СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

РЕМЕДИУМ
ГРУППА КОМПАНИЙ

AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

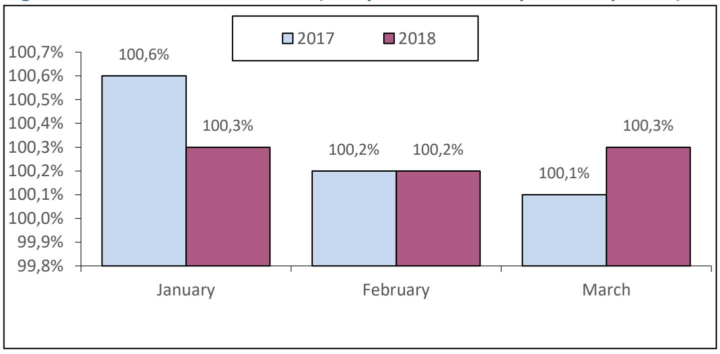
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 100.3% in March 2018, compared to the previous month, 100.8% as against December 2017.

In March this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 99.1%, whereas in the month-earlier period it had amounted to 101%. The index accounted for 100.3% against December of the 2017.

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



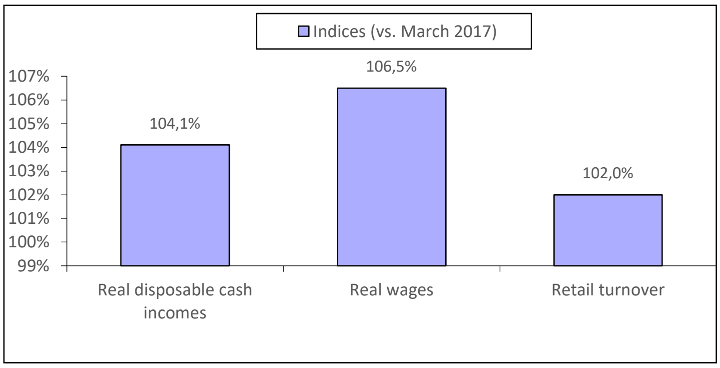
Living standard

According to preliminary Federal State Statistics Service's data, at the end of March 2018 a gross monthly average wage per worker reached RUB 41,650 (USD 730.32) which accounted for 103% as compared to the previous month and 109.0% as compared to March 2017. The real wage in March 2018 accounted for 106.5% as compared with March 2017. In March 2018, the real value of disposable cash incomes accounted for 104.1% as compared with the same period in 2017 *(without taking into account a lump sum payment to pensioners in January 2017 in the amount of 5 thousand roubles),* accounted for 104.1% as compared with the same period of 2017, and 99.5% compared with the previous period (Fig. 2).

Retail turnover

In March 2018, the retail turnover was equal to RUB 2461.1 bil. or 102.0% (in comparable prices) against the level of the corresponding period of the previous year, in Quarter I, 2018 - RUB 7,047.2 bil. or 102.2% (Fig. 2).

Figure 2. Real values of cash income, wage and retail turnover in March 2018



Industrial Production

According to Federal State Statistics Service's data, Industrial Production Index accounted for 101.0% in March 2018 compared to the same period in the previous year, and 101.9% in the first quarter of 2017.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in March 2018 accounted for 120.3% compared to the relevant period of the previous year, and 110.7% in the first quarter of 2018.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers by sales in all segments of the market based on the results for March 2018.

Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales volume in March 2018

Rank	Manufacturer	RUB mil.
1	Otcpharm	2565.6
2	Valenta	1461.7
3	Biocad	1224.1
4	Pharmstandart	1159.4
5	Stada	1148.8
6	Sotex	820.0
7	Materia Medica	819.9
8	Akrikhin Pharma	758.7
9	Servier	700.2
10	Veropharm	650.3

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. Sales (in terms of roubles) increased in all regions in February 2018, compared to the previous month. The most pronounced growth in sales was observed in St. Petersburg (+32%), the least one in Moscow and Perm (+2%). The sales dropped by 0.2% in the Rostov Region.

Table 2. Pharmacy sales in the regions, 2017-2018

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	December 2017	January 2018	February 2018	December /November 17	January 18 December 17	February/January 18
Moscow	206.6	151.7	154.1	21%	-29%	2%
St. Petersburg	59.9	40.8	53.9	7%	-34%	32%
Krasnodar Krai	37.1	31.2	33.0	12%	-19%	6%
Krasnoyarsk Krai	32.2	26.4	28.9	12%	-20%	9%
Tatarstan	26.5	21.0	21.7	18%	-23%	3%
Rostov Region	24.3	23.7	23.7	7%	-6%	-0.2%
Novosibirsk Region	31.7	21.2	24.3	35%	-35%	15%
Voronezh Region	15.6	14.7	15.1	18%	-9%	3%
Perm	9.9	8.9	9.1	6%	-13%	2%
Tyumen	8.2	6.0	6.8	15%	-29%	13%

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 March 2018

Rank	Company*	Quantity of broadcasts
1	Otcpharm	13,824
2	Bayer AG	12,132
3	Teva	11,775
4	Berlin-Chemie/Menarini	11,688
5	GSK Consumer Healthcare	10,970

Source - Remedium according to Mediascope's data

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

Rank	Brand*	Quantity of broadcasts
1	Nurofen	4,713
2	Evalar	4,509
3	ACC	3,593
4	Cycloferon	3,572
5	Polyoxidoni	3,562

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

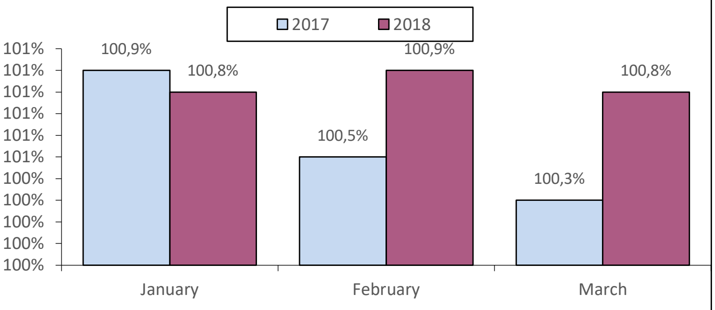
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of Belarus, in March 2018 the Consumer Price Index was estimated at 100.8%, 102.5% as against December 2017. At the end of the first quarter of 2018, the Consumer Price Index was 104.9% as compared to the same period of 2017.

In March 2018, Industrial Producer Price Index was 100.4% compared to February 2018, and 101.3% as against December 2017. In Quarter I, 2018, the Industrial Producer Price Index was 107.3% as compared to 2017.

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



Источник: Белстат

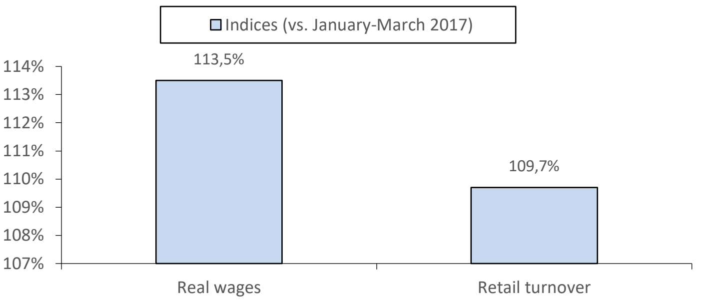
Living standard

According to the preliminary Balstat's data, in March 2018 the average monthly nominal accrued wage of the workers of the Republic of Belarus was BYR 926.8 (USD 473.46[1]), BYR 880.8 (USD 446.38) in the first quarter of 2018. In March 2018, the real wage accounted for 113,8% as compared to the same period of 2017, 113.5% in January-March 2018 (Fig. 2). According to Balstat's data, in January-February 2018 the real disposable cash income accounted for 107.5% as against January-February 2017.

Retail turnover

In March 2018, the retail turnover was estimated at RUB 3,584.0 mil. which accounted for 114.3% compared to the previous period and 109.5% compared to the same period of the last year. At the end of the first quarter of 2018, the turnover amounted to RUB 9,844.6 mil or 109.7% against the first quarter of 2017 (Fig. 2).

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



Источник: Белстат

Industrial Production

According to Belstat's data, in January- March 2018 the industrial output by economic activities "Mining industry", "Processing Industry" and "Supply of electricity, gas, steam, hot water and conditioned air" and "Water supply; sewerage, waste management and remediation activities amounted to BYR 26.3 bil, at current prices or 109.4% at comparable prices as against the first quarter of 2017.

According to Belstat's data, in the first quarter of 2018 the pharmaceutical production output of essential pharmaceutical products and pharmaceutical preparations was estimated at BYR 316.5 mil., which accounted for 116.2% to the indicators of the first quarter at comparable prices.

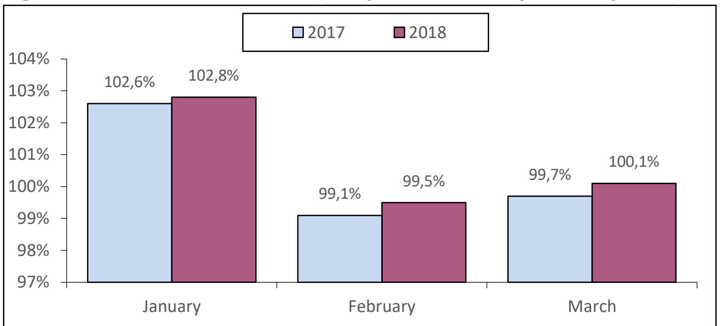
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to data of National Stat-service of the Republic of Armenia, in March 2018 the Consumer Price Index was estimated at 100.1%, compared to December 2017 - 102.5% The Consumer Price Index accounted for 103.3% in January-March 2018 compared to the previous period.

