REMEDIUM GROUP OF COMPANIES

AIPM
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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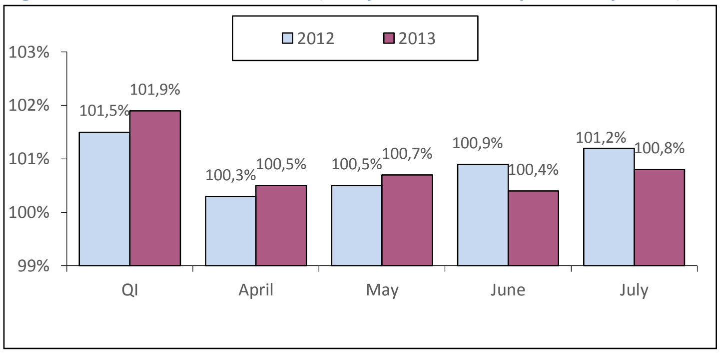
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in July 2013 Consumer Price Index was estimated as 100.8% compared to the previous month, and 104.4% for the year to date (in January-July 2012 - – 104.5%).

In July this year, Industrial Producer Price Index was 102.0%, whereas in the month-earlier period it had amounted to 100.4%.

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



Living standard

According to preliminary Federal State Statistics Service's data, in July 2013 a gross monthly average salary per worker reached RUB 30,366 (USD 923.26) which accounted for 98% compared to the previous month and 113.5% compared to July 2012. In July 2013, the real salary accounted for 106.6% as compared with the same period in 2012. In July 2013, the real value of cash incomes accounted for 104.2% compared to the same period of 2012 (Fig. 2).

Retail turnover

In July 2013, the retail turnover was equal to RUB 1,984.5 bln, which in comparable prices accounted for 104.3% compared to the same period a year ago, in January-July 2013 - RUB 12,894.4 bln and 103.8% (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in July 2013

Manufacture of industrial products

According to Federal State Statistics Service's data, in July 2013 Industrial Production Index accounted for 99.3% compared to the same period a year ago, 101,2% to the previous period of 2013, in January-July 2013 - 100,0%.

Domestic production

The top 10 largest domestic manufacturers by production volume at June-end 2013 are summarized in Table 1. The total production volume of top ten manufacturers was estimated at USD 345.8 mln.

Table 1. Top ten chemical and pharmaceutical manufacturers by production volume in July 2013.

Rank	Manufacturer	Production volume, $mln
1	Pharmstandart	151.6
2	KRKA-RUS	58.8
3	Stada	30.7
4	Valenta	24.5
5	Akrihin	17.4
6	Microgen	16.2
7	NEARMEDIC Plus	14.3
8	Pharm-Center	12.9
9	Sotex	10.9
10	Vertex	8.6

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In July 2013, it was the majority of analysed regions reporting sales increases (in terms of roubles) compared to May. The highest increase was observed in Perm (+10%) and in Krasnodarsky Krai (+9%), the least one in Moscow and Krasnoyarsky Krai (less than 1%). Four regions experienced a decline, Voronezhskaya Oblast demonstrated the biggest drop in sales (-10%).

Table 2. Pharmacy sales in the regions, 2013

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	April 2013	May 2013	June 2013	April/March 2013	May/ April 2013	June/ May 2013
Moscow	199.1	158.8	153.9	-3%	-19%	0.4%
St Petersburg	52.9	43.0	40.5	-6%	-18%	-3%
Krasnodarsky Krai	37.7	32.7	34.3	-5%	-12%	9%
Novosibirskaya Oblast	23.8	21.3	20.1	-6%	-10%	-2%
Tatarstan	30.0	26.4	23.6	2%	-11%	-8%
Krasnoyarsky Krai	20.1	18.5	17.9	-1%	-7%	0.3%
Rostovskaya Oblast	22.0	18.7	18.3	-13%	-14%	1%
Voronezhskaya Oblast	18.1	15.4	13.4	-7%	-14%	-10%
Perm	7.0	5.8	6.1	-7%	-16%	10%
Tyumen	7.5	6.6	6.8	-5%	-11%	6%

Advertising

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

Table 3. Top five advertisers in mass media in June 2013

Rank	Company*	Quantity of broadcasts
1	Novartis	9,608
2	Pharmstandart	3,940
3	Johnson & Johnson	3,643
4	Berlin-Chemie Menarini Group	3,060
5	Firn M	2,677

Source - Remedium according to TNS Russia

Table 4. Top five brand names in mass media in July, 2013

Rank	Brand name*	Quantity of broadcasts
1	Kagocel	1,860
2	Lamisil	1,532
3	Pentalgin	1,477
4	Exoderil	1,452
5	Nurofen	1,448

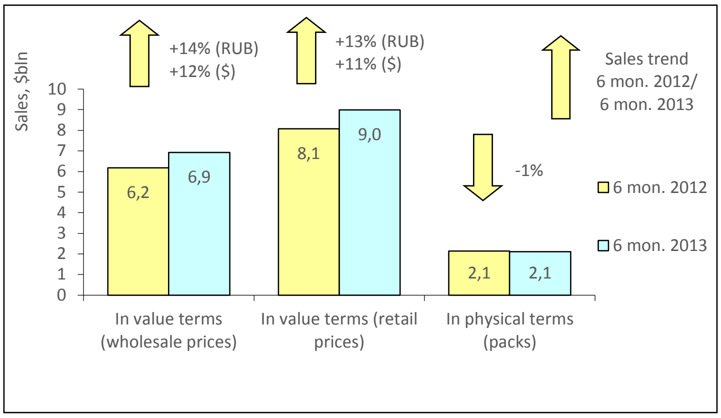
Source - Remedium according to TNS Russia

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 2013 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first six months of 2013 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 1% decrease to 2.115 bln packs. In value terms, the OTC drugs market increased by 14% in rouble terms and by 12% in dollar terms and reached 214.482 billion roubles (USD 6.922 billion) in wholesale prices (Fig. 1). The average cost of an OTC pack grew as compared to the same period of previous year (USD 3.78) and reached USD 4.25 in retail prices. For 6 months of 2013, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 62.71.

Figure 1. Russian pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results of the first six months of 2013, the top six drug manufacturers In the Russian pharmacy market held their own in the ranking (Table 1). They were SANOFI-AVENTIS (+12%[1]), PHARMSTANDART (+13%), BAYER (+20%), SERVIER (+9%), SANDOZ (+17%) and NYCOMED/TAKEDA (+16%). Note that growth rates in three of them, BAYER, SANDOZ and NYCOMED/TAKEDA, exceeded the mid-market rates, which allowed them to expend their market shares. Another two drug manufacturers of the top 10, NOVARTIS (+19%) and TEVA (+22%), showed an outperformance, which allowed them to move up to the higher ranks seven and nine respectively. On top of that, the latter became the only newcomer of the top 10 ranking. MENARINI (+1%) and GEDEON RICHTER (+2%), which had been placed at numbers seven and eight, showed low sales rates, reduced their market shares and moved down to ranks 8 and 10. The cumulative share of the top 10 drug manufacturers also reduced and accounted for 37.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	**SANOFI-AVENTIS**	5.5	5.6
2	2	PHARMSTANDART	4.5	4.5
3	3	**BAYER HEALTHCARE**	4.2	4.0
4	4	**SERVIER**	3.8	4.0
5	5	**SANDOZ GROUP**	3.6	3.5
6	6	**NYCOMED/TAKEDA**	3.6	3.5
7	9	**NOVARTIS**	3.1	3.0
8	7	**MENARINI**	3.1	3.5
9	11	**TEVA**	3.0	2.8
10	8	GEDEON RICHTER	2.9	3.2
Total			37.2	37.5

*AIPM members are in bold

The top ten brand names ranking experienced more perceptible changes, however the hepatoprotector ESSENTIALE N (+28%) held and reinforced its leading rank in the top ten (Table 2). The brand name ALFLUTOP (+9%) placed at rank six held its own in the ranking. Four brand names from the top ten rose in the ranks and another four fell in the ranks. ARBIDOL (+22%) and NICE (+16%) moved up one rank to numbers 2 and 9, and the newcomers KAGOCEL (+95%) and CARDIOMAGNIL (+59%) broke into the ranks of the top ten, coming in at numbers four and ten. At the same time, ACTOVEGIN (+11%), LINEX (+6%), VIAGRA (+1%) and CONCOR (+10%) moved down to the lower ranks 3, 5, 7 and 8, respectively. The total share of the top ten brand names increased by almost 0.5 p.p. and accounted for 7.4%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ESSENTIALE N	1.3	1.1
2	3	ARBIDOL	0.9	0.9
3	2	ACTOVEGIN	0.9	0.9
4	17	KAGOCEL	0.8	0.5
5	4	LINEX	0.7	0.7
6	6	ALFLUTOP	0.6	0.7
7	5	VIAGRA	0.6	0.7
8	7	CONCOR	0.6	0.6
9	10	NICE	0.6	0.5
10	24	CARDIOMAGNIL	0.5	0.4
Total			7.4	6.9

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

The top ten INNs and generic names ranking showed a sufficiently high stability - seven of INNs from the top ten held their own in the ranking (Table 3). They were the leading INNs: XYLOMETAZOLINE (+20%), PHOSPHOLIPIDS (+27%), PANCREATIN (+1%), BISOPROLOL (+12%), BLOOD (+11%) and UMIFENOVIR (+22%). AMBROXOL (+26%) kept the ninth rank. Two of the remaining INNs from the top ten rose in the ranks. IBUPROFEN (+20%) moved up one rank, displacing NIMESULIDE (+19%) down one rank. The only newcomer of the top ten ranking KAGOCEL, which sales grew by almost 2 times, moved up to rank ten. The total share of the top ten under review, as well as that of the previous top ten, increased and reached 10.0% in this case.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	XYLOMETAZOLINE	1.4	1.4
2	2	PHOSPHOLIPIDS	1.4	1.2
3	3	PANCREATIN	1.0	1.1
4	4	BISOPROLOL	1.0	1.0
5	5	BLOOD	0.9	0.9
6	6	UMIFENOVIR	0.9	0.9
7	8	IBUPROFEN	0.9	0.8
8	7	NIMESULIDE	0.9	0.8
9	9	AMBROXOL	0.8	0.8
10	33	KAGOCEL	0.8	0.5
Total			10.0	9.4

The leader of the top-10 ATC-groups ranking changed (table 4). M01 Anti-inflammatory and antirheumatic products (+17%) moved up to rank one from two, and R05 Cough and cold preparations (+26%) moved up to rank two from four. At the same time, the last year leader, group N02 Analgesics, showed the zero growth rates and moved down to rank four. J01 Antibacterials for systemic use (+18%) held its own rank three, and as before C09 Agents acting on the rennin-angiotensin system (+12%), R01 Nasal preparations (+18%), A11 Vitamins (+12%) and G03 Sex hormones (+14%) held ranks 5 through 8, respectively. The newcomers, L03 Immunostimulants (+25%) and J05 Antivirals for systemic use (+61%), broke into the ranks of the top ten, coming in at numbers nine and ten. The total share of the top ten under review increased by almost 1.5 p.p. and achieved 37.4%.

