REMEDIUM GROUP OF COMPANIES

AIPM Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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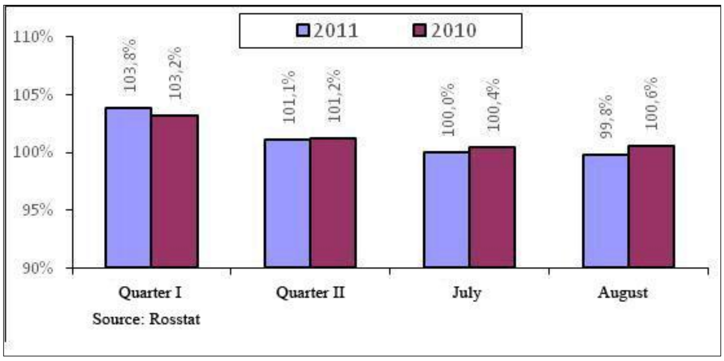
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in August 2011 the Consumer Price Index was estimated as 99.8%. For the period from start of the year, it escalated to 104.7% (in January-August 2010 – 105.4%).

In August, Industrial Producer Price Index was 104.6%, whereas in the month-earlier period it had amounted to 99.0%. For the period from start of the year, it was 111.5% (in January-August 2010 – 109.6%).

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



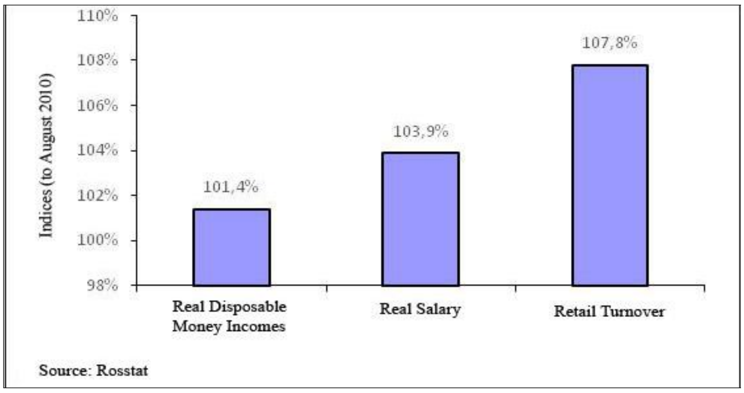
Living standard

According to preliminary Federal State Statistics Service's data, in August 2011 a gross monthly average salary per worker reached RUR 23,126 (USD 801.32) which is 112.4% compared to August 2010. The real salary in August 2011 compared with the same period in 2010 accounted for 103.9%. In August 2011, the real value of cash incomes accounted for 101.4% as compared with the same period of 2010 (Fig. 2).

Retail turnover

In August 2011 the retail turnover was equal to RUR 1,644.4 bln, which in stock accounts for 107.8% as compared to the same period a year ago (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in August 2011



Manufacture of industrial products

According to Federal State Statistics Service's data, Industrial Production Index in August 2011 accounted for 106.2% compared to the same period of last year, to the previous month – 101.1%. In January-August 2011, the Index was equal to 105.4% (in the year-earlier period – 109.2%).

Domestic production

According to Ministry of Industry and Trade's data, in January – August 2011 Pharmaceutical Production Index accounted for 92.8% compared to January - August in 2010. On top of that, in August 2011 it accounted for 82.5% compared to August 2010 and 118.8% compared to July 2011.

Production volume of pharmaceutical products for the period of January – August 2011 amounted to RUR 81.9 bln.

The Top-10 domestic manufacturers by production volume at August-end 2011 are shown in Table 1. The total production volume by Top-ten manufacturers was estimated as USD 197.7 mln.

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

Rating position	Manufacturer	Production volume, $mln.
1	Pharmstandart	58,1
2	Stada	29,1
3	Microgen	18,8
4	Valenta	17,1
5	Pharm-Center	16,8
6	Materia Medica	14,5
7	Akrihin	12,2
8	Sotex	11,5
9	NEARMEDIC	10,9
10	Veropharm	8,7

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In July 2011, the reduction in retail sales was observed in the most analyzed regions, the positive growth was only reported in Krasnodarsky Krai (+11%) and in Rostovskaya Oblast (+8%). Moscow showed the most pronounced reduction (-19%).

Table 2. Pharmacy sales in the regions, 2011

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	May 2011	June 2011	July 2011	May/ April 2011	June/ May 2011	July/ June 2011
Moscow city	146,4	149,9	123,9	-10%	2%	-19%
St. Petersburg city	39,6	38,4	38,1	-6%	-3%	-2%
Krasnodarsky Kray	28,9	29,0	32,7	6%	0,3%	11%
Novosibirskaya Oblast	21,0	19,2	19,4	1%	-9%	-0,1%
Republic of Tatarstan	23,2	21,3	20,4	-6%	-8%	-6%
Krasnoyarsky Kray	14,6	13,6	13,8	-3%	-7%	-0,2%
Rostovskaya Oblast	19,3	17,5	19,2	0%	-9%	8%
Voronezhskaya Oblast	14,9	14,7	14,2	-7%	-1%	-5%
Perm city	5,7	5,5	5,0	-11%	-5%	-10%
Tyumen city	6,6	6,2	6,1	2%	-6%	-3%

Advertising

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

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

Rating position	Company*	Quantity of broadcasts
1	Berlin-Chemie Menarini Group	4 202
2	Novartis	3 561
3	Reckitt Benckiser	3 140
4	Sanofi Aventis	3 043
5	Evalar	2 602

Source – TNS Gallup AdFact

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

Rating position	Trade name*	Quantity of broadcasts
1	Evalar	2 602
2	Nurofen	1 982
3	No-Spa	1 709
4	Venolife	1 481
5	Essentiale	1 307

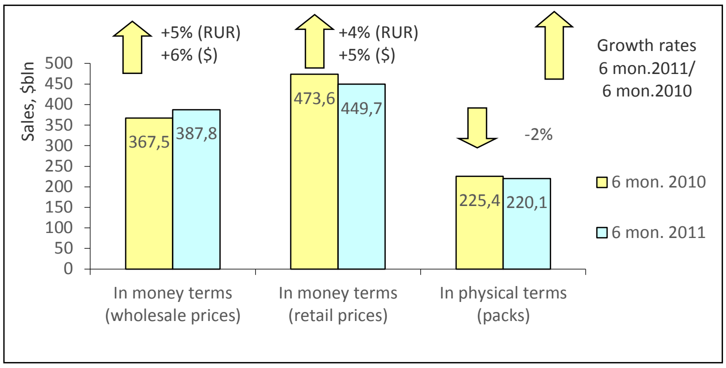
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter (OTC) drugs in Kazakhstan™, at the end of first half of 2011, the retail over-the-counter drugs market in physical terms saw a 2% decrease to 220.057 mln packs. In money terms (exclusive of Additional Pharmacological Support) the country market showed a positive performance: 5% in terms of Kazakhstan Tenge and 6% in terms of USD. In wholesale prices the market achieved USD 387.816 mln (56.636 bln Tenge), in retail prices – USD 473.564 mln (69.159 bln Tenge) (Fig.1). The average retail cost of a pack was USD 2.15, whereas in the year-earlier period its cost had been USD 2.00. Following the results of six months of 2011, the level of OTC drugs consumption per capita was USD 28.80 (in Q1, 2010 - USD 27.75).

Figure 1. Kazakhstan pharmacy market for 6 months of 2010 – 6 months of 2011



Nearly nineteen percent of OTC drugs sold in pharmacies of Kazakhstan in first half of 2011 were produced in Germany. Though the share of German preparations reduced by 0.5 p.p. as compared to the same period of the past year, they continue to lead with dramatic breakaway. The Russian pharmaceutical products' share in the region makes up 7% and takes the second position. OTC drugs made in India, USA and Denmark accounted for six percent of the market each. Drugs made in Kazakhstan accumulated 5% of the pharmacy market each alongside with OTC drugs from France and Slovenia.

At Q1-end 2011, only one newcomer appeared in the Top ten manufacturers rating by pharmacy sales in Kazakhstan pharmacy market (Table 1). GLAXOSMITHKLINE (+16%), the only company in Top-10 which showed the highest positive growth rates, moved up from 11^{th} to 8^{th} position. At the same time, it displaced SOLVAY and GEDEON RICHTER (4% each) down the row, which occupied two bottom positions of the rating, and SERVIER (-6%) which fell outside the Top-10. The other seven manufacturers of Top-10 managed to maintain their positions. As before the first position is occupied by preparations of unidentified manufacturers despite of the fact that their share in the analyzed period considerably declined. Apart from that, the other three manufacturers of Top-10 showed reduction of their shares in the market: NOVARTIS (+1%), (-1%) SANOFI-AVENTIS and BERLIN-CHEMIE (0%) placed on 2^{nd}, 3^{rd} and 7^{th} positions respectively. The total share accumulated by the Top-ten INN manufacturers reduced from 45.5% to 43.8%.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	Unidentified manuf.	6,3	7,4
2	2	**NOVARTIS (inc. SANDOZ-LEK)**	6,2	6,4
3	3	**SANOFI-AVENTIS**	5,7	6,0
4	4	**NYCOMED**	5,2	5,0
5	5	**TEVA**	4,6	4,6
6	6	**BAYER HEALTHCARE**	4,4	4,3
7	7	**Berlin-Chemie AG/ MENARINI GROUP**	3,1	3,3
8	11	**GLAXOSMITHKLINE**	2,9	2,6
9	8	SOLVAY PHARMA	2,7	2,9
10	9	**GEDEON RICHTER LTD**	2,7	2,9
Total			43,8	45,5

