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Association of International Pharmaceutical Manufacturers

Ассоциация международных фармацевтических производителей

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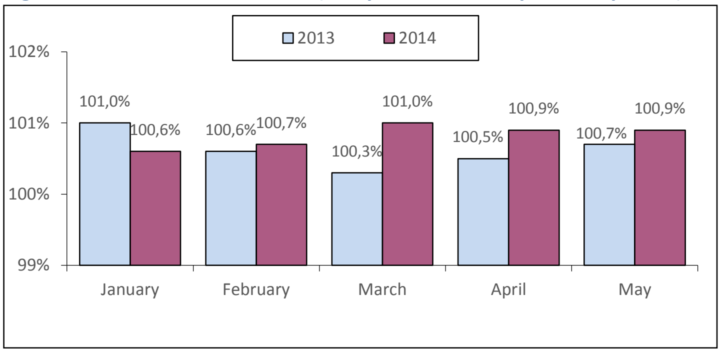
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in May 2014, the Consumer Price Index was estimated as 100.9%, compared to the previous month, in May 2013 it was 100.7%.

In May, Industrial Producer Price Index was 100.4%, whereas in the month-earlier period it had amounted to 100.7%.

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



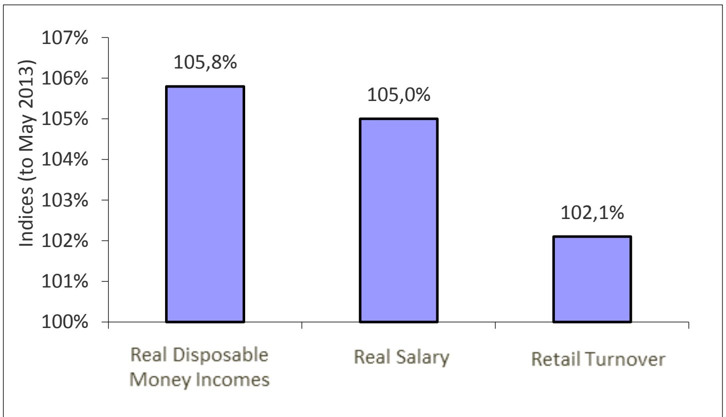
Living standard

According to preliminary Federal State Statistics Service's data, in May 2014 a gross monthly average salary per worker reached RUB 33,280 (USD 952.76) which accounted for 101.0% compared to the previous month and 113.0% compared to May 2013. The real wage in May 2014 accounted for 105% as compared with the same period in 2013. In May 2014, the real value of disposable cash incomes accounted for 105.8% as compared with the same period of 2013 (Fig. 2).

Retail turnover

In May 2014, the retail turnover was equal to RUB 2,075.0 bln, which in comparable prices accounted for 102.1% compared to the same period a year ago, in January-May 2014 - RUB 9,838.5 bln and 103.1% (Fig. 2).

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



Source: Rosstat

Manufacture of Industrial Products

According to Federal State Statistics Service's data, in May 2014 Industrial Production Index accounted for 102.8% compared to the same period in 2013, and in January-March 2014 - 101.7%.

Domestic production

The top 10 domestic manufacturers by production volume at May-end 2014 are shown in Table 1. The total production volume of top ten manufacturers was estimated at USD 205.8 mln.

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

Rank	Manufacturer	Production volume, $mln
1	Pharmstandart	46.5
2	KRKA-RUS	28.4
3	Stada	27.2
4	Valenta	25.9
5	Microgen	17.9
6	F-Sintez	14.7
7	Sotex	12.9
8	Pharm-Center	12.3
9	Akrihin	10.6
10	Polisan	9.5

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In April 2014 compared to March, reduction in pharmacy sales (in terms of roubles) was observed in all analysed regions. The lowest performance was observed in Voronezh Region and Perm (-13% each), the highest one in Moscow (-2%).

Table 2. Pharmacy sales in the regions, 2014

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	February 2014	March 2014	April 2014	February/ January 2014	March / February 2014	April/ March 2014
Moscow	187.3	205.5	204.6	13%	13%	-2%
St Petersburg	48.1	54.9	54.0	-8%	17%	-3%
Krasnodar Krai	34.2	34.3	32.4	1%	3%	-7%
Novosibirsk Oblast	24.7	25.8	25.1	2%	7%	-4%
Tatarstan	31.1	32.1	29.6	12%	6%	-9%
Krasnoyarsk Krai	21.4	22.0	20.7	3%	6%	-7%
Rostov Oblast	25.9	30.3	27.3	5%	20%	-11%
Voronezh Oblast	18.0	20.1	17.8	1%	15%	-13%
Perm	8.0	8.5	7.5	18%	10%	-13%
Tyumen	8.1	8.2	7.5	8%	4%	-9%

Advertising

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

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

Rank	Company*	Quantity of broadcasts
1	Novartis	7,635
2	Dr. Reddy's Laboratories	5,054
3	Berlin-Chemie Menarini Group	4,874
4	Otcpharm	4,660
5	Bayer AG	3720

Source - Remedium according to TNS Russia's data

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

Rank	Brand name*	Quantity of broadcasts
1	Evalar	3,393
2	Cetrine	2,195
3	Oftalmoferon	2,034
4	Nice	2,006
5	Imodium	1,700

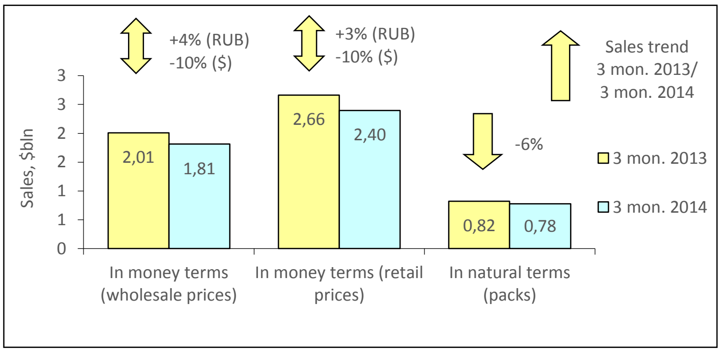
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

PHARMACY OTC MARKET IN RUSSIA: 2014 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first three months of 2014 the sales of OTC drugs in natural terms in pharmacies of Russia saw a 6% decrease to 776.588 mln packs. In money terms the market saw a 4% increase in roubles equivalent, whereas it showed a negative decline (-10%) in dollars equivalent due to significant drop in the exchange rate of rouble. The OTC-drugs market reached RUB 63.373 bln (USD 1.814 bln) in wholesale prices (Fig.1). A share of OTC-segment in the total pharmacy sales in Russia accounted to 70% in pack terms and 52.5% in value terms. The average cost of a pack was USD 3.09 which is lower than in the same period last year (USD 3.24). At Quarter I-end 2014, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 16.69.

Figure 1. Russian pharmacy OTC market for 3 months of 2013 – 3 months of 2014



At the end of the first three months of 2014, the top ten OTC-drug manufacturers ranking in the Russian pharmacy market showed high stability, as most of its manufacturers held their previous ranks (Table 1). PHARMSTANDART (-5%[1]) and SANOFI-AVENTIS (+10%) held their own in the ranking, though the former reduced its market share as well due to reduction in sales. As before, the drug-manufacturers NOVARTIS (-5%), STADA (+3%), MENARINI (+4%), TEVA (+8%), JOHNSON & JOHNSON (+11%) and NYCOMED/TAKEDA (+0,1%) held their previous ranks from five through ten. The only shift took place in the top part of the ranking. SANDOZ (+10%) showed positive growth rates and moved up one rank to number 3, displacing BAYER (-1%) which reduced its sales. The cumulative share of the top 10 manufacturers reduced from 41.9% to 41.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	1	PHARMSTANDART	7.4	8.1
2	2	**SANOFI-AVENTIS**	5.6	5.3
3	4	**SANDOZ GROUP**	4.7	4.5
4	3	**BAYER HEALTHCARE**	4.4	4.6
5	5	**NOVARTIS**	4.0	4.3
6	6	**STADA**	3.4	3.4
7	7	**MENARINI**	3.3	3.3
8	8	**TEVA**	3.2	3.0
9	9	**JOHNSON & JOHNSON**	3.0	2.8
10	10	**NYCOMED/TAKEDA**	2.5	2.6
Total			41.5	41.9

*AIPM members are in bold

Three newcomers broke into the ranks of the top ten brand names ranking (table 2). EXODERIL (+106%), PENTALGIN (+21%) and DETRALEX (+9%) moved down to ranks six and two bottom ranks. Apart from it, another two brand names showed high growth rates. ESSENTIALE N (+9%) moved up two ranks, to number one, and INGAVIRIN (+39%) moved up from rank ten to five. Among the other brand names, only LINEX (+3%) placed at rank four showed positive growth rates. KAGOCEL (-17%), ARBIDOL (-37%), CARDIOMAGNIL (-6%) and LASOLVAN (-15%) reduced their sales. At the same time, the first and third held their own ranks two and seven in the ranking, but ARBIDOL and LASOLVAN moved down to ranks three and eight. The total share of the top ten brand names reduced by almost 0.5 p.p. and accounted for 12.9%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	3	ESSENTIALE N	2.2	2.1
2	2	KAGOCEL	1.7	2.1
3	1	ARBIDOL	1.5	2.5
4	4	LINEX	1.3	1.3
5	10	INGAVIRIN	1.3	1.0
6	22	EXODERIL	1.2	0.6
7	7	CARDIOMAGNIL	1.0	1.1
8	6	LASOLVAN	0.9	1.2
9	14	PENTALGIN	0.9	0.8
10	11	DETRALEX	0.9	0.8
Total			12.9	13.5

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

XYLOMETAZOLINE (+12%) remained the leader of the top 10 INN and generic names ranking (Table 3). In addition, KAGOCEL (-17%) held its previous rank 4. Most names of the top 10 INN and generic names ranking rose in the ranks. INNs PHOSPHOLIPIDS (+9%) and PANCREATIN (+8%) moved up to ranks two and three, IBUPROFEN (+3%) moved up to rank five from seven, and the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+3%) moved up to rank 8 from 10. The newcomers IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+39%) and NAFTIFINE (+106%) broke into the ranks of the top ten, coming in at numbers nine and ten. At the same time, INNs with more pronounced negative growth rates UMIFENOVIR (-36%) and AMBROXOL (-19%) moved down to ranks six and seven, respectively. The total share of the top ten reduced by 0.5 p.p. and accounted for 17.6%.

