СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

РЕМЕДИУМ
ГРУППА КОМПАНИЙ

AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

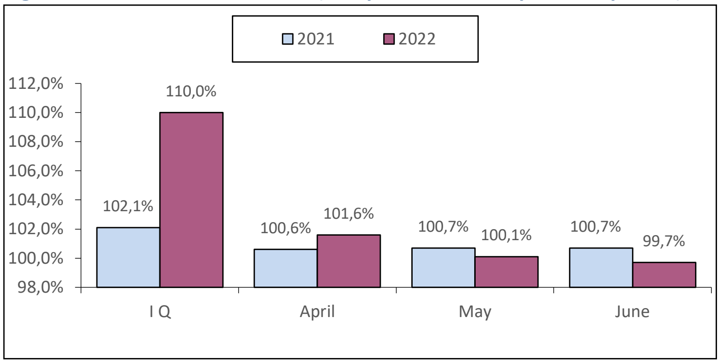
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service’s data, the Consumer Price Index was estimated as 99.7% in June 2022 as compared to the previous month, 111.4% relative to December 2021.

In June 2022, the Industrial Producer Price Index was 95.9% as compared to the previous month, in the month-earlier period it had amounted to 93.1%. The index accounted for 104.6% as against December of 2021.

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



Living standard

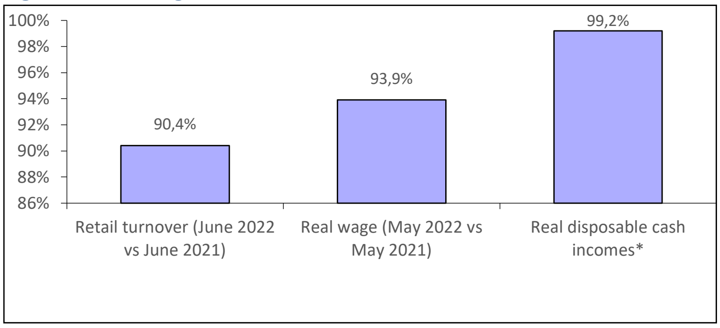
In May 2022, a gross monthly average wage of corporate employees reached RUB 62457 (USD 966.23). It accounted for 110.0% compared to May 2021, and 100.2% compared to the previous period. In May 2022, the real gross wage accounted for 93.9% as compared to May 2021, and 100.1% against the prior period.

According to estimates[1], real disposable cash incomes decreased by 99.2% in the first half of 2022 as compared to the first half of 2021 (Fig. 2).

Retail turnover

In June 2022, the retail turnover was equal to RUB 3437.8 bil. or 90.4% (in comparable prices) against the respective period of the previous year, in the first half of 2022 - RUB 20469.5 bil. or 96.6% (Fig. 2).

Figure 2. Real wage and retail turnover



* First half of 2022 vs first half of 2021

Industrial Production

According to Federal State Statistics Service’s data, in June 2022 Industrial Production Index accounted for 95.5% compared to the same period in the previous year, and 100.7% in January-June 2022.

According to Federal State Statistics Service’s data, Industrial Production Index for drugs and medical products accounted for 116.5% in June 2022 as compared to the same period of 2021, and in January-June 2022 126.5% relative to January-June 2021.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for June of 2022.

Figure 1. The top ten Russian chemical and pharmaceutical manufacturers by sales volume in June 2022

Rank	Manufacturer	RUB mil.
1	Biocad	3591.3
2	Stada	3003.3
3	Otcpharm	2635.6
4	Binnopharm	2491.0
5	Pharmstandart	2089.8
6	Pharmasyntez	1955.2
7	Atoll	1401.9
8	Grotex	1364.8
9	Vertex	1346.9
10	Sotex	1114.1

Source: IQVIA

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. Reduction in pharmacy sales (in terms of roubles) was observed in most analysed regions in May 2022 as compared to April 2022. The highest growth was observed in Perm (-11%), the lowest one in Rostov Region (-0.2%). St. Petersburg (+1%) and Voronezh Region saw an increase in sales (+4%).

Table 2. Pharmacy sales in the regions, 2022

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	March 2022	April 2022	May 2022	March/February 22	April/March 22	May/April 22
Moscow	251.3	151.1	168.7	67%	-55%	-7%
St. Petersburg	101.8	69.2	84.3	51%	-49%	1%
Krasnodar Krai	52.9	41.5	46.2	22%	-41%	-8%
Krasnoyarsk Krai	26.4	23.2	26.6	25%	-34%	-5%
Tatarstan	24.6	22.8	27.1	25%	-31%	-1%
Rostov Region	29.7	23.2	27.8	20%	-42%	-0.2%
Novosibirsk Region	26.5	23.0	26.0	27%	-35%	-6%
Voronezh Region	20.0	14.3	18.0	35%	-46%	4%
Perm	10.4	9.0	9.7	36%	-35%	-11%
Tyumen	10.2	8.6	10.2	39%	-37%	-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 2022

Rank	Company*	Quantity of broadcasts
1	Otcpharm	6,798
2	Binnopharm	6,312
3	Dr. Reddy's Laboratories	6,277
4	Stada	4,311
5	Petrovax	2,948

Source - Remedium according to Mediascope's data

Table 4. The top five brands in mass media in June 2022

Rank	Brand*	Quantity of broadcasts
1	Renewal	2,670
2	Allerway	1,883
3	Maxilac	1,785
4	Suprastinex	1,663
5	Detralex	1,640

Source - Remedium according to Mediascope's data

* Only drugs registered with National Medicine Register were considered.

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

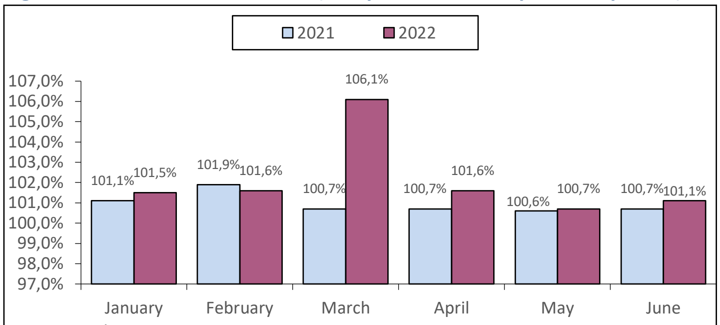
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to the Committee for Statistics of the National Statistical Committee of Belarus, the Consumer Price Index was estimated at 101.1% in June 2022, 113.1% relative to December 2021. The Consumer Price Index was 114.6% in January-June of 2022 as compared to 2021.

The Industrial Producer Price Index was 100.8% in June 2022 as compared to the previous month, and 110.5% relative to December 2021. In the first half of 2022, the Industrial Producer Price Index was 115.7% as compared to 2021.

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



Source: Belstat

Living standard

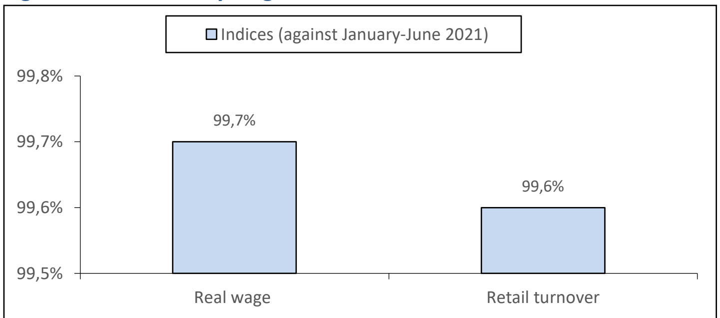
According to the preliminary Belstat's data, in June 2022 the average monthly nominal accrued wage of the corporate workers of the Republic of Belarus was equal to BYR 1,626.50 (USD 635.05[2]), - BYR 1,571.30 (USD 577.83) in January-June 2022, which accounted for 112.7% and 114.2% against the same periods in 2021. In June 2022, the real wage accounted for 95,8% as compared to the same period of 2021, and 99.7% in January-June of 2022 (Fig. 2).

According to Belstat's data, in January-May 2022 the real disposable cash income accounted for 97.9% against January-May 2021.

Retail turnover

In June 2022, the retail turnover was estimated at RUB 5,671.2 mil., which accounted for 103.5% as compared to the previous month and 93.9% as compared to the respective period of 2021. Based on the results for the first half of 2021, it amounted to RUB 31.972 bil. or 99.6% at comparable prices as compared to the first half of 2021 level (Fig. 2).

Figure 2. Real monthly wage and retail turnover, 2022



Source: Belstat

Industrial Production

According to the Statistical Committee of the Republic of Belarus, the industrial output by economic activities "Mining industry", "Processing Industry" and “Supply of electricity, gas, steam, hot water and conditioned air” and “Water supply; sewerage, waste management and remediation activities” amounted to BYR 13,888.0 mil. in current prices in June of 2022, BYR 81,315.0 mil. in the first quarter of 2022, or 89.8% 100.9% in comparable prices as compared to the respective period of 2021.

According to Belstat's data, in January-March of 2022 the pharmaceutical production output of essential pharmaceutical products and pharmaceutical preparations (the latest published data) was estimated at BYR 512.7 mil., which accounted for 107.7% in comparable prices against the indicators of the same period in 2021.

[2] The official arithmetical average exchange rate to calculate the above indices was taken from the website of the National Bank of Belarus www.nbrb.by.

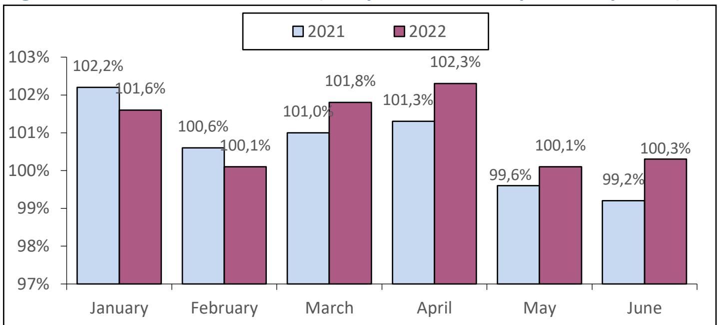
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to the Statistics Committee of the Republic of Armenia, in June 2022 the consumer price index amounted to 100.3% against the previous month and 106.3% relative to December 2021. The Consumer Price Index accounted for 108.1% in January-June of 2022 as compared to the same period in 2021.

