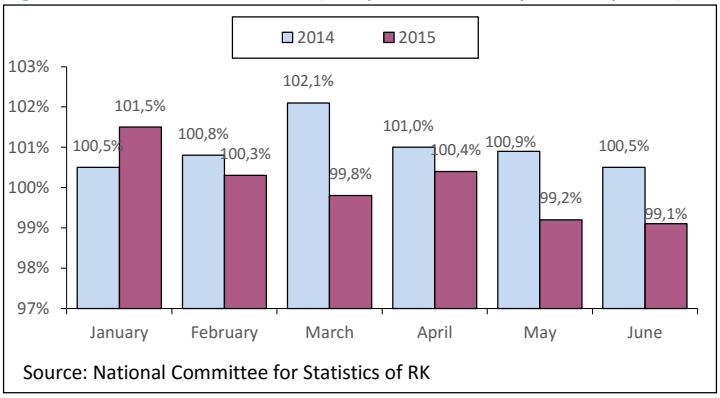
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of the Kyrgyz Republic, in June 2015 the Consumer Price Index was estimated at 99.1%, compared to the previous month. – 100.2%). In January-June of this year, the Index accounted for 108.2% as compared to the same period of 2014.

In January-June 2015, the Industrial Producer Price Index was 111.8% as compared to January-June 2014.

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



Source: National Committee for Statistics of RK

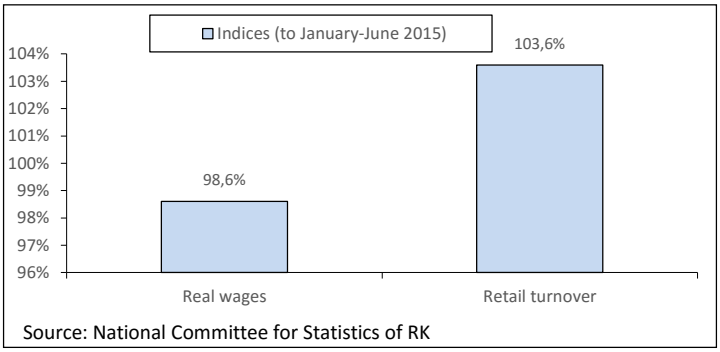
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in January-May the average monthly nominal wage per worker was Som 12,247 (USD 233.36 [3]). It accounted for 107.5% to the same period in 2014. In January-May 2015, the real wage accounted for 98.6% as compared to the same period in 2014 (Fig. 2).

Retail turnover

In January-June 2015, the retail turnover amounted to Som 84,459.2 mln. The Volume of Retail Turnover Index to the same period of the previous year accounted for 103.6% (Fig.2).

Figure 2. Real monthly wage and retail turnover in the first half of 2015



Source: National Committee for Statistics of RK

* data for January-May 2015

Industrial Production

According to data of the National Committee for Statistics of the Kyrgyz Republic, in January-June 2015 the industrial output was Som 89,161,267 mln (USD 1,469.2 mln). In the first half of 2015, the Volume of Industrial Products index to the same period of the previous year accounted for 123.6%.

According to data of the National Committee for Statistics of the Republic of Kyrgyzstan, in the first half of 2015 the essential pharmaceuticals output amounted to Som 91,969.4 thd. At the end of January-June 2015, the Volume of Industrial Production for Pharmaceuticals index to January-June 2014 was 124.9%.

[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

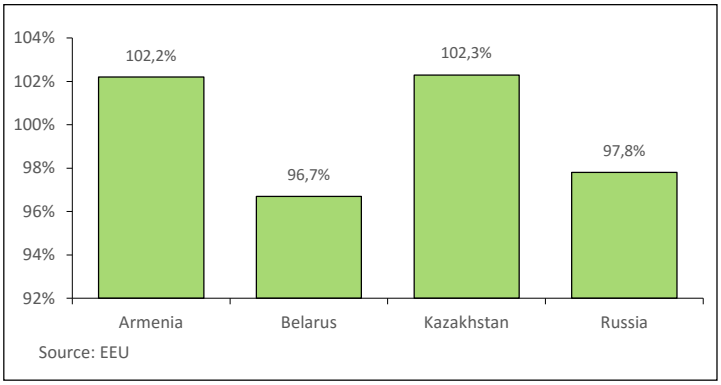
[3] The average exchange rate to calculate the above indices was used from the official website of the National Bank of the Kyrgyz Republic http://www.nbkr.kg/

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN UNION (EEU)

GDP

According to Eurasian Economic Commission's data (EEC), at the end of January-June 2015 Kazakhstan (+2.3%) and Armenia (+0.2%) showed GDP growth. In two countries, Russia (-2.2%) and Belarus (-3.3%), GDP reduced as compared to the same period of 2014 (Fig. 1). According to preliminary estimates, in the first half of 2015 the Kyrgyz Republic GDP accounted for 107.3%.

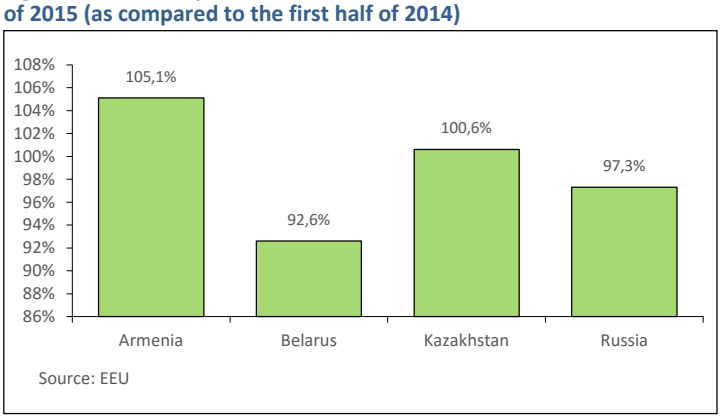
Figure 1. GDP growth in EEU countries (January-June 2015 to January-June 2014)



Industrial Production

According to preliminary ECE data, in January-June 2015 the volume of industrial production (at constant prices) of the Member States EAEC amounted to USD 464.4 bln and decreased by 2.6% as compared with January-June 2014. The volume of industrial production by individual countries accounted for as follows: Armenia – 105.1%, Belarus – 92.6%, Kazakhstan – 100.6% and Russia – 97.3% (Fig. 2). In Kyrgys Republic, the volume of industrial production accounted for 123.6%.

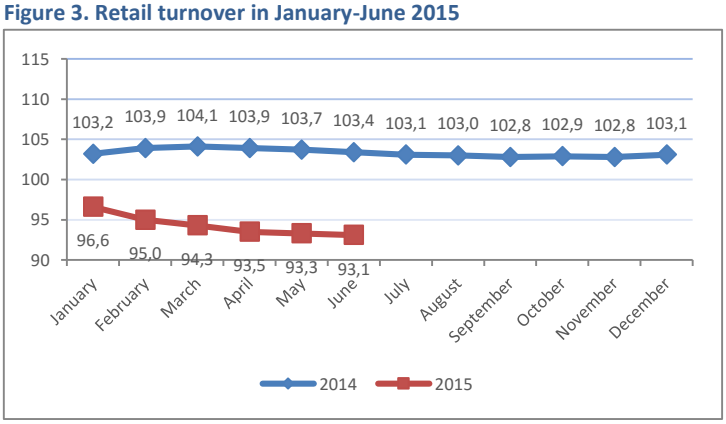
Figure 2. Industrial production in the EEU member-states in the first half of 2015 (as compared to the first half of 2014)



Retail turnover

According to the EEC, the retail trade turnover (through all sales channels) of EEU member-states in January-June 2015 amounted to USD 254.8 bln. Compared with the same period of 2014, the volume of retail sales (in comparative prices) decreased by 6.9%. The main reason for the overall decline was the decline in retail turnover in Russia (-8%) and Armenia (-6.5%). In Belarus, Kazakhstan and Kyrgys Republic, the retail trade turnover increased (by 1,1%, 2.9% and 3.6%, respectively).

