СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

РЕМЕДИУМ
ГРУППА КОМПАНИЙ

AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

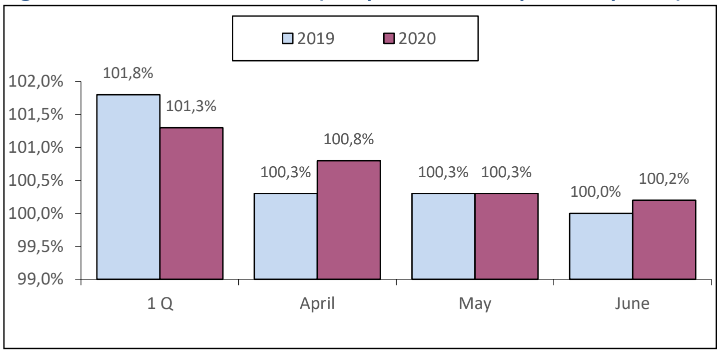
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 100.2% in June 2020 compared to the previous month and 102.6% compared to December of the previous year.

In June of 2020, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 106.1%, whereas in the month-earlier period it had amounted to 97.2%. The index accounted for 94.9% against December of 2019.

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



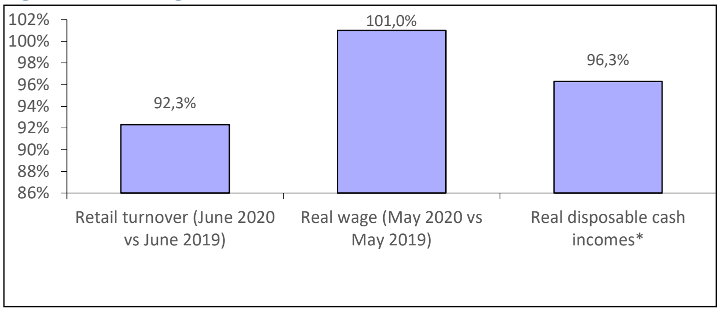
Living standard

In May 2020, a gross monthly average wage of corporate employees reached RUB 50747 (USD 698.90). It accounted for 104.0% compared to May 2019, and 102.7% compared to the previous period. In May 2020, the real gross wage accounted for 101.0% as compared to May 2019, and 102.4% against the prior period. According to estimates[1], real disposable cash incomes decreased by 3.7% in the first half of 2020 compared to the first half of 2019 (Fig. 2).

Retail turnover

In June 2020, the retail turnover was equal to RUB 2623.5 bil or 92.3% (in comparable prices) against the level of the same period of the previous year, in the first half of 2020 - RUB 15177.0 bil. or 93.6% (Fig. 2).

Figure 2. Real wage and retail turnover



* First half of 2020 vs first half of 2019

Industrial Production

According to Federal State Statistics Service's data, June 2020 Industrial Production Index accounted for 90.6% compared to the same period a year ago, and in the first half of 2020- 96.5%.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in June 2020 accounted for 136.8% compared to the relevant period of 2019, and 109.4% compared to May 2020. In January-June 117.8% compared to January-June 2019.

Domestic production

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

Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales volume in June 2020

Rank	Manufacturer	RUB mil.
1	Otcpharm	2689.2
2	Biocad	2618.0
3	Generium	2096.7
4	Pharmstandart	1879.4
5	Stada	1755.5
6	Pharmasyntez	1266.2
7	Sintez	959.8
8	Vertex	912.0
9	Veropharm	892.8
10	Akrihin	890.7

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In May 2020, the sales (in terms of roubles) continued to reduce in most of the regions compared to the previous month. The most pronounced negative growth in sales was observed in Moscow (-27%), the least one in Krasnodar Krai (-13%). Increase in sales was recorded in Tatarstan (+11%) and Perm (+15%).

Table 2. Pharmacy sales in the regions, 2020

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	March 2020	April 2020	May 20	March / February 20	April/March 20	May/ April 20
Moscow	288.7	158.2	119.2	69%	-44%	-27%
St. Petersburg	87.7	64.6	52.4	31%	-24%	-22%
Krasnodar Krai	48.8	28.6	25.7	35%	-40%	-13%
Krasnoyarsk Krai	30.2	19.7	17.0	26%	-33%	-17%
Tatarstan	27.0	16.9	19.5	15%	-36%	11%
Rostov Region	32.6	22.3	18.2	37%	-30%	-21%
Novosibirsk Region	24.8	18.2	15.9	18%	-25%	-16%
Voronezh Region	20.5	14.0	11.7	39%	-30%	-19%
Perm	8.1	5.1	6.0	8%	-36%	15%
Tyumen	10.0	6.6	5.8	22%	-32%	-15%

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 June 2020

Rank	Company*	Quantity of broadcasts
1	Sanofi	8,369
2	Sandoz	8,249
3	Berlin-Chemie Menarini Group	5,914
4	Johnson & Johnson	4,034
5	Dr. Reddy's Laboratories	3,527

Source - Remedium according to Mediascope's data

Table 4. The top five brands in mass media in June 2020

Rank	Brand*	Quantity of broadcasts
1	Exoderil	2,786
2	Baneocin	2,449
3	Troxevasin	2,348
4	Linex	2,297
5	Evalar	2,074

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

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

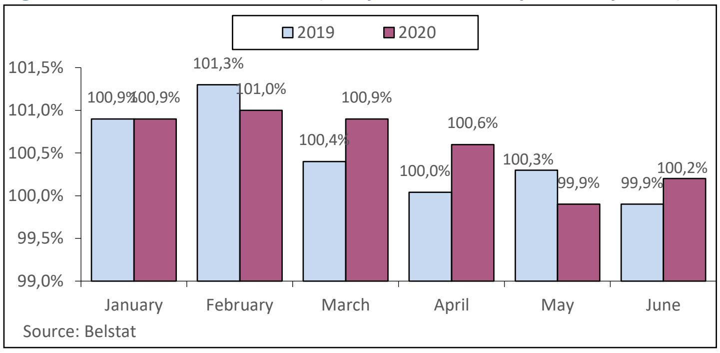
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to the Committee for Statistics of the National Statistical Committee of Belarus, the Consumer Price Index was estimated at 100.2% in June 2020, 103.4% compared to January-June 2019. The Consumer Price Index was 104.9% in the first half of 2020 as compared to January-June of 2019.

In June 2020, Industrial Producer Price Index was 100.2% compared to May 2020, and 103.9% compared to January-June 2019. The Industrial Producer Price Index was 104.7% in the first half of 2020, as compared to January-June 2019.

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



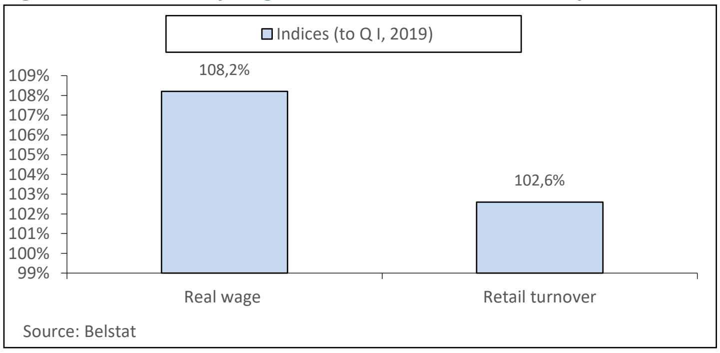
Living standard

According to the preliminary Balstat's data, in June 2020 the average monthly nominal accrued wage of the workers in the Republic of Belarus was BYR 1248.9 (USD 524.20[2]), in the first half of 2020 - BYR 1188.5 (USD 508.54) in the first half of 2020, which accounted for 115.1% and 113.5% against the same periods in 2019. In June 2020, the real wage accounted for 109,4% as compared to the same period of 2019, 108.2% in January-June 2020 (Fig. 2). According to Balstat's data, in January-May 2020 the real disposable cash income accounted for 105.4% as against January-May 2019.

Retail turnover

In June 2020, the retail turnover was estimated at RUB 4,382.5 mil. which accounted for 104.1% as compared to the previous period and 100.8% as compared to June 2019. Based on the results for the first half of 2020, it amounted to RUB 25.1 bil. or 102.6% at comparable prices as compared to the first half of 2019 level (Fig. 2).

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



Industrial Production

According to the Statistical Committee of the Republic of Belarus, 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 9,041.3 mil. in current prices in June 2020, BYR 52.9 bil. in the first half of 2020, or 100.9% 100.9% at comparable prices as compared to the respective period of 2019.

According to Belstat's data, in the first half of 2020 pharmaceutical production output of essential pharmaceutical products and pharmaceutical preparations was estimated at BYR 763.8 mil., which accounted for 115.2% against the indicators of the first half of 2020 at comparable prices.

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

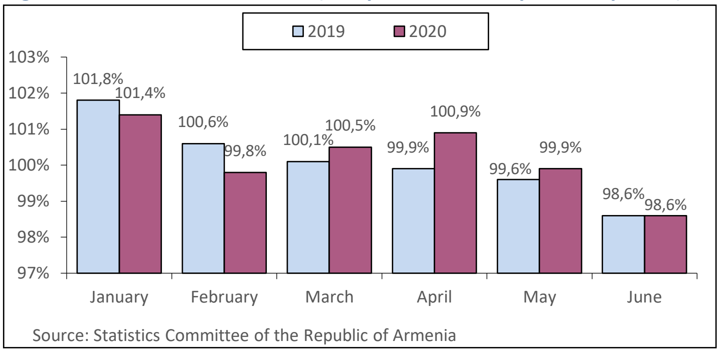
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to the Statistics Committee of the Republic of Armenia, in June 2020 consumer price index amounted to 98.6% against the previous month and 101.0% compared to December 2019. The Consumer Price Index accounted for 100.5% in January-June 2020 compared to the same period of 2019.

