REMEDIUM
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AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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

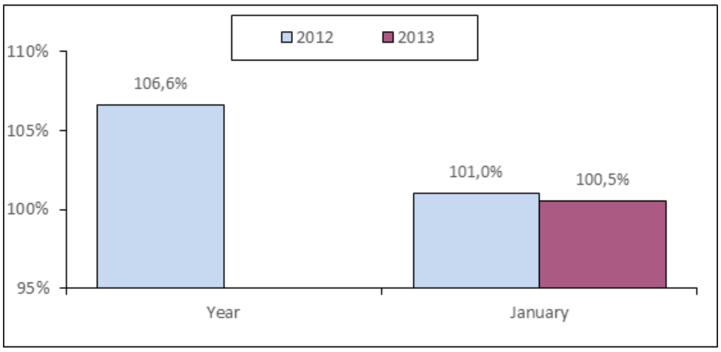
MACROECONOMIC INDICES

Inflation

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

The Industrial Producer Price Index in January was 99.6%, whereas a month ago it had amounted to 98.9%.

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



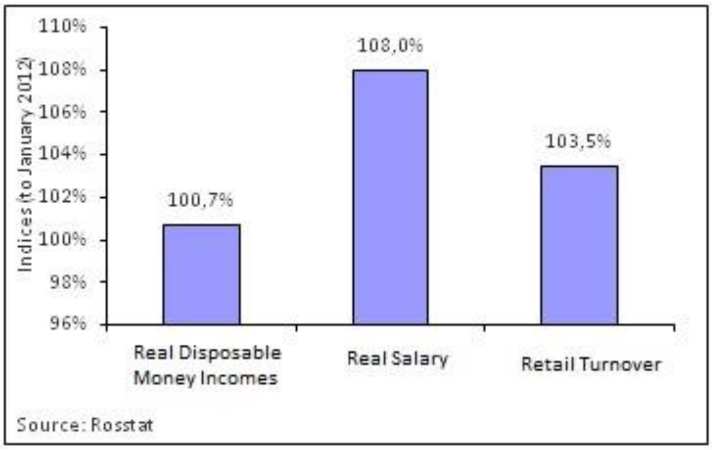
Living standard

According to preliminary Federal State Statistics Service's data, in January 2013 a gross monthly average salary per worker reached RUB 27,340 (USD 910.42), which accounted for 75.0% compared to the previous month and 115.6% compared to January 2012. The real salary in January 2013 accounted for 108.0% as compared with the same period in 2012. In January 2013, the real value of cash incomes accounted for 100.7% compared to the same period of 2012 (Fig. 2).

Retail turnover

In January 2013 the retail turnover was equal to RUB 1,695.5 bln, which in stock accounts for 103.5% as compared to the same period a year ago (Fig. 2)

Figure 2. Real values of cash incomes, salary and retail turnover in January 2013



Manufacture of industrial products

According to Federal State Statistics Service's data, in January 2013 the Industrial Production Index accounted for 99.2% compared to the same period a year ago, 88.2% - to December 2012.

Domestic production

The top 10 domestic manufacturers by production volume at January-end 2013 are shown in Table 1. The total production volume by top ten manufacturers was estimated at USD 186.1 mln.

Table 1. Top ten chemical and pharmaceutical manufacturers by production volume in January 2013

Rank	Manufacturer	Production volume, $mln
1	Pharmstandart	52.2
2	Stada	27.8
3	KRKA-RUS	25.0
4	Sotex	18.5
5	Valenta	14.2
6	Pharm-Center	12.5
7	NIARMEDIC Plus	12.0
8	Akrikhin	8.8
9	Vertex	8.4
10	Microgen	6.6

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In December 2012 compared to November, growth in pharmacy sales (in terms of roubles) was observed in all analyzed regions. The highest performance was observed in Moscow and Saint-Petersburg (+20% each), the least one in Krasnodarsky Krai (+5%).

Table 2. Pharmacy sales in the regions, 2012

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	October 2012	November 2012	December 2012	October/ September 2012	November/ October 2012	December/ November 2012
Moscow	182.0	185.6	228.2	5%	0.5%	20%
Saint-Petersburg	50.2	45.9	56.6	13%	-10%	20%
Krasnodarsky Krai	37.1	36.1	38.8	6%	-4%	5%
Novosibirskaya Oblast	22.0	22.3	26.3	-1%	0%	16%
Tatarstan	31.5	27.3	32.4	18%	-15%	16%
Krasnodarsky Krai	19.4	19.1	21.7	9%	-3%	11%
Rostovskaya Oblast	25.1	23.9	26.8	12%	-6%	9%
Voronezhskaya Oblast	19.1	17.9	19.8	16%	-8%	9%
Perm	4.5	6.9	7.6	-32%	49%	9%
Tyumen	7.3	6.6	8.0	0.1%	-10%	18%

Advertising

The largest advertisers and pharmaceutical trade 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 January 2013

Rank	Company*	Quantity of broadcasts
1	Novartis	11,435
2	Pharmstandart	5,365
3	Sanofi Aventis	5,080
4	Bayer AG	4,981
5	Berlin-Chemie Menarini Group	4,811

Source – TNS Gallup AdFact

Table 4. Top five trade names in mass media in December, 2012

Rank	Trade name*	Quantity of broadcasts
1	Evalar	4,282
2	Grippferon	2,303
3	Lasolvan	2,010
4	TheraFlu	1,701
5	Supradin	1,684

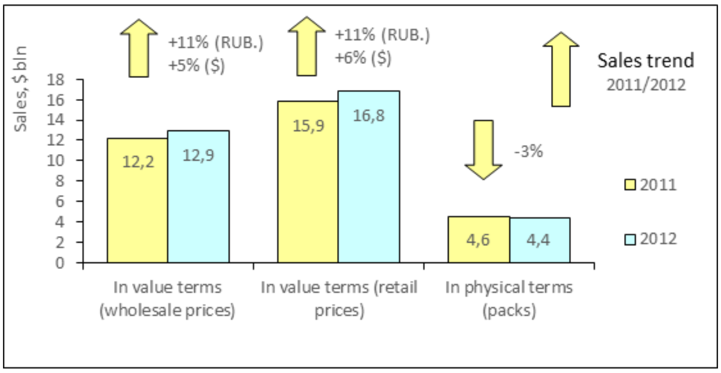
Source – TNS Gallup AdFact

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

RUSSIA's OTC PHARMACY MARKET: 2012 RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of 2012 the sales of OTC drugs in physical terms saw a 3% decrease to 4.406 mln packs. In value terms, the OTC drugs market increased by 11% in rouble terms and by 5% in dollar terms and reached RUB 399.386 bln (USD 12.885 bln) in wholesale prices (Fig. 1). The average cost of an OTC pack grew as compared to the same period of previous year (USD 3.49) and reached USD 3.82 in retail prices. For 12 months of 2012, the average amount spent by Russians for drugs in the pharmacies amounted to USD 117.58.

Figure 1. Russia's pharmacy market for 2011 – 2012



Based on the 2012 results, SANOFI-AVENTIS (+9%[1]) PHARMSTANDART (-1%), BAYER (+17%) and SERVIER (+14%) hold the lead in the top ten manufacturers ranking (Table 1). However the first two drug manufacturers of the top ten due to lagging behind dynamics and sales reduction decreased their market share whereas the drug manufacturers, ranking third and fourth, quite opposite, expanded it. The outstripping sales dynamics was observed for NOVARTIS and TEVA (+17% each) that moved up one rank and to numbers eight and nine, respectively. Two drug manufacturers rose in their ranks: SANDOZ (+9%) and NYCOMED/TAKEDA (+10%) shifted to rank five and six. MENARINI (+4%) previously ranked fifth demonstrated a low-rise sales dynamics, reduced its presence and moved down to rank seven. GEDEON RICHTER (+2%) moved down one rank to number 7 as well. The cumulative share of the top ten drug manufacturers reduced 0.5 p.p and accounted for 37.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	1	**SANOFI-AVENTIS**	5.5	5.6
2	2	PHARMSTANDART	4.3	4.8
3	3	**BAYER HEALTHCARE**	4.0	3.8
4	4	**SERVIER**	3.9	3.8
5	6	**SANDOZ GROUP**	3.5	3.5
6	7	**NYCOMED/TAKEDA**	3.5	3.5
7	5	**MENARINI**	3.4	3.6
8	9	**NOVARTIS**	3.0	2.9
9	8	GEDEON RICHTER	3.0	3.3
10	11	**TEVA**	2.9	2.8
Total			37.1	37.6

* AIPM members are in bold

Hepatoprotector ESSENTIALE N (+20%) became the best-selling trade name by 2012 results (Table 2). The previous year leader ARBIDOL (-20%) due to marked negative dynamics lost one ranking position and ranked second, despite this, VIAGRA held its previous rank 4. The other four drug manufacturers also held their ranks. They are OTC ACTOVEGIN (+9%), LINEX (+14%), ALFLUTOP (+22%) and CONCOR (+9%) holding their ranks 4 to 7, respectively. The newcomers DETRALEX (+17%) and NISE (+15%) broke into the ranks of the top ten, coming in at numbers nine and ten and displacing LASOLVAN (+6%) down to the bottom line of the ranking. The cumulative share of the top 10 manufacturers reduced from 7.6% to 7.3%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	2	ESSENTIALE N	1.1	1.0
2	1	ARBIDOL	1.0	1.3
3	3	ACTOVEGIN	0.9	0.9
4	4	VIAGRA	0.7	0.9
5	5	LINEX	0.7	0.7
6	6	ALFLUTOP	0.7	0.6
7	7	CONCOR	0.6	0.6
8	11	DETRALEX	0.6	0.5
9	12	NISE	0.5	0.5
10	8	LASOLVAN	0.5	0.5
Total			7.3	7.6

Only one newcomer broke into the ranks of the top ten INN and Generic Names ranking, IBUPROFEN (+18%) moving up from rank 11 to 9 (Table 3). Apart from it, the rank progress is observed for five top INN and Generic Names ranking participants as well. XYLOMETAZOLINE (+25%), PHOSPHOLIPIDS (+19%) and PANCREATIN (+5%) moved up one rank to ranks one through three, respectively, and NIMESULIDE (+12%) rose in ranks from rank eight to rank nine. BISOPROLOL (+14%) improved its rank by two points, moving up from rank six to rank four. UMIFENOVIR (-20%) characterized by negative dynamics, lost its leading rank moving down to rank four, displacing INN BLOOD (+9%) one rank higher. AMBROXOL (+8%) and composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+9%) held their previous ranks from 7 through 10, respectively. The total share of the analyzed top ten, as well as that of the above ranking decreased, in this case from 10.0% to 9.9%.

