СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

РЕМЕДИУМ
ГРУППА КОМПАНИЙ

AIPM

Association of International Pharmaceutical Manufacturers

Ассоциация международных фармацевтических производителей

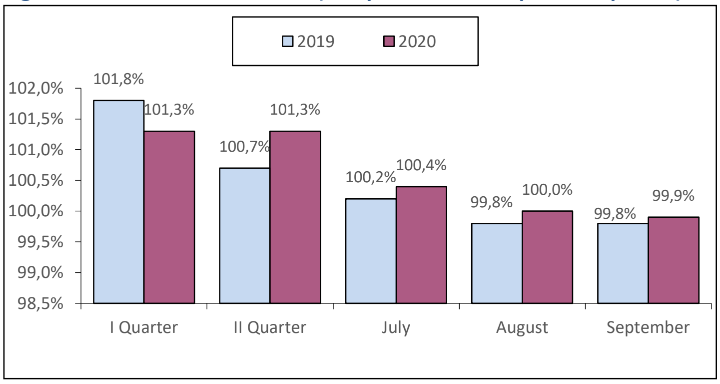
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 99.9% in September 2020 compared to the previous month and 102.9% compared to December of the previous year.

In September 2020, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 100.6%, whereas in the month-earlier period it had amounted to 101.0%. The index accounted for 100.7% against December of 2019.

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



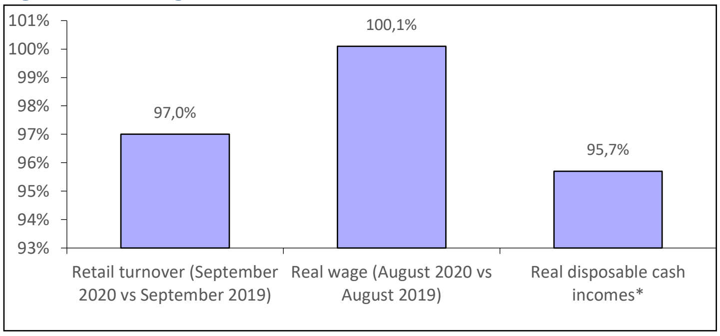
Living standard

In August 2020, a gross monthly average wage of corporate employees reached RUB 47649 (USD 645.65). It accounted for 103.7% compared to August 2019, and 95.1% compared to the previous period. In August 2020, the real gross wage accounted for 100.1% as compared to August 2019, and 95.1% against the prior period. According to estimates[1], real disposable cash incomes decreased by 4.3% in January-September 2020 compared to January-September 2019 (Fig. 2).

Retail turnover

In September 2020, the retail turnover was equal to RUB 2897.3 bil. or 97.0% (in comparable prices) against the level of the same period of the previous year, and RUB 23925.5 bil. or 95.2% in January - September 2020 (Fig. 2).

Figure 2. Real wage and retail turnover



* January-September 2020 vs. January-September 2019.

Industrial Production

According to Federal State Statistics Service's data, Industrial Production Index accounted for 95.0% in September 2020 compared to the same period in the previous year, and 97.1% in January - September 2020

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in September 2020 accounted for 122.4% compared to the same period of 2019, and 115.3% compared to August of 2020. In January-September 124.2% compared to vs. January-September 2019.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for September 2020.

Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales, September 2020

Rank	Manufacturer	RUB mil.
1	Otcpharm	3589.4
2	Biocad	2668.6
3	Stada	2400.3
4	Valenta	1872.4
5	Microgen	1760.0
6	Pharmstandart	1652.3
7	Grotex	1133.6
8	Sotex	1094.2
9	Akrihin	1044.4
10	Pharmasyntez	1028.5

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In August 2020 compared to the previous month, sales (in terms of roubles) increased in all regions. The most pronounced growth in sales was observed in Krasnodar Krai (+25%), the least one in Novosibirsk and Voronezh Regions (+6%). A decrease in sales was observed in Krasnoyarsk Krai (-6%).

Table 2. Pharmacy sales in the regions, 2020

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	June 20	July 20	August 2020	June/May 20	July/June 20	August /July 20
Moscow	131.2	125.6	130.9	5%	-1%	8%
St. Petersburg	60.1	57.1	60.7	9%	-2%	10%
Krasnodar Krai	31.2	37.0	49.5	16%	22%	39%
Krasnoyarsk Krai	20.9	22.4	20.3	18%	10%	-6%
Tatarstan	20.5	22.8	24.4	0.5%	15%	11%
Rostov Region	20.4	21.9	24.7	7%	11%	17%
Novosibirsk Region	18.0	19.9	20.3	8%	14%	6%
Voronezh Region	14.6	13.2	13.6	19%	-7%	6%
Perm	7.3	5.8	7.1	14%	-17%	25%
Tyumen	5.8	7.1	7.7	-5%	28%	12%

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 September 2020

Rank	Company*	Quantity of broadcasts
1	Otcpharm	10,686
2	Sanofi	9,574
3	Sandoz	9,195
4	Bayer AG	7,422
5	Berlin-Chemie Menarini Group	6,855

Source - Remedium according to Mediascope's data

Table 4. Top five brand names in mass media in September, 2020

Rank	Brand*	Quantity of broadcasts
1	Nurofen	3,103
2	Linex	2,819
3	Cycloferon	2,761
4	Polyoxidoni	2,594
5	ACC	2,577

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

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

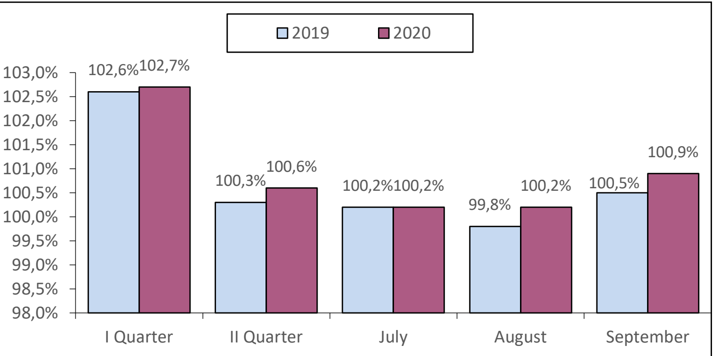
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of Belarus, the Consumer Price Index was estimated at 100.9% in September 2020, 104.7% compared to December 2019. At the end of January-September of 2020, the Consumer Price Index was 105.2% as compared to January-September of 2019.

In September 2020, Industrial Producer Price Index was 101.3% compared to August 2020, and 106.6% compared to December 2019. In January - September 2020, the Industrial Producer Price Index was 105.0% as compared to January-September 2019.

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



Source: Belstat

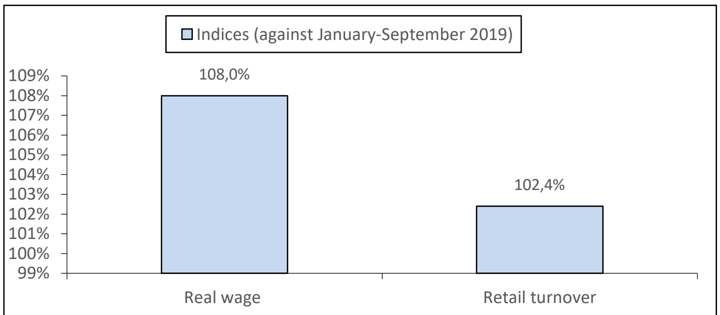
Living standard

According to the preliminary Belstat's data, the average monthly nominal accrued wage of the corporate workers in the Republic of Belarus was BYR 1264.5 (USD 484.65[2]) in September 2020, and BYR 1218.4 (USD 508.96) in January-September 2020, which accounted for 113.6% and 113.6% compared to the same periods of 2019. In September 2020, the real wage accounted for 107,1% as compared to the same period of 2019, 108.0 % in January - September 2020 (Fig. 2). According to National Statistical Committee of the Republic of Belarus, in January- August 2020 the real disposable cash incomes accounted for 105.2% compared to January-August 2019.

Retail turnover

In September 2020, the retail turnover was estimated at BYR 4,374.5 mil., which accounted for 91.5% compared to the previous month and 99.6% compared to September 2019. According to the results for January-September 2020, the turnover amounted to BYR 38.9 bil., or 102.4% against 2019 January-September level in comparable prices (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-September 2020



Source: Belstat

Industrial Production

According to the National Statistical Committee of the Republic of Belarus, in September 2020 the industrial output by economic activities "Mining industry", "Processing Industry" and “Supply of electricity, gas, steam, hot water and conditioned air” and “Water supply; sewerage, waste management and remediation activities” amounted to RYR 10288.2 mil., BYR 83.1 bil. in January-September 2020 or 101.4% and 98.2% against the relative period of 2019 at comparable prices.

According to Belstat's data, in January-September of 2020 pharmaceutical production output of essential pharmaceutical products and pharmaceutical preparations was estimated at BYR 1153.0 mil., which accounted for 111.6% against the indicators of January-September 2019 at comparable prices.

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

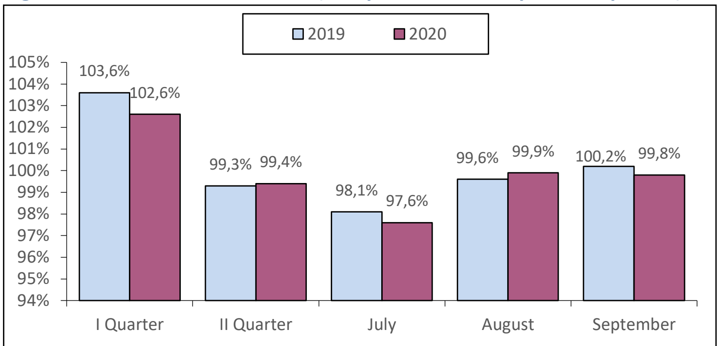
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to the National Statistics Committee of the Republic of Armenia, in September 2020 consumer price index amounted to 99.8% against the previous month and 98.6% compared to December 2019. The Consumer Price Index accounted for 100.9% in January-September 2019 compared to the same period of 2019.