The Industrial Producer Price Index was 100.5% in June 2019 as compared to the previous month, 97.9% compared to December 2019. In the first half of 2020, the Index reached 100.7% as compared to 2019.

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



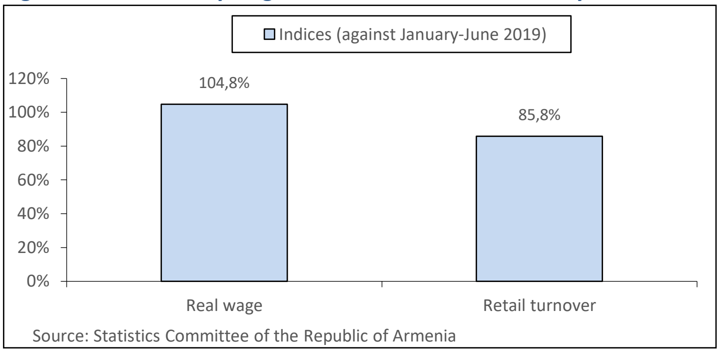
Living standard

According to preliminary estimates of the National Statistical Service of RA, in June 2020 the average monthly nominal wage of the workers of the Republic of Armenia was Dram 182200 (USD 378.58), which accounted for 99.7% compared to the previous period and 101.5% compared to the same period of 2019. In January-June 2020, the average monthly nominal wage per worker was Dram 186410 (USD 385.54) or 105.4% against the same period of 2019. The real wage (according to Eurasian Economic Commission) accounted for 104.8% in January-June 2020 as compared to January-June 2019 (Fig. 2).

Retail turnover

The retail turnover amounted to Dram 103283.8 mil. in June 2020, and Dram 579960.6 mil. in January-June 2020, which accounted for 82.2% and 85.8% respectively, as compared to the same period of the previous year (Fig. 2).

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



Industrial Production

According to the preliminary data of Statistics Committee of the Republic of Armenia, in June of 2020 the industrial output by economic activities "Mining industry", "Processing industry" and "Supply of electricity, gas, steam, hot water and conditioned air" and "Water supply; sewerage, waste management and remediation activities" amounted to AMD 160349.8 mil., and AMD 895952.1 mil. in January- June 2019 or 97.6% and 101.5% against the same periods of 2019, respectively.

According to Statistics Committee of the Republic of Armenia, the pharmaceutical output was estimated at AMD 856.9 mil. in June 2020, and AMD 5207.9 mil. from the beginning of the year, which accounted for 105.3% and 116.2% as compared to the same periods of 2019.

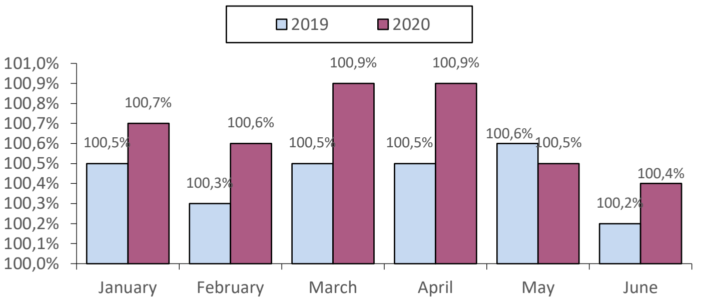
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in June 2020 the Consumer Price Index was estimated at 100.4% compared to the previous month, as against to June 2019 107% compared to December 2019. In January-June 2020, the Index reached 106.4% as compared to 2019.

The Industrial Producer Price Index was 101.7 % in June 2020r, as compared to the previous month, 79.8% compared to June 2019. In January-June 2020, the prices of manufacturers of industrial products decreased by 8.6% as compared to 2019.

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



Source: RK Committee on Statistics

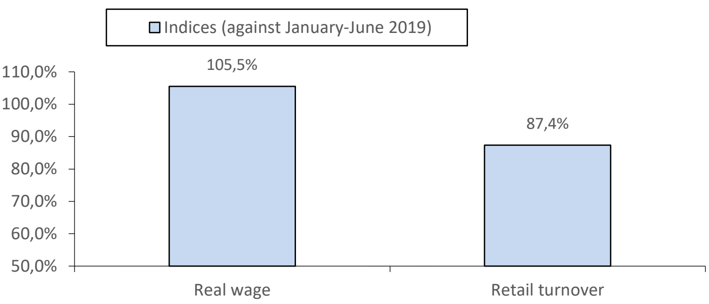
Living standard

According to the preliminary data of the RK Committee on Statistics, the gross monthly average salary per worker reached KZT 196922 (USD 489,32.[3]) in June 2020, KZT 198822 (USD 492.33) in January-June of 2020. The Nominal Wage Index against the respective period of the previous year accounted for - 101.0% in June 2020, – 112.2% in January-June 2020, and the real wage index in June 2020 was 94.4% as compared to June 2019, in January-June 2020 105.5% compared to the relevant period of 2019. According to the preliminary data, in January-May 2020 the real cash income index was 103.7% compared to the same period of 2019 (Fig. 2).

Retail turnover

The retail turnover in June 2020 was KZT 1069,4 bil., which is 101.6% against June 2019. In January-June 2020, its volume amounted to KZT 4613.1 bil., which was 12.6% less than in January-June 2019 (at comparable prices) (Fig. 2).

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



Source: RK Committee on Statistics

Industrial Production

According to data of the Committee for Statistics of RK, in June 2020 the industrial output was KZT 2051.8 bil., KZT 12541.8 bil. in January-June 2020. As compared to the same period of 2019, the indices accounted for 94.4% and 103.1%, respectively.

According to the Statistics Committee of RK, the industrial output of basic pharmaceutical products amounted to KZT 61046 mil. in January-June 2020, and KZT 10648 mil. in June 2020. In January-June 2020, the Industrial Production Volume Index for Pharmaceuticals was 123.6% compared to January-June 2019, and in June 2020 135.4% compared to the relevant period of 2019.

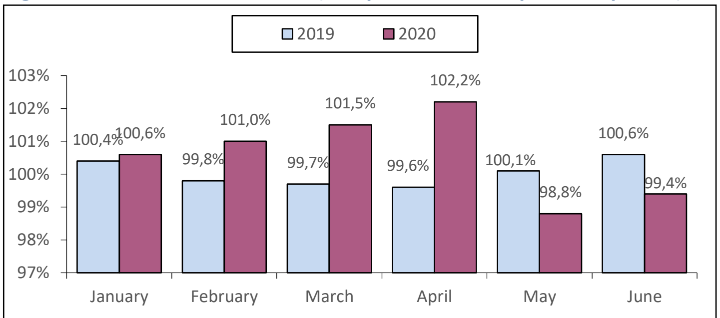
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to the National Statistics Committee of the Kyrgyz Republic, the Consumer Price Index was estimated at 99.4% in June 2020 compared to the previous month, 103.0% compared to December of 2019. In January-June 2020, the index reached 105.8% compared to January-June 2019.

In June 2020, the Producer Price Index for industrial production and services was 96.7% as compared to the previous month. In January-June 2020 the prices of producers for industrial products and services throughout the Republic increased by 16.0% compared to January-June 2019.

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



Source: RK Committee on Statistics

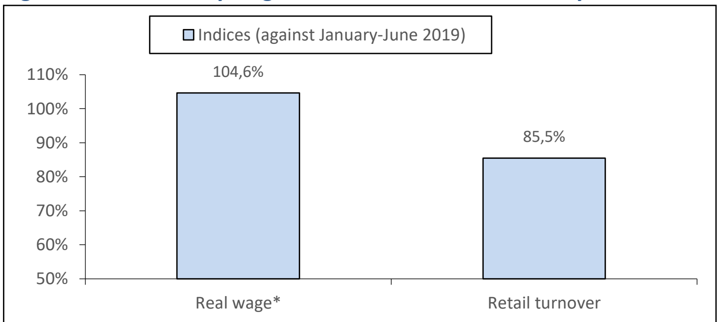
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in May 2020 the average monthly nominal wage per worker was KGS 17799 (USD 232.60), in January-May 2020 - KGS 17727 (USD 238.36), which accounted for 107.2% and 110.7% compared to the relevant period of the previous year, respectively. In January-May of 2020, the real wage accounted for 104.6% as compared to January-May of 2019, in May 2020 100% as compared to May 2019 (Fig. 2).

Retail turnover

In June 2020, the retail turnover (without cars and motorcycles sales) amounted to KGS 17834.0 mil., in January-June 2020 - KGS 93910.6 mil. in January-June of 2019. The Retail Turnover Volume Index accounted for 82.7% and 85.5% compared to the same period of the previous year (Fig.2).

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



Source: RK Committee on Statistics

* - data for January-May 2019

Industrial Production

According to data of the National Committee for Statistics of the Kyrgyz Republic, in June 2020 the industrial output was KGS 29667.8 mil., KGS 153471.0, 0 mil. in January-June 2020. The Physical Index of Industrial Production accounted for 101.7% and 100.1% as compared to the same periods of 2019, respectively.

According to the National Committee for Statistics of the Kyrgyz Republic, the pharmaceutical output amounted to KGS 62.3 mil. in June 2020, and KGS 458.5 mil. from the start of the year. At the end of June 2020, the Physical Index of Industrial Production for Pharmaceuticals was 93.5% compared to the same period of 2019, and 243.7% in January-June 2020 compared to 2019.