Figure 3. Retail turnover in January-June 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-June 2015, the average monthly nominal wage increased by 10.8% in Armenia , 11.9% in Belarus, 5.2% in Kazakhstan, 6.1% 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 5.4% in Armenia, decreased by 3.0% in Belarus, by 8.5% in Russia; and didn't change in Kazakhstan.

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

Country	Real wage, as % to the same period of 2014	Nominal wage, USD
Armenia	105.4	374
Belarus	97.0	438
Kazakhstan	100.0	653
Russia	91.5	581
Kyrgys Republic[1]	98.6	201

[1] January-May 2015

Budget implementation in the first half of 2015

According to the EEC's data, in January-March 2015 the republican 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**
Kyrgyz Republic	0.3	0.3	0.03

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

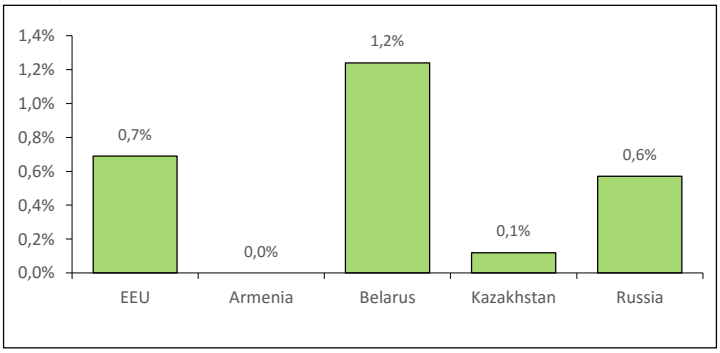
The volume of mutual trade in commodities of EEU member-states in January-May 2015 amounted to USD 17.4 bln or 74.4% as against the same period of 2014.

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

Countries	USD bln	As % to January-May 2014	As % to total
EEU	17412.8	74.4	100.0
Armenia - Belarus	12.7	92.5	0.1
Armenia - Kazakhstan	0.4	x	0.0
Armenia - Russia	422.8	89.0	2.4
Belarus - Kazakhstan	234.3	69.8	1.4
Kazakhstan - Russia	6340.4	81.8	36.4
Russia - Belarus	10402.2	70.2	59.7

Pharmaceutical products accounted for a small share in the structure of the joint-venture trade (less than 1%) (Figure 4).

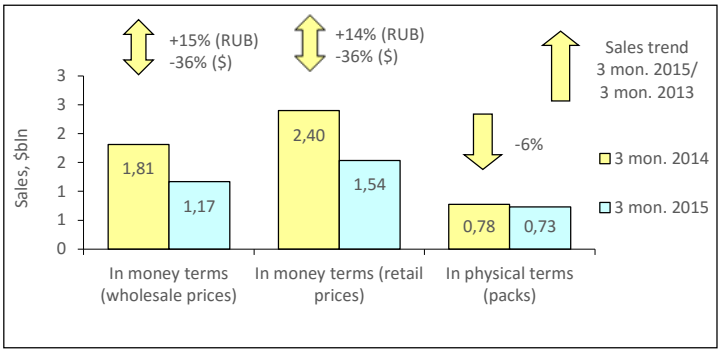
Table 4. The structure of joint-venture trade between EEU member-states within the Customs Commodity Code Group "Pharmaceutical products" in Q1 2015 (as percentage of total volume of joint-venture trade)



PHARMACY OTC MARKET IN RUSSIA: 2015 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Finished Pharma Product (FPP) in Russian Federation™, at the end of the first three months of 2015 the sales of OTC drugs in natural terms in pharmacies of Russia saw a 6% decrease to 728.651 mln packs. In money terms, the OTC drugs market increased by 15% in rouble terms and reduced by 36% in dollar terms and reached RUB 72.804 bln (USD 1.167 bln) in wholesale prices (Fig. 1). The share of Over-the-Counter (OTC) drugs accounted for 71.5% of sales in physical terms and 53.3% in retail prices. The average cost of an OTC pack reduced as compared to a year earlier and reached USD 1.60 (vs. USD 2.34) in retail prices. At Quarter I-end 2015, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 10.50.

Figure 1. Russian pharmacy OTC market for 3 months of 2014 – 3 months of 2015



At the first quarter-end 2015, the top ten pharmaceutical manufacturers of OTC drugs in the Russian market didn't change (table 1). However, numerous shifts took place in the top ten, and only three manufacturers held their own in the ranking. Despite the reduction in sales in terms of dollars and some shrinkage of the market share, the leading manufacturer OTCPHARM (-40%[4]), remained the leader of the top ten manufacturers. In addition, the drug manufacturers SANDOZ (-42%) and NYCOMED/TAKEDA (-33%) maintained their previous ranks four and ten. Note that the other manufacturers of the top ten showed negative growth rates (in terms of dollars). However, three of them managed to rise in the ranks. BAYER (-41%), STADA (-32%) and JOHNSON & JOHNSON (-41%) moved up to ranks two, five and eight. At the same time, the drug manufacturers SANOFI-AVENTIS (-46%), NOVARTIS (-42%), MENARINI (-48%) and TEVA (-45%) moved down to ranks three, six, seven and nine, respectively. The cumulative share of the top 10 manufacturers reduced from 40.9% to 38.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	1	OTCPHARM	5.8	6.0
2	3	**BAYER HEALTHCARE**	5.0	5.2
3	2	**SANOFI-AVENTIS**	4.8	5.6
4	4	**SANDOZ GROUP**	4.3	4.7
5	7	**STADA**	3.7	3.4
6	5	**NOVARTIS**	3.6	3.9
7	6	**MENARINI**	2.9	3.5
8	9	**JOHNSON & JOHNSON**	2.8	3.0
9	8	TEVA	2.7	3.1
10	10	**NYCOMED/TAKEDA**	2.6	2.4
Total			38.3	40.9

*AIPM members are in bold

The leader of the top 10 brand names ranking was changed: antiviral product KAGOCEL (-18%) moved up to rank number one from two (table 2). The last year leader, hepatoprotective product ESSENTIALE N (-49%) moved down to rank two, while another antiviral product INGAVIRIN (-30%) moved up to rank three from five. CARDIOMAGNYL (-22%) moved up to rank four, improving its rank by two positions. The other three brand names also rose in the ranks. PENTALGIN (-43%) moved up one rank, coming in at number 9, and the newcomers of the top ten ACC (-24%) and ERGOFERON (-17%) moved up to ranks seven and ten. Three brand names with high negative growth rates ARBIDOL (-55%), LINEX and EXODERIL (-49% each) moved down two ranks, coming in at numbers five, six and eight, respectively. The total share of the analysed top 10 trade names virtually remained unchanged and accounted for 12.4%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	2	KAGOCEL	2.1	1.6
2	1	ESSENTIALE N	1.7	2.1
3	5	INGAVIRIN	1.4	1.3
4	7	CARDIOMAGNYL	1.3	1.0
5	3	ARBIDOL	1.1	1.6
6	4	LINEX	1.1	1.3
7	11	ACC	1.1	0.9
8	6	EXODERIL	0.9	1.1
9	10	PENTALGIN	0.8	0.9
10	22	ERGOFERON	0.8	0.6
Total			12.4	12.5