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

Rank		INN/Generic names	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	2	XYLOMETAZOLINE	1.4	1,2
2	3	PHOSPHOLIPIDS	1.2	1,1
3	4	PANCREATIN	1.1	1,1
4	6	BISOPROLOL	1.0	1,0
5	1	UMIFENOVIR	1.0	1,3
6	5	BLOOD	0.9	1,0
7	7	AMBROXOL	0.9	0,9
8	9	NIMESULIDE	0.8	0,8
9	11	IBUPROFEN	0.8	0,8
10	10	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0.8	0,8
Total			9,9	10.0

On the basis of the results for 12 months, Group M01 Anti-inflammatory and antirheumatic products (+15%) gained the lead in the top ten ATC groups whereas the previous ranking leader N02 Analgesics (-4%) reduced sales and moved down to rank 2 (Table 4). J01 Antibacterials for systemic use (+8%), R05 Cough and cold preparations (+3%), C09 Agents acting on the rennin-angiotensin system (+16%) and R01 Nasal preparations (+15%) held their previous ranks from 3 through 6. Moves were observed in the bottom part of the ranking as well. More dynamic groups A11 Vitamins (+10%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+17%) moved up one point to number 7 and 9. At the same time, they displaced one rank down, G03 Sex hormones (+9%) and L03 Immunostimulants (+8%). The total share of the analyzed ranking, as well as that of the above ranking decreased, and accounted for 37.2%.

Table 4. The top ten ATC groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2012	2011			2012	2011
1	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.6	4.4
2	1	N02	ANALGESICS	4.5	5.1
3	3	J01	ANTIBACTERIALS FOR SYST USE	4.3	4.4
4	4	R05	COUGH AND COLD PREPARATIONS	4.0	4.3
5	5	C09	AG ACT RENIN-ANGIOTENS SYST	3.7	3.5
6	6	R01	NASAL PREPARATIONS	3.5	3.4
7	8	A11	VITAMINS	3.3	3.3
8	7	G03	SEX HORM&MODULAT GENITAL SYS	3.3	3.3
9	10	A07	INTESTINAL ANTIINFECTIVES	3.0	2.9
10	9	L03	IMMUNOSTIMULANTS	3.0	3.1
Total				37,2	37.8

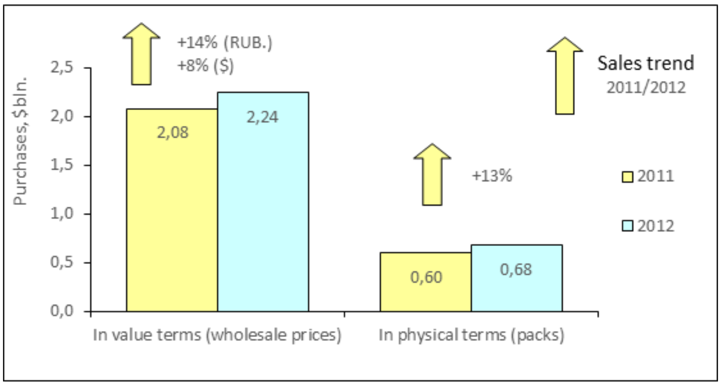
Conclusion. On the basis of the results for 12 months of 2012, the pharmacy market of the country brought in RUB 521.382 bln (USD 16.821 bln). The market performance was positive in rouble terms (+11%), as well as in dollar terms (+5%). In pack terms the market showed negative growth rates (-3%) and achieved 4.406 mln packs. The average cost of OTC pack was higher in 2012 than in the previous year (USD 3.82 vs. USD 3.49). The average expenses of residents of the country for purchase of OTC drugs in pharmacies increased insignificantly (USD 117.58 vs. USD 111.15).

[1] Here and after, unless otherwise stated, the increment is shown in rouble terms or in national currency.

RUSSIA'S HOSPITAL MARKET: 2012 RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in 2012 the Russian hospital market in physical terms increased by 13% in pack terms to 679.772 million packs. In value terms, the market also showed positive growth rates (14% in terms of roubles and 8% in terms of dollars) and reached RUB 69.605 bln (USD 2.240 bln) in wholesale prices. In 2012 the average cost of OTC pack in the hospital sector was USD 3.29, whereas in the year-earlier period its cost was USD 3.45.

Figure 1. Russian hospital market for 2011 –2012



On the basis of 2012 results the highest purchase volumes in the hospital market of Russia were demonstrated, as previously, by drugs of SANOFI-AVENTIS (-3%), but due to the negative dynamics their market share has noticeably shrank (Table 1). Purchase volumes of ASTRAZENECA (-5%) decreased as well, which resulted in loss of one ranking position – the company moved down to number 3. At the same time, NYCOMED/TAKEDA (+17%) moved up to rank two. The other three drug producers moved up to higher ranking positions. ROCHE (+31%) shifted up one rank to number five and newcomers of this top ten BAYER (+56%) and VEROPHARM (+34%) came in at numbers 7 and 9. At the same time, PFIZER (+8%), PHARM-CENTER (+27%) and BIOTEK (+5%) moved down one rank. MERCK SHARP DOHME (+8%) held its rank four. The cumulative share of the top 10 manufacturers reduced from 30.2% to 29.8%.

Table 1. The top ten drug manufacturers by hospital purchases

Rank		Manufacturer*	Share in total hospital purchases, %	
2012	2011		2012	2011
1	1	**SANOFI-AVENTIS**	5.8	6.8
2	3	**NYCOMED/TAKEDA**	3.5	3.4
3	2	**ASTRAZENECA**	3.1	3.7
4	4	**MERCK SHARP DOHME**	3.0	3.1
5	6	**ROCHE**	2.7	2.3
6	5	**PFIZER**	2.6	2.7
7	11	**BAYER HEALTHCARE**	2.5	1.8
8	7	PHARM-CENTER	2.5	2.3
9	14	VEROPHARM	2.1	1.8
10	9	BIOTEK	2.0	2.2
Total			29,8	30.2

* AIPM members are in bold

In the top ten trade names SODIUM CHLORIDE (+4%) and CLEXANE (+23%) held their leading ranks (Table 2). Note that despite the market share of the leading trade name slightly reduced, SODIUM CHLORIDE continues to take the lead with a significant breakaway – it accounts for 4.3% of the hospital market, whereas CLEXANE accumulates 1,9% of hospital purchases. ACTOVEGIN (+35%) improved its rank, moving up from rank 5 to 3. The newcomers that broke the ranks of the top ten trade names ZYVOX (+72%), CUROSURF (+47%) and CEFTRIAXONE (+56%) came in at numbers four, seven and eight. GLUCOSE (-1%) managed to improve its rank by one point, despite the negative dynamics. Purchase reduction is observed for trade names MERONEM (-27%) and HEPARIN (-24%) that moved down to rank six and the bottom line. CEFOTAXIME (+7%) moved down one rank, coming in at number 9. The total share of the top ten trade names decreased by 0.4 p.p. and achieved 14.9%.

Table 2. The top ten trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
2012	2011		2012	2011
1	1	SODIUM CHLORIDE	4.3	4.7
2	2	CLEXANE	1.9	1.7
3	5	ACTOVEGIN	1.5	1.3
4	11	ZYVOX	1.2	0.8
5	6	GLUCOSE	1.1	1.3
6	3	MERONEM	1.1	1.7
7	12	CUROSURF	1.0	0.8
8	15	CEFTRIAXONE	1.0	0.7
9	8	CEFOTAXIME	0.9	1.0
10	4	HEPARIN	0.9	1.3
Total			14.9	15.3

Only one newcomer broke the ranks of the top ten INN and Generic Names – due to growth in purchases 1.7 times LINEZOLID (Table 3) came in at the bottom rank. On top of that, ranking progress was demonstrated by other three top ten participants. прогресс продемонстрировали ENOXAPARIN SODIUM (+27%) and IMMUNOGLOBULIN BASE (+18%) moved up one rank to numbers 3 and 8, respectively, and INN BLOOD (+28%) shifted from rank eight to rank five. Two negative dynamics representatives: MEROPENEM (-12%) and HEPARIN (-13%), moved down to rank 4 and 9, respectively. The remaining four top ten INN and Generic Names held their own in the ranking. They are the leader of the ranking SODIUM (+8%) and CEFTRIAXONE (+5%), as well as занимающие 6 and 7 строчки GLUCOSE (+6%) and CEFOTAXIME (+16%). The total share of the top ten INN reduced by 0.5 p.p. and achieved 19.3%.

