СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

РЕМЕДИУМ
ГРУППА КОМПАНИЙ

AIPM®

Association of International Pharmaceutical Manufacturers

Ассоциация международных фармацевтических производителей

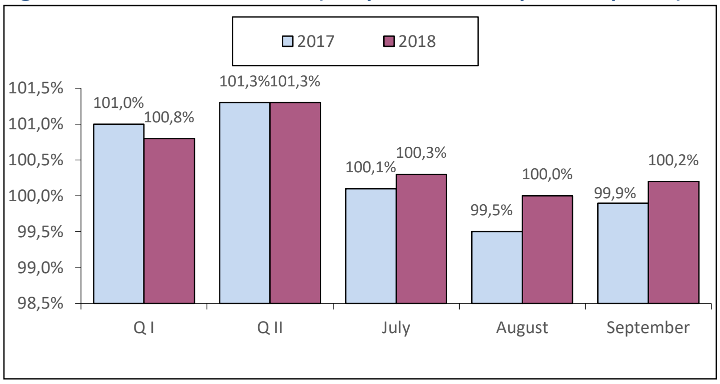
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 100.2% in September 2018, compared to the previous month, at 102.5% as against December 2017.

In September this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 101.3%, whereas in the month-earlier period it had amounted to 100.2%. The index accounted for 111.1% against December of the 2017.

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



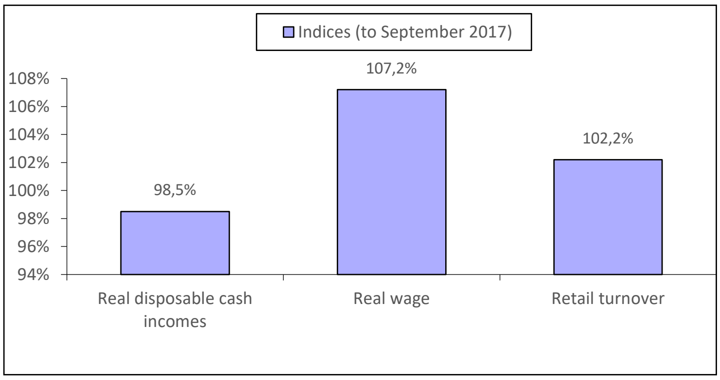
Living standard

According to preliminary Federal State Statistics Service's data, at the end of September 2018 a gross monthly average wage per worker reached RUB 42200 (USD 623.80) which accounted for 102% compared to the previous month and 110.8% compared to September 2017. The real wage accounted for 107.2% in September 2018 as compared to September 2017. In September 2018, the real value of disposable cash incomes accounted for 100.2% as compared with June 2017. *(without taking into account a lump sum payment to pensioners in January 2017 in the amount of 5 thousand roubles),* accounted for 98.5% as compared with June of 2017, and 100.0% compared with the previous period (Fig. 2).

Retail turnover

In May 2018, the retail turnover was equal to RUB 2724.8 bil. or 102.2% (in comparable prices) against the level of the corresponding period of the previous year, in January- September 2018 - RUB 22727.3 bil. or 102.6% (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in September 2018



Industrial Production

According to Federal State Statistics Service's data, in September 2017 Industrial Production Index accounted for 102.1% compared to the same period of the previous year, and 103.0% in January - September 2018.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in September 2018 accounted for 104.3% compared to the relevant period of the previous year, and 115.7% against August 2018, at 106.3% in January-September 2018.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for September 2018.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales volume in September 2018

Rank	Manufacturer	RUB mil.
1	Biocad	2501.9
2	Otcpharm	2062.4
3	Microgen	1435.9
4	Valenta	1221.7
5	Pharmasyntez	1011.0
6	Stada	1007.2
7	Pharmstandart	994.4
8	Veropharm	932.1
9	Sotex	837.6
10	Generium	832.5

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In August 2018, sales (in terms of roubles) increased almost in all regions compared to the previous month. Perm showed the highest growth (+15%), Tatarstan showed the lowest growth in sales (+1%). Only Novosibirsk Region showed reduction in sales (-9%).

Table 2. Pharmacy sales in the regions, 2018

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	June 2018	July 2018	August 2018	June/ May 18	July/ June 18	August/ July 18
Moscow	156.4	124.6	130.6	-0.3%	-20%	10%
St. Petersburg	50.0	40.6	43.8	1%	-18%	13%
Krasnodar Krai	37.3	41.4	43.0	10%	11%	9%
Krasnoyarsk Krai	23.7	22.0	22.5	-10%	-7%	7%
Tatarstan	17.5	15.5	14.9	-3%	-11%	1%
Rostov Region	19.7	19.4	19.8	-5%	-1%	7%
Novosibirsk Region	20.9	19.2	16.6	7%	-8%	-9%
Voronezh Region	13.7	12.2	12.7	0.4%	-10%	9%
Perm	7.8	6.7	7.3	-8%	-14%	15%
Tyumen	6.1	5.8	5.6	2%	-6%	2%

Advertising

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

Table 3. Top five advertisers in mass media in September 2018

Rank	Company*	Quantity of broadcasts
1	Sandoz	16,212
2	Otcpharm	15,368
3	GSK Consumer Healthcare	13,552
4	Berlin-Chemie/Menarini	13,079
5	Teva	12,754

Source - Remedium according to Mediascope's data

Table 4. Top five brand names in mass media in September, 2018

Rank	Brand*	Quantity of broadcasts
1	Exoderil	6,277
2	Linex	5,049
3	Polyoxidoni	3,582
4	Supradin	3,392
5	ACC	3,186

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

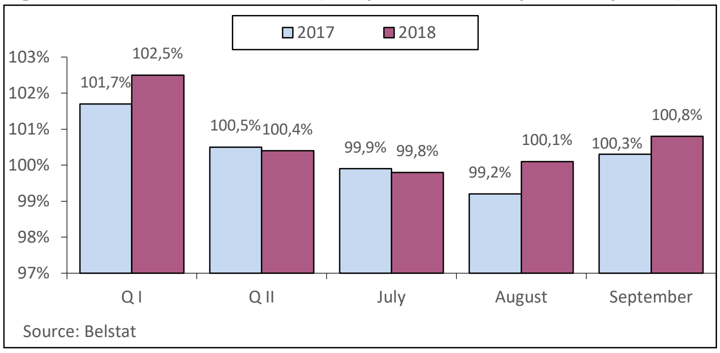
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of Belarus, in September 2018 the Consumer Price Index was estimated at 100.8%, at 103.7% in January-September 2018. At the end of the January-September of 2018, the Consumer Price Index was 104.8% as compared to the same period of 2017.

In September 2018, Industrial Producer Price Index was 101.0% compared to May 2018, and at 105% against December 2017. In January-September 2018, the Industrial Producer Price Index was 106.9% as compared to 2017.

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



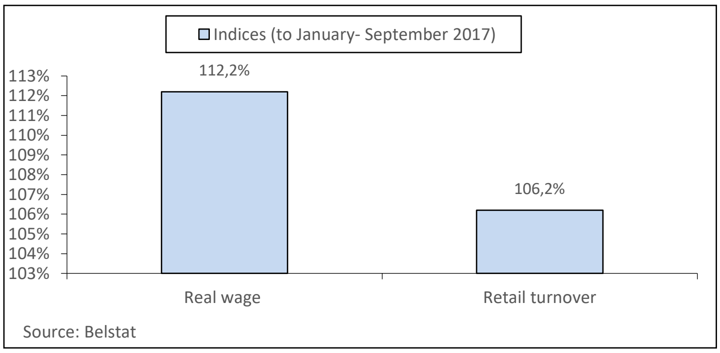
Living standard

According to the preliminary Balstat's data, in September 2016 the average monthly nominal accrued wage of the workers of the Republic of Belarus was BYR 963,6 (USD 455.62[1]), in January-September 2018 BYR 932.3 (USD 464.32) in the first half of 2018. In September 2018, the real wage accounted for 109.4% as compared to the same period of 2017, 112.2% in January-September (Fig. 2). According to Balstat's data, in January-August 2017 the real disposable cash income accounted for 107.8% as against January-August 2017.

Retail turnover

In September 2018, the retail turnover was estimated at RUB 3,745.0 mil., which accounted for 92.3% compared to the previous period and 106.2% compared to the same period of the last year. Based on the results for January-September of 2018, it amounted to RUB 32.6 bil. or 109.1% in comparable prices as compared to the January-September 2017 level (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-September 2018



Industrial Production

According to Belstat's data, in January-September 2018 the industrial output by economic activities "Mining industry", "Processing Industry" and "Supply of electricity, gas, steam, hot water and conditioned air" and "Water supply; sewerage, waste management and remediation activities" amounted to BYR 80.5 bil, at current prices or 106.8% at comparable prices as January-September of 2017.

According to Belstat's data, in January-September 2018 the pharmaceutical production output of essential pharmaceutical products and pharmaceutical preparations was estimated at BYR 927.6 mil., which accounted for 110.7% to January-September 2017 at comparable prices.

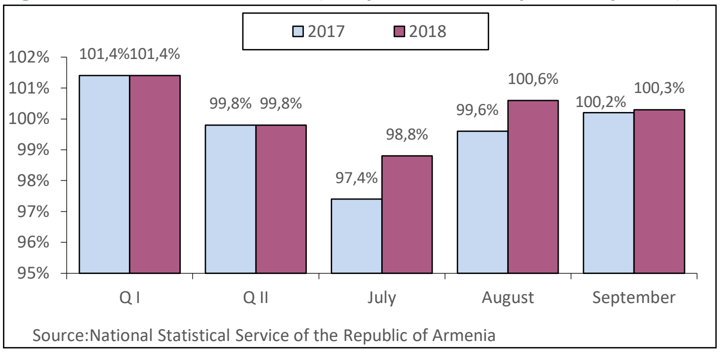
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to data of National Service of the Republic of Armenia, in September 2018 the Consumer Price Index was estimated at 100.3%, compared to December 2017 - 99.2% The Consumer Price Index accounted for 102.6% in January- September 2018 compared to the previous period.

