REMEDIUM GROUP OF COMPANIES

AIPM
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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

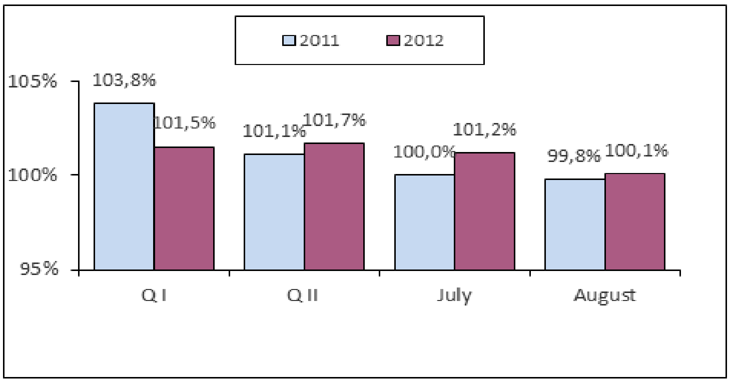
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in August 2012, the Consumer Price Index was estimated as 100.1%, compared to the previous month. For the period from start of the year, it escalated to 104.6% (in January-August 2011 – 104.7%)

In August, Industrial Producer Price Index was 105.1%, whereas in the month-earlier period it had amounted to 98.9%. In January-August, it accounted for 104.2% (during the same period a year ago – 109.3%).

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



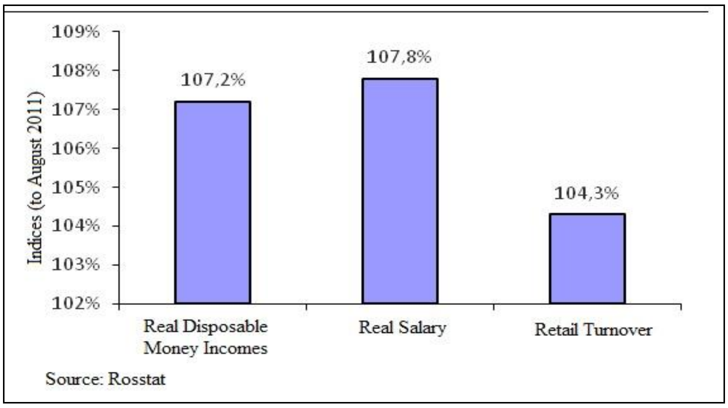
Living standard

According to preliminary Federal State Statistics Service's data, in August 2012 a gross monthly average salary per worker reached RUR 26,150 (USD 809.85) which accounted for 114.2% compared to August 2011 and 98.0% compared to July 2012. The real salary in August 2012 accounted for 107.8 % as compared with the same period in 2011. In August 2012, the real value of cash incomes accounted for 107.2% compared to the same period of 2011 (Fig. 2).

Retail turnover

In August 2012 the retail turnover was equal to RUB 1,836.4 bln, which in stock accounts for 104.3% as compared to the same period a year ago (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in August 2012



Manufacture of industrial products

According to Federal State Statistics Service's data, in August 2012 Industrial Production Index accounted for 102.1% compared to the same period a year ago, 99.8% to the previous period of 2012, and 103.1% for year to date.

Domestic production

The top 10 domestic manufacturers by production volume at August-end 2012 are shown in Table 1. The total production volume by top ten manufacturers was estimated at USD 247.7 mln.

Table 1. Top-ten chemical and pharmaceutical manufacturers by production volume in August 2012

Rank	Drug Manufacturer	Production volume, $mln.
1	Pharmstandart	84,6
2	Stada	32,0
3	Valenta	31,4
4	Akrihin	19,0
5	KRKA-RUS	17,8
6	Microgen	14,6
7	Pharm-sintez	14,0
8	Pharm-Center	13,1
9	Sotex	12,9
10	Vertex	8,4

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In July 2012 compared to June 2012, pharmacy sales slump (in terms of roubles) was observed in six analysed regions. The lowest performance was observed in Perm (-7%), the highest one in Tyumen (-0.5%). The sales growth was observed in two regions: Krasnodarsky Krai (+3%) and Voronezhskaya Oblast (+3%).

Table 2. Pharmacy sales in the regions, 2012

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (Roubles)		
	May 2012	June 2012	July 2012	May/ April 2012	June/ May2012	July/ June 2012
Moscow city	150,0	143,6	145,1	-3%	-3%	-1%
St. Petersburg	40,7	35,2	33,6	-2%	-13%	-6%
Krasnodarsky Krai	32,2	33,4	35,0	15%	5%	3%
Novosibirskaya Oblast	20,8	17,5	16,9	3%	-15%	-5%
Republic of Tatarstan	23,9	21,7	21,2	1%	-8%	-4%
Krasnoyarsky Krai	16,6	13,7	14,4	0,1%	-17%	3%
Rostovskaya Oblast	18,7	17,1	18,4	12%	-7%	6%
Voronezhskaya Oblast	14,2	12,6	13,0	3%	-10%	1%
Perm city	6,2	5,2	4,9	-13%	-15%	-7%
Tyumen city	6,1	6,1	6,2	1%	0,3%	-0,5%

Advertising

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

Table 3. Top five advertisers in mass media in August 2012

Rank	Company*	Quantity of broadcasts
1	Novartis	5 554
2	Reckitt Benckiser	3 796
3	Berlin-Chemie Menarini Group	3 366
4	Pharmstandart	2 970
5	Firn M	2 412

Source – TNS Gallup AdFact

Table 4. Top-five trade names in mass media in August 2012

Rank	Trade name*	Quantity of broadcasts
1	Nurofen	2 398
2	Evalar	2 055
3	Grippferon	1 527
4	Prevalin	1 313
5	Reduksin Light	1 291

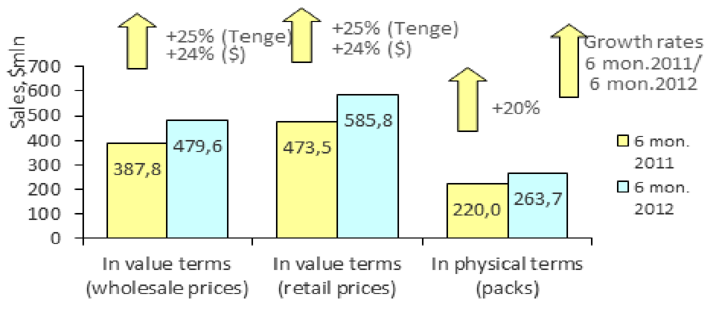
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter (OTC) drugs in Kazakhstanтм, at the end of first six months of 2012, the retail over-the-counter drugs market in physical terms saw a 20% increase to 263.697 mln packs. In money terms (exclusive of Beneficiary Drug Coverage) the country market showed a positive performance: 25% in terms of Kazakhstan Tenges and 24% in terms of Dollars. In wholesale prices the market achieved USD 479.640 mln (Tenge 71.054 bln), in retail prices – USD 585.770 mln (Tenge 86.776 bln) (Fig.1). The average retail cost of a pack was USD 2.22, whereas in the year earlier period its cost was USD 2.15. Following the results of six months of 2012, the level of OTC drugs consumption per capita was USD 35.13 (during the same period in 2011 - USD 28.80).

Figure 1. Kazakhstan pharmacy market for 6 months of 2011 – 6 months of 2012



On the basis of the results for the first six months of 2012, the highest share of pharmacy sales in Kazakhstan accrued to the drugs made in Germany (19%). The Russian pharmaceutical products' share in the region accounted for 7.2% and ranked 2nd. OTC products made in India accounted for six per cent of the market. Drugs made in Kazakhstan accumulated 5% of the pharmacy market, as well as OTC drugs from France, USA, Denmark and Slovenia.

NOVARTIS (+13%[1]) and SANOFI-AVENTIS (+18%) held their leading ranks among manufacturers in the pharmacy market in the analysed period (table 1). BAYER (+27%) moved up from rank four to three, displacing TAKEDA (+13%) down one rank. The other three drug manufacturers also rose in the ranks. SOLVAY (+32%) moved up one rank, coming in at number 7, whereas the more dynamic SERVIER/EGIS (+41%) and WORLD MEDICINE (+47%) moved up two ranks. At the same time, the latter became a newcomer of the top ten. GEDEON RICHTER (+13%) moved down to rank ten, whereas TEVA (+19%) and BERLIN-CHEMIE AG (+29%) held their ranks five and six. The total share accumulated by the top 10 drug manufacturers reduced by almost 1 p.p. and amounted to 39.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	**NOVARTIS (INC. SANDOZ-LEK)**	5,6	6,2
2	2	**SANOFI-AVENTIS**	5,3	5,7
3	4	**BAYER HEALTHCARE**	5,0	4,9
4	3	**TAKEDA**	4,7	5,2
5	5	**TEVA**	4,6	4,9
6	6	**BERLIN-CHEMIE AG /MENARINI GROUP**	3,2	3,1
7	8	**SOLVAY PHARMA**	2,9	2,7
8	10	**SERVIER/EGIS**	2,8	2,5
9	11	WORLD MEDICINE	2,6	2,2
10	9	GEDEON RICHTER ЛТД	2,4	2,7
Total			39,2	40,1

