REMEDIUM GROUP OF COMPANIES
AIPM Association of International Pharmaceutical Manufacturers Ассоциация международных фармацевтических производителей

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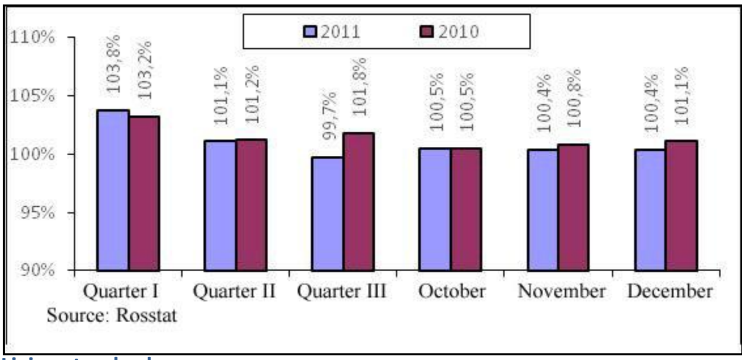
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, Consumer Price Index didn't change as compared with the last month and was accounted for 100.4%. For the period from start of the year, it escalated to 106.1% (in 2010 – 108.8%).

In December, Industrial Producer Price Index was 100.2%, whereas a month ago it had amounted to 101.0%. For the period from start of the year, it accounted to 112.0% (in 2010 – 116.7%).

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



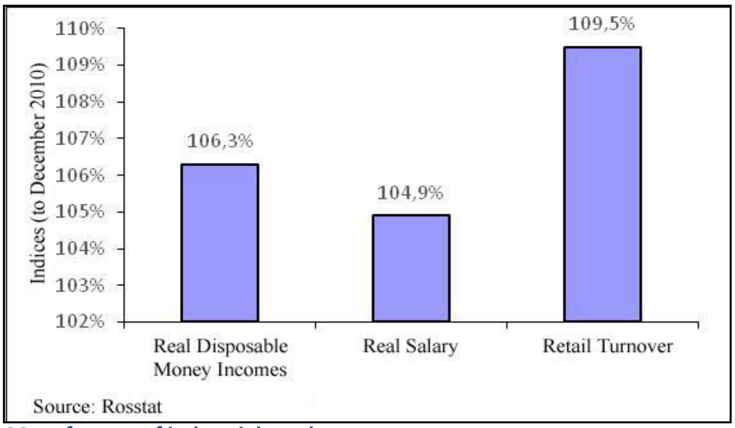
Living standard

According to preliminary Federal State Statistics Service's data, in December 2011 a gross monthly average salary per worker reached RUB 30,856 (USD 958.3) which accounts for 111.3% compared to December 2010. The real salary in December 2011 compared with the same period in 2010 accounted for 104.9%. In December 2011, the real value of cash incomes accounted for 106.3% as compared with the same period of 2010 (Fig. 2).

Retail turnover

In December 2011, the retail turnover was equal to RUB 2042.5 bln, which in stock accounted for 109.5% as compared to the same period a year ago (Fig. 2).

Figure 2. Real value of cash incomes, salary and retail turnover in December 2011



Manufacture of industrial products

According to Federal State Statistics Service's data, in December 2011 Industrial Production Index accounted for 102.5% compared to the same period a year ago, and 102.9% to the previous month. In January-December 2011, the Index was equal to 104.7% (in the year-earlier period – 108.2%).

Domestic production

According to Ministry of Industry and Trade's data, in January – December 2011 Pharmaceutical Production Index was equal to 91.2% compared to January - December 2010. On top of that, In December 2011 it escalated to 74.6% compared to December in 2010 and 99.1% compared to November 2011.

Production volume of pharmaceutical products for the period of January – December 2011 amounted to 142.6 bln roubles.

The Top-10 domestic manufacturers by production volume at December-end 2011 are shown in Table 1. The total production volume by top ten manufacturers was estimated as USD 284.4 mln.

Table 1. Top-ten chemical and pharmaceutical manufacturers by production volume in December 2011

Rank	Drug Manufacturer	Production volume, $mln.
1	Pharmstandart	128,5
2	Valenta	29,6
3	Stada	24,3
4	KRKA-RUS	20,6
5	Pharm-sintez	16,6
6	Pharm-Center	16,5
7	Sotex	14,1
8	Akrihin	12,1
9	Veropharm	11,2
10	Materia Medica	11,0

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In November 2011, the negative market performance (in terms of roubles) was observed in Perm only (-2%). In the other regions, OTC drug sales grew, the most pronounced growth was seen in St. Petersburg (+14%) and the least one – in Rostovskaya Oblast (+3%).

Table 2. Pharmacy sales in the regions, 2011

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (Roubles)		
	September 2011	October 2011	November 2011	September/ August 2011	October/ September 2011	November/ October 2011
Moscow city	155,6	156,0	164,1	24%	-6%	10%
St. Petersburg	44,3	40,1	43,7	24%	-15%	14%
Krasnodarsky Kray	31,3	29,5	30,1	-7%	-12%	7%
Novosibirskaya Oblast	22,3	21,1	22,6	19%	-11%	12%
Republic of Tatarstan	23,5	24,5	26,0	18%	-2%	11%
Krasnoyarsky Kray	15,4	15,6	16,7	17%	-5%	12%
Rostovskaya Oblast	20,9	20,9	20,5	9%	-6%	3%
Voronezhskaya Oblast	17,3	17,0	17,6	18%	-8%	9%
Perm city	6,4	6,4	6,0	29%	-6%	-2%
Tyumen city	6,3	6,4	6,7	10%	-4%	9%

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 December, 2011

Rank	Company*	Quantity of broadcasts
1	Novartis	5 549
2	ReckittBenckiser	4 296
3	Berlin-ChemieMenariniGroup	4 229
4	SanofiAventis	3 998
5	Evalar	2 846

Source – TNS Gallup AdFact

Table 4. Top five trade names in mass media in December, 2011

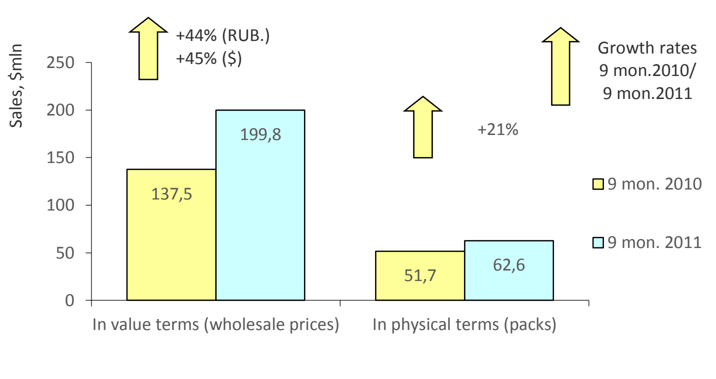
Rank	Trade name*	Quantity of broadcasts
1	Evalar	2 846
2	Nurofen	2 372
3	Grippferon	1 607
4	Strepsils	1 402
5	Microiode	1 330

Source – TNS Gallup AdFact
* Only products registered with State Register of Medicines were considered

KAZAKHSTAN HOSPITAL MARKET: 2011 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Kazakhstan™, at the end of three quarters of 2011, the hospital over-the-counter drugs market in physical terms saw a 21% increase to 62.614 mln packs. In value terms the regional market also showed the positive growth: 44% in terms of Kazakhstani Tenge and 45% in terms of dollars, and the market achieved USD 199.770 mln (Tenge 29.205 bln) (Fig.1). The average cost of a pack was USD 3.19, whereas in the year-earlier period its cost was USD 2.66.

Figure 1. Kazakhstan hospital market for 9 months of 2010 – 9 months of 2011



Eighteen percent of drugs purchased by hospitals of Kazakhstan in 9 months of 2011 were made in Kazakhstan. The Denmark pharmaceutical products' share in the region accounted for 11% and came in at rank two. Drugs made in Germany and Switzerland accounted for ten percents each and ones made in Belgium – nine percent. The Russian pharmaceutical products' share in the hospital region market accounted for 1.6% only.

At the end of nine months of 2011, a local drug manufacturer KHIMPHARM which market share expanded up to almost 14% due to 49% growth in purchases continued to remain the absolute leader of Kazakhstan hospital market (Table 1). Due to moderate growth in sales, SANOFI-AVENTIS (+31%) which used to hold rank two moved down two ranks, allowing NYCOMED and JANSSEN-CILAG, which sales increased 1.8 and 2.1 times respectively, to move upwards.

