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Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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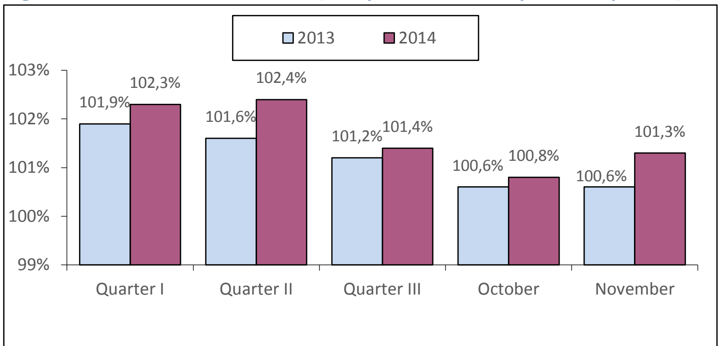
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in November 2014, the Consumer Price Index was estimated as 101.3%, compared to the previous month, in November 2013 it was 100.6%.

According to preliminary data, industrial Producer Price Index was 99.5% in November this year, while in the month-earlier period it had amounted to 100.3%.

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



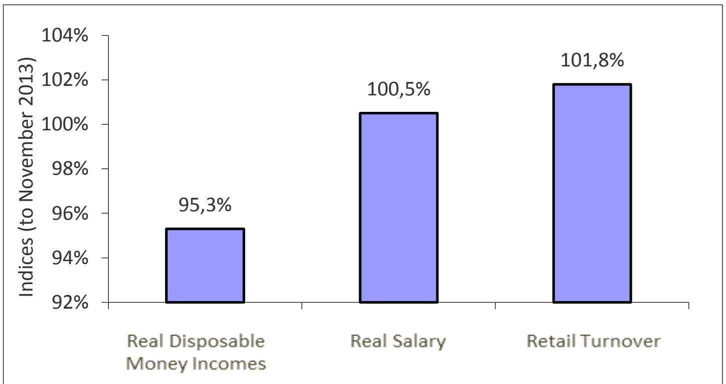
Living standard

According to preliminary Federal State Statistics Service's data, in November 2014 a gross monthly average salary per worker reached RUB 33,088 (USD 721.5) which accounted for 102% compared to the previous month and 109.6% compared to November 2013. The real wages in November 2014 accounted for 100.5% as compared with the same period in 2013. In November 2014, the real value of disposable cash incomes accounted for 95.3% as compared with the same period of 2013 (Fig. 2).

Retail turnover

In November 2014, the retail turnover was equal to RUB 2,326.5 bln, which in comparable prices accounted for 101.8% compared to the same period a year ago, in January-November 2014 - RUB 23,177.1 bln and 102.2% (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in November 2014



Source: Rosstat

Manufacture of Industrial Products

According to Federal State Statistics Service's data, in November 2014 Industrial Production Index accounted for 99.6% compared to the same period in 2013, and in January - November of 2014 - 101.5%).

Domestic production

The top 10 domestic pharmaceutical manufacturers by production volume at November-end 2014 are shown in Table 1 The total production volume of top ten manufacturers was estimated at USD 125.72 mln.

Table 1. Top ten chemical and pharmaceutical manufacturers by production volume in November 2014.

Rank	Manufacturer	Production volume, $mln
1	OTCPHARM*	25.79
2	Pharmstandart	15.72
3	Stada	15.02
4	Valenta	13.73
5	Sotex	10.52
6	Ozon Pharmacevtika	9.81
7	Veropharm	9.64
8	Pharm-Center	9.34
9	Materia Medica	8.35
10	Biotec	7.81

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In October 2014 compared to September, the positive growth in pharmacy sales (in terms of roubles) was observed almost in all regions. The highest performance was observed in Tatarstan (+13%), the lowest one in Krasnodar Krai (+3%). Perm (-2%) was the only region which showed reduction in sales.

Table 2. Pharmacy sales in the regions, 2014

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	August 2014	September 2014	October 2014	August/ July 2014	September/ August 2014	October/ September 2014
Moscow	147.4	184.9	178.6	-5%	32%	4%
St. Petersburg	39.0	48.3	50.4	-6%	30%	12%
Krasnodar Krai	45.7	37.6	35.8	13%	-14%	3%
Novosibirsk Region	20.4	23.1	22.6	3%	19%	5%
Tatarstan	22.8	25.6	26.9	1%	18%	13%
Krasnoyarsk Krai	17.7	19.7	19.1	4%	17%	4%
Rostov Region	25.0	27.8	28.1	-0.1%	17%	9%
Voronezh Region	13.9	17.5	16.9	-9%	32%	4%
Perm	6.1	7.5	6.8	-6%	29%	-2%
Tyumen	6.3	7.4	7.2	1%	22%	5%

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 November 2014

Rank	Company*	Quantity of broadcasts
1	Novartis	13,292
2	Otcpharm	12,160
3	Sanofi Aventis	8,071
4	Johnson & Johnson	6,557
5	Bayer AG	6,335

Source - Remedium according to TNS Russia's data

Table 4. Top five brands in mass media in November, 2014

Rank	Brand*	Quantity of broadcasts
1	Evalar	2,730
2	Essentiale	2,389
3	Grippferon	2,194
4	Pikovit	1,772
5	Fenistil	1,732

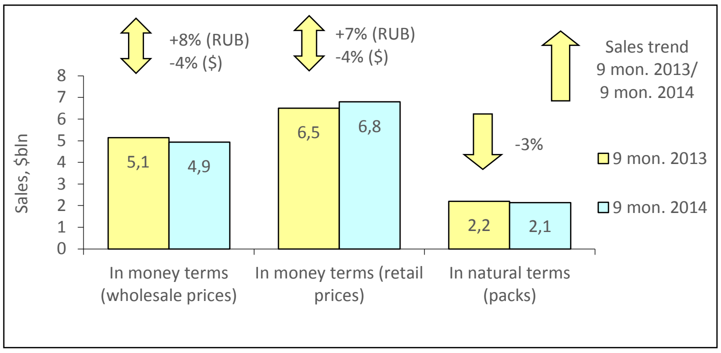
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

PHARMACY OTC MARKET IN RUSSIA: 2014 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first nine months of 2014 the sales of OTC drugs in natural terms in pharmacies of Russia saw a 3% decrease to 2.144 bln packs. In money terms, the market saw an 8% increase in terms of roubles, whereas it showed a negative decline (-4%) in terms of dollars due to significant drop in the exchange rate of roubles. The market reached RUB 174.525 bln (USD 4.940 bln) in wholesale prices (Fig.1). The average cost of an OTC pack reduced as compared to a year earlier period (USD 3.08) and reached USD 3.03 at retail prices. According to the results for the first three quarters of 2014, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 45.25.

Figure 1. Russian pharmacy market for 9 months of 2013 – 9 months of 2014



According to the results for the first nine months of 2014, the top ten OTC drug manufacturers showed high stability - it hasn't changed in composition, and undergone only one transformation (Table 1). It affected the top two positions in the top 10 ranking - SANOFI-AVENTIS that saw a 12%[1] growth in sales moved up to rank number one, displacing OTCPHARM (-2%) that reduced its sales to rank two. Note that almost all the other drug manufacturers of the top 10 showed positive growth sales. Only one drug manufacturer, NOVARTIS, reduced its sales by 1%, but maintained its previous rank five. As already mentioned, the other drug manufacturers of the top ten held their own in the ranking. SANDOZ (+3%), BAYER (+7%), STADA (+3%), MENARINI (+5%), JOHNSON & JOHNSON (+17%), TEVA (+8%) and NYCOMED/TAKEDA (+10%) held their ranks three and four, and ranks from six through ten. . The total share of the top 10 drug manufacturers decreased by almost 0.8 p.p. to 40.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	2	**SANOFI-AVENTIS**	5.8	5.6
2	1	OTCPHARM	5.4	5.9
3	3	**SANDOZ GROUP**	4.8	5.0
4	4	**BAYER HEALTHCARE**	4.6	4.7
5	5	**NOVARTIS**	4.1	4.4
6	6	**STADA**	3.5	3.7
7	7	**MENARINI**	3.5	3.5
8	8	**JOHNSON & JOHNSON**	3.3	3.0
9	9	**TEVA**	2.9	2.9
10	10	**NYCOMED/TAKEDA**	2.5	2.5
Total			40.4	41.2

