СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

РЕМЕДИУМ
ГРУППА КОМПАНИЙ

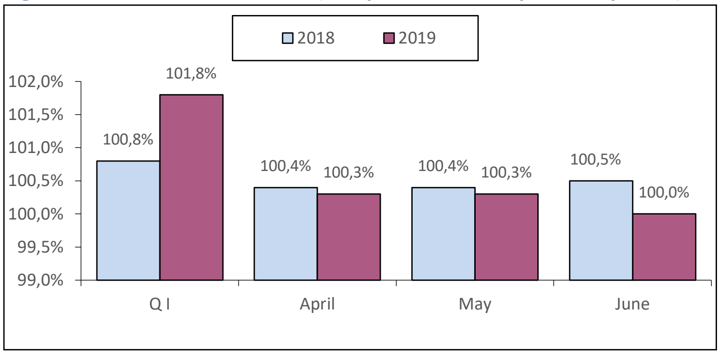
AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated at 100.0% in June of 2019 as compared to May, and 102.5% against December 2018. In June of 2019, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 99.4%, whereas in the month-earlier period it had amounted to 101.8%. The index accounted for 100.6% against December of 2018.

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



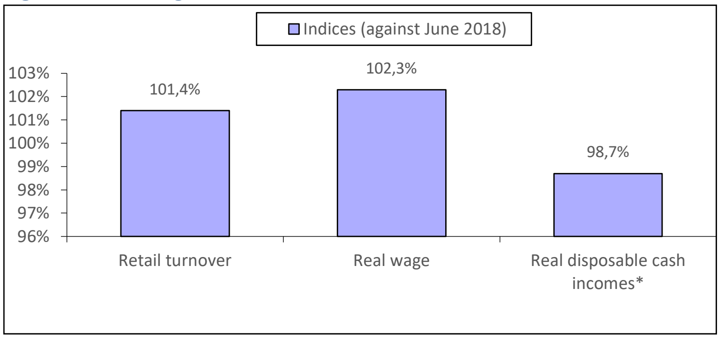
Living standard

According to Federal State Statistics Service's data, in June of 2019 a gross monthly average wage of corporate employees reached RUB 49840 (USD 776.08), and increased by 7.1% compared to the same period in the previous year, and by 4.0% compared to the previous period. In June of 2019, the real gross wage accounted for 102.3% as compared to June of 2018, and 104.0% against the prior period. According to estimates[1], in the first half of 2019 real disposable cash incomes decreased by 1.3% compared to the same period of the previous year (Fig. 2).

Retail turnover

In June 2019, the retail turnover was equal to RUB 2731.1 bil or 101.4% (in comparable prices) against the level of the same period of the previous year, in the first half of 2019 - RUB 15687.6 bil. or 101.7% (Fig. 2).

Figure 2. Real wage and retail turnover in June 2019.



* First half of 2019 vs first half of 2018

Industrial Production

According to Federal State Statistics Service's data, in June 2019 Industrial Production Index accounted for 103.3% compared to the same period in the previous year, and in January - June 2019 102.6% in January-June 2019. According to Federal State Statistics Service's data, Industrial Production Index for drugs and medical products accounted for 118.7% in June 2019 compared to the same period of 2018, and 116.7% in January-June against January-June 2018.

Domestic production

The top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for June of 2019 is shown in Table 1.

Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales volume in June 2019

Rank	Manufacturer	RUB mil.
1	Biocad	3356.28
2	Generium	1708.12
3	Otcpharm	1626.00
4	Pharmstandart	1490.97
5	Pharmasyntez	1395.54
6	Veropharm	979.22
7	Nativa	954.03
8	Stada	934.66
9	Akrikhin Pharma	785.91
10	Sotex	742.11

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In May 2019, the sales (in terms of roubles) continued to reduce in virtually all regions compared to the previous month. The most significant reduction was observed in Tatarstan (-16%), the less significant - in Tyumen (-7%). In Perm, the sales showed positive growth rates (+9%).

Table 2. Pharmacy sales in the regions, 2019

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	March 2019	April 2019	May 2019	March/ February 19	April/ March 19	May/ April 19
Moscow	179.1	180.9	155.5	13%	0.2%	-14%
St. Petersburg	74.4	65.1	57.7	12%	-13%	-11%
Krasnodar Krai	34.4	33.4	29.8	0.3%	-4%	-11%
Krasnoyarsk Krai	31.8	29.7	26.3	10%	-7%	-11%
Tatarstan	21.1	19.9	16.6	-1%	-6%	-16%
Rostov Region	23.0	22.7	19.6	-6%	-2%	-13%
Novosibirsk Region	23.3	22.1	20.3	18%	-6%	-8%
Voronezh Region	14.3	12.8	11.4	1%	-11%	-10%
Perm	7.9	6.9	7.5	9%	-13%	9%
Tyumen	7.0	6.8	6.4	6%	-4%	-7%

Advertising

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

Table 3. Top five advertisers in mass media in June 2019

Rank	Company*	Quantity of broadcasts
1	Sandoz	10,677
2	GSK Consumer Healthcare	9,384
3	Berlin-Chemie/Menarini	7,470
4	Sanofi	6,626
5	Johnson & Johnson	4,827

Source - Remedium according to Mediascope's data

Table 4. The top five brands in mass media in June 2019

Rank	Brand*	Quantity of broadcasts
1	Exoderil	5,571
2	Voltaren	4,907
3	Lioton 1000	2,663
4	Linex	2,609
5	Evalar	2,486

Source - Remedium according to Mediascope's data

* Only products registered with the State Drug Registry were considered

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

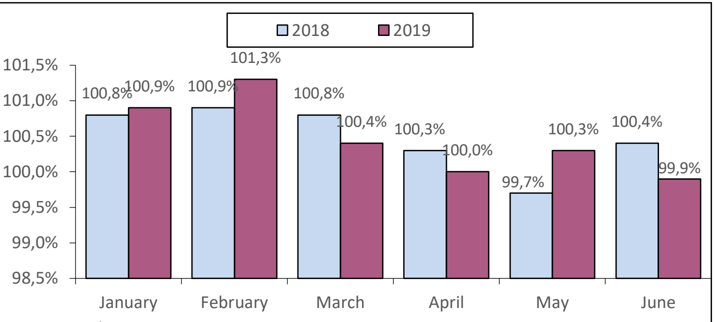
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of Belarus, the Consumer Price Index was estimated at 99.9% in June 2019, and 102.9% in January-June against January-June 2018. At the end of the first half of 2019, the Consumer Price Index was 105.9% as compared to the first half of 2018.

In June 2019, Industrial Producer Price Index was 100.5% compared to May 2019, and 103.9% against December of 2018. In January-June 2019, the Industrial Producer Price Index was 107.1% as compared to 2018.

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



Source: Belstat

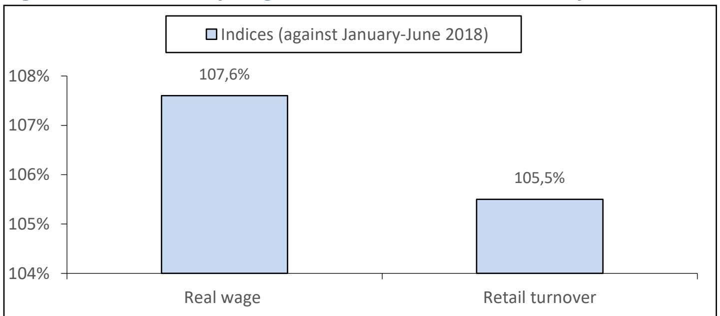
Living standard

According to the preliminary Belstat's data, in June 2019 the average monthly nominal accrued wage of the workers in the Republic of Belarus was BYR 1080.5 (USD 522.28[2]), in the first half of 2019 - BYR 1042.9 (USD 491.65), which accounted for 112.8% against June 2018 and 114.0% against the first half of 2019. In June 2019, the real wage accounted for 106.7% as compared to the same period of 2018, and 107.6% in the first half of 2019 (Fig. 2). According to Belstat's data, in January-May 2019 the real disposable cash income accounted for 107.2% as against January-May 2018.

Retail turnover

In June 2019, the retail turnover was estimated at RUB 4213.0 mil., which accounted for 101.0% compared to the previous period and 104.6% compared to the same period of the last year. Based on the results for the first half of 2019, it amounted to RUB 23.44 bil. or 105.5% in comparable prices as compared to the first half of 2018 level (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-June 2019



Source: Belstat

Industrial Production

According to the National Statistical Committee of the Republic of Belarus, in the first half of 2019 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 55.6 bil. in current prices or 100.1% against the first half of 2018 in comparable prices.

According to Belstat's data, in the first half of 2019 pharmaceutical production output of essential pharmaceutical products and pharmaceutical preparations was estimated at BYR 648.2 mil., which accounted for 97.5% against the indicators of the first half of 2018 in comparable prices.

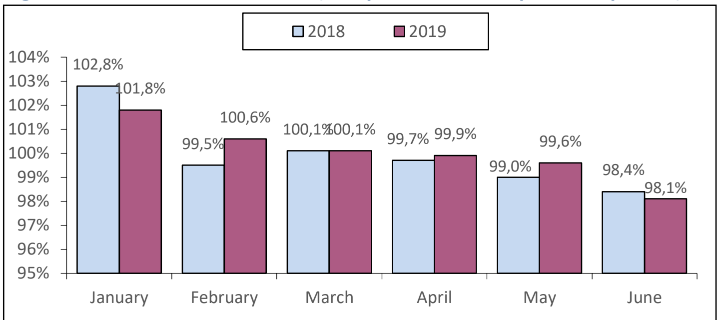
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to data of National Statistical Service of the Republic of Armenia, in June 2019 consumer price index amounted to 98.1% against the previous month and 100.1% against December of 2018. The Consumer Price Index accounted for 102.0% in January-June 2019 compared to the same period of 2018.

