СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

РЕМЕДИУМ
ГРУППА КОМПАНИЙ

AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

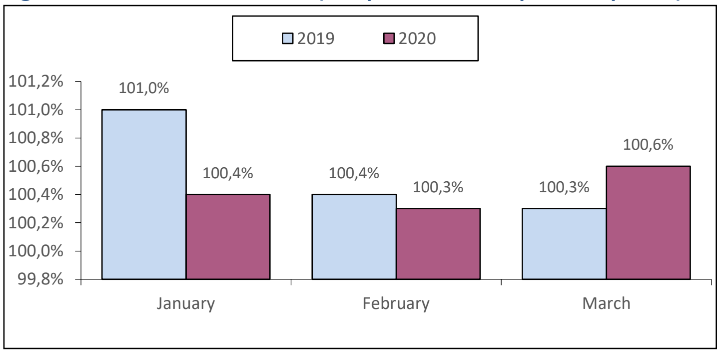
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 100.6% in March 2020 compared to the previous month and 101.3% compared to December of the previous year.

In March of 2020, 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 99.4%. The index accounted for 99.2% against December of 2019.

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



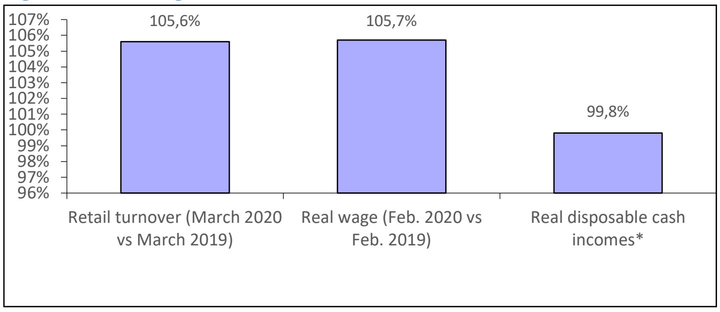
Living standard

In February of 2020, a gross monthly average wage of corporate employees reached RUB 47,257 (USD 739.78), and increased by 108.1% compared to February 2019, and 100.8% compared to the previous period. In February 2020, the real gross wage accounted for 105.7% as compared to February 2019, and 100.5% against the prior period. According to estimates[1], real disposable cash incomes decreased by 0.2% in Q 1, 2020 compared to Q 1, 2019. (Fig. 2).

Retail turnover

In March 2020, the retail turnover was equal to RUB 2914.9 bil. or 105.6% (in comparable prices) against the level of the same period of the previous year, and RUB 8178.7 bil. or 104.3% in Q 1, 2020. (Fig. 2).

Figure 2. Real wage and retail turnover



* Quarter I 2020 vs Quarter I 2019

Industrial Production

According to Federal State Statistics Service's data, Industrial Production Index accounted for 100.3% in March 2020 compared to the same period in the previous year, and 101.5% in January-March 2020.

According to Federal State Statistics Service's data, Industrial Production Index for drugs and medical products in March 2020 accounted for 114.6% compared to the same period in 2019, and 111.8% in January-March vs. January-March 2019.

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 March 2020.

Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales volume in March 2020

Rank	Manufacturer	RUB mil.
1	Otcpharm	4089.2
2	Biocad	3213.4
3	Generium	3026.0
4	Valenta	2146.2
5	Pharmasyntez	1989.3
6	Pharmstandart	1879.3
7	Stada	1361.0
8	Akrihin	1134.1
9	Materia Medica	1109.4
10	Infamed	1090.0

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. Sales (in terms of roubles) virtually increased in all regions in February 2020 compared to the previous month. The highest performance was observed in Tatarstan (+60%), the lowest one in Krasnodar Krai (+10%). And only Krasnoyarsk Krai showed reduction in sales (-3%).

Table 2. Pharmacy sales in the regions, 2019-2020

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	December 2019	January 2010	February 2020	December/ November 19	January20/ December 19	February/January 20
Moscow	228.5	159.3	195.8	22%	-32%	27%
St. Petersburg	73.0	63.6	76.8	19%	-15%	25%
Krasnodar Krai	40.2	39.0	41.5	20%	-5%	10%
Krasnoyarsk Krai	33.1	29.5	27.6	20%	-13%	-3%
Tatarstan	18.8	16.5	26.8	10%	-14%	68%
Rostov Region	24.3	23.2	27.3	20%	-6%	22%
Novosibirsk Region	18.6	18.9	24.1	6%	-0.1%	32%
Voronezh Region	14.1	11.6	16.8	18%	-19%	50%
Perm	5.7	5.8	8.6	-4%	-1%	54%
Tyumen	6.5	6.0	9.3	26%	-9%	60%

Advertising

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

Table 3. Top five advertisers in mass media in March 2020

Rank	Company*	Quantity of broadcasts
1	Berlin-Chemie/Menarini	10,920
2	Sandoz	10,708
3	Sanofi	9,791
4	Otcpharm	9,558
5	Johnson & Johnson	8,630

Source - Remedium according to Mediascope's data

Table 4. Top five brand names in mass media in March 2020

Rank	Brand*	Quantity of broadcasts
1	Melaxen	4,668
2	Evalar	4,589
3	Lasolvan	4,203
4	Strepsils	3,460
5	Broncho-munal	3,285

Source - Remedium according to Mediascope's data

* Only products registered with the national medicine register were considered

[1] Data are published once a quarter due to switching of Federal State Statistics Service to the updated methodology for calculating real disposable cash incomes of the population

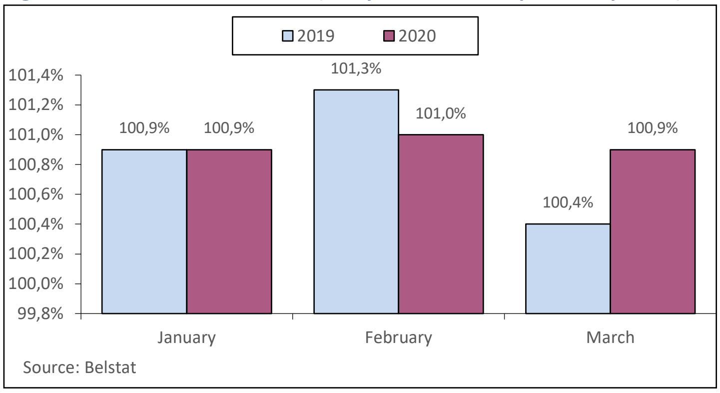
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of Belarus, the Consumer Price Index was estimated at 100.9% in March 2020, 102.7% compared to December 2019. The Consumer Price Index was 104.6% at the end of Quarter I, 2020 as compared to January-March of 2019.

In January 2020, Industrial Producer Price Index was 100.9% compared to February 2020, and 102.3% compared to February 2020. The Industrial Producer Price Index was 104.4% in Quarter 2020, 2020, as compared to January-March 2019.

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



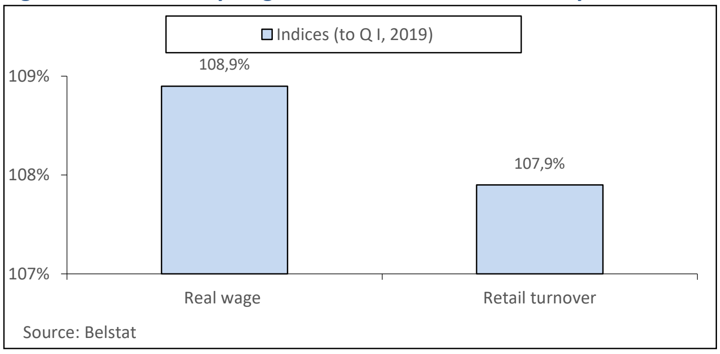
Living standard

According to the preliminary Balstat's data, the average monthly nominal accrued wage of the workers in the Republic of Belarus was BYR 1213.6 (USD 504.20[2]) in March 2020, - BYR 1155.4 (USD 515.96) in Quarter I, 2020, which accounted for 114.2% and 113.9% against the same periods in 2019. In March 2020, the real wage accounted for 108,9% as compared to the same period in 2019, and 108.9% in January-March 2020 (Fig. 2). According to Balstat's data, the real disposable cash incomes accounted for 107.1% in January-February 2020 as against January-February 2019.

Retail turnover

In March 2020, the retail turnover was estimated at BYR 4,661.5 mil., which accounted for 118.5% as compared to the previous month and 110.5% as compared to March 2019. Based on the results for Quarter I, 2020, it amounted to RUB 12.5 bil. or 107.9% in comparable prices as compared to Quarter I, 2019 level and 93.7% as compared to the previous period (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-March 2020



Industrial Production

According to the Statistical Committee of the Republic of Belarus, 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 9,444.3 mil. in current prices in March 2020, BYR 26.7 bil. in Quarter I, 2020, or 97.3% at comparable prices against Quarter I, 2019 level.

According to Belstat's data, in the first quarter of 2020 pharmaceutical production output of essential pharmaceutical products and pharmaceutical preparations was estimated at BYR 348.5 mil., which accounted for 105.2% against the indicators of the first quarter, 2019 at comparable prices.

[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.

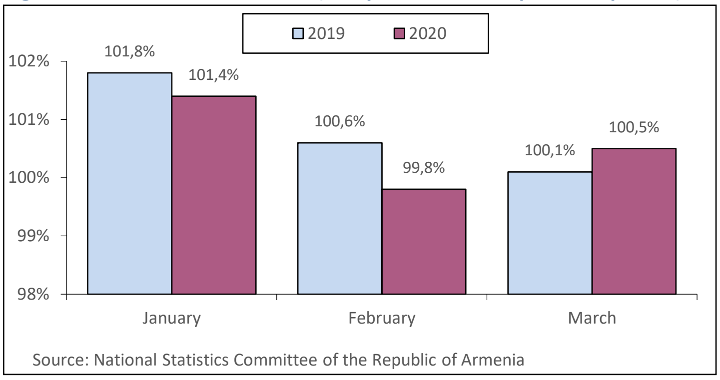
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to the National Statistics Committee of the Republic of Armenia, in March 2020 the consumer price index amounted to 100.5% as compared to the previous month and 101.7% compared to December of 2019. The Consumer Price Index accounted for 99.9% in January-March 2020 compared to the same period in 2019.

