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 July 2012, the Consumer Price Index was estimated as 101.2%, compared to the previous month. For the period from start of the year, it escalated to 104.5% (in January-July 2011 – 105.0%)

In July, Industrial Producer Price Index was 98.9%, whereas in the month-earlier period it had amounted to 99.1%. In January-July, it accounted for 99.1% (during the same period a year ago – 105.8%).

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

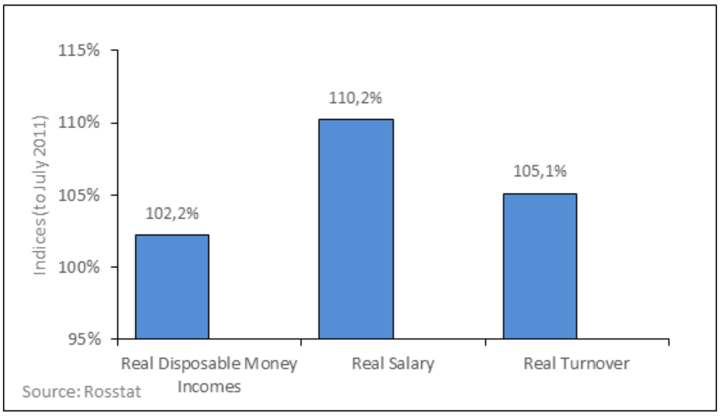
Living standard

According to preliminary Federal State Statistics Service's data, in July 2012 a gross monthly average salary per worker reached RUB 27,219 (USD 845.57) which accounted for 116.3% compared to July 2011 and 99.0% compared to June 2012. The real salary in July 2012 accounted for 110.2 % as compared with the same period in 2011. In July 2012, the real value of cash incomes accounted for 102.2% compared to the same period of 2011 (Fig. 2).

Retail turnover

In July 2012 the retail turnover was equal to RUB 1,781.2 bln, which in stock accounted for 105.1% compared to the same period a year ago (Fig. 2).

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



Manufacture of industrial products

According to Federal State Statistics Service's data, in July 2012 Industrial Production Index accounted for 103.4% compared to the same period a year ago, 101.9% to the previous period of 2012, and 103.2% for year to date.

Domestic production

The Top-10 domestic manufacturers by production volume at July-end 2012 are shown in Table 1. The total production volume by top ten manufacturers was estimated at USD 250.8 mln.

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

Rank	Drug Manufacturer	Production volume, $mln.
1	Pharmstandart	118,1
2	KRKA-RUS	30,5
3	Stada	23,9
4	Pharm-Center	14,5
5	Kraspharma	14,1
6	Microgen	13,7
7	Akrihin	10,1
8	Valenta	9,5
9	Sotex	8,5
10	Gedeon Richter-Rus	7,7

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In June 2012 compared to May 2012, pharmacy sales slump (in terms of roubles) was observed in most analyzed regions. The lowest performance was observed in Perm (-15%), the highest one in Moscow (-3%). The sales growth was only observed in two regions: Krasnodarsky Kray (+5%) and Tyumen (+0.3%).

Table 2. Pharmacy sales in regions, 2011 - 2012

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (Roubles)		
	April 2012	May 2012	June 2012	April/ March 2012	May/ April 2012	June/ May2012
Moscow city	170,2	150,0	143,6	-16%	-3%	-3%
St. Petersburg	46,1	40,7	35,2	-4%	-2%	-13%
Krasnodarsky Krai	30,8	32,2	33,4	-8%	15%	5%
Novosibirskaya Oblast	22,4	20,8	17,5	-10%	3%	-15%
Republic of Tatarstan	26,2	23,9	21,7	-9%	1%	-8%
Krasnoyarsky Krai	18,4	16,6	13,7	-2%	0,1%	-17%
Rostovskaya Oblast	18,5	18,7	17,1	-3%	12%	-7%
Voronezhskaya Oblast	15,3	14,2	12,6	-15%	3%	-10%
Perm city	7,9	6,2	5,2	8%	-13%	-15%
Tyumen city	6,8	6,1	6,1	-3%	1%	0,3%

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 July 2012

Rank	Company*	Quantity of broadcasts
1	Novartis	5 707
2	Evalar	3 801
3	Berlin-Chemie Menarini group	3 478
4	Reckitt Benckiser	2 756
5	Firn M	2224

Source – TNS Gallup AdFact

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

Rank	Trade name*	Quantity of broadcasts
1	Evalar	3 801
2	Nurofen	1 729
3	Grippferon	1 395
4	Pentalgin	1 332
5	Suprastin	1 197

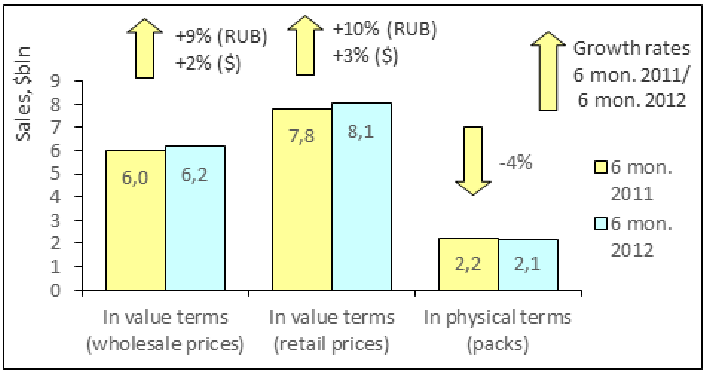
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 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 4% decrease to 2.137 bln packs. In value terms, the regional OTC drugs market increased 9% in rouble terms and 2% in dollar terms and achieved RUB 188.155 bln (USD 6.171 bln) in wholesale prices (Fig.1). The average cost of an OTC pack grew as compared to a year earlier (USD 3.51) and reached USD 3.77 in retail prices. For six months of 2012, the average amount spent by residents of Russia for drugs amounted to USD 56.37.

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 market didn't change in composition (Table 1). Apart from that, the top ten showed high stability – only one shift took place in the ranking. Due to high growth rates, NYCOMED (+9%[1]) moved up one rank to number 6 by putting competitive pressure on the less dynamic MENARINI (+5%) which moved down one rank. As before, drug manufacturers SANOFI-AVENTIS (+7%), PHARMSTANDART (-8%), BAYER and SERVIER (+13% each), as well as SANDOZ (+5%) held their own ranks 1 through 5, though three of them reduced their market shares. RICHTER (+5%), NOVARTIS (+16%) and ABBOTT (+17%) held their own three bottom ranks, though two of them expanded their market shares. However, the cumulative share of the top 10 drug manufacturers reduced from 38.0% to 37.4%.

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**	5,6	5,7
2	2	PHARMSTANDART	4,3	5,0
3	3	**BAYER HEALTHCARE**	4,0	3,9
4	4	**SERVIER**	4,0	3,8
5	5	**SANDOZ GROUP**	3,5	3,6
6	7	**NYCOMED**	3,5	3,5
7	6	**MENARINI**	3,5	3,6
8	8	GEDEON RICHTER	3,1	3,3
9	9	**NOVARTIS**	3,0	2,8
10	10	**ABBOTT**	2,9	2,7
Total			37,4	38,0

*AIPM members are in bold

The top five trade names ranking hasn't undergone any significant changes either; however, neither of five names managed to maintain their ranks unchanged (Table 2). Due to reduction in sales, ARBIDOL (-40%) and VIAGRA (-6%) lost their ranks and moved down to numbers 3 and 5, respectively. At the same time, ESSENTIALE N (+16%), ACTOVEGIN (+8%) and LINEX (+16%) moved up one rank, coming it at numbers one, two and four, respectively. Only one drug in the bottom part of the ranking MEXIDOLUM (+13%) managed to hold its own rank 9. ALFLUTOP (+28%), DETRALEX (+24%) and NICE (+20%) moved up to the higher ranks six, eight and ten, respectively. On top of that, the two latter became the newcomers of the top ten. At the same time, the less dynamic CONCOR (+9%) moved down one rank. The total share of the top 10 trade names reduced from 7.7% to 7.2%.

Table 2. The top ten pharmaceutical products 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	1,1	1,1
2	3	ACTOVEGIN	0,9	0,9
3	1	ARBIDOL	0,9	1,5
4	5	LINEX	0,7	0,7
5	4	VIAGRA	0,7	0,8
6	8	ALFLUTOP	0,7	0,6
7	6	CONCOR	0,6	0,6
8	11	DETRALEX	0,6	0,5
9	9	MEXIDOLUM	0,5	0,5
10	16	NICE	0,5	0,5
Total			7,2	7,7

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

One newcomer IBUPROFEN (+17%) broke into the ranks of the top ten INN and generic names ranking, moving up to number eight from twelve (table 3). Apart from that, some other shifts took place in the top 10 ranking including change of the leader: at the year-end the leader of the top 10 INN and generic names changed for the most dynamic INN XYLOMETAZOLINE (+29%). The markets of INNs PHOSPHOLIPIDS (+16%), BISOPROLOL (+15%) and NIMESULIDE (+14%) also developed at a swift pace. On top of that, the former managed to retain its previous rank two, whereas BISOPROLOL and NIMESULIDE moved up to ranks 4 and 7. PANCREATIN (+9%) moved up one rank, to number three. BLOOD (+8%) and KETOPROFEN (+5%) held their own in the ranking. Two INNs with negative growth rates, ARBIDOL (-40%) and AMBROXOL (-9%) moved down to ranks 6 and 9. The total share of the analyzed top ten ranking, as well as of the above ranking reduced from 10.1% to 9.7%.