Table 3. The top ten INN and Generic Names by hospital purchases

Rank		INN/Generic names	Share in total hospital purchases, %	
2012	2011		2012	2011
1	1	SODIUM	4.5	4.7
2	2	CEFTRIAXONE	2.4	2.6
3	4	ENOXAPARIN SODIUM	2.1	1.9
4	3	MEROPENEM	1.7	2.2
5	8	BLOOD	1.6	1.4
6	6	GLUCOSE	1.5	1.7
7	7	CEFOTAXIME	1.5	1.5
8	9	IMMUNOGLOBULIN BASE	1.4	1.3
9	5	HEPARIN	1.3	1.7
10	19	LINEZOLID	1.2	0.8
Total			19.3	19.8

Six representatives in the top ten leading ATC groups held their own in the ranking (Table 4). These are the leading ATC groups: J01 Antibacterials for systemic use (+12%), B05 Blood substitute and perfusion solutions and L01 Antineoplastic agents (по +8% у обеих), as well as B01 Antithrombotic agents (+9%) and N01 Anesthetics (+18%). B02 Antihemorrhagics (+17%) holds its rank seven. Two top ten ATC groups with the maximum growth dynamics - V08 Contrast media (+34%) and N06 Psychoanaleptics (+44%), moved up to rank 6 and 8, respectively. At the same time, they displaced to two bottom lines groups N05 Psycholeptics (+11%) and J06 Immune sera & immunoglobulins (+19%). The total share of the top ten reduced and achieved 61.2%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
2012	2011			2012	2011
1	1	J01	ANTIBACTERIALS FOR SYST USE	19.2	19.5
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	11.5	12.1
3	3	L01	ANTINEOPLASTIC AGENTS	7.4	7.9
4	4	B01	ANTITHROMBOTIC AGENTS	6.8	7.1
5	5	N01	ANESTHETICS	3.5	3.4
6	8	V08	CONTRAST MEDIA	3.0	2.5
7	7	B02	ANTIHEMORRHAGICS	2.6	2.6
8	10	N06	PSYCHOANALEPTICS	2.6	2.0
9	6	N05	PSYCHOLEPTICS	2.5	2.6
10	9	J06	IMMUNE SERA & IMMUNOGLOBULIN	2.1	2.1
Total				61,2	61.6

Conclusion. The hospital market of Russia by 2012 results increased with positive market performance in rouble terms (+14%) and in dollar terms (-+8%) and achieved RUB 69.605 bln (USD 2.240 bln). In pack terms the market showed positive growth rates as well (+13%) accounting for 679.772 mln packs. The average cost of OTC pack in the hospital sector by 2012 results in the country was lower than during the same period a year ago (USD 3.29 vs. USD 3.45). Note that as opposed to the retail market hospital sector leaders held their own in the ranking. But structural changes affected this sector of the pharmaceutical market as well.

RF STATE REIMBURSEMENT PROGRAM: 2012 RESULTS

According to the data of the State Reimbursement Program in Russian Federation™, the delivery rate of OTC drugs within the program in physical terms brought in RUB 79.950 bln (USD 2.597 bln) in contract prices[2]. The segment share as compared to the previous year increased by 3% in rouble terms and decreased by 3% in dollar terms. In pack terms the delivery rate increased insignificantly (+0.3%) up to 94.070 mln packs. The average cost of OTC pack within the program was US 27.61 in contract prices (in analogous period of the previous year – USD 28.50).

Based on 2012 results a newcomer broke into the ranks of the top ten drug manufacturers, participating in the State Reimbursement Program (SRP) – due to 2.4-fold growth of deliveries LABORATORIO TUTEUR shifted from rank eleven to six (Table 1). At the same time, it displaced BAXTER (-7%), ASTRAZENECA (-10%) and MERCK SHARP DOHME (+11%) a rank lower, whereas NOVO NORDISK (+4%) remained on previously achieved rank 8. Moves took place in the upper part of the ranking. JOHNSON & JOHNSON (+4%) and TEVA (+28%) with positive growth rates moved up to rank two and three, and NOVARTIS (-33%) and SANOFI-AVENTIS (-3%) moved down to ranks 4 and 5, respectively. ROCHE (+19%) retained and strengthened leading positions that accounts for nearly 16% of deliveries in the State Reimbursement Program. The total share accumulated by top ten companies increased by 2 p.p. and achieved 63.0%.

Table 1. The top ten drug manufacturers in SRP

Rank		Manufacturer*	Share in total volume of SRP, %	
2012	2011		2012	2011
1	1	**ROCHE**	15.8	13.5
2	3	**JOHNSON & JOHNSON**	8.0	7.9
3	5	**TEVA**	7.4	5.9
4	2	**NOVARTIS**	6.7	10.3
5	4	**SANOFI-AVENTIS**	6.3	6.7
6	11	LABORATORIO TUTEUR	4.6	2.0
7	6	**BAXTER INT**	3.9	4.3
8	8	**NOVO NORDISK**	3.7	3.7
9	7	**ASTRAZENECA**	3.4	3.9
10	9	**MERCK SHARP DOHME**	3.1	2.9
Total			63.0	61.1

* AIPM members are in bold

The leader in the top ten trade names in SRP segment changed (Table 2). The previous leader GLIVEC reduced purchases by 31% and fell in the rank to number 4. MABTHERA (+35%), VELCADE (+14%) and COPAXONE-TEVA (+47%), on the contrary, showed positive growth rate, due to which they expanded their market share and moved up to ranks 1 through 3. The positive dynamics is observed for other two trade names. GENFAXON (+99%) moved up from rank 10 to 5 due to two-fold growth in purchases and COATE-DVI improved its rank from 134 to 10 (purchases increased by 13.3 times). HERCEPTIN (+20%), LANTUS SOLOSTAR (+13%), REMICADE (+25%) and COAGIL-VII (+1%) managed to remain on the previous positions, from rank 6through nine. The total share of the top ten grew nearly by 6 p.p., up to 37.3%.

Table 2. The top ten trade names in SRP

Rank		Trade name	Share in total volume of SRP, %	
2012	2011		2012	2011
1	2	MABTHERA	8.1	6.1
2	3	VELCADE	6.3	5.7
3	4	COPAXONE-TEVA	5.9	4.1
4	1	GLIVEC	4.3	6.4
5	10	GENFAXON	3.0	1.5
6	6	HERCEPTIN	2.4	2.0
7	7	LANTUS SOLOSTAR	2.2	2.0
8	8	REMICADE	2.1	1.7
9	9	COAGIL-VII	1.7	1.7
10	134	COATE-DVI	1.4	0.1
Total			37.3	31.4

In the top ten INN and Generic Names ranks of four INNs remained unchanged, they are BORTEZOMIB (+14%), INTERFERON BETA-1A (+11%), INSULIN GLARGINE (+8%) and TRASTUZUMAB (+20%) that are placed as before at - 3, 6, 7 and 8 lines (Table 3). INN RITUXIMAB (+35%) took the lead displacing the less dynamic IMATINIB (+7%) one point lower. GLATIRAMER ACETATE (+47%) moved up from rank 4 to 3, displacing FACTOR VIII (+1%) to rank 5. The only newcomer INFLIXIMAB (+25%) broke into the ranks of the top ten INN and Generic Names coming in at rank 9, and INSULIN HUMAN ISOPHANE (-1%) moved down to rank 10.

Table 3. The top ten INN and Generic Names

Rank		INN/Generic Names	Share in total volume of SRP, %	
2012	2011		2011	2012
1	2	RITUXIMAB	8.1	6.1
2	1	IMATINIB	6.6	6.4
3	3	BORTEZOMIB	6.3	5.7
4	5	GLATIRAMER ACETATE	5.9	4.1
5	4	FACTOR VIII	5.5	5.7
6	6	INTERFERON BETA-1A	3.6	3.3
7	7	INSULIN GLARGINE	3.0	2.8
8	8	TRASTUZUMAB	2.4	2.0
9	12	INFLIXIMAB	2.1	1.7
10	9	INSULIN HUMAN ISOPHANE	1.9	2.0
Total			45.3	39.8

Half of top ten ATC groups in the SRP segment remained on previous positions (Table 4They included the top ten leader – ATC group L01 Antineoplastic agents (+17%). As well as groups B02 Antihemorrhagics (+7%), L02 Antineoplastic hormonal agents, B03 Antianemic prepagrations (by -14% each) and A16 Other alimentary tract and metabolic products (-11%) placed at rank 4 and at numbers 7 through 9. L03 Immunostimulants (+17%), L04 Immunosuppressants (+15%) and the only newcomer of the top ten H01 Pituitary and hypothalamus hormones and analogous (+1%) moved up one rank. A10 Drugs used in diabetes (-2%) and R03 Drugs for obstructive airway diseases (-10%) showing negative growth rates reduced their market share and moved down one rank, to positions 3 and 6. The total share of the top ten ATC groups increased by more than 3 p.p. and achieved 80.8%.

Table 4. The top ten ATC groups in SRP

Rank		ATC code	ATC group	Share in total volume of SRP, %	
2012	2011			2012	2011
1	1	L01	ANTINEOPLASTIC AGENTS	29.0	25.6
2	3	L03	IMMUNOSTIMULANTS	11.9	10.4
3	2	A10	DRUGS USED IN DIABETES	10.8	11.3
4	4	B02	ANTIHEMORRHAGICS	9.8	9.5
5	6	L04	IMMUNOSUPPRESSANTS	5.0	4.4
6	5	R03	DRUG FOR OBSTRUCT AIRWAY DIS	4.3	4.9
7	7	L02	ENDOCRINE THERAPY	2.9	3.5
8	8	B03	ANTIANEMIC PREPARATIONS	2.9	3.5
9	9	A16	OTH ALIMENT TRACT&METAB PROD	2.3	2.7
10	11	H01	PITUIT&HYPOTHAL HORM&ANALOG	1.8	1.9
Total				80,8	77.6

The data about deliveries under SRP program in the Russian regions are shown in Table 5. Moscow remains the top ten leader, though its share in the analyzed period has considerably decreased – from 21.2% to 17.2%. The Moscovskaya Oblast held the second rank (5.2%), whereas - Saint-Petersburg (3.4%) and South FO (3.1%) held their own in the ranking as well with number 3 and 4, respectively. Considerable growth of purchases under SRP program was observed in the Republic of Tatarstan and the Novosibirskaya Oblast, that moved up to rank five and eight. But the total share of top ten regions by the volume of deliveries reduced by 2.5 p.p. and achieved 46.2%.

Table 5. The top ten regions by sales volume in SRP

Rank		Region	Share in total volume of SRP, %	
2012	2011		2012	2011
1	1	Moscow city	17.2	21.2
2	2	Moscovskaya oblast	5.2	5.1
3	3	St. Petersburg city	4.0	4.8
4	4	Rest of South FO	3.1	3.1
5	8	Republic of Tatarstan	3.0	2.4
6	5	Sverdlovskaya oblast	3.0	2.9
7	7	Krasnodarsky kray	2.9	2.7
8	18	Novosibirskaya oblast	2.8	1.7
9	6	Rest of North-West FO	2.6	2.8
10	10	Rest of Privolzhski FO	2.4	2.0
Total			46,2	48.7

Conclusion. Based on 2012 results, the volume of the SRP segment achieved RUB 79.950 bln (USD 2.597 bln). This is by 3% higher in the rouble terms and by 3 % lower in dollar terms than in the previous year. In physical terms deliveries stepped up by 0.3% up to 94.070 packs. The average price of OTC participating in the SRP program (USD 27.61) reduced as compared to the previous year value (USD 28.50).

