REMEDIUM GROUP OF COMPANIES

AIPM® Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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

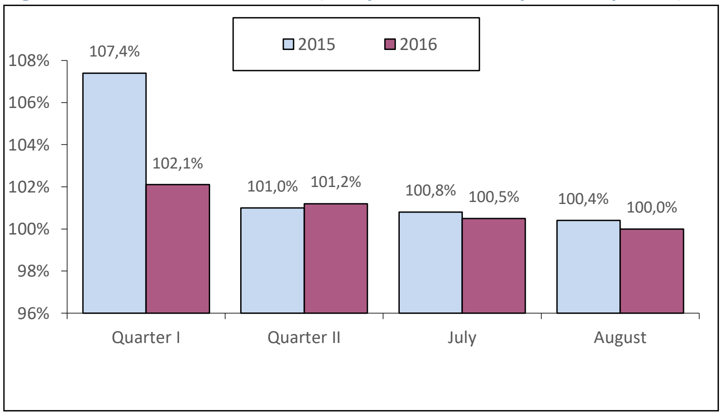
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in August 2016 the Consumer Price Index was estimated at 100.0% compared to the previous month, and 103.9% since the beginning of the year.

In July this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 98.6%, whereas in the month-earlier period it had amounted to 100.2%. The index accounted for 105.1% against December of the previous year.

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



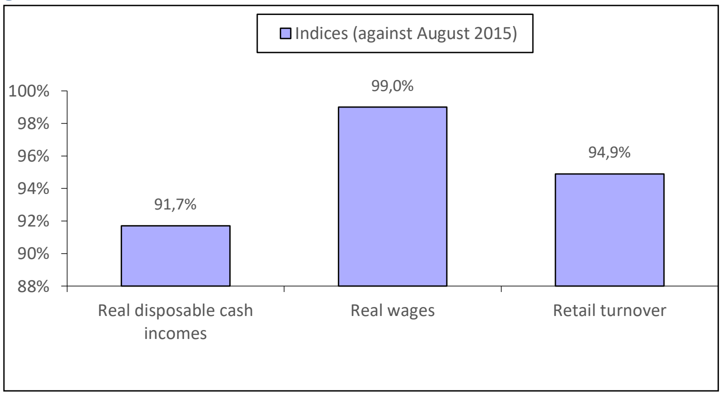
Living standard

According to preliminary Federal State Statistics Service's data, in August 2016 a gross monthly average salary per worker reached RUB 34,095 (USD 525.18) which accounted for 95% compared to the previous month and 105.8% compared to August 2015. The real wage in August 2016 accounted for 99.0% compared to August in 2015. In August 2016, the real value of disposable cash incomes accounted for 91.7% compared to the same period of 2015 (Fig. 2).

Retail turnover

In August 2016, the retail turnover was equal to RUB 2,435.9 bil., which in comparable prices accounted for 94.9% compared to the same period a year ago, in January-August 2016 - RUB 17,932.6 bil. or 94.3% (Fig. 2).

Figure 2. Real values of cash incomes, wages and retail turnover in August 2016



Industrial Production

According to Federal State Statistics Service's data, in August 2016 Industrial Production Index accounted for 100.7% compared to the same period of the previous year, and in January - August of 2016 - 100.4%.

According to Federal State Statistics Service's data, Industrial Production Index in August 2016 accounted for 82.9% compared to the relevant period of the previous year, and 78.9% to the previous month.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for August 2016.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales in August 2016

Rank	Manufacturer	RUB mil.
1	Otcpharm	1483.6
2	Biocard	1009.7
3	Pharmstandart	901.9
4	Stada	851.2
5	Valenta	694.5
6	Pharmasyntez	677.5
7	Servier	643.7
8	Sotex	629.1
9	Veropharm	588.8
10	Akrikhin Pharma	543.5

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In July 2016 compared to June, negative growth rates in pharmacy sales (in terms of roubles) were observed in almost all regions. The highest growth was observed in Perm (-21%), the lowest one in Rostov Region (-1%). Only Krasnodar Krai (+21%) showed an increase in FPP sales.

Table 2. Pharmacy sales in the regions, 2016

Region	Pharmacy sales, $mil. (wholesale prices)			Growth gain, % (roubles)		
	May 2016	June 2016	July 2016	May/ April 16	June/ May 16	July/ June 16
Moscow	113.0	124.7	109.8	-16%	10%	-13%
St. Petersburg	41.6	40.2	36.1	-14%	-4%	-12%
Krasnodar Krai	29.6	34.0	41.9	0.3%	14%	21%
Novosibirsk Region	15.5	16.3	14.9	-6%	5%	-11%
Tatarstan	15.5	15.7	14.3	-10%	1%	-11%
Krasnoyarsk Krai	18.6	17.5	17.2	-5%	-6%	-3%
Rostov Region	17.5	17.7	17.8	-0.1%	0.5%	-1%
Voronezh Region	11.8	11.6	11.6	-4%	-2%	-2%
Perm	6.4	6.3	5.1	-16%	-1%	-21%
Tyumen	4.9	4.8	4.4	-4%	-4%	-9%

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 August 2016

Rank	Company*	Quantity of broadcasts
1	Otcpharm	11,387
2	GSK Consumer Healthcare	7,948
3	Johnson & Johnson	6,904
4	Sandoz	5,836
5	Berlin-Chemie Menarini Group	4,924

Source - Remedium according to TNS Russia's data

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

Rank	Brand*	Quantity of broadcasts
1	Loceryl	3,346
2	Cytovir-3	2,620
3	Imodium	2,236
4	Voltaren	2,182
5	Linex	2,028

Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2016 FIRST SIX MONTHS RESULTS

According to DLO in RF™, the OTC drugs supplies under the Federal Program amounted to RUB 73.269 bil. on the basis of the results for the first half of 2016. (USD 1.027 bil.) in contractual prices[1]. The sector volume increased 13% in terms of roubles, and reduced 7% in terms of dollars as compared to the same period of 2015. Scope of supplies in pack terms reduced by 4% to 49.469 mil. packs. The average cost of a FPP pack through the DLO program was USD 20.76 in contractual prices (a year ago it was USD 21.26).

Based on the results for six months of 2016, the drug manufacturer F-SYNTEZ (-2%[2]) remained the leader among the top ten drug manufacturers in the DLO segment, despite the strong negative growth rates (Table1). Due to 18.5-fold growth in purchases, the manufacturer CELGENE moved up to rank two. Apart from them, another three manufacturers showed signs of growth: GENERIUM (+57%) and NOVO NORDISK (+6%), which moved up to ranks 6 and 8, and the newcomer of the top ten ASTRAZENECA (+18%). In contrast, four manufacturers from the top 10 moved down to the lower ranks. ROCHE (-17%), BAXTER (+8%) and SANOFI-AVENTIS (-3%) lost one rank each, while JOHNSON & JOHNSON (-14%) moved down from rank 7 to nine. The total share of the top ten drug manufacturers under DLO Program extended by 2.7 p.p. and accounted for 55.9%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	F-SYNTEZ	8.5	9.8
2	35	**CELGENE**	7.6	0.5
3	3	BIOCAD RF	6.8	7.0
4	2	**ROCHE**	6.7	9.1
5	4	**BAXTER INT**	6.1	6.4
6	9	GENERIUM ZAO RF	5.6	4.0
7	6	**SANOFI-AVENTIS**	4.8	5.6
8	10	**NOVO NORDISK**	3.4	3.7
9	7	**JOHNSON & JOHNSON**	3.2	4.2
10	12	**ASTRAZENECA**	3.0	2.9
Total			55.9	53.2

*AIPM members are in bold

The leader of the top 10 brand names in the DLO segment changed. The newcomer of the top ten REVLIMIDE with 19-fold growth in purchases moved up to rank number one (Table 2). The former leader of the top ten BORAMILAN FS (-31%) showed negative growth rates and moved down to rank three. FPP ACELLBIA (+1%) held its previous rank two. The drugs AKSOGLATIRAN FS, COAGIL-VII (+2%) and REBIF 44 (2.4-fold growth in purchases) also showed positive growth rates, which allowed them to rise in the ranks. Three trade names with strong negative rates fell in the ranks: GENFAXON (-24%), VELCADE (-26%) and OCTANATE (-9%) moved down to ranks 7, 9 and 10. LANTUS SOLOSTAR (-4%) kept its previous rank six. The total share of the top ten FPPs under review increased by almost 5 p.p. and achieved 33.3%.

Table 2. The top ten brand names in DLO segment

Rank in the top ten		Brand name	Share in total DLO volume, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	35	REVLIMIDE	7.6	0.5
2	2	ACELLBIA	5.6	6.2
3	1	BORAMILAN FS	4.2	6.9
4	48	AKSOGLATIRAN FS	3.1	0.0
5	7	COAGIL-VII	2.5	2.7
6	6	LANTUS SOLOSTAR	2.4	2.8
7	4	GENFAXON	2.3	3.4
8	23	REBIF 44	1.9	0.9
9	5	VELCADE	1.9	2.9
10	9	OCTANATE	1.9	2.3
Total			33.3	28.6

The top ten INNs and group names ranking also changed its leader. Due to 18.9-fold growth in purchases, LENALIDOMIDE moved up to rank one from 40 (Table 3). RITUXIMAB (-1%) held its previous rank two, and EPTACOG ALFA (ACTIVATED) (+5%) and INSULIN GLARGINE (-4%) held their ranks seven and eight. INNs BORTEZOMIB (-23%), FACTOR VIII (-6%), INTERFERON BETA-1A (+14%) and GLATIRAMER ACETATE (+3%) moved down to ranks three through six, and OCTOCOG ALFA (-22%) moved down to rank ten. The only newcomer INTERFERON BETA-1B (+22%) broke into the ranks of the top ten, coming in at number 9. The total share of the top 10 under review didn't virtually change and accounted for 46.7%.