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	3	XYLOMETAZOLINE	1,4	1,1
2	2	PHOSPHOLIPIDS	1,2	1,2
3	4	PANCREATIN	1,1	1,1
4	6	BISOPROLOL	1,0	0,9
5	5	BLOOD	0,9	1,0
6	1	ARBIDOL	0,9	1,5
7	9	NIMESULIDE	0,8	0,8
8	12	IBUPROFEN	0,8	0,8
9	7	AMBROXOL	0,8	0,9
10	10	KETOPROFEN	0,8	0,8
Total			9,7	10,1

At first half year-end 2012, despite of reduction in sales, N02 Analgesics (-2%) remained the leader of the ten top ATC group ranking (table 4). M01 Anti-inflammatory and antirheumatic products (+13%) moved up to rank two from four displacing J01 Antibacterials for systemic use (+0.5%) to rank three. Apart from that, C09 Agents acting on the rennin-angiotensin system (+16%), R01 Nasal preparations (+13%) and N06 Psychoanaleptics (+10%) moved up one rank, coming in at numbers 4, 6 and 9, respectively. At the same time, the less dynamic R05 Cough and cold preparations (-9%), A11 Vitamins (+8%) and L03 Immunostimulants moved down to the lower ranks 5, 7 and 10. Group G03 Sex hormones (+9%) managed to maintain its rank 6 in the ranking. The total share of the analyzed ranking, as well as of the above rankings reduced and accounted for 36.7%.

Table 4. The top ten ATC Groups by pharmacy sales

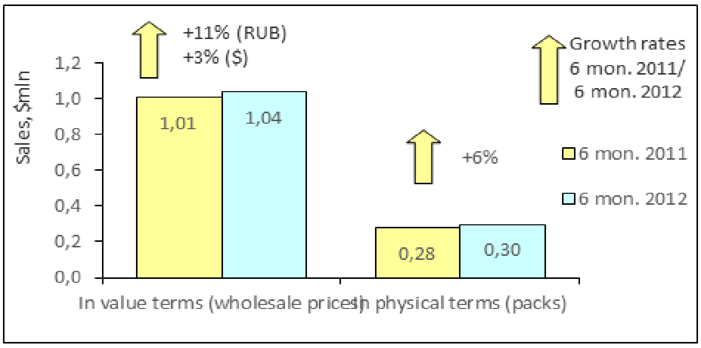
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	N02	ANALGESICS	4,6	5,0
2	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4,5	4,4
3	2	J01	ANTIBACTERIALS FOR SYST USE	4,1	4,5
4	5	C09	AG ACT RENIN-ANGIOTENS SYST	3,8	3,6
5	3	R05	COUGH AND COLD PREPARATIONS	3,7	4,4
6	7	R01	NASAL PREPARATIONS	3,5	3,4
7	6	A11	VITAMINS	3,4	3,4
8	8	G03	SEX HORM&MODULAT GENITAL SYS	3,3	3,3
9	10	N06	PSYCHOANALEPTICS	2,9	2,8
10	9	L03	IMMUNOSTIMULANTS	2,8	3,0
Total				36,7	37,9

Conclusion. On the basis of the results of first half year of 2012, the retail pharmacy market of Russia brought in RUB 245.904 bln (USD 8.065 bln). The market saw a 10% increase in terms of roubles and 3% in terms of dollars. In physical terms, the city market showed negative sales growth rates (-4%) and reached 2.137 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 3.77 vs. USD 3.51). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 56.37 vs. USD 54.71).

RUSSIAN FEDERATION HOSPITAL MARKET: 2012 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first half of 2012 the Russian Federation hospital market in physical terms increased by 6% to 299.175 million packs. The market in value terms also showed positive performance (11% in roubles and 3% in USD) and achieved RUB 31.823 billion (USD 1.040 billion) in wholesale prices. In the analyzed period, the average cost of OTC pack in the hospital sector was USD 3.48, whereas in the year-earlier period its cost was USD 3.58.

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



On the basis of the results for the first six months of the current year, as before the highest share of hospital market was accounted for by drugs of unidentified manufacturers, however their share decreased noticeably (Table 1). SANOFI-AVENTIS (-9%) held its own rank two, despite the reduction in purchase volume and market share. The other two drug manufacturers also showed the negative ranking progress: As a result, ASTRAZENECA (-14%) and PFIZER (-10%) moved down to numbers 6 and 9. The other drug manufacturers of the top 10 rose in the ranks in the analyzed period. The newcomers of the top 10 showed the highest increase in purchase. They were ROCHE (+71%), BAYER (+80%) and VEROPHARM (+33%) that moved up to ranks 4, 7 and 10, respectively. On top of that, one of the above BAYER displaced PHARM-CENTER (+19%) one rank down. NYCOMED (+10%) moved up one rank, coming in to number 3 from 4, and MERCK SHARP DOHME (+2%) held its own rank 5. The total share accumulated by the top ten drug manufacturers dropped nearly 2 p.p. and amounted to 35.6%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Drug manufacturer*	Share in total hospital purchases, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	UNIDENTIFIED MANUF	8,2	9,8
2	2	**SANOFI-AVENTIS**	5,7	7,0
3	4	**NYCOMED**	3,4	3,4
4	11	**ROCHE**	3,1	2,1
5	5	**MERCK SHARP DOHME**	2,9	3,1
6	3	**ASTRAZENECA**	2,9	3,7
7	18	**BAYER HEALTHCARE**	2,7	1,7
8	7	PHARM-CENTER	2,4	2,3
9	6	**PFIZER**	2,1	2,6
10	16	VEROPHARM	2,1	1,7
Total			35,6	37,4

*AIPM members are in bold

The traditional hospital preparation SODIUM CHLORIDE (+2%) remained the leader of the top 10 trade names ranking (table 2). Note that despite its low purchase results resulted in the reduction of its market share, the preparation maintained a considerable lead by accumulating 4.4% of the hospital market. CLEXANE (+18%) moved up to rank two by accumulating 1.8% of the hospital purchases. The trade names which had improved their ranks also moved up to numbers three through six. They were ACTOVEGIN (+36%) and the newcomers AVELOX (2.8-fold growth in purchases) and CUROSURF (+54%) that broke into the ranks of the top 10. The third newcomer of the top ten ranking was ULTRAVIST (purchases growth increased 2.6 times) which moved up to rank ten. The other three trade names: MERONEM (-33%), HEPARIN (-29%) and CEFOTAXIME (+2%) moved down to the lower ranks 7 through 9, respectively. The cumulative share of the top ten trade names didn't virtually change and accounted for 14.8%.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade Name	Share in total hospital purchases, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	SODIUM CHLORIDE	4,4	4,8
2	3	CLEXANE	1,8	1,7
3	5	ACTOVEGIN	1,6	1,3
4	6	GLUCOSE	1,1	1,3
5	29	AVELOX	1,1	0,4
6	14	Curosurf	1,0	0,7
7	2	MERONEM	1,0	1,7
8	4	HEPARIN	0,9	1,5
9	8	Cefotaxime	0,9	1,0
10	33	Ultravist	0,9	0,4
Total			14,8	14,7

Only one newcomer broke into the ranks of the top ten INN and generic names ranking (table 3). It was the composition CILASTATIN + IMIPENEM (-0.2%), which moved up from rank 11 to 10, despite the inconsiderable negative growth rates. OXALIPLATIN (-46%) which used to hold that rank before, reduced its purchases by almost half and moved outside the top ten. Three INNs of the top ten showed negative growth rates: MEROPENEM (-15%), GLUCOSE (-4%) and HEPARIN (-13%). All of them moved down to the lower ranks four, seven and ten, respectively. The other INNs of the top ten rose in the ranks. At the same time, the markets of INNs ENOXAPARIN SODIUM (+21%), BLOOD (+28%), CEFOTAXIME (+15%) and IMMUNOGLOBULIN BASE (+21%) developed at a fast pace which allowed them to move up to rank 3, 4, 5 and 8, respectfully. Purchases rates of SODIUM (+3%) and CEFTRIAXONE (+7%) lagged behind the market average, but the INNs managed to maintain their leading positions. The total share of the top 10 decreased by almost 1 p.p. and accounted for 19.3%.

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

Rank		INN/Generic Name	Share in total hospital purchases, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	SODIUM	4,5	4,8
2	2	CEFTRIAXONE	2,5	2,6
3	6	ENOXAPARIN SODIUM	1,9	1,7
4	3	MEROPENEM	1,7	2,2
5	8	BLOOD	1,7	1,4
6	7	CEFOTAXIME	1,5	1,5
7	5	GLUCOSE	1,5	1,8
8	9	IMMUNOGLOBULIN BASE	1,5	1,4
9	4	HEPARIN	1,4	1,8
10	11	CILASTATIN + IMIPENEM	1,1	1,2
Total			19,3	20,4

The dominant five ATC groups held their own in the top ten ATC group ranking (table 4). Groups J01 Antibacterials for Systemic Use (+10%), B05 Blood Substitutes and Perfusion Solutions (+4%), L01 Antineoplastic Agents (+10%) B01 Antithrombotic Agents (+7%), and N01 Anesthetics (+9%) as before held their own ranks 1 through 5 respectively. Significant moves took place in the bottom part of the top 10 ranking as well. The groups V08 Contrast Media (+33%) and J06 Immune sera and immunoglobulins (+24%) moved up to ranks 6 and 9, respectively. In addition, N06 Psychoanaleptics (+49%) broke into the ranks of the top ten, coming in at number seven. In contrast, the less dynamic groups B02 Antihemorrhagics (+1%) moved down to ranks 8 and 10. The total share of the top ten reduced by 0.5 p.p. and accounted for 61.1%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	J01	ANTIBACTERIALS FOR SYST USE	19,0	19,2
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	11,3	12,0
3	3	L01	ANTINEOPLASTIC AGENTS	7,9	8,0
4	4	B01	ANTITHROMBOTIC AGENTS	7,0	7,2
5	5	N01	ANESTHETICS	3,3	3,4
6	8	V08	CONTRAST MEDIA	2,9	2,4
7	11	N06	PSYCHOANALEPTICS	2,5	1,9
8	6	B02	ANTIHEMORRHAGICS	2,5	2,8
9	10	J06	IMMUNE SERA & IMMUNOGLOBULIN	2,4	2,2
10	7	N05	PSYCHOLEPTICS	2,3	2,5
Total				61,1	61,6

Conclusion. At the end of the first six months in 2012, Russian hospital market grew by 11% in rouble terms and by 3% in dollar terms and brought in RUB 31.823 bln (USD 1.040 bln). In physical terms, the country market showed positive growth rates (+6%) and reached 299.175 mln packs. The average cost of an OTC pack in the hospital market of Russia at the end of first half of 2012 was a bit lower than during the same period a year ago (USD 3.48 vs. USD 3.58). As the analyzed rankings showed, the hospital market experienced considerable structural changes, though the leaders remained unchanged.