The leader of the top ten INN and common names ranking XYLOMETAZOLINE (-33%) maintained and strengthened the leading position in the ranking (Table 3). KAGOCEL (-18%) moved up to rank two from four, while INN PHOSPHOLIPIDS (-49%) that had held that rank earlier, in contrast, moved down to rank four. PANCREATIN (-38%) kept its rank three. INN AMBROXOL (-44%) also kept its previous rank seven. Among the other INNs of the top ten, fore managed to rise in the ranks. INNs IBUPROFEN (-28%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-30%) moved up to ranks five and six, and the newcomers of the top ten ACETYLSALICYLIC ACID* MAGNESIUM (-22%) and INTERFERON ALFA-2B (-33%) moved up to ranks nine and ten in the ranking. At the same time, INN UMIFENOVIR (-49%) moved down three ranks, to number eight. The cumulative share of the top 10 under review increased 0.5 p.p. to 17.8%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	1	XYLOMETAZOLINE	3.3	3.1
2	4	KAGOCEL	2.1	1.6
3	3	PANCREATIN	2.1	2.1
4	2	PHOSPHOLIPIDS	1.9	2.4
5	6	IBUPROFEN	1.8	1.6
6	9	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.4	1.3
7	7	AMBROXOL	1.4	1.5
8	5	UMIFENOVIR	1.3	1.6
9	15	ACETYLSALICYLIC ACID* MAGNESIUM	1.3	1.0
10	11	INTERFERON ALFA-2B	1.2	1.1
Total			17.8	17.3

R05 Cough and cold preparations (-33%), which maintained and strengthened its leadership, remained the bestselling group in the regional OTC market (Table 4). The products of group J05 Antivirals for systemic use (-29%), which moved N02 Analgesics (-34%) and R01 Nasal preparations (-35%) down one rank, moved up to rank two. As before, A11 Vitamins (-42%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (-43%) held ranks five and six in the ranking, while one more shift took place in the bottom part of the top ten ATC groups. A05 Bile and liver therapy (-47%) showing the highest negative growth rates among the top ten ATC groups moved down from rank 7 to ten. At the same time, they gave way to C05 Vasoprotectives (-40%), R02 Throat preparations (-36%) and M01 Anti-inflammatory and antirheumatic products (-29%). The consolidated share of the top 10 under review increased from 52.3% to 52.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2015	3 mon. 2014			3 mon. 2015	3 mon. 2014
1	1	R05	COUGH AND COLD PREPARATIONS	7.9	7.4
2	4	J05	ANTIVIRALS FOR SYSTEMIC USE	7.0	6.1
3	2	N02	ANALGESICS	6.7	6.5
4	3	R01	NASAL PREPARATIONS	6.4	6.2
5	5	A11	VITAMINS	5.5	5.9
6	6	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	5.0	5.5
7	8	C05	VASOPROTECTIVES	3.9	4.0
8	9	R02	THROAT PREPARATIONS	3.7	3.6
9	10	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.5	3.1
10	7	A05	BILE AND LIVER THERAPY	3.4	4.1
Total				52.9	52.3

Conclusion. On the basis of the results for the first three months of 2015, the OTC retail market of Russia achieved RUB 95.769 bln (USD 1.535 bln). It was 14% more in terms of roubles and 36% less in terms of dollars than in 2014. In physical terms, the market showed the negative growth rates (-6%) and accounted for 728.651 bln packs. The average cost of OTC-pack in the Russian pharmacies based on the results for Quarter I of 2015 was USD 1.60 which was more than in the year-earlier period (USD 2.34). The average expenses of Russian residents for the purchase of OTC drugs in pharmacies also reduced (USD 10.50 vs. USD 16.69)

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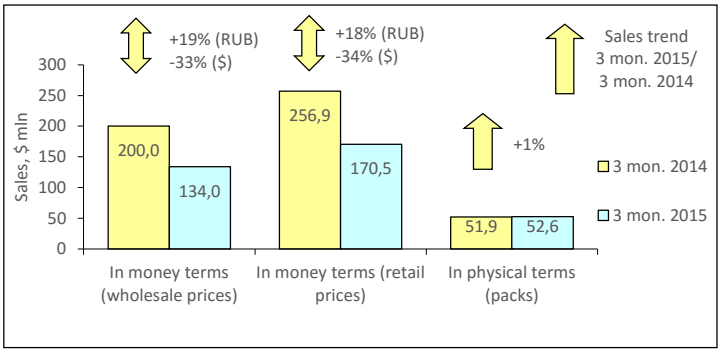
[4] Hereinafter, unless otherwise stated, growth gains are estimated in terms of dollars.

MOSCOW REGION PHARMACY MARKET: 2015 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2015 the population of Moscow region was estimated as 7.23 mln, which makes 4.9% of the total Russian Federation population and 18.6% of Central FO (CFO). According to Federal State Statistics Service's data, in the first quarter of 2015 the average wage in the region amounted to RUB 38,119 (USD 612.94), which was 21% higher than the average wage in Russia (RUB 31,566).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at Q1-end 2015 the sales of OTC drugs in physical terms in the pharmacies of the Moscow region saw a 1% increase to 52.638 mln packs. In value terms, the drugs market increased by +19% in rouble terms and reduced by 33% in dollar terms and brought in RUB 5.338 bln (USD 133.970 mln) in wholesale prices (Fig. 1). The city market share accounted for 6% of the sales (in retail prices). The average cost of an OTC pack reduced as compared to a year earlier and reached USD 2.55 (vs. USD 3.85). For 3 months of 2015, the average amount spent by residents of the region for drugs in the pharmacies amounted to USD 23.59.

Figure 1. Moscow region pharmacy market for 3 months of 2014 – 3 months of 2015



At the first three months of 2015, the top ten drug manufacturers in the Moscow region market didn't change (Table 1). 1). On top of that, the top six manufacturers held their previous ranks in the ranking: SANOFI-AVENTIS (-39%), BAYER and SANDOZ (-34% each), NOVARTIS (+36%), SERVIER (-38%) and OTCPHARM (-35%). Some shifts took place in the bottom part of the top ten ranking. NYCOMED/TAKEDA (-31%) and MENARINI (-36%) moved up from the bottom rank to 7 and from nine to 8, despite the reduction in sales (in terms of dollars). In contrast, the drug manufacturers TEVA and ABBOTT (-39% each) showed more negative growth rates and moved down two ranks, coming in at numbers nine and ten. The total share of the top 10 drug manufacturers reduced by almost 2 p.p. to 36.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	1	**SANOFI-AVENTIS**	5.5	6.0
2	2	**BAYER HEALTHCARE**	4.8	4.8
3	3	**SANDOZ GROUP**	3.9	3.9
4	4	**NOVARTIS**	3.7	3.8
5	5	**SERVIER**	3.5	3.7
6	6	OTCPHARM	3.2	3.3
7	10	**NYCOMED/TAKEDA**	3.1	3.0
8	9	**MENARINI**	3.0	3.1
9	7	**TEVA**	2.9	3.2
10	8	**ABBOTT**	2.8	3.1
Total			36.2	38.0

*AIPM members are in bold

More significant shifts took place in the top ten brand names ranking, at the same time most of the brand names rose in the ranks, despite negative growth rates (Tables 2). KAGOCEL (-20%) moved up to rank one from 2, displacing the last year leader ESSENTIALE N (-47%) down one rank. The same shift took place in the following two ranks and at the bottom part of the top ten. The brand names LINEX (-39%) and ALFLUTOP (-41%) showed more significant reduction in sales and moved down one rank, to numbers 4 and 9 respectively, giving way to INGAVIRIN (-26%) and MEXIDOL (-34%). The products ACTOVEGIN (-34%) and AMIXIN (-22%) moved up to ranks five and six from the lower ones, at the same time, the latter became one of two newcomers of the top ten. One more newcomer ACC (-25%) moved up to rank ten in the top ten ranking. EXODERIL (-38%) maintained its previous rank seven. The total share of the top 10 FPPs virtually remained unchanged and accounted for 7.2%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	2	KAGOCEL	1.0	0.9
2	1	ESSENTIALE N	1.0	1.2
3	4	INGAVIRIN	0.8	0.7
4	3	LINEX	0.8	0.8
5	6	ACTOVEGIN	0.7	0.7
6	12	AMIXIN	0.6	0.6
7	7	EXODERIL	0.6	0.7
8	9	MEXIDOL	0.6	0.6
9	8	ALFLUTOP	0.6	0.6
10	14	ACC	0.6	0.5
Total			7.2	7.3