Table 3. The top 10 INN and generic names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	1	XYLOMETAZOLINE	3.2	2.9
2	3	PHOSPHOLIPIDS	2.4	2.3
3	6	PANCREATIN	1.9	1.8
4	4	KAGOCEL	1.7	2.1
5	7	IBUPROFEN	1.6	1.6
6	2	UMIFENOVIR	1.6	2.5
7	5	AMBROXOL	1.5	2.0
8	10	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1.3	1.3
9	16	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.3	1.0
10	35	NAFTIFINE	1.2	0.6
Total			17.6	18.1

R05 Cough and cold preparations (-16%) and N02 Analgesics (-8%) remained the best selling OTC-drug groups in the pharmacies of Russia (Table 4). In addition, ATC-groups A11 Vitamins (+3%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+13%) placed at ranks five and six also held their own in the ranking. Five INNs of the top 10 moved up one rank. R01 Nasal preparations (+7%) moved up to rank three, R02 Throat preparations (+3%), A05 Bile and liver therapy (+11%), C05 Vasoprotectives (+16%) and M01 Anti-inflammatory and antirheumatic products (+10%) moved up to ranks 7 through 10, respectively. ATC-group J05 Antivirals for systemic use (-13%) became the only ATC-group of the top 10 which lowered its position, moving down from rank three to four. The total share of the analysed ranking, as well as one of the above rankings, reduced by 2.4 to 51.7%.

Table 4. The top ten ATC Groups by pharmacy sales

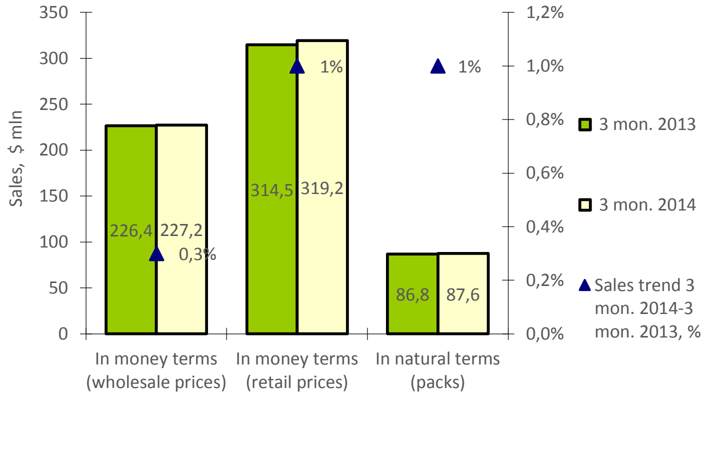
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013			3 mon. 2014	3 mon. 2013
1	1	R05	COUGH AND COLD PREPARATIONS	7.3	9.0
2	2	N02	ANALGESICS	6.6	7.4
3	4	R01	NASAL PREPARATIONS	6.4	6.2
4	3	J05	ANTIVIRALS FOR SYSTEMIC USE	6.2	7.4
5	5	A11	VITAMINS	6.0	6.0
6	6	A07	INTESTINAL ANTIINFECTIVES	5.4	5.0
7	8	R02	THROAT PREPARATIONS	3.6	3.7
8	9	A05	BILE AND LIVER THERAPY	3.6	3.4
9	10	C05	VASOPROTECTIVES	3.5	3.2
10	11	M01	ANTIINFLAM & ANTIRHEUM PROD	3.0	2.8
Total				51.7	54.1

Conclusion. On the basis of the results for three months of 2014, the OTC pharmacy market of Moscow brought in RUB 83.749 bln (USD 2.398 bln). This was 3% higher in terms of roubles and 10% less in terms of dollars than during the same period a year ago. In pack terms, the market also showed the negative growth rates (-6%) and brought in 776.588 bln packs. The average cost of OTC-pack in the country pharmacies based on the results for Quarter I, 2014 was USD 3.09 which was lower than in 2013 (USD 3.24). The average expenses of Russian residents for purchase of OTC drugs in pharmacies also slightly reduced (USD 16.69 vs. USD 18.59).

RUSSIAN BIOLIGICALLY ACTIVE ADDITIVE (BAA) MARKET: 2014 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of BAA in Russian Federation™, at the end of Q1, 2014, the BAA pharmacy sales in Russia brought in RUB 7.934 bln (USD 227.152 mln) in wholesale prices and RUB 11.151 bln (USD 319.235 mln). - at retail prices (Fig. 1). The market performance was positive both in rouble terms (+15%) and in dollar terms (+0.3%) at wholesale prices. In natural terms, the BAA sales increased by 1% and amounted to 87.623 mln packs. The average cost of a BAA pack was USD 4.12, whereas in the year-earlier period its cost was USD 3.62. It should be noted that the average cost of an OTC pack (USD 4.12) was higher than that of a BAA pack. The average amount spent by residents of Russia for purchase of BAAs in the first three months of 2014 amounted to USD 2.22 (in Q1, 2013 - USD 2.19).

Figure 1. Russian pharmacy BAA market for 3 months of 2013 – 3 months of 2014



In QI, 2014, the manufacturers EVALAR (+9%) and VIS (+33%) held their leading positions by sales in the BAA market (Table 1). In addition, due to high growth rates the letter significantly expanded its market share, whereas the former slightly reduced it. The markets of another six manufacturers of the top 10 developed at a fast pace, but only three of them managed to move up to the higher positions. The manufacturers PHARMAMED CANADA (+20%) and BAYER HEALTHCARE (+43%) moved up to ranks three and four from 5 and 7, respectively. The newcomer SOLGAR (+78%) moved up to rank ten in the top ten. The drug manufacturers QUEISSER (+21%), POLYARIS (+31%) and POLENS (+27%) held their previous ranks six, eight and nine, respectively. RECORDATI (-13%) and PFIZER (-16%) reduced their sales and moved down to ranks five and seven. The total share of the top 10 BAA manufacturers slightly increased from 48.6% to 49.0%.

Table 1. The top ten BAA manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	1	EVALAR	18.5	19.6
2	2	VIS	9.5	8.3
3	5	PHARMAMED CANADA	3.1	3.0
4	7	**BAYER HEALTHCARE**	2.9	2.3
5	3	RECORDATI	2.8	3.7
6	6	QUEISSER	2.7	2.5
7	4	**PFIZER**	2.5	3.5
8	8	POLYARIS	2.5	2.2
9	9	POLENS	2.4	2.2
10	18	SOLGAR	2.0	1.3
Total			49.0	48.6

*AIPM members are in bold

In the analysed period, the top five BAAs in the Russian market held their own in the ranking (Table 2). Due to high growth rates, the BAAs to treat erectile dysfunction SEALEX FORTE (+34%) and ALI CAPS (+42%) held and reinforced their previous ranks one and two. As before, the less dynamic BAAs PHITOLAX (+6%), REDUKSIN-LIGHT (+14%) and TONGKAT ALI PLATINUM (-0.5%) held ranks three through five. Almost all brand names in the bottom part of the top 10 showed high growth rates. For example, SUPRADIN KIDS (+52%) moved up from rank eight to six. The newcomers of the top ten moved up to ranks seven through ten: BAAs TROPIKANA SLIM ZELENY KOFE, NORMOBACT (+33%), DOPPELHERZ AKTIV OMEGA 3 (+20%) and FEMIBION NATALCARE (2.3-fold growth in sales). The total share accumulated by the top-ten brand names considerably increased (by 3.2 p.p.) and achieved 19.9%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	1	SEALEX FORTE	4.3	3.7
2	2	ALI CAPS	3.3	2.7
3	3	PHITOLAX	2.3	2.5
4	4	REDUKSIN-LIGHT	2.1	2.1
5	5	TONGKAT ALI PLATINUM	1.8	2.0
6	8	SUPRADIN KIDS	1.7	1.3
7	N/A	TROPIKANA SLIM ZELENY KOFE	1.3	N/A
8	14	NORMOBACT	1.1	0.9
9	12	DOPPELHERZ AKTIV OMEGA 3	1.0	1.0
10	35	FEMIBION NATALCARE	1.0	0.5
Total			19.9	16.7

As in the prevous ranking, the top five INNs In the list of the top-10 INN and generic names in the BAA market held their own in the ranking (table 3). The composition GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS (+34%), EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA (+42%), LINOLEIC ACID + VITAMIN E (+14%), EURYCOMA LONGIFOLIA + PANAX GINSENG + ROYAL JELLY (-0,5%) and the name ASCORBIC ACID (-4%) held their top five ranks. ASCORBIC ACID + CHOLINE + CYANOCOBALAMIN + FISH + NICOTINAMIDE + PYRIDOXINE (+52%) and ANETHUM GRAVEOLENS + ARMENIACA VULGARIS + PLANTAGO OVATA + SENNA (+30%) moved up two ranks, to numbers six and seven. The newcomers broke into the ranks of the top ten, coming in at numbers eight, nine and ten: COFFEA and INDOLE-3-CARBINOL (+31%), as well as the composition BIFIDOBACTERIUM ANIMALIS + LACTOBACILLUS ACIDOPHILUS (+33%). The total share of the top-10 INN and generic names increased by almost 3 p.p. and reached 19.8%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	1	GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS	4.3	3.7
2	2	EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA	3.3	2.7
3	3	LINOLEIC ACID + VITAMIN E	2.1	2.1
4	4	EURYCOMA LONGIFOLIA + PANAX GINSENG + ROYAL JELLY	1.8	2.0
5	5	ASCORBIC ACID	1.7	2.0
6	8	ASCORBIC ACID + CHOLINE + CYANOCOBALAMIN + FISH + NICOTINAMIDE + PYRIDOXINE	1.7	1.3
7	9	ANETHUM GRAVEOLENS + ARMENIACA VULGARIS + PLANTAGO OVATA + SENNA	1.4	1.3
8	N/A	COFFEA	1.3	N/A
9	13	INDOLE-3-CARBINOL	1.1	1.0
10	16	BIFIDOBACTERIUM ANIMALIS + LACTOBACILLUS ACIDOPHILUS	1.1	1.0
Total			19.8	17.0