The Industrial Producer Price Index was 98.3% in March 2018, as compared to the previous month, 97.8% as against December 2017. In January-March 2018, the Index reached 103.9% as compared to 2017.

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



Source: National Stat-service of the Republic of Armenia

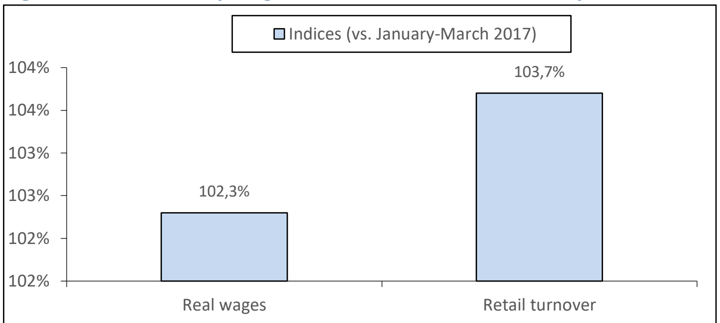
Living standard

According to the preliminary data of the National Statistical Service of RA, in March 2018 the average monthly nominal wage[2] of the workers of the Republic of Armenia was Dram 176306 (USD 367) which accounted for 105.5% as compared to the same period of the last year. In January-March 2018, the average monthly nominal wage per worker was Dram 171015 (USD 355) or 105.7% to the same period of 2017 (Fig. 2). The real wage (according to Eurasian Economic Commission) accounted for 102.3% in January-March 2018, as compared with January-March in 2017.

Retail turnover

The retail turnover amounted to Dram 107189.9 mil in March 2018, and Dram 287133.4 mil. since the start of the year, which accounted for 101.6% and 103.7% respectively, as compared to the same period of the previous year (Fig. 2).

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



Source: National Stat-service of the Republic of Armenia

Industrial Production

According to the preliminary data of Statistics Committee of the Republic of Armenia, in March of 2018 the industrial output by economic activities "Mining industry", "Processing industry" and "Supply of electricity, gas, steam, hot water and conditioned air" and "Water supply; sewerage, waste management and remediation activities amounted to AMD 145811.3 mil, and AMD 400514.8 mil. from the beginning of the year at current prices or 108.2% and 108.2% as against the same period of 2017, respectively.

According to Statistics Committee of the Republic of Armenia, the pharmaceutical output was estimated at AMD 707.4 mil. in March 2018, and AMD 2467.4 mil. from the beginning of the year, which accounted for 72.2% and 105.1% as compared to the respective periods of the previous year.

[1] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Belarus www.nbrb.by. On July 1, 2016, in the Republic of Belarus the re-denomination was made in a ratio of 1:10,000

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

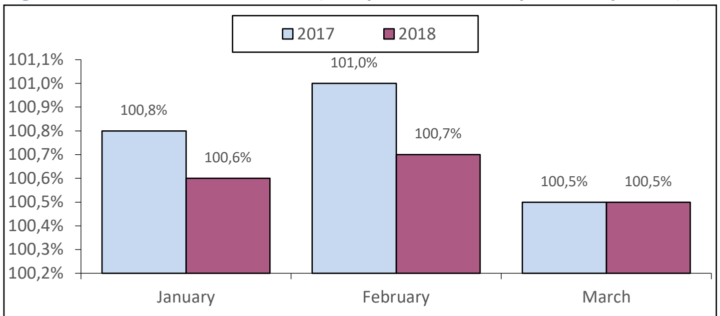
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in March 2018 the Consumer Price Index was estimated at 100.5% compared to December 2017, 101.8% as against December 2017. In January-March 2018, the Index reached 106.6% as compared to 2017.

The Industrial Producer Price Index was 99.3% in March 2018, as compared to the previous month, 102.5% as against December 2017. In January-March 2018, the prices of producers of industrial products increased by 13.1% as compared to January-March 2017.

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



Source: Committee for Statistics of the KR

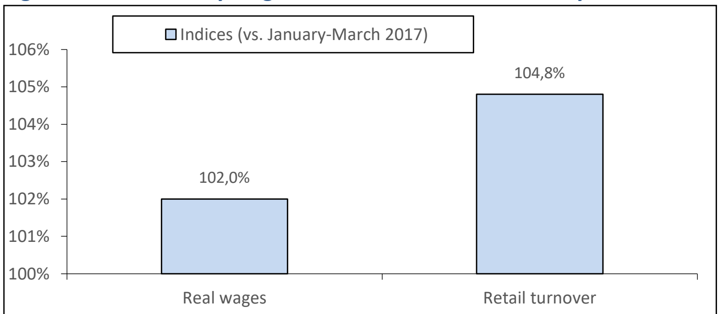
Living standard

According to the preliminary data of the RK Committee on Statistics, the gross monthly average wage per worker reached KZT 157930 (USD 492.41[3]) in March 2018, KZT 153223 (USD 474.05) in January-March of 2018. The Nominal Wage Index against the respective period of the previous year accounted for 109.6% in March 2018, 109.2% in January-December 2017, the Real Wage Index – 103.6% and 102.0%, respectively. In January-March 2018, the Real Cash Income Index was 105.1% compared to the same period of 2017 (Fig. 2).

Retail turnover

In Member 2018, the retail turnover was KZT 731.6 bil., in January-March of 2018 it amounted to KZT 1989.9 bil. or 105.9% and 104.8% respectively, compared to the same period 2017 (in comparable prices) (Fig. 2).

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



Source: Committee for Statistics of the KR

Industrial Production

According to data of the Committee for Statistics of RK, in March 2018 the industrial output was KZT 2285.6 bil., in January-March of 2018 KZT 6451.2 bil. As compared to the same period of 2017, the indices accounted for 104.7% and 105.3%, respectively.

According to the Committee for Statistics of RK, in January-March essential pharmaceuticals output amounted to KZT 21.0 mil. At the end of January-March 2018, the Volume of Industrial Production for Pharmaceuticals index was 98.6% to January-March 2018 110.2% as against January-March 2017.

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

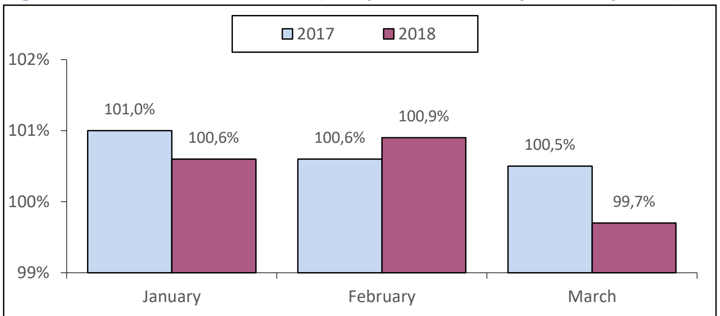
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of the Kyrgyz Republic, in March 2018 the Consumer Price Index was estimated at 99.7%, 101.1% as against December 2017. In January-March 2018, the Index reached 103.1% as compared to 2017.

In March 2018, the Producer Price Index for industrial production and services was 100.4% as compared to the previous month, 101.7% as against December 2017. Throughout the Republic, the prices of producers for industrial products and services have increased by 4.4% compared to the same period 2017.

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



Source: Committee for Statistics of the Kyrgyz Republic

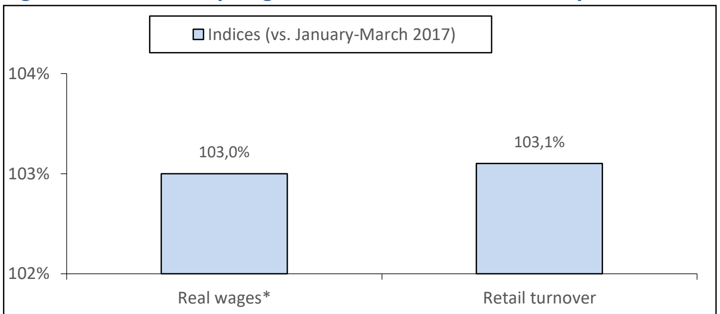
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in February 2018 the average monthly nominal wage per worker was KGS 14494 (USD 212.52 [4]), in January-February of 2018 - KGS 14561 (USD 212.1), which is 6.7% and 6.5% more than in the same period of 2017 respectively. In January-February of 2018, the real wage accounted for 103.0% as compared to January-February of 2017, 103.1% in February 2018 to February 2017 (Fig. 2).

Retail turnover

In March 2018, the retail turnover (without cars and motorcycles sales) amounted to KGS 16418.6 mil, in January-March 2018 - KGS 42338.8 mil. The Volume of Retail Turnover Index accounted for 103.2% and 103.1% to the same period of the previous year (Fig.2).

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



Source: Committee for Statistics of the Kyrgyz Republic

* Data for January-February 2018

Industrial Production

According to data of the National Committee for Statistics of the Kyrgyz Republic, the industrial output was KGS 21446,7 mil. in March 2018 and KGS 57376.9 mil. in the first quarter of 2018. The Industrial Products Volume Index accounted for 90.6% and 99.5% as compared to the same periods 2017.

