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

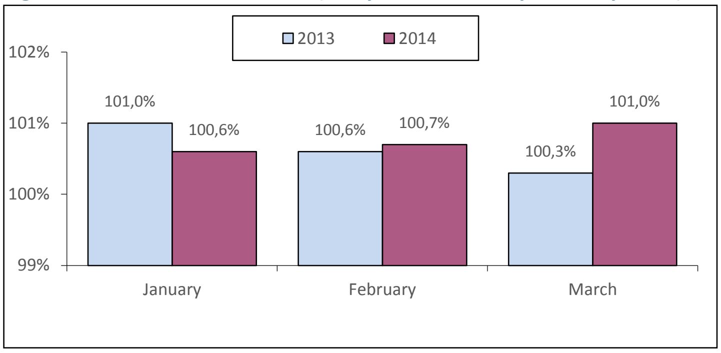
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in March 2014, the Consumer Price Index was estimated as 101.0%, compared to the previous month, in March 2013 it was 100.3%.

In March this year, Industrial Producer Price Index was 102.3%, whereas in the month-earlier period it had amounted to 99.6%.

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



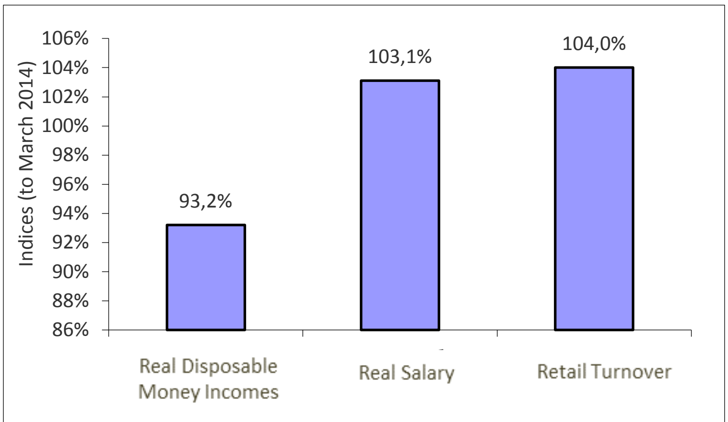
Living standard

According to preliminary Federal State Statistics Service's data, in March 2014 a gross average monthly salary per worker reached RUB 31,300 (USD 895.57) which accounted for 107.0% compared to the previous month and 110.2% compared to March 2013. The real salary in March 2014 accounted for 103.1% as compared with the same period in 2013. In March 2014, the real value of disposable cash incomes accounted for 93.2% as compared with the same period of 2013 (Fig. 2).

Retail turnover

In March 2014, the retail turnover was equal to RUB 2,032.5 bln, which in comparable prices accounted for 104.0% compared to the same period a year ago, in Q 1, 2014 - RUB 5,735.5 bln and 103.5% (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in March 2014



Source: Rosstat

Manufacture of Industrial Products

According to Federal State Statistics Service's data, in March 2014 Industrial Production Index accounted for 101.4% compared to the same period in 2013, and in January-March 2014 - 101.1%.

Domestic production

The top-10 domestic manufacturers by production volume at March-end 2014 are shown in Table 1. The total production volume of top ten manufacturers was estimated at USD 221.8 mln.

Table 1. Top ten chemical and pharmaceutical manufacturers by production volume in March 2014

Rank	Manufacturer	Production volume, $mln
1	Pharmstandart	60.6
2	Stada	30.8
3	KRKA-RUS	24.0
4	Valenta	21.3
5	Sotex	19.1
6	Pharm-Center	14.7
7	Akrihin	14.1
8	Materia Medica	14.1
9	NEARMEDIC Plus	13.3
10	Biosintez	9.9

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In February 2014 compared to January, growth in pharmacy sales (in terms of roubles) was observed in almost all analysed regions. The most pronounced growth in sales was observed in Perm (+18%), the least one – in Krasnodarsky Krai and Voronezhskaya Oblast (+1% each). St. Petersburg (-8%) was the only region with negative trend in sales.

Table 2. Pharmacy sales in the regions, 2013-2014

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	December 2013	January 2014	February 2014	December/ November 2013	January 2014/ December 2013	February/ January 2014
Moscow	229.8	166.0	187.3	25%	-22%	13%
St Petersburg	65.6	52.5	48.1	17%	-14%	-8%
Krasnodarsky Krai	43.9	33.9	34.2	17%	-17%	1%
Novosibirskaya Oblast	29.2	24.2	24.7	17%	-11%	2%
Tatarstan	33.6	27.8	31.1	24%	-11%	12%
Krasnoyarsky Krai	23.0	20.8	21.4	12%	-3%	3%
Rostovskaya Oblast	33.9	24.8	25.9	22%	-21%	5%
Voronezhskaya Oblast	22.1	17.8	18.0	18%	-13%	1%
Perm	7.4	6.7	8.0	14%	-3%	18%
Tyumen	9.2	7.5	8.1	25%	-13%	8%

Advertising

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

Table 3. Top five advertisers in mass media in March 2014

Rank	Company*	Quantity of broadcasts
1	Pharmstandart	13,066
2	Novartis	10,902
3	Berlin-Chemie Menarini Group	7,461
4	Evalar	7,298
5	Bayer AG	6,555

Source - Remedium according to TNS Russia's data

Table 4. Top five brand names in mass media in March, 2014

Rank	Brand name*	Quantity of broadcasts
1	Evalar	7,298
2	Complivit	2,455
3	Grippferon	2,186
4	Arbidol	1,811
5	TheraFlu	1,785

Source - Remedium according to TNS Russia's data

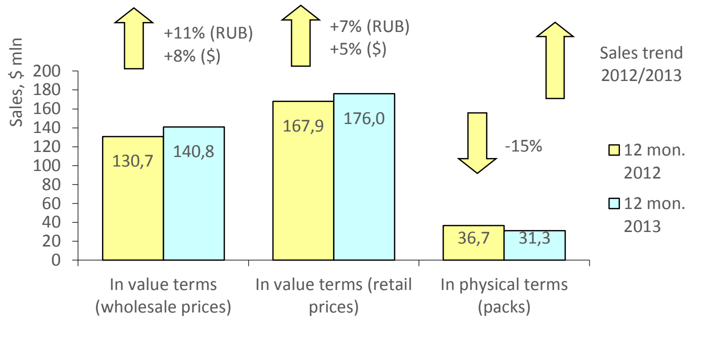
* Only products registered with State Register of Medicines were considered

KAZAN PHARMACY MARKET: 2013 RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Kazan was estimated as 1.176 mln, which accounted for 0.8% of the total Russian Federation population and 4% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in 2013 the average salary in the Republic of Tatarstan was RUB 26,012.0 (USD 813.38), which is 13% lower than the average salary in Russia (RUB 29,960.1).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at year-end 2013 the sales of OTC drugs in physical terms in pharmacies of Kazan saw a 15% decrease to 31l321 mln packs. In value terms, the OTC drugs market increased by 11% in rouble terms and by 8% in dollar terms and reached RUB 4.478 billion (USD 140.849 billion) in wholesale prices (Fig. 1). The regional market share (in value terms) accounted for 1% of the Russian pharmacy sales (in retail prices). The average cost of an OTC pack grew as compared to a year earlier and reached USD 5.62 in retail prices (vs. USD 4.58 a year earlier) in retail prices. At year-end 2013, the average amount spent by residents of Kazan for OTC drugs in pharmacies amounted to USD 148.63.

Figure 1. Kazan pharmacy market for 2012 – 2013



At year-end 2013, SANOFI-AVENTIS (+21%[1]), which share accounted for almost 6% of pharmacy sales, held and reinforced its leading position in Kazan market (Table 1). BAYER (+20%) accumulated 4.3% of the market and moved up to rank two. In contrast, PHARMSTANDART (-0.3%) that had occupied that position in the previous ranking, reduced its sales and market share. As a result, it moved down one rank to number three, displacing SERVIER (-2%) down one rank. TEVA (+22%) moved up to rank five from seven, displacing SANDOZ and ABBOTT (+11% each) down to ranks 6 and 7. The drug manufacturers NOVARTIS (+18%) and MERCK SHARP DOHME (+19%) also showed high growth rates and moved up to ranks eight and nine. On top of that, the latter became the only newcomer of the top 10 ranking. MENARINI (+1%) showed low growth rates and moved down to rank 10 from 8. The cumulative share of the top 10 manufacturers expanded from 42.3% to 43%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	**SANOFI-AVENTIS**	5.9	5.4
2	4	**BAYER HEALTHCARE**	4.3	3.9
3	2	PHARMSTANDART	3.8	4.2
4	3	**SERVIER**	3.6	4.0
5	7	**TEVA**	3.6	3.2
6	5	**SANDOZ GROUP**	3.4	3.4
7	6	**ABBOTT**	3.4	3.4
8	9	**NOVARTIS**	3.2	3.0
9	11	**MERCK SHARP DOHME**	3.0	2.8
10	8	**MENARINI**	2.8	3.1
Total			36.9	36.4

*AIPM members are in bold

ESSENTIALE N (+39%) and ALFLUTOP (-1%) held their previous leading positions in the top ten brand names ranking (Table 2). The other top 10 brand names shifted their positions; moreover, four of them improved them. KAGOCEL (+43%) moved up to rank three from eight, and PEG-Intron (+30%) moved up to rank four from seven. The newcomers ARTRA (+40%) and EXODERIL (+50%) broke into the ranks of the top ten, coming in at numbers nine and ten. In contrast, the other brand names VIAGRA (-4%), ACTOVEGIN (-2%) and ARBIDOL (-9%) moved down to the lower ranks 5, 7 and 8, respectively. Preparation HEPTRAL (+12%) held its previous rank six. The total share of the top ten brand names increased by almost 0.4 p.p. and accounted for 8.4%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	ESSENTIALE N	1.5	1.2
2	2	ALFLUTOP	1.0	1.1
3	8	KAGOCEL	0.9	0.7
4	7	PEGINTRON	0.8	0.7
5	3	VIAGRA	0.8	0.9
6	6	HEPTRAL	0.8	0.8
7	5	ACTOVEGIN	0.7	0.8
8	4	ARBIDOL	0.7	0.8
9	12	ARTRA	0.6	0.5
10	21	EXODERIL	0.6	0.4
Total			8.4	8.0