The Industrial Producer Price Index was 100.9% in September 2020, as compared to the previous month, and 101.8% compared to December 2019. In January-September 2020, the Index reached 101.8% as compared to 2019.

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



Source: National Statistics Committee of the Republic of Armenia

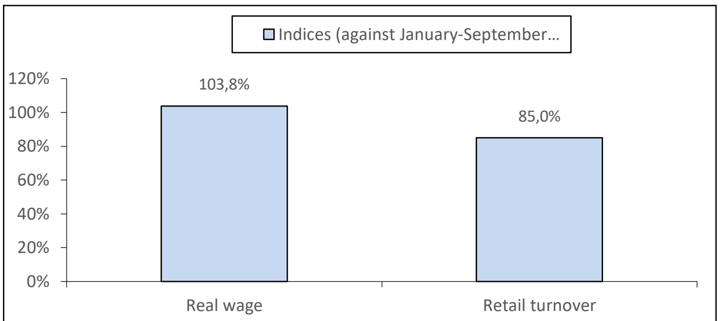
Living standard

According to the preliminary data of the Statistics Committee of RA, in September 2019 the average monthly nominal wage of the workers of the Republic of Armenia was Dram 185316 (USD 380.77), which accounted for 99.1% compared to the previous period and 103.9% compared to the same period of 2019. In January-September 2020, the average monthly nominal wage per worker was Dram 186967 (USD 386.14) or 104.7% against the same period of 2019. The real wage (according to Eurasian Economic Commission) accounted for 103.8% in January-March 2020 as compared to January-September 2019 (Fig. 2).

Retail turnover

The retail turnover amounted to Dram 119924.2 mil. in September 2020, and Dram 924642.2 mil. In January- September 2019, which accounted for 85.9% and 85.0% respectively, as compared to the same period of the previous year (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-September 2020



Source: National Statistics Committee of the Republic of Armenia

Industrial Production

According to the preliminary data of Statistics Committee of the Republic of Armenia, in September 2020 the industrial output by economic activities "Mining industry", "Processing industry" and “Supply of electricity, gas, steam, hot water and conditioned air” and “Water supply; sewerage, waste management and remediation activities” amounted to AMD 190323.4 mil., and AMD – 1433.0 bil. in January- September 2020 or 101.8% and 101.0% against the same periods of 2019, respectively.

According to the Statistics Committee of the Republic of Armenia, the essential drug production was estimated at AMD 1150.8 mil. in September 2020, and AMD 8254.1 mil. from the beginning of the year, which accounted for 135.3% and 123.5% as compared to the same periods of 2019.

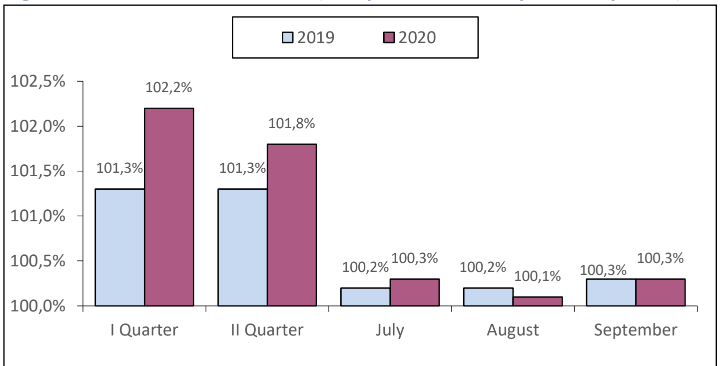
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in September 2020 the Consumer Price Index was estimated at 100.3% compared to the previous month, 104.9% compared to December 2019. In January-September 2020, the Index reached 106.6% as compared to 2019.

The Industrial Producer Price Index was 102.4 % in September 2020 as compared to the previous month, 95.3% compared to December 2019. In January-September 2020, the producer prices of industrial products decreased by 8.6% as compared to 2019.

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



Source: Statistics Committee of RK

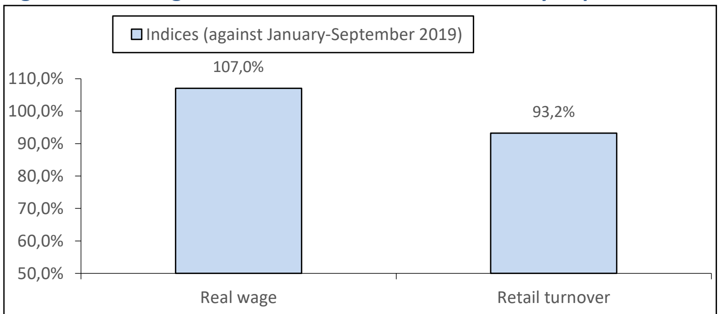
Living standard

According to the preliminary data of the Statistics Committee of RK, the gross monthly average nominal wage per worker reached KZT 212894 (USD 502.27[3]) in September 2020, KZT 207735 (USD 508.49) in January-September 2020. The Nominal Wage Index against the respective period of the previous year accounted for 110.2% in September 2020, 114.1% in January-September 2020 and the real wage index in September 2020 vs. September 2019 was 103.0%, and in January-September 2020 vs. the respective period of 2019 was 107%. According to the preliminary data, in January-August 2020 the real cash income index was 101.9% compared to the same period of 2019 (Fig. 2).

Retail turnover

The retail trade in September 2020 was equal to KZT 1205.9 bil., which is 111.4% compared to September 2019. In January-September 2020, the volume amounted to KZT 8014.8 bil., which was 93.2% compared to January-September 2019 (at comparable prices) (Fig. 2).

Figure 2. Real wage index and retail turnover in January-September 2020



Source: Statistics Committee of RK

Industrial Production

According to the Committee for Statistics of RK, the industrial output in September 2020 was KZT 2219.2 bil., in January-September 2020 - KZT 19087.3 mil. As compared to the same period of 2019, the indices accounted for 96.5% and 100.0%, respectively.

According to the Statistics Committee of RK, the industrial output of essential pharmaceutical products in January-September 2020 amounted to KZT 93.408 bil., in September of 2020 - KZT 11.930 bil. In January-September 2020, the volume of Industrial Production for Pharmaceuticals Index was 93.3% against January-September 2019, – 139.8%, in September 2020 vs. the respective period of 2019 – 185.0%.

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

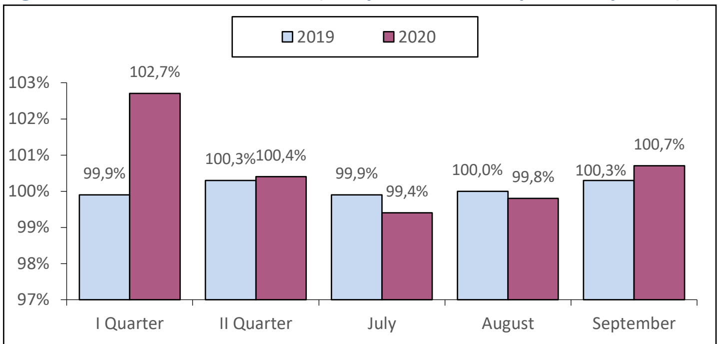
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to the National Statistics Committee of the Kyrgyz Republic, the Consumer Price Index was estimated at 100.7% in September 2020 compared to the previous month, – 102.9% compared to December 2019. In January-September 2020, the index reached 105.6% compared to January-September 2019.

In September 2020, the Producer Price Index for industrial production and services was 100.3% as compared to the previous month, Throughout the Republic, in January-June 2020 the producers prices of industrial products and services increased by 24.5% compared to January-June of 2019.

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



Source: National Committee for Statistics of the Kyrgyz Republic

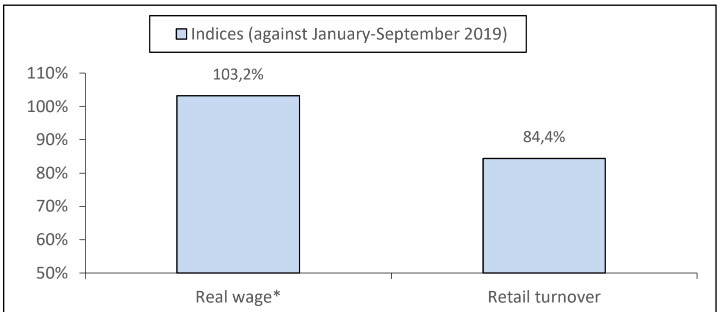
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in August 2020 the average monthly nominal wage per worker was KGS 17,443 (USD 220.83), in January-August 2020 - KGS 17928 (USD 238.60), which is 105.9% and 109.0% more than in the same period of the previous year, respectively. In January-August 2020, the real wage accounted for 103.2% as compared to January-August 2019, 100.9% in August 2020 compared to August 2019 (Fig. 2).

Retail turnover

In September 2020, the retail turnover (without cars and motorcycles sales) amounted to KGS 28718.1 mil, in January-September 2020 – KGS 169398.6 mil. The Volume of Retail Turnover Index accounted for 87.5% and 84.4% to the same period of the previous year (Fig.2).

Figure 2. Real monthly wage and retail turnover in January-September 2020



Source: National Committee for Statistics of the Kyrgyz Republic

* data for January- May 2019

Industrial Production

According to the National Committee for Statistics of the Kyrgyz Republic, the industrial output was KGS 32560.8 mil. in September 2020 and KGS 238229.5 mil. in January-September of 2020. The Physical Index of Industrial Production accounted for 84.9% and 98.1% as compared to the same periods of 2019, respectively.