According to the National Committee for Statistics of the Kyrgyz Republic, the pharmaceutical output amounted to KGS 32.8 mil. in March 2018, and KGS 111.5 mil. from the start of the year. At the end of March 2018, the Industrial Products Volume Index for Pharmaceuticals was 82.2% compared to the same period of the last year, and it was 184.4% in January-March 2018 compared to January-March 2017.

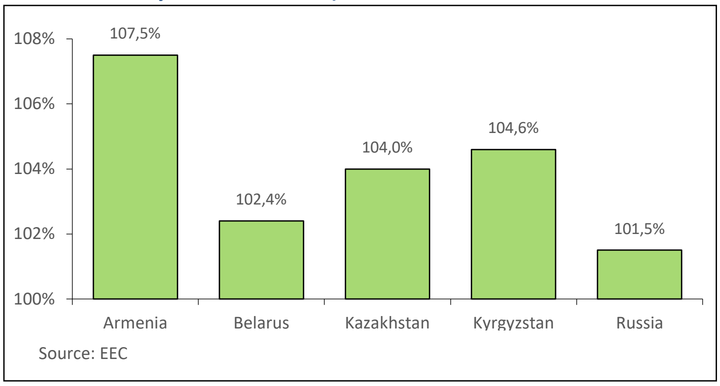
[4] The average exchange rate to calculate the above indices was used from the official website of the National Bank of the Kyrgyz Republic http://www.nbkr.kg/

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to Eurasian Economic Commission's data (EEC), at the end of January-December 2017 GDP of EAEU member-states amounted to USD 1810.8 bil. and increased by 1.8% as compared to the same period of 2016 in fixed prices. The growth in GDP was recorded in all EAEU member-states, a more significant increase in Armenia (+7.5%), Kyrgyzstan (+4.6%) and Kazakhstan (+4.0%). GDP increased to a lesser extent in Belarus (+2.4%) and Russia (+1.5%) (Fig. 1).

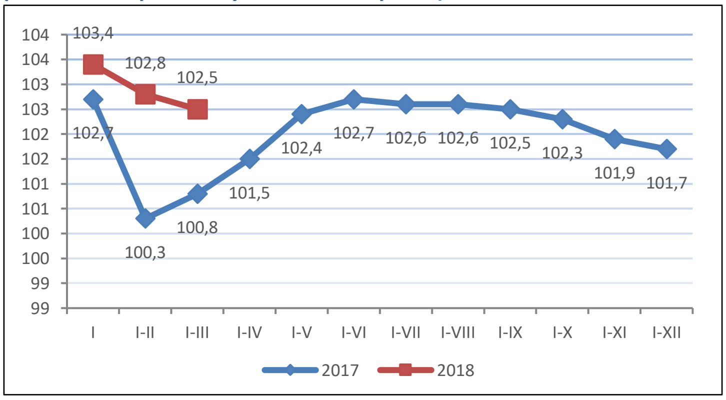
Figure 1. GDP growth in the EAEU member-states (January-December 2017 vs. January-December 2016)



Industrial Production

According to preliminary EEC data, in January-March 2018 the volume of industrial output of the EAEU member-states amounted to USD 292 bil. and increased in fixed prices by 2.5% as compared with the first quarter of 2017. In individual countries, the Industrial Production Index accounted for 108.2% in Armenia, 109.4% in Belarus, 105.3% in Kazakhstan, 99.5 % in Kyrgyzstan and 101.9% in Russia (Fig. 2).

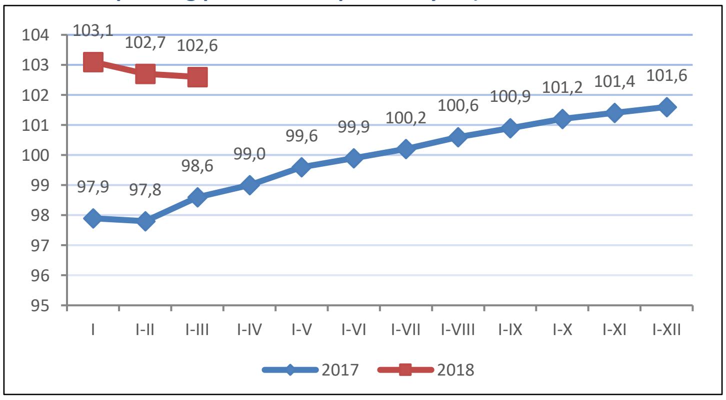
Figure 2. Dynamics of the industrial output in EAEU (as % over the same period of the previous year; constant prices)



Retail turnover

According to the EEC, the retail trade turnover (through all sales channels) of EAEU member-states in January-March 2018 amounted to USD 136.5 bil. Compared with the same period of 2017, the volume of retail sales (in comparative prices) increased by 21.6%. In the analysed period, all member-states showed growth in the retail turnover. In this case, the indices accounted for 104.4% in Armenia, 109.7% in Belarus, 104.8% in Kazakhstan 103.7% Kyrgyzstan and 102.2% in Russia (Fig. 2).

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



Nominal and real wage

According to EEC, the gross monthly average wage per worker increased by 5.7% in Armenia, 19.1% in Belarus , 8.7% in Kazakhstan, 6.5% in Kyrgyzstan (in January-February of 2018) 12.0% in Russia. The real wage (adjusted for the consumer price index for goods and services) increased: by 2.3% in Armenia, 13.5% in Belarus, 2% in Kazakhstan, 3.0 % in Kyrgyzstan (in January-February of 2018), 9.5% in Russia.

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

Country	Real wage, as % to the same period of 2017	Nominal wage, USD
Armenia	102.3	355
Belarus	113.5	446
Kazakhstan	102.0	472
Russia	112.0	712
Kyrgyzstan[1]	103.0	212

[1] January-February 2018

Budget performance

According to the EEC, in January-December 2017, the republican budget in all EAEU member-states except for Belarus was implemented with a deficit. At the same time, the budget deficit grew in Kazakhstan, and reduced approximately two times in Russia. The budget revenue parts showed an increase in all member states as compared to the corresponding period of the previous year: in Armenia by 106%, in Belarus by 111%, in Kazakhstan by 126%, in Kyrgyzstan by 116% and in Russia by 112%. On top of that, the growth rates of budget expenditures increased in Armenia and Kazakhstan and decreased in Belarus, Kyrgyzstan and Russia. The expenditure growth rates were as follows: in Armenia 104%, in Belarus 101%, in Kazakhstan 131%, in Kyrgyzstan 111%, in Russia 100%.

Table 2. Republican budget in January-September 2017

Country	USD bil.		
	Income	Expenditure	Deficit (surplus)
Armenia	2.6	3.1	-0.6
Belarus	10.2	8.8	1.4
Kazakhstan	30.0	34.1	-4.1
Russia	258.6	281.5	-22.9
Kyrgyzstan	2.0	2.2	-0.3
EAEU	**303.4**	**329.7**	**-26.5**

Mutual trade of EAEU member-states in January– February 2018

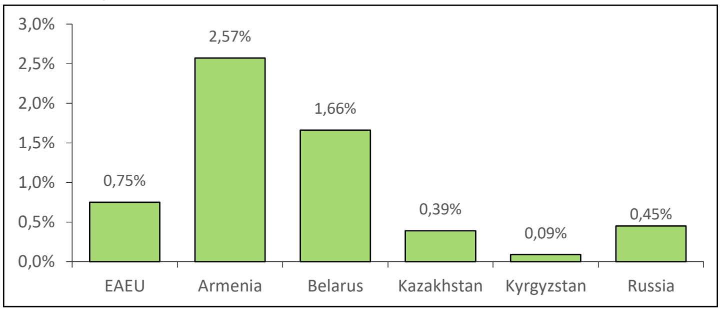
The volume of mutual trade in commodities of EAEU member-states in January-February 2018 amounted to USD 8.6 bil. or 114.4% as against the same period of 2017.

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

Countries	USD bil.	% vs January-February 2016.	Share in total, %
EAEU	**8649.5**	**114.4**	**100.0**
Armenia	93.4	139.2	1.1
Russia	90.1	136.7	96.5
Belarus	2047.8	113.1	23.7
Russia	1934.2	111.1	94.5
Kazakhstan	839.1	107.9	9.7
Russia	737.3	106.6	87.9
Kyrgyzstan	91.9	82.2	1.1
Russia	55.5	89.7	60.4

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

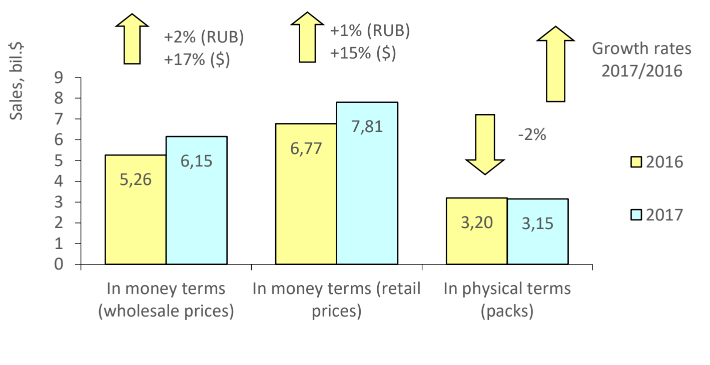
Table 4. The structure of mutual trade between EAEU member-states within the Customs Commodity Code group "Pharmaceutical products" for January-February 2018 (as percentage over the total volume of mutual trade)



PHARMACY OTC MARKET IN RUSSIA: 2017 RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of 2017 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 2% decrease to 3,067 bil. packs. In money terms, the OTC drugs market increased by 2% in rouble terms and by 17% in dollar terms and reached RUB 358.883 bil. (USD 6.153 bil.) in wholesale prices (Fig. 1). The share of Over-the-Counter (OTC) drugs accounted for 70.1% of sales in physical terms and 52.3% in retail prices in terms of roubles. The average cost of a pack increased as compared to 2016 and reached USD 2.48 (vs. USD 2.12) in retail prices. At year-end 2017, the average amount spent by residents of Russia for OTC drugs in the pharmacies amounted to USD 53.20.