*AIPM members are in bold

The first three leaders in the top ten trade names ranking remained unchanged in the pharmacy market of the country - Actovegin (-9%), Essentiale N (+23%) and Theraflu against cold and flu (+20%) remained the best selling drugs (Table 2). It should be noted that the sales of the former in the analysed period reduced which resulted in the reduction of the market share. Due to 1.6-fold growth in sales, Canephron N moved up from rank 13 to 4. Apart from it, another two newcomers broke into the ranks of the top ten. They were Ursosan (+56%) and Ceraxon (+46%) which came in at ranks six and ten. At the same time, Linex (+14%), Cefazolin (+18%) and Sumamed (+20%) fell in the ranks. As before, Viferon (+33%) held its own rank eight in the top ten.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	Actovegin	1,3	1,8
2	2	Essentiale N	0,9	0,9
3	3	Theraflu against cold and flu	0,8	0,8
4	13	Canephron N	0,7	0,6
5	4	Linex	0,7	0,8
6	12	Ursosan	0,7	0,6
7	5	Cefazolin	0,7	0,7
8	8	Viferon	0,7	0,6
9	6	Sumamed	0,7	0,7
10	14	Ceraxon	0,6	0,6
Total			7,8	8,1

Four INNs of the top ten INN and Generic Names held their own in the ranking (table 3). They were the leaders of the top ten Pancreatin (+41%) and Ambroxol (+23%), as well as Phospholipids from Soybeans (+33%) and Xylometazoline (+27%) at numbers 8 and 10. The markets of Ceftriaxone (+58%), Fluconazole (+26%) and Ursodeoxycholic Acid (+43%) also developed at a fast pace which allowed them to move up to higher ranks 3, 6 and 9, and in addition, the latter became the only newcomer. In contrast, the other three INNs of the top ten fell in the ranks. They were the composition Multivitamin +Multimineral (+14%), as well as INN Diclofenac (+14%) and Azithromycin (+23%) which occupied ranks 4, 5 and 7, respectively. The total share of the top ten INNs, in contrast to the above rankings, increased from 11.3% to 11.6%.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	Pancreatin	1,7	1,5
2	2	Ambroxol	1,4	1,4
3	5	Ceftriaxone	1,3	1,1
4	3	Multivitamin +Multimineral	1,2	1,3
5	4	Diclofenac	1,1	1,2
6	7	Fluconazole	1,0	1,0
7	6	Azithromycin	1,0	1,1
8	8	Phospholipids from Soybeans	1,0	1,0
9	13	Ursodeoxycholic Acid	0,9	0,8
10	10	Xylometazoline	0,9	0,9
Total			11,6	11,3

The top ten ATC group ranking showed high stability: only one shift occurred whereas the other ATC groups held their own in the ranking (table 4). Due to 28% growth of sales, Group M01 Anti-inflammatory and antirheumatic products moved up one rank, coming in at number 4, displacing the less dynamic A11 Vitamins (+17%) down one rank. The markets of the other five ATC groups developed at a fast pace: the top ten leader J01 Antibacterials for systemic use (+28%), as well as G04 Urologicals (+36%), G03 Sex hormones (+28%), A05 Bile and liver therapy (+26%) and N06 Psychoanaleptics, coming in at numbers 6, 7, 9 and 10, respectively. R05 Cough and Cold Preparations (+23%) and N02 Analgesics (+4%) showed reduction in sales, which resulted in the market share shrink and lowering the ranks. The total share of the analysed top ten, as well as of the above rankings reduced and accounted for 44.5%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	J01	Antibacterials for systemic use	10,1	9,9
2	2	R05	Cough and cold preparations	5,2	5,3
3	3	N02	Analgesics	4,4	5,3
4	5	M01	Anti-inflammatory and antirheumatic products	4,2	4,1
5	4	A11	Vitamins	4,0	4,2
6	6	G04	Urologicals	3,7	3,4
7	7	G03	Sex hormones	3,4	3,4
8	8	R01	Nasal preparations	3,3	3,3
9	9	A05	Bile and liver therapy	3,3	3,2
10	10	N06	Psychoanaleptics	2,9	2,9
Total				44,5	45,1

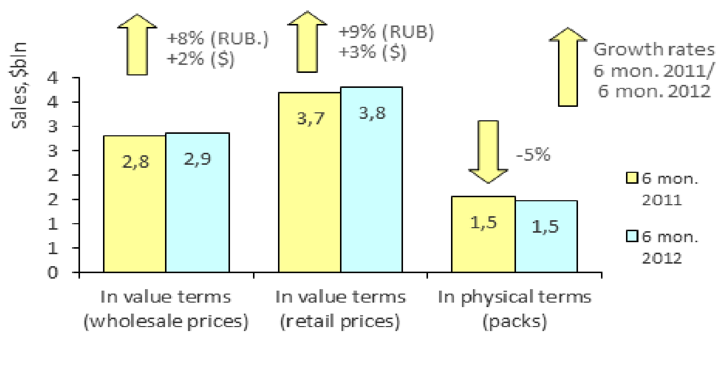
Conclusion. At the end of first half of 2012, Kazakhstan retail market grew by 25% in national currency terms and by 24% in dollar terms and brought in USD 585.770 mln (Tenge 86.776 bln). In physical terms, the market also showed positive growth rates (+20%) and amounted to 263.697 mln packs. Compared to the indicators of the same period a year ago, both the average cost of drugs per pack and the level of OTC drugs consumption by residents of the country increased (USD 2.22 vs. USD 2.15 and USD 35.13 vs. USD 28.80).

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

PHARMACY OTC MARKET IN RUSSIA: 2012 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of first half of 2012 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 5% decrease to 1.462 bln packs. In value terms, the regional OTC drugs market increased 8% in rouble terms and 2% in dollar terms and reached RUB 86.926 bln (USD 2.853 bln) in wholesale prices (Fig.1). The average cost of an OTC pack grew as compared to the same period of previous year (USD 2.40) and reached USD 2.59 in retail prices. The average Russian consumer spent USD 26.51 for over-the-counter drugs for six months of 2012, whereas during the same period a year ago – USD 25.82.

Figure 1. Russian pharmacy market for 6 months of 2011 – 6 months of 2012



Based on the results of first half of 2012, the top ten drug manufacturers of the Russian OTC market didn't change in composition (Table 1). On top of that, four drug manufacturers of the top 10 held their own in the ranking: Among them were SANDOZ (+3%), BAYER (+15%), STADA (+7%) and NYCOMED (-0.3%), which moved down to ranks 3, 4, 7 and 10, respectively. Due to outperformance in sales, three drug manufacturers moved up one rank. SANOFI-AVENTIS (+12%) moved up from rank two to one, NOVARTIS (+17%) moved up from rank 6 to 5 and JOHNSON & JOHNSON (+12%) moved up from rank 9 to 8. At the same time, three drug manufacturers with low and negative growth rates moved down one rank. They were PHARMSTANDART (-11%), MENARINI (+7%) and TEVA (+10%). The cumulative share of the top 10 manufacturers reduced from 43.7% to 42.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	**SANOFI-AVENTIS**	6,2	6,0
2	1	PHARMSTANDART	6,1	7,3
3	3	**SANDOZ GROUP**	5,1	5,3
4	4	**BAYER HEALTHCARE**	5,0	4,6
5	6	**NOVARTIS**	4,5	4,2
6	5	**MENARINI**	4,5	4,6
7	7	**STADA**	3,3	3,3
8	9	**JOHNSON & JOHNSON**	2,9	2,8
9	8	**TEVA**	2,9	2,8
10	10	**NYCOMED**	2,5	2,7
Total			42,9	43,7

*AIPM members are in bold

The more significant changes took place in the ranking of the top 10 trade names (table 2). Two newcomers NO-SPA (+25%) and KAGOCEL (2-fold growth in sales) broke into the ranks of the top ten, coming in at numbers 5 and 7. On top of that, the top ten's leader changed for ESSENTIALE N (+16%) which moved up to rank one, whereas the earlier leader ARBIDOL (-40%) reduced its sales and moved down to rank two. As before, LINEX (+16%), LASOLVAN (-11%) and MEZYM FORTE (-1%) held their own ranks three, four and six. The trade names ANAFERON (-7%), EXODERIL (-5%) and OCILLOCOCCINUM (-10%) showing negative growth rates moved down to the bottom part of the top ten, coming in at numbers 8, 9 and 10. The total share of the top 10 trade names reduced from 13.8% to 12.5%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	ESSENTIALE N	2,2	2,0
2	1	ARBIDOL	1,9	3,3
3	3	LINEX	1,5	1,4
4	4	LASOLVAN	1,0	1,3
5	12	NO-SPA	1,0	0,9
6	6	MEZYM FORTE	1,0	1,1
7	30	KAGOCEL	1,0	0,5
8	7	ANAFERON	1,0	1,1
9	8	EXODERIL	1,0	1,1
10	5	OCILLOCOCCINUM	0,9	1,1
Total			12,5	13,8

Most INNs in the top 10 INN and generic names ranking showed positive growth rates as distinguished from the above ranking (table 3). INNs ARBIDOL (-40%) and AMBROXOL (-9%), as well as the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-9%) showed negative growth rates. These INNs reduced their shares in the market and moved down to the lower ranks four, six and eight. In contrast, the other five INNs of the top ten rose in the ranks. They were the leader of the top ten ranking XYLOMETAZOLINE (+29%), PANCREATIN (+9%) and PHOSPHOLIPIDS (+17%), as well as INNs IBUPROFEN (+17%) and the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+16%) that moved up to ranks 5 and 7. INNs KETOPROFEN (+3%) and FLUCONAZOLE (+8%) held their own in the ranking, at two bottom numbers of the top ten.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	XYLOMETAZOLINE	2,9	2,5
2	3	PANCREATIN	2,4	2,4
3	4	PHOSPHOLIPIDS	2,4	2,2
4	1	ARBIDOL	1,9	3,3
5	7	IBUPROFEN	1,8	1,6
6	5	AMBROXOL	1,7	2,0
7	8	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1,5	1,4
8	6	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,4	1,7
9	9	KETOPROFEN	1,2	1,3
10	10	FLUCONAZOLE	1,2	1,2
Total			18,4	19,6

The upper part of the top ten ATC groups held their own in the ranking (table 4). As before, Groups R05 Cough and cold preparations (-6%), A11 Vitamins (+8%), R01 Nasal preparations (+11%), N02 Analgesics (+8%) and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+17%) held their own ranks 1 through 5, respectively. Some shifts took place in the bottom part of the top ten ranking. Three ATC groups: A05 Bile and liver therapy (+13%), R06 Antihistamines for systemic use (+12%) and C05 Vasoprotectives (+14%) rose in the ranks, coming in at numbers 6 through 8. In contrast, Groups G05 Antivirals for systemic use (-19%) and M02 Topical products for joint and muscular pain (+6%) moved down to two bottom ranks, respectively. The total share of the analysed ranking, as well as of the above rankings reduced and accounted for 47.6%.