Table 4. The top ten ATC Groups by pharmacy sales

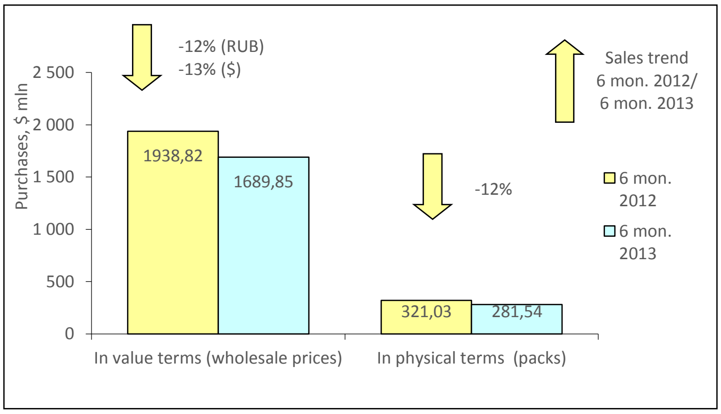
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.7	4.5
2	4	R05	COUGH AND COLD PREPARATIONS	4.3	3.9
3	3	J01	ANTIBACTERIALS FOR SYST USE	4.3	4.1
4	1	N02	ANALGESICS	4.0	4.6
5	5	C09	AG ACT RENIN-ANGIOTENS SYST	3.8	3.8
6	6	R01	NASAL PREPARATIONS	3.6	3.5
7	7	A11	VITAMINS	3.4	3.4
8	8	G03	SEX HORM&MODULAT GENITAL SYS	3.3	3.3
9	11	L03	IMMUNOSTIMULANTS	3.1	2.8
10	17	J05	ANTIVIRALS FOR SYSTEMIC USE	3.1	2.2
Total				37.4	36.0

Conclusion. On the basis of the results for six months of 2013, the retail pharmacy market of Russia brought in RUB 278.546 bln (USD 8.989 bln). The market saw a 13% increase in terms of roubles and 11% increase in terms of dollars compared to the last year results. In pack terms, the market showed negative growth rates (-1%) and achieved 2.115 bln packs. In QI, 2013, the average cost of an OTC pack was higher than in the year-earlier period (USD 4.25 vs. USD 3.78). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 62.71 vs. USD 56.40).

RUSSIAN FEDERATION HOSPITAL MARKET: 2013 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first half of 2013 the Russian hospital market in physical terms reduced by 12% to 281.535 million packs. In value terms, the market also showed positive growth rates (12% in terms of roubles and 13% in terms of dollars) and reached RUB 52.516 bln (USD 1.690 mln) in wholesale prices. Based on the results of 6 months 2013, the average cost of OTC pack in the hospital sector was USD 6.00, whereas in the year-earlier period its cost was USD 6.04.

Figure 1. Russian hospital market for 6 months of 2012 – 6 months of 2013



Based on the results of the first half of 2013, the leading drug manufacturer of the Russian hospital market changed (Table 1). The last year leader, a drug manufacturer GLAXOSMITHKLINE, showed a 39% decrease in sales and moved down to rank 4, giving the way to SANOFI-AVENTIS (-10%), ROCHE (-15%) and MERCK SHARP DOHME (-9%). The newcomers MICROGEN (+45%) and PFIZER (+26%) broke into the ranks of the top 10, coming in at numbers five and nine. At the same time, the former displaced the drug manufacturers ABBVIE (-33%) and JOHNSON & JOHNSON (-21%) down one rank, whereas ASTRAZENECA (-13%) moved down from rank 7 to ten. The drug maker NYCOMED/TAKEDA (-2%) held its earlier rank 8. The total share accumulated by the ten top manufacturers reduced from 36.1% to 35.4%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	**SANOFI-AVENTIS**	5.6	5.5
2	3	**ROCHE**	4.6	4.8
3	4	**MERCK SHARP DOHME**	4.4	4.2
4	1	**GLAXOSMITHKLINE**	4.0	5.8
5	11	MICROGEN	3.3	2.0
6	5	**ABBVIE**	2.9	3.8
7	6	**JOHNSON & JOHNSON**	2.7	3.1
8	8	**NYCOMED/TAKEDA**	2.7	2.4
9	12	**PFIZER**	2.6	1.8
10	7	**ASTRAZENECA**	2.6	2.6
Total			35.4	36.1

*AIPM members are in bold

The leaders of the top ten brand names ranking also remained unchanged - as before, the drugs SODIUM CHLORIDE (-12%) and KALETRA (-50%), held their own ranks one and two, despite the pronounced reduction in purchases (Table 2). The drugs showing positive growth rates moved up to ranks three through seven respectively. They were CLEXANE (+43%), HEPATITIS B VACCINE (4.3-fold increase in purchases), CUROSURF (+10%), HERCEPTINE (+5%) and PEGASYS (+25%). Note that two of them HEPATITIS B VACCINE and PEGASYS became the newcomers of the top ten. The third newcomer ULTRAVIST moved up from rank 13 to 9 though its purchases reduced 2%. In contrast, two brand names PREZISTA (-46%) and GLUCOSE (-13%) moved down to the lower ranks eight and ten. The total share of the top 10 brand names increased from 13.1% to 13.3%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand name	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	SODIUM CHLORIDE	3.3	3.3
2	2	KALETRA	1.7	3.0
3	5	CLEXANE	1.6	1.1
4	59	HEPATITIS B VACCINE	1.2	0.2
5	10	CUROSURF	1.0	0.8
6	8	HERCEPTIN	1.0	0.9
7	16	PEGASYS	0.9	0.6
8	4	PREZISTA	0.9	1.4
9	13	ULTRAVIST	0.8	0.8
10	9	GLUCOSE	0.8	0.9
Total			13.3	13.1

Four newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were VACCINE, HEPATITIS B + VACCINE, HEP.A INACTIV. VIRUS (4.3-fold growth in purchases), DOCETAXEL (+16%), PORACTANT ALFA (+10%) and TRASTUZUMAB (+5%), which moved up to ranks seven, eight, nine and ten. On top of that, another four INNs of the top ten ranking showed growth in purchases. CEFTRIAXONE (-4%), IMMUNOGLOBULIN BASE (+5%) and MEROPENEM (-14%) moved up one rank, coming in at numbers 2, 5 and 6. The more dynamic name ENOXAPARIN SODIUM (+20%) moved up from rank eight to four. INN SODIUM (-12%) remained the leader of the ranking. The total share of the top 10 INNs increased by almost 1 p.p. and accounted for 15.9%.

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Names	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	SODIUM	3.3	3.3
2	3	CEFTRIAXONE	2.2	2.0
3	2	LOPINAVIR + RITONAVIR	1.7	3.0
4	8	ENOXAPARIN SODIUM	1.6	1.2
5	6	IMMUNOGLOBULIN BASE	1.6	1.3
6	7	MEROPENEM	1.3	1.3
7	74	VACCINE, HEPATITIS B + VACCINE, HEP.A INACTIV. VIRUS	1.2	0.2
8	15	DOCETAXEL	1.1	0.8
9	14	PORACTANT ALFA	1.0	0.8
10	12	TRASTUZUMAB	1.0	0.9
Total			15.9	14.9

In the top 10 ATC groups, as well as in the first ranking, the last year leader J05 Antivirals for systemic use (-46%) moved down to rank 4 due to significant negative growth rates (table 4). At the same time, the groups J01 Antibacterials for systemic use (-10%), L01 Antineoplastic agents (-5%) and B05 Blood substitutes and perfusion solutions (-3%) moved up one rank, coming in at numbers 1 through 3 respectively. On top of that, another four ATC groups from the top ten moved up one rank. They were B01 Antithrombotic agents (+4%), J07 Vaccines (-17%) and V08 Contrast media (+1%) that moved up to numbers 5 through 7, as well as L03 Immunostimulants (-3%) that moved up to rank nine. The only newcomer of the top ten ranking, the group J06 Immune sera and immunoglobulins (+9%) moved up to rank eight. And only N05 Psycholeptics (-5%) moved down from rank nine to ten. The total share of the top ten reduced by almost 2 p.p. and accounted for 61.1%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	2	J01	ANTIBACTERIALS FOR SYST USE	13.0	12.8
2	3	L01	ANTINEOPLASTIC AGENTS	10.1	9.4
3	4	B05	BLOOD SUBSTITUTE & PERF SOLS	9.3	8.4
4	1	J05	ANTIVIRALS FOR SYSTEMIC USE	8.4	13.6
5	6	B01	ANTITHROMBOTIC AGENTS	5.9	5.0
6	7	J07	VACCINES	4.0	4.3
7	8	V08	CONTRAST MEDIA	3.0	2.6
8	11	J06	IMMUNE SERA & IMMUNO-GLOBULIN	2.5	2.1
9	10	L03	IMMUNOSTIMULANTS	2.5	2.3
10	9	N05	PSYCHOLEPTICS	2.5	2.3
Total				61.1	62.8

Conclusion. At the end of the first half of 2013, the Russian hospital market reduced by 12% in rouble terms and by 13% in dollar terms and brought in RUB 52.516 bln (USD 1.690 mln). In pack terms, the market also showed negative growth rates (-12%) and achieved 281.535 mln packs. In the first six months of 2013, the average cost of OTC pack in the hospital sector of the country was slightly lower than in the year-earlier period (USD 6.00 vs. USD 6.04).

STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2013 FIRST 6 MONTHS RESULTS

According to DLO in RF™, on the basis of the results of six months of 2013, the OTC drugs supplies under the Federal Program amounted to RUB 59.482 bln (USD 1.939 bln) in contractual prices2. The segment volume increased 16% in terms of roubles, and 15% in terms of dollars as compared to the same period a year ago. Scope of supplies in pack terms reduced by 5% to 53.095 mln packs. The average cost of OTC pack through the program was USD 36.52 in contractual prices (a year ago was USD 30.29).

Based on the results of the first half of 2013, one newcomer broke into the ranks of the top ten drug manufacturers taking part in the State Reimbursement Program. Due to 4.7-fold growth in purchases, F-SYNTEZ moved up from rank 22 to 7 (Table 1). Apart from it, another three drug manufacturers from the top ten showed growth in purchases. LABORATORIO TUTEUR (+86%) moved up from rank six to four, and the drug manufacturers BAXTER (+68%) and PHARMSTANDART (+30%) moved up one rank, coming in at numbers six and eight. In contrast, two drug manufacturers with low (NOVO NORDISK (+6%) and negative (NOVARTIS (-61%) growth in sales moved down to ranks nine and ten. The other four drug manufacturers held their own in the ranking. They were ROCHE (+30%), JOHNSON & JOHNSON (+15%) and TEVA (+14%), as well as SANOFI-AVENTIS (+18%) placed at number five. The total share of the top ten drug manufacturers expanded by over 3.3 p.p. and reached 67.2%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total SRP volume, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ROCHE	17.5	15.6
2	2	JOHNSON & JOHNSON	9.6	9.6
3	3	TEVA	8.8	9.0
4	6	LABORATORIO TUTEUR	6.9	4.3
5	5	SANOFI-AVENTIS	5.6	5.5
6	7	BAXTER INT	5.4	3.7
7	22	F-SYNTEZ	3.7	0.9
8	9	PHARMSTANDART	3.7	3.3
9	8	NOVO NORDISK	3.3	3.6
10	4	NOVARTIS	2.7	8.3
Total			67.2	63.9

*AIPM members are in bold

Due to 50% growth in purchases, Mabthera became the leader of the top ten brand names ranking in the DLO segment, displacing the former leader, but the less dynamic VELCADE (+16%) down one rank (Table 2). As before, COPAXONE-TEVA (+10%) held its rank three. Apart from it, the brand names HERCEPTINE (+23%) and REMICADE (+26%) also held their ranks 8 and 9, respectively. Interferon preparation GENFAXON (-1%) moved up one rank to number 4, despite the negative growth rates, GLEEVEC (-80%), which had been placed at that rank earlier, showed the significant reduction in purchases and moved beyond the limits of the top ten. The newcomers, anticancer drugs GENFATINIB and PHILACHROMIN FS, broke into the ranks of the top ten, coming in at numbers five and six. At the same time, they displaced COAGIL-VII (+39%) down one rank, to number seven. Lantus SoloSTAR (+10%), which growth rates lagged behind the mid-DLO segment rates, moved down from rank seven to ten. The total share of top ten brand names increased by more than 8 p.p. and achieved 43.9%.

Table 2. The top ten brand names for SRP.

Rank in the top ten		Trade name	Share in total SRP volume, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	MABTHERA	10.6	8.3
2	1	VELCADE	8.4	8.3
3	3	COPAXONE-TEVA	6.9	7.3
4	5	GENFAXON	3.2	3.8
5	N/A	GENFATINIB	3.1	N/A
6	N/A	PHILACHROMIN FS	3.1	N/A
7	6	COAGIL-VII	2.5	2.1
8	8	HERCEPTIN	2.1	2.0
9	9	REMICADE	2.0	1.9
10	7	LANTUS SOLOSTAR	1.9	2.0
Total			43.9	35.6

The top ten INNs and generic names ranking didn't change in composition, however some shifts took place in the top part of the top ten (Table 3). RITUXIMAB (+50%) moved up to rank 1 from 2, displacing the last year leader BORTEZOMIB (+16%). INN FACTOR VIII (+48%) and IMATINIB (+43%) also moved up one rank, coming in at numbers 3 and 4. At the same time, less dynamic GLATIRAMER ACETATE (+10%) moved down from rank three to five. At the same time, the lower half of the ranking didn't change. The brand names INTERFERON BETA-1B (+2%), INSULIN GLARGINE (+13%), EPTACOG ALFA (ACTIVATED) (+38%), TRASTUZUMAB (+23%) and OCTOCOG ALFA (+25%) held their ranks 6 through 10.

Table 3. The top ten INN and generic names for SRP

Rank in the top ten		Trade name	Share in total SRP volume, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	RITUXIMAB	10.6	8.3
2	1	BORTEZOMIB	8.4	8.3
3	4	FACTOR VIII	7.8	6.1
4	5	IMATINIB	7.2	5.9
5	3	GLATIRAMER ACETATE	6.9	7.3
6	6	INTERFERON BETA-1A	3.8	4.4
7	7	INSULIN GLARGINE	2.5	2.6
8	8	EPTACOG ALFA (ACTIVATED)	2.5	2.1
9	9	TRASTUZUMAB	2.1	2.0
10	10	OCTOCOG ALFA	2.1	1.9
Total			54.0	48.8

Half of the top 10 ATC groups in the DLO segment also held their own in the ranking (table 4). Among them were the leader of the top ten ranking - L01 Antineoplastic drugs (+29%), as well as A10 Drugs used to treat diabetes (+12%), L04 Immunosuppressants (+8%) and R03 Drugs for obstructive airway diseases (+14% each) placed at numbers 4 through 6, as well as R05 Cough and cold preparations (+12%) rounding out the top ten. B02 Antihemorrhagics (+41%) moved up one rank, to number 2, displacing L03 Immunostimulants (+8%) down one rank. Another two groups B03 Antianemic preparations (-0,1%) and A16 Other alimentary tract and metabolism products (+38%) moved up one rank. L02 Endocrine therapy (-15%) that had been placed at rank seven, moved down to rank 9. The total share of the analysed ranking, as well as that of the above ranking expanded, in this case from 82.4% to 85.6%.

Table 4. The top ten ATC groups for SRP

Rank		ATC code	ATC group	Share in total SRP volume, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	1	L01	ANTINEOPLASTIC AGENTS	32.4	29.2
2	3	B02	ANTIHEMORRHAGICS	13.7	11.2
3	2	L03	IMMUNOSTIMULANTS	13.3	14.3
4	4	A10	DRUGS USED IN DIABETES	9.5	9.9
5	5	L04	IMMUNOSUPPRESSANTS	5.0	5.1
6	6	R03	DRUG FOR OBSTRUCT AIRWAY DIS	3.8	3.9
7	8	B03	ANTIANEMIC PREPARATIONS	2.2	2.6
8	9	A16	OTH ALIMENT TRACT&METAB PROD	2.2	1.8
9	7	L02	ENDOCRINE THERAPY	1.9	2.6
10	10	R05	COUGH AND COLD PREPARATIONS	1.8	1.8
Total				85.6	82.4

Data on supplies to the top ten regions of Russia under State Reimbursement Program are shown in Table 5. Moscow (10.9%) and Moscow region (5.8%) kept the lead in the top ten, but reduced their shares in the analysed period. Sverdlovskaya Oblast (4.0%) moved up to rank three, putting competitive pressure on St. Petersburg (+3.8%). The Republic of Bashkortostan showed almost 2-fold growth in purchases under the DLO Program, thanks to which it moved up to rank five. The total share of the top 10 regions by DLO supplies increased by almost 2 p.p. and accounted for 42.2%.

Table 5. The top ten regions by sales for SRP

Rank		Region	Share in total SRP volume, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	Moscow city	10.9	12.2
2	2	Moscovskaya oblast	5.8	6.5
3	4	Sverdlovskaya oblast	4.0	3.0
4	3	St. Petersburg city	3.8	3.2
5	10	Republic of Bashkortostan	3.8	2.4
6	6	Krasnodarsky kray	3.0	2.8
7	5	Rest of South FO	2.8	2.8
8	7	Republic of Tatarstan	2.8	2.5
9	9	Moscovskaya oblast	2.7	2.4
10	11	Krasnodarsky kray	2.4	2.4
Total			42.2	40.3

Conclusion. On the basis of the results for the first half of 2013, the DLO segment of Russia brought in RUB 59.482 bln. (USD 1.939 bln). which is by 16% in terms of roubles and 15% in terms of dollars higher than the same indicator in the same period a year ago. In physical terms, the supplies decreased by 5% and amounted to 55.095 mln packs. The average cost of OTC pack participating in the State Reimbursement Program (USD 36.52) increase noteworthily as compared to the figures of the past year (USD 30.29).