Figure 1. Russian OTC pharmacy market in 2016 – 2017



At the end of 2017, the top ten drug makers in the Russian OTC market showed high stability - most drug-makers held their own in the ranking (Table 1). Among them are OTCPHARM (+4%[5]), BAYER (+9%) and SANOFI (-9%) heading the top ten ranking. JOHNSON&JOHNSON (+1%), SANDOZ and TEVA (-1% each), and BERLIN-CHEMIE/MENARINI (+3%) maintained their previous ranks five and from seven through nine. Two manufacturers with outperformance rates from the remaining ones rose in the ranks. STADA (+4%) moved up to rank four and the newcomer RECKITT BENCKISER (+5%) broke into the ranks of the top ten, coming in at rank ten. In contrast, GLAXOSMITHKLINE (-4%) reduced its sales and moved down to rank six. The total share of the top 10 drug manufacturers reduced by 0.5 p.p. to 40.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2017	2016		2017	2016
1	1	OTCPHARM	6.1	6.0
2	2	**BAYER**	5.5	5.2
3	3	**SANOFI**	4.6	5.1
4	6	STADA	4.0	4.0
5	5	**JOHNSON & JOHNSON**	4.0	4.1
6	4	**GLAXOSMITHKLINE**	3.9	4.1
7	7	**SANDOZ**	3.7	3.8
8	8	**TEVA**	3.7	3.8
9	9	**BERLIN-CHEMIE/MENARINI**	3.0	3.0
10	11	**RECKITT BENCKISER**	2.3	2.3
Total			40.8	41.3

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten ranking (table 2). CANEPHRON N (+9%) and SNUP (+11%) moved up to two bottom ranks. The leaders of the top ten NUROFEN (+9%) and DETRALEX (+23%), and KARDIOMAGNYL (+10%) which moved up to rank four showed high positive growth rates and rose in the ranks. The markets of the brands MIRAMISTIN (+15%) and PENTALGIN (+8%), which held ranks seven and eight, developed at a fast pace. KAGOCEL (-25%), ESSENTIALE N (-11%) and INGAVIRIN (-23%) reduced sales considerably and moved down to ranks three, five and six, respectively. The total share of the top 10 brands reduced from 11.5% to 11.2%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2017	2016		2017	2016
1	4	NUROFEN	1.5	1.4
2	5	DETRALEX	1.4	1.2
3	1	KAGOCEL	1.3	1.7
4	6	CARDIOMAGNIL	1.2	1.1
5	3	ESSENTIALE N	1.2	1.4
6	2	INGAVIRIN	1.2	1.6
7	7	MIRAMISTIN	1.1	1.0
8	8	PENTALGIN	1.0	0.9
9	14	CANEPHRON N	0.7	0.7
10	15	SNUP	0.7	0.7
Total			11.2	11.5

Only the leader of the top ten INN and generic names ranking XYLOMETAZOLINE (+13%), PANCREATIN (+6%) and IBUPROFEN (+13%) held and reinforced the leading positions (Table 3). The composition DIOSMIN*HESPERIDIN (+27%) moved up to rank four from five. INNs PHOSPHOLIPIDS (-6%) and two compositions moved up two ranks: CHONDROITINSULFURIC ACID* GLUCOSAMINE (+7%) and ACETYLSALICYLIC ACID* MAGNESIUM (+12%) moved down to ranks five, seven and eight respectively. The newcomer DEXPANTHENOL (+11%) broke into the ranks of the top ten, moving up to rank ten. Due to the strong negative growth rates, the brands KAGOCEL (-25%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-23%) moved down to ranks six and eight respectively. The total share of the top 10 ranking remained unchanged and amounted to 17%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2017	2016		2017	2016
1	1	XYLOMETAZOLINE	3.3	3.1
2	2	PANCREATIN	2.2	2.1
3	3	IBUPROFEN	2.1	1.9
4	5	DIOSMIN*HESPERIDIN	2.0	1.6
5	7	PHOSPHOLIPIDS	1.4	1.5
6	4	KAGOCEL	1.3	1.7
7	9	CHONDROITINSULFURIC ACID* GLUCOSAMINE	1.3	1.2
8	10	ACETYLSALICYLIC ACID* MAGNESIUM	1.3	1.1
9	6	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.2	1.6
10	14	DEXPANTHENOL	1.1	1.0
Total			17.0	16.9

J05 Antivirals for systemic use, which took the lead in the top ten ATC groups ranking a year ago, reduced their sales by 23% and moved down to rank seven (Table 4). At the same time, R01 Nasal preparations (+2%), N02 Antidiarrheals (+1%), R05 Cough and cold preparations (-4%) and A07 Antidiarrheals (+3%) moved up one rank, coming in at ranks one through four. M01 Anti-inflammatory and Antirheumatic Products (+10%) also moved up one rank, coming in at number eight. The more dynamic C05 Vasoprotectives (+15%) moved up to rank five from seven. The other brands of the top ten showed the negative growth in sales. At the same time, two of them A11 Vitamins (-2%) and R02 Throat preparations (-1%) held their previous ranks six and ten. The Group L03 Immunostimulants, which reduced their sales by 8%, lost one rank and moved down to rank nine. The consolidated share of the top 10 reduced from 51.2% to 49.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2017	2016			2017	2016
1	2	R01	NASAL PREPARATIONS	6.0	6.0
2	3	N02	ANALGESICS	5.9	6.0
3	4	R05	COUGH AND COLD PREPARATIONS	5.6	6.0
4	5	A07	ANTIDIARRHEALS	5.4	5.3
5	7	C05	VASOPROTECTIVES	5.4	4.8
6	6	A11	VITAMINS	5.0	5.2
7	1	J05	ANTIBACTERIALS FOR SYSTEMIC USE	4.9	6.5
8	9	M01	ANTI-INFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.8	3.6
9	8	L03	IMMUNOSTIMULANTS	3.8	4.2
10	10	R02	THROAT PREPARATIONS	3.4	3.6
Total				49.3	51.2

Conclusion. On the basis of the results for 2017, the OTC retail pharmacy market of Russia brought in RUB 455.549 bil. (USD 7.810 bil.). which is by 1% in terms of roubles and 15% in terms of dollars more than in 2016. In pack terms, the market also showed negative growth rates (-2%) and achieved 3.145 bil. packs. The average cost of OTC-pack in the pharmacies of Russia was USD 2.48 based on the results for 2017, which was more than in the year-earlier period (USD 2.12). The average expenses of Russian residents for the purchase of OTC drugs in pharmacies also increased (USD 53.20 vs. USD 46.21).

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

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

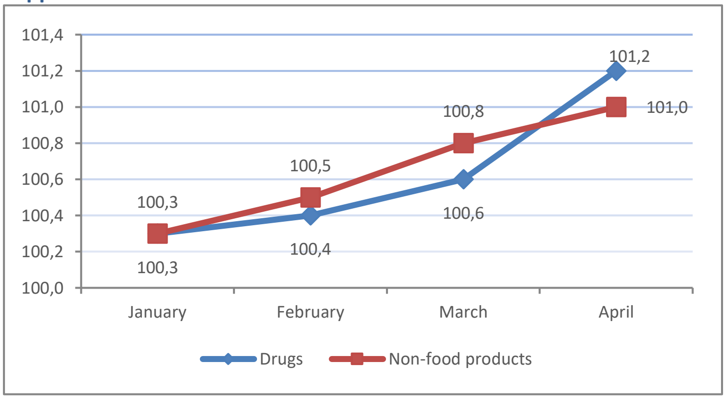
Price Indices

Table 1. Inflation rates in the Russian Federation April 2018

	April 2018 vs. December 2017	January-April 2018 vs. January-April 2017
CPI	101.2	102.3
CPI for non-food products	101.0	102.5
CPI for medications	101.2	96.6

Rosstat data

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



Rosstat data

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

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

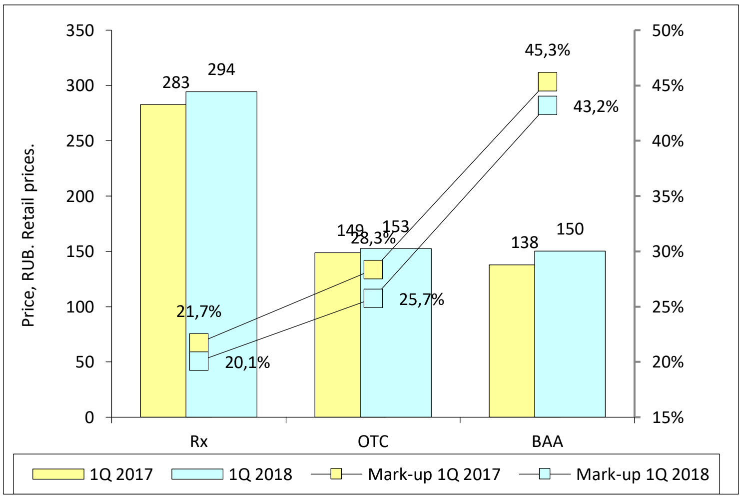


Figure 3. Dynamics of weighted average prices and retail margins in Q 1, 2017 - Q 1, 2018