*AIPM members are in bold

Top-10 trade names showed more pronounced shifts – only two names managed to maintain their earlier positions in the rating (table 2). They were the leaders of the rating Actovegin (+22%) and Essentiale N (-2%). The remaining Top-10 names changed their rating positions; moreover, four trade names improved them. The most dynamic preparation Theraflu Flu and Cold (+40%) moved up from the sixth to third position by displacing Linex (+2%)and Cefazolin (+0.3%) down the row. Sumamed (+8%) moved up 2 rows from 8^{th} to 6^{th} position, whereas Viferon (+7%) and No-Spa moved up the row. At the same time, trade names with negative growth rates occupied much lower positions: Duphaston (-7%) moved down from 5^{th} to 7^{th} position and Mezym Forte (-8%) from 3^{th} to 10^{th} position.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	Actovegin	1,8	1,6
2	2	Essentiale N	0,9	1,0
3	6	Theraflu Flu and Cold	0,8	0,7
4	3	Linex	0,8	0,8
5	4	Cefazolin	0,7	0,8
6	8	Sumamed	0,7	0,7
7	5	Duphaston	0,6	0,7
8	9	Viferon	0,6	0,6
9	10	No-Spa	0,6	0,6
10	7	Mezym forte	0,6	0,7
Total			8,2	8,1

In contrast to the previous Top-10 rating, two newcomers entered the Top ten INN and generic names rating (table 3). Due to sales increase by one third, Ceftriaxone shifted up from 11^{th} to 6^{th} position, and Paracetamol + Pheniramine + Phenylephrine + Ascorbic Acid (+22%) moved upwards from 14^{th} to 10^{th} position. Apart from them, Ambroxol (+13%) which moved up from the fourth to third place occupied yet higher position. At the same time three names moved down the row: Multivitamin + Multimineral (-10%), Azithromycin (+5%) and Fluconazole (+7%) occupied 4^{th}, 7^{th} and 8^{th} positions respectively. Four names of Top-10 rating managed to retain their earlier positions including the Top-10 heading preparations of unidentified composition and INN Pancreatin (-6%). The total share of the Top-10 INNs increased from 23.2% to 23.9%.

Table 3. The Top-Ten INN and Generic Names by pharmacy sales

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	Unidentified	13,4	12,8
2	2	Pancreatin	1,5	1,6
3	4	Ambroxol	1,4	1,3
4	3	Multivitamin +Multimineral	1,3	1,6
5	5	Diclofenac	1,2	1,1
6	11	Ceftriaxone	1,1	0,8
7	6	Azithromycin	1,1	1,1
8	7	Fluconazole	1,0	1,0
9	9	Phospholipids	1,0	1,0
10	14	Paracetamol + Pheniramine + Phenylephrine + Ascorbic Acid	0,9	0,8
Total			23,9	23,2

The Top-ten ATC group rating (table 4) showed high stability: only one shift occurred whereas the other ATC groups maintained their previous positions unchanged (table 4). Group G04 Urologicals (+8%) moved up from the seventh to sixth position displacing G03 Sex hormones (-3%). The other Top-10 Groups maintained their rating positions. J01 Antibacterials for systemic use (+4%), R05 Cough and Cold Preparations (+12%) and N02 Analgesics (+15%) continue to remain the best selling groups in the country market. On top of that, the second and the third group expanded their market shares. The total share of Top-ten ATC groups grew by almost 1 p.p. and achieved 45.6%.

Table 4. The Top-ten ATC Groups by pharmacy sales

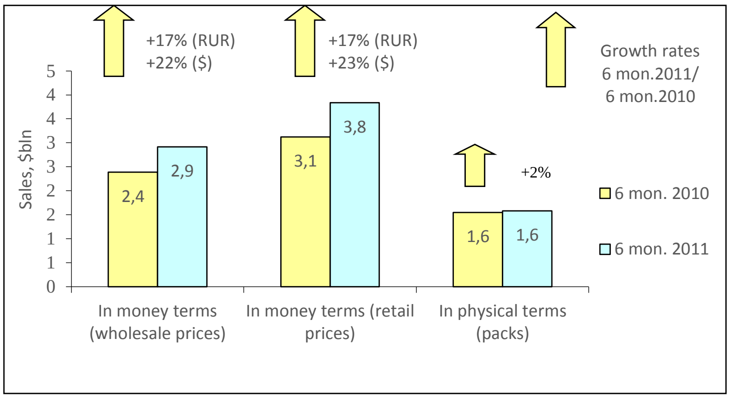
Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	1	J01	Antibacterials for systemic use	10,0	10,0
2	2	R05	Cough and Cold Preparations	5,3	5,0
3	3	N02	Analgesics	5,3	4,8
4	4	A11	Vitamins	4,2	4,4
5	5	M01	Anti-inflammatory and antirheumatic products	4,1	3,8
6	7	G04	Urologicals	3,4	3,3
7	6	G03	Sex hormones	3,4	3,6
8	8	R01	Nasal preparations	3,3	3,3
9	9	L03	Immunostimulants	3,3	3,2
10	10	A05	Bile therapy	3,2	3,0
Total				45,6	44,5

Conclusion. At the end of first half of 2011, Kazakhstan retail market grew by 4% in national currency terms and by 5% in dollar terms and brought in USD 4,738.564 mln (Tenge 69.159 bln). Compared to the growth rates of the first quarter of the current year, the market performance reduced (+14% in terms of Tenge and +15% in terms of dollars). In physical terms the market showed the negative sales growth (-2%) whereas in first three months it increased 8%. Compared to the indicators of the same period in last year, both the average cost of a pack and the level of OTC drugs consumption by residents of the country increased (USD 2.15 vs. USD 2.00 and USD 28.80 vs. USD 27.75).

PHARMACY OTC MARKET IN RUSSIA: 2011 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter (OTC) Drugs in Russian Federation™, the sales of over-the-counter drugs in physical terms increased by 2% to 1.582 bln packs over the period of first six months of 2011. In money terms, the Russian OTC drugs market (exclusive of Additional Pharmacological Support) saw 17% increase in terms of roubles and 22% increase in terms of dollars and reached RUR 83.707 bln (USD 2.919 bln) in wholesale prices (Fig.1). The average cost of an OTC pack grew as compared to the same period of the previous year (USD 2.01) and reached USD 2.43 in retail prices. In the first half-year of 2011, the average Russian consumer spent USD 26.85 for over-the-counter drugs, whereas in the same period of 2010 - USD 21.84).

Figure 1. Russia pharmacy market for 6 months of 2010 – 6 months of 2011



On the basis of the results for first six months of 2011, French SANOFI-AVENTIS (+9%) and Russian PHARMSTANDART (+22%) continued to remain the leaders of the regional market (Table 1). Due to almost 1.5-fold growth of sales, SANDOZ moved up to the third position from the fifth one, whereas MENARINI (+4%) which used to take that position earlier, on the contrary, moved down to 5th position of the rating. Another shift took place in the bottom part f the rating: TEVA (+4%) which had moderate growth rates moved down 2 rows from 7th to 9th place. On top of that, more dynamic STADA (+28%) and RECKITT BENCKISER (+24%) moved up the row. The total share of Top-ten manufacturers increased by almost 1 p.p. and accounted for 44.6%.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	PHARMSTANDART	9,3	9,0
2	2	**SANOFI-AVENTIS**	5,9	6,3
3	5	**SANDOZ GROUP**	5,1	4,0
4	4	**BAYER HEALTHCARE**	4,5	4,6
5	3	**MENARINI**	4,4	4,9
6	6	**NOVARTIS**	4,0	3,9
7	8	**STADA**	3,2	2,9
8	9	**RECKITT BENCKISER**	2,8	2,7
9	7	**TEVA**	2,7	3,0
10	10	**JOHNSON & JOHNSON**	2,6	2,4
Total			44,6	43,8

*AIPM members are in bold

The first three trade names topping the OTC drugs market remained intact (table 2). But only the leader's market – antiviral ARBIDOL – developed at a fast pace (+33%), which allowed it to considerably strengthen its market share. On the whole, the sales rates of ESSENTIALE N (+5%) and LINEX (+13%) lagged behind the market growth rates, however it didn't prevent the trade names from maintaining the second and third positions in the rating. The other three positions in the rating were occupied by the newcomers of Top-10. LASOLVAN (+67%) moved up from 11th to 7th position, the most dynamic preparation of Top-10 EXODERIL, which sales increased 4 times, moved up from 83rd to 8th position and ACC (+70%) moved from 17th to 10th position. The rating progress was also showed by homeopathic preparation OCILLOCOCCINUM (+13%) which moved up from the sixth to fifth position. At the same time, three INNs (MEZYM FORTE, ANAFERON and THERAFLU), on the contrary, moved down to the lower positions.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	3,2	2,8
2	2	ESSENTIALE N	1,9	2,1
3	3	LINEX	1,4	1,4
4	11	LASOLVAN	1,2	0,8
5	6	OCILLOCOCCINUM	1,1	1,1
6	4	MEZYM FORTE	1,1	1,2
7	5	ANAFERON	1,1	1,1
8	83	EXODERIL	1,1	0,3
9	8	THERAFLU	1,0	1,0
10	17	ACC	0,9	0,6
Total			13,8	12,7

The Top-10 INN and Generic Names rating didn't change in composition; however numerous shifts took place in it (table 3). Only the leader of Top-10 rating managed to retain its earlier position - ARBIDOL (+33%). Four names of the Top-10 rating upgraded their rating positions whereas five of them, on the contrary, occupied the lower positions. XYLOMETAZOLINE (+26%) moved up the row, from 4th to 2nd position by moving PANCREATIN and PHOSPHOLIPIDS (+9% each) down the row. The most dynamic drug of the Top-10 rating AMBROXOL (+51%) moved up from 8th to 5th position. The combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+23%), and INN KETOPROFEN (+16%) which occupied 6th and 9th positions respectively improved their rating position by one p.p. IBUPROFEN (+18%), LACTOBACILLUS ACIDOPHILUS (-7%) and FLUCONAZOLE (+6%) moved down to 7th, 8th and 10th positions respectively.