Table 4. The top ten ATC Groups by pharmacy sales

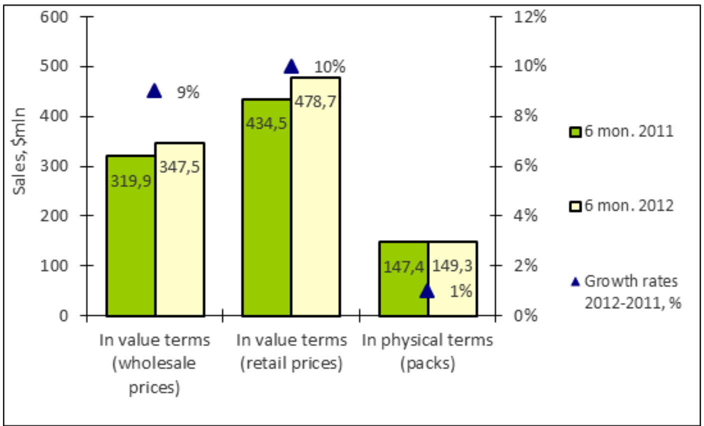
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	R05	COUGH AND COLD PREPARATIONS	6,9	7,9
2	2	A11	VITAMINS	6,4	6,4
3	3	R01	NASAL PREPARATIONS	6,3	6,2
4	4	N02	ANALGESICS	6,0	6,0
5	5	A07	INTESTINAL ANTIINFECTIVES	5,4	5,0
6	7	A05	BILE AND LIVER THERAPY	3,8	3,6
7	8	R06	ANTIHISTAMINES FOR SYST USE	3,5	3,4
8	10	C05	VASOPROTECTIVES	3,2	3,0
9	6	J05	ANTIVIRALS FOR SYSTEMIC USE	3,1	4,0
10	9	M02	TOP PROD JOINT&MUSCULAR PAIN	3,1	3,1
Total				47,6	48,6

Conclusion. On the basis of the results of first half of 2012, the retail pharmacy market of Russia brought in RUB 115.550 bln (USD 3.792 bln). The market saw a 9% increase in terms of roubles and 3% in terms of dollars. In physical terms, the city market showed negative sales growth rates (-5%) and reached 1.462 bln packs. The average cost of a pack at the end of first half of 2012 was markedly higher than the same indicator a year ago (USD 2.59 vs. USD 2.40). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 26.51 vs. USD 25.82).

RUSSIAN BIOLIGICALLY ACTIVE ADDITIVE (BAA) MARKET: 2012 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of BAA in Russian Federation™, at the end of the first half of 2012, the BAA pharmacy sales in Russia brought in 10.585 billion roubles (USD 347.532 million) in wholesale prices and 14.580 bln roubles (USD 478.745 mln) in retail prices (Fig.1). The market performance was positive both in rouble terms (+16%) and in dollar terms (+9%) in wholesale prices. In physical terms, the BAA sales increased insignificantly (1%) to 149.313 mln packs. The average retail cost of a BAA pack was USD 3.21, whereas in a year earlier period – USD 2.95. It should be noted that the average cost of an OTC pack (USD 3.77) was higher than that of a BAA pack. The average sum spent by residents of Russia for purchase of BAA amounted to USD 3.35 (in 2011 - USD 3.04).

Figure 1. Russian pharmacy BAA market for 6 months of 2011 – 6 months of 2012



At the end of the first six months of 2012, BAA produced by EVALAR (+12%) remained the bestselling BAAs in the BAA market, as was the case in the year-earlier period (Table 1). Despite the delay in growth rates and reduction of company's share in the market, its share in the BAA market remained very high 22.8%. Due to 43% growth in sales, VIS moved up to rank two, displacing AKVION (-6%) down one rank. Despite the negative growth rates, PFIZER (-0.4%) and DIOD (-11%) retained their ranks four and five. Two newcomers broke into the bottom part of the top-10 drug manufacturers. They were drug manufacturers GNC PM FARMA, which sales grew 2.2 times, and QUEISSER (+64%), coming in at numbers six and nine. At the same time, AVVA RUS (-22%) and PHARMAMED CANADA (+8%) moved down one rank to numbers 7 and 8, and NATUR PRODUCT (+16%) moved down from number eight to ten of the top ten. The total share of top ten manufacturers in the BAA market reduced by almost 1.3 p.p. and accounted for 51.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	EVALAR	22,8	23,6
2	3	VIS	6,2	5,0
3	2	AKVION RF	4,1	5,0
4	4	**PFIZER**	4,0	4,6
5	5	DIOD	3,2	4,1
6	15	GNC PM FARMA	2,5	1,3
7	6	AVVA RUS	2,4	3,6
8	7	PHARMAMED CANADA	2,3	2,1
9	13	QUEISSER	2,1	1,5
10	8	NATUR PRODUCT	2,1	2,1
Total			51,6	52,9

*AIPM members are in bold

At the end of the first half of 2012, the SEALEX FORTE became the best-selling BAA in the regional market. Its sales grew almost half in the analysed period (table 2). PHITOLAX (+14%) moved up from rank 3 to two. Due to two-fold growth in sales, ALI CAPS moved up to rank 3 from 10. The markets of BAAs REDUKSIN LIGHT and TONGKAT ALI PLATINUM developed at a fast pace, which became newcomers of the top ten, coming in at numbers 6 and 10, respectively. The other five trade names from the top 10, on the contrary, moved down to much lower ranks. Among them there was a ranking leader – LACTOFILTRUM which sales reduced by 23%. The growth of pharmacy sales of OVESOL (+5%), CI-KLIM (+8%), HEMATOGEN RUSSKIY (+10%) and TURBOSLIM OCHISCHAYUSCHIY (+7%) lagged behind the market average which resulted in the reduction of their market shares and in some cases to the loss of ranks. The total share of the top-ten ranking increased by almost 3 p.p. and achieved 20.4%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6mon. 2012	6mon. 2011		6 mon. 2012	6 mon. 2011
1	2	SEALEX FORTE	4,5	3,5
2	3	PHITOLAX	2,9	3,0
3	10	ALI CAPS	2,4	1,3
4	1	LACTOFILTRUM	2,3	3,5
5	4	OVESOL	1,5	1,7
6	N/A	REDUKSIN LIGHT	1,5	N/A
7	5	CI-KLIM	1,5	1,6
8	6	HEMATOGEN RUSSKIY	1,3	1,4
9	7	TURBOSLIM OCHISCHAYUSCHIY	1,3	1,4
10	96	TONGKAT ALI PLATINUM	1,2	0,2
Total			20,4	17,5

The leader in the top ten INN/Generic names in the BAA market changed for the composition GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS (+48%) which moved up to rank one (table 3). Due to 2.2-fold growth in sales, the complex EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA moved up from rank ten to two. The last year leader LACTULOSE + LIGNIN, which reduced its sales by 23%, moved down to rank three. The compositions FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR (-14%) and COLECALCIFEROL + RETINOL + CALCIUM (-16%) showed the negative growth and moved down to ranks 5 and 6. AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA (+5%), DEXPANTHENOL + DIOSCOREA VILLOSA + HYALURONIC ACID (+8%) and INDOLE-3-CARBINOL (+7%) moved down to the lower ranks 7, 9 and 10. The only newcomer, the composition LINOLEIC ACID + VITAMIN E broke into the ranks of the top ten, coming in at number 10. The total share of the analysed top ten INNs, as well as the same of the previous rankings, increased by 0.6 p.p. to 20.4%.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS	4,5	3,5
2	10	EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA	2,4	1,3
3	1	LACTULOSE + LIGNIN	2,3	3,5
4	5	ASCORBIC ACID	2,0	2,2
5	3	FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR	1,8	2,4
6	4	COLECALCIFEROL + RETINOL + CALCIUM	1,7	2,3
7	6	AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA	1,5	1,7
8	N/A	LINOLEIC ACID + VITAMIN E	1,5	N/A
9	7	DEXPANTHENOL + DIOSCOREA VILLOSA + HYALURONIC ACID	1,5	1,6
10	9	INDOLE-3-CARBINOL	1,2	1,3
Total			20,4	19,8

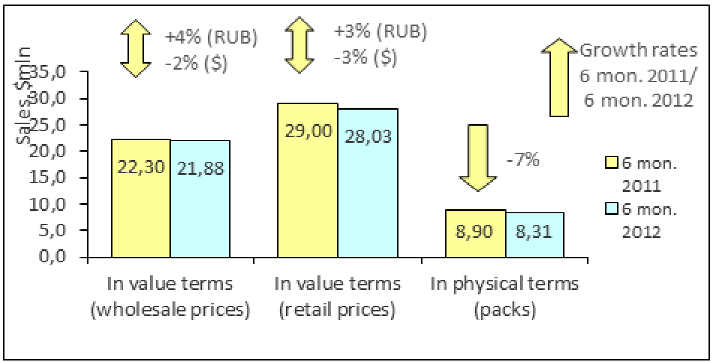
Conclusion. At the end of the first six months of 2012, BAA sales in pharmacies of the country increased 17% in terms of roubles and 10% in terms of dollars and brought in 14.580 bln roubles (USD 478.745 million) in final consumer prices. In physical terms, the BAA market saw 1% sales increase to 149.313 mln packs. The average retail cost of a BAA pack increased as compared to the past year (USD 3.21 vs. USD 2.95). Expenses of residents for purchase of BAA in pharmacies proved to be much higher as well (USD 3.35 vs. USD 3.04).