F. HOFFMANN-LA ROCHE (+58%) maintained its fifth rank. Note that only one pharmaceutical manufacturer TEVA (-30%) showed negative market performance which resulted in the loss of ranks – it moved down from rank 6 to 9. In contrast, the other four drug manufacturers from the top 10 rose in the ranks. Among them there were two new drug manufacturers of the top 10: GLAXOSMITHKLINE (+95%) and ELI LILLY (+11%) which move up to ranks eighth and tenth respectively. The total share accumulated by top 10 manufacturers of OTC-drugs increased by 1.5 p.p. and achieved 61.5%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Drug manufacturer*	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	KHIMPHARM AO	13,9	13,4
2	3	**NYCOMED**	8,8	7,1
3	4	**JANSSEN-CILAG AG**	8,6	6,0
4	2	**SANOFI-AVENTIS**	8,6	9,5
5	5	**F. HOFFMANN-LA ROCHE LTD**	6,3	5,7
6	7	Unidentified manuf.	3,8	4,9
7	9	**BUYER HEALTHCARE**	3,5	3,0
8	12	**GLAXOSMITHKLINE**	3,5	2,6
9	6	**TEVA**	2,4	4,9
10	11	**ELI LILLY**	2,1	2,8
Total			61,5	59,9

*AIPM members are in bold

The leader of the top 10 trade names didn't change either. Despite the moderate growth in purchases and decrease in share in the market, antineoplastic drug Taxotere (+13%) held rank one (table 2). Apart from it, only one trade name of the top 10 also maintained its rank – as before Herceptine (+70%) coming in at number 3. Due to 2.4-fold growth in purchases, Eprex moved up to rank two from seven displacing Curosurf (+27%) and Actovegin (+68%) to ranks 4 and 5. High growth rates allowed two more drugs to rise in the ranks: Clexane (+56%) and Cef III (+68%), coming in at numbers 6 and 10. Despite the lag of growth rates, Cef IV (+39%) moved up one rank whereas yet less dynamic Cefazolin (+24%) Sodium Chloride (+16%) only came in at numbers 8 and 9.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	Taxotere	4,7	6,0
2	7	Eprex	3,2	1,9
3	3	Herceptine	3,1	2,6
4	2	Curosurf	2,4	2,7
5	4	Actovegin	2,4	2,0
6	9	Clexane	1,8	1,7
7	8	Cef IV	1,7	1,8
8	6	Cefazolin	1,7	2,0
9	5	Sodium Chloride	1,6	2,0
10	13	Cef III	1,6	1,4
Total			24,2	24,2

Preparations of unidentified formulation moved up to rank one in the top 10 INN and Generic Names ranking forcing INN Docetaxel (+13%) to move down one rank (table 3). Due to 2.4-fold growth in purchases, the most dynamic INN of the top 10 ranking Epoetin Alfa moved up 6 ranks, coming in at number three. Apart from it, another three INNs which broke into the top 10 ranking showed the ranking progress. They were Aprotinin (+65%) and Enoxaparin Sodium (+56%) and Ceftriaxone (+44%), coming in at numbers 6, 9 and 10 respectively. At the same time, Cefepim (+30%) and Meropenem (+34%) moved down one rank, and Poractant Alfa (+27%) moved down two ranks, coming in at numbers 7, 8 and 5 respectively. The total share of the top 10 INNs increased from 27.5% to 29.3%.

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Name	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	2	Unidentified	6,5	4,8
2	1	Docetaxel	4,7	6,0
3	9	Epoetin Alfa	3,2	1,9
4	4	Trastuzumab	3,1	2,6
5	3	Poractant Alfa	2,4	2,7
6	11	Aprotinin	2,1	1,8
7	5	Cefepim	1,9	2,1
8	6	Meropenem	1,9	2,0
9	13	Enoxaparin Sodium	1,8	1,7
10	12	Ceftriaxone	1,8	1,8
Total			29,3	27,5

The first three groups of the top10 ATC groups held their own in the ranking (table 4). They were L01 Antineoplastic agents (+30%), J01 Antibacterials for systemic use (+41%) and B05 Blood substitutes and perfusion solutions (+16%). Four ATC groups of the top10 showed a ranking progress. Due to 1.8- and 2.4-fold increase in purchases respectively, B02 Antihemorrhagics and B03 Antianemic preparations moved up two ranks, coming in at numbers 4 and 5. Newcomers of the top 10 N06 Psychoanaleptics (2.2-fold increase in purchases) and V08 Contrast media (1.8-fold) moved up to ranks eight and nine. At the same time, less dynamic B01 Antithrombotic agents (+56%), N05 Psycholeptics (+23%) and R07 Other respiratory system products (+45%) moved down two ranks. Total share of the top 10 under consideration increased by 0.7 p.p. and reached 67.7%.

Table 4. The top 10 ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	L01	Antineoplastic agents	18,0	19,9
2	2	J01	Antibacterials for systemic use	16,5	16,8
3	3	B05	Blood substitutes and perfusion solutions	6,1	7,5
4	6	B02	B02 Antihemorrhagics	5,0	3,9
5	7	B03	B03 Antianemic preparations	5,0	2,9
6	4	B01	Antithrombotic agents	4,7	4,4
7	5	N05	Psycholeptics	3,7	4,3
8	13	N06	N06 Psychoanaleptics	3,2	2,1
9	11	V08	Contrast media	2,8	2,3
10	8	R07	Other respiratory system products	2,8	2,8
Total				67,7	67,0

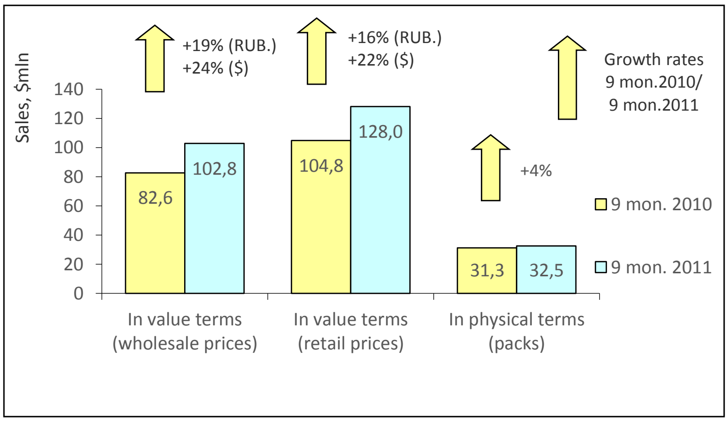
Conclusion. At the end of nine months of 2011, Kazakhstan hospital market grew by 44% in national currency terms and by 45% in dollar terms and brought in USD 199.770 mln (Tenge 29.205 bln). Compared to the growth rates of the first half of the current year, the market performance slightly reduced (+53% in terms of Tenges and +55% in terms of dollars), whereas in physical terms it grew (+13%). In physical terms the market showed pronounced positive growth rates (+21%) and amounted to 62.614 mln packs. Compared to the indicators of the same period a year ago, the average cost of a pack increased (USD 3.19 vs. USD 2.66).

NIZHNY NOVGOROD PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Nizhegorodskaya Oblast was estimated as 3.308 mln, which accounts for 2.3% of the total Russian Federation population and 11.1% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the region was RUB 17,678.9 (USD 599.89) which is 22% lower than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Nizhny Novgorod the sales of over-the-counter drugs in physical terms increased by 4% to 32.494 mln packs over the period of first nine months of 2011. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 19% increase in terms of roubles and 24% increase in terms of dollars and reached RUB 2.960 bln (USD 102.835 mln) in wholesale prices (Fig.1). The region's share in the Russia pharmacy market accounted for 1.1%. The average cost of an OTC pack grew as compared to the same period of the previous year (USD 3.35) and reached USD 3.94 in retail prices. In the first three quarters of 2011, the average amount spent by residents of Nizhny Novgorod on drugs amounted to USD 100.71.

Figure 1. Nizhny Novgorod pharmacy market for 9 months of 2010 – 9 months of 2011



At the end of three quarters of 2011, one newcomer, PFIZER (+31%) broke into the top ten manufacturers ranking, coming in at the bottom line (table 4). BAYER (+20%), TEVA (+19%) and ABBOTT (+27%) moved up one rank, coming in at numbers 6 through 8 respectively. The less dynamic MENARINI (+10%) moved down from rank 6 to 9. The top 5 pharmaceutical manufacturers hold their own in the ranking. They were SANOFI-AVENTIS (+20%), SERVIER (+10%), NYCOMED (+14%), PHARMSTANDART (+11%) and SANDOZ (+18%). The total share of the top 10 manufacturers reduced from 38.6% to 38.3%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	6,8	6,7
2	2	**SERVIER**	4,3	4,6
3	3	**NYCOMED**	4,1	4,3
4	4	PHARMSTANDART	3,8	4,1
5	5	**SANDOZ GROUP**	3,7	3,7
6	7	**BAYER HEALTHCARE**	3,3	3,2
7	8	**TEVA**	3,2	3,2
8	9	**ABBOTT**	3,2	3,0
9	6	**MENARINI**	3,2	3,4
10	11	**PFIZER**	2,7	2,5
Total			38,3	38,6

*AIPM members are in bold

The leader of the top 10 trade names ranking didn't change either – Antiviral drug ARBIDOL held its first rank despite the reduction in sales by 5% (table 2). A drug to treat impotence VIAGRA (+7%) and beta-adrenoceptor agonist SYMBICORT TURBUHAL (+12%) placed at numbers 5 and 6 respectively managed to hold their own in the ranking. Note that only one trade name from the remaining ones – ACTOVEGIN (-3%) moved down to the lower rank, whereas the other six, in contrast, rose in the ranks. CONCOR (+12%), ESSENTIALE N (+15%), KETONAL (+16%) and LINEX (+8%) moved up one rank. The newcomers of the top 10 showed more pronounced ranking progress. DETRALEX (+15%) moved up from rank 11 to 8, a DUPHASTON (+44%) – from 22 to 10.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,2	1,5
2	3	CONCOR	1,0	1,1
3	4	ESSENTIALE N	1,0	1,0
4	2	ACTOVEGIN	0,9	1,2
5	5	VIAGRA	0,8	0,9
6	6	SYMBICORT TURBUHAL	0,7	0,7
7	8	KETONAL	0,6	0,6
8	11	DETRALEX	0,6	0,6
9	10	LINEX	0,5	0,6
10	22	DUPHASTON	0,5	0,4
Total			7,8	8,6