BENEFICIAL DRUG COVERAGE IN THE RUSSIAN FEDERATION: 2012 FIRST 6 MONTHS RESULTS

According to BDC data in RF™, on the basis of the results of first half of 2012, the OTC drugs supplies under the Federal Essential Medicines Procurement Program amounted to RUB 50.818 bln (USD 1.674 bln) in contractual prices2. The sector volume increased 4% in terms of roubles, and 9% in terms of dollars as compared to the same period a year ago. Drugs supplies in physical terms increased by 2% and amounted to 55.445 mln packs. On the average, the cost of OTC pack within the scope of Program was USD 30.20 in contractual prices (during the same period in 2011 – USD 33.89)

Following the results of the first six months of 2012, one newcomer broke into the ranks of the top-ten manufacturers participating in the Federal Essential Medicines Procurement Program – due to 2-fold growth in purchases, LABORATORIO TUTEUR moved up from rank 11 to 5 (table 1). Apart from that, some shifts took place in the top ten, though two manufacturers held their own in the ranking. Those were the leader of the top ten ROCHE (+10%) and NOVO NORDISK (+14%) at number 8. NOVARTIS (-36%) which used to hold that rank earlier showed the pronounced negative growth rates and moved down to rank 4. At the same time, JOHNSON & JOHNSON (-0.3%) and TEVA (+26%) moved up one rank, coming in at number 2 and 3. In contrast, the other four manufacturers from the top 10 moved down to the lower ranks. They were BAXTER (-25%), SANOFI-AVENTIS (-5%), ASTRAZENECA (-8%) and MERCK SHARP DOHME (+18%), coming in at numbers 6, 7, 9 and 10, respectively. The total share accumulated by the top 10 drug manufacturers increased 2.5 p.p. and reached 64.0%.

Table 1. The top 10 drug manufacturers for BDC

Rank		Drug manufacturer*	Share in total BDC, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	**ROCHE**	15,7	13,5
2	3	**JOHNSON & JOHNSON**	9,6	9,4
3	4	**TEVA**	8,9	6,7
4	2	**NOVARTIS**	8,3	12,4
5	11	LABORATORIO TUTEUR	4,3	2,1
6	5	**BAXTER INT**	3,9	5,0
7	6	**SANOFI-AVENTIS**	3,8	3,9
8	8	**NOVO NORDISK**	3,6	3,1
9	7	**ASTRAZENECA**	3,1	3,2
10	9	**MERCK SHARP DOHME**	2,8	2,3
Total			64,0	61,5

*AIPM members are in bold

The leader of the top 10 trade names in the BDC sector changed (table 2). Gleevec which used to top it earlier reduced its sales by one-third and moved down to rank 4. In contrast, Velcade (+7%), Mabthera (+9%) and Copaxone-Teva (+31%) showed positive growth rates and expanded their market shares, moving up to ranks 1 through 3. Genfaxon (2.1-fold growth in purchases) and the newcomers of the top ten Herceptine (+37%) and Remicade (+33%) rose in the ranks. At the same time, Pulmozyme (+5%) moved down one rank to number 10, whereas Coagil-VII (-9%) and Lantus SoloSTAR (+22%) held their own ranks 6 and 8. The total share of the top ten increased by 5 p.p. and accounted for 43.3%.

Table 2. The top ten trade names for BDC

Rank		Trade Name	Share in total BDC, %	
6 mon. 2012	6mon. 2011		6 mon. 2012	6 mon. 2011
1	2	Velcade	8,3	7,6
2	3	Mabthera	8,3	7,2
3	4	Copaxone-Teva	7,3	5,3
4	1	Gleevec	5,9	8,4
5	7	Genfaxon	3,8	1,7
6	6	Coagil-VII	2,1	2,2
7	12	Herceptine	2,0	1,4
8	8	Lantus SoloSTAR	2,0	1,6
9	14	Remicade	1,9	1,4
10	9	Pulmozyme	1,7	1,6
Total			43,3	38,4

Two INNs from the top ten INN and Generic Names held their own in the ranking – as before INTERFERON BETA-1A (+1%) and OCTOCOG ALFA (-3%) maintained numbers 6 and 10 (table 3). INN BORTEZOMIB (+7%) became the leader of the top ten, and RITUXIMAB (+9%) and GLATIRAMER ACETATE (+31%) moved up to ranks 2 and 3 from 4 and 5. At the same time, FACTOR VIII (-21%) and IMATINIB (-33%) that showed negative growth rates moved down to ranks 4 and 5. In contrast, the other three INNs of the top ten rose in the ranks: INSULIN GLARGINE (+12%) and EPTACOG ALFA (ACTIVATED) (-9) moved up one rank to numbers 7 and 8. A newcomer TRASTUZUMAB (+37%) broke into the ranks of the top ten, coming in at number ten.

[2] From 2008, data on APS represent the information describing supplies in contractual prices which the government will use to reimburse moneys to the distributors.

Table 3. The top ten INN and generic names for BDC

Rank		INN/Generic Name	Share in total BDC, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	BORTEZOMIB	8,3	7,6
2	4	RITUXIMAB	8,3	7,2
3	5	GLATIRAMER ACETATE	7,3	5,3
4	3	FACTOR VIII	6,0	7,4
5	1	IMATINIB	5,9	8,4
6	6	INTERFERON BETA-1A	4,4	4,1
7	8	INSULIN GLARGINE	2,6	2,2
8	9	EPTACOG ALFA (ACTIVATED)	2,1	2,2
9	14	TRASTUZUMAB	2,0	1,4
10	10	OCTOCOG ALFA	1,9	1,9
Total			48,9	47,8

Half of the top 10 ATC groups in BDC segment held their own in the ranking (table 4). Among them were the top 10 leaders – Group L01 Antineoplastic Agents (-2%), L03 Immunostimulants (+6%), B02 Antihemorrhagics (-11%) and A10 Drugs Used in Diabetes (+3%), as well as A16 Other alimentary tract and metabolism products (-17%) placed at rank 9. The most dynamic of the top ten ATC Groups L04 Immunosuppressants (+18%) moved up from rank 6 to 5, displacing R03 Drugs for Obstructive Airways Diseases (-14%). B03 Antianemic preparations (-12%) which had more pronounced negative growth rates moved down one rank by giving the way to L02 Endocrine therapy (-10%). The only newcomer of the top ten R05 Cough and Cold Preparations (+4%) broke into the ranks of the top ten, coming in at number ten. The cumulative share of the top ten trade names increased and achieved 82.4%.

Table 4. The top ten ATC groups for BDC

Rank		ATC code	ATC group	Share in total DLO, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	L01	ANTINEOPLASTIC AGENTS	29,3	28,7
2	2	L03	IMMUNOSTIMULANTS	14,3	12,8
3	3	B02	ANTIHEMORRHAGICS	11,2	12,0
4	4	A10	DRUGS USED IN DIABETES	9,8	9,2
5	6	L04	IMMUNOSUPPRESSANTS	5,1	4,2
6	5	R03	DRUG FOR OBSTRUCT AIRWAY DIS	3,9	4,3
7	8	L02	ENDOCRINE THERAPY	2,6	2,8
8	7	B03	ANTIANEMIC PREPARATIONS	2,6	2,8
9	9	A16	OTH ALIMENT TRACT&METAB PROD	1,9	2,1
10	12	R05	COUGH AND COLD PREPARATIONS	1,8	1,6
Total				82,4	80,7

Data on supplies to the top ten regions of Russia under Federal Essential Medicines Procurement Program are shown in Table 5. As before, Moscow dominated the top ten, despite its share in the analyzed period reduced markedly from 14.5% to 12.3%. Moscovskaya Oblast (6.6%) and St. Petersburg (3.2%) held their own numbers two and three in the ranking. Sverdlovskaya oblast (3.0%) moved up to rank 4. The considerable growth in purchases under Federal Essential Medicines Procurement Program was observed in Rostovskaya oblast as well. The total share of the top 10 regions by BDC supplies reduced by almost 3 p.p. and accounted for 41.5%.

Table 5. The top ten regions by sales for BDC

Rank		Region	Share in total BDC, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	Moscow city	12,3	14,5
2	2	Moscovskaya oblast	6,6	6,0
3	3	St. Petersburg city	3,2	4,3
4	6	Sverdlovskaya oblast	3,0	3,0
5	5	Rest of North-West FO	3,0	3,1
6	4	Rest of South FO	2,9	3,3
7	7	Krasnodarsky kray	2,8	2,8
8	10	Rest of Privolzhski FO	2,8	2,3
9	8	Republic of Tatarstan	2,5	2,7
10	12	Rostovskaya oblast	2,4	2,1
Total			41,5	44,2

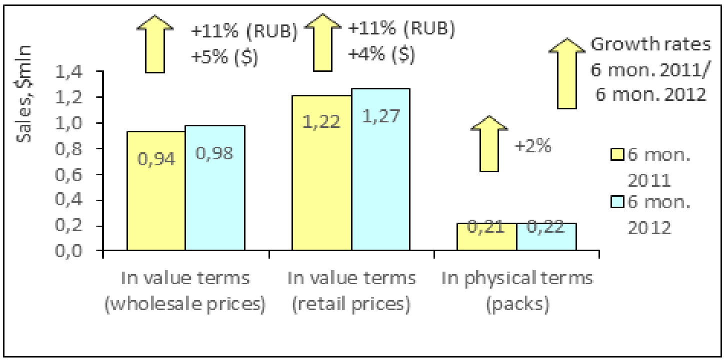
Conclusion. At the end of first half, 2012, BDC segment amounted to RUB 50.818 bln (USD 1.674 bln), which is by 4% in terms of roubles and 9% in terms of dollars lower than the same indicator during the same period a year ago. In pack terms, the supplies increased by 2% to 55.445 mln packs. The average cost of OTC pack participating in Federal Essential Medicines Procurement Program (USD 30.20) dropped as compared to the figures of the past year (USD 33.89).