The Industrial Producer Price Index was 100.2% in September 2018 compared to the previous month, at 95.2% against December 2017. In January-September of 2018, the Index reached 102.3% as compared to the same period of 2017.

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



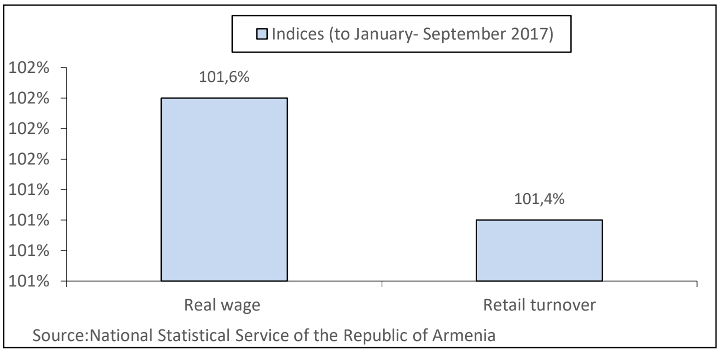
Living standard

According to preliminary estimates of the National Statistical Service of RA, in September 2018 the average monthly nominal wage[2] of the workers of the Republic of Armenia was Dram 172568 (USD 356.68) which accounted for 99.2% compared to the previous month and 106% compared to the same period of the last year. In January-September of 2017, the gross monthly average salary per worker was AMD 169505 (USD 351.26) or 104.3% compared to the same period of 2017, (Fig. 2). The real wage (according to Eurasian Economic Commission) accounted for 101.6% in January-September 2018, as compared with January-September in 2017.

Retail turnover

The retail turnover accounted for AMD 127073.2 mil. in September 2018, and AMD 974584.7 mil. from the beginning of the year, which accounted for 103.8% and 101.4% as compared to the same period of the last year, respectively (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-September 2018



Industrial Production

According to the preliminary data of Statistics Committee of the Republic of Armenia, in September of 2018 the industrial output by economic activities "Mining industry", "Processing industry" and "Supply of electricity, gas, steam, hot water and conditioned air" and "Water supply; sewerage, waste management and remediation activities" amounted to AMD 145875.5 mil, and AMD 1244774.8 mil. from the beginning of the year at current prices or 108.2% and 108.2% as against the same period of 2017, respectively.

According to Statistics Committee of the Republic of Armenia, the pharmaceutical output was estimated at AMD 926.2 mil. in September 2018, and AMD 6875.2 mil. from the beginning of the year, which accounted for 162.6% and 107.6% as compared to the respective periods of the previous year.

[1] The official arithmetical average exchange rate to calculate the above indices was used from the website of the National Bank of Belarus www.nbrb.by. On July 1, 2016, in the Republic of Belarus the Belarusian rouble was denominated in the ratio of 1:10 000

[2] Since January 1, 2018, the monthly indicators also include data from micro and small organizations as the Statistics Committee of the Republic of Armenia (RA) uses a new information source for calculation - the database of the State Revenue Committee of the RA (KGA RA). Detailed explanations are available on the website of the RA Statistical Committee http://www.armstat.am.

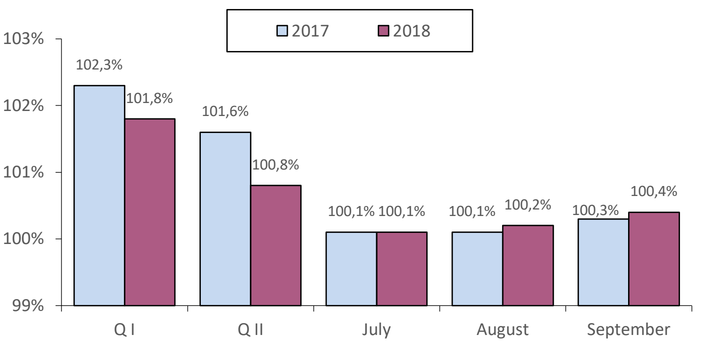
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in September 2018 the Consumer Price Index was estimated at 100.4% compared to December 2017, at 103.3% against December 2017. In January- September 2018, the Index reached 106.3% as compared to 2017.

The Industrial Producer Price Index was 102.2% in September 2018, as compared to the previous month, at 114.4% against December 2017. In January- September 2018, the prices of producers of industrial products increased by 18.7% as compared to January-June 2017.

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



Source: the Republic of Kazakhstan Committee on Statistics

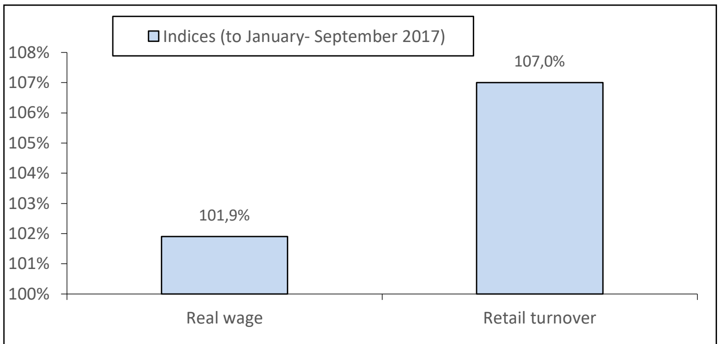
Living standard

According to the preliminary data of the RK Committee on Statistics , the gross monthly average salary per worker reached KZT 160555 (USD 437.09[3]) in September 2018, KZT 158208 (USD 470.40) in January-September of 2018. The Nominal Wage Index against the respective period of the previous year accounted for: 105.5% against August 2018, 108.3% in January-September 2017, the Real Wage Index – 99.4% and 101.9%, respectively. In January- August 2018, the Real Cash Income Index was 103.5% compared to the same period of 2017 (Fig. 2).

Retail turnover

Retail trade volume in September 2018 was equal to KZT 902885.5 bil, which is 110.6% against September 2017. In January- September of 2018, it amounted to KZT 7164.2 bil., which is 7% more than the level of the same period of 2017 (in comparable prices) (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-September 2018



Source: the Republic of Kazakhstan Committee on Statistics

Industrial Production

According to the Committee for Statistics of RK, in September 2018 the industrial output was KZT 2435.5 bil., in January-September of 2018 - KZT 20239.8 bil. As compared to the same period of 2017, the indices accounted for 105.5% and 104.8%, respectively.

According to data of the Committee for Statistics of RK, in January- September 2018 the essential pharmaceuticals output amounted to KZT 55454 mil., in June it was KZT 7295 mil. At the end of January- September 2018, the Industrial Production Volume Index for Pharmaceuticals was 98.4% against January- September 2017, in September 2018 105.3% against the respective period of 2017.

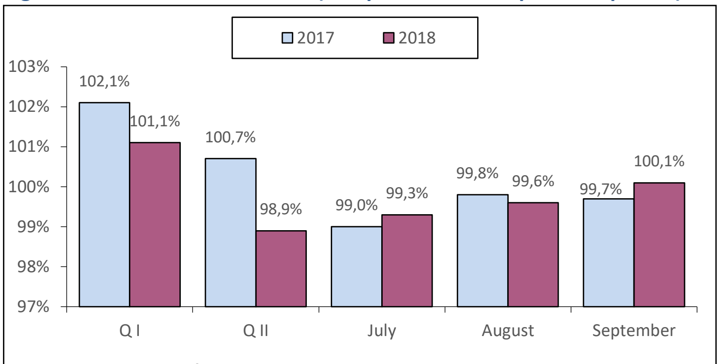
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of the Kyrgyz Republic, in September of 2017 the Consumer Price Index was estimated at 100.1%, as against December 2017 98.9% against December of 2017. In January- September 2018, the Index reached 101.9% as compared to January-September 2017.

In September 2018, the Producer Price Index for industrial production and services was 99.6% as compared to the previous month, 98.1% against December of 2017. In January-September 2018, the producer's prices for industrial products and services nationwide increased by 2.3% compared to the same period of 2017.

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



Source: the Republic of Kazakhstan Committee on Statistics

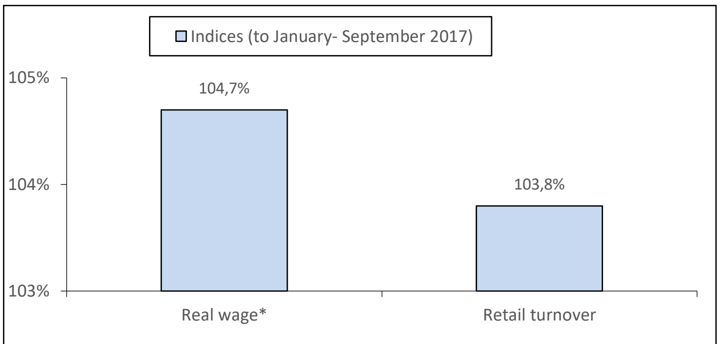
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in May 2018 the average monthly nominal wage per worker was KGS 15994 (USD 232.84[4]), in January- August 2018 - KGS 15793 (USD 230.6), which is 6.8% and 6.7% more than in the same period of 2017 respectively. In January-August of 2018, the real wage accounted for 104.7% as compared to January-August 2017, 105.8% in August 2018 against August 2017 (Fig. 2).

Retail turnover

In September 2018, the retail turnover (without cars and motorcycles sales) amounted to KGS 29248.4 mil, in January- September 2018 - KGS 179766.84 mil. The Retail Turnover Volume Index accounted for 105.7% and 103.8% to the same period of the previous year (Fig.2).