Two newcomers broke into the top 10 INN and generic names ranking (table 3). They were AMBROXOL (+60%) and combination BUDESONIDE + FORMOTEROL (+16%), coming in at two bottom ranks of the top 10. PANCREATIN (+23%), PHOSPHOLIPIDS (+17%) and XYLOMETAZOLINE (+40%) also moved up to the higher ranks, coming in at numbers 3, 4 and 7 respectively. At the same time, BLOOD (-2%) moved down two ranks, to number 5. Apart from that, four INNs of the top 10 managed to hold their own in the ranking. Among them there were the leaders of the ranking BISOPROLOL (+13%) and ARBIDOL (-5%). A total share of the top 10 INNs and Generic Names Ranking, as well as one of the previous rankings reduced and accounted for 10.1%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	BISOPROLOL	1,5	1,5
2	2	ARBIDOL	1,2	1,5
3	4	PANCREATIN	1,1	1,1
4	5	PHOSPHOLIPIDS	1,0	1,1
5	3	BLOOD	1,0	1,2
6	6	KETOPROFEN	1,0	1,0
7	10	XYLOMETAZOLINE	0,9	0,8
8	8	SILDENAFIL	0,8	0,9
9	26	AMBROXOL	0,7	0,6
10	11	BUDESONIDE + FORMOTEROL	0,7	0,7
Total			10,1	10,4

The leader of the top 10 ATC groups didn't change either - C09 Drugs affecting the rennin-angiotenzin system (+17%) remained the leader of the above ranking (table 4). The groups A11 Vitamins (+23%) and G03 Sex hormones (+25%) placed at numbers six and eight held their own in the top 10 ranking. Three groups (A10, N02 and N06) moved down to the lower ranks, whereas the other four, in contrast, rose in the ranks. J01 Antibacterials for systemic use (+10%) and R01 Nasal preparations (+25%) moved up one rank, and M01 Anti-inflammatory and antirheumatic products (+26%) move up two ranks. R05 Cough and cold preparations (+54%) broke into the top 10 ranking, coming in at number 7 from 16. The total share of the top 10 ATC groups increased from 35.3% to 35.5%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	C09	AG ACT RENIN-ANGIOTENS SYST	4,6	4,7
2	3	J01	ANTIBACTERIALS FOR SYST USE	4,0	4,3
3	5	M01	ANTIINFLAM & ANTIRHEUM PROD	4,0	3,8
4	2	A10	DRUGS USED IN DIABETES	3,9	4,7
5	4	N02	ANALGESICS	3,8	3,9
6	6	A11	VITAMINS	3,2	3,1
7	16	R05	COUGH AND COLD PREPARATIONS	3,2	2,5
8	8	G03	SEX HORM&MODULAT GENITAL SYS	3,0	2,9
9	10	R01	NASAL PREPARATIONS	2,9	2,8
10	9	N06	PSYCHOANALEPTICS	2,8	2,8
Total				35,5	35,3

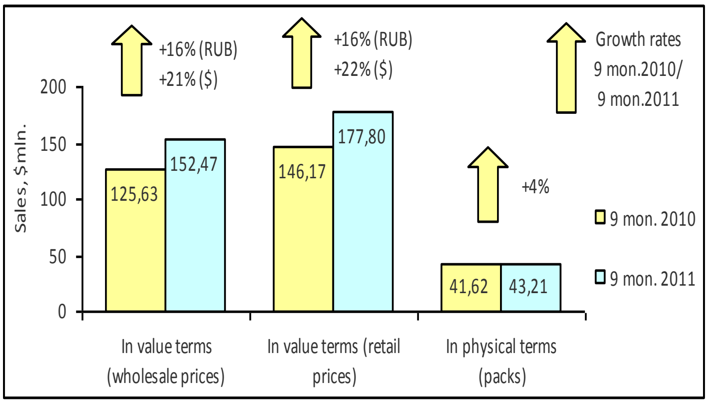
Conclusion. On the basis of the results of three quarters of 2011, the retail OTC drugs market of Nizhny Novgorod brought in RUB 3.684 bln (USD 128.008 mln). The market saw a 16% increase in terms of roubles and 22% in terms of dollars. The city market in physical terms also showed positive sales growth rates (+4%) and reached 32.494 mln packs. The average cost of a pack at the end of nine months was markedly more than during the same period a year ago (USD 3.94 vs. USD 3.35). Both the average cost of an OTC pack and the average sum spent by residents of the city for the purchase of OTC exceeded the Russia average ones (cost of OTC drug – USD 3.48 and average expenses – USD 81.18).

SAMARA PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Samarskaya Oblast was estimated as 3.215 mln, which accounts for 2.2% of the total Russian Federation population and 10.8% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the region was RUB 17,916.7 (USD 607.96) which is 21% lower than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first nine months of 2011 the Samara pharmacy market volume increased in physical terms by 4% and amounted to 43.214 million packs (Fig. 1) In wholesale prices the market also showed the positive performance - 16% in terms of roubles and 21% in terms of dollars and reached 4.401 billion roubles (USD 152.470 million). The region share in the total volume of all-Russia pharmacy market accounted for 1.4%. The average cost of OTC pack following the results of the analyzed period was USD 4.11 (during the same period of 2010 - USD 3.51). In the first nine months of 2011, per capita expenses of Samara residents for purchase of medicines in pharmacies amounted to USD 156.83.

Figure 1. Samara pharmacy market for 9 months of 2010 – 9 months of 2011



At the three quarter-end of 2011, three drug manufacturers of the top ten held their own in the ranking (table 1). They are the ranking leaders SANOFI-AVENTIS (+5%) and PHARMSTANDART (+1%), as well as NOVARTIS (+20%) placed at number 8. Four drug manufacturers succeeded in improving their ranks. BAYER (+21%) moved up from rank 5 to 3 and TEVA (+32%) and SANDOZ GROUP (+36%) moved up from ranks 9 and 10 to 6 and 7. Its only newcomer PFIZER (+49%) took up the bottom rank in the top 10 ranking. Due to reduction in sales, SERVIER (-1%) and ABBOTT (-6%) moved down one rank to numbers 4 and 5, respectively. One more drug manufacturer NYCOMED (+6%) moved down to the lower rank 9.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	6,1	6,7
2	2	PHARMSTANDART	4,6	5,2
3	5	**BAYER HEALTHCARE**	4,3	4,2
4	3	**SERVIER**	4,3	5,0
5	4	**ABBOTT**	3,7	4,6
6	9	**TEVA**	3,7	3,2
7	10	**SANDOZ GROUP**	3,5	3,0
8	8	**NOVARTIS**	3,5	3,4
9	7	**NYCOMED**	3,2	3,5
10	13	**PFIZER**	3,1	2,4
Total			39,9	41,0

*AIPM members are in bold

Two newcomers broke into the top ten trade names ranking (table 2). They were a mucolytic LASOLVAN which sales grew 2 times, and intestinal eubiotic HYLAK FORTE (+12%), coming in at numbers 7 and 10. ARBIDOL (-19%) and ESSENTIALE N (-7%) remained the leaders of the top 10 ranking despite the reduction in sales. OCILLOCOCCINUM (+22%) also managed to hold its own in the ranking. Note that apart from the leaders, another three OTC drugs showed the negative growth rates - TROPICAMID (-7%), ACTOVEGIN (-11%) and HEPTRAL (-13%) that moved down to numbers 5, 8 and 9 respectively. In contrast, VIAGRA (+54%) and LINEX (+22%) showed the pronounced positive growth rates and ranking progress, moving up to numbers 3 and 6.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,5	2,2
2	2	ESSENTIALE N	1,3	1,6
3	7	VIAGRA	1,2	0,9
4	4	OCILLOCOCCINUM	1,1	1,0
5	3	TROPICAMID	0,8	1,0
6	9	LINEX	0,8	0,8
7	25	LASOLVAN	0,8	0,5
8	5	ACTOVEGIN	0,7	0,9
9	6	HEPTRAL	0,7	0,9
10	13	HYLAK FORTE	0,7	0,7
Total			9,6	10,6

Only three INNs of the top 10 INN and Generic Names Ranking showed the ranking progress (table 3). They were XYLOMETAZOLINE (+35%), SILDENAFIL (+54%) and a newcomer of the top 10 AMBROXOL (+87%), coming in at numbers 3, 4 and 7 respectively. Another two INNs – combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+25%) and INN ANAS BARBARIAE (+22%) showed the positive growth rates, though moved down one rank, to numbers 6 and 8, respectively. The remaining INNs showed negative growth rates in sales, including the leaders of the top-10 - ARBIDOL (-19%) and PHOSPHOLIPIDS (-3%). Note that the total share of the top ten ATC groups in the analyzed ranking as well as one in the previous ranking considerably reduced – in this case from 12,2% to 11.4%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,5	2,2
2	2	PHOSPHOLIPIDS	1,4	1,6
3	4	XYLOMETAZOLINE	1,2	1,1
4	10	SILDENAFIL	1,2	0,9
5	3	PANCREATIN	1,2	1,6
6	5	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,1	1,0
7	20	AMBROXOL	1,1	0,7
8	7	ANAS BARBARIAE	1,1	1,0
9	6	TROPICAMIDE	0,8	1,0
10	8	BLOOD	0,8	1,0
Total			11,4	12,1

Two newcomers broke into the top ten ATC Group ranking (table 4). R05 Cough and cold preparations (+78%) moved up from rank 11 to 2 and G04 Urologicals (+31%) – from rank 14 to 10. Apart from them, only one group moved up to the higher rank – R01 Nasal preparations (+29%) – coming in at number 6. Two ATC groups of the top 10: its leader N02 Analgesics (+12%) and J01 Antibacterials for systemic use (+25%) at number 3 managed to hold their own in the ranking. The other five groups (M01, unidentified pharmaceutical groups, G03, A07 and A11) moved down to the lower ranks. The total share of top ten ATC groups increased by 2.3 p.p. and achieved 38.9%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	N02	ANALGESICS	5,1	5,3
2	11	R05	COUGH AND COLD PREPARATIONS	4,6	3,0
3	3	J01	ANTIBACTERIALS FOR SYST USE	4,1	3,9
4	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4,1	4,1
5	4		UNIDENTIFIED	3,9	3,8
6	7	R01	NASAL PREPARATIONS	3,8	3,5
7	6	G03	SEX HORM&MODULAT GENITAL SYS	3,4	3,6
8	5	A07	INTESTINAL ANTIINFECTIVES	3,4	3,7
9	8	A11	VITAMINS	3,3	3,2
10	14	G04	UROLOGICALS	3,0	2,7
Total				38,9	36,6