MOSCOW PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 Moscow's estimated population was 11.613 mln, which accounted for 8.1% of the total Russian Federation population and 30.1% 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 45,712.4 (USD 1,496.31), which is 79.4% higher 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 Moscow the sales of over-the-counter drugs in physical terms increased by 2% to 216.842 mln packs over the period of first six months of 2012. In value terms, the metropolitan OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 11% increase in terms of roubles and 5% increase in terms of dollars compared to the same period a year ago and reached RUB 29.816 bln (USD 978.453 mln) in wholesale prices (Fig.1). The metropolitan share in the total volume of all-Russia pharmacy market accounted for 16%. The average cost of an OTC pack grew as compared to the same period of previous year (USD 5.75) and reached USD 5.86 in retail prices. In the first half of 2012, the Moscow consumers spent on drugs USD 109.5 on the average.

Figure 1. Moscow 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 24% growth in sales, MERCK SHARP DOHME moved up from rank 11 to 9 (table 1). The markets of SERVIER (+17%), NOVARTIS and SANDOZ (+12% each), as well as ABBOTT (+17%) also developed at a swift pace. At the same time, the former and the latter rose in the ranks one point, and NOVARTIS and SANDOZ held their own ranks 5 and 6. Despite lagging behind the market average, BAYER (+4%) moved up one rank, whereas PHARMSTANDART (-10%) which used to hold that rank earlier reduced its sales and moved down two ranks, coming in at rank 4. The growth rates of the other three drug manufacturers: SANOFI-AVENTIS (+9%), PFIZER (+8%) and NYCOMED (+7%) were lower than the regional market average. At the same time, SANOFI-AVENTIS managed to keep its rank one, whereas PFIZER and NYCOMED moved down one rank to numbers 8 and 10, respectively. The total share accumulated by the top 10 OTC reduced by almost 1 p.p. and amounted to 38.5%.

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**	6,2	6,4
2	3	**BAYER HEALTHCARE**	4,3	4,6
3	4	**SERVIER**	3,9	3,7
4	2	PHARMSTANDART	3,8	4,7
5	5	**NOVARTIS**	3,7	3,6
6	6	**SANDOZ GROUP**	3,6	3,5
7	8	**ABBOTT**	3,5	3,3
8	7	**PFIZER**	3,2	3,3
9	11	**MERCK SHARP DOHME**	3,2	2,9
10	9	**NYCOMED**	3,1	3,2
Total			38,5	39,3

*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 48% and moved down to rank 3 (table 2). At the same time, ESSENTIALE N (+14%) and LINEX (+17%) moved up one rank, coming it at numbers one and two, respectively. Apart from them, the other four trade names of the top ten rose in the ranks. CIALIS (+17%) moved up one rank, coming in at number 6. Trade names DETRALEX (+27%) and HEPTRAL (+18%) rose in the ranks by two p.p. coming in at numbers four and seven. The newcomer KAGOCEL (+52%) broke into the ranks of the top ten, coming in at number ten. The trade names VIAGRA (-3%) and ACTOVEGIN (+7%) held their own in the ranking, whereas OCILLOCOCCINUM (-23%) showing the pronounced negative growth rates reduced its market share and moved down from rank 4 to 9. The total share of the top 10 ATC groups reduced by 1 p.p. and accounted for 7.2%.

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	1,0	1,0
2	3	LINEX	0,9	0,9
3	1	ARBIDOL	0,8	1,6
4	6	DETRALEX	0,8	0,7
5	5	VIAGRA	0,7	0,8
6	7	CIALIS	0,7	0,6
7	9	HEPTRAL	0,6	0,6
8	8	ACTOVEGIN	0,6	0,6
9	4	OCILLOCOCCINUM	0,6	0,8
10	23	KAGOCEL	0,6	0,4
Total			7,2	8,1

Numerous shifts took place in the top ten INN and generic names ranking. Only one INN name of the ranking, the composition AMOXICILLIN + CLAVULANIC ACID (+9%) managed to keep its own rank 10 (table 3). At the same time, most INNs of the top ten rose in the ranks. XYLOMETAZOLINE (+17%), PHOSPHOLIPIDS (+15%) и PANCREATIN(+13%), as well as the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+17%) moved up one rank, to numbers 1 through 4, In addition, FLUCONAZOLE (+7%) moved up from rank eight to seven. The newcomers of the top 10 ranking, DIOSMIN + HESPERIDIN (+28%) and IBUPROFEN (+20%) showed the more pronounced growth rates and moved up to ranks 5 and 9, respectively. In contrast, INNs showing negative (ARBIDOL) and low (SILDENAFIL) growth rates moved down to the lower ranks 6 and 8. The total share of the top 10 reduced from 9.8% to 9.1%.

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	1,5	1,5
2	3	PHOSPHOLIPIDS	1,1	1,1
3	4	PANCREATIN	1,0	1,0
4	5	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0,9	0,9
5	12	DIOSMIN + HESPERIDIN	0,8	0,7
6	1	ARBIDOL	0,8	1,6
7	8	FLUCONAZOLE	0,8	0,8
8	7	SILDENAFIL	0,7	0,8
9	15	IBUPROFEN	0,7	0,7
10	10	AMOXICILLIN + CLAVULANIC ACID	0,7	0,7
Total			9,1	9,8

The leader of the top ten ATC groups changed. At the end of first half of 2012, Group N02 Analgesics (+7%) established a lead over ATC groups by displacing the last year leader J01 Antibacterials for systemic use (+5%) to rank two (table 4). Apart from that, three newcomers broke into the ranks of the top 10: A07 Intestinal antiinfectives (+17%), N06 Psychoanaleptics (+20%) and the newcomer C09 Agents acting on the rennin-angiotensin system (+21%) that broke into the ranks of the top ten, moved up to numbers 5 through 7. A11 Vitamins (+8%) and M01 Anti-inflammatory and Antirheumatic Products (+13%) moved up to the higher ranks, coming in at numbers four and eight. The group G03 Sex hormones (+3%) showing inconsiderable growth rates and L03 Immunostimulants (-10%) that reduced its sales moved down to the bottom part of the ranking, coming in at numbers nine and ten. The total share of the top 10 ATC groups reduced from 35.4% to 34.6%.

Table 4. The top ten ATC Groups by pharmacy sales

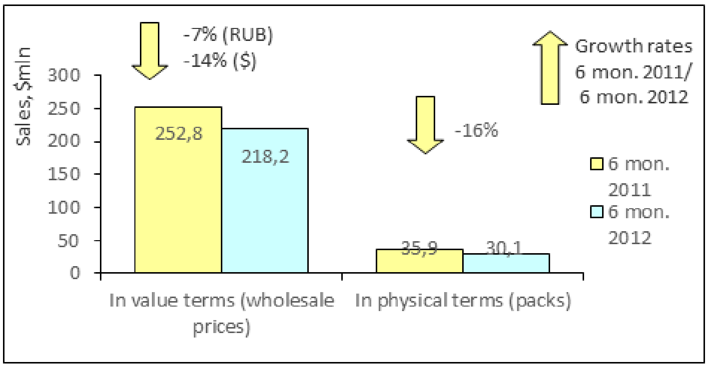
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	2	N02	ANALGESICS	4,1	4,3
2	1	J01	ANTIBACTERIALS FOR SYST USE	4,1	4,3
3	3	R01	NASAL PREPARATIONS	3,8	3,9
4	5	A11	VITAMINS	3,5	3,5
5	11	A07	INTESTINAL ANTIINFECTIVES	3,3	3,1
6	12	N06	PSYCHOANALEPTICS	3,2	3,0
7	13	C09	AG ACT RENIN-ANGIOTENS SYST	3,2	3,0
8	10	M01	ANTIINFLAM & ANTIRHEUM PROD	3,2	3,1
9	6	G03	SEX HORM&MODULAT GENITAL SYS	3,1	3,4
10	4	L03	IMMUNOSTIMULANTS	3,1	3,8
Total				34,6	35,4

Conclusion. On the basis of the results of the first half of 2012, the retail pharmacy market of Moscow brought in RUR 38.754 bln (USD 1.272 bln). Note that the regional market performance was positive both in rouble terms (+11%) and in dollar terms (+4%). In physical terms, the market performance also increased by 2% to 216.842 mln packs. The average cost of OTC pack in pharmacies of the city increased as compared to a year earlier (USD 5.86 vs. USD 5.75) and was notably higher than the average cost in Russia (USD 3.77). Per capita expenses for purchase of medicines in pharmacies amounted to USD 109.50 which is much higher than on the average in the country (USD 56.37).

MOSCOW HOSPITAL MARKET: 2012 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first half of 2012 the Moscow hospital market in physical terms reduced by 16% to 30.118 million packs. The purchases in value terms also reduced in roubles by 7%, in USD by 14% and achieved RUB 6.676 billion (USD 218.163 million) in wholesale prices. In the analyzed period, the average cost of OTC pack in the hospital sector was USD 7.24, whereas in the year-earlier period its cost was USD 7.03. The regional market share accounted for 10.1% of the Russian hospital market in pack terms and 21.0% in value terms.