Figure 2. Real monthly wage and retail turnover in January-September 2018



Source: the Republic of Kazakhstan Committee on Statistics

* Data for January-August 2018

Industrial Production

According to data of the National Committee for Statistics of the Kyrgyz Republic, in September 2018 the industrial output was KGS 18,710.5 mil., and KGS 167981.6 mil. for 9 months of 2018. The Industrial Products Volume Index accounted for 132.5% and 95.3% as compared to the same periods 2017.

According to the National Committee for Statistics of the Kyrgyz Republic, the pharmaceutical output amounted to KGS 17.1 mil. in September 2018, and KGS 230.0 mil. from the start of the year. At the end of September 2018, the Industrial Products Volume Index for Pharmaceuticals was 97.5% compared to the same period of the last year, 38.3% as compared to June 2017, and it was 85.9% in January- September 2018 compared to January-September 2017.

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

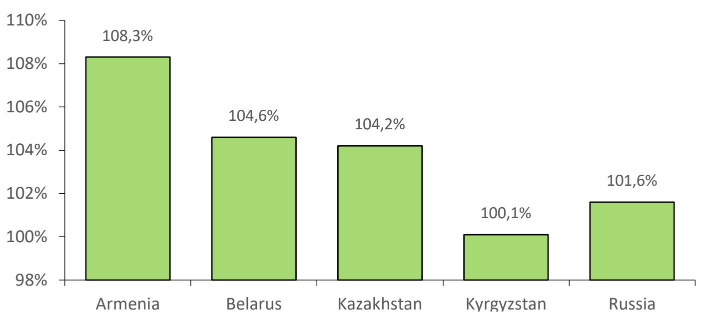
[4] The average exchange rate to calculate the above indices was used from the official website of the National Bank of the Kyrgyz Republic http://www.nbkr.kg/

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to Eurasian Economic Commission's data (EAEC), at the end of January- June 2018 GDP of EAEU member-states amounted to USD 906911.8 mil. and increased by 1.9% as compared to the same period of 2017 in fixed prices. GDP growth was recorded in all countries, the largest - in Armenia (+ 8.3%), high - in Belarus (+ 4.6%) and Kazakhstan (+ 4.2%). The dynamics was insignificant (+ 0.1%) in Kyrgyzstan, GDP increased by 1.6% in Russia (Fig. 1).

Figure 1. GDP growth in the EAEU member-states (January-June 2017 vs. January-June 2017)

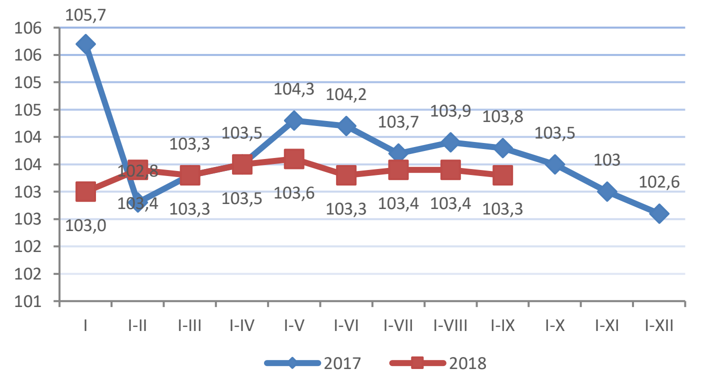


Source: EEU

Industrial Production

According to the preliminary EAEC data, in January-September 2018 the volume of industrial output of the EAEU member-states amounted to USD 909.2 bil. and increased in fixed prices by 3.3% as compared with January-September 2017 (Fig. 2). In individual countries, the Industrial Production Index accounted for 104% in Armenia, 106.8% in Belarus, 104.8% in Kazakhstan, 95.3% Kyrgyzstan and 103% in Russia.

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

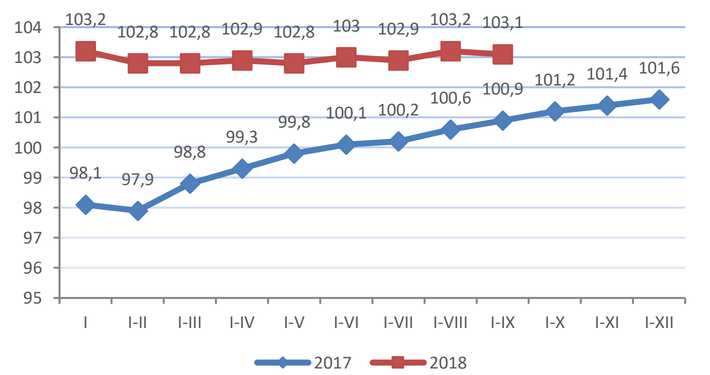


Comment. Data for the period from January 2016 to April 2018 were clarified in connection with the recalculation of industrial production indices of the Russian Federation for the above period.

Retail turnover

According to the EEC, the retail trade turnover (through all sales channels) of EEU member-states in January- September 2018 amounted to USD 413.8 bil. Compared with the same period of 2017, the volume of retail sales (in comparative prices) increased by 3.1%. In the analysed period, all member-states showed growth in the retail turnover. In this case, the indices accounted for 101.6% in Armenia, 109.1% in Belarus, 107.0% in Kazakhstan 105.6% Kyrgyzstan and 102.6% in Russia (Fig. 2).

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



Nominal and real wage

According to EEU, in January- September 2018 as compared to the respective period of 2017, the gross monthly average wage per worker increased by 4.3% in Armenia, 17.6% in Belarus , 8.3% in Kazakhstan, 6.5% in Kyrgyzstan (in January- August of 2018) 6.7% in Kyrgyzstan (in January-May 2017), 11.1% in Russia. The real wage (adjusted for the consumer price index for goods and services) increased: by 1.6% in Armenia, 12.2% in Belarus, 1.9% in Kazakhstan, 3.0 % in Kyrgyzstan (in January- August of 2018), 4.7% in Kyrgyzstan (in January-May 2017), 8.4% in Russia.

Table 1. Nominal and real wage in January-September 2018

Country	Real wage, as % to the same period of 2017	Nominal wage, USD
Armenia	101.6	352
Belarus	112.2	464
Kazakhstan	101.9	470
Russia	108.4	691
Kyrgyzstan[1]	104.7	231

[1] January-August 2018

Budget performance

According to the EEC, in January- June 2018 Armenia, Kazakhstan and Kyrgyzstan ran a republican budget deficit, and Belarus and Russia ran a budget surplus. At the same time, a dramatic reduction in the budget deficit was recorded in Armenia, Kazakhstan and Kyrgyzstan, while the surplus in Russia was reported for the first time since 2014. The increase in the growth rates of fiscal revenues and expenditures of the republican budget was recorded only in Belarus (compared to the corresponding period of the previous year).

The growth rates of the republican budgets were fiscal revenues - 104% in Armenia, 129% in Belarus, 104% in Kazakhstan, 100% in Kyrgyzstan and 121% in Russia; expenditures - 98% in Armenia, 115% in Belarus, 102% in Kazakhstan, 95% in Kyrgyzstan, 102% in Russia.

Table 2. Republican budget in January-June 2018

Country	USD bil.		
	Income	Expenditure	Deficit (surplus)
Armenia	1.3	1.3	-0.0
Belarus	5.8	4.4	1.4
Kazakhstan	13.2	13.7	-0.6
Kyrgyzstan	0.9	0.9	-0.0
Russia	145.3	129.4	15.9
EAEU	**166.4**	**149.8**	**16.7**

Mutual trade of EEU member-states in January– August of 2018

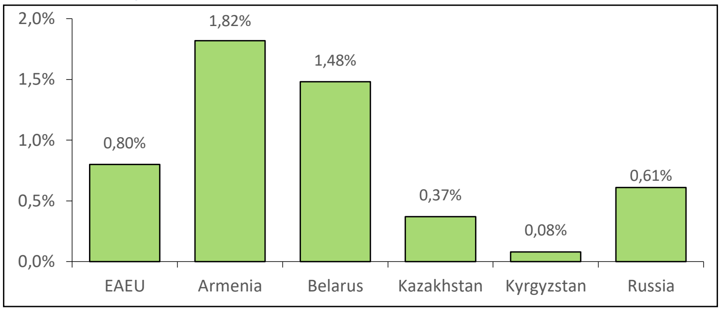
The volume of mutual trade in commodities of EAEU member-states in January-August 2018 amounted to USD 39.3 bil. or 113.5% as against the same period of 2017.

Table 3. Export volumes of the EAEU member-states in the mutual trade in January-August 2018

Countries	USD bil.	% vs January-February 2017.	Share in total, %
EAEU	**39337.4**	**113.5**	**100.0**
Armenia	438.7	133.1	1.1
Russia	424.2	131.7	96.7
Belarus	9177.1	104.0	23.3
Russia	8544.6	102.3	93.1
Kazakhstan	3909.2	113.8	10.0
Russia	3449.5	113.3	88.3
Kyrgyzstan	387.5	105.1	1.0
Russia	219.8	129.1	56.7

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

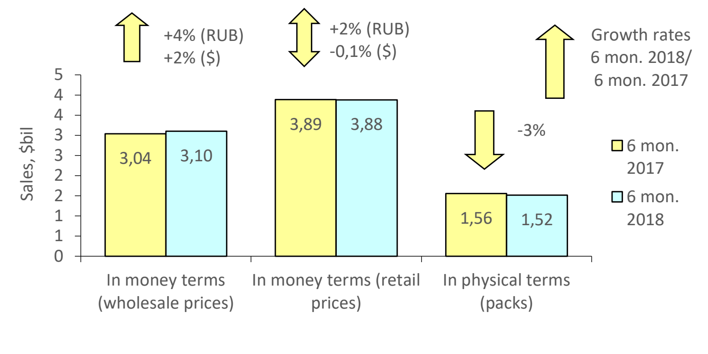
Table 4. The structure of mutual trade between EEU member-states within the Customs Commodity Code group "Pharmaceutical products" for January- August 2018 2015 (as percentage over the total volume of mutual trade)



PHARMACY OTC MARKET IN RUSSIA: 2018 FIRST SIX MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of six months of 2018 the sales of OTC drugs in natural terms in pharmacies of Russia saw a 3% decrease to 1.517 bil. packs. In money terms, the OTC drugs market increased by 4% in rouble terms and by 2% in dollar terms and reached RUB 183.089 bil. (USD 3.098 bil.) in wholesale prices (Fig. 1). The share of Over-the-Counter (OTC) drugs accounted for 68.2% of sales in physical terms and 51.0% in retail prices in terms of roubles. The average cost of a pack increased as compared to the same period of 2017 (USD 2.50) and amounted to USD 2.56 in retail prices. At half year-end 2018, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 26.43.