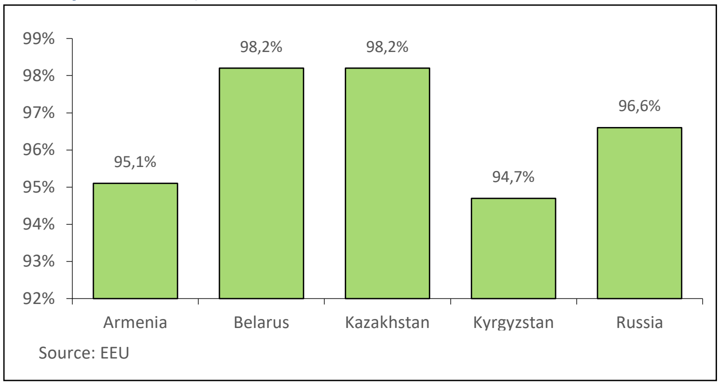
According to the National Committee for Statistics of the Kyrgyz Republic, the pharmaceutical output amounted to KGS 51.1 mil. in September 2020, and KGS 647.1 mil. from the start of the year. At the end of September 2020, the Industrial Products Volume Index for Pharmaceuticals was 204.3% compared to the respective period of 2019, and it accounted for 243.5% in January-September 2020 as compared to 2019.

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to Eurasian Economic Commission's data (EAEC), GDP of EAEU member-states amounted to USD 809.8 bil. in January-June of 2020. Compared to January-June 2019, the Volume Index was 96.8%. A decrease in GDP was noted in all EAEU member countries: -4.9% in Armenia, 1,8% in Belarus and Kazakhstan each, -5.3% in Kyrgyzstan and -3.4% in Russia) (Fig. 1).

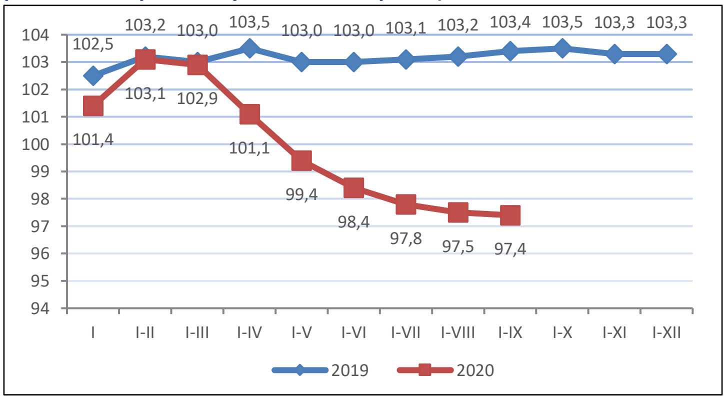
Figure 1. GDP growth in the EAEU member-states (January- June 2020 vs. January- June 2019)



Industrial Production

In January-September 2020, the volume of industrial output in the EAEU member-states amounted to USD 747.5 bil. and decreased by 2.6% in fixed prices as compared to the same period of 2019. In individual countries, the Industrial Production Index accounted for: – 101.0% in Armenia, – 98.2% in Belarus, – 100.0% in Kazakhstan – 98.1% Kyrgyzstan and – 97.1% in Russia (Fig. 2).

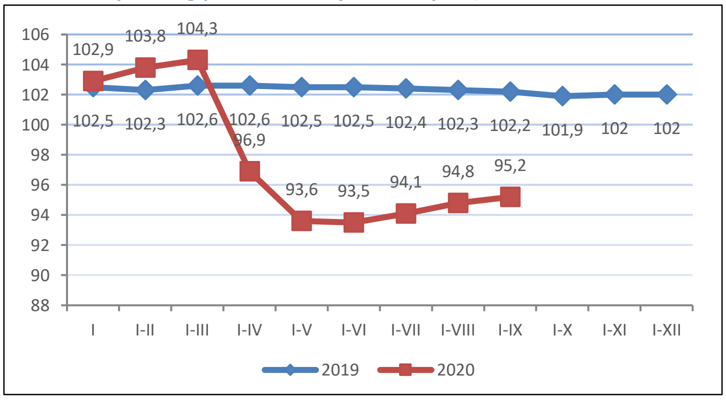
Figure 2. Dynamics of the industrial output in EAEU (as % over the same period of the previous year; constant prices)



Retail turnover

According to the EEC, the retail turnover (through all sales channels) of EEU member-states in January-September 2020 amounted to USD 379.4 bil. Compared with the same period of 2019, the volume of retail sales (in comparative prices) decreased by 4.8%. In the analysed period, most member-states showed a decline in the retail turnover. In this case, the indices accounted for 84.7% in Armenia, 102.4% in Belarus, 93.2% in Kazakhstan 82.1% Kyrgyzstan and 95.2% in Russia (Fig. 2).

Figure 3. The dynamics of the retail turnover in the EAEU (as a percentage over corresponding period of the previous year)



Nominal and real wage

According to EEU, the gross monthly average nominal wage per worker increased by 4.7% in Armenia, 13.6% in Belarus, 13.0% in Kazakhstan, 9.2% in Kyrgyzstan, 5.7% in Russia in January-September of 2020. The real wage (adjusted for the consumer price index for goods and services) increased by 3.8% in Armenia, 8.0% in Belarus, 6.0% in Kazakhstan, 3.4% in Kyrgyzstan and 2.6% in Russia.

Table 1. Nominal and real wage in January-September 2020

Country	Real wage, % against the same period of 2019	Nominal wage, USD
Armenia	103.8	386
Belarus	108.0	504
Kazakhstan	106.0	503
Kyrgyzstan	103.4	237
Russia	102.6	700

Budget performance

According to the EEC, in January-June 2019, the republican budget in all EEU member-states was implemented with a deficit. At the same time, in Armenia, Belarus and Russia, the budget surplus was replaced by a deficit. In Kazakhstan and Kyrgyzstan, the deficit increased by 4 and 16 times, respectively.

Compared to the corresponding period of the last year, all the EAEU member-states saw a decrease in the growth rates of the budget revenues and an increase in the growth rates of expenditures. The growth rates of the republican budgets were: revenues - 94% in Armenia, 90% in Belarus, 110% in Kazakhstan, 83% Kyrgyzstan and 95% Russia; expenditures - 120% in Armenia, 127% in Belarus, 124% in Kazakhstan, 109% in Kyrgyzstan, 126% in Russia.

Table 2. Republican budget in January-June 2020

Country	USD bil.		
	Income	Expenditure	Deficit (surplus)
Armenia	1.5	1.6	-0.1
Belarus	4.4	5.1	-0.7
Kazakhstan	14.2	16.8	-2.5
Kyrgyzstan	0.7	0.9	-0.2
Russia	131.9	143.1	-11.2
EAEU	**152.7**	**167.5**	**-14.7**

Mutual trade of EAEU member-states in January– August 2020

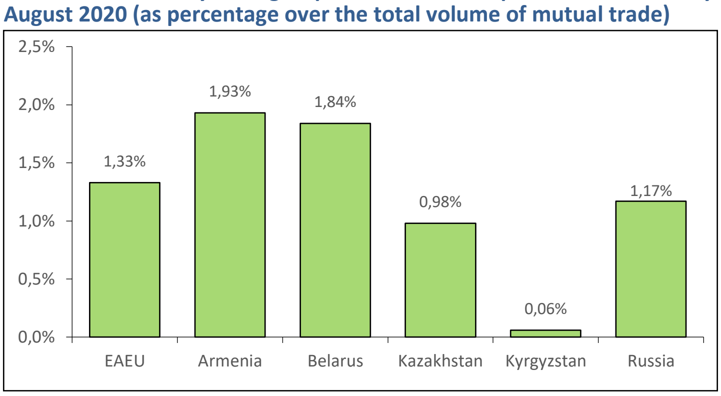
Volume of mutual trade in goods of the Member States of the Eurasian Economic Union in January- August 2020 amounted to USD 33.8 bil. or 86.2% as against the same period of 2019.

Table 3. Export volumes of the EAEU member-states in the mutual trade in January-August 2020

Countries	USD bil.	% vs January-August 2019	Share in total, %
EAEU	**33831.9**	**86.2**	**100.0**
Armenia	404.0	85.4	1.2
Russia	388.1	84.5	96.0
Belarus	8852.2	94.2	26.2
Russia	8300.1	93.9	93.8
Kazakhstan	3348.0	81.4	9.9
Russia	2963.0	81.4	88.5
Kyrgyzstan	328.8	78.0	1.0
Russia	152.6	84.2	46.4

Pharmaceutical products account for a small share in the structure of mutual trade (Figure 4).

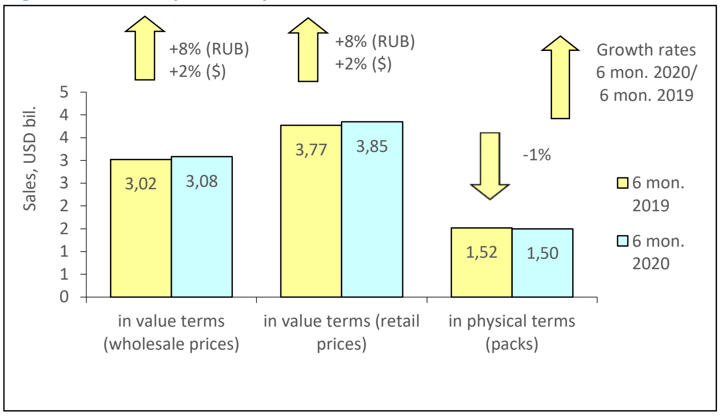
Table 4. The mutual trade pattern of EAEU member-states within the Customs Commodity Code group "Pharmaceutical products" for January-August 2020 (as percentage over the total volume of mutual trade)



PHARMACY OTC MARKET IN RUSSIA: 2020 FIRST SIX 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 half of 2020 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 1% decrease to 1,498 bil. packs. In money terms, the OTC drugs market increased by 8% in rouble terms and by 2% in dollar terms and reached RUB 212.967 bil. (USD 3.081 bil.) in wholesale prices (Fig. 1). The share of Over the Counter (OTC) drugs accounted for 66.1% of sales in physical terms and 49.7% in retail prices in terms of roubles. At the end of January-June 2020, the average cost of an OTC pack was USD 2.57, whereas in year-earlier period its cost was USD 2.48 in retail prices. In the analysed period, Russians spent an average of USD 26.25 on the purchase of OTC drugs in the pharmacies.