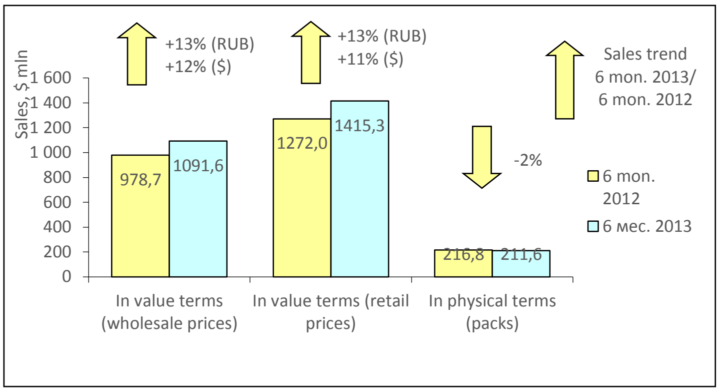
[2] From 2008 data on APS constitute information of shipments in contractual prices: prices at which the government will reimburse moneys to the distributor.

MOSCOW CITY PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Moscow's estimated population was 11.980 mln, which accounted for 8.4% of the total Russian Federation population and 31.0% of Central FO (CFO). According to Federal State Statistics Service's data, based on the results for 6 months of 2013 the average salary was RUB 57216.7 (USD 1832.69), which is 99% higher than the average salary in Russia (RUB 28787.6).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, in the first half of 2013 the sales of OTC drugs in physical terms in the pharmacies of Moscow saw a 2% drop to 211.566 mln packs. In value terms, the city pharmacy market (exclusive of State Reimbursement Program) saw a +13% increase in terms of roubles and +12% increase in terms of dollars compared to the same period a year ago and reached RUB 33.838 bln (USD 1.092 bln) in wholesale prices (Fig.1). The Moscow share in the total volume of all-Russia pharmacy market accounted for 15.7%. The average cost of a pack in the metropolitan pharmacies was USD 6.69 (in a year-earlier period – USD 5.87). In the first half of 2013, per-capita expenses spent by residents of Moscow for OTC medications amounted to USD 118.14.

Figure 1. Moscow city pharmacy market for 6 months of 2012 – 6 months of 2013



In the first half of 2013, the top 10 corporations in the regional market didn't change much and most of its drug makers held their own in the ranking (table 1). The top three drug makers didn't change, SANOFI-AVENTIS (+10%), BAYER (+24%) and PHARMSTANDART (+16%) didn't only keep, but also reinforced, except for the former, their previous ranks. The other four ATC groups also showed outperformance. Among them were SANDOZ and PFIZER (+18% each) that held their ranks 6 and 8, as well as NOVARTIS (+22%) and TEVA (+21%) which rose in the ranks. On top of that, the latter became the only newcomer of the top 10 ranking. The drug makers SERVIER (+9%), ABBOTT and MERCK SHARP DOHME (+10% each) held their previous ranks, despite lagging behind the growth rates and reduction in their shares of the market. However, the total share of the top 10 has increased from 38.3% to 39.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	**SANOFI-AVENTIS**	6.0	6.2
2	2	**BAYER HEALTHCARE**	4.7	4.3
3	3	PHARMSTANDART	4.1	3.9
4	5	**NOVARTIS**	3.9	3.6
5	4	**SERVIER**	3.7	3.9
6	6	**SANDOZ GROUP**	3.7	3.6
7	7	**ABBOTT**	3.4	3.5
8	8	**PFIZER**	3.4	3.2
9	9	**MERCK SHARP DOHME**	3.1	3.2
10	11	**TEVA**	3.1	2.9
Total			39.1	38.3

*AIPM members are in bold

Only the leaders of the top ten brand names, ESSENTIALE N (+32%) and LINEX (+7%) held their own in the ranking (Table 2). Two brand names, KAGOCEL and AMIXIN showed a 61% growth in sales and moved up to ranks three and five, respectively. At the same time, they forced ARBIDOL (+13%) and ACTOVEGIN (+18%) down one rank, to numbers 4 and 9, and the brand names DETRALEX (+10%), VIAGRA (+14%) and CIALIS (+21%) down two ranks. HEPTRAL (+6%) moved down to rank ten from seven. The total share of the top 10 brand names increased from 7.2% to 7.8%.

Table 2. The top ten brand names by pharmacy sales

Rank in the top ten		Trade name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ESSENTIALE N	1.2	1.0
2	2	LINEX	0.9	0.9
3	10	KAGOCEL	0.8	0.6
4	3	ARBIDOL	0.8	0.8
5	13	AMIXIN	0.8	0.5
6	4	DETRALEX	0.7	0.8
7	5	VIAGRA	0.7	0.7
8	6	CIALIS	0.7	0.7
9	8	ACTOVEGIN	0.6	0.6
10	7	HEPTRAL	0.6	0.6
Total			7.8	7.2

Three newcomers broke into the ranks of the Top ten INN and generic names ranking (table 3). They were INNs TILORONE (+58%), HYALURONIC ACID (+46%) and KAGOCEL (+61%), coming in at numbers five, six and eight. Apart from that, IBUPROFEN (+28%) moved up two ranks to number 7. At the same time, less dynamic UMIFENOVIR (+13%) and SILDENAFIL (+20%) moved down to ranks nine and ten, respectively. As before, INNs XYLOMETAZOLINE (+25%), PHOSPHOLIPIDS (+29%) and PANCREATIN (+5%), as well as the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+7%) held their leading ranks. The total share of the top ten INN and generic names ranking increased by 1 p.p. and achieved 9.6%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank in the top ten		Trade name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	XYLOMETAZOLINE	1.7	1.5
2	2	PHOSPHOLIPIDS	1.3	1.1
3	3	PANCREATIN	1.0	1.0
4	4	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.9
5	19	TILORONE	0.8	0.6
6	16	HYALURONIC ACID	0.8	0.6
7	9	IBUPROFEN	0.8	0.7
8	23	KAGOCEL	0.8	0.6
9	6	UMIFENOVIR	0.8	0.8
10	8	SILDENAFIL	0.8	0.7
Total			9.6	8.6

In contrast to the previous top 10s, the top ten ATC groups ranking changed its leader (table 4). N02 Analgesics, that had been placed at rank one, reduced their sales by 9% and moved down to rank eight. The groups J01 Antibacterials for systemic use (+14%) and R01 Nasal preparations (+21%) moved up one rank, to numbers one and two, respectively. A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+19%) and M01 Anti-inflammatory and antirheumatic products (+24%) also rose in the ranks, coming in at numbers three and four, as well as the newcomers of the top ten J05 Antivirals for systemic use (+46%) and L03 Immunostimulants (+23%), coming in at numbers 6 and 7 respectively. At the same time, the less dynamic A11 Vitamins (+13%) moved down one rank, to number 4. The groups G03 Sex hormones (+19%) and R05 Cough and cold preparations (+20%) held their previous ranks nine and ten. The cumulative share of the top ten ATC groups increased by 1 p.p. and achieved 35.2%.

Table 4. The top ten ATC Groups by pharmacy sales

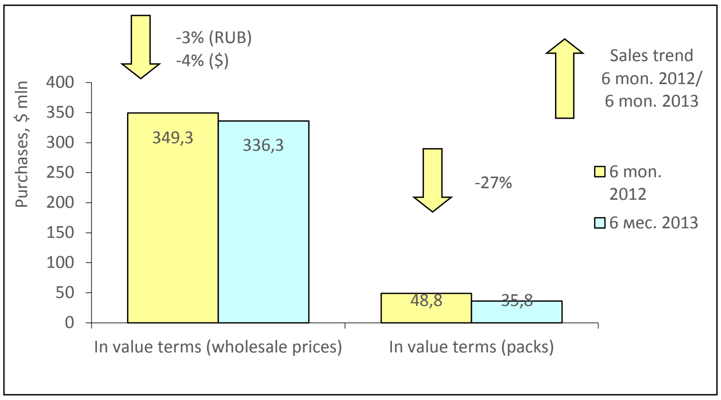
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	2	J01	ANTIBACTERIALS FOR SYST USE	4.1	4.1
2	3	R01	NASAL PREPARATIONS	4.0	3.8
3	5	A07	INTESTINAL ANTIINFECTIVES	3.6	3.4
4	8	M01	ANTIINFLAM & ANTIRHEUM PROD	3.5	3.2
5	4	A11	VITAMINS	3.4	3.4
6	14	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	2.6
7	11	L03	IMMUNOSTIMULANTS	3.3	3.1
8	1	N02	ANALGESICS	3.3	4.1
9	9	G03	SEX HORM&MODULAT GENITAL SYS	3.3	3.1
10	10	R05	COUGH AND COLD PREPARATIONS	3.3	3.1
Total				35.2	33.9

Conclusion. On the basis of the results for the first half of 2013, the retail pharmacy market of Moscow brought in RUB 43.868 bln (USD 1.415 bln). On top of that, the market performance was positive both in rouble terms (+13%) and in dollar terms (+11%). In physical terms, the sales decreased by 2% and amounted to 211.566 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 6.69 vs. USD 5.87), however it was visibly higher than the average indicator in Russia (USD 4.25). Per capita expenses for purchase of medicines in pharmacies amounted to USD 118.14 which was higher than on the average in the country (USD 62.71).

MOSCOW CITY HOSPITAL MARKET: 2013 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first six months of 2013 the Moscow hospital market in physical terms increased by 27% compared to the previous year to 35.825 million packs. In value terms, the market also showed negative growth rates (-3% in terms of roubles and -4% in terms of dollars) and reached RUB 10.442 bln (USD 336.320 bln) in wholesale prices. In the analysed period, the average cost of OTC pack in the hospital sector of Moscow was USD 9.39, whereas in the year-earlier period its cost was USD 7.15. The regional market share accounted for 13% of the Russian hospital market in physical terms and 19.9% in value terms.