Only the leader of the top ten INNs and generic names INN PHOSPHOLIPIDS (+39%) held its previous rank 1 in the ranking (table 3). Most of INNs in the top ten rose in the ranks. XYLOMETAZOLINE (+14%), CHONDROITINSULFURIC ACID + GLUCOSAMINE (+19%) and SILDENAFIL (+6%) moved up to ranks 2, 4 and 5, and the newcomers of the top ten KAGOCEL (+43%), ADEMETIONINE (+14%) and PEGINTERFERON ALFA-2B (+30%), moved up to ranks seven, nine and ten. Three brand names with low growth rates (PANCREATIN (+4%) and negative growth rates (FISH and AZITHROMYCIN) moved down to the lower positions. The total share of the top ten increased by 0.5 p.p. and accounted for 10.0%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	PHOSPHOLIPIDS	1.7	1.3
2	3	XYLOMETAZOLINE	1.0	1.0
3	2	FISH	1.0	1.1
4	7	CHONDROITINSULFURIC ACID + GLUCOSAMINE	1.0	0.9
5	6	SILDENAFIL	0.9	1.0
6	4	PANCREATIN	0.9	1.0
7	19	KAGOCEL	0.9	0.7
8	5	AZITHROMYCIN	0.9	1.0
9	11	ADEMETIONINE	0.9	0.8
10	14	PEGINTERFERON ALFA-2B	0.8	0.7
Total			10.0	9.5

The leader of the top-10 ATC groups ranking changed (table 4). Due to 19% growth in sales M01 Anti-inflammatory and antirheumatic products moved up to rank 1, displacing the leader of the top ten J01 Antibacterials for systemic use (+1%) down one rank. The other three ATC groups of the top 10 managed to rise in the ranks. J05 Antivirals for systemic use (+31%), A05 Bile and liver therapy (+27%) and A11 Vitamins (+12%) moved up to ranks three, four and nine. At the same time, two groups with negative growth rates N02 Analgesics (-1%) and R05 Cough and cold preparations (-5%) moved down to the lower ranks seven and ten, respectively. Three ATC groups held their previous positions in the ranking. As before, G03 Sex hormones (+10%), L03 Immunostimulants (+5%) and C09 Agents acting on the rennin-angiotensin system (+13%) held their previous ranks five, six and eight, respectively. The total share of the analysed top 10 remained unchanged and amounted to 37.0%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2013	2012			2013	2012
1	2	M01	ANTIINFLAM & ANTIRHEUM PROD	5.0	4.7
2	1	J01	ANTIBACTERIALS FOR SYST USE	4.3	4.8
3	7	J05	ANTIVIRALS FOR SYSTEMIC USE	3.9	3.3
4	9	A05	BILE AND LIVER THERAPY	3.6	3.2
5	5	G03	SEX HORM&MODULAT GENITAL SYS	3.6	3.7
6	6	L03	IMMUNOSTIMULANTS	3.4	3.7
7	3	N02	ANALGESICS	3.4	3.8
8	8	C09	AG ACT RENIN-ANGIOTENS SYST	3.2	3.2
9	10	A11	VITAMINS	3.2	3.2
10	4	R05	COUGH AND COLD PREPARATIONS	3.2	3.7
Total				37.0	37.0

Conclusion. On the basis of the results for 2013, the retail pharmacy market of Kazan brought in RUB 5.594 bln (USD 175.997) which is 7% in terms of roubles and 5% in terms of dollars higher than during the same period a year ago. In pack terms, the market showed the negative growth rates (-15%) and amounted to 31.321 mln packs. The average cost of OTC pack in Kazan pharmacies in the analysed period was USD 5.62, which is more than in the year-earlier period (USD 4.58) and the national average (USD 4.23). The average expenses of Kazan residents for purchase of OTC drugs in pharmacies amounted to USD 148.63, whereas the Russia average figures were USD 125.08.

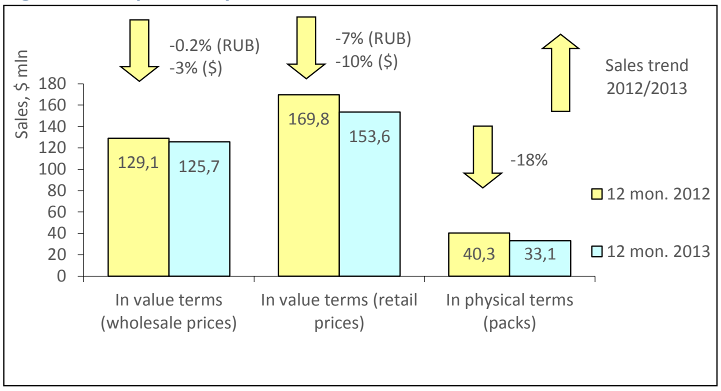
[1] Hereinafter, unless otherwise stated, growth gains are stated in the rouble equivalent or national currency.

UFA PHARMACY MARKET: 2013 RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Ufa was estimated as 1.078 mln, which accounted for 0.8% of the total Russian Federation population and 3.6% of Povolzhskiy FO (PFO). По данным Росстата, уровень средней заработной платы в Республике Башкортостан в 2013г. составил 22440,2 руб. (USD 701.69), which is 25% lower than the average salary in Russia (RUB 29,960.1).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at year-end 2013 the sales of OTC drugs in physical terms in the pharmacies of Ufa saw a 18% decrease to 33.101 mln packs. In value terms, the OTC drugs market reduced by 0.2% in rouble terms and by 3% in dollar terms and reached 3.992 billion roubles (USD 125. 714 million) in wholesale prices (Fig. 1). The city's share accounted for 0.9% of the Russian pharmacy market. The average retail cost of a pack in Ufa pharmacies was USD 4.64, whereas in the year earlier period its cost was USD 4.21. For 12 months of 2013, the average amount spent by residents of Ufa for drugs in the pharmacies amounted to USD 142.48.

Figure 1. Ufa pharmacy market for 2012 – 2013



At year-end 2013, Russian PHARMSTANDART (+2%) took the lead in the top ten drug manufacturers in the regiona market, displacing the last year leader SANOFI-AVENTIS (-8%) down one rank (Table 1). The same shifts took place in the lower part of the top ten. The more dynamic BAYER (+16%) moved up two ranks to number three, displacing ABBOTT (-6%) and SANDOZ (+1%) down one rank. TEVA (+2%) showing positive growth rates moved up one rank to number seven, and NYCOMED/TAKEDA (-4%) which had occupied that position in the previous ranking reduced its sales and moved down to rank 8. The other three drug manufacturers of the top ten had negative growth rates. SERVIER (-10%), GEDEON RICHTER and MENARINI (-6% each) held their own in the ranking. At the year-end, the cumulative share of the top 10 drug manufacturers reduced to 39.2%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	2	PHARMSTANDART	5.5	5.3
2	1	**SANOFI-AVENTIS**	5.4	5.9
3	5	**BAYER HEALTHCARE**	4.5	3.9
4	3	**ABBOTT**	4.3	4.5
5	4	**SANDOZ GROUP**	4.2	4.1
6	6	**SERVIER**	3.4	3.8
7	8	**TEVA**	3.2	3.2
8	7	**NYCOMED/TAKEDA**	3.1	3.2
9	9	GEDEON RICHTER	2.9	3.1
10	10	**MENARINI**	2.7	2.9
Total			39.2	39.8

*AIPM members are in bold

Hepatoprotectors ESSENTIALE N (-7%) and HEPTRAL (-15%) succeeded in holding their leading positions in the top ten brand names, and antihipoxant MEXIDOL (+0.5%) held its previous rank five (Table 2). Four brand names of the top10 showed high growth rates. Due to 3% growth in sales, KAGOCEL moved up from rank nine to three. Despite its negative growth rates, KETONAL (-3%) moved up to rank seven from eight. The newcomers CARDIOMAGNIL (+15%) and DUPHASTON (+8%) broke into the ranks of the top ten, coming in at numbers nine and ten. ACTOVEGIN (-24%), ARBIDOL (-1%), MEXIDOL (-17%) and ALFLUTOP (-9%) reduced its sales and moved down to ranks 4, 6 and 8, respectively. The total share of the top ten was 9.3%, whereas in the year-earlier period it was 9.4%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	ESSENTIALE N	1.8	1.9
2	2	HEPTRAL	1.1	1.3
3	9	KAGOCEL	1.0	0.7
4	3	ACTOVEGIN	1.0	1.0
5	5	MEXIDOL	0.9	0.9
6	4	ARBIDOL	0.8	1.0
7	8	KETONAL	0.7	0.8
8	7	ALFLUTOP	0.7	0.8
9	14	CARDIOMAGNIL	0.7	0.6
10	12	DUPHASTON	0.6	0.6
Total			9.3	9.4

The upper part of the top ten INN and generic names ranking didn't change (table 3). As before, INNs PHOSPHOLIPIDS (-4%), PANCREATIN (-11%), ADEMETIONINE (-13%), KETOPROFEN and BLOOD (-2% each) held their previous first five ranks in the top ten. BISOPROLOL (+1%) held its previous rank ten. The newcomer KAGOCEL (+37%) moved up to rank six and another newcomer AZITHROMYCIN (+2%) moved up to rank nine in the top ten. INN XYLOMETAZOLINE (+10%) improved its position by one rank, coming in at number seven. The less dynamic INN ETHYLMETHYLHYDROXYPYRIDINE (+5%) moved down one rank. The cumulative share of the top 10 didn't change and accounted for 11.3%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	PHOSPHOLIPIDS	1.9	2.0
2	2	PANCREATIN	1.4	1.6
3	3	ADEMETIONINE	1.1	1.3
4	4	KETOPROFEN	1.1	1.1
5	5	BLOOD	1.1	1.1
6	14	KAGOCEL	1.0	0.7
7	8	XYLOMETAZOLINE	1.0	0.9
8	6	ETHYLMETHYLHYDROXYPYRIDINE	1.0	1.0
9	12	AZITHROMYCIN	0.8	0.8
10	10	BISOPROLOL	0.8	0.8
Total			11.3	11.3