Table 3. The top ten INN and group names in DLO segment

Rank in the top ten		Brand name	Share in total DLO volume, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	40	LENALIDOMIDE	7.6	0.5
2	2	RITUXIMAB	7.4	8.4
3	1	BORTEZOMIB	6.7	9.8
4	3	FACTOR VIII	6.2	7.4
5	4	INTERFERON BETA-1A	5.4	5.3
6	5	GLATIRAMER ACETATE	4.8	5.2
7	7	EPTACOG ALFA (ACTIVATED)	2.6	2.8
8	8	INSULIN GLARGINE	2.4	2.8
9	13	INTERFERON BETA-1B	1.9	1.8
10	9	OCTOCOG ALFA	1.8	2.6
Total			46.7	46.6

L01 Antineoplastic agents (-14%) and B02 Antihemorrhagics (+31%) remained the bestselling groups in the DLO segment (Table 4). The most dynamic of the top ten ATC groups L04 Immunosuppressants which purchases increased 2.8 times moved up to rank three from five. At the same time, it displaced the less dynamic Group L03 Immunostimulants (+9%) and A10 Drugs Used in Diabetes (+0.2%) down one rank. R03 Drugs for obstructive airway diseases (+1%), B03 Antianemic preparations (+8%) and A16 Other alimentary tract and metabolism products (+4%) held their previous ranks six through eight, respectively. Groups L02 Endocrine therapy (+12%) and R05 Cough and cold preparations (+1%) moved up one rank. On top of that, the latter became the only newcomer of the top 10 ranking. Its total share accounted for 86.4% of the market, which was 1.6 p.p. more than in the last year.

Table 4. The top ten ATC groups in DLO segment

Rank		ATC code	ATC group	Share in total DLO volume, %	
6 mon. 2016	6 mon. 2015			6 mon. 2016	6 mon. 2015
1	1	L01	ANTINEOPLASTIC AGENTS	22.2	29.1
2	2	B02	ANTIHEMORRHAGICS	17.0	14.6
3	5	L04	IMMUNOSUPPRESSANTS	13.8	5.4
4	3	L03	IMMUNOSTIMULANTS	12.7	13.1
5	4	A10	DRUGS USED IN DIABETES	9.3	10.5
6	6	R03	DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES	3.5	3.9
7	7	B03	ANTIANEMIC PREPARATIONS	2.2	2.3
8	8	A16	OTHER ALIMENTARY TRACT AND METABOLISM PRODUCTS	2.1	2.3
9	10	L02	ENDOCRINE THERAPY	1.9	1.9
10	11	R05	COUGH AND COLD PREPARATIONS	1.7	1.8
Total				86.4	84.8

Data on supplies to the top ten regions of Russia under State Reimbursement Program (DLO) are shown in Table 5. The highest supplies volumes were observed in Moscow with an over 14% market share in the DLO segment and in Moscow Region. Tatarstan moved up to rank three by sales volume. Note that the supplies growth was positive (in terms of roubles) in 8 regions. The total share of the top ten regions in DLO sector accounted for 41.7%.

Table 5. The top ten regions by sales in DLO segment

Rank		Region	Share in total DLO volume, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	Moscow	14.4	16.3
2	2	Moscow Region	5.0	5.5
3	4	Tatarstan Republic	3.5	3.1
4	5	Sverdlovsk Region	3.2	3.0
5	7	Saint Petersburg	3.2	2.9
6	6	North Caucasian FD, Rest	3.0	3.0
7	9	Novosibirsk Region	2.6	2.4
8	8	Rostov Region	2.4	2.8
9	12	Krasnoyarsk Region	2.3	2.1
10	11	Bashkortostan Republic	2.3	2.2
Total			41.7	43.3

Conclusion. On the basis of the results for 6 months of 2016, the DLO segment of Russia brought in RUB 73.269 bil. (USD 1.027 bil.) in contractual prices. This was 13% more in terms of roubles and 7% less in terms of dollars than during the same period in 2015. In pack terms, the supplies reduced by 4% and amounted to 49.469 mil. packs. The average cost of OTC pack participating in the DLO Programme reduced as compared to the figures of the past year (USD 20.76 vs USD 21.26).

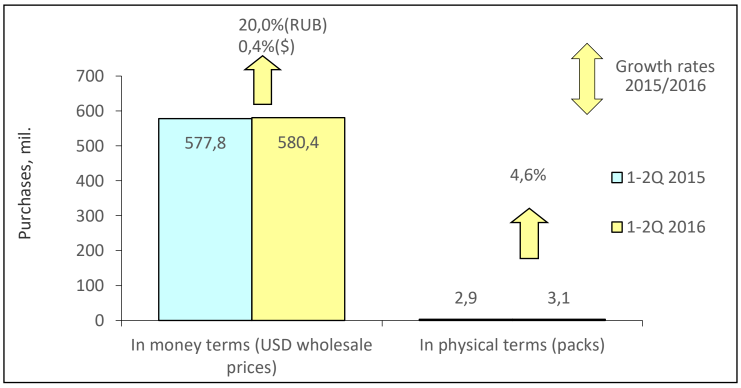
[1] From 2008 until now, data on DLO have been provided as shipments in contractual prices, which are prices at which the government will reimburse moneys to the distributor.

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

COST DEMANDING NOSOLOGIES (CDN) PROGRAM in Q 1-2, 2016

Based on the results for Q I-2, 2016, the purchases under the CDN Program in physical terms (packs) increased by 4.6%, as compared to the same period of the previous year. In terms of national currency, the purchases grew by 20% (in terms of dollars by 0.4%). In absolute terms, the supplies were estimated at RUB 41.9 bil. or USD 580.4 mil.

Figure 1. Supplies trend under the CDN Program in Q 1-2, 2016 against Q 1-2, 2015



The most significant increase in the supplies in terms of roubles (+ 30.7%) was characteristic of the hemophilia sector, which resulted in the growth of the group's share in the CDN pattern from 26.6% to 29% (Table 1). Dynamics was determined by a significant increase in purchases of recombinant coagulation factor YIII (Octofactor Generium), anti-inhibitor coagulant complex (Feiba, Baxter Int) and factor VIII in combination with Willebrand factor (Hfemate P CSL Behring GmbH and Vilate Octapharma). Immunodepressants used in transplantology also showed considerable increase in the supplies (+28%). The growth in value sales of oncohematological drugs leading in the CDN pattern (39.3%) accounted for 19% (Table 1). The positive dynamics was determined by the purchases of a drug to treat multiple myeloma, Revlimid (Lenalidomide) Celgene (the second packaging is executed by Pharmstandart-Leksredstva), which share in the nosology segment accounted for 33%. The purchases of Bortezomib reduced by 24%, those of Imatinib by 67% (by 18% in terms of packs). The shares of these INNs in the pattern of all supplies under CDN Program reduced by 6.7 and4.3 p.p. and accounted for 11.6 and 1.7% respectively (Table 1).

Table 1. Supplies pattern under the CDN Program

Nosologies	INN	Share in total CDD supplies (RUB), %	
		1-2Q 2016	1-2Q 2015
Oncohematology		39.3	39.7
	LENALIDOMIDE	13.3	0.0
	RITUXIMAB	12.3	14.8
	BORTEZOMIB	11.6	18.3
	IMATINIB	1.7	6.0
	FLUDARABINE	0.5	0.6
Haemophilia		29.0	26.6
	FACTOR VIII	10.9	13.8
	EPTACOG ALFA (ACTIVATED)	4.6	5.3
	OCTOCOG ALFA	3.1	4.8
	MOROCTOCOG ALFA	2.9	0.0
	FACTOR IX	2.7	2.6
	FACTOR VIII INHIBITOR BYPASSING FRACTION	2.4	0.0
	FACTOR VON WILLEBRAND*FACTOR VIII	2.4	0.0
Sclerosis Multiplex		21.6	22.9
	INTERFERON BETA-1A	9.4	9.9
	GLATIRAMER ACETATE	8.3	9.7
	INTERFERON BETA-1B	3.4	3.3
	NATALIZUMAB	0.6	0.0
Transplantology		4.4	4.1
	TACROLIMUS	2.3	2.3
	MYCOPHENOLIC ACID	1.6	1.2
	CICLOSPORIN	0.3	0.4
	MYCOPHENOLATE MOFETIL	0.2	0.2
Mucoviscidosis		2.8	3.3
	DORNASE ALFA	2.8	3.3
Gaucher disease		2.5	2.9
	IMIGLUCERASE	2.2	2.8
	VELAGLUCERASE ALFA	0.3	0.1
Pituitary dwarfism		0.3	0.4
	SOMATROPIN	0.3	0.4

Purchases of drugs to treat multiple sclerosis increased by 15.5% in terms of packs and by 13% in terms of roubles. The nosological group's share in the overall supplies pattern under the CDN Program reduced from 22.9 to 21.6% (Table 1). Copaxone-Teva sales reduced by 63%, at the same time 2/3 of INN Glatiramer Acetate market was substituted by the Russian biosimilar Aksoglatiran FS of F-Sintez. In total, the purchases in this INN group grew by 30% in terms of packs and only 2.3% in terms of roubles. First of all, the strong positive growth of the value indicators was characteristic of INN Interferone beta–1в (+22%) which market was split by the Russian manufacturers Biocard and Generium at the ratio 1:3. The purchases of drugs to treat Gaucher's disease (+4%) and mucoviscidosis (+1%) has not much changed both in physical and value terms. In the first group, Vpriv (INN Velaglucerase) Shire was purchased alongside with the drug Cerezym (INN Imiglucerase) Sanofi which continued to hold the leading positions in the nosological segment. Based on the results for Quarter 1-2, 2016, the top ten brand names ranking has experienced significant changes as compared to the similar period of the previous year (Table 2). The ranking was topped by the drug Revlimid Celgene, which accounted for 13% of all supplies under the CDN Program. The drug Acelbiya (INN Rituximab) of Biocad showing the same scope of supplies held its previous rank 2, and the leader of the last year ranking Boralamin (INN Bortezomib) of FS F-Sintez moved down to rank 3 due to 32% reduction in purchases. The drugs Aksoglatiran FS (Glatiramer Acetate) of F-Sintez, Rebif (Interferone beta–1a) of Serono and Advate (Octocog alfa) of Baxter Int, which moved up to ranks 4, 7 and 10, showed substantial advance in the ranking. It is characteristic that the share of the top 10 brand names in the volume supplies pattern reduced considerably from 67.8 to 56.9%.

