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

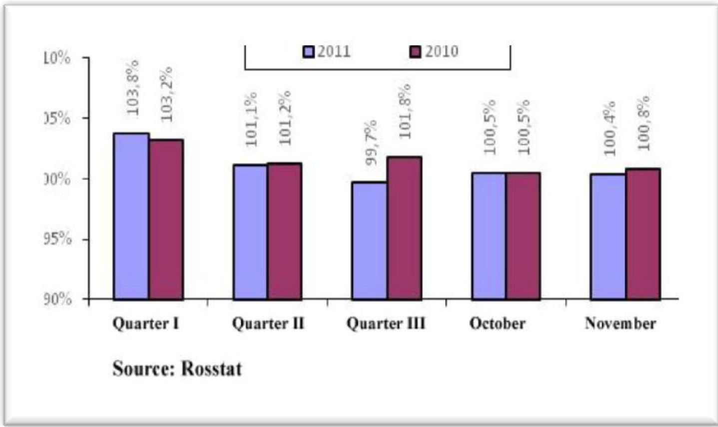
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in November 2011 the Consumer Price Index was estimated as 100.4%. For the period from start of the year, it escalated to 105.6% (in January November 2010 – 107.6%).

In November, Industrial Producer Price Index was 101.6%, whereas a month ago it had amounted to 101.7%. For the period from start of the year, it accounted for 114.4% (in January-November 2010 – 115.5%).

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



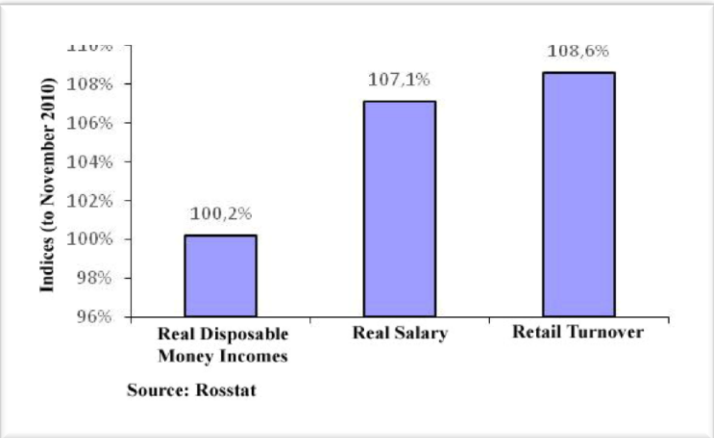
Living standard

According to preliminary Federal State Statistics Service's data, in November 2011 a gross monthly average salary per worker reached RUB 24,310 (USD) which accounts for 114.4% compared to November 2010. In November 2011, the real salary accounted for 107.1% as compared with the same period in 2010. In November 2011, the real value of cash incomes accounted for 100.2% as compared with the same period of 2010 (Fig. 2).

Retail turnover

In November 2011 the retail turnover was equal to RUB 1692.9 bln, which in stock accounts for 108.6% as compared to the same period a year ago (Fig. 2).

Figure 2. Real value of cash incomes, real salary and retail turnover in November 2011



Manufacture of industrial products

According to Federal State Statistics Service's data, Industrial Production Index in November 2011 accounted for 103.9% compared to the same period of past year, and 100.4% - to the previous month. In January-November 2011, the Index was equal to 105.0% (in the year-earlier period – 108.4%).

Domestic production

The Top-10 domestic manufacturers by production volume at November-end 2011 are shown in Table 1. The total production volume by top ten manufacturers was estimated as USD 361.6 mln.

Table 1. Top-ten chemical and pharmaceutical manufacturers by production volume in November 2011

Rank	Drug Manufacturer	Production volume, $mln.
1	Pharmstandart	201,7
2	Valenta	31,0
3	Stada	26,1
4	KRKA-RUS	22,6
5	Sotex	18,6
6	Pharm-Center	18,1
7	Akrihin	13,0
8	Veropharm	11,5
9	Materia Medica	10,4
10	Microgen	8,5

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In October 2011, the negative sales growth (in terms of roubles) was registered in all analyzed regions. The most pronounced falling-off in sales was observed in St. Petersburg (-15%), the least one – in Tatarstan (-2%).

Table 2. Pharmacy sales in the regions, 2011

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (Roubles)		
	August 2011	September 2011	October 2011	August/ July 2011	September/ August 2011	October/ September 2011
Moscow city	139,0	155,6	156,0	12%	24%	-6%
St. Petersburg	39,6	44,3	40,1	4%	24%	-15%
Krasnodarsky Kray	37,2	31,3	29,5	14%	-7%	-12%
Novosibirskaya Oblast	20,8	22,3	21,1	7%	19%	-11%
Republic of Tatarstan	22,0	23,5	24,5	8%	18%	-2%
Krasnoyarsky Kray	14,5	15,4	15,6	5%	17%	-5%
Rostovskaya Oblast	21,2	20,9	20,9	11%	9%	-6%
Voronezhskaya Oblast	16,2	17,3	17,0	14%	18%	-8%
Perm city	5,4	6,4	6,4	9%	29%	-6%
Tyumen city	6,3	6,3	6,4	3%	10%	-4%

Advertising

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

Table 3. Top five advertisers in mass media in November 2011

Rank	Company*	Quantity of broadcasts
1	Novartis	8 740
2	Berlin-Chemie Menarini Group	5 541
3	Sanofi Aventis	5 535
4	Pharmstandart	4 320
5	Reckitt Benckiser	3 880

Source – TNS Gallup AdFact

Table 4. Top-five trade names in mass media in November 2011

Rank	Trade name*	Quantity of broadcasts
1	Evalar	2 799
2	Microiode	1 861
3	Nurofen	1 730
4	Coldrex	1 707
5	Complivit	1 690

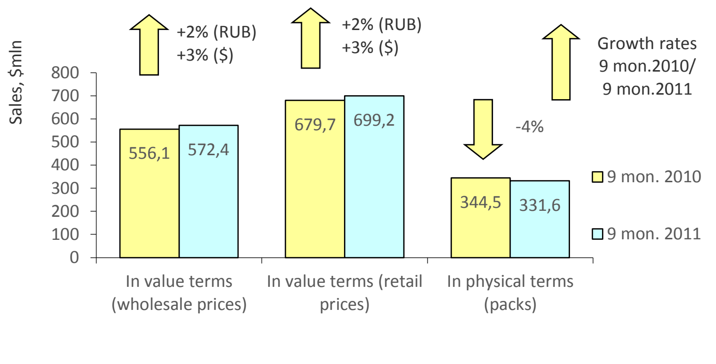
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter (OTC) drugs in Kazakhstan™, at the end of three quarters of 2011, the retail over-the-counter drugs market in physical terms saw a 4% decrease to 331.581 mln packs. In money terms (exclusive of Beneficiary Drug Coverage) the country market showed a positive performance: 2% in terms of Kazakhstan Tenges and 3% in terms of dollars. In wholesale prices the market achieved USD 572.366 mln (Tenge 83.690 bln), in retail prices – USD 699.243 mln (Tenge 102.242 bln) (Fig.1). The average retail cost of a pack was USD 2.11, whereas in the year ago period its cost was USD 1.97. Following the results of nine months of 2011, the level of OTC drugs consumption per capita was USD 42.53 (in 2010 - USD 41.94).

Figure 1. Kazakhstan pharmacy market for 9 months of 2010 – 9 months of 2011



Eighteen percent of OTC drugs sold in pharmacies of Kazakhstan for 9 months of 2011 were produced in Germany. Though the share of German preparations reduced by 0.5 p.p. as compared to the same period of the past year, they continue to lead with dramatic breakaway. The Russian pharmaceutical products' share in the region accounted for 7% and came in at rank two. Products made in India, USA and France accounted for 6% of the market each. Drugs made in Kazakhstan accumulated 5% of the pharmacy market each, as well as OTC drugs from Denmark and Slovenia.

At the end of nine months of 2011, the Top 10 manufacturers in the pharmacy market of Kazakhstan held its own in the ranking – the only shift took place in the bottom part thereof (table 1). Due to growth in sales by 5%, GLAXOSMITHKLINE moved up two ranks and came in at number 8 displacing SOLVAY and GEDEON RIHTER (5% each) down one rank.[1] The other seven drug manufacturers managed to maintain their top rankings. As before, the first rank is held by preparations of unidentified manufacturers despite of the fact that their share in the analyzed period considerably dropped. Drugs produced by NOVARTIS (-1%) remained the best-selling group in the Kazakhstan market, however they saw sales on a downward slide during the period under review. SANOFI-AVENTIS (-4%) and BERLIN-CHEMIE (-1%) at number 3 and 7 also showed the negative growth rates and reduction of market shares. The total share accumulated by the top ten drug manufacturers also reduced and accounted for 43.6%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9 mon. 2011	9 mon. 2010		9 mon. 2011	9 mon. 2010
1	1	Unidentified manuf.	6,4	7,3
2	2	**NOVARTIS (inc. SANDOZ-LEK)**	6,3	6,5
3	3	**SANOFI-AVENTIS**	5,6	6,0
4	4	**NYCOMED**	5,1	4,9
5	5	**TEVA**	4,5	4,6
6	6	**BAYER HEALTHCARE**	4,4	4,5
7	7	**BERLIN-CHEMIE MENARINI GROUP**	3,1	3,2
8	10	**GLAXOSMITHKLINE**	2,9	2,8
9	8	**SOLVAY PHARMA**	2,7	2,9
10	9	**GEDEON RIHTER LTD**	2,6	2,8
Total			43,6	45,5

*AIPM members are in bold

The top 10 trade names showed more pronounced shifts – only three names managed to hold their own in the ranking (table 2). They were the leader of the top ten ranking Actovegin (+18%), as well as Sumamed (+0.1%) and Mezym forte (-4%) at numbers 6 and 8. The other top 10 names changed their ranks; moreover, four trade names improved them. Linex (+6%), TheraFlu against cold and flu (+11%) and a newcomer of the top10 No-spa (+6%) moved up one rank, coming in at numbers 2, 4 and 10, respectively. Viferon (+4%) moved up two ranks, coming in at number 7. At the same time, three trade names with negative growth rates moved down in the ranks: Essentiale N (-6%), Cefazolin (-2%) and Duphaston (-7%), coming in at numbers 3, 5 and 9, respectively.