The Industrial Producer Price Index was 99.6% in March 2020, as compared to the previous month, and 98.9% compared to December of 2019. In the first quarter of 2020, the Index reached 99.9% as compared 2019.

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



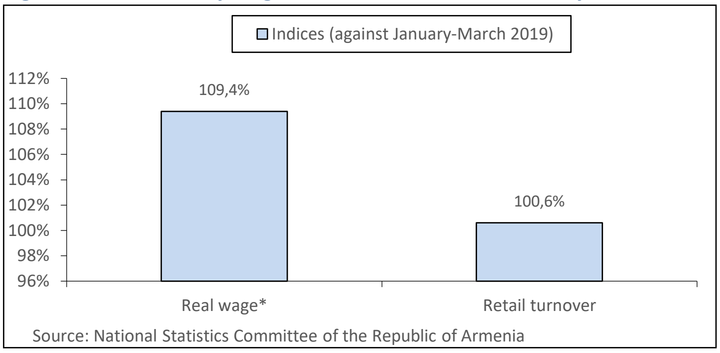
Living standard

According to the preliminary data of the Statistics Committee of RA, in March 2020 the average monthly nominal wage of the workers of the Republic of Armenia was Dram 192450 (USD 393.55), which accounted for 102.9% compared to the previous period and 108.6% compared to the same period of 2019. In January-March 2020, the average monthly nominal wage per worker was Dram 190,136 (USD 394.21) or 109.2% against the same period 2019. The real wage (according to Eurasian Economic Commission) accounted for 109.4% in January-March 2020 as compared to January-March 2019 (Fig. 2).

Retail turnover

The retail turnover 2020г to Dram 104902.4 mil. in March 2020, and Dram 315858.0 mil. In January- March 2020, which accounted for 90.1% and 100.6% respectively, as compared to the same period of the previous year (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-March 2020



*- December 2019 vs. December 2018

Industrial Production

According to the preliminary data of Statistics Committee of the Republic of Armenia, in March 2020 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 150829.2 mil., and AMD 450400.6 mil. in January- March 2019 or 98.1% and 108.7% against the same periods in 2019, respectively.

According to Statistics Committee of the Republic of Armenia, the pharmaceutical output was estimated at AMD 912.0 mil. in March 2020, and AMD 2439.1 mil. from the beginning of the year, which accounted for 117.6% and 120.8% as compared to the same periods of 2019.

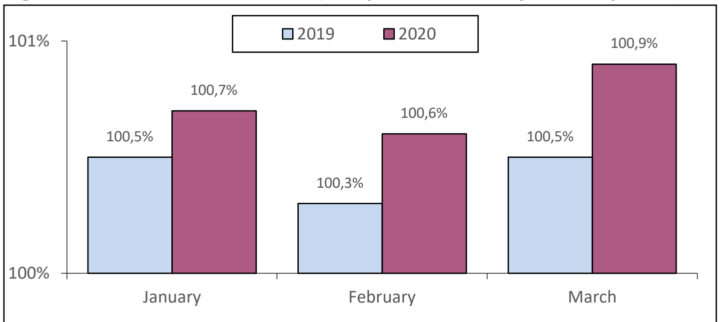
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in March 2020 the Consumer Price Index was estimated at 100.9% compared to the previous month, as against to March 2019 106.4% compared to December of 2019. In January-March 2020, the Index reached 106% as compared to 2019.

The Industrial Producer Price Index was 98.3 % in March 2020г, as compared to the previous month, 98.3% compared to March of 2019. In January-March 2020, the prices of manufacturers of industrial products increased by 1.7% as compared to 2019.

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



Source: Statistics Committee of RK

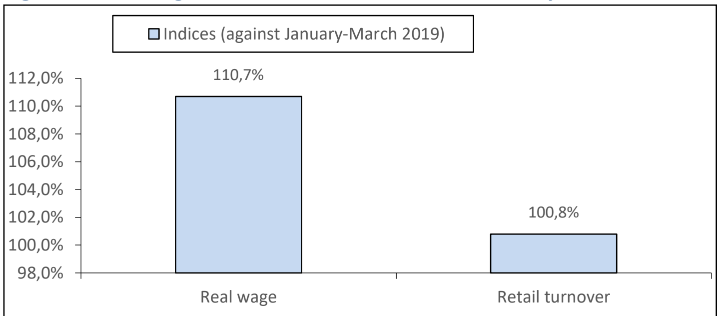
Living standard

According to the preliminary data of the Statistics Committee of RK, the gross monthly average nominal wage per worker reached KZT 196716 (USD 477.18[3]), KZT 197622 (USD 507.30) in January-March of 2020. The Nominal Wage Index against the respective period of the previous year accounted for 113.0% in March 2020, – 117.3% in January-March 2020, and the real wage index was 106.2% in March 2020 as compared to March 2019. According to the preliminary data, in January-February 2020 the real cash income index was 106.6% compared to the same period of 2019 (Fig. 2).

Retail turnover

The retail turnover in March 2020 was KZT 840,746 bil., which is 95.5% against March 2019. In January-March 2020, its volume amounted to KZT 2378.4 bil., which was 0.8% more than in January-March 2019 (in comparable prices) (Fig. 2).

Figure 2. Real wage index and retail turnover in January-March 2020



Source: Statistics Committee of RK

Industrial Production

According to Committee for Statistics of RK, the industrial output was KZT 2,231.3 bil. in March 2020, and KZT 6874.9 bil. in January-March 2020. As compared to the same period of 2019, the indices accounted for 105.9% and 105.8%, respectively.

According to the Statistics Committee of RK, the industrial output of basic pharmaceutical products amounted to KZT 31556 mil. in January-March 2020, and KZT 11913 mil. in March 2020. In January-March 2020, the Volume of Industrial Production for Pharmaceuticals Index was 132.2% against January-March 2019 and 146.1% in March 2020 as compared to the same period of 2019.

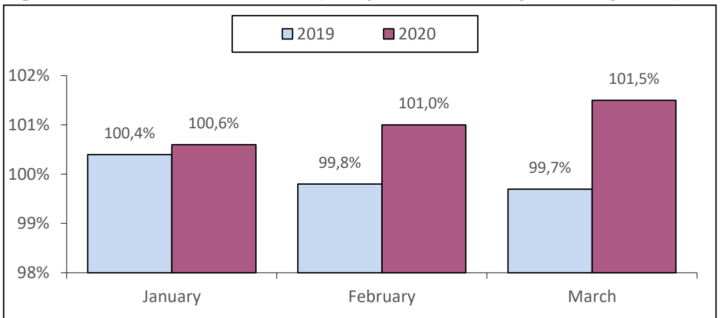
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to the National Statistics Committee of the Kyrgyz Republic, the Consumer Price Index was estimated at 101.5% in March 2020 compared to the previous month, and 102.7% compared to December of 2019. In January-March 2020, the index accounted for 104.4% compared to January-March 2019.

In March 2020, the Producer Price Index for industrial production and services was 108.5% as compared to the previous month. Throughout the Republic, in January-March 2020 the prices of producers for industrial products and services increased by 10.3% compared to January-March 2019.

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



Source: Statistics Committee of RK

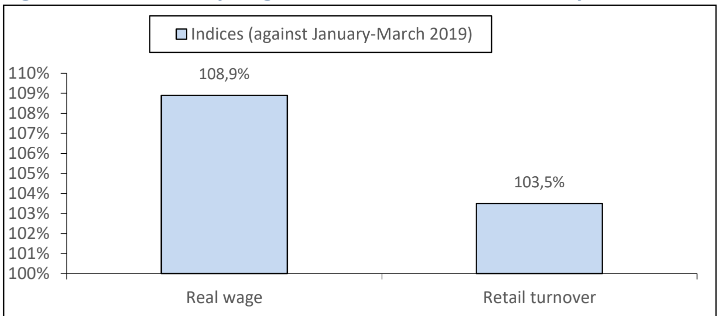
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in March 2020 the average monthly nominal wage per worker was KGS 18946 (USD 253.89), in January-March 2020 - KGS 17765 (USD 248.9), which accounted for 115.4% and 113.7% compared to the relevant period of the previous year, respectively. Real wages amounted to 108.9% in January-March 2020 as compared to January-March 2019, and 109% in March 2020 against March 2019 (Fig. 2).

Retail turnover

In March 2020, the retail turnover (without cars and motorcycles sales) amounted to KGS 18808.8 mil, and KGS 50410.8 mil. in January-March 2020. The Retail Turnover Volume Index accounted for 104.7% and 103.5% compared to the same period of the previous year (Fig.2).

Figure 2. Real monthly wage and retail turnover in January-March 2020



Source: Statistics Committee of RK

Industrial Production

According to data of the National Committee for Statistics of the Kyrgyz Republic, in March 2020 the industrial output was KGS 28542.7 mil., and KGS 74935.0 mil. in January-March 2020. The Physical Index of Industrial Production accounted for 84.7% and 100.6% as compared to the same periods of 2019, respectively.

According to the National Committee for Statistics of the Kyrgyz Republic, the pharmaceutical output amounted to KGS 1.723 mil. in March 2020, and KGS 30.32 mil. from the start of the year. At the end of March 2020, the Physical Index of Industrial Production for Pharmaceuticals was 26.3% compared to the same period of 2019, and 88.4% in January-March 2020 compared to 2019.