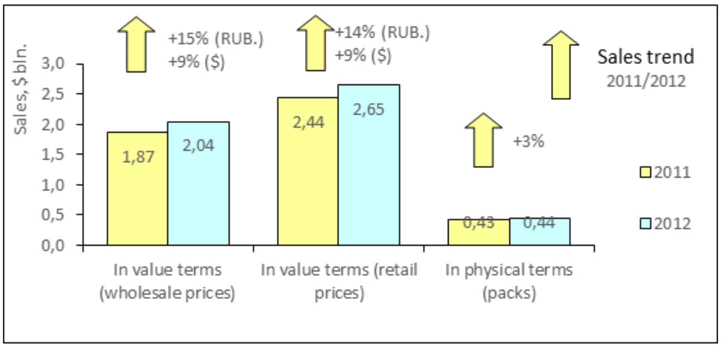
[2] Since 2008, the SRP data are data about shipments in contract prices: prices at which the state will be reimburse the money to the distributor.

MOSCOW PHARMACY MARKET: 2012 RESULTS

According to Federal State Statistics Service, as of January 1, 2012, the population of Moscow was estimated at 11.613 mln, which accounted for 8.1% of the total Russian Federation population and 30.1% of CFO. According to Federal State Statistics Service's data, based on the results for Year 2012 the average salary in the Moscow was RUB 47,876.4 (USD 1,545.9), which is 78% higher than the average salary in Russia (RUB 26,822.3).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of twelve months of 2012 the sales of OTC drugs in physical terms in pharmacies of Moscow saw a 3% increase to 439.509 mln packs. In value terms, the OTC drugs market increased by 15% in rouble terms and by 9% in dollar terms and reached RUB 63.341 bln (USD 2,044 bln) in wholesale prices (Fig. 1). The city share in the total volume of all-Russia pharmacy market accounted for 16%. The average cost of an OTC pack grew as compared to a year earlier (USD 5.72) and reached USD 6.03 in retail prices. For twelve months of 2012, the average amount spent by residents of Moscow for drugs amounted to USD 228.13.

Figure 1. Moscow pharmacy market for 2011-2012



The regional ranking of drug manufacturers based on the results of year 2012 demonstrated high stability and the majority of its representatives held their positions unchanged (Table 1). SANOFI-AVENTIS (+14%) holds the lead, though due to lagging behind dynamics its market share slightly reduced. On the contrary, SERVIER and NOVARTIS (по +18% у обоих), as well as SANDOZ (+17%), ABBOTT and MERCK SHARP DOHME (by +16% each) demonstrated outstripping market growth rates. The latter showed a rising in the rank and broke into the ranks of the top ten coming in at the bottom rank. BAYER (+13%) moved up one rank to number two, whereas PHARMSTANDART (-2%) previously ranking second due to decline in sales lost one rank and moved to number three. The total share of the top ten drug manufacturers reduced from 38.9% до 38.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	1	**SANOFI-AVENTIS**	6.2	6.3
2	3	**BAYER HEALTHCARE**	4.3	4.4
3	2	PHARMSTANDART	3.9	4.5
4	4	**SERVIER**	3.8	3.7
5	5	**NOVARTIS**	3.7	3.6
6	6	**SANDOZ GROUP**	3.6	3.5
7	7	**ABBOTT**	3.5	3.4
8	8	**PFIZER**	3.3	3.4
9	9	**NYCOMED/TAKEDA**	3.0	3.1
10	11	**MERCK SHARP DOHME**	3.0	2.9
Total			38.3	38.9

* AIPM members are in bold

Significant moves took place in the top ten trade names, though it didn't change in composition (Table 2). Only ACTOVEGIN (+12%) managed to hold previously achieved rank 8. Hepatoprotector ESSENTIALE N (+28%) became the best selling trade name in the city pharmacies N (+28%), whereas the previous leader ARBIDOL reduced sales by 26% and moved one rank down. Similar shifts took place in other two cases. The most dynamic LINEX (+16%) and AMIXIN (+21%) moved up one rank to numbers 3 and 9, respectively, and VIAGRA (-2%) and HEPTRAL (+16%) moved one rank lower. On top of that, the homeopathic OSCILLOCOCCINUM moved two ranks down due to 10% sales reduction. At the same time, DETRALEX (+23%) and CIALIS (+18%) moved to higher ranks coming in at numbers 5 and 6.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	2	ESSENTIALE N	1.1	1.0
2	1	ARBIDOL	0.9	1.4
3	4	LINEX	0.9	0.9
4	3	VIAGRA	0.8	0.9
5	6	DETRALEX	0.7	0.7
6	7	CIALIS	0.7	0.7
7	5	OSCILLOCOCCINUM	0.7	0.9
8	8	ACTOVEGIN	0.6	0.6
9	10	AMIXIN	0.6	0.6
10	9	HEPTRAL	0.6	0.6
Total			7.7	8.2

Two newcomers broke the rank of the top ten INN and Generic Names (Table 3). These are compositions DIOSMIN + HESPERIDIN (+25%) and AMOXICILLIN + CLAVULANIC ACID (+20%), placed at numbers 8 and 9. On top of that, three other top ten participants managed to improve their ranking. PHOSPHOLIDIPS (+27%) demonstrated the most dynamic growth rate among leaders and shifted from rank four to two. A composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+16%) and INN FLUCONAZOLE (+7%) rose in the ranks and came in at number 5 and 7. INN SILDENAFIL (+3%) moved down one rank and UMIFENOVIR (-26%) due to considerable sales decrease moved down from rank 2 to 4. The remaining three top ten representatives held their own in the ranking. They are the top ten leader XYLOMETAZOLINE (+21%), as well as PANCREATIN (+8%) and AZITHROMYCIN (+15%) placed at numbers 3 and 10. The total share of the analyzed top ten ranking, as well as of the above ranking reduced in this case from 9.8% to 9.4%.

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

Rank		INN/Generic names	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	1	XYLOMETAZOLINE	1.6	1.5
2	4	PHOSPHOLIPIDS	1.2	1.1
3	3	PANCREATIN	1.0	1.1
4	2	UMIFENOVIR	0.9	1.4
5	6	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.9
6	5	SILDENAFIL	0.8	0.9
7	8	FLUCONAZOLE	0.8	0.8
8	11	DIOSMIN + HESPERIDIN	0.8	0.7
9	13	AMOXICILLIN + CLAVULANIC ACID	0.7	0.7
10	10	AZITHROMYCIN	0.7	0.7
Total			9,4	9.8

The group J01 Antibacterials for systemic use (+13%) (Table 4) took the lead in the top ten ATC groups. R01 Nasal preparations (+18%), moved up from rank four to two, and the previous leader N02 Analgesics (+0,4%) ranked only third. Three other top ten ATC groups managed to rise in their ranks. A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+15%) moved one point to rank four. M01 Anti-inflammatory and antirheumatic products (+18%) shifted from number 10 to seven. And the newcomer, N06 Psychoanaleptics (+18%), broking into the ranks of the top ten for the first time, took the bottom line. At the same time L03 Immunostimulants (+2%) characterized by low dynamics and G03 Sex hormones (+7%) lost by two ranking points each and moved down to numbers 5 and 9 respectively. A11 Vitamins (+12%) and R05 Cough and cold preparations (+11%) held their previous ranks 6 and 8. The total share of the analyzed top 10 ATC groups reduced by 1 p.p. and achieved 34.9%.

Table 4. The top ten ATC groups by pharmacy sales

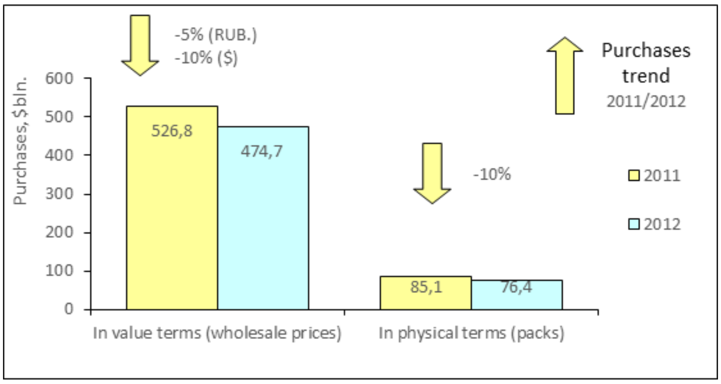
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2012	2011			2012	2011
1	2	J01	ANTIBACTERIALS FOR SYST USE	4.2	4.3
2	4	R01	NASAL PREPARATIONS	3.9	3.8
3	1	N02	ANALGESICS	3.9	4.4
4	5	A07	INTESTINAL ANTIINFECTIVES	3.5	3.5
5	3	L03	IMMUNOSTIMULANTS	3.4	3.8
6	6	A11	VITAMINS	3.4	3.4
7	10	M01	ANTIINFLAM & ANTIRHEUM PROD	3.2	3.1
8	8	R05	COUGH AND COLD PREPARATIONS	3.2	3.2
9	7	G03	SEX HORM&MODULAT GENITAL SYS	3.2	3.4
10	12	N06	PSYCHOANALEPTICS	3.2	3.1
Total				34,9	35.9

Conclusion. At the end of 2012, the retail OTC drugs market of Moscow brought in RUB 82.090 bln (USD 2.649 mln). At the same time, the market increased 14% in terms of roubles and 93% in terms of dollars. In pack terms the market showed positive rates (+3%) and achieved 439.509 mln packs. The average cost of OTC pack was higher than during the same period a year ago (USD 6.03 vs. USD 5.72) and higher than the national average (USD 3.82). Per capita expenses for purchase of medicines in pharmacies of Moscow were higher than the average indicators throughout Russia (USD 228.13 vs. 117.58).