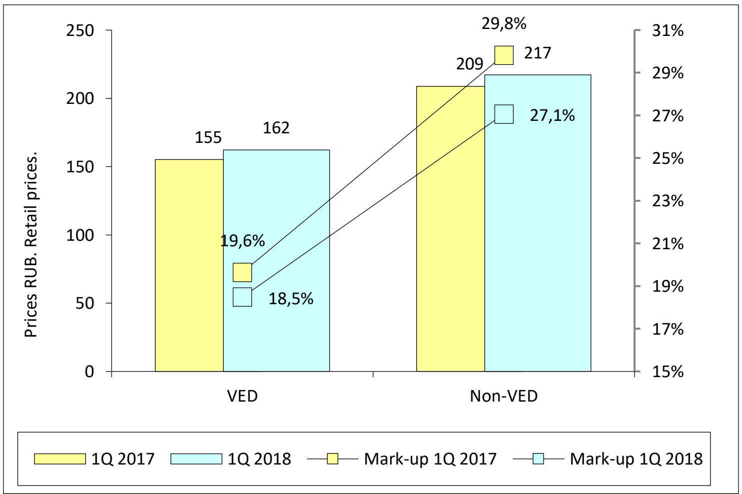
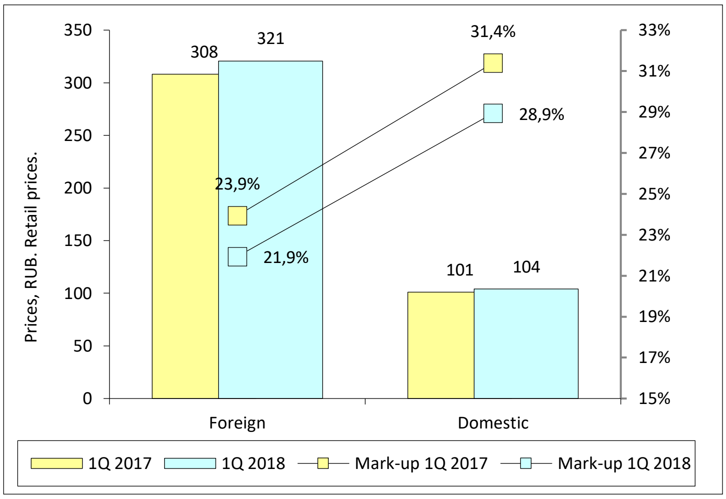


Figure 4. Dynamics of weighted average prices and retail margins in Q 1, 2017 - Q 1, 2018

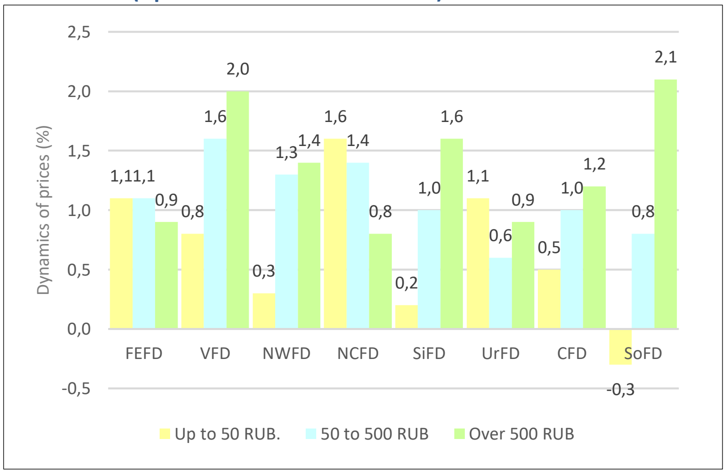


Indicators of dynamics of prices for vital and essential drugs (VED)

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

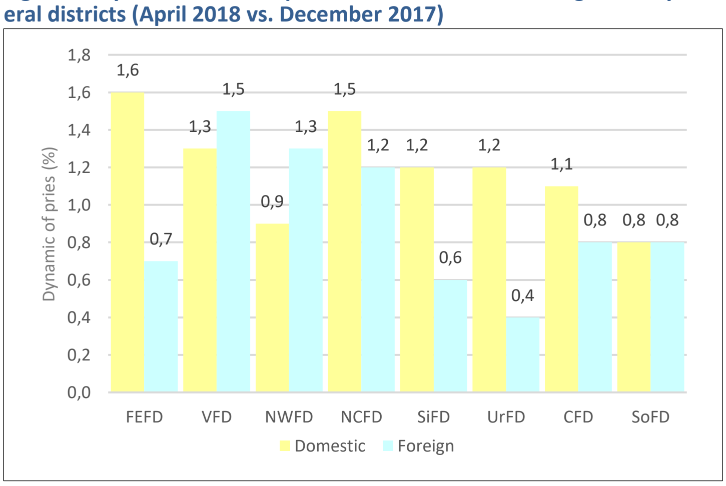
	Price dynamics in April 2018 vs. December 2017 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	1.0	1.2	0.4
Not more than RUB 50	0.6		
RUB 50 to 500	1.0		
Over RUB 500	1.2		
Domestic	1.2		
Foreign	0.9		

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



Roszdravnadzor data

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



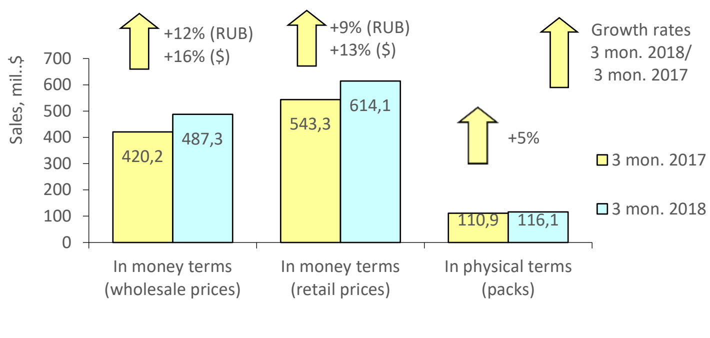
Roszdravnadzor data

MOSCOW CITY PHARMACY MARKET: 2018 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 Moscow's estimated population was 12.506 mil., which accounted for 8.5% of the total Russian Federation population and 31.8% of Central FO (CFO). According to Moscow territorial body of the Federal State Statistics Service, in Moscow the average monthly accrued wage for January- February 2018 was RUB 77288.7 (USD 1360.72) in February 2018 - RUB 80183. (USD 1411.42), which was 91% higher than the average wage in Russia (RUB 40,443).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first three months of 2018 the sales of OTC drugs in natural terms in the pharmacies of Moscow saw a 5% decrease to 116.144 mil. packs. In value terms, the OTC drugs market increased by 12% in rouble terms and by 16% in dollar terms and reached RUB 27.728 bil. (USD 487.320 mil.) in wholesale prices (Fig. 1). The region market share accounted for 14.4% of the Russian pharmacy retail sales. An average cost of a pack grew as compared to the last year: USD 5.29 vs. USD 4.90 in retail prices. At Quarter I-end 2018, the average amount spent by residents of Moscow for medicinal drugs in pharmacies amounted to USD 49.11.

Figure 1. Moscow pharmacy market for 3 months of 2017 – 3 months 2018



Following the results of the first quarter of 2018, BAYER (+18%) and SANOFI (+11%) held and reinforced their leading positions on the Moscow retail market (Table 1). SERVIER (+17%) also held its previous rank eight. Other top ten manufacturers changed their ranking positions; moreover, four brand names improved them. TEVA (+33%) and BERLIN-CHEMIE/MENARINI (+12%) moved up two ranks to numbers three and eight. SANDOZ (+16%) and the newcomer of the top ten OTCPHARM (+12%) based in Russia moved up one rank, coming in at numbers six and ten. Due to lagging behind the growth rates, the manufacturers ABBOTT (+8%), GLAXOSMITHKLINE (+10%) and JOHNSON & JOHNSON (+5%), which showed strong reduction in sales, moved down to the lower ranks five, seven and nine respectively. The total share of the top 10 drug manufacturers increased by 0.8 p.p. to 37.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	**BAYER**	6.2	5.9
2	2	**SANOFI**	4.9	4.9
3	5	**TEVA**	4.1	3.4
4	4	**SERVIER**	3.7	3.6
5	3	**ABBOTT**	3.5	3.6
6	7	**SANDOZ**	3.4	3.3
7	6	**GLAXOSMITHKLINE**	3.3	3.4
8	10	**BERLIN-CHEMIE/MENARINI**	2.7	2.7
9	8	**JOHNSON & JOHNSON**	2.7	2.9
10	11	OTCPHARM	2.7	2.7
Total			37.2	36.5

*AIPM members are in bold

Due to lagging behind the growth rates, most of the top ten brands fell in the ranks (Table 2). Among them was the last year leader CRESTOR (+11%), which moved down to rank two. In addition, MIRAMISTIN (+4%) and CIALIS (-5%) lost one rank each, moving down to ranks five and seven. The brands DETRALEX (+8%), NUROFEN (-7%) and LINEX (+2%) moved down, coming in at ranks four and the last two ranks in the top ten. At the same time, four brand names of the top-10 with high growth rates rose in the ranks. XARELTO (+81%) moved up to rank one from three, CONCOR (+14%) moved up to rank six from seven. Two newcomers of the top ten INGAVIRIN (+89%) and KAGOCEL (+36%) moved up to ranks three and eight, respectively. The aggregate share of the top-10 expended from 7.8% to 8.4%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	3	XARELTO	1.4	0.8
2	1	CRESTOR	1.2	1.2
3	12	INGAVIRIN	1.0	0.6
4	2	DETRALEX	0.9	0.9
5	4	MIRAMISTIN	0.8	0.8
6	7	CONCOR	0.7	0.7
7	6	CIALIS	0.7	0.8
8	15	KAGOCEL	0.7	0.5
9	5	NUROFEN	0.7	0.8
10	8	LINEX	0.6	0.7
Total			8.4	7.8