Two newcomers broke into the top 10 INN and common names ranking (table 3). INNs IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-26%) and the composition AMOXICILLIN* CLAVULANIC ACID (-25%) reduced their sales, but broke into the ranks of the top ten, coming in at numbers 7 and 8, respectively. Apart from the above mentioned, the other three names moved up to the higher positions. PANCREATIN (-34%), IBUPROFEN (-19%) and NIMESULIDE (-23%) moved up to ranks two, five and six, respectively. At the same time, PHOSPHOLIPIDS (-48%) and BISOPROLOL (-33%), and the composition BIFIDOBACTERIUM INFANTIS* ENTEROCOCCUS FAECIUM* LACTOBACILLUS ACIDOPHILUS (-39%) moved down from rank five to ten. The leader of the top ten XYLOMETAZOLINE (-30%) and KAGOCEL (-20%) placed at rank four held their own in the ranking. The cumulative share of the top 10 under review increased 0.4 p.p. to 10.2%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	1	XYLOMETAZOLINE	2.0	1.9
2	3	PANCREATIN	1.0	1.1
3	2	PHOSPHOLIPIDS	1.0	1.3
4	4	KAGOCEL	1.0	0.9
5	7	IBUPROFEN	1.0	0.8
6	9	NIMESULIDE	0.9	0.8
7	12	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.7
8	13	AMOXICILLIN*CLAVULANIC ACID	0.8	0.7
9	8	BISOPROLOL	0.8	0.8
10	5	BIFIDOBACTERIUM INFANTIS* ENTEROCOCCUS FAECIUM* LACTOBACILLUS ACIDOPHILUS	0.8	0.8
Total			10.2	9.8

At Quarter I-end 2015, J05 Antivirals for systemic use (-25%) moved up to rank number one of the top ten from five and became the bestselling group in the regional market (Table 4). At the same time, the last year leader R01 Nasal preparations (-34%) moved down to rank two, and the group R05 Cough and cold preparations (-33%) placed at rank 2 moved as far down as rank five. The other ATC groups from the top ten rating retained their positions unchanged. The groups J01 Antibacterials for systemic use and M01 Anti-inflammatory and antirheumatic products (-29% each) held their previous ranks 3 and 4. N02 Analgesics (-28%), C09 Agents acting on the rennin-angiotensin system (-32%), A11 Vitamins (-34%), A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (-35%) и G03 Sex hormones (-31%) . In total, the top ten ATC groups accumulated 39.5% of the market, which was more than in the year-earlier period (38.2%).

Table 4. The top ten ATC Groups by pharmacy sales

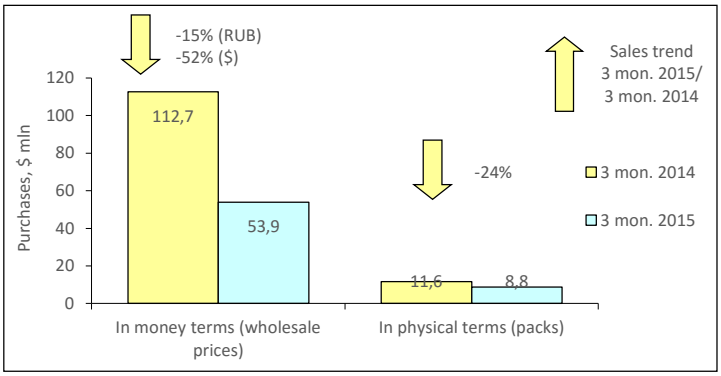
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2015	3 mon. 2014			3 mon. 2015	3 mon. 2014
1	5	J05	ANTIVIRALS FOR SYSTEMIC USE	4.6	4.1
2	1	R01	NASAL PREPARATIONS	4.5	4.6
3	3	J01	ANTIBACTERIALS FOR SYST USE	4.4	4.2
4	4	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.4	4.1
5	2	R05	COUGH AND COLD PREPARATIONS	4.2	4.2
6	6	N02	ANALGESICS	3.9	3.6
7	7	C09	AGENTS ACTING ON THE RENINANGIOTENSIN SYSTEM	3.6	3.5
8	8	A11	VITAMINS	3.5	3.5
9	9	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.4	3.5
10	10	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	2.9	2.8
Total				39.5	38.2

Conclusion. On the basis of the results for the first 9 months of 2014, the retail pharmacy market of the Moscow region brought in RUB 26.741 bln (USD 170.549 mln). It was 18% more in terms of roubles and 34% less in terms of dollars than in 2014. In physical terms, the market showed the negative growth rates (1%) and was equal to 2.937 bln packs. The average cost of OTC-pack in the Russian pharmacies based on the results for Quarter I of 2015 was USD 2.55 (in a year-earlier period - USD 3.85), it was more than the national average (USD 2.77). The medicine expenses of Tolyatti residents were higher than the national average expenses in Russia (23.59 USD vs. 19.32 USD).

MOSCOW CITY HOSPITAL MARKET: 2015 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first three months of 2014 the Moscow hospital market in natural terms reduced by 24% compared to the previous year and amounted to 11.603 million packs. In money terms, the market also showed negative growth rates (-15% in terms of roubles and -52% in terms of dollars) and reached RUB 8.615 bln (USD 246.231 mln) in wholesale prices. Based on the results for the first three months of 2014, the average cost of OTC pack in the hospital sector of Moscow was USD 6.10, whereas in the year-earlier period its cost was USD 9.71. The metropolitan market share accounted for 7.7% of the Russian hospital market in natural terms and 14.6% in money terms.

Figure 1. Moscow city hospital market for 3 months of 2014 – 3 months of 2014



At Quarter I-end 2015, the top ten pharmaceutical ranking in the hospital market of Moscow increased significantly (Table 1). The leaders also changed: SANOFI-AVENTIS (-46%) and JOHNSON & JOHNSON (-33%) moved up one rank, to numbers one and two, and ROCHE (-26%) moved up to rank three from seven. In addition, three newcomers entered the top-10 ranking: manufacturers PFIZER (-12%), ASTRAZENECA (-47%) and BAXTER (-49%) moved up to ranks five, six and ten, respectively. Two drug manufacturers MERCK SHARP DOHME (-42%) and BAYER (-61%) retained their own in the ranking. The manufacturers NOVARTIS (-77%) and ABBVIE (-66%) showed the most prominent negative growth rates and lost their positions, moving to ranks seven and nine, respectively. The total share of the top ten manufacturers increased by 0.2 p.p. and achieved 37.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	2	**SANOFI-AVENTIS**	5.3	5.0
2	3	**JOHNSON & JOHNSON**	5.2	3.9
3	7	**ROCHE**	5.0	3.4
4	4	**MERCK SHARP DOHME**	4.5	3.9
5	12	**PFIZER**	4.2	2.4
6	11	**ASTRAZENECA**	2.8	2.7
7	1	**NOVARTIS**	2.8	6.3
8	8	**BAYER HEALTHCARE**	2.6	3.3
9	5	**ABBVIE**	2.6	3.8
10	16	**BAXTER INT**	2.2	2.3
Total			37.2	37.0