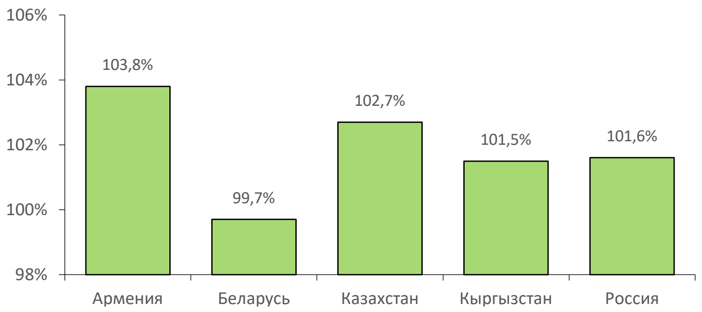
[3] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Kazakhstan www.nationalbank.kz

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to Eurasian Economic Commission (EAEC), in January-March of 2020 GDP of EAEU member-states amounted to more than USD 437 bil. The Volume of Industrial Products index accounted for 101.6% as compared to January-March 2019. GDP growth was recorded in Armenia (+3.8%), in Kazakhstan (+2.7%), in Kyrgyzstan (+1.5%) and in Russia (+1.6%). In Belarus, GDP decreased by 0.3% (Fig. 1).

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

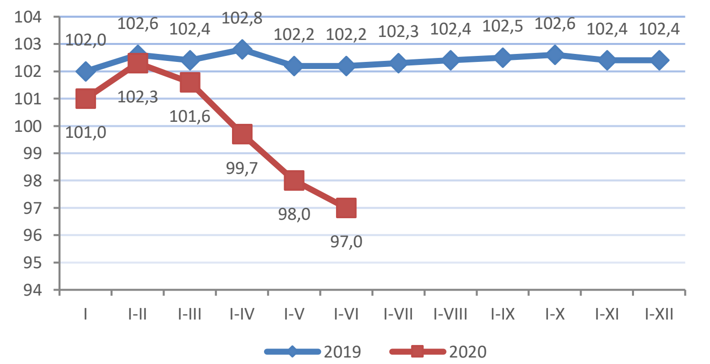


Source: EEU

Industrial Production

The industrial output of the EAEU in January – June 2020 amounted to 490.2 bil. USD and decreased by 3.0% compared to the same period of 2019 at fixed prices (Fig. 2). In individual countries, the Industrial Production Index accounted for: 101.5% in Armenia, 96.9% in Belarus, 103.1% in Kazakhstan, 100.1% in Kyrgyzstan and 96.5% in Russia.

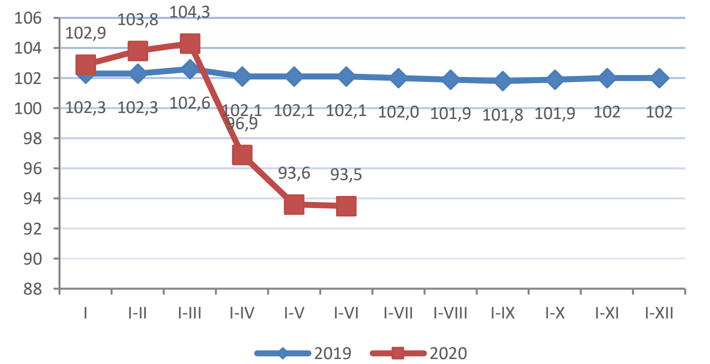
Figure 2. Dynamics of the industrial output in EAEU (as % over the same period of the previous year; constant prices)



Retail turnover

According to the EEC, the retail turnover (through all sales channels) of EEU member-states in January-June 2020 amounted to USD 244.5 bil. Compared with the same period of 2019, the volume of retail sales (in comparative prices) decreased by 6.5%. In the analysed period, most of the member-states showed a decrease in the retail turnover. In this case, the indices accounted for 85.7% in Armenia, 102.6% in Belarus, 87.4% in Kazakhstan 82.7% Kyrgyzstan and 93.6% 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, the gross monthly average nominal wage per worker increased by 5.4% in Armenia, 13.5% in Belarus, 16.3% in Kazakhstan, 10.5% in Kyrgyzstan, 5.8% in Russian in January-June of 2020. The real wage (adjusted for the consumer price index for goods and services) increased by 4.8% in Armenia, 8.2% Belarus, 9.3% in Kazakhstan, 4.4% in Kyrgyzstan, 2.9% in Russia.

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

Country	Real wage, % against the same period of 2019	Nominal wage, USD
Armenia	104.8	385
Belarus	108.2	505
Kazakhstan	109.3	510
Kyrgyzstan	104.4	242
Russia	102.9	717

Budget performance

According to ECE, in January-March 2019 the republican budget was executed with surplus in Armenia, Belarus and Russia and with deficit in Kazakhstan and Kyrgyzstan. At the same time, Belarus and Russia experienced a decrease in the budget surplus and in Kyrgyzstan, the government budget balance turned from surplus to deficit.

The growth rates of the republican budget indicators saw a variety of trends in comparison with the relative period of the last year. The growth rates of the republican budgets were: revenues - 116% in Armenia, 96% in Belarus, 109% in Kazakhstan, 89% Kyrgyzstan and 103% Russia; expenditures - 115% in Armenia, 109% in Belarus, 110% in Kazakhstan, 115% in Kyrgyzstan, 118% in Russia.

Table 2. Republican budget in January-March 2020

Country	USD bil.		
	Income	Expenditure	Deficit (surplus)
Armenia	0.8	0.7	0.1
Belarus	2.3	2.2	0.1
Kazakhstan	6.9	7.6	-0.7
Kyrgyzstan	0.4	0.5	-0.1
Russia	71.6	69.9	1.7
EAEU	**81.9**	**80.8**	**1.1**

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

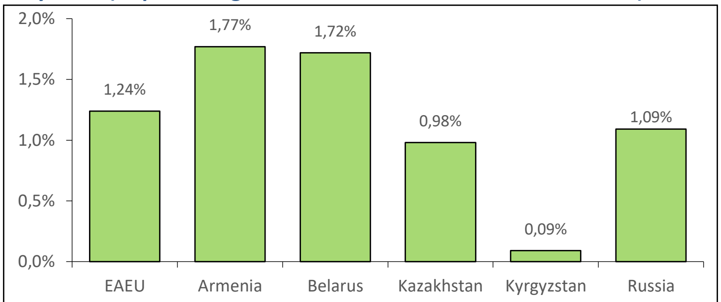
Volume of mutual trade in goods of the Member States of the Eurasian Economic Union in January- May 2020 amounted to USD 20 bil. or 84.8% as against the same period of 2019.

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

Countries	USD bil.	% vs January-May 2019.	Share in total, %
EAEU	**19957.4**	**84.8**	**100.0**
Armenia	221.6	86.3	1.1
Russia	213.2	85.6	96.2
Belarus	5270.4	94.2	26.4
Russia	4959.5	94.9	94.1
Kazakhstan	1984.8	80.6	9.9
Russia	1756.9	80.5	88.5
Kyrgyzstan	193.9	81.1	1.0
Russia	102.4	98.1	52.8

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

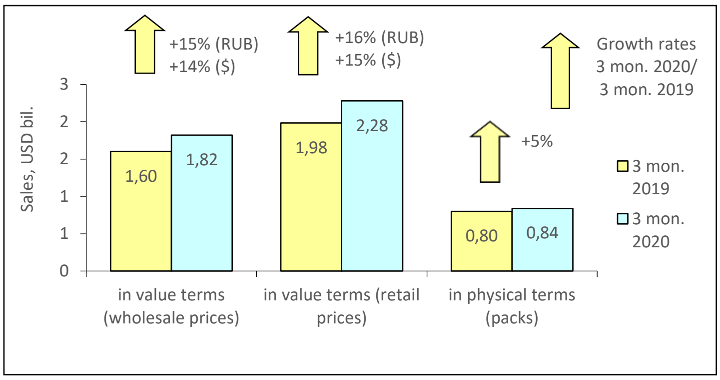
Table 4. The mutual trade pattern of EAEU member-states within the Customs Commodity Code group "Pharmaceutical products" for January-May 2020 (as percentage over the total volume of mutual trade)



PHARMACY OTC MARKET IN RUSSIA: FIRST THREE MONTHS RESULTS 2020

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first three months of 2020 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 5% increase to 838.800 mil. packs. In money terms, the OTC drugs market increased by 15% in rouble terms and by 14% in dollar terms and reached RUB 121.800 bil. (USD 1.822 bil.) in wholesale prices (Fig. 1). The share of over-the-counter (OTC) drugs accounted for 66.5% of sales in physical terms and 50.7% in retail prices in terms of roubles. At the end of January-March of 2020, the average cost of an OTC pack was USD 2.72 at retail prices, whereas in the year-earlier period its cost was USD 2.48. In the analysed period, Russians spent an average of USD 15.53 on the purchase of OTC drugs in the pharmacies.