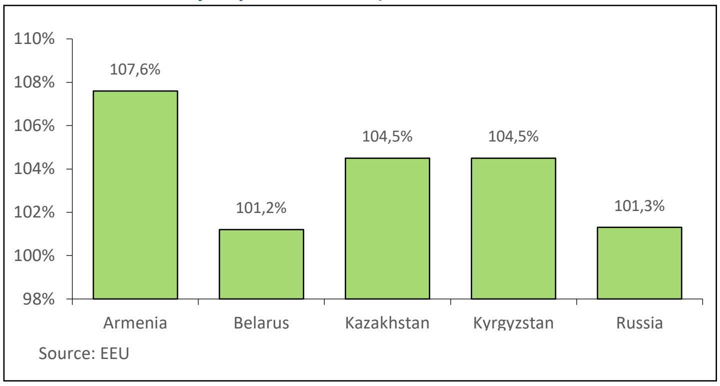
[3] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Kazakhstan www.nationalbank.kz

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to Eurasian Economic Commission (EAEC), at the end of January-December of 2019 GDP of EAEU member-states amounted to USD 1964.8 bil. and increased by 1.6% as compared to January-December 2018 at fixed prices. GDP growth was recorded in all countries, the highest one in Armenia (+7.6%), in Kazakhstan and Kyrgyzstan by 4.5% in each of them. In Belarus (+1.2%) and Russia (+1.3%), GDP increased by a little bit more than 1 pp. (Fig. 1).

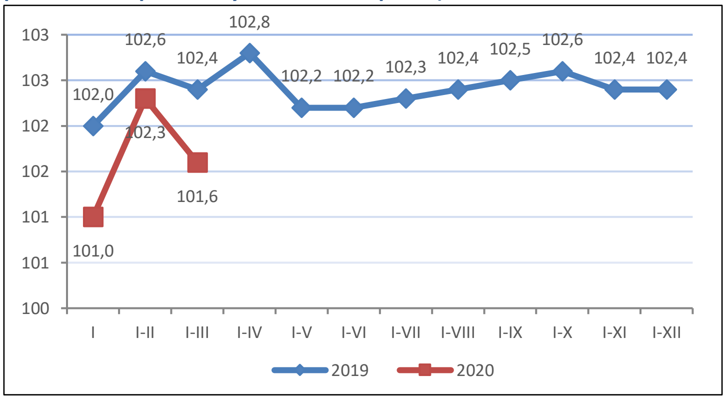
Figure 1. GDP growth rates in the EAEU member-states (January-September 2019 vs. January-September 2018)



Industrial Production

The industrial output of the EAEU in January – March 2020 amounted to 274.4 bil. USD and increased by 1.6% compared to the same period of 2019 at fixed prices (Fig. 2). In individual countries, the Industrial Production Index accounted for: 108.7% in Armenia, 97.3% in Belarus, 105.8% in Kazakhstan, 100.6% in Kyrgyzstan and 101.5% in Russia.

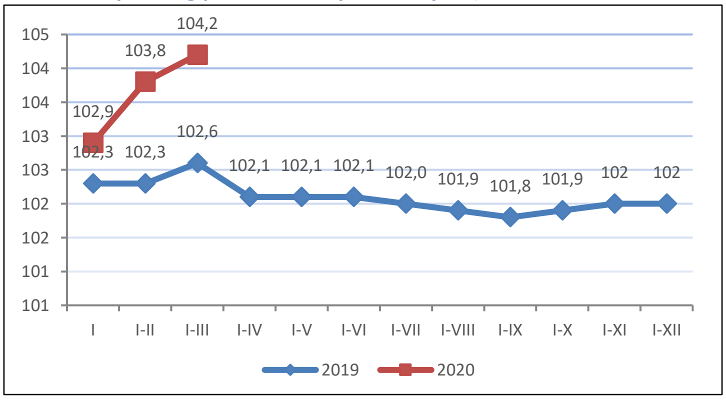
Figure 2. Dynamics of the industrial output in EAEU (as % over the same period of the previous year; constant prices)



Retail turnover

According to the EEC, the retail turnover (through all sales channels) of EEU member-states in January-March 2020 amounted to USD 136.9 bil. Compared with the same period of 2019, the volume of retail sales (in comparative prices) increased by 4.2%. In the analysed period, all member-states showed growth in the retail turnover. In this case, the indices accounted for 100.6% in Armenia, 107.9% in Belarus, 100.8% in Kazakhstan 102.4% Kyrgyzstan and 104.3% 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 the Economic Commission for Europe (ECE), the gross monthly average nominal wage per worker increased by 9.2% in Armenia, 13.9% in Belarus, 18.9% in Kazakhstan, 13.7% in Kyrgyzstan, 8.8% in Russia in January- March 2020. The real wage (adjusted for the consumer price index for goods and services) increased by 9.4% in Armenia, 7.8% in Belarus, 8.9% in Belarus and Kyrgyzstan, 12.2% in Kazakhstan, 6.2% in Russia.

Table 1. Nominal and real wage in January-March 2020

Country	Real wage, % vs the same period of 2019	Nominal wage, USD
Armenia	109.4	394
Belarus	108.9	508
Kazakhstan	112.2	514
Kyrgyzstan	108.9	249
Russia	106.2	732

Budget performance

According to the ECE, in January-December 2019 the republican budget was executed with a deficit in Armenia, and with a surplus in Kazakhstan and Kyrgyzstan, and in Belarus and Russia At the same time, the deficit in Kazakhstan increased by 1.8 times, while in Armenia and Kyrgyzstan it reduced. Belarus and Russia experienced a decrease in the budget surplus compared to the previous period.

Compared to the previous year, the growth rates of the republican budget indicators had multidirectional dynamics. The growth rates of the republican budgets were as follows: revenues - 116% in Armenia, 100% in Belarus, 120% in Kazakhstan, 109% Kyrgyzstan and 104% Russia; expenditures - 112% in Armenia, 107% in Belarus, 125% in Kazakhstan, 105% in Kyrgyzstan, 109% in Russia.

Table 2. Republican budget in January-September 2019

Country	USD bil.		
	Income	Expenditure	Deficit (surplus)
Armenia	3.2	3.4	-0.1
Belarus	11.6	10.1	1.5
Kazakhstan	28.0	31.4	-3.4
Kyrgyzstan	2.1	2.1	0
Russia	312.1	282.0	30.1
EAEU	**357.0**	**329.0**	**28.1**

Mutual trade of EAEU member-states in January– February 2020

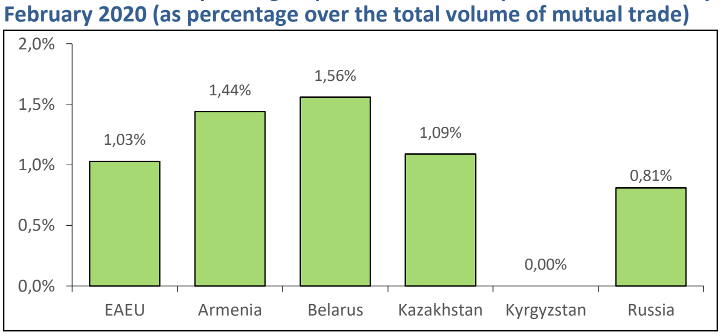
Volume of mutual trade in goods of the Member States of the Eurasian Economic Union in January-February 2020 amounted to USD 8.2 bil. or 96.4% as against the same period of 2019.

Table 3. Export volumes of the EAEU member-states in the mutual trade in January-February 2020

Countries	USD bil.	% vs January-February 2019	Share in total, %
EAEU	**8189.5**	**96.4**	**100.0**
Armenia	90.2	105.5	1.1
Russia	86.9	104.7	96.3
Belarus	2166.9	105.9	26.5
Russia	2043.6	106.4	94.3
Kazakhstan	818.3	93.6	10.0
Russia	718.7	91.7	87.8
Kyrgyzstan	110.0	113.8	1.3
Russia	66.3	147.1	60.3

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

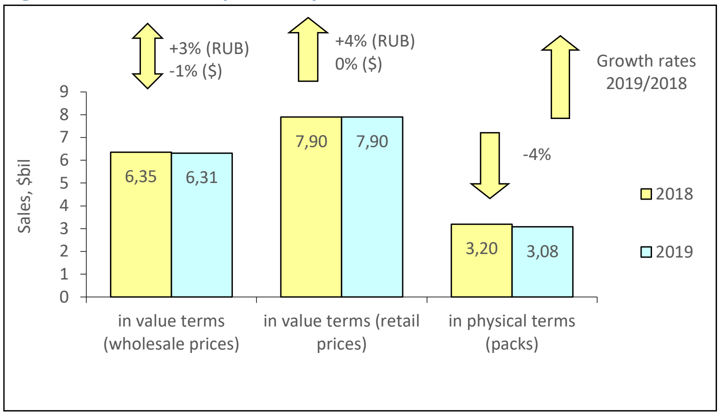
Table 4. The mutual trade pattern of EAEU member-states within the Customs Commodity Code group "Pharmaceutical products" for January-February 2020 (as percentage over the total volume of mutual trade)



PHARMACY OTC MARKET IN RUSSIA: 2019 RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of 2019 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 4% decrease to 3,076 bil. packs. In money terms, the OTC drugs market increased by 3% in rouble terms and reduced by 1% in dollar terms and reached RUB 408.361 bil. (USD 6.310 bil.) in wholesale prices (Fig. 1). The share of Over-the-Counter (OTC) drugs accounted for 72.3% of sales in physical terms and 53.5% in retail prices in terms of roubles. At year-end 2019, the average cost of an OTC pack was USD 2.57, whereas in year-earlier period its cost was USD 2.47 in retail prices. Overall, at year-end 2019, Russians spent an average of USD 53.82 on the purchase of OTC drugs in the pharmacies.