*AIPM members are in bold

Almost all top ten brand names in the hospital metropolitan market has been updated (Table 2). Only one brand name from the last year ranking, the product LUCENTIS (-64%) managed to hold its own in the current top ten, keeping its previous rank four. The newcomers PREZISTA (-33%), ZYVOX (+72%) and TAXOTERE (+53%) broke into the ranks of the top ten, moving up to ranks one through three. The newcomers took place in the bottom part of the top ten ranking as well. MYCAMINE (+27%), MEROPENEM (+26%), AVASTIN (2.5-fold growth in purchases), ENOXAPARIN VFEND (-20%), KALETRA (95-fold growth in purchases) and SEVORAN (+8%) moved up to ranks five through ten, respectively. Due to newcomers, the total share of the top ten brand names increased significantly - from 5.9% to 11.8%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand name	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	14	PREZISTA	1.3	1.0
2	57	ZYVOX	1.2	0.4
3	49	TAXOTERE	1.2	0.4
4	4	LUCENTIS	1.2	1.7
5	37	MYCAMINE	1.2	0.5
6	36	MEROPENEM	1.2	0.5
7	90	AVASTIN	1.2	0.2
8	21	VFEND	1.1	0.7
9	1188	KALETRA	1.1	0.0
10	33	SEVORAN	1.1	0.5
Total			11.8	5.9

Following the above ranking, the top ten INN and group names ranking was updated significantly. On top of that, seven newcomers broke into the ranks of the top ten INN and group names ranking (Table 3). LINEZOLID (+71%), OXALIPLATIN (+58%), MEROPENEM (-37%) and DOCETAXEL (-33%), moved up to ranks two through five, DARUNAVIR (-33%) moved up to rank seven, and MICAFUNGIN (+27%) and BEVACIZUMAB, which purchases increased 2.6 times, move up to ranks nine and ten. Apart from the newcomers, IMMUNOGLOBULIN BASE (-56%) also improved its position, moving up one rank and took the lead in the top ten. INN ALBUMIN (-57%) kept its previous rank six, whereas INN RANIBIZUMAB (-64%), which showed much stronger negative growth rates, moved down three ranks, to number eight. The total share of the analysed ranking, as well as of the above ranking, increased considerably from 11.6% to 15.4%.

Table 3. The top 10 INNs and Group Names by hospital purchases

Rank		INNs/Group Names	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	2	IMMUNOGLOBULIN BASE	2.8	3.2
2	35	LINEZOLID	1.7	0.5
3	32	OXALIPLATIN	1.7	0.5
4	11	MEROPENEM	1.5	1.3
5	14	DOCETAXEL	1.5	1.1
6	6	ALBUMIN	1.4	1.6
7	16	DARUNAVIR	1.3	1.0
8	5	RANIBIZUMAB	1.2	1.7
9	41	MICAFUNGIN	1.2	0.5
10	98	BEVACIZUMAB	1.2	0.2
Total			15.4	11.6

The top ten ATC groups ranking changed its leader (table 4). L01 Antineoplastic agents (-5%) moved up to rank one from 12, displacing the last year leader J01 Antibacterials for systemic use (-37%) down.one rank. As well as in the previous rankings, most ATC groups from the top ten under review improved their positions. The groups J05 Antivirals for systemic use (+6%), B05 Plasma substitutes and perfusion solutions (-54%) and V08 Contrast media (-62%) moved up to ranks three through five from the lower ranks. B01 Antithrombotic agents (-58%) and N01 Aesthetics (-49%) moved up one rank, to numbers seven and nine. Two newcomers, J02 Antimycotics for systemic use (-24%) and N05 Psycholeptics (-19%) moved up to ranks eight and ten, respectively. Only group J06 Immune sera and immunoglobulins (-73%) moved down from rank three to six. The cumulative share of the top 10 under review increased by 9 p.p. to 61.7%.

Table 4. The top ten ATC groups by hospital purchases

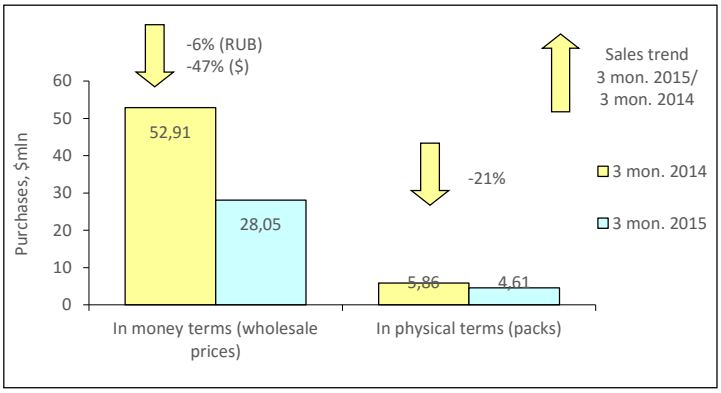
Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014			3 mon. 2015	3 mon. 2014
1	4	L01	ANTINEOPLASTIC AGENTS	13.2	7.0
2	1	J01	ANTIBACTERIALS FOR SYST USE	12.4	9.9
3	9	J05	ANTIVIRALS FOR SYSTEMIC USE	8.5	4.1
4	5	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	6.1	6.7
5	7	V08	CONTRAST MEDIA	4.4	5.9
6	3	J06	IMMUNE SERA & IMMUNOGLOBULIN	3.9	7.2
7	8	B01	ANTITHROMBOTIC AGENTS	3.8	4.6
8	12	J02	ANTIBACTERIALS FOR SYST USE	3.4	2.3
9	10	N01	ANESTHETICS	3.1	3.0
10	15	N05	PSYCHOLEPTICS	2.9	1.8
Total				61.7	52.6

Conclusion. At the end of 3 months of 2015, the Moscow hospital market reduced by 15% in rouble terms and by 52% in dollar terms and brought in RUB 3.343 bln (USD 53.882 mln). In pack terms, the market reduced by almost one fourth (24%) and amounted to 8.827 mln packs. The average cost of an FPP pack in the hospital market of Moscow reduced as compared to the previous year (USD 6.10 vs. USD 9.71), and was much higher than the average indicator in Russia (USD 3.22).

SAINT PETERSBURG HOSPITAL MARKET: 2015 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first three months of 2015 the St. Petersburg hospital market in natural terms reduced by 21% and amounted to 5.863 mln packs. In value terms, the purchases movement was negative both in rouble (-6%) and in dollar terms (-47%), and the volume amounted to RUB 1.746 bln (USD 28.051 mln) in wholesale prices. In the first quarter of 2015, the average cost of OTC pack in the city hospitals was USD 6.09, whereas in the year-earlier period its cost was USD 9.03. The St. Petersburg market share accounted for 4.0% of the Russian hospital market in natural terms and 7.6% in money terms.