Table 3. The Top-Ten INN and Generic Names by pharmacy sales

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

N02 Analgesics (+15%) remain the best-selling over-the-counter group in the Russian OTC drugs market (Table 4). Apart from it, another two groups managed to keep their rating positions: A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+9%) and M02 Topical products for joint and muscular pain (+13%) occupied 6th and 10th positions respectively. Three INNs of Top-10 rating occupied the much higher positions. R05 Cough and cold preparations (+53%) which showed the most pronounced growth rates moved up from 4th to 2nd position. The market of Group J01 Antibacterials for systemic use (+50%) which for the first time merged in the Top-10 rating by moving up from 11th to 7th position also developed at a fast pace. R01 Nasal preparations (+19%) moved up the row from the fifth to fourth position. Four groups (A11, unidentified pharmaceutical groups, A05 and R06), on the contrary, moved down to the much lower positions by reducing its market share. However, the total share of Top ten ATC Groups increased by almost 1 p.p. and achieved 54.0%.

Table 4. The Top-ten ATC Groups by pharmacy sales

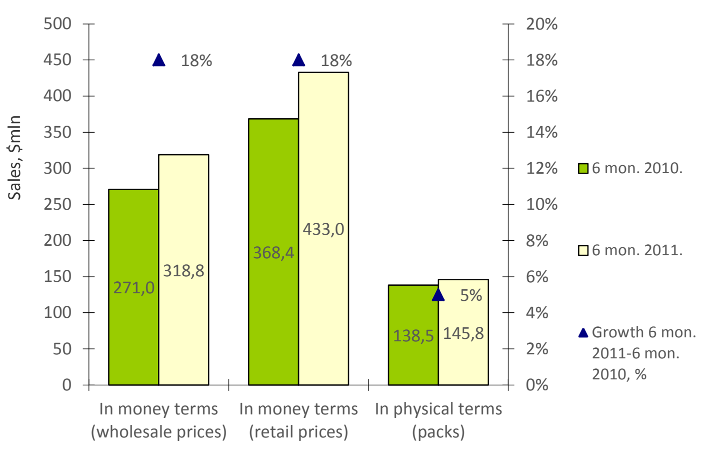
Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	1	N02	ANALGESICS	9,5	9,6
2	4	R05	COUGH AND COLD PREPARATIONS	8,0	6,2
3	2	A11	VITAMINS	6,2	6,5
4	5	R01	NASAL PREPARATIONS	5,9	5,8
5	3		Unidentified	5,9	6,4
6	6	A07	INTESTINAL ANTIINFECTIVES	4,9	5,2
7	11	J05	ANTIVIRALS FOR SYSTEMIC USE	3,8	3,1
8	7	A05	BILE AND LIVER THERAPY	3,4	3,7
9	8	R06	ANTIHISTAMINES FOR SYST USE	3,4	3,6
10	10	M02	TOP PROD JOINT&MUSCULAR PAIN	3,0	3,1
Total				54,0	53,2

Conclusion. On the basis of the results of the first half of 2011, the retail OTC drugs market of Russia brought in RUR 110.044 bln (USD 3.838 bln). The market saw a 17% increase in terms of roubles and 23% in terms of dollars. The country market in physical terms also showed positive, but less pronounced growth rates (+2%) and reached 1.582 bln packs. The average cost of a pack at the end of six months was notably more than the same indicator in the past year (USD 2.43 vs. USD 2.01). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 26.85 vs. USD 21.84).

RUSSIAN BIOLIGICALLY ACTIVE ADDITIVE (BAA) MARKET: 2011 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of BAA in Russian Federation™, at the end of first half of 2011, the BAA pharmacy sales in Russia brought in 9.122 billion roubles (USD 318.780 million) in wholesale prices and 12.391 bln roubles (USD 433.000 mln) in retail prices (Fig.1). As compared to the same period of past year, the market saw a 12% increase in terms of roubles, and 18% increase in terms of dollars (in wholesale prices). In physical terms the BAA sales also increased (+5%) to 145.820 mln packs. In six months of 2011, the average retail cost of a BAA pack was USD 2.97, whereas in a year-earlier period – USD 2.66. It should be noted that the average cost of an OTC pack (USD 3.51) is notably higher than that of a BAA pack. The average sum spent by residents of Russia for purchase of BAA amounted to USD 3.03 (in the first half of 2010 - USD 2.58).

Figure 1. Russian BAA pharmacy market for 3 months of 2010 – 3 months of 2011



At the end of six months of 2011, EVALAR (+6%) which market share accounts for 23.7% of sales continued to remain the absolute leader of BAA market (Table 1). However, it should be noted that the market share of the company reduced compared with the same period of past year – as the sales growth rates lagged behind the average market growth. Apart from the leader, another three manufacturers of the Top-10 managed to retain their earlier positions: AKVION (-5%), PHARMA-MED CANADA (+23%) and NATUR PRODUCT (+24%) placed on the second, seventh and ninth positions. The rating progress was showed by VIS and STI-MED-SORB RF which sales increased 1.6 and 2.4 times respectively. The former moved up from 5th to 3rd positions, and the second one – from 12th to 6th position. At the same time, four manufacturers of BAA (DIOD, FERROSAN, EKOMIR and MIRAX FARMA) occupied the much lower positions of the rating. The total share accumulated by Top-10 manufacturers of BAA didn't virtually change and accounted for 53.2%.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	EVALAR	23,7	25,1
2	2	AKVION,RF	5,1	6,0
3	5	VIS	5,0	3,5
4	3	DIOD	4,1	5,4
5	4	**FERROSAN**	3,9	3,9
6	12	STI-MED-SORB RF	3,6	1,7
7	7	PHARMA-MED CANADA	2,1	1,9
8	6	EKOMIR	2,0	2,1
9	9	NATUR PRODUCT	2,0	1,8
10	8	MIRAX FARMA	1,8	1,9
Total			53,2	53,3

*AIPM members are in bold

The rating of the Top-Ten trade names experienced considerable transformation (table 2). Due to sales growth 2.4 times, LACTOFILTRUM moved up from the fifth position to the first one and became its leader. Despite the high performance and market share expansion by more than 1 p.p., the leader of past year SEALEX FORTE (+79%) occupied only 2nd position. The markets of the other three trade names developed at a fast pace: the sales of BAA FITOLAX increased 1.5 times, and those of CI-CLIM and ALI CAPS– 1.7 times, Apart from them, TURBOSLIM CLEANING (+19%) which moved up from 11th to 7th position for the first time entered the rating. Three BAAs - OVESOL (-14%), LEONURI FORTE (-3%) and INDINOL (-2%) - showed the negative sales rates. For this reason, the BAAs occupied the much lower rating positions. Note that the total share of Top-ten trade names increased by 3 p.p. and achieved 19.8%.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	5	LACTOFILTRUM	3,5	1,7
2	1	SEALEX FORTE	3,5	2,2
3	4	FITOLAX	2,8	2,1
4	2	OVESOL	1,7	2,2
5	17	CI-CLIM	1,6	1,0
6	9	HAEMATOGEN RUSS	1,4	1,4
7	11	TURBOSLIM CLEANING	1,4	1,3
8	6	LEONURI FORTE	1,4	1,6
9	7	INDINOL	1,3	1,5
10	22	ALI CAPS	1,3	0,8
Total			19,8	15,8

Numerous changes took place in the Top 10 INN and generic names rating (table 3). However, three INNs of the Top-10 rating retained their earlier positions. As before, BAAs of unidentified composition topped the Top-10 rating, and INN PYRIDOXINE + LEONURUS SIBIRICUS (-5%) and INDOLE-3-CARBINOL (-0.1%) maintained 9th and 10th positions. Most of the Top-10 INN and generic names showed a rating progress – five names occupied much higher positions. Due to 2.4-fold sales growth, LACTULOSE + LIGNIN moved up from the seventh position to 2nd one. GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS (+79%) and FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR (+32%) placed on 3rd and 5th positions respectively improved their positions by one p.p. INN ASCORBIC ACID (+47%) moved up from 8th to 6th position and combination DEXPANTHENOL + DIOSCOREA VILLOSA + HYALURONIC ACID (+76%) moved up from 23rd to 8th position. Only two INNs of Top-10 (ASCORBIC ACID + BIOTIN + CALCIUM and AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA) moved down to much lower positions. The total share of Top-ten increased by 3.3 p.p. and achieved 25.7%.