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

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	Actovegin	1,7	1,5
2	3	Linex	1,0	0,9
3	2	Essentiale N	0,9	0,9
4	5	TheraFlu against cold and flu	0,7	0,7
5	4	Cefazolin	0,7	0,7
6	6	Sumamed	0,7	0,7
7	9	Viferon	0,6	0,6
8	8	Mezym forte	0,6	0,7
9	7	Duphaston	0,6	0,7
10	11	No-spa	0,6	0,6
Total			8,1	8,0

Four INNs of the top 10 INN and generic names ranking showed negative sales rates (table 3). They were Pancreatin (-3%) and Soybean Phospholipids (-1%) that held their own ranks 2 and 9, and Polyvitamin+Multimineral (-11%) and INN Xylometazoline (-6%) that moved down to numbers 4 and 10. On top of that, due to moderate sales rates, Azithromycin (+1%) moved down one rank. On the contrary, Ambroxol (+6%), Fluconazole (+2%) and the only newcomer Ceftriaxone (+20%) showed the rating progress. As before, preparations of unidentified composition continue to remain the leader of the ranking. The total share of the top 10 INNs increased from 23.0% to 23.6%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	Unidentified	13,4	12,7
2	2	Pancreatin	1,5	1,6
3	4	Ambroxol	1,3	1,2
4	3	Polyvitamin+Multimineral	1,3	1,5
5	5	Azithromycin	1,2	1,1
6	7	Fluconazole	1,1	1,1
7	6	Azithromycin	1,0	1,1
8	11	Ceftriaxone	1,0	0,9
9	9	Soybean Phospholipids	0,9	0,9
10	8	Xylometazoline	0,9	1,0
Total			23,6	23,0

The first three groups of the top10 ATC groups held their own in the ranking (table 4). They were J01 Antibacterials for systemic use (+0.4%), N02 Analgesics (+10%) and R05 Cough and Cold Preparations (+9%). Apart from that, R01 Nasal preparations (+3%) held their own rank seven. Four ATC groups of the top10 showed a rating progress. M01 Anti-inflammatory and antirheumatic products (+13%) moved up from rank 4 to 5, G04 Urologicals moved up from rank 8 to 6 and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents – from rank 10 to 9 (+8% each). Its only newcomer A05 Bile and liver therapy (+11%) broke into the top ten ranking, coming in at number 10. A11 Vitamins (-3%) and G03 Sex hormones (-5%) showed the negative growth rates. The total share of the top ten increased by 1 p.p. and achieved 45.0%.

Table 4. The top 10 ATC Groups by pharmacy sales

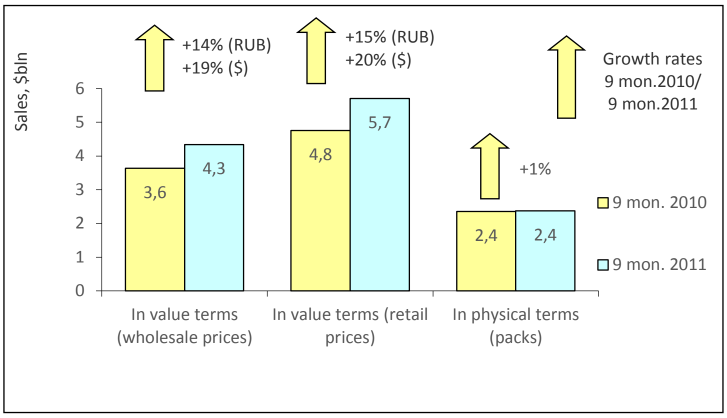
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	J01	Antibacterials for systemic use	9,8	10,0
2	2	N02	Analgesics	5,3	4,9
3	3	R05	Cough and Cold Preparations	5,0	4,7
4	5	M01	Anti-inflammatory and antirheumatic products	4,3	3,8
5	4	A11	Vitamins	4,0	4,3
6	8	G04	Urologicals	3,5	3,3
7	7	R01	Nasal preparations	3,4	3,4
8	6	G03	Sex hormones	3,4	3,6
9	10	A07	Antidiarrheals	3,2	3,0
10	11	A05	Bile and liver therapy	3,2	2,9
Total				45,0	43,9

Conclusion. At the end of nine months of 2011, Kazakhstan retail market grew by 2% in national currency terms and by 3% in dollar terms and brought in USD 699.243 mln (Tenge 102.242 bln). Compared to the growth rates of the first half of the current year, the market performance reduced (+4% in terms of Tenges and +5% in terms of dollars). In physical terms the market showed negative growth rates (-4%) and amounted to 331.581mln packs. Compared to the indicators of the same period a year ago, both the average cost of a pack and the level of OTC drugs consumption by residents of the country increased (USD 2.11 vs. USD 1.97 and USD 42.53 vs. USD 41.94).

PHARMACY OTC MARKET IN RUSSIA: 2011 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, the sales of over-the-counter drugs in physical terms increased by 1% to 2.374 bln packs over the period of first nine months of 2011. In value terms, the Russian OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 14% increase in terms of roubles and 19% increase in terms of dollars and reached RUB 125.077 bln (USD 4.336 bln) in wholesale prices (Fig.1). The average cost of an OTC pack grew as compared to the same period of the previous year (USD 2.02) and reached USD 2.40 in retail prices. The average Russian consumer spent USD 39.93 for over-the-counter drugs in the first three quarters of 2011, whereas during the same period of 2010 - USD 33.26).

Figure 1. Russia pharmacy market for 9 months of 2010 – 9 months of 2011



At the end of three quarters of 2011, the composition of the top ten manufacturers ranking didn't change compared to a year earlier (table 4). Apart from that, most drug manufacturers of the top ten held their own in the ranking. Only SANDOZ (+33%) and RECKITT BENCKISER (+20%) rose in the ranks, coming in at numbers 3 and 8, respectively. At the same time, MENARINI (+4%), BAYER (+13%) and TEVA (+7%) moved down one rank, coming in at number three, four and nine, respectively. Despite a big lag in rates of growth and reduction in market share, Russian PHARMSTANDART (+11%) and French SANOFI-AVENTIS (+7%) continue to remain leaders of the OTC market in Russia. The cumulative share of the top ten manufacturers increased from 44.0% to 44.3%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	PHARMSTANDART	8,9	9,1
2	2	**SANOFI-AVENTIS**	5,9	6,3
3	5	**SANDOZ GROUP**	5,0	4,3
4	3	**MENARINI**	4,5	4,9
5	4	**BAYER HEALTHCARE**	4,4	4,4
6	6	**NOVARTIS**	4,1	3,8
7	7	**STADA**	3,2	2,9
8	9	**RECKITT BENCKISER**	2,9	2,8
9	8	**TEVA**	2,7	2,9
10	10	**JOHNSON & JOHNSON**	2,7	2,5
Total			44,3	44,0

*AIPM members are in bold

Five drugs managed to retain their previous ranks in the top ten trade names ranking (table 2). They were the leaders of the top ten ARBIDOL (+8%) and ESSENTIALE N (+3%), as well as LINEX (+114%) and MEZYM FORTE (+0.3%) and ANAFERON (+7%) at numbers 5 and 6. Three trade names of the top ten moved down to the lower ranks - OCILLOCOCCINUM (-0,4%), THERAFLU (+7%) and NO SPA (-4%), coming in at numbers 7, 9 and 10, respectively. The rating progress was also shown by LASOLVAN (sales grew 1.6 times) and EXODERIL (2.1 times) which due to pronounced positive growth rates moved up to ranks 4 and 8. On top of that, the latter became the only newcomer of the top 10 ranking.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	2,8	3,0
2	2	ESSENTIALE N	1,9	2,1
3	3	LINEX	1,4	1,4
4	10	LASOLVAN	1,1	0,8
5	5	MEZYM FORTE	1,1	1,2
6	6	ANAFERON	1,1	1,2
7	4	OCILLOCOCCINUM	1,1	1,2
8	27	EXODERIL	1,0	0,5
9	8	THERAFLU	1,0	1,0
10	7	NO- SPA	0,9	1,1
Total			13,2	13,5

No newcomers appeared in the top 10 INN and Generic Names ranking; however numerous shifts took place in it (table 3). Only its leader - ARBIDOL (+8%) – managed to hold its own in the ranking. Four names of the top 10 ranking rose in the ranks whereas five of them, on the contrary, moved down to the lower ranks. XYLOMETAZOLINE (+34%) moved up two ranks from number 4 to 2. AMBROXOL (+42%) moved up three ranks, coming in at number 5. IBUPROFEN (+16%) and KETOPROFEN (+13%) moved up one rank, to numbers 6 and 9. The sales rates of the other INNs lagged behind the market average, however only INN LACTOBACILLUS ACIDOPHILUS (-9%) sales reduced in the analyzed period. The total share of the top 10 INN and Generic Names ranking remained practically unchanged and accounted for 18.3%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	2,8	3,0
2	4	XYLOMETAZOLINE	2,4	2,0
3	2	PANCREATIN	2,3	2,4
4	3	PHOSPHOLIPIDS	2,1	2,2
5	8	AMBROXOL	1,7	1,4
6	7	IBUPROFEN	1,6	1,6
7	6	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,6	1,6
8	5	LACTOBACILLUS ACIDOPHILUS	1,3	1,7
9	10	KETOPROFEN	1,2	1,2
10	9	FLUCONAZOLE	1,2	1,3
Total			18,3	18,4

Three groups of the top 10 ATC groups managed to hold its own in the ranking (table 4). They were the ranking leaders N02 Analgesics (+11%) and A07 Antidiarrheals (+10%) and R06 Antihistamines for systemic use (+6%) at numbers 6 and 7. Three groups (A11, A05 and preparations of unidentified pharmaceutical groups) moved down to the lower ranks, whereas the other four, on the contrary, rose in the ranks. All four of them moved up one rank: R05 Cough and Cold Preparations (+40%) came in at number 2, R01 Nasal preparations (+19%) at number 4, and Group J05 Antivirals for systemic use (+21%) and M02 Topical products for joint and muscular pain (+14%) – at number eight and ten, respectively. The total share of the top 10 ATC groups increased from 53.3% to 53.5%.