The Industrial Producer Price Index was 97.1% in June 2022 as compared to the previous month, and 98.0% relative to December 2021. In January-June of 2022, the index accounted for 107.8% as compared to 2021.

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



Source: Statistics Committee of the Republic of Armenia

Living standard

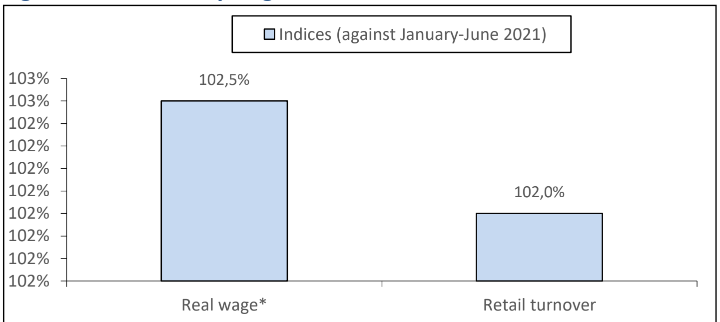
According to preliminary estimates of the National Statistical Service of RA, in June 2022 the average monthly nominal wage of the workers of the Republic of Armenia was Dram 235,195 (USD 556.42), which accounted for 106.7% compared to the previous period and 116.9% compared to the same period of 2021. In January– June of 2022, the average monthly nominal wage per worker was Dram 218,641 (USD 466.94) or 111.3% against January-June of 2021.

Real wage in January – March 2022 (the latest published data) accounted for 102.5% as compared to 2021, in March 2022 against March 2021 (according to ECE) – 106,8% (Fig. 2).

Retail turnover

The retail turnover amounted to Dram 135,801.6 mil. in June of 2022, and Dram 720,224.6 mil. in January-June 2022, which accounted for 103.2% and 102% respectively as compared to the same period of the previous year (Fig. 2).

Figure 2. Real monthly wage and retail turnover, 2022



Surce: Statistics Committee of the Republic of Armenia

* Data for January-March of 2022

Industrial Production

According to the preliminary data of Statistics Committee of the Republic of Armenia, in June of 2022 industrial output by economic activities "Mining industry", "Processing industry" and “Supply of electricity, gas, steam, hot water and conditioned air” and “Water supply; sewerage, waste management and remediation activities” amounted to AMD 232270.4 mil., and AMD -1193639.3 mil. in January - June 2022 or 119.0% and 105.8% against the same periods in 2021, respectively.

According to Statistics Committee of the Republic of Armenia, the manufacture of basic pharmaceutical products and drugs was estimated at AMD 810.6 mil. in June of 2022, and AMD 5,777.9 mil. from the beginning of the year, which accounted for 121.9% and 101.4% as compared to the respective periods 2021.

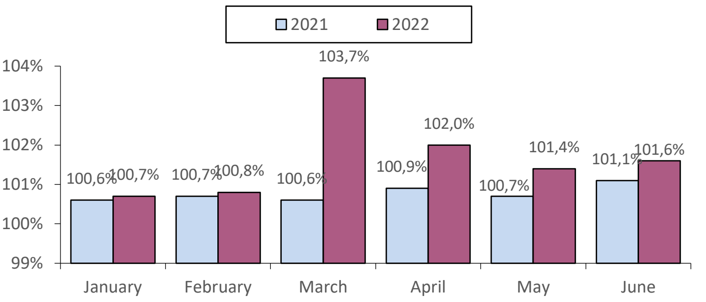
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, in June of 2022 the Consumer Price Index was estimated at 101.6% as compared to the prior month, 110.5% relative to December 2021. In January-June of 2022, the index achieved 111.9% compared to the same period of 2021.

The Industrial Producer Price Index was 102.5% in June 2022 as compared to the previous month, 112.6% relative to December 2021. In January-June of 2022, the prices of manufacturers of industrial products increased by 37.1% as compared to 2021.

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



Source: Bureau of National Statistics of the Republic of Kazakhstan

Living standard

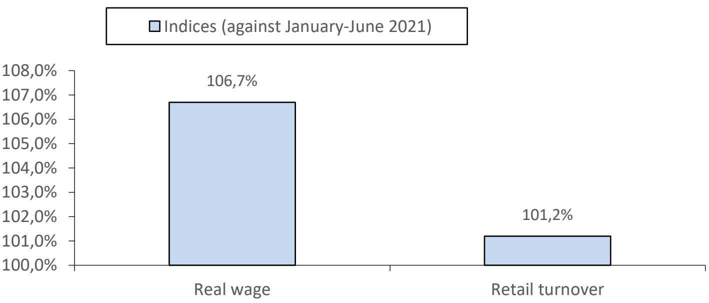
According to the preliminary data of the Bureau of National Statistics of RK, the gross monthly average nominal wage per worker reached KZT 295,487 (USD 667,99.[3]) in June 2022, KZT 287191 (USD 640.18) in January-June of 2022. The Nominal Wage Index against the respective period of the previous year accounted for – 113.6% in June 2022 – 119.4% in January-June 2022, and the real wage index in June of 2021 was – 99.2%, and 106.7% in January-June 2022 vs January-June 2021 (Fig. 2).

According to the preliminary data, in January-May 2022 the real cash income index was 103.0% compared to January-May of 2021.

Retail turnover

The retail turnover in June 2022 was KZT 1345,0 bil., which was 93.8% against June 2021. In January-June of 2022, the retail turnover volume amounted to KZT 6083.3 bil. or 101.2% against the respective period in 2021 (in comparable prices) (Fig. 2).

Figure 2. Real wage index and retail turnover in 2022



Source: Committee on Statistics of the RK

Industrial Production

According to the Bureau of National Statistics of RK, in June 2022 the industrial output was KZT 4,319.5 bil., in January-June of 2022 – KZT 23,825.3 bil. As compared to the same period of 2021, the indices accounted for 98.7% and 103.5%, respectively.

According to the Bureau of National Statistics of RK, the industrial output of essential pharmaceutical products and pharmaceutical preparations amounted to KZT 83.98 mil. in January-June 2022, and KZT 13,846 mil. in June of 2022. In January-June 2022, the Industrial Production Volume Index for Pharmaceuticals was 104.9% compared to the respective period of 2021, 105.7% in June of 2022 against June 2021.

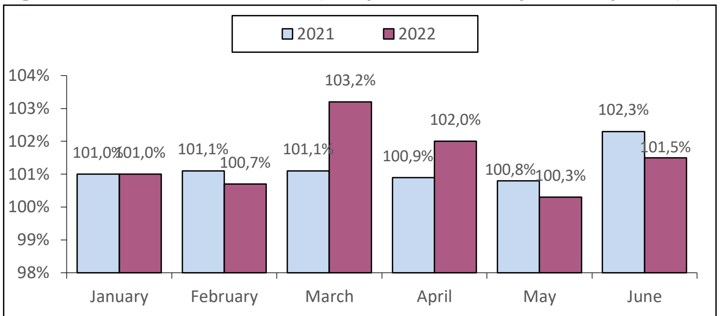
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to the National Statistical Committee of the Kyrgyz Republic, the Consumer Price Index was estimated at 101.5% in June of 2022 as compared to the previous month, 109.1% against December 2021. In January-June of 2022, the index accounted for 112.8% as compared to 2021.

In June 2022, the Producer Price Index for industrial production and services was 95.8% as compared to the previous month, 98.4% against December 2021. In January-June 2022, the prices of producers for industrial products and services throughout the Republic increased by 8.7% as compared to 2021.

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



Source: National Statistical Committee of the Kyrgyz Republic

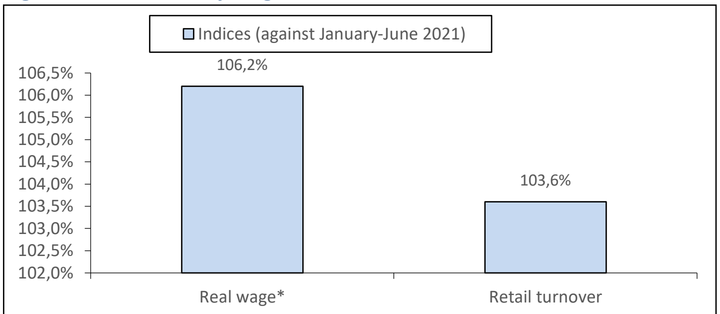
Living standard

According to data of the National Statistical Committee of the Kyrgyz Republic, in May 2022 the average monthly nominal wage per worker was KGS 26,331 (USD 323.56), in January-May 2022 – KGS 22,927 (USD 263.8), which accounted for 131.4% and 119.8% compared to the relevant period of the previous year, respectively. In January-May of 2022, the real wage accounted for 106.2% as compared to January-May of 2021, and 115.3% in May 2022 vs May 2021 (Fig. 2).

Retail turnover

In June 2022, the retail turnover (without cars and motorcycles sales) reached KGS 25,226.0 mil, and KGS 134,727.8 mil. in January-June of 2022. The Volume of Retail Turnover Index accounted for 97.5% and 103.6% to the same period of the previous year (Fig.2).

Figure 2. Real monthly wage and retail turnover, 2022



Source: National Statistical Committee of the Kyrgyz Republic

* - data for January-May 2022

Industrial Production

According to data of the National Statistical Committee of the Kyrgyz Republic, in June 2022 the industrial output was KGS 38,058.6 mil., KGS 190,767.0 mil. in January-June of 2022. The Physical Index of Industrial Production accounted for 128.6% and 114.1% as compared to the same periods of 2021, respectively.

According to the National Committee for Statistics of the Kyrgyz Republic, the pharmaceutical output amounted to KGS 32.9 mil. in June 2022, and KGS 432.8 mil. from the start of the year. At the end of June 2022, the Physical Index of Industrial Production for Pharmaceuticals was 73.3% compared to the same period of 2021, 97.6% in January-June of 2022 compared to 2021.

