REMEDIUM
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AIPM
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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

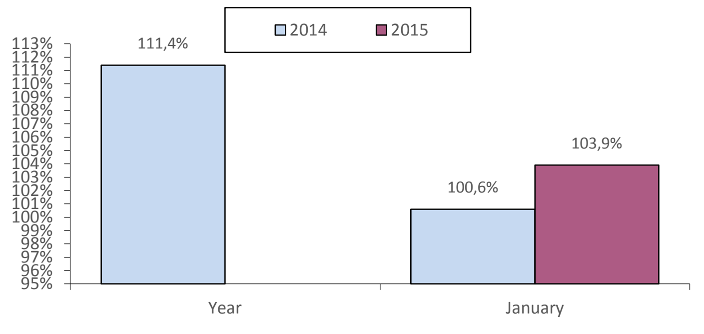
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in January 2015, the Consumer Price Index was estimated as 103.9%, compared to the previous month, in January 2014 it was 100.6%.

According to preliminary data, industrial Producer Price Index was 101.3% in January this year, while in the month-earlier period it had amounted to 100.8%.

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



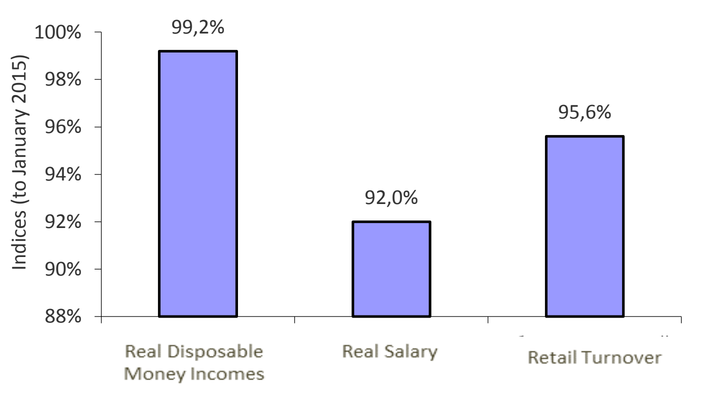
Living standard

According to preliminary Federal State Statistics Service's data, in January 2015 a gross monthly average salary per worker reached RUB 31,180 (USD 505.35) which accounted for 74% compared to the previous month and 105.8% compared to January 2014. The real salary in January 2015 accounted for 92% as compared with the same period in 2014. In January 2015, the real value of disposable cash incomes accounted for 99.2% as compared with the same period of 2014 (Fig. 2).

Retail turnover

In January 2015 the retail turnover was equal to RUR 2,051.7 bln, which in stock accounted for 95.6% as compared to January 2014 (Fig. 2).

Figure 2. Real values of cash incomes, wages and retail turnover in January 2015



Source: Rosstat

Manufacture of Industrial Products

According to Federal State Statistics Service's data, in January 2015 as compared to January 2014 Industrial Production Index accounted for 100.9%, compared to December 2014. - 78.8%).

Domestic production

The top 10 domestic pharmaceutical manufacturers by production volume at January-end 2015 are shown in Table 1 The total production volume of top ten manufacturers was estimated at USD 213.01 mln.

Table 1. Top ten chemical and pharmaceutical manufacturers by production volume in January 2015

Rank	Manufacturer	Production volume, $mln
1	F-Sintez	76.43
2	Generium	32.70
3	Biocad	21.76
4	Otcpharm	18.42
5	Pharmstandart	16.44
6	Stada	10.70
7	KRKA	10.38
8	Valenta	10.13
9	Sotex	9.10
10	Veropharm	6.96

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In December 2014 compared to November, the positive growth in pharmacy sales (in terms of roubles) was observed in all regions. The highest performance was observed in Perm (+72%), the lowest one in Krasnoyarsk Krai (+8%).

Table 2. Pharmacy sales in the regions, 2014

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	October 2014	November 2014	December 2014	October/ September 2014	November / October 2014	December/ November 2014
Moscow	178.6	155.8	181.2	4%	-2%	41%
St. Petersburg	50.4	40.5	41.7	12%	-10%	24%
Krasnodar Krai	35.8	26.3	28.6	3%	-17%	32%
Novosibirsk Region	22.6	17.8	20.1	5%	-11%	36%
Tatarstan	26.9	19.7	24.8	13%	-18%	52%
Krasnoyarsk Krai	19.1	16.6	14.9	4%	-2%	8%
Rostov Region	28.1	22.0	21.6	9%	-12%	19%
Voronezh Region	16.9	13.6	16.9	4%	-9%	50%
Perm	6.8	5.0	7.1	-2%	-18%	72%
Tyumen	7.2	5.6	6.3	5%	-13%	37%

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 January 2015

Rank	Company*	Quantity of broadcasts
1	Novartis	17,131
2	Otcpharm	9,844
3	Sanofi Aventis	9,362
4	Bayer AG	6,472
5	Johnson & Johnson	6,040

Source - Remedium according to TNS Russia's data

Table 4. Top five brand names in mass media in January, 2015

Rank	Brand*	Quantity of broadcasts
1	Essentiale	3,309
2	Exoderil	2,491
3	Linex	2,345
4	Grippferon	2,244
5	Bronchicum	2,216

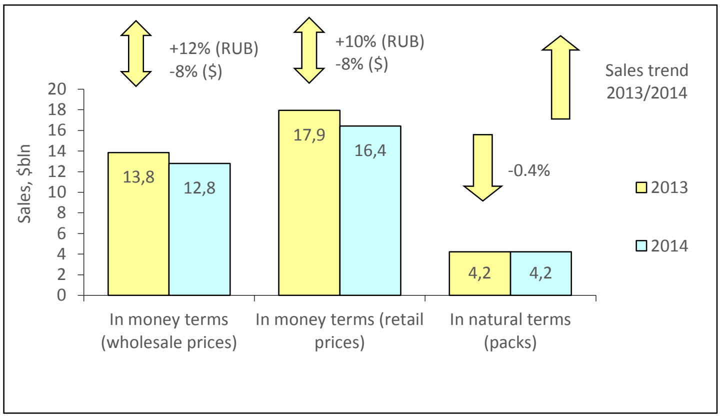
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 2014 RESULTS

According to the results of the Retail Audit of Finished Pharmaceutical Products (FPP) in Russian Federation™, at year-end 2014 the sales of FPP drugs in physical terms in the pharmacies of Russia saw a 0.4% decrease to 4.215 bln packs. In money terms, the market saw a 12% increase in roubles equivalent, whereas it showed a negative decline (-8%) in dollars equivalent due to significant drop in the exchange rate of rouble. The market reached RUB 491.826 bln (USD 12.803 bln) in wholesale prices (Fig.1). The average cost of an OTC pack based on the results for 2014 amounted to USD 3.90 at retail prices, which was slightly lower than in a year-earlier period (USD 4.24). In 2014, the average amount spent by residents of Russia for medications in pharmacies amounted to USD 114.29.

Figure 1. Russian pharmacy market in 2013 – 2014



At the end of 2014, the drug manufacturers SANOFI-AVENTIS (+11%[1]), BAYER (+13%) and SERVIER (+12%) held and reinforced (except for the former one) their own in the ranking (Table 1). The most dynamic manufacturer of the top ten NYCOMED/TAKEDA (+16%) moved up to rank four, displacing SANDOZ (+6%) down one rank. Another two drug manufacturers improved their positions. MENARINI (+9%) moved up from rank nine to seven, as well as the newcomer GEDEON RICHTER (+15%) that broke into the ranks of the top ten, rounding out the ranking. At the same time, the drug manufacturers NOVARTIS (+5%) and OTCPHARM (+1%) moved down one rank. TEVA (+10%) held its previous rank six in the top ten. The total share of the top 10 drug manufacturers decreased by almost 0.4 p.p. to 35.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	**SANOFI-AVENTIS**	5.5	5.5
2	2	**BAYER HEALTHCARE**	4.1	4.0
3	3	**SERVIER**	3.8	3.7
4	5	**NYCOMED/TAKEDA**	3.7	3.6
5	4	**SANDOZ GROUP**	3.5	3.7
6	6	TEVA	3.1	3.1
7	9	**MENARINI**	3.0	3.1
8	7	**NOVARTIS**	2.9	3.1
9	8	OTCPHARM	2.8	3.1
10	11	GEDEON RICHTER	2.8	2.7
Total			35.1	35.6

*AIPM members are in bold

Due to 25% growth in sales, the only newcomer CARDIOMAGNIL (25%) broke into the ranks of the top brand names, coming in at number eight from 11. Apart from that, another four drug manufacturers of the top ten managed to rise in the ranks. KAGOCEL (+14%) and ALFLUTOP (+15%) moved up to ranks three and four from the lower positions, and CONCOR (+14%) and EXODERIL (+12%) moved up to ranks six and seven. In contrast, ARBIDOL (-24%) showing negative growth rates moved down from rank three to nine. The top ten leaders held their own in the ranking - ESSENTIALE N (+7%) and ACTOVEGIN (+12%) maintained their first two ranks. On top of that, the brand names LINEX (+3%) and LYRICA (+12%) held their previous ranks five and ten. The total share of the top ten brand names reduced by 0.3 p.p. and accounted for 6.9%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	ESSENTIALE N	1.2	1.2
2	2	ACTOVEGIN	0.9	0.9
3	4	KAGOCEL	0.7	0.7
4	6	ALFLUTOP	0.7	0.6
5	5	LINEX	0.7	0.7
6	8	CONCOR	0.6	0.6
7	9	EXODERIL	0.6	0.6
8	11	CARDIOMAGNIL	0.6	0.5
9	3	ARBIDOL	0.6	0.8
10	10	LYRICA	0.6	0.5
Total			6.9	7.2