Table 2. Top 10 brand names by supplies under the CDN Program

Rank		Brand	Share in total CDD supplies, %	
1-2Q 2016	1-2Q 2015		1-2Q 2016	1-2Q 2015
1	51	REVLIMIDE	13.3	0.0
2	2	ACELLBIA	9.6	11.5
3	1	BORAMILAN FS	7.3	12.9
4	51	AKSOGLATIRAN FS	5.3	0.0
5	6	COAGIL-VII	4.3	5.1
6	4	GENFAXON	4.0	6.4
7	17	REBIF 44	3.4	1.7
8	5	VELCADE	3.4	5.4
9	8	OCTANATE	3.2	4.3
10	27	ADVATE	3.0	0.6
Total			56.9	67.8

The top-10 manufacturers ranking also showed some shifts (table 3). Due to market authorization of the biosimilar Aksoglatiran FS, F-Sintez (-4%) held its previous rank number one, though the purchases of oncohematological drugs of this manufacturer Boralamin FS and Philachromin FS reduced (by 32 and 60% respectively). The company Celgene with the drug Revlimid moved up to rank 2 from 27. Baxter In (+7.8%) kept its previous rank three. Biocad rating declined (from rank 2 to 4), though the supplies scope didn't change. The purchases of Generium products grew 1.5 times (primarily due to Octofactor), but its position in the ranking remained unchanged (rank 5). The manufacturers CSL Behring GmbH (+98%) and Serono (+156%) which moved up to ranks 9 and 10 respectively strengthened their positions in the ranking against the considerable positive dynamics. In total, the top ten manufacturers in Q 1-2, 2016 accounted for 80.2% of all purchases under the CDN Program, whereas earlier this share accounted for o86.6%).

Table 3. Top 10 manufacturers by supplies under the CDN Program

Rank in the top ten		Manufacturer*	Share in total CDD supplies, %	
1-2Q 2016	1-2Q 2015		1-2Q 2016	1-2Q 2015
1	1	F-SYNTEZ	14.3	17.8
2	27	**CELGENE**	13.3	0.0
3	3	**BAXTER INT**	10.7	12.0
4	2	BIOCAD RF	10.4	12.4
5	5	GENERIUM ZAO RF	9.8	7.5
6	7	**ROCHE***	5.5	6.7
7	9	OCTAPHARMA	4.6	5.1
8	6	LABORATORIO TUTEUR	4.3	6.9
9	12	CSL BEHRING GMBH	3.7	2.3
10	14	SERONO	3.6	1.7
Total			80.2	86.6

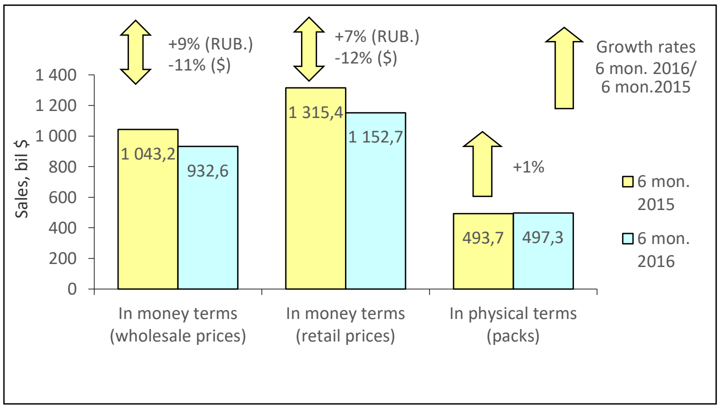
*AIPM members are in bold

Conclusion. In general, it can be concluded that in Q 1, 2016 the purchases under the CDN Program increased both in physical terms and in value terms as compared to the same period of the previous year. In physical terms, only somatotropin showed reduction in purchases (by 5%). The other nosological groups showed increase in purchases in terms of packs. The leading nosological segments (haemophilia, oncohematology) showed strong positive growth in purchases in terms of value. In INN segments, which lost the patent protection, the balance is changing rapidly in favour of biosimilars. New INNs have been purchased in the leading nosological segments. These processes caused considerable shifts in the top ten brand names ranking and resulted in the reduction of the top ten's share. The value supplies of the drugs made in the Russian Federation increased by 12% and their share in CDN program pattern decreased from 38.6% to 36% as compared to the similar period of the previous year. The growth in supplies of localized products accounted for 20%, a share was held at its previous level of 43%. The drugs of foreign origin (+37.5%), which share increased from 18.4 % to 21.1%, showed more significant growth rates.

CFD PHARMACY MARKET (WITHOUT MOSCOW): 2016 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Central Federal District (CFD) (without Moscow) was 26.774 mil., which accounted for 18.3% of the total Russian Federation population. According to Federal State Statistics Service's data, the average wage in the CFD was RUB 44,665 based on the results for six months of 2016 (USD 635.62), which was 25% higher than the average wage in Russia (RUB 35,707). According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first half of 2016 the sales of drugs in physical terms in the CFD (without Moscow) saw a 1% increase to 497.314 mil. packs. In money terms, the market saw a 9% increase in terms of roubles, whereas it showed a negative decline (-11%) in terms of dollars. At the same time, the market reached RUB 65.414 bil. (USD 932.598 mil.) in wholesale prices (Fig.1). The region market share accounted for 20.5% of the Russian pharmacy retail sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 2.66) and reached USD 2.32 at retail prices. At the end of six months of 2016, the average amount spent by the residents of the district for drugs in pharmacies amounted to USD 43.05.

Figure 1. The CFD (without Moscow) pharmacy market for 6 months of 2015 – 6 months of 2016



Based on the results for six months of 2016, the manufacturer BAYER (+18%) took the lead in the top ten manufacturers ranking in the Central Federal District (without Moscow), displacing SANOFI-AVENTIS (+5%) down one rank (Table 1). The manufacturers SERVIER (+12%), NYCOMED/TAKEDA (+1%) and GEDEON RICHTER (+3%) held their previous ranks three and four, and 8. Due to the highest growth rates among the top ten manufacturers, Russia-based OTCPHARM (+30%) moved up to rank five from nine, displacing MENARINI (+7%) and GLAXOSMITHKLINE (+3%) down one rank. At the same time, SANDOZ (-7%) which reduced its sales moved down to the last rank of the top ten. The cumulative share of the top 10 manufacturers reduced from 32.6% to 32.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	2	**BAYER HEALTHCARE**	4.4	4.1
2	1	**SANOFI-AVENTIS**	4.3	4.5
3	3	**SERVIER**	3.6	3.5
4	4	**NYCOMED/TAKEDA**	3.2	3.4
5	9	OTCPHARM	3.2	2.7
6	5	**MENARINI**	3.1	3.1
7	6	**GLAXOSMITHKLINE**	2.8	3.0
8	8	GEDEON RICHTER	2.7	2.9
9	10	**KRKA**	2.6	2.5
10	7	**SANDOZ**	2.5	2.9
Total			32.3	32.6

*AIPM members are in bold

Antiviral drug INGAVIRIN, which sales increased 2.1 times, became the best-selling and dynamic drug on the regional market (Table 2). ESSENTIALE N (+3%) held its previous rank two, while the last year leader ACTOVEGIN (-5%) moved down to rank three. The drug MEXIDOL (+13%) held its previous rank four. In addition to the leader, another three INNs showed high growth rates: DETRALEX (+51%), which moved up to rank 5, and two newcomers of the top ten, PENTALGIN (+15%) and MIRAMISTIN (+27%). In contrast, three brand names of the top ten stepped down their positions in the ranking. KAGOCEL (+8%), CARDIOMAGNYL (+3%) and CONCOR (+0.4%) moved down to ranks 6 through 8, respectively. The total share of the top 10 brand names expanded from 6.2% to 6.6%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	11	INGAVIRIN	0.9	0.5
2	2	ESSENTIALE N	0.8	0.8
3	1	ACTOVEGIN	0.7	0.9
4	4	MEXIDOL	0.7	0.7
5	9	DETRALEX	0.7	0.5
6	3	KAGOCEL	0.7	0.7
7	5	CARDIOMAGNYL	0.6	0.7
8	6	CONCOR	0.5	0.6
9	12	PENTALGIN	0.5	0.5
10	17	MIRAMISTIN	0.4	0.4
Total			6.6	6.2

Four INNs from the top ten INNs and group names held their own in the ranking (Table 3). The top three INNs XYLOMETAZOLINE (+3%), NIMESULIDE and BISOPROLOL (+8% each) kept their previous leading ranks, and IBUPROFEN (+10%) maintained its ranks seven. Two INNs of the top ten that showed a pronounced growth in sales rose in the ranks. The newcomers, the composition DIOSMIN* HESPERIDIN (+50%) and INN IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID, which increased sales by 2.1 times, broke into the top ten ranking, moving up to numbers four and five, respectively. In contrast, the other INNs of the top ten moved down tot he lower ranks. PANCREATIN and PHOSPHOLIPIDS (+2% each), and ETHYLMETHYLHYDROXYPYRIDINE (+14%) and BLOOD (-2%) moved down to ranks six and the last three ranks. The total share of the top ten under review increased from 9.4% to 9.8%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	XYLOMETAZOLINE	1.6	1.7
2	2	NIMESULIDE	1.1	1.1
3	3	BISOPROLOL	1.1	1.1
4	11	DIOSMIN*HESPERIDIN	0.9	0.7
5	27	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.9	0.5
6	4	PANCREATIN	0.9	1.0
7	7	IBUPROFEN	0.9	0.9
8	6	PHOSPHOLIPIDS	0.8	0.9
9	8	ETHYLMETHYLHYDROXYPYRIDINE	0.8	0.8
10	5	BLOOD	0.8	0.9
Total			9.8	9.4

Half of the top 10 ATC groups held their own in the ranking (Table 4). These were its leaders M01 Anti-inflammatory and antirheumatic products (+7%) and C09 Agents acting on the rennin-angiotensin system (+15%), and R01 Nasal preparations (+6%), G03 Sex hormones and A11 Vitamins (+14% each) placed at ranks 4, 7 and 9. The groups J05 Antivirals for systemic use (+46%) and C05 Vasoprotectives (+20%) succeeded in raising in the ranks, moving up to numbers three and ten of the top ten. The groups with low growth rates: J01 Antibacterials for systemic use (+4%) and N02 Analgesics (+3%), and R05 Cough and cold preparations (-2%), which reduced its sales, in contrast moved down to the lower positions five, six and eight, respectively. In total, the top ten ATC groups accumulated 35.7% of the regional market, whereas in the year-earlier period 35.0%.