Figure 1. Russian OTC pharmacy market for 6 months of 2017 – 6 months 2018



At the end of the first half of 2018, the top ten drug manufacturers on the OTC market changed insignificantly and the majority of them held their own in the ranking (Table 1). Among them are the rating leaders OTCPHARM (+7%[5]), BAYER (+4%) and SANOFI (-5%). TEVA (+4%), BERLIN-CHEMIE/MENARINI (+2%) and SERVIER (+11%) held their previous ranks seven and two bottom rates. Two manufacturers from the top 10 rose in the ranks. The manufacturers JOHNSON&JOHNSON (+8%) and SANDOZ (+7%) moved up to ranks four and five. At the same time, GLAXOSMITHKLINE (+3%) moved down one rank, whereas STADA that reduced its sales by 9% moved down from rank four to eight. The cumulative share of the top 10 manufacturers reduced from 40.3% to 39.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	OTCPHARM	6.2	6.1
2	2	**BAYER**	5.4	5.5
3	3	**SANOFI**	4.3	4.7
4	6	**JOHNSON & JOHNSON**	3.9	3.7
5	8	**SANDOZ**	3.8	3.6
6	5	**GLAXOSMITHKLINE**	3.7	3.7
7	7	**TEVA**	3.7	3.7
8	4	STADA	3.5	4.1
9	9	**BERLIN-CHEMIE/MENARINI**	2.9	2.9
10	10	**SERVIER**	2.5	2.3
Total			39.9	40.3

*AIPM members are in bold

The top 10 brands remained unchanged in composition, with half of them holding their previous ranks (Table 2). CARDIOMAGNYL (+2%), KAGOCEL (+9%), MIRAMISTIN (+8%) held their previous ranks four, five and seven, and LINEX (+7%) and THERAFLU (+4%) rounded out the top ten. Three brands with high positive growth rates rose in the ranks. DETRALEX (+ 12%) moved up to rank one from two, INGAVIRIN (+ 25%) moved up to rank three from six and PENTALGIN (+ 17%) moved up to rank six from eight. Due to low growth rates, the former leader NUROFEN (+ 2%) moved down to rank two, and ESSENTIALE (-19%), which reduced sales, moved down to the bottom of the rating, coming in at rank eight. The total share of the top 10 brands increased from 11.3% to 11.5%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	2	DETRALEX	1.5	1.4
2	1	NUROFEN	1.4	1.5
3	6	INGAVIRIN	1.3	1.1
4	4	CARDIOMAGNYL	1.2	1.2
5	5	KAGOCEL	1.2	1.1
6	8	PENTALGIN	1.1	0.9
7	7	MIRAMISTIN	1.0	1.0
8	3	ESSENTIALE	1.0	1.3
9	9	LINEX	0.9	0.9
10	10	THERAFLU	0.9	0.9
Total			11.5	11.3

One newcomer entered the top-ten INN and group names ranking: DEXPANTHENOL (+5%) moved up to rank ten from 11. In addition, the composition DIOSMIN*HESPERIDIN (+23%) and INN IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+25%) rose in the ranks, coming in at numbers three and five, respectively. At the same time, the less dynamic PANCREATIN (+2%), and PHOSPHOLIPIDS (-18%), which reduced its sales, in contrast, moved down to ranks four and seven, respectively. INNs XYLOMETAZOLINE (+ 1%) and IBUPROFEN (+ 12%) took the lead in the top ten ranking. ACETYLSALICYLIC ACID * MAGNESIUM (+ 4%), CHONDROITINSULFURIC ACID * GLUCOSAMINE (+ 8%) and KAGOCEL (+ 9%) placed at ranks six, eight and nine, also retained their positions unchanged. The cumulative share of the top ten increased by 0.4 p.p. and accounted for 16.6%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	XYLOMETAZOLINE	3.1	3.2
2	2	IBUPROFEN	2.2	2.1
3	4	DIOSMIN*HESPERIDIN	2.2	1.9
4	3	PANCREATIN	1.9	2.0
5	10	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.3	1.1
6	6	ACETYLSALICYLIC ACID* MAGNESIUM	1.2	1.2
7	5	PHOSPHOLIPIDS	1.2	1.5
8	8	CHONDROITINSULFURIC ACID* GLUCOSAMINE	1.2	1.1
9	9	KAGOCEL	1.2	1.1
10	11	DEXPANTHENOL	1.1	1.1
Total			16.6	16.2

C05 Vasoprotectors (+ 15%) became the best-selling ATC-group on the OTC drug market in the first half of the year, displacing the last year's leader R01 Nasal preparations (+ 2%) to rank two (Table 4). R05 Cough and cold preparations (+9%) held their previous rank three. A07 Anti-diarrheals and M01 Anti-inflammatory and antirheumatic drugs (+ 5% each) as well as L03 Immunostimulants (+ 4%) and R02 Throat preparations (+ 10%) held their previous ranks five and the bottom three. Due to the advanced dynamics, the group J05 Antivirals for systemic use (+ 7%) moved up one rank. At the same time, the less dynamic N02 Analgesics (+ 1%) and A11 Vitamins (-6%) that reduced sales moved down to ranks four and seven, respectively. In total, the top ten ATC - groups accumulated 47.9% of the market, whereas in the year-earlier period they accounted for 47.4%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	4	C05	VASOPROTECTIVES	5.8	5.2
2	1	R01	NASAL PREPARATIONS	5.7	5.9
3	3	R05	COUGH AND COLD PREPARATIONS	5.6	5.3
4	2	N02	ANALGESICS	5.6	5.7
5	5	A07	ANTIDIARR.,INTEST. ANTIINFL./ANTIINFECT. AGENTS	5.3	5.2
6	7	J05	ANTIVIRALS FOR SYSTEMIC USE	4.7	4.6
7	6	A11	VITAMINS	4.6	5.0
8	8	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.9	3.8
9	9	L03	IMMUNOSTIMULANTS	3.5	3.4
10	10	R02	THROAT PREPARATIONS	3.4	3.2
Total				47.9	47.4

Conclusion. At the end of January- June 2018, the OTC retail market of the country brought in RUB 229.460 bil. (USD 3.882 bil.), which was 2% more in terms of roubles and 0.1% less in terms of dollars than in the same period of 2017. In pack terms, the market also showed negative growth rates (-3%) and achieved 1.517 bil. packs. The average cost of OTC-pack in the Russian pharmacies based on the results for the first half of 2018 was USD 2.56, which is higher than a year earlier (USD 2.50). However, the average expenses of Russian residents for the purchase of OTC drugs in pharmacies slightly reduced (USD 26.43 vs. USD 26.46).

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

ANALYSIS OF PRICES IN THE OUT-PATIENT SECTOR KEY PERFORMANCE INDICATORS

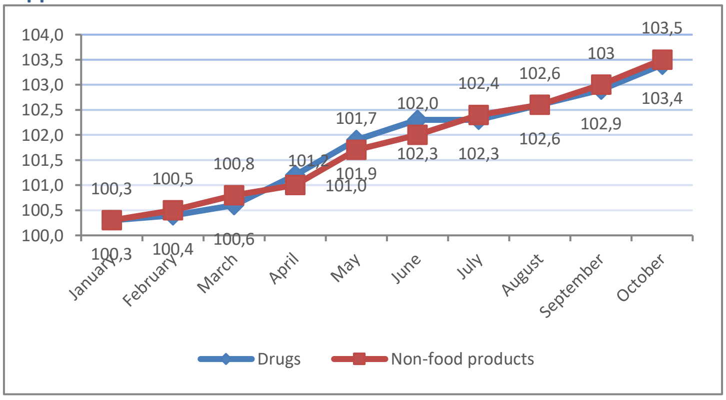
Price Indices

Table 1. Inflation rates in the Russian Federation, October 2018

	October 2018 as against December 2017	January-October 2018 vs. January-October 2017
CPI	102.9	102.6
CPI for non-food products	103.5	103.3
CPI for medications	103.4	99.1

Rosstat data

Figure 1. Dynamics of the price index for non-food items and medicines supplies vs. December 2017



Rosstat data

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

Figure 2. Dynamics of weighted average prices and retail margins in 1-3 Q 2017 – 1-3 Q 2018

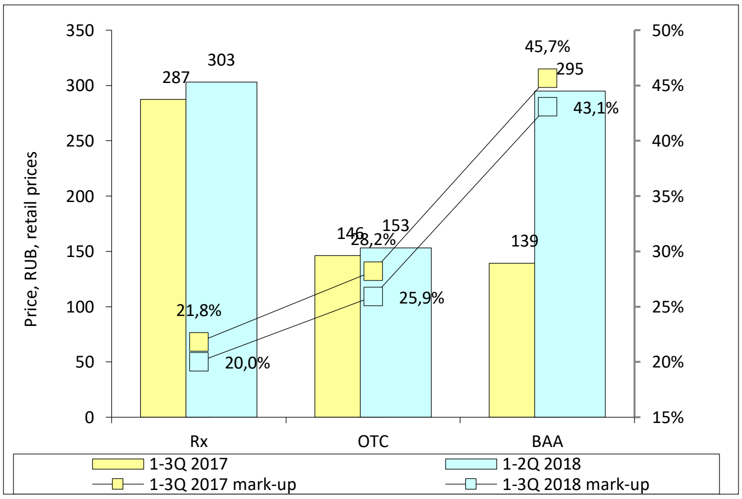


Figure 3. Dynamics of weighted average prices and retail margins in 1-3 Q 2017 – 1-3 Q 2018