Figure 1. Moscow city hospital market for 6 months of 2012 – 6 months of 2013



Due to 2.2-fold growth in purchases, MICROGEN moved up from rank six to one in the top ten drug manufacturers in the Moscow hospital market based on the results for the first half of 2013 (Table 1). ROCHE, that used to be its leader before, reduced its sales by 10% and moved down to rank two. SANOFI-AVENTIS (+18%) held its previous rank three, and MERCK SHARP DOHME (+18%) - its previous rank five. Five drug manufacturers from the top ten rose in the ranks. On top of that, three of them broke into the ranks of the top ten for the first time. They were PFIZER (+72%), coming in at number four, and ASTRAZENECA (+18%) and BAYER (+21%) at numbers seven and ten. At the same time, despite the negative growth rates NYCOMED/TAKEDA (-9%) moved up from rank nine to six, and NOVARTIS (-4%) - from rank 10 to 8. The drug maker ABBVIE which purchases reduced by 23% moved down one rank, coming in at number 9. The total share of the top ten brand names increased by over 8 p.p. and accounted for 43.7%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	6	MICROGEN	8.1	3.6
2	1	**ROCHE**	6.1	6.6
3	3	**SANOFI-AVENTIS**	5.6	4.6
4	11	**PFIZER**	5.0	2.9
5	5	**MERCK SHARP DOHME**	4.9	4.0
6	9	**NYCOMED/TAKEDA**	2.9	3.1
7	12	**ASTRAZENECA**	2.8	2.4
8	10	**NOVARTIS**	2.8	2.9
9	8	**ABBVIE**	2.6	3.3
10	14	**BAYER HEALTHCARE**	2.6	2.1
Total			43.7	35.4

*AIPM members are in bold

HEPATITIS B VACCINE became the best selling OTC medication in the metropolitan hospital market, moving up from rank five to one due to growth in purchases by 4.7 times (Table 2). Note that most of the brand names in the top ten showed high growth rates, which allowed them to rise in the ranks. On top of that, four brand names broke into the ranks of the top -10 ranking for the first time. They were ZIVOX (+78%), CLEXANE (+74%), CONSIDAS (5.7-fold growth in purchases), SEVORANE (+86%) and AVASTIN (+108%), coming in at numbers 3, 4, 6, 7 and 10 respectively. Apart from them, SODIUM CHLORIDE (+24%) moved up from rank three to two, and ALBUMIN (+32%) moved up from rank 10 to 5. Only the brand names OMNIPAQUE (-29%) and PENTAGLOBIN (-46%) reduced their purchases and moved down to ranks eight and nine. The total share of the top 10 brand names increased considerably from 9.6% to 17.1%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand name	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	5	HEPATITIS B VACCINE	5.9	1.2
2	3	SODIUM CHLORIDE	1.9	1.5
3	15	ZYVOX	1.3	0.7
4	16	CLEXANE	1.3	0.7
5	10	ALBUMINE	1.2	0.9
6	57	CONSIDAS	1.2	0.2
7	20	SEVORAN	1.2	0.6
8	4	OMNIPAQUE	1.1	1.4
9	2	PENTAGLOBIN	1.0	1.9
10	25	AVASTIN	1.0	0.5
Total			17.1	9.6

The top ten INN and generic names ranking was updated much more notably - seven newcomers broke into the ranks of the top ten ranking (Table 3). They were MEROPENEM (+58%), ALBUMIN (+52%), LINEZOLID (+78%), DOCETAXEL (4.1-fold growth in purchases), ENOXAPARIN SODIUM (+73%), CASPOFUNGIN (5.7-fold growth in purchases) and SEVOFLURANE (+86%), which moved up to ranks four through ten. INN VACCINE, HEPATITIS B + VACCINE, HEP.A INACTIV VIRUS became the leader of the ranking due to 4.7-fold growth in purchases. In contrast, INN IMMUNOGLOBULIN BASE which had been placed at rank one earlier, reduced its sales by 1% and moved down to rank two. SODIUM (+24%) kept its third rank. The total share of the top-ten ranking increased by almost 10 p.p. and achieved 19.9%.

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Names	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	6	VACCINE, HEPATITIS B + VACCINE, HEP.A INACTIV. VIRUS	5.9	1.2
2	1	IMMUNOGLOBULIN BASE	2.9	2.8
3	3	SODIUM	2.0	1.5
4	13	MEROPENEM	1.5	0.9
5	15	ALBUMIN	1.4	0.9
6	21	LINEZOLID	1.3	0.7
7	49	DOCETAXEL	1.3	0.3
8	22	ENOXAPARIN SODIUM	1.3	0.7
9	67	CASPOFUNGIN	1.2	0.2
10	26	SEVOFLURANE	1.2	0.6
Total			19.9	10.0

The top ten ATC groups ranking changed its leader (table 4). J01 Antibacterials for systemic use (+6%) moved up to rank one from two, whereas the last year leader J05 Antivirals for systemic use (-79%) showed significant reduction in purchases and fell outside the top ten. J07 Vaccines (+41%) moved to rank two from four, and L01 Antineoplastic drugs (+25%) held its previous rank three in the ranking. The groups B01 Antithrombotic agents (-6%) and L04 Immunosuppressants (+6%) placed at numbers 6 and 9 didn't change their ranks either. Apart from the leaders of the top ten, another four ATC groups from the top ten showed growth in purchases. They were B05 Blood substitutes and perfusion solutions (+27%) and J06 Immune sera and immunoglobulins (+15%), as well as the newcomers of the top ten J02 Antimycotics for systemic use (2.9-fold growth in purchases) and L03 Immunostimulants (+38%) which moved up to ranks 4, 5, 7 and 10, respectively. V08 Contrast media (-9%) moved down one rank, to number 8. The total share of the top ten increased by almost 11 p.p. and accounted for 62.9%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	2	J01	ANTIBACTERIALS FOR SYST USE	12.7	11.7
2	4	J07	VACCINES	9.8	6.8
3	3	L01	ANTINEOPLASTIC AGENTS	9.3	8.6
4	5	B05	BLOOD SUBSTITUTE & PERF SOLS	7.9	6.0
5	8	J06	IMMUNE SERA & IMMUNOGLOBULIN	4.6	3.9
6	6	B01	ANTITHROMBOTIC AGENTS	4.5	4.7
7	19	J02	ANTIMYCOTICS FOR SYSTEM USE	4.1	1.4
8	7	V08	CONTRAST MEDIA	3.7	4.0
9	9	L04	IMMUNOSUPPRESSANTS	3.2	3.0
10	12	L03	IMMUNOSTIMULANTS	3.0	2.1
Total				62.9	52.1

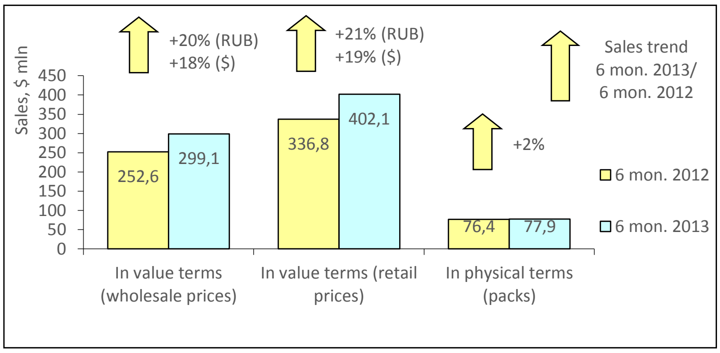
Conclusion. At the end of the first 6 months of 2013, the Moscow hospital market reduced by 3% in rouble terms and by 4% in dollar terms and brought in RUB 10.442 bln (USD 336.320 mln). In pack terms, the market showed more significant negative growth rates (-27%) and achieved 35.825 mln packs. The average cost of an OTC pack in the hospital market significantly increased as compared to the previous year (USD 9.39 vs. USD 7.15), and was much higher than the average indicator in Russia (USD 6.00).

SAINT PETERSBURG PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 St. Petersburg's estimated population was 5.028 mln, which accounted for 3.5% of the total Russian Federation population and 36.7% of North West FO (NWFO). According to Federal State Statistics Service's data, in the first half of 2013 the average salary in the city was RUB 35,618.1 (USD 1,140.87), which is 24% higher than the average salary in Russia (RUB 28,787.6).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2013 the pharmacy market volume in physical terms increased by 2% and amounted to 77.909 million packs (Fig. 1) In wholesale prices, the market showed the positive performance both in terms of roubles (+20%) and in terms of dollars (+18%) and reached 9.267 million roubles (USD 299.109 mln). The region's share accounted for 4.5% of the total volume of all-Russia pharmacy market. Based on the results for the first half of the year, the average cost of OTC pack in the city pharmacies in the analysed period was USD 5.16 (during the same period in 2012 - USD 4.41). The average expenses of St. Petersburg residents for purchase of drugs in the first six months of 2013 were estimated as USD 79.97.