The Industrial Producer Price Index was 99% in June 2019, as compared to the previous month, and 96.8% against December of 2018. In the first half of 2019, the Index reached 100.1% as compared to 2018.

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



Source: Statistics Committee of the Republic of Armenia

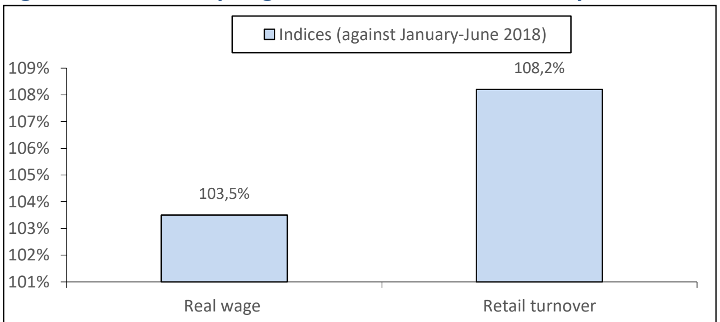
Living standard

According to preliminary estimates of the National Statistical Service of RA, in June 2019 the average monthly nominal wage[3] of the workers of the Republic of Armenia was Dram 179519 (USD 375.19), which accounted for 100% compared to the previous period and 106.2% compared to the same period of 2018. In January-June 2019, the average monthly nominal wage per worker was Dram 176783 (USD 365.13) or 105.6% against the same period of 2018. The real wage (according to Eurasian Economic Commission) accounted for 103.5% in January-June 2019 as compared to January-June 2018.

Retail turnover

The retail turnover amounted to Dram 124406.4 mil. in June 2018, and Dram 674759.4 mil. in January - June 2019, which accounted for 110.3% and 108.2% respectively, as compared to the same period of the previous year (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-June 2019



Source: Statistics Committee of the Republic of Armenia

Industrial Production

According to the preliminary data of Statistics Committee of the Republic of Armenia, in June of 2019 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 167388.4 mil., and AMD 900500.2 mil. in January- June 2019 or 112.1% and 106.9% against the same periods of 2018, respectively.

According to Statistics Committee of the Republic of Armenia, the pharmaceutical output was estimated at AMD 805.0 mil. in June 2019, and AMD 4547.2 mil. from the beginning of the year, which accounted for 111.9% and 99.3% as compared to the same periods of 2018.

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

[3] 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.

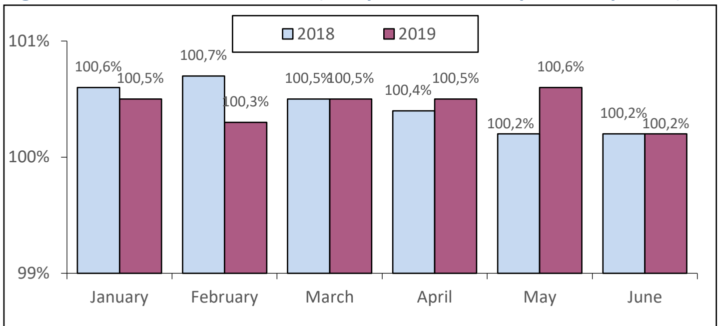
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in June 2019 the Consumer Price Index was estimated at 100.2% compared to the previous month, and 102.6% against December of 2018. In January-June 2019, the Index reached 105.1% as compared to January-June 2018.

The Industrial Producer Price Index was 99.3 % in June 2019, as compared to the previous month, and 104% against December of 2018. In January-June 2019, the prices of producers of industrial products increased by 10.2% as compared to January-June 2018.

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



Source: RK Committee on Statistics

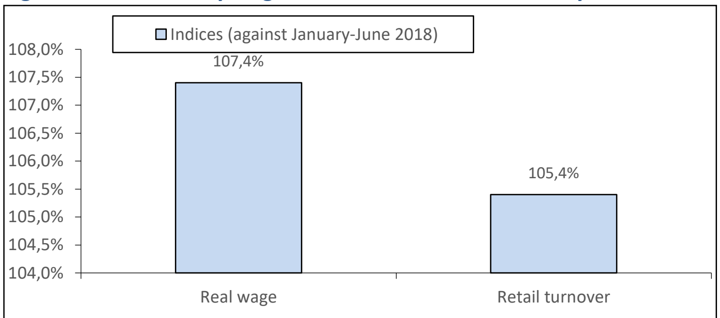
Living standard

According to the preliminary data of the RK Committee on Statistics, the gross monthly average salary per worker reached KZT177963 (USD 465.55[4]) in June 2019, KZT -171174 (USD 451.48) in the first half of 2019. The Nominal Wage Index against the respective period of the previous year accounted for - 106.1% in June 2019, 108.6% in January-June 2019, and the Real Wage Index – 100.7% and 107.4%, respectively. According to the preliminary data, in January-May 2019 the real cash income index was 105.5% compared to the same period of 2018 (Fig. 2).

Retail turnover

In June 2018, the retail volume was KZT 983.3 bil., which is 107.3% against June 2018. In January-June 2019, the volume amounted to KZT 4944.3 bil., which was 5.4% more than in the same period of 2018 (in comparable prices) (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-June 2019



Source: RK Committee on Statistics

Industrial Production

According to data of the Committee for Statistics of RK, in June 2019 the industrial output was KZT 2,456.1 bil., in January-June of 2019 – KZT 14292.3 bil. As compared to the same period of 2017, the indices accounted for 105.9% and 102.6%, respectively.

According to the Statistics Committee of RK, in January-June 2019 the industrial output of basic pharmaceutical products amounted to KZT 45.9 bil., in June of 2019 - KZT 6528 mil. At the end of January-June 2019, the Industrial Production Volume Index for Pharmaceuticals was 119.5% against January-June 2018, and 159.2% in June of 2019 against December of 2018.

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

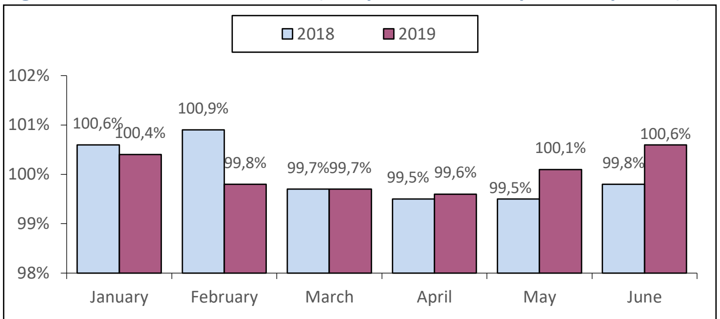
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to the National Statistics Committee of the Kyrgyz Republic, the Consumer Price Index was estimated at 100.6% in June 2019 compared to the previous month, 100.3% in June of 2019 against December of 2018. In January-June 2019, the index reached 99.9% compared to January-June 2018.

In June 2019, the Producer Price Index for industrial production and services was 100.7% as compared to the previous month, 102.0% against December of 2018. Throughout the Republic, in January-June 2019 the prices of producers for industrial products and services increased by 0.1% compared to the corresponding period of 2018.

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



Source: Committee for Statistics of the Kyrgyz Republic

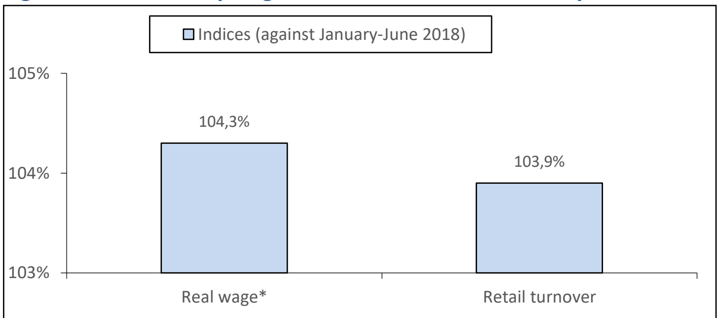
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in May 2019 the average monthly nominal wage per worker was KGS 16612 (USD 238.23), in January-May 2019 - KGS 16020 (USD 229.5), which is 3.4% and 4.0% more than in the same period of the previous year, respectively. In January-May of 2019, the real wage accounted for 104.3% as compared to January-May of 2018, 103.3% in May of 2019 against May of 2019 (Fig. 2).

Retail turnover

In June 2019, the retail turnover (without cars and motorcycles sales) amounted to KGS 20253.9 mil., in January-June 2019 - KGS 103236.4 mil. in January-June of 2019. The Volume of Retail Turnover Index accounted for 104.1% and 103.9% to the same period of the previous year (Fig.2).

Figure 2. Real monthly wage and retail turnover in January-June 2019



Source: Committee for Statistics of the Kyrgyz Republic

* - data for January-May 2019

Industrial Production

According to data of the National Committee for Statistics of the Kyrgyz Republic, in June 2018 the industrial output was KGS 23352.6 mil., KGS 127522.3 mil. in January-June of 2019. The Physical Index of Industrial Production accounted for 134.4% and 119.7% as compared to the same periods of 2018, respectively.