Table 4. The top 10 ATC Groups by pharmacy sales

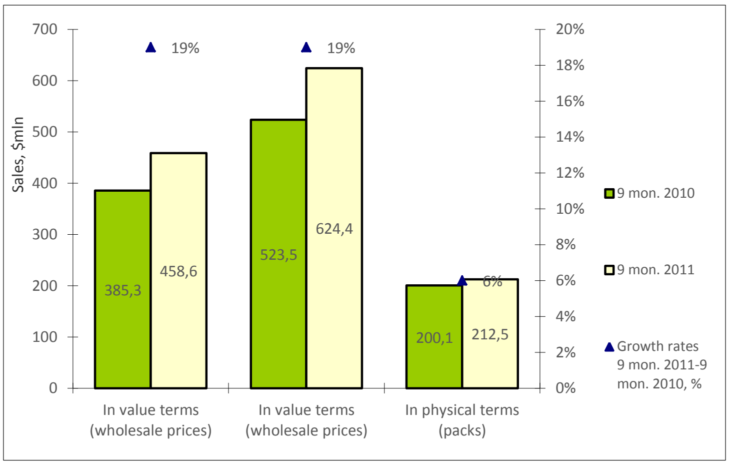
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	N02	ANALGESICS	9,7	9,9
2	3	R05	COUGH AND COLD PREPARATIONS	7,8	6,3
3	2		Unidentified	6,3	6,8
4	5	R01	NASAL PREPARATIONS	5,8	5,6
5	4	A11	VITAMINS	5,8	6,0
6	6	A07	A07 INTESTINAL ANTIINFECTIVES	5,2	5,3
7	7	R06	R06 ANTIHISTAMINES FOR SYST USE	3,4	3,6
8	9	J05	ANTIVIRALS FOR SYSTEMIC USE	3,4	3,2
9	8	A05	BILE AND LIVER THERAPY	3,3	3,6
10	11	M02	TOP PROD JOINT&MUSCULAR PAIN	3,0	3,0
Total				53,5	53,3

Conclusion. On the basis of the results of three quarters of 2011, the retail OTC drugs market of Russia brought in RUB 164.578 bln (USD 5.706 bln). The market saw a 15% increase in terms of roubles and 20% in terms of dollars. The segment in physical terms also showed positive, but less pronounced growth rates (+1%) and reached 2.374 bln packs. The average cost of a pack at the end of nine months was notably higher than the same indicator in the past year (USD 2.40 vs. USD 2.02). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 39.93 vs. USD 33.26).

RUSSIAN BIOLIGICALLY ACTIVE ADDITIVE (BAA) MARKET: 2011 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of BAA in Russian Federationтм, at the end of three quarters of 2011, the BAA pharmacy sales in Russia brought in RUB 13.191 billion roubles (USD 458.569 million) in wholesale prices and RUB 17.961 bln (USD 624.396 mln) in retail prices (Fig.1). As compared to the same period of past year, the market saw a 13% increase in terms of roubles, and 19% increase in terms of dollars (in wholesale prices). In physical terms the BAA sales also increased (+6%) to 212.531 mln packs. In six months of 2011, the average retail cost of a BAA pack was USD 2.94, whereas in a year-earlier period – USD 2.62. It should be noted that the average cost of an OTC pack (USD 3.48) is notably higher than that of a BAA pack. The average sum spent by residents of Russia for purchase of BAA in the analyzed period amounted to USD 4.37 (during the same period of 2010 - USD 3.66).

Figure 1. Russian BAA pharmacy market for 9 months of 2010 – 9 months of 2011



At the end of nine months of 2011, EVALAR (+9%) which market share accounts for 23.2% of sales continued to remain the absolute leader of BAA market (Table 1). However, it should be noted that the market share of the company reduced as compared with the same period of past year by 1 p.p. – as the sales growth rates lagged behind the average market growth. Apart from the leader, only one more manufacturer of the top 10 managed to retain its earlier rank. It was FERROSAN (+10%) at number 5. The rating progress was showed by Russian manufacturers VIS and AVVA RUS which sales increased 1.6 and 2.3 times, as well as NATUR PRODUCT (+23%). The companies came in at numbers two, six and seven, respectively. At the same time, AKVION (-7%), DIOD (-14%), PHARMA-MED CANADA (+17%), EKOMIR (+9%) and MIRAX FARMA (+3%) moved down to the lower ranks of the top ten. The total share accumulated by the ten top BAA manufacturers amounted to 52.5%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	EVALAR	23,2	24,2
2	4	VIS	5,5	4,0
3	2	AKVION,RF	4,6	5,7
4	3	DIOD	4,1	5,4
5	5	**FERROSAN**	3,7	3,9
6	12	AVVA RUS	3,4	1,7
7	9	NATUR PRODUCT	2,1	1,9
8	7	PHARMA-MED CANADA	2,1	2,0
9	6	EKOMIR	2,0	2,1
10	8	MIRAX FARMA	1,8	2,0
Total			52,5	52,7

*AIPM members are in bold

The leader of the top 10 biologically active additive trade names didn't change either, a sexual stimulant SEALEX FORTE (+70%) managed to hold and reinforce its position (table 2). The markets of the other three trade names also developed at a fast pace: the sales of BAA LACTOFILTRUM increased 2.2 times, and those of CI-CLIM and ALI CAPS– 1.7 times, which allowed them to raise in the ranks – the trade names moved up to numbers 2, 4 and 5, at the same time the two latter became the newcomers of the top ten. Note that two more trade names moved up to the higher ranks HAEMATOGEN RUSS (+10%) and TURBOSLIM CLEANING (+21%) moved up one rank, coming in at numbers 7 and 9. The other four trade names from the top 10, on the contrary, moved down to the lower ranks. Despite the positive significant growth rates, FITOLAX (+46%) moved down one rank. The BAAs OVESOL (-16%), LEONURI FORTE (-1%) and INDINOL (-4%) reduced its sales and lost their rankings, moving down to numbers 6.8 and 10, respectively. The total share of the top ten trade names increased by almost 4 p.p. and achieved 20.2%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	SEALEX FORTE	4,0	2,7
2	5	LACTOFILTRUM	3,3	1,7
3	2	FITOLAX	2,8	2,2
4	13	CI-CLIM	1,6	1,1
5	16	ALI CAPS	1,5	1,0
6	4	OVESOL	1,5	2,0
7	8	HAEMATOGEN RUSS	1,5	1,5
8	7	LEONURI FORTE	1,3	1,5
9	10	TURBOSLIM CLEANING	1,3	1,2
10	6	INDINOL	1,3	1,5
Total			20,2	16,4

Numerous changes took place in the top 10 INN and generic names rating (table 3). However, three INNs of the top 10 ranking retained their earlier positions. As before, BAAs of unidentified composition topped the top 10 ranking, and combination FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR (+25%) and PYRIDOXINE + LEONURUS SIBIRICUS (-1%) maintained their positions 5 and 10. Most of the top 10 INN and generic names showed ranking progress – five of them moved up to the higher ranks. The combination GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS (+70%) and INN ASCORBIC ACID (+38%) move up one rank, coming in at numbers 2 and 6, respectively. Due to 2.2-fold sales growth, LACTULOSE + LIGNIN moved up from number 8 to 3. The newcomers of the top ten DEXPANTHENOL + DIOSCOREA VILLOSA + HYALURONIC ACID (+73%) and EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA (+62%) came in at numbers seven and eight. At the same time, the combination ASCORBIC ACID + BIOTIN + CALCIUM (+4%) and AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA (-13%) moved down to much lower ranks 4 and 9. The total share of the top ten increased by 3.5 p.p. and achieved 25.6%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	Unidentified	5,3	5,6
2	3	GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS	4,0	2,7
3	8	LACTULOSE + LIGNIN	3,3	1,7
4	2	ASCORBIC ACID + BIOTIN + CALCIUM	2,5	2,7
5	5	FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR	2,3	2,1
6	7	ASCORBIC ACID	2,2	1,8
7	16	DEXPANTHENOL + DIOSCOREA VILLOSA + HYALURONIC ACID	1,6	1,1
8	19	EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA	1,5	1,0
9	6	AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA	1,5	2,0
10	10	PYRIDOXINE + LEONURUS SIBIRICUS	1,3	1,5
Total			25,6	22,1

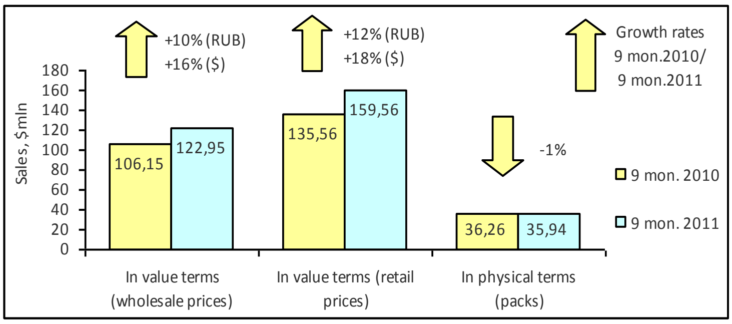
Conclusion. Following the results of nine months of 2011, BAA sales in pharmacies increased by 6% in natural terms showing the positive sales rates in value terms: +14% in terms of roubles and +19% in terms of dollars. Its volume amounted to RUB 17.961 bln (USD 624.396 mln) in final consumption prices. The average cost of a BAA pack (USD 2.94 vs. USD 2.62), and the average per capita expenses for purchase of BAA in the region (USD 4.37 vs. USD 3.66) grew as compared to a year earlier. As the analyzed rankings show, BAA market suffered considerable structural changes; however EVALAR continues to remain practically unreachable dominant company in this market segment.