XYLOMETAZOLINE (-4%) and ROSUVASTATIN (+20%) held their two leading positions in the top 10 INNs and group names ranking (Table 3). INN RIVAROXABAN (+81%) and the composition DIOSMIN*HESPERIDIN (+16%) moved up to ranks three and four from seven and five. The newcomers of the top ten IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+89%) and HYALURONIC ACID (2.1-fold increase in sales), moved up to the higher positions, coming in at ranks six and eight. The less dynamic PANCREATIN (+4%), BISOPROLOL (+14%) and MIRAMISTIN (+5%), as well as IBUPROFEN which reduced its sales by 6% moved down to the lower ranks five, two last and seven respectively. The cumulative share of the top 10 under review increased from 10.2% to 11%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	XYLOMETAZOLINE	1.7	2.0
2	2	ROSUVASTATIN	1.5	1.4
3	7	RIVAROXABAN	1.4	0.8
4	5	DIOSMIN*HESPERIDIN	1.1	1.1
5	4	PANCREATIN	1.0	1.1
6	25	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.0	0.6
7	3	IBUPROFEN	1.0	1.1
8	38	HYALURONIC ACID	0.8	0.4
9	8	BISOPROLOL	0.8	0.8
10	6	MIRAMISTIN	0.8	0.8
Total			11.0	10.2

Due to one third growth in sales, J05 Antivirals for systemic use became the bestselling ATC group on the Moscow market and moved up from rank seven to one (Table 4). As the same time, R01 Nasal preparations (+2%) moved down one rank. The most dynamic among the top ten ATC groups B01 Antithrombotic agents (+53%) moved up to rank three from 11. Another two newcomers of the top ten, N06 Psychoanaleptics (+17%) and R05 Cough and cold preparations (+38%) moved up to two bottom ranks. ATC groups, which fell in the ranks, moved down to ranks four through seven respectively. They were C09 Agents acting on the rennin-angiotensin system (+13%), M01 Anti-inflammatory and antirheumatic products (+5%), J01 Antibacterials for systemic use (+10%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+2%). As before, G03 Sex hormones (+7%) maintained its previous rank eight. In total, the top ten ATC groups accumulated 36.6% of the regional market, whereas in the year-earlier period they accounted for 35.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	7	J05	ANTIVIRALS FOR SYSTEMIC USE	4.3	3.6
2	1	R01	NASAL PREPARATIONS	4.2	4.6
3	11	B01	ANTITHROMBOTIC AGENTS	4.1	3.0
4	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.1	4.0
5	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.8	4.1
6	5	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.6
7	4	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.3	3.7
8	8	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.2	3.4
9	12	N06	PSYCHOANALEPTICS	3.0	2.9
10	17	R05	COUGH AND COLD PREPARATIONS	3.0	2.5
Total				36.6	35.3

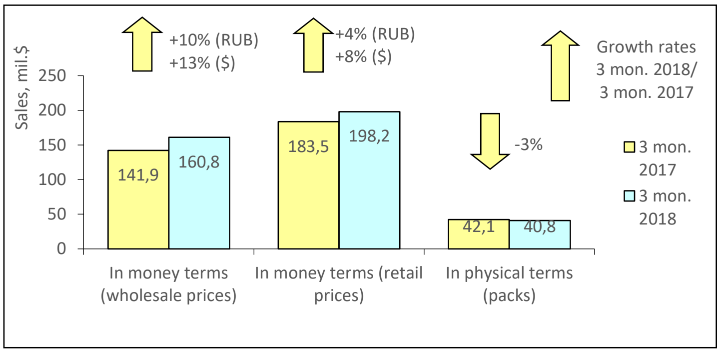
Conclusion. On the basis of the results for the first three months of 2018, the pharmacy market of Moscow brought in RUB 34.949 bil. (USD 614.131 mil.), which was 9% in terms of roubles and 13% in terms of dollars more than in the same period 2017. In pack terms the market extended by 5% and amounted to 116.144 mil. packs. The average cost of OTC pack in the city pharmacies based on the results for the first quarter of 2018 was USD 5.29, which is more than in the year-earlier period (USD 4.90) and the national average (USD 3.43). The average expenses of the regional residents for purchase of OTC drugs in pharmacies were also higher than the national average (USD 49.11 vs. USD 28.99).

SAINT PETERSBURG PHARMACY MARKET: 2018 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, St. Petersburg's population as of January 1, 2018 was estimated at 5.352 mil., which accounted for 3.6% of the total Russian Federation population and 38.4% of North West FD (NWFD). According to Federal State Statistics Service's data, based on the results for January-February of 2018 the average salary in the city was RUB 57,492 (USD 1012.18) in February 2018 RUB 57409. (USD 1010.54), which was 42% higher than the average wage in Russia (RUB 40443).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of 2018 the sales of drugs in natural terms in St. Petersburg pharmacies saw a 3% decrease to 40.768 mil. packs. In money terms, the market saw a 10% increase in terms of roubles and 13% in terms of dollars. At the same time, the volume of the market achieved RUB 9.152 bil. (USD 160.826 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 4.7% of the Russian pharmacy sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 4.35) and reached USD 4.86 at retail prices. For 3 months 2018, the average amount spent by residents of the city for drugs in the pharmacies amounted to USD 37.03.

Figure 1. St. Petersburg pharmacy market for 3 months of 2017 – 3 months 2018



Based on the results for January-March 2018, the drug manufacturers BAYER (+2%) and SANOFI (+8%) continued to show the highest retail sales on the St.. Petersburg market, though their market shares reduced due to lagging behind the growth rates (Table 1). Apart from them, four brands from the top ten ranking developed their markets at a fast pace: SANDOZ (+34%), GLAXOSMITHKLINE (+25%), PFIZER (+45%) and JOHNSON & JOHNSON (+18%). The first three moved up to the higher ranks three, seven and nine, and the latter held its previous rank ten in the top ten ranking. Note that in addition PFIZER became the only newcomer of the top ten. SERVIER (+10%) also moved up one rank. At the same time, TEVA (+6%) and ABBOTT (-6%) moved down one rank, and the Russia-based OTCPHARM (-13%) lost four ranks. The cumulative share of the top 10 didn't change and accounted for 39.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	**BAYER**	6.4	6.9
2	2	**SANOFI**	4.7	4.8
3	7	**SANDOZ**	4.6	3.8
4	3	**TEVA**	4.2	4.3
5	6	**SERVIER**	4.0	4.0
6	5	**ABBOTT**	3.4	4.0
7	9	**GLAXOSMITHKLINE**	3.3	2.9
8	4	OTCPHARM	3.2	4.1
9	12	**PFIZER**	2.8	2.1
10	10	**JOHNSON & JOHNSON**	2.6	2.4
Total			39.2	39.2

*AIPM members are in bold

The leader in the top ten brands ranking didn't change - despite the zero growth rates, the name XARELTO held its previous rank number one (Table 2). One of five newcomers of the top ten, brand INGAVIRIN (+94%) moved up to rank two. The other newcomers, LINEX (+27%), AMOKSIKLAV (+33%), THERAFLU (+36%) and ELIQUIS (+85%) moved up to ranks four, five and the last two ranks respectively. In addition, CONCOR and NUROFEN (+6% each) moved up to the higher ranks six and seven. And only DETRALEX (+1%) and KAGOCEL (-24%) moved down to the lower ranks three and eight. The total share of the top 10 brands increased from 6.8% to 7.3%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	XARELTO	1.1	1.2
2	15	INGAVIRIN	1.0	0.5
3	2	DETRALEX	0.8	0.9
4	11	LINEX	0.7	0.6
5	14	AMOKSIKLAV	0.7	0.5
6	8	CONCOR	0.6	0.7
7	10	NUROFEN	0.6	0.7
8	3	KAGOCEL	0.6	0.9
9	18	THERAFLU	0.6	0.5
10	38	ELIQUIS	0.6	0.3
Total			7.3	6.8

Only two newcomers broke into the ranks of the top ten INN and grouping names ranking (Table 3). IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+94%) and BISOPROLOL (+6%) moved up to ranks five and ten. The composition AMOXICILLIN*CLAVULANIC ACID (+35%) moved up to rank three from ten, and INN IBUPROFEN (+5%) moved up to rank eight from nine. At the same time, DIOSMIN*HESPERIDIN (+5%), PANCREATIN (+8%) and ROSUVASTATIN (+6%) moved down one rank, and INN ATORVASTATIN (+4%) lost two ranks. XYLOMETAZOLINE (-5%) and RIVAROXABAN (0%) held their previous two top ranks in the top ten ranking. The cumulative share of the top 10 didn't virtually change and accounted for 9.7%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	XYLOMETAZOLINE	1.4	1.6
2	2	RIVAROXABAN	1.1	1.2
3	10	AMOXICILLIN*CLAVULANIC ACID	1.0	0.8
4	3	DIOSMIN*HESPERIDIN	1.0	1.1
5	27	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.0	0.5
6	5	PANCREATIN	0.9	1.0
7	6	ROSUVASTATIN	0.9	0.9
8	9	IBUPROFEN	0.8	0.9
9	7	ATORVASTATIN	0.8	0.9
10	11	BISOPROLOL	0.8	0.8
Total			9.7	9.6

In contrast to the above top tens, the top ten ATC groups ranking changed its leader for R05 Cough and cold preparations (+7%) which moved up from rank two to one (Table 4). The most dynamic among leaders ATC group R05 Cough and cold preparations (+35%) moved up to rank two. Another two ATC groups with outperformance rates J01 Antibacterials for systemic use (+16%) and B01 [Antithrombotic agents (+11%) moved up one rank, coming in at numbers five and six. ATC groups R01 Nasal preparations (+8%), G03 Sex hormones (+9%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+7%) held their previous ranks four and the last two ranks in the top ten ranking. Due to low growth rates, the last year leader J05 Antivirals for systemic use (+0.5%) and the group M01 Anti-inflammatory and antirheumatic products (+1%), as well as the group A11 Vitamins (-8%), which sales reduced, moved down to ranks three, seven and eight, respectively. In total, the top ten ATC groups accumulated 38.5% of the market, whereas in the same period of the last year they accounted for 39.1%.