Figure 1. St. Petersburg pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results for the first half of 2013, SANOFI-AVENTIS (+24%) held and reinforced its leading rank in the regional top ten manufacturers ranking (table 1). In addition, another four drug manufacturers held their own in the ranking. As before, SANDOZ (+17%), NOVARTIS (+23%), ABBOTT (+21%) and PFIZER (+23%) held their previous rank three and six through eight, respectively. Two drug manufacturers moved up one rank. They were SERVIER and STADA (+20% each) placed on ranks four and nine, respectively. The more dynamic BAYER (+22%) moved up from rank four to two. At the same time, PHARMSTANDART and MENARINI (6% each) with low growth rates moved down to the lower ranks, coming in at numbers five and ten, respectively. The total share of the top 10 ATC groups increased by 0.6 p.p. and accounted for 39.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	**SANOFI-AVENTIS**	6.2	6.0
2	4	**BAYER HEALTHCARE**	4.5	4.5
3	3	**SANDOZ GROUP**	4.4	4.5
4	5	**SERVIER**	4.2	4.2
5	2	PHARMSTANDART	4.0	4.6
6	6	**NOVARTIS**	3.8	3.7
7	7	**ABBOTT**	3.3	3.3
8	8	**PFIZER**	3.2	3.1
9	10	**TEVA**	3.0	3.0
10	9	**MENARINI**	2.7	3.0
Total			39.3	39.9

*AIPM members are in bold

Two newcomers broke into the top ten brand names ranking (table 2). They were EXODERIL (+44%) and ACTOVEGIN (+33%), which moved up to ranks eight and ten, respectively. The other two ATC groups of the top 10 succeeded in rising in the ranks. The brand name ESSENTIALE N (+45%) moved up to rank one from two, and the most dynamic of all the top ten brand names KAGOCEL (+73%) moved up to rank three from eight. At the same time, they moved the brand names ARBIDOL (-2%), LINEX and VIAGRA (+5% each) down one rank to numbers 2, 4 and 5. OSCILLOCOCCINUM (-18%) reduced its sales and moved down to much lower rank, to number nine from 5. The brand names HEPTRAL (+26%) and DETRALEX (+29%) held their previous ranks five and six, respectively. The cumulative share of the top 10 didn't change and accounted for 8.1%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	ESSENTIALE N	1.4	1.2
2	1	ARBIDOL	1.0	1.2
3	8	KAGOCEL	0.9	0.6
4	3	LINEX	0.8	0.9
5	4	VIAGRA	0.8	0.9
6	6	HEPTRAL	0.7	0.7
7	7	DETRALEX	0.7	0.6
8	13	EXODERIL	0.6	0.5
9	5	OSCILLOCOCCINUM	0.6	0.9
10	15	ACTOVEGIN	0.6	0.5
Total			8.1	8.1

Four top INNs in the top 10 INN and generic names ranking remained unchanged (table 3). They were the brand names XYLOMETAZOLINE (+6%), PHOSPHOLIPIDS (+44%), UMIFENOVIR (-2%) and PANCREATIN (+8%). On top of that, as before IBUPROFEN (+19%) held its previous rank ten. KAGOCEL (+73%), AMOXICILLIN + CLAVULANIC ACID (+23%) and AZITHROMYCIN (+21%) with high growth rates moved up to the higher ranks 5, 7 and 8, respectively. At the same time, the first two became the newcomers of the top ten for the first time. In contrast, the less dynamic SILDENAFIL (+10%) and BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+5%) moved down to ranks 6 and 9. The total share of the top-10 reduced from 10.3% to 10.1%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	XYLOMETAZOLINE	1.6	1.8
2	2	PHOSPHOLIPIDS	1.5	1.3
3	3	UMIFENOVIR	1.0	1.2
4	4	PANCREATIN	0.9	1.0
5	20	KAGOCEL	0.9	0.6
6	5	SILDENAFIL	0.9	0.9
7	11	AMOXICILLIN + CLAVULANIC ACID	0.8	0.8
8	9	AZITHROMYCIN	0.8	0.8
9	6	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.8	0.9
10	10	IBUPROFEN	0.8	0.8
Total			10.1	10.3

R05 Cough and cold preparations (+17%), which moved up from rank three to one, became the best selling group in the regional market (Table 4). Another four ATC groups of the top ten rose in the ranks. M01Anti-inflammatory and antirheumatic products (+29%) moved up from rank 6 to 3. J01 Antibacterials for systemic use (+17%) and C09 Agents acting on the renin-angiotensin system (+33%) moved up one rank to numbers 4 and 7, respectively. Group J05 Antivirals for systemic use (+50%) broke into the ranks of the top ten, coming in at number eight. At the same time, three ATC groups with low growth rates moved down to the lower ranks. They were A11 Vitamins (+11%), the last year leader N02 Analgesics (+1%), as well as the group A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+18%) that moved down to ranks 5, 6 and 9, respectively. The groups R01 Nasal preparations (+7%) and G03 Sex hormones (+16%) held their previous ranks two and ten. The total share of the top ten reduced by 0.5 p.p. and accounted for 37.3%.

Table 4. The top ten ATC Groups by pharmacy sales

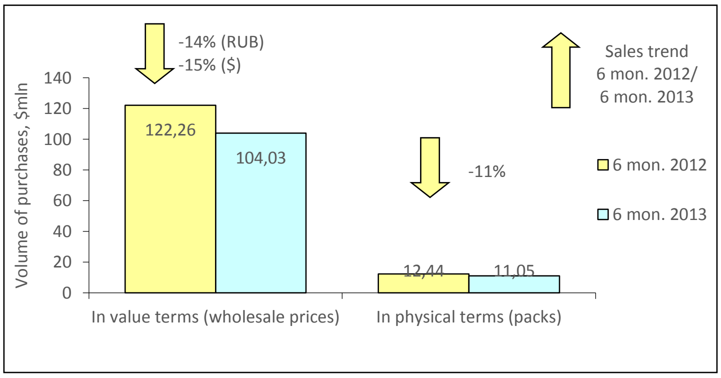
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	3	R05	COUGH AND COLD PREPARATIONS	4.3	4.4
2	2	R01	NASAL PREPARATIONS	4.0	4.5
3	6	M01	ANTIINFLAM & ANTIRHEUM PROD	4.0	3.7
4	5	J01	ANTIBACTERIALS FOR SYST USE	3.9	4.0
5	4	A11	VITAMINS	3.8	4.1
6	1	N02	ANALGESICS	3.8	4.5
7	8	C09	AG ACT RENIN-ANGIOTENS SYST	3.7	3.3
8	12	J05	ANTIVIRALS FOR SYSTEMIC USE	3.5	2.7
9	7	A07	INTESTINAL ANTIINFECTIVES	3.4	3.5
10	10	G03	SEX HORM&MODULAT GENITAL SYS	3.0	3.1
Total				37.3	37.8

Conclusion. In the first half of 2013, the pharmacy market in St. Petersburg was estimated at RUB 12.458 bln (USD 402.081 mln.) in final consumer prices. Note that the market performance was positive both in rouble terms and in dollar terms (+21% and +19%, respectively). In pack terms, the market expanded in a minor way (+2%)and achieved 77.909 mln packs. The average cost of an OTC pack (USD 5.16) in the pharmacies increased as compared to a year earlier (USD 4.41) and was higher than the average value in Russia (USD 4.25). At the same time, expenses of residents for purchase of drugs in the city pharmacies also proved to be higher than the average expenses in Russia (USD 79.97 vs. USD 62.71).

SAINT PETERSBURG HOSPITAL MARKET: 2013 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first six months of 2013 the St. Petersburg hospital market in physical terms reduced by 11% to 11.047 million packs. In value terms, the purchases movement was negative both in rouble (-14%) and in dollar terms (-15%), and the volume amounted to RUB 3.237 bln (USD 104.033 mln) in wholesale prices. In the first half of 2013, the average cost of OTC pack in the hospital sector of the city was USD 9.42, whereas in the year-earlier period its cost was USD 9.82. The regional market share accounted for 3.9% of the Russian hospital market in physical terms and 6.2% in value terms.

Figure 1. St. Petersburg hospital market for 6 months of 2012 – 6 months of 2013



Based on the results for the first 6 months of 2013, most of drug manufacturers from the top tens in the hospital market of St. Petersburg, as well as in the regional market on the whole, showed negative growth in sales (table 1). But for all that, two of them rose in the ranks. They were the drug makers ROCHE (-23%) and NOVARTIS (-17%) which moved up one rank, to numbers 3 and 7. Another two drug makers with negative growth rates, SANOFI-AVENTIS (-28%) and ABBVIE (-34%), held their previous ranks 4 and 5. However, the companies GLAXOSMITHKLINE (-23%), JOHNSON & JOHNSON (-45%) and BRISTOL MYERS (-32%) moved down to ranks 2, 6 and 10, respectively. Only three drug makers of the top ten increased their purchases. They were MERCK SHARP DOHME (+9%) that became the leader of the top ten, as well as the newcomers of the top ten BAYER (+37%) and PFIZER (+20%), coming in at numbers 8 and 9. The total share accumulated by the ten top manufacturers reduced from 46.5% to 43.7%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	**MERCK SHARP DOHME**	8.2	6.5
2	1	**GLAXOSMITHKLINE**	6.2	7.1
3	6	**ROCHE**	4.6	5.2
4	4	**SANOFI-AVENTIS**	4.5	5.4
5	5	**ABBVIE**	4.0	5.2
6	3	**JOHNSON & JOHNSON**	3.6	5.6
7	8	**NOVARTIS**	3.5	3.6
8	13	**BAYER HEALTHCARE**	3.3	2.1
9	11	**PFIZER**	3.0	2.2
10	7	**BRISTOL MYERS SQU**	2.9	3.7
Total			43.7	46.5

*AIPM members are in bold

The preparation to treat HIV infection KALETRA held its previous leading rank in the hospital regional market, despite 44% reduction in purchases (Table 2). Another six brand names from the top ten ranking showed the negative growth rates. At the same time, three brand names with low negative growth rates rose in the ranks. They were SODIUM CHLORID (-6%), REYATAZ (-5%) and PEGASYS (-7%) which moved up to ranks 2, 4 and 8, respectively. Note that the latter became one of four new brand names of the top ten. Apart from it, the preparations KIVEXA (+57%), ISENTRESS (+28%) and LUCENTIS which purchases increased 2.9 times broke into the ranks of the top ten for the first time. The brand names with negative sales rates PUREGON (-37%) and COMBIVIR (-56%) fell in the ranks, coming in at numbers 3 and 9. PREZISTA (-26%) managed to hold its previous rank five in the top ten. The total share accumulated by the top 10 brand names reduced by 1.3 p.p. to 15.8%.