BELGOROD PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 Belgorod's estimated population was 366.11 thd, which accounted for 0.3% of the total Russian Federation population and 1.0% of Central FO (CFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in the city was RUB 19,340.3 (USD 633.07), which is 24% lower than the average salary in Russia (RUB 25,476.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Belgorod the sales of over-the-counter drugs in physical terms reduced by 7% to 8.314 mln packs over the period of first six months of 2012. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 4% increase in terms of roubles and 2% decrease in terms of dollars compared to the same period a year ago and reached RUB 666.683 mln (USD 21.880 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 grew as compared to the same period of previous year (USD 3.26) and reached USD 3.37 in retail prices. In the first half of 2012, the Belgorod consumers spent on drugs USD 76.57 on the average.

Figure 1. Belgorod pharmacy market for 6 months of 2011 – 6 months of 2012



Following the results of the first six months of 2012, one newcomer broke into the ranks of the top-ten manufacturers ranking in the regional market – due to 18% growth in sales, Israel-based TEVA moved up from rank 11 to 9 (table 1). The markets of SERVIER (+5%), NYCOMED (+7%) and BAYER (+11%) also developed at a fast pace, which allowed them to rise in the ranks, coming in at numbers 3, 4 and 6, respectively. At the same time, GEDEON RICHTER (+2%) and NOVARTIS (+11%) moved down one rank, coming in at numbers 7 and 10, respectively. The top ten's leaders SANOFI-AVENTIS (-2%) and MENARINI (0%) held their own ranks despite the negative and zero growth rates. SANDOZ (+4%) also managed to hold its own rank 8. The total share accumulated by the top ten drug manufacturers reduced from 38.7% to 38.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	**SANOFI-AVENTIS**	5,2	5,5
2	2	**MENARINI**	4,7	4,9
3	4	**SERVIER**	4,6	4,6
4	5	**NYCOMED**	4,0	3,9
5	3	PHARMSTANDART	3,9	4,6
6	7	**BAYER HEALTHCARE**	3,7	3,4
7	6	GEDEON RICHTER	3,6	3,7
8	8	**SANDOZ GROUP**	3,0	2,9
9	11	**TEVA**	2,8	2,5
10	9	**NOVARTIS**	2,8	2,6
Total			38,3	38,7

*AIPM members are in bold

The leader in the top 10 trade names ranking changed. ARBIDOL which used to top the ranking reduced its sales by 37% and moved down to rank 3 (table 2). At the same time, ACTOVEGIN (+14%) and ESSENTIALE N (+14%) showed the positive growth rates and moved up one rank, coming it at numbers one and two, respectively. Apart from them, another two trade names of the top ten rose in the ranks. LINEX (+27%) moved up from rank 11 to 5, and DETRALEX (+14%) moved up from rank 8 to 7, displacing CARDIOMAGNYL (+10%) down one rank to number 8. The trade names MEXIDOLUM (+2%), CONCOR (+4%) and ALFLUTOP (+9%) held their own in the ranking, whereas VIAGRA (-20%) showing the pronounced negative growth rates reduced its market share and moved down from rank five to ten. The total share of the top 10 trade names reduced by 0.5 p.p. and accounted for 8%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	ACTOVEGIN	1,3	1,2
2	3	ESSENTIALE N	1,0	1,0
3	1	ARBIDOL	0,9	1,4
4	4	MEXIDOLUM	0,8	0,8
5	11	LINEX	0,7	0,6
6	6	CONCOR	0,7	0,7
7	8	DETRALEX	0,7	0,6
8	7	CARDIOMAGNYL	0,7	0,6
9	9	ALFLUTOP	0,6	0,6
10	5	VIAGRA	0,6	0,8
Total			8,0	8,5

The top 10 INN and generic names ranking leader also changed for BLOOD (+13%) which moved up to rank one (table 3). XYLOMETAZOLINE (+29%) the most dynamic manufacturer of the top 10 moved up to rank two. As before, INNs PHOSPHOLIPIDS (+3%), BISOPROLOL (+10%) and NIMESULIDE (+7%) held their own ranks three through five, respectively. Despite 5% reduction in sales, the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE held their own in the ranking, staying at number ten of the top ten. INN ARBIDOL (-37%) and AZITHROMYCIN (-1%) also showed the negative growth rates. At the same time, the former moved down from rank one to eight, and the latter moved up from rank 11 to 9. PANCREATIN (+4%) and EMOXIPIN (+3%) moved up one rank, coming in at numbers 6 and 7.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	BLOOD	1,4	1,3
2	6	XYLOMETAZOLINE	1,3	1,0
3	3	PHOSPHOLIPIDS	1,2	1,2
4	4	BISOPROLOL	1,1	1,1
5	5	NIMESULIDE	1,1	1,0
6	7	PANCREATIN	1,0	1,0
7	8	EMOXIPIN	1,0	1,0
8	1	ARBIDOL	0,9	1,4
9	11	AZITHROMYCIN	0,8	0,8
10	10	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,8	0,8
Total			10,4	10,7

Group M01 Anti-inflammatory and antirheumatic products (+12%) held and reinforced its leading positions in the regional market (Table 4). Apart from that, the markets of C09 Agents acting on the rennin-angiotensin system and C05 Vasoprotectives (+12% each), as well as R01 Nasal preparations (+10%) developed at a fast pace, moving up to numbers 3, 9 and 6, respectively. Group J01 Antibacterials for systemic use (-2%) also managed to rise in the ranks. Despite the negative growth rates, it moved up from rank three to two. N02 Analgesics (-17%) which used to take that rank earlier showed more pronounced negative sales growth rates and moved down to rank 4. For the same reason, R05 Cough and cold preparations (-12%) and L03 Immunostimulants (-0.2%) moved down to the lower ranks. ATC groups G03 Sex hormones and N06 Psychoanaleptics (+3% each) held their earlier ranks seven and ten. The total share of the top 10 ATC groups reduced from 36.6% to 35.5%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5,1	4,8
2	3	J01	ANTIBACTERIALS FOR SYST USE	4,3	4,6
3	5	C09	AG ACT RENIN-ANGIOTENS SYST	4,3	4,0
4	2	N02	ANALGESICS	3,8	4,7
5	4	R05	COUGH AND COLD PREPARATIONS	3,5	4,2
6	8	R01	NASAL PREPARATIONS	3,1	2,9
7	7	G03	SEX HORM&MODULAT GENITAL SYS	2,9	2,9
8	6	L03	IMMUNOSTIMULANTS	2,9	3,0
9	13	C05	VASOPROTECTIVES	2,8	2,6
10	10	N06	PSYCHOANALEPTICS	2,8	2,8
Total				35,5	36,6

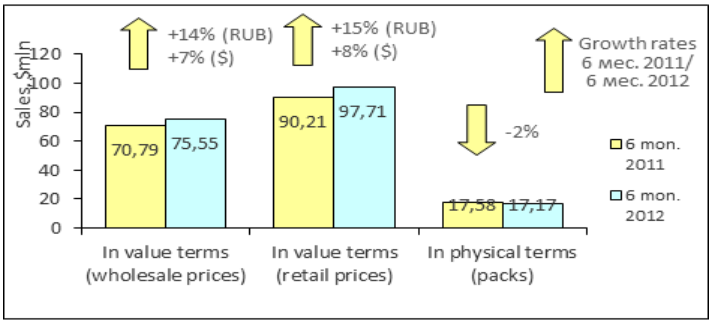
Conclusion. On the basis of the results of the first half of 2012, the retail pharmacy market of Belgorod brought in RUB 854.036 mln (USD 28.032 bln). The regional market performance was positive in rouble terms (+3%), whereas in dollar terms it was negative (-3%). In physical terms, the market performance also decreased by 7% to 8.314 mln packs. The average cost of OTC pack in pharmacies of the city increased as compared to a year earlier (USD 3.37 vs. USD 3.26) and was notably lower than the average cost in Russia (USD 3.77). However, per capita expenses of Belgorod residents for purchase of medicines in pharmacies amounted to USD 76.57 which is much higher than on the average in the country (USD 56.37).

YEKATERINBURG PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Yekaterinburg was estimated as 1.411 mln, which accounts for 1% of the total Russian Federation population and 11.6% of Ural FO (UFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in the city was RUB 24,437.2 (USD 799.91), which is 4% lower than the average salary in Russia (RUB 25,476.0).

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 2012 the sales of OTC drugs in physical terms in pharmacies of Yekaterinburg saw a 2% drop to 17.165 mln packs. In value terms, the sales volumes increased 14% in rouble terms and 7% in dollar terms and achieved RUB 2.303 bln (USD 75.552 mln) in wholesale prices (Fig.1). The regional market share (in value terms) accounted for 1.2% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 5.13) and reached USD 5.69 in retail prices. For six months of 2012, the average amount spent by residents of Yekaterinburg for OTC drugs amounted to USD 69.25.