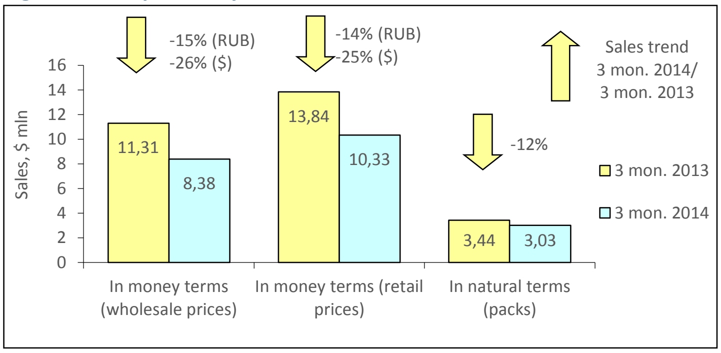
Conclusion. At the end of the first three months of 2014, BAA sales in the Russian pharmacies increased 17% in terms of roubles and 1% in terms of dollars and brought in RUB 11.151 bln (USD 319.235 mln) in final consumer prices. In pack terms, the BAA market grew by 1% and achieved 87.623 mln packs. The average cost of a BAA pack slightly increased as compared to the previous year (USD 3.64 vs. USD 3.62). Expenses of residents for purchase of BAAs in pharmacies proved to be slightly higher as well (USD 2.22 vs. USD 2.19).

TVER PHARMACY MARKET: 2014 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Tver's estimated population was 411.04 thd, which accounted for 0.3% of the total Russian Federation population and 1.1% of the Central FO (CFO). According to Federal State Statistics Service's data, based on the results for 3 months of 2014 the average salary in the Tver Region was RUB 22,646 (USD 647.77), which was 25% lower than the average salary in Russia (RUB 30,057).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at QI-end 2014 the sales of OTC drugs in natural terms in the pharmacies of Tver saw a 12% decrease to 3.027 mln packs. In money terms, the OTC drugs market reduced by 15% in rouble terms and by 26% in dollar terms and reached RUB 292.696 mln (USD 8.380 mln) in wholesale prices (Fig. 1). The city's share accounted for 0.2% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of the previous year (USD 4.02) and reached USD 3.41 in retail prices. For the first three months of 2014, the average amount spent by residents of Tver on drugs in the pharmacies amounted to USD 25.13.

Figure 1. Tver pharmacy market for 3 months of 2013 – 3 months of 2014



Following the regional market that reduced at Q I-end 2014, all drug manufacturers of the top ten ranking showed negative sales rates (Table 1). The drug manufacturers PHARMSTANDART (-18%), MENARINI (-16%), NOVARTIS (-26%) and NYCOMED/TAKEDA (-22%) which reduced their sales more considerably than the market at large, maintained their ranks one and from 4 to 6, respectively. The drug manufacturers SANOFI-AVENTIS and BAYER (-15% each) also held their previous ranks two and three, respectively. The manufacturers SANDOZ (-4%) and GEDEON RICHTER (-6%) improved their ranks on the background of sales reduction, moving to ranks 7 and 10. The former became the only newcomer of the top ten. At the same time, TEVA (-13%) and KRKA (-12%) moved down one rank, to numbers 8 and 9, respectively. The cumulative share of the top 10 drug manufacturers reduced from 37.6% to 37.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	1	PHARMSTANDART	5.5	5.7
2	2	**SANOFI-AVENTIS**	4.4	4.3
3	3	**BAYER HEALTHCARE**	4.2	4.3
4	4	**MENARINI**	4.0	4.1
5	5	**NOVARTIS**	3.4	3.9
6	6	**NYCOMED/TAKEDA**	3.3	3.6
7	10	**SANDOZ GROUP**	3.2	2.8
8	7	**TEVA**	3.2	3.2
9	8	**KRKA**	3.1	3.0
10	12	GEDEON RICHTER	3.0	2.7
Total			37.3	37.6

*AIPM members are in bold

Three newcomers broke into the ranks of the top ten brand names ranking (table 2). The antifungal agent EXODERIL (+92%) moved up to rank four from 42, whereas the co-formulated analgesics PENTALGIN (+14%) and the preparation for restoring intestinal flora LINEX (-17%) moved up to ranks eight and nine. The other brand names of the top ten reduced their sales, but four of them showed high growth rates. INGAVIRIN (-23%) and NIMESIL (-29%) moved up to ranks one and two, from 3 and 4, whereas ACTOVEGIN (-14%) and ESSENTIALE N (-17%) moved up to ranks five and seven. The brand names KAGOCEL (-53%), ARBIDOL (57%) and LASOLVAN (-24%) showed more significant reduction in sales and moved down to ranks three, six and ten, respectively. The total share of the top ten reduced by over 1 p.p. and accounted for 8.1%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	3	INGAVIRIN	1.2	1.3
2	4	NIMESIL	1.0	1.3
3	1	KAGOCEL	0.9	1.7
4	42	EXODERIL	0.8	0.4
5	9	ACTOVEGIN	0.7	0.7
6	2	ARBIDOL	0.7	1.4
7	8	ESSENTIALE N	0.7	0.7
8	22	PENTALGIN	0.7	0.5
9	12	LINEX	0.6	0.7
10	7	LASOLVAN	0.6	0.7
Total			8.1	9.4

INNs XYLOMETAZOLINE (+0.5%) and NIMESULIDE (-16%) held their leading positions in the top 10 INN and generic names ranking. The other names shifted their ranks, moreover almost all of them rose in the ranks. INNs IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-23%), BISOPROLOL (-6%), AZITHROMYCIN (-36%) and AMBROXOL (-30%) moved up to ranks three through six, respectively. INN IBUPROFEN (-18%) moved up from rank ten to eight. The newcomers PANCREATIN (-7%) and NAFTIFINE (+92%) broke into the ranks of the top ten, coming in at numbers nine and ten. The only exception which lowered the rank position was INN KAGOCEL (-53%) which moved down from rank three to seven.

Table 3. The top 10 INN and generic names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	1	XYLOMETAZOLINE	2.2	1.9
2	2	NIMESULIDE	1.8	1.9
3	7	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.2	1.3
4	9	BISOPROLOL	1.1	1.0
5	6	AZITHROMYCIN	1.0	1.4
6	8	AMBROXOL	1.0	1.2
7	3	KAGOCEL	0.9	1.7
8	10	IBUPROFEN	0.8	0.8
9	15	PANCREATIN	0.8	0.7
10	56	NAFTIFINE	0.8	0.4
Total			11.7	12.3

The top ten ATC groups ranking changed its leader - M01 Anti-inflammatory and antirheumatic products (-12%) moved up to rank one from five, whereas R01 Nasal preparations (-9%) moved up to rank two from six (Table 4). Due to significant reduction in sales, the former leading group of the top ten J05 Antivirals for system use (-38%) and R05 Cough and cold preparations (-31%) moved down to ranks five and three, respectively. In addition, J01 Antibacterials for systemic use (-31%) moved down from rank three to six, and G03 Sex hormones (+8%) moved down from rank 7 to 8, and A11 Vitamins (-19%) moved down from rank 8 to 10. As before, Groups N02 Vitamins (-25%) and C09 Agents acting on the rennin-angiotensin system (-3%) held their own ranks four and nine. A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+5%) moved up three ranks to number seven. The total share of the top-10 ATC groups reduced more than 2.5 p.p. and accounted for 42.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013			3 mon. 2014	3 mon. 2013
1	5	M01	ANTIINFLAM & ANTIRHEUM PROD	5.3	5.1
2	6	R01	NASAL PREPARATIONS	5.0	4.7
3	2	R05	COUGH AND COLD PREPARATIONS	4.9	6.0
4	4	N02	ANALGESICS	4.6	5.2
5	1	J05	ANTIVIRALS FOR SYSTEMIC USE	4.4	6.1
6	3	J01	ANTIBACTERIALS FOR SYST USE	4.2	5.2
7	10	A07	INTESTINAL ANTIINFECTIVES	3.7	3.0
8	7	G03	SEX HORM&MODULAT GENITAL SYS	3.5	3.4
9	9	C09	AG ACT RENIN-ANGIOTENS SYST	3.5	3.0
10	8	A11	VITAMINS	3.0	3.2
Total				42.1	44.7

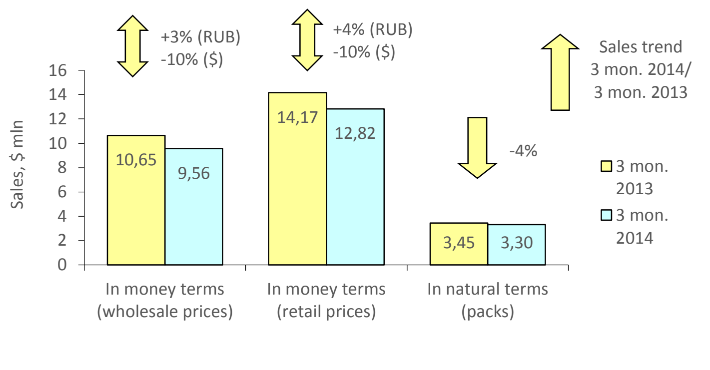
Conclusion. On the basis of the results for three months of 2014, the retail pharmacy market of Tver brought in RUB 360.745 mln (USD 10.328 mln). The market reduced 14% in terms of roubles and 25% in terms of dollars. In pack terms, the market also showed negative growth rates (-12%) and achieved 5.545 mln packs. In the first quarter of 2014, the average cost of an OTC pack in the city pharmacies was lower than in the same period a year ago (USD 3.41 vs. USD 4.01), and lower than the national average figures (USD 4.12). Per capita expenses of Tver residents for purchase of medicines in the city pharmacies were also lower than the national average figures (USD 25.13 vs. USD 31.72).