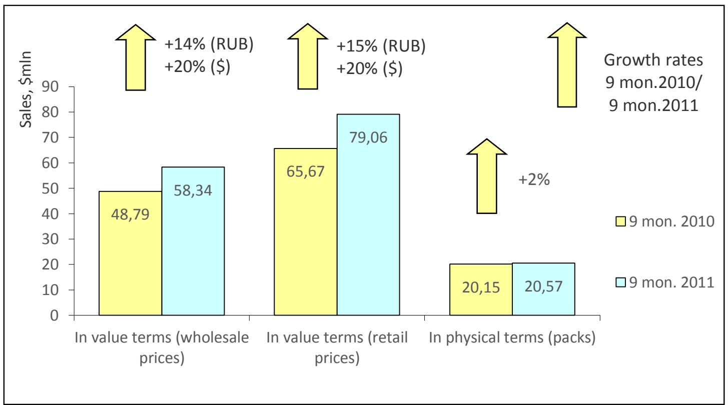
Conclusion. On the basis of the results of nine months of 2011, Samara pharmacy market amounted to RUB 5.132 bln (USD 177.802 mln.) in final consumer prices, which is by 16% in terms of roubles and 22% in terms of dollars more than during the same period a year ago. The city market in physical terms also showed positive sales growth rates (+4%) and reached 43.214 mln packs. The average cost of a OTC pack (USD 4.11) increased as compared to the same period a year ago and was higher than an average cost in Russia (USD 3.48). Expenses of residents for purchase of medicines in the city pharmacies also proved to be higher than the average expenses in Russia (USD 156.83 vs. USD 81.18).

TOLYATTI PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Samarskaya Oblast was estimated as 3.215 mln, which accounts for 2.2% of the total Russian Federation population and 10.8% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the region was RUB 17,916.7 (USD 607.96) which is 21% lower than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of Over-the-Counter (OTC) drugs in Russian Federation™, in the first nine months of 2011 the Tolyatti pharmacy market saw an 2% increase in physical terms to 20.568 mln packs. In value terms the hospital purchases increased by 14% in terms of roubles and by 20% in terms of dollars and reached RUB 1.680 bln (USD 58.335 mln) in wholesale prices. The average cost of an OTC drug in the city pharmacies increased as compared to a year earlier and amounted to USD 3.84 (in 2010 - USD 3.26). The regional market share in value terms accounted for 0.7% of the Russian pharmacy market. The average sum spent by residents for purchase of medicines amounted to USD 109.54.

Figure 1. Tolyatti pharmacy market for 9 months of 2010 – 9 months of 2011



Based on the result of nine months 2011, in Tolyatti SANOFI-AVENTIS (+15%) remained the leader of the ten top manufacturers ranking (table 1). Russian drug manufacturer PHARMSTANDART (+18%) moved up to rank two by displacing the less dynamic NYCOMED (+13%). The markets of BAYER (+20%), PFIZER (+37%), SANDOZ (+45%) and NOVARTIS (+34%) developed at yet higher pace which allowed the companies to markedly rose in the ranks, coming in at numbers 4, 6, 9 and 10 respectively. Drug manufacturers SERVIER (+10%), ABBOTT and MENARINI (+4% each) maintained their numbers 5, 7 and 8, respectively. The total share of the top 10 manufacturers increased and reached 39.6%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	6,6	6,6
2	3	PHARMSTANDART	4,7	4,5
3	2	**NYCOMED**	4,6	4,6
4	6	**BAYER HEALTHCARE**	4,1	3,9
5	5	**SERVIER**	4,0	4,1
6	9	**PFIZER**	3,5	2,9
7	7	**ABBOTT**	3,3	3,6
8	8	**MENARINI**	3,1	3,4
9	14	**SANDOZ GROUP**	2,9	2,3
10	12	**NOVARTIS**	2,8	2,4
Total			39,6	38,3

*AIPM members are in bold

Antiviral drug ARBIDOL (+11%) topped the Top-10 INN and Generic Names, whereas the past year leader TETRALGIN reduced its sales by 68% and moved down to rank two (table 2). VIAGRA (+23%) which displaced ESSENTIALE N (-4%), CONCOR (+5%) and ACTOVEGIN (-3%) down one rank, moved up to number three from six. The newcomers TROPICAMID (+73%) and LASOLVAN (+79%) broke into the top 10 ranking, coming in at numbers seven and eight. At the same time, OCILLOCOCCINUM (+9%) move down two ranks. The only trade name of the top 10 which held its own in the ranking was LINEX (+26%) placed at number 10. The total share of the top ten reduced by 3 p.p. and accounted for 10.4%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	2	ARBIDOL	1,5	1,5
2	1	TETRALGIN	1,2	4,4
3	6	VIAGRA	1,2	1,1
4	3	ESSENTIALE N	1,2	1,4
5	4	CONCOR	1,1	1,2
6	5	ACTOVEGIN	1,0	1,2
7	11	TROPICAMID	0,9	0,6
8	17	LASOLVAN	0,8	0,5
9	7	OCILLOCOCCINUM	0,7	0,7
10	10	LINEX	0,7	0,6
Total			10,4	13,4

The top 10 INN and generic names ranking leader also changed (table 3). BISOPROLOL (+11%) moved up from rank three to one. As before, ARBIDOL (+11%) maintained rank two and PHOSPHOLIPIDS (+0.1%) moved up to rank three. Combination METAMIZOLE SODIUM + CAFFEINE + PHENOBARBITAL (-68%) that topped the top 10 ranking before significantly reduced its sales and moved down to rank four. Apart from the above mentioned, an other two INNs with moderate and negative growth rates moved down to the lower ranks: BLOOD (-3%) and PANCREATIN (+7%) placed at numbers 8 and 9 respectively. In contrast, the other INNs of the top 10 rose in the ranks. Among them there were the newcomers that broke into the top 10 ranking AMBROXOL (+80%) and TROPICAMIDE (+73%), coming in at numbers 6 and 10 respectively. SILDENAFIL (+23%) and XYLOMETAZOLINE (+44%) moved up one rank to numbers 5 and 7.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	3	BISOPROLOL	1,5	1,5
2	2	ARBIDOL	1,5	1,5
3	4	PHOSPHOLIPIDS	1,3	1,5
4	1	METAMIZOLE SODIUM + CAFFEINE + PHENOBARBITAL	1,2	4,4
5	6	SILDENAFIL	1,2	1,1
6	12	AMBROXOL	1,2	0,8
7	8	XYLOMETAZOLINE	1,2	0,9
8	5	BLOOD	1,1	1,3
9	7	PANCREATIN	1,0	1,1
10	19	TROPICAMIDE	0,9	0,6
Total			12,2	14,8

N02 Analgesics (-27%) continued to remain the best selling ATC group in the regional OTC drugs market, though its sales and market share has reduced by one third in the analyzed period (table 4). The most dynamic group R05 Cough and cold preparations (+72%) moved up to rank two, whereas preparations from unidentified pharmaceutical groups which were placed at that number earlier moved down to rank 4. J01 Antibacterials for systemic use (+25%), M01 Anti-inflammatory and antirheumatic products (+22%) and A07 Intestinal antiinfectives (+16%) retained ranks three, five and ten. G03 Sex hormones (+8%), C09 Agents acting on the rennin-angiotensin system (+14%) and R01 Nasal preparations (+10%) lagging in growth resulted in the loss of their ranks. At the same time, A11 Vitamins (+33%) that increased sales by one third moved up one rank, coming in at number 8. The cumulative share of the top 10 under review decreased 1 p.p. to 40.2%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	N02	ANALGESICS	5,8	9,0
2	8	R05	COUGH AND COLD PREPARATIONS	4,6	3,0
3	3	J01	ANTIBACTERIALS FOR SYST USE	4,4	4,0
4	2		UNIDENTIFIED	4,2	4,5
5	5	M01	ANTIINFLAM & ANTIRHEUM PROD	4,0	3,7
6	4	G03	SEX HORM&MODULAT GENITAL SYS	3,8	4,0
7	6	C09	AG ACT RENIN-ANGIOTENS SYST	3,5	3,5
8	9	R01	NASAL PREPARATIONS	3,5	3,0
9	7	A11	VITAMINS	3,4	3,5
10	10	A07	INTESTINAL ANTIINFECTIVES	3,0	3,0
Total				40,2	41,2

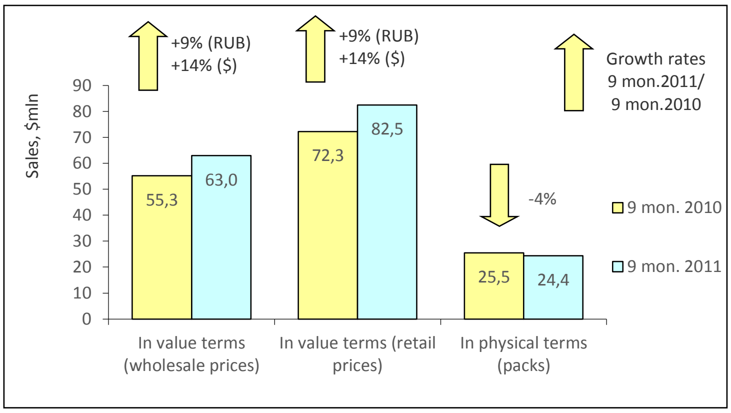
Conclusion. On the basis of the results of nine months of 2011, the Tolyatti pharmacy market performance (in value terms) proved to be pronounced and positive (+15% in terms of roubles and +20% in terms of dollars). At the same time, the market volume amounted to RUB 2.228 bln (USD 79.063 mln). In physical terms, the market performance increased by 2% to 20.568 mln packs. The average cost of OTC pack in pharmacies of the city increased as compared to a year earlier (USD 3.84 vs. USD 3.26) and remained notably higher than that on the average in Russia (USD 3.48). The medicine expenses of Tolyatti residents also exceeded the average expenses throughout Russia (USD 109.54 vs. USD 81.18).