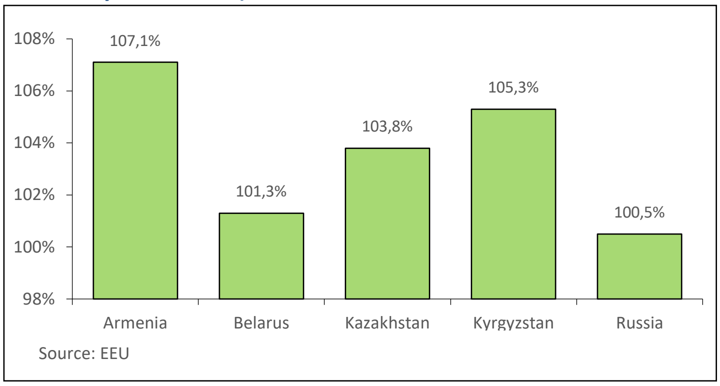
According to the National Committee for Statistics of the Kyrgyz Republic, the pharmaceutical output amounted to KGS 22.3 mil. in June 2019, and KGS 126.8 mil. from the start of the year. At the end of June 2019, the Industrial Products Volume Index for Pharmaceuticals was 101.2% compared to the same period of the last year, 83% as compared to June 2018, and it was 81.7% in January- June 2019 compared to January- June 2018.

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to Eurasian Economic Commission's data (EAEC), at the end of January-March 2019 GDP of EAEU member-states amounted to USD 422898.8 mil. and increased by 0.9% as compared to January-March of 2018 in fixed prices. GDP growth was recorded in all countries, the largest one- in Armenia (+7.1%) and Kyrgyzstan (+ +6.2%), slightly lower - in Kazakhstan (+3.8%) and Belarus (+1.3%). In Russia, GDP increased by 0.5% (Fig. 1).

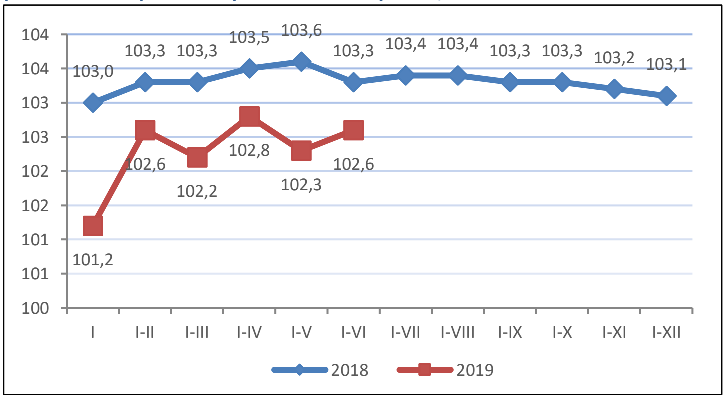
Figure 1. GDP growth in the EAEU member-states (January-March 2019 vs. January-March 2018)



Industrial Production

According to preliminary EAEC data, in January-June 2019 the volume of industrial output of the EAEU member-states amounted to USD 583.6 bil. and increased by 2.6% in fixed prices as compared to 2018 (Fig. 2). In individual countries, the Industrial Production Index accounted for: – 106.9% in Armenia, – 100.1% in Belarus, – 102.6% in Kazakhstan – 119.7% Kyrgyzstan and – 102.6% in Russia (Fig. 2).

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

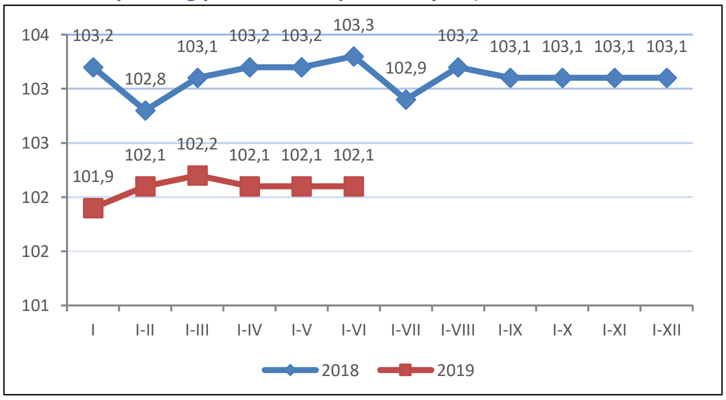


Note. The data for the period from January 2016 to April 2018 were updated due to recalculation of the industrial production indices of the Russian Federation for the specified period.

Retail turnover

According to the EEC, the retail turnover (through all sales channels) of EEU member-states in January-June 2019 amounted to USD 267.67 bil. Compared with the same period of 2018, the retail sales (in comparative prices) increased by 2.1%. In the analysed period, all member-states showed growth in the retail turnover. In this case, the indices accounted for 107.8% in Armenia, 105.5% in Belarus, 105.4% in Kazakhstan 104.3% Kyrgyzstan and 101.7% in Russia (Fig. 2).

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



Nominal and real wage

According to EEU, the gross monthly average nominal wage per worker increased by 5.6% in Armenia, 14.0% in Belarus , 12.9% in Kazakhstan, 4.2% in Kyrgyzstan, 7% in Russian in January-June of 2019. The real wage (adjusted for the consumer price index for goods and services) increased: by 3.5% in Armenia, 7.6% in Belarus, 7.4% in Kazakhstan, 4.3% in Kyrgyzstan, 1.8% in Russia.

Table 1. Nominal and real wage in January-June 2019

Country	Real wage, % against the same period of 2018	Nominal wage, USD
Armenia	103.5	365
Belarus	107.6	493
Kazakhstan	107.4	468
Kyrgyzstan	104.3	233
Russia	101.8	709

Budget implementation

According to the EEC, in January- June of 2019, all EEU member-states ran the republican budgets surplus except for Kazakhstan where the deficit increased by 2.8 times. At the same time, Armenia ran the republican budget surplus for the first time since 2014, and in Kyrgyzstan - since 2016. In Russia, the budget surplus grew 1.6 times.

Compared to the previous year, the growth rates of the republican budget indicators had multidirectional dynamics. The growth rates of the republican budgets were: revenues - 125% in Armenia, 100% in Belarus, 113% in Kazakhstan, 102% Kyrgyzstan and 113% Russia; expenditures - 102% in Armenia, 110% in Belarus, 119% in Kazakhstan, 98% in Kyrgyzstan, 107% in Russia.

Table 2. Republican budget in January-March 2019

Country	USD bil.		
	Income	Expenditure	Deficit (surplus)
Armenia	0.7	0.6	0.1
Belarus	2.5	2.1	0.4
Kazakhstan	6.5	7.2	-0.6
Kyrgyzstan	0.4	0.4	0.0
Russia	69.4	59.4	10.1
EAEU	**79.5**	**69.6**	**9.9**

Mutual trade of EAEU member-states in January– February 2019

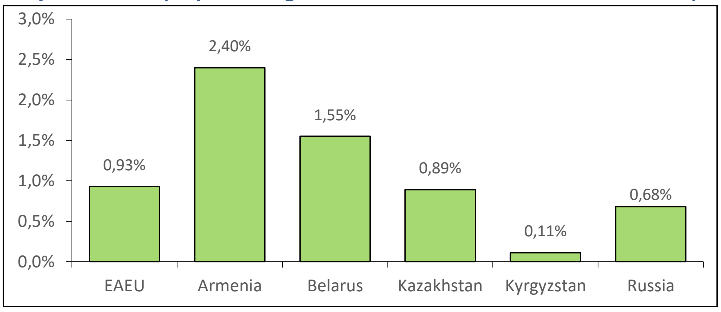
Volume of mutual trade in goods of the Member States of the Eurasian Economic Union in January- May 2019 amounted to USD 23.2 bil. or 95.2% as against the same period of 2018.

Table 3. Export volumes of the EAEU member-states in the mutual trade in January-May 2019

Countries	USD bil.	% vs January-February 2018.	Share in total, %
EAEU	**23189.0**	**95.2**	**100.0**
Armenia	254.1	103.5	1.1
Russia	246.3	103.5	97.0
Belarus	5596.2	98.7	24.1
Russia	5230.6	98.5	93.4
Kazakhstan	2410.7	95.9	10.4
Russia	2151.4	97.6	89.3
Kyrgyzstan	210.6	75.7	0.9
Russia	78.6	48.2	37.3

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

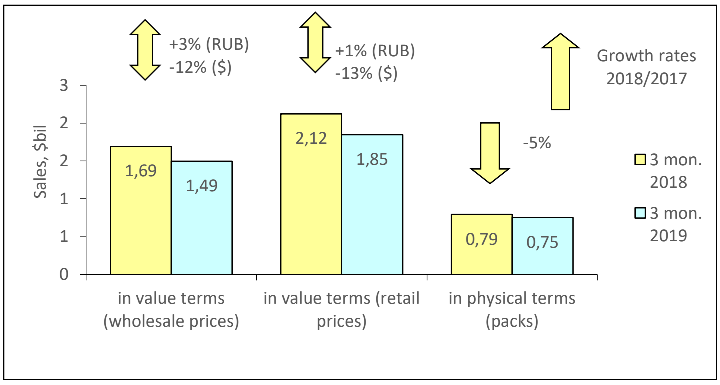
Table 4. The mutual trade profile of EEU member-states within the Customs Commodity Code group "Pharmaceutical products" for January-May 2019 2015 (as percentage over the total volume of mutual trade)



PHARMACY OTC MARKET IN RUSSIA: FIRST THREE MONTHS RESULTS 2019

According to the results of the Retail Audit of Finished Pharma Product (FPP) in Russian Federation™, at the end of the first three months of 2019 the sales of OTC drugs in physical terms in the pharmacies of Russia saw a 5% decline to 752.300 mil. packs. In money terms, the OTC drugs market increased by 3% in rouble terms and reduced by 12% in dollar terms, and reached RUB 98.721 bil. (USD 1.494 bil.) at wholesale prices (Fig. 1). The share of Over-the-Counter (OTC) drugs accounted for 66.9% of sales in physical terms and 50.5% in retail prices in terms of roubles. At the end of January-March of 2019, the average cost of an OTC pack was USD 2.46 at retail prices, whereas in the year-earlier period its cost was USD 2.58. In the analysed period, the Russians spent an average of USD 24.94 on the purchase of OTC drugs in pharmacies.