Table 4. The top ten ATC Groups by pharmacy sales

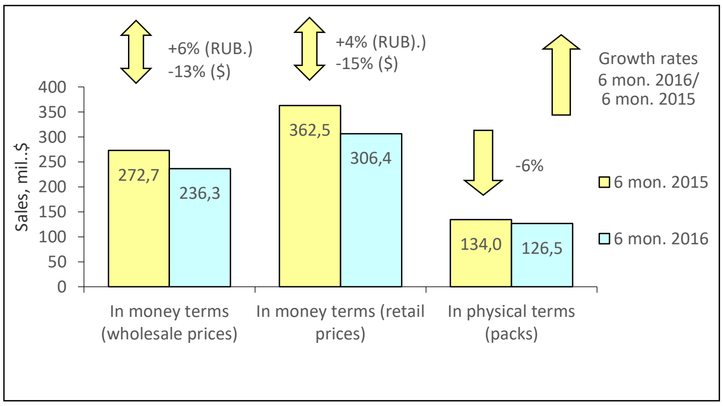
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015			6 mon. 2016	6 mon. 2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.0	5.1
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.6	4.3
3	8	J05	ANTIVIRALS FOR SYSTEMIC USE	3.8	2.9
4	4	R01	NASAL PREPARATIONS	3.6	3.7
5	3	J01	ANTIBACTERIALS FOR SYST USE	3.6	3.8
6	5	N02	ANALGESICS	3.4	3.6
7	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.1	3.0
8	6	R05	COUGH AND COLD PREPARATIONS	2.9	3.3
9	9	A11	VITAMINS	2.9	2.8
10	12	C05	VASOPROTECTIVES	2.8	2.5
Total				35.7	35.0

Conclusion. On the basis of the results for the first half of 2016, the retail pharmacy market of the Central Federal District (without Moscow) brought in RUB 80.865 bil. (USD 1.153 bil.). which is by 7% in terms of roubles and 12% in terms of dollars less than in 2015. In pack terms, the market increased by 1% and amounted to 497.314 mil. packs. According to the results for six months of 2016, the average cost of an FPP pack in the regional pharmacies was USD 2.32 which was lower than in the year-earlier period (USD 2.66), and less than the national average (USD 2.59). However, the average medicine expenses of the CFD residents were higher than the national average expenses in Russia (USD 43.05 vs. USD 38.33).

NWFD (WITHOUT SAINT PETERSBURG) PHARMACY MARKET: 2016 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the North-Western Federal District (NWFD) (without St. Petersburg) was 8.628 mil., which accounted for 5.9% of the total Russian Federation population. According to Federal State Statistics Service's data, as of the end of the first half of 2016 the average wage in the NWFD (with St. Petersburg) was RUB 40,027 (USD 569.62), which was 12% higher than the average wage in Russia (RUB 35,707). According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federation™, at the end of six months of 2016 the sales of FPPs in physical terms in pharmacies of NWFD (without St. Petersburg) saw a 6% decrease to 126.461 mil. packs. In money terms, the market saw a 6% increase in terms of roubles, whereas it showed a negative decline (-13%) in terms of dollars. At the same time, the market reached RUB 16.604 bil. (USD 236.306 mil.) in wholesale prices (Fig.1). The regional market share accounted for 5.5% of the pharmacy sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 2.70) and reached USD 2.42 at retail prices. At the end of the first half of 2016, the average amount spent by the residents of the region for drugs in pharmacies amounted to USD 43.05.

Figure 1. The NWFD (without St. Petersburg) pharmacy market for 6 months of 2015 – 6 months of 2016



At the end of the first half of 2016, the top ten drug manufacturers on the pharmacy market of the NWFD (without St. Petersburg) demonstrated high stability: It didn't change in composition, and in addition half of the top ten ATC groups held their own in the ranking (Table 1). These were the leading manufacturers SANOFI-AVENTIS (+5%), PHARMSTANDART (+12%), BAYER (+10%), SERVIER (+9%), SANDOZ (+6%) and SERVIER (-4%). The shifts took place in the lower part of the top ten. As a result, two manufacturers managed to rise in the ranks. The Russian OTCPHARM (+23%), which showed the highest growth rates among the leaders, moved up to rank six from nine, displacing NYCOMED/TAKEDA (+2%) and GLAXOSMITHKLINE (+3%) down one rank. STADA (+3%) moved up one rank, to number nine, while the manufacturer MENARINI (-0.5%) showing negative growth rates moved down to the last rank of the top ten. The cumulative share of the top 10 manufacturers didn't change and accounted for 34.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	**SANOFI-AVENTIS**	4.5	4.6
2	2	**BAYER HEALTHCARE**	4.5	4.2
3	3	**SERVIER**	4.3	4.1
4	4	GEDEON RICHTER	3.7	3.8
5	5	**SANDOZ**	3.2	3.6
6	9	OTCPHARM	3.1	2.7
7	6	**NYCOMED/TAKEDA**	3.1	3.2
8	7	**GLAXOSMITHKLINE**	2.8	2.8
9	10	**STADA**	2.5	2.6
10	8	**MENARINI**	2.5	2.7
Total			34.3	34.3

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brand names ranking (table 2). Antiviral agent INGAVIRIN (+99%) moved up from rank 17 to two, while another drug with the similar effect, ARBIDOL (+21%), moved up to the last rank of the top ten. Apart from them, another two brand names showed high growth rates. DETRALEX (+43%) moved up from rank nine to four and PRESTARIUM A (+15%) moved up one rank, coming in at rank nine. At the same time, ESSENTIALE N (-5%), CARDIOMAGNYL (-3%), CONCOR (-2%), ACTOVEGIN (-3%) and EXODERIL (-12%), which reduced their sales, in contrast, moved down to the lower ranks - three and from five through eight, respectively. Antiviral drug KAGOCEL (+19%) kept and reinforced its leading rank number one in the top ten. The total share of the top 10 brand names expanded from 6.4% to 6.8%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	KAGOCEL	1.1	1.0
2	17	INGAVIRIN	0.8	0.4
3	2	ESSENTIALE N	0.7	0.8
4	9	DETRALEX	0.7	0.5
5	3	CARDIOMAGNYL	0.7	0.7
6	5	CONCOR	0.6	0.6
7	6	ACTOVEGIN	0.6	0.6
8	4	EXODERIL	0.6	0.7
9	10	PRESTARIUM A	0.6	0.5
10	14	ARBIDOL	0.6	0.5
Total			6.8	6.4

The top three INNs in the top 10 INN and group names ranking remained unchanged: as before, XYLOMETAZOLINE (-3%), BISOPROLOL and IBUPROFEN (+3% each) held the first three ranks (Table 3). KAGOCEL (+19%) moved up to rank four from five, displacing NIMESULIDE (-5%) down one rank. The composition DIOSMIN*HESPERIDIN (+38%), and INN IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+99%) and ATORVASTATIN (+24%) broke into the top ten, coming in at ranks six, eight and nine. At the same time, PANCREATIN (-3%) and PHOSPHOLIPIDS (-6%) reduced their sales and fell in the ranks, moving down to ranks seven and ten. The cumulative share of the top10 increased from 9.3% to 9.7%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	XYLOMETAZOLINE	1.5	1.6
2	2	BISOPROLOL	1.1	1.2
3	3	IBUPROFEN	1.1	1.1
4	5	KAGOCEL	1.1	1.0
5	4	NIMESULIDE	0.9	1.0
6	11	DIOSMIN*HESPERIDIN	0.9	0.7
7	6	PANCREATIN	0.8	0.9
8	44	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.4
9	14	ATORVASTATIN	0.8	0.7
10	7	PHOSPHOLIPIDS	0.8	0.9
Total			9.7	9.3

Numerous shifts took place in the top ten ATC groups ranking as well (table 4). Only one ATC group from the top 10 ranking retained its previous rank. As before, A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+4%) rounded out the top ten ATC groups ranking. Five INNs from the top ten rose in the ranks. Among them was the leader of the top ten C09 Agents acting on the rennin-angiotenzin system (+12%). J05 Antivirals for systemic use (+40%), R01 Nasal preparations (+3%) and A11 Vitamins (+9%) moved up to ranks 3 through 5, respectively. On top of that, G03 Sex hormones (+12%) moved up to rank seven from eight. In contrast, four ATC groups with negative sales rates fell in the ranks. M01 Anti-inflammatory and antirheumatic products (-0.1%), R05 Cough and cold preparations (-8%), N02 Analgesics (-5%) and J01 Antibacterials for systemic use (-3%) moved down to ranks 2, 6, 8 and 9, respectively. In total, following the results for 6 months of 2016 the top ten ATC groups accumulated 37.1% of the market.

Table 4. The top ten ATC Groups by pharmacy sales

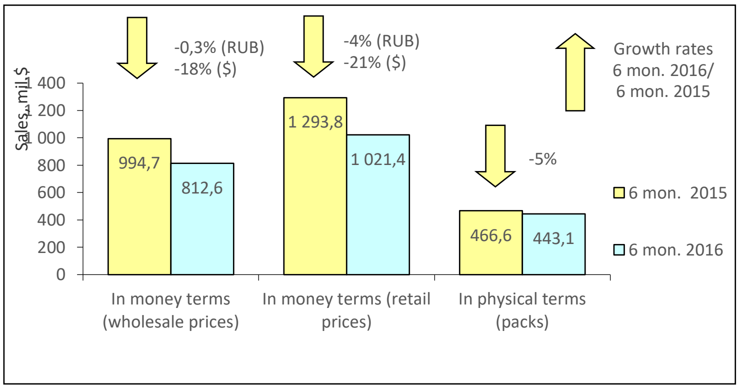
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015			6 mon. 2016	6 mon. 2015
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.9	4.7
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	5.1
3	9	J05	ANTIVIRALS FOR SYSTEMIC USE	4.1	3.1
4	5	R01	NASAL PREPARATIONS	3.6	3.7
5	7	A11	VITAMINS	3.4	3.4
6	3	R05	COUGH AND COLD PREPARATIONS	3.4	3.9
7	8	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.4	3.2
8	4	N02	ANALGESICS	3.4	3.7
9	6	J01	ANTIBACTERIALS FOR SYST USE	3.3	3.6
10	10	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	2.7	2.8
Total				37.1	37.2

Conclusion. On the basis of the results for the first half of 2016, the pharmacy market of the NWFD (without St Petersburg) brought in RUB 21.533 bil. (USD 306.426 mil). It was 4% more in terms of roubles and 15% less in terms of dollars than in 2015. In physical terms, the market saw a 6% decrease and was equal to 126.461 mil. packs. In the first six months of 2016, the average cost of FPP pack in the regional pharmacies was USD 2.42, which was lower than in the year-earlier period (USD 2.70) and the national average (USD 2.59). The average medicine expenses of the district residents in the pharmacies were lower than the national average expenses in Russia (USD 35.52 vs. USD 38.33).