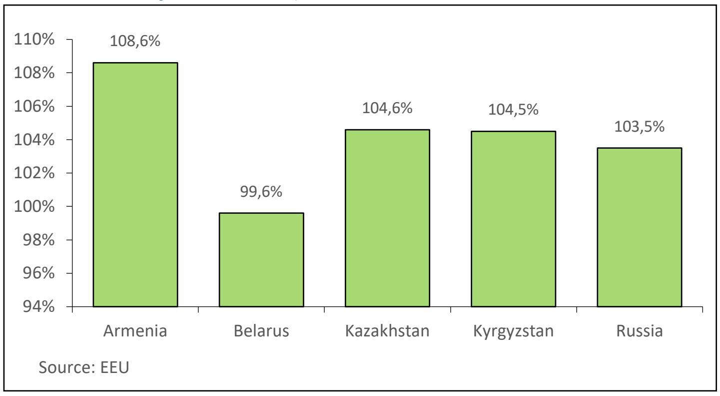
[3] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Kazakhstan www.nationalbank.kz

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to the Eurasian Economic Commission (EAEC), in January-March of 2022 GDP of EAEU member-states achieved USD 472043.7 mil. Industrial production volume index accounted for 103.6% as compared to January-March 2021. GDP growth was recorded in most EAEU member-states: in Armenia (+8.6%), Kazakhstan (+4.6%), Kyrgyzstan (+4.5%) and Russia (+3.5%). In Belarus, GDP amounted to 99.6% (Fig. 1).

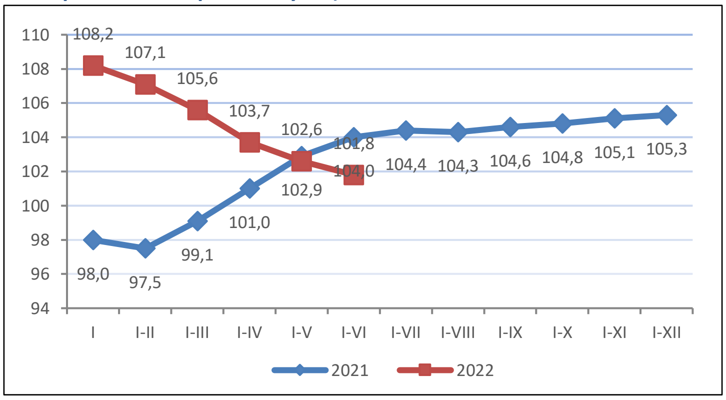
Figure 1. GDP growth rates in the EAEU member-states (January-March 2022 vs. January-March 2021)



Industrial Production

The industrial output of the EAEU in January – June 2022 amounted to USD 773.5 bil. and grew by 1.8% as compared to January-June of 2021 (Fig. 2). In individual countries, the Industrial Production Index accounted for 105.8% in Armenia, 94.8% in Belarus, 103.5% in Kazakhstan, 114.1% in Kyrgyzstan and 102.0% in Russia.

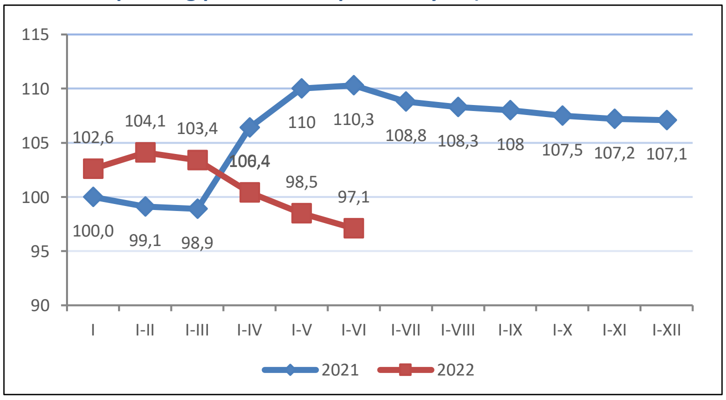
Figure 2. Industrial output indices movement in EAEU (as % over the same period of the previous year)



Retail turnover

According to the EEC, the retail trade turnover (through all sales channels) of EEU member-states in January– June 2022 amounted to USD 302.7 bil. Compared with the respective period of 2021, the volume of retail sales decreased by 2.9%. In the analysed period, an increase in retail trade turnover was observed in Armenia (103.0%), Kazakhstan (101.2%) and Kyrgyzstan (111.6%). Retail sales declined in Belarus (99.6%) and Russia (96.6%).

Figure 3. Retail turnover indices movement in the EAEU (as a percentage over corresponding period of the previous year)



Nominal and real wage

According to the ECE, in January-March of 2022 as compared to the respective period of 2021, the gross monthly average wage increased in all EAEU member-states. The highest growth rates of nominal and real (adjusted for the consumer price index for goods and services) average monthly wage were recorded in Kazakhstan (123.7% and 112.7%, respectively) and in Belarus (117.1% and 104.5%)

Table 1. Nominal and real wage in January-March 2022 (the latest published data)

Country	Real wage, as % of the respective period of 2021	Nominal real wage	
		as % of the respective period of 2021	USD
Armenia	102.5	109.6	437
Belarus	104.5	117.1	551
Kazakhstan	112.7	123.7	627
Kyrgyzstan	99.7	111.4	234
Russia	103.1	115.0	709

Budget implementation

According to the EEC, in the first quarter of 2022 the republican budget was executed with surplus in all EEU member-states except for Kazakhstan. At the same time, the budget moved from deficit to surplus in Armenia and Kazakhstan, whereas Belarus and Kyrgyzstan as compared to the corresponding period of last year. In Kazakhstan, the budget deficit decreased by 6.7 times. In Russia, the budget surplus grew 4 times.

The growth rates of the republican budget indicators saw a variety of trends in comparison with the respective period of the last year as follows: revenues — 122% in Armenia, 119% in Belarus, 150% in Kazakhstan, 161% in Kyrgyzstan and 135% in Russia; expenditures — 98% in Armenia, 81% in Belarus, 113% in Kazakhstan, 128% in Kyrgyzstan, 120% in Russia.

Table 2. Republican budget in January-March 2022

Country	USD bil.		
	Income	Expenditure	Deficit (surplus)
Armenia	0.9	0.8	0.1
Belarus	2.4	2.2	0.2
Kazakhstan	8.5	8.8	-0.3
Kyrgyzstan	0.6	0.5	0.1
Russia	84.6	71.2	13.5
EAEU	**96.9**	**83.4**	**13.5**

The Consumer Price Indices of the EEU member-states in 2022

The consumer price index for goods and services throughout EEU in June 2022 was 111.2% as compared to December 2021, the prices did not change as compared to May 2022.

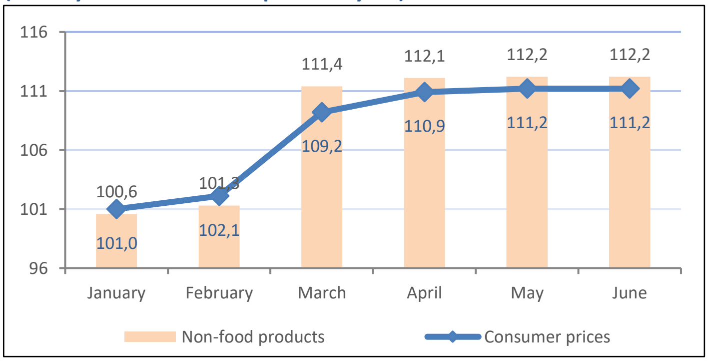
Table 3. The Consumer Price Indices of the EEU member-states in 2022 (as % by December of the previous year)

Country	January	February	March	April	May	June
EAEU	***101.0***	***102.1***	***109.2***	***110.9***	***111.2***	***111.2***
Armenia	101.6	101.7	103.5	105.8	106.0	106.3
Belarus	101.5	103.1	109.4	111.1	111.9	113.1
Kazakhstan	100.7	101.5	105.2	107.3	108.8	110.5
Kyrgyzstan	101.0	101.7	105.0	107.1	107.5	109.1
Russia	101.0	102.2	110.0	111.7	111.8	111.4

A significant increase in prices for food products (by 12.9%) and for non-food products (by 12.2%) throughout the EAEU in June 2022 vs December 2021.

Prices for paid services over this period increased by 7.3% (Fig. 4).

Figure 4. The Consumer Price Indices for goods and services in the EEU (as % by December of the previous year)

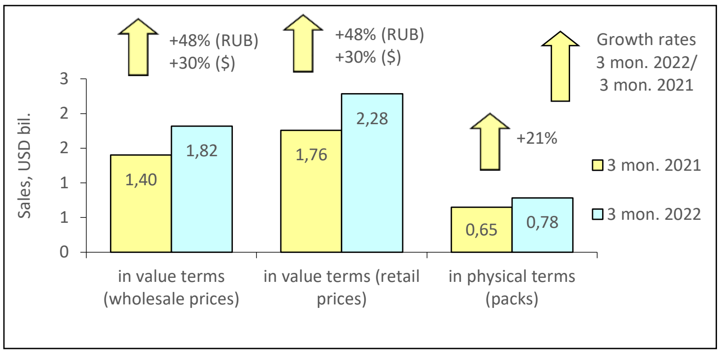


According to National Statistics Services' data, the price indices for the pharmaceutical products (medications) in June 2022 (by December of the previous year) amounted to 105.2% in Belarus, 99.1% in Armenia, 109.5% in Kyrgyzstan, 108.4% in Russia (n/a in Kazakhstan).

PHARMACY OTC MARKET IN RUSSIA: 2022 FIRST THREE MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first three months of 2022 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 21% increase to 783.902 mil. packs. In money terms, the OTC-segment increased by 48% in rouble terms and by 30% in dollar terms and reached RUB 154.346 bil. (USD 1.816 bil.) in wholesale prices (Fig. 1). The share of Over-the-Counter (OTC) drugs accounted for 64.3% of sales in physical terms and 49.3% in retail prices in terms of roubles. At the end of January-March of 2022, the average cost of an OTC pack was USD 2.91 at retail prices, whereas in the year-earlier period its cost was USD 2.72. In the analysed period, Russians spent an average of USD 15.68 on the purchase of OTC drugs in the pharmacies.