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

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	Unidentified	5,5	5,7
2	7	LACTULOSE + LIGNIN	3,5	1,7
3	4	GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS	3,5	2,2
4	2	ASCORBIC ACID + BIOTIN + CALCIUM	2,7	2,9
5	6	FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR	2,4	2,1
6	8	ASCORBIC ACID	2,2	1,7
7	5	AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA	1,7	2,2
8	23	DEXPANTHENOL + DIOSCOREA VILLOSA + HYALURONIC ACID	1,6	1,0
9	9	PYRIDOXINE + LEONURUS SIBIRICUS	1,4	1,6
10	10	INDOLE-3-CARBINOL	1,3	1,5
Total			25,7	22,4

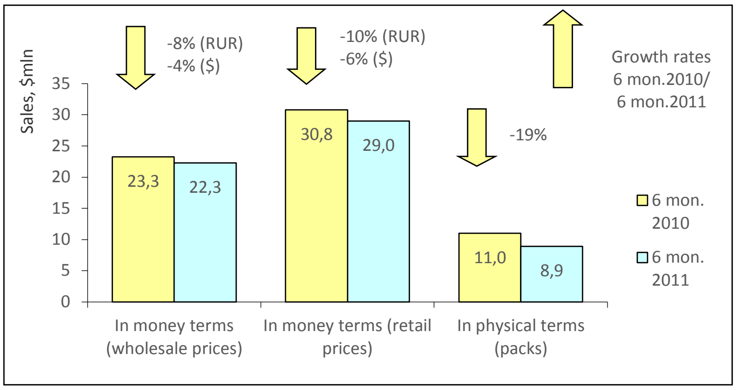
Conclusion. Following the results of six months of 2011, BAA sales in pharmacies increased by 5% in natural terms showing the positive sales rates in money terms: +12% in terms of roubles and +18% in terms of dollars. Its volume amounted to RUR 12.391 bln (USD 433.000 mln) in final consumption prices. The average cost of a pack (USD 2.97 vs. USD 2.66), and the average per capita expenses for purchase of BAA in the region (USD 3.03 vs. USD 2.58)slightly grew as compared with the same indicators in last year. As the analyzed ratings show, BAA market suffered considerable structural changes; however EVALAR continued to remain practically unreachable dominant company in this market segment.

BELGOROD PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Belgorodskaya Oblast was estimated as 1.532 mln, which makes 1.1% of the total Russian Federation population and 4% of Central FO (CFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in Belgorod Oblast was RUR 16,776.5 (USD 589.68), which is 25% less than the average salary in Russia (RUR 22,277.2).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2011 the Belgorod pharmacy market volume decreased in physical terms by 19% and amounted to 8.902 million packs (Fig. 1) In wholesale prices the market also showed the negative performance - 8% in terms of roubles and 4% in terms of dollars and reached 639.761 million roubles (USD 22.308 million). The region share in the total volume of all-Russia pharmacy market accounts for 0.4%. The average cost of OTC pack following the results of the analyzed period is USD 3.26 (in the same period of 2010 - USD 2.79). In the first half of the current year, per capita expenses of Belgorod residents for purchase of medicines in pharmacies amounted to USD 79.98.

Figure 1. Belgorod pharmacy market for 6 months of 2010 – 6 months of 2011



On the basis of the results for the first half of 2011, SANOFI-AVENTIS (-11%) and MENARINI (-13%) continued to remain the leading manufacturers of the Belgorod market (Table 1). The Russian manufacturer PHARMSTANDART (+4%) moved up to the third position – it was one of few manufacturers which had positive sales growth. The market of SANDOZ (+4%) which moved up from 10th to 8th position developed at the same fast pace. Apart from it, another three manufacturers of Top-10 showed the rating progress. NYCOMED (-0.3%) moved up from 6th position to 5th one, the newcomers of the rating NOVARTIS (-0.4%) and KRKA (-3%) occupied two bottom positions respectively. Two manufacturers with pronounced negative growth rates: SERVIER (-14%) and GEDEON RICHTER (-13%) moved down to much lower 4th and 6th positions. The total share of the Top-10 manufacturers increased from 38.2% to 38.8%.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	**SANOFI-AVENTIS**	5,5	5,7
2	2	**MENARINI**	4,9	5,3
3	4	PHARMSTANDART	4,6	4,1
4	3	**SERVIER**	4,6	4,9
5	6	**NYCOMED**	3,9	3,6
6	5	**GEDEON RICHTER**	3,7	3,9
7	7	**BAYER HEALTHCARE**	3,4	3,3
8	10	**SANDOZ GROUP**	2,9	2,6
9	12	**NOVARTIS**	2,6	2,4
10	11	**KRKA**	2,5	2,5
Total			38,8	38,2

*AIPM members are in bold

The leader of the Top-10 trade names rating changed (table 2). At the half-year-end, ARBIDOL which showed 31% sales growth against the background of the general reduction in the regional market became the leader. The other two trade names showed the positive rating progress: ACTOVEGIN (+10%) which maintained 2nd position, and CARDIOMAGNYL (+7%) which moved up from 15th to 7th position and became the only newcomer of Top-10. The other trade names reduced their sales in varying degrees, on top of that two of them, DETRALEX and ALFLUTOP (-10% each) managed to move up the row, to 8th and 9th positions respectively. MOVALIS (-18%) which considerably reduced sales and occupied the bottom position of the rating allowed them to move upwards.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	3	ARBIDOL	1,4	1,0
2	2	ACTOVEGIN	1,2	1,0
3	1	ESSENTIALE N	1,0	1,1
4	4	MEXIDOL	0,8	1,0
5	5	VIAGRA	0,8	0,9
6	6	CONCOR	0,7	0,8
7	15	CARDIOMAGNYL	0,6	0,5
8	9	DETRALEX	0,6	0,6
9	10	ALFLUTOP	0,6	0,6
10	8	MOVALIS	0,6	0,7
Total			8,5	8,2

The considerable growth in sales of ARBIDOL as noted above allowed the respective INN ARBIDOL to move to the first place of the Top-ten rating from the seventh one (table 3). BLOOD (+9%) occupied the second position by displacing the previous leaders PHOSPHOLIPIDS (-10%) and BISOPROLOL (-14%) to 3rd and 4th positions respectively. INN NIMESULIDE (+0.3%) and the combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+5%), which moved up to 5th and 10th positions respectively also showed the rating progress. It should be noted that another two names of the Top-10 rating: despite the reduction in sales, XYLOMETAZOLINE (-4%) and DICLOFENAC (-2%) occupied much higher 6th and 9th positions. The cumulative share of the Top-ten trade names increased and achieved 10.7%.

Table 3. The Top-Ten INN and Generic Names by pharmacy sales

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	7	ARBIDOL	1,4	1,0
2	3	BLOOD	1,3	1,1
3	1	PHOSPHOLIPIDS	1,2	1,2
4	2	BISOPROLOL	1,1	1,2
5	10	NIMESULIDE	1,0	0,9
6	9	XYLOMETAZOLINE	1,0	1,0
7	4	PANCREATIN	1,0	1,1
8	6	EMOXIPIN	1,0	1,0
9	13	DICLOFENAC	0,9	0,8
10	14	PARACETAMOL +ASCORBIC ACID + PHENIRAMINE	0,8	0,8
Total			10,7	10,0

Noticeable shifts took place in the Top-ten ATC groups rating as well (table 4). Only one ATC group J01 Antibacterials for systemic use (-10%) managed to maintain their positions in Top-10, as before it occupied the third position. Six groups of Top-10 showed a rating progress. The leading positions were occupied by M01 Anti-inflammatory and antirheumatic products (-10%) which forced N02 Analgesics (-12%) down to the second position. R05 Cough and cold preparations (+27%) moved up from 7th to 4th position by displacing the group C09 and preparations of unidentified pharmaceutical groups down the row. Apart from that, three newcomers appeared in the bottom part of Top-10 rating: Groups G03 Sex hormones (-3%), A11 Vitamins (-6%) and S01 Ophthalmologicals (+30%) occupied 7th, 9th and 10th positions respectively. The cumulative share of Top-ten increased by 1.3 p.p. and achieved 36.8%.

Table 4. The Top-ten ATC Groups by pharmacy sales

Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4,8	4,9
2	1	N02	ANALGESICS	4,7	4,9
3	3	J01	ANTIBACTERIALS FOR SYST USE	4,6	4,7
4	7	R05	COUGH AND COLD PREPARATIONS	4,2	3,0
5	4	C09	AG ACT RENIN-ANGIOTENS SYST	4,0	4,4
6	5		Unidentified	3,1	3,3
7	11	G03	SEX HORM&MODULAT GENITAL SYS	2,9	2,8
8	9	R01	NASAL PREPARATIONS	2,9	2,8
9	13	A11	VITAMINS	2,8	2,7
10	22	S01	OPHTHALMOLOGICALS	2,8	2,0
Total				36,8	35,5

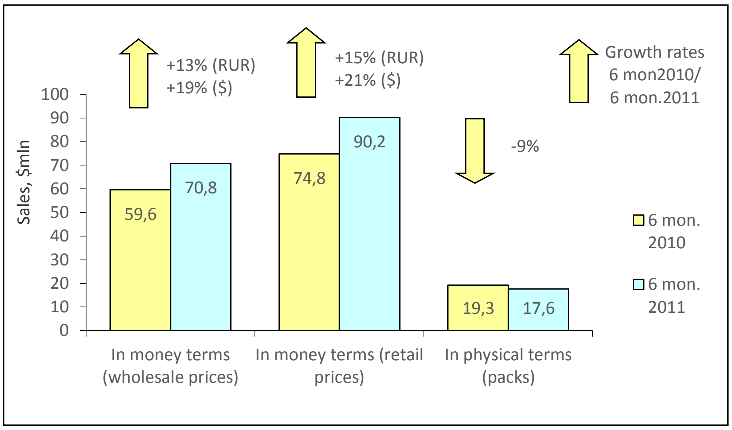
Conclusion. The Belgorod pharmacy market in the first six months to end June 2011 brought in RUR 832.315 bln (USD 29.020 mln) in final consumption prices, which is by 10% in terms of roubles and 6% in terms of dollars less than in the same period of last year. In pack terms the market also showed the negative growth rates (+19%). The average cost of an OTC pack (USD 3.26) in the pharmacies increased as compared to the previous year (USD 2.79) however it was lower than the average value in Russia (USD 3.51). At the same time, expenses of residents for purchase of drugs in pharmacies proved to be higher than the average expenses in Russia (USD 79.98 vs. USD 54.70).