NOVOSIBIRSK PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Novosibirskaya Oblast was estimated as 2.762 mln, which makes 1.9% of the total Russian Federation population and 14.3% of Central FO (CFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the region was RUB 19,502.8 (USD 661.78), which is 14% less than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first nine months of 2011 the pharmacy market volume in physical terms reduced by 1% and amounted to 35.937 million packs (Fig. 1) In wholesale prices the market also showed the positive performance - 10% in terms of roubles and 16% in terms of dollars and reached 3.545 billion roubles (USD 122.946 million). The region share in the total volume of all-Russia pharmacy market accounted for 1.4%. The average cost of OTC pack following the results of the analyzed period was USD 4.44 (during the same period of 2010 - USD 3.74). In the first nine months of 2011, per capita expenses of Novosibirsk residents for purchase of medicines in pharmacies amounted to USD 113.23.

Figure 1. Novosibirsk pharmacy market for 9 months of 2010 – 9 months 2011



At the three quarter-end of 2011, six manufacturers of the top ten held their own in the ranking (table 1). They were the top ten leaders SANOFI-AVENTIS (+9%), BAYER (+14%) and PHARMSTANDART (+26%), as well as ABBOTT (+4%), MERCK SHARP DOHME (+5%) and MENARINI (+7%) at numbers 5, 6 and 10. Two manufacturers succeeded in improving their ranks. SANDOZ (+20%) moved up from rank 7 to 4, and NOVARTIS (+17%) moved up from rank 9 to 7. Due to falling-off in sales, SERVIER (-0.1%) considerably reduced its market share and lost four ranks, as a result the company moved down to number 8. NYCOMED (+9%) moved down one rank, to number 9. The total share of the top 10 manufacturers increased from 37.6% to 37.9%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	5,6	5,7
2	2	**BAYER HEALTHCARE**	4,8	4,7
3	3	PHARMSTANDART	4,6	4,1
4	7	**SANDOZ GROUP**	3,6	3,3
5	5	**ABBOTT**	3,4	3,6
6	6	**MERCK SHARP DOHME**	3,4	3,5
7	9	**NOVARTIS**	3,3	3,1
8	4	**SERVIER**	3,3	3,6
9	8	**NYCOMED**	3,3	3,3
10	10	**MENARINI**	2,6	2,7
Total			37,9	37,6

*AIPM members are in bold

Three newcomers broke into the top 10 trade names ranking (table 2). They were antiviral KAGOCEL, which sales increased 3.2 times, antiaggregant PLAVIX (+50%) and mucolytic LASOLVAN (+58%) coming in at number 2, 8 and 9, respectively. Due to 29% growth of sales, ARBIDOL strengthened its position and continued to remain the leader of the top ten. ESSENTIALE N (-0.4%) has become the only trade name of the top 10 ranking which showed the reduction in sales. Due to negative growth rates, it moved down from rank 3 to 6 allowing VIAGRA (+16%), THERAFLU (+19%) and YARINA (+24%) to rise in the ranks.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,4	1,2
2	41	KAGOCEL	1,0	0,3
3	4	VIAGRA	0,9	0,9
4	5	THERAFLU	0,8	0,8
5	6	YARINA	0,8	0,7
6	3	ESSENTIALE N	0,8	0,9
7	8	ANAFERON	0,7	0,7
8	13	PLAVIX	0,7	0,5
9	22	LASOLVAN	0,6	0,4
10	10	DUPHASTON	0,6	0,6
Total			8,4	7,0

Three newcomers broke into the top 10 INN and generic names ranking (table 3). They were KAGOCEL, which sales increased 3.2 times, as well as AMBROXOL и CLOPIDOGREL (+46% each) that came in at numbers 4, 8 and 9, respectively. Apart from them, the growth rates were also showed by INNs XYLOMETAZOLINE (+28%) and SILDENAFIL (+16%) which moved up to ranks 2 and 5. At the same time three INNs (PARACETAMOL + ASCORBIC ACID + PHENIRAMINE, PHOSPHOLIPIDS and IBUPROFEN), on the contrary, moved down to the lower ranks. As before, ARBIDOL (+29%) remained the highest ranking INN in the top ten. Note that the total share of the top ten ATC groups in the analyzed ranking as well as that in the previous ranking reduced by almost 1.5 p.p. and achieved (in this case) 10.1%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,4	1,2
2	3	XYLOMETAZOLINE	1,3	1,1
3	2	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,2	1,1
4	64	KAGOCEL	1,0	0,3
5	7	SILDENAFIL	0,9	0,9
6	6	PANCREATIN	0,9	0,9
7	5	PHOSPHOLIPIDS	0,9	1,0
8	17	AMBROXOL	0,9	0,7
9	20	CLOPIDOGREL	0,8	0,6
10	9	IBUPROFEN	0,8	0,8
Total			10,1	8,6

The dominant three groups held their own in the top ten ATC group ranking (table 4). The groups G03 Sex hormones (+14%), N02 Analgesics (+21%) and J01 Antibacterials for systemic use (+10%) remained the best selling drugs in the domestic market, and the two former strengthened their positions. Due to growth of sales by 41%, R05 Cough and cold preparations moved up from rank nine to four. At the same time, they forced M01 Anti-inflammatory and antirheumatic products (+11%) and preparations of unidentified pharmaceutical groups to move down one rank. The market of another newcomer of the top ten, group J05 Antivirals for systemic use, developed at a faster pace. Its sales grew by more than 1.6 times and the ranking improved by 8 scores. R01 Nasal preparations (+13%) moved up one rank, coming in at number 7. At the same time, the less dynamic groups of the top ten – A11 Vitamins (+3%) and C09 Agents acting on the rennin-angiotenzin system (-0.1%) moved to ranks 8 and 9. The total share of the top ten ATC groups increased by 2.1 p.p. and reached 39.7%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	G03	SEX HORM&MODULAT GENITAL SYS	5,2	5,0
2	2	N02	ANALGESICS	5,0	4,6
3	3	J01	ANTIBACTERIALS FOR SYST USE	4,1	4,2
4	9	R05	COUGH AND COLD PREPARATIONS	4,1	3,2
5	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4,0	4,0
6	5		Unidentified	4,0	3,7
7	8	R01	NASAL PREPARATIONS	3,6	3,5
8	6	A11	VITAMINS	3,4	3,6
9	7	C09	AG ACT RENIN-ANGIOTENS SYST	3,3	3,6
10	18	J05	ANTIVIRALS FOR SYSTEMIC USE	3,0	2,1
Total				39,7	37,6

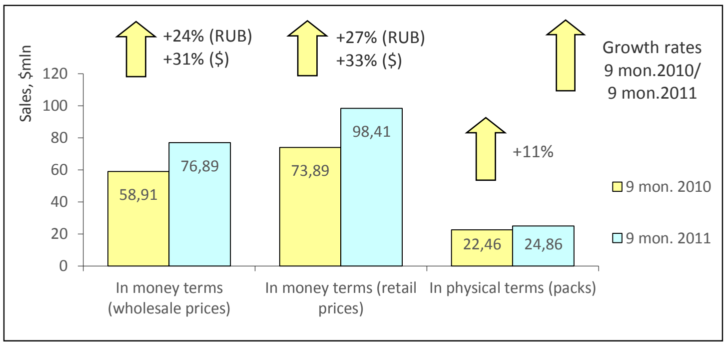
Conclusion. The Novosibirsk pharmacy market in the first nine months to end September 2011 brought in RUB 4.600 bln (USD 159.559 mln) in final consumption prices, which is by 12% in terms of roubles and 18% in terms of dollars more than during the same period a year ago. In physical terms the city market also showed negative sales growth rates (-1%) and reached 35.937 mln packs. The average cost of an OTC pack in the first nine months increased as compared to a year earlier (USD 3.74) and was more than an average cost in Russia (USD 3.48). Expenses of residents for purchase of medicines in the city pharmacies also proved to be higher than the average expenses in Russia (USD 113.23 vs. USD 81.18).

KRASNOYARSK PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Krasnoyarsky Kray was estimated as 2.829 mln, which accounts for 2% of the total Russian Federation population and 14.7% of Central FO (CFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the region was RUB 24,759 (USD 840.14), which is 9% more than the average salary in Russia (RUB 22,622.0).