Figure 1. Moscow hospital market for 6 months of 2011 – 6 months of 2012



On the basis of the results for the first half of 2012, in the hospital market of Moscow preparations made by ROCHE were the best selling drugs. Due to 1.6-fold growth in purchases, the drug maker moved up from rank 7 to 2, displacing SANOFI-AVENTIS (-31%) (Table 1). The first rank was held by the drugs of unidentified manufacturers. Four drug manufacturers of the top ten, apart from the above ROCHE, managed to rise in the ranks. Among them there were two companies that broke into the ranks of the top 10 for the first time:. They were BAYER (+98%), which moved up from rank 11 to 4 and ABBOTT (+62%), moving up to number 10 from 14. NOVARTIS (+9%) moved up to number 8, and MERCK SHARP DOHME (-7%) moved up from number 9 to 6 despite the reduction in purchases. PFIZER (-16%), ASTRAZENECA (-37%) and BAXTER (-22%) which showed more pronounced negative growth rates, fell in the ranks, moving down to numbers 5, 7 and 10, respectively. The total share accumulated by the top ten drug manufacturers increased nearly 1 p.p. and escalated to 48.5%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Drug manufacturer*	Share in total hospital purchases, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	UNIDENTIFIED MANUF.	9,0	10,7
2	7	**ROCHE**	6,9	3,9
3	2	**SANOFI-AVENTIS**	6,0	8,0
4	11	**BAYER HEALTHCARE**	5,2	2,4
5	4	**PFIZER**	4,4	4,9
6	9	**MERCK SHARP DOHME**	3,7	3,7
7	3	**ASTRAZENECA**	3,5	5,1
8	10	**NOVARTIS**	3,5	3,0
9	8	**BAXTER INT**	3,2	3,9
10	14	**ABBOTT**	3,1	1,8
Total			48,5	47,5

*AIPM members are in bold

Noticeable shifts took place in the top ten INN and generic names ranking as well. In these circumstances almost all its trade names moved up to the higher ranks (table 2). Among them there were five newcomers of the top 10: the anticancer drugs AVASTIN (4.8-fold growth in purchases) and HERCEPTIN (2.6-fold growth), as well as antimetabolite ALIMTA (33.3-fold growth), immunoglobulin preparation KAMRHO (4.9-fold growth) and immunosuppressant XOLAIR (+51%), moving up to numbers 4, 10, 6, 8 and 9, respectively. Fluroquinolone AVELOX that due to three-fold growth in purchases moved up from number 9 to 1 became the leader of the top 10. Apart from them, TAXOTERE (+37%), ZYVOX (+24%), and SEVORAN (+62%) also moved to the higher ranks, coming in at numbers two, three and five, respectively. Only the leader of the previous year NATRIUM CHLORIDUM reduced its sale volumes 41% and moved down to number 7. The total share of the top ten INNs increased by 10 p.p. and achieved 20.8%.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade Name	Share in total hospital purchases, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	9	AVELOX	4,0	1,1
2	4	TAXOTERE	2,8	1,9
3	5	ZYVOX	2,5	1,8
4	40	AVASTIN	1,9	0,4
5	10	SEVORAN	1,9	1,1
6	158	ALIMTA	1,9	0,1
7	1	NATRIUM CHLORIDUM	1,8	2,8
8	62	KAMRHO	1,4	0,3
9	14	XOLAIR	1,4	0,9
10	35	HERCEPTIN	1,3	0,5
Total			20,8	10,8

Following the above ranking, the top 10 INN and generic names also updated noticeably (table 3). Six newcomers broke into the top ten ranking. By doing so, due to 3.2- and 10.6-fold growth in purchases, two of them - MOXIFLOXACIN and AMINOSALICYLIC ACID - moved up to the top ranks, coming in at numbers one and three, respectively. The other newcomers (IMMUNOGLOBULIN ANTI-D (RHO), BEVACIZUMAB, SEVOFLURANE and PEMETREXED) moved up to numbers 5 through 8. INNs DOCETAXEL (+29%) and LINEZOLID (+24%) showed the pronounced positive growth rates and moved up to ranks two and four. At the same time, SODIUM (-40%) and MEROPENEM (-49%) which considerably reduced their purchases moved down to two bottom ranks. The total share of the analyzed top ten ranking, as well as of the above ranking increased noticeably from 13.1% to 22.8%.

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

Rank		INN/Generic Name	Share in total hospital purchases, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	13	MOXIFLOXACIN	4,0	1,1
2	7	DOCETAXEL	2,9	2,1
3	95	AMINOSALICYLIC ACID	2,5	0,2
4	8	LINEZOLID	2,5	1,8
5	28	IMMUNOGLOBULIN ANTI-D (RHO)	2,0	0,7
6	59	BEVACIZUMAB	1,9	0,4
7	15	SEVOFLURANE	1,9	1,1
8	180	PEMETREXED	1,9	0,1
9	1	SODIUM	1,8	2,8
10	3	MEROPENEM	1,5	2,7
Total			22,8	13,1

One newcomer broke into the ranks of the top ten ATC groups as well (table 4). It was Group J04 Antimycobacterials that due to 2.2-fold growth in purchases moved up from rank 14 to 7. The other three ATC groups also rose in the ranks. They were Groups N01 Anesthetics (+18%) and V08 Contrast media (+19%) which moved up to ranks 5 and 6, respectively, as well as L01 Antineoplastic agents (+3%) which held its own rank 2. The other groups of the top ten ATC groups reduced their sales in the analyzed period. In this regard three of them J01 Antibacterials for systemic use (-11%). B05 Blood substitutes and perfusion solutions (-35%) and B01 Antithrombotic agents (-15%) held their own ranks 1, 3 and 4, whereas the other three groups (J06, B02 and L04) moved down to the bottom part of the top ten. The total share of the top ten ATC groups increased by 1 p.p. and reached 65.8%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	J01	ANTIBACTERIALS FOR SYST USE	16,4	17,2
2	2	L01	ANTINEOPLASTIC AGENTS	13,0	11,7
3	3	B05	BLOOD SUBSTITUTE & PERF SOLS	6,0	8,7
4	4	B01	ANTITHROMBOTIC AGENTS	5,3	5,8
5	8	N01	ANESTHETICS	5,0	3,9
6	10	V08	CONTRAST MEDIA	4,2	3,3
7	14	J04	ANTIMYCOBACTERIALS	4,2	1,7
8	7	J06	IMMUNE SERA & IMMUNOGLOBULIN	4,0	3,9
9	6	B02	ANTIHEMORRHAGICS	3,9	5,1
10	9	L04	IMMUNOSUPPRESSANTS	3,8	3,5
Total				65,8	64,9

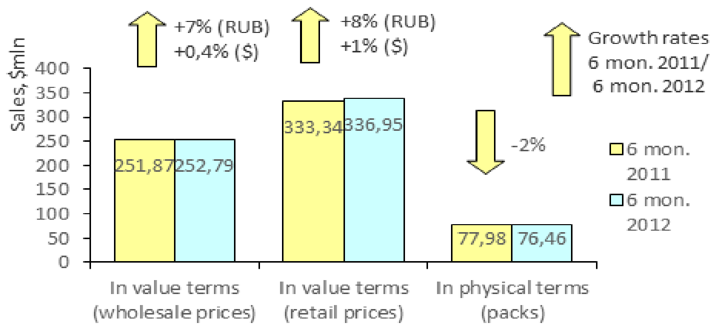
Conclusion. According to the results of the first six months of 2012, the Moscow hospital market in physical terms considerably decreased (-16%) to 30.118 mln packs. In value terms, the growth in hospital purchases was also negative -7% in terms of roubles and -14% in terms of dollars, and the market achieved RUB 6.676 bln (USD 218.163 mln). In the first half of 2012, the average cost of an OTC pack in the metropolitan hospital sector was much higher than in the year-earlier period (USD 7.24 vs. USD 7.03) and considerably exceeded the Russia average figures (USD 3.48).

SAINT PETERSBURG PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 St. Petersburg's estimated population was 4.953 mln, which accounts for 3.5% of the total Russian Federation population and 36.3% of North West FO (NWFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in the city was RUB 31,502.6 (USD 1,031.18), which is 24% higher 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 Sochi saw a 2% drop to 76.459 mln packs. In value terms, the sales volumes increased 7% in rouble terms and 0.4% in dollar terms and achieved RUB 7.702 bln (USD 252.791 mln) in wholesale prices (Fig.1). The regional market share (in value terms) accounted for 4% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 4.27) and reached USD 4.41 in retail prices. For three months of 2012, the average amount spent by residents of St. Petersburg for OTC drugs amounted to USD 68.03.

Figure 1. St. Petersburg pharmacy market in 6 months of 2011 – 6 months of 2012



In the first six months of 2012, the top ten drug manufacturers in the St. Petersburg market showed high stability (table 1). Only one shift took place in the top ten - SANDOZ (+6%) moved up from rank 4 to 2, whereas PHARMSTANDART (-4%) reduced its sales and moved down from rank two to 4. Due to its outstripping growth rates, SANOFI-AVENTIS (+9%) maintained and reinforced its leading rank in the regional market. Three more drug manufacturers managed to expand their market shares. They were SERVIER (+9%), NOVARTIS (+11%) and TEVA (+14%), which moved up to ranks 5, 6 and 10, respectively. Due to low growth rates, BAYER (+1%) and MENARINI (+4%) reduced their shares in the pharmacy market. The cumulative share of the top 10 manufacturers also reduced and accounted for 39.8%.