MOSCOW HOSPITAL MARKET: 2012 RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in 2012 the Moscow hospital market in physical terms reduced by 10% to 76.384 million packs. In value terms, the market also showed negative growth rates (-5% in terms of roubles and -10% in terms of dollars) and reached RUB 14.751 bln (USD 474.735 mln) in wholesale prices. In the analyzed period, the average cost of OTC pack in the hospital sector was USD 6.22, whereas in the year-earlier period its cost was USD 6.19. The region accounted for 11.2% of the Russian hospital market in physical terms and 21.2% - in value terms.

Figure 1. Moscow hospital market for 2011 – 2012rr.



Based on 2012 results, PFIZER (+13%) (Table 1) moved up from rank 3 to the leading position in the top ten drug manufacturers. The previous leader SANOFI-AVENTIS (-29%) demonstrated marked reduction in purchases, decreased its market share and fell in the rank to number 2. Negative dynamics is observed in four other drug manufacturers: ASTRAZENECA (-38%), NOVARTIS (-20%), NYCOMED/TAKEDA (-7%) and BAXTER (-25%), that, except for NYCOMED/TAKEDA, that held its rank 8, moved down to lower rank. The remaining top ten drug manufacturers demonstrated improvement of the ranks. ROCHE (+23%) moved up one rank to number 3, MERCK SHARP DOHME (+2%) shifted two points higher to number 5. Newcomers that broke the ranks of the top ten are BAYER (+47%) and ABBOTT (+52%). The total share of the top ten drug manufacturers reduced by 0.5 p.p. to 42.1%.

Table 1. The top ten drug manufacturers by hospital purchases

Место в рейтинге		Manufacturer*	Share in total hospital purchases, %	
2012	2011		2012	2011
1	3	**PFIZER**	6.4	5.4
2	1	**SANOFI-AVENTIS**	6.3	8.4
3	4	**ROCHE**	6.0	4.6
4	11	**BAYER HEALTHCARE**	4.2	2.7
5	7	**MERCK SHARP DOHME**	3.8	3.6
6	2	**ASTRAZENECA**	3.5	5.4
7	6	**NOVARTIS**	3.2	3.7
8	8	**NYCOMED/TAKEDA**	3.1	3.2
9	5	**BAXTER INT**	3.0	3.9
10	14	**ABBOTT**	2.6	1.7
Total			42,1	42.6

* AIPM members are in bold

Three newcomers broke into the ranks of the leading trade names in the hospital market of the capital (Table 2). This is the antineoplastic agent AVASTIN and surfactant CUROSURF with 2.2-fold growth in purchases, as well as the local anesthetic NAROPIN (+48%), placed at numbers 5, 6 and 10. Note that nearly all top ten trade names rose in ranks. Exceptions include the previous year leader SODIUM CHLORIDE due to reduction in purchases by 22%, and the trade name moved down to rank four, and COPAXONE-TEVA (-16%) that came in at number 9 instead of 6. The antibacterial agent ZYVOX (+59%), antineoplastic TAXOTERE (+31%) and fluoroquinolone AVELOX, purchases of which grew 2 times, took the lead. SEVORAN (+26%) and HERCEPTIN (+8%) rose in the ranks to number 7 and 8. The total share of the top 10 trade names considerably increased from 14.9% to 21.1%.

Table 2. The top ten trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
2012	2011		2012	2011
1	3	ZYVOX	4.0	2.4
2	4	TAXOTERE	3.1	2.2
3	8	AVELOX	2.8	1.3
4	1	SODIUM CHLORIDE	2.4	2.9
5	18	AVASTIN	2.0	0.8
6	25	CUROSURF	1.5	0.7
7	10	SEVORAN	1.4	1.1
8	9	HERCEPTIN	1.4	1.2
9	6	COPAXONE-TEVA	1.3	1.5
10	19	NAROPIN	1.3	0.8
Total			21.1	14.9

The top ten INN and Generic Names ranking noticeable updated – it acquired 5 newcomers (Table 3). These are MOXIFLOXACIN (purchases grew 2-fold), BEVACIZUMAB (2.2-fold growth in purchases), IMMUNOGLOBULIN ANTI-D (RHO) (purchases grew 1.6 times), PORACTANT ALFA (2.2-fold growth in purchases), AMINOSALICYLIC ACID (purchases grew 4.2 times) and SEVOFLURANE (+26%), that came in at number three and five, as well as ranks 7 through 10. LINEZOLID (+60%) took the lead in the ranking, DOCETAXEL (+20%) moved up to rank 2. Two INNs with negative dynamics, SODIUM (-21%) and IMMUNOGLOBULIN BASE (-27%), reduced their market share and moved down to lines 4 and 6. The total share of the analyzed top ten ranking, as well as of the above ranking increased in this case from 15.4% to 22.3%.

Table 3. The top ten INN and Generic Names by hospital purchases

Rank		INN/Generic names	Share in total hospital purchases, %	
2012	2011		2012	2011
1	4	LINEZOLID	4.1	2.4
2	3	DOCETAXEL	3.2	2.5
3	12	MOXIFLOXACIN	2.8	1.3
4	1	SODIUM	2.4	2.9
5	25	BEVACIZUMAB	2.0	0.8
6	5	IMMUNOGLOBULIN BASE	1.8	2.4
7	18	IMMUNOGLOBULIN ANTI-D (RHO)	1.7	1.0
8	29	PORACTANT ALFA	1.5	0.7
9	74	AMINOSALICYLIC ACID	1.5	0.3
10	15	SEVOFLURANE	1.4	1.1
Total			22.3	15.4

The leading four ATC groups in the top ten didn't change (Table 4). ATC groups J01 Antibacterials for systemic use (-5%), L01 Antineoplastic agents (-14%), B05 Blood substitute and perfusion solutions (-19%) and B01 Antithrombotic agents (-8%) held their own in the ranking, in spite of reduction in purchase volumes. Negative dynamics was observed in two other groups: B02 Antihemorrhagics (-12%) and L04 Immunosuppressants (-21%) that moved down to ranks 8 and 9, respectively. Quite opposite, N01 Anesthetics (+10%), V08 Contrast media (+32%) and J04 Antimycobacterials (+6%) rose in the ranks with numbers 5, 6 and 10, respectively. Group J06 Immune sera & immunoglobulins (+7%) held its rank 7. The total share of the leading top ten reduced by 1 p.p. to 66.4%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
2012	2011			2012	2011
1	1	J01	ANTIBACTERIALS FOR SYST USE	17.9	17.9
2	2	L01	ANTINEOPLASTIC AGENTS	12.8	14.0
3	3	B05	BLOOD SUBSTITUTE & PERF SOLS	7.7	9.0
4	4	B01	ANTITHROMBOTIC AGENTS	5.4	5.6
5	6	N01	ANESTHETICS	4.8	4.1
6	10	V08	CONTRAST MEDIA	4.5	3.2
7	7	J06	IMMUNE SERA & IMMUNOGLOBULIN	4.2	3.8
8	5	B02	ANTIHEMORRHAGICS	3.8	4.1
9	8	L04	IMMUNOSUPPRESSANTS	2.8	3.3
10	11	J04	ANTIMYCOBACTERIALS	2.6	2.3
Total				66,4	67.5

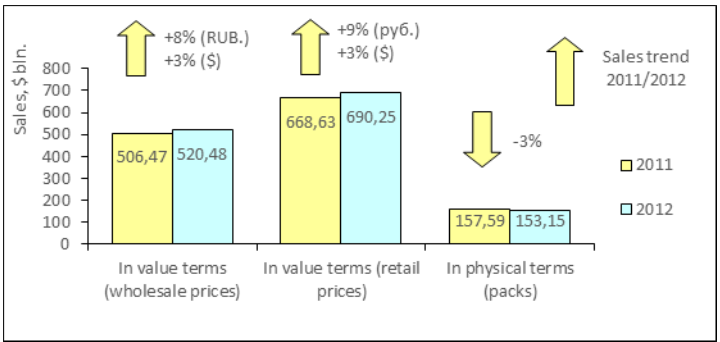
Conclusion. At the end of 2012, the hospital market of Moscow reduced 5% in terms of roubles and 10% in terms of dollars and brought in RUB 14.751 bln (USD 474.735 mln). In physical terms the market showed negative growth rates (-10%) and achieved 76.384 mln packs. The average cost of OTC pack in the hospital sector remained practically unchanged compared to the previous year (USD 6.22 vs. USD 6.19) but was much higher than the national average (USD 3.29). The analyzed rankings show that the hospital market of the region was affected by considerable structural changes.

SAINT-PETERSBURG PHARMACY MARKET: 2012 RESULTS

According to Federal State Statistics Service, as of January 1, 2012, the population of Saint-Petersburg was estimated at 4.953 mln, which accounted for 3.5% of the total Russian Federation population and 36.3% of CZFO. According to Federal State Statistics Service's data, based on the results for 2012 the average salary in the city was RUB 33,171.3 (USD 1,071.08), which is 24% higher than the average salary in Russia (RUB 26,822.3).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of 2012 the sales of OTC drugs in physical terms in pharmacies of Saint-Petersburg saw a 9% decrease to 153.152 mln packs. In value terms, the OTC drugs market (without State Reimbursement Program) increased by 8% in rouble terms and by 3% in dollar terms and reached RUB 16.118 bln (USD 520.477 mln) in wholesale prices (Fig. 1). The city share in the total volume of all-Russia pharmacy market accounted for 4%. The average cost of an OTC pack grew as compared to a year earlier (USD 4.24) and reached USD 4.51 in retail prices. For twelve months of 2012, the average amount spent by residents of Saint-Petersburg for drugs amounted to USD 139.35.