Figure 1. St. Petersburg hospital market for 3 months of 2014 – 3 months of 2015



Numerous shifts took place in the top ten INN and group names ranking in the St. Petersburg hospital market based on the results for the first three months of 2015 (table 1). However, one manufacturer of the top 10 ranking retained its previous rank. As before, ASTRAZENECA (-42%) held its rank seven. The other top manufacturers changed their ranks; moreover, four manufacturers improved them. SANOFI-AVENTIS (+10%) moved up to rank one from six. The newcomer PFIZER (-8%) moved up to rank two, while the second newcomer Russian manufacturer VEROPHARM (+11%) moved up to rank eight. At the same time, manufacturer ROCHE (-27%) moved up from rank nine to four. In contrast, the manufacturers MERCK SHARP DOHME (-71%), JOHNSON & JOHNSON (-51%), BAYER (-50%), NOVARTIS (-73%) and ABBVIE (-58%) showed stronger reduction in hospital purchases and moved down to the lower ranks five, three, six and the last two positions, respectively. The total share accumulated by the top 10 manufacturers increased 1.3 p.p. and escalated to 37.5%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	6	**SANOFI-AVENTIS**	6.9	3.4
2	11	**PFIZER**	4.8	2.8
3	2	**MERCK SHARP DOHME**	4.5	8.2
4	9	**ROCHE**	4.0	2.9
5	4	**JOHNSON & JOHNSON**	3.4	3.7
6	5	**BAYER HEALTHCARE**	3.3	3.5
7	7	**ASTRAZENECA**	3.3	3.0
8	19	VEROPHARM	2.5	1.2
9	3	**NOVARTIS**	2.3	4.5
10	8	**ABBVIE**	2.3	3.0
Total			37.5	36.2

*AIPM members are in bold

The top ten brand names ranking in the city hospital market updated almost completely - eight new brand names broke into the ranks of the top ten (Table 2). Among them were MEROPENEM, which became the leader of the top ten, increasing its purchases by 2.8 times, CLEXAN (+27%), and SUTENT (+52%) which moved to rank four. Another five newcomers moved up to the lower part of the ranking: TAXOTERE (2.3-fold growth in purchases), HERCEPTIN (+10%), CUROSURF (-15%), ULTRAVIST (-28%) and XEPLION (+93%). However, the brand names NATRIUM CHLORIDUM (-55%) and REVLIMIDE (-29%) held their previous ranks three and five. The emergence of many new brand names in the top ten, which expanded their shares in the market, resulted in the considerable (by almost 10 p.p.) expansion of the total top ten brand names share as well which reached 19.1%.

Table 2. The top 10 brand names by hospital purchases

Rank		Brand name	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	27	MEROPENEM	3.3	0.6
2	11	CLEXAN	2.6	1.1
3	3	NATRIUM CHLORIDUM	2.1	2.5
4	25	SUTENT	1.9	0.7
5	5	REVLIMIDE	1.8	1.4
6	50	TAXOTERE	1.8	0.4
7	20	HERCEPTIN	1.6	0.8
8	17	CUROSURF	1.3	0.8
9	13	ULTRAVIST	1.3	1.0
10	64	XEPLION	1.3	0.4
Total			19.1	9.6

Eight newcomers broke into the ranks of the top 10 INN and grouping names ranking (table 3). Three of them: MEROPENEM (+83%), ENOXAPARIN SODIUM (+30%) and DOCETAXEL (+31%) topped the ranking. In addition, the newcomers SUNITINIB (+52%), OCTREOTIDE (+92%),TRASTUZUMAB (+10%), IMATINIB (-3%) and PORACTANT ALFA (-15%) moved up to ranks five, and seven through ten, respectively. Traditional hospital product SODIUM (-54%) lost one position in the ranking, moving down to rank four. . LENALIDOMIDE (-29%) kept its previous rank six. The total share of the top-ten increased by over 10 p.p. and accounted for 20.7%.

Table 3. The top 10 INNs and Group Names by hospital purchases

Rank		INNs/Group Names	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014		3 mon. 2015	3 mon. 2014
1	13	MEROPENEM	3.8	1.1
2	11	ENOXAPARIN SODIUM	2.9	1.2
3	20	DOCETAXEL	2.1	0.9
4	3	SODIUM	2.1	2.5
5	31	SUNITINIB	1.9	0.7
6	6	LENALIDOMIDE	1.8	1.4
7	43	OCTREOTIDE	1.8	0.5
8	25	TRASTUZUMAB	1.6	0.8
9	29	IMATINIB	1.3	0.7
10	22	PORACTANT ALFA	1.3	0.8
Total			20.7	10.5

Most of the top-10 ATC groups improved their positions in the ranking (table 4). At the same time, five of them took the lead in the top ten. L01 Antineoplastic agents (-9%) and J01 Antibacterials for systemic use (-40%) moved up one rank, coming in at numbers 1 and 2. N05 Psycholeptics (-11%) move up from rank nine to three, and V08 Contrast media (-39%) and B01 Antithrombotic agents (-22%) moved up from ranks six and eight to four and five, respectively. At the same time, group N01 Aesthetics (-47%) moved up one rank, to number nine, and the newcomer J06 Immune sera and immunoglobulins (-25%) moved up to the last rank of the top ten. On top of that, B05 Plasma substitutes and perfusion solutions (-53%) moved down one rank, to number six, and group G03 Sex hormones (-79%) that had been placed earlier at rank 4 moved down to rank eight. Group L04 Immunosuppressants (-56%) didn't change its position and as before hold its previous rank seven. The total share of the top ten brand names increased by over 9 p.p. and reached 66.2%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2015	3 mon. 2014			3 mon. 2015	3 mon. 2014
1	2	L01	ANTINEOPLASTIC AGENTS	21.1	12.3
2	3	J01	ANTIBACTERIALS FOR SYST USE	10.4	9.2
3	9	N05	PSYCHOLEPTICS	6.0	3.6
4	6	V08	CONTRAST MEDIA	5.7	5.0
5	8	B01	ANTITHROMBOTIC AGENTS	5.5	3.7
6	5	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	5.3	5.9
7	7	L04	IMMUNOSUPPRESSANTS	3.5	4.2
8	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.3	8.1
9	10	N01	ANESTHETICS	2.9	2.9
10	14	J06	IMMUNE SERA & IMMUNOGLOBULIN	2.7	1.9
Total				66.2	56.9

Conclusion. At the end of the first three months in 2015, the St. Petersburg hospital market reduced by 6% in rouble terms and by 47% in dollar terms and brought in RUB 1.746 bln (USD 28.051 mln). In pack terms, the market also showed insignificant negative growth rates (-21%) and reached 4.609 mln packs. In the first three months of 2015, the average cost of an OTC pack in the city hospital sector was lower than in the year-earlier period (USD 6.09 vs. USD 9.03), however, it considerably exceeded the Russia average figures (USD 3.22).

RUSSIAN FEDERATION REGIONAL HOSPITAL MARKETS: 2015 FIRST 3 MONTHS RESULTS

According to the results of the Hospital Purchase Audit in Russian Federation™, following the results of the first quarter of 2015, eleven regional markets taken individually accounted for 44.8% of the entire hospital sector of the Russian Federation, In the year-earlier period they accounted for 44.9%. The biggest market is the market of Moscow which share accounted for 14.6% of hospital purchases (Fig. 1). Further follow the markets of Saint Petersburg (7.6%), Rostov Region (3.6%), Krasnodar Kray (3.3%) and Sverdlovsk Region (3.2%). The regional markets considerably differ by average cost of a hospital OTC pack. The highest average cost of a hospital pack was registered in Moscow and St. Petersburg (USD 6.10 and USD 6.09). Then follow Nizhny Novgorod Region (USD 5.49) and Krasnoyarsk Region (USD 4.17). The lowest average price for hospital products was recorded in the Republic of Bashkortostan (USD 2.11).