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	5,9
2	4	**SANDOZ GROUP**	4,5	4,5
3	3	**BAYER HEALTHCARE**	4,5	4,7
4	2	PHARMSTANDART	4,4	4,9
5	5	**SERVIER**	4,2	4,1
6	6	**NOVARTIS**	3,7	3,6
7	7	**ABBOTT**	3,3	3,3
8	8	**PFIZER**	3,1	3,1
9	9	**MENARINI**	3,0	3,1
10	10	**TEVA**	3,0	2,8
Total			39,8	40,1

*AIPM members are in bold

The more significant changes took place in the ranking of the top 10 trade names (table 2). Three newcomer DETRALEX (+17%), KAGOCEL (+80%) AND NO-SPA (+19%) broke into the ranks of the top ten, coming in at numbers 7 through 9. Apart from that, some other shifts took place in the top 10 ranking. Due to pronounced positive growth rates, LINEX (+17%) and HEPTRAL (+13%) moved up to the higher ranks three and six. At the same time, preparations showing negative growth rates: VIAGRA (-3%), OCILLOCOCCINUM (-9%) and PANANGIN (-11%) moved down to much lower ranks. The leader of the top ten ARBIDOL (-28%) also showed considerable reduction in sales; however it managed to hold its own rank one. ESSENTIALE N (+16%) kept and reinforce its rank two. The total share of the top 10 trade names reduced from 8.6% to 8.2%.

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	1,3	1,8
2	2	ESSENTIALE N	1,2	1,1
3	5	LINEX	0,9	0,9
4	3	VIAGRA	0,9	1,0
5	4	OCILLOCOCCINUM	0,9	1,0
6	8	HEPTRAL	0,7	0,6
7	11	DETRALEX	0,6	0,6
8	38	KAGOCEL	0,6	0,4
9	14	NO-SPA	0,6	0,5
10	6	PANANGIN	0,6	0,7
Total			8,2	8,6

The top INN and generic names ranking leader changed (table 3). The most dynamic INN of the top ten, XYLOMETAZOLINE (+28%), became the leader of the ranking, moving up from rank two to one. PHOSPHOLIPIDS (+16%) moved up from rank four to two, whereas the last year leader ARBIDOL which reduced its sales by 28% moved down to rank three. The other three INNs of the top ten also showed the negative growth rates: PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-7%), SILDENAFIL (-0.1%) and ANAS BARBARIAE (-8%), which resulted in the loss of their ranks. The other four INNs of the top ten showed positive growth rates. On top of that, three of them: PANCREATIN (+10%), BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+17%) and AZITHROMYCIN (+5%) moved up to ranks 5, 7 and 10, respectively. The name KETOPROFEN (+6%) held its earlier rank 9.

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	1,8	1,5
2	4	PHOSPHOLIPIDS	1,3	1,2
3	1	ARBIDOL	1,3	1,8
4	3	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,0	1,2
5	7	PANCREATIN	1,0	1,0
6	5	SILDENAFIL	0,9	1,0
7	8	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0,9	0,9
8	6	ANAS BARBARIAE	0,9	1,0
9	9	KETOPROFEN	0,8	0,8
10	11	AZITHROMYCIN	0,8	0,8
Total			10,8	11,2

Three groups of the top 10 ATC groups managed to hold its own in the ranking (table 4). They were A11 Vitamins (+5%), J01 Antibacterials for systemic use (+4%) and C09 Agents acting on the renin-angiotensin system (+13%). Four ATC groups rose in the ranks. They were the leader of the top 10 N02 Analgesics (+7%) and R01 Nasal prepartions (+15%), as well as M01 Antiinflammatory and antirheumatic products (+11%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+17%) that moved up to ranks 6 and 8, respectively. Note that the latter became the only newcomer of the top ten. Two ATC groups showing negative sales rates, R05 Cough and cold preparations (-2%) and G03 Sex hormones (-1%) reduced their market shares and moved down to ranks 3 and 10. The cumulative share of the top10 reduced inconsiderably from 38.4% to 38.3%.

Table 4. The top ten ATC Groups by pharmacy sales

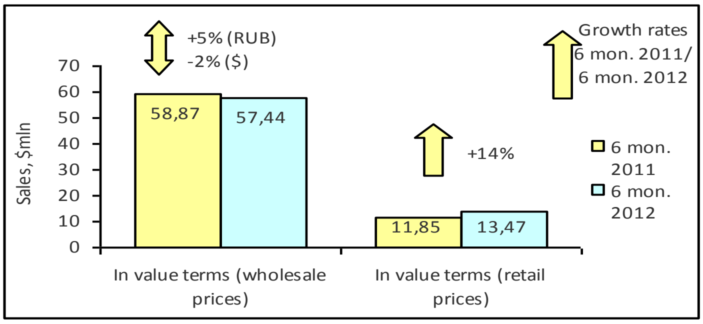
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	2	N02	ANALGESICS	4,5	4,5
2	3	R01	NASAL PREPARATIONS	4,5	4,2
3	1	R05	COUGH AND COLD PREPARATIONS	4,2	4,5
4	4	A11	VITAMINS	4,1	4,2
5	5	J01	ANTIBACTERIALS FOR SYST USE	4,0	4,1
6	7	M01	ANTIINFLAM & ANTIRHEUM PROD	3,7	3,6
7	6		Unidentified	3,5	3,7
8	11	A07	INTESTINAL ANTIINFECTIVES	3,4	3,1
9	9	C09	AG ACT RENIN-ANGIOTENS SYST	3,3	3,2
10	8	G03	SEX HORM&MODULAT GENITAL SYS	3,1	3,4
Total				38,3	38,4

Conclusion. On the basis of the results of the first half of 2012, Saint Petersburg retail market brought in RUB 10.268 bln (USD 336.951 mln), which was by 20% in terms of roubles and 17% in terms of dollars higher than the same indicator during the same period a year ago. In physical terms, the country market showed negative growth rates (-2%) and reached 76.459 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 4.41 vs. USD 4.27). At the same time, both the average cost of an OTC pack and the average sum 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).

SAINT PETERSBURG HOSPITAL MARKET: 2012 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first half of 2012 the St. Petersburg hospital market in physical terms increased by 14% to 13.467 million packs. The purchases in value terms also was positive in roubles (+5%), but negative in USD (-2%) and achieved RUB 1.760 billion (USD 57.437 million) in wholesale prices. In the first half of 2012, the average cost of OTC pack in the city hospitals was USD 4.27, whereas in the year-earlier period its cost was USD 4.97. The regional market share accounted for 4.5% of the Russian hospital market in physical terms and 5.5% in value terms.

Figure 1. St. Petersburg hospital market in 6 months of 2011 – 6 months of 2012



Based on the results of the first half of 2012, the top ten INN and generic names ranking in the hospital St. Petersburg market changed its leader (table 1). Due to reduction in purchases one fourth, MERCK SHARP DOHME which used to hold rank one in the top 10 moved down to rank three. In addition, preparations of unidentified drug manufacturers and SANOFI-AVENTIS (+3%) moved up one point, coming in at numbers 1 and 2 respectively. ABBOTT (-27%) and ASTRAZENECA (-24%) retained their ranks four and five. The newcomers of the top ten, NOVARTIS and BIOTEST PHARMA, which showed the pronounced growth in sales by 2.4 and 4.5 times respectively, broke into the ranks of the top ten, coming in at numbers six and seven. The positive sales growth rates allowed BAYER (+23%) to rise in the ranks and move up from rank 10 to 9. The other two drug manufacturers of the top 10 - B.BRAUN (-16%) и PFIZER (-6%) - reduced volumes of hospital purchases, which resulted in the reduction of market shares and loss of their ranks. But the total share accumulated by the top ten manufacturers increased from 42.1% to 42.5%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Drug manufacturer*	Share in total hospital purchases, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	UNIDENTIFIED MANUF	8,2	6,6
2	3	**SANOFI-AVENTIS**	6,1	6,3
3	1	**MERCK SHARP DOHME**	5,5	7,6
4	4	**ABBOTT**	3,5	5,0
5	5	**ASTRAZENECA**	3,5	4,9
6	18	**NOVARTIS**	3,5	1,5
7	33	BIOTEST PHARMA	3,4	0,8
8	6	B.BRAUN	3,2	4,0
9	10	**BAYER HEALTHCARE**	2,8	2,4
10	8	**PFIZER**	2,7	3,0
Total			42,5	42,1

*AIPM members are in bold

Four newcomers broke into the ranks of the top 10 trade names ranking in the regional hospital market (table 2). Due to growth in purchases 6 times, the preparation REMICADE was able to move up to rank 1 from 27 and topped the top ten. The markets of OTC INTRATECT (8.9-fold growth in purchases), XOLAIR (6.1-fold growth) and ACTEMRA (4.6-fold growth) developed at a fast pace which allowed them to break into the ranks of the top ten and move to ranks 3, 4 and 7, respectively. Due to 1.7-fold growth in purchases, one more preparation, CLEXANE, moved up from rank eight to six. HEPARIN (+25%) and ALBUMIN (+49%) showing the low, but positive growth rates held their own ranks 5 and 10. At the same time, three names which reduced its sales: SODIUM CHLORID (-24%), ELOXATIN (-12%) and MERONEM (-39%) moved down to ranks 2, 8 and 9, respectively. Due to newcomers, the total share accumulated by the ten top trade names increased considerably from 14.1% to 21.2%.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade Name	Share in total hospital purchases, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	27	Remicade	3,0	0,5
2	1	Sodium Chlorid	2,9	4,0
3	57	IntratecT	2,6	0,3
4	37	Xolair	2,4	0,4
5	5	HEPARIN	2,3	1,9
6	8	CLEXANE	1,8	1,1
7	38	Actemra	1,8	0,4
8	4	Eloxatin	1,7	2,0
9	3	MERONEM	1,5	2,5
10	10	ALBUMIN	1,4	1,0
Total			21,2	14,1

Several newcomers broke into the ranks of the top 10 INN and Generic Names Ranking (table 3). There were four of them - INFLIXIMAB and OMALIZUMAB (6.1-fold growth in purchases), as well as the composition GLUCOSE + SODIUM + DL-LACTIC ACID (2.2-fold growth) and INN TOCILIZUMAB (4.6-fold growth), which moved up to ranks 2, 4, 6 and 10, respectively. Apart from them, another three names rose in the ranks of the top ten. Due to 2.6-fold growth in purchases, IMMUNOGLOBULIN BASE moved up from rank 6 to 1, and HEPARIN (+25%) moved up from rank 7 to 5, and ENOXAPARIN SODIUM (+72%) moved up from rank 10 to 9. In contrast, the INNs which showed low and even negative growth rates: SODIUM (-24%), OXALIPLATIN (+1%) and CEFTRIAXONE (-21%), moved up to the lower ranks three, seven and eight.