Figure 1. Saint-Petersburg pharmacy market for 2011-2012



SANOFI-AVENTIS (+10%) remained the leader in the regional top ten drug manufacturers ranking on the basis of 2012 results (Table 1). Other four drug producers held their own in the ranking as well – they are SERVIER (+8%), NOVARTIS (+15%), ABBOTT and PFIZER (by +7% each) placed from numbers 5 through 8. Three drug producers on the top ten managed to rise in the ranks. BAYER (+4%), SANDOZ (+7%) and TEVA (+13%) moved up one point to ranks 2, 3 and 9, respectively. At the same time PHARMSTANDART (-3%) and MENARINI (+1%) with negative or low sales dynamics fell in the ranks to positions 4 and 10, respectively. The total share accumulated by ten top ten companies доля reduced by 0.6 p.p. and achieved 39.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	1	**SANOFI-AVENTIS**	5.9	5.8
2	3	**BAYER HEALTHCARE**	4.5	4.7
3	4	**SANDOZ GROUP**	4.5	4.5
4	2	PHARMSTANDART	4.3	4.8
5	5	**SERVIER**	4.1	4.1
6	6	**NOVARTIS**	3.8	3.6
7	7	**ABBOTT**	3.3	3.3
8	8	**PFIZER**	3.2	3.2
9	10	**TEVA**	3.1	2.9
10	9	**MENARINI**	2.9	3.1
Total			39.4	40.0

* AIPM members are in bold

Two newcomers broke into the ranks of the top ten trade names (Table 2). Ha KAGOCEL moved up to rank 7 from number 40 due to 1.9-fold growth in sales, CIALIS (+14%) shifted to rank 9 from 12. ESSENTIALE N (+19%), LINEX (+14%) and HEPTRAL (+11%) moved up one rank, coming in at rank two, four and six. DETRALEX (+11%) improved its rank from 10 to 8. Trade names ARBIDOL (-17%), VIAGRA (-3%) and OSCILLOCOCCINUM (-7%) decreased sales. At the same time the former of the two held its leading position in the ranking and the latter two displaced one line lower, to rank 3 and 5, respectively. ANAFERON moved down two ranks due to zero dynamics.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	1	ARBIDOL	1.3	1.6
2	3	ESSENTIALE N	1.2	1.1
3	2	VIAGRA	1.0	1.1
4	5	LINEX	0.9	0.9
5	4	OSCILLOCOCCINUM	0.9	1.0
6	7	HEPTRAL	0.7	0.6
7	40	KAGOCEL	0.6	0.3
8	10	DETRALEX	0.6	0.6
9	12	CIALIS	0.6	0.6
10	8	ANAFERON	0.6	0.6
Total			8.3	8.4

One newcomer - INN AZITHROMYCIN (+11%) - broke into the ranks of the top ten INN and Generic Names, rising in the rank from 11 to 9 (Table 3). Markets of other five INNs in the ranking developed at outstripping growth rates. They are the leader of the top ten XYLOMETAZOLINE (+23%), the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+14%), moving up from rank 8 to 7, as well as PHOSPHOLIPIDS (+18%), PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+10%) and AMOXICILLIN + CLAVULANIC ACID keeping their ranks 3, 4 and 10. PANCREATIN (+4%) characterized by slower dynamics lost one position in the ranking, whereas ANAS BARBARIAE (-6%) previously placed at this rank reduced sales and moved down to rank 8. Negative growth rates was observed for the previous year leader INN UMIFENOVIR (-17%), that shifted to rank 2. The total share of the analyzed top ten ranking, as well as of the above ranking, reduced, in this case by 0.2 p.p. and achieved 10.9%.

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

Rank		INN/Generic names	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	2	XYLOMETAZOLINE	1.8	1.6
2	1	UMIFENOVIR	1.3	1.6
3	3	PHOSPHOLIPIDS	1.2	1.1
4	4	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1.1	1.1
5	5	SILDENAFIL	1.0	1.1
6	7	PANCREATIN	1.0	1.0
7	8	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.9
8	6	ANAS BARBARIAE	0.9	1.0
9	11	AZITHROMYCIN	0.8	0.8
10	10	AMOXICILLIN + CLAVULANIC ACID	0.8	0.8
Total			10.9	11.1

The most dynamic ATC groups R01 Nasal preparations (+16%) took the lead in the top ten ranking (Table 4). At the same time they displaced one rank down N02 Analgesics (+6%) and R05 Cough and cold preparations (+7%). On top of that, several changes more took place in the ranking. J01 Antibacterials for systemic use (+8%), A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+16%) and C09 Agents acting on renin-angiotensin system (+11%) characterized by the highest sales dynamics moved up one point to numbers three, seven and eight, respectively. At the same time they displaced to lower ranks, numbers 5 and 9 A11 Vitamins (+5%) and G03 Sex hormones (+1%) lacking in high dynamics. ATC group L03 Immunostimulants (+11%) broke into the ranking of ATC groups for the first time, coming in at its bottom line. M01 Anti-inflammatory and antirheumatic products (+11%) with the same dynamics held their six position. The total share of the top ten increased by nearly 0.5 p.p. and achieved 38,0%.

Table 4. The top ten ATC groups by pharmacy sales

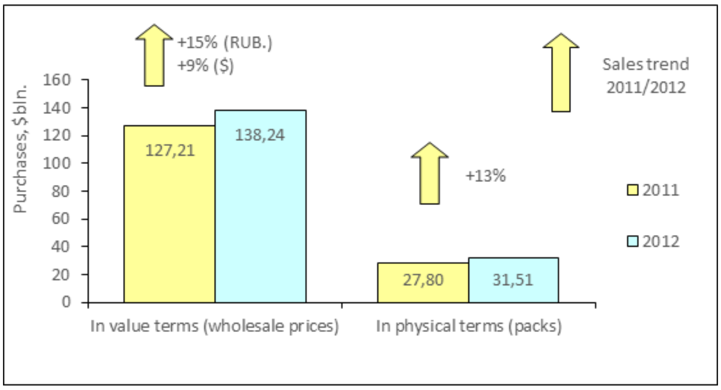
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2012	2011			2012	2011
1	3	R01	NASAL PREPARATIONS	4.5	4.2
2	1	N02	ANALGESICS	4.5	4.5
3	2	R05	COUGH AND COLD PREPARATIONS	4.4	4.4
4	5	J01	ANTIBACTERIALS FOR SYST USE	4.1	4.1
5	4	A11	VITAMINS	4.0	4.1
6	6	M01	ANTIINFLAM & ANTIRHEUM PROD	3.7	3.6
7	8	A07	INTESTINAL ANTIINFECTIVES	3.5	3.3
8	9	C09	AG ACT RENIN-ANGIOTENS SYST	3.3	3.2
9	7	G03	SEX HORM&MODULAT GENITAL SYS	3.2	3.4
10	11	L03	IMMUNOSTIMULANTS	3.0	2.9
Total				38,0	37.6

Conclusion. At the end of 2012, the retail OTC drugs market of Saint-Petersburg brought in RUB 21.376 bln (USD 690.249 mln). At the same time, the market increased (+9%) in terms of roubles and (+3%) in terms of dollars. In pack terms the market reduced by 3% and achieved 153.152 mln packs. The average cost of OTC pack was higher than during the same period a year ago (USD 4.51 vs. USD 4.24) Per capita expenses for purchase of medicines in pharmacies of Saint-Petersburg were USD 139.35, which is higher than the average indicators throughout Russia (USD 117.58).

SAINT-PETERSBURG HOSPITAL MARKET: 2012 RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in 2012 the Saint-Petersburg hospital market in physical terms increased by 13% to 31.511 million packs. In value terms, the market also showed positive growth rates (+15% in terms of roubles and +9% in terms of dollars) and reached RUB 4,320 bln (USD 138.240 mln) in wholesale prices. In the analyzed period, the average cost of OTC pack in the hospital sector was USD 4.39, whereas in the year-earlier period its cost was USD 4.58. The region accounted for 4.6% of the Russian hospital market in physical terms and 6.2% - in value terms.

Figure 1. Saint-Petersburg hospital market for 2011 – 2012



Corporations MERCK SHARP DOHME (-6%) and SANOFI-AVENTIS (-3%) held their own in the ranking of top ten drug manufacturers in the Saint-Petersburg hospital market despite considerable decrease in purchases (Table 1). PFIZER (+39%) rose in ranks from rank 7 to 3, ABBOTT (+18%) improved its position from number 6 to 4. The newcomers NOVARTIS (purchases grew by 2 times) and JOHNSON & JOHNSON (1.7-fold growth) that broke in the ranks of the top ten drug manufacturers for the first time, coming in at lines 6 and 9. The remaining four drug manufacturers, on the contrary, fell to the lower ranks. ASTRAZENECA (-15%) shifted from rank 3 to 5, B.BRAUN (-4%) and BAXTER (-11%) moved down from rank 4 to 7 and from number 5 to 8, respectively. GEDEON RICHTER (+12%) was displaced to the bottom line. The total share accumulated by top ten drug manufacturers reduced from 38.3 % to 36.2%.

Table 1. The top ten drug manufacturers by hospital purchases

Rank		Manufacturer*	Share in total hospital purchases, %	
2012	2011		2012	2011
1	1	**MERCK SHARP DOHME**	6.6	8.0
2	2	**SANOFI-AVENTIS**	4.6	5.5
3	7	**PFIZER**	3.9	3.2
4	6	**ABBOTT**	3.5	3.5
5	3	**ASTRAZENECA**	3.3	4.5
6	16	**NOVARTIS**	3.2	1.8
7	4	B.BRAUN	3.1	3.8
8	5	**BAXTER INT**	2.8	3.6
9	15	**JOHNSON & JOHNSON**	2.6	1.8
10	9	GEDEON RICHTER	2.5	2.6
Total			36,2	38.3

* AIPM members are in bold

The ranking of the top ten trade names was half updated – it acquired five newcomers (Table 2). REMICADE due to 3.6 fold growth in purchases moved up from rank 14 to 2. High growth rates were demonstrated by the markets of OTC ZYVOX (purchases grew 5 times), OPTIRAY (1.8 fold growth), XOLAIR (2.9-fold growth) and ACTEMRA (2.2-fold growth), which allowed them to enter in the composition of the top ten with ranks 3, 5, 6 and 10, respectively. High purchase dynamics was demonstrated by CLEXANE (+39%) as well, that rose from rank 10 to 9. HEPARIN (+1%) characterized by slower dynamics moved up one rank. The remaining top ten trade names, on the contrary, showed negative growth rate. SODIUM CHLORIDE (-20%) that kept its leading position as well as PUREGON (-48%) and SEVORAN (-24%) that moved down to ranks 7 and 8. The total share accumulated by top ten trade names increased by 1.5 p.p., to 17.9%.