SARATOV PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Saratovskaya Oblast was estimated as 2.519 mln, which accounts for 1.8% of the total Russian Federation population and 8.4% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the Saratovskaya Oblast was RUB 15,568 (USD 528.27) which is 31% lower than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in the first three quarters of 2011 the volume of Saratov market in physical terms reduced by 4% to 24.362 million packs. In value terms, the market increased by 9% in rouble terms and 14% in dollar terms and brought in 1.813 billion roubles (62.958 million dollars) in wholesale prices (exclusive of Beneficiary Drug Coverage). The city share in the total volume of Russian pharmacy market accounted for 0.7%. The average cost of an OTC pack was USD 3.39 (during the same period in 2010 - USD 2.84). Per capita expenses for the purchase of OTC drugs in the region amounted to USD 99.73.

Figure 1. Saratov pharmacy market for 9 months of 2010 – -9 months of 2011



Based on the result of nine months 2011, in Saratov the three top companies of the top ten manufacturers held their own in the ranking (table 1). SANOFI-AVENTIS (+8%), PHARMSTANDART (+7%) and SERVIER (+3%) maintained their ranks, though reduced their market shares due to lagging in growth. The markets of the other four drug manufacturers also developed at moderate pace. At the same time, BAYER (+6%) moved up one rank, whereas ABBOTT (+3%), NYCOMED and STADA (+5% each), in contrast, moved down one rank. MENARINI (-0.3%) that showed moderate reduction in sales moved down to the lower rank. In contrast, SANDOZ (+20%) and GEDEON RICHTER (+10%) rose in the ranks, coming in at numbers 6 and 10 respectively. The cumulative share of the top ten manufacturers slightly reduced and accounted for 38.6%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	5,9	6,0
2	2	PHARMSTANDART	5,4	5,5
3	3	**SERVIER**	4,1	4,3
4	5	**BAYER HEALTHCARE**	3,7	3,8
5	4	**MENARINI**	3,6	4,0
6	9	**SANDOZ GROUP**	3,4	3,1
7	6	**ABBOTT**	3,4	3,6
8	7	**NYCOMED**	3,3	3,4
9	8	**STADA**	3,1	3,2
10	11	**GEDEON RICHTER**	2,6	2,6
Total			38,6	39,4

*AIPM members are in bold

The leaders of the top 10 trade names didn't change either, antiviral ARBIDOL (-4%) and hepatoprotector ESSENTIALE N (-3%) as before held top ranks in the ranking despite the reduction in sales (table 2). Another three trade names showed the negative growth rates. They were ACTOVEGIN (-9%), OCILLOCOCCINUM (-20%) and CONCOR (-1%) that moved down to lower ranks 4, 5 and 9. The other trade names showed the positive growth rates. The markets of VIAGRA (+35%) and HEPTRAL (+19%) developed at highest pace and moved up to ranks three and seven. Note that the latter broke into the ranks of the top 10 for first time. MOVALIS (+8%) became a second newcomer of the top 10 ranking having moved up from rank 12 to 10. MEXIDOL (+11%) held rank 6, and PYRALGIN (+2%) moved up one rank, to number 8. The total share of the top-10 preparations reduced from 8.9% to 8.3%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,2	1,4
2	2	ESSENTIALE N	1,2	1,3
3	5	VIAGRA	0,9	0,7
4	3	ACTOVEGIN	0,9	1,1
5	4	OCILLOCOCCINUM	0,8	1,1
6	6	MEXIDOL	0,8	0,7
7	11	HEPTRAL	0,7	0,6
8	9	PYRALGIN	0,6	0,7
9	7	CONCOR	0,6	0,7
10	12	MOVALIS	0,6	0,6
Total			8,3	8,9

Two newcomers broke into the top 10 INN and Generic names ranking (table 3): SILDENAFIL (+35%) and AMBROXOL (+43%), coming in at numbers six and nine. BISOPROLOL (+8%) and AZITHROMYCIN (+19%) moved up to higher ranks 4 and 8. At the same time, INN BLOOD (-8%) moved down one rank. The other five INNs of the top ten held their own in the ranking. Among them there were the leaders of the top ten PANCREATIN (+3%), PHOSPHOLIPIDS (+2%) and ARBIDOL (-4%). The total share of the top ten INNs didn't change and accounted for 10.3%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	PANCREATIN	1,4	1,5
2	2	PHOSPHOLIPIDS	1,3	1,4
3	3	ARBIDOL	1,2	1,4
4	6	BISOPROLOL	1,0	1,0
5	4	BLOOD	1,0	1,2
6	11	SILDENAFIL	0,9	0,7
7	7	NIMESULIDE	0,9	0,9
8	9	AZITHROMYCIN	0,9	0,8
9	18	AMBROXOL	0,9	0,7
10	10	EMOXIPIN	0,8	0,8
Total			10,3	10,3

The top three groups and ranks of leading ATC groups didn't change either: N02 Analgesics (-2%), J01 Antibacterials for systemic use (+11%) and M01 Anti-inflammatory and antirheumatic products (+8%) (Table 4). The groups C09 Agents acting on the rennin-angiotensin system (+6%), A11 Vitamins (+3%) and N06 Psychoanaleptics (+8%) placed at numbers 5, 8 and 9 respectively also held their own in the ranking. Two ATC groups of the top 10 ranking moved up to the higher positions: R05 Cough and cold preparations (+38%) moved up from rank 7 to 4 and G04 Urologicals (+25%) – from rank 15 to 10. At the same time, the less dynamic G03 Sex hormones (+2%) moved down one rank, coming in at number 7. The cumulative share of the top ten groups reduced to 38.4%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	N02	ANALGESICS	5,5	6,2
2	2	J01	ANTIBACTERIALS FOR SYST USE	4,8	4,7
3	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,7	4,7
4	7	R05	COUGH AND COLD PREPARATIONS	4,3	3,4
5	5	C09	C09 AG ACT RENIN-ANGIOTENS SYST	3,5	3,6
6	4		UNIDENTIFIED	3,5	4,1
7	6	G03	SEX HORM&MODULAT GENITAL SYS	3,2	3,4
8	8	A11	VITAMINS	3,1	3,3
9	9	N06	PSYCHOANALEPTICS	3,0	3,0
10	15	G04	UROLOGICALS	2,8	2,4
Total				38,4	38,7

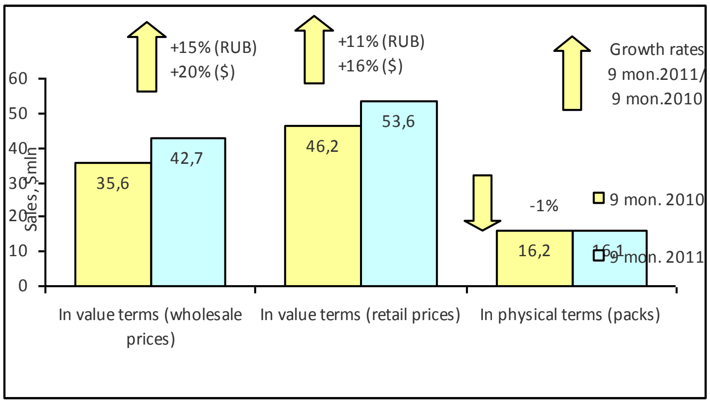
Conclusion. On the basis of the results of three quarters of 2011, the retail pharmacy market of Saratov brought in RUB 2.376 bln (USD 82.498 mln.) in final consumer prices. The market performance was profoundly positive both in rouble terms (+9%) and in dollar terms (+14%). However, the market declined in physical terms 4% to 24.362 million packs. The average cost of a pack was USD 3.39 which was a little bit lower than the average value in Russia (USD 3.48) But the average sum spent by residents of the region for purchase of OTC (USD 99.73) was higher than the average sum throughout Russia (USD 81.18).

ULYANOVSK PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Ulyanovskaya Oblast was estimated as 1.290 mln, which accounts for 0.9% of the total Russian Federation population and 4.3% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the region was RUB 14,603.7 (USD 495.54), which is 35% less than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in the first three quarters of 2011 the volume of Ulyanovsk market in physical terms reduced by 1% to 16.061 million packs. In value terms, the market increased by 15% in rouble terms and 20% in dollar terms and brought in 1.233 billion roubles (42.736 million dollars) in wholesale prices (exclusive of Beneficiary Drug Coverage). The city share in the total volume of Russian pharmacy market accounted for 0.5%. The average cost of an OTC pack was USD 3.34 (during the same period in 2010 - USD 2.85). Per capita expenses for the purchase of OTC drugs in the region amounted to USD 88.92.