SMOLENSK PHARMACY MARKET: 2014 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Smolensk's estimated population was 330.96 thousand, which accounted for 0.2% of the total Russian Federation population and 0.9% of Central FO (CFO). According to Federal State Statistics Service's data, in Q 1, 2014 the average salary in the region was RUB 20.300 (USD 580.66), which was 32% lower than the average salary in Russia (RUB 30,057).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at Q1-end 2014 the sales of OTC drugs in natural terms in the pharmacies of Smolensk saw a 4% drop to 3.304 mln packs. In money terms, the city pharmacy market (exclusive of State Reimbursement Program) saw a 3% increase in terms of roubles and 10% decrease in terms of dollars compared to the same period a year ago and reached RUB 333.922 mln (USD 9.560 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 0.3%. The average cost of an OTC pack in the pharmacies of Smolensk was USD 3.88 (in a year-earlier period – USD 4.11). For the first three months of 2014, the average amount spent by residents of Smolensk on OTC drugs amounted to USD 38.72.

Figure 1. Smolensk pharmacy market for 3 months of 2013 – 3 months of 2014



NYCOMED/TAKEDA (+4%) remained the leader of the regional top ten drug manufacturers ranking based on the results for the first quarter of 2014 (Table 1). On top of that, the drug manufacturer SANOFI-AVENTIS (+5%) kept its previous rank three. The other eight drug manufacturers of the top ten swapped their ranks in pairs. For example, SERVIER that showed a 8% growth in sales moved up two ranks to number 2. In contrast, PHARMSTANDART (-5%) that had been placed at that rank earlier reduced its sales and moved down to rank four. Another three companies showing outperformance rose in the ranks. GEDEON RICHTER (+14%), MENARINI (+4%) and PFIZER (+12%) moved up one rank, coming in at numbers 5, 7 and 9. At the same time, the less dynamic BAYER (+10%), SANDOZ (-1%) and TEVA (+0.2%) moved down one rank, to numbers six, eight and ten. The total share of the top 10 drug manufacturers increased by almost 0.6 p.p. and accounted for 39%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	1	**NYCOMED/TAKEDA**	5.1	5.1
2	4	**SERVIER**	4.6	4.4
3	3	**SANOFI-AVENTIS**	4.6	4.5
4	2	PHARMSTANDART	4.5	4.9
5	6	GEDEON RICHTER	4.0	3.6
6	5	**BAYER HEALTHCARE**	3.9	3.7
7	8	**MENARINI**	3.2	3.2
8	7	**SANDOZ GROUP**	3.2	3.4
9	10	**PFIZER**	2.9	2.7
10	9	**TEVA**	2.9	2.9
Total			39.0	38.4

*AIPM members are in bold

ACTOVEGIN (+17%) and ARBIDOL (-30%) continued to show the highest sales in the regional market, despite the letter reduced them by almost one third (Table 2). ESSENTIALE N (+16%) moved up to rank three from eight, whereas MEXIDOL (0%) kept its previous rank four. The brand names with reduced sales held ranks 5 through 8. However, two of them ALFLUTOP (-0.5%) and VIAGRA (-8%) succeeded in improving their ranking positions, moving up to ranks five and six. In contrast, CONCOR (-10%) and CARDIOMAGNIL (-20%) showed more negative growth rates and moved down to the lower ranks. The newcomers EXODERIL (+93%) and LIPRIMAR (+17%) broke into the ranks of the top ten, coming in at numbers nine and ten. The total share of the top-10 reduced from 8.4% to 8.1%.

Table 2. The top ten brand names by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	1	ACTOVEGIN	1.4	1.3
2	2	ARBIDOL	0.9	1.3
3	8	ESSENTIALE N	0.9	0.8
4	4	MEXIDOL	0.8	0.9
5	10	ALFLUTOP	0.7	0.8
6	7	VIAGRA	0.7	0.8
7	6	CONCOR	0.7	0.8
8	3	CARDIOMAGNIL	0.7	0.9
9	33	EXODERIL	0.6	0.3
10	15	LIPRIMAR	0.6	0.5
Total			8.1	8.4

A total of three newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). PHOSPHOLIPIDS (+15%), ATORVASTATIN (+12%) and SILDENAFIL (+1%) moved up to ranks six, eight and nine, respectively. The other three INNs moved up to yet higher ranks: They were the leader of the top ten ranking BLOOD (+15%) as well as ETHYLMETHYLHYDROXYPYRIDINE (-4%) and NIMESULIDE (+11%) placed at ranks 4 and 5 respectively. At the same time, the last year leader BISOPROLOL (-2%) moved down one rank, whereas AZITHROMYCIN (-22%) and UMIFENOVIR (-30%) showing significant sales rates moved down to ranks 7 and 10. INN XYLOMETAZOLINE (+5%) held its earlier rank 3. The total share of the top ten INN and generic names ranking reduced by 0.5 p.p. and achieved 11.0%.

Table 3. The top 10 INN and generic names by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	2	BLOOD	1.5	1.4
2	1	BISOPROLOL	1.3	1.4
3	3	XYLOMETAZOLINE	1.3	1.3
4	6	ETHYLMETHYLHYDROXYPYRIDINE	1.1	1.2
5	7	NIMESULIDE	1.1	1.0
6	12	PHOSPHOLIPIDS	1.0	0.9
7	4	AZITHROMYCIN	1.0	1.3
8	14	ATORVASTATIN	0.9	0.8
9	11	SILDENAFIL	0.9	0.9
10	5	UMIFENOVIR	0.9	1.3
Total			11.0	11.5

Only one of the top ten ATC groups held its own in the ranking - R01 Nasal preparations (+4%) kept its previous rank eight (table 4). Six groups of the top ten ATC groups showed high sales rates. C09 Agents acting on the rennin-angiotensin system and M01 Anti-inflammatory and antirheumatic products (+12% each) moved up to the first two ranks in the top ten. N06 Psychoanaleptics (+15%) and G03 Sex hormons (+14%) moved up to ranks four and five from 7 and 9, respectively. A11 Vitamins (+3%) moved up one rank, to number 9. The only newcomer of the top ten, N05 Psycholeptics (+21%), moved up to rank seven. In contrast, three ATC groups with negative sales rates fell in the ranks. J01 Antibacterials for systemic use (-18%), N02 Analgesics (-9%) and J05 Antivirals for systemic use (-20%) moved down to ranks 3, 6 and 10, respectively. The cumulative share of the top10 reduced from 36% to 35.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013			3 mon. 2014	3 mon. 2013
1	2	C09	AG ACT RENIN-ANGIOTENS SYST	4.8	4.4
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4.5	4.1
3	1	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.7
4	7	N06	PSYCHOANALEPTICS	3.7	3.3
5	9	G03	SEX HORM&MODULAT GENITAL SYS	3.4	3.1
6	4	N02	ANALGESICS	3.3	3.7
7	11	N05	PSYCHOLEPTICS	3.3	2.8
8	8	R01	NASAL PREPARATIONS	3.2	3.2
9	10	A11	VITAMINS	2.9	2.9
10	5	J05	ANTIVIRALS FOR SYSTEMIC USE	2.9	3.7
Total				35.7	36.0

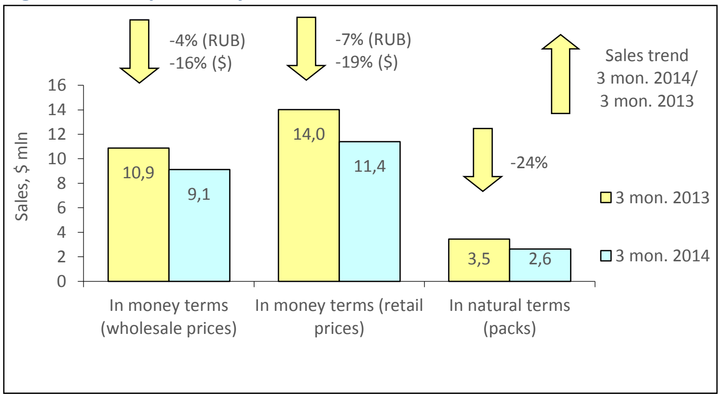
Conclusion. On the basis of the results for Q I of 2014, the retail pharmacy market of Smolensk brought in RUB 447.656 mln (USD 12.816 mln). At the same time, the market showed the positive growth rates in terms of roubles (+4%) and negative growth rates (-10%) in terms of dollars. In natural terms, the sales decreased by 4% to 3.304 mln packs. The average cost of an OTC pack in the city pharmacies reduced as compared to the previous year (USD 3.88 vs. USD 4.11), however it was lower than the national average (USD 4.12). Per capita expenses of Smolensk residents for purchase of medicines in pharmacies amounted to USD 38.72 which was higher than on the average in the country (USD 31.72).