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

As in the previous top ten, the top ten INN and group names ranking didn't change its top two leaders - INNs XYLOMETAZOLINE (+19%) and PHOSPHOLIPIDS (+7%) retained their previous two ranks (Tables 3). In addition, IBUPROFEN (+14%) and AMBROXOL (-8%) held their previous ranks seven and nine. On top of that, BISOPROLOL (+17%) and NIMESULIDE (+18%) moved up one rank, to numbers three and five. They displaced down one rank the less dynamic PANCREATIN and BLOOD (+12% each). Two newcomers broke into the ranks of the bottom part of the top-10 ranking. INNs KAGOCEL (+14%) and DICLOFENAC (+13%) moved up to numbers 8 and 10, respectively. The total share of the analysed top 10 ranking remained unchanged and amounted to 9.7%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	XYLOMETAZOLINE	1.6	1.5
2	2	PHOSPHOLIPIDS	1.3	1.3
3	4	BISOPROLOL	1.0	1.0
4	3	PANCREATIN	1.0	1.0
5	6	NIMESULIDE	1.0	0.9
6	5	BLOOD	0.9	0.9
7	7	IBUPROFEN	0.9	0.9
8	12	KAGOCEL	0.7	0.7
9	9	AMBROXOL	0.7	0.8
10	15	DICLOFENAC	0.7	0.6
Total			9.7	9.6

The top ten ATC-groups ranking retained its leader - M01 Anti-inflammatory and antirheumatic products (+17%) kept and reinforced its position (Table4). Some shifts took place in the bottom part of the top 10 ranking. ATC-groups with high growth sales moved up to ranks two, three, seven and nine from the lower ranks: C09 Agents acting on the rennin-angiotensin system (+20%), R01 Nasal preparations (+18%), G03 Sex hormones (+13%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+16%). In contrast, the other five ATC groups of the top ten showed low growth rates and moved down to much lower positions. J01 Antibacterials for systemic use and N02 Analgesics (+3% each), R05 Cough and cold preparations (+1%), J05 Antivirals for systemic use (+8%) and A11 Vitamins (+7%) moved down to ranks 4 through 6 and eight and ten, respectively. The total share of the top ten reduced by 0.6 p.p. and accounted for 36.7%.

Table 4. The top ten ATC Groups by pharmacy sales

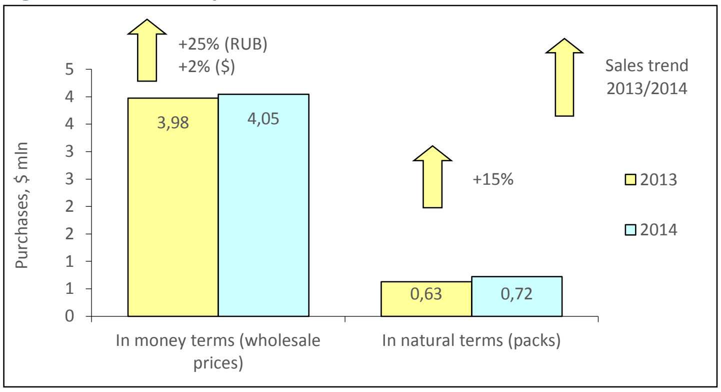
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2014	2013			2014	2013
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5.0	4.8
2	5	C09	AG ACT RENIN-ANGIOTENS SYST	4.0	3.7
3	6	R01	NASAL PREPARATIONS	3.8	3.6
4	2	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.1
5	4	N02	ANALGESICS	3.7	4.0
6	3	R05	COUGH AND COLD PREPARATIONS	3.6	4.0
7	8	G03	SEX HORM&MODULAT GENITAL SYS	3.3	3.3
8	7	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	3.4
9	10	A07	INTESTINAL ANTIINFECTIVES	3.2	3.0
10	9	A11	VITAMINS	3.1	3.3
Total				36.7	37.3

Conclusion. On the basis of the results for 2014, the retail pharmacy market of Russia brought in RUB 629,881 bln (USD 16.420 bln) in retail prices. It was 10% more in terms of roubles and 8% less in terms of dollars than during the same period in 2013. In natural terms, the market showed the slightly negative growth rates (-0.4%) and brought in 4.215 bln packs. Based on the results for twelve months of 2014, the average cost of FPP pack in the pharmacies of Russia was USD 3.90, In 2013, the average cost was USD 4.24 The average per capita expenses for purchase of a FPP pack in the pharmacies at the year-end were estimated at USD 114.29 (in 2013 USD 125.08).

RUSSIAN FEDERATION HOSPITAL MARKET: 2014 RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, at the end of 2014 the Russian hospital market in natural terms increased by 15% to 729.785 mln packs. In money terms, the market showed positive growth rates both in terms of roubles (+25%) and in terms of dollars (+2%) and reached RUB 159.421 bln (USD 4.045 bln) in wholesale prices. Based on the results for 2014, the average cost of a FPP pack in the hospital sector was USD 5.58, whereas in the year-earlier period its cost was USD 6.31.

Figure 1. Russian hospital market in 2013 – 2014



At the end of 2014, in the hospital market of Russia the drug manufacturer PFIZER moved up to rank one from twelve due to 3.9-fold growth in purchases (Table 1). At the same time, the last year leader SANOFI-AVENTIS (-5%) showing negative growth rates and the drug manufacturer ROCHE (+6%) moved down one rank. ABBVIE (+14%) held its previous rank four. Due to low growth rates, the drug manufacturer MERCK SHARP DOHME (+1%) that had been placed at rank three moved down to rank five, displacing four drug manufacturers down one rank. JOHNSON & JOHNSON (+24%), GLAXOSMITHKLINE (+19%), NYCOMED/TAKEDA (+20%) and ASTRAZENECA (+6%) moved up to numbers 6 through 9, respectively. The only newcomer of the top ten drug manufacturers BAYER (+14%) moved up to number ten. The total share accumulated by the top ten drug manufacturers reduced from 34.5% to 33.9%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
2014	2013		2014	2013
1	12	**PFIZER**	5.0	1.9
2	1	**SANOFI-AVENTIS**	4.2	5.4
3	2	**ROCHE**	4.0	4.8
4	4	**ABBVIE**	3.6	3.9
5	3	**MERCK SHARP DOHME**	3.6	4.4
6	5	**JOHNSON & JOHNSON**	3.5	3.5
7	6	**GLAXOSMITHKLINE**	3.4	3.5
8	7	**NYCOMED/TAKEDA**	2.5	2.6
9	8	**ASTRAZENECA**	2.1	2.5
10	11	**BAYER HEALTHCARE**	1.9	2.1
Total			33.9	34.5

*AIPM members are in bold

Three newcomers broke into the ranks of the top ten brands ranking (table 2). One of them, PREVENAR, topped the ranking. The other two, the combination product to treat HIV-infection KIVEXA (+80%) and cephalosporin CEFTRIAXONE (+113%) moved up to ranks seven and ten, respectively. On top of that, another drug manufacturer of the top ten ranking showed growth in sales. HERCEPTIN (+39%) moved up one rank, coming in at number 5. The other six brand names fell in the ranks. The products SODIUM CHLORIDE (+22%), KALETRA (+9%), PREZISTA (+11%) and ISENTRESS (+19%), moved down to ranks two through four, and nine. CLEXANE (-7%) moved down from rank four to six, REYATAZ (+18%).- from rank five to eight. The cumulative share of the top ten brand names increased by almost 3.3 p.p. and achieved 16.1%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
2014	2013		2014	2013
1	86	PREVENAR	3.4	0.1
2	1	SODIUM CHLORIDE	2.9	3.0
3	2	KALETRA	2.5	2.7
4	3	PREZISTA	1.4	1.5
5	6	HERCEPTIN	1.1	1.0
6	4	CLEXANE	1.1	1.4
7	14	KIVEXA	1.0	0.7
8	5	REYATAZ	1.0	1.0
9	8	ISENTRESS	0.9	0.9
10	27	CEFTRIAXONE	0.9	0.5
Total			16.1	12.8

Three newcomers broke into the ranks of the top ten INN and group names ranking (table 3). Following the corresponding brand name, INN VACCINE, PNEUMOCOCCAL CONJUGATE topped the top ten INN and group names ranking, as well as TUBERCULIN TEST (3.7-fold growth in sales) and AMINOSALICYLIC ACID (+63%). The growth rates of the other top ten INNs lagged behind the average market rates, which resulted in the loss of their ranking positions. SODIUM (+23%) and LOPINAVIR + RITONAVIR (+9%) moved down one rank, coming in at numbers two and three. CEFTRIAXONE (-3%), DARUNAVIR (+11%), ENOXAPARIN SODIUM (+4%) and IMMUNOGLOBULIN BASE (+7%) moved down two ranks. MEROPENEM (+18%) moved down to rank ten from seven. The cumulative share of the top10 increased from 14.9% to 18.3%.

Table 3. The top 10 INNs and Group Names by hospital purchases

Rank		INNs/Group Names	Share in total hospital purchases, %	
2014	2013		2014	2013
1	85	VACCINE, PNEUMOCOCCAL CONJUGATE	3.4	0.1
2	1	SODIUM	2.9	3.0
3	2	LOPINAVIR + RITONAVIR	2.5	2.7
4	31	TUBERCULIN TEST	1.7	0.6
5	3	CEFTRIAXONE	1.6	2.0
6	4	DARUNAVIR	1.4	1.5
7	5	ENOXAPARIN SODIUM	1.3	1.5
8	6	IMMUNOGLOBULIN BASE	1.2	1.4
9	13	AMINOSALICYLIC ACID	1.2	0.9
10	7	MEROPENEM	1.2	1.2
Total			18.3	14.9

Two newcomers broke into the ranks of the top 10 brand names ranking in the national hospital market (table 4). J04 Antimycobacterials (+66%) and L04 Immunosuppressants (+42%) moved up to ranks eight and nine. However, most of the top ten ATC groups managed to retain their positions unchanged. J05 Antivirals for systemic use (+19%) , J01 Antibacterials for systemic use (+13%), L01 Antineoplastic agents (+25%), B05 Blood substitutes and perfusion solutions (+5%) held their previous leading ranks, and ATC groups V08 Contrast media (+21%) and N05 Psycholeptics (+11%) maintained their ranks seven and ten. Some shifts took place in the middle part of the top ten ranking. Due to 2.4-fold growth in sales, J07 Vaccines moved up one rank, to number 5, displacing less dynamic group B01 Antithrombotic agents (+14%) to number six. The cumulative share of the top 10 didn't virtually change and accounted for 61%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
2014	2013			2014	2013
1	1	J05	ANTIVIRALS FOR SYSTEMIC USE	11.9	12.2
2	2	J01	ANTIBACTERIALS FOR SYST USE	10.7	11.9
3	3	L01	ANTINEOPLASTIC AGENTS	9.6	9.8
4	4	B05	BLOOD SUBSTITUTE & PERF SOLS	7.3	8.7
5	6	J07	VACCINES	6.7	3.8
6	5		B01 ANTITHROMBOTIC AGENTS	5.0	5.5
7	7	V08	CONTRAST MEDIA	2.6	2.7
8	13	J04	ANTIMYCOBACTERIALS	2.6	2.0
9	12	L04	IMMUNOSUPPRESSANTS	2.3	2.0
10	10	N05	PSYCHOLEPTICS	2.2	2.4
Total				61.0	60.9

Conclusion. At the end of 2014, the Russian hospital market increased by 25% in rouble terms and 2% in dollar terms and brought in RUB 159.421 bln (USD 4.045 bln). In pack terms, the market showed high positive growth rates (+15%) and achieved 724.785 mln packs. At the end of 2014, the average cost of a FPP pack in the hospital sector of Russia was USD 5.58 (in the year-earlier period USD 6.31).

STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2014 RESULTS

According to DLO in RF™, on the basis of the results for 2014, the FPP (Finished Pharmaceutcial Products) supplies under the Federal Program amounted to RUB 86.869 bln (USD 2.366 bln) in contractual prices[2]. The segment volume increased 4% in terms of roubles, but reduced -11% in terms of dollars as compared to the same period a year ago. Supplies in natural terms also reduced (-4%) to 85.036 mln packs. The average cost of a FPP pack through the DLO program was USD 27.82 in contractual prices (a year ago it was USD 30.09).

Based on the results for 2014, ROCHE (+8%), JOHNSON & JOHNSON (+13%), TEVA (-6%) and SANOFI-AVENTIS (+5%) remained the leading drug manufacturers by supplies under DLO Program, though the latter but one showed negative growth rates (Table 1). Note that the drug manufacturer LABORATORIO TUTEUR (-44%) also showed reduction in purchases, for which reason it moved from rank five to nine. In contrast, the other five ATC groups of the top 10 rose in the ranks. The drug manufacturers BAXTER (+16%) and NOVO NORDISK (+3%) moved up one rank, to numbers 5 and 6. ASTRAZENECA and GENERIUM ZAO RF (+15% each) moved up two ranks, coming in at numbers 7 and 8. The newcomer MERCK SHARP DOHME (+10%) broke into the ranks of the top ten, moving to number ten. The total share of the top 10 drug manufacturers within DLO Program reduced from 62.8% to 62.4%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
2014	2013		2014	2013
1	1	**ROCHE**	17.9	17.2
2	2	**JOHNSON & JOHNSON**	9.4	8.5
3	3	TEVA	7.2	7.8
4	4	**SANOFI-AVENTIS**	6.5	6.5
5	6	**BAXTER INT**	4.9	4.3
6	7	**NOVO NORDISK**	3.7	3.7
7	9	**ASTRAZENECA**	3.4	3.1
8	10	GENERIUM ZAO RF	3.3	3.0
9	5	LABORATORIO TUTEUR	3.2	5.9
10	11	**MERCK SHARP DOHME**	3.0	2.9
Total			62.4	62.8

*AIPM members are in bold

The leaders among brand names in the DLO segment didn't change either. Immunosuppressant drug MABTHERA (+10%), antineoplastic drug VELCADE (+11%) and immune modulator COPAXONE-TEVA (+11%) held and reinforced their leading positions in the top ten (Table 2). Almost all the other brand names of the top ten rose in the ranks. HERCEPTIN (+11%), LANTUS SOLOSTAR (+26%), COAGIL-VII (+21%), and REMICADE (+10%) moved up to ranks four though seven from the lower ranks. The newcomers HEMOFIL M (+25%) and RECOMBINAT (+62%) broke into the ranks of the top ten, coming in at numbers nine and ten. The only brand name with negative growth rates from the top ten ranking GENFAXON (-31%) moved down to rank eight from four. The total share of the top ten ranking increased by almost 3 p.p. and achieved 39.7%.

Table 2. The top ten brand names for DLO.

Rank in the top ten		Brand name	Share in total DLO volume, %	
2014	2013		2014	2013
1	1	MABTHERA	9.9	9.4
2	2	VELCADE	8.1	7.1
3	3	COPAXONE-TEVA	5.9	5.8
4	5	HERCEPTIN	2.9	2.7
5	10	LANTUS SOLOSTAR	2.6	2.1
6	9	COAGIL-VII	2.6	2.2
7	8	REMICADE	2.4	2.3
8	4	GENFAXON	2.0	2.9
9	11	HEMOFIL M	1.8	1.5
10	19	RECOMBINAT	1.7	1.0
Total			39.7	37.0

Three leaders of the top 10 INN and group names ranking remained unchanged (table 3). As before, RITUXIMAB (+9%), BORTEZOMIB (+16%) and GLATIRAMER ACETATE (+5%) held their ranks one, two and three. In addition, INFLIXIMAB (+10%) held its previous rank nine. The other INNs of the top 10 showed high growth rates. FACTOR VIII (+7%), INTERFERON BETA-1A (+24%), INSULIN GLARGINE (+15%) and TRASTUZUMAB (+11%) moved up one rank, coming in at numbers four through seven. EPTACOG ALFA (ACTIVATED) (+25%) moved up to rank eight from ten. The only newcomer OCTOCOG ALFA (+14%) broke into the ranks of the top ten, coming in at number ten. The total share of the top 10 increased from 42.2% to 46%.

Table 3. The top ten INN and group names for DLO

Rank in the top ten		Brand name	Share in total DLO volume, %	
2014	2013		2014	2013
1	1	RITUXIMAB	9.9	9.4
2	2	BORTEZOMIB	8.1	7.1
3	3	GLATIRAMER ACETATE	5.9	5.8
4	5	FACTOR VIII	5.0	4.8
5	6	INTERFERON BETA-1A	4.2	3.4
6	7	INSULIN GLARGINE	3.2	3.0
7	8	TRASTUZUMAB	2.9	2.7
8	10	EPTACOG ALFA (ACTIVATED)	2.6	2.2
9	9	INFLIXIMAB	2.4	2.3
10	12	OCTOCOG ALFA	1.8	1.6
Total			46.0	42.2

The top ten ATC groups ranking in the DLO sector showed high stability (table 4). It didn't change in composition, and most of the top ten ATC groups held their own in the ranking. L01 Antineoplastic agents (-1%) and L03 Immunostimulants (+11%) held their leading positions. As before, ATC groups L04 Immunosuppressants (+12%), R03 Drugs for obstructive airway diseases (+6%), L02 Endocrine therapy (+3%) and H01 Hypothalamic-Pituitary Hormones and Analogues (+14%) held their previous ranks five and six, and nine and ten. The remaining four representatives of the top ten swapped their places. The more dynamic B02 Antihemorrhagics (+9%) moved up one rank, to number 3, displacing A10 Drugs Used in Diabetes (+7%) down one rank. The same shift took place in the bottom part of the top ten ranking. B03 Antianemic preparations (-10%) showing stronger negative growth rates moved down one rank, to number 8, giving the way to ATC group A16 Other alimentary tract and metabolism products (-2%) with slightly reduced purchase rates. The cumulative share of the top10 increased from 83% to 83.2%.

Table 4. The top ten ATC groups for DLO

Rank		ATC code	ATC group	Share in total DLO volume, %	
2014	2013			2014	2013
1	1	L01	ANTINEOPLASTIC AGENTS	28.7	30.2
2	2	L03	IMMUNOSTIMULANTS	12.6	11.7
3	4	B02	ANTIHEMORRHAGICS	11.6	11.0
4	3	A10	DRUGS USED IN DIABETES	11.5	11.2
5	5	L04	IMMUNOSUPPRESSANTS	5.6	5.3
6	6	R03	DRUG FOR OBSTRUCT AIRWAY DIS	4.5	4.4
7	8	A16	OTH ALIMENT TRACT&METAB PROD	2.4	2.5
8	7	B03	ANTIANEMIC PREPARATIONS	2.2	2.6
9	9	L02	ENDOCRINE THERAPY	2.2	2.2
10	10	H01	PITUIT&HYPOTHAL HORM&ANALOG	2.0	1.8
Total				83.2	83.0

Data on supplies to the top ten regions of Russia under State Reimbursement Program (DLO) are shown in Table 5. The regions placed at ranks one through five held their own in the ranking, though two of them (Moscow and Sverdlovsk Region) showed negative growth rates of supplies. Moscow kept and reinforced its dominant position. Note that Novosibirsk Region moved up to rank 9 in the top ten regions, coming in at that number from the rank in the fifties. The total share of the top ten regions in DLO sector accounted for 46.6%.

Table 5. The top ten regions by sales for DLO

Rank		Region	Share in total DLO volume, %	
2014	2013		2014	2013
1	1	Moscow	19.5	18.7
2	2	Moscow Region	4.8	5.1
3	3	Saint Petersburg	4.7	4.9
4	4	Sverdlovsk Region	2.9	3.5
5	5	Krasnodar Krai	2.7	2.7
6	7	Tatarstan Republic	2.6	2.5
7	8	North Caucasian FD, Rest	2.5	2.4
8	6	Bashkortostan Republic	2.3	2.5
9	55	Novosibirsk Region	2.2	0.5
10	9	Rostov Region	2.2	2.2
Total			46.6	45.1

Conclusion. On the basis of the results for 2014, the DLO segment of Russia brought in RUB 86.869 bln (USD 2.366 bln) in contractual prices. This is 4% more in terms of roubles and 11% less in terms of dollars than during the same period a year ago. In pack terms, the supplies reduced by 4% and amounted to 85.036 mln packs. The average cost of OTC pack participating in the DLO Programme reduced as compared to the figures of the past year (USD 27.82 vs USD 30.09).