The leaders of the top ten ATC groups, J01 Antibacterials for systemic use (-5%) and M01 Antiinflammatory and Antirheumatic Products (+6%), didn't change and held their two first ranks (Table 4). In addition, A11 Vitamins (+5%) and C09 Agents acting on the rennin-angiotensin system (-0.3%) as before held their previous ranks four and ten. G03 Sex hormones (+9%) moved up to rank three from five, and the most dynamic among the groups J05 Antivirals for systemic use (+24%) moved up to rank six from eleven. At the same time, ATC groups with low growth rates such as In contrast, A05 Bile and liver therapy (+1%) and R05 Cough and cold preparations (+6%) as well as N06 Psychoanaleptics (-6%) and N02 Analgesics (-4%) reduced their sales and moved down to the lower ranks. The total share of the top ten ATC groups increased by over 1 p.p. and achieved 38.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2013	2012			2013	2012
1	1	J01	ANTIBACTERIALS FOR SYST USE	4.7	4.9
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.6	4.4
3	5	G03	SEX HORM&MODULAT GENITAL SYS	4.1	3.8
4	4	A11	VITAMINS	4.0	3.9
5	3	A05	BILE AND LIVER THERAPY	3.9	3.9
6	11	J05	ANTIVIRALS FOR SYSTEMIC USE	3.8	3.1
7	6	R05	COUGH AND COLD PREPARATIONS	3.8	3.5
8	7	N06	PSYCHOANALEPTICS	3.3	3.5
9	8	N02	ANALGESICS	3.3	3.4
10	10	C09	AG ACT RENIN-ANGIOTENS SYST	3.1	3.1
Total				38.7	37.4

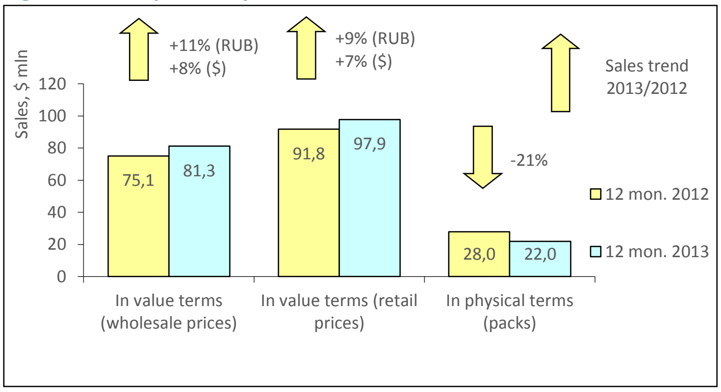
Conclusion. On the basis of the results for 2013, the retail pharmacy market of Ufa brought in RUB 4.874 bln. (USD 153.553 mln). The regional market saw a 7% decrease in terms of roubles and 10% in terms of dollars compared to the last year results. In physical terms, the market also showed negative growth rates (-18%) and achieved 33.101 mln packs. In 2013, the average cost of an OTC pack in Ufa pharmacies was higher than in the year-earlier period (USD 4.64 vs. USD 4.21) and exceeded the Russia average figures (USD 4.23). The average expenses of Ufa residents for purchase of OTC drugs in pharmacies also considerably exceeded the Russia average figures (USD 142.48 vs. USD 125.08).

PERM PHARMACY MARKET: 2013 RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Perm was estimated as 1.014 mln, which accounted for 0.7% of the total Russian Federation population and 3.4% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, based on the results for 12 months of 2013 the average salary in Permsky Krai was RUB 24,790.7 (USD 775.19), which was 17% lower than the average salary in Russia (RUB 29,960.1).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in twelve months of 2013 the Perm pharmacy market volume in physical terms reduced by 21% to 22.033 million packs (Fig. 1). In wholesale prices, the market showed the positive performance both in terms of roubles (+11%) and in terms of dollars (+8%) and reached 2.583 billion roubles (USD 81.250 mln). The region's share accounted for 0.5% of the total volume of all-Russia pharmacy market. According to the results for 9 months of 2013, the average cost of OTC pack in the city pharmacies was USD 4.44 (in 2012 - USD 3.28). In 2013, per capita expenses for purchase of medicines in pharmacies of Perm amounted to USD 96.55.

Figure 1. Perm pharmacy market for 2012 – 2013



At year-end 2013, SANOFI-AVENTIS showed the highest sales volume in the Perm pharmacy market, and due to 16% growth in sales it moved up to rank 1 in the top ten (Table 1) . In contrast, the leader of the previous year PHARMSTANDART (-17%) reduced its sales volume and moved down to rank two. BAYER, SANDOZ (+13% each) as well as NYCOMED/TAKEDA and SERVIER (+14%) held their previous ranks three through six. Four drug manufacturers in the lower part of the top ten showed high growth rates and moved up one rank: ABBOTT (+23%), TEVA (+22%), NOVARTIS (+17%) and STADA (+16%). On top of that, the latter became the only newcomer of the top 10 ranking. The total share of the top 10 drug manufacturers decreased from 36.5% to 36.4%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	2	**SANOFI-AVENTIS**	4.9	4.7
2	1	PHARMSTANDART	4.3	5.7
3	3	**BAYER HEALTHCARE**	4.1	4.1
4	4	**SANDOZ GROUP**	3.8	3.7
5	5	**NYCOMED/TAKEDA**	3.6	3.5
6	6	**SERVIER**	3.5	3.4
7	8	**ABBOTT**	3.3	3.0
8	9	**TEVA**	3.1	2.8
9	10	**NOVARTIS**	2.9	2.8
10	11	**STADA**	2.8	2.7
Total			36.4	36.5

*AIPM members are in bold

Three newcomers broke into the top 10 brand names ranking (table 2). KAGOCEL (+52%), INGAVIRIN with 2.7-fold growth in sales and EXODERIL (+47%) moved up to ranks seven, nine and ten, respectively. Hepatoprotector ACTOVEGIN (+23%) topped the ranking, whereas the last year leader ARBIDOL reduced sales by 27% and moved down to rank two. Another three brand names improved their positions. Hepatoprotector ESSENTIALE N (+15%), antiseptic ASEPTOLIN (+23%) and antiaggregant CARDIOMAGNIL (+25%) moved up to ranks three, four and six. At the same time, brand names with negative growth rates ANAFERON (-8%) and VIAGRA (-16%) moved down to the lower ranks five and eight. In total, the top ten brand names accumulated 7.2% of sales, which is slightly more than in the year-earlier period (7.0%).

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	2	ACTOVEGIN	1.0	0.9
2	1	ARBIDOL	0.8	1.2
3	5	ESSENTIALE N	0.8	0.8
4	6	ASEPTOLIN	0.7	0.7
5	3	ANAFERON	0.7	0.8
6	8	CARDIOMAGNIL	0.7	0.6
7	16	KAGOCEL	0.7	0.5
8	4	VIAGRA	0.6	0.8
9	62	INGAVIRIN	0.6	0.2
10	21	EXODERIL	0.6	0.4
Total			7.2	7.0

Despite the reduction in sales, the leader of the top ten INN and generic names XYLOMETAZOLINE (-5%) held its rank 1 (Table 3). Another four brand names of the top ten showed the negative growth rates: PANCREATIN (-1%) held its previous rank three, and NIMESULIDE (-1%), UMIFENOVIR (-27%) and SILDENAFIL (-9%) moved down to the lower positions. In contrast, the other names of the top-10 showed positive growth rates. INN BLOOD (+23%) moved up to rank two from five, and NIMESULIDE (+15%) moved up to rank four from seven. The newcomers AMOXICILLIN + CLAVULANIC ACID (+7%), ATORVASTATIN (+85%) and ETHANOL + TANNIN(S) (+23%) moved up to ranks seven, nine and ten, respectively. The total share of the top ten reduced by 0.5 p.p. and accounted for 8.7%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	XYLOMETAZOLINE	1.1	1.3
2	5	BLOOD	1.0	0.9
3	3	PANCREATIN	1.0	1.1
4	7	PHOSPHOLIPIDS	0.9	0.9
5	4	NIMESULIDE	0.9	1.0
6	2	UMIFENOVIR	0.8	1.2
7	13	AMOXICILLIN + CLAVULANIC ACID	0.8	0.8
8	6	SILDENAFIL	0.7	0.9
9	42	ATORVASTATIN	0.7	0.4
10	16	ETHANOL + TANNIN(S)	0.7	0.7
Total			8.7	9.2

Two ATC Groups of the top 10 ATC groups retained their previous ranks (table 4). The leaders of the top ten M01 Anti-inflammatory and antirheumatic products (+9%) and A11 Vitamins (+8%) held their own in the ranking. C09 Agents acting on the rennin-angiotensin system (+13%) and J05 Antivirals for systemic use (+32%) moved up to ranks three and four from the lower positions. At the same time, J01 Antibacterials for systemic use (+5%) moved down one rank. Another three ATC groups could improve their positions. The groups L03 Immunostimulants (+7%), N06 Psychoanaleptics (+32%) and G03 Sex hormones (+15%) moved up to ranks 6, 8 and 10, respectively. Note that the latter two became the newcomers of the top ten. R05 Cough and cold preparations (-5%) and R01 Nasal preparations (-1%) reduced their sales and fell in the ranks, coming in at numbers seven and ten, respectively. The consolidated share of the top 10 reduced from 37.5% to 37.4%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2013	2012			2013	2012
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.8	4.9
2	2	A11	VITAMINS	4.3	4.4
3	5	C09	AG ACT RENIN-ANGIOTENS SYST	4.1	4.0
4	9	J05	ANTIVIRALS FOR SYSTEMIC USE	4.0	3.4
5	4	J01	ANTIBACTERIALS FOR SYST USE	3.9	4.1
6	8	L03	IMMUNOSTIMULANTS	3.4	3.5
7	6	R05	COUGH AND COLD PREPARATIONS	3.3	3.8
8	13	N06	PSYCHOANALEPTICS	3.3	2.7
9	7	R01	NASAL PREPARATIONS	3.2	3.6
10	11	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.0
Total				37.4	37.5