Figure 1. Region's share in total hospital purchases in the Russian Federation at the end of the first three months of 2015

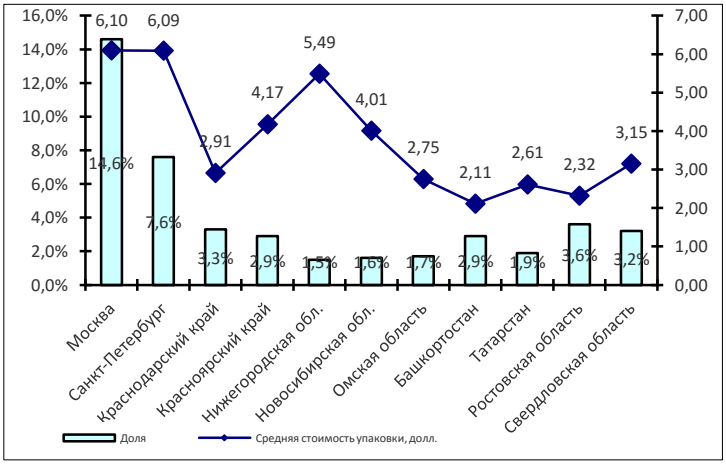


Table 1 provides information about the ranks of the 2014 All-Russia top drug manufacturers in the regional top ten rankings for the first three months of 2015. In 2014, the largest share of the Russian hospital market was accounted for by the drugs made by the drug manufacturer Sanofi-Aventis. It took the lead (based on the results for the first quarter of 2015) in three regional markets under review, and was ranked second in the Sverdlovsk Region. In the other six regions the manufacturer was ranked in the top ten, and only in the Tatarstan market it was ranked 11. The drug manufacturer Roche placed at rank 2 in the All-Russia ranking was ranked number one in the markets of Krasnoyarsk Krai, the second in the market of Rostov Region, and the third in the Sverdlovsk Region. In the Moscow, St. Petersburg and Nizhny Novgorod markets, the manufacturer got shortlisted in the top ten rankings, in the other three regions - it was ranked second, whereas in the Omsk Region and Novosibirsk Region it was only ranked 29 and 42, respectively. Rounding out the 2014 top three, the manufacturer Abbvie took the lead in the quarterly rankings of Tatarstan and Nizhny Novgorod Region. It was ranked 3 and 5 in Bashkortostan and Krasnoyarsk Krai, respectively, and in Moscow it rounded out the top ten manufacturers ranking. In three regions, the manufacturer was placed at ranks 11 through 16, and in another two - it was ranked among the top thirty manufacturers. In the Sverdlovsk Region, Abbvie was only ranked 44. Note that the leaders of the top ten manufacturers in Bashkortostan, Sverdlovsk, Novosibirsk and Omsk Regions didn't enter the All-Russia top ten. The maximum number of "crossings" between the all-Russia list based on the results for 2014 and the regional lists based on the results for the first quarter of 2015 was observed in Moscow (8 positions), the minimum number of those was registered in Tatarstan, Novosibirsk Region and Omsk Region (three positions each).

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	Sanofi Aventis	1	1	1	7	11	2	5	6	5	8	9
2	Roche	4	5	11	14	15	3	8	2	42	1	29
3	Abbvie	10	11	26	3	1	44	1	24	16	5	16
4	Merck Sharp Dohme	5	4	4	9	6	9	6	9	15	3	3
5	Johnson & Johnson	3	6	3	24	22	10	70	16	46	18	31
6	Pfizer	6	3	9	53	23	12	26	23	7	42	13
7	GlaxoSmith-Kline	14	18	37	19	2	37	14	38	44	23	25
8	Ny-comed/Takeda	12	19	6	4	31	25	33	7	6	4	14
9	AstraZeneca	7	8	5	12	14	27	52	15	17	10	5
10	Novartis	8	10	22	56	16	13	7	26	12	20	23

More significant deviations in the regional top 10 rankings were observed with a breakdown of individual brands (Table 2). However, the leader of the All-Russia hospital market NATRIUM CHLORIDUM was ranked among the top four brand names in nine regions. The group was ranked 16 and 18 only in Moscow and Nizhny Novgorod Region, respectively. KALETRA moved up from rank two to number one in Nizhny Region, and to ranks two and nine in Tatarstan and Moscow. That name was ranked 28 in Krasnoyarsk Krai, and 57 in Rostov Region. It broke into the ranks of the regional rankings in the other two regions, St. Petersburg and Omsk Region, whereas we have no data about its purchases by hospitals in four regions. Placed at rank three in the All-Russia ranking, PREVENAR 13 was ranked 130 only in one regional ranking (St. Petersburg). Note that in four analysed regions (St. Petersburg, Bashkortostan, Novosibirsk Region and Omsk Region) 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 trade names was observed in Tatarstan (5 positions), the minimum number was in Nizhny Novgorod Region (1 positions).

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

Rank in RF ranking	Brand name	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	NATRIUM CHLORIDUM	16	3	1	2	1	1	18	1	4	2	2
2	KALETRA	9	108	N/A	N/A	2	N/A	1	57	N/A	28	305
3	PREVENAR 13	N/A	130	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	PREZISTA	1	745	N/A	N/A	N/A	6	N/A	425	N/A	N/A	111
5	HERCEPTIN	13	7	95	236	125	4	22	7	228	1	139
6	CLEXAN	25	2	3	14	33	5	64	15	8	13	12
7	KIVEXA	N/A	44	N/A	N/A	3	N/A	N/A	N/A	N/A	33	N/A
8	REYATAZ	23	N/A	N/A	N/A	6	N/A	N/A	345	N/A	N/A	100
9	ISENTRESS	21	505	N/A	N/A	5	N/A	11	N/A	N/A	18	244
10	CEFTRIAX-ONE	39	29	40	8	110	18	92	6	11	9	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). The leader of the All-Russia ranking, the group J05 Antivirals for systemic use took the lead in two regional markets. In another three regions it entered the top 10 rating, in two regions – the top 20 rating and in three regions - the top 30 ranking. In Novosibirsk Region it was ranked 31. The second group of All-Russia hospital ranking - J01 Antibacterials for systemic use - has got short-listed in the top three in almost all analysed regions. At the same time, it was ranked number one in the top ten in four of them, number two in five of them, and number three in one of them. It was placed at rank 7 only in the hospital market of Nizhny Novgorod Region. Ranked third, ATC group L01 Antineoplastic agents was ranked number one in the top ten of Moscow and St. Petersburg, Sverdlovsk Region, and Krasnoyarsk Krai. In another five regions the group entered the top three ranking, and in the rankings of Novosibirsk Region and Tatarstan it was ranked fifth and sixth, respectively. The top-10 ATC groups of all-Russia hospital sector was reproduced to the maximum extent in Sverdlovsk Region (9 positions match) and to the minimum extent in Nizhny Novgorod Region and Rostov Region (five positions each).

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	3	14	22	19	1	6	1	22	31	7	23
2	J01	2	2	1	1	3	2	7	1	2	2	1
3	L01	1	1	3	3	6	1	2	2	5	1	3
4	B05	4	6	2	2	2	5	8	3	4	5	2
5	J07	11	17	34	9	26	3	31	29	13	4	16
6	B01	7	5	4	5	4	4	17	4	3	3	4
7	J04	19	25	18	20	14	7	38	21	8	10	15
8	V08	5	4	7	7	53	8	32	15	1	6	8
9	L04	12	7	12	48	16	9	4	5	9	17	9
10	N05	10	3	8	16	8	13	11	18	19	14	5

Conclusion. As comparison of the main rankings showed, 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.