Figure 1. Russian pharmacy OTC market for 3 months of 2019 – 3 months 2020



At first quarter-end 2020, OTCPHARM (+27%[4]) and STADA (+5%) held their previous leading positions in the top-10 manufacturers ranking in the non-prescription drugs market (Table 1). The manufacturers GLAXOSMITHKLINE (+17%) and SANDOZ (+18%) also kept their previous ranks five and six. Five manufacturers managed to rise in the ranks. SANOFI (+12%) moved up to rank three from four, displacing BAYER (+9%) down to rank four. JOHNSON&JOHNSON (+19%), TEVA (+11%), VALENTA (+27%) and RECKITT BENCKISER (+22%) moved one rank up, coming in at numbers seven through ten, respectively. Note that the latter became the only newcomer of the top-10 ranking. The total share of the top 10 drug manufacturers accounted for 40.9%, while it was 40.4% 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, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	1	OTCPHARM	7.3	6.7
2	2	STADA	5.2	5.7
3	4	**SANOFI**	4.2	4.3
4	3	**BAYER**	4.2	4.4
5	5	**GLAXOSMITHKLINE**	4.0	3.9
6	6	**SANDOZ**	3.6	3.5
7	8	**JOHNSON & JOHNSON**	3.5	3.4
8	7	**TEVA**	3.3	3.4
9	10	VALENTA	3.2	2.9
10	11	**RECKITT BENCKISER**	2.5	2.3
Total			40.9	40.4

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brands ranking: ARBIDOL (2.1-fold growth in sales) and ERGOFERON (+27%) moved up to ranks four and ten (Table 2). The leaders also changed: INGAVIRIN (+39%) moved up to rank one from two, MIRAMISTIN (+63%) moved up to rank two from seven. NUROFEN (+18%) held its previous rank three. The brands with low purchase rates moved down to ranks five through nine, respectively. DETRALEX (+20%), THERAFLU (+25%) and PENTALGIN (+21%) lost one rank each, and the brand CARDIOMAGNYL (+14%) moved two brands down. Due to 21% reduction in sales, KAGOCEL moved down from rank one to seven. The total share of the top 10 brands increased from 11.9% to 13.1%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	2	INGAVIRIN	1.9	1.6
2	7	MIRAMISTIN	1.6	1.1
3	3	NUROFEN	1.5	1.5
4	15	ARBIDOL	1.3	0.7
5	4	DETRALEX	1.3	1.3
6	5	THERAFLU	1.2	1.1
7	1	KAGOCEL	1.2	1.7
8	6	CARDIOMAGNYL	1.1	1.1
9	8	PENTALGIN	1.1	1.0
10	12	ERGOFERON	0.9	0.8
Total			13.1	11.9

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

In spite of the change of a leader in the rating above, XYLOMETAZOLINE (+13%), IBUPROFEN (+4%) and PANCREATIN (+12%) continued to take the lead in the top ten INN and group names ranking (Table 3). Three INNs of the top ten that showed a pronounced growth in sales rose in the ranks. IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+39%) moved up to rank four from 6, MIRAMISTIN (+63%) to rank six from nine, and the only newcomer of the top ten UMIFENOVIR (2.1-fold growth) to rank 7 from 17. At the same time, the less dynamic compositions DIOSMIN*HESPERIDIN and ACETYLSALICYLIC ACID* MAGNESIUM (+15% each), as well as KAGOCEL (-21%), which reduced its sales rates, in contrast, moved down to the lower ranks five, eight and nine, respectively. PARACETAMOL*ASCORBIC ACID* PHENIRAMINE* PHENYLEPHRINE (+16%) continued to hold its previous rank ten. The total share of the top ten ranking increased by 0.6 p.p. and achieved 17.5%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	1	XYLOMETAZOLINE	3.2	3.2
2	2	IBUPROFEN	2.0	2.2
3	3	PANCREATIN	2.0	2.0
4	6	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.9	1.6
5	4	DIOSMIN*HESPERIDIN	1.9	1.9
6	9	MIRAMISTIN	1.6	1.1
7	17	UMIFENOVIR	1.6	0.9
8	7	ACETYLSALICYLIC ACID* MAGNESIUM	1.2	1.2
9	5	KAGOCEL	1.2	1.7
10	10	PARACETAMOL*ASCORBIC ACID* PHENIRAMINE*PHENYLEPHRINE	1.1	1.1
Total			17.5	16.9

J05 Antivirals for systemic use (+35%) became the best-selling and dynamic group of the top ten over-the-counter drugs rating based on the results for the first quarter of 2020 (Table 4). R05 Cough and cold preparations (+14%) which used to take rank number one moved down to rank two, and N02 Analgesics (+19%) moved to rank three, leaving behind R01 Nasal preparations (+18%). A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+5%) showed low growth in sales and moved down to rank seven from five, giving way to C05 Vasoprotectors (+12%) and L03 Immunostimulants (+24%). Due to 29% growth in rates, R02 Throat preparations moved up to rank eight from ten, displacing A11 Vitamins (+9%) and M01 Anti-inflammatory and antirheumatic products (+18%) one rank down. In total, the top - ten ATC groups accumulated 51.3% of the retail market, whereas in the year– earlier period they accounted for 50%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2020	3 mon. 2019			3 mon. 2020	3 mon. 2019
1	3	J05	ANTIVIRALS FOR SYSTEMIC USE	6.9	5.9
2	1	R05	COUGH AND COLD PREPARATIONS	6.5	6.5
3	4	N02	ANALGESICS	6.1	5.9
4	2	R01	NASAL PREPARATIONS	6.1	5.9
5	6	C05	VASOPROTECTIVES	4.9	5.0
6	7	L03	IMMUNOSTIMULANTS	4.7	4.3
7	5	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	4.6	5.1
8	10	R02	THROAT PREPARATIONS	3.9	3.5
9	8	A11	VITAMINS	3.8	4.1
10	9	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.7	3.7
Total				51.3	50.0

Conclusion. Based on the results for the first three months of 2020, the OTC retail market of Russia amounted to RUB 152.410 bil. (USD 1.983 bil.). At the same time, behaviour was positive both in rouble (+16%) and dollar (+15%) terms. In pack terms, the market reduced by 5% and amounted to 838.800 mil. packs. The average cost of OTC-pack in the pharmacies of Russia was USD 2.57 based on the results for January-March of 2019, which was more than the previous year figure (USD 2.48). The average expenses of Russian residents for the purchase of OTC drugs in pharmacies in the period under review increased (USD 15.53 vs. USD 13.51).

PRICE ANALYSIS, 1-2 QUARTER 2020 KEY PERFORMANCE INDICATORS

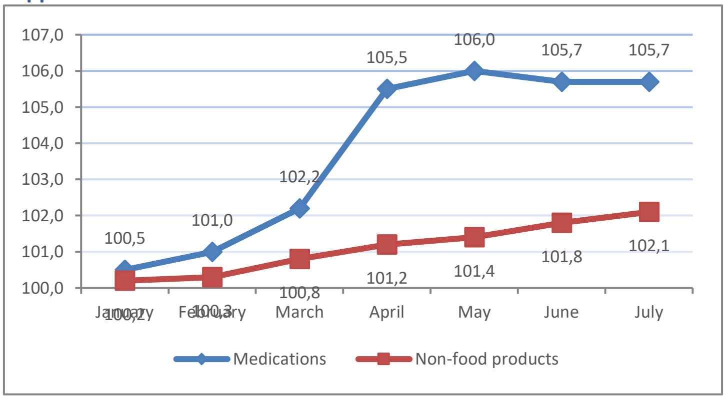
Price Indices

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

	July 2020 to December 2019	January-July 2020 vs. January-July 2019
CPI	103.0	102.9
CPI for non-food products	102.1	102.7
CPI for medications	105.7	108.1

Rosstat data

Figure 1. Dynamics of the price index for non-food items and medication supplies vs. December 2019



Rosstat data

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

Figure 2. Dynamics of weighted average prices and retail margins in 1-2 Q 2019 – 1-2 Q 2020

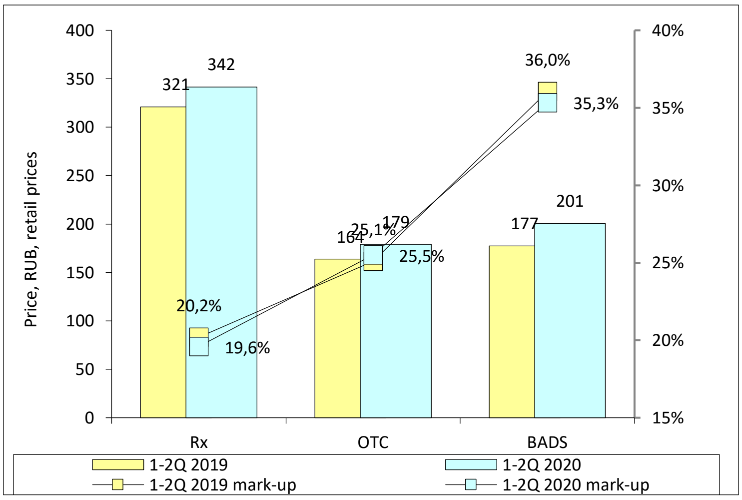


Figure 3. Dynamics of weighted average prices and retail margins in 1-2 Q 2019 – 1-2 Q 2020