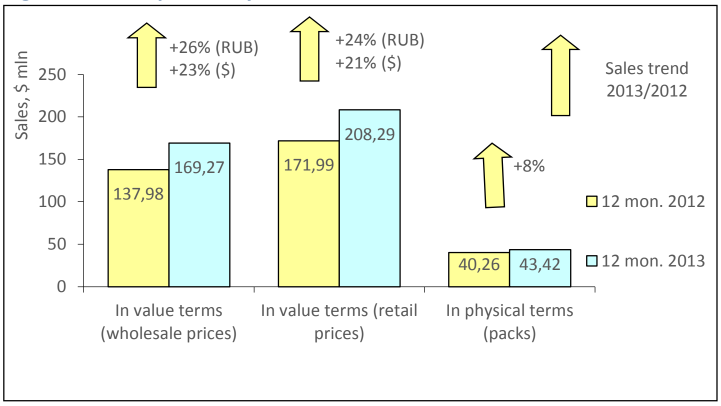
Conclusion. At year-end 2013, the pharmacy market in Perm was estimated at RUB 3.110 bln (USD 97.887 mln) in final consumer prices. Note that the market performance was positive both in rouble terms and in dollar terms (+9% and +7%, respectively). In physical terms, the market reduced by 21% and amounted to 22.033 mln packs. The average cost of an OTC pack (USD 4.44) in the pharmacies increased as compared to a year earlier (USD 3.28) and was higher than the average value in Russia (USD 4.23). The medicine expenses in the region were much lower than the average expenses in Russia (96.55 USD vs. 125.08 USD).

OMSK PHARMACY MARKET: 2013 RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Omsk was estimated as 1.161 mln, which accounted for 0.8% of the total Russian Federation population and 6.0% of Siberian FO (SFO). According to Federal State Statistics Service's data, at year-end 2013 the average salary in the Omsk Oblast was RUB 24,874.3 (USD 777.81), which was 17% lower than the average salary in Russia (RUB 29,960.1).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at year-end 2013 the sales of OTC drugs in physical terms in pharmacies of Omsk saw a 8% increase to 43.424 mln packs. In value terms, the OTC drugs market increased by 26% in rouble terms and by 23% in dollar terms and reached RUB 5.377 billion (USD 169.266 million) in wholesale prices (Fig. 1). The city's share accounted for 1.2% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the previous year (USD 4.27) and reached USD 4.80 in retail prices. For 12 months of 2013, the average amount spent by residents of Omsk for drugs in the pharmacies amounted to USD 179.46.

Figure 1. Omsk pharmacy market in 2012 – 2013



At year-end 2013, the upper part of the top ten drug manufacturers dominating in the market of Omsk didn't change (Table 1). The drug manufacturers SANOFI-AVENTIS (+20%), SERVIER (+21%), BAYER (+23%), PHARMSTANDART (+11%) and NYCOMED/TAKEDA (+24%) held the first five ranks in the top ten. Some shifts took place in the bottom part of the top ten ranking. PFIZER (+37%), TEVA (+44%) and MERCK SHARP DOHME (+29%) improved their positions, coming in at numbers six, seven and ten. On top of that, the latter became the only newcomer of the top 10 ranking. The less dynamic GEDEON RICHTER (+16%) and KRKA (+19%) moved down two ranks to numbers 8 and 9, respectively. The cumulative share of the top 10 drug manufacturers reduced from 39.4% to 38.5%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	**SANOFI-AVENTIS**	6.0	6.3
2	2	**SERVIER**	5.5	5.7
3	3	**BAYER HEALTHCARE**	4.6	4.7
4	4	PHARMSTANDART	3.7	4.2
5	5	**NYCOMED/TAKEDA**	3.6	3.6
6	8	**PFIZER**	3.3	3.0
7	9	**TEVA**	3.3	2.8
8	6	GEDEON RICHTER	3.1	3.4
9	7	**KRKA**	2.9	3.1
10	12	**MERCK SHARP DOHME**	2.6	2.6
Total			38.5	39.4

*AIPM members are in bold

Hepatoprotector ESSENTIALE N (+27%) which due to its high growth rates held and reinforced its positions and remained the best selling brand name in the regional market (Table 2). The markets of KAGOCEL (+48%), CARDIOMAGNIL (+40%), XALATAN (+90%) and EXODERIL (+71%) also developed at a swift pace. It allowed the former two to move up to ranks three and four, and the latter two to break into the ranks of the top ten, coming in at numbers 6 and 10, respectively. ACTOVEGIN (+18%) held its rank two in the previous ranking. Four brand names fell in the ranks. DETRALEX (+10%), LOZAP PLUS (+9%), ARBIDOL (-14%) and URSOSAN (+13%) moved down to ranks five and 7 through 9, respectively. The consolidated share of the top 10 reduced from 7.4% to 7.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	ESSENTIALE N	1.1	1.0
2	2	ACTOVEGIN	0.9	1.0
3	7	KAGOCEL	0.8	0.7
4	9	CARDIOMAGNIL	0.7	0.6
5	4	DETRALEX	0.7	0.8
6	24	XALATAN	0.7	0.5
7	6	LOZAP PLUS	0.7	0.8
8	3	ARBIDOL	0.6	0.9
9	8	URSOSAN	0.6	0.7
10	27	EXODERIL	0.6	0.4
Total			7.3	7.4

The top INN and generic names leaders managed to hold their own in the ranking (table 3). They were PHOSPHOLIPIDS (+25%) and BISOPROLOL (+19%). INN BLOOD (+20%) also held its rank five from the previous ranking. Five INNs of the top 10 rose in the ranks. INNs ATORVASTATIN (+30%) and XYLOMETAZOLINE (+44%) moved up to ranks three and four, and newcomers of the top ten KAGOCEL (+48%), CHONDROITINSULFURIC ACID (+46%) and LATANOPROST (+87%) moved up to ranks 8 through 10. In contrast, the other two INNs with low sales rates moved down to the lower ranks. The composition LOSARTAN + HYDROCHLOROTHIAZIDE (+13%) and PANCREATIN (+3%) moved down to number 6 and 7, respectively. The total share of the top ten under review increased by almost 0.2 p.p. and achieved 9.4%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	PHOSPHOLIPIDS	1.1	1.1
2	2	BISOPROLOL	1.1	1.1
3	6	ATORVASTATIN	1.0	1.0
4	8	XYLOMETAZOLINE	1.0	0.9
5	5	BLOOD	1.0	1.0
6	4	LOSARTAN + HYDROCHLOROTHIAZIDE	0.9	1.1
7	3	PANCREATIN	0.9	1.1
8	16	KAGOCEL	0.8	0.7
9	17	CHONDROITINSULFURIC ACID	0.8	0.7
10	36	LATANOPROST	0.8	0.5
Total			9.4	9.2

The top ten ATC groups ranking didn't change its leader either. The group C09 Agents acting on the rennin-angiotensin system (+23%) held its previous rank one (Table 4). In addition, J01 Antibacterials for systemic use and A11 Vitamins (+26% each) held their previous ranks four and six in the top ten. Four ATC groups of the top 10 ranking moved up to the higher positions. M01 Anti-inflammatory and antirheumatic products (+31%) and S01 Ophthalmologicals (+38%) moved up to ranks two and five, and the newcomers of the top ten R05 Cough and cold preparations and J05 Antivirals for systemic use (+39% each) moved up to ranks 7 and 10. Three groups with rates lagging behind growth: G03 Sex hormones (+25%), N02 Analgesics (+14%) and G04 Urologicals (+23%) lowered their positions, coming in at numbers three, eight and nine. The total share of top ten ATC groups increased by 0.6 p.p. and achieved 38.4%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2013	2012			2013	2012
1	1	C09	AG ACT RENIN-ANGIOTENS SYST	5.3	5.4
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	5.1	4.9
3	2	G03	SEX HORM&MODULAT GENITAL SYS	5.0	5.0
4	4	J01	ANTIBACTERIALS FOR SYST USE	3.6	3.6
5	7	S01	OPHTHALMOLOGICALS	3.5	3.2
6	6	A11	VITAMINS	3.4	3.4
7	11	R05	COUGH AND COLD PREPARATIONS	3.2	2.9
8	5		N02 ANALGESICS	3.1	3.5
9	8		G04 UROLOGICALS	3.1	3.2
10	13	J05	ANTIVIRALS FOR SYSTEMIC USE	3.0	2.7
Total				38.4	37.8

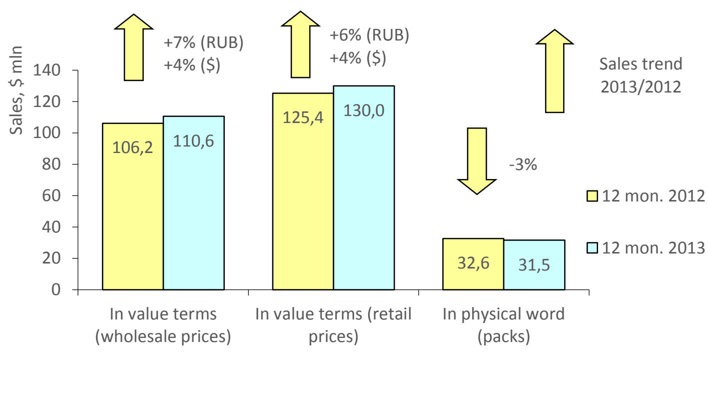
Conclusion. At year-end 2013, the OTC drugs market of Omsk brought in RUB 6.619 bln (USD 208.293 mln). The market increased 24% in terms of roubles and 21% in terms of dollars. In physical terms, the market also showed positive growth rates (+8%) and achieved 43.424 mln packs. In 2013, the average cost of an OTC pack in the city pharmacies was higher than in the year-earlier period (USD 4.80 vs. USD 4.27) and exceeded the Russia average figures (USD 4.23). Per capita expenses of Omsk residents for purchase of medicines in the city pharmacies were also higher than the national average figures (USD 179.46 vs. USD 125.08).