*AIPM members are in bold

The more significant changes took place in the ranking of the top 10 brands (table 2). In addition to the shifts, two newcomers broke into the ranks of the top ten brands. INGAVIRIN (+54%) and TROXEVASIN (+25%) moved up to ranks eight and ten, respectively. At the same time, PENTALGIN (+14%) moved down one rank, despite its outperformance. In addition, ARBIDOL (-27%) reduced its sales and moved down three ranks, coming in at number five. The products KAGOCEL, LINEX (4% each) and EXODERIL (+19%) moved up one rank, to numbers two through four. CARDIOMAGNIL (+16%) and DETRALEX (+9%) held their previous ranks six and seven, and ESSENTIALE N remained the leader of the top ten. The total share of the top 10 brand names didn't virtually change and accounted for 12.4%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	ESSENTIALE N	2.2	2.1
2	3	KAGOCEL	1.4	1.4
3	4	LINEX	1.3	1.4
4	5	EXODERIL	1.3	1.1
5	2	ARBIDOL	1.1	1.7
6	6	CARDIOMAGNIL	1.1	1.0
7	7	DETRALEX	1.1	1.0
8	15	INGAVIRIN	1.0	0.7
9	8	PENTALGIN	1.0	0.9
10	13	TROXEVASIN	0.9	0.8
Total			12.4	12.3

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

The top four INNs and group names held their own in the ranking (table 3). INNs XYLOMETAZOLINE (+16%), PHOSPHOLIPIDS (+9%), PANCREATIN (+11%) and IBUPROFEN (+10%) as before held the top four positions in the ranking. Four INNs from the top ten ranking moved up two ranks: KAGOCEL and BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+4% each) moved up to ranks five and six, and NAFTIFINE (+19%) and CHONDROITINSULFURIC ACID + GLUCOSAMINE (+20%).moved up to ranks 8 and 9. On top of that, the latter broke into the ranks of the top 10 ranking for the first time. INNs AMBROXOL (-10%) and UMIFENOVIR (-26%) reduced their sales and moved down to ranks six and ten. The consolidated share of the analysed ranking reduced from 17.1% to 16.9%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	XYLOMETAZOLINE	3.1	2.9
2	2	PHOSPHOLIPIDS	2.4	2.3
3	3	PANCREATIN	2.0	1.9
4	4	IBUPROFEN	1.8	1.7
5	7	KAGOCEL	1.4	1.4
6	8	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1.3	1.4
7	6	AMBROXOL	1.3	1.6
8	10	NAFTIFINE	1.3	1.1
9	11	CHONDROITINSULFURIC ACID + GLUCOSAMINE	1.2	1.1
10	5	UMIFENOVIR	1.2	1.7
Total			16.9	17.1

The top ten ATC groups ranking changed its leader for N02 Analgesics (-3%) which moved up from rank two to one, displacing R05 Cough and cold preparations (-5%) down to rank 2. Another shift took place in the bottom part of the ranking. Due to its outperformance, the group M01 Anti-inflammatory and antirheumatic products (+15%) moved up one rank, to number 9, displacing R02 Cough and cold preparations (+8%) down to rank ten. The groups R01 Nasal preparations (+13%), A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+14%), A11 Vitamins (+6%), J05 Antivirals for systemic use (+1%), C05 Vasoprotectives (+11%) and A05 Bile and liver therapy (+9%) held their previous ranks from three to eight, respectively. The total share of the top ten reduced by almost 1 p.p. and accounted for 49.5%.

Table 4. The top ten ATC Groups by pharmacy sales

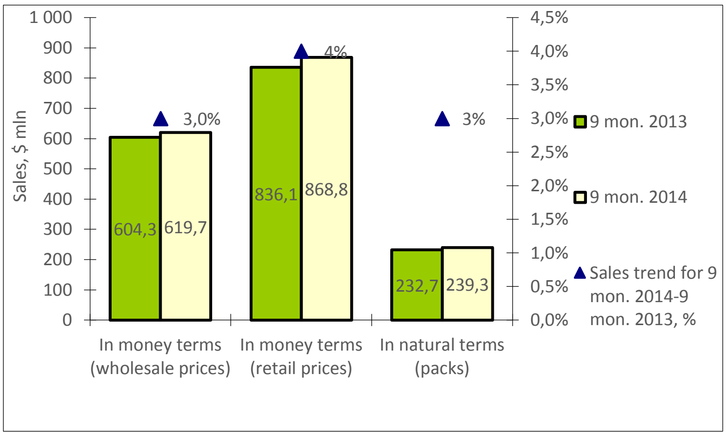
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	2	N02	ANALGESICS	6.3	7.0
2	1	R05	COUGH AND COLD PREPARATIONS	6.2	7.1
3	3	R01	NASAL PREPARATIONS	6.1	5.8
4	4	A07	INTESTINAL ANTIINFECTIVES	5.9	5.5
5	5	A11	VITAMINS	5.3	5.4
6	6	J05	ANTIVIRALS FOR SYSTEMIC USE	4.8	5.2
7	7	C05	VASOPROTECTIVES	4.3	4.1
8	8	A05	BILE AND LIVER THERAPY	3.6	3.5
9	10	M01	ANTIINFLAM & ANTIRHEUM PROD	3.5	3.3
10	9	R02	THROAT PREPARATIONS	3.4	3.4
Total				49.5	50.4

Conclusion. On the basis of the results for the first nine months of 2014, the OTC drug market of Russia brought in RUB 229.633 bln (USD 6.500 bln). It was 7% more in terms of roubles and 4% less in terms of dollars than during the same period in 2013. In natural terms, the market showed the negative growth rates (-3%) and brought in 2.144 bln packs. The average cost of OTC-pack in the Russian pharmacies based on the results for 3 Quarters of 2014 was USD 3.03 which was lower than in 2013 (USD 3.08). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also slightly increased (USD 45.25 vs. USD 47.44).

RUSSIAN BIOLIGICALLY ACTIVE ADDITIVE (BAA) MARKET: 2014 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of BAA in Russian Federation™, at the end of the first nine months of 2014, the BAA pharmacy sales in Russia brought in 21.883 billion roubles (USD 619.730 million) in wholesale prices and 30.679 bln roubles (USD 868.844 mln) - at retail prices (Fig. 1). The market performance was positive both in rouble terms (+15%) and in dollar terms (+3%) at wholesale prices. In natural terms, the BAA sales increased by 3% and amounted to 239.310 mln packs. The average cost of a BAA pack was USD 3.63, whereas in the year-earlier period its cost was USD 3.59. It should be noted that the average cost of a FPP pack (USD 4.13) remained higher than that of a BAA pack. The average amount spent by residents of Russia for purchase of BAAs in the first nine months of 2014 amounted to USD 6.05 (during the same period in 2013 - USD 5.83).

Figure 1. Russian pharmacy BAA market for 9 months of 2013 – 9 months of 2014



In the first nine months of 2014, the manufacturers EVALAR (+1%) and VIS (+21%) held their leading positions in the BAA market in terms of sales volumes (Table 1). Note that the latter continued to show high growth rates and as a result, expanded its market share, whereas the former, in contrast, considerably reduced it. However, the leader's share remained very high - 17.1% of the entire BAA market. The manufacturers that showed marked positive growth rates and rose in the ranks in the top ten moved up to ranks three through eight. In doing so, the manufacturers PHARMAMED CANADA (+26%), POLENS (+30%), POLYARIS (+25%) and QUEISSER (+29%) moved up two ranks, coming in at numbers three through six. The newcomers of the top ten, BAYER HEALTHCARE (+48%) and OMEGA BITTNER (+57%), moved up to ranks seven and eight, respectively. Two manufacturers with negative growth rates, PFIZER (-8%) and RECORDATI (-13%) moved down to ranks nine and ten. The total share of the top 10 manufacturers in the BAA market reduced from 48.4% to 47.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	EVALAR	17.1	19.3
2	2	VIS	10.2	9.7
3	5	PHARMAMED CANADA	3.0	2.8
4	6	POLENS	2.8	2.5
5	7	POLYARIS	2.7	2.5
6	8	QUEISSER	2.6	2.3
7	11	**BAYER HEALTHCARE**	2.5	1.9
8	14	OMEGA BITTNER	2.3	1.7
9	4	**PFIZER**	2.3	2.9
10	3	RECORDATI	2.2	3.0
Total			47.7	48.4

*AIPM members are in bold

Three leaders of the top 10 BAA brands ranking in the Russian market didn't change in the analysed period (table 2). The BAAs used to treat erectile dysfunction SEALEX FORTE (+27%) and ALI CAPS (+28%) that continued to show high growth rates held and reinforced their ranks one and two. As before, the laxative product PHYTOLAX (+8%) held its previous rank three. Shifts took place in the lower part of the top 10 ranking, and as a result, five of its brands rose in the ranks. In so doing, TONGKAT ALI PLATINUM (+3%) moved up to rank four, despite its lagging behind the growth rates. REDUKSIN LIGHT that had been placed at that rank earlier reduced its sales by 15% and moved down to rank six, displacing SUPRADIN KIDS (+49%) down one rank. The newcomers broke into the ranks of the top ten, coming in at ranks five and eight through ten, respectively: MYCOSAN (3.6-fold growth in sales), FEMIBION NATALCARE (2.1-fold growth in sales), DOPPELHERZ AKTIV OMEGA 3 (+31%) and NORMOBACT (+22%). The total share of the top ten brand names increased by 2.3 p.p. and accounted for 21%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	SEALEX FORTE	4.9	4.4
2	2	ALI CAPS	3.5	3.2
3	3	PHITOLAX	2.4	2.5
4	5	TONGKAT ALI PLATINUM	2.0	2.2
5	24	MYCOSAN	2.0	0.6
6	4	REDUKSIN LIGHT	1.8	2.4
7	6	SUPRADIN KIDS	1.4	1.1
8	21	FEMIBION NATALCARE	1.2	0.7
9	15	DOPPELHERZ AKTIV OMEGA 3	1.0	0.9
10	13	NORMOBACT	0.9	0.9
Total			21.0	18.7