Table 4. The top ten ATC Groups by pharmacy sales

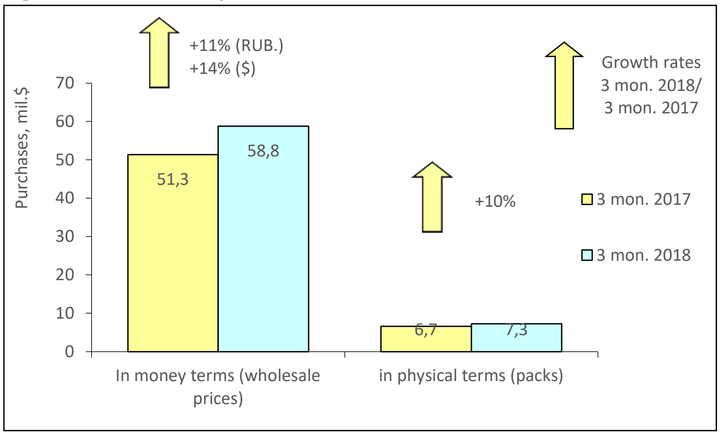
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.5	4.6
2	8	R05	COUGH AND COLD PREPARATIONS	4.3	3.5
3	1	J05	ANTIVIRALS FOR SYSTEMIC USE	4.3	4.6
4	4	R01	NASAL PREPARATIONS	3.9	4.0
5	6	J01	ANTIBACTERIALS FOR SYST USE	3.9	3.7
6	7	B01	ANTITHROMBOTIC AGENTS	3.7	3.7
7	5	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.7	4.0
8	3	A11	VITAMINS	3.5	4.2
9	9	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.4	3.4
10	10	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	3.2	3.3
Total				38.5	39.1

Conclusion. On the basis of the results for the first quarter of 2018, the pharmacy market of St. Petersburg brought in RUB 11.278 bil. (USD 198.179 mil.), which was 4% in terms of roubles and 8% in terms of dollars more than in the same period of 2017. In pack terms, the market reduced by 3% and amounted to 40.143 mil. packs. In the first three months of 2018, the average cost of FPP pack in the city pharmacies was USD 4.86, which was more than in the year-earlier period (USD 4.35) and the national average (USD 3.43). The average medicine expenses of St. Petersburg residents in the pharmacies were higher than the national average expenses in Russia (USD 37.03 vs. USD 28.99).

MOSCOW CITY HOSPITAL MARKET: 2018 FIRST THREE MONTHS RESULTS

According to the results of the Budget Audit of Finished Pharma Products (FFP) in the Russian Federation, at the end of the first 3 months of 2018 the Moscow hospital market in physical terms reduced by 10% compared to the previous year and amounted to 7.312 mil. packs. In money terms, the market also showed positive growth rates both in terms of roubles (+11%) and in terms of dollars (+14%) and reached RUB 3.343 bil. (USD 58.763 mil.) in wholesale prices. At the first quarter-end 2018, the average cost of an FPP pack in the hospital sector of Moscow was USD 8.04, whereas in the year-earlier period its cost was USD 7.71.

Figure 1. Moscow hospital market for 3 months of 2017 – 3 months 2018



According to the results of the first quarter of 2018, the most dynamic manufacturers ABBVIE (3.2-fold growth in purchases) and MSD (2-fold growth) moved up to the top ranks of the top ten manufacturers ranking on the Moscow hospital market (Table 1). In addition, BAYER (+67%) which moved to rank four, the newcomer of the top ten NOVARTIS (+18%) and ASTELLAS (+15%), which held its previous rank eight, also showed high growth rates. The other manufacturers showed low or negative growth rates. Among them was the last year rating leader PFIZER (+5%) which moved down to rank three. BIOCAD (-21%) moved up from rank three to five. SANOFI (-6%), BAXTER (-11%) and VEROPHARM (+4%), which moved down to ranks six, seven and ten, lost one rank each. The total share of the top ten trade names increased by over 10 p.p. and accounted for 43.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	2	**ABBVIE**	12.5	4.3
2	4	**MSD**	7.8	4.2
3	1	**PFIZER**	4.7	5.0
4	7	**BAYER**	3.4	2.2
5	3	BIOCAD RF	3.0	4.3
6	5	**SANOFI**	3.0	3.5
7	6	BAXTER INT	2.7	3.3
8	8	**ASTELLAS PHARMA**	2.2	2.1
9	11	**NOVARTIS**	2.0	1.9
10	9	VEROPHARM	1.9	2.0
Total			43.2	33.0

*AIPM members are in bold

The ranking of the top ten brand names was half updated – it acquired five newcomers (table 2). SYNAGIS (43-fold growth in purchases), ROTATEQ (520-fold growth) and PNEUMOVAX-23 (4-fold growth) moved up to the top ranks, and PENTAXIM (24-fold growth) and CUROSURF (+47%) moved up to ranks eight and ten. MYCAMINE (+70%) and VFEND (+46%) moved up to ranks six and seven from eight and nine. In contrast, three brands of the top ten fell in the ranks. The former leaders of the top ten NATRIUM CHLORIDUM (-11%), SEVORAN (+12%) and DIANEAL PD4+GLUCOS (+11%) moved down to ranks four, five and nine respectively. The total share of the top 10 increased from 8.1% to 24%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	36	SYNAGIS	10.6	0.3
2	47	ROTATEQ	2.6	0.0
3	24	PNEUMOVAX-23	1.8	0.5
4	1	NATRIUM CHLORIDUM	1.7	2.1
5	2	SEVORAN	1.4	1.4
6	10	MYCAMINE	1.3	0.9
7	9	VFEND	1.2	0.9
8	44	PENTAXIM	1.2	0.1
9	4	DIANEAL PD4+GLUCOS	1.1	1.1
10	11	CUROSURF	1.0	0.8
Total			24.0	8.1

Four newcomers broke into the ranks of the top ten INN and group names ranking: PALIVIZUMAB (43-fold growth in purchases), VACCINE, ROTAVIRUS (520-fold growth), MICAFUNGIN (+70%) and PROPOFOL (+71%) moved up to ranks one, three and the last two ranks. INN VACCINE, PNEUMOCOCCAL (+51%), which moved up to rank four, also showed high growth rates. INNs COAGIL SEVOFLURANE (+11%) and ENOXAPARIN SODIUM (+6%) moved up one rank, to numbers seven and eight. INNs with strong negative rates IMMUNOGLOBULIN BASE (-14%), SODIUM (-11%) and MEROPENEM (-40%), in contrast, moved down to ranks two, five and six. The total share of the analysed top ten also increased from 15.7% to 27.5%.

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

Rank		INNs/Group Names	Share in total hospital purchases, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	42	PALIVIZUMAB	10.6	0.3
2	1	IMMUNOGLOBULIN BASE	2.9	3.7
3	48	VACCINE, ROTAVIRUS	2.6	0.0
4	5	VACCINE, PNEUMOCOCCAL	2.6	1.9
5	4	SODIUM	1.7	2.1
6	2	MEROPENEM	1.7	3.1
7	8	SEVOFLURANE	1.5	1.5
8	9	ENOXAPARIN SODIUM	1.4	1.5
9	17	MICAFUNGIN	1.3	0.9
10	18	PROPOFOL	1.3	0.8
Total			27.5	15.7

As in the previous rankings, the top ten ATC groups ranking changed its leader (table 4): J05 Antivirals for systemic use, which showed three-fold growth in purchase rates, moved up to rank one from five (Table 4). L01 Antineoplastic agents (+0.4%) held their previous rank two, and J01 Antibacterials for systemic use (-32%) moved down to rank three from number one in the top ten ranking. The newcomers of the top ten J07 Vaccines (4.4-fold growth) and S01 Ophthalmologicals (+48%) moved up to ranks four and ten. V08 Contrast media (+56%) moved up one rank, whereas the groups J02 Antimycotics for systemic use (+38%) and N01 Anaesthetics (+26%) moved down to ranks eight and nine despite their outperformance rates. B05 Plasma substitutes and perfusion solutions (-0.4%) and B01 Antithrombotic agents (+7%) lost two ranks each. The total share of the top ten ATC groups increased by over 10 p.p. and achieved 73.6%.