Figure 1. Ulyanovsk pharmacy market for 9 months of 2010 – 9 months of 2011



On the basis of the results for three quarters period of 2011, most of the companies of the top ten manufacturers in the pharmacy market of Ulyanovsk held their own in the ranking including the top 3 companies (table 1). They were SANOFI-AVENTIS (+14%), PHARMSTANDART (+15%) and NYCOMED (+11%). The other drug manufacturers, except for ABBOTT (-4%), rose in the ranks. SERVIER (+10%) moved up from rank 6 to 4, and newcomers TEVA (+35%) and SANDOZ (+42%) broke into the top 10 manufacturers ranking, coming in at numbers 9 and 10. The total share of the top 10 manufacturers has reduced from 40.1% to 39.7%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	5,8	5,9
2	2	PHARMSTANDART	5,5	5,5
3	3	**NYCOMED**	4,3	4,4
4	6	**SERVIER**	3,8	4,0
5	5	**GEDEON RICHTER**	3,6	4,0
6	4	**ABBOTT**	3,5	4,2
7	7	**MENARINI**	3,5	3,9
8	8	**BAYER HEALTHCARE**	3,3	3,1
9	11	**TEVA**	3,2	2,7
10	12	**SANDOZ GROUP**	3,1	2,5
Total			39,7	40,1

*AIPM members are in bold

Despite the reduction in sales, antiviral ARBIDOL (-1%) became the leader of the top ten trade names ranking. NUROFEN PLUS (-5%) that had topped the top ten before showed more pronounced negative growth rates and moved down to rank two (table 2). A drug to treat erectile dysfunction VIAGRA (+28%) moved up to rank 3 from 5, whereas preparations ESSENTIALEN (-4%) and ACTOVEGIN (-16%) moved down one rank, to numbers 4 and 5 respectively. The newcomers that broke into the top ten trade names came in at the bottom numbers of the ranking. They were OCILLOCOCCINUM (+75%), LASOLVAN (+76%), LINEX and NISE (+17% each), as well as CARDIOMAGNYL (+49%).

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	2	ARBIDOL	1,6	1,9
2	1	NUROFEN PLUS	1,6	1,9
3	5	VIAGRA	1,2	1,1
4	3	ESSENTIALE N	1,1	1,4
5	4	ACTOVEGIN	1,0	1,3
6	19	OCILLOCOCCINUM	0,8	0,5
7	22	LASOLVAN	0,8	0,5
8	11	LINEX	0,7	0,7
9	13	NISE	0,7	0,7
10	21	CARDIOMAGNYL	0,7	0,5
Total			10,2	10,6

Despite the considerable update of the preceding top ten, only one newcomer broke into the top-ten INN and generic names rating (table 3). It was AMBROXOL (+70%) that moved up from rank 14 to 5. Apart from the newcomer, the other three INNs moved up to yet higher numbers. ARBIDOL (-1%) moved up from rank 2 to 1, SILDENAFIL (+27%) moved up from rank 7 to 4 and XYLOMETAZOLINE (+40%) moved up from rank 10 to 6. Only INN PHOSPHOLIPIDS (+0.4%) held its own in the ranking, whereas the other INNs moved down to the lower ranks. IBUPROFEN + CODEINE (-5%), BISOPROLOL (+11%) and NIMESULIDE (+12%) moved down one rank, and PANCREATIN (+0,1%) and BLOOD (-14%) moved down from ranks 5 and 4 to ranks 8 and 9, respectively. The total share of the top 10 INNs decreased from 12.9% to 12.3%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	2	ARBIDOL	1,6	1,9
2	1	IBUPROFEN + CODEINE	1,6	1,9
3	3	PHOSPHOLIPIDS	1,2	1,4
4	7	SILDENAFIL	1,2	1,1
5	14	AMBROXOL	1,2	0,8
6	10	XYLOMETAZOLINE	1,2	1,0
7	6	BISOPROLOL	1,1	1,2
8	5	PANCREATIN	1,1	1,3
9	4	BLOOD	1,0	1,4
10	9	NIMESULIDE	1,0	1,0
Total			12,3	12,9

N02 Analgesics (-0.4%) remained the best-selling over-the-counter ATC group in the regional OTC drugs market (Table 4). The most dynamic group of the ranking R05 Cough and cold preparations (+67%) moved up to rank two. It displaced M01 Anti-inflammatory and antirheumatic products (+13%), J01 Antibacterials for systemic use (+19%) and C09 Agents acting on the rennin-angiotensin system (+7%) down one rank to numbers 3 through 5. The groups R01 Nasal preparations (+35%), A07 Intestinal antiinfectives (+21%) and G04 Urologicals (+20%) also showed high growth rates in sales, coming in at numbers 7, 9 and 10 respectively. Less dynamic group A11 Vitamins (+15%) lost one rank and moved down to number 8. In contrast to the above rankings, the total share of the top 10 pharmaceutical groups expanded and accounted for 40.3%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	N02	ANALGESICS	6,5	7,4
2	5	R05	COUGH AND COLD PREPARATIONS	5,2	3,6
3	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4,9	5,0
4	3	J01	ANTIBACTERIALS FOR SYST USE	4,1	4,0
5	4	C09	AG ACT RENIN-ANGIOTENS SYST	3,5	3,7
6	6		UNIDENTIFIED	3,4	3,3
7	11	R01	NASAL PREPARATIONS	3,4	2,9
8	7	A11	VITAMINS	3,2	3,2
9	10	A07	INTESTINAL ANTIINFECTIVES	3,1	2,9
10	12	G04	UROLOGICALS	3,0	2,9
Total				40,3	39,0

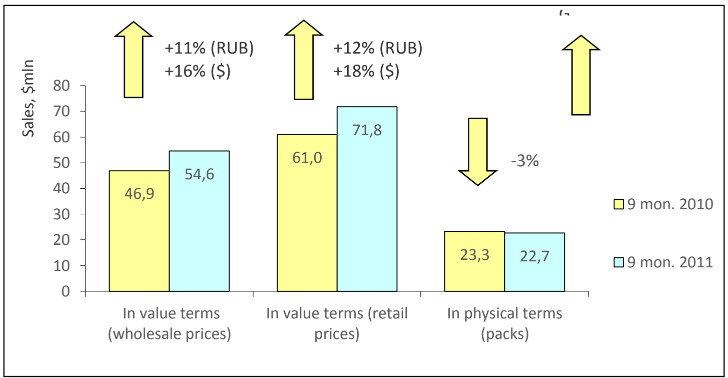
Conclusion. On the basis of the results of three quarters 2011, the pharmacy market of Ulyanovsk brought in RUB 1.547 bln (USD 53.597 mln) in final consumer prices. The market performance was profoundly positive both in rouble terms (+11%) and in dollar terms (+16%). But in pack terms the market reduced by 1% and amounted to 16.061 mln packs. The average cost of an OTC pack in the region (USD 3.34) was lower than the average cost of it throughout Russia (USD 3.48). The average sum spent by residents of the region for purchase of OTC drugs (USD 88.92) was slightly higher than the average sum throughout Russia (USD 81.18).

LIPETSK PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Lipetskaya Oblast was estimated as 1.171 mln, which accounts for 0.8% of the total Russian Federation population and 3.0% of Central FO (CFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the region was RUB 16,452.2 (USD 558.27) which is 27% lower than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in three quarters of 2011 the Lipetsk pharmacy market volume in physical terms increased by 3% to 22.686 million packs (Fig. 1) In wholesale prices the market showed the positive performance: +11% in terms of roubles and +16% in terms of dollars and reached 1.574 billion roubles (USD 54.589 million). The city share in the total volume of all-Russia pharmacy market accounts for 0.6%. The average cost of OTC pack in the city pharmacies of Lipetsk in the analyzed period was USD 3.16 (during the same period in 2010 - USD 2.62). The average sum spent by residents of the city for purchase of medicines amounted to USD 143.01

Figure 1. Lipetsk pharmacy market for 9 months of 2010 – 9 months of 2011



On the basis of the results for nine months of 2011, Russian PHARMSTANDART (-6%) remained the leading drug manufacturer of the pharmacy market of Lipetsk despite reduction in sales (Table 1). Placed at rank 2 before MENARINI (+1%) showed moderate growth in sales, this allowed the more dynamic SANOFI-AVENTIS (+16%) to move upward, coming in at number two. SERVIER (+8%), BAYER (+17%), GEDEON RICHTER (+12%) and ABBOTT (+11%) maintained ranks 4 through 6 and 9. In contrast, the other three trade names of the top 10 ranking showed high positive growth rates. NYCOMED (+13%) moved up one rank to number 7, the newcomers NOVARTIS (+27%) and SANDOZ (+28%) broke into the top ten drug manufacturers ranking, coming in at numbers 8 and 10. The total share of the top 10 has increased and amounted to 38.2%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	PHARMSTANDART	5,3	6,3
2	3	**SANOFI-AVENTIS**	5,2	4,9
3	2	**MENARINI**	4,7	5,1
4	4	**SERVIER**	4,6	4,7
5	5	**BAYER HEALTHCARE**	3,9	3,7
6	6	**GEDEON RICHTER**	3,7	3,6
7	8	**NYCOMED**	3,2	3,1
8	11	**NOVARTIS**	2,6	2,3
9	9	**ABBOTT**	2,6	2,6
10	13	**SANDOZ GROUP**	2,5	2,1
Total			38,2	38,5

*AIPM members are in bold

Two newcomers also broke into the top ten pharmaceutical products ranking (table 2). Due to 2.6-fold growth in sales, TROPICAMID moved up from rank 13 to one, whereas not so dynamic CHONDROLON (+12%) moved up from number 12 to 9. DETRALEX (+16%) also moved up to the higher rank 8. OTC drugs ARBIDOL (-18%) and ALFLUTOP (+31%) held their own in the ranking. At the same time, the other five trade names of the top 10 moved down to the lower ranks. They were SEDALM (-36%), ACTOVEGIN (+6%), ESSENTIALEN (-5%), MEXIDOL (+11%) and MEZYMFORTE (-4%), coming in at numbers 3 through 5, as well as numbers seven and ten.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	13	TROPICAMID	1,6	0,7
2	2	ARBIDOL	1,4	2,0
3	1	SEDAL M	1,4	2,4
4	3	ACTOVEGIN	1,3	1,3
5	4	ESSENTIALE N	1,1	1,2
6	6	ALFLUTOP	1,0	0,8
7	5	MEXIDOL	1,0	1,0
8	10	DETRALEX	0,7	0,7
9	12	CHONDROLON	0,7	0,7
10	8	MEZYM FORTE	0,7	0,8
Total			10,8	11,6