Figure 1. Russian OTC pharmacy market in 2018 – 2019



At year-end 2019. OTCPHARM (+ 1%[4]) and BAYER (+2%) held their previous leading positions in the top-10 manufacturers ranking in the non-prescription drugs market despite lagging growth (Table 1). GLAXOSMITHKLINE (+ 8%) moved up to rank three from four, displacing SANOFI (+ 0.5%) one rank down. The most dynamic among the top manufacturers SERVIER (+ 9%) broke into the top ten manufacturers ranking for the first time, improving its rank by one point, and moving up to rank ten. STADA (+5%), JOHNSON&JOHNSON (+2%), TEVA (+5%), SANDOZ (+4%) and BERLIN-CHEMIE/MENARINI (+2%) held their own ranks five through nine in the rating. The total share of the top 10 drug manufacturers accounted for 38.8%, while it was 38.6% in the year-earlier period.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
2019	2018		2019	2018
1	1	OTCPHARM	6.3	6.5
2	2	**BAYER**	4.6	4.6
3	4	**GLAXOSMITHKLINE**	4.1	3.9
4	3	**SANOFI**	4.0	4.1
5	5	STADA	3.7	3.7
6	6	**JOHNSON & JOHNSON**	3.6	3.7
7	7	**TEVA**	3.5	3.5
8	8	**SANDOZ**	3.5	3.5
9	9	**BERLIN-CHEMIE/MENARINI**	2.8	2.9
10	11	**SERVIER**	2.5	2.4
Total			38.8	38.6

*AIPM members are in bold

The leader of the top 10 brand names ranking was changed: NUROFEN (+12%) moved up to rank one, displacing DETRALEX (+7%) from that rank to rank two (Table 2). Despite the decrease in sales by 2%, CARDIOMAGNYL moved up to rank three from four, while KAGOCEL (-5%), which had been placed at that number earlier, moved down to rank four due to more pronounced downward trends. INGAVIRIN (-11%) and ESSENTIALE (-5%) also showed decrease in sales and ranks, moving down to ranks eight and ten. At the same time, MIRAMISTIN (+ 4%), PENTALGIN (+ 7%) and THERAFLU (+ 9%), as well as the newcomer CANEPHRON (+ 12%), moved up to ranks six through eight and nine. The total share of the top 10 brands did not change and remained the same - 11.4%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
2019	2018		2019	2018
1	2	NUROFEN	1.5	1.4
2	1	DETRALEX	1.5	1.4
3	4	CARDIOMAGNYL	1.2	1.2
4	3	KAGOCEL	1.1	1.2
5	6	MIRAMISTIN	1.1	1.1
6	7	PENTALGIN	1.1	1.1
7	8	THERAFLU	1.1	1.0
8	5	INGAVIRIN	1.0	1.2
9	11	CANEPHRON	0.9	0.8
10	9	ESSENTIALE	0.9	0.9
Total			11.4	11.4

Despite the change of leader mentioned in the rating above, XYLOMETAZOLINE (+4%) held its previous rank number one in the top ten INN and group ranking (Table 3). PANCREATIN (+10%), ACETYLSALICYLIC ACID* MAGNESIUM (+2%) and KAGOCEL (-5%) held their previous ranks four through six, respectively. Four ATC groups of the remaining top 10 INNs and group names rose in the ranks. DIOSMIN*HESPERIDIN (+9%) and MIRAMISTIN (+4%) moved one rank up, and INN DEXPANTHENOL (+7%) moved up to rank seven from 10, and the only newcomer DICLOFENAC (+23%) moved up to rank nine. At the same time, IBUPROFEN (+5%) moved one rank down, coming in at number three, and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-11%) reduced its sales and moved down to rank ten of the top ten ranking. The total share of the top ten increased by 0.3 p.p. and accounted for 16.5%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
2019	2018		2019	2018
1	1	XYLOMETAZOLINE	3.3	3.2
2	3	DIOSMIN*HESPERIDIN	2.3	2.1
3	2	IBUPROFEN	2.2	2.2
4	4	PANCREATIN	2.1	1.9
5	5	ACETYLSALICYLIC ACID* MAGNESIUM	1.2	1.3
6	6	KAGOCEL	1.1	1.2
7	10	DEXPANTHENOL	1.1	1.1
8	9	MIRAMISTIN	1.1	1.1
9	14	DICLOFENAC	1.1	0.9
10	7	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.0	1.2
Total			16.5	16.2

The top 10 ATC groups ranking did not change in composition (table 4). R01 Nasal preparations (+ 4%) held its previous rank number one. The shifts took place in the lower part of the top ten. The more dynamic C05 Vasoprotectors (+ 6%), R05 Cough and cold preparations (+ 5%) and M01 Anti-inflammatory and anti-rheumatic drugs (+ 7%) moved up to ranks two, four and seven. At the same time, they displaced N02 Analgesics (+ 4%), A07 Antidiarrheals (+ 0.2%), A11 Vitamins (-7%) and L03 Immunostimulants (-6%) one rank down. J05 Antivirals for systemic use (-6%) and R02 Throat preparations (+ 5%) held their previous ranks six and ten. In total, the top - ten ATC groups accumulated 46.8% of the retail market, whereas in the year– earlier period they accounted for 47.4%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2019	2018			2019	2018
1	1	R01	NASAL PREPARATIONS	5.9	5.9
2	3	C05	VASOPROTECTIVES	5.8	5.6
3	2	N02	ANALGESICS	5.7	5.6
4	5	R05	COUGH AND COLD PREPARATIONS	5.5	5.4
5	4	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	5.3	5.4
6	6	J05	ANTIVIRALS FOR SYSTEMIC USE	4.0	4.4
7	9	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.9	3.7
8	7	A11	VITAMINS	3.6	4.1
9	8	L03	IMMUNOSTIMULANTS	3.5	3.9
10	10	R02	THROAT PREPARATIONS	3.5	3.4
Total				46.8	47.4

Conclusion. At year-end 2019, the OTC retail pharmacy market of Russia brought in RUB 511.237 bil. (USD 7,900 bil.). At the same time, the dynamics in roble terms was positive (+ 4%), and in dollars terms - zero. In pack terms, the market also showed negative growth rates (-4%) and achieved 3.076 bil. packs. The average cost of OTC-pack in the pharmacies of Russia was USD 2.57 based on the results for 2019, which was more than the 2017 figure (USD 2.57). However, the average expenses of Russian residents for the purchase of OTC drugs in pharmacies in the period under review did not virtually change (USD 53.82 vs. USD 53.80).

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

PRICE ANALYSIS, QUARTER 1, 2020. KEY INDICATORS

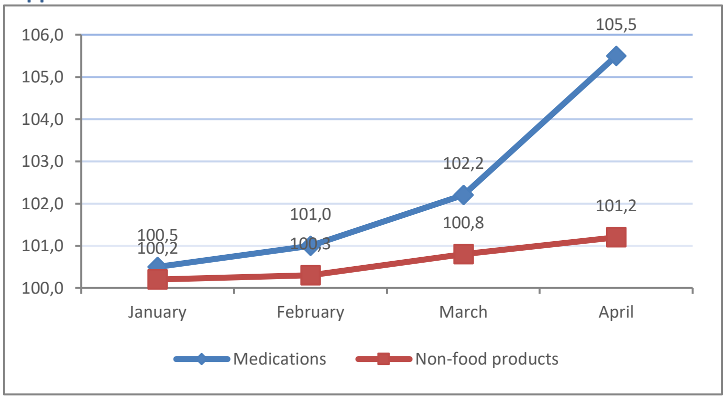
Price Indices

Table 1. Inflation rates in the Russian Federation, April 2020

	April 2020 vs. December 2019	January-April 2020 vs. January-April 2019
CPI	102.1	102.6
CPI for non-food products	101.2	102.5
CPI for medications	105.5	107.4

Rosstat data

Figure 1. Dynamics of the price index for non-food items and medication supplies vs. December 2019



Rosstat data

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

Figure 2. Movement of weighted average prices and retail margins in Q 1, 2019 – Q 1, 2020

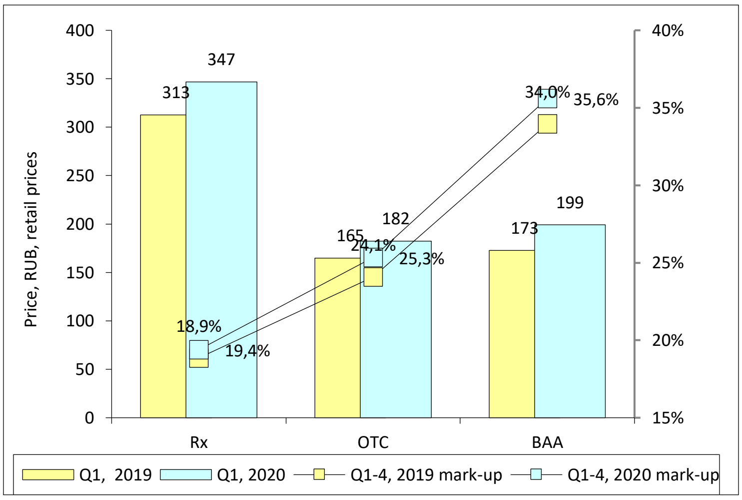


Figure 3. Movement of weighted average prices and retail margins in Q 1, 2019 – Q 1, 2020