KIROV PHARMACY MARKET: 2014 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Kirov's estimated population was 512.3 thousand, which accounted for 0.4% of the total Russian Federation population and 1.7% of Privolzhsky FO (PFO). According to Federal State Statistics Service's data, in the first quarter of 2014 the average salary in the Kirov Region amounted to RUB 19,549 (USD 559.18), which was 35% lower than the average salary in Russia (RUB 30,057).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first three months of 2014 the pharmacy market volume in natural terms reduced by 24% and amounted to 2.625 million packs (Fig. 1) In wholesale prices, the market also showed the negative performance both in terms of roubles (-4%) and in terms of dollars (-16%) and reached RUB 318.410 mln (USD 9.116 mln). The region's share accounted for 0.2% of the total volume of all-Russia pharmacy market. The average cost of OTC pack in the city pharmacies based on the results for Quarter I, 2014 was USD 4.35 (during the same period in 2013 - USD 4.06). The average sum spent by residents of Kirov on purchase of medicines reached USD 22.27

Figure 1. Kirov pharmacy market for 3 months of 2013 – 3 months of 2014



At QI-end 2014, the composition of the regional top ten drug manufacturers ranking didn't change, but only two drug makers held its own in the ranking (Table 1). NYCOMED/TAKEDA (-3%) and TEVA (+1%) held their ranks three and nine. Five drug manufacturers of the top 10 showed high growth rates. SERVIER (+2%) and KRKA (+3%) moved up to ranks one and two, and BAYER (-1%), SANOFI-AVENTIS (+16%) and GEDEON RICHTER (+15%) moved up to ranks five, six and eight. The other three drug manufacturers of the top ten fell in the ranks. For example, due to 37% reduction in sales the last year leader PHARMSTANDART moved down to rank six, and the drug manufacturers MENARINI and SANDOZ (+3% each) moved down to ranks seven and ten. The total share of the top 10 manufacturers increased from 41.7% to 41.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	2	**SERVIER**	6.2	5.9
2	4	**KRKA**	4.8	4.5
3	3	**NYCOMED/TAKEDA**	4.7	4.7
4	5	**BAYER HEALTHCARE**	4.5	4.4
5	7	**SANOFI-AVENTIS**	4.3	3.6
6	1	PHARMSTANDART	4.2	6.3
7	6	**MENARINI**	3.7	3.6
8	10	GEDEON RICHTER	3.3	2.8
9	9	**TEVA**	3.1	2.9
10	8	**SANDOZ GROUP**	3.1	3.1
Total			41.9	41.7

*AIPM members are in bold

Four newcomers broke into the ranks of the top-ten brand names (table 2). Due to significant growth in rates (1.8 and 2.2-fold growth respectively), ALFLUTOP and EXODERIL moved up from thirties and forties to ranks four and five respectively. The less dynamic DETRALEX (+1%) and ATORIS (+4%) moved down to ranks seven and eight. Apart from the newcomers, another four brand names of the top ten managed to rise in the ranks. Despite the reduction in sales, ACTOVEGIN (-2%) and CAGOCEL (-14%) moved up to ranks one and two, and ESSENTIALE N (+33%) and CONCOR (+3%) moved up to ranks three and six. Two preparations INGAVIRIN (-21%) and CARDIOMAGNIL (-27%) with negative growth rates moved down to two bottom ranks in the top ten. The total share of the top 10 increased by 1 p.p. and made up 8.5%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	2	ACTOVEGIN	1.3	1.2
2	3	KAGOCEL	1.1	1.2
3	10	ESSENTIALE N	1.0	0.7
4	20	ALFLUTOP	0.9	0.5
5	32	EXODERIL	0.8	0.4
6	9	CONCOR	0.8	0.7
7	11	DETRALEX	0.7	0.7
8	18	ATORIS	0.7	0.5
9	6	ИНГАВИРИН	0.7	0.8
10	5	CARDIOMAGNIL	0.6	0.8
Total			8.5	7.5

Numerous changes took place in the top 10 INN and generic names ranking (table 3). Only one INN of the top ten, METOPROLOL (-2%) held its own rank six. One of the most dynamic INNs ATORVASTATIN (+28%) topped the ranking. INN BLOOD (-0.4%), XYLOMETAZOLINE (-5%) and BISOPROLOL (+9%) move up to ranks two through four from the lower ranks. The newcomer PHOSPHOLIPIDS (+34%) moved up to rank five, and the compositions DIOSMIN + HESPERIDIN (+16%) and PERINDOPRIL + INDAPAMIDE (+27%) moved down to two bottom ranks in the top ten. INNs KAGOCEL (-14%) and NIMESULIDE (-1%) moved down to ranks seven and eight. The total share of the top ten INN and generic names ranking increased by over 1 p.p. and achieved 11.6%.

Table 3. The top 10 INN and generic names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	8	ATORVASTATIN	1.4	1.0
2	3	BLOOD	1.4	1.3
3	4	XYLOMETAZOLINE	1.2	1.2
4	9	BISOPROLOL	1.2	1.0
5	18	PHOSPHOLIPIDS	1.1	0.8
6	6	METOPROLOL	1.1	1.1
7	5	KAGOCEL	1.1	1.2
8	7	NIMESULIDE	1.1	1.1
9	14	DIOSMIN + HESPERIDIN	1.0	0.8
10	20	PERINDOPRIL + INDAPAMIDE	0.9	0.7
Total			11.6	10.4

The top three in the top ten ATC-groups included C09 Agents acting on the rennin-angiotensin system (+14%), G03 Sex hormones (+18%) and M01 Anti-inflammatory and antirheumatic products (+5%) (Table 4). The previous leader R05 Cough and cold preparations (-47%) reduced their sales by almost half and moved down to rank 8. ATC-groups J01 Antibacterials for systemic use (-38%) and J05 Antivirals for systemic use (-37%) reduced their sales and moved down two ranks, to numbers four and five. The group N02 Analgesics reduced its sales by one third and moved down three ranks to number ten. Despite the negative growth rates, it allowed two ATC-groups, R01 Nasal preparations (-10%) and A11 Vitamins (-4%), to move up two ranks, to numbers 6 and 7. The only newcomer of the top ten, S01 Ophthalmologicals (+17%), moved up to rank nine in the top ten ranking. The cumulative share of top ten ATC groups reduced by 5.1 p.p. and achieved 38%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013			3 mon. 2014	3 mon. 2013
1	4	C09	AG ACT RENIN-ANGIOTENS SYST	5.5	4.6
2	6	G03	SEX HORM&MODULAT GENITAL SYS	5.0	4.1
3	5	M01	ANTIINFLAM & ANTIRHEUM PROD	4.8	4.4
4	2	J01	ANTIBACTERIALS FOR SYST USE	3.6	5.6
5	3	J05	J05 ANTIVIRALS FOR SYSTEMIC USE	3.5	5.3
6	8	R01	NASAL PREPARATIONS	3.4	3.6
7	9	A11	VITAMINS	3.3	3.3
8	1	R05	COUGH AND COLD PREPARATIONS	3.3	6.0
9	13	S01	OPHTHALMOLOGICALS	2.8	2.3
10	7	N02	ANALGESICS	2.8	4.0
Total				38.0	43.2

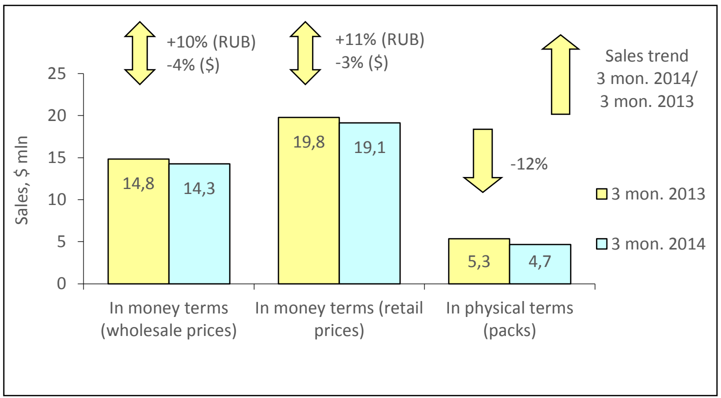
Conclusion. At QI-end 2014, the pharmacy market in Kirov was estimated at RUB 398.553 mln (USD 11.410 mln.) in final consumer prices. Note that the market performance was negative both in rouble terms and in dollar terms (-7% and -19%, respectively). In pack terms, the market also decreased (-24%) and amounted to 7.625 mln packs. The average cost of an OTC pack (USD 4.35) in the pharmacies increased as compared to a year earlier (USD 4.06) and was higher than the average value in Russia (USD 4.12). At the same time, expenses of residents for purchase of drugs in the city pharmacies proved to be lower than the average expenses in Russia (USD 22.27 vs. USD 31.72).

ORENBURG PHARMACY MARKET: 2014 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Orenburg's estimated population was 575.6 thousand, which accounted for 0.4% of the total Russian Federation population and 1.9% of Privolzhsky FO (PFO). According to Federal State Statistics Service's data, in Q 1, 2014 the average salary in the region was RUB 22,149 (USD 633.55), which was 26% lower than the average salary in Russia (RUB 30,057).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first three months of 2014 the sales of OTC drugs in natural terms in pharmacies of Orenburg saw a 12% decrease to 4.691 mln packs. In money terms, the OTC drugs market increased by 10% in rouble terms and reduced by 4% in dollar terms and reached RUB 497.788 bln (USD 14.251 mln) in wholesale prices (Fig. 1). The city share in the total volume of all-Russia pharmacy market accounted for 0.4%. The average cost of an OTC pack increased as compared to a year earlier period (USD 3.70) and reached USD 4.08 at retail prices. For 3 months of 2014, the average amount spent by residents of Orenburg for drugs amounted to USD 33.25.