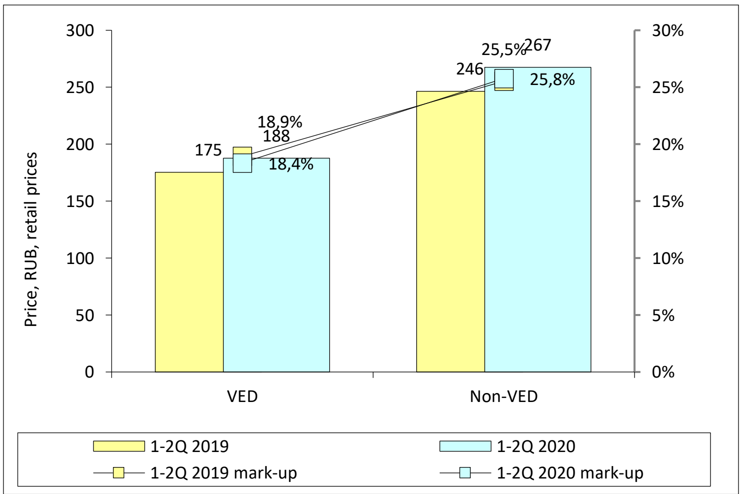
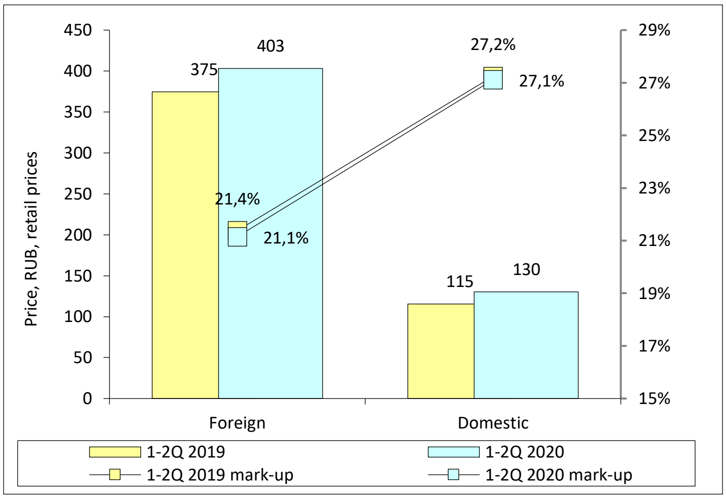


Figure 4. Dynamics of weighted average prices and retail margins in 1-2 Q 2019 – 1-2 Q 2020



Indicators of price movement in the reimbursable market segment

Figure 5. Dynamics of weighted average purchase prices in 1-2 Q, 2019 – 1-2 Q 2020

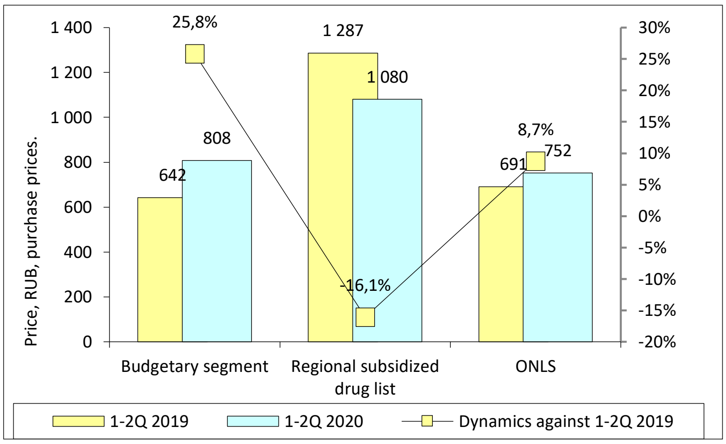


Figure 6. Dynamics of weighted average purchase prices for domestic drugs in 1-2 Q, 2019 – 1-2 Q 2020

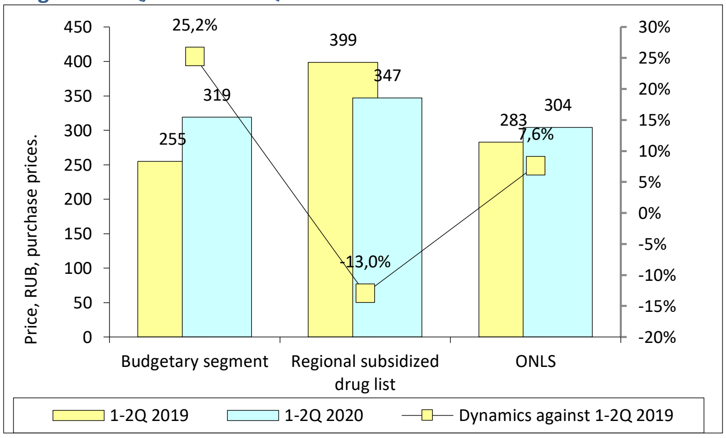
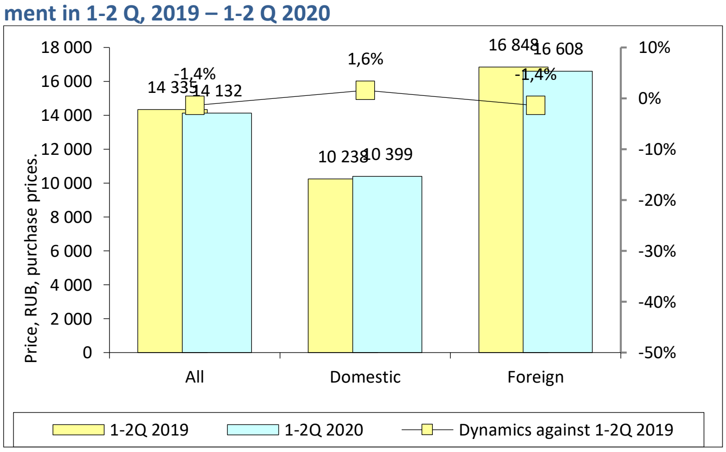


Figure 7 Dynamics of weighted average purchase prices in the VZN segment in 1-2 Q, 2019 – 1-2 Q 2020

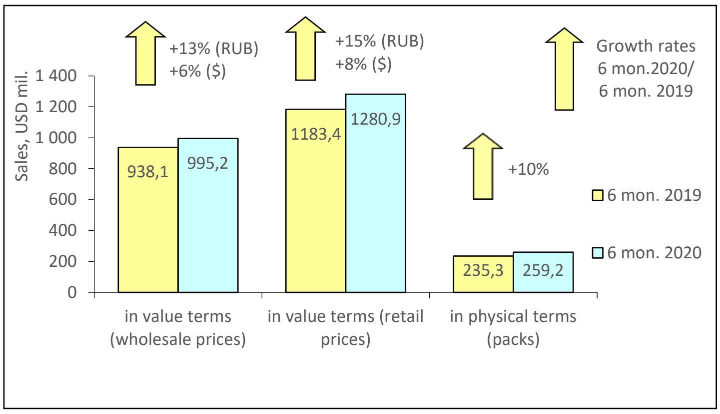


MOSCOW CITY PHARMACY MARKET: 2020 FIRST SIX MONTHS RESULTS

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

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, in the first half of 2020 the sales of OTC drugs in physical terms in the pharmacies of Moscow saw a 10% increase to 259.159 mil. packs. In value terms, the market also showed positive growth rates both in terms of roubles (+13%) and in terms of dollars (+6%) and reached RUB 69.082 bil. (USD 995.204 mil.) at wholesale prices (Fig. 1). The region market share accounted for 15.6% of the Russian pharmacy retail sales. An average retail cost of a pack reduced as compared to the previous year: USD 4.94 vs. USD 5.03. At the end of the first six months of 2020, the average amount spent by the Muscovites for OTC drugs in pharmacies amounted to USD 101.03.

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



According to the results for January-June SANOFI (+23%) became the leader in the top ten manufacturers rating in the Moscow retail market, displacing BAYER (+ -10%), which reduced its sales, from that rank (Table 1). Apart from the leader, another three manufacturers developed their markets by outstripping rates. SANDOZ (+50%) and GLAXOSMITHKLINE (+18%) moved up to ranks three and five, and the newcomer OTCPHARM (2.1-fold growth in sales) moved up to rank eight. In contrast, five manufacturers with lagging rates moved down to the lower ranks. SERVIER (+10%), TEVA (+4%), ABBOTT (+3%), STADA (+10%) and BERLIN-CHEMIE/MENARINI (+29%) moved down to ranks four, six, seven and two bottom ranks, respectively. In total, top ten manufacturers accumulated 37.2% of the market, whereas in the year-earlier period they accounted for 36.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	2	**SANOFI**	5.0	4.6
2	1	**BAYER**	5.0	6.3
3	8	**SANDOZ**	4.0	3.0
4	3	**SERVIER**	3.7	3.8
5	7	**GLAXOSMITHKLINE**	3.4	3.3
6	4	**TEVA**	3.4	3.7
7	5	**ABBOTT**	3.3	3.6
8	15	OTCPHARM	3.3	1.8
9	6	STADA	3.2	3.3
10	9	**BERLIN-CHEMIE/MENARINI**	2.9	2.9
Total			37.2	36.3

*AIPM members are in bold

Despite 30% reduction in sales, XARELTO continued to hold rank number one in the top ten brands ranking (Table 2). Another two brands DETRALEX (-3%) and CONCOR (-2%) showed negative growth rates, which resulted in the loss of their ranks, one and three, respectively. NUROFEN (+9%) and CIALIS (+1%) displaced by more dynamic brands moved down two ranks and showed low growth rates. There were five of them in the top ten ranking. Due to outstripping growth rates, MIRAMISTIN (+73%) moved up to rank two from five and CRESTOR (+22%) from rank nine to eight. Three newcomers, ARBIDOL (7.9-fold growth in sales), LINEX (+46%) and INGAVIRIN (+27%) moved up to ranks four, seven and ten. In total, the top-ten brands accumulated 7.9% of pharmacy sales, in the year-earlier period they accounted for 7.6%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	1	XARELTO	1.1	1.8
2	5	MIRAMISTIN	1.1	0.7
3	2	DETRALEX	0.9	1.0
4	50	ARBIDOL	0.8	0.1
5	3	NUROFEN	0.8	0.8
6	4	CIALIS	0.7	0.8
7	15	LINEX	0.7	0.5
8	9	CRESTOR	0.6	0.6
9	6	CONCOR	0.6	0.7
10	16	INGAVIRIN	0.6	0.5
Total			7.9	7.6