According to the results of the Audit of Hospital Purchases in Russian Federation™, in the first nine months of 2011 the Krasnoyarsk parmacy market saw an 11% increase in physical terms to 24.856 mln packs. The hospital purchases in value terms increased by 24% in terms of roubles and by 31% in terms of dollars and reached RUB 2.215 bln (USD 76.890 mln) in wholesale prices. The average cost of an OTC drug in Krasnoyarsk pharmacies increased as compared to a year earlier and amounted to USD 3.96 (in 2010 - USD 3.29). The regional market share accounted for 0.8% of the Russian pharmacy market in value terms. The average sum spent by residents of Krasnoyarsk for purchase of medicines amounted to USD 102.24.

Figure 1. Krasnoyarsk pharmacy market for 9 months of 2010 – 9 months of 2011



Based on the result of nine months 2009, in Krasnoyarsk the three top companies of the ten top manufacturers held their own in the ranking (table 1). SANOFI-AVENTIS (+24%), BAYER (+22%) and PHARMSTANDART (+32%) maintained and the former reinforced their positions. SERVIER (+28%), MENARINI (+17%) and NOVARTIS (+28%) succeeded in keeping their previous ranks 5, 7 and 8 in the ranking. The most dynamic manufacturer of the ranking - SANDOZ (+38%) – improved its position by two ranks and moved up from number 6 to 4. MERCK SHARP DOHME (-1%) which used to hold rank four earlier, on the contrary, moved down to number 6. The two bottom ranks of the top 10 were taken by the newcomers - NYCOMED (+33%) и STADA (+30%). The total share of the analyzed top 10 manufacturers remained unchanged and accounted for 39.1%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	5,8	5,8
2	2	**BAYER HEALTHCARE**	5,2	5,3
3	3	PHARMSTANDART	4,7	4,5
4	6	**SANDOZ GROUP**	4,2	3,8
5	5	**SERVIER**	3,9	3,8
6	4	**MERCK SHARP DOHME**	3,4	4,2
7	7	**MENARINI**	3,0	3,2
8	8	**NOVARTIS**	3,0	2,9
9	12	**NYCOMED**	3,0	2,8
10	11	**STADA**	2,9	2,8
Total			39,1	39,1

*AIPM members are in bold

The top 10 trade names ranking suffered more noticeable changes (table 2). Only two of the top ten trade names – VIAGRA (+10%) and SEDAL M (+23%) – managed to maintain previous ranks three and six in the ranking, Five trade names rose in the ranks and three names fell in the ranks. ARBIDOL (+42%), ESSENTIALE N and KETONAL (+32% each) as well as a newcomer of the top ten YARINA (+26%) moved up one rank, coming in at numbers 1, 4, 7 and 10, respectively. Due to 1.8-fold growth of sales, the second newcomer of the top ten NUROFEN PLUS showed more noticeable ranking progress and moved up from rank 16 to 5. Note that two trade names of the top ten reduced their sales which resulted in the loss of their ranking positions. They were TROPICAMID and PEGINTRON (-24% each) that moved down to numbers 2 and 8. ACTOVEGIN (+16%) also moved down two ranks, to number 9. The total share of the top 10 decreased by almost 1 p.p. and accounted for 9.0%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	2	ARBIDOL	1,5	1,3
2	1	TROPICAMID	1,3	2,1
3	3	VIAGRA	1,1	1,2
4	5	ESSENTIALE N	1,0	1,0
5	16	NUROFEN PLUS	0,7	0,5
6	6	SEDAL M	0,7	0,7
7	8	KETONAL	0,7	0,7
8	4	PEGINTRON	0,7	1,1
9	7	ACTOVEGIN	0,7	0,7
10	11	YARINA	0,6	0,6
Total			9,0	9,9

Two newcomers were born into the top 10 INN and generic names ranking (table 3): AMBROXOL (+58%) and BISOPROLOL (+34%) which came in at two bottom ranks. Apart from them, another four INNs of the top 10 rose in the ranks. They were the leader of the top ten ranking ARBIDOL (+42%) as well as KETOPROFEN (+31%), PHOSPHOLIPIDS (+38%) and XYLOMETAZOLINE (+29%) that moved up to ranks three, four and seven, respectively. Two INNs, TROPICAMIDE (-23%) amd SILDENAFIL (+10%), on the contrary, moved down to the lower ranks two and six. PANCREATIN (+24%) and combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+18%) held their own in the ranking. As in the previous ranking, the total share of the top 10 INN and Generic Names reduced, in this case from 11.3% to 10.8%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	2	ARBIDOL	1,5	1,3
2	1	TROPICAMIDE	1,3	2,2
3	4	KETOPROFEN	1,2	1,2
4	7	PHOSPHOLIPIDS	1,1	1,0
5	5	PANCREATIN	1,1	1,1
6	3	SILDENAFIL	1,1	1,2
7	9	XYLOMETAZOLINE	1,0	0,9
8	8	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,9	1,0
9	18	AMBROXOL	0,8	0,7
10	14	BISOPROLOL	0,8	0,7
Total			10,8	11,3

N02 Analgesics (+25%) remained the best-selling over-the-counter group in the Russian OTC drugs market (Table 4). J01 Antibacterials for systemic use (+4%) placed before at number two showed not-too-high growth rates, in consequence of which it considerably reduced its market share and lost two ranks. Groups M01 Anti-inflammatory and antirheumatic products and G03 Sex hormones (+26%) moved up one rank, coming in at numbers 2 and 3, respectively. Groups R05 Cough and cold preparations (+55%) and C09 Agents acting on the rennin-angiotensin system (+30%) also rose in the ranks, coming in at numbers 5 and 8, respectively. At the same time, the less dynamic S01 Ophthalmologicals (+6%), A11 Vitamins (+21%) and R01 Nasal preparations (+25%), on the contrary, moved down to the lower ranks 7, 9 and 10. The cumulative share of the top 10 under review decreased from 42.2% to 41.6%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	N02	ANALGESICS	5,9	5,9
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,7	4,6
3	4	G03	SEX HORM&MODULAT GENITAL SYS	4,6	4,5
4	2	J01	ANTIBACTERIALS FOR SYST USE	4,4	5,3
5	7	R05	COUGH AND COLD PREPARATIONS	4,3	3,5
6	6		Unidentified	3,9	4,1
7	5	S01	OPHTHALMOLOGICALS	3,7	4,3
8	10	C09	AG ACT RENIN-ANGIOTENS SYST	3,4	3,2
9	8	A11	VITAMINS	3,4	3,5
10	9	R01	NASAL PREPARATIONS	3,3	3,3
Total				41,6	42,2

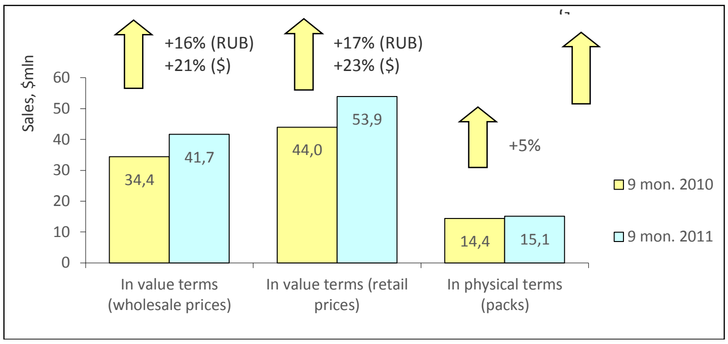
Conclusion. On the basis of the results of nine months of 2011, the Krasnoyarsk pharmacy market performance (in value terms) proved to be pronounced and positive (+27% in terms of roubles and +33% in terms of dollars). At the same time, the market volume amounted to RUB 2.834 bln (USD 98.407 mln). In physical terms, the market performance increased by 11% to 24.856 mln packs. The average cost of OTC pack in pharmacies of the city increased as compared to a year earlier (USD 3.96 vs. USD 3.29) and remained notably higher than that on the average in Russia (USD 3.48).

BARNAUL PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Republic of Altai was estimated as 206.557 mln, which accounts for 0.1% of the total Russian Federation population and 1.1% of Central FO (CFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in the Republic of Altai was RUB 14,636.6 (USD 496.66), which is 35% less than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in three quarters of 2011 the Barnaul pharmacy market volume increased in physical terms by 5% and amounted to 15.106 million packs (Fig. 1) In wholesale prices the market also showed the growth gain: 16% in terms of roubles and 21% in terms of dollars and reached 1.201 billion roubles (USD 41.697 million). The city share in the total volume of all-Russia pharmacy market accounts for 0.5%. The average cost of OTC pack in Barnaul pharmacies in the analyzed period was USD 3.57 (during the same period of 2010 - USD 3.05). The average sum spent by residents of Barnaul for purchase of medicines amounted to USD 90.23.

Figure 1. Barnaul pharmacy market for 9 months of 2010 – 9 months of 2011



On the basis of the results for nine months of 2011, French SANOFI-AVENTIS (+12%) remained the leading manufacturer of the pharmacy market of Barnaul despite growth lagging behind market averages (Table 1). BAYER that used to be at number two showed relatively moderate (+9%) growth in sales, which allowed more dynamic companies NYCOMED and PHARMSTANDART (+17% each) to move forward to numbers two and three, respectively. Note that apart from them, ABBOTT (+12%), GEDEON RICHTER (+27%) and NOVARTIS(+23%) also moved to much higher ranks, coming in at numbers 6, 8 and 9 of the top ten. At the same time, the latter became the only newcomer of the ranking. Manufacturers SERVIER (-2%) and STADA (+13%) moved down to the lower ranks 7 and 10. The total share of the top 10 decreased by almost 1 p.p. and accounted for 39.4%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	5,5	5,6
2	3	**NYCOMED**	4,8	4,7
3	4	PHARMSTANDART	4,6	4,6
4	2	**BAYER HEALTHCARE**	4,6	4,8
5	5	**MENARINI**	4,2	4,5
6	7	**ABBOTT**	3,6	3,7
7	6	**SERVIER**	3,2	3,8
8	10	**GEDEON RICHTER**	3,1	2,8
9	11	**NOVARTIS**	2,9	2,8
10	8	**STADA**	2,9	3,0
Total			39,4	40,3

*AIPM members are in bold

Due to 2.3-fold growth in sales, a newcomer - combined NSAID SEDALM - broke into the top ten trade names ranking, coming in at number 4 (Table 2.). At the same time THERAFLU (+4%), DUPHASTON (-1%) and ESSENTIALE N (+6%) moved down one rank. Another shift took place in the bottom part f the ranking: more dynamic NISE (+2%) moved up one rank to number 9, displacing VIAGRA (+2%) to the bottom rank of the top 10 trade names. Four trade names of the top ten managed to retain their previous ranks. Three leaders are listed among them: ARBIDOL (+16%), CONCOR (+11%) and ACTOVEGIN (+16%).