Figure 1. Orenburg pharmacy market for 3 months of 2013 – 3 months of 2014



At the end of the first three months of 2014, the leader of the retail Orenburg market was one of the most dynamic companies of the top ten drug manufacturers SANOFI-AVENTIS (+28%) (Table 1). The market of the drug manufacturer NYCOMED/TAKEDA (+32%) which moved up from rank nine to six developed at the faster pace. Another two drug manufacturers of the top ten rose in the ranks. The drug manufacturer SERVIER (+22%) moved up to rank three from five, displacing BAYER (+9%) and TEVA (+11%) down one rank. Its only newcomer NOVARTIS (+25%) moved up to the bottom rank in the top 10 ranking. The drug manufacturer ABBOTT (+15%) managed to hold its previous rank seven, whereas PHARMSTANDART (-27%), MENARINI (+9%) and GEDEON RICHTER (+15%) moved down to ranks two, eight and nine, respectively. The total share of the top 10 drug manufacturers decreased by almost 0.5 p.p. to 39.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	2	**SANOFI-AVENTIS**	5.4	4.7
2	1	PHARMSTANDART	5.3	8.1
3	5	**SERVIER**	4.3	3.9
4	3	**BAYER HEALTHCARE**	4.3	4.3
5	4	**TEVA**	4.0	4.0
6	9	**NYCOMED/TAKEDA**	3.7	3.1
7	7	**ABBOTT**	3.4	3.2
8	6	**MENARINI**	3.3	3.3
9	8	GEDEON RICHTER	3.3	3.1
10	12	**NOVARTIS**	2.9	2.5
Total			39.8	40.3

*AIPM members are in bold

The hepatoprotector ESSENTIALE N (+41%) became the best selling brand name in Orenburg pharmacies (Table 2). Another six brand names of the top ten showed significant sales rates. ACTOVEGIN (+92%) and ALFLUTOP (+89%) moved up to ranks two and three, and the newcomers of the top ten INGAVIRIN (3-fold growth in sales), THERAFLU (3.3-fold growth), HEPTRAL (+53%) and ERGOFERON (+80%) moved up to ranks four, five, seven and nine, respectively. At the same time, the preparations showing low (KAGOCEL) and negative (ARBIDOL and OSCILLOCOCCINUM) growth rates, in contrast, moved down to the much lower positions. The total share of the top ten brand names increased by almost 1.5 p.p. and accounted for 9.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	2	ESSENTIALE N	2.0	1.6
2	7	ACTOVEGIN	1.2	0.7
3	10	ALFLUTOP	1.1	0.6
4	47	INGAVIRIN	0.8	0.3
5	59	THERAFLU	0.8	0.3
6	4	KAGOCEL	0.8	0.9
7	17	HEPTRAL	0.7	0.5
8	1	ARBIDOL	0.7	1.8
9	35	ERGOFERON	0.6	0.4
10	5		0.6	0.8
Total			9.3	7.8

The updates has been significant for the top ten INNs and generic names ranking. Six newcomers broke into the ranks of the top ten INN and generic names ranking (Table 3). INNs BLOOD (+86%), FISH (+89%), the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE (+60%), as well as INN NIMESULIDE (+24%), BISOPROLOL (+22%) and ADEMETIONINE (+63%) moved up to ranks three and from six through ten, respectively. In addition, the leaders of the top ten PHOSPHOLIPIDS (+39%) and XYLOMETAZOLINE (+8%) as well as PANCREATIN (+8%) placed at rank four improved their positions. Only AZITHROMYCIN (-5%) reduced its sales and moved down one rank to number 5. The total share of the top ten under review increased by almost 2 p.p. and achieved 12.3%.

Table 3. The top 10 INN and generic names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	2	PHOSPHOLIPIDS	2.2	1.7
2	3	XYLOMETAZOLINE	1.6	1.6
3	15	BLOOD	1.3	0.8
4	5	PANCREATIN	1.3	1.3
5	4	AZITHROMYCIN	1.2	1.3
6	22	FISH	1.1	0.6
7	18	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	1.0	0.7
8	12	NIMESULIDE	0.9	0.8
9	11	BISOPROLOL	0.9	0.8
10	23	ADEMETIONINE	0.9	0.6
Total			12.3	10.3

In contrast to the previous rankings, the leader of the top ten ATC-groups remained the same - ATC group J01 Antibacterials for systemic use (-7%) continued to hold rank one despite the reduction in sales (Table 4). ATC-group J05 Antivirals for systemic use (-4%) managed to hold its previous rank four. Due to high positive growth rates, four of the top ten ATC-groups rose in the ranks. M01 Anti-inflammatory and antirheumatic products (+20%), G03 Sex hormones (+18%) and A05 Bile and liver therapy (+33%) moved up to ranks 2, 3 and 7, and the newcomer of the top ten C09 Agents acting on the rennin-angiotenzin system (+27%) broke into the ranks of the top ten, moving up to rank ten. In contrast, N02 Analgesics (-7%), R05 Cough and cold preparations (-14%), A11 Vitamins (+2%) and R01 Nasal preparations (+7%) moved down to the lower positions. The total share of the top 10 reduced by more than 2 p.p. and accounted for 40.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013			3 mon. 2014	3 mon. 2013
1	1	J01	ANTIBACTERIALS FOR SYST USE	4.4	5.3
2	7	M01	ANTIINFLAM & ANTIRHEUM PROD	4.4	4.1
3	6	G03	SEX HORM&MODULAT GENITAL SYS	4.4	4.1
4	4	J05	ANTIVIRALS FOR SYSTEMIC USE	4.3	4.9
5	3	N02	ANALGESICS	4.2	5.1
6	2	R05	COUGH AND COLD PREPARATIONS	4.0	5.1
7	9	A05	BILE AND LIVER THERAPY	3.9	3.2
8	5	A11	VITAMINS	3.8	4.1
9	8	R01	NASAL PREPARATIONS	3.8	3.9
10	11	C09	AG ACT RENIN-ANGIOTENS SYST	3.6	3.1
Total				40.9	43.0

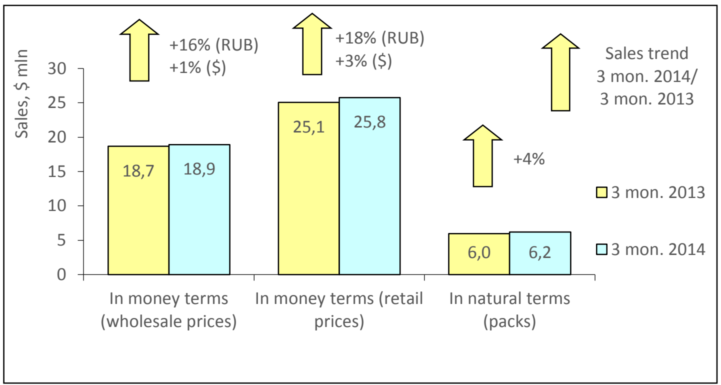
Conclusion. On the basis of the results for Quarter I of 2014, the retail pharmacy market of Orenburg brought in RUB 668.449 bln (USD 19.137 mln). At the same time, the market increased 11% in terms of roubles and reduced 3% in terms of dollars. In natural terms, the market shrank by 12% to 4.691mln packs. Based on the results for three months of 2014, the average cost of an OTC pack in the city pharmacies was higher than in the year-earlier period (USD 4.08 vs. USD 3.70), but proved to be lower than the Russia average figures (USD 4.12). Per capita expenses for purchase of medicines in the Orenburg pharmacies amounted to USD 33.25 which is higher than on the national average (USD 31.72).

PENZA PHARMACY MARKET: 2014 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Penza's estimated population was 521.3 thousand, which accounted for 0.4% of the total Russian Federation population and 1.8% of Privolzhsky FO (PFO). According to Federal State Statistics Service's data, in Q 1, 2014 the average salary in the region was RUB 20,510 (USD 586.67), which was 32% lower than the average salary in Russia (RUB 30,057).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first three months of 2014 the sales of OTC drugs in natural terms in pharmacies of Penza saw a 4% increase to 6.193 mln packs. In money terms, the regional market showed the positive growth: 16% in rouble terms and 1% in dollar terms and reached RUB 660.520 bln (USD 18.910 mln) in wholesale prices (Fig. 1). The regional market share accounted for 0.6% of the Russian pharmacy market. The average cost of an OTC pack reduced as compared to a year earlier period (USD 4.20) and reached USD 4.16 at retail prices. For 3 months of 2014, the average amount spent by residents of Penza for drugs amounted to USD 49.42.

Figure 1. Penza pharmacy market for 3 months of 2013 – 3 months of 2014



Based on the results of the first quarter of 2014, the top 10 companies of the Penza pharmacy market didn't change in composition, however the allocation of positions changed (Table 1). SANOFI-AVENTIS (+29%) moved up to rank one of the top ten, displacing PHARMSTANDART (+7%) to rank two. The drug manufacturers SERVIER (+24%), NYCOMED/TAKEDA (+34%) and SANDOZ (+30%) moved up to ranks 3 through 5, and ABBOTT (+25%) moved up to rank seven from nine. INNs with negative growth rates: BAYER (-25%) and NOVARTIS (-15%) moved down to the lower ranks, coming in at numbers 6 and 9, respectively. Due to lagging behind the market rates, TEVA (+5%) also moved down one rank. As before, MENARINI (+21%) held its rank ten in the ranking. The total share of the top 10 drug manufacturers decreased by almost 1.5 p.p. to 38.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	3	**SANOFI-AVENTIS**	5.6	5.0
2	1	PHARMSTANDART	5.3	5.8
3	5	**SERVIER**	4.4	4.1
4	6	**NYCOMED/TAKEDA**	4.1	3.6
5	8	**SANDOZ GROUP**	3.6	3.2
6	2	**BAYER HEALTHCARE**	3.2	5.0
7	9	**ABBOTT**	3.1	2.9
8	7	**TEVA**	3.0	3.3
9	4	**NOVARTIS**	3.0	4.1
10	10	**MENARINI**	2.9	2.8
Total			38.3	39.8

*AIPM members are in bold

Four newcomers broke into the ranks of the top ten brand names ranking (table 2). ERGOFERON increased its sales 2.1 times and moved up to rank six, and ALFLUTOP (+47%), AFOBAZOL (+26%) and EXODERIL (2.2-fold growth in sales) moved up to three bottom ranks in the top ten brand names. In addition, another three brand names of the analysed top ten showed growth in sales. Hepatoprotector ESSENTIALE N (+40%) moved up to rank number one, and LINEX (+57%) and ACTOVEGIN (+44%) moved up to ranks three and four. At the same time, ARBIDOL (-24%), VIAGRA (-12%) and CARDIOMAGNIL (-3%) reduced their sales and moved down to the lower positions two, five and seven, respectively. The total share of the top ten trade names increased by almost 0.6 p.p. and accounted for 9%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	2	ESSENTIALE N	1.7	1.4
2	1	ARBIDOL	1.0	1.6
3	8	LINEX	1.0	0.7
4	7	ACTOVEGIN	1.0	0.8
5	3	VIAGRA	0.8	1.1
6	27	ERGOFERON	0.8	0.5
7	5	CARDIOMAGNIL	0.8	0.9
8	17	ALFLUTOP	0.7	0.5
9	12	AFOBAZOL	0.7	0.6
10	38	EXODERIL	0.6	0.3
Total			9.0	8.4

As well as in the previous ranking, the top ten INN and generic names leader changed (table 3). Due to 34% growth in sales, INN PHOSPHOLIPIDS moved up to rank one. The last year leader XYLOMETAZOLINE (+17%) moved down to rank two. INNs PANCREATIN (+47%) and BISOPROLOL (+33%) moved up to ranks three and four from 10 and 8, respectively. Another three INNs with high growth rates broke into the ranks of the top ten for the first time: BLOOD (+43%), the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+57%) and INN INTERFERON GAMMA which sales increased 2.1 times. Apart from the above XYLOMETAZOLINE, three INNs of the top ten fell in the ranks. UMIFENOVIR (-21%), which reduced its sales, as well as SILDENAFIL (+2%) and NIMESULIDE (+6%), which showed low growth rates, moved down to ranks five, six and eight, respectively. The total share of the top ten increased by 0.7 p.p. and accounted for 11.6%.