Table 2. The top 10 brand names by hospital purchases

Rank		Brand name	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	KALETRA	2.6	4.2
2	4	SODIUM CHLORIDE	2.3	2.1
3	2	PUREGON	1.7	2.3
4	7	REYATAZ	1.5	1.4
5	5	PREZISTA	1.5	1.8
6	21	KIVEXA	1.4	0.8
7	15	ISENTRESS	1.3	0.9
8	11	PEGASYS	1.2	1.1
9	3	COMBIVIR	1.2	2.3
10	49	LUCENTIS	1.1	0.3
Total			15.8	17.1

Only two INNs of the top-ten INN and Generic Names held its own in the ranking (table 3). They were the topping composition LOPINAVIR + RITONAVIR (-44%) and INN DARUNAVIR (-26%) placed at number 5. Most INNs of the top-10 rose in the ranks. SODIUM (-6%) moved up two ranks, coming in at number 2, and ATAZANAVIR (-5%) moved up from rank nine to four. The newcomers, the composition ABACAVIR + LAMIVUDINE (+57%) and the INNs RALTEGRAVIR (+28%), PEGINTERFERON ALFA-2A (-7%) and DOCETAXEL (-11%) broke into the ranks of the top ten, moving up to ranks 6 through 8 and ten respectively. Two INNs of the top 10, FOLLITROPIN BETA (-37%) and ZIDOVUDINE + LAMIVUDINE (-56%) moved down to ranks three and nine.

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Names	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	LOPINAVIR + RITONAVIR	2.6	4.2
2	4	SODIUM	2.3	2.1
3	2	FOLLITROPIN BETA	1.7	2.3
4	9	ATAZANAVIR	1.5	1.4
5	5	DARUNAVIR	1.5	1.8
6	25	ABACAVIR + LAMIVUDINE	1.4	0.8
7	21	RALTEGRAVIR	1.3	0.9
8	16	PEGINTERFERON ALFA-2A	1.2	1.1
9	3	ZIDOVUDINE + LAMIVUDINE	1.2	2.3
10	18	DOCETAXEL	1.1	1.0
Total			15.9	17.8

L01 Antineoplastic agents (-2%) became the leader of the top ten ATC groups ranking, whereas the previous leader J05 Antivirals for systemic use (-34%) moved down to rank two (Table 4). J01 Antibacterials for systemic use (-25%) and B05 Blood substitutes and perfusion solutions (+3%) held their previous ranks three and four. V08 Contrast media (+19%) moved up to rank five from eight, and the newcomers L04 Immunosupressants (+51%) and N01Anesthetics (+21%) broke into the ranks of the top ten, moving up to ranks six and ten. The groups B01Antithrombotic agents (-32%), G03 Sex hormones (-33%) and N05 Psycholeptics (-26%) moved down to numbers seven through nine. The total share of the top ten ATC groups reduced by 1.6 p.p. and accounted for 67.0%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	2	L01	ANTINEOPLASTIC AGENTS	15.7	13.9
2	1	J05	ANTIVIRALS FOR SYSTEMIC USE	13.9	18.1
3	3	J01	ANTIBACTERIALS FOR SYST USE	8.4	9.7
4	4	B05	BLOOD SUBSTITUTE & PERF SOLS	7.8	6.6
5	8	V08	CONTRAST MEDIA	4.1	3.1
6	11	L04	IMMUNOSUPPRESSANTS	4.1	2.3
7	5	B01	ANTITHROMBOTIC AGENTS	3.7	4.8
8	6	G03	SEX HORM&MODULAT GENITAL SYS	3.5	4.6
9	7	N05	PSYCHOLEPTICS	3.2	3.7
10	14	N01	ANESTHETICS	2.6	1.9
Total				67.0	68.6

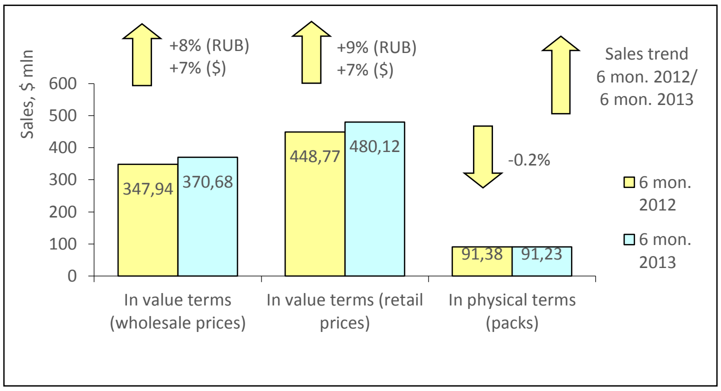
Conclusion. At the end of the first six months in 2013, the St. Petersburg hospital market shrank by 14% in rouble terms and by 15% in dollar terms and brought in RUB 3.237 bln (USD 104.033 mln). In pack terms, the market also showed negative growth rates (-11%) and achieved 11.047 mln packs. In the first three months of 2013, the average cost of an OTC pack in the regional hospital sector was lower than in the year-earlier period (USD 9.42 vs. USD 9.82), but exceeded the Russia average figures (USD 6.00).

MOSCOW REGION PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Moscow region was estimated as 7.048 mln, which made 5% of the total Russian Federation population and 18.2% of Central FO (CFO). According to Federal State Statistics Service's data, in the first half of 2013 the average salary in the region was RUB 34,199.3 (USD 1095.43), which is 19% higher than the average salary in Russia (RUB 28,787.6).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2013 the Moscow region pharmacy market volume reduced by 0.2% in physical terms and amounted to 91.232 million packs. In value terms, the sales saw a 8% increase in terms of roubles and 7% increase in terms of dollars and amounted to RUB 11.496 bln ($ 370.677 mln) in wholesale prices. The regional market share in value terms accounted for 5.3% of the Russian pharmacy market. The average cost of an OTC drug in the region pharmacies increased as compared to a year earlier and amounted to USD 5.26 (in a year-earlier period – USD 4.91). In the first half of 2013, per capita expenses for purchase of medicines in pharmacies amounted to USD 68.12.

Figure 1. Moscow region pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results for the first half of 2013, the top ten drug manufacturers ranking didn't change in composition (Table 1). Three leading drug manufacturers SANOFI-AVENTIS (+8%), PHARMSTANDART (+11%) and BAYER (+7%) held their own in the ranking. As before, NOVARTIS (+12%) and MENARINI (+0.3%) held their previous ranks six and seven. However, two shifts took place in the top ten ranking. SANDOZ (+15%) moved up one rank, to number 4, displacing the less dynamic SERVIER (+3%). ABBOTT (-4%) reduced its sales and moved down two ranks, to number ten, giving the way to NYCOMED/TAKEDA (+9%) and TEVA (+17%). The total share of the top 10 drug manufacturers reduced from 38.7% to 38.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	**SANOFI-AVENTIS**	6.1	6.1
2	2	PHARMSTANDART	4.6	4.5
3	3	**BAYER HEALTHCARE**	4.3	4.3
4	5	**SANDOZ GROUP**	3.9	3.7
5	4	**SERVIER**	3.8	3.9
6	6	**NOVARTIS**	3.6	3.4
7	7	**MENARINI**	3.2	3.4
8	9	**NYCOMED/TAKEDA**	3.1	3.1
9	10	**TEVA**	3.1	2.8
10	8	**ABBOTT**	3.0	3.4
Total			38.6	38.7

*AIPM members are in bold

Hepatoprotector ESSENTIALE N (+19%) kept and reinforced its leading rank in the top ten brand names ranking (Table 2). ARBIDOL (+4%) moved up to rank two from three, and the most dynamic brand name KAGOCEL (+54%) moved up to rank three from nine. The markets of brand names EXODERIL (+27%) and REDUKSIN (+13%) developed at a fast pace, as a result of which they broke into the ranks of the top ten, coming in at numbers 8 and 10, respectively. MEXIDOL (+6%) moved up one rank, coming in at number 9. Brand names LINEX and DETRALEX (3% each) reduced their sales and moved down to ranks 4 and 7, respectively. ACTOVEGIN (+6%) and VIAGRA (+4%) held their previous ranks five and six. The total share of the top ten brand names increased by 0.2 p.p. and accounted for 7.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ESSENTIALE N	1.2	1.1
2	3	ARBIDOL	0.9	0.9
3	9	KAGOCEL	0.9	0.6
4	2	LINEX	0.8	0.9
5	5	ACTOVEGIN	0.7	0.7
6	6	VIAGRA	0.6	0.6
7	4	DETRALEX	0.6	0.7
8	15	EXODERIL	0.6	0.5
9	10	MEXIDOL	0.6	0.6
10	12	REDUKSIN	0.6	0.5
Total			7.3	7.1

Two INNs managed to hold its own in the top ten INN and generic names ranking (table 3). It was the leader of the ranking XYLOMETAZOLINE (+16%) at rank one and UMIFENOVIR (+4%) at rank five. Most of the top 10 companies rose in the ranks. INN PHOSPHOLIPIDS (+17%) moved up to rank two from three, IBUPROFEN (+25%) moved up to rank 4 from 6, and AZITHROMYCIN (+20%) moved up to rank 8 from 10. The newcomers KAGOCEL (+54%), AMBROXOL (+23%) and NIMESULIDE (+18%) broke into the ranks of the top ten, coming in at numbers six, nine and ten. At the same time, two INNs with negative sales rates, PANCREATIN (-7%) and BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (-3%) moved down to ranks three and seven. The total share of the top 10 increased and reached 10.0%.