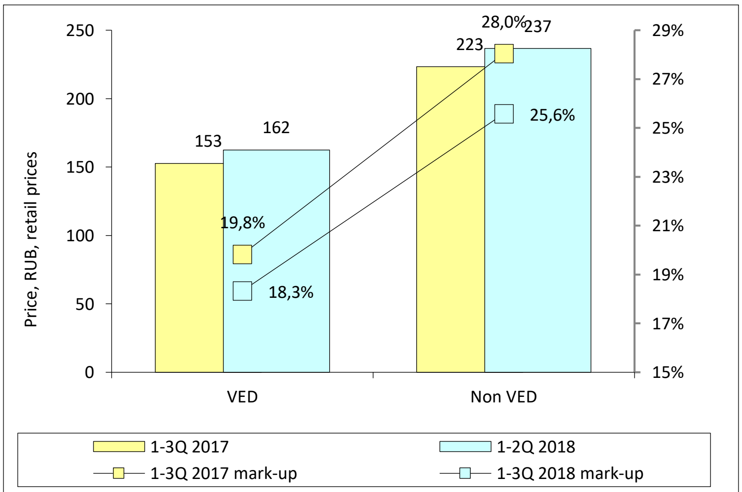
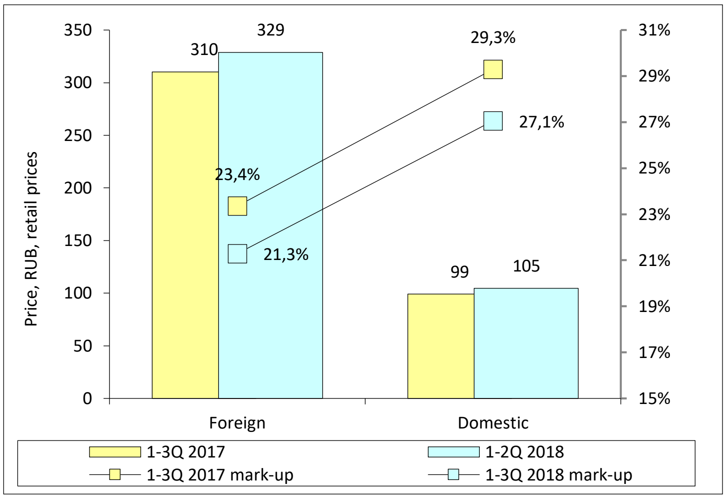


Figure 4. Dynamics of weighted average prices and retail margins in 1-3 Q 2017 – 1-3 Q 2018



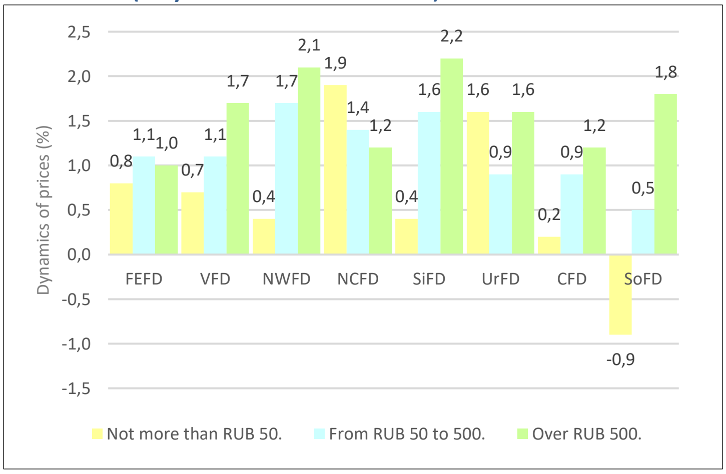
Indicators of dynamics of prices for vital and essential drugs (VED)

Table 2. Results of the VED price monitoring conducted by Roszdravnadzor in the Russian Federation

	Price dynamics in May 2018 * vs. December 2017 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	1.0	1.4	0.3
Not more than RUB 50	0.5		
From RUB 50 to 500	1.1		
Over RUB 500	1.5		
Domestic	1.1		
Foreign	0.9		

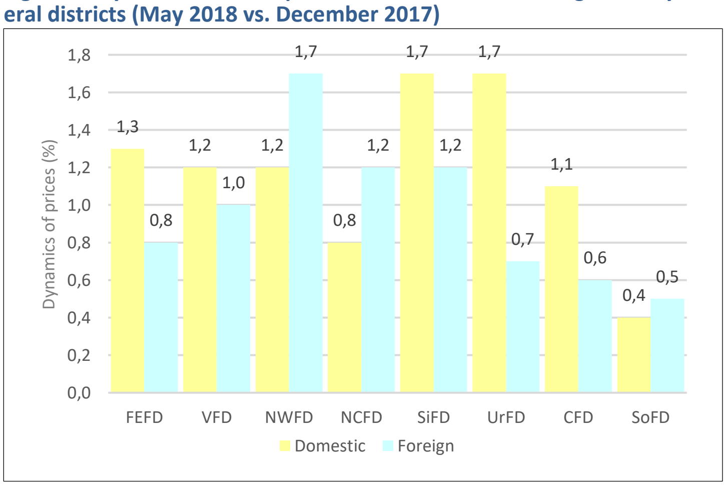
**Latest published data*

Figure 5. Dynamics of retail VED prices within various price ranges by federal districts (May 2018 vs. December 2017)



Roszdravnadzor data

Figure 6. Dynamics of retail prices for domestic and foreign VED by federal districts (May 2018 vs. December 2017)



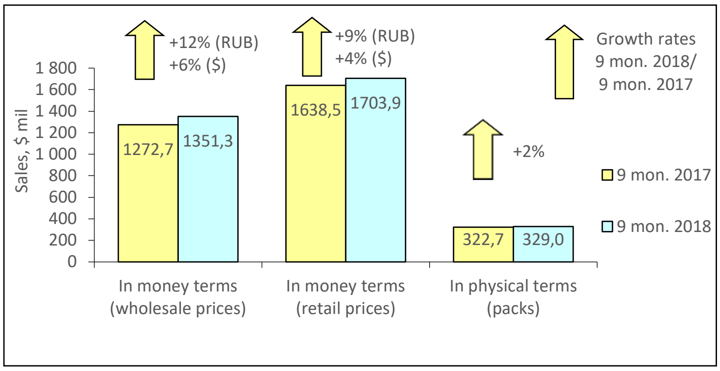
Roszdravnadzor data

MOSCOW CITY PHARMACY MARKET: 2018 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 Moscow's estimated population was 12.506 mil., which accounted for 8.5% of the total Russian Federation population and 31.8% of Central FO (CFO). According to Moscow territorial body of the Federal State Statistics Service, in Moscow the average monthly-accrued wage for January- August 2018 was RUB 81841 (USD 1350.07), in August 2018 - RUB 77618. (USD 1174.43), which was 89% higher than the average wage in Russia in August (RUB 41140).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first nine months of 2018 the sales of OTC drugs in natural terms in the pharmacies of Moscow saw a 2% decrease to 329.048 mil. packs. In value terms, the OTC drugs market increased by 12% in rouble terms and by 6% in dollar terms and reached RUB 82.571 bil. (USD 1.351 billion) in wholesale prices (Fig. 1). The region market share accounted for 15.8% of the Russian pharmacy retail sales. An average cost of a pack grew as compared to the last year: USD 5.18 vs. USD 5.08 in retail prices. At the end of January-September of 2018, the average amount spent by the Muscovites for OTC drugs in pharmacies amounted to USD 136.24.

Figure 1. Moscow pharmacy market for 9 months of 2017 – 9 months 2018



No structural changes have occurred in the top manufacturer ranking in the Moscow retail market in January-September 2018 (Table 1). All top ten manufacturers held their own; the changes affected only their market shares. Thus, the head of the top 10, BAYER (+ 16%), showed the highest dynamics among the leaders and strengthened its position by expanding its share to 6.4%. Another three manufacturers developed their markets by outstripping rates: TEVA (+13%), SERVIER and PFIZER (+15% each) placed at ranks three, four and ten respectively. The dynamics of the rest of the top 10 manufacturers lagged behind the average retail market in the region, which led to a decrease in the market shares of most of them: SANOFI (+9%), SANDOZ (+7%), GLAXOSMITHKLINE (+3%) and JOHNSON & JOHNSON (+5%). ABBOTT and BERLIN-CHEMIE/MENARINI markets expanded by 11% each, but their market shares remained unchanged. In total, 10 INNs and group names accounted for 37.3%, and 37.5% in the year-earlier period.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	**BAYER**	6.4	6.2
2	2	**SANOFI**	4.9	5.0
3	3	**TEVA**	3.9	3.8
4	4	**SERVIER**	3.7	3.6
5	5	**ABBOTT**	3.5	3.5
6	6	**SANDOZ**	3.3	3.5
7	7	**GLAXOSMITHKLINE**	3.1	3.4
8	8	**JOHNSON & JOHNSON**	2.8	3.0
9	9	**BERLIN-CHEMIE/MENARINI**	2.8	2.8
10	10	**PFIZER**	2.7	2.7
Total			37.3	37.5