Table 3. The top 10 INN and generic names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	3	PHOSPHOLIPIDS	1.8	1.5
2	1	XYLOMETAZOLINE	1.6	1.6
3	10	PANCREATIN	1.2	1.0
4	8	BISOPROLOL	1.1	1.0
5	2	UMIFENOVIR	1.1	1.6
6	5	SILDENAFIL	1.0	1.2
7	13	BLOOD	1.0	0.8
8	6	NIMESULIDE	1.0	1.1
9	15	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1.0	0.7
10	40	INTERFERON GAMMA	0.8	0.5
Total			11.6	10.9

ATC-groups with high positive growth rates moved up to the first three ranks of the top ten ATC groups ranking from the lower positions: M01 Anti-inflammatory and antirheumatic products (+19%), C09 Agents acting on the rennin-angiotensin system (+44%) and R01 Nasal preparations (+18%) (Table 4). The markets of the ATC-groups G03 Sex hormones (+31%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+39%) also developed at a fast pace, for which reason they moved up to ranks 7 and 8, respectively. On top of that, the latter became the only newcomer of the top 10 ranking. In contrast, the other five brand names of the top ten dropped their positions in the ranks. J01 Antibacterials for systemic use (-6%), N02 Analgesics (-20%) and R05 Cough and Cold Preparations (-12%) moved down to ranks 4 through 6, respectively. J05 Antivirals for systemic use (-9%) and A11 Vitamins (+6%) moved down to the two bottom ranks in the top ten ranking. The consolidated share of the top 10 reduced from 42.3% to 38.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013			3 mon. 2014	3 mon. 2013
1	5	M01	ANTIINFLAM & ANTIRHEUM PROD	4.6	4.5
2	8	C09	AG ACT RENIN-ANGIOTENS SYST	4.2	3.4
3	6	R01	NASAL PREPARATIONS	4.0	3.9
4	3	J01	ANTIBACTERIALS FOR SYST USE	4.0	4.9
5	1	N02	ANALGESICS	4.0	5.8
6	2	R05	COUGH AND COLD PREPARATIONS	3.8	5.1
7	9	G03	SEX HORM&MODULAT GENITAL SYS	3.7	3.3
8	11	A07	INTESTINAL ANTIINFECTIVES	3.7	3.1
9	4	J05	ANTIVIRALS FOR SYSTEMIC USE	3.7	4.8
10	7	A11	VITAMINS	3.2	3.5
Total				38.9	42.3

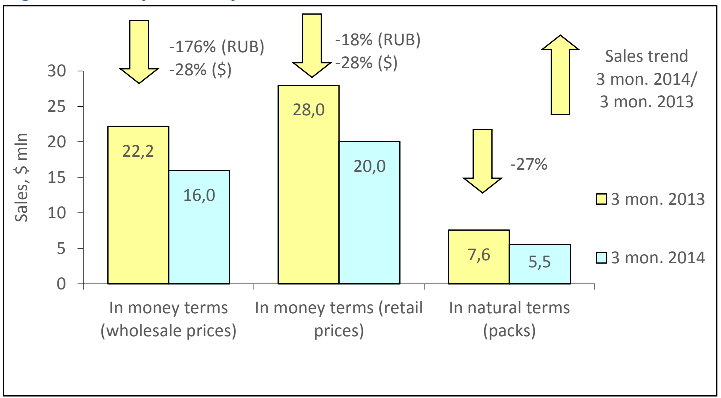
Conclusion. On the basis of the results for the first quarter of 2014, the retail pharmacy market of Penza brought in RUB 899.959 mln (USD 25.765 mln) in retail prices. The sales increased 18% in terms of roubles and 3% in terms of dollars. In pack terms, the market also showed positive growth rates (+4%) and achieved 6.193 mln packs. The average cost of OTC pack in the Penza pharmacies according to the results for the first three months of 2014 was USD 4.16 which was lower than the last year figures (USD 4.20), but higher than average figures in the country (USD 4.12). The average expenses of city residents for medicines in the pharmacies exceeded the national average (USD 49.42 vs. USD 31.72).

TULA PHARMACY MARKET: 2014 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Tula's estimated population was 490.5 thousand, which accounted for 0.3% of the total Russian Federation population and 1.3% of Central FO (CFO). According to Federal State Statistics Service's data, in the first quarter of 2014 the average salary in the Tula Region amounted to RUB 23,817 (USD 681.26), which was 21% lower than the average salary in Russia (RUB 30,057).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first three months of 2014 the sales of OTC drugs in natural terms in the pharmacies of Tula saw a 27% decrease to 5.545 mln packs. In money terms, the regional market showed the negative growth: -17% in rouble terms and -28% in dollar terms and reached RUB 557.405 mln (USD 15.959 mln) in wholesale prices (Fig. 1). The regional market share accounted for 0.4% of the Russian pharmacy market. The average cost of an OTC pack reduced as compared to a year earlier period (USD 3.69) and reached USD 3.62 at retail prices. For 3 months of 2014, the average amount spent by residents of Tula on drugs amounted to USD 40.87.

Figure 1. Tula pharmacy market for 3 months of 2013 – 3 months of 2014



Based on the results for Q I 2014, the top part of the top ten drug manufacturers raning in the Tula market remained the same (Table 1). As before, the drug manufacturers SANOFI-AVENTIS (-10%), MENARINI (-19%), PHARMSTANDART (-21%), SERVIER (-16%) and NYCOMED/TAKEDA (-13%) held ranks one through five, despite the reduction in sales. The other five drug manufacturers also showed negative growth rates, however three of them managed to rise in the ranks. ABBOTT (-7%) moved up from rank nine to six, and KRKA (-14%) moved up from rank eight to seven. Its only newcomer GEDEON RICHTER (-10%) moved up to rank nine in the top 10 ranking. At the same time, the drug manufacturers BAYER (-18%) and NOVARTIS (-22%) showed more significant reduction in sales and moved down to ranks eight and ten of the ranking. The total share of the top 10 drug manufacturers expanded by almost 1 p.p. to 38.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	1	**SANOFI-AVENTIS**	5.4	4.9
2	2	**MENARINI**	4.6	4.7
3	3	PHARMSTANDART	4.3	4.5
4	4	**SERVIER**	4.3	4.3
5	5	**NYCOMED/TAKEDA**	3.6	3.4
6	9	**ABBOTT**	3.5	3.1
7	8	**KRKA**	3.4	3.2
8	6	**BAYER HEALTHCARE**	3.3	3.3
9	11	GEDEON RICHTER	3.3	3.0
10	7	**NOVARTIS**	3.1	3.2
Total			38.8	37.8

*AIPM members are in bold

Most of the top ten brand names reduced their sales in the analysed period (Table 2). The above is also true of the top three brand names - ESSENTIALE N (-18%), CONCOR (-4%) and CARDIOMAGNIL (-11%) moved up to ranks 1 through 3 despite their negative growth rates. Due to 48% reduction in sales, the last year leader KAGOCEL moved down to rank four. In addition, NIMESIL (-28%) moved down to the lower rank 6. The other five brand names of the top 10 rose in the ranks. MEXIDOL (-12%) moved up from rank seven to five, and ACTOVEGIN (-25%) moved up from rank eight to seven. The newcomers broke into the ranks of the top ten brand names, coming in at three bottom ranks: INGAVIRIN (-16%), HEPTRAL (+2%) and LYRICA (+50%). The total share of the analysed top 10 brand names virtually remained unchanged and accounted for 7.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	3	ESSENTIALE N	1.0	1.1
2	6	CONCOR	0.8	0.7
3	5	CARDIOMAGNIL	0.8	0.7
4	1	KAGOCEL	0.8	1.2
5	7	MEXIDOL	0.7	0.7
6	4	NIMESIL	0.7	0.8
7	8	ACTOVEGIN	0.6	0.7
8	11	INGAVIRIN	0.6	0.6
9	13	HEPTRAL	0.6	0.5
10	41	LYRICA	0.6	0.3
Total			7.3	7.3

As well as in the previous ranking, the top ten INN and generic names leader changed (table 3). Due to 10% growth in sales, INN XYLOMETAZOLINE moved up to rank one from two. BISOPROLOL (-5%) also moved up one rank, to number two, whereas the last year leader NIMESULIDE (-19%) moved down to rank three. PHOSPHOLIPIDS (-20%) maintained its previous rank four. The INNs with high growth rates moved up to numbers five through ten: PANCREATIN (-8%) and ENALAPRIL (-22%) moved up two ranks, coming in at numbers five and nine. The newcomers of the top ten ATORVASTATIN (+11%), LOSARTAN (+4%), ACETYLSALICYLIC ACID + MAGNESIUM (-11%) and ETHYLMETHYLHYDROXYPYRIDINE (-12%) moved up to rank six and three bottom numbers. The total share of the top ten increased by 1.1 p.p. and accounted for 10.9%.