Figure 1. Russian pharmacy OTC market for 3 months of 2021 – 3 months 2022.*



According to the results for the first quarter of 2022, OTCPHARM (+65%[4]) and STADA (+48%) continued to demonstrate the largest sales volumes of OTC drugs (Table 2). 1). Placed at rank three, BAYER (+21%) moved down to rank 5, due to lagging growth rates, giving way to SANOFI (+45%) и GLAXOSMITHKLINE (+56%). The newcomer VALENTA, which broke into the top ten ranking for the first time showing more than a twofold increase in sales volumes (by 2.1 times), moved up to rank six of the top 10. At the same time, the less dynamic TEVA (+21%), SANDOZ (+36%) and ABBOTT (+45%) moved down and rounded out the top ten ranking. JOHNSON&JOHNSON (+31%) kept its previous rank seven. The total share of the top 10 drug manufacturers accounted for 41.5%, while it was 41.7% in the year-earlier period.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2022	3 mon. 2021		3 mon. 2022	3 mon. 2021
1	1	OTCPHARM	9.1	8.1
2	2	**STADA**	5.5	5.6
3	4	**SANOFI**	4.3	4.3
4	5	**GLAXOSMITHKLINE**	4.1	3.9
5	3	**BAYER**	3.7	4.6
6	12	VALENTA	3.5	2.5
7	7	**JOHNSON & JOHNSON**	3.1	3.5
8	6	**TEVA**	2.9	3.6
9	8	**SANDOZ**	2.8	3.1
10	9	**ABBOTT**	2.5	2.6
Total			41.5	41.7

*AIPM members are in bold

The markets of nine brands from the top ten OTC brands ranking developed at a faster pace (Table 2). On top of that, five of them showed a rating progress. Thus, INGAVIRIN (2.5-fold growth in sales) moved up to rank two from four, THERAFLU (2.1-fold growth) moved up to rank four from seven. The newcomers GRIPPFERON (2.3-fold growth), MIRAMISTIN (+61%) and GRAMMIDIN (2.1-fold growth) broke into the ranks of the top ten, coming in at numbers seven, eight and ten respectively. The top ten leader ARBIDOL (2.8-fold growth) and CARDIOMAGNYL (+65%) placed at rank six held and reinforced their previous ranks. The brands DETRALEX (+64%) and NUROFEN (+54%) moved down to the lower ranks three and five despite the outstripping growth rates. The less dynamic PENTALGIN (+22%) lost four ranking points. The total share of the top ten brands increased by over 4 p.p. to 15.8%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
3 mon. 2022	3 mon. 2021		3 mon. 2022	3 mon. 2021
1	1	ARBIDOL	4.1	2.1
2	4	INGAVIRIN	2.0	1.2
3	2	DETRALEX	1.6	1.5
4	7	THERAFLU	1.4	1.0
5	3	NUROFEN	1.3	1.3
6	6	CARDIOMAGNYL	1.2	1.1
7	17	GRIPPFERON	1.1	0.7
8	12	MIRAMISTIN	1.0	0.9
9	5	PENTALGIN	1.0	1.2
10	20	GRAMMIDIN	1.0	0.7
Total			15.8	11.7

UMIFENOVIR (2.9-fold growth) headed the top ten INN and grouping names ranking, displacing XYLOMETAZOLINE (+30%) down to rank two (Table 3). The composition DIOSMIN* HESPERIDIN (+51%), which held its own in the ranking, rounded out the top three INNs. Some shifts took place in the lower part of the top ten INNs ranking, as a result of which five more INNs rose in the ranks. IBUPROFEN (+50%), INTERFERON ALFA-2B (2.1-fold growth) and MAGNESIUM*PYRIDOXINE (+54%) moved one rank up, coming in at numbers four, seven and nine. Due to 2.5-fold growth in sales, INN IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID moved up to rank five from 7. The only newcomer, composition PARACETAMOL*ASCORBIC ACID* PHENIRAMINE*PHENYLEPHRINE (+77%), rounded out the top ten ranking. At the same time, PANCREATIN (+28%) and ACETYLSALICYLIC ACID* MAGNESIUM (+59%) moved down to ranks 6 and 8, respectively. The total share of the top 10 has increased from 17.8% to 21%.

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

Rank in the top ten		Brand	Share in total pharmacy sales, %	
3 mon. 2022	3 mon. 2021		3 mon. 2022	3 mon. 2021
1	2	UMIFENOVIR	4.6	2.3
2	1	XYLOMETAZOLINE	2.9	3.3
3	3	DIOSMIN*HESPERIDIN	2.4	2.3
4	5	IBUPROFEN	2.1	2.0
5	7	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	2.0	1.2
6	4	PANCREATIN	1.9	2.2
7	8	INTERFERON ALFA-2B	1.6	1.2
8	6	ACETYLSALICYLIC ACID* MAGNESIUM	1.3	1.2
9	10	MAGNESIUM*PYRIDOXINE	1.2	1.1
10	15	PARACETAMOL*ASCORBIC ACID* PHENIRAMINE*PHENYLEPHRINE	1.1	0.9
Total			21.0	17.8

J05 Antivirals for systemic use, which increased sales by 2.5 times and moved up from rank four from one, became the best-selling and dynamic ATC group in the OTC segment (Table 4). In addition, R05 Cough and cold preparations (+69%), L03 Immunostimulants (+75%) and R02 Throat preparations (+83%) moved up to the higher ranks, coming in at numbers two, six and eight, respectively. On top of that, the latter became the only newcomer of the top ten ranking. Despite outperforming growth rates, the groups N02 Analgesics (+53%) and M01 Anti-inflammatory and anti-rheumatic products (+58%) lost one rating point each and moved up to ranks three and ten. The less dynamic R01 Nasal preparations (+30%), C05 Vasoprotectives (+38%), A07 Antidiarreals (+27%) and A11 Vitamins (+26%) moved down to ranks four, seven and nine, respectively. In total, the top ten ATC-groups accounted for 51.7% of the market, whereas in the year-earlier period — 47.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank in the top ten		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2022	3 mon. 2021			3 mon. 2022	3 mon. 2021
1	4	J05	ANTIVIRALS FOR SYSTEMIC USE	9.2	5.5
2	5	R05	COUGH AND COLD PREPARATIONS	6.1	5.3
3	2	N02	ANALGESICS	6.0	5.8
4	1	R01	NASAL PREPARATIONS	5.2	6.0
5	3	C05	VASOPROTECTIVES	5.2	5.6
6	8	L03	IMMUNOSTIMULANTS	4.8	4.0
7	6	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	4.0	4.7
8	11	R02	THROAT PREPARATIONS	3.8	3.1
9	7	A11	VITAMINS	3.8	4.4
10	9	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.7	3.4
Total				51.7	47.9

Conclusion. Based on the results for the first quarter of 2022, the OTC retail market of Russia amounted to RUB 194.019 bil. (USD 2.282 bil.). At the same time, the market behaviour was positive both in rouble (+48%) and dollar (+30%) terms. In physical terms, the market expanded by 21% and amounted to 783.902 mil. packs. The average cost of OTC-pack in the Russian pharmacies based on the results for January-March of 2022 was USD 2.91, which was higher than a year earlier (USD 2.72). The average expenses of the Russian Federation residents for purchase of OTC drugs in the pharmacies in the analysed period increased as well: USD 15.68 vs. USD 12.04.

* Here and elsewhere, we shall use IQVIA's data

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

PRICE ANALYSIS, 1-2 quarter 2022. KEY PERFORMANCE INDICATORS

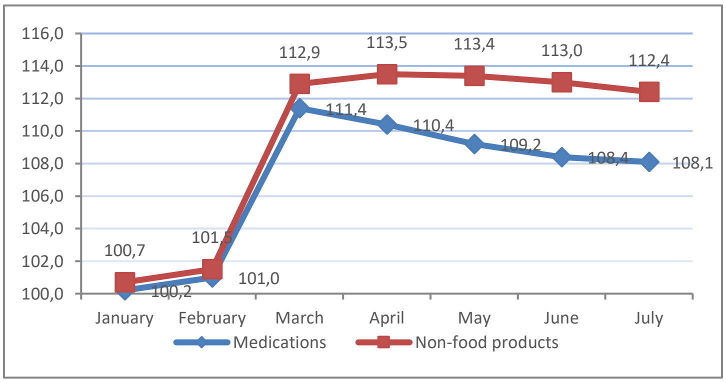
Price Indices

Table 1. Inflation rates in the Russian Federation, April 2022

	July 2022 to December 2021	July-January 2022 vs July-January 2021
CPI	111.0	114.4
CPI for non-food products	112.4	116.0
CPI for medications	108.1	110.1

Rosstat data

Figure 1. Movement of the price index for non-food items and drugs vs. December 2021



Rosstat data

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

Figure 2. Movement of weighted average purchase prices and retail margins in 1-2 Q 2021 – 1-2 Q 2022*

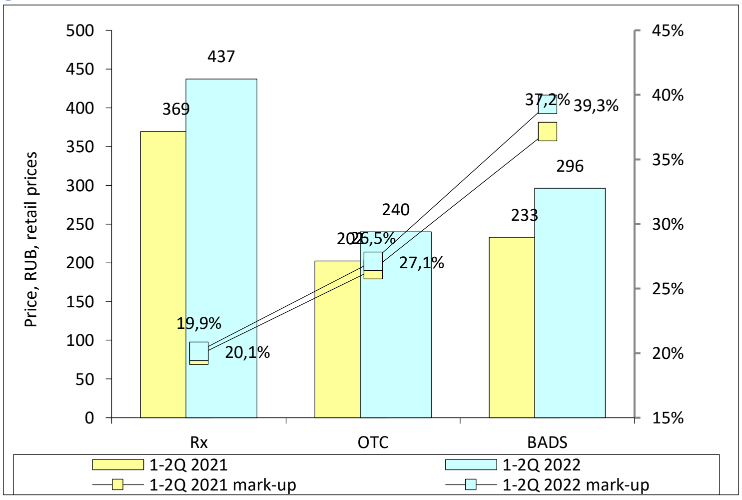


Figure 3. Movement of weighted average purchase prices and retail margins in 1-2 Q 2021 – 1-2 Q 2022