Figure 1. Russian pharmacy market for 6 months of 2019 – 6 months 2020



At the end of the first half of 2020, the top four drug manufacturers held their previous leading positions in the OTC drugs market: the manufacturers OTCPHARM (+32%[4]), STADA (-6%), BAYER (+1%) and SANOFI (+6%) continued to maintain the top four positions (Table 1). In addition to them, JOHNSON&JOHNSON (+13%) held its previous rank eight. Two manufacturers from the top 10 rose in the ranks. SANDOZ (+15%) moved up from rank seven to five, and the newcomer VALENTA (+24%) broke into the top 10 ranking for the first time, moving up to rank nine. At the same time, GLAXOSMITHKLINE (+ 4%), TEVA (+ 5%) and BERLIN-CHEMIE / MENARINI (-6%) moved down one rank. The total share of the top 10 drug manufacturers accounted for 40.9%, whereas in the year-earlier period it was 40.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	1	OTCPHARM	7.7	6.3
2	2	STADA	5.3	6.1
3	3	**BAYER**	4.4	4.7
4	4	**SANOFI**	4.2	4.3
5	7	**SANDOZ**	3.7	3.4
6	5	**GLAXOSMITHKLINE**	3.6	3.7
7	6	**TEVA**	3.5	3.6
8	8	**JOHNSON & JOHNSON**	3.4	3.2
9	11	VALENTA	2.6	2.3
10	9	**BERLIN-CHEMIE/MENARINI**	2.5	2.9
Total			40.9	40.4

*AIPM members are in bold

Two newcomers broke into the top ten brands ranking: ARBIDOL (3.2-fold growth in sales) and LINEX (+13%) moved up to ranks two and ten (Table 2). The top ten ranking changed its leader: INGAVIRIN (+59%) moved up to rank one from five. At the same time, the former leaders of the top ten DETRALEX (-2%) and NUROFEN (+5%) moved down to ranks three and four. Brands MIRAMISTIN (+34%), PENTALGIN (+20%) and THERAFLU (+15%) managed to move one rank up, coming in at numbers five, six and eight, respectively. At the same time, the brand CARDIOMAGNYL (+3%) moved down three ranks and ESSENTIALE (+10%) moved down one rank. The total share of the top 10 brands increased from 10.7% to 12.5%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	5	INGAVIRIN	1.6	1.1
2	29	ARBIDOL	1.6	0.5
3	1	DETRALEX	1.4	1.6
4	2	NUROFEN	1.4	1.5
5	6	MIRAMISTIN	1.3	1.1
6	7	PENTALGIN	1.2	1.1
7	4	CARDIOMAGNYL	1.1	1.1
8	9	THERAFLU	1.0	0.9
9	8	ESSENTIALE	1.0	0.9
10	12	LINEX	0.9	0.8
Total			12.5	10.7

Despite the leader shifts in the previous ranking, XYLOMETAZOLINE (+2%), DIOSMIN*HESPERIDIN and IBUPROFEN (-1% each), as well as PANCREATIN (+3%) continue to be at the head of the top 10 INN and group names ranking (Table 3). UMIFENOVIR (3-fold growth in sales), IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+59%), MIRAMISTIN (+34%) and DICLOFENAC (+20%) moved up to the following four ranks due to high sales growth rates and rising through the ranks. On top of that, the first and the third broke into the top 10 ranking for the first time. Another newcomer, the composition PARACETAMOL*NAPROXEN*CAFFEINE*DROTAVERINE*PHENIRAMINE (+ 21%), rounded out the top 10 ranking. The composition ACETYLSALICYLIC ACID*MAGNESIUM (+6%) that showed low growth rates moved down to rank nine from five. The total share of the top ten ranking increased by 1.5 p.p. to 17.5%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	1	XYLOMETAZOLINE	2.9	3.1
2	2	DIOSMIN*HESPERIDIN	2.1	2.3
3	3	IBUPROFEN	2.1	2.3
4	4	PANCREATIN	2.0	2.1
5	25	UMIFENOVIR	1.7	0.6
6	10	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.6	1.1
7	11	MIRAMISTIN	1.3	1.1
8	9	DICLOFENAC	1.2	1.1
9	5	ACETYLSALICYLIC ACID* MAGNESIUM	1.2	1.2
10	15	PARACETAMOL*NAPROXEN*CAFFEINE*DROTAVERINE*PHENIRAMINE	1.1	1.0
Total			17.4	15.9

J05 Antivirals for systemic use (+56%) became the best-selling and most dynamic group of the top-10 OTC drugs ranking in the first half of 2020 (Table 4). N02 Analgesics (+17%) moved up to rank two from four. At the same time, the former leaders C05 Vasoprotectives (-0.2%), R01 Nasal preparations (+1%) and R05 Cough and cold preparations (+6%) moved down to ranks three through five, respectively. A07 Antidiarrheals that reduced their sales by 2% lost one rank, while M01 Anti-inflammatory and antirheumatic drugs moved down two ranks despite an 8% increase in sales. They were replaced by the more dynamic L03 Immunostimulants (+28%). Groups A11 Vitamins (+13%) and M02 Topical products for joint and muscular pain (+8%) continue to hold ranks eight and ten. In total, the top - ten ATC groups accounted for 48.1% of the market, whereas in the year- earlier period — 46.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019			6 mon. 2020	6 mon. 2019
1	6	J05	ANTIVIRALS FOR SYSTEMIC USE	6.1	4.2
2	4	N02	ANALGESICS	5.8	5.4
3	1	C05	VASOPROTECTIVES	5.6	6.0
4	2	R01	NASAL PREPARATIONS	5.4	5.7
5	3	R05	COUGH AND COLD PREPARATIONS	5.3	5.4
6	5	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	4.7	5.2
7	9	L03	IMMUNOSTIMULANTS	4.2	3.5
8	8	A11	VITAMINS	3.9	3.7
9	7	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.8	3.8
10	10	M02	TOPICAL PRODUCTS FOR JOINT AND MUSCULAR PAIN	3.4	3.4
Total				48.1	46.3

Conclusion. At the end of the first six months of 2020, the OTC retail market of Russia brought in RUB 266.348 bil. (USD 3.852 bil.). At the same time, the market behaviour was positive both in rouble (+8%) and dollar (+2%) terms. In pack terms, the market reduced by 1% and amounted to 1.498 bil. packs. The average cost of an OTC-pack in the pharmacies of Russia was USD 2.57 based on the results for January-June of 2020, which was higher than the 2019 figure (USD 2.48). The average expenses of Russian residents for the purchase of OTC drugs in the pharmacies in the period under review increased (USD 26.25 vs. USD 25.67).

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

PRICE ANALYSIS, 1-3 Q 2020 KEY PERFORMANCE INDICATORS

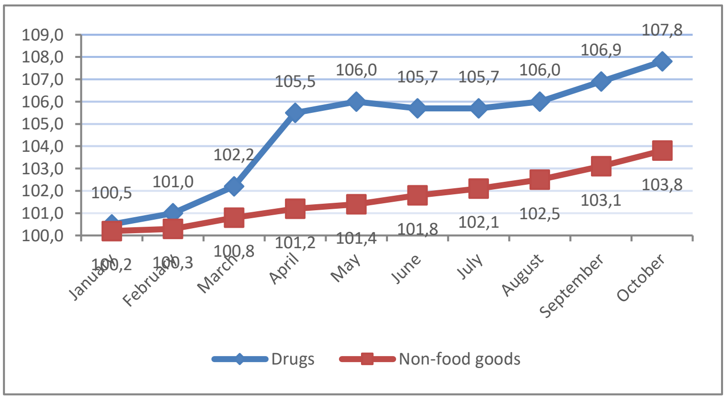
Price Indices

Table 1. Inflation rates in the Russian Federation, July 2020

	October 2020 vs December 2019	October-July 2020 vs October-July 2019
CPI	103.3	103.1
CPI for non-food products	103.8	103.0
CPI for medications	107.8	108.3

Rosstat data

Figure 1. Movement of the price index for non-food items and medicines vs. December 2019



Rosstat data

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

Figure 2. Movement of weighted average prices and retail margins in 1-3 Q 2019 - 1-3 Q, 2020

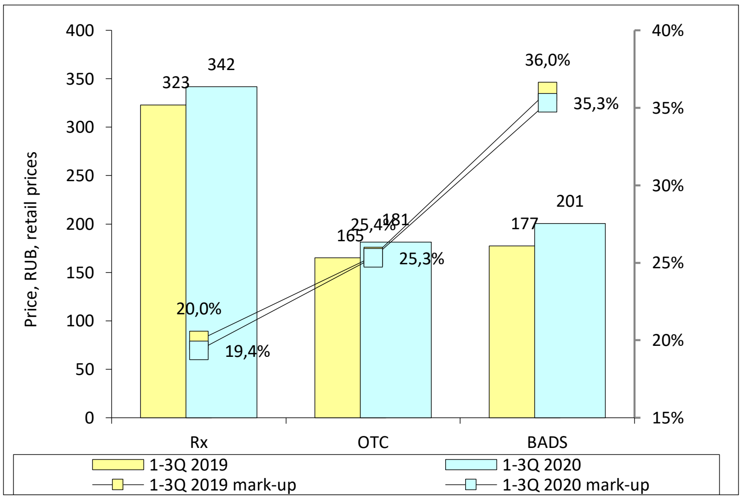


Figure 3. Movement of weighted average prices and retail margins in 1-3 Q 2019 - 1-3 Q, 2020