YEKATERINBURG PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Sverdlovskaya Oblast was estimated as 4.298 mln, which makes 3.0% of the total Russian Federation population and 36% of Ural FO (UFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the region was RUR 21,323.9 (USD 749.52), which is 4% less than the average salary in Russia (RUR 22,277.2).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2011 the Yekaterinburg pharmacy market volume reduced by 9% in physical terms and amounted to 17.585 million packs (Fig. 1) In wholesale prices the market also reduced: 13% in terms of roubles and by 19% in terms of dollars and reached 2.024 million roubles (USD 70.759 million). The Yekaterinburg share in the total volume of all-Russia pharmacy market accounted for 1.2%. The average cost of OTC pack in the city pharmacies in the analyzed period was USD 5.13 (in the same period of 2010 - USD 3.88). In the first half of the current year, per capita expenses of Yekaterinburg residents for purchase of medicines in pharmacies amounted to USD 67.12.

Figure 1. Yekaterinburg pharmacy market for 6 months of 2010 – 6 months of 2011



Following the results of six months of 2011, one newcomer appeared in the Top-ten manufacturers rating as compared to the same period of last year - NOVARTIS (+28%) moved up from 11th to 9th position (table 1). On top of that, ABBOTT (+31%) moved up the row to 4th position, SERVIER (+17%) and SANDOZ (+14%) which occupied 6th and 8th positions respectively moved up two rows. MERCK SHARP DOHME (+24%) moved upwards even more considerably, by four rows, from 9th to 5th position. At the same time, three companies with low and negative sales rates: PHARMSTANDART (+4%), GEDEON RICHTER (+5%) and MENARINI (-0,5%) moved down to much lower positions. SANOFI-AVENTIS (+18%) and BAYER (+22%) continued to remain the leaders of Top-10 and retained and reinforced their positions.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	**SANOFI-AVENTIS**	7,3	7,0
2	2	**BAYER HEALTHCARE**	5,1	4,8
3	4	**ABBOTT**	4,7	4,0
4	3	PHARMSTANDART	4,1	4,5
5	9	**MERCK SHARP DOHME**	3,3	3,0
6	8	**SERVIER**	3,2	3,1
7	5	**GEDEON RICHTER**	3,2	3,4
8	10	**SANDOZ GROUP**	3,0	3,0
9	11	**NOVARTIS**	3,0	2,6
10	6	**MENARINI**	2,9	3,3
Total			39,8	38,8

*AIPM members are in bold

The rating of the Top-ten trade names was half updated – it acquired five newcomers (table 2). They were URSOSAN (+59%), DETRALEX (+48%), ALFLUTOP (+41%), YARINA (+59%) and DUPHASTON (+49%), which due to high growth rates occupied 5th through 7th positions as well as two bottom positions of Top-10. The market of PLAVIX (+72%) developed by much higher rates which allowed it to move up from the seventh to fourth position. Only one preparation, ACTOVEGIN (+9%) moved down to much lower 8th position. The first three leaders of the regional market didn't change: antiviral ARBIDOL (+12%), hepatoprotectors ESSENTIALE N (+17%) and HEPTRAL (+58%).

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	1,5	1,5
2	2	ESSENTIALE N	1,3	1,2
3	3	HEPTRAL	1,2	0,8
4	7	PLAVIX	0,9	0,6
5	15	URSOSAN	0,7	0,5
6	14	DETRALEX	0,7	0,5
7	12	ALFLUTOP	0,7	0,5
8	5	ACTOVEGIN	0,7	0,7
9	20	YARINA	0,6	0,4
10	18	DUPHASTON	0,6	0,5
Total			8,8	7,4

The leader of Top-10 INN and Generic Names Rating didn't change either – antiviral ARBIDOL (+12%) managed to maintain its first position (table 3). INNs placed on the second and third positions swapped positions – the more dynamic PHOSPHOLIPIDS (+17%) displaced PANCREATIN (+0.5%) from the second position. It should be noted that apart from the latter, the other two INNs (XYLOMETAZOLINE and FLUCONAZOLE) took much lower positions. The other ATC groups of the rating, on the contrary, showed a rating progress. Among them there were four INNs which entered Top-10 for the first time: CLOPIDOGREL (+70%), URSODEOXYCHOLIC ACID (+75%), HYALURONIC ACID (+34%) and DIOSMIN + HESPERIDIN (+45%) which occupied 6th through 9th positions.

Table 3. The Top-Ten INN and Generic Names by pharmacy sales

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	1,5	1,5
2	3	PHOSPHOLIPIDS	1,4	1,3
3	2	PANCREATIN	1,3	1,5
4	6	ADEMETIONINE	1,2	0,9
5	4	XYLOMETAZOLINE	1,1	1,0
6	11	CLOPIDOGREL	1,1	0,7
7	20	URSODEOXYCHOLIC ACID	0,9	0,6
8	13	HYALURONIC ACID	0,8	0,6
9	24	DIOSMIN + HESPERIDIN	0,7	0,6
10	7	FLUCONAZOLE	0,7	0,8
Total			10,6	9,4

G03 Sex hormones (+35%) which sales grew more than one third became the leader of the Ten-top ATC group rating (table 4). N02 Analgesics (+14%) moved up from 3rd to 2nd position. The third and fourth positions were occupied by the last year leaders – groups A11 Vitamins (+4%) and J01 Antibacterials for systemic use (-1%). M01 Anti-inflammatory and antirheumatic products (+9%) maintained the fifth position of the rating. It was the only group which kept its earlier position. One newcomer appeared in the bottom part of Top-10 rating: R05 Cough and cold preparations (+42%) moved up to 8th position from 12th one. At the same time, it shifted groups A05 and R01 down the row. Apart from that, two moves took place in the rating. The more dynamic group N06 Psychoanaleptics (+23%) moved up the row by displacing C09 Agents acting on the rennin-angiotensing system (+4%) to 7th position. The cumulative share of the Top-10 increased from 36.7% to 37.4%.

Table 4. The Top-ten ATC Groups by pharmacy sales

Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	4	G03	SEX HORM&MODULAT GENITAL SYS	4,9	4,1
2	3	N02	ANALGESICS	4,2	4,1
3	1	A11	VITAMINS	4,2	4,5
4	2	J01	ANTIBACTERIALS FOR SYST USE	3,7	4,3
5	5	M01	ANTIINFLAM & ANTIRHEUM PROD	3,6	3,8
6	7	N06	PSYCHOANALEPTICS	3,6	3,3
7	6	C09	AG ACT RENIN-ANGIOTENS SYST	3,5	3,7
8	12	R05	COUGH AND COLD PREPARATIONS	3,3	2,7
9	8	A05	BILE AND LIVER THERAPY	3,2	3,1
10	9	R01	NASAL PREPARATIONS	3,2	3,1
Total				37,4	36,7

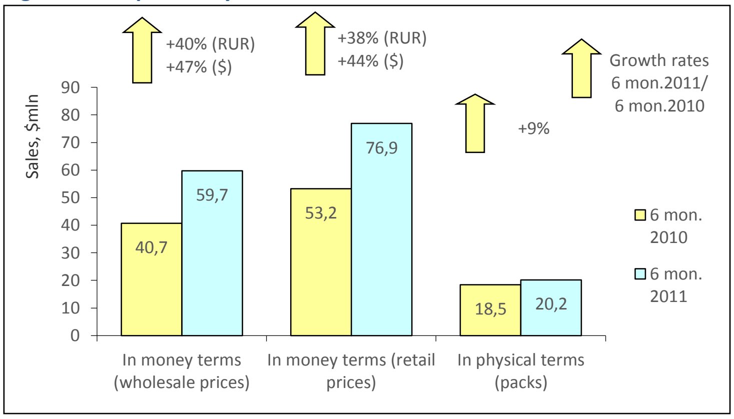
Conclusion. The Yekaterinburg pharmacy market in the first six months to end June 2011 brought in RUR 2.581 bln (USD 90.193 mln) in final consumption prices, which is 15% in terms of roubles and 21% in terms of dollars more as compared to the last year. The city market in terms of natural values showed negative sales growth rates (-9%) and reached 17.585 mln packs. The average cost of an OTC pack in the analyzed period increased as compared to the last year – USD 5.13 vs. USD 3.88 and was considerably higher than on an average in Russia (USD 3.51).

UFA PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Republic of Bashkortostan was estimated as 4.072 mln, which accounts for 2.8% of the total Russian Federation population and 14% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the region was RUR 17,277.6 (USD 607.3), which is 22% less than the average salary in Russia (RUR 22,277.2).