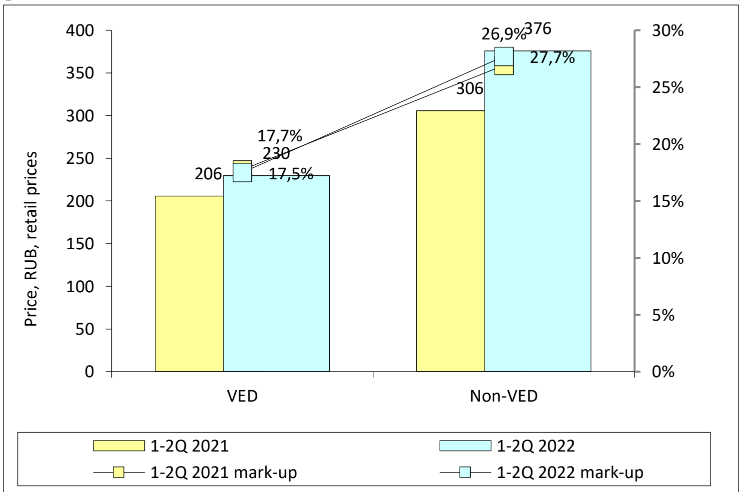
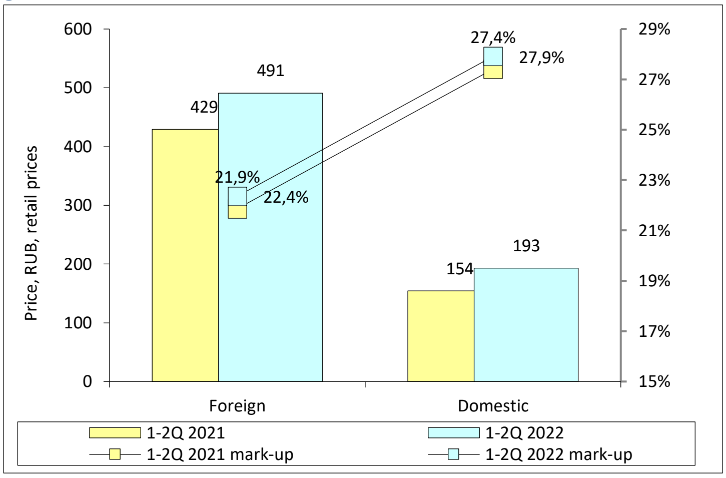


Figure 4. Movement of weighted average purchase prices and retail margins in 1-2 Q 2021 – 1-2 Q 2022



Indicators of price movement in the reimbursable market segment

Figure 5. Movement of weighted average purchase prices, 1-2 Q 2021 – 1-2 Q 2022

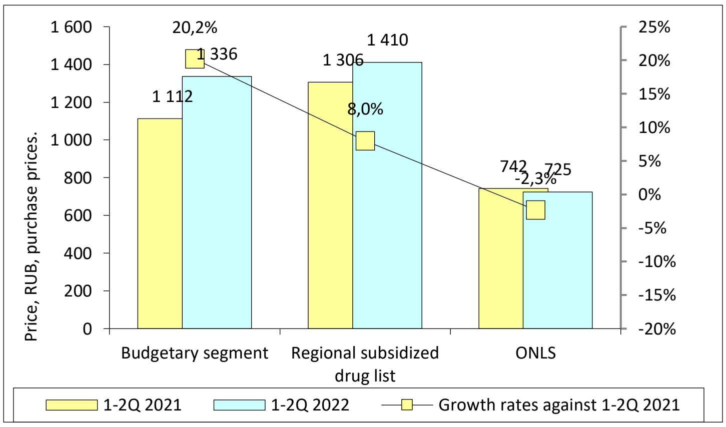


Figure 6. Movement of weighted average purchase prices for domestic drugs, 1-2 Q 2021 – 1-2 Q 2022

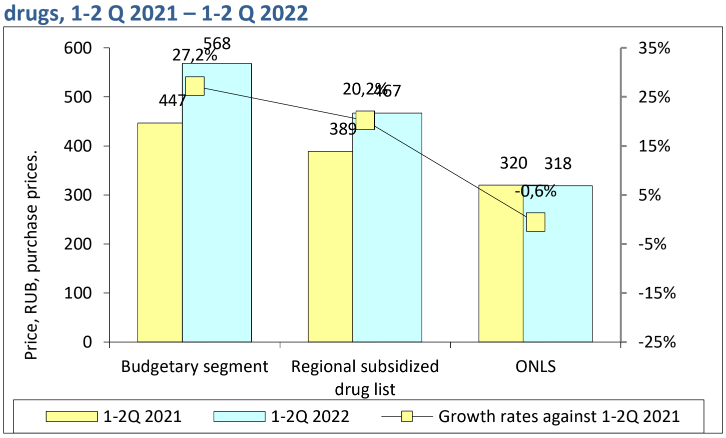
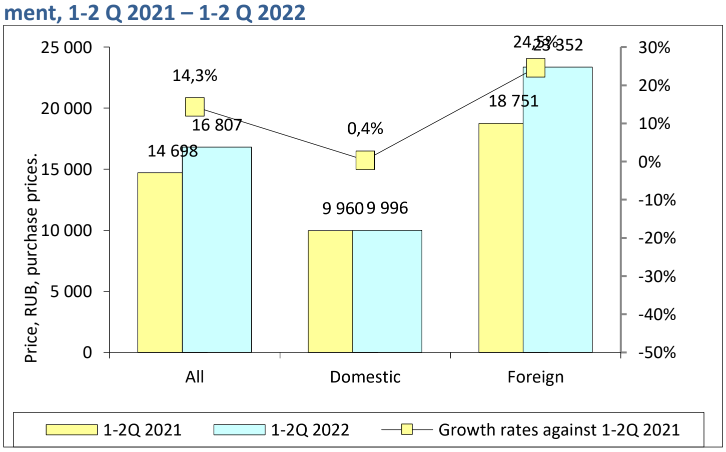


Figure 7. Movement of weighted average purchase prices in the VZN segment, 1-2 Q 2021 – 1-2 Q 2022



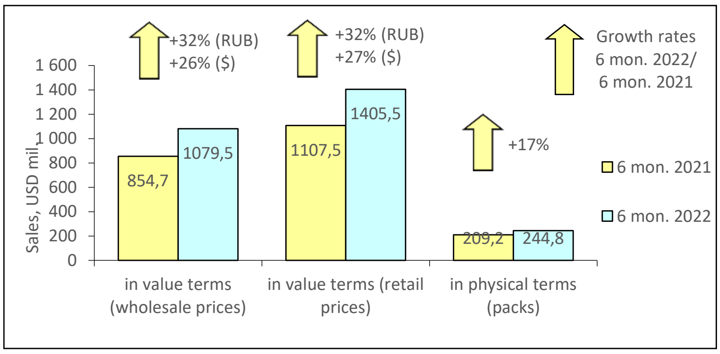
* Here and elsewhere, we shall use IQVIA's data

MOSCOW CITY PHARMACY MARKET: 2022 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2022, Moscow's estimated population amounted to 12.635 mil., which accounted for 8.7% of the total Russian Federation population and 32.3% of the Central Federal District (CFD).

According to the results of the Retail Audit of Finished Pharma Product (FPP) in Russian Federation™, in January-June 2022, the Moscow pharmacies sold 244.763 mil. FPP packs, which was 17% more than the sales indicator in January-June of 2021. In money terms, the market also showed positive growth rates both in rouble (+32%) terms and in dollar terms (+26%) and amounted to RUB 83.683 bil. (USD 1.079 mil.) in wholesale prices (Fig. 1). The region market share accounted for 14.7% of the Russian pharmacy retail sales. An average retail cost of a pack accounted to USD 5.74 vs USD 5.29 in a year-earlier period. For the first six months of 2022, the average amount spent by Moscow residents of the city for drugs in the pharmacies amounted to USD 111.23.

Figure 1. Moscow pharmacy market for 6 months of 2021 – 6 months of 2022.*



The top three of the top ten manufacturers in the Moscow retail market based on the results for the first half of 2022 held their own in the top ten brands rating (Table 1). It includes BAYER (+19%), SANOFI (+17%) and GLAXOSMITHKLINE (+31%), which kept their positions despite lagging growth rates and reduction of the market share. In contrast, the markets of the manufacturers STADA (+43%), SERVIER (+38%), BERLIN-CHEMIE/MENARINI (+35%) and OTCPHARM (+61%) developed at a fast pace, which allowed them to move to ranks four, five, seven and nine, respectively. On top of that, the latter became the only newcomer of the top ten ranking. At the same time, less dynamic ABBOTT (+30%) and SANDOZ (+11%) lost one rating point each, and TEVA (+22%) moved down from rank four to eight. In total, top ten manufacturers accumulated 34.7% of the market, whereas in the year-earlier period they accounted for 35.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	1	**BAYER**	5.8	6.4
2	2	**SANOFI**	3.8	4.3
3	3	**GLAXOSMITHKLINE**	3.5	3.6
4	6	**STADA**	3.5	3.2
5	7	**SERVIER**	3.3	3.2
6	5	**ABBOTT**	3.3	3.3
7	8	**BERLIN-CHEMIE/MENARINI**	3.2	3.1
8	4	**TEVA**	3.1	3.4
9	11	OTCPHARM	2.8	2.3
10	9	**SANDOZ**	2.4	2.9
Total			34.7	35.6

*AIPM members are in bold

The anti-thrombotic agent XARELTO held its leading position in the top ten ranking, though its sales reduced by 5% in the analysed ranking (Table 2). The remaining brands of the ranking showed positive growth rates, and five of them – outstripping rates. NUROFEN sales increased by 57%, which allowed it to move up to rank two in the top ten ranking. At the same time, it pushed DETRALEX (+46%) one rank down despite the outperforming growth rates of the latter. The markets of CRESTOR (+66%), as well as the newcomers of the top ten ARBIDOL (3-fold growth in sales) and SAXENDA (2.8-fold growth) developed at yet higher pace, due to which they moved up to ranks five, four and ten, respectively. Due to lagging growth rates, ELIQUIS (+18%), HEPTRAL (+10%), MIRAMISTIN (+11%) and CONCOR (+9%) moved down to ranks six through nine from the higher ones respectively. In total, the top-ten brands accumulated 8.2 % of pharmacy sales, 8.1% in the year-earlier period.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	1	XARELTO	1.6	2.3
2	4	NUROFEN	0.9	0.8
3	2	DETRALEX	0.9	0.8
4	27	ARBIDOL	0.9	0.4
5	9	CRESTOR	0.7	0.6
6	3	ELIQUIS	0.7	0.8
7	5	HEPTRAL	0.6	0.8
8	6	MIRAMISTIN	0.6	0.7
9	7	CONCOR	0.6	0.7
10	45	SAXENDA	0.6	0.3
Total			8.2	8.1

As in the previous rankings, the leader of the top ten INN and group names held its own in the ranking: RIVAROXABAN kept its rank number one despite a 5% decrease in sales (Table 3). In addition, another three INNs held their own in the ranking. XYLOMETAZOLINE (+33%), DIOSMIN* HESPERIDIN (+47%) and PANCREATIN (+30%) kept their previous ranks two, four and eight. Four of the top 10 INN ranking managed to rise in the ranks. ROSUVASTATIN (+53%) and IBUPROFEN (+55%) moved up to ranks three and six, and the newcomers UMIFENOVIR (3-fold increase in sales) and DICLOFENAC (+24%) rounded out the top ten ranking. HYALURONIC ACID and NIMESULIDE, which showed 30% growth in sales, moved down to ranks five and seven, respectively. The cumulative share of the top 10 under review increased by 0.2 p.p. to 11.6%.