Table 4. The top ten ATC groups by hospital purchases

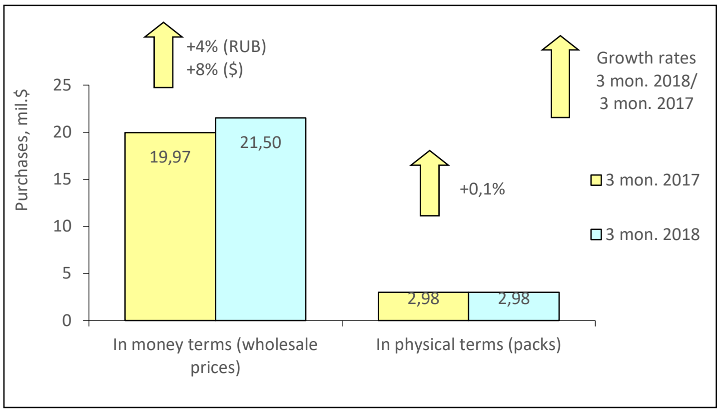
Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	5	J06	IMMUNE SERA & IMMUNOGLOBULIN	14.2	4.9
2	2	L01	ANTINEOPLASTIC AGENTS	10.7	11.8
3	1	J01	ANTIBACTERIALS FOR SYST USE	10.1	16.4
4	13	J07	VACCINES	8.3	2.1
5	3	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	7.8	8.7
6	4	B01	ANTITHROMBOTIC AGENTS	5.5	5.7
7	8	V08	CONTRAST MEDIA	5.0	3.6
8	7	J02	ANTIMYCOTICS FOR SYSTEMIC USE	4.8	3.8
9	6	N01	ANESTHETICS	4.4	3.9
10	14	S01	OPHTHALMOLOGICALS	2.8	2.1
Total				73.6	62.9

Conclusion. At the end of the first quarter in 2018, the Moscow hospital market grew by 11% in rouble terms and by 14% in dollar terms and brought in RUB 3.343 bil. (USD 58.763 mil.). In pack terms, the market also showed growth rates (+10%) and achieved 7.312 mil. packs. The average cost of an FPP pack in the Moscow hospital market increased as compared to the same period of the previous year (USD 8.04 vs. USD 7.71).

SAINT PETERSBURG HOSPITAL MARKET: 2018 FIRST THREE MONTHS RESULTS

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit), at the end of the first quarter of 2018, the St. Petersburg hospital market increased in physical terms by 0.1% and amounted to 2.983 mil. packs. In money terms, the purchases movement was positive both in rouble (+4%) and in dollar (+8%) terms, and the volume amounted to RUB 1.224 bil. (USD 21.503 mil.) in wholesale prices. Based on the results for three months of 2015, the average cost of OTC pack in the hospitals of Russia was USD 7.21, whereas in the year-earlier period its cost was USD – 6.70.

Figure 1. St. Petersburg hospital market for 3 months of 2017 – 3 months 2018



Following the results of nine months of 2016, the drug manufacturers JOHNSON & JOHNSON (+44%) and PFIZER (+13%) held their leading ranks in the top-ten drug manufacturers ranking in the St. Petersburg hospital market (Table 1). The rest of top 10 drug manufacturers changed their ranks; moreover, almost all of them improved them. SANOFI (2-fold growth in purchases), NOVARTIS (2.4-fold growth) and MSD (+58%) moved up to ranks three through five, and BIOCAD (+43%) moved up to rank seven from ten. The newcomers of the top ten ABBVIE (+45%), AMGEN (4.5-fold growth in purchases) and MERCK (2.4-fold growth) moved up to the bottom three ranks of the top ten. Only BAYER (-5%) moved down two ranks, to number six. In total, the top ten drug manufactures accumulated 44.3% of the hospital market of the region, whereas in the year-earlier period 34.9%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	**JOHNSON & JOHNSON***	8.6	12.8
2	2	**PFIZER**	6.5	4.7
3	5	**SANOFI**	5.6	2.9
4	8	**NOVARTIS**	5.6	2.4
5	6	**MSD**	4.1	2.7
6	4	**BAYER**	3.3	3.6
7	10	BIOCAD RF	3.1	2.3
8	11	**ABBVIE**	2.9	2.1
9	42	**AMGEN**	2.4	0.5
10	25	**MERCK**	2.2	1.0
Total			44.3	34.9

*AIPM members are in bold

The top ten brand names ranking in the city hospital market was considerably updated - six new brand names broke into the ranks of the top ten (Table 2). IMBRUVICA, which purchases increased 4.4 times, moved up to rank one, PENTAXIM (5.7-fold growth) and TASIGNA (14 times) moved up to ranks three and four, and VECTIBIX (4.5-fold growth), DASATINIB-NATIV and PREVENAR 13 (2.5-fold growth) moved up to ranks seven through nine respectively. SEVORAN (+24%) also held its previous rank five. The brands NATRIUM CHLORIDUM (-35%), OMNIPAQUE (-0.5%) and XEPLION (-22%) which showed negative growth rates moved down to ranks two, six and ten in the top ten. The cumulative share of the top-ten increased by almost 7 p.p. and achieved 16.7%.

Table 2. The top 10 brands by hospital purchases

Rank		Brand	Share in total hospital purchases, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	16	IMBRUVICA	2.6	0.6
2	1	NATRIUM CHLORIDUM	2.1	3.4
3	27	PENTAXIM	1.9	0.3
4	35	TASIGNA	1.6	0.1
5	5	SEVORAN	1.6	1.3
6	3	OMNIPAQUE	1.5	1.6
7	28	VECTIBIX	1.4	0.3
8	44	DASATINIB-NATIV	1.4	0.0
9	18	PREVENAR 13	1.3	0.6
10	2	XEPLION	1.3	1.7
Total			16.7	10.0

As in the previous ranking, six newcomers broke into the ranks of the top ten INN and group names ranking (Table 3). INN IBRUTINIB (4.4-fold growth) became the leader of the top ten, following its brand, displacing SODIUM (-34%) down to rank two. Another five newcomers VACCINE, ACEL.PERT.DIP.TET. POLIO & HIB (5.7-fold growth in purchases), VACCINE PNEUMOCOCCAL (2,7-fold growth), NILOTINIB (14-fold growth), DASATINIB (+81%) and PANITUMUMAB (4.5-fold growth) moved up to ranks three, four, seven, eight and ten respectively. Apart from that, SEVOFLURANE (+28%) moved up one rank to number 8. IOHEXOL, which showed zero growth rates, and PALIPERIDONE PALMITATE which reduced its purchases by 13%, moved down to ranks six and nine. The total share accumulated by the top-ten INNs and grouping names increased from 11.1% to 17.7%.

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

Rank		INNs/Group Names	Share in total hospital purchases, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	24	IBRUTINIB	2.6	0.6
2	1	SODIUM	2.1	3.4
3	34	VACCINE, ACEL.PERT.DIP.TET. POLIO & HIB	1.9	0.3
4	21	VACCINE, PNEUMOCOCCAL	1.7	0.7
5	6	SEVOFLURANE	1.7	1.4
6	3	IOHEXOL	1.7	1.7
7	42	NILOTINIB	1.6	0.1
8	15	DASATINIB	1.5	0.8
9	2	PALIPERIDONE PALMITATE	1.4	1.7
10	35	PANITUMUMAB	1.4	0.3
Total			17.7	11.1

Due to 2.6-fold growth in purchases, the group L01 Antineoplastic agents held and reinforced the leading positions in the regional market (Table 4). Some shifts took place in the lower part of the top ten ranking, as a result of which six brands rose in the ranks. J01 Antibacterials for systemic use (-22%) moved up to rank four from two, and the groups V08 Contrast media (-13%) and N01 Anaesthetics (+4%) moved up one rank, coming in at numbers five and seven. Three newcomers of the top ten J07 Vaccines increased their purchases 3.3 times, and L04 Immunosuppressants (+57%) and L02 Endocrine therapy (+64%) moved up to ranks three and the two bottom ranks. The groups N05 Psycholeptics (-42%), B05 Blood substitutes and perfusion solutions (-24%) and B01 Antithrombotic agents (-34%), in contrast, moved down to the lower ranks. Based on the results for three months of 2018, the top ten ATC groups accumulated 72.5% of the regional market, which accounted for 59.4% in the year-earlier period.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	1	L01	- ANTINEOPLASTIC AGENTS	31.1	12.2
2	4	J01	- ANTIBACTERIALS FOR SYSTEMIC USE	6.6	8.8
3	13	J07	- VACCINES	6.0	1.9
4	2	N05	- PSYCHOLEPTICS	5.7	10.2
5	6	V08	- CONTRAST MEDIA	5.5	6.5
6	5	B05	- PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	5.2	7.1
7	8	N01	- ANESTHETICS	4.0	4.0
8	7	B01	- ANTITHROMBOTIC AGENTS	3.3	5.3
9	14	L04	- IMMUNOSUPPRESSANTS	2.6	1.8
10	16	L02	ENDOCRINE THERAPY	2.6	1.6
Total				72.5	59.4

Conclusion. At the first quarter-end 2018, the St. Petersburg hospital market grew by 4% in rouble terms and by 8% in dollar terms and brought in RUB 1.224 bil. (USD 21.503 mil). In pack terms, the market showed low growth rates (+0.1%) and achieved 2.983 mil. packs. In January-March 2018, the average cost of a FPP pack on the city hospital sector was higher than that in the year-earlier period (USD 7.21 vs. USD 6.70).