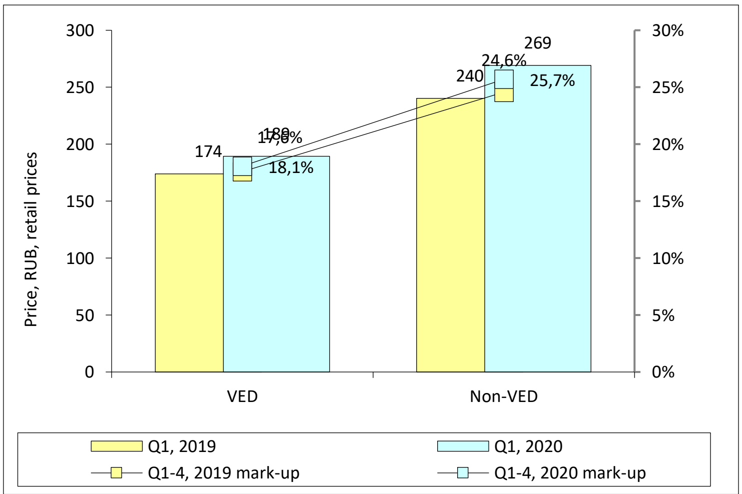
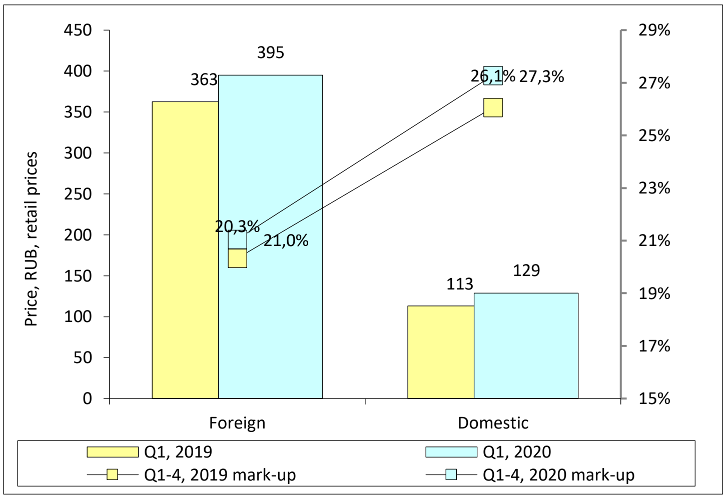


Figure 4. Movement of weighted average prices and retail margins in Q 1, 2019 – Q 1, 2020



Indicators of price movement in the reimbursable market segment

Figure 5. Movement of weighted average purchase prices in Q1, 2019 – Q 1, 2020

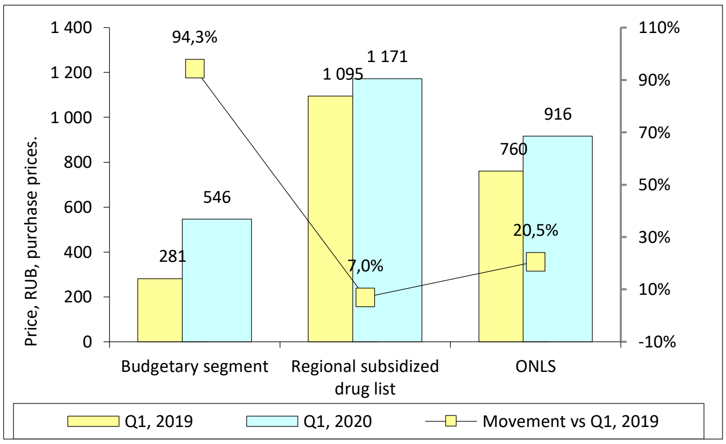


Figure 6. Movement of weighted average purchase prices for domestic drugs in 1Q, 2019 – Q 1, 2020

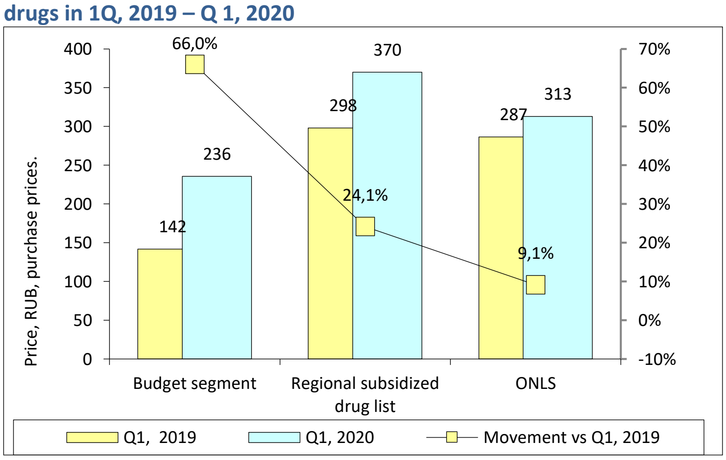
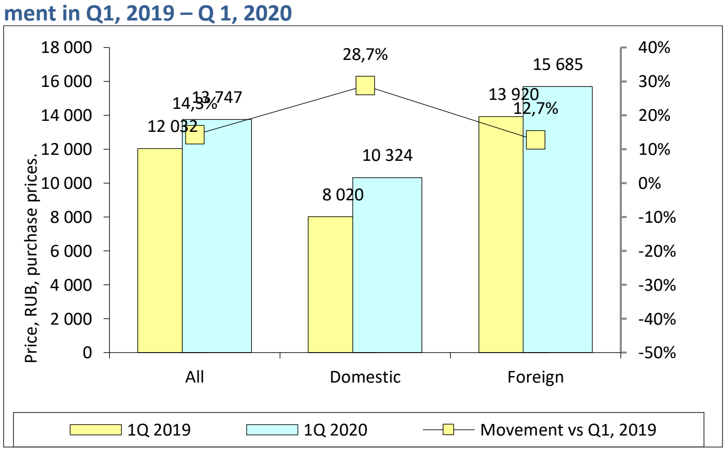


Figure 7 Movement of weighted average purchase prices in the VZN segment in Q1, 2019 – Q 1, 2020

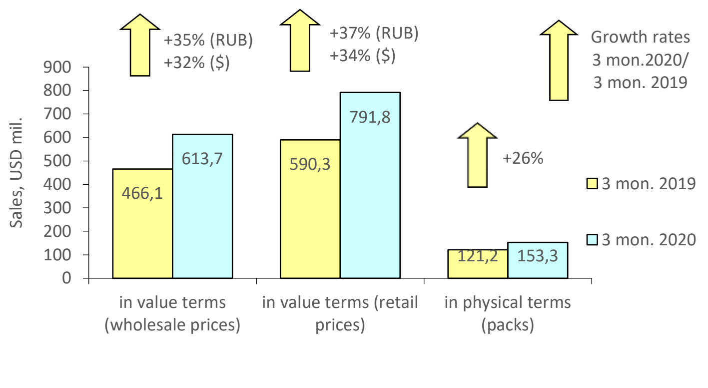


MOSCOW CITY PHARMACY MARKET: FIRST THREE MONTHS RESULTS 2020

According to Federal State Statistics Service, as of January 1, 2020 Moscow's estimated population amounted to 12.678 mil., which accounted for 8.6% of the total Russian Federation population and 32.2% of Central FO (CFO).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at QI-end 2020 the sales of OTC drugs in physical terms in the pharmacies of Moscow saw a 26% increase to 153.262 mil. packs. In value terms, the market also showed high positive growth rates both in terms of roubles (+35%) and in terms of dollars (+32%) and reached RUB 41.417 bil. (USD 613.727 mil.) at wholesale prices (Fig. 1). The region market share accounted for 16.7% of the Russian pharmacy retail sales. An average retail cost of a pack increased as compared to the previous year: USD 5.17 vs. USD 4.87. At the end of first three months of 2020, the average amount spent by the Muscovites for OTC drugs in pharmacies amounted to USD 62.45.

Figure 1. Moscow pharmacy market for 3 months of 2019 – 3 months 2020



According to the results for the first quarter, SANOFI (+ 41%) became the leader in the top ten manufacturers rating in the Moscow retail market, displacing the less dynamic BAYER (+ 6%) from that rank (Table 1). Due to outperformance rates, SANDOZ (+ 61%) and GLAXOSMITHKLINE (+ 47%) moved up to ranks three and four from seven and six, respectively. Only newcomer OTCPHARM (2.1-fold growth in sales) rose in the ranks in the lower part of the top 10 ranking, Due to lagging growth, the manufacturers ABBOTT (+ 25%), TEVA (+ 17%) and BERLIN-CHEMIE/MENARINI (+ 29%) fell in the ranks, moving down to ranks six, seven and nine. The manufacturers SERVIER (+ 38%) and JOHNSON & JOHNSON (+ 30%) retained their previous ranks five and ten. In total, top ten manufacturers accumulated 35.2% of the market, whereas in the year-earlier period they accounted for 35.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	2	**SANOFI**	4.8	4.5
2	1	**BAYER**	4.8	6.0
3	7	**SANDOZ**	3.7	3.0
4	6	**GLAXOSMITHKLINE**	3.6	3.3
5	5	**SERVIER**	3.6	3.5
6	4	**ABBOTT**	3.3	3.6
7	3	**TEVA**	3.2	3.6
8	13	OTCPHARM	3.1	2.0
9	8	**BERLIN-CHEMIE/MENARINI**	2.8	2.9
10	10	**JOHNSON & JOHNSON**	2.4	2.5
Total			35.2	35.1

*AIPM members are in bold

MIRAMISTIN that increased its sales by 2.3 times moved up to rank one in the top ten rating (Tab. 2). At the same time, it displaced XARELTO (-18%), DETRALEX (+37%) and NUROFEN (+34%) down one rank. Apart from the leader, the other four brands from the top ten moved up to yet higher ranks. CIALIS (+36%) moved up to rank five from seven, and the newcomer ARBIDOL (5.8-growth in sales), THERAFLU (+65%) and CRESTOR (+58%) moved up to ranks six, seven and nine, respectively. The less dynamic INGAVIRIN (+16%) and CONCOR (+20%) lost one rank each and moved down to ranks eight and ten. In total, the top-ten brands accumulated 8.1% of pharmacy sales, in the year-earlier period they accounted for 7.6%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	4	MIRAMISTIN	1.4	0.8
2	1	XARELTO	1.1	1.8
3	2	DETRALEX	0.9	0.9
4	3	NUROFEN	0.8	0.8
5	7	CIALIS	0.7	0.7
6	50	ARBIDOL	0.7	0.2
7	16	THERAFLU	0.6	0.5
8	6	INGAVIRIN	0.6	0.7
9	15	CRESTOR	0.6	0.5
10	8	CONCOR	0.6	0.7
Total			8.1	7.6