Table 2. The top ten trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases,%	
2012	2011		2012	2011
1	1	SODIUM CHLORIDE	3.1	4.4
2	14	REMICADE	2.7	0.8
3	43	ZYVOX	1.9	0.4
4	5	HEPARIN	1.6	1.9
5	13	OPTIRAY	1.6	1.0
6	25	XOLAIR	1.6	0.6
7	2	PUREGON	1.5	3.4
8	3	SEVORAN	1.4	2.2
9	10	CLEXANE	1.3	1.1
10	27	ACTEMRA	1.2	0.6
Total			17.9	16.4

Newcomers broke in the ranks of the top ten of INN and Generic Names (Table 3) as well. There were four of them – INFLIXIMAB (growth in purchases achieved 3.6 times), LINEZOLID (5.4-fold growth), IOVERSOL (1.8-fold growth) and OMALIZUMAB (2.9-fold growth), coming in at numbers 2, 4, 8 and 9, respectively. On top of that, other three INNs managed to improve their ranking in the top ten: IMMUNOGLOBULIN BASE (+31%) rose from rank 5 to 2; HEPARIN from number 7 to 6 and the composition GLUCOSE + SODIUM + DL-LACTIC ACID (by +7% each) from rank 8 to seven. Trade names SODIUM (-19%), CEFTRIAXONE (-14%) and FOLLITROPIN BETA (-48%) showed negative growth rates of purchases. At the same time, the first INN retained the leading rank and the latter two moved down to rank five and ten. The total share of the top ten ranking increased from 19.0% to 20.1%.

Table 3. The top ten INN and Generic Names by hospital purchases

Rank		INN/Generic names	Share in total hospital purchases, %	
2012	2011		2012	2011
1	1	SODIUM	3.1	4.4
2	18	INFLIXIMAB	2.7	0.8
3	5	IMMUNOGLOBULIN BASE	2.6	2.2
4	54	LINEZOLID	1.9	0.4
5	3	CEFTRIAXONE	1.8	2.4
6	7	HEPARIN	1.7	1.9
7	8	GLUCOSE + SODIUM + DL-LACTIC ACID	1.6	1.7
8	15	IOVERSOL	1.6	1.0
9	31	OMALIZUMAB	1.6	0.6
10	2	FOLLITROPIN BETA	1.5	3.4
Total			20.1	19.0

The leading three ATC groups in the top ten ATC ranking didn't change - J01 Antibacterials for systemic use (+7%), B05 Blood substitute and perfusion solutions (+4%) and N05 Psycholeptics (+33%) (Table 4) showed the highest purchase rates. At the same time, if the former two groups due to lagging behind growth reduced their market share, the third one expanded its share. High growth rates were observed on the markets of the other four top ten ATC. These are groups L04 Immunosuppressants (growth of purchases made 2.3 times), V08 Contrast media (1.7-fold growth), J06 Immune sera & immunoglobulins (+45%) and J04 Antimycobacterials (3-fold growth), that moved up to ranks 4, 6, 9 and 10, respectively. At the same time groups B01 Antithrombotic agents (-7%), N01 Anesthetics (+9%) and L01 Antineoplastic agents (-40%) fell in the ranks and came in at numbers five, seven and eight. The total share of top ten ATC groups increased by nearly 2 p.p. and achieved 68.0%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
2012	2011			2012	2011
1	1	J01	ANTIBACTERIALS FOR SYST USE	15.6	16.8
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	11.5	12.6
3	3	N05	PSYCHOLEPTICS	9.5	8.1
4	9	L04	IMMUNOSUPPRESSANTS	6.3	3.1
5	4	B01	ANTITHROMBOTIC AGENTS	5.5	6.8
6	8	V08	CONTRAST MEDIA	5.3	3.5
7	6	N01	ANESTHETICS	4.5	4.7
8	5	L01	ANTINEOPLASTIC AGENTS	3.4	6.6
9	10	J06	IMMUNE SERA & IMMUNOGLOBULIN	3.4	2.6
10	14	J04	ANTIMYCOBACTERIALS	3.3	1.2
Total				68,0	66.1

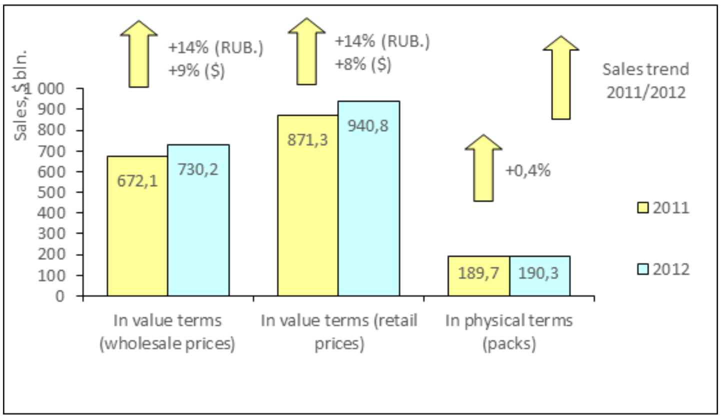
Conclusion. At the end of 2012, the hospital market of Saint-Petersburg increased 15% in terms of roubles and 9% in terms of dollars and brought in RUB 4.302 bln (USD 138.240 mln). In physical terms the market showed positive growth rates (+13%) and achieved 31.511 mln packs. The average cost of OTC pack in the hospital sector remained practically unchanged compared to the previous year (USD 4.39 vs. USD 4.58) but was higher than the national average (USD 3.29).

MOSCOVSKAYA OBLAST PHARMACY MARKET: 2012 RESULTS

According to Federal State Statistics Service, as of January 1, 2012, the population of the Moscovskaya Oblast was estimated at 7.199 mln, which accounted for 5% of the total Russian Federation population and 18.7% of CFO. According to Federal State Statistics Service's data, based on the results for Year 2012 the average salary in the Moscow was RUB 32,296.5 (USD 1,042.83), which is 20% higher than the average salary in Russia (RUB 26,822.3).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of twelve months of 2012 the sales of OTC drugs in physical terms in pharmacies of Moscovskaya Oblast saw a 0.4% increase to 190.336 mln packs. In value terms, the OTC drugs market increased more significantly by 14% in rouble terms and by 9% in dollar terms and reached RUB 22.642 bln (USD 730.205 mln) in wholesale prices (Fig. 1). The city share in the total volume of all-Russia pharmacy market accounted for 6%. The average cost of an OTC pack grew as compared to a year earlier (USD 4.59) and reached USD 4.94 in retail prices. For twelve months of 2012, the average amount spent by residents of Moscow for drugs amounted to USD 130.68.

Figure 1. Moscovskaya Oblast pharmacy market for 2011-2012



SANOFI-AVENTIS (+12%) remains the leader of the top ten drug manufacturers in the Moscovskaya Oblast, as previously (Table 1). The other four drug manufacturers managed to hold their own in the ranking. These are SERVIER (+18%), SANDOZ (+16%), ABBOTT (+19%) and NYCOMED/TAKEDA (+14%), placed at ranks 4, 5, 8 and 9. BAYER (+21%), NOVARTIS (+22%) and TEVA (+20%) with higher growth rates shifted one rank up to number two, six and ten, respectively. At the same time, they displayed less dynamic PHARMSTANDART (+1%) and MENARINI (+9%) by one point lower, to ranks 3 and 7. The total share of the top ten drug manufacturers didn't change and remained at 38.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	1	**SANOFI-AVENTIS**	6.0	6.2
2	3	**BAYER HEALTHCARE**	4.3	4.1
3	2	PHARMSTANDART	4.3	4.8
4	4	**SERVIER**	3.9	3.8
5	5	**SANDOZ GROUP**	3.7	3.7
6	7	**NOVARTIS**	3.5	3.3
7	6	**MENARINI**	3.4	3.5
8	8	**ABBOTT**	3.3	3.2
9	9	**NYCOMED/TAKEDA**	3.1	3.1
10	11	**TEVA**	2.9	2.7
Total			38.4	38.4

* AIPM members are in bold

Hepatoprotector ESSENTIALE N (+20%) became the best-selling trade name in the region on the basis of 2012 results (Table 2). The previous leader ARBIDOL reduced sales by 19%, lost one ranking position and moved down to rank two. LINEX (+18%), VIAGRA (-10%), OSCILLOCOCCINUM (-5%), ACTOVEGIN (+11%) and DETRALEX (+17%) held their own in the ranking with ranks 3 through 7. The newcomers ALFLUTOP (+29%) and KAGOCEL (+84%) that broke into the ranks of the top ten, came in at ranks 8 and 9. At the same time MEXIDOL (+12%) moved down one rank to the bottom line. The total share of the top ten trade names reduced from 7.7% to 7.4%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	2	ESSENTIALE N	1.1	1.0
2	1	ARBIDOL	1.0	1.3
3	3	LINEX	0.9	0.9
4	4	VIAGRA	0.7	0.9
5	5	OSCILLOCOCCINUM	0.7	0.8
6	6	ACTOVEGIN	0.7	0.7
7	7	DETRALEX	0.6	0.6
8	11	ALFLUTOP	0.6	0.5
9	32	KAGOCEL	0.6	0.4
10	9	MEXIDOL	0.6	0.6
Total			7.4	7.7

Two newcomers broke into the ranks of the top ten INN and Generic Names – INN AZITHROMYCIN (+14%) and BLOOD (+11%) came in at its bottom ranks (Table 3). On top of that, the other four top ten INNs showed high growth rates. PANCREATIN (+8%) and PHOSPHOLIPIDS (+21%) moved up one rank to numbers two and three. INNs IBUPROFEN (+20%) and AMBROXOL (+15%) improved their ranks by three and two points, respectively, with ranks six and eight. The three top ten INNs managed to hold their own in the ranking. They are the top ten leader XYLOMETAZOLINE (+26%), as well as compositions BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+18%) and PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+10%) placed at numbers 5 and 7. Negative sales growth rates and moving down to lower rank are observed only for INN UMIFENOVIR (-19%), that fell from line two to four. The total share of the analyzed top ten reduced from 10.0% to 9.8%.