As in the previous rankings, the upper part of the top-10 INNs and group names in the BAA market held their own in the ranking (table 3). In this ranking, GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS (+27%) and EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA (+28%) maintained their previous ranks one and two. ASCORBIC ACID + CHOLINE + CYANOCOBALAMIN + FISH + NICOTINAMIDE + PYRIDOXINE (+49%) and INDOLE-3-CARBINOL (+32%) also retained their previous ranks eight and nine, respectively. Half of the other top ten INNs rose in the ranks, while the other half, in contrast, fell in the ranks. The composition EURYCOMA LONGIFOLIA + PANAX GINSENG + ROYAL JELLY (+3%) moved up to rank three from four, and the newcomers SECALE CEREALE (3.6-fold growth in sales) and COD LIVER OIL + VITAMIN E (+31%) broke into the ranks of the top ten, coming in at numbers four and ten. LINOLEIC ACID + VITAMIN E (-15%), ASCORBIC ACID (-2%) and ANETHUM GRAVEOLENS + ARMENIACA VULGARIS + PLANTAGO OVATA + SENNA (+32%) moved down to the lower ranks from five through seven, respectively. The total share of the top-10 INN and generic names increased by almost 2 p.p. and reached 20.9%.

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

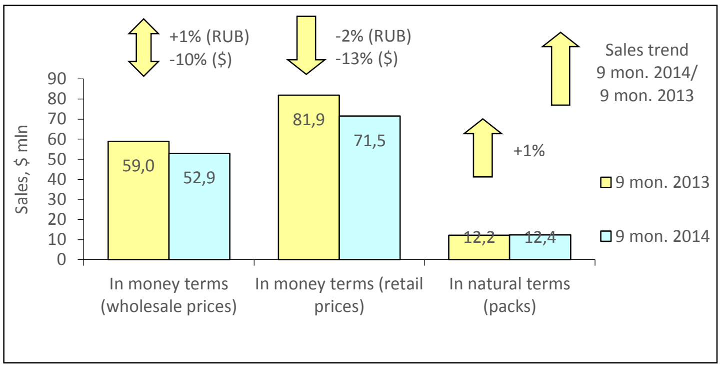
Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS	4.9	4.4
2	2	EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA	3.5	3.2
3	4	EURYCOMA LONGIFOLIA + PANAX GINSENG + ROYAL JELLY	2.0	2.2
4	30	SECALE CEREALE	2.0	0.6
5	3	LINOLEIC ACID + VITAMIN E	1.8	2.4
6	5	ASCORBIC ACID	1.6	1.9
7	6	ANETHUM GRAVEOLENS + ARMENIACA VULGARIS + PLANTAGO OVATA + SENNA	1.5	1.3
8	8	ASCORBIC ACID + CHOLINE + CYANOCOBALAMIN + FISH + NICOTINAMIDE + PYRIDOXINE	1.4	1.1
9	9	INDOLE-3-CARBINOL	1.2	1.1
10	14	COD LIVER OIL + VITAMIN E	1.0	0.9
Total			20.9	19.0

Conclusion. At the end of the first nine months of 2014, BAA sales in pharmacies of Russia increased 16% in terms of roubles and 4% in terms of dollars and brought in RUB 30.679 bln (USD 868.844 mln) in final consumer prices. In pack terms, the BAA market grew by 3% and achieved 239.310 mln packs. The average cost of a BAA pack slightly increased as compared to the previous year (USD 3.63 vs. USD 3.59). Expenses of Russian residents for purchase of BAAs in pharmacies also slightly increased (USD 6.05 vs. USD 5.83).

IRKUTSK PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Irkutsk was estimated at 612.97 thd, which accounted for 0.4% of the total Russian Federation population and 3.2% of Siberian FO (SFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2014 the average wage in the Irkutsk Region was RUB 30,462 (USD 841.26), which was 4% lower than the average wage in Russia (RUB 31,581). According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first nine months of 2014 the pharmacy market volume in physical terms increased by 1% and amounted to 21.383 mln packs (Fig. 1) In wholesale prices, the market showed the positive performance in terms of roubles (+1%) and the negative performance in terms of dollars (-10%) and reached RUB 1.870 bln (USD 52.921 mln). The city share in the total volume of all-Russia pharmacy market accounted for 0.6%. Based on the results for three quarters of 2014, the average cost of FPP pack in the Irkutsk pharmacies was USD 5.78 (during the same period in 2013 - USD 6.69). The average sum spent by residents of Irkutsk on purchase of medicines reached USD 116.69

Figure 1. Irkutsk pharmacy market for 9 months of 2013 – 9 months of 2014



Despite the negative growth rates of the regional retail market, most drug manufacturers of the top ten ranking showed growth in sales based on the results for three quarters of 2014 (Table 1). SANOFI-AVENTIS (-7%) and BAYER (-8%) retained their leading positions, and SANDOZ (+7%), SERVIER (+6%), TEVA (+15%), NYCOMED/TAKEDA (+3%) and GEDEON RICHTER (+17%) rose in the ranks, coming in at numbers 5, 7, 8 and 10, respectively. On top of that, the latter broke into the ranks of the top 10 ranking for the first time. The other three drug manufacturers reduced their sales in the analysed region and, as a result, fell in the ranks. NOVARTIS (-10%) moved down one rank, to number four, and manufacturers PFIZER (-14%) and STADA (-12%) lost two ranks each and moved down to numbers six and nine. The total share of the top ten drug manufacturers increased by 0.6 p.p. and accounted for 38.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	6.4	5.9
2	2	**BAYER HEALTHCARE**	4.9	4.8
3	5	**SANDOZ GROUP**	4.2	4.0
4	3	**NOVARTIS**	3.7	4.1
5	6	**SERVIER**	3.6	3.5
6	4	**PFIZER**	3.4	4.0
7	10	**TEVA**	3.2	2.8
8	9	**NYCOMED/TAKEDA**	2.9	2.9
9	7	**STADA**	2.9	3.3
10	12	GEDEON RICHTER	2.9	2.5
Total			38.2	37.6

*AIPM members are in bold

ESSENTIALE N (+45%) and CYCLOFERON (-2%) continued to show the highest sales rates in the regional market (Table 2). However, the market of the former product expanded by almost a half, while the market of the latter showed reduction in sales. The other three brand names also showed negative growth rates. VIAGRA (-15%) moved up one rank, to number three, and LASOLVAN (-16%) and LINEX (-5%), in contrast, moved down to the lower ranks seven and nine. The other five brand names of the top ten rose in the ranks. CIALIS (0%) moved up to rank four from nine, and the newcomers KAGOCEL (+14%), INGAVIRIN (2.2-fold growth in sales), EXODERIL (+43%) and CONCOR (+18%) broke into the ranks of the top ten, coming in at numbers five, six, eight and ten. The total share of the top ten ranking increased by almost 1 p.p. and achieved 7.9%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	ESSENTIALE N	1.7	1.2
2	2	CYCLOFERON	1.1	1.1
3	4	VIAGRA	0.8	0.9
4	9	CIALIS	0.6	0.6
5	13	KAGOCEL	0.6	0.6
6	55	INGAVIRIN	0.6	0.3
7	5	LASOLVAN	0.6	0.7
8	24	EXODERIL	0.6	0.4
9	7	LINEX	0.6	0.6
10	18	CONCOR	0.6	0.5
Total			7.9	7.0

The top ten INNs and group names ranking also kept its leaders - as before XYLOMETAZOLINE (+10%) and PHOSPHOLIPIDS (+40%) held their previous ranks one and two (Table 3). The other INNs of the top ten ranking changed their ranks, in so doing four of them moved up and the other four moved down to the lower ranks. IBUPROFEN (+22%) moved up from rank seven to three, displacing ACRIDOACETIC ACID (-2%) down one rank. The composition AMOXICILLIN + CLAVULANIC ACID (-1%) moved up one rank, coming in at number seven. BISOPROLOL (+22%) and PANCREATIN (+17%) broke into the ranks of the top ten, coming in at numbers five and nine. At the same time, INNs SILDENAFIL (-10%), AMBROXOL (-11%) and KETOPROFEN (-2%), in contrast, moved down to the lower ranks six, eight and ten, respectively. The total share of the top ten INNs increased by almost 1 p.p. and accounted for 11.2%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	XYLOMETAZOLINE	1.8	1.7
2	2	PHOSPHOLIPIDS	1.8	1.3
3	7	IBUPROFEN	1.1	0.9
4	3	ACRIDOACETIC ACID	1.1	1.1
5	11	BISOPROLOL	1.0	0.9
6	5	SILDENAFIL	0.9	1.0
7	8	AMOXICILLIN + CLAVULANIC ACID	0.9	0.9
8	6	AMBROXOL	0.9	1.0
9	15	PANCREATIN	0.9	0.7
10	9	KETOPROFEN	0.8	0.9
Total			11.2	10.3