ANALYSIS OF PRICES IN THE OUT-PATIENT SECTOR. KEY INDICATORS

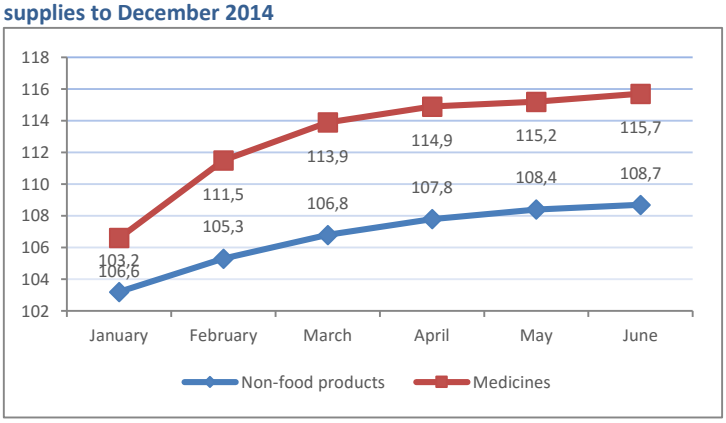
Price Indices

Table 1. Inflation rates in the Russian Federation, June 2015

	June 2015 to December 2014	June 2015 to June 2014
Consumer price index (CPI)	108.5	115.3
CPI for non-food products	108.7	114.2
CPI for medications	115.7	123.9

Rosstat data

Figure 1. Dynamics of the price index for non-food items and medicines supplies to December 2014



Rosstat data

Indicators of dynamics of prices and retail margins (according to retail audit data)

Figure 2. Dynamics of weighted average prices and retail margins in 1Q, 2015 – 2Q, 2015

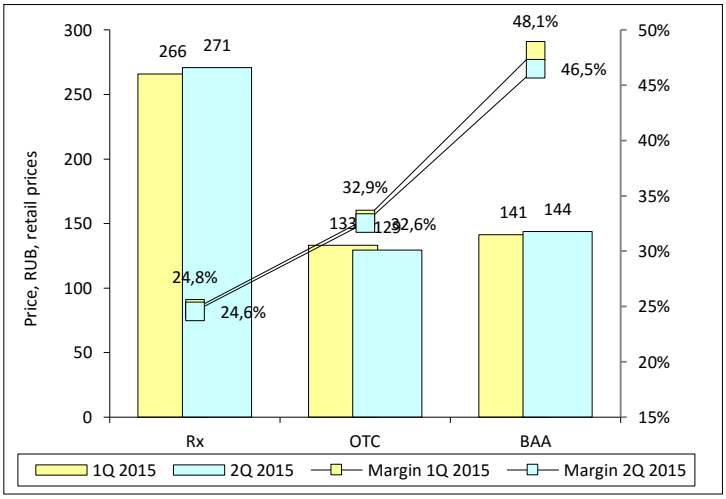


Figure 3. Dynamics of weighted average prices and retail margins in 1Q, 2015 –2Q, 2015

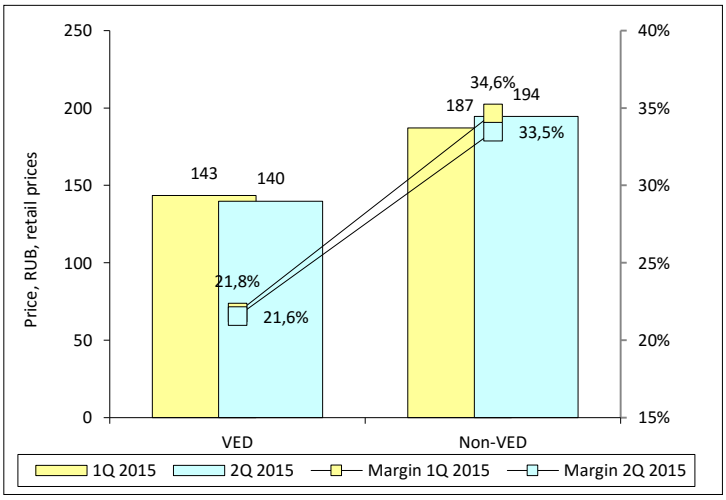
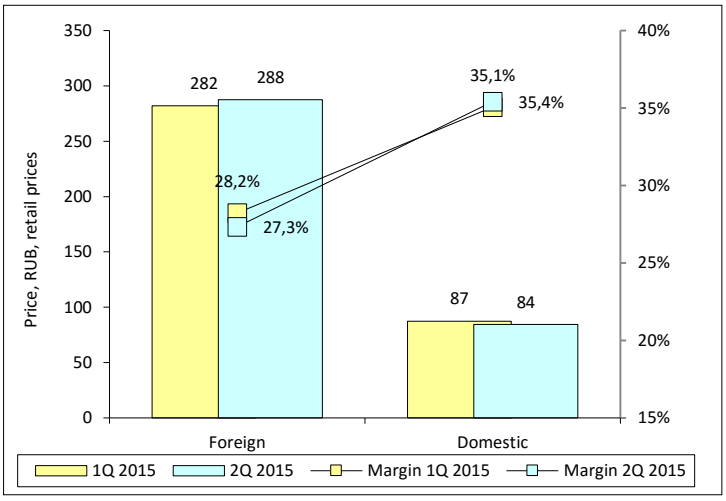


Figure 4. Dynamics of weighted average prices and retail margins in 1Q, 2015 – 2Q, 2015

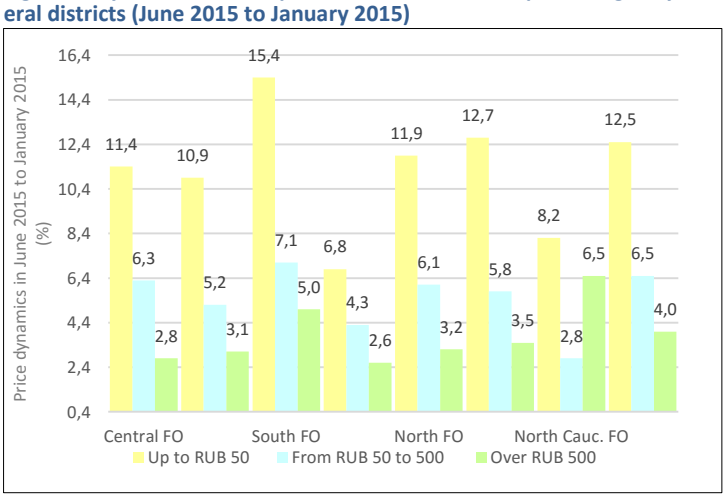


Indicators of dynamics of prices for vital and essential drugs (VED)

Table 2. Results of the VED price monitoring conducted by Roszdravnadzor in the Russian Federation

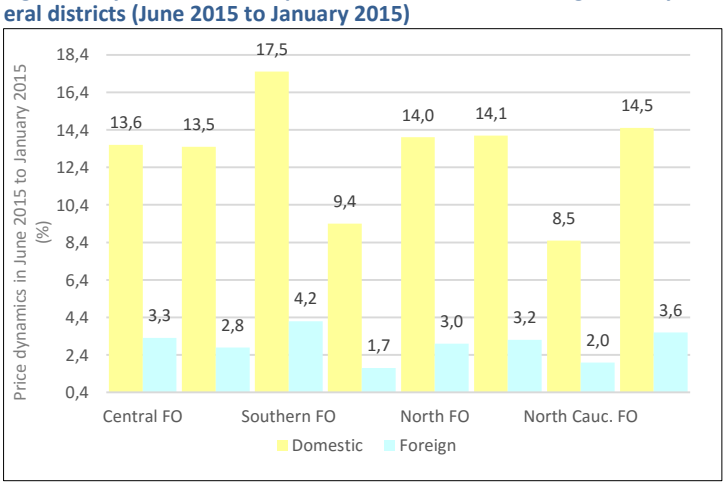
	Price dynamics in June 2015 to January 2015 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	7.3	8.1	5.5
Up to RUB 50	11.7		
From RUB 50 to 500	5.7		
Over RUB 500	3.5		
Domestic	13.8		
Foreign	3		

Figure 5. Dynamics of retail prices for VED in various price ranges by federal districts (June 2015 to January 2015)



Roszdravnadzor data

Figure 6. Dynamics of retail prices for domestic and foreign VED by federal districts (June 2015 to January 2015)



Roszdravnadzor data