Following the respective trade name, INN TROPICAMIDE became the leader of the top ten INNs and generic name ranking, its sales increased 2.6 times (table 3). ARBIDOL (-18%), BLOOD (+7%) and NIMESULIDE (+22%) maintained ranks two and three, as well as six. Due to reduction in sales more than one third, combination CAFFEINE + CODEINE + METAMIZOLE SODIUM (-36%) that topped the ranking before moved down to number 4. PANCREATIN (+5%), PHOSPHOLIPIDS (-3%) and EMOXIPIN (+16%) also moved down to the lower ranks, coming in at numbers 5, 7 and 9 respectively. In contrast, XYLOMETAZOLINE (+38%) and FISH (+31%) moved up two ranks, coming in at numbers eight and ten respectively. At the same time, the latter became the only newcomer of the top 10. The total share of the top 10 ranking as well as the preceding one reduced and accounted for 12.7%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	17	TROPICAMIDE	1,6	0,7
2	2	ARBIDOL	1,4	2,0
3	3	BLOOD	1,4	1,4
4	1	CAFFEINE+ CODEINE + METAMIZOLE SODIUM	1,4	2,4
5	4	PANCREATIN	1,3	1,4
6	6	NIMESULIDE	1,2	1,1
7	5	PHOSPHOLIPIDS	1,1	1,3
8	10	XYLOMETAZOLINE	1,1	0,9
9	7	EMOXIPIN	1,1	1,0
10	12	FISH	1,0	0,8
Total			12,7	13,1

In contrast to the preceding top tens, no newcomers broke into the Top-10 ATC groups ranking, but it underwent numerous swaps (table 4). Two groups with pronounced positive sales rates moved up to the higher ranks. They were S01 Ophthalmologicals (+52%) that moved up from rank 10 to 3, and R05 Cough and cold preparations (+27%) that moved up from number 8 to 6. At the same time, they displaced G03 Sex hormones (+14%), J01 Antibacterials for systemic use (+15%) and R01 Nasal preparations (+14%) down one rank. The groups C09 Agents acting on the rennin-angiotensin system (+10%), A11 Vitamins (+9%) and preparations of unidentified pharmaceutical groups moved down two ranks. N02 Analgesics (-14%) and M01 Anti-inflammatory and antirheumatic products (+16%) remained the best-selling groups of the ranking. A cumulative share of the top ten virtually didn't change and accounted for 38.7%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	N02	ANALGESICS	5,4	7,0
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	5,4	5,1
3	10	S01	OPHTHALMOLOGICALS	3,9	2,8
4	3	G03	SEX HORM&MODULAT GENITAL SYS	3,9	3,8
5	4	J01	ANTIBACTERIALS FOR SYST USE	3,9	3,7
6	8	R05	COUGH AND COLD PREPARATIONS	3,5	3,1
7	5		UNIDENTIFIED	3,4	3,7
8	6	C09	AG ACT RENIN-ANGIOTENS SYST	3,3	3,3
9	7	A11	VITAMINS	3,1	3,1
10	9	R01	NASAL PREPARATIONS	3,1	3,0
Total				38,7	38,6

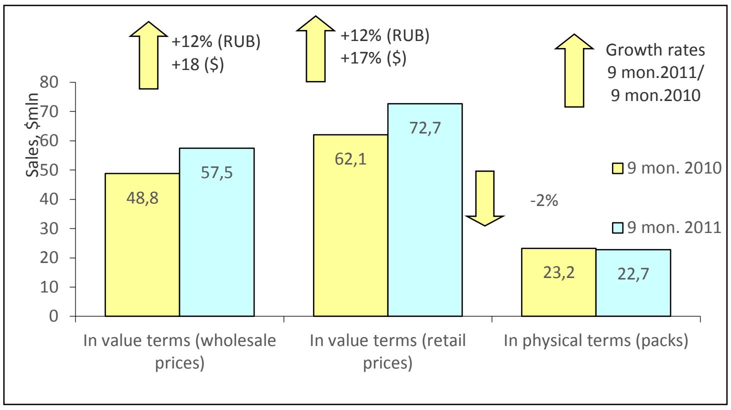
Conclusion. The Lipetsk pharmacy market in the first nine months to end September 2011 brought in RUB 2.070 bln (USD 71.793 mln) in final consumption prices, which is 12% in terms of roubles and 18% in terms of dollars more as compared to a year earlier. In contrast, in pack terms the market reduced by 3% and amounted to 22.686 mln packs. The average cost of an OTC pack (USD 3.16) in the pharmacies increased as compared to a year earlier (USD 2.62), but it was remarkably higher than the average value in Russia (USD 3.48). In the analyzed period, the average expenses of city residents for medicines were estimated as USD 143.01, which was considerably higher than the average expenses in Russia (USD 81.18).

VOLGOGRAD PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Volgogradskaya Oblast was estimated as 2.609 mln, which accounts for 1.8% of the total Russian Federation population and 18.8% of Southern FO (SFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the region was RUB 15,757.3 (USD 534.69), which is 30% less than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in the first three quarters of 2011 the volume of Volgograd market in physical terms reduced by 2% to 22.747 million packs. In value terms, the market increased by 12% in terms of roubles and 18% in terms of dollars and brought in 1.656 billion roubles (57.469 million dollars) in wholesale prices (exclusive of Beneficiary Drug Coverage). The city share in the total volume of Russian pharmacy market accounted for 0.6%. The average cost of an OTC pack was USD 3.20 (during the same period in 2010 - USD 2.68). Per capita expenses for the purchase of OTC drugs in the region amounted to USD 74.21.

Figure 1. Volgograd pharmacy market for 9 months of 2010 – 9 months of 2011



Following the results of three quarters of 2011, no newcomers broke into the ranks of the top ten manufacturers in the pharmacy market of Volgograd; however the allocation of ranks changed (Fig.1). BAYER (+14%) moved up two ranks, to number 3, by displacing SERVIER (+3%) and GEDEON RICHTER (+6%) down one rank. SANDOZ (+15%) moved up to rank six, whereas MENARINI (+1%) placed at that rank before moved down to rank 7. Five trade names of the top 10 managed to hold their own in the ranking. They were the ranking leaders PHARMSTANDART (+17%) and SANOFI-AVENTIS (+3%), as well as NYCOMED (+9%), TEVA (+13 %) and STADA (+18%) at numbers 8, 9 and 10. The total share of the top ten manufacturers increased by almost 1 p.p. and accounted for 39.1%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	PHARMSTANDART	5,8	5,6
2	2	**SANOFI-AVENTIS**	4,6	5,1
3	5	**BAYER HEALTHCARE**	4,0	3,9
4	3	**SERVIER**	4,0	4,3
5	4	**GEDEON RICHTER**	4,0	4,2
6	7	**SANDOZ GROUP**	3,6	3,5
7	6	**MENARINI**	3,5	3,8
8	8	**NYCOMED**	3,4	3,5
9	9	**TEVA**	3,2	3,1
10	10	**STADA**	3,1	3,0
Total			39,1	40,0

*AIPM members are in bold

The top 10 trade names ranking suffered more noticeable changes (table 2). But three of the top ten trade names – ARBIDOL (+16%), ESSENTIALE N (-3%) and PENTALGIN N (+3%) – managed to maintain their ranks one, four and ten. Four preparations rose in the ranks, whereas three drugs fell in the ranks. VIAGRA (+20%) and YARINA (+9%) moved up one rank to numbers 2 and 5. CONCOR (+4%) moved up from rank 9 to 7. A newcomer NISE (+27%) broke into the ranks of the top ten, coming in at number six. Note that two trade names showed reduction in sales, which resulted in the loss of ranking. They were OCILLOCOCCINUM (-25%) and MEZYM FORTE (-3%) that moved down to ranks 8 and 9. ACTOVEGIN (+3%) also moved down one rank, to number 3. The total share of the top 10 reduced and accounted for 8.2%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,7	1,7
2	3	VIAGRA	1,1	1,0
3	2	ACTOVEGIN	0,9	1,0
4	4	ESSENTIALE N	0,8	0,9
5	6	YARINA	0,7	0,7
6	11	NISE	0,6	0,6
7	9	CONCOR	0,6	0,7
8	5	OCILLOCOCCINUM	0,6	0,9
9	8	MEZYM FORTE	0,6	0,7
10	10	PENTALGIN N	0,6	0,6
Total			8,2	8,8

Two newcomers AZITHROMYCIN (+28%) and AMBROXOL (+49%) broke into the top ten INN and Generic Names ranking (table 3), coming in at numbers 7 and 9. XYLOMETAZOLINE (+46%), SILDENAFIL (+20%) and combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+13%) that moved up to ranks 5, 7 and 8 showed positive growth rates. At the same time, BLOOD (+4%) and PHOSPHOLIPIDS (+1%) moved down to numbers six and ten. ARBIDOL (+16%) and PANCREATIN (+9%) remained the leaders of the top ten ranking. BISOPROLOL (+8%) placed at number 4 also held its own in the ranking. In contrast to the above rankings, the total share of the analyzed ranking increased and reached 11.2%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,7	1,7
2	2	PANCREATIN	1,4	1,4
3	5	XYLOMETAZOLINE	1,3	1,0
4	4	BISOPROLOL	1,1	1,1
5	6	SILDENAFIL	1,1	1,0
6	3	BLOOD	1,0	1,1
7	13	AZITHROMYCIN	0,9	0,8
8	10	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,9	0,9
9	22	AMBROXOL	0,9	0,7
10	7	PHOSPHOLIPIDS	0,9	1,0
Total			11,2	10,7