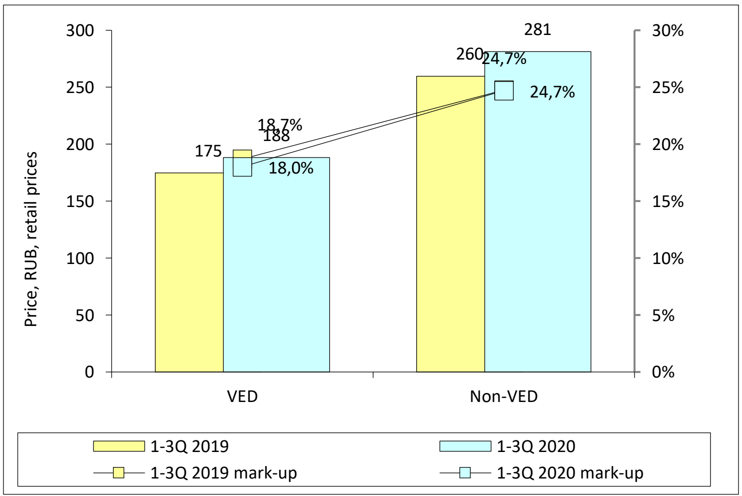
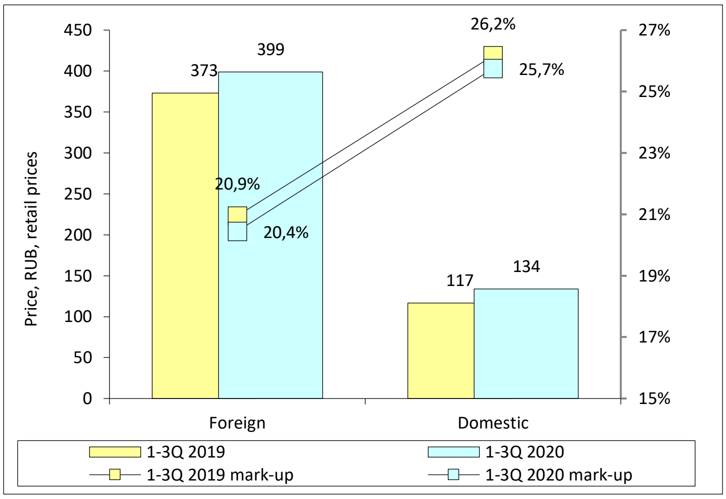


Figure 4. Movement of weighted average prices and retail margins in 1-3 Q 2019 - 1-3 Q, 2020



Indicators of price dynamics in the reimbursable market segment

Figure 5. Movement of weighted average purchase prices in 1-3 Q 2019 - 1-3 Q, 2020

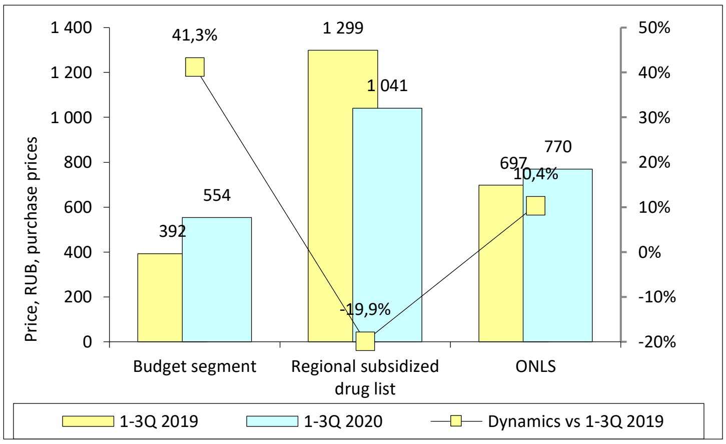


Figure 6. Movement of weighted average purchase prices for domestic drugs, 1-3 Q 2019 - 1-3 Q, 2020

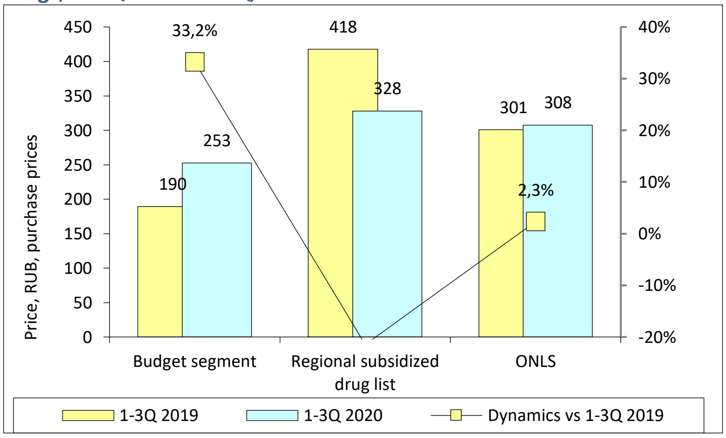
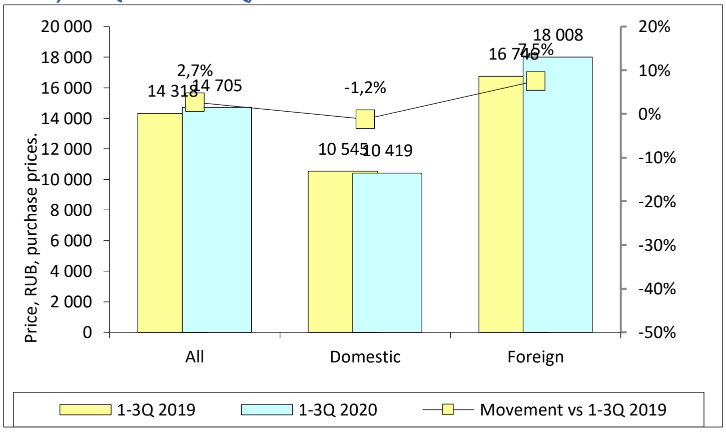


Figure 7. Movement of weighted average purchase prices in VZN segment, 1-3 Q 2019 - 1-3 Q, 2020

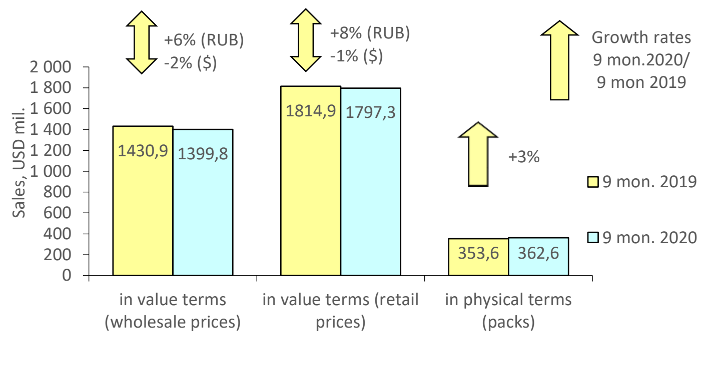


MOSCOW CITY PHARMACY MARKET: 2020 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2020 Moscow's estimated population was 12.678 mil., which accounted for 8.6% of the total Russian Federation population and 32.2% of the Central Federal District (CFD).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, in January-September of 2020 the sales of OTC drugs in physical terms in Moscow saw a 3% increase to 362.572 mil. packs. In value terms, the market showed positive growth rates in terms of roubles (+6%) and negative in terms of dollars (-2%) and reached RUB 98.932 bil. (USD 1.400 mil.) at wholesale prices (Fig. 1). The region market share accounted for 15.8% of the Russian pharmacy retail sales. An average retail cost of a pack reduced as compared to the previous year: USD 4.96 vs. USD 5.13. At the end of the first nine months of 2020, the average amount spent by the residents of Moscow for drugs in the pharmacies amounted to USD 141.76.

Figure 1. Moscow pharmacy market for 9 months 2019 – 9 months 2020



BAYER (-13%) and SANOFI (+19%) remain the leading manufacturer of the top ten manufacturers ranking in the retail market of Moscow based on the results for January-September 2019 (Table 1). SANDOZ (+42%) moved up to rank three from eight, while SERVIER (+9%) continues to hold its rank four. ABBOTT (+4%) moved up one rank, coming in at number five, while the Russian OTCPHARM (+ 62%), which showed the highest growth rates among the leaders, improved its position by three ranks, moving up to rank nine and becoming the only newcomer of the top ten ranking. The less dynamic STADA (+0.2%) and GLAXOSMITHKLINE (+5%), in contrast, moved down to ranks seven and eight. TEVA (-2%) and BERLIN-CHEMIE/MENARINI (-1%) that reduced their sales fell in the ranks. In total, top ten manufacturers accumulated 37.2% of the market, whereas in the year-earlier period they accounted for 36.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	1	**BAYER**	5.1	6.2
2	2	**SANOFI**	4.9	4.4
3	8	**SANDOZ**	4.3	3.2
4	4	**SERVIER**	3.7	3.6
5	6	**ABBOTT**	3.4	3.5
6	3	**TEVA**	3.4	3.6
7	5	STADA	3.3	3.5
8	7	**GLAXOSMITHKLINE**	3.3	3.3
9	12	OTCPHARM	3.1	2.0
10	9	**BERLIN-CHEMIE/MENARINI**	2.8	3.0
Total			37.2	36.3