Table 3. The top 10 INN and Generic Names by pharmacy sales

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	XYLOMETAZOLINE	1.8	1.7
2	3	PHOSPHOLIPIDS	1.3	1.2
3	2	PANCREATIN	1.1	1.2
4	6	IBUPROFEN	0.9	0.8
5	5	UMIFENOVIR	0.9	0.9
6	21	KAGOCEL	0.9	0.6
7	4	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.8	0.9
8	10	AZITHROMYCIN	0.8	0.7
9	17	AMBROXOL	0.8	0.7
10	13	NIMESULIDE	0.7	0.7
Total			10.0	9.4

In contrast to the previous top 10s, the top ten ATC groups ranking changed its leader (table 4). Based on the results for the first half of 2013, J01 Antibacterials for systemic use (+13%) moved up to rank one. R01 Nasal preparations (+2%) held their previous rank two. The previous leader N02 Analgesics (-3%) reduced their sales and moved down to rank 5, doe to which the groups M01Anti-inflammatory and antirheumatic products (+16%) and R05 Cough and cold preparations (+20%) moved up one rank, to numbers 3 and 4. Apart from them, another three ATC groups managed to rise in the ranks. A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+12%) moved up to rank six from eight, displacing C09 Agents acting on the rennin-angiotensin system (+6%) and A11 Vitamins (+5%) down one rank. The newcomers J05 Antivirals for systemic use (+34%) and L03 Immunostimulants (+16%) broke into the ranks of the top ten, coming in at ranks nine and ten. The total share of top ten ATC groups in the region increased by over 1 p.p. and achieved 37.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	3	J01	ANTIBACTERIALS FOR SYST USE	4.3	4.1
2	2	R01	NASAL PREPARATIONS	4.3	4.1
3	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4.2	4.0
4	5	R05	COUGH AND COLD PREPARATIONS	4.1	3.6
5	1	N02	ANALGESICS	4.0	4.5
6	8	A07	INTESTINAL ANTIINFECTIVES	3.5	3.4
7	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.4	3.4
8	7	A11	VITAMINS	3.3	3.4
9	15	J05	ANTIVIRALS FOR SYSTEMIC USE	3.1	2.5
10	11	L03	IMMUNOSTIMULANTS	3.0	2.8
Total				37.2	35.9

Conclusion. Following the results of the first half of 2013, the regional pharmacy market performance (in value terms) proved to be positive (+9%) in terms of roubles and (+7%) in terms of dollars. At the same time, the market volume amounted to RUB 14.888 bln (USD 480.117 mln). In pack terms, the market shrank by 0.2% to 91.232 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 5.26 vs. USD 4.91), and was lower than the average figures in Russia (USD 4.25). The average medicine expenses of residents of the region were also lower than the national average expenses (USD 68.12 vs. USD 62.71).

REGIONAL DIGEST

State Reimbursement Program//Procurement of Necessary Drugs, Government Control

August 6, 2013 The Remedium

Amendments to Prescribing and Dispensing Guidelines for Psychotropic Substances coming into force

Regulatory acts amending the Prescribing and Dispensing Guidelines for Psychotropic Substances are coming into force. From August 4, not only pharmacies, but also entrepreneurs who have licenses for pharmaceutical activities may dispense the combination drugs. From August 7, entry of narcotic drugs and psychotropic substances subject to special control into List III involves changes in the requirements to circulation of strong drugs: aprazol, barbital, bromazepam, brotizolam, diazepam, etc. Pharmacies shall store such medications in a separate reinforced room fortified with a steel door, window bars and alarm. Pharmacy personnel shall gain a special clearance to work with such medications.

August 7, 2013, The Izvestia

The Ministry of Defence intends to allocate RUB 21.4 mln to purchase immune system boosters this year

This year the Ministry of Defence intends to spend buying medicinal products, immunobiological preparations, disinfectants and dispensable medical materials to the amount of RUB 210,716,518. According to the Ministry of Defence, the purchase of preparations to boost the immune system of servicemen, Cicloferon tablets and interferon-containing gel, will cost to it RUB 20 mln and 1.4 mln, respectively. Central Army Medical Department of the Ministry of Defence refused to comment on the ongoing 2013 purchases. However, according to information from an unaccredited source of the Department, the authority decided to purchase immune system boosters for servicemen because among other reasons it is becoming increasingly commonplace for conscript servicemen to die of complications caused by cold-related diseases.

August 7, 2013, The Remedium

Ministry of Public Health may allow doctors to prescribe medicines by their brand name from 2014

Contracts Law on purchasing goods, works and services shall come into force from January 1. According to the above Law, a doctor can prescribe a medicine by its brand name, without using its international non proprietary name, if a patient suffers from an individual intolerance. Earlier on, patient organizations grumbled about doctors' obligations to prescribe medicines only by INN, not by their brand names. According to them, this novelty will rob patients of their right to choose a medicine, as pharmacies may offer more expensive drugs, and benefit holders will settle for the cheapest analogues. The Ministry of Public Health clarified that in order to prevent drug abuse, a medicine may be prescribed to a patient not by attending physician at his sole discretion, but by the specially selected medical panel.

August 9, 2013, The Meditsinski Vestnik

Ministry of Public Health developed a list of antituberculous agents to be purchased using budget funds

The Ministry of Public Health submitted for public consultation a departmental order concerning approval of List of Antibacterial and Antituberculous Agents (of the second row) to treat patients with extensively drug-resistant tuberculosis and diagnostic tools to identify and determine sensitivity of mycobacterium tuberculosis, as well as to monitor patients with extensively drug-resistant tuberculosis in the constituent entities of the Russian Federation to be purchased using other inter-budget transfers from federal budget. This public consultation will take place between August 8 and August 23, 2013.

August 13, 2013, The Pharmatsevticheski Vestnik

Ministry of Public Health to introduce amendments to the general monograph development process

The Ministry of Public Health submitted for public consultation a departmental order concerning introduction of amendments to the Decree of the Ministry of Public Health and Social Development of the Russian Federation of August 26, 2010 No 756n concerning approval of the general monograph development process and incorporation of general monographs into the State Pharmacopoeia as well as publishing information of State Pharmacopoeia on the official website in the Internet. According to the above amendments, upon completing development of a general monograph and a monograph the chief department of the Ministry of Public Health and Social Development will publish a draft monograph on the official website of the Ministry in the Internet for purposes of public consultation for a period of no less than thirty days.

August 16, 2013, The Meditsinsky Vestnik

Ministry of Public Health addressed a letter to the regions regarding entry into force of a new High Tech Medical Care List in 2014

The Ministry of Public Health sent an open letter to the regions regarding entry into force of a new High Tech Medical Care List on January 1, 2014. Decree of the Ministry of Publich Health of August 12, 2013, No 565n concerning approval of High Tech Medical Care List provides for the transfer of some forms (methods) of treatment which have become a frequent practice such as coronary stenting in patients with ischemic heart disease, hip arthroplasty, and therapeutic types of high tech medical care, as well as neonatology care to the special types of medical care.

August 20, 2013, PRIME

FAS brought an action against Ministry of Public Health for discrimination of recipients of medications as social assistance

The Federal Anti-monopoly Service brought an action against the Ministry of Public Health of the Russian Federation for discrimination of recipients of medications as social assistance from the government. The violation is reflected in the fact that the Ministry of Public Health didn't include insulin preparation Apidra on the list of medications to be provided to the patients receiving social assistance. According to FAS, by so doing the Ministry established for the recipients a narrow range of market participants which provide goods, and discrimination conditions because the authority didn't consider related inquiries.

August 23, 2013, The Rosbalt

Public Chamber demands Ministry of Health to enter amyotrophic lateral syndrome into the list of orphan diseases

A member of Public Chamber of Russia Sergey Ryakhovsky applied to the Minister of Public Health Veronika Skvortsova for a change of situation connected with the attitude of the government and health care workers to the patients with amyotrophic lateral syndrome (ALS). Ryakhovsky demands that ALS is included into the list of rare diseases and patients with ALS form a category receiving necessary medications. According to Ryakhovsky, in Russia almost all patients with ALS are refused medical care (regular lung ventilation and special medications), explaining it by inefficiency of servicing incurable patients in a resource-constrained environment.

August 26. 2013, The Vedomosti

Ministry of Public Health proposes to make total re-registration of medications

The Vedomosti looked through the wording of the report concerning efficiency of federal expenditures for medications and cost minimization. For the purposes of fulfilling requests of Government and President, the report has been prepared by the Ministry of Finance, Ministry of Economic Development, other involved federal executive agencies, experts of Moscow's Higher School of Economics and Academy of Public Service. The government has already received the report and will introduce it to the Executive Office of the President on September 1. Among the proposals are re-registration of all medications; or restriction of public purchases to Vital, Essential, and Necessary Drugs or speeding up introduction of reference prices and taking them into account when settling accounts with benefit holders or discontinue paying for medications that don't avail.

NEWS FROM COMPANIES

August 8, 2013, The Vedomosti

Akrikhin and MSD signed an agreement to produce medicines for Russia

Akrikhin and MSD signed an agreement to produce 5 MSD products at Akrikhin facilities to be used for treating type 2 diabetes (Januvia and Janumet), bronchial asthma (Singulair), invasive fungal infections (Noxafil) as well as medicines with hypolipidemic activities (Ezetrol). In 2012, sales of these medicines amounted to RUB 750.7 mln in Russia (in retail prices), according to analysts of DSM Group. The parties to the agreement refused to disclose the financial clauses of the deal. From 2014, Akrikhin will engage in secondary packaging of MSD products, In the future the company plans to transfer production of tableted forms to full cycle mode. MSD will continue to be responsible for sales of its products in the Russian market.

August 27, 2013, The Pharmatsevticheski Vestnik

Russian-owned company Cytomed has been granted an operating license for its pharmaceutical factory in Finland

The company will test its equipment and validate its processes around March-April 2014. The new plant is located near Lappeenranta. On August 26, the name of the plant was entered into the registry of Finnish pharmaceutical manufacturers by the Finnish Medicines Agency Fimea, according to yle.fi. The license makes it possible for the company to import active drugs into the country and to test their processes.

August 30, 2013, The Kommersant

Roman Avdeev has acquired the controlling stake in the OAO Veropharm

Russian health and beauty goods retailer Pharmacy Chain 36.6 OJSC said it had agreed to sell its controlling stake in local pharmaceuticals maker OAO Veropharm to businessman Roman Avdeev for RUB 5 bln, the main owner of Credit Bank of Moscow, who has already got about 22% of 36.6. By doing so, 36.6 has got funds to pay off a larger part of its debt.

Source of information – IMS Health

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