CHELYABINSK PHARMACY MARKET: 2013 RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Chelyabinsk was estimated at 1.156 mln, which accounted for 0.8% of the total Russian Federation population and 9.5% of Ural FO (UFO). According to Federal State Statistics Service's data, based on the results for 12 months of 2013 the average salary in the Chelyabinskaya Oblast was RUB 25,845.8 (USD 808.19), which was 14% lower than the average salary in Russia (RUB 29,960.1).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at year-end 2013 the sales of OTC drugs in physical terms in the pharmacies of Chelyabinsk saw a 3% decrease to 31.536 mln packs. In value terms, the OTC drugs market increased by 7% in rouble terms and by 4% in dollar terms and reached RUB 3.516 billion (USD 110.559 million) in wholesale prices (Fig. 1). The city share in the total volume of all-Russia pharmacy market accounted for 0.7%. The average cost of an OTC pack grew as compared to the previous year (USD 3.85) and reached USD 4.12 in retail prices. For 12 months of 2013, the average amount spent by residents of Chelyabinsk for drugs amounted to USD 112.42.

Figure 1. Chelyabinsk pharmacy market in 2012 – 2013



At year-end 2013, SANOFI-AVENTIS (+1%) and BAYER (+10%) held their leading positions in the Chelyabinsk retail market (Table 1). At the same time, the other two drug manufacturers ABBOTT (+2%) and STADA (+6%) maintained their ranks seven and eight in the top ten. The other top-10 drug manufacturers shifted their ranks. The more dynamic manufacturers TEVA (+21%) and SANDOZ (+11%) moved up one rank to numbers 3 and 5, displacing PHARMSTANDART (+4%) and SERVIER (+3%) down one rank. MENARINI (-2%) moved down one rank, to number 10. The only newcomer PFIZER (+23%) broke into the ranks of the top ten, coming in at number nine which had been left by MENARINI. The cumulative share of the top ten drug manufacturers increased from 36.8% to 37%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	**SANOFI-AVENTIS**	5.2	5.5
2	2	**BAYER HEALTHCARE**	4.6	4.5
3	4	**TEVA**	4.1	3.6
4	3	PHARMSTANDART	4.0	4.1
5	6	**SANDOZ GROUP**	3.5	3.4
6	5	**SERVIER**	3.4	3.5
7	7	**ABBOTT**	3.2	3.4
8	8	**STADA**	3.1	3.1
9	12	**PFIZER**	3.0	2.6
10	9	**MENARINI**	2.8	3.0
Total			37.0	36.8

*AIPM members are in bold

Due to 57% growth in sales, LYRICA took the lead in the top ten brand names ranking of the region (Table 2). Note that almost all brand names of the top ten showed high growth rates. ESSENTIALE N (+19%) moved up to rank two from four, ACTOVEGIN (-3%) from rank 4 to 5, NISE from rank 5 to 9, and HEPTRAL (+5%).from rank 7 to 8. The newcomers KAGOCEL (+81%), LINEX (+13%) and ANAFERON (+7%) broke into the ranks of the top ten, coming in at numbers six, eight and ten. Despite the negative growth rates, ARBIDOL (-3%) held its previous rank three. Only ALFLUTOP (-8%) moved down two ranks, to number 9. The total share of the top 10 trade names increased from 6.5% to 7.1%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	2	LYRICA	1.5	1.0
2	4	ESSENTIALE N	0.9	0.8
3	3	ARBIDOL	0.7	0.8
4	5	ACTOVEGIN	0.7	0.7
5	9	NISE	0.6	0.5
6	27	KAGOCEL	0.6	0.3
7	8	HEPTRAL	0.6	0.6
8	14	LINEX	0.5	0.5
9	7	ALFLUTOP	0.5	0.6
10	13	ANAFERON	0.5	0.5
Total			7.1	6.5

Following the respective brand name, PREGABALIN (+58%) became the leader of the top 10 INN and generic names ranking (Table 3). Another six INNs managed to improve their positions. INNs PHOSPHOLIPIDS (+15%), BLOOD and UMIFENOVIR (-3% each) moved up one rank, to numbers4, 9 and 10. At the same time, the latter became one of two newcomers of the top ten. The second newcomer of the ranking AMBROXOL (+18%) moved up from rank 13 to eight. In addition, NIMESULIDE (+20%) moved up from rank 6 to 3, and AZITHROMYCIN (+14%) from rank 9 to 6. Two INNs held their own in the ranking. XYLOMETAZOLINE (+22%) and PANCREATIN (-2%) maintained their previous ranks two and seven, respectively. And only BISOPROLOL (-1%) moved down from rank 4 to five. The total share of the top ten under review increased by almost 0.7 p.p. and achieved 9.9%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	3	PREGABALIN	1.5	1.0
2	2	XYLOMETAZOLINE	1.4	1.2
3	6	NIMESULIDE	1.0	0.9
4	5	PHOSPHOLIPIDS	1.0	0.9
5	4	BISOPROLOL	0.9	1.0
6	9	AZITHROMYCIN	0.9	0.9
7	7	PANCREATIN	0.8	0.9
8	13	AMBROXOL	0.8	0.7
9	10	BLOOD	0.7	0.8
10	11	UMIFENOVIR	0.7	0.8
Total			9.9	9.2

In contrast to two above rankings, the leader of the top ten ATC groups didn't change: Due to high growth rates, M01 Anti-inflammatory and antirheumatic products (+12%) held and reinforced its position in the ranking (Table 4). ATC groups with high sales rates moved up to ranks two through seven. G03 Sex hormones (+7%), J01 Antibacterials for systemic use (+8%) and C09 Agents acting on the renin-angiotensin system (+2%) moved up one rank. R01 Nasal preparations (+16%) moved up to rank five from 7, and R05 Cough and cold preparations (+13%) moved up from rank 9 to 7. The only newcomer J05 Antivirals for systemic use (+36%) broke into the top-10 ranking, coming in at number six. N02 Analgesics (-3%), A11 Vitamins (+7%) and S01 Ophthalmologicals (-26%) moved down from the higher ranks to ranks eight, nine and ten. The total share of the top ten reduced by 0.4 p.p. and achieved 37%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2013	2012			2013	2012
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.7	4.5
2	3	G03	SEX HORM&MODULAT GENITAL SYS	4.3	4.3
3	4	J01	ANTIBACTERIALS FOR SYST USE	4.2	4.2
4	5	C09	AG ACT RENIN-ANGIOTENS SYST	3.8	4.0
5	7	R01	NASAL PREPARATIONS	3.7	3.4
6	11	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	2.7
7	9	R05	COUGH AND COLD PREPARATIONS	3.4	3.2
8	6	N02	ANALGESICS	3.3	3.6
9	8	A11	VITAMINS	3.3	3.2
10	2	S01	OPHTHALMOLOGICALS	3.0	4.3
Total				37.0	37.4

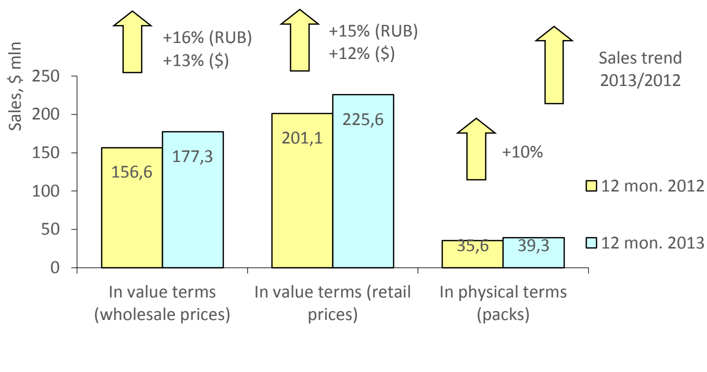
Conclusion. On the basis of the results for 2013, the retail pharmacy market of Chelyabinsk brought in RUB 4.133 bln (USD 129.982 mln). At the same time, the market increased 6% in terms of roubles and 4% in terms of dollars. In physical terms, the market shrank by 3% to 32.237mln packs. At year-end 2013, the average cost of an OTC pack in the city pharmacies was higher than in the year-earlier period (USD 4.12 vs. USD 3.85) and exceeded the Russia average figures (USD 4.23). Per capita expenses for purchase of medicines in the Chelyabinsk pharmacies amounted to USD 112.42 which is lower than the average in the country (USD 125.08).

YEKATERINBURG PHARMACY MARKET: 2013 RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Yekaterinburg was estimated as 1.396 mln, which accounted for 1% of the total Russian Federation population and 11.4% of Ural FO (UFO). According to Federal State Statistics Service's data, in 2013 the average salary in Sverdlovskaya Oblast was RUB 27,978.5 (USD 874.87), which was 7% lower than the average salary in Russia (RUB 29,960.1).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in twelve months of 2013 the Yekaterinburg pharmacy market volume in physical terms increased by 10% to 39.271 million packs (Fig. 1). In wholesale prices, the market also showed the positive performance both in terms of roubles (+16%) and in terms of dollars (+13%) and reached 5.644 million roubles (USD 177.251 mln). The region's share accounted for 1.3% of the total volume of all-Russia pharmacy market. Based on the results for 2013, the average cost of OTC pack in the Yekaterinburg pharmacies was USD 5.74, whereas in the year-earlier period its cost was USD 5.64. The average sum spent by residents of the city on purchase of medicines reached USD 161.57.