*AIPM members are in bold

Most of the top ten brands ranking showed outperformance rates, due to which six of them rose up in the ranks (Table 2). The XARELTO market (+ 60%) developed at the highest rates, which allowed it to take on leadership of the top ten, displacing CRESTOR (+ 2%) one rank down. Due to high growth rates, BAYER (+15%) held and reinforced its previous rank three in the ranking. The brands INGAVIRIN (+22%), LINEX (+12%) and ENTEROSGEL (+17%) moved up one rank, coming up at numbers seven, nine and ten. Note that the latter became the only newcomer of the top-10 ranking. At the same time, despite the advancing dynamics, CONCOR (+ 16%) moved down one rank, displaced by the more dynamic Ingavirin. A similar shift occurred in ranks four and five: NUROFEN (+ 6%) moved up one rank, shifting MIRAMISTIN (+ 3%) from this rank to five. Brand CIALIS (+3%) held its previous rank six. The aggregate share of the top-10 expended from 8.3% to 8.7%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	2	XARELTO	1.6	1.1
2	1	CRESTOR	1.1	1.2
3	3	DETRALEX	1.1	1.0
4	5	NUROFEN	0.8	0.8
5	4	MIRAMISTIN	0.8	0.8
6	6	CIALIS	0.7	0.8
7	8	INGAVIRIN	0.7	0.7
8	7	CONCOR	0.7	0.7
9	10	LINEX	0.6	0.6
10	11	ENTEROSGEL	0.6	0.6
Total			8.7	8.3

Due to 60% growth in sales, ROSUVASTATIN moved up to rank one from five in the top ten INN and group names ranking (Table 3). At the same time, XYLOMETAZOLINE (-6%), ROSUVASTATIN (+ 14%), DIOSMIN * HESPERIDIN (+ 17%) and IBUPROFEN (+ 3%) moved down one rank. PANCREATIN (+ 12%) held its previous rank six. The only newcomer of the top ten HYALURONIC ACID (+62%) moved up to rank seven in the top 10 ranking. MIRAMISTIN (+5%), which had been placed at that rank, moved down to rank nine. BISOPROLOL (+16%) and NIMESULIDE (+11%) held their previous ranks eight and ten. The cumulative share of the top 10 under review increased 0.5 p.p. to 11.4%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	5	RIVAROXABAN	1.6	1.1
2	1	XYLOMETAZOLINE	1.5	1.8
3	2	ROSUVASTATIN	1.5	1.5
4	3	DIOSMIN*HESPERIDIN	1.3	1.3
5	4	IBUPROFEN	1.0	1.1
6	6	PANCREATIN	1.0	1.0
7	19	HYALURONIC ACID	0.9	0.6
8	8	BISOPROLOL	0.8	0.8
9	7	MIRAMISTIN	0.8	0.9
10	10	NIMESULIDE	0.8	0.8
Total			11.4	10.9

The top ten ATC - groups ranking changed its leader: B01 Anticoagulants moved to rank one from five due to a 43% increase in sales (Table 4) C09 Agents acting on the renin-angiotensin system (+16%) moved up to rank two from three, displacing M01 Anti-inflammatory and antirheumatic products (+10%) down one rank. In addition to the above, another four groups rose in the ranks. Thus, G03 Sex hormones (+ 13%), J05 Antivirals of systemic use (+ 16%) and C05 Vasoprotectors (+ 15%) moved up to ranks six through eight from the lower ranks. The only newcomer N06 Psychoanaleptics (+17%) broke into the ranks of the top ten, coming in at number ten. At the same time, the groups R01 Nasal preparations (-2%) and J01 Antibacterials for systemic use (+ 1%) moved down to ranks five and nine, respectively. A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+13%) held rank four. In total, the top ten ATC groups accumulated 36.6% of the regional market against 35.9% in the year-- earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	5	B01	ANTITHROMBOTIC AGENTS	4.6	3.6
2	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.1	3.9
3	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.1	4.1
4	4	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	3.8	3.8
5	1	R01	NASAL PREPARATIONS	3.7	4.3
6	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.5	3.5
7	8	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	3.3
8	10	C05	VASOPROTECTIVES	3.2	3.1
9	6	J01	ANTIBACTERIALS FOR SYST USE	3.2	3.5
10	13	N06	PSYCHOANALEPTICS	3.0	2.8
Total				36.6	35.9

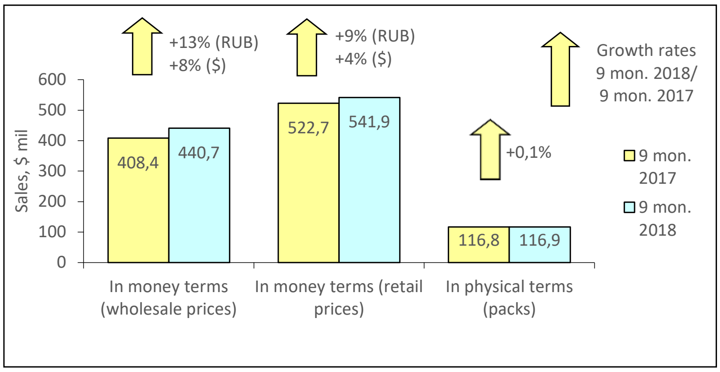
Conclusion. On the basis of the results for the first nine months of 2018, the retail pharmacy market of Moscow reached RUB 104.126 bil. (USD 1.704 bil.), which was 9% in terms of roubles and 4% in terms of dollars more than in the same period 2017. In pack terms, the market extended by 2% and amounted to 329.048 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results for January-September of 2018 was USD 5.18, which is more than in the year-earlier period (USD 5.08) and the national average (USD 3.31). The average expenses of the regional residents for purchase of OTC drugs in pharmacies were also higher than the national average (USD 136.24 vs. USD 73.21).

SAINT PETERSBURG PHARMACY MARKET: 2018 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, St. Petersburg's population as of January 1, 2018 was estimated at 5.352 mil., which accounted for 3.6% of the total Russian Federation population and 38.4% of North West FD (NWFD). According to St. Petersburg territorial body of the Federal State Statistics Service, the average wage in the city in January-August 2018 RUB 58794 (USD 969.88), in August 2017 RUB 56100 (USD 848.84), which was 36% higher than the average wage in Russia (RUB 41140).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of the January-September of 2018 the sales of drugs in natural terms in St. Petersburg pharmacies did not virtually change and amounted to 116.927 mil. packs. In money terms, the market saw a 13% increase in terms of roubles and 8% in terms of dollars. At the same time, the volume of the market achieved RUB 26.960 bil. (USD 440.700 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 5.0% of the Russian pharmacy sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 4.47) and reached USD 4.63 at retail prices. For 9 months 2018, the average amount spent by residents of the city for drugs in the pharmacies amounted to USD 101.26.

Figure 1. St. Petersburg pharmacy market for 9 months of 2017 – 9 months 2018



Based on the results for January- September 2018, the drug manufacturers BAYER (-0.5%) and SANOFI (+9%) continued to show the highest retail sales on the St. Petersburg market, though their market shares reduced due to lagging behind the growth rates (Table 1). SANDOZ (+ 21%), ABBOTT (+ 11%) and GLAXOSMITHKLINE (+ 14%) also held their previous ranks from five to seven respectively. Three from the remaining five manufacturers rose in the ranks. SERVIER (+19%) and KRKA (+21%) moved one rank up, to numbers three and nine. The only newcomer of the top ten PFIZER (+42%) moved up to rank eight. On the contrar, TEVA (+ 6%) and OTCPHARM (+ 3%), which showed low dynamics, moved down to rank four and ten, respectively. The total share of the top ten manufacturers decreased by 0.4 p.p. and accounted for 38.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	**BAYER**	6.3	7.1
2	2	**SANOFI**	5.0	5.2
3	4	**SERVIER**	4.4	4.2
4	3	**TEVA**	4.2	4.5
5	5	**SANDOZ**	3.9	3.7
6	6	**ABBOTT**	3.5	3.6
7	7	**GLAXOSMITHKLINE**	3.1	3.1
8	12	**PFIZER**	3.1	2.4
9	10	**KRKA**	2.7	2.5
10	8	OTCPHARM	2.7	2.9
Total			38.8	39.2

*AIPM members are in bold

XARELTO (+12%) and DETRALEX (+28%) held their top two ranks in the top ten brands ranking (Table 2). Shifts took place in the lower part of the top 10 ranking, and most of its brands rose in the ranks. Among them were ELIQUIS (+96%), INGAVIRIN (+33%) and LOZAP (+14%), which broke into the ranks of the top ten, coming in at numbers three, seven and ten respectively. CONCOR rose to rank four from six, LINEX (+ 26% each) to rank six from ten, and NOLIPREL (+ 14%) to rank eight from nine. Only NUROFEN and HEPTRAL (+ 9% each) moved down to the lower ranks six and nine. The total share of the top 10 brands increased from 6.8% to 7.4%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	XARELTO	1.3	1.3
2	2	DETRALEX	1.1	1.0
3	22	ELIQUIS	0.8	0.4
4	6	CONCOR	0.7	0.7
5	4	NUROFEN	0.6	0.7
6	10	LINEX	0.6	0.6
7	17	INGAVIRIN	0.6	0.5
8	9	NOLIPREL	0.6	0.6
9	7	HEPTRAL	0.6	0.6
10	11	LOZAP	0.5	0.5
Total			7.4	6.8

In contrast to the previous rankings, the top-ten INN and group names ranking leader changed - the composition DIOSMIN*HESPERIDIN (+30%) moved up to rank number one from three (Table 3). XYLOMETAZOLINE (-7%) that had been placed at that rank earlier showed negative growth rates and moved down to rank three. INNs ATORVASTATIN and IBUPROFEN (+ 10% each) lost two ranks each and moved down to ranks six and eight, respectively. In contrast, four brands rose in the ranks. ROSUVASTATIN (+35%) and BISOPROLOL (+24%) moved up to ranks four and seven, and the newcomers of the top ten APIXABAN (+96%) and NIMESULIDE (+15%) broke into the top ten, rounding out the top ten ranking. As before, INNs RIVAROXABAN (+12%) and PANCREATIN (+23%) held their previous ranks two and five. The cumulative share of the top10 increased from 9.5% to 10.0%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	3	DIOSMIN*HESPERIDIN	1.4	1.2
2	2	RIVAROXABAN	1.3	1.3
3	1	XYLOMETAZOLINE	1.2	1.5
4	7	ROSUVASTATIN	1.0	0.8
5	5	PANCREATIN	0.9	0.9
6	4	ATORVASTATIN	0.9	1.0
7	9	BISOPROLOL	0.9	0.8
8	6	IBUPROFEN	0.8	0.9
9	36	APIXABAN	0.8	0.4
10	11	NIMESULIDE	0.8	0.7
Total			10.0	9.5