One newcomer broke into the ranks of the top ten INNs and group names ranking. DICLOFENAC (+27%) moved up to rank ten from 12 (Table 3). Another four brand names also managed to rise in the ranks. XYLOMETAZOLINE (+14%) and MIRAMISTIN (+69%) moved up to the first two ranks, and ROSUVASTATIN (+15%) and NIMESULIDE (+18%) moved one rank up, coming in at numbers five and nine, respectively. At the same time, RIVAROXABAN (-30%) and HYALURONIC ACID (-8%) that reduced their sales, and PANCREATIN (+0.5%), which showed almost zero rates, moved down to the lower ranks. The composition DIOSMIN*HESPERIDIN (-1%) and INN IBUPROFEN (+3%) held their previous ranks three and seven. . The cumulative share of the top 10 under review decreased from 11.4% to 10.7%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	2	XYLOMETAZOLINE	1.5	1.5
2	9	MIRAMISTIN	1.2	0.8
3	3	DIOSMIN*HESPERIDIN	1.2	1.3
4	1	RIVAROXABAN	1.1	1.8
5	6	ROSUVASTATIN	1.1	1.1
6	5	PANCREATIN	1.0	1.1
7	7	IBUPROFEN	1.0	1.0
8	4	HYALURONIC ACID	0.9	1.2
9	10	NIMESULIDE	0.8	0.8
10	12	DICLOFENAC	0.8	0.7
Total			10.7	11.4

C09 Agents acting on the rennin-angiotensin system (+27%) became the best-selling group in the regional market (Table 4). The most dynamic group among the leaders J05 Antivirals for systemic use (+ 69%) moved to rank two from 11, becoming one of two newcomers. N02 Analgesics (+ 44%), which moved up to rank eight, became the second newcomer that broke into the top ten ranking for the first time. J01 Antibacterials for systemic use (+ 26%) managed to move up to the higher rank six. At the same time, it displaced A07 Antidiarrheals, intestinal anti-inflammatory and antimicrobials (+ 5%) one rank down. Three groups with negative growth rates fell in the ranks. These are B01 Anticoagulants (-13%), G03 Sex hormones (-6%) and C05 Vasoprotectors (-0.4%), which moved down to ranks five and two bottom ranks. M01 Anti-inflammatory and antirheumatic products (+7%) and R01 Nasal preparations (+8%) as before hold ranks three and four. The total share of top ten ATC groups increased by 0.4 p.p. to 35.6%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019			6 mon. 2020	6 mon. 2019
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.0	4.5
2	11	J05	ANTIVIRALS FOR SYSTEMIC USE	4.3	2.9
3	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.9	4.1
4	4	R01	NASAL PREPARATIONS	3.8	4.0
5	1	B01	ANTITHROMBOTIC AGENTS	3.5	4.6
6	9	J01	ANTIBACTERIALS FOR SYST USE	3.3	2.9
7	6	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.1	3.3
8	15	N02	ANALGESICS	3.0	2.3
9	5	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	2.9	3.5
10	7	C05	VASOPROTECTIVES	2.9	3.3
Total				35.6	35.2

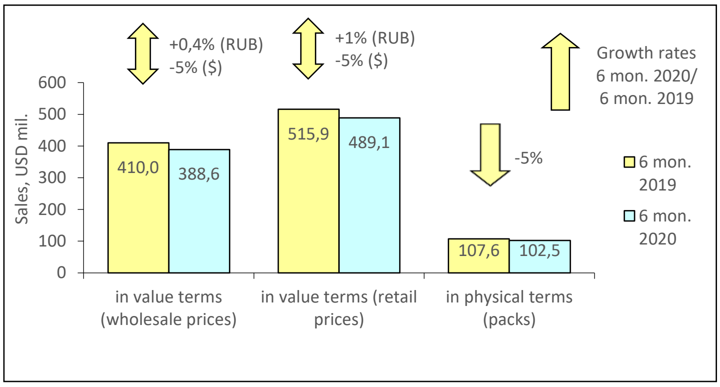
Conclusion. At the end of January-June of 2020, the pharmacy market of Moscow brought in RUB 88.906 bil. (USD 1.281 bil.). This is more than in the same period in 2019: by 15% in terms of roubles and 8% in terms of dollars. In pack terms, the market increased by 10% and amounted to 259.159 mil. packs. According to the results for the first six months of 2020, the average cost of an FPP pack in the city pharmacies was USD 4.94 – which was less than in 2019 (USE 5.03), but higher than the national average across the country (USD 3.38). The average expenses of the regional residents for purchase of OTC drugs in pharmacies were also higher than the national average (USD 101.03 vs. USD 56.23).

SAINT PETERSBURG PHARMACY MARKET: 2020 FIRST SIX MONTHS RESULTS

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

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of the first six months of 2020 the sales of drugs in natural terms in St. Petersburg pharmacies saw a 5% decrease to 102.472 mil. packs. In money terms, the market saw almost zero growth rates (+0.4%) in terms of roubles and reduced by 5% in terms of dollars. At the same time, the volume of the market achieved RUB 26.887 bil. (USD 388.578 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 5.9% of the Russian pharmacy sales (in terms of roubles). The average cost of an OTC pack at retail prices did not virtually change as compared to the same period of 2019 (USD 4.79) and reached USD 4.77. The average amount spent by residents of the city for drugs in the pharmacies during January-June of 2020 amounted to USD 90.61.

Figure 1. St. Petersburg pharmacy market for 6 months 2019 – 6 months 2020



According to the results for the first six months of 2020, BAYER (+ 0.4%), SANOFI (-0.1%) and SERVIER (-4%) continued to remain the leading manufacturers of the top ten manufacturers ranking in the retail market of St. Petersburg despite low and negative growth rates (Table 1). TEVA (-5%), ABBOTT (-6%), STADA (-4%) and GLAXOSMITHKLINE (-5%) also showed a decrease in sales volumes, moving down to ranks five, six and two bottom ranks, respectively. On the contrary, SANDOZ and KRKA, which showed a 5% growth in sales, moved up to ranks four and seven, while OTCPHARM (+ 23%), which showed the highest growth rates among the leaders, moved up from rank 11 to eight, becoming the only newcomer of the top 10 ranking. The total share of the top 10 manufacturers did not change and accounted for 38.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	1	**BAYER**	5.7	5.7
2	2	**SANOFI**	4.7	4.7
3	3	**SERVIER**	4.2	4.3
4	6	**SANDOZ**	3.7	3.5
5	4	**TEVA**	3.6	3.8
6	5	**ABBOTT**	3.6	3.8
7	8	**KRKA**	3.5	3.3
8	11	OTCPHARM	3.4	2.7
9	7	STADA	3.2	3.4
10	9	**GLAXOSMITHKLINE**	3.0	3.2
Total			38.5	38.5

*AIPM members are in bold

Three newcomers broke into the ranks of the top ten ranking (Table 2). ARBIDOL (2.8-fold growth in sales), INGAVIRIN (+53%) and MIRAMISTIN (+38%) moved up to ranks six, eight and nine. Apart from them, only ELIQUIS (+24%) rose in the ranks, moving up to rank two from three. At the same time, DETRALEX (-18%) moved one rank down, whereas LOZAP (+19%) moved two ranks down, coming in at number ten. Four brands held their previous ranks in the ranking. XARELTO (+8%) maintained its rank number one, and CONCOR (+1%), NUROFEN (+3%) and NOLIPREL (+10%) retained their ranks four, five and seven, respectively. The total share of the top 10 increased from 7.0% to 8.1%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	1	XARELTO	1.5	1.4
2	3	ELIQUIS	1.1	0.9
3	2	DETRALEX	0.8	1.0
4	4	CONCOR	0.8	0.8
5	5	NUROFEN	0.7	0.7
6	47	ARBIDOL	0.7	0.2
7	7	NOLIPREL	0.7	0.6
8	24	INGAVIRIN	0.6	0.4
9	13	MIRAMISTIN	0.6	0.5
10	8	LOZAP	0.6	0.5
Total			8.1	7.0

The leader of the top ten INN and group names managed to hold its own in the ranking. Due to the outstripping growth rates, RIVAROXABAN (+8%) not only held, but also secured its rank number one (Table 3). Some shifts took place in the lower part of the top ten manufacturers ranking, due to which five INNs rose in the ranks. XYLOMETAZOLINE (+1%), IBUPROFEN (-1%) and BISOPROLOL (+0.1%) moved one rank up, coming in at numbers two, six and seven. The more dynamic INN APIXABAN (+24%) and composition PERINDOPRIL*INDAPAMIDE (+14%) moved up to ranks four and ten. On top of that, the latter became the only newcomer of the top ten ranking. DIOSMIN*HESPERIDIN (-14%), ROSUVASTATIN (-3%), ATORVASTATIN (-9%) и PANCREATIN (-11%), which showed negative growth rates, moved down to ranks three, five, eight and nine, respectively. In total, the top 10 INNs and grouping names accounted for 10.4%, in the year-earlier period - 10.5%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	1	RIVAROXABAN	1.5	1.4
2	3	XYLOMETAZOLINE	1.3	1.3
3	2	DIOSMIN*HESPERIDIN	1.1	1.3
4	9	APIXABAN	1.1	0.9
5	4	ROSUVASTATIN	1.0	1.0
6	7	IBUPROFEN	0.9	0.9
7	8	BISOPROLOL	0.9	0.9
8	6	ATORVASTATIN	0.9	1.0
9	5	PANCREATIN	0.9	1.0
10	12	PERINDOPRIL*INDAPAMIDE	0.8	0.7
Total			10.4	10.5

Four groups from the top-10 ATC groups ranking on the regional market retained their previous ranks (Table 4). They were the leading groups C09 Agents acting on the rennin-angiotensin system (+14%), M01 Anti-inflammatory and antirheumatic products (-2%) and G03 Sex hormones (-4%). J05 Antivirals for systemic use (+29%), which showed the highest growth rates among the top ten leaders, moved up to rank five from ten. At the same time, J01 Antibacterials for systemic use (-0.2%) and R05 Cough and cold preparations (+6%) managed to improve its position by one rank, moving up to ranks six and eight, respectively. At the same time, R01 Nasal preparations (-7%) and C05 Vasoprotectors (-12%), which reduced their sales, moved down to ranks seven and nine, respectively. The only newcomer N02 Analgesics (+11%) rounded out the top ten ranking. The total share of top ten ATC groups increased by 1.2 p.p. to 38.1%.