Figure 1. Russian pharmacy OTC market for 3 months of 2018 – 3 months 2019



At the end of the first three months of 2019, OTCPHARM (+ -1%[5]), BAYER (-8%) and SANOFI (+8%) held their previous leading positions in the top-10 manufacturers ranking in the non-prescription drugs market, despite the negative growth sales shown by the former two leaders (Table 1). JOHNSON&JOHNSON (-8%) and SANDOZ (-1%) also showed reduction in sales, which caused the loss of their rating positions: the companies moved down to ranks seven and eight respectively. In contrast, the manufacturers rose in the ranks with outperformance rates. GLAXOSMITHKLINE (+6%), STADA (+5%), TEVA (+8%) and BERLIN-CHEMIE/MENARINI (+4%) moved up to ranks four through six and nine. At the same time, VALENTA (+0.3%), which showed almost zero growth rates, moved down to rank ten. The total share of the top 10 drug manufacturers reduced from 39.6% to 38.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2019	3 mon. 2018		3 mon. 2019	3 mon. 2018
1	1	OTCPHARM	6.2	6.4
2	2	**BAYER**	4.7	5.2
3	3	**SANOFI**	4.3	4.1
4	5	**GLAXOSMITHKLINE**	3.9	3.7
5	7	STADA	3.7	3.6
6	8	**TEVA**	3.5	3.3
7	4	**JOHNSON & JOHNSON**	3.5	3.9
8	6	**SANDOZ**	3.5	3.6
9	10	**BERLIN-CHEMIE/MENARINI**	2.9	2.8
10	9	VALENTA	2.8	2.9
Total			38.9	39.6

*AIPM members are in bold

The leader of the top 10 brand names ranking was changed: KAGOCEL (+19%) moved up to rank one from two, displacing INGAVIRIN (-3%) down one rank (Table 2). CARDIOMAGNYL and MIRAMISTIN (+10% each) moved up one rank, to numbers five and six. The less dynamic THERAFLU (+5%) moved down from rank five to seven. However, half of the top 10 INNs held their own in the ranking. NUROFEN (+18%) and DETRALEX (+9%) held their previous ranks three and four, and PENTALGIN (+8%), ESSENTIALE (+5%) and LINEX (-3%) held three bottom ranks. The total share of the top 10 brands increased from 11.6% to 12.2%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
3 mon. 2019	3 mon. 2018		3 mon. 2019	3 mon. 2018
1	2	KAGOCEL	1.7	1.4
2	1	INGAVIRIN	1.6	1.7
3	3	NUROFEN	1.5	1.3
4	4	DETRALEX	1.3	1.2
5	6	CARDIOMAGNYL	1.1	1.1
6	7	MIRAMISTIN	1.1	1.0
7	5	THERAFLU	1.1	1.1
8	8	PENTALGIN	1.0	1.0
9	9	ESSENTIALE	1.0	1.0
10	10	LINEX	0.9	0.9
Total			12.2	11.6

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

In the list of the top-10 INN and generic names, the top four INNs held their own in the ranking (Table 3). They were INNs XYLOMETAZOLINE (-0.3%), IBUPROFEN and PANCREATIN (+14% each) and the composition DIOSMIN*HESPERIDIN (+15%). MIRAMISTIN (+10%) and AMBROXOL (+1%) rounding out the top ten also held their own in the ranking. Two shifts took place in the middle part of the top-10 ranking. The more dynamic KAGOCEL (+19%) and ACETYLSALICYLIC ACID* MAGNESIUM (+15%) moved up one rank, displacing IDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-3%) and PHOSPHOLIPIDS (+4%) down one rank. The total share of the top ten increased by almost 1 p.p. and accounted for 17.2%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2019	3 mon. 2018		3 mon. 2019	3 mon. 2018
1	1	XYLOMETAZOLINE	3.2	3.3
2	2	IBUPROFEN	2.3	2.0
3	3	PANCREATIN	2.1	1.9
4	4	DIOSMIN*HESPERIDIN	1.9	1.7
5	6	KAGOCEL	1.7	1.4
6	5	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.6	1.7
7	8	ACETYLSALICYLIC ACID* MAGNESIUM	1.2	1.1
8	7	PHOSPHOLIPIDS	1.2	1.1
9	9	MIRAMISTIN	1.1	1.0
10	10	AMBROXOL	1.0	1.0
Total			17.2	16.3

R05 Cough and cold preparations (+2%) and R01 Nasal preparations (-0.4%) remained the bestselling ATC groups in the regional OTC market (Table 4). N02 Analgesics (+3%) moved up to rank three from four, displacing J05 Antivirals for systemic use (+3%) down one rank. The other three of the top ten ATC groups rose in the ranks. The groups C05 Vasoprotectors (+10%), L03 Immunostimulants (+1%) and M01 Anti-inflammatory and antirheumatic agents (+8%) moved up one rank, coming in at numbers five, seven and nine. At the same time, A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+3%), A11 Vitamins (-12%) and R02 Throat preparations (-1%), in contrast, moved down to ranks six, eight and ten. In total, the top - ten ATC groups accumulated 50.3% of the retail market, whereas in the year-earlier period they accounted for 50.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2019	3 mon. 2018			3 mon. 2019	3 mon. 2018
1	1	R05	COUGH AND COLD PREPARATIONS	6.6	6.6
2	2	R01	NASAL PREPARATIONS	6.0	6.2
3	4	N02	ANALGESICS	5.9	5.9
4	3	J05	ANTIVIRALS FOR SYSTEMIC USE	5.9	5.9
5	7	C05	VASOPROTECTIVES	5.0	4.7
6	5	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	5.0	5.0
7	8	L03	IMMUNOSTIMULANTS	4.3	4.4
8	6	A11	VITAMINS	4.2	4.9
9	10	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.8	3.6
10	9	R02	THROAT PREPARATIONS	3.6	3.7
Total				50.3	50.8

Conclusion. Based on the results for the first quarter of 2019, the OTC retail market of Russia amounted to RUB 122.083 bil. (USD 1.848 bil.). This was 1% higher in terms of roubles and 13% less in terms of dollars than in January-March 2018. In pack terms, the market also showed the negative growth rates (-5%) and brought in 752.300 bil. packs. The average cost of OTC-pack in the Russian pharmacies based on the results for the first three months of 2019 was USD 2.46, which is lower than a year earlier indicator (USD 2.68). The average expenses of Russian residents for the purchase of OTC drugs in pharmacies in the period under review decreased (USD 24.94 vs. USD 27.23).

PRICE ANALYSIS, QUARTER 1-2, 2019 KEY PERFORMANCE INDICATORS

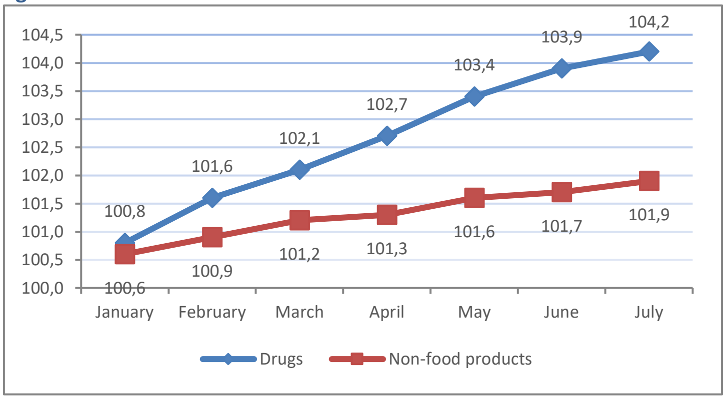
Price Indices

Table 1. Inflation rates in the Russian Federation, July 2019

	July 2019 to December 2018	January-July 2019 vs. January-July 2018
CPI	102.7	105.0
CPI for non-food products	101.9	104.2
CPI for medications	104.2	106.1

Rosstat data

Figure 1. Dynamics of price index for non-food products and medicines against December 2018



Rosstat data

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

Figure 2. Dynamics of weighted average prices and retail margins in 1-2 Q 2018 – 1-2 Q 2019

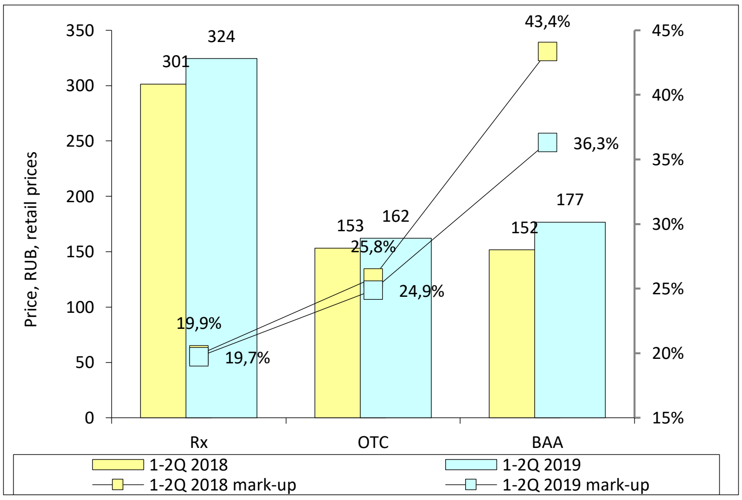


Figure 3. Dynamics of weighted average prices and retail margins in 1-2 Q 2018 – 1-2 Q 2019