The top ten ATC groups ranking didn't change in composition as compared to the previous top 10 rankings (table 4). However, only two from the top ten ATC groups managed to hold their own in the ranking. They were the leader of the top ten G03 Sex hormones (-13%) and C09 Agents acting on the rennin-angiotenzin system (+5%). In addition to the leader of the top ten, the other three ATC groups showed negative growth rates, which resulted in the loss of their ranks. ATC groups J01 Antibacterials for systemic use (-0.5%), J05 Antivirals for systemic use (-10%) and L03 Immunostimulants (-8%) moved down to ranks three, five and seven. On top of that, A11 Vitamins (+0.1%) with virtually zero growth rates moved down to rank ten of the top ten ranking. The other ATC groups increased their sales and rose in the ranks. M01 Anti-inflammatory and antirheumatic products (+12%) and R01 Nasal preparations (+9%) moved up two ranks, coming in at numbers 2 and 4. The groups R05 Cough and cold preparations and N02 Analgesics (+5% each) managed to improve their positions by one rank. The total share of the top 10 ATC groups reduced from 38.6% to 38.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	1	G03	SEX HORM&MODULAT GENITAL SYS	4.5	5.2
2	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4.5	4.1
3	2	J01	ANTIBACTERIALS FOR SYST USE	4.4	4.5
4	6	R01	NASAL PREPARATIONS	4.1	3.8
5	3	J05	ANTIVIRALS FOR SYSTEMIC USE	3.7	4.2
6	7	R05	COUGH AND COLD PREPARATIONS	3.5	3.4
7	5	L03	IMMUNOSTIMULANTS	3.5	3.9
8	8	C09	AG ACT RENIN-ANGIOTENS SYST	3.4	3.2
9	10	N02	ANALGESICS	3.3	3.2
10	9	A11	VITAMINS	3.2	3.2
Total				38.2	38.6

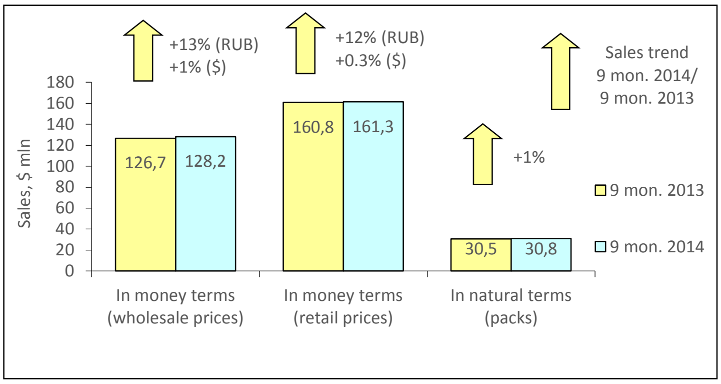
Conclusion. In 9 months of 2014, the pharmacy market in Irkutsk was estimated at RUB 2.257 bln (USD 71.529 mln) in final consumer prices. Note that the market performance was negative both in rouble terms and in dollar terms (-2% and -13%, respectively). In pack terms, the market expanded by 1% and achieved 12.383 mln packs. The average cost of an OTC pack (USD 5.78) in the city pharmacies slightly reduced as compared to a year earlier (USD 6.69), but was higher than the average value in Russia (USD 4.13). Expenses of residents for purchase of medicines in the city pharmacies also proved to be higher than the average expenses in Russia (USD 116.69 vs. USD 88.60).

NOVOSIBIRSK PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014, the population of Novosibirsk was estimated as 1.548 mln, which accounted for 1.1% of the total Russian Federation population and 8.0% of Siberian FO (SFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2014 the average wage in the region was RUB 26,395 (USD 728.94), which was 16% lower than the average wage in Russia (RUB 31,581).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first nine months of 2014 the Novosibirsk pharmacy market volume in natural terms increased by 1% and amounted to 30.846 mln packs (Fig. 1). In wholesale prices, the market performance was positive both in terms of roubles (+13%), and in terms of dollars (+1%) and reached RUB 4.527 bln (USD 128.172 mln). The region's share accounted for 1.3% in the total volume of all-Russia pharmacy market. The average cost of a FPP pack in the city pharmacies according to the results for 9 months of 2014 was USD 5.23 (during the same period in 2013 - USD 5.27). In the analysed period, per capita expenses of the city residents for purchase of medicines in pharmacies amounted to USD 104.19.

Figure 1. Novosibirsk pharmacy market for 9 months of 2013 – 9 months of 2014



Based on the results for the first nine months of 2014, SANOFI-AVENTIS (+14%) and BAYER (+18%) held and reinforced their dominant positions in the Moscow market (Table 1). NOVARTIS (+12%) moved up to rank three from four, displacing the less dynamic SANDOZ (+8%) down one rank. The manufacturers ABBOTT (+12%), NYCOMED/TAKEDA (+14%) and MERCK SHARP DOHME (+18%) held their previous ranks five through seven, respectively. The manufacturers TEVA (+18%) and JOHNSON & JOHNSON (+16%) moved up one rank, coming in at numbers eight and ten, respectively. On top of that, the latter became the only newcomer of the top 10 ranking. SERVIER (+13%) moved down one rank, to number 9. The total share of the top 10 drug manufacturers increased from 35.7% to 36%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	5.7	5.6
2	2	**BAYER HEALTHCARE**	5.0	4.8
3	4	**NOVARTIS**	3.4	3.5
4	3	**SANDOZ GROUP**	3.4	3.6
5	5	**ABBOTT**	3.4	3.4
6	6	**NYCOMED/TAKEDA**	3.3	3.2
7	7	**MERCK SHARP DOHME**	3.2	3.1
8	9	**TEVA**	3.1	3.0
9	8	**SERVIER**	3.0	3.1
10	11	**JOHNSON & JOHNSON**	2.4	2.4
Total			36.0	35.7

*AIPM members are in bold

The top ten brands changed their leader - hepatoprotector ESSENTIALE N (+10%) moved up to rank number one from two (Table 2). In contrast, KAGOCEL (-10%) reduced sales and moved down one rank, to number two. The other brands of the top 10 also changed their ranks; in so doing, five of them improved them. The newcomers CRESTOR (+34%), NICE (+27%) and EXODERIL (+24%) broke into the ranks of the top ten, coming in at numbers three, eight and ten. FPPs DUPHASTON and CARDIOMAGNIL (+16% each) moved up to ranks four and five from eight and seven. At the same time, due to reduction in sales, VIAGRA (-3%) and brands with lagging rates HEPTRAL (+9%) and LINEX (+7%) moved down to the lower ranks six, seven and nine, respectively. In total, the top ten brand names accumulated 6.6% of sales, which was slightly less than in the year-earlier period (6.8%).

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	2	ESSENTIALE N	1.1	1.1
2	1	KAGOCEL	1.0	1.3
3	11	CRESTOR	0.6	0.5
4	8	DUPHASTON	0.6	0.6
5	7	CARDIOMAGNIL	0.6	0.6
6	4	VIAGRA	0.6	0.7
7	5	HEPTRAL	0.6	0.6
8	12	NISE	0.6	0.5
9	6	LINEX	0.5	0.6
10	20	EXODERIL	0.5	0.5
Total			6.6	6.8

Two newcomers entered the top 10 INNs and group names ranking (Table 3). INNs URSODEOXYCHOLIC ACID (+43%) and ROSUVASTATIN (+42%) moved up to ranks four and nine. On top of that, PHOSPHOLIPIDS (+9%), NIMESULIDE (+28%) and BISOPROLOL (+17%) moved up to ranks two, five and seven from the lower positions. INN XYLOMETAZOLINE (+17%) held and reinforced its leading position, while INNs KAGOCEL (-10%), IBUPROFEN (+8%), PANCREATIN and SILDENAFIL (+9%) moved down to the lower ranks three, six, eight and ten, respectively. The total share of Top-10 didn't virtually change and accounted for 9.5%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	XYLOMETAZOLINE	1.6	1.5
2	3	PHOSPHOLIPIDS	1.2	1.2
3	2	KAGOCEL	1.0	1.3
4	13	URSODEOXYCHOLIC ACID	0.9	0.7
5	10	NIMESULIDE	0.9	0.8
6	4	IBUPROFEN	0.8	0.9
7	9	BISOPROLOL	0.8	0.8
8	6	PANCREATIN	0.8	0.8
9	18	ROSUVASTATIN	0.8	0.6
10	8	SILDENAFIL	0.8	0.8
Total			9.5	9.4

G03 Sex hormones (+15%) and M01 Anti-inflammatory and antirheumatic products (+18%) remained the best selling ATC groups in the regional market (table 4). R01 Nasal preparations (+16%) moved up to rank three from five, displacing the less dynamic J01 Antibacterials for systemic use (+7%) to rank four. The groups C09 Agents acting on the rennin-angiotenzin system (+24%) and A05 Bile and liver therapy (+19%) moved up to the higher ranks five and seven. At the same time, the ATC groups with low growth rates N02 Analgesics (+3%) and J05 Antivirals for systemic use (+4%) moved down to ranks six and nine, respectively. A11 Vitamins (+10%) maintained its previous rank eight. The only newcomer, A07 Antidiarrheals, intestinal anti-inflammatory/anti-infective agents (+17%), broke into the ranks of the top ten, coming in at number ten. The total share of the analysed top 10 ATC groups remained unchanged and accounted for 37.2%.