Figure 1. Yekaterinburg pharmacy market in 2012 – 2013



At year-end 2013, the top ten drug manufacturers in Yekaterinburg didn't change its composition (Table 1). The top four drug manufacturers held their own in the ranking. Despite the lagging behind the growth rates, the drug manufacturers SANOFI-AVENTIS (+11%), BAYER (+5%), ABBOTT (-3%) and PHARMSTANDART (+7%) as before held their first four positions in the ranking. The markets of drug manufacturers SERVIER (+11%), MERCK SHARP DOHME (+10%) and GEDEON RICHTER (+14%) also developed at lower pace than the regional market on the whole. On top of that, the latter held its previous rank ten, whereas the former two moved down to the lower positions six and nine, respectively. They were displaced by more dynamic NOVARTIS and SANDOZ (+21% each), which moved up to ranks five and seven. The drug maker TEVA (+19%) held its earlier rank eight. The total share accumulated by the top 10 OTC reduced by almost 2 p.p. and amounted to 36.5%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	**SANOFI-AVENTIS**	6.0	6.3
2	2	**BAYER HEALTHCARE**	4.6	5.1
3	3	**ABBOTT**	3.8	4.6
4	4	PHARMSTANDART	3.8	4.1
5	6	**NOVARTIS**	3.4	3.2
6	5	**SERVIER**	3.1	3.3
7	9	**SANDOZ GROUP**	3.1	3.0
8	8	**TEVA**	3.1	3.0
9	7	**MERCK SHARP DOHME**	2.9	3.1
10	10	GEDEON RICHTER	2.7	2.8
Total			36.5	38.4

*AIPM members are in bold

Three newcomers broke into the top 10 brand names ranking (table 2). Antiviral drug KAGOCEL (+31%), antihypoxant ACTOVEGIN (+19%) and regulator of sexual potency VIAGRA (+12%) moved up to ranks 5, 9 and 10, respectively. In addition, another two brand names of the top ten showed growth in sales. CIALIS (+28%) and LINEX (+7%) moved up to numbers four and seven, respectively. At the same time, URSOSAN (+2%) moved down one rank to number eight, and DETRALEX (-5%) reduced its sales and moved down from rank 4 to six. Brand names ESSENTIALE N (+13%), HEPTRAL (-14%) and ARBIDOL (-7%) held the first three positions in the ranking. In total, the top ten brand names accumulated 7.0% of sales, whereas in the year-earlier period 7.6%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	ESSENTIALE N	1.1	1.2
2	2	HEPTRAL	0.8	1.1
3	3	ARBIDOL	0.8	1.0
4	9	CIALIS	0.7	0.6
5	13	KAGOCEL	0.7	0.6
6	4	DETRALEX	0.6	0.7
7	8	LINEX	0.6	0.6
8	7	URSOSAN	0.6	0.7
9	14	ACTOVEGIN	0.6	0.6
10	11	VIAGRA	0.6	0.6
Total			7.0	7.6

PHOSPHOLIPIDS (+11%) held its leadership in the top ten INN and generic names ranking (table 3). INN URSODEOXYCHOLIC ACID (+13%) held its previous rank five, whereas the other INNs of the top ten shifted their ranks. At the same time, five of them rose in the ranks. XYLOMETAZOLINE (+17%) moved up to rank two from three, HYALURONIC ACID (+15%) moved up to rank four from six, and IBUPROFEN (+32%) from rank 10 to 7. The newcomers, the composition CHONDROITINSULFURIC ACID + GLUCOSAMINE (+20%) and INN AMBROXOL (+23%) broke into the ranks of the top ten, coming in at numbers nine and ten. In contrast, three brand names with low growth rates (PANCREATIN (+4%) and negative growth rates (ADEMETIONINE and UMIFENOVIR) moved down to the lower positions. The total share of the top ten INNs reduced by 0.5 p.p. and accounted for 9.4%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	PHOSPHOLIPIDS	1.2	1.3
2	3	XYLOMETAZOLINE	1.2	1.2
3	2	PANCREATIN	1.1	1.2
4	6	HYALURONIC ACID	1.0	1.0
5	5	URSODEOXYCHOLIC ACID	1.0	1.0
6	4	ADEMETIONINE	0.9	1.2
7	10	IBUPROFEN	0.9	0.8
8	7	UMIFENOVIR	0.8	1.0
9	12	CHONDROITINSULFURIC ACID + GLUCOSAMINE	0.7	0.7
10	15	AMBROXOL	0.7	0.7
Total			9.4	9.9

In contrast to the above rankings, the top ten ATC groups changed its leader (table 4). J05 Antivirals for systemic use (+40%) showed the highest growth rates and moved up to rank one from two, expanding its market share up to 5%. At the same time, the last year leader moved down one rank. A11 Vitamins (+12%) maintained its previous rank three. In addition to the leader, another six INNs showed high growth rates. M01 Anti-inflammatory and antirheumatic products (+20%), C09 Agents acting on the rennin-angiotensin system (+19%), J01 Antibacterials for systemic use (+17%) and a newcomer A05 Bile and liver therapy (+13%) moved up one rank, coming in at numbers 4, 5, 7 and 10, respectively. Due to one-fourth growth in sales, the second newcomer of the top ten R05 Cough and cold preparations moved up to rank nine from 12. In addition, R01 Nasal preparations (+17%) moved up from rank ten to eight. Only group N06 Psychoanaleptics (+13%) lost two ranks and moved down to rank six. The consolidated share of the top 10 increased from 36.7% to 37.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2013	2012			2013	2012
1	2	J05	ANTIVIRALS FOR SYSTEMIC USE	4.9	4.0
2	1	G03	SEX HORM&MODULAT GENITAL SYS	4.2	4.6
3	3	A11	VITAMINS	3.8	4.0
4	5	M01	ANTIINFLAM & ANTIRHEUM PROD	3.8	3.7
5	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.6	3.6
6	4	N06	PSYCHOANALEPTICS	3.6	3.7
7	8	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.5
8	10	R01	NASAL PREPARATIONS	3.3	3.3
9	12	R05	COUGH AND COLD PREPARATIONS	3.3	3.0
10	11	A05	BILE AND LIVER THERAPY	3.2	3.3
Total				37.3	36.7

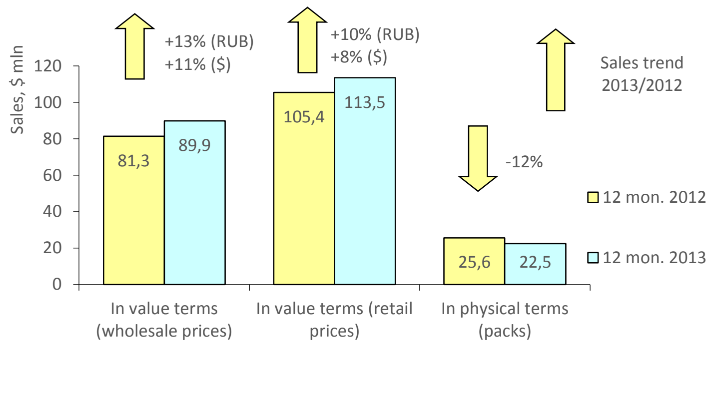
Conclusion. At year-end 2013, the pharmacy market in Yekaterinburg was estimated at RUB 7.182 bln (USD 225.570 mln) in final consumer prices. Note that the market performance was positive both in rouble terms and in dollar terms (+15% and +12%, respectively). In physical terms, the market expanded by 10% and amounted to 39.271 mln packs. The average cost of an OTC pack (USD 5.74) in the pharmacies increased as compared to a year earlier (USD 5.64) and was higher than the average value in Russia (USD 4.23). Per capita expenses of the city residents for purchase of medicines in the pharmacies were much higher than the national average figures (USD 161.57 vs. USD 125.08).

TYUMEN PHARMACY MARKET: 2013 RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Tyumen was estimated at 634.2 ths, which accounts for 0.4% of the total Russian Federation population and 5.2% of Ural FO (UFO). According to Federal State Statistics Service's data, in 2013 the average salary in the Tyumenskaya Oblast was RUR 51,016.3 (USD 1,595.26), which is 70% higher than the average salary in Russia (RUB 29,960.1).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at year-end 2013 the sales of OTC drugs in physical terms in the pharmacies of Tyuman saw a 12% decrease to 22.462 mln packs. In value terms, the regional market showed the positive growth: 13% in rouble terms and 11% in dollar terms and reached RUB 2.860 billion (USD 89.894 million) in wholesale prices (Fig. 1). The average cost of an OTC pack increased as compared to a year earlier (USD 4.12) and reached USD 5.05 in retail prices. For 12 months of 2013, the average amount spent by residents of Tyuman for drugs amounted to USD 179.00.

Figure 1. Tyumen pharmacy market in 2012 – 2013



At year-end 2013, SANOFI-AVENTIS (+19%), which share accounted for almost 5.4% of pharmacy sales, held and reinforced its leading position in the top ten drug manufacturers ranking in Tyumen market (Table 1). Due to 26% growth in sales, BAYER moved up to rank two, displacing the less dynamic PHARMSTANDART (+3%) down to rank three. The drug manufacturers ABBOTT (+26%), SANDOZ (+21%), NYCOMED/TAKEDA (+19%), STADA (+20%) and TEVA (+24%) also showed outperformance. Note that all of them, except for the former, moved up to the higher ranks five, seven, nine and ten, respectively. On top of that, TEVA became the only newcomer of the top 10 ranking. In contrast, the drug manufacturers with lower growth in sales SERVIER (+12%) and NOVARTIS (+11%) moved down to the lower ranks six and eight. The total share of the top 10 drug manufacturers increased by almost 1.5 p.p. to 37.4%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	**SANOFI-AVENTIS**	5.4	5.2
2	3	**BAYER HEALTHCARE**	4.4	3.9
3	2	PHARMSTANDART	4.0	4.4
4	4	**ABBOTT**	3.8	3.4
5	6	**SANDOZ GROUP**	3.5	3.3
6	5	**SERVIER**	3.4	3.4
7	9	**NYCOMED/TAKEDA**	3.3	3.1
8	7	**NOVARTIS**	3.2	3.3
9	10	**STADA**	3.2	3.0
10	11	**TEVA**	3.2	2.9
Total			37.4	36.0

*AIPM members are in bold

Three newcomers broke into the ranks of the top ten brand names ranking (table 2). Antiviral drugs KAGOCEL (+98%) and INGAVIRIN, which sales increased 2.5 times, as well as hepatoprotector HEPTRAL (+26%) moved up to ranks two, seven and eight, respectively. In addition, another two brand names of the top ten showed growth in sales. Hepatoprotector ESSENTIALE N (+48%) moved up to rank one and chondroprotector ALFLUTOP (+35%) to rank three. The other five ATC groups from the top 10 moved down to much lower ranks. ACTOVEGIN (+16%), ARBIDOL (-16%) and DUPHASTON (+23%) moved down to ranks four through six, and LASOLVAN (+9%) и СИМБИКОРТ ТУРБУХАЛЕР (+16%) Суммарная доля десяти ведущих торговых наименований увеличилась с 7,0% до 7,9%.