Figure 1. Yekaterinburg pharmacy market for 6 months of 2011 – 6 months of 2012



Based on the results of six months of 2012, the top four drug manufacturers of the top 10 ranking in Yekaterinburg regional market remained unchanged (table 1). As before SANOFI-AVENTIS (-3%), BAYER (+16%), ABBOTT (+19%) and PHARMSTANDART (+7%) held their own ranks 1 through 4, respectively. Three INNs of the top 10 managed to rise in the ranks. SERVIER (+21%) and TEVA (+25%) moved up one rank, coming in at numbers 5 and 10, and the former became the only newcomer of the top ten. The most dynamic drug manufacturer NOVARTIS (+26%) moved up from rank 9 to 6. The drug manufacturers, that showed modest growth rates and dropped in the ranks, moved down to numbers 7 through 9. They were MERCK SHARP DOHME (+11%), GEDEON RICHTER (+9%) and SANDOZ (+12%). The total share of the top 10 drug manufacturers decreased by almost 0.5 p.p. and accounted for 39.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	**SANOFI-AVENTIS**	6,2	7,3
2	2	**BAYER HEALTHCARE**	5,2	5,1
3	3	**ABBOTT**	4,9	4,7
4	4	PHARMSTANDART	3,9	4,1
5	6	**SERVIER**	3,4	3,2
6	9	**NOVARTIS**	3,3	3,0
7	5	**MERCK SHARP DOHME**	3,2	3,3
8	7	GEDEON RICHTER	3,0	3,2
9	8	**SANDOZ GROUP**	3,0	3,0
10	11	**TEVA**	2,9	2,7
Total			39,1	39,6

*AIPM members are in bold

The more significant changes took place in the ranking of the top 10 trade names (table 2). Three newcomers broke into the ranks of the top ten, REDUKSIN, which sales increased 4 times, and LINEX (+23%) and NUVARING (+55%), coming in at numbers 6, 8 and 10, respectively. In addition, numerous shifts took place in the top ten trade names ranking, only ESSENTIALE N (+4%) managed to hold its own rank two. Apart from the newcomers, HEPTRAL (+21%), DETRALEX (+30%), ALFLUTOP (+28%) and DUPHASTON (+19%) also showed positive growth rates and moved up to ranks one, four, five and nine, respectively. Only two trade names of the top ten ARBIDOL (-27%) and URSOSAN (+7%) moved down to the lower ranks three and seven.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	3	HEPTRAL	1,2	1,2
2	2	ESSENTIALE N	1,2	1,3
3	1	ARBIDOL	1,0	1,5
4	6	DETRALEX	0,8	0,7
5	7	ALFLUTOP	0,7	0,7
6	79	REDUKSIN	0,7	0,2
7	5	URSOSAN	0,7	0,7
8	11	LINEX	0,7	0,6
9	10	DUPHASTON	0,7	0,6
10	23	NUVARING	0,7	0,5
Total			8,3	7,9

The main trend in the INN and generic names ranking was INNs upgrade (table 3). INNs PANCREATIN (+16%) and ADEMETIONINE (+22%) moved up to ranks one and two from three and four. At the same time, they displaced PHOSPHOLIPIDS (+7%) down one rank, to number three. At the same time, XYLOMETAZOLINE (+29%) and URSODEOXYCHOLIC ACID (+26%) also moved up two ranks, coming in at numbers 4 and 5. INN HYALURONIC ACID (+38%) and the composition DIOSMIN + HESPERIDIN (+32%) showed the more pronounced growth rates, but moved up only one rank, coming in at numbers 7 and 8. The newcomers - SIBUTRAMINE (+63%) and IBUPROFEN (+34%) – broke into the ranks of the top ten, coming in at numbers nine and ten. The leader of the previous year ARBIDOL (-27%) was the only INN which reduced its sale volumes and moved down to rank 6. The total share of the analysed ranking, as well as one of the above ranking increased from 10.0% to 10.4%.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	3	PANCREATIN	1,3	1,3
2	4	ADEMETIONINE	1,3	1,2
3	2	PHOSPHOLIPIDS	1,3	1,4
4	6	XYLOMETAZOLINE	1,2	1,1
5	7	URSODEOXYCHOLIC ACID	1,0	0,9
6	1	ARBIDOL	1,0	1,5
7	8	HYALURONIC ACID	0,9	0,8
8	9	DIOSMIN + HESPERIDIN	0,8	0,7
9	30	SIBUTRAMINE	0,8	0,5
10	14	IBUPROFEN	0,8	0,7
Total			10,4	10,0

The only group of the top ten ATC groups ranking which reduced its sales was Group N02 Analgesics (-1%), moving down three ranks to number 5 (table 4). In addition, J01 Antibacterials for systemic use (+6%) and N06 Psychoanaleptics (+8%) which growth in sales was relatively low moved down to the lower ranks six and seven. The top ten's leader G03 Sex hormones (+9%) also showed lagging behind market average growth rates, which resulted in the reduction of its market share. The markets of the other ATC groups developed at a fast pace which allowed them to rise in the ranks. A05 Bile and liver therapy (+15%) became the only exception which held its own rank 9. A11 Vitamins (+15%) moved up one rank to number 2, C09 Agents acting on the rennin-angiotensin system (+21%) and R01 Nasal preparations (+17%) moved up two ranks. M01 Anti-inflammatory and antirheumatic products (+25%) moved up from rank 7 to 3, and the only newcomer of the top ten A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+30%) moved up to the last number of the ranking. The cumulative share of the top 10 didn't change and accounted for 36.6%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	G03	SEX HORM&MODULAT GENITAL SYS	4,6	4,8
2	3	A11	VITAMINS	4,2	4,1
3	7	M01	ANTIINFLAM & ANTIRHEUM PROD	3,8	3,4
4	6	C09	AG ACT RENIN-ANGIOTENS SYST	3,7	3,5
5	2	N02	ANALGESICS	3,7	4,2
6	4	J01	ANTIBACTERIALS FOR SYST USE	3,5	3,7
7	5	N06	PSYCHOANALEPTICS	3,4	3,6
8	10	R01	NASAL PREPARATIONS	3,3	3,2
9	9	A05	BILE AND LIVER THERAPY	3,3	3,2
10	13	A07	INTESTINAL ANTIINFECTIVES	3,1	2,7
Total				36,6	36,6

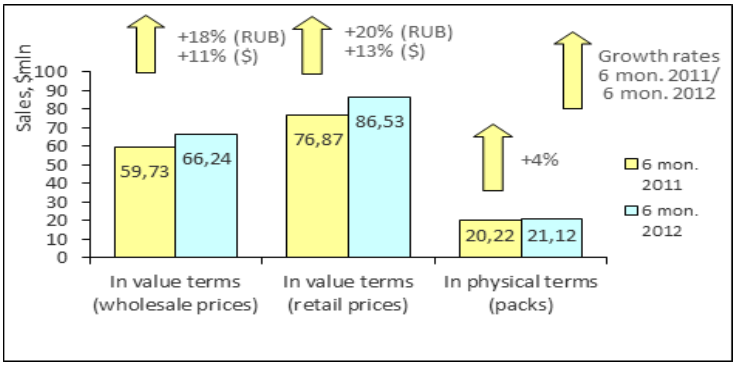
Conclusion. On the basis of the results of the first half of 2012, the retail pharmacy market of Yekaterinburg reached RUB 2.979 bln (USD 97.715 mln), which is 15% in terms of roubles and 8% in terms of dollars higher than the same indicator in the same period a year ago. In physical terms, the country market showed negative growth rates (-2%) and reached 17.165 mln packs. The average cost of an OTC pack at the end of the first half of 2012 in the city pharmacies was markedly higher than the same indicator a year ago (USD 5.69 vs. USD 5.13). At the same time, both the average cost of an OTC pack and the average sum (USD 69.25) spent by residents of the city for the purchase of OTC drugs in the pharmacies was higher than the Russia average (cost of OTC drug – USD 3.77 and average expenses per year – USD 56.37).

UFA PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Ufa was estimated as 1.082 mln, which accounts for 0.8% of the total Russian Federation population and 3.6% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in the Republic of Bashkortostan was RUB 19,520.9 (USD 638.98), which is 23% lower than the average salary in Russia (RUB 25,476.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Ufa the sales of over-the-counter drugs in physical terms increased by 4% to 21.121 mln packs over the period of first six months of 2012. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 18% increase in terms of roubles and 11% increase in terms of dollars compared to the same period a year ago and reached RUB 2.020 bln (USD 66.236 mln) in wholesale prices (Fig.1). The region's share accounted for 1.1% of the total volume of all-Russia pharmacy market. The average cost of an OTC pack increased as compared to a year earlier and reached USD 4.10 (vs. USD 3.80 a year earlier) in retail prices. In the first half of 2012, the region consumers spent USD 80 on drugs on the average.