Table 4. The top ten ATC Groups by pharmacy sales

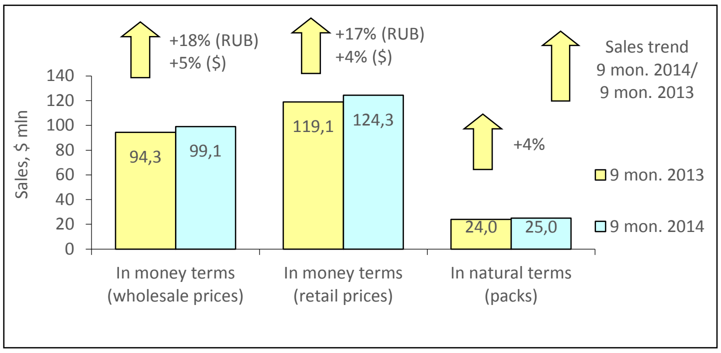
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	1	G03	SEX HORM&MODULAT GENITAL SYS	5.0	4.9
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.3	4.1
3	5	R01	NASAL PREPARATIONS	3.9	3.8
4	3	J01	ANTIBACTERIALS FOR SYST USE	3.8	4.0
5	9	C09	AG ACT RENIN-ANGIOTENS SYST	3.7	3.3
6	4	N02	ANALGESICS	3.5	3.9
7	10	A05	BILE AND LIVER THERAPY	3.4	3.2
8	8	A11	VITAMINS	3.3	3.4
9	6	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	3.6
10	12	A07	INTESTINAL ANTIINFECTIVES	3.1	3.0
Total				37.2	37.2

Conclusion. In 9 months of 2014, the pharmacy market in Novosibirsk was estimated at RUB 5.696 bln (USD 161.282 mln) in final consumer prices. At the same time, the market behaviour was positive both in rouble (+12%) and dollar (+0.3%) terms. In natural terms, the sales increased by 1% and amounted to 30.846 mln packs. The average cost of an OTC pack (USD 5.23) in the pharmacies increased as compared to a year earlier (USD 5.27) and was higher than the average value in Russia (USD 4.13). The average expenses of urban residents for purchase of OTC drugs in the pharmacies also considerably exceeded the national average figures (USD 104.19 vs. USD 88.60).

KRASNOYARSK PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014, the population of Krasnoyarsk was estimated as 1.037 mln, which accounted for 0.7% of the total Russian Federation population and 5.4% of Siberian FO (SFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2014 the average wage in the Krasnoyarsk Krai was RUB 33,206 (USD 917.04), which is 5% higher than the average wage in Russia (RUB 31,581). According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first nine months of 2014 the Krasnoyarsk pharmacy market volume in natural terms increased by 4% and amounted to 24.976 mln packs (Fig. 1). In wholesale prices, the market showed the positive performance: 18% in terms of roubles and 5% in terms of dollars and reached RUB 3.500 bln (USD 99.080 mln). The region's share accounted for 1% in the total volume of all-Russia pharmacy market. Based on the results for three quarters of 2014, the average cost of FPP pack in the Krasnoyarsk pharmacies was USD 4.98 (during the same period in 2013 - USD 4.95). In the analysed period, per capita expenses of the city residents for purchase of medicines in pharmacies amounted to USD 119.89.

Figure 1. Krasnoyarsk pharmacy market for 9 months of 2013 – 9 months of 2014



Based on the results for the first nine months of 2014, the top ten drug manufacturers in the Krasnoyarsk market showed high stability - half of them held their own in the ranking (Table 1). The top ten ranking didn't change its leaders either - the drug manufacturers SANOFI-AVENTIS and BAYER (+20% each) held and reinforced their dominant positions. On top of that, TEVA (+12%), NOVARTIS (+11%) and STADA (+13%) held their previous ranks five, eight and ten. Three drug manufacturers showing outperformance in sales moved up to the higher ranks. The manufacturers SERVIER and NYCOMED/TAKEDA (+20% each), and ABBOTT (+19%) moved up to ranks three, six and seven, respectively. At the same time, the manufacturers with lagging growth of rates: SANDOZ (+12%) and MERCK SHARP DOHME (+1%), in contrast, moved down to the lower ranks four and nine. The total share of the top 10 ATC groups reduced by 0.7 p.p. and accounted for 37.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	5.8	5.7
2	2	**BAYER HEALTHCARE**	4.8	4.7
3	4	**SERVIER**	4.4	4.3
4	3	**SANDOZ GROUP**	4.1	4.3
5	5	**TEVA**	3.6	3.8
6	7	**NYCOMED/TAKEDA**	3.3	3.2
7	9	**ABBOTT**	3.0	3.0
8	8	**NOVARTIS**	2.8	3.0
9	6	**MERCK SHARP DOHME**	2.8	3.3
10	10	**STADA**	2.8	2.9
Total			37.4	38.1

*AIPM members are in bold

Hepatoprotector ESSENTIALE N (+15%) kept its rank number one in the top ten brand names ranking (Table 2). On top of that, another two brand names held their own in the ranking. VIAGRA (+5%) and ACTOVEGIN (+15%) maintained their ranks four and five, respectively. The other brands of the top 10 shifted their ranks; on top of that, almost all of them improved them. ALFLUTOP (+47%) moved up to rank two from five, and CONCOR (+29%) - to rank six from eight. The newcomers moved up to the bottom four ranks in the top ten: LOZAP PLUS (+46%), DETRALEX (+35%), EXODERIL (+45%) and INGAVIRIN (+63%). Only the brand name with low growth rates KAGOCEL (+0.4%) moved down one rank, to number three. In total, the top ten FPP accumulated 7.2% of sales, which was more than in the year-earlier period (6.7%).

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	ESSENTIALE N	1.3	1.3
2	6	ALFLUTOP	0.8	0.6
3	2	KAGOCEL	0.8	0.9
4	4	VIAGRA	0.7	0.7
5	5	ACTOVEGIN	0.7	0.7
6	8	CONCOR	0.6	0.6
7	12	LOZAP PLUS	0.6	0.5
8	11	DETRALEX	0.6	0.5
9	16	EXODERIL	0.6	0.5
10	28	INGAVIRIN	0.6	0.4
Total			7.2	6.7

In contrast to the previous top ten rankings, the top ten INNs and group names ranking changed its leader (table 3). Due to growth in sales by one fourth, INN XYLOMETAZOLINE moved up to rank one, displacing PHOSPHOLIPIDS (+14%) down one rank. Apart from the leader, another five INNs developed their markets at a fast pace. PANCREATIN (+19%) and BISOPROLOL (+31%) moved up to ranks three and five, and the newcomers FISH (+47%), LOSARTAN + HYDROCHLOROTHIAZIDE (+45%) and IBUPROFEN +19%) broke into the ranks of the top ten, coming in at number seven, eight and ten, respectively. In contrast, INNs with low growth rates KETOPROFEN and KAGOCEL (+0.4% each) moved down to the lower ranks four and nine. INN SILDENAFIL (+12%) held its previous rank six. The cumulative share of the top ten accounted for 9.6%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	2	XYLOMETAZOLINE	1.3	1.3
2	1	PHOSPHOLIPIDS	1.3	1.4
3	4	PANCREATIN	1.0	1.0
4	3	KETOPROFEN	1.0	1.2
5	7	BISOPROLOL	0.9	0.8
6	6	SILDENAFIL	0.9	0.9
7	15	FISH	0.8	0.6
8	18	LOSARTAN + HYDROCHLOROTHIAZIDE	0.8	0.6
9	5	KAGOCEL	0.8	0.9
10	12	IBUPROFEN	0.7	0.7
Total			9.6	9.5