According to the results of the Retail Audit of Over-the-Counter (OTC) Drugs in Russian Federation™, in the first six months of 2011 the volume of Ufa pharmacy market in physical terms increased by 9% and made up 20.219 million packs. In money terms, Ufa market increased by 40% in rouble terms and 47% in dollar terms and brought in 1.711 billion roubles (59.735 million dollars) in wholesale prices (exclusive of Additional Pharmacological Support). The city share in the total volume of Russian pharmacy market accounted for 1%. The average cost of a pack in the first half-year of 2011 amounted to USD 3.80 (in the same period of 2010 - USD 2.88). Per capita expenses for the purchase of OTC drugs in Ufa amounted to USD 77.93,

Figure 1. Ufa pharmacy market for 6 months of 2010 – 6 months of 2011



On the basis of the results for the first half of 2011, SANOFI-AVENTIS (+43%) and PHARMSTANDART (+51%) continued to remain the leading manufacturers of the regional market (Table 1). Due to sales growth 1.6 times, ABBOTT was able to move up to 3rd position from 4th one by displacing SANDOZ (+58%). Apart from that, two more shifts took place in the Top-10 rating. BAYER (+50%) and NYCOMED (+51%) moved up the row, to 5th and 8th positions of the rating by displacing less dynamic SERVIER (+39%) and MENARINI (+31%). The total share of Top-ten manufacturers increased by almost 2 p.p. and reached 39.9%.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	**SANOFI-AVENTIS**	5,7	5,6
2	2	PHARMSTANDART	5,2	4,8
3	4	**ABBOTT**	4,4	3,8
4	3	**SANDOZ GROUP**	4,4	3,9
5	6	**BAYER HEALTHCARE**	3,9	3,6
6	5	**SERVIER**	3,6	3,7
7	7	**GEDEON RICHTER**	3,5	3,5
8	9	**NYCOMED**	3,3	3,1
9	8	**MENARINI**	3,1	3,3
10	10	**TEVA**	2,8	2,7
Total			39,9	38,0

*AIPM members are in bold

As in the previous Top-10, two preparations of Top-10 trade names rating managed to maintain their earlier positions (table 2). They were hepatoprotector ESSENTIALE N (+30%) and antiviral ARBIDOL (+43%). Among the remaining trade names of Top-10, only one - VIAGRA (+18%) moved down to the lower 6th position, whereas the other seven names, on the contrary, showed a rating progress. Among them there were three newcomers that entered the Top-10 for the first time: ANAFERON (+68%), DUPHASTON and CARDIOMAGNYL (which sales grew 2.2 times) placed on three bottom positions.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ESSENTIALE N	1,7	1,8
2	2	ARBIDOL	1,5	1,5
3	4	HEPTRAL	1,2	1,1
4	6	ACTOVEGIN	1,0	1,0
5	8	KETONAL	0,9	0,9
6	5	VIAGRA	0,9	1,0
7	9	MEXIDOL	0,9	0,7
8	11	ANAFERON	0,7	0,6
9	33	DUPHASTON	0,6	0,4
10	29	CARDIOMAGNYL	0,6	0,4
Total			9,9	9,4

Three newcomers entered the Top INN and generic names rating (table 3): EMOXIPIN (+80%), AZITHROMYCIN (+67%) and AMBROXOL (+84%) which occupied from 7th through 9th positions. Apart from them, another two INNs changed their rating positions: ADEMETIONINE (+63%) moved up to 4th position from 7th, but SILDENAFIL (+18%), on the contrary, moved down two rows to 10th position. The other five INNs managed to maintain their positions including INNs topping the rating PHOSPHOLIPIDS (+33%), PANCREATIN (+37%) and ARBIDOL (+43%.

Table 3. The Top-Ten INN and Generic Names by pharmacy sales

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	PHOSPHOLIPIDS	1,7	1,8
2	2	PANCREATIN	1,6	1,7
3	3	ARBIDOL	1,5	1,5
4	7	ADEMETIONINE	1,3	1,1
5	5	KETOPROFEN	1,2	1,2
6	6	BLOOD	1,1	1,1
7	14	EMOXIPIN	0,9	0,7
8	12	AZITHROMYCIN	0,9	0,8
9	16	AMBROXOL	0,9	0,7
10	8	SILDENAFIL	0,9	1,0
Total			12,0	11,6

Low sales rates of N02 Analgesics (+2%) resulted in the loss of two rating positions – the group moved down from the first to third position (table 4). At the same time, it allowed more dynamic J01 Antibacterials for systemic use (+48%) and M01 Anti-inflammatory and antirheumatic products (+45%) to move up and occupy the two top positions of Top-10 ATC groups. The Groups R05 Cough and Cold Preparations (+84%), G03 Sex Hormones (+64%), as well as N06 Psychoanaleptics (+49%) which entered Top-10 for the first time and C09 Agents acting on the rennin-angiotensin system (+43%) moved up to much higher positions and occupied 4th, 6th, 9th and 10th positions respectively. The total share of Top-10 ATC groups increased by 1 p.p. and accounted for 39.4%.

Table 4. The Top-ten ATC Groups by pharmacy sales

Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	2	J01	ANTIBACTERIALS FOR SYST USE	5,3	5,0
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,4	4,3
3	1	N02	ANALGESICS	4,2	5,7
4	9	R05	COUGH AND COLD PREPARATIONS	4,1	3,2
5	5	A11	VITAMINS	3,9	3,8
6	7	G03	SEX HORM&MODULAT GENITAL SYS	3,9	3,3
7	4		Unidentified	3,9	3,9
8	6	A05	BILE AND LIVER THERAPY	3,4	3,4
9	11	N06	PSYCHOANALEPTICS	3,2	3,0
10	12	C09	AG ACT RENIN-ANGIOTENS SYST	3,0	2,9
Total				39,4	38,5

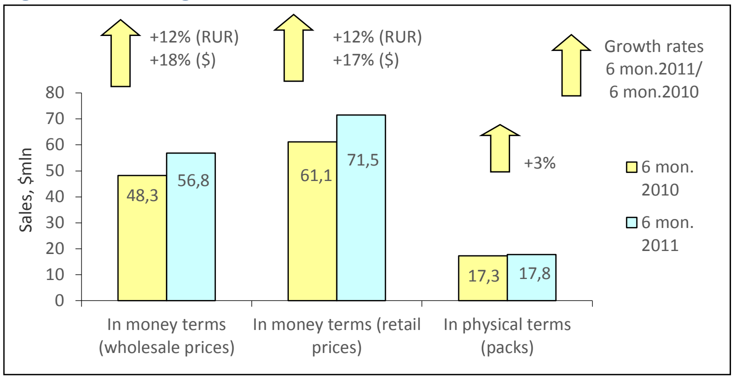
Conclusion. On the basis of the results of first half of 2011, the pharmacy market of Ufa brought in RUR 2.202 bln (USD 76.875 mln) in final consumer prices. The market performance was profoundly positive both in rouble terms (+38%) and in dollar terms (+44%). Appreciable increase was observed in physical terms (+9%) as well, and the volume of market achieved 20.219 mln packs. The average cost of a pack, USD 3.80, and the average sum spent by residents of the region for the purchase of OTC drugs (USD 77.93) were higher than the average indicators in Russia (USD 3.51 and USD 54.70).

KAZAN PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Republic of Tatarstan was estimated as 3.787 mln, which accounts for 2.7% of the total Russian Federation population and 13% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the region was RUR 18,237.4 (USD 641.03), which is 18% less than the average salary in Russia (RUR 22,277.2).

According to the results of the Retail Audit of Over-the-Counter (OVC) drugs in Russian Federation™, in January-June 2011, the sales of over-the-counter drugs in pharmacies of Kazan in physical terms saw a 3% increase to 17.774 mln packs. In money terms, the regional OTC drugs market increased by 12% in rouble terms and 18% in dollar terms to RUR 1.626 bln (USD 56.807 mln) in wholesale prices (Fig.1). The average cost of OTC pack based on the results of 6 months of 2011 was USD 4.02 (in 2010 - USD 3.53). The average expenses of Kazan residents for purchase of drugs in the first half of 2011 were estimated as USD 69.36

Figure 1. Kazan region market for 6 months of 2010 – 6 months of 2011



Following the results of the first half of 2011, as before SANOFI-AVENTIS (+21%) occupies the top position in the Kazan pharmacy market (Fig.1). Apart from it, the other two manufacturers of Top-10 rating BAYER (+14%) and NOVARTIS (+12%) managed to maintain their previous 4th and 8th positions respectively. The rating shifts touched on other manufacturers of Top-10 rating. PHARMSTANDART (+19%), SANDOZ (+25%) and STADA (+11%) moved up to 2nd, 5th and 9th positions respectively, whereas SERVIER (+7%), MENARINI (+1%) and ABBOTT (+9%), on the contrary, moved down the row. Apart from that, one newcomer entered the Top-10 rating. It was GEDEON RICHTER (+11%) which moved up to 10th position from 11th one. The cumulative share of the Top-ten manufacturers accounted for 36.8%.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	**SANOFI-AVENTIS**	6,2	5,8
2	3	PHARMSTANDART	4,5	4,2
3	2	**SERVIER**	4,1	4,3
4	4	**BAYER HEALTHCARE**	3,9	3,8
5	7	**SANDOZ GROUP**	3,5	3,1
6	5	**MENARINI**	3,3	3,7
7	6	**ABBOTT**	3,1	3,2
8	8	**NOVARTIS**	2,8	2,8
9	10	**STADA**	2,7	2,7
10	11	**GEDEON RICHTER**	2,7	2,7
Total			36,8	36,4

*AIPM members are in bold

Some newcomers entered the rating of the Top-ten trade names as well (table 2). There were two of them - PEGINTRON and EXODERIL that due to sales growth 5.5 times and 3.4 times moved up to 8th and 9th positions respectively. Apart from that, some shifts took place in the Top-10 rating. More dynamic ESSENTIALE N (+50%) occupied the first place by displacing the last year leader ARBIDOL (+5%). Due to significant reduction in sales, OCILLOCOCCINUM (-31%) moved down from the fourth to the bottom position of Top-10, which allowed four trade names to improve their rating positions: preparations ALFLUTOP (+18%), ACTOVEGIN (-1%), HEPTRAL (-2%) and DETRALEX occupied from 4th through 7th positions. The total share of the Top-10 increased from 7.9% to 8.6%.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	2	ESSENTIALE N	1,4	1,1
2	1	ARBIDOL	1,4	1,5
3	3	VIAGRA	1,0	1,0
4	5	ALFLUTOP	1,0	0,9
5	6	ACTOVEGIN	0,8	0,9
6	7	HEPTRAL	0,7	0,8
7	9	DETRALEX	0,6	0,6
8	176	PEGINTRON	0,6	0,1
9	114	EXODERIL	0,6	0,2
10	4	OCILLOCOCCINUM	0,6	0,9
Total			8,6	7,9

The Top-10 INN and generic names rating leader changed for INN PHOSPHOLIPIDS (+52%) (Table 3). Antiviral ARBIDOL (+5%) moved down to 2nd position, whereas PANCREATIN (+17%) and SILDENAFIL (+15%) maintained their 3rd and 4th positions. INN BLOOD (-2%) showed the negative growth rates and moved down from the fifth to the bottom position. The other five INNs from the Top-10, on the contrary, moved up to much higher positions. Among them there were two newcomers that entered the Top-10 for the first time: INN AMBROXOL (+32%) and the combination CHONDROITINSULFURIC ACID + GLUCOSAMINE (+47%), which occupied 8th and 9th positions respectively.