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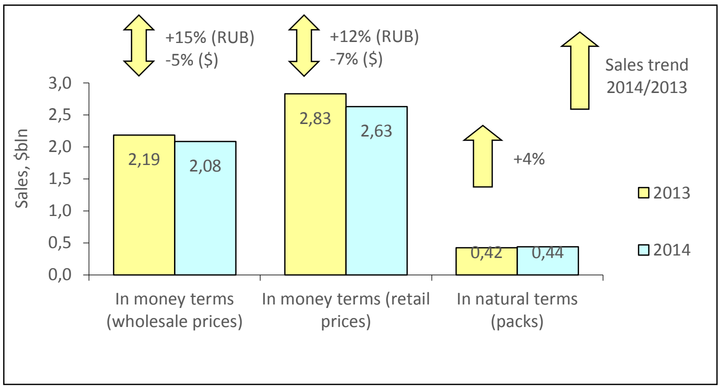
[2] From 2008 until now, data on DLO have been provided as shipments in contractual prices, which are prices at which the government will reimburse moneys to the distributor.

MOSCOW CITY PHARMACY MARKET: 2014 RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Moscow's estimated population was 12.1 mln, which accounted for 8.4% of the total Russian Federation population and 31.2% of Central FO (CFO). According to Federal State Statistics Service's data, based on the results for 2014 the average wage in the city was RUB 61.241 (USD 1,304.11), which is 88% higher than the average salary in Russia (RUB 32,611).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, in twelve months of 2014 the Moscow pharmacy market volume in physical terms increased by 4% to 437.097 million packs (Fig. 1) In wholesale prices, the market showed the positive performance in terms of roubles (+15%) and the negative performance in terms of dollars (-5%) and reached RUB 80.300 bln (USD 2.083 bln). The region's share accounted for 16.1% of the total pharmacy sales in the Russian pharmacy market pattern. The average cost of a FPP pack in the city pharmacies according to the results for 2014 was USD 6.02 (in 2013 - USD 6.71). At the end of 2014, per capita expenses of Moscow residents for purchase of medicines in pharmacies amounted to USD 217.2.

Figure 1. Moscow pharmacy market in 2013 – 2014



At the end of 2014, the drug manufacturers SANOFI-AVENTIS (+17%) and BAYER (+16%) held and reinforced their leading positions in the Moscow pharmacy market due to high growth rates (Table 1). The drug manufacturer SERVIER (+17%) moved up to rank three from five, displacing the less dynamic NOVARTIS (+9%) and SANDOZ (+7%) down one rank. The drug manufacturers PFIZER (+14%) and ABBOTT (+16%) held their ranks six and seven. NYCOMED/TAKEDA (+19%) and MERCK SHARP DOHME (+15%) moved up two ranks, coming in at numbers eight and nine. On top of that, the latter became the only newcomer of the top 10 ranking. TEVA (+10%) moved down to rank ten. The total share of the top 10 manufacturers has reduced from 37.7% to 37.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	**SANOFI-AVENTIS**	6.1	6.0
2	2	**BAYER HEALTHCARE**	4.6	4.6
3	5	**SERVIER**	3.7	3.6
4	3	**NOVARTIS**	3.7	3.9
5	4	**SANDOZ GROUP**	3.5	3.7
6	6	**PFIZER**	3.4	3.5
7	7	**ABBOTT**	3.4	3.3
8	10	**NYCOMED/TAKEDA**	3.2	3.0
9	11	**MERCK SHARP DOHME**	3.0	3.0
10	9	TEVA	3.0	3.1
Total			37.5	37.7

*AIPM members are in bold

As before, the hepatoprotective product ESSENTIALE N (+11%) kept its rank number one in the top ten brand names ranking (Table 2). In addition, CIALIS (+5%) and KAGOCEL (+7%) held their previous ranks five and seven. Four ATC groups of the top 10 rose in the ranks. DETRALEX (+18%) moved up to rank two from six, and CRESTOR (+40%) moved up to rank four from ten. ACTOVEGIN (+16%) moved up one rank, coming in at number eight, while the newcomer of the top ten INGAVIRIN (+54%) moved up to rank six. Due to reduction in sales, LINEX (-6%), VIAGRA and AMIXIN (-5% each), in contrast, moved down to the lower ranks three, nine and ten, respectively. In total, the top ten brand names accumulated 7.1% of sales, which was 0.3 p.p. less than in the year-earlier period.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	ESSENTIALE N	1.1	1.1
2	6	DETRALEX	0.8	0.7
3	2	LINEX	0.7	0.9
4	10	CRESTOR	0.7	0.6
5	5	CIALIS	0.7	0.7
6	14	INGAVIRIN	0.7	0.5
7	7	KAGOCEL	0.7	0.7
8	9	ACTOVEGIN	0.6	0.6
9	4	VIAGRA	0.6	0.7
10	8	AMIXIN	0.6	0.7
Total			7.1	7.4

Two newcomers broke into the ranks of the top ten INN and group names ranking (table 3). They were INNs ROSUVASTATIN (+50%) and BISOPROLOL (+31%) which moved up to ranks five and seven. Apart from the above mentioned, the other two INNs moved up to the higher positions. INN HYALURONIC ACID (+26%) and the composition DIOSMIN + HESPERIDIN (+26%) moved up to ranks three and six. At the same time, four brand names moved down to the lower ranks. PANCREATIN (+15%), IBUPROFEN (+8%), SILDENAFIL (+2%) and BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (-6%) moved down to ranks four, eight, nine and ten. XYLOMETAZOLINE (+9%) and NIMESULIDE (+11%) maintained their first two positions in the top ten. The cumulative share of the top 10 didn't change and accounted for 9.5%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	XYLOMETAZOLINE	1.6	1.7
2	2	PHOSPHOLIPIDS	1.2	1.2
3	5	HYALURONIC ACID	1.0	0.9
4	3	PANCREATIN	1.0	1.0
5	16	ROSUVASTATIN	0.9	0.7
6	10	DIOSMIN + HESPERIDIN	0.8	0.8
7	15	BISOPROLOL	0.8	0.7
8	7	IBUPROFEN	0.8	0.8
9	6	SILDENAFIL	0.7	0.8
10	4	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.7	0.9
Total			9.5	9.5

In contrast to the above rankings, the top ten ATC groups changed their leader – R01 Nasal preparations (+15%) moved up from rank two to one (table 4). At the same time, J05 Antivirals for systemic use (+4%) moved down one rank, coming in at number two. Apart from the leader, another three ATC-groups from the top ten rose in the ranks. M01 Anti-inflammatory and antirheumatic products (+20%) moved up to rank three from five, and C09 Agents acting on the rennin-angiotenzin system (+29%) moved up to rank four from nine. The only newcomer N06 Psychoanaleptics (+17%) moved up to rank nine in the top 10 ranking. G03 Sex hormones (+16%) showed high growth rates, but held its previous rank 7. At the same time, ATC groups A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+14%), J01 Antibacterials for systemic use (+14%), A11 Vitamins (+9%) and N02 Analgesics (+3%) moved down to ranks five, six, eight and ten, respectively. The total share of the top ten reduced by almost 1 p.p. and accounted for 34.8%.

Table 4. The top ten ATC Groups by pharmacy sales

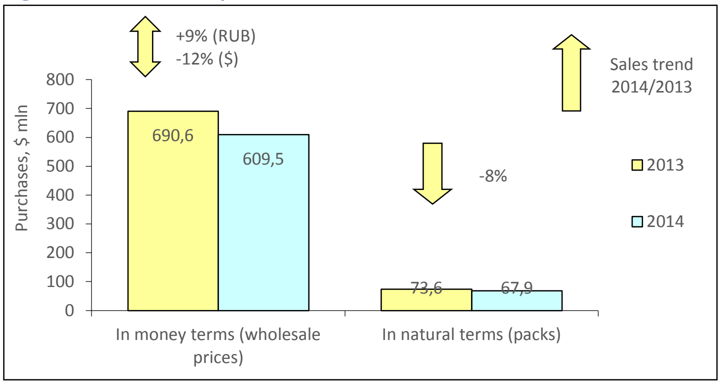
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2014	2013			2014	2013
1	2	R01	NASAL PREPARATIONS	4.0	4.0
2	1	J05	ANTIVIRALS FOR SYSTEMIC USE	3.9	4.3
3	5	M01	ANTIINFLAM & ANTIRHEUM PROD	3.7	3.6
4	9	C09	AG ACT RENIN-ANGIOTENS SYST	3.6	3.2
5	4	A07	INTESTINAL ANTIINFECTIVES	3.6	3.6
6	3	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.9
7	7	G03	SEX HORM&MODULAT GENITAL SYS	3.4	3.4
8	6	A11	VITAMINS	3.2	3.4
9	12	N06	PSYCHOANALEPTICS	3.0	2.9
10	8	N02	ANALGESICS	3.0	3.3
Total				34.8	35.6

Conclusion. At the end of 2014, the pharmacy market in Moscow was estimated at RUB 101.163 bln (USD 2.630 bln) in final consumer prices. At the same time, the market performance was positive in rouble terms (+12%), whereas in dollar terms the national market reduced by 7%. In natural terms, the sales increased by 4% and amounted to 437.097 mln packs. The average cost of an FPP pack (USD 6.02) reduced as compared to a year earlier (USD 6.71), but was markedly higher than the national average FPP cost in Russia (USD 3.90). The average expenses of Moscow residents for purchase of OTC drugs in the pharmacies also considerably exceeded the Russia average figures (USD 217.2 vs. USD 114.29).

MOSCOW CITY HOSPITAL MARKET: 2014 RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first half of 2014 the Moscow hospital market in natural terms reduced by 8% compared to the previous year and amounted to 27.259 million packs. In money terms, the market showed positive growth rates (+9%) in terms of roubles and negative growth rates in terms of dollars (-12%) and reached RUB 24.049 bln (USD 609.504 mln) in wholesale prices. Based on the results for 2014, the average cost of an FPP pack in the hospital sector of Moscow was USD 8.97, which was lower than in the previous year (USD 9.38). The metropolitan market share accounted for 9.4% of the Russian hospital market in natural terms and 15.1% in money terms.