Таблица 2. Десять ведущих торговых наименований по объему аптечных продаж

Rank		Brand name	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	3	ESSENTIALE N	1.1	0.9
2	14	KAGOCEL	0.9	0.5
3	4	ALFLUTOP	0.9	0.7
4	2	ACTOVEGIN	0.9	0.9
5	1	ARBIDOL	0.9	1.2
6	5	DUPHASTON	0.7	0.7
7	27	INGAVIRIN	0.7	0.4
8	12	HEPTRAL	0.6	0.6
9	7	LASOLVAN	0.6	0.6
10	9	SYMBICORT TURBUHALER	0.6	0.6
Total			7.9	7.0

Two newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). KAGOCEL (+98%) moved up to rank 5 from 25, and FISH (+35%) moved up to rank 7 from 11. The markets of the other five INNs developed at a fast pace. Among them are the leader of the top ten XYLOMETAZOLINE (+8%), as well as the composition AMOXICILLIN + CLAVULANIC ACID (+25%) rounding up the top ten, which held their own in the ranking. Three INNs: PHOSPHOLIPIDS (+47%), BLOOD (+16%) and IBUPROFEN (+18%) upgraded their ranks, moving up to ranks two, four and six. At the same time, INN with lower (AMBROXOL) and negative (UMIFENOVIR) sales rates moved down to the lower ranks nine and eight, respectively. The total share of the top ten increased by 0.6 p.p. and accounted for 9.8%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
2013	2012		2013	2012
1	1	XYLOMETAZOLINE	1.5	1.4
2	4	PHOSPHOLIPIDS	1.2	1.0
3	3	PANCREATIN	1.0	1.0
4	5	BLOOD	0.9	0.9
5	25	KAGOCEL	0.9	0.5
6	7	IBUPROFEN	0.9	0.9
7	11	FISH	0.9	0.7
8	2	UMIFENOVIR	0.9	1.2
9	6	AMBROXOL	0.9	0.9
10	10	AMOXICILLIN + CLAVULANIC ACID	0.8	0.8
Total			9.8	9.2

Due to 36% growth in sales, J05 Antivirals for systemic use became the best selling group in the region and moved up from rank five to one (Table 4). G03 Sex hormones (+25%) held and reinforced its previous rank two, whereas the last year leader J01 Antibacterials for systemic use (+9%) moved down to rank three. As before, M01 Anti-inflammatory and antirheumatic products (+20%), R05 Cough and cold preparations (+6%) and L03 Immunostimulants (+11%) moved up to ranks four, six and eight respectively. Groups R01 Nasal preparations (+20%), A11 Vitamins (+19%) and C09 Agents acting on the rennin-angiotensin system (+16%) rose in the ranks, moving up to numbers 5, 7 and 9, respectively. N02 Analgesics reduced their sales and moved down to rank ten in the ranking. The consolidated share of the top 10 increased from 37.7% to 38.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2013	2012			2013	2012
1	5	J05	ANTIVIRALS FOR SYSTEMIC USE	4.6	3.9
2	2	G03	SEX HORM&MODULAT GENITAL SYS	4.5	4.1
3	1	J01	ANTIBACTERIALS FOR SYST USE	4.2	4.3
4	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4.1	3.9
5	7	R01	NASAL PREPARATIONS	3.9	3.7
6	6	R05	COUGH AND COLD PREPARATIONS	3.5	3.8
7	9	A11	VITAMINS	3.5	3.4
8	8	L03	IMMUNOSTIMULANTS	3.4	3.5
9	10	C09	AG ACT RENIN-ANGIOTENS SYST	3.2	3.2
10	3		N02 ANALGESICS	3.2	4.1
Total				38.3	37.7

Conclusion. On the basis of the results for 2013, the retail pharmacy market of Tyumen brought in RUB 3.612 bln (USD 113.516 mln). The market increased 10% in terms of roubles and 8% in terms of dollars. In physical terms, the market showed negative growth rates (-12%) and achieved 22.462 mln packs. In 2013, the average cost of an OTC pack in the city pharmacies was much higher than in the year-earlier period (USD 5.05 vs. USD 4.12). The average expenses of city residents for medicines in the pharmacies considerably exceeded the national average figures (USD 179.00 vs. USD 125.08).

RUSSIAN FEDERATION REGIONAL HOSPITAL MARKETS: 2013 RESULTS

According to the results of the Hospital Purchase Audit in Russian Federation™, at 2013-end, eleven regional markets taken individually accounted for 46.2% of the entire hospital sector of Russian Federation. In the year-earlier period they accounted for 46.0%. The biggest market is the market of Moscow which share accounted for 17.5% of hospital purchases (Fig. 1). The Moscow market is followed by the markets of Saint Petersburg (6.1%), Rostovskaya Oblast (3.3%) and Krasnodarsky Krai (3.2%) . The regional markets considerably differ by average cost of a hospital OTC pack. At year-end 2013, the highest average cost of a hospital pack was observed in St. Petersburg (USD 10.10). St.Petersburg is followed by Moscow (USD 9.42) and Nizhegorodskaya Oblast (USD 8.28). The lowest cost of a hospital pack was registered in the Republic of Tatarstan (USD 4.18).

Figure 1. Regions' share in the total hospital purchases in the Russian Federation, 2013

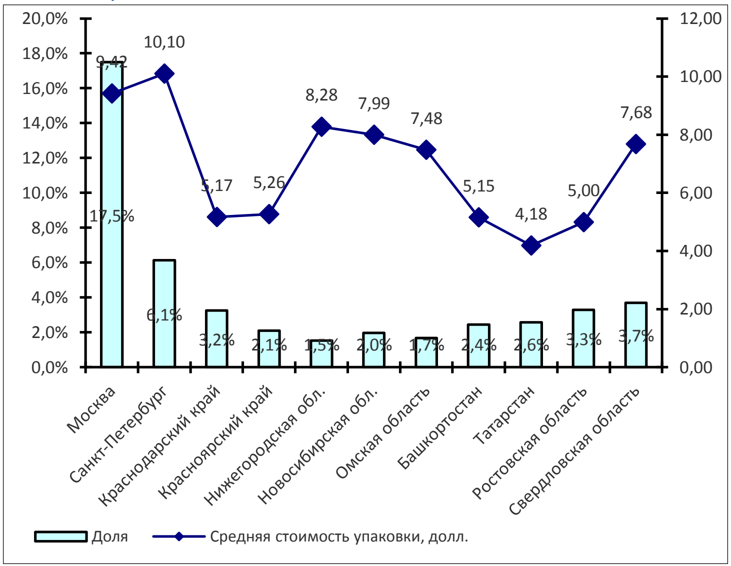


Table 1 provides information of the ranks of the All-Russia top drug manufacturers in the regional top ten rankings. At year-end 2013, the largest share of the Russian hospital market was accounted for by the drugs made by Sanofi-Aventis, which dominated in five analysed regions. It moved up to rank two in Rostovskaya Oblast and Krasnoyarsky Krai, and to rank three in Sverdlovskaya Oblast and Nizhegorodskaya Oblast. Only in St. Petersburg the drug manufacturer moved down to rank five. The drug manufacturer Roche, which was ranked 2nd in the All-Russia ranking, was placed at the same rank in five regions, and became a leader of the regional ranking at Rostovskaya Oblast and Novosibirskaya Oblast. It was ranked fourth in St. Petersburg and Sverdlovskaya Oblast, whereas at Krasnodarsky Krai and Tatarstan it moved down into the top 20. Merck Sharp Dohme rounding out the top three was a leader of St. Petersburg market and Novosibirskaya Oblast, and ranked third at Rostovskaya Oblast and Krasnoyarsky Krai. It got short-listed in the top tens in all regions. In the five analysed regions Bashkortostan, Tatarstan, Nizhegorodskaya and Omskaya Oblast, as well as Krasnoyarsky Krai, the regional rankings crossed the All-Russia ranking in eight positions, in the other five regions they crossed in seven positions. And only the Moscow ranking matched the All-Russian ranking in six positions.

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

Rank in RF ranking	Company	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodarsky Krai	Bashkortostan	Tatarstan	Sverdlovskaya Oblast	Nizhegorodskaya Oblast	Rostovskaya Oblast	Novosibirskaya Oblast	Krasnoyarsky Krai	Omskaya Oblast
1	Sanofi-Aventis	1	5	1	1	1	3	3	2	6	2	1
2	Roche	2	4	12	2	17	4	2	1	2	1	2
3	Merck Sharp Dohme	4	1	7	5	8	5	4	3	1	3	4
4	GlaxoSmithKline	10	2	5	6	2	6	7	13	4	5	5
5	Abbvie	8	3	6	4	3	2	5	35	5	4	3
6	Johnson & Johnson	12	6	4	3	7	1	8	9	16	7	6
7	Microgen	3	29	14	16	23	17	10	16	19	6	10
8	Nycomed/ Takeda	13	16	9	10	6	11	15	4	15	8	16
9	AstraZeneca	11	10	8	8	4	14	14	8	10	15	7
10	Bayer Healthcare	14	11	16	12	9	10	9	6	9	13	15

Yet more significant deviations in the regional top 10 rankings were observed with a breakdown of individual trade names (Table 2). However, in four regions under review the leader of all-Russia hospital market - Sodium Chloride – was ranked number one in the regional rankings. It was ranked 2nd in another three regions, and 3rd and 4th in Omskaya Oblast and Novosibirskaya Oblast, respectively. And only in Nizhegorodskaya Oblast it was ranked 20th. The brand name Kaletra ranked 2nd in the All-Russia ranking was placed at the same rank in four regions, and became the leader in St.Petersburg, Sverdlovskaya Oblast and Omskaya Oblast. Kaletra rounded out the top ten in Krasnodarsky Krai, and was ranked thirtieth only in Moscow and Rostovskaya Oblast. Ranked third in six regions, Prezista got short-listed in the top ten rankings in six regions and the top twenty rankings in three regions. Then again it was ranked 32nd and 27th in Moscow and Rostovskaya Oblast, respectively. It should be noted that in two regions (Moscow and Nizhegorodskaya Oblast) the leader of the regional market didn't achieve the All-Russia top ten finishes. The maximum number of "crossings" with the all-Russia list of top brand names was observed in Bashkortostan, Sverdlovskaya Oblast and Krasnoyarsky Krai (seven positions each), the minimum number of crossings was registered in Nizhegorodskaya Oblast (only two positions).