The Group M01 Anti-inflammatory and antirheumatic products (+18%) remained the leader in the top ten ATC groups ranking (Table 4). A11 Vitamins (+10%) held its previous rank nine. Five ATC groups of the top 10 showed rose in the ranks. G03 Sex hormones (+25%) moved up to rank two from three, C09 Agents acting on the rennin-angiotenzin system (+31%) - from rank six to three, R01 Nasal preparations (+21%) - from rank 7 to 5, and J05 Antivirals for systemic use (+10%) - from rank 8 to 7. Its only newcomer A05 Bile and liver therapy (+21%) broke into the ranks of the top ten ranking, coming in at number ten. In contrast, three ATC groups with low and negative sales rates moved down to the lower ranks: J01 Antibacterials for systemic use (+2%), N02 Analgesics (+7%) and R05 Cough and Cold Preparations (-4%). The total share of the top ten reduced by almost 1.5 p.p. and accounted for 37.5%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.9	4.9
2	3	G03	SEX HORM&MODULAT GENITAL SYS	4.3	4.1
3	6	C09	AG ACT RENIN-ANGIOTENS SYST	4.2	3.8
4	2	J01	ANTIBACTERIALS FOR SYST USE	3.9	4.5
5	7	R01	NASAL PREPARATIONS	3.8	3.7
6	5	N02	ANALGESICS	3.6	3.9
7	8	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	3.7
8	4	R05	COUGH AND COLD PREPARATIONS	3.2	4.0
9	9	A11	VITAMINS	3.2	3.5
10	11	A05	BILE AND LIVER THERAPY	2.9	2.8
Total				37.5	38.9

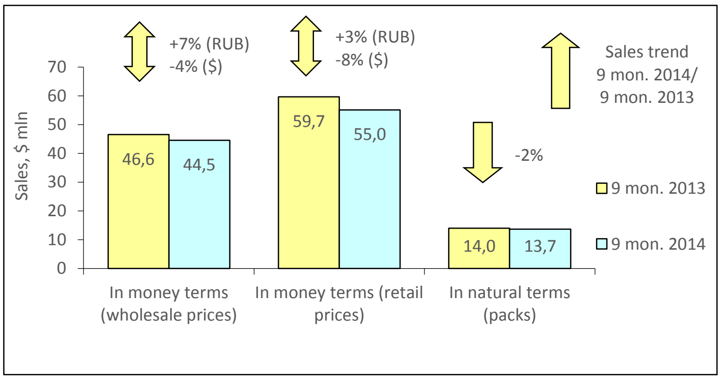
Conclusion. In 9 months of 2014, the pharmacy market in Krasnoyarsk was estimated at RUB 4.389 bln (USD 124.274 mln) in final consumer prices. At the same time, the market behaviour was positive both in rouble (+17%) and dollar (+4%) terms. In natural terms, the sales increased by 4% and amounted to 24.976 mln packs. The average cost of a FPP pack (USD 4.98) in the pharmacies didn't virtually change as compared to a year earlier (USD 4.95), but was higher than the average value in Russia (USD 4.13). The average expenses of Krasnoyarsk residents for purchase of drugs in the pharmacies also considerably exceeded the national average figures (USD 119.89 vs. USD 88.60).

BARNAUL PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Barnaul was estimated as 632.8 ths, which accounted for 0.4% of the total Russian Federation population and 3.3% of Siberian FO (SFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2014 the average wage in the Altaisky Krai was RUB 18,879 (USD 521.38), which was 40% lower than the average wage in Russia (RUB 31,581).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first nine months of 2014 the sales of drugs in natural terms in pharmacies of Barnaul saw a 2% decrease to 13.685 mln packs. In money terms, the market showed positive growth rates (+7%) in rouble terms and negative (-4%) in dollar terms and reached RUB 1.572 bln (USD 44.517 mln) in wholesale prices (Fig. 1). The city market share accounted for 0.4% of the Russian pharmacy sales. The average cost of a FPP pack in Barnaul reduced as compared to a year earlier period (USD 4.26) and reached USD 4.02 at retail prices. For 9 months of 2014, the average amount spent by residents of Barnaul for medications amounted to USD 86.99.

Figure 1. Barnaul pharmacy market for 9 months of 2013 – 9 months of 2014



SANOFI-AVENTIS (+6%), NYCOMED/TAKEDA (+11%) and BAYER (+5%) remained the leaders of the top ten drug manufacturers in the Barnaul market based on the results of three quarters in 2014 (Table 1). The manufacturers TEVA (+14%) and MENARINI (+6%) that rose in the ranks by two p.p. moved up to ranks four and five. The manufacturer SERVIER (+13%) also moved up two ranks, to number 7. The only newcomer GEDEON RICHTER (+11%) moved up to rank eight in the top 10. In contrast, ABBOTT (+1%) with low growth rates, and NOVARTIS (-9%) and SANDOZ (-11%) that reduced their sales moved down to the lower ranks 6, 9 and 10, respectively. The cumulative share of the top 10 drug manufacturers reduced from 36.8% to 36.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	4.9	5.0
2	2	**NYCOMED/TAKEDA**	4.7	4.5
3	3	**BAYER HEALTHCARE**	4.3	4.4
4	6	**TEVA**	3.6	3.4
5	7	**MENARINI**	3.4	3.4
6	4	**ABBOTT**	3.3	3.4
7	9	**SERVIER**	3.2	3.0
8	11	GEDEON RICHTER	3.0	2.9
9	8	**NOVARTIS**	2.8	3.3
10	5	**SANDOZ GROUP**	2.8	3.4
Total			36.1	36.8

*AIPM members are in bold

The top 10 brand names ranking changed its leader (table 2). The former leaders ARBIDOL (-29%) and REDUKSIN (-12%) showed strong negative growth rates, notably reduced their shares in the market and moved down to ranks eight and five, respectively. At the same time, the brand names with positive sales rates moved up to ranks one through four: ACTOVEGIN (+22%), CONCOR (+17%), ESSENTIALE N (+9%) AND NISE (+12%). The other four brand names also showed signs of growth. NIMESIL (+16%) moved up two p.p., coming in at number six, and CARDIOMAGNIL (+12%) improved its position by one p.p., moving up to rank nine. The newcomers ALFLUTOP (+20%) and INGAVIRIN (+30%) broke into the ranks of the top ten, moving up to ranks seven and ten. The cumulative share of the top 10 didn't change and accounted for 6.9%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	4	ACTOVEGIN	0.8	0.7
2	3	CONCOR	0.8	0.8
3	5	ESSENTIALE N	0.7	0.7
4	7	NISE	0.7	0.7
5	2	REDUKSIN	0.7	0.9
6	8	NIMESIL	0.7	0.6
7	11	ALFLUTOP	0.6	0.6
8	1	ARBIDOL	0.6	0.9
9	10	CARDIOMAGNIL	0.6	0.6
10	15	INGAVIRIN	0.6	0.5
Total			6.9	6.9

The top three names in the leading INNs and group names ranking remained unchanged (table 3) Due to their outperformance, NIMESULIDE (+14%), XYLOMETAZOLINE (+11%) and BISOPROLOL (+19%) not only retained, but also strengthened their positions. INN SIBUTRAMINE (-5%) also held its previous rank 5. Five brand names of the top 10 managed to rise in the ranks. INNs BLOOD (+20%), AZITHROMYCIN (+4%), PHOSPHOLIPIDS (+7%), IBUPROFEN (+8%) and MELOXICAM (+5%) moved up to rank four, and from six through nine, respectively. Note that the latter became the only newcomer of the top 10 ranking. Due to strong negative growth rates, the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE (-29%) moved down from rank four to ten. The total share of the top 10 under review didn't virtually change and accounted for 10.1%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	NIMESULIDE	1.6	1.5
2	2	XYLOMETAZOLINE	1.5	1.5
3	3	BISOPROLOL	1.4	1.3
4	9	BLOOD	0.9	0.8
5	5	SIBUTRAMINE	0.9	1.0
6	7	AZITHROMYCIN	0.8	0.9
7	8	PHOSPHOLIPIDS	0.8	0.8
8	10	IBUPROFEN	0.8	0.8
9	13	MELOXICAM	0.7	0.7
10	4	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	0.7	1.0
Total			10.1	10.2

One newcomer N06 Psychoanaleptics (+17%) also entered the top ten ATC groups, coming in at number ten from 11 (Table 4). Another two ATC groups managed to improve their positions. R01 Nasal preparations (+7%) and C09 Agents acting on the rennin-angiotenzin system (+19%) moved up to ranks five and six. Five ATC groups of the top 10 managed to hold their own in the ranking. M01 Anti-inflammatory and antirheumatic products (+14%), G03 Sex hormones (+8%), N02 Analgesics (+3%) and J01 Antibacterials for systemic use (+2%) held their leading positions, and J05 Antivirals for systemic use (+5%) maintained their rank 7. L03 Immunostimulants (-9%) and R05 Cough and cold preparations (-8%) reduced their sales and moved down to ranks eight and nine, respectively. The total share of the top ten reduced by 0.5 p.p. and accounted for 37.5%.