Figure 1. Moscow hospital market in 2013 – 2014



At the end of 2014, the drug manufacturer JOHNSON & JOHNSON became the leader of the top ten drug manufacturers in the Moscow hospital market, moving up ten ranks, due to 2.3-fold growth in purchases (Table 1). Another five drug manufacturers fell short of these growth rates. The drug manufacturers MERCK SHARP DOHME (+24%), NOVARTIS (+38%), ABBVIE (+29%), GLAXOSMITHKLINE (+74%) and NYCOMED/TAKEDA (-7%) moved up to ranks three, five, seven, eight and ten, respectively. On top of that, the latter two drug manufacturers broke into the ranks of the top -10 ranking for the first time. In contrast, the drug manufacturers SANOFI-AVENTIS (-21%), ROCHE (-9%) and BAXTER (-21%) with negative growth rates fell in the ranks, moving down to ranks two, four and nine. The drug manufacturer PFIZER (+29%) showing outperformance rates also moved down one rank, displaced by more dynamic manufacturer. The total share of the top ten brand names increased by almost 3 p.p. and accounted for 40.6%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
2014	2013		2014	2013
1	10	**JOHNSON & JOHNSON**	5.9	2.8
2	1	**SANOFI-AVENTIS**	4.8	6.6
3	4	**MERCK SHARP DOHME**	4.8	4.1
4	2	**ROCHE**	4.7	5.7
5	7	**NOVARTIS**	4.1	3.3
6	5	**PFIZER**	4.1	3.8
7	9	**ABBVIE**	3.8	3.2
8	13	**GLAXOSMITHKLINE**	3.7	2.2
9	6	**BAXTER INT**	2.5	3.5
10	11	**NYCOMED/TAKEDA**	2.4	2.7
Total			40.6	37.9

*AIPM members are in bold

The top ten brand names in the hospital metropolitan market has been considerably updated (Table 2). Only two brand names of the 2013 top ten LUCENTIS (+80%) and ALBUMINE (+38%) held their own in the 2014 top ten. On top of that, both of them rose in the ranks. The former moved up to rank number one, and the latter - moved up from rank eight to six. The newcomers of the top ten also showed high growth rates. The purchases of antiviral drug PREZISTA grew 3.2 times, and KALETRA - 2.4 times, the volume purchases of vaccines REGEVAC B, RECOMBINANT (rDNA) HEPATITIS B VACCINE, PREVENAR, BUBO-COC and POLIORIX, and therapeutic antibody SYNAGIS (+42%) showed manifold growth rates. These brand names moved up to ranks two through five and the bottom four ranks in the top ten ranking. The total share of the top ten brand names increased by 1.3 p.p. and accounted for 13.4%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
2014	2013		2014	2013
1	6	LUCENTIS	1.9	1.2
2	25	PREZISTA	1.7	0.5
3	24	KALETRA	1.4	0.6
4	83	REGEVAC B	1.3	0.0
5	73	RECOMBINANT (rDNA) HEPATITIS B VACCINE	1.3	0.1
6	8	ALBUMINE	1.3	1.0
7	78	PREVENAR	1.2	0.0
8	N/A	BUBO-COC	1.1	N/A
9	11	SYNAGIS	1.1	0.9
10	84	POLIORIX	1.1	0.0
Total			13.4	12.1

Following the above ranking, the top 10 INN and group names ranking has also been noticeably updated (table 3). However, slightly fewer newcomers entered the top 10 ranking. There were six of them: INNs VACCINE, HEPATITIS B SURFACE ANTIGEN (137-fold growth in purchases), DARUNAVIR (3,2-fold growth) and VACCINE, POLIOMYELITIS (48,4-fold growth), the composition LOPINAVIR + RITONAVIR (2,4-fold growth in purchases), and VACCINE, PNEUMOCOCCAL CONJUGATE (42,7-fold growth) and VACCINE, DIP.TET.& WCELL PERTUSSIS. + VACCINE, HEPATITIS B SURFACE ANTIGEN (2,5-fold growth). The newcomers broke into the ranks of the top ten, coming in at numbers 4 through 6 and the last two ranks. As before, INN IMMUNOGLOBULIN BASE (+7%) topped the ranking, and ALBUMIN (+18%) retained its previous rank seven. RANIBIZUMAB (+80%) that showed high growth rates moved up six ranks, coming in at number three. At the same time, BAYER (-19%) reduced its sales and moved down from rank three to seven. The total share of the top 10 increased markedly from 8.4% to 16.2%.

Table 3. The top 10 INNs and Group Names by hospital purchases

Rank		INNs/Group Names	Share in total hospital purchases, %	
2014	2013		2014	2013
1	1	IMMUNOGLOBULIN BASE	2.4	2.5
2	85	VACCINE, HEPATITIS B SURFACE ANTIGEN	2.3	0.0
3	9	RANIBIZUMAB	1.9	1.2
4	29	DARUNAVIR	1.7	0.5
5	82	VACCINE, POLIOMYELITIS	1.4	0.0
6	27	LOPINAVIR + RITONAVIR	1.4	0.6
7	7	ALBUMIN	1.4	1.2
8	2	MEROPENEM	1.4	1.8
9	80	VACCINE, PNEUMOCOCCAL CONJUGATE	1.2	0.0
10	40	VACCINE, DIP.TET.& WCELL PERTUSSIS. + VACCINE, HEPATITIS B SURFACE ANTIGEN	1.1	0.5
Total			16.2	8.4

Numerous shifts took place in the top-10 ATC Groups Ranking (table 4). The leader has been changed - J07 Vaccines (+39%) moved up to rank number one from four. Due to 2.3-fold growth in purchases, J05 Antivirals for systemic use moved up to rank two from seven.. The former leaders of the top ten ATC groups J01 Antibacterials for systemic use (-16%), L01 Antineoplastic agents (-6%) and B05 Blood substitutes and perfusion solutions (-32%) showed negative growth rates and moved down two ranks, coming in at numbers 3 through 5 respectively. Another group B01 Antithrombotic agents (-4%) reduced its purchases and fell in the ranks, moving down to rank 7. J06 Immune sera and immunoglobulins (+5%) and V08 Contrast media (+10%) kept their previous ranks six and nine. The newcomers L04 Immunosuppressants (+55%) and B02 Antihemorrhagics (+87%) broke into the ranks of the top ten, coming in at numbers eight and ten. The total share of the top10 ATC groups ranking increased by 1.6 p.p. and achieved 61.2%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
2014	2013			2014	2013
1	4	J07	VACCINES	10.4	7.9
2	7	J05	ANTIVIRALS FOR SYSTEMIC USE	9.6	4.3
3	1	J01	ANTIBACTERIALS FOR SYST USE	9.4	12.4
4	2	L01	ANTINEOPLASTIC AGENTS	7.5	9.2
5	3	B05	BLOOD SUBSTITUTE & PERF SOLS	5.5	8.6
6	6	J06	IMMUNE SERA & IMMUNOGLOBULIN	4.1	4.4
7	5	B01	ANTITHROMBOTIC AGENTS	4.1	4.7
8	11	L04	IMMUNOSUPPRESSANTS	3.8	2.8
9	9	V08	CONTRAST MEDIA	3.4	3.3
10	13	B02	ANTIHEMORRHAGICS	3.3	2.0
Total				61.2	59.6

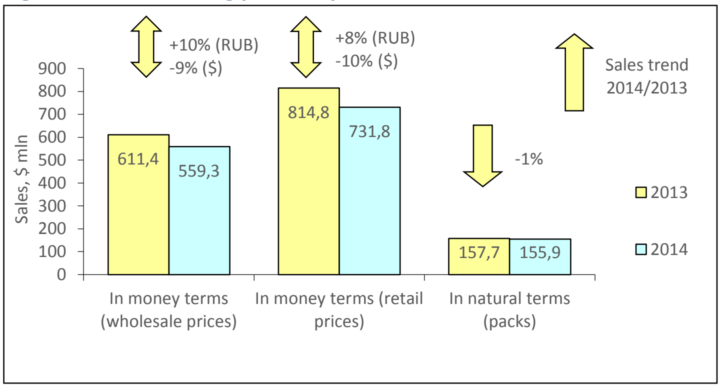
Conclusion. At the end of 2014, the Moscow hospital market grew by 9% in rouble terms and reduced by 12% in dollar terms and brought in RUB 24,049 bln (USD 609.504 mln). In pack terms, the market reduced by 8% and amounted to 67.937 mln packs. The average cost of an FPP pack in the hospital market of Moscow reduced as compared to the previous year (USD 8.97 vs. USD 9.38), and was much higher than the average indicator in Russia (USD 5.58).

SAINT PETERSBURG PHARMACY MARKET: 2014 RESULTS

According to Federal State Statistics Service, as of January 1, 2014 St. Petersburg's estimated population was 5.132 mln, which accounted for 3.6% of the total Russian Federation population and 37.2% of North West FO (NWFO). According to Federal State Statistics Service's data, based on the results for 2014 the average wage in the city was RUB 40,660 (USD 865.84), which was 25% higher than the average wage in Russia (RUB 32,611).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of 2014 the sales of FPP drugs in natural terms in pharmacies of St. Petersburg saw a 1% decrease to 155.853 mln packs. In money terms, the market showed positive growth rates (+10%) in rouble terms and negative (-9%) in dollar terms and reached RUB 21.457 bln (USD 559.266 mln) in wholesale prices (Fig. 1). The regional market share accounted for 4.4% of the Russian pharmacy sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 5.17) and reached USD 4.70 at retail prices. For 12 months of 2014, the average amount spent by residents of St. Petersburg for drugs amounted to USD 142.6.