Due to outperformance rates, XYLOMETAZOLINE (+40%), MIRAMISTIN (2.3-fold growth), HYALURONIC ACID (+52%) and ROSUVASTATIN (+46%) moved up to the top four ranks of the top ten rating from the lower ones (Table 3). Markets of the newcomers of the top ten rating NIMESULIDE (+ 48%) and TADALAFIL (+ 38%), moving up to two bottom ranks of the top ten, developed at a fast pace. The composition DIOSMIN*HESPERIDIN (+ 31%), as well as INN PANCREATIN (+ 23%) and IBUPROFEN (+ 20%) fell in the ranks due to lagging dynamics, coming in at numbers five, seven and eight. Due to 18% reduction in sales, RIVAROXABAN moved down from rank one to six. The cumulative share of the top 10 did not virtually change and accounted for 11.2%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	2	XYLOMETAZOLINE	1.7	1.7
2	8	MIRAMISTIN	1.4	0.8
3	6	HYALURONIC ACID	1.2	1.0
4	7	ROSUVASTATIN	1.1	1.0
5	3	DIOSMIN*HESPERIDIN	1.1	1.1
6	1	RIVAROXABAN	1.1	1.8
7	4	PANCREATIN	1.0	1.1
8	5	IBUPROFEN	0.9	1.1
9	11	NIMESULIDE	0.9	0.8
10	12	TADALAFIL	0.8	0.7
Total			11.2	11.1

C09 Agents acting on the rennin-angiotensin system (+48%), which held and reinforced its previous rank number one, continued to remain the most in-demand group on the market (Table 4). The most dynamic among leading groups J05 Antivirals for systemic use (+ 65%) moved up to rank two from five, while B01 Anticoagulants (+ 6%) placed at that rank earlier, in contrast, moved down to rank five. R01 Nasal preparations (+43%) and M01 Anti-inflammatory and anti-rheumatic drugs (+31%) held their previous ranks three and four. J01 Antibacterials for systemic use (+ 36%), as well as the newcomer R05 Cough and cold preparations (+ 53%) and N02 Analgesics (+59 %) moved up to ranks six through eight from the lower ones. At the same time, groups A07 Antidiarrheal, intestinal anti-inflammatory and antimicrobial agents (+ 19%) and G03 Sex hormones (+ 14%) moved down to the last two ranks of the rating. The total share of the top ten increased by 0.5 p.p. and accounted for 36.5%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2020	3 mon. 2019			3 mon. 2020	3 mon. 2019
1	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.7	4.3
2	5	J05	ANTIVIRALS FOR SYSTEMIC USE	4.7	3.9
3	3	R01	NASAL PREPARATIONS	4.5	4.2
4	4	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.9	4.0
5	2	B01	ANTITHROMBOTIC AGENTS	3.4	4.3
6	8	J01	ANTIBACTERIALS FOR SYST USE	3.2	3.2
7	12	R05	COUGH AND COLD PREPARATIONS	3.2	2.8
8	13	N02	ANALGESICS	3.1	2.6
9	7	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	2.9	3.3
10	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	2.8	3.4
Total				36.5	36.0

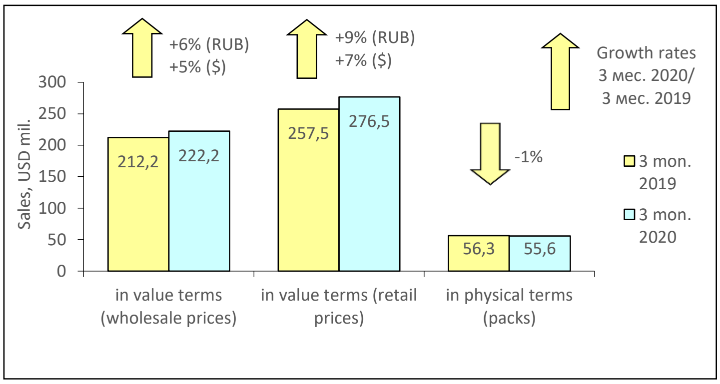
Conclusion. At the end of January-March of 2020, the retail pharmacy market of Moscow brought in RUB 53.431 bil. (USD 791.758 mil.). This is more than in the same period in 2019: by 37% in terms of roubles and 34% in terms of dollars. In pack terms, the market increased by 26% and amounted to 153.262 mil. packs. According to the results for the first three months of 2020, the average cost of an FPP pack in the city pharmacies was USD 5.17 – which was more than in 2019 (USE 4.87), and higher than the national average across the country (USD 3.53). The average expenses of the regional residents for purchase of OTC drugs in pharmacies were also higher than the national average (USD 62.45 vs. USD 32.56).

SAINT PETERSBURG PHARMACY MARKET: FIRST THREE MONTHS RESULTS 2020

According to Federal State Statistics Service, St. Petersburg's population as of January 1, 2020 was 5.398 mil., which accounted for 3.7% of the total Russian Federation population and 38.6% of North West FD (NWFD).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of the first quarter of 2020 the sales of drugs in natural terms in St. Petersburg pharmacies saw a 1% decrease to 55.555 mil. packs. In value terms, the market saw a 6% increase in terms of roubles and 5% in terms of dollars. At the same time, the volume of the market achieved RUB 14.837 bil. (USD 222.167 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 5.8% of the Russian pharmacy sales (in terms of roubles). The average cost of an OTC pack grew as compared to the same period of 2019 (USD 4.57) and reached USD 4.98 at retail prices. The average amount spent by residents of the city for drugs in the pharmacies during January-March of 2020 amounted to USD 51.22.

Figure 1. St. Petersburg pharmacy market for 3 months 2019 – 3 months 2020



At the end of the first three months of 2020, the top ten manufacturers rating on the St. Petersburg retail market demonstrated high stability – most of its manufacturers maintained their ranks unchanged (Tab. 1). Among them were the leaders: BAYER (+6%), SANOFI (-3%) and SERVIER (+4%) held their previous top three ranks in the top ten ranking. ABBOTT (+3%) held its previous rank five, and KRKA (+10%), GLAXOSMITHKLINE (+8%), OTCPHARM (+2%) and PFIZER (+7%) maintained their ranks from seven through ten, respectively. The only shift affected ranks four and six. SANDOZ (+ 8%), which showed outperformance rates, moved up to rank four from six, while TEVA (-3%), which decreased sales, in contrast, moved down to rank six from four. The total share of the top 10 drug manufacturers reduced from 37.8% to 37.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	1	**BAYER**	5.5	5.5
2	2	**SANOFI**	4.3	4.7
3	3	**SERVIER**	4.0	4.1
4	6	**SANDOZ**	3.7	3.6
5	5	**ABBOTT**	3.7	3.7
6	4	**TEVA**	3.6	3.9
7	7	**KRKA**	3.3	3.2
8	8	**GLAXOSMITHKLINE**	3.2	3.1
9	9	OTCPHARM	3.0	3.1
10	10	**PFIZER**	2.9	2.9
Total			37.1	37.8

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten ranking (table 2). They were MIRAMISTIN (+65%) and THERAFLU (+24%), coming in at numbers six and ten. In addition to them, another three brands showed high growth rates: ELIQUIS (+28%), INGAVIRIN (+23%) and NOLIPREL (+19%) moved up one rank, coming in at numbers two, seven and eight. At the same time, they displaced DETRALEX (-8%) one rank down HEPTRAL (+8%) that showed outstripping rates two ranks down. The top ten leader XARELTO (+13%) held its own in the ranking, and CONCOR (+9%) and NUROFEN (+6%) kept their previous numbers five and six, respectively. The total share of the top 10 increased from 7.3% to 8.0%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	1	XARELTO	1.4	1.3
2	3	ELIQUIS	1.0	0.8
3	2	DETRALEX	0.8	0.9
4	4	CONCOR	0.7	0.7
5	5	NUROFEN	0.7	0.7
6	18	MIRAMISTIN	0.7	0.5
7	8	INGAVIRIN	0.7	0.6
8	9	NOLIPREL	0.6	0.6
9	7	HEPTRAL	0.6	0.6
10	14	THERAFLU	0.6	0.5
Total			8.0	7.3

RIVAROXABAN (+13%) moved up to rank number one in the top ten INNs and group names rating, displacing the former leader INN XYLOMETAZOLINE (+6%) one rank down (Table 3). As before, the composition DIOSMIN*HESPERIDIN (-5%) held its rank three. Five from the remaining top ten INNs rose in the ranks. APIXABAN (+28%) and ROSUVASTATIN (+3%) moved up to ranks four and five, and BISOPROLOL (+7%) moved up to rank seven from nine. The newcomers of the top ten NIMESULIDE (+13%) and PERINDOPRIL*INDAPAMIDE (+23%) rounded it out. At the same time, PANCREATIN (-14%) and IBUPROFEN (-0.2%) that reduced their sales moved down to ranks six and eight, respectively. In total, the top ten INN and grouping names accounted for 10.1%, while a year earlier it was 10.0%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	2	RIVAROXABAN	1.4	1.3
2	1	XYLOMETAZOLINE	1.4	1.4
3	3	DIOSMIN*HESPERIDIN	1.0	1.1
4	10	APIXABAN	1.0	0.8
5	6	ROSUVASTATIN	0.9	1.0
6	4	PANCREATIN	0.9	1.1
7	9	BISOPROLOL	0.9	0.9
8	7	IBUPROFEN	0.9	0.9
9	11	NIMESULIDE	0.8	0.8
10	13	PERINDOPRIL*INDAPAMIDE	0.8	0.7
Total			10.1	10.0

Half of the top-10 ATC groups on the regional market retained their previous ranks (Table 4). They were C09 Agents acting on the renin-angiotensin system (+16%), B01 Anticoagulants and M01 Anti-inflammatory and antirheumatic products (+7% each), as well as G03 Sex hormones (+3%) and R01 Nasal preparations (+6%). A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+2%) kept their previous rank ten. Due to reduction in sales, J01 Antibacterials for systemic use (-6%) lost two ranks and moved down to rank eight. At the same time, J05 Antivirals for systemic use (+9%) and R05 Cough and cold preparations (+8%) moved one rank up. The only newcomer N02 Analgesics (+6%) broke into the ranks of the top ten, coming in at number nine. In total, the top ten ATC groups accumulated 38.2%, whereas in the year-earlier period they accounted for 38.1%.