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

Rank		INN/Generic Name	Share in total hospital purchases, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	6	IMMUNOGLOBULIN BASE	5,3	2,1
2	35	INFLIXIMAB	3,0	0,5
3	1	SODIUM	2,9	4,0
4	53	OMALIZUMAB	2,4	0,4
5	7	HEPARIN	2,3	1,9
6	11	GLUCOSE + SODIUM + DL-LACTIC ACID	2,1	1,0
7	5	OXALIPLATIN	2,0	2,1
8	4	CEFTRIAXONE	1,9	2,5
9	10	ENOXAPARIN SODIUM	1,8	1,1
10	54	TOCILIZUMAB	1,8	0,4
Total			25,5	16,2

In contrast to the above rankings, the top ten ATC groups didn't change their leader – J01 Antibacterials for systemic use (-12%) held its own rank one (table 4). The second rank was held by B05 Blood substitutes and perfusion solutions (+2%). The other top 10 ATC groups changed their ranks; moreover, five of them rose in the ranks. N05 Psycholeptics (+15%) and V05 Contrast media (+96%) moved up one rank, coming in at number three and seven. L04 Immunodepressants (4-fold growth in purchases) and J06 Immune sera and immunoglobulin (2.5-fold growth) showing the more pronounced growth rates moved up from the two bottom ranks to 4 and 5, respectively. At the same time, B01 Antithrombotic agents (+9%) moved up one rank, to number 6. The newcomer R03 Drugs for obstructive airway diseases which purchases grew 3.4 times broke into the ranks of the top ten, moving up to the bottom rank of the top ten. Groups N01 Anaesthetics (-22%) and L01 Antineoplastic agents (-57%) showing the pronounced negative growth rates lowered their ranks, moving down to numbers 8 and 9. The total share of the top 10 ATC groups ranking increased by almost 4 p.p. and achieved 69.8%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	J01	ANTIBACTERIALS FOR SYST USE	15,0	17,8
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	11,0	11,4
3	4	N05	PSYCHOLEPTICS	7,7	7,1
4	10	L04	IMMUNOSUPPRESSANTS	7,0	1,9
5	9	J06	IMMUNE SERA & IMMUNOGLOBULIN	6,6	2,7
6	5	B01	ANTITHROMBOTIC AGENTS	6,3	6,0
7	8	V08	CONTRAST MEDIA	5,2	2,8
8	6	N01	ANESTHETICS	4,2	5,6
9	3	L01	ANTINEOPLASTIC AGENTS	4,0	9,9
10	22	R03	DRUG FOR OBSTRUCT AIRWAY DIS	2,8	0,9
Total				69,8	66,0

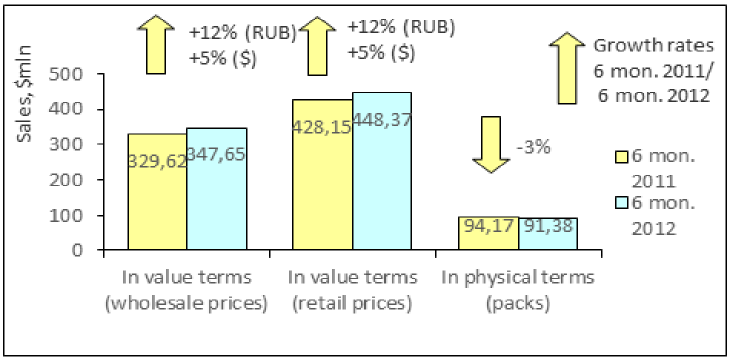
Conclusion. At the end of the first six months in 2012, the St. Petersburg hospital market grew by 5% in rouble terms and by 2% in dollar terms and brought in RUB 1.760 bln (USD 57.437 mln). In physical terms, the city market showed positive growth rates (+14%) and reached 13.467 mln packs. The average cost of an OTC pack in the hospital market of the region at the end of first half of 2012 was lower than the same indicator a year ago (USD 4.27 vs. USD 4.97), however it exceeded the Russia average figures (USD 3.48).

MOSCOW REGION PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Moscow region was estimated as 7.199 mln, which makes 5% of the total Russian Federation population and 18.7% 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 30,974.1 (USD 1,013.88), which is 22% higher 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 Moscow Region pharmacies the sales of over-the-counter drugs in physical terms reduced by 3% to 91.376 mln packs over the period of first six months of 2012. In value terms, the metropolitan OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 12% increase in terms of roubles and 5% increase in terms of dollars compared to the same period a year ago and reached RUB 10.604 bln (USD 347.646 mln) in wholesale prices (Fig.1). The region's share accounted for 6% 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 4.91 (vs. USD 4.55 a year earlier) in retail prices. In the first half of 2012, the region consumers spent USD 62.29 on drugs on the average.

Figure 1. Moscow region 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 Moscow region as compared to the same period a year ago – TEVA (+15%) moved up from rank 11 to 10 (table 1). Apart from that, some shifts took place in the top 10 ranking. The more dynamic companies BAYER (+18%), SERVIER (+17%), NOVARTIS (+18%) and ABBOTT (+27%) moved up one rank to numbers 2, 4, 6 and 8, respectively. As the same time, the drug manufacturers showing the less pronounced and negative growth rates moved down one rank. They were PHARMSTANDART (-3%), SANDOZ (+10%), MENARINI and NYCOMED (+11% each) placed at ranks 3, 5, 7 and 9 respectively. SANOFI-AVENTIS (+10%) remained the leader of top ten regional ranking. The cumulative share of the top 10 manufacturers didn't change and accounted for 38.6%.

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	**SANOFI-AVENTIS**	6,1	6,2
2	3	**BAYER HEALTHCARE**	4,3	4,1
3	2	**PHARMSTANDART**	4,3	5,0
4	5	SERVIER	3,9	3,8
5	4	**SANDOZ GROUP**	3,7	3,8
6	7	**NOVARTIS**	3,5	3,3
7	6	**MENARINI**	3,4	3,5
8	9	**ABBOTT**	3,4	3,0
9	8	**NYCOMED**	3,1	3,1
10	11	**TEVA**	2,8	2,7
Total			38,6	38,6

*AIPM members are in bold

The leader of the top 10 trade names ranking changed (table 2). Following the results of the first half of 2012, ESSENTIALE N (+17%) became the best selling drug in the regional market, by moving up one rank. LINEX (+24%) moved up to rank two, and the last year leader ARBIDOL reduced its sales by 37% and moved down to rank three. Two trade names VIAGRA (-10%) and OCILLOCOCCINUM (-13%) showed the negative growth rates and moved down to the lower ranks 6 and 7. Preparations DETRALEX (+24%) and ACTOVEGIN (+11%) showing positive growth rates, moved up to ranks 4 and 5, respectively. Three newcomers ALFLUTOP (+36%), KAGOCEL (+68%) and MEXIDOL (+16%) broke into the ranks of the top ten, moving down to the bottom part of the top 10 – the companies came in at the three bottom ranks of the ranking.

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	1,1	1,1
2	3	LINEX	0,9	0,8
3	1	ARBIDOL	0,9	1,6
4	7	DETRALEX	0,7	0,6
5	6	ACTOVEGIN	0,7	0,7
6	4	VIAGRA	0,6	0,8
7	5	OCILLOCOCCINUM	0,6	0,8
8	13	ALFLUTOP	0,6	0,5
9	30	KAGOCEL	0,6	0,4
10	11	MEXIDOL	0,6	0,6
Total			7,3	7,8

Four newcomers - IBUPROFEN (+16%), BLOOD (+11%) and BISOPROLOL (+18%), as well as the composition DIOSMIN + HESPERIDIN (+27%) – broke into the ranks of the top ten INNs and Generic Names, coming in at numbers 6 through 9 (table 3). Apart from it, the other four INNs moved up to yet higher ranks. XYLOMETAZOLINE (+25%), PANCREATIN (+16%) and PHOSPHOLIPIDS (+18%) moved up one rank, coming in at the top three ranks of the top ten. The composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+24%) moved up from rank 6 to 4. The leader of the previous year ARBIDOL reduced its sales 37% and moved down to rank five. AZITHROMYCIN (+0.5%) held its own bottom rank. The total share of the analyzed ranking, as well as one of the above ranking reduced from 9.9% to 9.7%.

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	XYLOMETAZOLINE	1,7	1,5
2	3	PANCREATIN	1,2	1,2
3	4	PHOSPHOLIPIDS	1,2	1,1
4	6	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0,9	0,8
5	1	ARBIDOL	0,9	1,6
6	11	IBUPROFEN	0,8	0,8
7	12	BLOOD	0,7	0,7
8	16	BISOPROLOL	0,7	0,7
9	19	DIOSMIN + HESPERIDIN	0,7	0,6
10	10	AZITHROMYCIN	0,7	0,8
Total			9,7	9,9

The leader of the top ten ATC groups ranking didn't change – Group N02 Analgesics (+5%) held its own in the top ten (table 4). R01 Nasal preparations (+14%) moved up to rank two, by displacing J01 Antibacterials for systemic use (+3%) one rank down. Apart from that, two more shifts took place in the top 10 ranking. Group M01 Anti-inflammatory and antirheumatic products (+15%) moved up one rank, coming in at number 4, by displacing R05 Cough and cold preparations (-3%) to rank 5. Groups A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+21%) and G03 Sex hormones (+17%) moved up one rank, coming in at numbers 8 and 9, respectively. As before, Groups A11 Vitamins (+13%) and C09 Agents acting on the rennin-angiotensin system (+21%) held their own ranks 6 and 7. A share of preparations of unidentified pharmaceutical groups reduced. The total share of the top 10 ATC groups also reduced and achieved 36.5%.