*AIPM members are in bold

The leader of the top ten brands ranking also held its own in the ranking: XARELTO continues to hold rank number one despite a 26% decrease in sales (Table 2). Three more brands, DETRALEX (-1%), NUROFEN (-5%) and CIALIS (-9%), showed negative growth rates, which resulted in losing their positions – the brands moved down to ranks three, four and seven, respectively. CONCOR showed zero growth rates and lost two ranks. The markets of the remaining five brands of the top ten ranking, in contrast, developed at a faster pace. As a result, MIRAMISTIN (+ 41%) moved up from rank five to two, and CRESTOR (+15%) moved up from ten to nine. Three newcomers of the top 10, LINEX (+45%), ARBIDOL (5.9-fold growth in sales) and AMOKSIKLAV (+78%), moved up to ranks five, six and ten. In total, the top-ten brands ranking accounted for 7.9%, in the year-earlier period – 7.5%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	1	XARELTO	1.3	1.8
2	5	MIRAMISTIN	1.0	0.8
3	2	DETRALEX	0.9	1.0
4	3	NUROFEN	0.8	0.8
5	12	LINEX	0.7	0.5
6	50	ARBIDOL	0.7	0.1
7	4	CIALIS	0.7	0.8
8	6	CONCOR	0.6	0.7
9	10	CRESTOR	0.6	0.6
10	31	AMOKSIKLAV	0.6	0.4
Total			7.9	7.5

Two newcomers broke into the ranks of the top ten INN and group names ranking: MIRAMISTIN (+39%) and DICLOFENAC (+14%) moved up to ranks six and ten (Table 3). In addition, two more INNs managed to rise in the ranks. XYLOMETAZOLINE (+3%) and ROSUVASTATIN (+10%) moved up one rank, coming in at ranks one and five. RIVAROXABAN (-26%) and IBUPROFEN (-6%), which had held those ranks earlier, moved down to ranks two and eight. The remaining four INNs from the top ten ranking, the composition DIOSMIN*HESPERIDIN (-1%) and INN HYALURONIC ACID (+6%), PANCREATIN (-3%) and NIMESULIDE (+9%), continue to hold ranks three, four, seven and nine, respectively. The cumulative share of the top 10 INNs under review decreased from 11.4% to 10.8%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	2	XYLOMETAZOLINE	1.5	1.6
2	1	RIVAROXABAN	1.3	1.8
3	3	DIOSMIN*HESPERIDIN	1.2	1.3
4	4	HYALURONIC ACID	1.1	1.1
5	6	ROSUVASTATIN	1.1	1.1
6	11	MIRAMISTIN	1.1	0.8
7	7	PANCREATIN	1.0	1.0
8	5	IBUPROFEN	0.9	1.1
9	9	NIMESULIDE	0.9	0.8
10	12	DICLOFENAC	0.8	0.8
Total			10.8	11.4

C09 Agents acting on the rennin-angiotensin system (+19%) became the best-selling group in regional market (Table 4). The most dynamic among the top group J05 Antivirals for systemic use (+52%) moved to rank two from 11, becoming one of two newcomers. The second group that entered the top ten rating for the first time, N02 Analgesics (+18%), rounds out it. J01 Antibacterials for systemic use (+17%) managed to take a higher rank six due to outstripping growth rates. On the contrary, the groups B01 Anticoagulants (-12%), R01 Nasal preparations (-2%), A07 Antidiarrheals, intestinal anti-inflammatory and antimicrobial drugs (-3%), G03 Sex hormones (-8%) and C05 Vasoprotectives (-2%) saw a decrease in sales and positions, moving down to ranks four and five, as well as to ranks seven through nine respectively. M01 Anti-inflammatory and antirheumatic drugs (+1%) held their previous rank three. The total share of the top ten ATC groups did not change and amounted to 35.8%

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2020	9 mon. 2019			9 mon. 2020	9 mon. 2019
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.9	4.5
2	11	J05	ANTIVIRALS FOR SYSTEMIC USE	4.0	2.8
3	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.0	4.2
4	1	B01	ANTITHROMBOTIC AGENTS	3.7	4.5
5	4	R01	NASAL PREPARATIONS	3.7	4.0
6	9	J01	ANTIBACTERIALS FOR SYST USE	3.3	3.0
7	5	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.2	3.5
8	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.0	3.5
9	7	C05	VASOPROTECTIVES	3.0	3.2
10	13	N02	ANALGESICS	2.9	2.6
Total				35.8	35.8

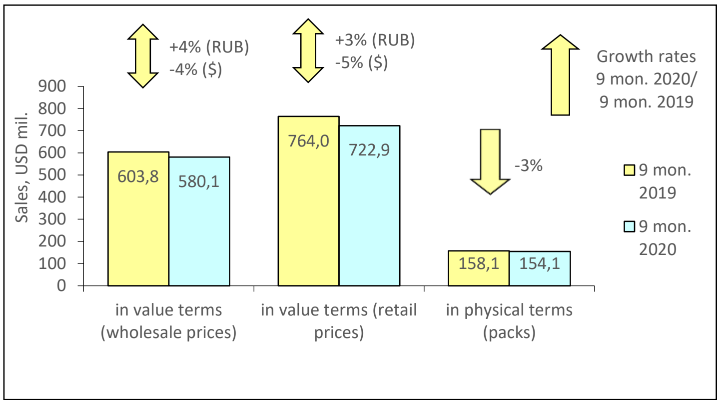
Conclusion. At the end of January-September 2020, the pharmacy market of Moscow brought in RUB 127.004 bil. (USD 1.797 bil.). It was 8% more in terms of roubles than in the same period in 2019, but less by 1% in terms of dollars. In pack terms, the market extended by 3% and amounted to 362.572 mil. packs. The average cost of an OTC pack in the city pharmacies based on the results for the first nine months of 2020 was USD 4.96 which is less than in 2019 (USD 5.13), but higher than the national average (USD 3.38). The average expenses of the regional residents for purchase of OTC drugs in pharmacies were also higher than the national average (USD 141.76 vs. USD 77.60).

SAINT PETERSBURG PHARMACY MARKET: 2020 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, St. Petersburg's population as of January 1, 2020 was estimated at 5.398 mil., which accounted for 3.7% of the total Russian Federation population and 38.6% of North West FD (NWFD).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of the first nine months of 2020 the sales of drugs in natural terms in St. Petersburg pharmacies saw a 3% decrease to 154.079 mil. packs. In value terms, the market saw a 4% increase in terms of roubles and a 4% decrease in terms of dollars. At the same time, the volume of the market achieved RUB 41.027 bil. (USD 580.098 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 6.4% of the Russian pharmacy sales (in terms of roubles). The average cost of a pack at retail prices decreased as compared to the same period in 2019 (USD 4.83) and reached USD 4.69. The average amount spent by residents of the city for drugs in the pharmacies during January-September 2020 amounted to USD 133.91.

Figure 1. St. Petersburg pharmacy market for 9 months 2019 – 9 months 2020



The dominant three drug manufacturers held their own in the ten top manufacturers rating in the retail market of St. Petersburg based on the results of the first nine months of 2020 (Table 1). Those were BAYER (+6%), SANOFI (+4%) and SERVIER (+0.1%). SANDOZ (+16%), which showed outperforming dynamics, moved up to rank four from six, displacing TEVA (+0.1%) down one rank. KRKA (+13%), OTCPHARM (+23%) and BERLIN-CHEMIE/MENARINI (+17%), which moved up to ranks six, nine and ten, also showed high dynamics and improvement of its ranks. At the same time, the last two became the newcomers of the top ten rating. Manufacturer STADA (+1%) held its previous rank seven, while ABBOTT, which reduced its sales by 3%, moved down from rank five to eight. The total share of the top 10 drug manufacturers reduced by 0.8 p.p. to 38.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	1	**BAYER**	5.8	5.8
2	2	**SANOFI**	4.6	4.6
3	3	**SERVIER**	4.1	4.3
4	6	**SANDOZ**	4.0	3.6
5	4	**TEVA**	3.6	3.8
6	8	**KRKA**	3.6	3.3
7	7	STADA	3.4	3.6
8	5	**ABBOTT**	3.4	3.7
9	12	OTCPHARM	3.1	2.6
10	11	**BERLIN-CHEMIE/MENARINI**	3.0	2.7
Total			38.8	38.0

*AIPM members are in bold

Three newcomers broke into the ranks of the top ten brands ranking (Table 2). INGAVIRIN (+80%), AMOKSIKLAV (+37%) and ARBIDOL (2.8-fold growth in sales) moved up to ranks five, eight and nine. In addition, only ELIQUIS (+ 22%) rose in the ranks, moving up to number two from three. DETRALEX (-6%) and NUROFEN (+3%), which reduced their sales, lost one rank each, moving down to ranks three and six. Four brands have retained their previous positions. Among them are the top 10 leader XARELTO (+8%), as well as CONCOR (+0.1%), NOLIPREL (+8%) and LINEX (+16%) that held ranks four, seven and ten. The total share of the top 10 increased from 7.1% to 8.0%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	1	XARELTO	1.5	1.4
2	3	ELIQUIS	1.1	0.9
3	2	DETRALEX	0.9	1.0
4	4	CONCOR	0.7	0.8
5	24	INGAVIRIN	0.7	0.4
6	5	NUROFEN	0.7	0.7
7	7	NOLIPREL	0.6	0.6
8	18	AMOKSIKLAV	0.6	0.4
9	49	ARBIDOL	0.6	0.2
10	10	LINEX	0.6	0.5
Total			8.0	7.1

Four INNs held their own in the top ten INNs and group names rating (Table 3). Those were RIVAROXABAN (+ 8%), DIOSMIN*HESPERIDIN (+1%) and XYLOMETAZOLINE (+2%), and BISOPROLOL (+2%) holding its previous rank eight. APIXABAN (+22%) and NIMESULIDE (+13%), which showed high growth rates, moved up to ranks four and seven, respectively. At the same time, PANCREATIN (+3%) moved down one rank. ROSUVASTATIN (-0.2%), ATORVASTATIN (-5%) and IBUPROFEN (-4%) also fell in the ranks and reduced their sales, moving down to ranks five and two, respectively. In total, the top ten INN and grouping names accounted for 10.7%, just as in a year earlier period.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	1	RIVAROXABAN	1.5	1.4
2	2	DIOSMIN*HESPERIDIN	1.3	1.4
3	3	XYLOMETAZOLINE	1.3	1.3
4	9	APIXABAN	1.1	0.9
5	4	ROSUVASTATIN	1.0	1.0
6	5	PANCREATIN	1.0	1.0
7	10	NIMESULIDE	0.9	0.9
8	8	BISOPROLOL	0.9	0.9
9	6	ATORVASTATIN	0.9	1.0
10	7	IBUPROFEN	0.9	0.9
Total			10.7	10.7

According to the results for nine months, C09 Agents acting on the renin-angiotensin system (+14%), B01 Anticoagulants (+5%), M01 Anti-inflammatory and antirheumatic drugs (+4%) and G03 Sex hormones (-3%) continue to be the top-selling groups in the regional market (Table 4). J05 Antivirals for systemic use (+34%) moved up to rank five from 13, J01 Antivirals for systemic use (+7%) moved up to rank six from seven. At the same time, R01 Nasal drugs (-4%), C05 Vasoprotectives (-2%) and A07 Antidiarrheals (-4%), which reduced sales, lost two points each and moved down to ranks seven, eight and the last one. R05 Cough and cold preparations (+10%) held their previous rank nine. The total share of the top 10 ATC groups increased by 0.5 p.p. to 37.9%.