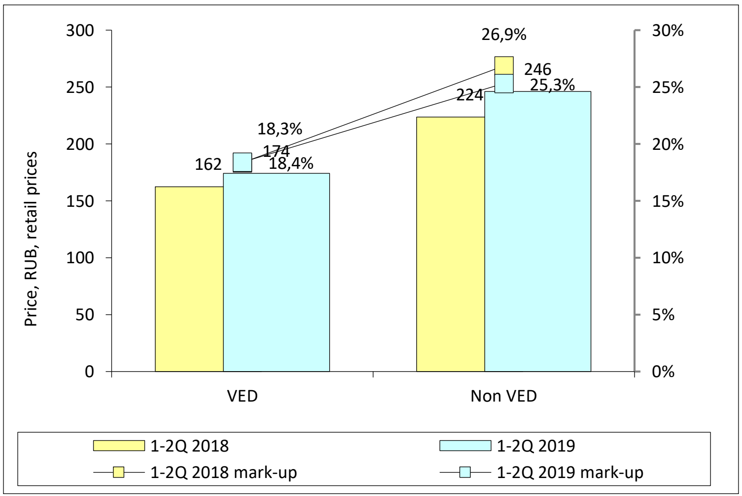
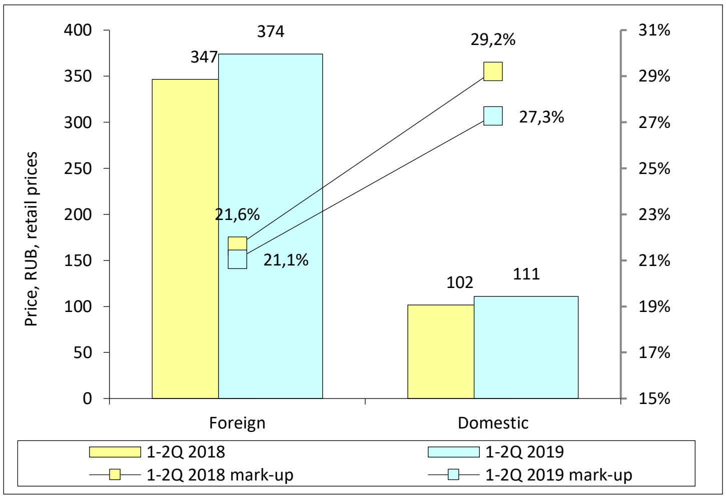


Figure 4. Dynamics of weighted average prices and retail margins in 1-2 Q 2018 – 1-2 Q 2019



Indicators of price movements in the reimbursable segment of the market

Figure 5. Dynamics of weighted average purchase prices in 1-2 Q, 2018 – 1-2 Q 2019

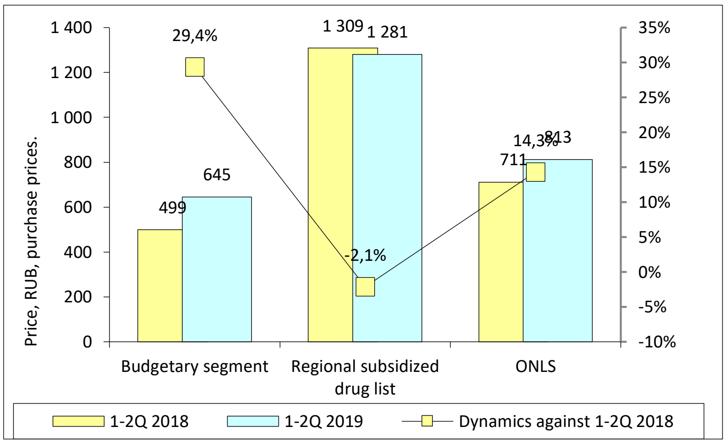


Figure 6. Dynamics of weighted average purchase prices for domestic drugs in 1-2 Q, 2018 – 1-2 Q 2019

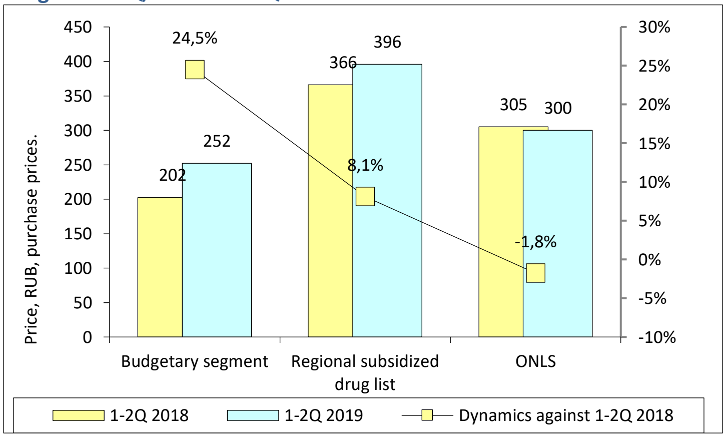
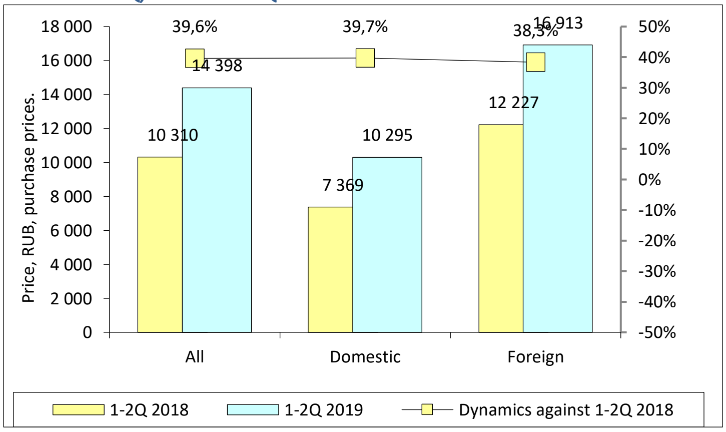


Figure 7 Dynamics of weighted average purchase prices in the VZN segment in 1-2 Q, 2018 – 1-2 Q 2019

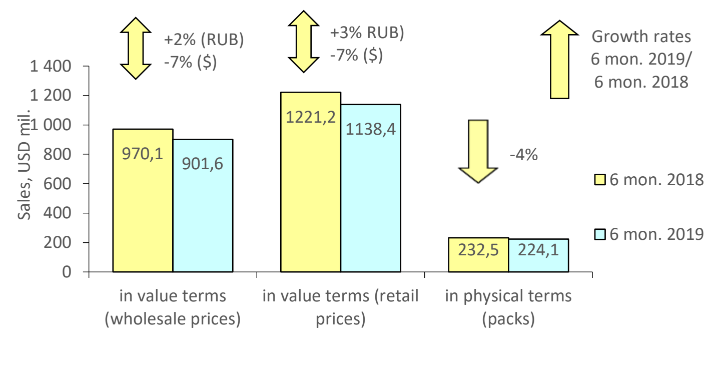


MOSCOW CITY PHARMACY MARKET: 2019 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2019 Moscow's estimated population was 12.615 mil., which accounted for 8.6% of the total Russian Federation population and 32.0% of Central FO (CFO). According to Moscow territorial body of the Federal State Statistics Service, in Moscow the average monthly accrued wage was in May 2019 - RUB 89045. (USD 1373.73), in June - 96030 (USD 1495.33) which was 93% higher than the average wage in Russia in June (RUB 49840).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first six months of 2019 the sales of drugs in natural terms in Moscow saw a 4% decrease to 224.085 mil. packs. In value terms, the OTC drugs market increased by 2% in rouble terms and reduced by 7% in dollar terms, amounting to RUB 58.871 bil. (USD 901.636 mil.) in wholesale prices (Fig. 1). The region market share accounted for 14.8% of the Russian pharmacy retail sales. An average retail cost of a pack reduced as compared to the previous year: USD 5.08 vs. USD 5.25. At half I-end 2019, the average amount spent by residents of Moscow for medicinal drugs in pharmacies amounted to USD 90.24.

Figure 1. Moscow pharmacy market for 6 months of 2018 – 6 months 2019



In the first six months of 2019, the top ten drug manufacturers rating in the Moscow retail market did not change in composition (Table 1). The leaders of the top 10 ranking BAYER (+3%) and SANOFI (-4%) and BERLIN-CHEMIE/MENARINI (+4%) placed at rank eight retained their positions unchanged. Due to outperformance rates, ABBOTT (+9%), GLAXOSMITHKLINE (+4%) and PFIZER (+8%) moved up to the higher ranks, coming in at numbers four, six and nine respectively. The less dynamic manufacturer SERVIER (+2%) moved up one rank, to number three. Due to reduction in sales by 5%, TEVA moved down from rank three to rank five. The manufacturers SANDOZ (-6%) and JOHNSON & JOHNSON (-8%), which also fell in the ranks, showed negative growth rates. In total, the top ten manufacturers accumulated 36.6% of the market, whereas in the year-earlier period they had accounted for 37.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	1	**BAYER**	6.6	6.5
2	2	**SANOFI**	4.6	5.0
3	4	**SERVIER**	3.8	3.8
4	5	**ABBOTT**	3.7	3.5
5	3	**TEVA**	3.6	3.9
6	7	**GLAXOSMITHKLINE**	3.2	3.2
7	6	**SANDOZ**	2.9	3.2
8	8	**BERLIN-CHEMIE/MENARINI**	2.9	2.8
9	10	**PFIZER**	2.8	2.6
10	9	**JOHNSON & JOHNSON**	2.4	2.7
Total			36.6	37.1