Table 4. The top ten ATC Groups by pharmacy sales

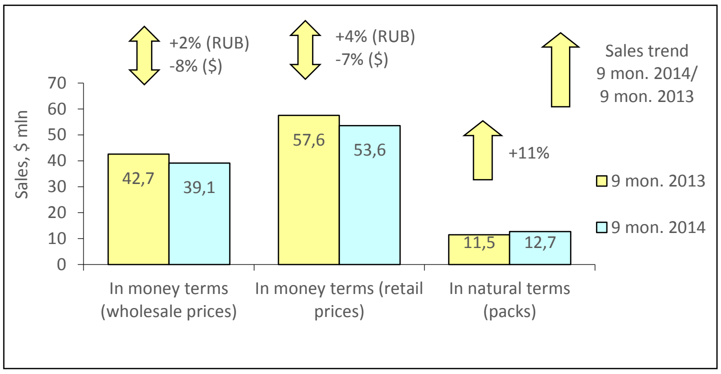
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5.5	5.1
2	2	G03	SEX HORM&MODULAT GENITAL SYS	4.6	4.5
3	3	N02	ANALGESICS	4.2	4.4
4	4	J01	ANTIBACTERIALS FOR SYST USE	3.9	4.1
5	6	R01	NASAL PREPARATIONS	3.6	3.6
6	9	C09	AG ACT RENIN-ANGIOTENS SYST	3.4	3.1
7	7	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	3.5
8	5	L03	IMMUNOSTIMULANTS	3.1	3.7
9	8	R05	COUGH AND COLD PREPARATIONS	2.9	3.4
10	11	N06	PSYCHOANALEPTICS	2.9	2.6
Total				37.5	38.0

Conclusion. On the basis of the results for the first 9 months of 2014, the retail pharmacy market of Barnaul reached RUB 1.944 bln (USD 55.047 mln) in retail prices. The sales saw a 3% increase in terms of roubles, and a 8% decrease in terms of dollars. In natural terms, the market showed negative growth rates (-2%) and amounted to 13.685 mln packs. The average cost of a FPP pack in the Barnaul pharmacies according to the results for the first nine months of 2014 was USD 4.02 which was lower than the last year figures (USD 4.26), and lower than national average (USD 4.13). The average expenses of city residents for medications in the pharmacies were considerably lower than the national average (USD 86.99 vs. USD 88.60).

VLADIVOSTOK PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Vladivostok's estimated population was 630.0 thd, which accounted for 0.4% of the total Russian Federation population and 10.1% of Far Eastern FO (FFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2014 the average salary in the Primorski Krai was RUB 31,537 (USD 870.95), which was 0.1% lower than the national average wage (RUB 31,581). According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of nine months of 2014 the sales of drugs in physical terms in pharmacies of Vladivostok saw a 11% increase to 12.713 mln packs. In money terms, the OTC drugs market increased by 2% in rouble terms and reduced by 8% in dollar terms and reached RUB 1.381 bln (USD 39.117 mln) in wholesale prices (Fig. 1). The city share in the total volume of all-Russia pharmacy market accounted for 0.4%. The average cost of a FPP pack based on the results for 9 months of 2014 amounted to USD 4.21 at retail prices, which was lower than in a year-earlier period (USD 5.01). For nine months of 2014, the average amount spent by residents of Vladivostok for drugs amounted to USD 85.04.

Figure 1. Vladivostok pharmacy market for 9 months of 2013 – 9 months of 2014



In the first nine months of 2014, one newcomer broke into the top ten manufacturers ranking by pharmacy sales in the Vladivostok retail market: GEDEON RICHTER (+6%) moved up to rank nine (Table 1). Apart from it, the other three INNs from the top ten moved up to yet higher ranks. In so doing, the manufacturer SERVIER (+5%) moved up to rank one from two, while the last year leader SANOFI-AVENTIS (-9%) moved down to rank two. NYCOMED/TAKEDA (-2%) moved up one rank, coming in at number five, displacing NOVARTIS (-10%) down one rank. One more manufacturer, KRKA (+3%) , moved up to rank eight from ten. The drug manufacturers SANDOZ (-6%), BAYER (-3%) and TEVA (+5%) held their previous ranks three, four and seven. MENARINI (-2%) moved down to rank ten. The total share of the top-10 reduced from 35.5% to 33.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	2	**SERVIER**	4.6	4.4
2	1	**SANOFI-AVENTIS**	4.5	5.0
3	3	**SANDOZ GROUP**	3.8	4.1
4	4	**BAYER HEALTHCARE**	3.6	3.8
5	6	**NYCOMED/TAKEDA**	3.2	3.4
6	5	**NOVARTIS**	3.1	3.6
7	7	**TEVA**	3.1	3.1
8	10	**KRKA**	2.7	2.7
9	11	GEDEON RICHTER	2.7	2.6
10	9	**MENARINI**	2.6	2.7
Total			33.9	35.5

*AIPM members are in bold

One of the newcomers moved up to rank number one in the top ten brand names ranking (Table 2). Due to 2.1-fold sales growth, the ophtalmological product TROPICAMIDE moved up to rank one from 13. The other three newcomers of the top ten - CAPSICUM EXTRACT (2.7-fold growth in sales), INGAVIRIN (2.2-fold growth) and KAGOCEL (+54%) moved up to ranks three through five, respectively. In contrast, the other brand names of the top ten fell in the ranks. The product ESSENTIALE N reduced sales by almost one third and moved down from rank one to two. The products SUMAMED (+18%), EXODERIL (+9%), LINEX (-17%), ACTOVEGIN (-14%) and ALFLUTOP (+5%) moved down to ranks six through 10, respectively. The total share of the top ten trade names increased by almost 1.2 p.p. and accounted for 7.9%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	13	TROPICAMIDE	1.1	0.5
2	1	ESSENTIALE N	1.0	1.5
3	42	CAPSICUM EXTRACT	0.9	0.3
4	25	INGAVIRIN	0.9	0.4
5	15	KAGOCEL	0.7	0.5
6	5	SUMAMED	0.7	0.6
7	4	EXODERIL	0.7	0.6
8	2	LINEX	0.7	0.8
9	3	ACTOVEGIN	0.7	0.8
10	6	ALFLUTOP	0.6	0.6
Total			7.9	6.7

INN XYLOMETAZOLINE (+7%) held and reinforced its leadership in the top ten INNs and generic names ranking (table 3). The positions of INNs PANCREATIN (-6%) and AZITHROMYCIN (+15%) also remained unchanged, as before they held their ranks four and five. Four INNs from the top ten rose in the ranks. TROPICAMIDE (-1%) moved up one rank, to number two, while PHOSPHOLIPIDS (-30%) moved down one rank. The newcomers broke into the ranks of the top ten, coming in at numbers six through eight. The sales of NIMESULIDE (+28%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID and CAPSICUM increased.2.2 and 2.8 times, respectively. At the same time, INNs with low growth rates IBUPROFEN (+3%) and AMOXICILLIN + CLAVULANIC ACID (+1%) moved down to the last two ranks in the top ten. The total share of the top ten INNs increased by almost 1 p.p. and accounted for 10.4%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	XYLOMETAZOLINE	1.8	1.7
2	3	TROPICAMIDE	1.1	1.2
3	2	PHOSPHOLIPIDS	1.1	1.6
4	4	PANCREATIN	1.0	1.1
5	5	AZITHROMYCIN	1.0	0.9
6	11	NIMESULIDE	0.9	0.8
7	47	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.9	0.4
8	69	CAPSICUM	0.9	0.3
9	6	IBUPROFEN	0.9	0.9
10	8	AMOXICILLIN + CLAVULANIC ACID	0.8	0.8
Total			10.4	9.6

J01 Antibacterials for systemic use (+2%) held their leading position in the top ten ATC groups (Table 4). The other top 10 ATC groups changed their ranks; moreover, four ATC groups improved them. The most dynamic group of the top ten - J05 Antivirals for systemic use (+36%) moved up to rank two from four, displacing M01 Anti-inflammatory and antirheumatic products and R01 Nasal preparations (+8% each) down one rank, to numbers 3 and 4. S01 Ophthalmologicals (+5%) moved up to rank five, and C09 Agents acting on the renin-angiotenzin system (+11%) moved up to rank seven. Note that those groups also displaced the groups N02 Analgesics (+1%) and G03 Sex hormones (-1%) down one rank, to numbers six and eight, respectively. The only newcomer R05 Cough and Cold Preparations (+8%) broke into the ranks of the top ten, coming in at number nine. A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (-6%) moved down from rank eight to ten in the top ten. The total share of the top 10 reduced by more than 1.5 p.p. and accounted for 36.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	1	J01	ANTIBACTERIALS FOR SYST USE	4.5	4.6
2	4	J05	ANTIVIRALS FOR SYSTEMIC USE	4.5	3.4
3	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.3	4.0
4	3	R01	NASAL PREPARATIONS	4.0	3.9
5	6	S01	OPHTHALMOLOGICALS	3.5	3.4
6	5	N02	ANALGESICS	3.4	3.4
7	9	C09	AG ACT RENIN-ANGIOTENS SYST	3.3	3.1
8	7	G03	SEX HORM&MODULAT GENITAL SYS	3.2	3.3
9	12	R05	COUGH AND COLD PREPARATIONS	3.1	2.9
10	8	A07	INTESTINAL ANTIINFECTIVES	3.0	3.3
Total				36.9	35.3