VFD PHARMACY MARKET: 2016 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Volga Federal District (VFD) was 29.674 mil., which accounted for 20.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first six months of 2016 the average salary in the VFD region was RUB 26,436 (USD 376.21), which was 26% lower than the national average wage in Russia (RUB 35,707). According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first half of 2016 the VFD pharmacy market volume in physical terms reduced by 5% to 433.091 mil. packs (Fig. 1) In wholesale prices, the market performance was negative both in terms of roubles (-0.3%), and in terms of dollars (-18%) and reached RUB 57.024 bil. (USD 812.632 mil). A region's share in the total pharmacy sales in Russia accounted for 18.2%. Based on the results for six months of 2016, the average cost of FPP pack in the VFD pharmacies was USD 2.31, whereas in the year-earlier period its cost was USD 2.70. At the end of the first half of 2016, the average per capita expenses for purchase of drugs in the pharmacies were estimated at USD 34.42.

Figure 1. VFD pharmacy market for 6 months of 2015 – 6 months of 2016



At the first six months of 2016, one newcomer broke into the top ten drug manufacturers ranking in the Volga Federal District retail market (Table 1). It was the manufacturer ABBOTT (+7%) which moved up to rank six from 11. Note that apart from it, only another two manufacturers from the top ten increased sales in the analysed period. BAYER (+0.2%) held its previous rank two, and OTCPHARM (+21%) moved up to rank three. The other manufacturers of the top ten showed the negative growth in sales. Among them was the leader of the top ten SANOFI-AVENTIS (-9%). The manufacturer SERVIER (-4%) also held its previous rank 5. The manufacturers NYCOMED/TAKEDA (-7%), MENARINI, TEVA and STADA (-8% each), and SANDOZ (-21%) moved down to the lower ranks four and from seven through 10, respectively. The total share of the top 10 drug manufacturers decreased from 31.9% to 30.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	**SANOFI-AVENTIS**	4.3	4.7
2	2	**BAYER HEALTHCARE**	3.6	3.6
3	9	OTCPHARM	3.4	2.8
4	3	**NYCOMED/TAKEDA**	3.2	3.5
5	5	**SERVIER**	3.0	3.1
6	11	**ABBOTT**	2.7	2.5
7	6	**MENARINI**	2.6	2.9
8	7	**TEVA**	2.6	2.9
9	8	STADA	2.6	2.8
10	4	**SANDOZ**	2.5	3.2
Total			30.6	31.9

*AIPM members are in bold

Based on the results for the first half of 2016, antiviral drug INGAVIRIN (+77%) became the best-selling drug on the regional market (Table 2). ACTOVEGIN (-15%) remained the second best-selling drug, whereas the former leader ESSENTIALE N (-24%) moved down to rank three, displacing KAGOCEL (-7%) from it. The brand names CARDIOMAGNYL (-13%) and MEXIDOL (-0.3%) retained their ranks five and six. PENTALGIN (-5%) also held its previous rank nine. Two newcomers of the top ten ERGOFERON (+22%) and DETRALEX (+23%) moved up to ranks seven and eight, respectively. The brand name CONCOR (-11%) moved down to the last rank of the top ten. The total share of the top 10 FPPs virtually remained the same and accounted for 6.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	10	INGAVIRIN	0.8	0.5
2	2	ACTOVEGIN	0.8	0.9
3	1	ESSENTIALE N	0.8	1.0
4	3	KAGOCEL	0.7	0.8
5	5	CARDIOMAGNYL	0.6	0.7
6	6	MEXIDOL	0.6	0.6
7	12	ERGOFERON	0.5	0.4
8	14	DETRALEX	0.5	0.4
9	9	PENTALGIN	0.5	0.5
10	8	CONCOR	0.5	0.5
Total			6.3	6.3

Three newcomers broke into the ranks of the top ten INN and generic names ranking (Table 3). These were INNs IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+77%), the composition DIOSMIN*HESPERIDIN (+25%) and INN ETHYLMETHYLHYDROXYPYRIDINE (+8%) rounding out the top ten ranking. On top of that, INNs PANCREATIN (+4%) and BISOPROLOL (-2%) moved up one rank, and INN NIMESULIDE (-2%) moved up from rank six to four. Showing negative growth rates PHOSPHOLIPIDS (-24%) and BLOOD (-12%) moved down to ranks five and six, respectively. Two drugs from the ranking retained their positions unchanged. It was its leader XYLOMETAZOLINE (-2%) and IBUPROFEN (+1%) placed at rank seven. The cumulative share of the top 10 didn't't virtually change and accounted for 9.2%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	XYLOMETAZOLINE	1.3	1.3
2	3	PANCREATIN	1.1	1.1
3	4	BISOPROLOL	1.0	1.0
4	6	NIMESULIDE	0.9	0.9
5	2	PHOSPHOLIPIDS	0.9	1.2
6	5	BLOOD	0.9	1.0
7	7	IBUPROFEN	0.8	0.8
8	35	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.5
9	14	DIOSMIN*HESPERIDIN	0.8	0.6
10	12	ETHYLMETHYLHYDROXYPYRIDINE	0.8	0.7
Total			9.2	9.1

Despite 7% reduction in sales, the leading group of the top ten M01 Anti-inflammatory and antirheumatic products held its own in the ranking (Table 4). C09 Agents acting on the rennin-angiotensin system (+7%) and J05 Antivirals for systemic use (+22%) moved up to ranks two and three from the lower positions. In addition, the groups R01 Nasal preparations (+1%), G03 Sex hormones (-0.4%) and A11 Vitamins (+5%) improved their ranks by one point, moving up to ranks six, seven and nine respectively. J01 Antibacterials for systemic use (-6%) and R05 Cough and cold preparations (-16%), which had held ranks two and four, moved down to ranks four and eight respectively. N06 Psychoanaleptics (+3%) lost one point of ranking, moving down to the last rank of the top ten. The group N02 Analgesics (-7%) held its previous rank 5. In total, the top ten ATC groups accumulated 35.2% of sales, which is the same as in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

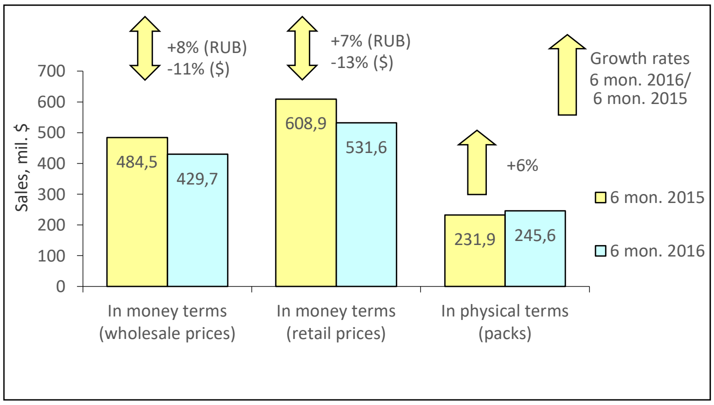
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015			6 mon. 2016	6 mon. 2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.0	5.4
2	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.2	3.9
3	6	J05	ANTIVIRALS FOR SYSTEMIC USE	3.9	3.2
4	2	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.0
5	5	N02	ANALGESICS	3.2	3.4
6	7	R01	NASAL PREPARATIONS	3.2	3.1
7	8	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.1	3.1
8	4	R05	COUGH AND COLD PREPARATIONS	3.0	3.6
9	10	A11	VITAMINS	2.9	2.8
10	9	N06	PSYCHOANALEPTICS	2.9	2.8
Total				35.2	35.3

Conclusion. In the first half of 2016, the pharmacy market in VFD was estimated at RUB 71.685 bil. (USD 1.021 bil.) in retail prices. At the same time, the market behaviour was positive both in rouble (-4%) and dollar (-21%) terms. In physical terms, the sales reduced by 5% to 443.091 mil. packs. The average cost of an FPP pack (USD 2.31) in the pharmacies reduced as compared to a year earlier (USD 2.77), but was lower than the average value in Russia (USD 2.59). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 34.42 vs. USD 38.33).

SFD PHARMACY MARKET: 2016 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Southern Federal District (SFD) was 14.045 mil., which accounted for 9.6% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first half of 2016 the average salary in the SFD was RUB 26,098 (USD 371.40), which was 27% lower than the national average wage in Russia (RUB 35,707). According to the results of the Retail Audit of FPPs in Russian Federation™, at the end of six months of 2016 the sales of drugs in physical terms in pharmacies of SFD saw a 6% increase to 245.584 mil. packs. In money terms, the market showed positive growth rates (+8%) in rouble terms, while in dollar terms it reduced (-11%) and reached RUB 30.154 bil. (USD 429.740 mil.) at wholesale prices (Fig. 1). The city market share accounted for 9.5% of the pharmacy sales in Russia. The average cost of an OTC pack reduced as compared to a year earlier period (USD 2.63) and reached USD 2.16 at retail prices. In the first half of 2016, the average amount spent by residents of the SFD for drugs amounted to USD 37.85.