The leaders of the top ten ATC groups didn't change – N02 Analgesics (+19%) and J01 Antibacterials for systemic use (+11%) held and the former reinforced their ranks in ranking. Due to 43% growth in sales, R05 Cough and cold preparations moved up to number three from eight. At the same time, M01 Anti-inflammatory and antirheumatic products (+13%) moved down one rank. The markets of R01 Nasal preparations (+22%), G04 Urologicals (+19%) and the only newcomer of the top 10 A07 Intestinal antiinfectives (+20%) that moved up to numbers 5, 9 and 10 also developed at fast pace. At the same time, the less dynamic groups of the top ten – G03 Sex hormones (+15%) and C09 Agents acting on the rennin-angiotenzin system (+5%) moved down to ranks six and seven. The total share of top ten ATC groups increased by 1.2 p.p. and achieved 39.5%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	N02	[ANALGESICS]	5,2	4,9
2	2	J01	[ANTIBACTERIALS FOR SYST USE]	4,7	4,8
3	8	R05	[COUGH AND COLD PREPARATIONS]	4,3	3,4
4	3	M01	[ANTIINFLAM & ANTIRHEUM PROD]	4,1	4,1
5	7	R01	[NASAL PREPARATIONS]	4,1	3,8
6	5	G03	[SEX HORM&MODULAT GENITAL SYS]	4,0	3,9
7	6	C09	[AG ACT RENIN-ANGIOTENS SYST]	3,6	3,8
8	4		UNIDENTIFIED	3,5	4,0
9	10	G04	[UROLOGICALS]	3,0	2,8
10	11	A07	[INTESTINAL ANTIINFECTIVES]	3,0	2,8
Total				39,5	38,3

Conclusion. The Volgograd pharmacy market in the first nine months to end September 2011 brought in RUB 2.095 bln (USD 72.694 mln) in final consumption prices, which is by 12% in terms of roubles and 17% in terms of dollars more than during the same period a year ago. In physical terms, the city market also showed negative sales growth rates (-2%) and reached 22.747 mln packs. The average cost of an OTC pack in the first nine months increased as compared to a year earlier (USD 3.20) and was lower than the average in Russia (USD 3.48). Expenses of residents for purchase of medicines in the city pharmacies also proved to be lower than the average expenses in Russia (USD 74.21 vs. USD 81.18).

REGIONAL DIGEST

Beneficiary Drug Coverage/Procurement of Necessary Drugs, Government Control

January 12, 2012, Medportal.ru

Up to RUB 6.5 billion to be allocated to support cancer care programs

In 2012, almost RUB 6.5 billion shall be allocated to a number of Russian regions to support cancer care programs, the Press-Service of the Ministry of Public Health and Social Development of the Russian Federation reported. According to the Ministry, funding for improving cancer service performance shall be allocated from the federal budget to 14 regions. In particular, Moscow and Tver regions will receive funds worth RUB 555 mln each. Apart from them, subsidies shall be granted to the Komi Republic and the Mary-El Republic, the Perm Territory as well as Volgograd, Voronezh, Kemerovo, Kostroma, Kurgan, Omsk, Pskov, Smolensk and Ulyanovsk regions. As is stated by the Ministry, allocated funds shall be used for setting up early cancer detection systems at the level of out-patient hospitals, and specialized cancer care in the regional oncologic dispensaries. According to the plans of Ministry officers, the above regions shall also pre-calculate data for the federal oncologic register. At the present day, authorities of 35 Russian regions are engaged in multiple efforts to improve cancer care coordination and quality. The federal budget contributed RUB 18.6 billion to this effect for the period from 2009 to 2011.

January 17, 2012, The Vedomosti

Russia may set up a special agency to inspect drug manufacturing facilities and circulation of drugs

The Customs Unit Commission's website published a draft entitled "Unified guidelines on organizing activities of a body to inspect pharmaceutical facilities". According to the draft, one of the primary objectives of the unified rules is setting up and maintaining the system of mutual recognition by the countries-members of the Customs Union of pharmaceutical inspections and "other types" of drug circulation. The draft proposed that pharmaceutical inspections should be carried out by authorized public health bodies of the Customs Union members. Based upon this document, it is a case of setting up a multipurpose body to inspect manufacturing facilities and other types of drug circulation, including laboratory practice, activities of distributors and pharmacies, said Nina Belozertseva, Head Lawyer of Goltsblat BLP.

January 18, 2012, The Kommersant

St. Petersburg authorities amended the Drug Procurement Rules

Following change in authorities of St. Petersburg, St. Petersburg's government amended the procedure for drug procurement: a number of lots have increased by almost ten times. This year, a number of lots to the total amount of RUB 1.2 bln increased from 20 to 180. Imperia-Pharma has won six electronic auctions on 6 of January; however, the number of competitors increased from two to eight. As a result, 0.5% usual discount was kept only in two lots, and a discount for other four lots accounted for 25.5% to 87% of the initial price.

January 20, 2012, The Vedomosti

Government instructed the Ministry of Trade and Economic Development to explore the possibility to delegate Ministry of Public Health and Social Development's functions on drug registration to regional authorities

Ministry of Trade and Economic Development currently explores the possibility to decentralize the procedure for drug registration, said a top manager of the pharmaceutical company to the Vedomosti and confirmed a source from the Ministry. The Ministry was instructed by the Government, said one of interlocutors of the Vedomosti. A source in the government confirmed that the Government had instructed the Ministry in December 2011. According to the source in the Ministry, the Ministry of Trade and Economic Development hasn't taken any decision yet.

The drug registration process results in the Order of the Ministry of Public Health and Social Development (regarding registration of a drug), reminds Deputy Director General of Stada CIS Ivan Glushkov. You cannot decentralize the issue of such order. He believes that the regions may be entrusted with pre-registration documentation expertise.

January 23, 2012, The Moscow News

Medicine insurance may be go into effect as early as in 2014

General medicine insurance that seemed to be a long way in the future shall go into effect in the nearest two years. At the Gaidar Forum, Minister of Public Health and Social Development Tatyana Golikova for the first time mentioned the dates for incorporation of medication co-funding program (medication to be partially paid by patients and partially by the government) into the compulsory health insurance system – 2014 – 2015.

January 27, 2012, The Vedomosti

The Ministry of Public Health and Social Development set up the guidelines for drug registration in the member countries of the Customs Union

The Russian Ministry forwarded to the Secretariat of the Customs Union a draft agreement on cooperation of member countries of the Customs Union (CU) in the field of drug circulation and draft primary guidelines for drug registration in the member countries of CU. If the documents are adopted, the companies shall have to bring Drug Master File into line with requirements of supernational legislation, said Deputy Director General of Stada CIS Ivan Glushkov. As a result, the large-scale re-registration will begin.

Also, the Ministry of Public Health and Social Development suggested that the member countries are recognizing the results of preclinical, clinical studies and results of pharmaceutical inspections, but stressed that the member countries may set additional studies and inspections. If the guidelines are adopted as they are, Russia would be short a part of applicants: business will turn to the country where the procedures are clearer and faster, believes Glushkov. According to Glushkov, today it is much easier for the companies to register drugs in Kazakhstan.

NEWS FROM COMPANIES

January 13, 2012, The AMI-TASS

ARPM calls RF Presidential Envoys in federal districts for cooperation

Pursuant to the instruction of Russia President to special representatives in the federal districts to monitor availability of medicines from the list of vitally important and most essential medicines (VIMEM) and justification of prices for them, Association of Russian Pharmaceutical Manufacturers (ARPM) directed to RF Presidential Envoys details of the situation as it has developed with registrations of medicines from the list. In November 2011, Director General of ARPM Victor Dmitriev applied to the manufacturers with request to immediately report refusals to register prices for medicines. ARPM considers the possibility to re-file and re-examine documentation for the State registration to be a positive point.

However, the company has no opportunity to receive information regarding status of applications filed, because as at January 13, 2012, only decisions on drug registration dated prior to December 30, 2011, have been published on the website of the Ministry of Public Health and Social Development.

Association is ready to cooperate with and support specialized bodies and RF Presidential Envoys in federal districts for the purpose of speeding up the process of registering prices for medicines from VIMEM list and uninterruptible receipt by patients.

January 19, 2012, The Kommersant

A5 owners obtained absolute control over Mosoblpharmatsiya

A5 pharmacy chain co-owners Sergey Solodov and Roman Buzdalin have bought out from HiCapital Investment fund 26% of OAO Mosoblpharmatsiya that controls 500 pharmacies in Moscow region, thus consolidating 100% of OAO.

The interconnected chain will become a market leader by a number of pharmacies. According to estimates of Pharmexpert market research centre, summarizing the results of nine months in 2011, A5 together with Mosoblpharmatsiya had 1281 pharmacies whereas the current leader of market 36.6 had only 996 pharmacies. But 36.6 still remains the leader of the market by a market share: it accounts for 2.51% of the market versus 2.08% owned by A5 and Mosoblpharmatsiya.

January 18, 2012, FINMARKET.RU

Veropharm to take out a RUB 300 mln line of credit from Sberbank

The board of directors of OAO Veropharm voted in favour of taking out a RUB 300 mln revolving line of credit from Sberbank, the pharmaceutical company reported.

The maturity date of the line of credit will be one year. The interest rate on the line of credit is 9.7% per annum.

In addition, the board of directors approved an application for RUB 10 mln annual overdraft facility from Sberbank at an annual rate of 10%.

Veropharm is one of the largest pharmaceutical manufacturers in Russia. The company production is represented by 3 plants in Belgorod, Voronezh and Pokrov.

Pharmacy chain 36.6 has a controlling interest in Veropharm Company.

January 19, 2012, RIA News

Medsintez to invest RUB 900 mln in production of insulin in the Ural

According to information released by Sverdlovsk local governmental administration, the overall volume of investments in production of insulin and final dosage forms of genetically engineered human insulin at Medsintez plant (a part of Yunona pharmaceutical holding) in Novouralsk will amount to RUB 500 mln - three times as much as it was invested a year earlier. The project will enable the switch from imported insulin drugs as well as facilitates the launch of full local processing of production of the substance.

Information source: IMS Health
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