*AIPM members are in bold

Based on the results for the first half of 2019, XARELTO (+28%) remained the best-selling drug and one of the most dynamic brands in the regional market (Table 2). Only the market of the newcomer of the top ten brands ranking KREON (+34%), which moved up to rank eight, developed by the higher growth rates. One more newcomer MEXIDOL (+0.5%), which showed almost zero growth rates, moved up to rank ten in the top ten ranking. In addition to the aforementioned, another four brands showed growth in sales. CIALIS (+22%), NUROFEN (+21%) and HEPTRAL (+14%) moved up to ranks three, four and seven respectively, and MIRAMISTIN (+5%) held its previous rank five. Despite the reduction in sales, DETRALEX (-2%) managed to rise one rank up, coming in at number two, as CRESTOR (-47%), which held this position earlies, moved down to rank nine due to strong negative growth rates. CONCOR (-1%) also lost two ranks in the ranking. In total, the top - ten brands accumulated 8.5%, whereas in the year-earlier period they accounted for 8.3%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	1	XARELTO	1.9	1.5
2	3	DETRALEX	1.0	1.1
3	6	CIALIS	0.8	0.7
4	8	NUROFEN	0.8	0.7
5	5	MIRAMISTIN	0.7	0.7
6	4	CONCOR	0.7	0.7
7	10	HEPTRAL	0.7	0.6
8	15	KREON	0.7	0.5
9	2	CRESTOR	0.6	1.2
10	12	MEXIDOL	0.6	0.6
Total			8.5	8.3

The leader of the top ten INN and group names ranking was updated. RIVAROXABAN (+28%) moved up to rank number one from three (Table 3). XYLOMETAZOLINE (-7%) held its previous rank two, and the composition DIOSMIN* HESPERIDIN (+1%) and INN HYALURONIC ACID (+35%) moved up to ranks three and four. Due to strong reduction in sales, ROSUVASTATIN (-28%), which had been placed at rank number one, moved down to rank five, displacing PANCREATIN (+11%) and IBUPROFEN (+8%) one rank down. The only newcomer of the top ten ranking TADALAFIL (+25%) moved up to rank eight, displacing BISOPROLOL (+3%) and MIRAMISTIN (+6%) down to the two bottom ranks. The cumulative share of the top 10 under review increased by 0.4 to 11.7%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	3	RIVAROXABAN	1.9	1.5
2	2	XYLOMETAZOLINE	1.4	1.6
3	4	DIOSMIN*HESPERIDIN	1.3	1.3
4	7	HYALURONIC ACID	1.2	0.9
5	1	ROSUVASTATIN	1.1	1.6
6	5	PANCREATIN	1.1	1.0
7	6	IBUPROFEN	1.1	1.0
8	12	TADALAFIL	0.9	0.7
9	8	BISOPROLOL	0.9	0.9
10	9	MIRAMISTIN	0.8	0.8
Total			11.7	11.3

The top four groups of the top ten ATC groups ranking remained unchanged: the groupsB01 Antithrombotic agents (+6%), C09 Agents acting on the rennin-angiotensin system (+12%), M01 Anti-inflammatory and antirheumatic products (+3%) and R01 Nasal preparations (+2%) as before held the top ranks (Table 4). Some shifts took place in the lower part of the top ten manufacturers ranking, as a result of which four of them rose in the ranks. Therefore, G03 Sex hormones (+7%) moved up to rank five from seven, the groups C05 Vasoprotectors (+2%), N06 Psychoanaleptics (+6%) and the newcomers of the top ten G04 Urologicals (+8%) moved up to ranks seven through nine respectively. Two groups with negative growth rates A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (-3%) and J01 Antibacterials for systemic use (-8%) moved down to ranks six and ten. In total, the top ten ATC groups accounted for 36.3% of the regional market, 35.9% - in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2019	6 mon. 2018			6 mon. 2019	6 mon. 2018
1	1	B01	ANTITHROMBOTIC AGENTS	4.6	4.5
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.5	4.2
3	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.1	4.0
4	4	R01	NASAL PREPARATIONS	4.0	4.0
5	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.6	3.4
6	5	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	3.3	3.5
7	9	C05	VASOPROTECTIVES	3.2	3.2
8	10	N06	PSYCHOANALEPTICS	3.1	3.0
9	11	G04	UROLOGICALS	3.0	2.9
10	8	J01	ANTIBACTERIALS FOR SYST USE	2.9	3.2
Total				36.3	35.9

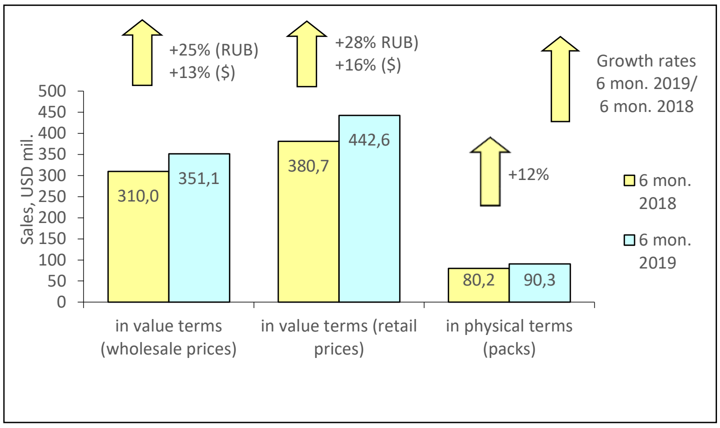
Conclusion. At the end of the first half of 2019, the pharmacy market of Moscow reached RUB 74.332 bil. (USD 1.138 bil.), which was 3% more in terms of roubles and 7% less in terms of dollars than in the same period of 2018. In pack terms, the market reduced by 4% and amounted to 224.085 mil. packs. The average cost of FPP pack in the city pharmacies based on the results for January - June of 2019 was USD 5.08, which is less than in the year-earlier period (USD 5.25), but higher than the national average (USD 3.31). The average expenses of the regional residents for purchase of OTC drugs in pharmacies were also higher than the national average (USD 90.24 vs. USD 52.40).

SAINT PETERSBURG PHARMACY MARKET: 2019 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, St. Petersburg's population as of January 1, 2019 was estimated at 5.384 mil., which accounted for 3.7% of the total Russian Federation population and 38.5% of North West FD (NWFD). According to the territorial body of the Federal State Statistics Service in St. Petersburg and the Leningrad region, the average monthly salary in the city amounted to: in April 2019 - RUB 63555 (USD 983.52), in May 2019 RUB 60752. (USD 937.24), which was 27% higher than the average wage in May (RUB 47926) throughout Russia.

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of the first half of 2019 the sales of drugs in natural terms in St. Petersburg pharmacies saw a 12% increased to 90.265 mil. packs. In value terms, the market saw a 25% increase in terms of roubles and 13% in terms of dollars. At the same time, the volume of the market achieved RUB 22.930 bil. (USD 351.135 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 5.7% of the Russian pharmacy sales (in terms of roubles). The average cost of an OTC pack increased as compared to 2018 (USD 4.74) and reached USD 4.90 at retail prices. For the first six months of 2019, the average amount spent by residents of the city for drugs in the pharmacies amounted to USD 82.20.

Figure 1. St. Petersburg pharmacy market for 6 months 2018 – 6 months 2019



Based on the results for January-June 2019, the manufacturers BAYER (+18%), SANOFI (+19%) and SERVIER (+24%) kept their leading positions in the top ten manufacturers ranking in the Saint Petersburg retail market (Table 1). The shifts took place in the lower part of the top ten ranking, as a result of which only two manufacturers managed to move up to the higher positons. ABBOTT (+40%) and KRKA (+53%) moved up to ranks four and seven. At the same time, TEVA (+15%), SANDOZ (+9%), GLAXOSMITHKLINE (+29%), PFIZER (+23%), OTCPHARM (+31%) moved up to ranks five and six, and three bottom ranks as well. The total share of the top 10 drug manufacturers reduced by 0.2 p.p. to 38.5%

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	1	**BAYER**	5.8	6.2
2	2	**SANOFI**	4.8	5.0
3	3	**SERVIER**	4.4	4.4
4	6	**ABBOTT**	3.9	3.5
5	4	**TEVA**	3.8	4.1
6	5	**SANDOZ**	3.6	4.1
7	10	**KRKA**	3.2	2.6
8	7	**GLAXOSMITHKLINE**	3.2	3.1
9	8	**PFIZER**	2.9	3.0
10	9	OTCPHARM	2.9	2.7
Total			38.5	38.7

*AIPM members are in bold

The top ten brands rating also retained its leaders: XARELTO (+40%), DETRALEX (+18%), ELIQUIS (+57%) and CONCOR (+35%) kept their previous top four ranks (Table 2). The remaining six manufacturers showed signs of growth. The brands NUROFEN (+45%), HEPTRAL (+52%) and NOLIPREL (+37%) moved up to ranks five through seven, respectively. The newcomers of the top ten KREON (+65%), ESSENTIALE (+36%) and LOZAP (+25%) moved up to the bottom three ranks of the top ten. The total share of the top 10 increased from 7% to 7.7%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	1	XARELTO	1.4	1.2
2	2	DETRALEX	1.1	1.1
3	3	ELIQUIS	0.9	0.7
4	4	CONCOR	0.8	0.7
5	6	NUROFEN	0.7	0.6
6	9	HEPTRAL	0.7	0.6
7	8	NOLIPREL	0.6	0.6
8	29	KREON	0.5	0.4
9	13	ESSENTIALE	0.5	0.5
10	11	LOZAP	0.5	0.5
Total			7.7	7.0

Despite the considerable updating of the previous ranking, only one newcomer entered the top ten INN and grouping names ranking (Table 3). It was the INN APIXABAN (+57%), which moved up to rank nine from 11. In addition, another four INNs from the top ten ranking with high growth rates rose in the ranks. RIVAROXABAN (+40%), PANCREATIN (+52%), IBUPROFEN (+43%) and BISOPROLOL (+37%) moved up to ranks two, four, seven and eight, respectively. At the same time, they displaced INNs XYLOMETAZOLINE (+19%), ROSUVASTATIN (+24%) and ATORVASTATIN (+31%) down one rank, to numbers three, five and six. The composition DIOSMIN*HESPERIDIN (+24%) that headed the top 10 ranking and INN NIMESULIDE (+27%) that rounded out the top ten held their own in the ranking. In total, in the first half of 2019, the top ten INNs and group names accounted for 10.6%, whereas in the year-earlier period they accounted for 9,9%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	1	DIOSMIN*HESPERIDIN	1.4	1.4
2	3	RIVAROXABAN	1.4	1.2
3	2	XYLOMETAZOLINE	1.2	1.3
4	6	PANCREATIN	1.1	0.9
5	4	ROSUVASTATIN	1.0	1.0
6	5	ATORVASTATIN	1.0	0.9
7	8	IBUPROFEN	1.0	0.8
8	9	BISOPROLOL	0.9	0.8
9	11	APIXABAN	0.9	0.7
10	10	NIMESULIDE	0.8	0.8
Total			10.6	9.9