Figure 1. Ufa pharmacy market for 6 months of 2011 – 6 months of 2012



At the end of six months of 2012, the top 10 drug manufacturers ranking demonstrated high stability in the pharmacy market of Ufa – most of the companies held their own in the ranking (table 1). One more shift took place in the middle part of the ranking – the most dynamic SERVIER (+27%) moved up one rank, to number 5 by displacing the less dynamic BAYER (+18%). Due to its outstripping growth rates, SANOFI-AVENTIS (+25%) maintained and reinforced its leading position in the regional market. The markets of ABBOTT (+25%) and TEVA (+23%) also developed at a fast pace, which allowed them to expand their market shares. However, the volumes of pharmacy sales of another five drug makers lagged behind the market average which in four cases resulted in a decline of their market shares. But the total share of the top ten remained flat and accounted for 39.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	**SANOFI-AVENTIS**	6,0	5,7
2	2	PHARMSTANDART	4,9	5,2
3	3	**ABBOTT**	4,7	4,4
4	4	**SANDOZ GROUP**	4,1	4,4
5	6	**SERVIER**	3,9	3,6
6	5	**BAYER HEALTHCARE**	3,9	3,9
7	7	GEDEON RICHTER	3,3	3,5
8	8	**NYCOMED**	3,3	3,3
9	9	**MENARINI**	2,9	3,1
10	10	**TEVA**	2,9	2,8
Total			39,9	39,9

*AIPM members are in bold

Only one trade name of the top ten trade names held their own in the ranking (table 2). It was the top ten's leader, hepatoprotector ESSENTIALE N (+45%), which due to its high sales rates strengthened its dominance in the market. It should be noted that the other six trade names showed outperformance. They were HEPTRAL (+29%), ACTOVEGIN (+19%), MEXIDOLUM (+29%) and ALFLUTOP (+82%) that moved up to ranks two through four, as well as the newcomers of the top ten KAGOCEL (2.6-fold growth in sales) and CIALIS (+31%), coming in at numbers nine and ten. In contrast, ARBIDOL (-38%), VIAGRA (+8%) and KETONAL (+2%) moved down to the lower ranks from 6 through 8.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	ESSENTIALE N	2,0	1,7
2	3	HEPTRAL	1,3	1,2
3	4	ACTOVEGIN	1,0	1,0
4	7	MEXIDOLUM	0,9	0,9
5	14	ALFLUTOP	0,9	0,6
6	2	ARBIDOL	0,8	1,5
7	6	VIAGRA	0,8	0,9
8	5	KETONAL	0,8	0,9
9	43	KAGOCEL	0,7	0,3
10	12	CIALIS	0,6	0,6
Total			10,0	9,5

Three newcomers broke into the ranks of the top ten INN and Generic Names Ranking - XYLOMETAZOLINE (+32%), FISH (+82%) and BISOPROLOL (+21%), coming in at numbers 7, 8 and 10, respectively. In addition, another five INNs rose in the ranks: ADEMETIONINE (+29%), KETOPROFEN (+8%), BLOOD (+22%), EMOXIPIN (+32%) and SILDENAFIL (+15%) moved up one rank, coming in at numbers 3 through 6, and 9. PHOSPHOLIPIDS (+45%) and PANCREATIN (+21%) held their leading positions in the ranking. The total share of the analysed ranking, as well as one of the above ranking increased from 10.9% to 11.8%.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	PHOSPHOLIPIDS	2,1	1,7
2	2	PANCREATIN	1,6	1,6
3	4	ADEMETIONINE	1,4	1,3
4	5	KETOPROFEN	1,1	1,2
5	6	BLOOD	1,1	1,1
6	7	EMOXIPIN	1,0	0,9
7	13	XYLOMETAZOLINE	0,9	0,8
8	25	FISH	0,9	0,6
9	10	SILDENAFIL	0,8	0,9
10	12	BISOPROLOL	0,8	0,8
Total			11,8	10,9

The leader of the top ten ATC groups ranking didn't change either – Groups J01 Antibacterials for systemic use (+6%) and M01 Anti-inflammatory and antirheumatic products (+19%) held its own in the top ten (table 4). On top of that, G03 Sex hormones (+16%) kept its own rank six. A05 Bile and liver therapy (+39%) moved up to rank three, A11 Vitamins (+18%) to rank four. Group N06 Psychoanaleptics (+21%) moved up from rank 9 to 6, and C09 Agents acting on the rennin-angiotensin system (+27%) from rank 11 to 8. In contrast, the remaining three ATC groups from the top 10 moved down to the lower ranks. They were the Groups N02 Analgesics (-6%), R05 Cough and Cold Preparations (-9%) and L03 Immunostimulants (+5%). In contrast to the above rankings, the total share of the top 10 pharmaceutical groups reduced and accounted for 37.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	J01	ANTIBACTERIALS FOR SYST USE	4,8	5,3
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4,3	4,3
3	8	A05	BILE AND LIVER THERAPY	4,0	3,4
4	6	A11	VITAMINS	3,9	3,9
5	5	G03	SEX HORM&MODULAT GENITAL SYS	3,8	3,9
6	9	N06	PSYCHOANALEPTICS	3,4	3,3
7	3	N02	ANALGESICS	3,3	4,2
8	11	C09	AG ACT RENIN-ANGIOTENS SYST	3,2	3,0
9	4	R05	COUGH AND COLD PREPARATIONS	3,2	4,1
10	7	L03	IMMUNOSTIMULANTS	3,2	3,5
Total				37,2	39,0

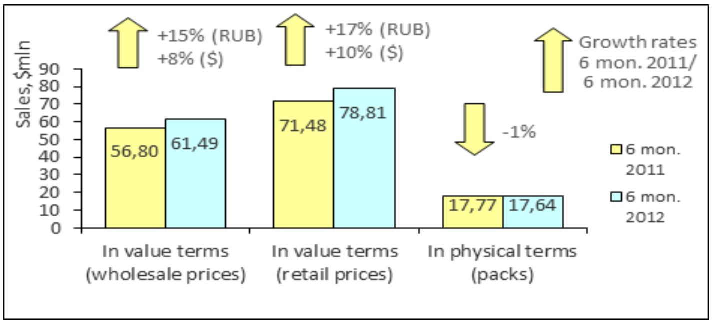
Conclusion. At the end of first half of 2012, the retail OTC drugs market of Ufa brought in RUB 2.639 bln (USD 86.529 mln). At the same time, the market increased 20% in terms of roubles and 13% in terms of dollars. The city market in physical terms also showed positive sales growth rates (+4%) and reached 21.121 mln packs. The average cost of a pack in the first six months was more than in the same period of last year (USD 4.10 vs. USD 3.80) and exceeded the country average (USD 3.77). At the end of six months of 2012, per capita expenses for purchase of medicines in pharmacies of the city amounted to USD 80.00 and were higher than the average indicators throughout Russia (USD 57.37).

KAZAN PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Kazan was estimated as 1.161 mln, which accounted for 0.8% of the total Russian Federation population and 3.9% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in the city was RUB 21,798.3 (USD 713.53), which is 14% lower than the average salary in Russia (RUB 25,476.0).

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 2012 the sales of OTC drugs in physical terms in pharmacies of Kazan saw a 1% drop to 17.638 mln packs. In value terms, the sales volumes increased 15% in rouble terms and 8% in dollar terms and achieved RUB 1.875 bln (USD 61.493 mln) in wholesale prices (Fig.1). The regional market share (in value terms) accounted for 1% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 4.02) and reached USD 4.47 in retail prices. For six months of 2012, the average amount spent by residents of Kazan for OTC drugs amounted to USD 67.87.

Figure 1. Kazan pharmacy market for 6 months of 2011 – 6 months of 2012



On the basis of the results for the first six months of 2012, SANOFI-AVENTIS (+6%) remained the leader of the regional market, however due to low sales rates, its market share decreased noticeably (Table 1). SERVIER (+19%) and BAYER (+21%) moved up to rank two and three. ABBOTT (+34%) moved up from rank 7 to 5, and the newcomers MERCK SHARP DOHME (+33%) and TEVA (+29%) broke into the ranks of the top ten, coming in at numbers nine and ten, respectively. At the same time, three of them moved down to the lower ranks. Russia-based PHARMSTANDART (-5%) moved to rank four and the drug makers SANDOZ (+9%) and MENARINI (+15%) moved down one rank, to numbers 6 and 7. NOVARTIS (+21%) managed to hold its own in the ranking. The cumulative share of the top 10 drug manufacturers didn't change and accounted for 36.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	**SANOFI-AVENTIS**	5,5	6,2
2	3	**SERVIER**	4,2	4,1
3	4	**BAYER HEALTHCARE**	4,1	3,9
4	2	PHARMSTANDART	3,7	4,5
5	7	**ABBOTT**	3,6	3,1
6	5	**SANDOZ GROUP**	3,3	3,5
7	6	**MENARINI**	3,3	3,3
8	8	**NOVARTIS**	3,0	2,8
9	12	**MERCK SHARP DOHME**	2,9	2,6
10	11	**TEVA**	2,9	2,6
Total			36,5	36,5

*AIPM members are in bold

Only the leader – ESSENTIALE N (+2%) – didn't change its position in the top ten trade names ranking. Despite its low sales rates and reduction of the market share, it held its own rank one (table 2). Cartilage protector ALFLUTOP which due to 46% growth in sales moved up from rank 4 to two came close to ESSENTIALE N. The markets of the other six trade names also developed at a fast pace: ACTOVEGIN (+28%), HEPTRAL (+40%), DETRALEX (+38%) and PEGINTRON (+41%), KAGOCEL (+75%) and MEXIDOLUM (+36%) moved up to ranks 4 through 8, and the last two numbers. Two trade names of the top 10 trade names ranking showed the negative sales growth rates. At the same time, VIAGRA (-0.2%) held its own rank three, whereas ARBIDOL (-40%) moved down six ranks to number 8. The total share of the analysed top 10 trade names virtually remained unchanged and accounted for 8.5%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	ESSENTIALE N	1,3	1,4
2	4	ALFLUTOP	1,2	1,0
3	3	VIAGRA	0,9	1,0
4	5	ACTOVEGIN	0,8	0,8
5	6	HEPTRAL	0,8	0,7
6	7	DETRALEX	0,8	0,6
7	8	PEGINTRON	0,7	0,6
8	2	ARBIDOL	0,7	1,4
9	29	KAGOCEL	0,6	0,4
10	13	MEXIDOLUM	0,6	0,5
Total			8,5	8,4