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ARBIDOL	1,3	1,3
2	2	CONCOR	1,0	1,0
3	3	ACTOVEGIN	0,9	0,9
4	24	SEDAL M	0,8	0,4
5	4	THERAFLU	0,8	0,9
6	5	DUPHASTON	0,7	0,9
7	6	ESSENTIALE N	0,7	0,7
8	8	DYSPORT	0,6	0,6
9	10	NISE	0,6	0,6
10	9	VIAGRA	0,6	0,6
Total			8,1	8,0

The leaders of the top 10 INN and generic names didn't change either. BISOPROLOL (+19%) and ARBIDOL (+16%) remained the leaders of the ranking (Table 3). Due to lagging in growth, combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+8%) that used to be at number three lost two scores in the ranking, which allowed more dynamic NIMESULIDE and XYLOMETAZOLINE (+30% each) to move up the row, to numbers 3 and 4, respectively. Due to negative growth rates, one more INN of the top ten ENALAPRIL (-8%) moved down from rank 6 to 10. At the same time, BLOOD moved up from rank 7 to 6. The most pronounced ranking progress was shown by the newcomers of the top 10 ranking: AZITHROMYCIN (+35%), INTERFERON ALFA-2A (+47%) and SIBUTRAMINE (+54%), coming in at numbers 7 through 9 The total share of the top ten INN and generic names increased by almost 0.5 p.p. and reached 11.0%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	BISOPROLOL	1,5	1,4
2	2	ARBIDOL	1,3	1,3
3	4	NIMESULIDE	1,2	1,1
4	5	XYLOMETAZOLINE	1,2	1,1
5	3	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,1	1,2
6	7	BLOOD	1,0	1,0
7	11	AZITHROMYCIN	0,9	0,8
8	16	INTERFERON ALFA-2A	0,9	0,7
9	25	SIBUTRAMINE	0,8	0,6
10	6	ENALAPRIL	0,8	1,0
Total			10,8	10,3

N02 Analgesics (+20%) became the leader of the top 10 ATC Groups ranking as the group G03 Sex hormones that used to be its leader reduced its sales by 45% and moved down to number 2 (table 4). M01 Anti-inflammatory and antirheumatic products (+15%) and J01 Antibacterials for systemic use (+17%) retained ranks three and four. Due to the highest performance among the top groups, L03 Immunostimulants (+41%) moved up four ranks, coming in at number five. Apart from that, R05 Cough and cold preparations (+28%) and J05 Antivirals for systemic use (+38%) also rose in the ranks. coming in at numbers 6 and 10 respectively. The less dynamic groups (R01, C09 and A11), on the contrary, dropped in the ranks. The cumulative share of the top10 increased from 39.1% to 39.3%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	2	N02	ANALGESICS	5,7	5,5
2	1	G03	SEX HORM&MODULAT GENITAL SYS	5,0	6,0
3	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,7	4,8
4	4	J01	ANTIBACTERIALS FOR SYST USE	4,2	4,2
5	9	L03	IMMUNOSTIMULANTS	3,9	3,2
6	8	R05	COUGH AND COLD PREPARATIONS	3,5	3,2
7	6	R01	NASAL PREPARATIONS	3,3	3,3
8	7	C09	AG ACT RENIN-ANGIOTENS SYST	3,2	3,2
9	5	A11	VITAMINS	3,0	3,5
10	13	J05	ANTIVIRALS FOR SYSTEMIC USE	2,8	2,4
Total				39,3	39,1

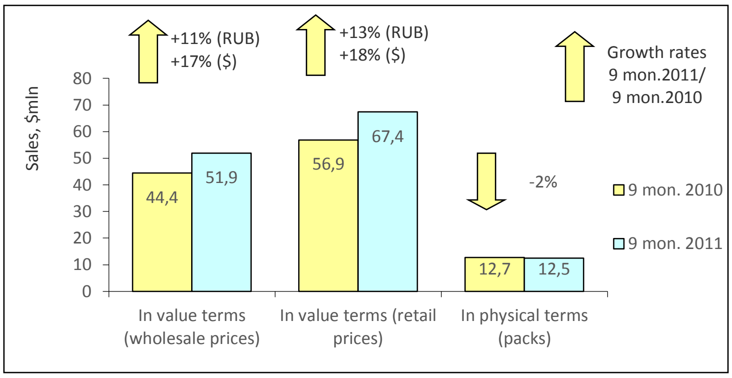
Conclusion. The Barnaul pharmacy market in the first nine months to end September 2011 brought in RUB 1.554 bln (USD 53.943 mln) in final consumption prices, which is 17% in terms of roubles and 23% in terms of dollars more as compared to a year earlier. In terms of natural values the city market also showed positive sales growth rates (+5%) and reached 15.106 mln packs. The average cost of an OTC pack in the analyzed period increased as compared to the last year – USD 3.57 vs. USD 3.05 and was considerably higher than the overall average figure for Russia (USD 3.48). In the analyzed period, the average expenses of city residents for medicines were estimated as USD 90.23, which was considerably higher than the average expenses in Russia (USD 81.18).

VLADIVOSTOK PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Primorski Kray was estimated as 1.953 mln, which accounts for 1.4% of the total Russian Federation population and 31.1% of Far Eastern FO (CFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in Primorski Kray was RUB 23,379.2 (USD 793.32), which is 3.3% more than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in the first three quarters of 2011 the volume of Vladivostok market in physical terms increased by 2% and amounted to 12.485 million packs. In value terms, the market increased by 11% in rouble terms and 17% in dollar terms and brought in 1.495 billion roubles (51.939 million dollars) in wholesale prices (exclusive of Beneficiary Drug Coverage). The city share in the total volume of Russian pharmacy market accounted for 0.6%. The average cost of an OTC pack was USD 5.40 (during the same period of 2010 - USD 4.49). Per capita expenses for the purchase of OTC drugs in the region amounted to USD 116.54,

Figure 1. Vladivostok pharmacy market for 9 months of 2010 – 9 months of 2011



Following the results of three quarters of 2011, two newcomers broke into the ranks of the top ten manufacturers in the pharmacy market of Vladivostok (Fig.1). They were NOVARTIS (+35%) and TEVA (+33 %), coming in at numbers 6 and 10. Apart from them, two more drug manufacturers rose in the ranks - SANDOZ (+23%) and GEDEON RICHTER (+10%) moved up to ranks 3 and 7, respectively. At the same time, the less dynamic PHARMSTANDART (+5%) and MENARINI (-3%) moved to the lower ranks 4 and 9. The leading manufacturers of the top ten SANOFI-AVENTIS (+6%) and SERVIER (-3%), as well as BAYER (+14%) and NYCOMED (+9%) at numbers 5 and 8 held their own in the ranking. The cumulative share of the top ten manufacturers slightly reduced and accounted for 38.4%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**SANOFI-AVENTIS**	5,4	5,7
2	2	**SERVIER**	4,8	5,5
3	4	**SANDOZ GROUP**	4,5	4,1
4	3	PHARMSTANDART	3,9	4,2
5	5	**BAYER HEALTHCARE**	3,9	3,8
6	13	**NOVARTIS**	3,3	2,7
7	9	**GEDEON RICHTER**	3,3	3,3
8	8	**NYCOMED**	3,3	3,3
9	6	**MENARINI**	3,1	3,6
10	14	**TEVA**	2,9	2,4
Total			38,4	38,6

*AIPM members are in bold

The leaders of the top 10 trade names didn't change either, hepatoprotector ESSENTIALE N (-7%), antiviral ARBIDOL (+8%) and antihypoxant ACTOVEGIN (+5%) as before held top ranks in the ranking (table 2). ALFLUTOP (+22%) also managed to retain number 5 in the ranking. LINEX (+25%) and SUMAMED (+27%) moved up to ranks 4 and 5. VIAGRA (-15%) which used to be at rank 4 considerably reduced its sales and moved down to rank 6. Two newcomers of the top ten, EXODERIL (+59%) and CIALIS (+33%), came in at numbers 7 and 9, displacing AMOKSIKLAV (+18%) to the very bottom of the ranking.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	ESSENTIALE N	1,3	1,6
2	2	ARBIDOL	1,3	1,3
3	3	ACTOVEGIN	0,9	0,9
4	5	LINEX	0,8	0,7
5	7	SUMAMED	0,7	0,6
6	4	VIAGRA	0,7	0,9
7	25	EXODERIL	0,7	0,5
8	8	ALFLUTOP	0,7	0,6
9	18	CIALIS	0,6	0,5
10	9	AMOKSIKLAV	0,6	0,6
Total			8,2	8,3