Figure 1. St. Petersburg pharmacy market in 2013 – 2014



At the end of 2014, the top 10 drug manufacturers ranking demonstrated high stability in the pharmacy market of St. Petersburg and most of the manufacturers held their own in the ranking (table 1). Despite lagging behind the growth rates and noticeable reduction in market share, SANOFI-AVENTIS (+2%) kept its leadership. Note that growth rates of most of the top ten drug manufacturers were lower than the national average. Only the markets of the drug manufacturers BAYER (+12%) and NYCOMED/TAKEDA (+11%) developed at a fast pace, and the Russia-based OTCPHARM (+10%) showed average market rates. However, the drug manufacturers SANDOZ (+9%), SERVIER (+4%), NOVARTIS (+8%), ABBOTT (+9%), PFIZER (+6%) and TEVA (+9%) retained their previous ranks, though most of them reduced their market shares. The cumulative share of the top ten drug manufacturers also reduced from 38.3% to 37.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	**SANOFI-AVENTIS**	5.8	6.2
2	2	**BAYER HEALTHCARE**	4.6	4.5
3	3	**SANDOZ GROUP**	4.4	4.5
4	4	**SERVIER**	3.9	4.1
5	5	**NOVARTIS**	3.6	3.7
6	6	**ABBOTT**	3.3	3.3
7	7	**PFIZER**	3.2	3.3
8	8	TEVA	3.0	3.1
9	9	OTCPHARM	3.0	3.0
10	10	**NYCOMED/TAKEDA**	2.7	2.7
Total			37.5	38.3

*AIPM members are in bold

One newcomer broke into the ranks of the top ten brand names ranking (table 2). Antiviral drug INGAVIRIN (+80%) moved up to rank seven from 25. Another brand name managed to rise in the ranks - the antiviral FPP KAGOCEL (+28%) moved up to rank two from five. At the same time, ARBIDOL (+4%), LINEX (+1%) and VIAGRA (-6%) moved down one rank, coming in at numbers three through five, respectively. Another two drugs HEPTRAL (-3%) and OSCILLOCOCCINUM (+7%) fell in the ranks, moving down to the last two lines. Three INNs from the top 10 ranking retained their previous ranks. The top ten leader ESSENTIALE N (-8%) held its rank number one, and EXODERIL (-2%) and DETRALEX (-1%) kept their previous ranks six and eight. The cumulative share of the top-ten decreased by 0.3 p.p. and achieved 7.5%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	ESSENTIALE N	1.1	1.4
2	5	KAGOCEL	0.9	0.8
3	2	ARBIDOL	0.8	0.9
4	3	LINEX	0.8	0.8
5	4	VIAGRA	0.7	0.8
6	6	EXODERIL	0.7	0.7
7	25	INGAVIRIN	0.7	0.4
8	8	DETRALEX	0.6	0.7
9	7	HEPTRAL	0.6	0.7
10	9	OSCILLOCOCCINUM	0.6	0.6
Total			7.5	7.8

The top ten INN and group names leaders managed to hold their own in the ranking. XYLOMETAZOLINE (+23%) and PHOSPHOLIPIDS (-8%) held their own in the ranking (table 3). INNs PANCREATIN (+10%), KAGOCEL (+28%) and IBUPROFEN (+15%) moved up to ranks three through five from the lower ranks, displacing SILDENAFIL (-2%) and UMIFENOVIR (+5%) to ranks 6 and 7, respectively. . The composition AMOXICILLIN + CLAVULANIC ACID (+14%) moved up two ranks, to number 8. The less dynamic ATORVASTATIN (+9%) and the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+1%) moved down to lower ranks nine and ten. The total share of the top 10 under review didn't virtually change and accounted for 9.6%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	XYLOMETAZOLINE	1.8	1.6
2	2	PHOSPHOLIPIDS	1.2	1.4
3	4	PANCREATIN	0.9	0.9
4	9	KAGOCEL	0.9	0.8
5	7	IBUPROFEN	0.8	0.8
6	3	SILDENAFIL	0.8	0.9
7	5	UMIFENOVIR	0.8	0.9
8	10	AMOXICILLIN + CLAVULANIC ACID	0.8	0.8
9	8	ATORVASTATIN	0.8	0.8
10	6	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.8	0.8
Total			9.6	9.7

Most of the top-10 ATC groups retained their previous positions (table 4): the top three ATC groups - R01 Nasal preparations (+26%), M01 Anti-inflammatory and antirheumatic products (+16%) and R05 Cough and cold preparations (+23%), and the groups rounding out the top ten - A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+12%) and G03 Sex hormones (+9%). Shifts took part in the central part of the top ten. ATC groups J05 Antivirals for systemic use (+25%) and J01 Antibacterials for systemic use (+11%) moved up three ranks, to numbers 4 and 5, respectively. At the same time, the less dynamic A11 Vitamins (+8%), C09 Agents acting on the rennin-angiotenzin system and N02 Analgesics (+7% each) moved down to ranks six through eight. The consolidated share of the top 10 increased from 37.0% to 38.3%.

Table 4. The top ten ATC Groups by pharmacy sales

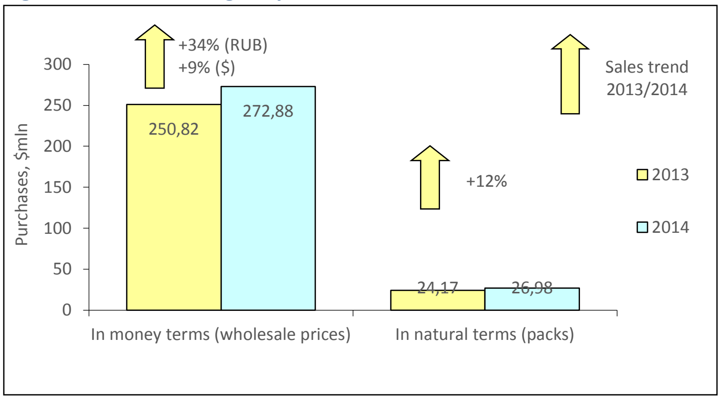
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2014	2013			2014	2013
1	1	R01	NASAL PREPARATIONS	4.6	4.1
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.2	4.0
3	3	R05	COUGH AND COLD PREPARATIONS	4.2	3.9
4	7	J05	ANTIVIRALS FOR SYSTEMIC USE	4.1	3.7
5	8	J01	ANTIBACTERIALS FOR SYST USE	3.7	3.7
6	5	A11	VITAMINS	3.6	3.7
7	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.6	3.7
8	4	N02	ANALGESICS	3.6	3.7
9	9	A07	INTESTINAL ANTIINFECTIVES	3.5	3.4
10	10	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.1
Total				38.3	37.0

Conclusion. On the basis of the results for 2014, the retail pharmacy market of St. Petersburg brought in RUB 28.012 bln (USD 731.792 mln) in retail prices. The sales saw a 8% increase in terms of roubles, and a 10% decrease in terms of dollars. In natural terms, the market showed negative growth rates (-1%) and amounted to 155.853 mln packs. According to the results for 2014, the average cost of FPP pack in the Saint Petersburg pharmacies was USD 4.70 which was lower than the last year figures (USD 5.17), but higher than the national average in the country (USD 3.90). The average expenses of city residents for medications in the pharmacies exceeded the national average (USD 142.60 vs. USD 114.29).

SAINT PETERSBURG HOSPITAL MARKET: 2014 RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, at the end of 2014 the St. Petersburg hospital market increased by 12% in natural terms and reached 26.98 million packs. In money terms, the purchases movement was positive both in rouble (+34%) and in dollar (+9%) terms, and the volume amounted to RUB 10.74 bln (USD 272.880 mln) in wholesale prices. In 2014, the average cost of FPP pack in the hospital sector of the city was USD 10.11, whereas in the year-earlier period its cost was USD 10.38. The St. Petersburg market share accounted for 3.7% of the Russian hospital market in natural terms and 6.7% in money terms.

Figure 1. St. Petersburg hospital market in 2013 – 2014



Based on the results for 2014, the drug manufacturer JOHNSON & JOHNSON (+26%) became the leader of the hospital market of Saint Petersburg despite the reduction of the market share due to lagging behind the growth rates (Table 1). Another four manufacturers developed their markets at a fast pace: the drug manufacturers ROCHE (+44%) and PFIZER (2,4-fold growth in purchases) moved up to ranks three and five, and NOVARTIS (+66%) held its previous rank eight, and the newcomer BAYER (+44%) broke into the ranks of the top ten, coming in at rank ten. Among the remaining drug manufacturers from the top ten, four had growth rates lagging behind the average market rates, and one of them had negative growth rates. At the same time, the drug manufacturers MERCK SHARP DOHME (+12%), GLAXOSMITHKLINE (+0,4%), ABBVIE (-3%) and BRISTOL MYERS (+31%) moved down to the lower ranks two, four, seven and nine, respectively. The drug maker SANOFI-AVENTIS (+26%) held its previous rank six. The total share accumulated by the top ten drug manufacturers reduced from 47.0% to 45.1%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
2014	2013		2014	2013
1	2	**JOHNSON & JOHNSON**	6.6	6.9
2	1	**MERCK SHARP DOHME**	6.5	7.8
3	5	**ROCHE**	5.1	4.9
4	3	**GLAXOSMITHKLINE**	4.7	6.0
5	9	**PFIZER**	4.5	2.8
6	6	**SANOFI-AVENTIS**	4.4	4.7
7	4	**ABBVIE**	4.0	5.3
8	8	**NOVARTIS**	3.5	2.9
9	7	**BRISTOL MYERS SQUIBB**	3.0	3.3
10	11	**BAYER HEALTHCARE**	2.8	2.5
Total			45.1	47.0

*AIPM members are in bold

Six newcomers broke into the ranks of the top ten brand names ranking (table 2). The newcomers COMBIVIR (2.7-fold growth in purchases), PREVENAR (11-fold growth), REVLIMID (7-fold growth), GARDASIL (3.9-fold growth), TUBERCULIN (88-fold growth) and HERCEPTIN (2.5-fold growth) broke into the ranks of the top ten, coming in at numbers two and three, and ranks five through 8. The antiviral drug KALETRA managed to hold its rank number one, despite 11% reduction in purchases. The remaining three INNs of the top-10 moved down to the lower positions. SODIUM CHLORID (+22%), REYATAZ (+11%) and PEGASYS (+14%) moved down to ranks four, nine and ten, respectively. The total share of the top ten brand names increased by 5.5 p.p. and accounted for 18.3%.