Table 4. The top ten ATC Groups by pharmacy sales

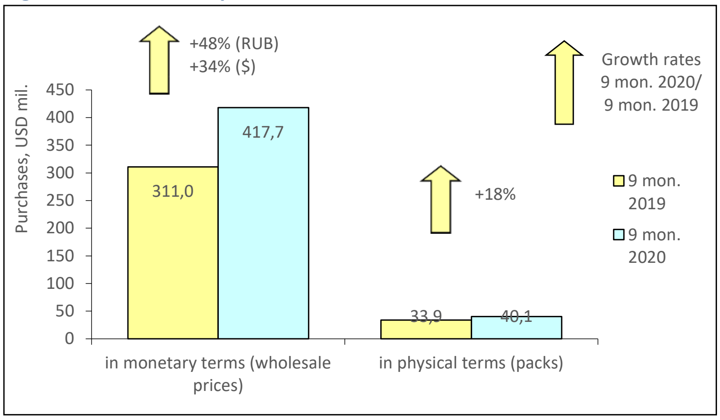
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2020	9 mon. 2019			9 mon. 2020	9 mon. 2019
1	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	6.3	5.8
2	2	B01	ANTITHROMBOTIC AGENTS	4.6	4.6
3	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.3	4.4
4	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.9	4.2
5	13	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	2.6
6	7	J01	ANTIBACTERIALS FOR SYST USE	3.3	3.2
7	5	R01	NASAL PREPARATIONS	3.2	3.4
8	6	C05	VASOPROTECTIVES	3.2	3.4
9	9	R05	COUGH AND COLD PREPARATIONS	3.0	2.8
10	8	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	2.8	3.0
Total				37.9	37.4

Conclusion. At the end of January-September 2020, the pharmacy market of St. Petersburg brought in RUB 51.139 bil. (USD 722.865 mil.) at retail prices. It increased by 3% in terms of roubles and decreased by 5% in terms of dollars as compared to the same period in the previous year. In pack terms, the market reduced by 3% and amounted to 154.079 mil. packs. Based on the results for the first nine months of 2020, the average cost of FPP pack in the city pharmacies was USD 4.69, which was less than in the year-earlier period (USD 4.83), but higher than the national average (USD 3.38). The average medicine expenses of St. Petersburg residents in the pharmacies were higher than the national average expenses in Russia (USD 133.91 vs. USD 77.60).

MOSCOW CITY HOSPITAL MARKET: 2020 FIRST NINE MONTHS RESULTS

According to the results of the Budget Audit of Finished Pharma Products (FFP) in the Russian Federation, at the end of the first nine months of 2020 the Moscow hospital market in physical terms reduced by 18% compared to the previous year and amounted to 40.098 mil. packs. In money terms, the market also showed positive growth rates both in terms of roubles (+48%) and in terms of dollars (+34%) and reached RUB 29.888 bil. (USD 417.749 mil.) at wholesale prices. Based on the results for January-September in 2020, the average cost of an FPP pack in the hospital sector of Moscow was USD 10.42, whereas in the year-earlier period its cost was USD 9.18.

Figure 1. Moscow hospital market for 9 months 2019 – 9 months 2020



According to the results of the first nine months of 2020, SANOFI (+81%) and MSD (+87%) retained and, thanks to outstripping growth rates, strengthened their leadership in the Moscow hospital market (Table 1). Even more dynamic ROCHE (2.8-fold growth in purchases) and BRISTOL MYERS (3.9-fold growth) moved up to ranks three and four. At the same time, they displaced BIOCAD (+30%) one rank down. PFIZER that reduced purchases by 13%, as well as ABBVIE and BAYER that showed insufficient growth (+21% each), lost three ranks each, moving down to ranks six, eight and nine, respectively. JOHNSON & JOHNSON moved to the last rank from nine despite 77% increase in purchases. MICROGEN (+ 47%) continues to hold rank seven. In total, based on the results for January-September 2020, the top ten manufacturers accounted for 50.2% of the market, while a year earlier they accounted for 43.9%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	1	**SANOFI**	11.4	9.3
2	2	**MSD**	9.3	7.4
3	8	**ROCHE**	5.6	3.0
4	10	**BRISTOL MYERS SQU**	5.5	2.1
5	4	BIOCAD RF	3.9	4.4
6	3	**PFIZER**	3.3	5.7
7	7	MICROGEN	3.0	3.0
8	5	**ABBVIE**	2.8	3.5
9	6	**BAYER**	2.8	3.4
10	9	**JOHNSON & JOHNSON**	2.6	2.1
Total			50.2	43.9

*AIPM members are in bold

PENTAXIM that has strengthened its leadership thanks to 76% increase in purchases continued to be at the head of the top 10 brands (Table 2). Note that all the rest brands of the top ten rating also showed high positive growth rates. However, six of them rose in the ranks. Thus, OPDIVO (4.3-fold growth in purchases), KEYTRUDA (3.2-fold growth) and GARDASIL (2.8-fold growth) moved up to ranks from two through four, respectively. KADCYLA (4.1-fold growth), PERJETA (2.4-fold growth) and POLIMILEX (+ 80%), which broke into the top ten rating for the first time, moved up to ranks six and two last ranks, respectively. The brands SOVIGRIPP (+58%), MENACTRA (+62%) and SYNAGIS (+74%), which showed an outstripping but slightly lower growth rates, moved down to ranks five, seven and eight, respectively. The total share of the top ten increased by 10 p.p. up to 28.9%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	1	PENTAXIM	7.5	6.4
2	9	OPDIVO	4.2	1.4
3	6	KEYTRUDA	3.4	1.6
4	10	GARDASIL	2.7	1.4
5	3	SOVIGRIPP	2.4	2.3
6	24	KADCYLA	1.8	0.7
7	4	MENACTRA	1.8	1.7
8	7	SYNAGIS	1.8	1.5
9	14	PERJETA	1.8	1.1
10	12	POLIMILEX	1.5	1.3
Total			28.9	19.2

Just like the respective brand, VACCINE, ACEL.PERT.DIP.TET.POLIO & HIB (+76%) continued to be the leader in the top ten INNs and group names ranking (Table 3). VACCINE, INFLUENZA (+76%) and PALIVIZUMAB (+74%) also retained their previous ranks three and nine. Almost all the remaining participants in the top 10 rose in the ranks. Among them are four newcomers, NIVOLUMAB (4.3-fold growth), VACCINE, HUMAN PAPILLOMAVIRUS (HPV) TYPE-6,11,16 & 18 (2.8-fold growth), TRASTUZUMAB EMTANSINE (4.1-fold growth) and PERTUZUMAB (2.4-fold growth). In addition, PEMBROLIZUMAB (3.2-fold growth) moved up from rank seven to four, IMMUNOGLOBULIN BASE (+77%) moved up to ranks six from eight. Only one INN from the top ten, VACCINE, MENINGOCOCCAL POLYSACCHARIDE AND OMV (+66%), moved down to rank eight, despite outstripping sales growth rates. The total share of the analysed top ten also increased to 30.6% from 20.4%.

Table 3. The top 10 INNs and grouping names by hospital purchases

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	1	VACCINE, ACEL.PERT.DIP.TET. POLIO & HIB	7.5	6.4
2	11	NIVOLUMAB	4.2	1.4
3	3	VACCINE, INFLUENZA	3.8	3.2
4	7	PEMBROLIZUMAB	3.4	1.6
5	12	VACCINE, HUMAN PAPILLOMAVIRUS (HPV) TYPE-6,11,16 & 18	2.7	1.4
6	8	IMMUNOGLOBULIN BASE	1.8	1.5
7	31	TRASTUZUMAB EMTANSINE	1.8	0.7
8	5	VACCINE, MENINGOCOCCAL POLYSACCHARIDE AND OMV	1.8	1.7
9	9	PALIVIZUMAB	1.8	1.5
10	18	PERTUZUMAB	1.8	1.1
Total			30.6	20.4

In contrast to the above ratings, the top ten ATC groups ranking changed its leader: L01 Antineoplastic drugs moved up to rank one from two due to a 2-fold increase in purchases, displacing J07 Vaccines (+53%) one rank down (Table 4). Apart from the leader, three more ATC groups improved their positions by one rank. Those were J06 Immune sera and immunoglobulins (+71%) and L04 Immunosuppressants (+40%), which moved up to ranks six and nine, as well as N01 Anesthetics, which broke into the top 10 for the first time (+21%). However, the less dynamic V08 Contrast media (+17%) moved one rank down. J01 Antibacterials for systemic use (+42%), B05 Plasma substitutes and perfusion solutions (+18%), J05 Antivirals for systemic use (+39%) and B01 Anticoagulants (+44%) continued to hold ranks three through five, as well as rank eight, respectively. The total share of the top ten ranking increased by almost 4 p.p. to 78.9%.