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

Rank in the top ten		INN/Grouping name	Share in total pharmacy sales, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	1	RIVAROXABAN	1.6	2.3
2	2	XYLOMETAZOLINE	1.5	1.5
3	5	ROSUVASTATIN	1.3	1.2
4	4	DIOSMIN*HESPERIDIN	1.3	1.2
5	3	HYALURONIC ACID	1.2	1.2
6	7	IBUPROFEN	1.1	1.0
7	6	NIMESULIDE	1.0	1.0
8	8	PANCREATIN	0.9	0.9
9	39	UMIFENOVIR	0.9	0.4
10	13	DICLOFENAC	0.7	0.8
Total			11.6	11.4

In contrast to the above rankings, the top ten ATC groups changed its leader (Table 4). The former leaders B01 Antithrombotic agents (+4%) showed low growth rates and lost two rating points, giving way to more dynamic groups C09 Agents acting on the renin-angiotensin system (+35%) and M01 Anti-inflammatory and anti-rheumatic agents (+37%). It should be noted that almost all the remaining brands in the top ten showed outperformance rates. At the same time, groups J05 Antivirals for systemic use (+79%) and A10 Drugs used in diabetes (+60%) moved up to ranks seven and ten, respectively. R01 Nasal preparations (+36%), N06 Psychoanaleptics (+41%), G03 Sex hormones (+46%) and C05 Vasoprotectives (+34%) held and secured ranks four through, as well as eighth. Due to lagging growth rates, group A07 Antidiarrheals (+21%) lost two points, moving down to rank nine. The total share of top ten ATC groups increased by 1.1 p.p. to 36.9%

Table 4. The top ten ATC Groups by pharmacy sales

Rank in the top ten		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2022	6 mon. 2021			6 mon. 2022	6 mon. 2021
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.8	4.7
2	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.3	4.2
3	1	B01	ANTITHROMBOTIC AGENTS	4.1	5.2
4	4	R01	NASAL PREPARATIONS	3.8	3.7
5	5	N06	PSYCHOANALEPTICS	3.7	3.5
6	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.6	3.3
7	10	J05	ANTIVIRALS FOR SYSTEMIC USE	3.6	2.7
8	8	C05	VASOPROTECTIVES	3.1	3.0
9	7	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	2.9	3.2
10	16	A10	DRUGS USED IN DIABETES	2.9	2.4
Total				36.9	35.8

Conclusion. Based on the results for the first six months of 2022, the pharmacy market of Moscow achieved RUB 108.769 bil. (USD 1.405 bil.), which was 32% more in terms of roubles and 27% in terms of dollars as compared to the indicator of the same period in 2021. In pack terms, the market expanded by 17% and amounted to 244.763 mil. packs. The average cost of an FPP pack in the city pharmacies based on the results for January-June of 2022 was USD 5.74, which was more than the 2021 figure (USE 5.29), and the average across the country (USD 4.13). The average expenses of the regional residents for purchase of OTC drugs in pharmacies were also higher than the national average (USD 111.23 vs. USD 66.87).

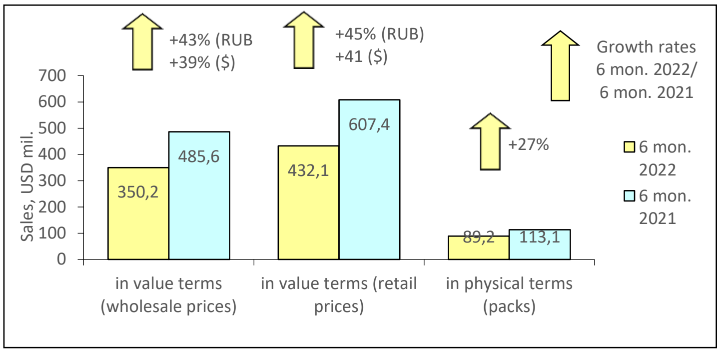
* Here and elsewhere, we shall use IQVIA's data

SAINT PETERSBURG PHARMACY MARKET: 2022 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, St. Petersburg's population as of January 1, 2022, was estimated at 5.378 mil., which accounted for 3.7% of the total Russian Federation population and 38.7% of North West FD (NWFD).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of the first half of 2022 the sales of drugs in physical terms in St. Petersburg saw a 27% increase to 113.094 mil. packs. In money terms, the market saw a 43% increase in terms of roubles and 39% in terms of dollars. At the same time, the volume of the market achieved RUB 37.179 bil (USD 485.626 mil.) 216 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 6.3% of the Russian pharmacy sales (in terms of roubles). In January-March 2022, the average cost of a pack was USD 5.37, in the year-earlier period it was USD 4.85. For 6 months 2022, the average amount spent by residents of the city for drugs in the pharmacies amounted to USD 112.96.

Figure 1. St. Petersburg pharmacy market for 6 months 2021 – 6 months 2022.*



According to the results for the first half of 2022, all top ten manufacturers showed high positive growth rates, most of them — outstripping ones (Table 1). STADA (+56%) and TEVA (+54%) were the most dynamic among the leaders, which allowed them to raise their ratings and move up to ranks five and six. The sales of KRKA (+52%) and GLAXOSMITHKLINE (+51%), which move up to ranks three and eight, also increased by more than half. ABBOTT (+49%) and OTCPHARM (+45%) also demonstrated some progress, coming in at numbers four and ten. Note that the latter became the only newcomer of the top-10 ranking. The growth rates of the manufacturers BAYER (+29%), SERVIER (+36%), SANOFI (+30%) and BERLIN-CHEMIE/ MENARINI (+22%) were lower than the market average. On top of that, if the first two manufacturers held their previous top ranks, the latter moved down to the lower ranks seven and nine, respectively. The total share of the top 10 manufacturers reduced from 36.7% to 36.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	1	**BAYER**	5.5	6.1
2	2	**SERVIER**	3.7	3.9
3	6	**KRKA**	3.7	3.4
4	7	**ABBOTT**	3.6	3.4
5	9	**STADA**	3.5	3.2
6	8	**TEVA**	3.5	3.2
7	4	**SANOFI**	3.5	3.8
8	10	**GLAXOSMITHKLINE**	3.2	3.1
9	5	**BERLIN-CHEMIE/MENARINI**	3.0	3.6
10	11	OTCPHARM	3.0	2.9
Total			36.1	36.7

*AIPM members are in bold

The anti-thrombotic agents XARELTO (+35%) and ELIQUIS (+76%) remained the best-selling drugs in the regional market (Table 2). NUROFEN (+93%), which moved up to that rank from five and displaced DETRALEX (+28%) one rank down, was ranked third based on the results for half a year. ARBIDOL (+70%), NIMESIL (+72%) and CARDIOMAGNYL (2.2-fold increase in sales) moved up to the higher ranks five, seven and ten. Another outperforming brand, HEPTRAL (+58%), held its previous rank six, while less dynamic CONCOR (+19%) and NOLIPREL (+46%) moved down to ranks eight and nine, respectively. In total, the top ten brands accumulated 8.8% of the pharmacy sales, whereas in the year-earlier period they accounted for 8.1%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	1	XARELTO	1.6	1.7
2	2	ELIQUIS	1.3	1.1
3	5	NUROFEN	0.9	0.7
4	3	DETRALEX	0.8	0.9
5	7	ARBIDOL	0.8	0.7
6	6	HEPTRAL	0.7	0.7
7	10	NIMESIL	0.7	0.6
8	4	CONCOR	0.7	0.8
9	8	NOLIPREL	0.6	0.6
10	28	CARDIOMAGNYL	0.6	0.4
Total			8.8	8.1

Three newcomers broke into the ranks of the top ten INN and group names ranking (Table 3), Those were IBUPROFEN (+90%), DICLOFENAC (+73%) and ADEMETIONINE (+63%), which rounded out the top ten ranking. Apart from the above mentioned, the other four INNs moved up to the higher positions. XYLOMETAZOLINE (+71%) and HYALURONIC ACID (+77%) moved two ranks up, to numbers two and seven. APIXABAN (+76%) and NIMESULIDE (+67%) improved their ratings by one position, coming in at numbers four and five, respectively. On top of that, they displaced the composition DIOSMIN*HESPERIDIN (+33%) and INN ROSUVASTATIN (+46%) down to ranks three and six. RIVAROXABAN (+35%) held its leading rank number one. In total, ten INNs and group names accounted for 12.1% of the market vs 10.9% in the year-earlier period.