Table 4. The top ten ATC Groups by pharmacy sales

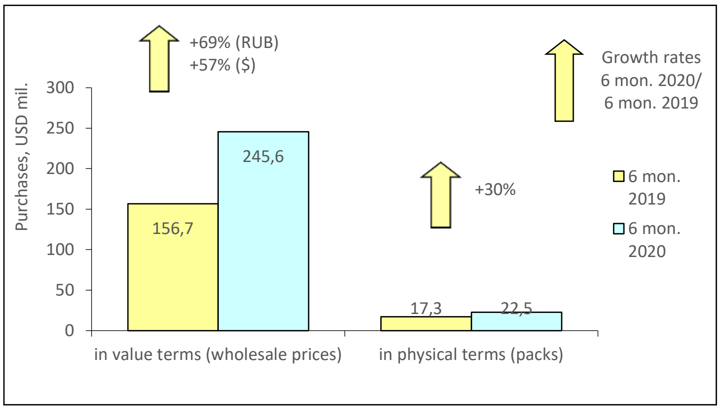
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2020	6 mon. 2019			6 mon. 2020	6 mon. 2019
1	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	6.4	5.7
2	2	B01	ANTITHROMBOTIC AGENTS	4.7	4.5
3	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.2	4.3
4	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.9	4.1
5	10	J05	ANTIVIRALS FOR SYSTEMIC USE	3.5	2.7
6	7	J01	ANTIBACTERIALS FOR SYST USE	3.3	3.3
7	5	R01	NASAL PREPARATIONS	3.3	3.5
8	9	R05	COUGH AND COLD PREPARATIONS	3.1	2.9
9	6	C05	VASOPROTECTIVES	2.9	3.3
10	13	N02	ANALGESICS	2.8	2.6
Total				38.1	36.9

Conclusion. Based on the results for the first half of 2020, the pharmacy market of St Petersburg brought in RUB 33.876 bil. (USD 489.115 mil.) at retail prices. As compared with the same period of last year, the market saw a 1% sales increase in terms of roubles, and a 5% decrease in terms of dollars. In pack terms, the market reduced by 5% and amounted to 102.472 mil. packs. Based on the results for January-June of 2020, the average cost of FPP pack in the city pharmacies was USD 4.77, which was slightly less than in the year-earlier period (USD 4.79), and more than the national average (USD 3.38). The average medicine expenses of St. Petersburg residents in the pharmacies were higher than the national average expenses in Russia (USD 90.61 vs. USD 56.23).

MOSCOW CITY HOSPITAL MARKET: 2020 FIRST SIX 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 six months of 2020 Moscow hospital market in physical terms increased by 30% compared to the same period in 2019 and amounted to 22.526 mil. packs. In money terms, the market also showed high positive growth rates both in terms of roubles (+69%) and in terms of dollars (+57%) and reached RUB 17.237 bil. (USD 245.566 mil.) in wholesale prices. In the first half of 2020, the average cost of an FPP pack in the hospital sector of Moscow was USD 10.90, whereas in the year-earlier period its cost was USD 9.08.

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



According to the results for the first six months of 2020, SANOFI (2.7-fold growth in purchases) and MSD (2.4-fold growth) held and due to a more than two-fold increase in purchases strengthened the leadership in the Moscow hospital market (Table 1). ROCHE (3.1-fold growth), BRISTOL MYERS (4.1-fold growth) and PHARMASYNTEZ (2.9-fold growth) showed even higher dynamics, which allowed them to move up to ranks three, four and nine. Note that the two latter broke into the top ten ranking for the first time. At the same time, the less dynamic manufacturers ABBVIE (+6%), PFIZER (-4%), BAYER (+46%) and JOHNSON & JOHNSON (+51%), in contrast, moved down to the lower ranks from six through eight and ten respectively. BIOCAD (+40%) continued to hold rank five in the top ten ranking. In total, based on the results for the first half of 2020, the top ten ATC groups accumulated 50.8% of the market, while they accounted for 42.6% in the year-earlier period.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	1	**SANOFI**	13.5	8.5
2	2	**MSD**	8.6	6.2
3	7	**ROCHE**	5.7	3.2
4	11	**BRISTOL MYERS SQU**	5.3	2.2
5	5	BIOCAD RF	3.6	4.4
6	4	**ABBVIE**	3.3	5.3
7	3	**PFIZER**	3.2	5.7
8	6	**BAYER**	3.0	3.4
9	17	PHARMASYNTEZ	2.6	1.6
10	9	**JOHNSON & JOHNSON**	2.1	2.3
Total			50.8	42.6

*AIPM members are in bold

PENTAXIM continued to head the top 10 brands ranking, which strengthened its leadership due to an increase in purchases by 2.9 times (Table 2). Note that almost all brands of the top ten rating showed outperformance rates. At the same time, six of them rose in the ranks. OPDIVO (4-fold growth) moved up to rank two from five, KEYTRUDA (4.5-fold growth) moved up to rank three from seven. The newcomers PERJETA (2.5-fold growth), KADCYLA (4.6-fold growth), POLIMILEX (3-fold growth), and YERVOY (4.8-fold growth) broke into the top ten ranking, coming in at ranks six through eight, respectively. MENACTRA (+91%) and GARDASIL (+82%) retained their previous ranks in the top ten ranking. And only SYNAGIS (+26%) moved two ranks down, coming in at number five due to lagging rates. The total share of the top ten increased by 11 p.p. up to 28.6%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	1	PENTAXIM	8.7	5.1
2	5	OPDIVO	3.7	1.6
3	7	KEYTRUDA	3.5	1.3
4	4	MENACTRA	2.3	2.0
5	3	SYNAGIS	2.2	3.0
6	11	PERJETA	1.8	1.3
7	22	KADCYLA	1.8	0.7
8	14	POLIMILEX	1.8	1.0
9	9	GARDASIL	1.4	1.3
10	36	YERVOY	1.3	0.4
Total			28.6	17.7

A total of four newcomers broke into the ranks of the top ten INN and generic names ranking (Table 3). PEMBROLIZUMAB (4.5-fold growth in purchases), PERTUZUMAB (2.5-fold growth), TRASTUZUMAB EMTANSINE (4.6-fold growth) and VACCINE, POLIOMYELITIS (2.9-fold growth) moved up to ranks three and seven through nine, respectively. NIVOLUMAB (4-fold growth) and IMMUNOGLOBULIN BASE (2.2-fold growth) moved up to the higher ranks two and six. VACCINE, ACEL.PERT.DIP.TET. POLIO & HIB (2.9-fold growth), VACCINE, MENINGOCOCCAL POLYSACCHARIDE AND OMV (+91%) and AFLIBERCEPT (+66%) held rank number one, as well as ranks four and ten. The total share of the analysed top ten amounted to 29.3% vs 19% in the year-earlier period.

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

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	1	VACCINE, ACEL.PERT.DIP.TET. POLIO & HIB	8.7	5.1
2	6	NIVOLUMAB	3.7	1.6
3	11	PEMBROLIZUMAB	3.5	1.3
4	4	VACCINE, MENINGOCOCCAL POLYSACCHARIDE AND OMV	2.3	2.0
5	3	PALIVIZUMAB	2.2	3.0
6	7	IMMUNOGLOBULIN BASE	2.0	1.6
7	14	PERTUZUMAB	1.8	1.3
8	29	TRASTUZUMAB EMTANSINE	1.8	0.7
9	19	VACCINE, POLIOMYELITIS	1.8	1.0
10	10	AFLIBERCEPT	1.4	1.4
Total			29.3	19.0

The leading three ATC groups of the top ten held their own in the ranking: L01 Antineoplastic agents (2.3-fold growth in purchases), J07 Vaccines (2.1-fold growth) and J01 Antibacterials for systemic use (+ 59%) retained, and the first two strengthened their positions (Tab. 4). V08 Contrast media (+32%) also held its previous rank seven in the ranking. Due to a 2.3-fold increase in purchases, J05 Antivirals for systemic use moved up to rank four from six, displacing B05 Blood substitutes and perfusion solutions (+16%) and J06 Immune sera and immunoglobulins (+60%) one rank down.

Due to low dynamics, group S01 dropped outside the top 10 ranking, which allowed B01 Anticoagulants (+ 47%) and L04 Immunosuppressants (+ 55%) to move up one rank, coming in at ranks eight and nine. The newcomer N01 Anaesthetics (+31%) broke into the ranks of the top ten, coming in at number ten. The total share of the top ten ranking increased by 6.1 p.p. to 78.7%.