Table 4. The top ten ATC groups by hospital purchases

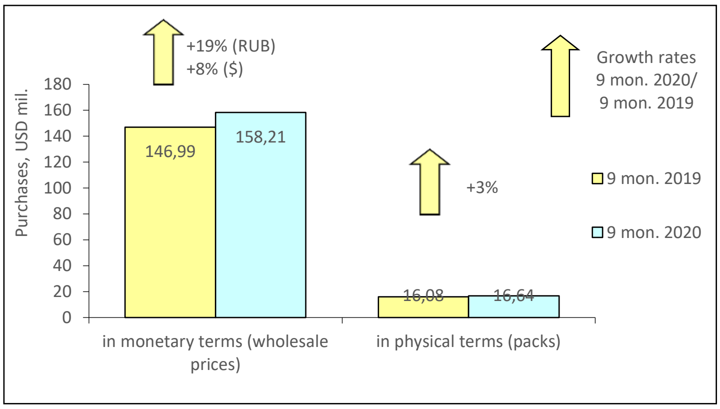
Rank		ATC code	ATC group	Share in total hospital purchases, %	
9 mon. 2020	9 mon. 2019			9 mon. 2020	9 mon. 2019
1	2	L01	ANTINEOPLASTIC AGENTS	24.5	18.2
2	1	J07	VACCINES	22.1	21.4
3	3	J01	ANTIBACTERIALS FOR SYST USE	7.4	7.7
4	4	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	5.1	6.4
5	5	J05	ANTIVIRALS FOR SYSTEMIC USE	4.4	4.7
6	7	J06	IMMUNE SERA & IMMUNOGLOBULIN	4.1	3.6
7	6	V08	CONTRAST MEDIA	3.2	4.0
8	8	B01	ANTITHROMBOTIC AGENTS	3.1	3.2
9	10	L04	IMMUNOSUPPRESSANTS	2.9	3.1
10	11	N01	ANESTHETICS	2.2	2.7
Total				78.9	75.0

Conclusion. Based on the results for the first nine months of 2020, the Moscow hospital market grew by 48% in rouble terms and by 34% in dollar terms and brought in RUB 29.888 bil. (USD 417.749 mil.). In pack terms, the market increased by 18% and amounted to 40.098 mil. packs. Based on the results for January-September in 2020, the average cost of an FPP pack in the hospital sector of Moscow was USD 10.42, whereas in the year-earlier period its cost was USD 9.18.

SAINT PETERSBURG HOSPITAL MARKET: 2020 FIRST NINE MONTHS RESULTS

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit), based on the results for January-September in 2020, the St. Petersburg hospital market increased by 3% in physical terms and amounted to 16.636 mil. packs. The movement of hospital purchases in value terms was also positive: the market showed a 19% increase in terms of roubles and 8% in terms of dollars and reached RUB 11.312 bil. (USD 158.215 mil.) at wholesale prices. Based on the results for the first nine months of 2020, the average cost of an OTC pack in the city hospitals was USD 9.51, whereas in the year-earlier period its cost was USD 9.14.

Figure 1. St. Petersburg hospital market for 9 months 2019 – 9 months 2020



Half of the top 10 drug manufacturers in the hospital market of St. Petersburg in the first nine months of 2020 showed outstripping growth rates (Table 1). Among them was MSD, which retained and strengthened its leadership (+24%). ROCHE (2.4-fold growth in purchases) and BRISTOL MYERS (2.1-fold growth) showed more than twofold growth in purchases and moved up to ranks two and three. At the same time, they shifted BIOCAD (+36%) one rank down despite the outperforming growth rates. GLAXOSMITHKLINE (+61%) that broke into the top ten ranking for the first time moved up to rank nine. JOHNSON & JOHNSON (+10%) and ABBVIE (+14%) also showed growth in purchases, moving up to ranks six and seven. Due to weak and negative growth rates, manufacturers PFIZER (+1%), PHARMASYNTEZ (-3%) and BAYER (-14%) moved down to ranks five, eight and ten. The total share of the top ten brands increased by almost 5 p.p. and accounted for 45.7%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	1	**MSD**	7.5	7.2
2	8	**ROCHE**	6.9	3.4
3	10	**BRISTOL MYERS SQU**	5.7	3.3
4	3	BIOCAD RF	5.7	5.0
5	2	**PFIZER**	4.6	5.5
6	7	**JOHNSON & JOHNSON**	3.3	3.5
7	9	**ABBVIE**	3.2	3.3
8	5	PHARMASYNTEZ	3.1	3.8
9	13	**GLAXOSMITHKLINE**	3.0	2.2
10	6	**BAYER**	2.6	3.6
Total			45.7	40.8

*AIPM members are in bold

Three newcomers broke into the ranks of the top ten brands ranking (Table 2). Those were PERJETA (3.3-fold growth in purchases), NATRIUM CHLORIDUM (+58%) and KADCYLA (2.6-fold growth), which moved up to ranks six and the last two ranks, respectively. It should be noted that almost all other brands in this top ten ranking also demonstrated high sales growth rates. They were the top brand OPDIVO (+95%), as well as KEYTRUDA (2.1-fold growth), TIVICAY (+95%), SOVIGRIPP (2-fold growth) and AVEGRA (+82%), which moved up to ranks two through four and six respectively. And only ISENTRESS (-5%) and HERTICAD (+12%) moved down to ranks seven and eight. In total, the top ten brands accumulated 22% of the regional hospital market, whereas in the year-earlier period it was 14.5%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	1	OPDIVO	4.2	2.5
2	4	KEYTRUDA	3.4	1.9
3	6	TIVICAY	2.4	1.5
4	7	SOVIGRIPP	2.2	1.3
5	21	PERJETA	2.0	0.7
6	10	AVEGRA BIOCAD	1.7	1.1
7	2	ISENTRESS	1.7	2.1
8	5	HERTICAD	1.5	1.6
9	11	NATRIUM CHLORIDUM	1.5	1.1
10	23	KADCYLA	1.5	0.7
Total			22.0	14.5

Following the previous ranking, most of the top INN and grouping names ranking showed high growth rates (Table 3). Thanks to this, INN NIVOLUMAB (+94%) retained and strengthened its leadership, while seven INNs managed to improve their positions. At the same time, VACCINE, INFLUENZA (+96%), PEMBROLIZUMAB (2.1-fold growth in purchases), DOLUTEGRAVIR (+95%) and TRASTUZUMAB (+66%) moved up to ranks two through five, respectively. PERTUZUMAB (3.3-fold growth in purchases), BEVACIZUMAB (+79%) and TRASTUZUMAB EMTANSINE (2.6-fold growth), which broke into the top 10 for the first time, moved up to ranks six, eight and the last one, respectively. INN SODIUM (+32%) lost one rank despite outstripping growth rates. Also, RALTEGRAVIR (-5%) that showed negative growth rates also moved down to lower rank nine. The total share accumulated by the top-ten INNs and grouping names increased from 16% to 24.5%.

Table 3. The top 10 INNs and grouping names by hospital purchases

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
9 mon. 2020	9 mon. 2019		9 mon. 2020	9 mon. 2019
1	1	NIVOLUMAB	4.2	2.5
2	3	VACCINE, INFLUENZA	3.5	2.1
3	5	PEMBROLIZUMAB	3.4	1.9
4	8	DOLUTEGRAVIR	2.4	1.5
5	7	TRASTUZUMAB	2.2	1.6
6	24	PERTUZUMAB	2.0	0.7
7	6	SODIUM	1.9	1.7
8	12	BEVACIZUMAB	1.8	1.2
9	2	RALTEGRAVIR	1.7	2.1
10	27	TRASTUZUMAB EMTANSINE	1.5	0.7
Total			24.5	16.0

The top ten INNs and grouping names showed high stability: half of its INNs held their own in the ranking (Table 4). At the same time, the leading groups, L01 Antineoplastic drugs (+33%) and J05 Antivirals for systemic use (+23%) expanded their share and strengthened their positions, due to outstripping growth rates. B05 Plasma substitutes and perfusion solutions (+20%), V08 Contrast media (+7%) and L04 Immunosuppressants (+31%) continue to hold their previous ranks from 5 through 7, respectively. The groups J01 Antibacterials for systemic use (+27%), B01 Antithrombotic agents (+44%) and N01 Anesthetics (+9%) managed to move one rank up, coming in at numbers three, eight and nine, respectively. At the same time, J07 Vaccines (+17%) moved down one rank, while L02 Endocrine therapy, which reduced their purchases by 19%, moved down to rank ten from eight. In total, the top ten ATC groups accumulated 80.4% of the regional market, whereas in the year-earlier period it was 72.9%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
9 mon. 2020	9 mon. 2019			9 mon. 2020	9 mon. 2019
1	1	L01	ANTINEOPLASTIC AGENTS	33.7	30.1
2	2	J05	ANTIVIRALS FOR SYSTEMIC USE	13.5	13.0
3	4	J01	ANTIBACTERIALS FOR SYST USE	7.5	7.0
4	3	J07	VACCINES	6.9	7.1
5	5	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	5.3	5.3
6	6	V08	CONTRAST MEDIA	3.5	3.9
7	7	L04	IMMUNOSUPPRESSANTS	3.4	3.0
8	9	B01	ANTITHROMBOTIC AGENTS	3.0	2.5
9	10	N01	ANESTHETICS	2.2	2.4
10	8	L02	ENDOCRINE THERAPY	2.0	2.9
Total				80.9	77.1

Conclusion. In January-September of 2020, the St. Petersburg hospital market grew by 19% in rouble terms and by 8% in dollar terms and brought in RUB 11.312 bil. (USD 158.215 mil.). In pack terms, the growth rates were also positive, but not so pronounced growth rates (+3%) and the volume amounted to 16.636 mil. packs. In the first nine months of 2020, the average cost of a FPP pack on the city hospital sector was higher than that in the year-earlier period (USD 9.51 vs. USD 9.14).