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	N02	ANALGESICS	4,5	4,8
2	3	R01	NASAL PREPARATIONS	4,1	4,1
3	2	J01	ANTIBACTERIALS FOR SYST USE	4,1	4,5
4	5	M01	ANTIINFLAM & ANTIRHEUM PROD	4,0	3,9
5	4	R05	COUGH AND COLD PREPARATIONS	3,5	4,0
6	6	A11	VITAMINS	3,5	3,4
7	7	C09	AG ACT RENIN-ANGIOTENS SYST	3,4	3,2
8	9	A07	INTESTINAL ANTIINFECTIVES	3,3	3,0
9	10	G03	SEX HORM&MODULAT GENITAL SYS	3,1	3,0
10	8		Unidentified	3,0	3,2
Total				36,5	37,2

Conclusion. At the end of the first half of 2012, the retail OTC drugs market of Moscow region brought in RUB 13.677 bln (USD 448.374 mln). At the same time, the market increased 12% in terms of roubles and 5% in terms of dollars. In physical terms, the city market showed negative sales growth rates (-3%) and reached 91.376 mln packs. The average cost of a pack at the end of the period was higher than the similar indicator a year ago (USD 4.91 vs. USD 4.55), but higher than the Russia average (USD 3.77). At the end of six months of 2012, per capita expenses for purchase of medicines in pharmacies of the region amounted to USD 62.29 and exceeded the average indicators throughout Russia (USD 57.37).

REGIONAL DIGEST

Beneficiary Drug Coverage/Procurement of Necessary Drugs, Government Control

August 1, 2012, RIA News

Essential Medicines List to remain unchanged for 2013

The list of vitally important and most essential medicines which is valid for 2012 will remain relevant in 2013 as well. Prime Minister Dmitri Medvedev signed the corresponding Order of 30 July 2012, as reported by the government website on Wednesday evening. The list includes the drugs which essentially affect the morbidity and mortality rates in Russia. It enables the government to control prices for such drugs by fixing of manufacturers' margin prices and maximal wholesale and retail mark-ups.

August 1, 2012, RIA News

Ministry of Public Health may expand the National Program on Immunization

Ministry of Public Health may expand the National Program on Immunization as early as in 2013 by adding immunization of children against pneumococcal disease, Head of Children's Services Maternity and Obstetric Care of the Ministry Elena Baibarina. As of today, the Program on Immunization comprises immunization against 11 infectious diseases. According to Baibarina, the Ministry of Public Health of the Russian Federation also intends to include immunizations against water-pox and human papilloma virus which causes cervical cancer in women into the National Program on Immunization.

August 6, 2012, RIA News

Prime Minister has abolished the Council for the Development of Pharmaceutical and Medical Industry of the Government of the Russian Federation

Prime Minister signed the order to abolish the Council for the Development of Pharmaceutical and Medical Industry of the Government of the Russian Federation. On Monday, the corresponding document was published on the website of the Cabinet of Ministers. The Council was established in October, 2008. The coordination and advisory body prepared recommendations on investment attraction in the industry and developed measures to accelerate industry modernisation; preliminary examined the draft laws and other regulatory acts, industry development strategies and action plans for attracting investments.

August 8, 2012, RIA-AMI

Ministry of Public Health to expand 7 Nosologies Medicines List

The Ministry of Public Health intends to add some orphan drugs to the Federal 7 Nosologies Medicines List. The expansion of 7 Nosologies Medicines List was announced by the Minister of Public Health Veronica Skvortsova at the round-table conference Prospects of pharmaceuticals in Russia held by the Russian Agency of Medical and Social Information AMI. "The Federal 7 Nosologies Medicines List may be added by several orphan drugs. The names of orphan drugs will be determined after review of orphan conditions and decisions registers", said the Head of Ministry.

August 9, 2012, The Kommersant

The Ministry of Public Health to present strategies for drug insurance implementation in 2020 by the end of the year

The Head of Ministry of Public Health Veronika Skvortsova has announced that in December the Ministry intends to present its plans for the implementation of a drug insurance system in Russia by 2020, according to which the government should reimburse a part of the cost of drugs on prescription. The proposed methodologies of the Ministry include co-payments of the cost of drugs for patients suffering from chronic diseases. The Ministry of Health proposes to implement the system in several stages for different conditions. First of all, the "partly free" drugs will be provided to the patients suffering from hypertension and gastric ulcers. The Ministry intends to reimburse costs of drugs based on manufacturers' margin price. In this proposed methodology, the size of reimbursement will depend on the category the patient falls under.

August 15, 2012, RIA-AMI

Government of the Russian Federation to create the Commission for the Protection of Health

The Ministry of Public Health prepared the corresponding draft Resolution of the Government. The Commission will coordinate the activities addressing the health protection issues. The Commission's powers will include determination of priority activities for bodies dealing with health protection, review of federal executive bodies' activities, advising on drawbacks detected and control over elimination thereof, participation in the expert examination of draft regulatory acts, development of target indicators of the implementation of activities on the protection of health at the federal and regional levels, as well as cooperation with research and public organizations in the field of health protection of citizens.

August 16, 2012, The Izvestia

Deputies demand the Essential Medicines List to be reviewed

The deputies of the State Duma indentified the signs of corruption in the development mechanism of the Essential Medicines List approved by the Government for 2013. Deputies' suspicion came from the fact that the List had been approved "quickly and quietly" and neither deputies, nor any expert community had been engaged in the discussion of the List. On top of that, no changes have been made to the List, which comprises the same drugs which were included in 2012. "The new, more efficient drugs are produced every year, so why the List continues to include the same drugs? Many common drugs are out of 2012 List", said the Head of the Committee on the Protection of Health, Sergey Kalashnikov. "In our opinion, it is not correct, the List should be reviewed".

August 15, 2012, RIA News

Ministry of Industry and Trade intends to adjust the Federal Target Strategy on Development of Pharmaceutical Industry

According the draft resolution published on the website of the Ministry, the Ministry of Industry and Trade of the Russian Federation intends to adjust the Federal Special-Purpose Program Development of Pharmaceutical and Medical Industry of the Russian Federation by 2020 and the Federal Target Strategy (FTS) "Pharmaceutical Industry Development in the Russian Federation for the period up to the 2020 and further" by way of reducing inconsiderably its funding. The total funding of the Strategy specified in the draft resolution amounted to RUB 187.753 bln. A share of funding at the expense of the federal budget funds will be reduced, but a share of funds from extra-budgetary sources will be increased.

August 23, 2012, Moscovskiy Komsomolets

Special prescription forms for narcotic drugs and psychotropic substances will be introduced from July 1, 2013

Introduction of a new prescription form is caused by the improvement of requirements to the procedure for prescription of narcotic drugs and control over release of such drugs. The Order of Ministry of Public Health establishes more rigorous requirements to the procedure for production, distribution, registration, accounting and safekeeping of prescriptions for narcotic drugs and psychotropic substances. A prescription form will be printed on the special paper with a series and a number. The prescription form shall provide the patient's full name, a series and number of health insurance policy, designation made by an attending medical doctor, as well as a signature of a doctor and Chief of health care organization which issued such prescription. A drug shall be released from a pharmacy against a signature of an official.

August 29, 2012, The Kommersant

In 2011 state-financed medical treatment expenses amounted to RUB 1.62 bln

The state-financed medical treatment expenses continue to increase: in 2011 expenses grew up to RUB 1.62 bln vs. RUB 1.45 bln in 2010. Of which RUB 27.9 bln were allocated through regional modernization programs to the implementation of standards and improvement of accessibility to the outpatient medical care, as set fourth in the report of Ministry of Public Health. The positive tendencies of the Russian Public Health System include the growth of outpatient medical care, reduction of in-patient care. However, the level of satisfaction by the medical care is still low: only 35% of citizens admitted that they are satisfied with the free Russian health care system.

NEWS FROM COMPANIES

August 8, 2012, PRIME

Stada intends to sell two of its production sites in Q III, 2012

Germany-based pharmaceutical concern Stada AG might sell two of its Russian production sites – Makiz-Pharma LLC (Moscow) and Scopinskiy Pharmaceutical Plant LLC (Ryazanskaya oblast) within Q III of this year, according to the press release of the company announcing the event. The transaction will be carried out through the partial redemption of stock. Non-recurring costs of Stada AG resulted from the sale of two companies will amount to EURO 7.2 mln after payment of taxes.

August 13, 2012, The Kommersant

Protek refused to produce Antigrippin

Protek Group has taken the medicine out of production before the litigation proceedings with Natur Product related to Antigrippin brand are completed. This drug has been the main asset of AnviLab Company for which Protek paid USD 60 mln last year. However, Antigrippin has been already replace for a new drug. This autumn the Group will launch Anvimax in the same packing.

August 23, 2012, RBC daily

Prohibition of OTC drugs advertising may result in the profit loss of TV companies

TV companies' profits might drop up to 10%, if Federal Law On Advertising is amended to prohibit the promotion of OTC drugs. This conclusion was made by PHD Agency (BBDO Group). New restrictions might have more dramatic consequences for TV, than the entry into force of the prohibition of bear advertisements which accounted for only 3% of the budgets. Pharmaceutical products rank 2nd by advertising costs following the beauty and health products which rank 1st, but leave behind the food products which rank 3rd.

Information source: IMS Health

For any questions and comments please call

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