Table 3. The Top-Ten INN and Generic Names by pharmacy sales

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	2	PHOSPHOLIPIDS	1,5	1,1
2	1	ARBIDOL	1,4	1,5
3	3	PANCREATIN	1,0	1,0
4	4	SILDENAFIL	1,0	1,0
5	7	FISH	1,0	0,9
6	9	AZITHROMYCIN	0,9	0,9
7	8	XYLOMETAZOLINE	0,9	0,9
8	14	AMBROXOL	0,9	0,7
9	21	CHONDROITINSULFURIC ACID + GLUCOSAMINE	0,8	0,6
10	5	BLOOD	0,8	0,9
Total			10,1	9,6

Only one group of Top-10 ATC groups rating managed to retain its previous position – Group G03 Sex hormones (+7%) maintained 5th position (table 4). Four ATC groups of Top-10 moved down to much lower positions including the last year leader J01 Antibacterials for systemic use (+5%). At the same time, five groups showed a rating progress. M01 Anti-inflammatory and antirheumatic products (+20%) and N02 Analgesics (+14%) moved up the row, to the first and third positions. R05 Cough and Cold Preparations (+40%) moved up from 9th position to 4th one and L03 Immunostimulants (+30%) and A05 Bile and liver therapy (+31%) occupied 8th and 9th positions. The total share of the Top-10 increased from 36.4% to 37.3%.

Table 4. The Top-ten ATC Groups by pharmacy sales

Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4,7	4,4
2	1	J01	ANTIBACTERIALS FOR SYST USE	4,5	4,8
3	4	N02	ANALGESICS	4,1	4,0
4	9	R05	COUGH AND COLD PREPARATIONS	3,7	3,0
5	5	G03	SEX HORM&MODULAT GENITAL SYS	3,7	3,9
6	3		Unidentified	3,6	4,4
7	6	A11	VITAMINS	3,3	3,3
8	10	L03	IMMUNOSTIMULANTS	3,3	2,9
9	11	A05	BILE AND LIVER THERAPY	3,3	2,8
10	7	C09	AG ACT RENIN-ANGIOTENS SYST	3,1	3,0
Total				37,3	36,4

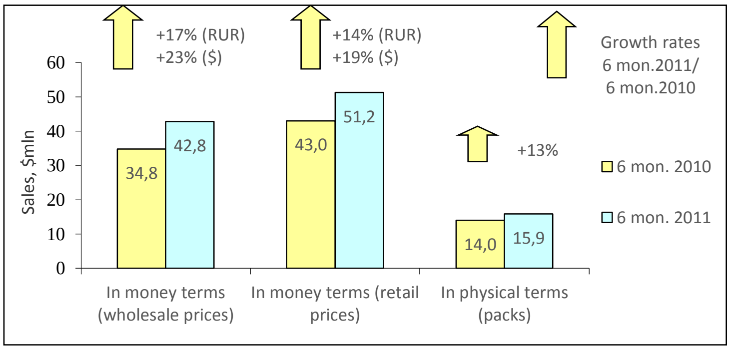
Conclusion. On the basis of the results of six months of 2011, the retail pharmacy market of Kazan brought in RUR 2.047 bln (USD 71.493 mln), which is 12% in terms of roubles and 17% in terms of dollars more than in the same period of 2010. In physical terms, the regional market showed positive growth rates (+3%) and brought in 17.774 mln packs. In the first six months of 2011, the average cost of OTC pack in the regional pharmacies was USD 4.20 (in a year-earlier period – USD 3.53), and the average expenses of the regional population amounted to USD 69.36, which is higher than the average indicators in the country (USD 3.51 vs. USD 54.70).

PERM PHARMACEUTICAL MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Permskaya Oblast was estimated as 2.634 mln, which accounts for 1.8% of the total Russian Federation population and 9% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the region was RUR 18,394.5 (USD 646.56), which is 17% less than the average salary in Russia (RUR 22,277.2).

According to the results of the Retail Audit of Over-the-Counter (OTC) Drugs in Russian Federation™, the sales of over-the-counter drugs in Perm in physical terms increased by 13% to 15.898 bln packs over the period of first six months of 2011. In money terms, the city OTC drugs market (exclusive of Additional Pharmacological Support) saw 17% increase in terms of roubles and 23% increase in terms of dollars compared to the same period of last year and reached RUR 1.224 bln (USD 42.776 mln) in wholesale prices (Fig.1). The average cost of an OTC pack grew as compared to the same period of the previous year (USD 3.07) and reached USD 3.22 in retail prices. In the first half of 2011, the average amount spent by residents of Perm on drugs amounted to USD 45.07.

Figure 1. Perm pharmacy market for 6 months of 2010 – 6 months of 2011



On the basis of the results for the first half of 2011, the rating of the Ten-top manufacturers ranked by pharmacy sales in Perm was topped by Russian PHARMSTANDART due to 44% growth in sales (Table 1). The last year leader SANOFI-AVENTIS (+12%) moved down to the second position. SANDOZ (+36%) moved up from the third position to the eighth one. Two more manufacturers' markets grew at a fast pace: NYCOMED (+20%) and GEDEON RICHTER (+18%), on top of that the former managed to retain its 5th position and the latter to move up to the higher 10th position. STADA (+11%) also showed the rating progress, Despite the lagging in performance and reduction of market share, it moved up from 12th to 10th position and became the only newcomer of Top-10 rating. The markets of BAYER (+3%), MENARINI (+8%), SERVIER (+5%) and ABBOTT (+3%) have been growing slowly which resulted in the reduction of market shares and loss of rating positions. The cumulative share of Top-10 manufacturers also reduced and accounted for 37.9%.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	2	PHARMSTANDART	5,8	4,8
2	1	**SANOFI-AVENTIS**	5,0	5,2
3	8	**SANDOZ GROUP**	4,0	3,4
4	3	**BAYER HEALTHCARE**	3,8	4,3
5	5	**NYCOMED**	3,8	3,7
6	4	**MENARINI**	3,7	4,0
7	6	**SERVIER**	3,2	3,5
8	7	**ABBOTT**	3,1	3,5
9	10	**GEDEON RICHTER**	3,0	3,0
10	12	**STADA**	2,6	2,8
Total			37,9	38,2

*AIPM members are in bold

Preparations ARBIDOL (+54%) and ACTOVEGIN (+2%) didn't change their leading positions in the Top-10 trade names rating (table 2). OCILLOCOCCINUM which used to take the third position earlier cut its sales by 29% and moved down to 8th position of the rating, which allowed the preparations VIAGRA (+15%) and ANAFERON (+18%) to move up the row, to 3rd and 4th positions respectively. The other three positions in the rating were occupied by the newcomers of Top-10. TROPICAMID (+84%) moved up from 18th to 5th position and CARDIOMAGNYL (+55%) moved up from 13th position to 7th one, and the most dynamic among leaders EXODERIL, which sales increased almost 3.9 times moved up from 123rd to 9th position.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	2,1	1,7
2	2	ACTOVEGIN	1,0	1,2
3	4	VIAGRA	0,9	0,9
4	5	ANAFERON	0,8	0,8
5	18	TROPICAMID	0,7	0,5
6	6	ESSENTIALE N	0,7	0,8
7	13	CARDIOMAGNYL	0,7	0,5
8	3	OCILLOCOCCINUM	0,6	1,0
9	123	EXODERIL	0,6	0,2
10	7	MEZYM FORTE	0,6	0,7
Total			8,8	8,2

Three newcomers entered the Top-ten INN and generic names rating as well (table 3). They were NIMESULIDE (+42%), AMBROXOL (+83%) and INTERFERON GAMMA, NATURA (+18%) which occupied 4th, 7th and 10th positions respectively. Apart from them, the rating progress was observed in one more INN – PANCREATIN (+4%) moved up from the third to the second position. The other two INNs (BLOOD and KETOPROFEN) moved down to the lower positions. Half of INNs of the Top-10 rating including its leader ARBIDOL (+54%) retained their positions.

Table 3. The Top-Ten INN and Generic Names by pharmacy sales

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	2,1	1,7
2	3	PANCREATIN	1,1	1,2
3	2	BLOOD	1,1	1,3
4	12	NIMESULIDE	1,0	0,8
5	5	XYLOMETAZOLINE	0,9	1,0
6	6	SILDENAFIL	0,9	0,9
7	27	AMBROXOL	0,9	0,6
8	8	PHOSPHOLIPIDS	0,8	0,9
9	7	KETOPROFEN	0,8	0,9
10	11	INTERFERON GAMMA, NATURAL	0,8	0,8
Total			10,5	10,0

M01 Anti-inflammatory and antirheumatic products (+20%) continued to remain the best selling group in the regional market (table 4). 2nd through 4th positions were occupied by the groups from much lower positions of the rating: A11 Vitamins (+17%), N02 Analgesics (+49%) and R05 Cough and cold preparations (+76%) which moved up from 3rd, 6th and 11th position respectively. For the first time ever, (apart from the above mentioned group R05) J05 Antivirals for systemic use (+52%) entered the Top-10 having moved up from 16th to 10th position. J01 Antibacterials for systemic use (+28%) and L03 Immunostimulants (+23%) maintained the fifth and the eighth positions. Groups C09 and R01 and preparations of unidentified pharmaceutical groups also took up much lower positions. The total share of Top-10 ATC groups increased by 2.7 p.p. and accounted for 39.8%.