Table 4. The top ten ATC Groups by pharmacy sales

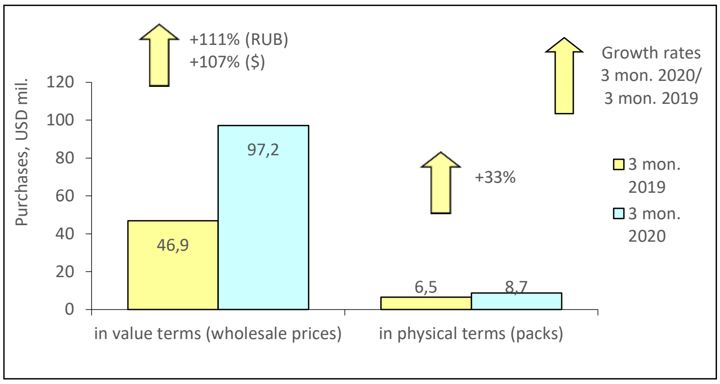
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2020	3 mon. 2019			3 mon. 2020	3 mon. 2019
1	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	6.0	5.5
2	2	B01	ANTITHROMBOTIC AGENTS	4.4	4.4
3	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.1	4.1
4	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.8	3.9
5	5	R01	NASAL PREPARATIONS	3.7	3.7
6	7	J05	ANTIVIRALS FOR SYSTEMIC USE	3.7	3.6
7	8	R05	COUGH AND COLD PREPARATIONS	3.6	3.6
8	6	J01	ANTIBACTERIALS FOR SYST USE	3.2	3.6
9	11	N02	ANALGESICS	2.9	2.9
10	10	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	2.8	2.9
Total				38.2	38.1

Conclusion. Based on the results for Quarter I, 2020, pharmacy market of St Petersburg brought in RUB 17.002 bil. (USD 276.501 mil.) in retail prices. As compared with the same period of last year, the market saw a 9% sales increase in terms of roubles, and 7% in terms of dollars. In natural terms, the market reduced by 1% and amounted to 55.555 mil. packs. Based on the results for January-March of 2020, the average cost of FPP pack in the city pharmacies was USD 4.98, which was more than in the year-earlier period (USD 4.57), and the national average (USD 3.53). The average medicine expenses of St. Petersburg residents in the pharmacies were higher than the national average expenses in Russia (USD 51.22 vs. USD 32.56).

MOSCOW CITY HOSPITAL MARKET: FIRST THREE MONTHS RESULTS 2020

According to the results of the Budget Audit of Finished Pharma Products (FFP) in the Russian Federation, at the end of the first nine months of 2020 Moscow hospital market in physical terms increased by 33% compared to the same period in 2019 and amounted to 8.706 mil. packs. In money terms, the market also showed high positive growth rates both in terms of roubles (+111%) and in terms of dollars (+107%) and reached RUB 6.532 bil. (USD 97.201 mil.) in wholesale prices. At the end of the first quarter of 2020, the average cost of an FPP pack in the hospital sector of Moscow was USD 11.16, whereas in the year-earlier period its cost was USD 6.87.

Figure 1. Moscow pharmacy market for 3 months of 2019 – 3 months 2020



At the end of the first three months of 2020, the manufacturer SANOFI became the leader of the hospital market in Moscow due to 8-fold increase in procurement volumes (Table 1). MSD moved up to rank two from three (3.3-fold growth in purchases), while the newcomers ROCHE and BRISTOL MYERS, which showed 5 and 5.2-fold growth in purchases, moved up to ranks three and four. Another two newcomers, the Russian NANOLEK and MARATHON PHARMA, which purchases increased by more than 1.5 and 2 thousand times, moved up to ranks nine and ten. At the same time, ABBVIE, which showed downward trend (-24%) and less dynamic BAYER (+ 78%), BIOCAD (+ 93%) and PFIZER (+ 100%), moved down to ranks five through eight, respectively. In total, based on the results for the first quarter of 2020, the top ten ATC groups accumulated 51% of the market, while they accounted for 35% 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, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	4	**SANOFI**	16.0	4.2
2	3	**MSD**	7.1	4.6
3	12	**ROCHE**	4.9	2.1
4	16	**BRISTOL MYERS SQU**	4.3	1.8
5	1	**ABBVIE**	4.1	11.6
6	5	**BAYER**	3.4	4.1
7	6	BIOCAD RF	3.4	3.7
8	7	**PFIZER**	2.9	3.1
9	48	NANOLEK OOO RF	2.3	0.0
10	47	MARATHON PHARMA	2.3	0.0
Total			51.0	35.0

*AIPM members are in bold

The top 10 brands underwent major changes: seven newcomers broke into the ranks of the top ten brand manufacturers (Table 2). PENTAXIM (71-growth in purchases) and KEYTRUDA (14-growth in purchases) topped the rating, and POLIMILEX (3.9-growth in purchases), ULTRIX (1.7-growth in purchases), PERJETA (11-growth in purchases), KADCYLA (6-growth in purchases) and PNEUMOVAX-23 (52-growth in purchases) moved up to ranks five, six and the last three ranks. OPDIVO (4.4-growth in purchases) moved up one rank, coming in at number four from five. And only SYNAGIS (-31%) and MENACTRA (+63%) moved down to the lower ranks three and seven. The total share of the top ten increased by 17 p.p. up to 32.4%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	27	PENTAXIM	11.5	0.3
2	21	KEYTRUDA	3.3	0.5
3	1	SYNAGIS	3.2	9.9
4	5	OPDIVO	3.1	1.5
5	41	POLIMILEX	2.3	0.0
6	39	ULTRIX	2.3	0.0
7	3	MENACTRA	1.9	2.5
8	28	PERJETA	1.7	0.3
9	16	KADCYLA	1.6	0.6
10	36	PNEUMOVAX-23	1.4	0.1
Total			32.4	15.7

Following the corresponding brands, VACCINE, ACEL.PERT.DIP.TET.POLIO & HIB POLIO & HIB (71-fold growth in purchases) and PEMBROLIZUMAB (14-fold growth in purchases) moved up to the top ranks of the top ten INN and group names ranking (Table 3). They broke into the ranks of the top 10 ranking for the first time, as well as VACCINE, INFLUENZA (217-fold growth), VACCINE, POLIOMYELITIS (2,700-fold growth) and PERTUZUMAB (11-fold growth), moving up to ranks six, seven and nine, respectively. NIVOLUMAB (4.4-fold growth) and IMMUNOGLOBULIN BASE (3.5-fold growth) also moved up to the higher ranks four and five. The last year's leader PALIVIZUMAB (-31%) was the only one among the top ten, which showed a downward trend and moved down to rank three. Another two INNs, VACCINE, MENINGOCOCCAL POLYSACCHARIDE AND OMV (+ 63%) and AFLIBERCEPT (+ 102%), lost five points each and moved down to ranks eight and ten of the top ten ranking. The total share of the analysed top ten also increased to 34.3% from 18.5%.

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

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	33	VACCINE, ACEL.PERT.DIP.TET. POLIO & HIB	11.5	0.3
2	27	PEMBROLIZUMAB	3.3	0.5
3	1	PALIVIZUMAB	3.2	9.9
4	10	NIVOLUMAB	3.1	1.5
5	6	IMMUNOGLOBULIN BASE	2.8	1.7
6	39	VACCINE, INFLUENZA	2.6	0.0
7	42	VACCINE, POLIOMYELITIS	2.3	0.0
8	3	VACCINE, MENINGOCOCCAL POLYSACCHARIDE AND OMV	1.9	2.5
9	34	PERTUZUMAB	1.7	0.3
10	5	AFLIBERCEPT	1.7	1.7
Total			34.3	18.5

Numerous swaps took place in the top-10 ATC groups rating (Table 4). One newcomer entered the top-10 rating: Due to 8-fold purchases growth, J05 Antivirals for systemic use moved up to rank six from 14. The leader of the top ten also changed. J07 Vaccines (7.8-fold growth in purchases) moved up to rank one from five, displacing L01 Antineoplastic drugs (3.1-fold growth) down to rank two. In addition to the newcomer and the leader, another three ATC groups managed to rise in the ranks. J01 Antibacterials for systemic use (+ 57%), V08 Contrast media (+ 60%) and J02 Antifungals for systemic use (+ 57%) moved up one rank, coming in at numbers three, seven and nine. Less dynamic groups, J06 Immune sera and immunoglobulins (+ 21%), B05 Blood substitutes and perfusion solutions (+ 15%), B01 Anticoagulants (+ 33%) and N01 Anaesthetics (+ 38%), on the contrary, lost one rank each and moved down to ranks four, five, eight and ten, respectively. The total share of the top ten ranking increased by 8.5 p.p. to 78.7%.