The group C09 Agents acting on the rennin-angiotensin system (+17%) held and strengthened its previous rank number one in the top ten ATC groups ranking (Table 4). G03 Sex hormones (+10%) held their previous rank four. The remaining top 10 ATC groups changed their ranks; moreover, five of them improved them. The most dynamic of the top ten ATC groups B01 Antithrombotic agents (+27%) moved up one rank, to number two, displacing M01 Anti-inflammatory and antirheumatic products (+8%) down one rank. C05 Vasoprotectors (+ 19%) and A07 Antidiarrheal, intestinal anti-inflammatory and antimicrobial agents (+ 17%) moved up to ranks five and six from eight and nine. J01 Antibacterials for systemic use (+ 14%) moved up to rank eight from the last one, while the only newcomer of the top ten R05 Cough and cold preparations (+ 20%) moved up to the bottom of the top ten ranking. At the same time, two ATC groups with low growth rates R01 Nasal preparations (+3%) and J05 Antivirals for systemic use (0%) moved down to ranks seven and nine, respectively. The total share of the analysed top 10 ATC groups remained unchanged and accounted for 36.7%.

Table 4. The top ten ATC Groups by pharmacy sales

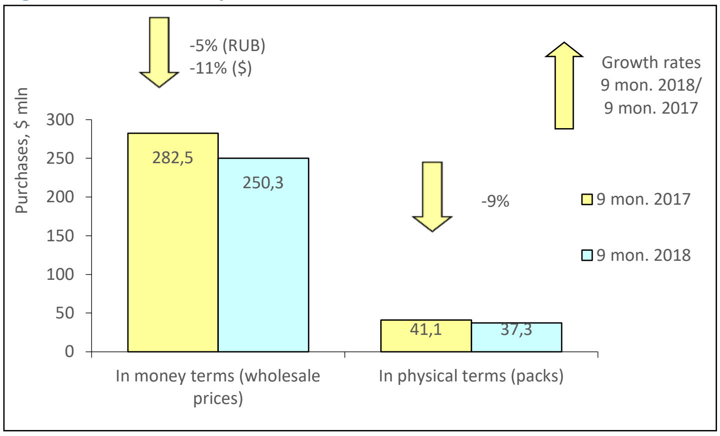
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.0	4.9
2	3	B01	ANTITHROMBOTIC AGENTS	4.5	4.1
3	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.0	4.1
4	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.9	4.0
5	8	C05	VASOPROTECTIVES	3.5	3.3
6	9	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	3.4	3.3
7	5	R01	NASAL PREPARATIONS	3.3	3.7
8	10	J01	ANTIBACTERIALS FOR SYST USE	3.2	3.2
9	7	J05	ANTIVIRALS FOR SYSTEMIC USE	3.0	3.4
10	12	R05	COUGH AND COLD PREPARATIONS	3.0	2.8
Total				36.7	36.7

Conclusion. At the end of January-September of 2018, the pharmacy market of St Petersburg brought in RUB 33.154 bil. (USD 541.936 mil.), which was 9% in terms of roubles and 4% in terms of dollars more than in the same period of 2017. In pack terms, the market did not virtually change (+0.1%) and amounted to 116.927 mil. packs. In the first nine months of 2018, the average cost of FPP pack in the city pharmacies was USD 4.63, which was more than in the year-earlier period (USD 4.47) and the national average (USD 3.31). The average medicine expenses of St. Petersburg residents in the pharmacies were higher than the national average expenses in Russia (USD 101.26 vs. USD 73.21).

MOSCOW CITY HOSPITAL MARKET: 2018 FIRST NINE MONTHS RESULTS

According to the results of the Budget Audit of Finished Pharma Products (FFP) in the Russian Federation, at the end of the first nine months of 2018 the Moscow hospital market in physical terms reduced by 9% compared to the previous year and amounted to 37.250 mil. packs. In money terms, the market also showed negative growth rates both in terms of roubles (-5%) and in terms of dollars (-11%) and reached RUB 15.624 bil. (USD 250.274 mil.) in wholesale prices. At the end of January-September of 2018, the average cost of an FPP pack in the hospital sector of Moscow was USD 6.72, whereas in the year-earlier period its cost was USD 6.88.

Figure 1. Moscow hospital market for 9 months of 2017 – 9 months 2018



Half of the top ten manufacturers in the hospital market in Moscow demonstrated a negative trend as the market in whole in January-September 2018.(Table 1) Among them was the manufacturer PFIZER ranked number one in the top ten (-6%). Due to the reduction in purchases, the manufacturers MSD (-3%), SANOFI (-7%), JOHNSON & JOHNSON (-22%) and BIOCAD (-13%) fell in the ranks, moving down to ranks three, six, eight and nine respectively. In contrast, five manufacturers with positive growth rates moved up to the higher ranks. Thus, the most dynamic among the leaders ABBVIE (+ 53%) moved up to rank two from five, PHARMASYNTEZ (+ 16%) and MICROGEN (+ 26%) moved up to rank four and five from six and seven, and BAYER moved up to rank seven from nine (+ 32%). The newcomer BAXTER (+2%) moved up to rank ten in the ranking of the top ten brand names. The total share of the top ten trade names increased by over 4 p.p. and accounted for 41.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	**PFIZER**	7.3	7.3
2	5	**ABBVIE**	5.7	3.5
3	2	**MSD**	5.4	5.3
4	6	PHARMASYNTEZ	3.9	3.2
5	7	MICROGEN	3.8	2.9
6	4	**SANOFI**	3.6	3.7
7	9	**BAYER**	3.6	2.6
8	3	**JOHNSON & JOHNSON**	3.1	3.8
9	8	BIOCAD RF	2.5	2.7
10	12	BAXTER	2.2	2.1
Total			41.2	37.1

*AIPM members are in bold

Four newcomers broke into the ranks of the top-ten brand names (Table 2). SYNAGIS (22-fold growth in purchases), PNEUMOVAX-23 (1.3-fold growth), PENTAXIM (1.8-fold growth) and EYLEA (+84%) moved up to ranks three, five, eight and nine, respectively. In addition to the "newcomers", SEVORAN (+ 27%) moved up to the higher rank six. In contrast, three brand names with negative rates moved down to the lower ranks. They were NATRIUM CHLORIDUM (-9%), KALETRA (-33%) and VFEND (-5%) that moved up to ranks four, seven and ten, respectively. PREVENAR 13 (+8%) and SOVIGRIPP (+55%) kept and reinforced their top two ranks. The total share of the Top-10 increased from 11.9% to 17.5%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	PREVENAR 13	3.7	3.3
2	2	SOVIGRIPP	2.9	1.8
3	45	SYNAGIS	2.3	0.1
4	3	NATRIUM CHLORIDUM	1.7	1.8
5	25	PNEUMOVAX-23	1.3	0.5
6	10	SEVORAN	1.2	0.9
7	4	KALETRA	1.1	1.6
8	37	PENTAXIM	1.1	0.3
9	23	EYLEA	1.1	0.6
10	6	VFEND	1.1	1.1
Total			17.5	11.9

The top INN and group names leader managed to hold their own in the ranking: INN VACCINE, PNEUMOCOCCAL (+5%) held its previous rank one (Table 3). Some shifts took place in the lower part of the top ten manufacturers ranking, as a result of which six brands rose in the ranks. VACCINE, INFLUENZA (+52%) and SODIUM (-9%) moved up one rank, to numbers two and five. ALBUMIN (+13%) moved up from rank ten to six. The newcomers PALIVIZUMAB (22-fold growth in purchases), SEVOFLURANE (+ 28%) and AFLIBERCEPT (+ 92%) moved up to ranks three, eight and nine. Three INNs with strong negative rates IMMUNOGLOBULIN BASE (-22%), MEROPENEM (-25%) and LOPINAVIR*RITONAVIR (-33%), moved down to ranks four, six and ten. The total share of the analyzed rating was 21.7% instead of 17.8% in the same period of last year.

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

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	VACCINE, PNEUMOCOCCAL	5.0	4.5
2	3	VACCINE, INFLUENZA	3.8	2.4
3	46	PALIVIZUMAB	2.3	0.1
4	2	IMMUNOGLOBULIN BASE	2.0	2.5
5	6	SODIUM	1.7	1.8
6	4	MEROPENEM	1.6	2.0
7	10	ALBUMIN	1.5	1.3
8	15	SEVOFLURANE	1.4	1.0
9	30	AFLIBERCEPT	1.2	0.6
10	7	LOPINAVIR*RITONAVIR	1.1	1.6
Total			21.7	17.8

In contrast to the above rankings, the top ten ATC groups ranking changed its leader: the most dynamic group J07 Vaccines (+ 45%) moved up to rank one from two (Table 4). The former leader of the top ten J01 Antibacterials for systemic use reduced their purchases by 29% and moved down to rank two. Due to the negative dynamics, J05 Antivirals for systemic use (-33%), B01 Anticoagulants (-6%) and J02 Antifungal drugs of systemic action (-7%), which moved down to ranks five, eight and nine respectively, lost two ranks each. This allowed group L01 Antineoplastic drugs (-5%) to move one rank up, to number three, despite the decline in its purchases. Also, another four ATC groups with positive dynamics moved up to the higher ranks. B05 Blood substitutes and perfusion solutions (+ 8%), V08 Contrast agents (+ 26%) and J06 Immune sera and immunoglobulins (+ 39%), as well as the newcomer of the top-10 N01 Anesthetics (+ 4%) broke into the ranks of the top ten, coming in at numbers four, six and seven. The total share of the top 10 increased from 66.6% to 69.9%.