Most INNs of the top ten INN and Generic Names Ranking rose in the ranks (table 3). INN FISH (+46%) moved up from rank five to two and XYLOMETAZOLINE (+31%) moved up from rank 7 to 4. The composition CHONDROITINSULFURIC ACID + GLUCOSAMINE (+38%) moved up from rank 9 to 5, and BLOOD (+28%) moved up from rank 10 to 8. The newcomers ADEMETIONINE and DIOSMIN + HESPERIDIN (+41% each) broke into the ranks of the top ten, coming in at numbers seven and ten. INNs SILDENAFIL (+5%) and AZITHROMYCIN (+13%) moved down to much lower ranks. Two INNs of the top 10 managed to hold their own in the ranking. They were the leaders of the ranking PHOSPHOLIPIDS (+7%) at rank one and PANCREATIN (+15%) at rank three. The total share of the top 10 INNs increased from 9.3% to 10%.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	PHOSPHOLIPIDS	1,4	1,5
2	5	FISH	1,2	1,0
3	3	PANCREATIN	1,0	1,0
4	7	XYLOMETAZOLINE	1,0	0,9
5	9	CHONDROITINSULFURIC ACID + GLUCOSAMINE	1,0	0,8
6	4	SILDENAFIL	0,9	1,0
7	12	ADEMETIONINE	0,9	0,7
8	10	BLOOD	0,9	0,8
9	6	AZITHROMYCIN	0,9	0,9
10	20	DIOSMIN + HESPERIDIN	0,8	0,6
Total			10,0	9,3

Only one group of the top 10 ATC groups held its own in the ranking (table 4). It was L03 Immunostimulants (+13%) at number 4. Five ATC groups rose in the ranks. M01 Anti-inflammatory and antirheumatic products (+24%) moved up up one rank and A05 Group Bile and Liver Therapy (+18%) moved up one rank each, coming in at numbers one and seven. Group G03 Sex hormones (+19%) moved up from rank 6 to 3, and C09 Agents acting on the rennin-angiotensin system (+28%) from rank 9 to 6. The newcomers N06 Psychoanaleptics (+36%) broke into the ranks of the top ten, coming in at number nine. The other ATC groups from the top 10 moved down to the lower ranks. On top of that, the last year leader J01 Antibacterials for systemic use (+15%) and A11 Vitamins (+14%) moved down one rank. At the same time, two groups N02 Analgesics (-0.4%) and R05 Cough and cold preparations (-6%) reduced their sales and moved down to ranks 5 and 10. The cumulative share of the top 10 didn't change and accounted for 36.4%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4,7	4,4
2	1	J01	ANTIBACTERIALS FOR SYST USE	4,4	4,5
3	6	G03	SEX HORM&MODULAT GENITAL SYS	3,8	3,7
4	4	L03	IMMUNOSTIMULANTS	3,8	3,8
5	3	N02	ANALGESICS	3,5	4,1
6	9	C09	AG ACT RENIN-ANGIOTENS SYST	3,4	3,1
7	8	A05	BILE AND LIVER THERAPY	3,4	3,3
8	7	A11	VITAMINS	3,3	3,3
9	14	N06	PSYCHOANALEPTICS	3,1	2,6
10	5	R05	COUGH AND COLD PREPARATIONS	3,1	3,7
Total				36,4	36,4

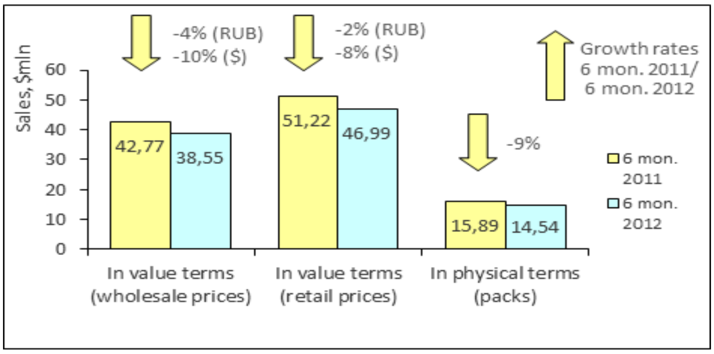
Conclusion. On the basis of the results of the first half of 2012, the retail pharmacy market of Kazan reached RUB 2.403 bln (USD 78.807 mln), which is 17% in terms of roubles and 10% in terms of dollars higher than the same indicator in the same period a year ago. In physical terms, the country market showed negative growth rates (-1%) and reached 17.638 mln packs. The average cost of an OTC pack at the end of the first half of 2012 in the city pharmacies was markedly higher than the same indicator a year ago (USD 4.47 vs. USD 4.02). At the same time, both the average cost of an OTC pack and the average sum (USD 67.86) spent by residents of the city for the purchase of OTC drugs in the pharmacies was higher than the Russia average (cost of OTC drug – USD 3.77 and average expenses per year – USD 56.37).

PERM PHARMACEUTICAL MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Perm was estimated as 1.001 mln, which accounted for 0.7% of the total Russian Federation population and 3.4% of Povolzhsky FO (PFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in the Permsky Krai was RUB 20,439.8 (USD 669.06), which is 20% lower than the average salary in Russia (RUB 25,476.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Perm the sales of over-the-counter drugs in physical terms increased by 9% to 14.535 mln packs over the period of first six months of 2012. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 4% increase in terms of roubles and 10% increase in terms of dollars compared to the same period a year ago and reached RUB 1.174 bln (USD 38.554 mln) in wholesale prices (Fig.1). The region's share accounted for 0.6% of the total volume of all-Russia pharmacy market. The average cost of an OTC pack didn't practically change as compared to a year earlier and reached USD 3.23 (USD 3.22 a year earlier) in retail prices. In the first half of 2012, the region consumers spent USD 46.96 on drugs on the average.

Figure 1. Perm pharmacy market for 6 months of 2011 – 6 months of 2012



One newcomer broke into the ranks of the top ten manufacturers in the market of Perm region as compared to the same period a year ago – TEVA (+1%) moved up from rank 11 to 10 (table 1). Apart from it, another two drug manufacturers showed positive growth rates: BAYER (+5%) and SERVIER (+4%). On top of that, the former moved up one rank to number 3, and the latter managed to retain its previous rank 7. The other trade names of the top 10 reduced their sales in varying degrees. PHARMSTANDART (-13%), as well as SANDOZ (-12%) and MENARINI (-11%) showed the most pronounced negative sales growth rates. Note that despite the reduction of sales, NYCOMED (-5%) moved up one rank, coming in at number 4. The cumulative share of the top 10 drug manufacturers reduced and accounted for 37.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	PHARMSTANDART	5,3	5,8
2	2	**SANOFI-AVENTIS**	4,8	5,0
3	4	**BAYER HEALTHCARE**	4,1	3,8
4	5	**NYCOMED**	3,8	3,8
5	3	**SANDOZ GROUP**	3,6	4,0
6	6	**MENARINI**	3,4	3,7
7	7	**SERVIER**	3,4	3,2
8	8	**ABBOTT**	3,1	3,1
9	9	GEDEON RICHTER	2,9	3,0
10	11	**TEVA**	2,7	2,6
Total			37,2	37,8

*AIPM members are in bold

ARBIDOL (-51%) and ACTOVEGIN (-6%) maintained their leading positions in the regional market (table 2). ESSENTIALE N (+12%) moved up to rank three from six, displacing VIAGRA (-9%) and ANAFERON (-16%) down one rank. The sixth, eighth, ninth and tenth ranks were taken by the newcomers of the top 10 ranking: ALFLUTOP (+18%), CIALIS (+14%), DETRALEX (+26%) and REDUKSIN, which sales increased 3.6 times. CARDIOMAGNYL (-14%) held its earlier rank 7.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	ARBIDOL	1,1	2,1
2	2	ACTOVEGIN	1,0	1,0
3	6	ESSENTIALE N	0,8	0,7
4	3	VIAGRA	0,8	0,9
5	4	ANAFERON	0,7	0,8
6	11	ALFLUTOP	0,7	0,5
7	7	CARDIOMAGNYL	0,6	0,7
8	13	CIALIS	0,6	0,5
9	23	DETRALEX	0,6	0,5
10	132	REDUKSIN	0,6	0,2
Total			7,6	8,0

Two newcomers BISOPROLOL (-8%) and IBUPROFEN (+3%) broke into the ranks of the top ten INN and generic names ranking, coming in at numbers nine and ten (table 3). On top of that, the top ten's leader changed for INN XYLOMETAZOLINE. Due to 25% growth in sales, it moved up from rank five to one. At the same time, ARBIDOL (-51%), PANCREATIN (-2%), BLOOD (-6%) and NIMESULIDE (-3%) moved down one rank. Another INN PHOSPHOLIPIDS (+9%) showing positive growth rates moved up from rank 8 to 6, displacing SILDENAFIL (-5%). KETOPROFEN moved up one rank, to number 8 despite the reduction in sales volume by 5%. The total share of the analysed ranking, as well as one of the above ranking reduced from 10.4% to 9.8%.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	5	XYLOMETAZOLINE	1,2	0,9
2	1	ARBIDOL	1,1	2,1
3	2	PANCREATIN	1,1	1,1
4	3	BLOOD	1,1	1,1
5	4	NIMESULIDE	1,0	1,0
6	8	PHOSPHOLIPIDS	1,0	0,8
7	6	SILDENAFIL	0,9	0,9
8	9	KETOPROFEN	0,8	0,8
9	11	BISOPROLOL	0,8	0,8
10	15	IBUPROFEN	0,8	0,7
Total			9,8	10,4