C09 Agents acting on the renin-angiotensin system (+40%), B01 Antithrombotic agents (+28%), M01 Anti-inflammatory and antirheumatic products and G03 Sex hormones (+34% each), and R01 Nasal preparations (+25%) held the top five ranks in the top ten ATC groups ranking in the regional market (Table 4). Some shifts took place in the bottom part of the top-10 ranking. The more dynamic groups C05 Vasoprotectors (+25%) and A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+18%) moved up a rank, coming in at numbers six and eight. At the same time, they displaced J01 Antibacterials for systemic use (+11%) and R05 Cough and cold preparations (+9%) down a rank. Its only newcomer S01 Ophthalmologicals (+25%) moved up to the bottom rank in the top 10 ranking. The total share of the top 10 ATC groups increased from 36.6% to 37.0%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2019	6 mon. 2018			6 mon. 2019	6 mon. 2018
1	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.6	5.0
2	2	B01	ANTITHROMBOTIC AGENTS	4.5	4.4
3	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.2	3.9
4	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.0	3.7
5	5	R01	NASAL PREPARATIONS	3.5	3.5
6	7	C05	VASOPROTECTIVES	3.4	3.4
7	6	J01	ANTIBACTERIALS FOR SYST USE	3.1	3.4
8	9	A07	ANTIDIARR.,INTEST. ANTIINFL./ANTIINFECT. AGENTS	3.0	3.2
9	8	R05	COUGH AND COLD PREPARATIONS	2.9	3.3
10	13	S01	OPHTHALMOLOGICALS	2.7	2.7
Total				37.0	36.6

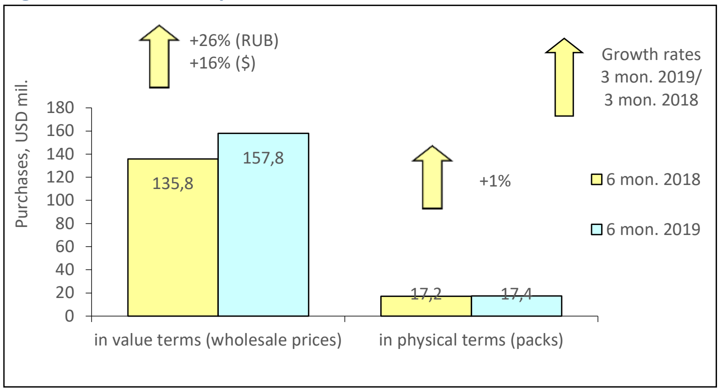
Conclusion. Based on the results for the first six months of 2019, the pharmacy market of St. Petersburg amounted to RUB 28.890 bil. (USD 442.582 mil.) at retail prices. As compared with the previous year, it was 28% in terms of roubles and 16% in terms of dollars more than in the previous year. In physical terms, the market expanded by 12% and amounted to 90.265 mil. packs. At the end of the first half of 2019, the average cost of an FPP pack in the city pharmacies was USD 4.90, which was more than in the year-earlier period (USD 4.74), and more than the national average (USD 3.31). The average medicine expenses of St. Petersburg residents in the pharmacies were higher than the national average expenses in Russia (USD 82.20 vs. USD 52.40).

MOSCOW CITY HOSPITAL MARKET: 2019 FIRST SIX MONTHS RESULTS

According to the results of the Budget Audit of Finished Pharma Products (FFP) in the Russian Federation, at the end of the first six months of 2018 the Moscow hospital market in physical terms expanded by 1% compared to the same period in 2018 year and amounted to 17.363 mil. packs. In money terms, the market also showed positive growth rates both in terms of roubles (+26%) and in terms of dollars (+16%) and reached RUB 10.252 bil. (USD 157.844 mil.) in wholesale prices.

At the end of January-June of 2019, the average cost of an FPP pack in the hospital sector of Moscow was USD 9.09, whereas in the year-earlier period its cost was USD 7.90.

Figure 1. Moscow hospital market for 6 months of 2018 – 6 months 2019



Due to almost 3-fold (2.7) growth in purchases, the manufacturer SANOFI became the leader of the hospital market of Moscow, based on the results for the first half of 2019 (Table1). The Russia-based BIOCAD (2-fold growth in purchases) and the newcomer of the top ten ranking ROCHE (2.8-fold growth) also showed similarly high growth rates, coming in at ranks five and seven, respectively. Apart from them, the growth rates were also showed by INNs MSD (+29%) and BAXTER (+38%) which moved up to ranks two and nine respectively. At the same time, they displaced the manufacturers PFIZER (+14%), BAYER (+17%) and JOHNSON & JOHNSON (+18%) down one rank, to numbers three, six and nine. The manufacturer ABBVIE that had previously headed the top ten ranking reduced its purchases by 11% and moved down to rank four. As before, the manufacturer NOVARTIS (+34%) rounded out the top ten. In total, based on the results for the first half of the year, the top ten ATC groups accumulated 44.2% of the market, while they accounted for 39.1% in the year-earlier period.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	4	**SANOFI**	8.4	4.0
2	3	**MSD**	6.1	6.0
3	2	**PFIZER**	5.6	6.3
4	1	**ABBVIE**	5.2	7.4
5	7	BIOCAD RF	4.6	2.9
6	5	**BAYER**	3.4	3.7
7	16	**ROCHE**	3.1	1.4
8	9	BAXTER INT	2.7	2.5
9	8	**JOHNSON & JOHNSON**	2.5	2.7
10	10	**NOVARTIS**	2.3	2.2
Total			44.2	39.1

*AIPM members are in bold

The top ten brand names ranking was half updated, it acquired five newcomers (Table 2). MENACTRA (3.5-fold growth in purchases), OPDIVO (8-fold growth), KEYTRUDA (58-fold growth), HERTICAD (3.3-fold growth) and GARDASIL (6.2-fold growth) moved up to ranks four, five, seven and bottom two ranks, respectively. PENTAXIM (5.1-fold growth), EYLEA (+47%) and DIANEAL PD4+GLUCOS (+55%) also moved up to the higher positions, coming in at numbers one, six and eight. The brand PREVENAR 13 (+74%) kept and reinforced its rank two. The last year leader SYNAGIS (-14%), which moved down to rank three, became the only brand of the top ten ranking with negative growth rates. The total share of the top 10 increased by almost 10 p.p. and accounted for 21.3%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	6	PENTAXIM	5.1	1.2
2	2	PREVENAR 13	3.1	2.2
3	1	SYNAGIS	3.0	4.4
4	16	MENACTRA	2.0	0.7
5	38	OPDIVO	1.6	0.2
6	9	EYLEA	1.3	1.1
7	48	KEYTRUDA	1.3	0.0
8	10	DIANEAL PD4+GLUCOS	1.3	1.1
9	26	HERTICAD	1.3	0.5
10	37	GARDASIL	1.3	0.3
Total			21.3	11.8

Due to 5.1-fold growth in purchases, the newcomer VACCINE, ACEL.PERT.DIP.TET. POLIO & HIB became the leader of the top ten INNs and group names (Table 3). The other three newcomers VACCINE, MENINGOCOCCAL POLYSACCHARIDE AND OMV (3.5-growth in purchases), NIVOLUMAB (8-fold growth) and TRASTUZUMAB (3.2-fold growth) moved up to ranks four, six and seven respectively. The markets of the composition GLUCOSE*SODIUM*DL-LACTIC ACID* CALCIUM*MAGNESIUM (+55%), which managed to move up from rank nine to five, and VACCINE, PNEUMOCOCCAL (+35%) and AFLIBERCEPT (+41%), which held their own in the ranking, also developed at a fast pace. INNs MEROPENEM (+19%), PALIVIZUMAB (-14%) and IMMUNOGLOBULIN BASE (-15%) showed lagging growth and decrease in purchases, which caused loss of their rating positions. The total share of the analysed top ten brands accounted for 23.2% instead of 17.4% in the year-earlier period.