Table 4. The top ten ATC groups by hospital purchases

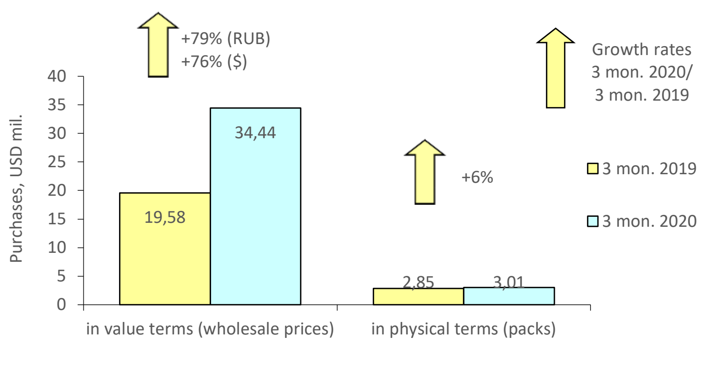
Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2020	3 mon. 2019			3 mon. 2020	3 mon. 2019
1	5	J07	VACCINES	21.8	5.9
2	1	L01	ANTINEOPLASTIC AGENTS	21.1	14.4
3	4	J01	ANTIBACTERIALS FOR SYST USE	7.0	9.4
4	2	J06	IMMUNE SERA & IMMUNOGLOBULIN	6.8	11.9
5	3	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	5.8	10.7
6	14	J05	ANTIVIRALS FOR SYSTEMIC USE	4.6	1.2
7	8	V08	CONTRAST MEDIA	3.5	4.6
8	7	B01	ANTITHROMBOTIC AGENTS	2.9	4.6
9	10	J02	ANTIMYCOTICS FOR SYSTEMIC USE	2.7	3.6
10	9	N01	ANESTHETICS	2.6	3.9
Total				78.7	70.2

Conclusion. At the end of the first three months of 2020, the hospital market in Moscow increased by 2.1 times: 111% in terms of roubles and 107% in terms of dollars and reached RUB 6.532 bil. (USD 97.201 mil.). In pack terms, the market increased by 33% and amounted to 8.706 mil. packs. At the end of the first quarter of 2020, the average cost of an FPP pack in the Moscow hospital market has been racing up compared to the previous year (USD 11.16 vs. USD 7.19).

SAINT PETERSBURG HOSPITAL MARKET: FIRST THREE MONTHS RESULTS 2020

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit), in the first quarter of 2020 the St. Petersburg hospital market expanded by 6% in physical terms and amounted to 3.014 mil. packs. The growth rates of hospital purchases in value terms was also positive: The market showed a 79% increase in rouble terms, and 76% increase in dollar terms and reached RUB 2.306 bil. (USD 34.440 mil.) at wholesale prices. Based on the results for the first three months of 2020, the average cost of an FPP pack in the city hospitals was USD 11.42, whereas in a year-earlier period its cost was USD 6.87.

Figure 1. St. Petersburg pharmacy market for 3 months 2019 – 3 months 2020



At the end of the first three months of 2020, the companies that increased purchases by two or more times moved up to the top ranks of the top ten ranking in the St. Petersburg hospital market (Table 1). MSD moved up to rank one from three, increasing its sales by 2.5 times. The newcomers ROCHE (6.4-fold growth), BRISTOL MYERS (4.2-fold growth) and GLAXOSMITHKLINE (7.4-fold growth) broke into the top ten ranking, coming in at numbers two through four. Another two newcomers the Russian MARATHON (243-fold growth) and PHARMASYNTEZ (3.4-fold growth) moved up to ranks eight and ten, respectively. ABBVIE (3.5-fold growth) moved up to rank five from ten, displacing PFIZER (+ 97%) one rank down. Due to lagging behind the growth rates, the former leaders BIOCAD (+ 33%) and BAYER (+ 7%) moved down to the bottom part of the rating. The total share of the top ten manufacturers expanded by over 16 p.p. and accounted for 46.0%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	3	**MSD**	6.9	4.9
2	17	**ROCHE**	5.6	1.6
3	11	**BRISTOL MYERS SQU**	5.2	2.2
4	26	**GLAXOSMITHKLINE**	5.0	1.2
5	10	**ABBVIE**	4.8	2.5
6	5	**PFIZER**	4.5	4.1
7	1	BIOCAD RF	4.4	6.0
8	50	MARATHON PHARMA	3.2	0.0
9	2	**BAYER**	3.1	5.2
10	16	PHARMASYNTEZ	3.1	1.6
Total			46.0	29.3

*AIPM members are in bold

The top ten brands ranking was updated almost completely: eight newcomers broke into the top ten ranking (Table 2). On top of that, two of them TIVICAY (17-fold growth in purchases) and ULTRIX (234-fold growth) moved up to two higher ranks. The newcomers KEYTRUDA (5.2-fold growth), ISENTRESS (6.9-fold growth), ETULSI (20-fold growth), ABRAXAN (3.9-fold growth) and TECENTRIQ moved up to ranks four through eight, respectively. One more newcomer MAVIRET rounded out the top ten brands ranking. In addition to them, OPDIVO, which moved up to rank four from three due to 3.4-fold growth in purchases, rose in the ranks. Only OMNIPAQUE (+83%) moved down from rank six to nine. In total, the top ten ATC groups accumulated 23.4% of the regional hospital market, whereas in the year-earlier period it was 6%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	27	TIVICAY	4.4	0.5
2	42	ULTRIX	3.2	0.0
3	4	OPDIVO	3.1	1.6
4	13	KEYTRUDA	2.7	0.9
5	26	ISENTRESS	1.8	0.5
6	37	ETULSI	1.7	0.2
7	18	ABRAXAN	1.7	0.8
8	44	TECENTRIQ	1.6	0.0
9	5	OMNIPAQUE	1.6	1.6
10	44	MAVIRET	1.5	0.0
Total			23.4	6.0

Following the above ranking, the top ten INN and group names ranking was updated significantly. Six newcomers broke into the ranks of the top ten INN and group names ranking (Table 3). Two of them, DOLUTEGRAVIR (17.4-fold growth) and VACCINE, INFLUENZA (202-fold growth), moved up to the upper ranks of the top ten ranking. PEMBROLIZUMAB (5.2-fold growth in purchases), RALTEGRAVIR (6.9-fold growth), PALBOCICLIB (20-fold growth) and PACLITAXEL*ALBUMIN (3.9-fold growth) moved up to rank four and ranks six through eight, respectively. Due to 3.4-fold growth in purchases, NIVOLUMAB also moved one rank up. At the same time, INNs TRASTUZUMAB (+95%), SODIUM (+28%) and IOHEXOL (+89%) moved down to rank five and two bottom ranks. The total share accumulated by the top-ten INNs and grouping names increased from 10.3% to 24.1%.

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

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
3 mon. 2020	3 mon. 2019		3 mon. 2020	3 mon. 2019
1	30	DOLUTEGRAVIR	4.4	0.5
2	44	VACCINE, INFLUENZA	3.3	0.0
3	4	NIVOLUMAB	3.1	1.6
4	16	PEMBROLIZUMAB	2.7	0.9
5	3	TRASTUZUMAB	2.1	1.9
6	29	RALTEGRAVIR	1.8	0.5
7	39	PALBOCICLIB	1.7	0.2
8	22	PACLITAXEL*ALBUMIN	1.7	0.8
9	2	SODIUM	1.7	2.4
10	5	IOHEXOL	1.7	1.6
Total			24.1	10.3

In contrast to the above rankings, L01 Antineoplastic drugs maintained and due to 2.1-growth in sales strengthened its leading positions in the top 10 ATC groups ranking (Table 4). The most dynamic among the leaders J05 Antivirals for systemic use, which increased its purchases by 8 times, moved up to rank two from eight. J01 Antibacterials for systemic use (+65%) and B05 Blood substitutes and perfusion solutions (+39%) moved down one rank. J07 Vaccines moved up to rank five from nine (3.1-fold growth in purchases). The less dynamic groups V08 Contrast media (+ 91%), B01 Anticoagulants (+ 18%) and N01 Anaesthetics (+ 3%), and L04 Immunosuppressants (-0.3%) that showed a downward trend, on the contrary, moved down to the lower ranks from six through nine respectively. N05 Psycholeptics held their previous rank ten. In total, the top ten ATC groups accumulated 81.6% of the regional market, whereas in the year-earlier period they accounted for 69.7%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2020	3 mon. 2019			3 mon. 2020	3 mon. 2019
1	1	L01	ANTINEOPLASTIC AGENTS	31.8	27.2
2	8	J05	ANTIVIRALS FOR SYSTEMIC USE	16.6	3.7
3	2	J01	ANTIBACTERIALS FOR SYST USE	7.4	8.0
4	3	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	5.7	7.4
5	9	J07	VACCINES	5.7	3.3
6	4	V08	CONTRAST MEDIA	5.5	5.1
7	6	B01	ANTITHROMBOTIC AGENTS	2.7	4.1
8	5	L04	IMMUNOSUPPRESSANTS	2.4	4.2
9	7	N01	ANESTHETICS	2.2	3.8
10	10	N05	PSYCHOLEPTICS	1.7	2.9
Total				81.6	69.7

Conclusion. At the first quarter-end 2020, the St. Petersburg hospital market grew by 79% in rouble terms and by 76% in dollar terms and brought in RUB 2.306 bil. (USD 34.440 mil). In pack terms, the market also showed positive growth rates (+6%), but not so pronounced and amounted to 3.014 mil. packs. In the first three months of 2020, the average cost of a FPP pack on the city hospital sector was higher than that in the year-earlier period (USD 11.42 vs. USD 6.87).