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

Rank in the top ten		INN/Grouping name	Share in total pharmacy sales, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	1	RIVAROXABAN	1.6	1.7
2	4	XYLOMETAZOLINE	1.4	1.2
3	2	DIOSMIN*HESPERIDIN	1.3	1.4
4	5	APIXABAN	1.3	1.1
5	6	NIMESULIDE	1.2	1.1
6	3	ROSUVASTATIN	1.2	1.2
7	9	HYALURONIC ACID	1.2	1.0
8	11	IBUPROFEN	1.2	0.9
9	15	DICLOFENAC	0.9	0.7
10	13	ADEMETIONINE	0.9	0.8
Total			12.1	10.9

The four leading groups didn't change their ranks in the top ten ATC group ranking. They were C09 Agents acting on the rennin-angiotensin system (+31%), B01 Antithrombotic agents (+42%), M01 Anti-inflammatory and antirheumatic products (+53%) and G03 Sex hormones (+47%) (Table 4). Some shifts took place in the bottom part of the top 10 ranking, including appearance of two newcomers. The groups N06 Psychoanaleptics (+59%) and N02 Analgesics (+57%) became the newcomers, moving up to ranks eight and nine. R01 Nasal preparations (+51%) and J05 Antivirals for systemic use (+71%) moved up to ranks five and six, displacing C05 Vasoprotecives (+34%) from rank five to seven. A07 Antidiarrheals (+31%) rounding out the top ten ranking, lost three rating points each. The total share of top ten ATC groups increased by 4 p.p. to 39.9%

Table 4. The top ten ATC Groups by pharmacy sales

Rank in the top ten		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2022	6 mon. 2021			6 mon. 2022	6 mon. 2021
1	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.7	6.2
2	2	B01	ANTITHROMBOTIC AGENTS	4.9	4.9
3	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	4.4
4	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.0	3.9
5	6	R01	NASAL PREPARATIONS	3.4	3.3
6	10	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	2.7
7	5	C05	VASOPROTECTIVES	3.1	3.4
8	11	N06	PSYCHOANALEPTICS	3.0	2.7
9	14	N02	ANALGESICS	2.8	2.5
10	7	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	2.7	2.9
Total				37.6	36.9

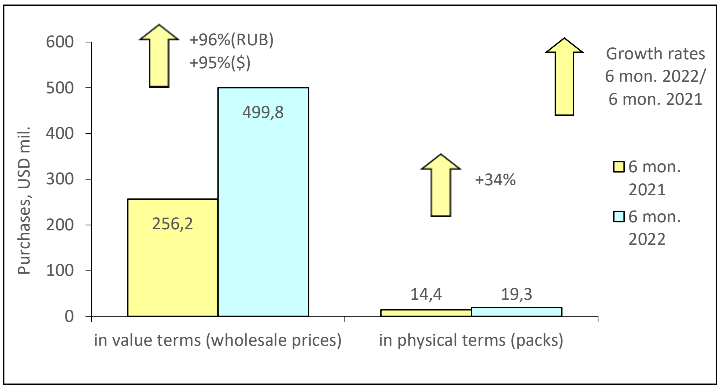
Conclusion. At the end of January-June 2022, the pharmacy market of St. Petersburg brought in RUB 46.340 bil. (USD 607.443 mil.) at retail prices. For six months of 2022, pharmacies sold by 43% in terms of roubles and 39% in terms of dollars more than in the same period of the 2021 year. In physical terms, the sales increased by 27% and amounted to 113.094 mil. packs. Based on the results for the first half of 2022, the average cost of an FPP pack in the city pharmacies was USD 5.37 vs. USD 4.85 in the year-earlier period and exceeded the national average in Russia (USD 4.13). The average medicine expenses of St. Petersburg residents in the pharmacies were higher than the national average expenses in Russia (USD 112.96 vs. USD 66.87).

* Here and elsewhere, we shall use IQVIA's data

MOSCOW CITY HOSPITAL MARKET: 2022 FIRST SIX MONTHS RESULTS

According to the results of the Budget Audit of Finished Pharma Products (FFP) in the Russian Federation (without DLO and regional benefit), at the end of the first six months of 2022 the Moscow public procurement segment in physical terms increased 34% as compared to the same period in 2021 and amounted to 19.285 mil. packs. In money terms, the market showed almost two-fold growth: by 96% in roubles and 95% in terms of dollars, and its volume achieved RUB 37.228 bil. (USD 499.829 mil.). Based on the results for January-June of 2022, the average cost of an FPP pack in the public procurement segment of Moscow was USD 25.92, whereas in the year-earlier period it was USD 17.84.

Figure 1. Moscow public sector for 6 months of 2021 – 6 months 2022.*



At the end of the first quarter of 2022, NOVARTIS held and, due to 2.8-fold growth in purchases, consolidated its leadership in the top ten manufacturers ranking in the public procurement segment of Moscow. BIOCAD (3-fold growth in purchases) and MSD (2.2-fold growth) moved up to ranks two and three from six and four, respectively. Four newcomers of the top ten demonstrated a growth in purchases by several times. PHARMASYNTEZ (3-fold growth in purchases), R-PHARM (2.6-fold growth), GLAXOSMITHKLINE (7.5-fold growth) and Eli Lilly (12-fold growth) moved up to ranks six through nine, respectively. Lagging growth rates in ROCHE (+66%), as well as their negative values in JOHNSON & JOHNSON (-39%) led these manufacturers to the loss of rating points, one and eight, respectively As before, BRISTOL MYERS (+82%) held its previous rank five. In total, the top ten manufacturers accounted for 53.9% of the market for the first six months results for 2022, which was 6 p.p. more than in 2021.

Table 1. The top 10 drug manufacturers of the public segment

Rank in the top ten		Manufacturer*	Share in total public segment, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	1	**NOVARTIS**	12.6	8.9
2	6	BIOCAD RF	9.0	5.9
3	4	**MSD**	7.1	6.3
4	3	**ROCHE**	5.8	6.8
5	5	**BRISTOL MYERS SQU**	5.8	6.2
6	12	PHARMASYNTEZ	3.0	1.9
7	11	**R-PHARM RF**	2.7	2.0
8	24	**GLAXOSMITHKLINE**	2.7	0.7
9	38	**ELI LILLY**	2.6	0.4
10	2	**JOHNSON & JOHNSON**	2.6	8.4
Total			53.9	47.7

*AIPM members are in bold

In the top ten brands ranking, its leader ZOLGENSMA (2.9-fold growth in purchases), as well as OPDIVO (+68%) and KEYTRUDA (2.2-fold growth) placed at ranks one, three and four maintained their previous positions (Table 2). Five drug manufacturers from the top 10 ranking demonstrated a rating progress. The brand ILSIRA, which increased its purchases by almost 10 times, moved up to rank two from nine. The newcomers SOTROVIMAB, ARBIDOL (110-fold growth), CORONAVIR (6.5-fold growth) and ESPERAVIR broke into the top ten, coming in at numbers five, six and two bottom ranks, respectively. At the same time, less dynamic PERJETA (+76%) and KADCYLA (+40%), in contrast, moved down to ranks seven and eight. The total share of the top 10 increased by 13.6 p.p. and accounted for 36.3%.

Table 2. The top 10 brands by public segment volume

Rank in the top ten		Brand	Share in total public segment, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	1	ZOLGENSMA	11.5	7.9
2	9	ILSIRA	5.6	1.1
3	3	OPDIVO	4.5	5.3
4	4	KEYTRUDA	4.0	3.5
5	N/A	SOTROVIMAB	2.1	N/A
6	35	ARBIDOL	2.1	0.0
7	6	PERJETA	1.9	2.1
8	5	KADCYLA	1.6	2.2
9	27	CORONAVIR	1.5	0.5
10	N/A	ESPERAVIR	1.4	N/A
Total			36.3	22.7

* Here and elsewhere, we shall use IQVIA's data

The top ten INNs and grouping names ranking, in which five newcomers appeared, has also been updated significantly (Table 3). LEVILIMAB (9.7-fold growth in purchases), FAVIPIRAVIR (2.2-fold growth), SOTROVIMAB, UMIFENOVIR (69-fold growth) and MOLNUPIRAVIR moved up to ranks two, five through eight and nine, respectively. In addition to them, the leader of the top ten ranking ONASEMNOGENE ABEPARVOVEC (2.9-fold growth) and PEMBROLIZUMAB (2.2-fold growth) placed at rank four also showed high growth rates. Despite lagging growth rates and decrease in the market's share, NIVOLUMAB (+68%) held its previous rank three. At the same time, PERTUZUMAB (+76%) and TRASTUZUMAB EMTANSINE (+40%) moved down to ranks eight and ten. The cumulative share of the top 10 under review increased from 22.8% to 39.1%.

Table 3. The top ten INNs and grouping names by public procurement sector volume

Rank in the top ten		INN/Grouping name	Share in total public segment, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	1	ONASEMNOGENE ABEPARVOVEC	11.5	7.9
2	14	LEVILIMAB	5.6	1.1
3	3	NIVOLUMAB	4.5	5.3
4	4	PEMBROLIZUMAB	4.0	3.5
5	29	FAVIPIRAVIR	3.8	0.5
6	N/A	SOTROVIMAB	2.1	N/A
7	39	UMIFENOVIR	2.1	0.1
8	6	PERTUZUMAB	1.9	2.1
9	N/A	MOLNUPIRAVIR	1.9	N/A
10	5	TRASTUZUMAB EMTANSINE	1.6	2.2
Total			39.1	22.8

The top ten ATC groups ranking in the public procurement segment of Moscow did not change its leader either (Table 4). Despite legging growth rates and reduction in market's share, L01 Antineoplastic agents (+79%) remained the leader of the top ten ranking. Some shifts took place in the lower part of the ranking, and five of the top ten ATC groups managed to rise in the ranks. J05 Antivirals for system use (6-fold growth in purchases) moved up to rank two from six. L04 Immunosuppressants (3.3-fold growth), B01 Antithrombotic agents (+56%) and J06 Immune sera and immunoglobulins (+99%) moved one rank up. The newcomer A16 Other alimentary tract and metabolism products (11-fold growth) rounded out the top ten ranking. The remaining ATC groups from the top ten ranking showed growth rates below the market average and fell in the ranks. There were four of them: M09 Other drugs for disorders of the musculo-skeletal system (+76%), J01 Antibacterials for systemic use (+65%), J07 Vaccines (+9%) and B05 Blood substitutes and perfusion solutions (+39%). The commutative share of the top ten ATC groups increased from 78.8% to 85.3%.