Table 3. The top 10 INN and generic names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013		3 mon. 2014	3 mon. 2013
1	2	XYLOMETAZOLINE	1.8	1.4
2	3	BISOPROLOL	1.4	1.2
3	1	NIMESULIDE	1.3	1.4
4	4	PHOSPHOLIPIDS	1.2	1.2
5	7	PANCREATIN	1.1	1.0
6	20	ATORVASTATIN	0.8	0.6
7	9	ENALAPRIL	0.8	0.9
8	19	LOSARTAN	0.8	0.6
9	15	ACETYLSALICYLIC ACID+ MAGNESIUM	0.8	0.7
10	14	ETHYLMETHYLHYDROXYPYRIDINE	0.8	0.7
Total			10.9	9.8

C09 Agents acting on the rennin-angiotensin system (-8%) and M01 Anti-inflammatory and antirheumatic products (-14%) held their previous leading ranks one and two in the top ten ATC groups ranking (Table 4). The groups J01 Antibacterials for Systemic Use (-30%) and N02 Analgesics (-27%) also held their previous ranks four and six, respectively. Four ATC groups rose in the ranks, whereas two of them fell in the ranks. R01 Nasal preparations (-3%) moved up from rank seven to three. A11 Vitamins (-24%) and N06 Psychoanaleptics (-20%) moved up one rank, to numbers 8 and 9. The only newcomer of the top 10 – G03 Sex Hormones (-4%) - moved up to rank ten. ATC-groups R05 Cough and cold preparations (-36%) and J05 Antivirals for systemic use (-40%) showing the most significant reduction in sales lowered their positions, moving down to ranks five and seven. The total share of the top 10 reduced from 38.5% to 36.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2014	3 mon. 2013			3 mon. 2014	3 mon. 2013
1	1	C09	AG ACT RENIN-ANGIOTENS SYST	5.5	5.0
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.9	4.7
3	7	R01	NASAL PREPARATIONS	4.1	3.5
4	4	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.4
5	3	R05	COUGH AND COLD PREPARATIONS	3.5	4.5
6	6	N02	ANALGESICS	3.2	3.6
7	5	J05	ANTIVIRALS FOR SYSTEMIC USE	3.0	4.1
8	9	A11	VITAMINS	3.0	3.2
9	10	N06	PSYCHOANALEPTICS	2.8	2.9
10	13	G03	SEX HORM&MODULAT GENITAL SYS	2.8	2.4
Total				36.7	38.5

Conclusion. On the basis of the results for the first quarter of 2014, the retail pharmacy market of Tula brought in RUB 700.190 mln (USD 20.046 mln) in retail prices. The sales reduced 18% in terms of roubles and 28% in terms of dollars. In pack terms, the market also showed significant negative growth rates (-27%) and achieved 5.545 mln packs. The average cost of an OTC pack was USD 3.62 which was lower than the last year figures (USD 3.69), but higher than the national average (USD 4.12). However, the average expenses of city residents for medicines in the pharmacies exceeded the national average (USD 40.87 vs. USD 31.72).

REGIONAL DIGEST

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

June 3. 2014, The Vedomosti

Ministry of Health intends to diminish the term of patent protection for original drugs

Generics manufacturers can apply for a marketing authorization of a given drug four years after the original product was granted marketing authorization, and biosimilars manufacturers may apply in three years. But they can't use for commercial purposes any results of preclinical and clinical studies that drug manufacturers provide for the registration of drugs without their prior consent for over 6 years. This proposal was included in the amendments to the law On the Circulation of Drugs prepared by the Ministry of Health. Amendments have received interdepartmental approval and are submitted to the government. According to experts, adoption of amendments will accelerate the launch of generics to the market.

June 4, 2014, Gazeta.ru

Draft amendments to the Law On Narcotic Drugs and Psychotropic Substances Ministry of Health were put out by the Ministry of Health for public consultation

The Russian Ministry of Health announced the beginning of the public discussion process for the Federal Law On Amendments to the Federal Law of January 8, 1998 № 3-FZ On Narcotic Drugs and Psychotropic Substances. Changes in the law will affect the nomenclature and drug labelling. It is proposed to increase the validity of a prescription for narcotic drugs and psychotropic substances up to 10 days, to simplify the transportation of drugs, to reduce the term of storage of operation record books.

June 9, 2014, RIA News

State Duma Committee approved the amendments to the Criminal Code in respect of falsified medicines

State Duma Committee on Civil, Criminal, Arbitration and Procedural Law recommended to adopt in the first reading a draft law to supplement the Criminal Code of Russia with new compositions of crime in respect of the illegal production and circulation of drugs and substandard food supplements, as well as the manufacture and use of false documents to them. The document introduced by a group of United Russia deputies proposed to amend the Criminal Code by an article, according to which the production of medicines or medical devices without license will be punished by imprisonment for a term of five to eight years with a fine from RUB 500,000 to two millions.

June 9, 2014, ITAR-TASS

According to the Ministry of Health, in the next a year and a half the initial hospital admission will be reduced by 130,000 beds

The Deputy Ministry of Health Ayrat Farrakhov reported on the changes in the health system expenditures. According to him, in the next a year and a half the initial hospital admission will be reduced by 130,000 beds in total. As hospitals continue to be pushed to improve operational efficiency, the Ministry of Health will not reduce the volume of hospital care to be provided to the population of the country. The official also said that the goal to double the number of high-tech medical manipulations to be provided to the population by 2017-2018 will be achieved.

June 9, 2014 Remedium

Prime Minister signed a decree amending the procedure for financing high-tech medical care

Prime Minister D. Medvedev signed a decree amending the programme of state guarantees of free medical care for 2014 and the 2015-2016 planning period. Amendments were prepared by the Ministry of Health. The official report says that the changes affect the financial security of high-tech medical care. Due to changes made by the amendments, the high-tech medical manipulations will be included in the list of programs which are funded through the budget including Mandatory Medical Insurance.

June 10, 2014, Vedomosti.ru

Ministry of Health to reserve the right to buy the most expensive drugs until 2018

Regions may be authorized to purchase medicines under 7 Nosologies Program no earlier than 2018. In May, the State Duma adopted in the first reading the relevant amendments to the law On the Fundamentals of Public Health Protection in the Russian Federation. If resources are allocated (not only financial but also human ones), the Ministry of Health could support this draft law, Elena Maksimkina, Director of the Department of Drug Treatment Provision and Regulation of Medical Devices, Ministry of Health, reported to Vedomosti. Centralized purchasing saves money, she explained. Maksimkina believes that establishment of a specialized agency may be the "right idea" when there is a need to centralize procurement.

June 16, 2014, RIA AMI

Deputies rejected a proposal to fund the treatment of some orphan diseases through the budget

Duma rejected draft law № 428905-6 On Amending the Federal Law On the Fundamentals of Public Health Protection in the Russian Federation (in terms of the treatment of rare (orphan) diseases). The draft law proposed to single out high-cost orphan diseases including atypical hemolytic uremic syndrome, types I, II and IV mucopolysaccharidosis, paroxysmal nocturnal hemoglobinuria, pulmonary (arterial) hypertension, juvenile rheumatoid arthritis with systemic onset, and medications for their treatment, in a separate program to be financed through the federal budget.

June 18, 2014 Remedium

AIPM proposed to introduce international standards for Good Distribution Practice in Russia

In the coming months, the Association of International Pharmaceutical Manufacturers will submit to the government a draft law to introduce international standards for good distribution practice (GDP) in Russia. This was reported by Head of AIPM Vladimir Shipkov. According to him, due to the vast territory of Russia, the introduction of GDP-standards will be a strategic task because the quality of patient care depends on such factors as the maintenance of drug temperature during the storage and shipping.

June 20, 2014, RIA News

The State Duma adopted the law to forbid advertising of medical devices in the media

At Friday meeting, the State Duma passed in the second and final third reading a law that forbids advertising of medical devices in nonspecialized areas and media. Amendments will be made to the Law On Advertising. The exception is provided by the special case of placing such advertising in the areas where medical or pharmaceutical exhibitions, seminars and conferences are held, as well as in the specialized publications for medical and pharmaceutical personnel.

NEWS FROM COMPANIES

June 19. 2014, The Vedomosti

R-Pharm to buy a pharmaceutical plant in Germany to enter the foreign markets

R-Pharm buys from Pfizer a plant in Germany to enter the foreign markets and to become an international market player. Alexey Repik, the owner of R-Pharm and Chairman of Board of Directors, confirmed that the deal was expected to be completed in the fall. In addition, the company will invest EURO 30 million in the construction of biotechnology plant in Turkey which launch is scheduled for 2017.

June 26, 2014, ITAR-TASS

The Commission postponed the approval of the deal to buy a drug maker Veropharm by Abbott

Governmental Commission for Control of Foreign Investment postponed the approval of the deal of the U.S. company Abbott to buy a stake in the Russian Veropharm to the next meeting. This was announced by Head of FAS Russia Igor Artemyev after a meeting of the Commission. He confirmed that the deal was discussed at today's meeting. According to him, it was decided to return to the deal at the next meeting of the Committee.

June 27, 2014, Vedomosti.ru

Government Commission approved the purchase of Russian assets by the Germany-based Fresenius

Government Commission on Monitoring Foreign Investment approved the acquisition of Russian Binnopharm and Alium by the Germany-based pharmaceutical company Fresenius. This was reported by the Head of FAS Igor Artemyev. According to AFK System, in April the joint pharmaceutical company would be set up between Fresenuis Kabi and a minority shareholder of Binnopharm Zenitko Finance Management. 100% of Binnopharm and all Fresenius Kabi business in Russia and the CIS will be contributed to the joint venture. Fresenius Kabi’s share in the joint venture will be 51%. AFK System and Zenitko will hold 37% and 12%, respectively. On June 19, EuroCommission approved the establishment of the joint venture.

Source of information – IMS Health

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Information of Remedium Group in Internet: http://www.remedium.ru