Table 4. The Top-ten ATC Groups by pharmacy sales

Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4,9	4,8
2	3	A11	VITAMINS	4,4	4,5
3	6	N02	ANALGESICS	4,4	3,5
4	11	R05	COUGH AND COLD PREPARATIONS	4,3	2,9
5	5	J01	ANTIBACTERIALS FOR SYST USE	4,2	3,8
6	4	C09	AG ACT RENIN-ANGIOTENS SYST	4,0	4,2
7	2		Unidentified	3,9	4,5
8	8	L03	IMMUNOSTIMULANTS	3,4	3,2
9	7	R01	R01 NASAL PREPARATIONS	3,2	3,2
10	16	J05	ANTIVIRALS FOR SYSTEMIC USE	3,1	2,4
Total				39,8	37,1

Conclusion. On the basis of the results of the first half of 2011, the retail pharmacy market of Perm brought in RUR 1.466 bln (USD 51.231 mln). The market saw a 14% increase in terms of roubles and 19% in terms of dollars. The city market in physical terms also showed positive sales growth rates (+13%) and reached 15.898 mln packs. The average cost of a pack in the first six months was more than in the same period of past year (USD 3.22 vs. USD 3.07). Note that the average cost of a pack and average expenses of Perm residents for purchase of OTC drugs in pharmacies were lower than the corresponding average values in Russia (USD 3.51 vs. USD 54.70).

REGIONAL DIGEST

Additional Pharmacological Support/Procurement of Necessary Drugs, Government Control

September 2, 2011, The Moscow News

FAS proposes to amend existing Russian legislation

Federal Antimonopoly Service proposes to introduce the term "alternative preparations" in the existing Russian legislation. When writing out a prescription, the practitioners should specify international non-proprietary names along with the trade names of recommended preparations. This will give patients more choice and allow them to save moneys when applicable.

Another proposal of FAS deals with the Administrative Offense Code. The officials propose to put restrictions on the relations between the practitioners and pharmaceutical companies. The Service proposes to impose fines of up to RUR 40 thousand for close relations between practitioners and companies, and to disqualify for a repetitive offence. Mr. Sergey Shulyak, Director General of DSM Group, Marketing Company, believes that such sanctions won't be of much benefit as it is difficult to prove practitioners' interest in promotion of preparations, unless it comes to the narrow segment where the connection between the prescriptions issued and purchase of rare preparations can be traced.

September 5, 2011, The Izvestia

Ministry of Industry and Trade will spend RUR 160 mln on promotion of drugs and medical devices of domestic manufacture in Russia and abroad up to 2013

A successful bidder shall have to create a positive image of efficiently renewed pharmaceutical and medical industry that communicates essential qualities in Russia and abroad. But what exactly to be promoted remains to be seen. It usually takes 6-7 years to develop an innovative drug.

"Even now there are innovative drugs and medical devices approved by Presidential Commission on Modernization which need to be promoted and launched at the world market", the spokesman for Ministry of Industry and Trade clarified some of the recent rumblings, but didn't give any specific details.

"On average, companies, the world leaders, spend almost one billion dollars in promoting expenses for launching their new drugs at the market. At the same time, the world market is now very saturated. Not only promotion is required, but also the thing called government relations – collaboration of officials with their foreign colleagues", experts believe.

September 5, 2011, Pharmvestnik.ru

Regions will get RUR 2.3 bln for drugs for social security beneficiaries

Russian Federation Government decided to allocate RUR 2.3 bln to regions for the purchase of drugs for persons entitled to benefits. On top of that, the moneys shall be steered as early as this year. That is what Vladimir Putin, Prime-Minister of Russian Federation, said when speaking at the International Conference of United Russia in Cherepovets today, September 5. "The other day we agreed these parameters with Ministry of Finance and Ministry of Economic Development and Trade, Ministry of Public Health", quoted the Prime-TASS.

According to Vladimir Putin, time delays in provision of medicines in Russia are inadmissible. "Subjects of Federation are requested to make purchases as early as this year in order to avoid delays in provision of medicines to people in need at the beginning of January of next year, as was sometimes the case", emphasized the Prime Minister.

September 9, 2011, The Rossiyskaya Gazeta

Anti-monopolists are going to crack down on cartels

At the enlarged board sitting of Federal Antimonopoly Service, Mr. Igor Artemiev, Head of the Service, promised that in the near term the Service shall continue to fight cartels.

The main subjects of the forum running like a scarlet thread through all its actions included discussion of amendments drafted by FAS to Procurement Federal Law No 94 and fight against cartels.

Four more criminal proceedings have been instigated against 13 major distributors of pharmaceutical products. They are suspected of conspiracy at the tender for the procurement of medicines. Arrangements between the heads of such companies made it possible for each of them to win one of the auctions.

"We don't aim at catching absolutely everybody who today participates in conspiracy. We need to show that the government doesn't approve such actions. All conducted investigations and those which will be instigated are a warning to everybody who is going to play with such things", added Igor Artemiev.

September 14, 2011, RBCDaily

Ministry of Public Health draw up a list of medicines which should b provided to seniors by regional authorities free of charge

The list of medicines "to be purchased from federal budget resources for purposes to provide pharmacological support to elderly people" was sent out by the Ministry of Public Health and Social Development to public health experts of FAS. The explanatory notes to the List of 63 international non-proprietary names (INN) specify that in the Russian regions the pharmaceutical support to social security beneficiaries including those of elderly age is not always available.

However, the explanatory notes don't clarify the procedure for provision of free drugs to elderly people, how the regions will fund such benefits, whether all retired persons could receive free drugs. Yesterday, the Ministry of Public Health could not be reached for comments. "It is not clear what this list binds to", shows surprise David Melik-Guseinov, Director of Cegedim Strategic Data. "It is not linked to any programme. However, it was plain that it should form the basis of pharmaceutical support for elderly people".

September 22, 2011, The Rossiyskaya Gazeta

Most of Russian Clinical Research Centres have successfully obtained accreditation

As far back as in the end of July the situation seemed threatening: Ministry of Public Health and Social Development was only able to issue accreditation to 20% of the centres required for successful performance of the market. Experts had a fear that as a result many clinical trials might be suspended, as from September 1 such trials can only be conducted in the centres which obtained accreditation.

Based on the information placed on the site grls.rosminzdrav.ru, for the period from August 24 to 30, 2011, the Ministry of Public Health and Social Development issued four Decrees granting accreditations for 186 centres. In total, in August 406 centres obtained accreditation. Now, the Register of accredited centres comprises 596 centres, of which 122 are located in Moscow and 101 in Saint Petersburg. According to the experts, the successful performance of clinical trials market requires minimum 500-600 centres.

Therefore, the threat that the clinical trial market in Russia will crush has been lifted.

September 27, 2011, The Meditsinski Vestnik

Ministry of Public Health and Social Development of Russia prepared a new Vital and Essential Medicines List

Ministry of Public Health and Social Development of Russia prepared a draft Decree of Russian Federation Government dd. September 23, 2011 to approve a Vital and Essential Medicines List for 2012. The site of Ministry of Public Health and Social Development offers the opportunity to study the List and provide feedback on the draft list.

NEWS FROM COMPANIES

September 14, 2011, Pharmvestnik.ru

Ministry of Public Health and Social Development refused to issue to Biocad CJSC a permit to conduct a clinical trial of domestic biosimilar of MabThera

Ministry of Public Health and Social Development didn't permit Biocad CJSC to conduct clinical trials of anticancer drug Rituximub – a domestic biosimilar of original preparation MabThera F. Hoffmann-La Roche (Switzerland). This decision has been used as a basis for application of Biocad CJSC to the Arbitration Court of Moscow with the purpose to protect its rights and legal interests.

September 19, 2011, RBCDaily

Teva Pharmaceutical Industries Ltd to build a plant in Russia, opening 2014

Teva signed with Mr. Sergey Vakhrukov, Governor for Yaroslavskaya Oblast, an investment agreement for construction of a pharmaceutical plant in the territory of Yaroslavl pharmaceutical cluster. Construction will begin in the second quarter of 2012, while the launch of production is scheduled for 2014. Investments will amount to USD 50 mln. The company will specialize in Russia in the production of drugs for the treatment of cardiovascular, neurological and psychiatric diseases.

September 19, 2001, Tengrinews.kz

Polpharma to acquire Kazakhstani Khimpharm

The largest Polish pharmaceutical concern Polpharma announced its plans to purchase Kazakhstani pharmaceutical Khimpharm JSC. On September 20, representatives of two companies will sign an agreement to purchase major shareholding in Khimpharm JSC. Financial details of the transaction were not disclosed.

September 25, 2011, IA Regnum

Bayer signed an agreement of intent to establish joint production in the territory of Russia

In Berlin, Bayer signed an agreement of intent with Yunona Holding (Ural pharmaceutical cluster). "Both companies plan to cooperate and create efficient capacities in the field of development, production, marketing and distribution of pharmaceutical preparations in Russia. The would-be partnership will merge opportunities and experience of Yunona in the development, production and distribution of Russian preparations and experience of Bayer in the development, production, branding, marketing and distribution of preparations", as detailed in the joint press-release of the companies.

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