Table 4. The top 10 ATC groups by public procurement sector volume

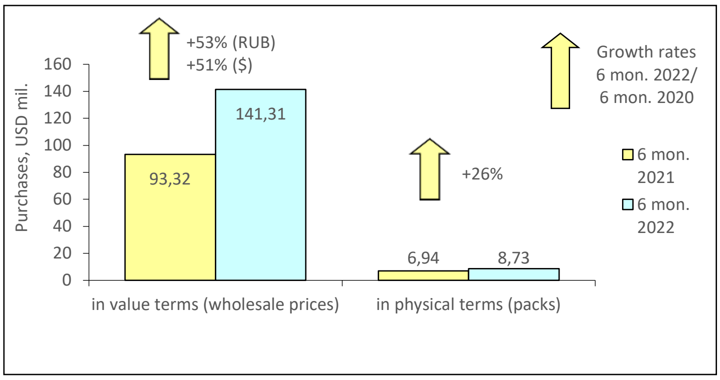
Rank in the top ten		ATC code	ATC group	Share in total public segment, %	
6 mon. 2022	6 mon. 2021			6 mon. 2022	6 mon. 2021
1	1	L01	ANTINEOPLASTIC AGENTS	25.0	27.3
2	6	J05	ANTIVIRALS FOR SYSTEMIC USE	16.3	5.2
3	2	M09	OTHER DRUGS FOR DISORD. OF THE MUSCULO-SKELET.SYST	13.8	15.3
4	5	L04	IMMUNOSUPPRESSANTS	9.4	5.6
5	3	J01	ANTIBACTERIALS FOR SYST USE	5.4	6.5
6	4	J07	VACCINES	3.5	6.3
7	8	B01	ANTITHROMBOTIC AGENTS	3.5	4.4
8	9	J06	IMMUNE SERA & IMMUNO-GLOBULIN	3.4	3.3
9	7	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	3.2	4.6
10	28	A16	OTHER ALIMENTARY TRACT AND METABOLISM PRODUCTS	1.8	0.3
Total				85.3	78.8

Conclusion. In January-June 2022, the budget segment of Moscow increased both in rouble terms (+96%) and in dollar terms (+95%). Its volume amounted to RUB 37.228 bil. (USD 499.829 mil.). In pack terms, the market expanded by 34% and amounted to 19.285 mil. packs. Based on the results for the first six months of 2022, the average cost of an FPP pack in the public procurement segment of Moscow was USD 25.92, whereas in the year-earlier period it was USD 17.84.

SAINT PETERSBURG HOSPITAL MARKET: 2022 FIRST SIX MONTHS RESULTS

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit), in the first half of 2022 the St. Petersburg public procurement segment expanded by 26% in physical terms and amounted to 8.730 mil. packs. The public procurement segment growth rates in value terms were also positive and high: 53% in terms of roubles and 51% in terms of dollars. The volume of the segment achieved RUB 10.585 bil. (USD 141.310 mil.) at wholesale prices. Based on the results for six months of 2022, the average cost of an OTC pack in the city hospitals was USD 16.19, whereas in a year-earlier period its cost was USD 13.46.

Figure 1. Public procurement segment of St. Petersburg for 6 months of 2021 – 6 months 2022.*



Based on the results for January-June of 2022, the top ten manufacturers ranking in the public procurement segment of St. Petersburg changed its leader (Table 1). Despite 55% growth in purchases, the former leader of the top ten ranking ROCHE moved down to rank three, being displaced by more dynamic BIOCAD (+82%) и MSD (+72%). The other brand names of the top ten BAAs also demonstrated outperformance and increased their standing in the rating. BRISTOL MYERS (+54%) and GLAXOSMITHKLINE (+87%) moved up one rank, to numbers five and nine, and R-PHARM (+78%) moved two ranks up, coming in at rank six. NOVARTIS with a 2.3-fold increase in purchases moved up from rank nine to four. PHARMASYNTEZ, which showed the same growth rates, moved up to rank seven, becoming one of three newcomers. Two other newcomers, OTCPHARM (4.3-fold growth) and PROMOMED (2.7-fold growth), moved up to ranks eight and ten, respectively. The total share of the top ten manufacturers expanded by slightly more than 10 p.p. and accounted for 48.8%.

Table 1. The top 10 brands by public procurement segment volume

Rank in the top ten		Manufacturer*	Share in total public segment, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	2	BIOCAD RF	7.4	6.2
2	3	**MSD**	6.8	6.1
3	1	**ROCHE**	6.5	6.4
4	9	**NOVARTIS**	4.8	3.2
5	6	**BRISTOL MYERS SQU**	4.3	4.3
6	8	**R-PHARM RF**	4.2	3.6
7	11	PHARMASYNTEZ	3.9	2.6
8	18	OTCPHARM	3.7	1.3
9	10	**GLAXOSMITHKLINE**	3.7	3.0
10	13	PROMOMED	3.5	2.0
Total			48.8	38.7

*AIPM members are in bold

Four newcomers broke into the top ten brands ranking (Table 2). One of them, ARBIDOL (4.5-fold increase in purchases), topped the top ten, while the other three, ESPERAVIR, EVUSHELD and PERJETA (+75%), moved to ranks six and two bottom ranks. At the same time, four brand names moved down to the lower ranks. Thus, OPDIVO (+62%), which headed the ranking earlier, and ZOLGENSMA, which showed a more than two-fold increase in purchases (2.2-fold growth), lost one line each and moved down to ranks two and five. KEYTRUDA (+70%) and ILSIRA (+84%) brands moved down to ranks four and eight. TIVICAY (+86%) and CORONAVIR (2,2-fold growth) continued to hold ranks three and seven. In total, the top ten brands accumulated 28.3% of the regional public procurement segment, whereas in the year-earlier period their share was 17.6%.

Table 2. The top 10 brands by public segment volume

Rank in the top ten		Brand	Share in total public procurement segment, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	14	ARBIDOL	3.6	1.2
2	1	OPDIVO	3.4	3.2
3	3	TIVICAY	3.4	2.8
4	2	KEYTRUDA	3.2	2.9
5	4	ZOLGENSMA	3.1	2.2
6	N/A	ESPERAVIR	2.7	N/A
7	7	CORONAVIR	2.6	1.8
8	5	ILSIRA	2.4	2.0
9	N/A	EVUSHELD	2.2	N/A
10	11	PERJETA	1.7	1.5
Total			28.3	17.6

FAVIPIRAVIR (+55%) remained the leader of the top 10 INN and grouping names ranking (Table 3). Next came two of four newcomers, UMIFENOVIR (4-fold increase in purchases) and MOLNUPIRAVIR. Two more newcomers that broke into the top 10 for the first time, CILGAVIMAB*TIXAGEVIMAB and PERTUZUMAB (+75%), closed it. INNs, which, in contrast, lowered their ratings, moved down to ranks four through eight. Those were NIVOLUMAB (+62%), DOLUTEGRAVIR (+86%), PEMBROLIZUMAB (+70%), ONASEMNOGENE ABEPARVOVEC (2.2-fold growth) and LEVILIMAB (+84%). The total share accumulated by the top-ten INNs and grouping names increased by 11 p.p. to 31.6%.

Table 3. The top ten INNs and grouping names by public procurement sector volume

Rank in the top ten		INN/Grouping name	Share in total public segment, %	
6 mon. 2022	6 mon. 2021		6 mon. 2022	6 mon. 2021
1	1	FAVIPIRAVIR	4.9	4.8
2	12	UMIFENOVIR	3.9	1.5
3	N/A	MOLNUPIRAVIR	3.4	N/A
4	2	NIVOLUMAB	3.4	3.2
5	4	DOLUTEGRAVIR	3.4	2.8
6	3	PEMBROLIZUMAB	3.2	2.9
7	5	ONASEMNOGENE ABEPARVOVEC	3.1	2.2
8	6	LEVILIMAB	2.4	2.0
9	N/A	CILGAVIMAB*TIXAGEVIMAB	2.2	N/A
10	11	PERTUZUMAB	1.7	1.5
Total			31.6	20.8

The largest purchases within the framework of the public procurement segment in the region were accounted for by J05 Antivirals for systemic use (4.8-fold increase in purchases) (Table 4). The group moved up from rank two to one, displacing L01 Antineoplastic agents (+61%) by one rank down. As the leader, B05 Blood substitutes and perfusion solutions (+39%) managed to move up one rank despite lagging growth rates. They were followed by the only newcomer of the top 10, J06 Immune sera and immunoglobulins (5.9-fold increase in purchases). J07 Vaccines (-24%) and V08 Contrast agents (+21%) moved down to the last two ranks in the top ten. The central part of the ranking remained stable: L04 Immunosuppressants (+19%), B01 Antithrombotic agents (+13%), J01 Antibacterials for systemic use (+24%) and M09 Other drugs for disorders of the musculo-skeletal system (+47%) held their previous positions from three to six. In total, the top ten ATC groups accumulated 81.8% of the regional market, whereas in the year-earlier period —81.4%.

Table 4. The top 10 ATC groups by public procurement sector volume

Rank in the top ten		ATC code	ATC group	Share in total public segment, %	
6 mon. 2022	6 mon. 2021			6 mon. 2022	6 mon. 2021
1	2	J05	ANTIVIRALS FOR SYSTEMIC USE	25.0	19.8
2	1	L01	ANTINEOPLASTIC AGENTS	24.8	23.5
3	3	L04	IMMUNOSUPPRESSANTS	6.2	8.0
4	4	B01	ANTITHROMBOTIC AGENTS	5.4	7.3
5	5	J01	ANTIBACTERIALS FOR SYST USE	5.3	6.5
6	6	M09	OTHER DRUGS FOR DISORD. OF THE MUSCULO-SKELET.SYST	4.6	4.8
7	8	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	3.8	4.2
8	18	J06	IMMUNE SERA & IMMUNO-GLOBULIN	2.6	0.7
9	7	J07	VACCINES	2.1	4.2
10	9	V08	CONTRAST MEDIA	1.9	2.4
Total				81.8	81.4

Conclusion. At the end of the first six months of 2022, the St. Petersburg public procurement segment increased by 53% in terms of roubles and by 51% in terms of dollars. Its volume was equal to RUB 10.585 bil. (USD 141.310 mil.). In pack terms, the market also showed positive though not so high growth rates (+26%) and its volume amounted to 8.730 mil. packs. In January-June of 2022, the average cost of an FPP pack in the public procurement segment of the city was higher than that in the year-earlier period (USD 16.19 vs. USD 13.46).

* Here and elsewhere, we shall use IQVIA's data