Table 2. The top 10 brand names by hospital purchases

Rank		Brand	Share in total hospital purchases, %	
2014	2013		2014	2013
1	1	KALETRA	2.8	4.0
2	12	COMBIVIR	2.0	0.9
3	64	PREVENAR	1.9	0.3
4	2	SODIUM CHLORIDE	1.9	2.1
5	56	REVLIMID	1.8	0.3
6	33	GARDASIL	1.7	0.6
7	87	TUBERCULIN	1.6	0.0
8	11	HERCEPTIN	1.6	0.9
9	3	REYATAZ	1.5	2.0
10	5	PREZISTA	1.5	1.7
Total			18.3	12.8

The top INN and group names leader managed to hold their own in the ranking: the composition LOPINAVIR + RITONAVIR (-11%) held its previous rank one (Table 3). As the previous ranking, the ranking under review has been considerably updated - seven newcomers broke into the ranks of the top ten. Due to multifold growth in purchases, TUBERCULIN TEST, ZIDOVUDINE + LAMIVUDINE and VACCINE, PNEUMOCOCCAL CONJUGATE moved up to ranks two through four. Not less dynamic INNs LENALIDOMIDE (7-fold growth in purchases), VACCINE HUMAN PAPILLOMAVIRUS (HPV) TYPE-6,11,16 & 18 (3,9-fold in growth), TRASTUZUMAB (2,5-fold in growth) and DOCETAXEL (2,4-fold in growth) moved up to ranks six through nine. Two brand names with lagging rates SODIUM (+22%) and ATAZANAVIR (+11%) moved down to ranks five and ten, respectively. The total share of the top 10 has increased from 12.3% to 19%.

Table 3. The top 10 INNs and Group Names by hospital purchases

Rank		INNs/Group Names	Share in total hospital purchases, %	
2014	2013		2014	2013
1	1	LOPINAVIR + RITONAVIR	2.8	4.0
2	70	TUBERCULIN TEST	2.1	0.3
3	12	ZIDOVUDINE + LAMIVUDINE	2.1	0.9
4	76	VACCINE, PNEUMOCOCCAL CONJUGATE	1.9	0.3
5	2	SODIUM	1.9	2.1
6	68	LENALIDOMIDE	1.8	0.3
7	39	VACCINE, HUMAN PAPILLOMAVIRUS (HPV) TYPE-6,11,16 & 18	1.7	0.6
8	14	TRASTUZUMAB	1.6	0.9
9	18	DOCETAXEL	1.5	0.9
10	3	ATAZANAVIR	1.5	2.0
Total			19.0	12.3

The top ten ATC groups changed less than the previous rankings (Table 4). Its composition didn't change, and on top of that three of top ten ATC groups managed to hold their previous ranks. ATC groups J01 Antibacterials for systemic use (+31%), N05 Psycholeptics (+17%) and V08 Contrast media (+42%) held their previous ranks three, five and seven. One of the most dynamic groups of the top ten L01 Antineoplastic agents (+67%) moved up to rank number one, displacing J05 Antivirals for systemic use (+7%) down from rank one to two. Only the market of the group J07 Vaccines developed at a faster pace, which due to 2.5 -fold growth in purchases moved up from rank ten to four. Due to reduction in sales, B05 Blood substitutes and perfusion solutions (-7%), as well as the less dynamic L04 Immunosuppressants (+25%), B01 Antithrombotic agents (+30%) and G03 Sex hormones (+22%) moved down to the lower ranks six and the last three ones, respectively. The total share of the top ten ATC groups reduced by 1.1 p.p. and accounted for 67.2%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
2014	2013			2014	2013
1	2	L01	ANTINEOPLASTIC AGENTS	16.7	13.6
2	1	J05	ANTIVIRALS FOR SYSTEMIC USE	14.3	17.7
3	3	J01	ANTIBACTERIALS FOR SYST USE	7.9	8.0
4	10	J07	VACCINES	5.1	3.0
5	5	N05	PSYCHOLEPTICS	4.9	5.5
6	4	B05	BLOOD SUBSTITUTE & PERF SOLS	4.8	6.8
7	7	V08	CONTRAST MEDIA	3.9	3.6
8	6	L04	IMMUNOSUPPRESSANTS	3.4	3.7
9	8	B01	ANTITHROMBOTIC AGENTS	3.3	3.4
10	9	G03	SEX HORM&MODULAT GENITAL SYS	2.9	3.0
Total				67.2	68.3

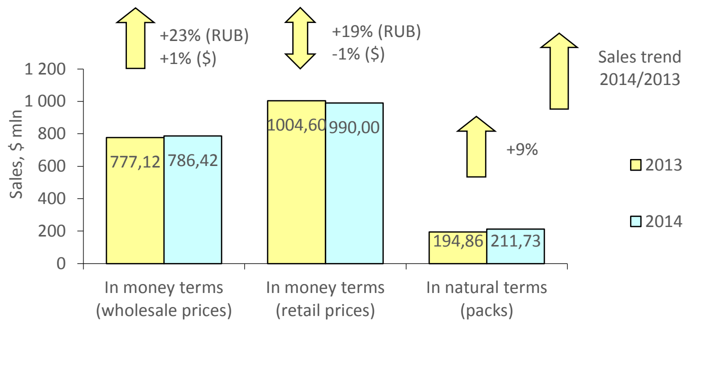
Conclusion. At the end of 2014, the St. Petersburg hospital market grew by 34% in rouble terms and by 9% in dollar terms and brought in RUB 10.745 bln (USD 272.880 mln). In pack terms, the market also showed positive growth rates (+12%) and achieved 26.980 mln packs. In 2014, the average cost of an FPP pack in the regional hospital sector was slightly higher than in the year-earlier period (USD 10.11 vs. USD 10.38), and considerably exceeded the national average figures (USD 5.58).

MOSCOW REGION PHARMACY MARKET: 2014 RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Moscow region was estimated as 7.13 mln, which makes 5% of the total Russian Federation population and 18.4% of Central FO (CFO). According to Federal State Statistics Service's data, based on the results for 2014 the average wage in the region was RUB 39.032 (USD 831.18), which was 20% higher than the average wage in Russia (RUB 32,611).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, in 2014 the sales of FPP drugs in natural terms in the pharmacies of Moscow region saw a 9% increase to 211.727 mln packs. In money terms, the city pharmacy market (exclusive of State Reimbursement Program) saw a +23% increase in terms of roubles and +1% increase in terms of dollars compared to the same period a year ago and reached RUB 30.380 bln (USD 786.416 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 6.1%. The average cost of an OTC pack in Moscow Region pharmacies was USD 4.68 which was notably lower than in the year-earlier period (USD 5.16). For twelve months of 2014, the average amount spent by residents of the city for OTC drugs amounted to USD 138.78.

Figure 1. Moscow region pharmacy market in 2013 – 2014



At the end of 2014, the composition of the top ten drug manufacturers in the regional market didn't change (Table 1). As before, the drug manufacturers SANOFI-AVENTIS (+23%) and BAYER (+26%) held their dominating positions in the market. In addition, TEVA (+15%) held its previous rank nine in the top ten. SERVIER (+27%), NYCOMED/TAKEDA (+31%), MENARINI (+20%) and ABBOTT (+25%) showing the outstripping sales rates moved up to ranks three, five, seven and eight, respectively. At the same time, SANDOZ and NOVARTIS (+16% each) moved down one rank, and OTCPHARM (+5%) that showed the lowest among the leaders growth rates moved down to the last rank. The total share of the top 10 drug manufacturers reduced by 0.4 p.p. and accounted for 36.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	**SANOFI-AVENTIS**	6.1	6.1
2	2	**BAYER HEALTHCARE**	4.3	4.2
3	4	**SERVIER**	3.8	3.7
4	3	**SANDOZ GROUP**	3.8	4.0
5	7	**NYCOMED/TAKEDA**	3.4	3.2
6	5	**NOVARTIS**	3.3	3.5
7	8	**MENARINI**	3.2	3.2
8	10	**ABBOTT**	3.1	3.0
9	9	TEVA	2.9	3.1
10	6	OTCPHARM	2.9	3.4
Total			36.9	37.3

*AIPM members are in bold

The leaders of the top ten brand names ESSENTIALE N (+24%) and LINEX (+9%) as before held the top ranks of the top ten brand names ranking (Table 2). The brand names KAGOCEL (+19%) and ACTOVEGIN (+26%) improved their positions by one rank, coming in at numbers three and four, and ALFLUTOP (+42%) moved up to rank five from nine. The other three drug manufacturers also rose in the ranks. DETRALEX (+29%) and MEXIDOL (+24%) moved up one rank, and the newcomer INGAVIRIN (+73%) broke into the ranks of the top ten for the first time. The brand name EXODERIL held its previous rank six, whereas ARBIDOL (-17%) reduced its sales and moved down to rank ten. The cumulative share of the top 10 didn't virtually change and accounted for 7%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	ESSENTIALE N	1.2	1.2
2	2	LINEX	0.8	0.9
3	4	KAGOCEL	0.7	0.8
4	5	ACTOVEGIN	0.7	0.7
5	9	ALFLUTOP	0.7	0.6
6	6	EXODERIL	0.7	0.6
7	8	DETRALEX	0.6	0.6
8	26	INGAVIRIN	0.6	0.4
9	10	MEXIDOL	0.6	0.6
10	3	ARBIDOL	0.5	0.8
Total			7.0	7.1

The top four INNs in the top 10 INN and group names ranking remained unchanged (table 3). INNs XYLOMETAZOLINE and PHOSPHOLIPIDS (+23% each), PANCREATIN (+24%) and IBUPROFEN (+19%) as before held the top three ranks. BISOPROLOL (+41%) moved up to rank five from ten, and NIMESULIDE (+32%) moved up to rank six from seven. At the same time, the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+9%) moved down two ranks to number 7. INN BLOOD (+24%) held its previous rank eight. The only newcomer of the top ten, the composition DIOSMIN + HESPERIDIN (+36%), moved up to rank eight, displacing KAGOCEL (+19%).