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

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	11	VACCINE, ACEL.PERT.DIP.TET. POLIO & HIB	5.1	1.2
2	2	VACCINE, PNEUMOCOCCAL	3.9	3.7
3	1	PALIVIZUMAB	3.0	4.4
4	21	VACCINE, MENINGOCOCCAL POLYSACCHARIDE AND OMV	2.0	0.7
5	9	GLUCOSE*SODIUM*DL-LACTIC ACID*CALCIUM*MAGNESIUM	1.6	1.3
6	42	NIVOLUMAB	1.6	0.2
7	27	TRASTUZUMAB	1.6	0.6
8	3	IMMUNOGLOBULIN BASE	1.6	2.3
9	5	MEROPENEM	1.5	1.6
10	10	AFLIBERCEPT	1.4	1.3
Total			23.2	17.4

The top-10 ATC groups showed high stability – seven of its groups held its own in the ranking (Table 4). L01 Antineoplastic agents (2.3-fold growth in purchases), J07 Vaccines (2-fold growth), J01 Antibacterials for systemic use (+3%), B05 Blood substitutes and perfusion solutions (+14%), J06 Immune sera and immunoglobulins (-16%), J05 Antivirals for systemic use (-1%) and V08 Contrast media (+2%). The newcomers S01 Ophthalmologicals (+49%) and L04 Immunosuppressants (+47%) moved up to ranks eight and ten of the top ten ranking. On top of that, the former displaced the group B01 Antithrombotic agents (-7%) down a rank. The total share of the top ten ranking increased by 6 p.p. to 73.3%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2019	6 mon. 2018			6 mon. 2019	6 mon. 2018
1	1	L01	ANTINEOPLASTIC AGENTS	18.0	10.0
2	2	J07	VACCINES	15.5	9.8
3	3	J01	ANTIBACTERIALS FOR SYST USE	7.9	9.8
4	4	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	7.6	8.4
5	5	J06	IMMUNE SERA & IMMUNOGLOBULIN	5.1	7.7
6	6	J05	ANTIVIRALS FOR SYSTEMIC USE	4.5	5.8
7	7	V08	CONTRAST MEDIA	4.3	5.3
8	11	S01	OPHTHALMOLOGICALS	3.7	3.1
9	8	B01	ANTITHROMBOTIC AGENTS	3.5	4.7
10	12	L04	IMMUNOSUPPRESSANTS	3.2	2.8
Total				73.3	67.3

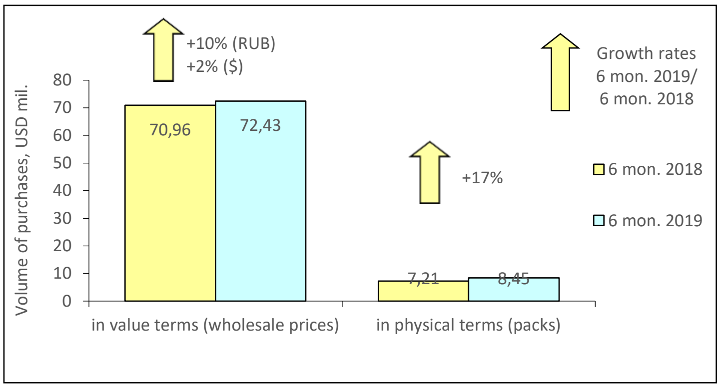
Conclusion. At the end of the first half of 2019, the Moscow hospital market increased by 26% in rouble terms and by 16% in dollar terms and brought in RUB 10.252 bil. (USD 157.844 mil.). In pack terms, the market also showed positive growth rates (+1%) and achieved 17.363 mil. packs. The average cost of an FPP pack in the Moscow hospital market in January-June of 2019 increased as compared to the same period of the previous year (USD 9.09 vs. USD 7.90).

SAINT PETERSBURG HOSPITAL MARKET: 2019 FIRST SIX MONTHS RESULTS

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit), at the end of January-June of 2019, the St. Petersburg hospital market increased in physical terms by 17% and amounted to 8.446 mil. packs. In money terms, the hospital purchases movement was positive both in rouble (+10%) and in dollar (+2%) terms, and the volume amounted to RUB 4.700 bil. (USD 72.432 mil.) in wholesale prices.

Based on the results for six months of 2019, the average cost of an OTC pack in the city hospitals was USD 8.58, whereas in a year-earlier period its cost was USD 9.85.

Figure 1. St. Petersburg hospital market for 6 months of 2018 – 6 months 2019



Based on the results of the first half of 2019, the top ten ranking in the hospital St. Petersburg market changed its leader once again: MSD (+37%) moved up to rank number one from four (Table 1). PFIZER (+7%) held its previous rank two, and BIOCAD (+53%) and BAYER (+47%) moved up to ranks three and four from eight and ten. ASTRAZENECA (+57%), which became the only newcomer of the top ten, also showed positive growth rates and rose in the ranks. In contrast, half of the manufacturers of the top ten reduced their purchases in the analysed period, resulting in the loss of their rating positions.

The manufacturers JOHNSON & JOHNSON (-46%), NOVARTIS (-8%), ABBVIE (-15%), PHARMASYNTEZ (-25%) and SANOFI (-32%) moved down to ranks five through eight and ten in the top ten ranking. The total share of the top ten manufacturers decreased by over 5 p.p. and accounted for 42.6%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	4	**MSD**	6.1	4.9
2	2	**PFIZER**	5.4	5.6
3	8	BIOCAD RF	5.2	3.7
4	9	**BAYER**	4.8	3.6
5	1	**JOHNSON & JOHNSON**	4.7	9.4
6	3	**NOVARTIS**	4.4	5.3
7	5	**ABBVIE**	3.7	4.8
8	6	PHARMASYNTEZ	3.1	4.5
9	11	**ASTRAZENECA**	2.7	1.9
10	7	**SANOFI**	2.6	4.1
Total			42.6	47.8

*AIPM members are in bold

PREVENAR (+60%) moved up to rank number one of the top ten brands ranking by hospital purchases, coming in to that position from five (Table 2). NATRIUM CHLORIDUM (+18%) moved up to rank two from three, and the newcomers of the top ten EYLEA (+96%) и HERTICAD (+87%) moved up to ranks three and four. Two more newcomers of the top ten ULTRAVIST (+89%) and OPDIVO (+31%) moved up to ranks seven and nine, respectively. In contrast, KALETRA (-11%) and EVIPLERA (-23%), which reduced their purchases, moved down from the top positions to ranks five and eight respectively. The brands ISENTRESS (+10%) and TIVICAY (+28%) continued to hold ranks six and ten. The total share of the top 10 reduced from 12.9% to 15.2%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	5	PREVENAR 13	2.1	1.5
2	3	NATRIUM CHLORIDUM	1.8	1.7
3	12	EYLEA	1.7	1.0
4	14	HERTICAD	1.6	0.9
5	2	KALETRA	1.5	1.8
6	6	ISENTRESS	1.4	1.3
7	17	ULTRAVIST	1.3	0.8
8	1	EVIPLERA	1.3	1.8
9	11	OPDIVO	1.2	1.0
10	10	TIVICAY	1.2	1.0
Total			15.2	12.9

Following the respective brand, INN VACCINE, PNEUMOCOCCAL (+54%) moved up to rank number one of the top ten INNs and group names ranking (Table 3). AFLIBERCEPT (+50%), SODIUM (+18%) and TRASTUZUMAB (+89%) also move up to ranks two through four from the lower positions. At the same time, the latter became one of four newcomers of the top ten. Another three INNs IOPROMIDE (+83%), ALBUMIN (2.4-fold growth in purchases) and NIVOLUMAB (+31%) moved up to ranks six, eight and ten respectively. Due to negative growth rates, the last year leaders LOPINAVIR*RITONAVIR (-11%) and TENOFOVIR DISOPROXIL* EMTRICITABINE*RILPIVIRINE (-23%) moved down to ranks five and nine. Only RALTEGRAVIR (+10%) held its previous rank seven. The total share accumulated by the top-ten INNs and grouping names increased from 13.3% to 15.9%.

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

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
6 mon. 2019	6 mon. 2018		6 mon. 2019	6 mon. 2018
1	3	VACCINE, PNEUMOCOCCAL	2.4	1.7
2	5	AFLIBERCEPT	2.1	1.5
3	4	SODIUM	1.8	1.7
4	15	TRASTUZUMAB	1.6	0.9
5	2	LOPINAVIR*RITONAVIR	1.5	1.8
6	18	IOPROMIDE	1.4	0.8
7	7	RALTEGRAVIR	1.4	1.3
8	23	ALBUMIN	1.3	0.6
9	1	TENOFOVIR DISOPROXIL* EMTRICITABINE*RILPIVIRINE	1.3	1.8
10	12	NIVOLUMAB	1.2	1.0
Total			15.9	13.3

In contrast to the above rankings, the leaders of -10 top ten ATC groups ranking did not change (Table 4). L01 Antineoplastic agents (+11%) and J05 Antivirals for systemic use (-9%) and J01 Antibacterials for systemic use (+24%) retained their previous top three ranks. V08 Contrast media (+11%) and N01 Anaesthetics (+13%) also held their previous ranks six and nine. The other four ATC groups of top 10 moved up to the higher ranks. B05 Blood substitutes and perfusion solutions (+48%) moved up to rank four from seven, L04 Immunosuppressants (+34%) and B01 Antithrombotic agents (+32%) moved up to ranks seven and eight, and the only newcomer J02 Antifungals for systemic use (+32%) moved up to rank ten of the top ten ranking. At the same time, J07 Vaccines (-1%) moved down one rank. The top ten ATC groups accumulated 73.6% of the regional market, which accounted for 72.3% 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, %	
6 mon. 2019	6 mon. 2018			6 mon. 2019	6 mon. 2018
1	1	L01	ANTINEOPLASTIC AGENTS	26.6	26.4
2	2	J05	ANTIVIRALS FOR SYSTEMIC USE	11.9	14.3
3	3	J01	ANTIBACTERIALS FOR SYST USE	7.1	6.3
4	7	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	6.0	4.4
5	4	J07	VACCINES	5.3	5.9
6	6	V08	CONTRAST MEDIA	4.6	4.5
7	8	L04	IMMUNOSUPPRESSANTS	3.4	2.8
8	10	B01	ANTITHROMBOTIC AGENTS	3.1	2.5
9	9	N01	ANESTHETICS	2.9	2.8
10	11	J02	ANTIMYCOTICS FOR SYSTEMIC USE	2.9	2.4
Total				73.6	72.3

Conclusion. At the end of the first six months of 2019, the St. Petersburg hospital market grew by 10% in rouble terms and by 2% in dollar terms and brought in RUB 4.700 bil. (USD 72.432 mil). In pack terms, the market also showed positive growth rates (+17%) and amounted to 8.446 mil. packs. Following the results for January-June of 2019, the average cost of an FPP pack on the city hospital sector was lower than that in the year-earlier period (USD 8.58 vs. USD 9.85).