Table 4. The top ten ATC groups by hospital purchases

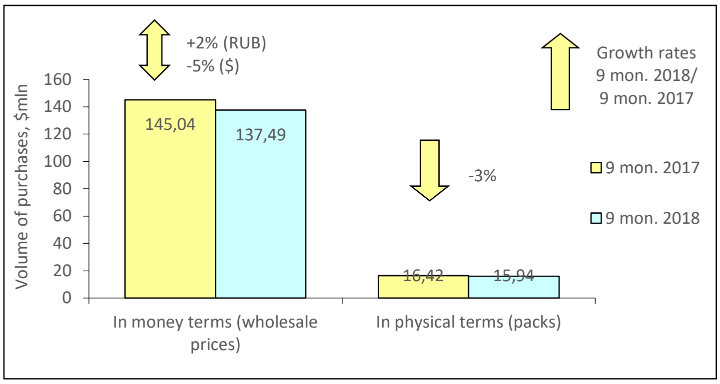
Rank		ATC code	ATC group	Share in total hospital purchases, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	2	J07	VACCINES	14.8	9.7
2	1	J01	ANTIBACTERIALS FOR SYST USE	9.4	12.6
3	4	L01	ANTINEOPLASTIC AGENTS	9.2	9.1
4	5	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	7.8	6.8
5	3	J05	ANTIVIRALS FOR SYSTEMIC USE	6.8	9.5
6	8	V08	CONTRAST MEDIA	5.2	3.9
7	10	J06	IMMUNE SERA & IMMUNOGLOBULIN	5.0	3.4
8	6	B01	ANTITHROMBOTIC AGENTS	4.3	4.3
9	7	J02	ANTIMYCOTICS FOR SYSTEMIC USE	3.9	3.9
10	11	N01	ANESTHETICS	3.5	3.2
Total				69.9	66.6

Conclusion. At the end of the first nine month in 2018, the Moscow hospital market reduced by 5% in rouble terms and by 11% in dollar terms and brought in RUB 15.624 bil. (USD 250.274 mil.). In pack terms, the market also showed negative growth rates (-9%) and achieved 37.250 mil. packs. The average cost of an FPP pack in the Moscow hospital market decreased as compared to the same period of the previous year (USD 6.72 vs. USD 6.88).

SAINT PETERSBURG HOSPITAL MARKET: 2018 FIRST NINE MONTHS RESULTS

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit), at the end of January-September 2018 the St. Petersburg hospital market reduced by 13% in physical terms and amounted to 15.944 mil. packs. In money terms, the purchases dynamics was positive in rouble (+2%) and negative in dollar (-5%) terms, and the volume amounted to RUB 8.646 bil. (USD 137.488 mil.) in wholesale prices. Based on the results for the first nine months of 2018, the average cost of OTC pack in the hospitals of the city was USD 8.62, whereas in the year-earlier period its cost was USD 8.84.

Figure 1. St. Petersburg hospital market for 6 months of 2017 – 6 months 2018



Following the results of the first nine months of 2018, the drug manufacturer JOHNSON & JOHNSON (+10%), PFIZER (+19%) и MSD (+10%) continued to held their leading positions in the top-ten drug manufacturers ranking in the St. Petersburg hospital market, though the purchases of the former reduced considerably (Table 1). BAYER (-5%), which moved down to rank nine, also showed negative growth rates. The remaining manufacturers showed a positive trend, the majority - advanced trend, which allowed them to improve their ranks. ABBVIE (+ 13%), PHARMASYNTEZ (+ 25%), BIOCAD (+ 30%) and SANOFI (+ 29%) moved up one rank, to numbers four, five, seven and eight. Its only newcomer MICROGEN (+6%) moved up to the bottom rank in the top 10 ranking. And only NOVARTIS (+ 1%) moved down two ranks, due to lagging dynamics and a decline in the market share. The total share of the top 10 manufacturers increased from 45% to 47.5%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	**JOHNSON & JOHNSON**	9.0	10.4
2	2	**PFIZER**	6.0	5.2
3	3	**MSD**	5.4	5.0
4	5	**ABBVIE**	5.1	4.6
5	6	PHARMASYNTEZ	4.8	3.9
6	4	**NOVARTIS**	4.6	4.7
7	8	BIOCAD RF	3.9	3.1
8	9	**SANOFI**	3.6	2.8
9	7	**BAYER**	3.0	3.2
10	12	MICROGEN	2.1	2.1
Total			47.5	45.0

*AIPM members are in bold

KALETRA (+ 12%) and ISENTRESS (-11%) held their previous top ranks in the top ten brand ranking in terms of hospital purchases (Table 2). The ranks of the remaining top 10 brands changed, and the majority of them rose in the ranks. Thus, PREVENAR 13 (+ 41%) and EVIPLERA, purchases of which doubled, moved up to ranks three and four. IMBRUVICA (+46%) moved up one rank, to number six. Three newcomers of the top ten, SIMANOD (3.4-fold growth in purchases), RIBOMUSTIN (+ 41%) and TIVICAY (11-fold growth) moved up to ranks seven and the last two ranks. At the same time, NATRIUM CHLORIDUM (-13%), which reduced purchases (-13%), dropped from rank five to eight and SOVIGRIPP (+ 7%) shifted from rank five to eight, despite the outperformance. The total share of the top 10 reduced from 13.8% to 18.1%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	KALETRA	2.8	2.6
2	2	ISENTRESS	2.2	2.6
3	4	PREVENAR 13	2.2	1.6
4	10	EVIPLERA	2.0	1.0
5	3	NATRIUM CHLORIDUM	1.7	2.0
6	7	IMBRUVICA	1.6	1.1
7	31	SIMANOD	1.5	0.5
8	5	SOVIGRIPP	1.5	1.4
9	12	RIBOMUSTIN	1.3	0.9
10	47	TIVICAY	1.3	0.1
Total			18.1	13.8

Numerous changes also took place in the top 10 INN and group names rating (Table 3). The leader changed as well. The composition LOPINAVIR*RITONAVIR (+12%) moved up to rank one from two. In addition, INN VACCINE, PNEUMOCOCCAL (+ 42%) moved to higher rank two from six, IBRUTINIB (+ 46%) moved up to rank seven from ten. TENOFOVIR DISOPROXIL * EMTRICITA-BINE * RILPIVIRINE (2-fold growth in purchases), BENDAMUSTINE (+ 41%) and DOLUTEGRAVIR (11-fold growth) for the first time included in the top-10, moved up to ranks seven and the bottom two ranks. INN ATAZANAVIR (+ 8%) lost one rank, displaced by more dynamic INNs of the top ten, while SODIUM (-13%) moved down two ranks, due to negative dynamics. However, two INNs of the top ten ranking, INN RALTEGRAVIR (-11%) and VACCINE, INFLUENZA (+ 11%) managed to keep their ranks unchanged.The total share accumulated by the top-ten INNs and grouping names increased from 15.7% to 18.7%.

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

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	2	LOPINAVIR*RITONAVIR	2.8	2.6
2	6	VACCINE, PNEUMOCOCCAL	2.4	1.7
3	3	RALTEGRAVIR	2.2	2.6
4	14	TENOFOVIR DISOPROXIL* EMTRICITABINE*RILPIVIRINE	2.0	1.0
5	5	VACCINE, INFLUENZA	1.9	1.8
6	4	SODIUM	1.7	2.0
7	10	IBRUTINIB	1.6	1.1
8	7	ATAZANAVIR	1.5	1.5
9	16	BENDAMUSTINE	1.3	0.9
10	49	DOLUTEGRAVIR	1.3	0.1
Total			18.7	15.3

Only one newcomer entered the top ten ATC Group: L04 Immunosuppressants (+38%) moved up to rank nine from 12 (Table 4). In addition, the other two groups moved up yet to higher positions. J07 Vaccines (+45%) moved up to rank three from five, N01 Anaesthetics (-6%) moved up to rank eight from nine. The other four ATC groups of the top 10 held their own in the ranking. These are its leaders L01 Antineoplastic agents (+ 27%) and J05 Antivirals for systemic use (-7%), and B05 Blood substitutes and perfusion solutions (-3%) and V08 Contrast media (+ 4%) placed at ranks six and seven. Three groups with pronounced negative dynamics, J01 Antibacterial drugs for systemic use (-10%), N05 Psychotropic drugs (-19%) and B01 Anticoagulants (-16%) dropped to ranks four, five and ten, respectively. The top ten ATC groups accumulated 75.5% of the regional market, which accounted for 72.1% in the year-earlier period.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	1	L01	ANTINEOPLASTIC AGENTS	24.6	19.8
2	2	J05	ANTIVIRALS FOR SYSTEMIC USE	16.9	18.4
3	5	J07	VACCINES	7.8	5.5
4	3	J01	ANTIBACTERIALS FOR SYST USE	6.1	6.9
5	4	N05	PSYCHOLEPTICS	4.5	5.7
6	6	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	4.5	4.7
7	7	V08	CONTRAST MEDIA	3.8	3.7
8	9	N01	ANESTHETICS	2.5	2.7
9	12	L04	IMMUNOSUPPRESSANTS	2.4	1.8
10	8	B01	ANTITHROMBOTIC AGENTS	2.4	2.9
Total				75.5	72.1

Conclusion. At the January-September-end 2018, the St. Petersburg hospital market grew by 2% in rouble terms and by 5% in dollar terms and brought in RUB 8.646 bil. (USD 137.488 mil). In pack terms, the market showed negative growth rates (-3%) and amounted to 15.944 mil. packs. In the first nine months of 2018, the average cost of a FPP pack on the city hospital sector was lower than that in the year-earlier period (USD 8.62 vs. USD 8.84).