Figure 1. SFD pharmacy market for 6 months of 2015 – 6 months of 2016



At the end of six month of 2016, BAYER (0%) and SANOFI-AVENTIS (+5%) continued to take the lead in the top ten manufacturers on the Southern Federal District market (Table 1). One of the newcomers of the top ten, the Russian OTCPHARM (+43%) moved up to rank three. STADA (+12%) became the second newcomer of the top ten, moving up to the last rank of the ranking. Apart from them, another three drug manufacturers managed to rise in the ranks. These were MENARINI (+8%), GLAXOSMITHKLINE (+6%) and TEVA (+6%), which moved up to ranks 5, 7 and 9, respectively. The manufacturer SERVIER (+2%) held the rank four, whereas SANDOZ (+3%) and NYCOMED/TAKEDA (-9%) fell in the ranks, moving down to ranks six and eight, respectively. The total share of the top 10 drug manufacturers decreased by 0.6 p.p. to 31.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	**BAYER HEALTHCARE**	4.3	4.7
2	2	**SANOFI-AVENTIS**	4.0	4.1
3	12	OTCPHARM	3.2	2.5
4	4	**SERVIER**	2.9	3.1
5	6	**MENARINI**	2.9	2.9
6	5	**SANDOZ**	2.9	3.0
7	9	**GLAXOSMITHKLINE**	2.8	2.9
8	3	**NYCOMED/TAKEDA**	2.8	3.3
9	10	**TEVA**	2.7	2.7
10	11	STADA	2.6	2.5
Total			31.2	31.8

*AIPM members are in bold

Due to high growth rates, antiviral drugs INGAVIRIN (2.2-fold growth in sales) and KAGOCEL (+48%) became the leaders of the top ten brand names ranking (Table 2). Another five brand names of the top ten showed significant growth in sales. These were newcomers of the top ten ERGOFERON (+99%), ARBIDOL (+82%), AMIXIN (+100%), VIFERON (+30%) and DETRALEX (+29%), which moved up to ranks five and six, and the last three ranks. At the same time, the brand names ACTOVEGIN (-15%), ESSENTIALE N (+3%) and CARDIOMAGNYL (-8%) moved down to the lower ranks, coming in at numbers three, four and seven. The total share of the top ten FPPs increased by 1.5 p.p. and accounted for 6.7%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	7	INGAVIRIN	1.1	0.5
2	4	KAGOCEL	1.0	0.8
3	2	ACTOVEGIN	0.8	1.0
4	3	ESSENTIALE N	0.7	0.8
5	25	ERGOFERON	0.6	0.3
6	24	ARBIDOL	0.6	0.3
7	5	CARDIOMAGNYL	0.5	0.6
8	41	AMIXIN	0.5	0.3
9	20	VIFERON	0.4	0.4
10	21	DETRALEX	0.4	0.4
Total			6.7	5.3

Only one newcomer entered the top-ten INN and generic names ranking (Table 3). Due to 2.2-fold growth in sales, INN IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID moved up to rank two. XYLOMETAZOLINE (+3%) and NIMESULIDE (+8%) retained their ranks one and three. Due to high growth rates, INNs KAGOCEL (+48%) and INTERFERON ALFA-2B (+42%) moved up to ranks four and six. The less dynamic PANCREATIN (+9%), IBUPROFEN (+8%) and PHOSPHOLIPIDS (+3%), and EXODERIL (-12%) and LINEX (-3%), which reduced their sales, moved down to the lower ranks five and from seven through ten, respectively. The total share of the top 10 INNs increased to 9.9%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	XYLOMETAZOLINE	1.5	1.6
2	19	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.1	0.5
3	3	NIMESULIDE	1.0	1.0
4	8	KAGOCEL	1.0	0.8
5	4	PANCREATIN	1.0	1.0
6	10	INTERFERON ALFA-2B	0.9	0.7
7	2	BLOOD	0.9	1.0
8	7	IBUPROFEN	0.8	0.8
9	6	PHOSPHOLIPIDS	0.8	0.9
10	5	BISOPROLOL	0.8	0.9
Total			9.9	9.3

The leader of the top-10 ATC groups ranking changed: J05 Antivirals for systemic use (+76%) moved up to rank one from seven (Table 4). At the same time, M01 Anti-inflammatory and antirheumatic products (+4%) and J01 Antibacterials for systemic use (+3%) moved down one rank, and the group N02 Analgesics (+5%) lost two ranks and moved down to rank five. R01 Nasal preparations (+7%) and C09 Agents acting on the rennin-angiotenzin system (+10%) kept their previous ranks four and six. Apart from the leader, another two ATC groups of the top ten managed to rise in the ranks. They were G03 Sex hormones (+9%) and L03 Immunostimulants (+31%), coming in at numbers 7 and 8. On top of that, the latter became the only newcomer of the top 10 ranking. R05 Cough and cold preparations (-5%) and A07 Antidiarrheals, intestinal antiinflammatory / antiinfective agents (+7%) moved down to the last two ranks of the top ten, respectively. The consolidated share of the top 10 under review increased from 34.6% to 36.2%.

Table 4. The top ten ATC Groups by pharmacy sales

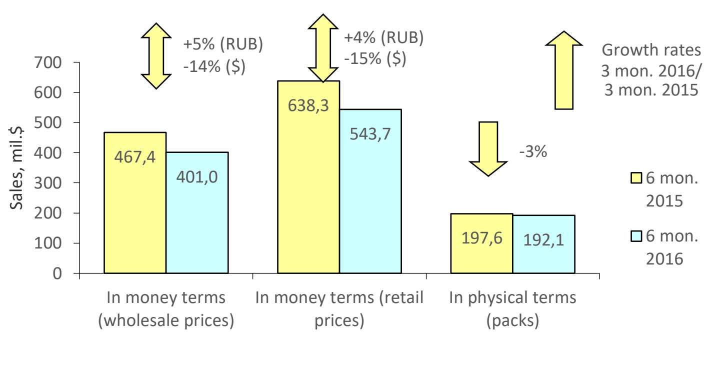
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015			6 mon. 2016	6 mon. 2015
1	7	J05	ANTIVIRALS FOR SYSTEMIC USE	5.3	3.3
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.9	5.1
3	2	J01	ANTIBACTERIALS FOR SYST USE	3.8	4.0
4	4	R01	NASAL PREPARATIONS	3.5	3.5
5	3	N02	ANALGESICS	3.4	3.5
6	6	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	3.4	3.3
7	8	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.2	3.2
8	12	L03	- IMMUNOSTIMULANTS	3.0	2.5
9	5	R05	COUGH AND COLD PREPARATIONS	2.9	3.3
10	9	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	2.8	2.8
Total				36.2	34.6

Conclusion. On the basis of the results for the first six months of 2016, the SFD pharmacy market reached RUB 37.298 bil. (USD 531.578 mil.) at retail prices. The sales saw a 7% increase in terms of roubles, and a 13% decrease in terms of dollars. In pack terms, the market also showed positive growth rates (+6%) and achieved 245.584 mil. packs. The average cost of an FPP pack in the district pharmacies was USD 2.16 which was lower than the 2015 figures (USD 2.63), and lower than national average (USD 2.59). The average expenses of the SFD residents for medications in the pharmacies didn't exceed the national average either (USD 37.85 vs. USD 38.33).

UFD PHARMACY MARKET: 2016 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Ural Federal District (UFD) was 12.308 mil., which accounted for 8.4% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first half of 2016 the average salary in the UFD was RUB 41.098 (USD 519.71), which was 15% higher than the average wage in Russia (RUB 35,707). 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 2016 the sales of FPP drugs in physical terms in the pharmacies of UFD saw a 3% decrease to 192.104 mil. packs. In money terms, the market showed positive growth rates (+5%) in rouble terms, but it reduced by 14% in dollar terms and reached RUB 28.099 bil. (USD 400.979 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 9.7% of the total pharmacy sales in Russia. The average retail cost of an FPP pack was USD 2.83, which was lower than in the year-earlier period (USD 3.23). For the first half of 2016, the average amount spent by the UFD residents on drugs amounted to USD 44.18.

Figure 1. UFD pharmacy market for 6 months of 2015 – 6 months of 2016



Based on the results for six months of 2016, SANOFI-AVENTIS (+3%), BAYER (+10%) and GEDEON RICHTER (+3%) held their leading positions in the top ten manufacturers ranking on the pharmacy market of the Ural Federal District (Table 1). Shifts took place in the lower part of the top 10 ranking, and as a result three of its brands rose in the ranks. SERVIER (+14%) and OTCPHARM (+18%) moved up to ranks four and five from 7 and 10, and ABBOTT (+10%) moved up to ranks seven from nine. At the same time, due to reduction in sales the manufacturers NYCOMED/TAKEDA (-1%), SANDOZ (-10%) and STADA (-5%) fell in the ranks, moving down to ranks six, nine and ten, respectively. The manufacturer TEVA (+2%) held its previous rank eight. The total share of the top 10 manufacturers didn't virtually change and accounted for 32.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	**SANOFI-AVENTIS**	4.7	4.8
2	2	**BAYER HEALTHCARE**	4.6	4.4
3	3	GEDEON RICHTER	3.4	3.4
4	7	**SERVIER**	3.1	2.8
5	10	OTCPHARM	3.0	2.7
6	5	**NYCOMED/TAKEDA**	2.9	3.0
7	9	**ABBOTT**	2.9	2.7
8	8	**TEVA**	2.7	2.8
9	4	**SANDOZ**	2.6	3.0
10	6	STADA	2.6	2.9
Total			32.4	32.5

*AIPM members are in bold

In contrast to the previous ranking, three newcomers broke into the top 10 brand names ranking on the regional market (Table 2). The drugs ERGOFERON (+35%), HEPTRAL (+19%) and REDUKSIN (+8%) moved up to ranks six, eight and ten respectively. The markets of the brand names INGAVIRIN (+67%) and DETRALEX (+50%) developed at a fast pace, which allowed them to move up to ranks two and three. Despite the reduction in sales, ESSENTIALE N (-3%) held its previous rank one. The other four INNs from the top-10 moved down to the lower ranks: ACTOVEGIN (-9%), KAGOCEL (-4%) and ALFLUTOP (-36%), which had negative growth rates, and CARDIOMAGNYL (+3%), which showed relatively low growth in sales. The total share of the top 10 increased from 5.9% to 6.1%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	ESSENTIALE N	0.9	1.0
2	6	INGAVIRIN	0.8	0.5
3	7	DETRALEX	0.7	0.5
4	2	ACTOVEGIN	0.7	0.8
5	4	KAGOCEL	0.6	0.7
6	11	ERGOFERON	0.5	0.4
7	5	CARDIOMAGNYL	0.5	0.5
8	17	HEPTRAL	0.5	0.4
9	3	ALFLUTOP	0.5	0.7
10	14	REDUKSIN	0.4	0.4
Total			6.1	5.9