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

Rank		INN/Generic names	Share in total pharmacy sales, %	
2012	2011		2012	2011
1	1	XYLOMETAZOLINE	1.7	1.5
2	3	PANCREATIN	1.2	1.3
3	4	PHOSPHOLIPIDS	1.2	1.1
4	2	UMIFENOVIR	1.0	1.3
5	5	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.9
6	9	IBUPROFEN	0.8	0.8
7	7	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0.8	0.8
8	10	AMBROXOL	0.8	0.8
9	13	AZITHROMYCIN	0.7	0.7
10	11	BLOOD	0.7	0.8
Total			9,8	10.0

More than a half of ATC groups managed to hold their own in the ranking (Table 4). These are R01 Nasal preparations (+20%), M01 Anti-inflammatory and antirheumatic products (+18%), R05 Cough and cold preparations (+13%) and A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+17%), ranking third, fourth and sixth, as well as G03 Sex hormones (+16%) and L03 Immunostimulants (+15%), placed at the bottom part of the top ten. But two moves took place in the ranking. The more dynamic groups J01 Antibacterials for systemic use (+13%) and C09 Agents acting on renin-angiotensin system (+21%) moved up one rank to numbers one and seven. At the same time, they displaced one rank down N02 Analgesics (+0,2%) and A11 Vitamins (+15%). The total share of the top ten ranking remained practically unchanged and was 36.8%.

Table 4. The top ten ATC groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2012	2011			2012	2011
1	2	J01	ANTIBACTERIALS FOR SYST USE	4.3	4.3
2	1	N02	ANALGESICS	4.2	4.8
3	3	R01	NASAL PREPARATIONS	4.2	3.9
4	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4.0	3.9
5	5	R05	COUGH AND COLD PREPARATIONS	3.8	3.8
6	6	A07	INTESTINAL ANTIINFECTIVES	3.5	3.4
7	8	C09	AG ACT RENIN-ANGIOTENS SYST	3.4	3.2
8	7	A11	VITAMINS	3.3	3.3
9	9	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.1
10	10	L03	IMMUNOSTIMULANTS	3.0	3.0
Total				36,8	36.7

Conclusion. At the end of 2012, the retail OTC drugs market of the Moscovskaya Oblast brought in RUB 29.171 bln (USD 940.760 mln). At the same time, the market increased 14% in terms of roubles and 8% in terms of dollars. In pack terms the market showed low positive rates (+0.4%) and achieved 190.336 mln packs. The average cost of OTC pack in 2012 was higher than during the same period a year ago (USD 4.94 vs. USD 4.59) and higher than the national average (USD 3.82). Per capita expenses for purchase of medicines in pharmacies of the region in 2012 made USD 130.68, which is slightly higher than the average indicators throughout Russia (USD 117.58).

REGIONAL DIGEST

State Reimbursement Program//Procurement of Necessary Drugs, Government Control

01.02.2013, PRIME

Government of Russia plans to restrict imported drugs public procurement

The draft regulations placed on the website of the Ministry of Industry and Trade suggest that the RF government plans to restrict imported medicines purchases within the public procurement program. According to the draft document, the Russian medicines supply proposal is an additional requirement for drugs order placement through the tendering process for satisfying federal needs as well as of needs of the RF constituent entities or requirements on the local level. At the same time, an exception is made for cases when fewer than two Russian drug manufacturers are entered in the drug register relating to which an order is placed.

07.02.2013, The Izvestia

Government plans to cut down prices for Vital and Essential Drugs

The Ministry of Public Health and the Federal Tariff Service will have to review the method to establish the threshold transfer prices for medicines included in the Vital and Essential Drugs register until May. According to the ministerial source, the Control Administration of the President of Russia disapproved of the current document version (it was amended in October in accordance with the order of the head of the government issued in April). "The amendments do not comply with the assignment in the order of the head of the government", - Konstantin Chuychenko, head of the Control Administration, reports in the letter to Vice-Premier Olga Kholodets. The ungrounded price surge for medicines must be prevented with simultaneous preservation of the assortment.

08.02.2013, The Rossiyskaya Gazeta

Number of substances not being precursors of narcotics and psychotropic substances to be excluded from the banned list

Several dozens of chemical substance types not being precursors of narcotics and psychotropic substances will be withdrawn from the banned substance list. Among them: alprazolam, sodium barbital, bromazepam, brotizolam, diazepam, medazepam, meprobamate, nitrazepam, phenobarbital and many others. Some of these substances are known as medicines.

07.02.2013, Vidal.ru

Enactment of the current draft order of the Ministry of Industry and Trade on criteria to recognize a medicine as Russian might affect the investment appeal of the Russian pharma market

Victor Dmitriev, General Director of Association of Russian Pharmaceutical Producers, considers it necessary to identify risks of adoption of the draft decree on criteria to recognize a medicine as Russian of the Ministry of Industry and Trade in the proposed version. The expert explained that one of the debating points is the deadline set at December 31, 2013, after which the stage of packing will not be considered a factor allowing recognition of a producer as Russian. The proposed term doesn't favour those localized companies that entered the Russian pharma market in the recent two years. These drug producers might not be able to recover the investments in the first stage of localization, and we can't but worry as well as this situation might affect the investment appeal of the Russian pharma market, - Victor Dmitriev said.

08.02.2013, RIA Novosti

Provision of medicines within the Seven Nosologies Program in 2013 to be transferred to regions

"Provision of medicines to patients within the Seven Nosologies Program since April 1, 2014, will be transferred to the regional level with financing from the federal budget as before", Elena Telnova, temporary acting head of the Federal Service for Supervision in the Sphere of Health Care, said during the joint meeting of the Ministry of Health, the Federal Service for Supervision in the Sphere of Health Care and territorial compulsory medical insurance funds. Earlier the RF Minister of Health Veronika Skvortsova announced that the financing of this program from the federal budget will retain in 2013 at the previous year level and will amount to about RUB 52 bln.

11.02.2013, The Meditsinsky Vestnik

Federal Service for Supervision in the Sphere of Health Care to change order of biologically active additives (BAA) registration

Chief state health official of RF Gennady Onischenko instructed the Office of State Sanitary and Epidemiological Supervision Management of the Directorate for Consumer Rights and Health Protection to conduct state registration of biologically active additives applied for correction of the human food chemical composition correction without ingredients included in the State Pharmacopeia as well as other natural origin ingredients without human food consumption tradition. This measure was due to the fact that a number of companies distribute in the mass media patently false information recommending these products as medicines.

19.02.2013, The Rossiyskaya Business-Gazeta

Pharmaceutical association representatives are concerned about additional requirements to bidders of medicine public procurement

The Ministry of Industry and Trade developed a draft decree of the government On Additional Requirements to Bidders for Medicines Purchase Orders, as well as a draft of own decree pursuant to which criteria will be introduced to recognize whether a medicine is a Russian or not. The proposed measures caused great unrest of foreign drug manufacturers operating in the Russian market. Some experts point out that patients might be left without necessary medicines if Russian manufacturers can't satisfy all needs. Other foreign drug producers are afraid that they will have to withdraw from the market altogether. And how do the proposed measures correspond to the pharma market competition development plan, recently approved by the government?

NEWS FROM COMPANIES

01.02.2013, The Kommersant

Veropharm sales negotiations suspended

Owners of Pharmacy network 36.6 suspended negotiations with JSFC Systema on sales of the drug producer Veropharm. Disagreement of the parties on the price might be a possible reason. The pharmacy retailer might obtain more than RUB 5 bln for Veropharm and settle a half of its debt. The possibility of sales by the 36.6 of the Veropharm control share has been discussed since 2006. Last November, JSFC Systema was reported to obtain the permit for purchase of 100% share in pharma producer. For the 36.6 Veropharma is the most profitable asset, sales of which might considerably reduce the debt of the pharmacy network achieving RUB 8.6 bln based on results of nine months of 2012.

04.02.2013 The Kommersant

Renova Group closed a deal on sales of Natur Produkt

Renova Group owned by Victor Vekselberg closed the deal on sales of Natur Produkt to Canadian Valeant Pharmaceuticals. Its total amount achieved $160 mln, though originally Valeant was ready to pay at least $180 mln. It's possible that the price might drop due to failure of Natur Produkt to defend its exclusive right for antigrippin production, accounting for a half of the company earnings.

04.02.2013, Remedium

Astellas joined Association of Russian Pharmaceutical Manufacturers

Astellas joined the Association of Russian Pharmaceutical Manufacturers. Today, the significant share of the company drugs is produced in Russia. For more than 15 years, Astellas has been engaged in primary and secondary packaging of antibiotics, gastroenterological and urological agents on ORTAT plant. The Association report informs that having localized the packaging process, the company plans to implement the whole production cycle in Russia.

21.02.2013, Remedium

Association of Russian Pharmaceutical Manufacturers counts on approval of decree on preferences to Russian pharmaceutical producers

A meeting of the Council of Entrepreneur Association Heads – members of the Chamber of Commerce and Industry of RF was held. The interaction between the Ministry of Economic Development of the RF and the Chamber of Commerce and Industry was chosen as the subject of the meeting in order to promote the Russian entrepreneurship development. The issues on the agenda of the meeting included improvement of the investment environment, development of the federal contract system, support of small and medium businesses, and evaluation of the regulation efficiency. "We count on approval of Decree of the Ministry of Economic Development on preferences to Russian drug producers in the short run", - Victor Dmitriev, General Director of Association of Russian Pharmaceutical Producers, announced.

26.02.2013, The Vedomosti

Pharmstandart solicit for purchase of the vaccine producer Petrovax Pharm

The fight over the right to purchase the vaccine producer Petrovax Pharm is unfolding. A source close to the Ministry of Health reported that after the American Abbott, the Russian drug producer Pharmstandart filed an application for purchase of this company to the Federal Anti-Monopoly Service, and an official of the Federal Anti-Monopoly Service confirmed this information. Pharmstandart, according to his spokesman Ilya Krylov, filed an application to the Federal Anti-Monopoly Service on January 30 and its examination will be extended till April 30. Krylov didn't comment on what share Pharmastandart might purchase and its cost. "Petrovax Pharm is of interest to Pharmstandart from the point of view of vaccine development", - he said.

Source of information – IMS Health

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