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

Rank in RF ranking	Brand name	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodarsky Krai	Bashkortostan	Tatarstan	Sverdlovskaya Oblast	Nizhegorodskaya Oblast	Rostovskaya Oblast	Novosibirskaya Oblast	Krasnoyarsky Krai	Omskaya Oblast
1	Sodium Chloride	2	2	1	1	1	3	20	2	4	1	3
2	Kaletra	30	1	3	2	2	1	7	30	2	2	1
3	Prezista	32	4	11	3	7	2	11	27	16	6	4
4	Clexane	5	17	4	4	4	5	17	3	5	3	6
5	Reyataz	41	3	37	6	5	4	39	52	203	27	45
6	Herceptin	19	10	342	22	130	13	9	1	43	4	53
7	Curosurf	12	16	47	9	3	21	27	34	30	13	21
8	Isentress	119	18	41	8	15	9	16	75	12	8	16
9	Pegasys	24	7	49	19	N/A	8	51	50	6	7	15
10	Avastin	4	56	131	46	61	28	12	5	35	17	5

Considerable variances in the consumption structure of not only individual drugs, but of pharmacotherapeutic groups as well are observed depending on the regions (table 3). However, it should be noted that the leader of all-Russia ranking – the group J01 Antibacterials for systemic use - also tops five regional rankings. It ranked 2nd in two regions and 3rd in two regions as well. The group was ranked 7th and 5th only in Moscow and Rostovskaya Oblast, respectively. The second group of All-Russia hospital ranking - J01 Antibacterials for systemic use - got short-listed in the top four in all analysed regions and became the leader in four of them. The group L01 Antineoplastic agents ranked third in All-Russia ranking was placed at ranks no lower than six in all regions and became a leader in Rostovskaya Oblast. The top-10 ATC groups of all-Russia hospital sector is reproduced to the fullest extent in Moscow and Bashkortostan (9 positions match) and least of all in Rostovskaya Oblast (four positions).

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

Rank in RF ranking	ATC code	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodarsky Krai	Bashkortostan	Tatarstan	Sverdlovskaya Oblast	Nizhegorodskaya Oblast	Rostovskaya Oblast	Novosibirskaya Oblast	Krasnoyarsky Krai	Omskaya Oblast
1	J05	7	1	3	1	2	1	1	5	3	1	2
2	J01	1	3	1	2	1	3	4	2	2	3	1
3	L01	2	2	4	4	5	2	6	1	5	4	3
4	B05	3	4	2	3	3	5	13	3	1	62	4
5	B01	5	7	6	5	4	4	9	4	4	5	7
6	J07	4	9	11	6	12	6	14	22	13	6	6
7	V08	10	6	8	7	9	8	33	12	6	8	13
8	N01	8	12	5	10	6	14	23	14	9	9	17
9	L03	12	10	22	11	21	7	18	7	7	7	14
10	J06	6	14	12	8	14	15	30	18	16	12	15

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

REGIONAL DIGEST

Additional Pharmacological Support (DLO)/Essential Drug Reimbursement Program (ONLS), Government Control

April 7, 2014, The Rossiyskaya Gazeta

RF Government Resolution: to increase stock levels of narcotic drugs in different types of health care facilities

Hospitals should have 10-day stock level of narcotic and psychotropic substances instead of the previous 3- or 5-day level, and the remote pharmacies including rural ones, should have three-month stock level of such drugs. Such levels are prescribed by the Government Resolution that is aimed at simplifying rules for the use of drugs in the treatment of severely ill patients , including palliative care. Also, Resolution established the possibility of temporary storage of drugs at the posts of nurses in hospital wards, in doctor's bags, kits to provide various types of medical care and revised requirements to security of the premises.

The Health Ministry stressed that the current Resolution was only part of a package of measures that are being prepared to improve the situation with anaesthesia.

April 7, 2014, The Novaya Gazeta

According to expert report, Russian regions fall short of funds to pay for treatment of rear diseases

According to Russian standards, a disease is considered rare if 1 in 10000 people suffer this disease. The Russian regions tragically lack money for treatment of patients with rare diseases. This is the main conclusion made by the Centre for Population, Demography and Health Study based on an extensive survey conducted this year. The survey identified the main trend: none of the regional budgets is ready to assume financial responsibility for the treatment of patients with rare diseases on a full scale. In addition, the survey showed that the regional governments believe that 50% of their rare patients do not need any treatment.

April 11, 2014, the Kommersant.ru

Specialized system to be set up within compulsory health insurance to support federal health care facilities

President Vladimir Putin instructed the government to set up within compulsory health insurance a system specially configured to support federal health care facilities. According to him, it would solve the issues that may arise in the medical centres after being transformed in compliance with the insurance principles.

This problem has been raised by Rector of St. Petersburg State Medical University, academician Sergey Bagnenko. According to him, from January 2014 funding of federal health facilities has been reduced by 35 % and there is no substitution mechanism yet. Details of the new system are unknown and experts wonder how the new superstructure can save the situation. The Health Ministry reported that they have developed some approaches, which, after approval by the government, will be taken as the basis for relevant draft regulations aimed at the enforcement of President's orders.

April 10, 2014, Remedium

Roszdravnadzor has launched single portal of online public services

On April 10, Roszdravnadzor (Federal Service for the Supervision of Public Health and Social Development) launched the single portal of public services to enable filing of electronic applications for the provision of public services using a single identification and authentication systems and interagency electronic interaction system of the Russian Ministry of Communications. Due to the launch of the portal, now one can submit an electronic application for licensing of medical and pharmaceutical activities, and production of medical equipment. The portal can be accessed from the main page of the official site of Roszdravnadzor in the section of Electronic Services.

April 16, 2014, The Vedomosti

According to ACTO, the number of permits to conduct clinical trials in Russia reduced by 13.6% in 2013

Association of Clinical Trials Organizations (ACTO) estimated that in 2013 Ministry of Health issued 791 permissions to conduct clinical trials, which is 13.6% less than a year earlier period. The Association stressed that pharmaceutical companies often test in Russia not new drugs, but their analogues. On top of that, medicines used to treat cancer account for 26% of international trials approved in 2013. Among generics, foreign companies most often studied drugs for treatment of cardiac and cardiovascular diseases (26.8%), while Russian companies studied drugs for the treatment of infectious diseases (22.8%). ACTO sees the reason for a low number of issued permits in the fall of the number of trials performed by Russian companies.

April 16, 2014, Medlinks.ru

The Russian biosimilar of Mabthera has been approved for medical use in Russia

The rituximab biosimilar manufactured by domestic biopharmaceutical company Biocad has been approved by the Ministry of Health of the Russian Federation. Development was started by the company in 2010 and carried out as part of the innovative nationwide Project on Arrangement of Pilot Production of Substances and Medicines Based on Monoclonal Antibodies Required for Production of Expensive Import-Substituting Preparations.

April 23, 2014, RIA News

Ministry of Health estimates that lack of funding for the Programme on State Guarantees to Deliver Free Medical Care to the regions of the Russian Federation exceeds RUB 100 bln

The shortfalls in funds to be allocated to the regions of the Russian Federation for the Program on State Guarantees to Deliver Free Medical Care exceed RUB 100 billion, the Minister of Health Veronika Skvortsova said at the final session of the Ministry of Health. The constituent entities of the Russian Federation should take special efforts to secure their own expenditure obligations and avoid a financial deficit for providing state guarantees from regional budgets, the Minister said. According to her, without filling the funding gap, the regional authorities will not be able to develop health care services in the non-insurance segment and provide the population drug coverage in the outpatient segment.

April 24, 2014, RIA News

Federal government has reduced its support for the program on development of the pharmaceutical and medical industries

The Russian government has approved a finalized state program on development of the pharmaceutical and medical industry until 2020, which implies a 8% decrease in funding from the federal budget to RUB 99.42 billion, according to a statement released on the official website of the Cabinet. The program was prepared by the Ministry of Industry. The previous version of the state program was approved by the Government in November 2012. Its volume was RUB 166 billion, of which RUB 108 billion were proposed to be allocated from the federal budget.

April 28, 2014, RIA-AMI

The Association of Pharmaceutical Workers has been established in Russia

All-Russian Congress of pharmaceutical workers held in Moscow on April 28 decided to establish a professional association of Russian pharmaceutical workers, which will include representatives from all areas of the pharmaceutical industry. The decision was supported by 97% of congress participants. According to experts, the pharmaceutical industry should not be divided into pharmacies, manufacturers and distributors that operate independently of each other.

NEWS FROM COMPANIES

Apribl 21, 2014, The Kommersant

Abbott aims to buy Veropharm before the end of this summer

The majority shareholder of Credit Bank of Moscow Roman Avdeev sells 81.1 % stake in the drug-maker Veropharm. A share package can be purchased by Abbot before the end of summer. The manager of one of the pharmaceutical companies told of the impending deal. This is the second attempt of the U.S. Company to have its own drug manufacturing plant in Russia: last year the authorities forbade it to buy Petrovax Pharm. This time experts do not expect any problems with the deal. Veropharm has three plants in Belgorod, Voronezh and Pokrov that manufacture mostly generic prescription medications.

April 26, 2014, The Kommersant

Binnopharm to set up a joint venture with Fresenius Kabi

AFK Sistema has identified a strategic partner for its pharmaceutical business. The corporation set up a joint venture with the Germany-based Fresenius Kabi, to which it transferred all of its shares of Binnopharm. After five years, the German pharmaceutical manufacturer could become a sole owner of the Russian pharmaceutical company. Zenitko Finance Management also contributes its 25% to the joint venture. The primary beneficiary of Zenitko Finance Management is Aleksey Chupin, President of a network of private clinics Medsi, also owned by AFC. Sistema's share in the joint venture will be 37%, Zenitko's share - 12 %. The German drug-maker will gain control over the joint venture by contributing its business in Russia and the CIS.

Source of information – IMS Health

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