Despite 7% reduction in sales, INN XYLOMETAZOLINE managed to hold its previous rank number one in the top ten INNs and group names ranking (Table 3). The composition DIOSMIN*HESPERIDIN (+60%), which broke into the top ten, moved up to rank two, at the same time displacing INNs PHOSPHOLIPIDS (-5%), PANCREATIN (+5%) and NIMESULIDE (-4%) down one rank. Another two newcomers of the top ten, ROSUVASTATIN (+37%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+67%) moved up to ranks six and seven, respectively. IBUPROFEN (0%), BLOOD (-7%) and CHONDROITINSULFURIC ACID* GLUCOSAMINE (-0.5%) moved down to the lower ranks of the top ten. The cumulative share of the top10 extended from 8.5% to 8.8%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	XYLOMETAZOLINE	1.2	1.4
2	11	DIOSMIN*HESPERIDIN	1.0	0.7
3	2	PHOSPHOLIPIDS	1.0	1.1
4	3	PANCREATIN	0.9	0.9
5	4	NIMESULIDE	0.8	0.9
6	14	ROSUVASTATIN	0.8	0.6
7	27	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.5
8	6	IBUPROFEN	0.8	0.8
9	5	BLOOD	0.8	0.8
10	8	CHONDROITINSULFURIC ACID* GLUCOSAMINE	0.8	0.8
Total			8.8	8.5

The top three groups held their own in the top ten ATC group ranking: the groups M01 Anti-inflammatory and antirheumatic products (-1%), G03 Sex hormones and C09 Agents acting on the rennin-angiotenzin system (+11% each) maintained and the latter two reinforced their positions (Table 4). Apart from them, A11 Vitamins (+6%) held its previous rank five. Five groups of the top ten rose in the ranks. J05 Antivirals for systemic use (+19%), R01 Nasal preparations (-0.4%) and N06 Psychoanaleptics (+9%) moved up two ranks, coming in at numbers four, six and eight respectively. The newcomers B01 Antithrombotic agents (+27%) and A07 Antidiarrheals, intestinal anti-inflammatory / anti-infective agents (+6%) broke into the top ten, moving up to the last two ranks of the top ten. Due to strong reduction in sales, the group J01 Antibacterials for systemic use (-11%) moved down from rank four to seven. The total share of the top ten extended by 0.7 p.p. and accounted for 35.2%.

Table 4. The top ten ATC Groups by pharmacy sales

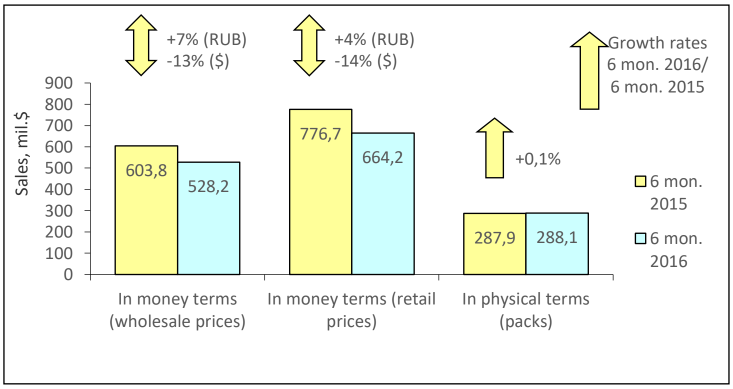
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015			6 mon. 2016	6 mon. 2015
1	1	M01	- ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.5	4.7
2	2	G03	- SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.2	4.0
3	3	C09	- AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.1	3.9
4	6	J05	- ANTIVIRALS FOR SYSTEMIC USE	3.9	3.4
5	5	A11	- VITAMINS	3.6	3.5
6	8	R01	- NASAL PREPARATIONS	3.3	3.4
7	4	J01	- ANTIBACTERIALS FOR SYSTEMIC USE	3.1	3.6
8	10	N06	- PSYCHOANALEPTICS	3.0	2.8
9	14	B01	- ANTITHROMBOTIC AGENTS	2.8	2.3
10	11	A07	- ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	2.8	2.8
Total				35.2	34.5

Conclusion. On the basis of the results for six months of 2016, the retail pharmacy market of the Ural Federal District brought in RUB 38.107 bil. (USD 543.578 mil.) at retail prices. The sales saw a 4% increase in terms of roubles, and a 15% decrease in terms of dollars. In physical terms, the market showed negative growth rates (-3%) and amounted to 192,104 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results for the first half of 2016 was USD 2.83 which was lower than the last year figures (USD 3.23), but higher than average figures in the country (USD 2.59). The average expenses of the UFD residents for medications in the pharmacies also exceeded the national average (USD 44.18 vs. USD 38.33).

SFD PHARMACY MARKET: 2016 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Siberian Federal District (SFD) was 19.324 mil., which accounted for 13.2% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for the first half of 2016 the average wage in the SFD was RUB 30,601 (USD 435.8), which was 14% lower than the national average wage in Russia (RUB 35,707). According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2011 the SFD pharmacy market volume increased in physical terms by 0.1% and amounted to 288.131 mil. packs (Fig. 1) In wholesale prices, the market showed the positive performance in terms of roubles (+7%) and the negative performance in terms of dollars (-13%) and reached RUB 37.073 bil. (USD 528.153 mil). The district's share accounted for 11.8% of the total pharmacy sales in the Russian pharmacy market pattern. Based on the results for the first half of 2016, the average cost of FPP pack in the SFD pharmacies was USD 2.31, whereas in the year-earlier period its cost was USD 2.70. At the end of 6 months of 2016, per capita expenses of the SFD residents for purchase of FPPs in the pharmacies amounted to USD 34.37.

Figure 1. The SFD pharmacy market for 6 months of 2015 – 6 months of 2016



At the end of the first half of 2016, SANOFI-AVENTIS (+3%), BAYER (+14%), SERVIER (+10%) and NYCOMED/TAKEDA (+0.4%) held their leading positions on the pharmacy market of the SFD market (Table 1). The drug manufacturer TEVA (+8%) moved up to rank five from seven, displacing SANDOZ (-2%) and GEDEON RICHTER (+2%) down one rank. The only newcomer of the top ten OTCPHARM (+23%) moved up to rank eight, displacing the manufacturers GLAXOSMITHKLINE (0%) and STADA (+2%) down one rank. The total share of the top ten INN and group names increased by 0.3 p.p. and achieved 31.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	**SANOFI-AVENTIS**	4.3	4.5
2	2	**BAYER HEALTHCARE**	4.3	4.0
3	3	**SERVIER**	3.4	3.3
4	4	**NYCOMED/TAKEDA**	3.1	3.2
5	7	**TEVA**	3.0	2.9
6	5	**SANDOZ**	2.8	3.1
7	6	GEDEON RICHTER	2.8	3.0
8	12	OTCPHARM	2.8	2.4
9	8	**GLAXOSMITHKLINE**	2.6	2.8
10	9	**STADA**	2.6	2.7
Total			31.6	31.9

*AIPM members are in bold

As in the previous ranking, the leading four groups didn't change their ranks in the top ten brand names ranking (Table 2). The brand names KAGOCEL (+12%), CARDIOMAGNYL (+1%), ESSENTIALE N (-6%) and ACTOVEGIN (-4%) held their previous top four ranks. The newcomers INGAVIRIN (+73%), DETRALEX (+39%) and LOZAP PLUS (+12%) broke into the top ten ranking, coming in at numbers five, six and nine. Due to high growth rates, MEXIDOL (+13%) improved its position by two points, moving up to rank eight. And only CONCOR (-6%), which reduced its sales, and PENTALGIN (+1%), which showed low growth rates, fell in the ranks, moving down to numbers seven and ten. In total, the top ten brand names accumulated 5.7% of sales, which is nearly as much as in the year-earlier period.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	KAGOCEL	0.8	0.8
2	2	CARDIOMAGNYL	0.7	0.7
3	3	ESSENTIALE N	0.6	0.7
4	4	ACTOVEGIN	0.6	0.7
5	18	INGAVIRIN	0.6	0.4
6	14	DETRALEX	0.5	0.4
7	5	CONCOR	0.5	0.6
8	10	MEXIDOL	0.5	0.4
9	11	LOZAP PLUS	0.5	0.4
10	8	PENTALGIN	0.5	0.5
Total			5.7	5.6

The upper half of the top ten INN and group names ranking remained unchanged: INNs XYLOMETAZOLINE (-4%), BISOPROLOL (+2%), IBUPROFEN (+8%), NIMESULIDE (+4%) and PANCREATIN (+6%) held their previous top ranks (Table 3). Some shifts took place in the lower part of the top 10 ranking, and as a result three of its INNs rose in the ranks. INN KAGOCEL and the composition LOSARTAN* HYDROCHLOROTHIAZIDE (+12% each) moved up to ranks 6 and 8, and the only newcomer of the top ten DIOSMIN*HESPERIDIN (+44%) moved up to rank seven. In contrast, the composition ACETYLSALICYLIC ACID* MAGNESIUM (+1%) and INN HOSPHOLIPIDS (-8%) moved down to the last two ranks. The cumulative share of the top 10 didn't change and accounted for 8.6%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	XYLOMETAZOLINE	1.3	1.5
2	2	BISOPROLOL	1.0	1.0
3	3	IBUPROFEN	0.9	0.9
4	4	NIMESULIDE	0.9	0.9
5	5	PANCREATIN	0.8	0.8
6	7	KAGOCEL	0.8	0.8
7	26	DIOSMIN*HESPERIDIN	0.7	0.5
8	10	LOSARTAN* HYDROCHLOROTHIAZIDE	0.7	0.7
9	8	ACETYLSALICYLIC ACID* MAGNESIUM	0.7	0.7
10	6	PHOSPHOLIPIDS	0.7	0.8
Total			8.6	8.7