The dominant three groups held their own in the top ten ATC group ranking (table 4). The groups M01 Anti-inflammatory and antirheumatic products (-1%), A11 Vitamins and N02 Analgesics (+1% each) as before held their own first three ranks in the top ten. Apart from them, R01 Nasal preparations (+5%) held their own rank eight. The remaining groups of the top 10 ATC groups showed the negative growth rates; at the same time, four of them rose in the ranks. The groups C09 Agents acting on the renin-angiotensin system (-2%) and J01 Antibacterials for systemic use (-12%) moved up to ranks 4 and 5. Two last ranks in the top ten were taken by its newcomers – G03 Sex hormones (-0.3%) and G04 Urologicals (-1%). The groups with the more pronounced negative growth rates fell in the ranks. They were the Groups L03 Immunostimulants (-14%) and R05 Cough and Cold Preparations (-22%) that moved down to ranks 6 and 7. The total share of the top 10 ATC groups reduced from 39.3% to 39.0%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4,9	4,7
2	2	A11	VITAMINS	4,7	4,4
3	3	N02	ANALGESICS	4,7	4,4
4	7	C09	AG ACT RENIN-ANGIOTENS SYST	4,1	4,0
5	6	J01	ANTIBACTERIALS FOR SYST USE	3,8	4,2
6	5	L03	IMMUNOSTIMULANTS	3,8	4,2
7	4	R05	COUGH AND COLD PREPARATIONS	3,5	4,3
8	8	R01	NASAL PREPARATIONS	3,5	3,2
9	12	G03	SEX HORM&MODULAT GENITAL SYS	3,1	3,0
10	13	G04	UROLOGICALS	3,0	2,9
Total				39,0	39,3

Conclusion. At the end of first half of 2012, the retail OTC drugs market of Perm brought in RUB 1.431 bln (USD 46.931 mln). At the same time, the market reduced 2% in terms of roubles and 8% in terms of dollars. In physical terms, the city market showed reduction in sales (-39%) and reached 14.535 mln packs. The average cost of a pack at the end of the period didn't practically change as compared with the same value a year ago (USD 3.23 vs. USD 3.22), but it was lower than the average value in the country (USD 3.77). At the end of first six months of 2012, per capita expenses for purchase of medicines in pharmacies of the region amounted to USD 46.96 and were lower than the average indicators throughout Russia (USD 57.37).

REGIONAL DIGEST

Beneficiary Drug Coverage/Procurement of Necessary Drugs, Government Control

September 4, The Moscow Post

Ministry of Public Health has bought anticancer drugs banned for sale

The auction for supply of anti-cancer drugs with INN Imatinib ended in big uproar. The drug to be supplied to the Russian Federation is the analogue to the product of Novartis, which patent protection expires in April 2013. Therefore, currently all rights to Imatinib belong to the company whose trademark is Gleevec. Even more, the right to the exclusive supply of Imatinib to Russia by representatives of Novartis was confirmed by the decision of Presidium of the Supreme Arbitration Court of the Russian Federation.

September 4, 2012, The Meditsinski Vestnik

State Duma Committee for Health Protection to consider amendments to Narcotic Drugs Law

On September 6, State Duma Committee for Health Protection will consider a draft law on introduction of amendments to the Federal Law Concerning Narcotics and Psychotropic Substances proposed by the Government of the Russian Federation. The draft law suggests cancelling the government monopoly to the processing, distribution, elimination and import (export) of psychotropic substances entered into Schedule III to the Superpotent Substances List which in its turn will make it possible to include in Schedule III of the List the superpotent substances that placed under international control in accordance with United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1971. This will allow the State Duma to eliminate excessive administrative barriers, have no negative effects during procurement of patients with appropriate medications, and ensure compliance of Russian laws with United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1971.

September 9, 2012, RG.ru

Ministry of Public Health to prepare amendments to FL On Circulation of Medicines

Ministry of Public Health prepares amendments to the Law regulating the circulation of medicines. The amendments shall detail the terms and definitions of the acting Law On Circulation of Medicines including such terms as "Generic Drug", "Orphan Drug", "Biosimilar Drug". The changes will affect the marketing authorization of drugs as well, including adjustment of requirements to the accelerated authorization and introduction of a special procedure for government authorization of orphan drugs. It is expected that the draft law will be published on the official website of the Ministry for public discussion by November 1.

September 11, 2012, The Pharmatsevticheski Vestnik

Head of Federal Service for the Supervision of Public Health and Social Development is confident in necessity of keeping sharing information between medical representatives and practitioners

The industry conference Common Free Market Zone: Regulatory Changes on Pharmaceutical Market was held by the Association of Russian Pharmaceutical Manufacturers on September 11. One of the themes discussed at the conference was the interaction of practitioners and medical representatives. Acting Head of Federal Service for the Supervision of Public Health and Social Development Elena Telnova said that the proposal was being prepared to amend Article 75 of the Law On the Fundamentals of Public Health Protection in the Russian Federation: "We are unwilling for the government to stop interaction between practitioners and medical representatives. But the interaction must be on civilised terms. It is very important to strike a happy medium when the valid information is delivered both to practitioners and supervisory bodies".

September 18, 2012, The Rossiyskaya Business-Gazeta

Bio-2020 Program hit new highs in Russia

Deputy Minister of Economic Development Oleg Fomichev said that the Government has proceeded with the implementation of the complex program Bio2020 for development of biotechnologies in the Russian Federation for the period up to 2020. Its strategic aim is to set up a globally competitive biotechnological sector in Russia. Among the priorities of the program is biopharmaceuticals and biomedicine. Whereas the Pharma-2020 Program combines the different manufacturing methods for production of pharmaceutical products of chemical and biological origin, Bio-2020 Program shall be dedicated to the sector associated with biopharmaceuticals, i.e. protein preparations, vaccines, cell technologies, etc.

September 19, 2012, RIA-AMI

Ministry of Public Health to introduce the Biomedical Sciences Strategic Plan

Minister of Public Health Veronika Skvortsova said at the conference held in Skolkovo that the Ministry of Public Health of Russia intended to introduce the Biomedical Sciences Strategic Plan in December of this year. The focus of the new strategic plan is on the setting up of common national priorities in the field of biomedicine, creation of special innovative environment and scientific clusters on the basis of 12 leading universities.

September 19, 2012, The Meditsinski Vestnik

Ministry of Public Health to set up Commission on Conflict of Interest in Medical Activities and Pharmaceutical Activities

Ministry of Public Health and Social Development of Russia published a draft order of September 18, 2012 concerning Commission on conflict of interest in medical activities and pharmaceutical activities. According to this order, the Commission shall consider the situations when a medical or pharmaceutical worker develops an interest in reaping financial benefit or other benefit which affects or may affect the proper performance of professional duties.

September 21, 2012, ITAR-TASS

President directed to look into the reasons for insufficient application of funds for public health modernization

President of Russia Vladimir Putin gave an instruction to Vice-Premier Olga Golodets to look into the reasons for low application of funds for modernization of public health system in some regions. Deputy Chairman of the Government said at the working meeting with the President that the funds allocated from different sources to the modernisation program of public health system that has been implemented for two years and is half up amounted to RUB 629 bln. According to Golodets, as of today the level of application of such funds accounted for 62%. Among lagging regions were Tverskaya Oblast, Kabardino-Balkar Republic, Ingushetia, Sverdlovskaya Oblast, Kaluzhskaya Oblast, Kaliningradskaya Oblast and Tulskaya Oblast.

September 26, 2012, The Izvestia

Federal Drug Control Service requested the government to invest it with authorities on prompt prohibition of narcotic and psychotropic substances

Head of FDCS Victor Ivanov requested the government to invest it with authorities which would allow it to promptly prohibit new types of narcotic and psychotropic substances. According to FDCS, today there are no instruments to combat new narcotic drugs which come up every week. In order to prohibit this or that narcotic drug, the Ministry of Public Health must carry out a research. To this effect the Ministry must invite tenders; the procedure will last for 45 days. Based on the results of such tenders, the one who wins shall receive moneys from the budget, then carry out tests and provide an opinion. If a substance is found to be a narcotic drug, the Ministry will proceed with the process of agreeing prohibition with other authorities which amount to around 15. According to Ivanov, it can take up to a year and a half to complete the procedure.

NEWS FROM COMPANIES

September 12, 2012, The Vedomosti

FAS clears Pharmstandart to buy 100% voting stake in Pharmaceutical Firm Lekko

FAS has cleared Pharmstandart to acquire a 100% voting stake in Pharmaceutical Firm Lekko ZAO. According to a spokesman for Pharmstandart Ilya Krylov, the transaction is expected to be closed by the end of 2012. A number of valuation experts believe that the value of the deal is about USD 43 mln. After processing Pharmstandart's application to acquire 100% of Lekko, Federal Antimonopoly Service found that Pharmstandart will dominate the market of five drugs.

September 14, 2012, Sostav.Ru

Procter&Gamble to expand into the Russian pharmaceutical market

Procter&Gamble is expanding into Russia, through the start of sales of its drugs in the local market. In September the company launched products under the Vicks brand name. According to experts, the pharmaceutical market of Russia has been growing at a faster pace than the world market and is very prospective for new players who are willing to invest both in the production of quality products and in marketing. At present, the Russian portfolio is comprised of drugs which are used for the treatment of cold, flu and cough. According to DSM Group, the Vicks brand became in demand in the chemistry chains as early as in July 2012. Purchases volumes are not big, but they are growing as the months roll by.

September 27, 2012, The Kommersant

Valeant may refuse to acquire Natur Produkt

Canada-based drug-maker Valeant Pharmaceuticals may refuse to acquire Pharmaceutical Firm Natur Produkt for USD 180 mln from Renova Group of Viktor Vekselberg. One of the most probable causes for concerns of Canadians is continued legal proceedings of Natur Product with Protek Group with regard to the trademark Antigrippin. Half of sales of the company accrues to this drug, that's why a buyer could demand the review of the deal's price.

Information source: IMS Health

For any questions and comments please call

Vladimir G. Shipkov, CEO, AIPM

Tel.: 933 70 40

For more information on the AIPM, please, visit our website: http://www.aipm.org

Ekaterina Korduban, Head of PR and Development of Remedium Group

Tel.: 780 34 25, fax: 780 34 26

For more information on the Remedium Group, please, visit our website: http://www.remedium.ru