Three newcomers broke into the ranks of the Top ten INN and generic names ranking (table 3). They were AMOXICILLIN + CLAVULANIC ACID (+30%), INTERFERON ALFA-2A (+29%) and PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+53%) placed at three bottom ranks. XYLOMETAZOLINE (+53%) and AZITHROMYCIN (+26%) also rose in the ranks, coming in at numbers 3 and 5. At the same time, PANCREATIN (+10%) moved down one rank, and INN BLOOD (+5%) moved down from rank 4 to 6. The leaders of the top ten – INNs PHOSPHOLIPIDS (-3%) and ARBIDOL (+8%) – as well as INN FLUCONAZOLE (+14%) at number 6 held their own in the ranking. The total share of the top ten INNs increased by 0.5 p.p. and achieved 10.4%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	PHOSPHOLIPIDS	1,5	1,7
2	2	ARBIDOL	1,3	1,3
3	5	XYLOMETAZOLINE	1,3	0,9
4	3	PANCREATIN	1,2	1,3
5	8	AZITHROMYCIN	1,0	0,9
6	6	FLUCONAZOLE	0,9	0,9
7	4	BLOOD	0,9	1,0
8	12	AMOXICILLIN + CLAVULANIC ACID	0,8	0,7
9	13	INTERFERON ALFA-2A	0,8	0,7
10	27	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,7	0,5
Total			10,4	9,8

Numerous shifts took place in the top ten ATC groups ranking as well (table 4). Due to 20%-growth of sales, A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents moved up from rank 14 to 9, displacing preparations of unidentified pharmaceutical groups down one rank. The other three ATC groups took yet higher ranks: M01 Anti-inflammatory and antirheumatic products (+13%) and N02 Analgesics (+8%) moved up one rank, coming in at numbers 2 and 7, whereas more dynamic R01 Nasal preparations (+32%) moved up from rank 10 to 4. At the same time three ATC groups (L03, G03 and A05) moved down one rank. The leader of the top ten ATC groups J01 Antibacterials for systemic use (+21%) and A11 Vitamins (+6%) placed at number 6 managed to maintain their ranks in the top 10. As well as in the above ranking, the total share of the top 10 pharmaceutical groups increased and accounted for 34.3%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	5,1	4,7
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	3,7	3,7
3	2	L03	IMMUNOSTIMULANTS	3,7	4,0
4	10	R01	NASAL PREPARATIONS	3,5	3,0
5	4	G03	SEX HORM&MODULAT GENITAL SYS	3,3	3,3
6	6	A11	VITAMINS	3,0	3,2
7	8	N02	ANALGESICS	3,0	3,1
8	7	A05	A05 BILE AND LIVER THERAPY	3,0	3,1
9	14	A07	INTESTINAL ANTIINFECTIVES	3,0	2,8
10	9		Unidentified	3,0	3,0
Total				34,3	33,8

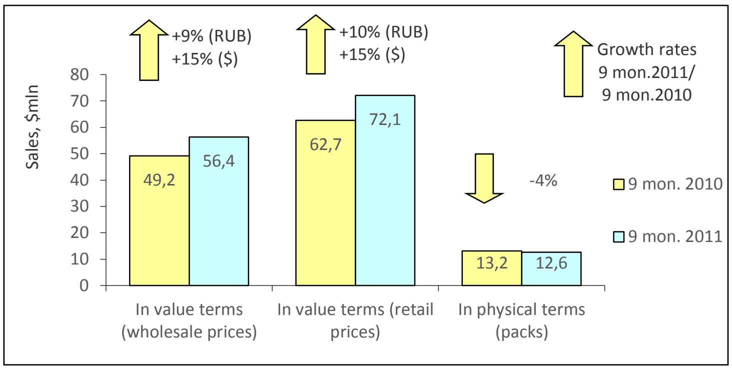
Conclusion. On the basis of the results of three quarters 2011, the pharmacy market of Vladivostok brought in RUB 1.940 bln (USD 67.383 mln) in final consumer prices. The market performance was profoundly positive both in rouble terms (+13%) and in dollar terms (+18%). However, in physical terms the market reduced by 2% and the volume of market achieved 12.485 mln packs. The average cost of a pack, USD 5.40, and the average sum spent by residents of the region for the purchase of OTC drugs (USD 116.54) were higher than the average values in Russia (USD 3.48 and USD 81.18).

KHABAROVSK PHARMACY MARKET: 2011 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Khabarovski Kray was estimated as 1.343 mln, which accounts for 0.9% of the total Russian Federation population and 21.4% of Far Eastern FO (FFO). According to Federal State Statistics Service's data, in January-September 2011 the average salary in Khabarovski Krai was RUB 25,158.9 (USD 853.71), which is 11% more than the average salary in Russia (RUB 22,622.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in the first three quarters of 2011 the volume of Khabarovsk market in physical terms reduced by 4% and amounted to 12.638 million packs. In value terms, the market increased by 9% in rouble terms and 15% in dollar terms and brought in 1.624 billion roubles (56.356 million dollars) in wholesale prices (exclusive of Beneficiary Drug Coverage). The city share in the total volume of Russian pharmacy market accounted for 0.6%. The average cost of an OTC pack was USD 5.71 (during the same period of 2010 - USD 4.76). Per capita expenses for the purchase of OTC drugs in the region amounted to USD 124.17,

Figure 1. Khabarovsk pharmacy market for 9 months of 2010 – 9 months of 2011



Following the results of three quarters of 2011, no newcomers broke into the ranks of the top ten manufacturers in the pharmacy market of Khabarovsk (Fig.1). However, only one of the top ten INNs managed to hold their own in the ranking. It was the leader of the top 10 BAYER (+6%). Four drug manufacturers showing outperformance in sales moved up to the higher ranks. They were SANDOZ (+22%), PHARMSTANDART (+18%), NYCOMED (+14%) and NOVARTIS (+23%) placed at 2, 3, 6 and 9 ranks respectively. At the same time, five less dynamic manufacturers moved down to the lower ranks. SANOFI-AVENTIS (+3%) and SERVIER (+0.2%) moved down two ranks, coming in at number 4 and 5, and GEDEON RICHTER (+5), MENARINI (+3%) and ABBOTT (+8%) lost one rank each and came in at numbers 7, 8 and 10.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	1	**BAYER HEALTHCARE**	5,0	5,2
2	5	**SANDOZ GROUP**	4,9	4,3
3	4	PHARMSTANDART	4,7	4,4
4	2	**SANOFI-AVENTIS**	4,7	5,0
5	3	**SERVIER**	4,5	4,9
6	8	**NYCOMED**	3,9	3,7
7	6	**GEDEON RICHTER**	3,7	3,8
8	7	**MENARINI**	3,6	3,8
9	10	**NOVARTIS**	3,0	2,7
10	9	**ABBOTT**	2,9	2,9
Total			40,8	40,7

*AIPM members are in bold

Antiviral ARBIDOL (+22%) has become the leader of the top ten trade names displacing hepatoprotector ESSENTIALE N (-6%) to rank two of the ranking (table 2). LINEX (+6%), VIAGRA (+0.1%) and YARINA (+0,3%) kept the following three ranks in the top ten. THERAFLU (+27%) moved up to rank six from eight, whereas the newcomers of the top ten LASOLVAN (+71%), EXODERIL (+89%) and KETONAL (+18%) came in at numbers 7 through 9.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	2	ARBIDOL	1,7	1,5
2	1	ESSENTIALE N	1,3	1,5
3	3	LINEX	1,0	1,0
4	4	VIAGRA	0,8	0,9
5	5	YARINA	0,7	0,8
6	8	THERAFLU	0,7	0,6
7	23	LASOLVAN	0,7	0,4
8	35	EXODERIL	0,6	0,4
9	11	KETONAL	0,6	0,6
10	10	AMOKSIKLAV	0,6	0,6
Total			8,8	8,3

Three newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). AMBROXOL (+52%), IBUPROFEN (+22%) and FLUCONAZOLE (+11%) came in at numbers 7, 9 and 10. The leader of the top ten also changed - as well as in the previous ranking, ARBIDOL (+22%) came in at the first rank, XYLOMETAZOLINE (+35%) moved up to rank two, whereas the leader of the previous year PHOSPHOLIPIDS (-7%) moved down to rank 3. The markets of KETOPROFEN (+12%) and combinations PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+24%) and AMOXICILLIN + CLAVULANIC ACID (+16%) also developed at a fast pace. Only INN PANCREATIN (+4%) managed to hold its own in the ranking.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010		9 mon. 2011	9 mon. 2010
1	2	ARBIDOL	1,7	1,5
2	3	XYLOMETAZOLINE	1,6	1,3
3	1	PHOSPHOLIPIDS	1,4	1,7
4	4	PANCREATIN	1,1	1,1
5	6	KETOPROFEN	1,0	1,0
6	7	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,0	0,9
7	18	AMBROXOL	1,0	0,7
8	10	AMOXICILLIN + CLAVULANIC ACID	0,9	0,8
9	13	IBUPROFEN	0,9	0,8
10	11	FLUCONAZOLE	0,9	0,8
Total			11,4	10,7