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

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
2014	2013		2014	2013
1	1	XYLOMETAZOLINE	1.8	1.8
2	2	PHOSPHOLIPIDS	1.3	1.3
3	3	PANCREATIN	1.1	1.1
4	4	IBUPROFEN	0.9	0.9
5	10	BISOPROLOL	0.9	0.8
6	7	NIMESULIDE	0.9	0.8
7	5	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.8	0.9
8	8	BLOOD	0.8	0.8
9	17	DIOSMIN + HESPERIDIN	0.7	0.6
10	9	KAGOCEL	0.7	0.8
Total			9.8	9.7

M01 Anti-inflammatory and antirheumatic products and R01 Nasal preparations (+27% each) remained the best selling groups in the regional market (table 4). The most dynamic of the top ten ATC groups C09 Agents acting on the rennin-angiotenzin system (+38%) moved up to rank three, displacing J01 Antibacterials for systemic use (+12%) down one rank. Another ATC group of the top ten that rose in the ranks was the group A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+25%), that moved up to rank five. At the same time, the groups N02 Analgesics (+9%), R05 Cough and cold preparations (+13%) and J05 Antivirals for systemic use (+15%) moved down two ranks, to numbers six through eight, respectively. As before, the groups A11 Vitamins (+17%) and G03 Sex hormones (+27%) rounded out the top ten ATC groups ranking. The total share of top ten ATC groups reduced by 1.1 p.p. and achieved 36.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2014	2013			2014	2013
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.5	4.4
2	2	R01	NASAL PREPARATIONS	4.3	4.2
3	8	C09	AG ACT RENIN-ANGIOTENS SYST	3.8	3.4
4	3	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.1
5	7	A07	INTESTINAL ANTIINFECTIVES	3.6	3.5
6	4	N02	ANALGESICS	3.5	4.0
7	5	R05	COUGH AND COLD PREPARATIONS	3.4	3.8
8	6	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	3.6
9	9	A11	VITAMINS	3.2	3.3
10	10	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.0
Total				36.5	37.3

Conclusion. On the basis of the results for 2014, the retail pharmacy market of the Moscow region brought in RUB 38.140 bln (USD 990.004 mln). At the same time, the market showed the positive growth rates in terms of roubles (+19%) and negative growth rates (-1%) in terms of dollars. In natural terms, the sales increased by 9% to 211.727 mln packs. The average cost of an OTC pack in the region pharmacies reduced as compared to the previous year (USD 4.68 vs. USD 5.16), but was higher than the national average in Russia (USD 3.90). Per capita expenses of Moscow Region residents for purchase of medicines in pharmacies amounted to USD 138.78 which was higher than on the average in the country (USD 114.29).

REGIONAL DIGEST

Additional Pharmacological Support (DLO)/Essential Drug Reimbursement Program (ONLS), Government Control

February 3, 2015, TASS

Head of Government approved the rules for participation in the projects to improve pharmacological support

D. Medvedev signed a decree defining the criteria for the selection of subjects of the Russian Federation "to participate in pilot projects to improve pharmacological support of citizens in 2015-2016" The criteria for selection will include: "Staffing level of medical and pharmacy organizations in the Russian Federation subject with medical and pharmacological workers is not less than 75%; availability on the territory of the subject of at least 25 pharmacy organizations to dispense medicinal products (MP) against prescriptions to citizens having the right to get MP free of charge or to receive a discount, per 100 thousand inhabitants; availability on the territory of the subject of at least two warehouses for storing PM per 1 mln inhabitants; availability of information system and special programs for the exchange of information on the pharmacological support of the population of the subject of the Russian Federation between medical and pharmacy organizations located in the territory of corresponding RF subject. "

February 4, 2015, Vademec.ru

According to the Ministry of Health, the cost of the basic OMS package and a program of state guarantees will reach RUB 410 bln in 2015

In 2015, the expenditure planned by the Government for the basic OMS (Obligatory Health Insurance) package and the program of state guarantees for privileged categories of citizens without regard to the cost of medical equipment will be more than RUB 410 bln. Highlights of the cost optimization of the certain state programs in the health sector were reported by the First Deputy Minister of Health of the Russian Federation Igor Kagramanyan. According to him, from the end of December 2014 Roszdravnadzor (Federal Service for the Supervision of Public Health and Social Development) switched to the weekly analysis of prices for different categories of drugs, in particular for VED drugs.

February 10, 2015, Rossiyskaya Gazeta

Law makers have not decided on a price threshold for indexing the medicines price

The Ministry of Health plans to make changes to the legislation, which will allow for a one-time indexing of prices for lower and middle value packages of drugs included in the VED list. The relevant amendments have been prepared by the Ministry of Health and submitted to the Duma. The parties divided on the points on which price group of medicines should be indexed. At a meeting of the anti-crisis measures working group, the State Duma Committee on Health spoke of the support of the manufacturers which release medicinal products at the price below RUB 100. Deputy Minister S.Tsyb mentioned drugs sold at price below RUB 50. The cost of substance makes a significant part of the drug price. The Russian drug manufacturers buy the vast majority of substances abroad, the growth of foreign exchange rates makes their production unprofitable. However, the draft law includes both price groups: the bottom one - up to RUB 50, and the average - from RUB 50 to 500, reported the Ministry of Health. The index has not been decided yet.

February 13, 2015, Kommersant

The government to prepare a resolution for the parallel importation of medicines and medical devices to Russia

The first products that will be allowed for parallel imports to Russia provided that they are subject to sample inspection at the specialized customs posts may be drugs and medical devices. The other day at a meeting held by First Deputy Prime Minister Igor Shuvalov they discussed the list of goods that can be authorized for the first parallel imports (imports of goods without the express permission of the right holders), reported two members of the meeting. The Shuvalov secretariat confirmed the meeting, making comments that the FAS was instructed to hold by the end of February the meeting with the participation of experts, manufacturers and importers of medicinal drugs and medical devices to explore the possibility of a pilot project in the part of the legalization of parallel imports.

February 17, 2015, Rossiyskaya Business-Gazeta

According to experts, some Russian manufacturers of inexpensive drugs suspend production due to unprofitability

According to RAS Academician S. Kolesnikov, the reason for this article was the apparent lack of understanding or unwillingness to understand all the severity of the problems faced by Russian producers of affordable medicines. According to the expert, due to unprofitability Dalkhimpharm has already suspended production of several cheap drugs, in the Samara region Ozon Factory faced the same choice, the same situation developed at Moshimfarmpreparaty and Tatkhimpharmpreparaty, Voronezh pharmaceuticals plant suspended release of anesthetics for cancer patients. According to Kolesnikov, due to the termination of production (because of unprofitability) of inexpensive medicines, losses of federal and regional budgets may be up to about RUB 100 bln.

February 17, 2015, TASS

Ministry of Industry prepared a draft decree restricting the admission of foreign drugs to public procurement

Ministry of Industry submitted to the government a draft decree on limiting the admission of drugs that are produced abroad to the procurement for state and municipal needs. At the moment, a decision by the Russian government is expected. According to the government's anti-crisis plan, on February 15 the deadline expired to prepare government regulations imposing restrictions on access to public procurement of imported drugs if two or more supply applications have been submitted from Russian producers. The draft instrument applies to all drugs purchased for state needs, including drugs from the VED list.

February 17, 2015, Vademec.ru

Ministry of Health recommended the centralized procurement of essential medicines

As part of anti-crisis measures, the Russian Ministry of Health recommended to establish the centralized procurement of drugs and medical devices through joint auctions in the federal districts of Russia. This is stated in the government's telegram of February 10 published on February 17 on the website of the Ministry of Health of the Krasnodar Krai. As reported in the telegram, "consolidation of lots and the single drugs and medical devices delivery schedule through the joint auctions will make it possible to significantly reduce the risk of implementation failure of the programs of state guarantees in the Russian regions and create the preconditions for cost optimization."

February 20, 2015, TASS

State Duma adopted a law providing the opportunity to index prices of VED drugs from March 1, 2015

The package of two laws to toughen state regulation of prices for medicines and medical devices was adopted at first reading and taken as the whole by the State Duma on Friday. The authors of the initiative were the head of the committee of the lower house of parliament on Health Sergei Kalashnikov (LDPR) and some of his colleagues. The first document transfers the effective date of the previously adopted rules on the right of the government to establish peculiarities of state regulations limiting the selling prices of VED to March 1, 2015. These provisions should come into force on July 1, 2015, but as it was emphasized by the deputies, "taking into account the financial and economic situation it is required to postpone the entry into force of the provisions of the federal law on the earliest possible date."

NEWS FROM COMPANIES

February 18, 2015, Gazeta RBC

Head of R-Pharm proposes to limit the size of VED drugs indexing to the inflation rate of 10-11%

The owner of R-Pharm A.Repik said his company had reduced investment programmes due to the economic situation. In addition, according to him, VED drug prices might be indexed to some extent, however it can only be within inflation rates of 10-11%, but not 25-30%, about which several foreign manufacturers now actively speak. "But those who do not understands it have to be replaced to alternative suppliers," said Repik. According to the businessman, whichever was the dollar exchange rate, manufacturers and developers need to get together and take a resolute decision that indexing can not be higher than inflation.

February 19, 2015, Regnum

According to the head of AIPM, the association is not involved in the process of discussing the decision on restrictions for foreign drugs in public procurement

On February 19, Executive Director of AIPM V.Shipkov said that the representatives of AIPM were not involved in the discussion of the draft government decree on the establishment of restrictions on participation in public procurement of drugs originating from foreign countries submitted by the Ministry of Industry to the government. According to him, only for the last four years over USD 2 bln has been invested in the Russian pharmaceutical industry by the member-companies of our Association for the purposes of localization and implementation of technology transfer.

February 26, 2015, Vedomosti

A.v.e Pharmacy Group announced a freeze on prices for VED drugs and some popular medicinal products

A.v.e. pharmacy group that ranks second in terms of turnover in Russia announced a freeze on prices for vital and essential medicines and some popular medicinal drugs. Due to the instability of exchange rates, pharmacies laid in a stock and frozen prices at the level of November, said the Chairman of the Board of Directors of A.v.e Group Temur Shakaya. Prices are fixed for the entire VED list, medicines for the treatment of severe and chronic illnesses, as well as the drugs "popular among socially disadvantaged groups", and influenza agents.

Source of information – IMS Health

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