The top-ten ATC group ranking showed high stability. It didn't change in composition, and five of the top ten ATC groups retained their previous ranks (Table 4). These were its leading groups M01 Anti-inflammatory and antirheumatic products (+3%) and C09 Agents acting on the rennin-angiotensin system (+14%), and R01 Nasal preparations (+1%), A11 Vitamins (+11%) and N06 Psychoanaleptics (+9%) placed at ranks seven, eight and ten. The groups G03 Sex hormones (+10%) and J05 Antivirals for systemic use (+32%) showed high growth rates and rose in the ranks, moving up to numbers three and six, respectively. In contrast, the less dynamic N02 Analgesics (+2%), J01 Antibacterials for systemic use (+0.1%) and R05 Cough and cold preparations (-9%), which reduced their sales, moved down to ranks 4, 5 and 9 respectively. The cumulative share of the Top ten accounted for 35.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015			6 mon. 2016	6 mon. 2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	4.9
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.3	4.1
3	5	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.8	3.7
4	3	N02	ANALGESICS	3.6	3.8
5	4	J01	ANTIBACTERIALS FOR SYST USE	3.6	3.8
6	9	J05	ANTIVIRALS FOR SYSTEMIC USE	3.5	2.8
7	7	R01	NASAL PREPARATIONS	3.4	3.5
8	8	A11	VITAMINS	3.1	3.0
9	6	R05	COUGH AND COLD PREPARATIONS	3.1	3.6
10	10	N06	PSYCHOANALEPTICS	2.6	2.6
Total				35.8	35.9

Conclusion. At the end of the first half of 2016, the pharmacy market in the Siberian Federal District was estimated at RUB 46.642 bil. (USD 664.244 mil.) in final consumer prices. At the same time, the market performance was positive in rouble terms (+4%), whereas in dollar terms the national market reduced by 14%. In physical terms, the sales slightly increased (+0.1%) and reached 288.131 mil. packs. The average cost of a FPP pack (USD 2.31) reduced as compared to a year earlier (USD 2.70), but was lower than the national average FPP cost in Russia (USD 2.59). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 34.37 vs. USD 38.33)

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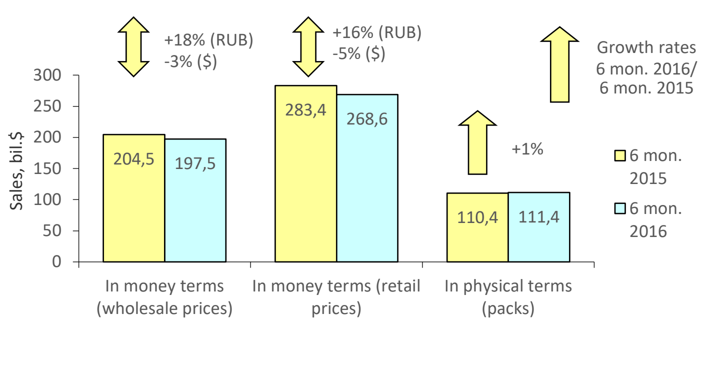
FFD PHARMACY MARKET: 2016 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Far Eastern Federal District (FEFD) was 6.195 mil., which accounted for 4.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first six months of 2016 the average salary in the FEFD region was RUB 44.568 (USD 634.24), which was 25% higher than the average wage in Russia (RUB 35,707). According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™ at the end of the first half of 2016 the sales of drugs in physical terms in the pharmacies of the FEFD saw a 1% increase to 111.400 mil. packs. In money terms, the drugs market increased by in rouble terms (+18%) and reduced in dollar terms (-3%), reaching RUB 13.878 bil. (USD 197.495 mil.) in wholesale prices (Fig. 1). The district's share reached 4.8% of the all-Russia sales in retail prices. The average cost of a pack reduced as compared to a year earlier and reached USD 2.41 (vs. USD 2.57). At the end of six months of 2016, the average amount spent by the residents of the FEFD for drugs in pharmacies amounted to USD 43.36.

Figure 1. The FEFD pharmacy market for 6 months of 2015 – 6 months of 2016



One newcomers broke into the ranks of the top ten manufacturers ranking on the FEFD market based on the results for the first six months of 2016 (Table 1). It was the Russian manufacturer OTCPHARM (+43%). In addition, the top 10 ranking leader changed: BAYER (+33%) moved up from rank four to one, displacing the former leaders SANOFI-AVENTIS (+18%), SERVIER (+14%) and GEDEON RICHTER (+7%) down one rank. NYCOMED/TAKEDA (+5%), GLAXOSMITHKLINE (+23%) and KRKA (+21%) held their previous ranks five, six and nine respectively. SANDOZ (+22%) and MENARINI (+10%) moved down to ranks eight and ten, displaced by the more dynamic manufacturers. The total share of the analysed top 10 manufacturers didn't virtually change and accounted for 32.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	4	**BAYER HEALTHCARE**	4.1	3.6
2	1	**SANOFI-AVENTIS**	4.0	4.0
3	2	**SERVIER**	3.8	3.9
4	3	GEDEON RICHTER	3.5	3.9
5	5	**NYCOMED/TAKEDA**	3.1	3.5
6	6	**GLAXOSMITHKLINE**	3.0	2.9
7	12	OTCPHARM	2.9	2.4
8	7	**SANDOZ**	2.9	2.8
9	9	**KRKA**	2.6	2.6
10	8	**MENARINI**	2.5	2.6
Total			32.3	32.2

*AIPM members are in bold

Antiviral drug INGAVIRIN, which sales in the analysed period increased 2.4 times, became the bestselling drug in the regional pharmacies (2.5-fold growth in sales) (Table 2). The brand names ESSENTIALE N (+14%), KAGOCEL (+23%) and CARDIOMAGNYL (+10%) held their previous ranks two through four in the ranking. The brand names MEXIDOL (+29%), DETRALEX (+62%) and ARBIDOL (+48%), which showed high growth rates, rose in the ranks. In addition, the last two became the new brand names of the top ten ranking. The drugs ACTOVEGIN (-20%), ALFLUTOP (-5%) and CONCOR (-3%) reduced their sales and moved down to rank six and the last two ranks, respectively. The total share of the top-ten increased by 0.3 p.p. and achieved 6.5%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	9	INGAVIRIN	0.9	0.5
2	2	ESSENTIALE N	0.8	0.8
3	3	KAGOCEL	0.8	0.7
4	4	CARDIOMAGNYL	0.7	0.7
5	8	MEXIDOL	0.6	0.6
6	1	ACTOVEGIN	0.6	0.9
7	14	DETRALEX	0.6	0.4
8	11	ARBIDOL	0.6	0.4
9	5	ALFLUTOP	0.5	0.6
10	6	CONCOR	0.5	0.6
Total			6.5	6.2

The top 10 INN and grouping names leader held its own in the ranking: INN XYLOMETAZOLINE (+15%) continued to take the lead in the ranking (Table 3). INNs PHOSPHOLIPIDS (+15%), PANCREATIN (+12%) and KAGOCEL (+23%) held their previous ranks six through eight respectively. The newcomers of the top ten IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (2.4-fold growth in sales), UMIFENOVIR (+67%), DIOSMIN* HESPERIDIN (+58%) and INTERFERON ALFA-2B (+54%) broke into the top ten, coming in at rank four and the last two ranks. IBUPROFEN (+11%) also moved up to the higher rank, displacing BISOPROLOL (+3%) down from that rank. The only INN showing negative growth rates NIMESULIDE (-2%) moved down to rank five. The cumulative share of the top10 increased from 8.8% to 9.1%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015		6 mon. 2016	6 mon. 2015
1	1	XYLOMETAZOLINE	1.6	1.6
2	3	IBUPROFEN	1.0	1.1
3	2	BISOPROLOL	1.0	1.1
4	35	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.9	0.5
5	4	NIMESULIDE	0.9	1.1
6	6	PHOSPHOLIPIDS	0.8	0.9
7	7	PANCREATIN	0.8	0.8
8	8	KAGOCEL	0.8	0.7
9	16	DIOSMIN*HESPERIDIN	0.8	0.6
10	20	INTERFERON ALFA-2B	0.7	0.5
Total			9.1	8.8

As in the previous ranks, the leader of the top ten ATC groups didn't change - M01 Anti-inflammatory and antirheumatic products (+8%) continued to take the lead in the ranking, despite lagging behind the growth rates and decrease in the market's share (Table 4). The most dynamic ATC group J05 Antivirals for systemic use (+58%) moved up to rank two from seven, displacing C09 Agents acting on the rennin-angiotensin system (+19%) down to rank three. The market of the groups R01 Nasal preparations (+20%), A11 Vitamins (+21%) and L03 Immunostimulants (+43%) developed at a fast pace which resulted in moving up to ranks four, seven and ten respectively, G03 Sex hormones (+22%) held their previous rank nine. The groups with similar growth rates are placed at ranks five and six: N02 Analgesics and J01 Antibacterials for systemic use saw a 10% increase in sales. At the same time, the former moved down to rank three from five, and the latter held its previous rank six. Due to reduction in sales the ATC Group R05 Cough and cold preparations (-2%) moved down to rank eight from four. The total share of the analysed top 10 ranking remained unchanged and accounted for 35.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2016	6 mon. 2015			6 mon. 2016	6 mon. 2015
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.6	5.0
2	7	J05	ANTIVIRALS FOR SYSTEMIC USE	4.1	3.0
3	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.0	4.0
4	5	R01	NASAL PREPARATIONS	3.7	3.7
5	3	N02	ANALGESICS	3.5	3.7
6	6	J01	ANTIBACTERIALS FOR SYST USE	3.4	3.6
7	8	A11	VITAMINS	3.1	3.0
8	4	R05	COUGH AND COLD PREPARATIONS	3.1	3.7
9	9	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.0	3.0
10	14	L03	IMMUNOSTIMULANTS	2.7	2.3
Total				35.3	35.2

Conclusion. On the basis of the results for six months of 2016, the retail market of the Far Eastern Federal District brought in RUB 18.883 bil. (USD 268.416 mil). It was 16% more in terms of roubles and 5% less in terms of dollars than in 2015. In physical terms, the market showed a slightly positive trend (+1%) as compared to Quarter 1, and brought in 111.4 mil. packs. The average cost of a pack in the FEFD pharmacies based on the results for the first half of 2016 was USD 2.41 (in a year-earlier period - USD 2.57), and it was lower than the national average (USD 2.59). The average medicine expenses of the district residents were higher than the national average expenses in Russia (43.36 USD vs. 38.33 USD).