Table 4. The top ten ATC groups by hospital purchases

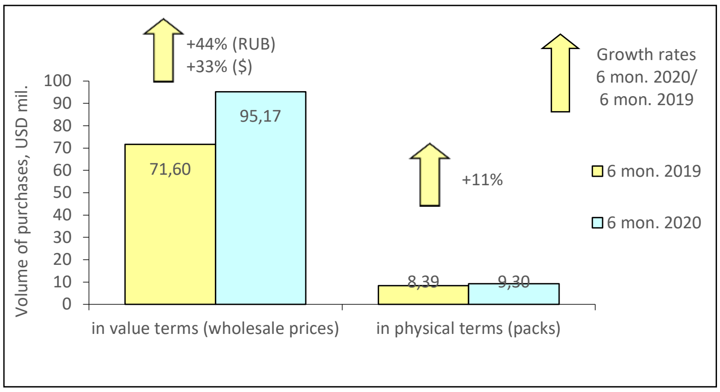
Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2020	6 mon. 2019			6 mon. 2020	6 mon. 2019
1	1	L01	ANTINEOPLASTIC AGENTS	23.9	17.8
2	2	J07	VACCINES	19.7	15.6
3	3	J01	ANTIBACTERIALS FOR SYST USE	7.5	7.9
4	6	J05	ANTIVIRALS FOR SYSTEMIC USE	6.0	4.5
5	4	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	5.2	7.6
6	5	J06	IMMUNE SERA & IMMUNOGLOBULIN	4.8	5.1
7	7	V08	CONTRAST MEDIA	3.3	4.3
8	9	B01	ANTITHROMBOTIC AGENTS	3.0	3.5
9	10	L04	IMMUNOSUPPRESSANTS	2.9	3.2
10	12	N01	ANESTHETICS	2.4	3.1
Total				78.7	72.6

Conclusion. Based on the results for the first six month of 2020, the Moscow hospital market grew by 69% in rouble terms and by 57% in dollar terms and brought in RUB 17.237 bil. (USD 245.566 mil.). In pack terms, the market increased by 30% and amounted to 22.526 mil. packs. The average cost of an FPP pack in the Moscow hospital sector based on the results for the first half of 2020 was USD 10.90. Whereas it was USD 9.08 in the year-earlier period.

SAINT PETERSBURG HOSPITAL MARKET: 2020 FIRST SIX MONTHS RESULTS

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit), in the first half of 2020 the St. Petersburg hospital market expanded by 11% in physical terms and amounted to 9.296 mil. packs. The hospital purchases growth rates in value terms was also positive: The market showed a 44% increase in rouble terms, and 33% increase in dollar terms and reached RUB 6.681 bil. (USD 95.165 mil.) at wholesale prices. Based on the results for the first six months of 2020, the average cost of an FPP pack in the city hospitals was USD 10.24, whereas in a year-earlier period its cost was USD 8.53.

Figure 1. St. Petersburg pharmacy market for 6 months 2019 – 6 months 2020



Most manufacturers of the top ten manufacturers ranking in the St. Petersburg hospital market showed outstripping growth rates based on the results for the first six months of 2020 (Table 1). Among them were MSD (+84%), which held its leadership position. The newcomers ROCHE (4-fold increase in purchases), BRISTOL MYERS (4.1-fold growth) and GLAXOSMITHKLINE (3.2-fold growth), broke into the top ten ranking, coming in at numbers two, three and five, respectively. ABBVIE (+70%) and PHARMASYNTEZ (+75%) also showed high growth rates and held their previous ranks seven and eight. At the same time, the less dynamic BIOCAD (+45%), PFIZER (+18%) and JOHNSON & JOHNSON (+3%), as well as BAYER (-18%) moved down to ranks four, six and two lower ranks. The total share of the top ten brands increased by almost 9 p.p. and accounted for 47.8%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	1	**MSD**	7.9	6.2
2	11	**ROCHE**	6.3	2.3
3	15	**BRISTOL MYERS SQU**	5.3	1.9
4	3	BIOCAD RF	5.2	5.2
5	14	**GLAXOSMITHKLINE**	4.7	2.1
6	2	**PFIZER**	4.5	5.5
7	7	**ABBVIE**	4.4	3.8
8	8	PHARMASYNTEZ	3.8	3.1
9	6	**JOHNSON & JOHNSON**	3.1	4.3
10	4	**BAYER**	2.7	4.7
Total			47.8	38.9

*AIPM members are in bold

The top ten brands ranking was half updated – five newcomers entered the ranking (Table 2). KEYTRUDA (3.7-fold growth in purchases), PERJETA (23-fold growth), KEMERUVIR (3.1-fold growth), AVEGRA (2-fold growth) and MAVIRET (7.8-fold growth) moved up to ranks three and five, as well as ranks seven through nine, respectively. The leaders of the rating have changed as well: TIVICAY (4.7-fold growth) and OPDIVO (4.1-fold growth) moved up to the first two ranks from ranks nine and seven. ISENTRESS (2.5-fold growth), which moved up to rank four, improved its position by one rank. In contrast, two brands KALETRA (+54%) and NATRIUM CHLORIDUM (+64%) lost two ranks each, being displaced by more dynamic brands, despite the outperformance rates. In total, the top ten ATC groups accumulated 22% of the regional hospital market, whereas in the year– earlier period it was 9.8%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	9	TIVICAY	4.0	1.2
2	7	OPDIVO	3.6	1.2
3	12	KEYTRUDA	2.8	1.1
4	5	ISENTRESS	2.4	1.4
5	42	PERJETA	1.9	0.1
6	4	KALETRA	1.6	1.5
7	19	KEMERUVIR	1.5	0.7
8	14	AVEGRA BIOCAD	1.5	1.1
9	38	MAVIRET	1.4	0.3
10	8	NATRIUM CHLORIDUM	1.4	1.2
Total			22.0	9.8

Following the above ranking, the top ten INN and group names ranking was updated significantly. Four newcomers broke into the ranks of the top ten INN and group names ranking (Table 3). PEMBROLIZUMAB (3.7-fold growth), PERTUZUMAB (23-fold growth), DARUNAVIR (2.9-fold growth) and BEVACIZUMAB (2-fold growth) moved up to ranks three, six and two bottom ranks. DOLUTEGRAVIR (4.7-fold growth) and NIVOLUMAB (4.1-fold growth) moved up to the top two ranks, and RALTEGRAVIR (2.5-fold growth) moved up to ranks four from six. INNs TRASTUZUMAB (+73%), SODIUM (+38%) and composition LOPINAVIR*RITONAVIR (+54%), in contrast, moved down to ranks five, seven and eight, respectively. The total share accumulated by the top-ten INNs and grouping names increased from 11.8% to 22.9%.

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

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
6 mon. 2020	6 mon. 2019		6 mon. 2020	6 mon. 2019
1	10	DOLUTEGRAVIR	4.0	1.2
2	9	NIVOLUMAB	3.6	1.2
3	13	PEMBROLIZUMAB	2.8	1.1
4	6	RALTEGRAVIR	2.4	1.4
5	4	TRASTUZUMAB	1.9	1.6
6	45	PERTUZUMAB	1.9	0.1
7	3	SODIUM	1.7	1.8
8	5	LOPINAVIR*RITONAVIR	1.6	1.5
9	21	DARUNAVIR	1.6	0.8
10	15	BEVACIZUMAB	1.5	1.1
Total			22.9	11.8

In contrast to the above rankings, the top ten ATC groups ranking showed high stability: nine of the drug manufacturers from the top ten held their own in the ranking (Table 4). At the same time, three leading drug manufacturers L01 Antineoplastic agents (+ 70%), J05 Antivirals for systemic use, which increased purchases by 2.2 times, and J01 Antibacterials for systemic use (+ 55%) expanded its share and strengthened its position due to outstripping growth rates.

B05 Blood substitutes and perfusion solutions (+24%), J07 Vaccines (+16%), V08 Contrast media (+ 22%), L04 Immunosuppressants (+37%), B01 Anticoagulants (+ 31%) and N01 Anesthetics (+ 9%) continued to hold ranks from four to nine respectively. Its only newcomer L02 Endocrine therapy (+17%) moved up to the bottom rank in the top 10 ranking. In total, the top ten ATC groups accumulated 80.4% of the regional market, whereas in the year-earlier period - 72.9%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2020	6 mon. 2019			6 mon. 2020	6 mon. 2019
1	1	L01	ANTINEOPLASTIC AGENTS	31.2	26.4
2	2	J05	ANTIVIRALS FOR SYSTEMIC USE	18.3	12.0
3	3	J01	ANTIBACTERIALS FOR SYST USE	7.5	7.0
4	4	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	5.2	6.0
5	5	J07	VACCINES	4.3	5.4
6	6	V08	CONTRAST MEDIA	3.8	4.5
7	7	L04	IMMUNOSUPPRESSANTS	3.2	3.3
8	8	B01	ANTITHROMBOTIC AGENTS	2.8	3.1
9	9	N01	ANESTHETICS	2.2	2.9
10	11	L02	ENDOCRINE THERAPY	1.9	2.3
Total				80.4	72.9

Conclusion. At the first half of 2020, the St. Petersburg hospital market grew by 44% in rouble terms and by 33% in dollar terms and brought in RUB 6.681 bil. (USD 95.165 mil.). In pack terms, the market also showed positive growth rates (+11%), but not so pronounced and amounted to 9.296 mil. packs. In the first six months of 2020, the average cost of a FPP pack on the city hospital sector was higher than that in the year-earlier period (USD 10.24 vs. USD 8.53).