R01 Nasal preparations (+20%) became the best-selling over-the-counter groups in the regional OTC drugs market (Table 4). R05 Cough and cold preparations (+43%) and L03 Immunostimulants (+21%) showed high growth rates, which allowed them to rose in the ranks to numbers 4 and 8, and the latter to become the only newcomer of the top ten ranking. These groups forced M01 Anti-inflammatory and antirheumatic products (+10%), N02 Analgesics (+9%) and A11 Vitamins (+6%) down one rank to numbers 5 through 7. At the same time, J01 Antibacterials for systemic use (+10%) and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+5%) lost two scores each and moved down to ranks 3 and 9, respectively. G03 Sex hormones (+10%) and C09 Agents acting on the rennin-angiotensin system (+0.3%) placed at numbers 2 and 10 held their own in the top ten ranking. As in the two above rankings, the total share of the top 10 ATC groups expended, in this case by 1.2 p.p., and accounted for 39.4%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2011	9mon. 2010			9 mon. 2011	9 mon. 2010
1	3	R01	NASAL PREPARATIONS	4,7	4,4
2	2	G03	SEX HORM&MODULAT GENITAL SYS	4,6	4,5
3	1	J01	ANTIBACTERIALS FOR SYST USE	4,6	4,5
4	8	R05	COUGH AND COLD PREPARATIONS	4,2	3,2
5	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4,2	4,2
6	5	N02	ANALGESICS	4,0	4,1
7	6	A11	VITAMINS	3,5	3,7
8	11	L03	IMMUNOSTIMULANTS	3,4	3,1
9	7	A07	INTESTINAL ANTIINFECTIVES	3,2	3,3
10	10	C09	AG ACT RENIN-ANGIOTENS SYST	2,9	3,2
Total				39,4	38,1

Conclusion. On the basis of the results of three quarters 2011, the pharmacy market of Khabarovsk brought in RUB 2.007 bln (USD 72.104 mln) in final consumer prices. The market performance was profoundly positive both in rouble terms (+10%) and in dollar terms (+15%). However, in physical terms the market reduced by 4% and the volume of market achieved 12.638 mln packs. The average cost of a pack, USD 5.71, and the average sum spent by residents of the region for the purchase of OTC drugs (USD 124.17) were considerably higher than the average values in Russia (USD 3.48 and USD 81.18).

REGIONAL DIGEST

Beneficiary Drug Coverage/Procurement of Necessary Drugs, Government Control

December 1, 2011, The Rossiyskaya Gazeta

Head of the Ministry of Public Health and Social Development Tatyana Golikova promised to prevent delays to the registering of prices of Vital and Essential Drugs (VED)

Tatyana Golikova, Head of the Ministry of Public Health and Social Development said: **"Pharmaceutical companies are concerned at lack of time to register prices before January 1, 2012.** I'd like to say that the companies must be free from such concerns. We guarantee that all drugs that will be additionally incorporated into the vital and essential drugs list from January 1, 2012 will be registered in accordance with the established procedure. No delays on this subject will be caused for our part". As to the adjustment of manufacturer's prices with due account for costs increased, both the Ministry of Public Health and Social Development and Federal Tariff Service state that if manufacturers' estimates correspond to the approved procedure, a new price will be approved and registered.

December 2,/2011, The Rossiyskaya Gazeta

Not enough attention is paid to the fight against AIDS by the Ministry of Public Health and Social Development

In 2011, up to RUB 19.3 bln of committed money have been allocated to the detection and treatment of HIV-infection. The 2012-2013 budgets allocate RUB 19.117 bln.

However, the human rights advocates bring forth a problem of providing pharmacological support to the HIV infected every now and then. Two drugs to treat HIV, Nevirapine and Tenofovirt, are virtually unavailable in Russia.

Tenofovir that patients urgently need is just not available, because the Ministry of Public Health and Social Development doesn't run a tender for purchases of such drug. The Ministry notified the open purchase of Nevirapine by auction as far back as June 20, 2011, however no contract with the state authorities have been entered into. Further tenders haven't been invited yet. In many regions of the Russian Federation there are still no diagnostic facilities to assess the state of health and quality of treatment, and no HIV treatment protocols subject to compulsory implementation have been adopted yet.

December 5, 2011, Ami-tass.ru

83 bidders to receive RUB 1.3 bln for R&D of domestic innovative drugs from Ministry of Industry and Trade till the end of the current year

In 2011, the total investments into the innovative drug R&D amounted to RUB 6 bln, according to Deputy Minister of Industry and Trade of Russian Federation Denis Manturov. "No matter whether the Russian company, a joint venture company or a foreign manufacturer having production facilities in our country will participate in the government tender", Manturov emphasized. "The overarching goal is to have scientific research projects and then a complete drug production cycle in the territory of Russia. And, of course, the bidders must confirm their readiness to invest own funds or raise investments. However, the Government is willing to give out up to 75% of the cost of the first stage – Research and Advanced Development".

December 7, 2011, RIA News

RAMS and Ministry of Public Health to allocate RUB 25 bln for retrofit of health care providers

Tatyana Golikova, Head of the Ministry of Public Health and Social Development recalled that within the scope of respective amendments to the law of compulsory health insurance and to Compulsory Medical Insurance Fund budget signed by President of Russian Federation Dmitry Medvedev, facilities of Academy together with facilities of the Ministry of Public Health shall be included into the Public Health Improvement Program. According to Tatyana Golikova, Russian Academy of Medical Sciences (RAMS) together with the Ministry of Public Health and Social Development of the Russian Federation are currently calculating the volume of funds to be allocated at the beginning of 2012 for the retrofit of federal healthcare facilities both under the jurisdiction of the Ministry of Public Health and RAMS.

December 13, 2011, The Moscow News

Government doesn't rush into recognising western pharma firms as domestic manufacturers

"No protective measures provided to the domestic manufacturers are applied even to those foreign companies which have own production facilities in Russia and are established as Russian legal entities", Executive Director of Association of International Pharmaceutical Manufacturers (AIMP) Vladimir Shipkov said to the Moscow News. "For example, due to inflation the prices have been indexed for products from the vital and essential drugs list of permanently local companies, but not for products of members of our Association". According to Shipkov, it's rather difficult for regional managers of big manufacturers to persuade headquarters to make even a semblance of investments into the Russian market. In fact, the sales of such pharma giants as Pfizer or Roche in Russia account for not more than 1 – 1.5% of the total sales of their products.

December 14, 2011, The Meditsinski Vestnik

The Russian Federation Government approved the 2012 Vital and Essential Drugs List

In total the list includes 567 items of medicinal preparations. The list has been developed by the leading subspecialists of the Ministry of Public Health and Social Development. The identical list of WHO was used as a guide in developing the current Vital and Essential Drugs List. Based on the results of the work performed with regard to creating the 2012 draft VED list, the Commission of the Ministry of Public Health and Social Development of Russia made a decision to include 29 additional items of medicinal preparations.

December 15, 2011, The Moscow News

In Russia more pharmacies had to shut down last year then ever

Endemic shutting down of pharmacies was caused both by the growth of insurance contributions for businesses and implementation of state regulation of prices for basic medications, after which profits from the drug trade considerably dropped.

According to Federal State Statistics Service's data for the first half of 2011, pharmacies showed a many-fold reduction in profits up to negative values, for an average from 0.1% to 2.4% in Russia. According to Federal Service for the Supervision of Public Health and Social Development's data, there is an obvious shortage of pharmacies in 28 regions of Russia. Deputy Head of the Federal Services Lyudmila Telnova reports that number of licenses for pharmacy activities issued in 2011 reduced 40 times compared to a year earlier.

December 28, 2011, Ami-tass.ru

Ministry of Public Health and Social Development of Russia drew up a draft order concerning Commission on conflict of interest in medical activities and pharmaceutical activities

The main objectives of the Commission shall be the settlement of conflicts of interest between medical and/or pharmaceutical workers in medicinal and /or pharmaceutical activities; analysis of risks and consequences of conflicts; monitoring of law enforcement practice in the field of conflict of interest, etc.

The Commission shall consider written complaints regarding conflict of interest filed to the Ministry by heads of medical and pharmaceutical entities, as well as individual entrepreneurs.

NEWS FROM COMPANIES

December 6, 2011, Pharmvestnik.ru

Roche intends to establish MabThera and Actemra production lines on the basis of Pharmstandart

During a year and a half or two years, F. Hoffmann-La Roche intends to set up a complete production cycle of MabThera in Russia. From November of last year, the final production stage of MabThera has been formed on the basis of the subsidiary of Pharmstandart OJSC – Pharmstandart-UfaVITA OJSC. Director General of Roche-Moscow Miloche Petrovic reported that in future the company in collaboration with the Russian manufacturer intends to set up the production of other medications, for example, Actemra, designed to treat rheumatoid arthritis.

December 9,/2011, Ami-tass.ru

MIPHT and Pfizer with the participation of Ministry of Economic Development and Trade of Russia signed Memorandum of Partnership

The Russian Representative Office of Pfizer and Moscow Institute of Physics and Technology (MIPT) together with the Ministry of Economic Development and Trade of the Russian Federation signed Memorandum of Partnership concerning development and implementation of mutual education program for talented students and young scientists. Memorandum between Pfizer and MIPT defines the grounds for cooperation to provide access of Russian students, scientists and specialists in the field of pharmaceutical researches and developments to advanced scientific and practical knowledge.

December 29, 2011, The Vedomosti

Polish drug manufacturer Polpharma raised its share with Russian Akrihin up to 100%

Polpharma raised its share with Akrihin from 72.54 to 98.17%, reported the Russian manufacturer. The company didn't mention a buyer of shares. The parties don't disclose any details of the transaction, said a spokesman for Akrihin. According to estimates of Sergey Shulyak, Director General, DSM Group, on the basis of turnover, 100% of Akrihin amounted to USD 200 mln. This year in September the Polish Concern acquired one more asset in CIS – from Kazakh pharmaceutical manufacturer Khimpharm. The Concern announced that during four years it would invest $85 mln into the retrofit of the plant and transfer its pharmaceutical facilities for production of medications to be sold in Kazakhstan to the plant in Shymkent.

Vladimir G. Shipkov, CEO, AIPM
Tel.: 933 70 40
For more information on the AIPM, please, visit our website: http://www.aipm.org
Ekaterina Korduban, Head of PR and Development of Remedium Group
Tel.: 780 34 25, fax: 780 34 26
For more information on the Remedium Group, please, visit our website: http://www.remedium.ru