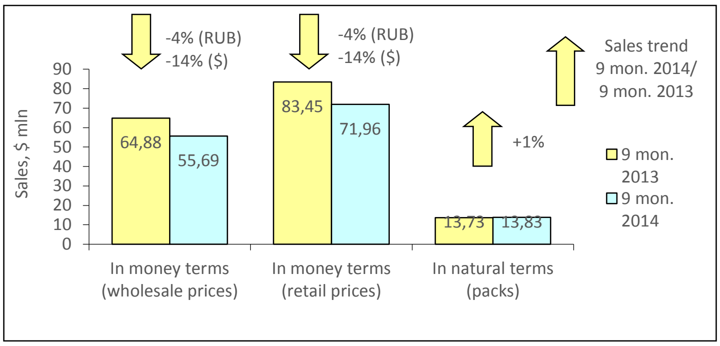
Conclusion. At the end of the first nine months in 2014, the Vladivostok pharmacy market grew by 4% in rouble terms and by 7% in dollar terms and brought in RUB 1.892 bln (USD 53.579 mln). In pack terms, the market also showed positive growth rates (+11%) and achieved 12.713 mln packs. In the first nine months of 2014, the average cost of a FPP pack in the regional pharmacy sector was lower than in the year-earlier period (USD 4.216 vs. USD 5.01), and exceeded the national average figures (USD 4.13). Per capita expenses for purchase of medicines in pharmacies of Vladivostok amounted to USD 85.04. which is lower than the national average (USD 88.6).

KHABAROVSK PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Khabarovsk's estimated population was 601.0 thd, which accounted for 0.4% of the total Russian Federation population and 9.7% of Far Eastern FO (FFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2014 the average wage in the Khabarovsk Krai was RUB 35,071 (USD 968.54), which is 11% higher than the average wage in Russia (RUB 31,581).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, in the first nine months of 2014 the sales of drugs in natural terms in the pharmacies of Khabarovsk saw a 1% increase to 13.826 mln packs. In money terms, the city pharmacy market (exclusive of Additional Pharmacological Support (DLO)) saw a 4% decrease in terms of roubles and -14% decrease in terms of dollars compared to the same period a year ago and reached RUB 1.965 bln (USD 55.689 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 0.6%. The average cost of a FPP pack in the Khabarovsk pharmacies was USD 5.21 which was notably lower than in the year-earlier period (USD 6.08). For the first nine months of the current year, the average amount spent by residents of Khabarovsk on OTC drugs amounted to USD 119.73.

Figure 1. Khabarovsk pharmacy market for 9 months of 2013 – 9 months of 2014



In the first three quarters of 2014, most drug manufacturers from the top ten ranking, as the overall regional market, showed negative growth rates (Table 1). Among them were SANDOZ (-7%) and BAYER (-9%) that held their leading positions. The drug manufacturers NOVARTIS and OTCPHARM (-11% each) with accentuated decrease in sales fell in the ranks, moving down to ranks five and eight. At the same time, despite the negative growth rates, the manufacturers NYCOMED/TAKEDA (-1%) and TEVA (-4%) moved up one rank, coming in at numbers 6 and 7, respectively. Apart from them, the other two manufacturers moved up to yet higher positions. SERVIER (+5%) moved up to rank four, and the newcomer GEDEON RICHTER (+10%) broke into the ranks of the top ten, coming in at number nine. The manufacturers SANOFI-AVENTIS and MENARINI (+1% each) maintained their previous ranks three and ten. The total share of the top 10 drug manufacturers increased by 0.2 p.p. and accounted for 37.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANDOZ GROUP**	5.1	5.2
2	2	**BAYER HEALTHCARE**	4.6	4.9
3	3	**SANOFI-AVENTIS**	4.3	4.1
4	5	**SERVIER**	4.0	3.7
5	4	**NOVARTIS**	3.8	4.1
6	7	**NYCOMED/TAKEDA**	3.4	3.3
7	8	**TEVA**	3.2	3.2
8	6	OTCPHARM	3.1	3.4
9	11	GEDEON RICHTER	3.1	2.7
10	10	**MENARINI**	3.0	2.8
Total			37.7	37.5

*AIPM members are in bold

The leaders of the top ten brand names - ARBIDOL (-17%) and LINEX (-11%) - as before held the top two ranks of the ranking (Table 2). Note that virtually all brand names from the top ten showed reduction in sales. Only newcomers from the top ten - ESSENTIALE N (+18%) and INGAVIRIN (+8%) that moved to ranks 6 and 7 - increased their sales volumes. The other two brand names also rose in the ranks. CYTOVIR-3 (-8%) moved up to rank three from six, and the product ACC (-8%) moved up to rank five from seven. LASOLVAN (-18%) held its previous rank four, while the brand names KAGOCEL (-22%), AMOKSIKLAV (-9%) and OSCILLOCOCCINUM (-25%) moved down to the lower ranks, coming in at the last three numbers. The total share of the top 10 decreased from 8.7% to 8%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	ARBIDOL	1.3	1.5
2	2	LINEX	1.0	1.1
3	6	CYTOVIR-3	0.8	0.8
4	4	LASOLVAN	0.7	0.9
5	7	ACC	0.7	0.8
6	13	ESSENTIALE N	0.7	0.6
7	11	INGAVIRIN	0.7	0.6
8	3	KAGOCEL	0.7	0.9
9	8	AMOKSIKLAV	0.7	0.7
10	5	OSCILLOCOCCINUM	0.7	0.9
Total			8.0	8.7

Two newcomers broke into the ranks of the top ten INN and group names ranking (table 3). INTERFERON ALFA-2B (-3%) and PANCREATIN (+1%) moved up to ranks 8 and 9. In addition to them, one more INN from the top ten occupied the higher position - the composition AMOXICILLIN + CLAVULANIC ACID (-8%) moved up one rank, to number 5, despite the reduction in sales. It became possible due to the fact that the composition BIFIDOBACTERIUM INFANTIS+ ENTEROCOCCUS FAECIUM+ LACTOBACILLUS ACIDOPHILUS (-11%) that had been placed at that position earlier showed stronger reduction in sales and moved down one rank. Five INNs from the top 10 ranking retained their earlier ranks. XYLOMETAZOLINE (-6%), UMIFENOVIR (-17%), AMBROXOL (-11%) и PARACETAMOL+ ASCORBIC ACID+ PHENIRAMINE+ PHENYLEPHRINE (-10%) held their leading positions, and IBUPROFEN (-3%) maintained its previous rank 7. AZITHROMYCIN (-12%) moved down to rank ten from eight. The cumulative share of the top-ten decreased by 0.6 p.p. and achieved 11.8%.

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

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	XYLOMETAZOLINE	2.4	2.5
2	2	UMIFENOVIR	1.3	1.5
3	3	AMBROXOL	1.3	1.4
4	4	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	1.2	1.3
5	6	AMOXICILLIN + CLAVULANIC ACID	1.0	1.1
6	5	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1.0	1.1
7	7	IBUPROFEN	1.0	0.9
8	11	INTERFERON ALFA-2B	0.9	0.9
9	13	PANCREATIN	0.9	0.8
10	8	AZITHROMYCIN	0.8	0.9
Total			11.8	12.4

R01 Nasal preparations (-8%), R05 Cough and cold preparations (-9%) and J01 Antibacterials for systemic use (-7%) remained the best selling groups in the regional market (Table 4). On top of that, ATC groups rounding out the top ten didn't change either. As before, there were three of them - G03 Sex hormones (-4%), A11 Vitamins (-9%) and A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (-6%). Two groups, N02 Analgesics (-6%) and M01 Anti-inflammatory and antirheumatic products (+5%) rose in the ranks, coming in at numbers four and five. At the same time, J05 Antivirals for systemic use (-15%) and L03 Immunostimulants (-7%) moved down to ranks six and seven. The total share of top ten ATC groups reduced by 1.4 p.p. and achieved 44.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	1	R01	NASAL PREPARATIONS	6.2	6.5
2	2	R05	COUGH AND COLD PREPARATIONS	5.7	6.0
3	3	J01	ANTIBACTERIALS FOR SYST USE	4.7	4.9
4	5	N02	ANALGESICS	4.3	4.4
5	7	M01	ANTIINFLAM & ANTIRHEUM PROD	4.3	4.0
6	4	J05	ANTIVIRALS FOR SYSTEMIC USE	4.2	4.7
7	6	L03	IMMUNOSTIMULANTS	4.1	4.3
8	8	G03	SEX HORM&MODULAT GENITAL SYS	3.9	3.9
9	9	A11	VITAMINS	3.4	3.6
10	10	A07	INTESTINAL ANTIINFECTIVES	3.4	3.4
Total				44.3	45.8

Conclusion. On the basis of the results for 9 months of 2014, the retail pharmacy market of Khabarovsk brought in RUB 2.540 bln (USD 71.965 mln). At the same time, the market performance was negative both in rouble terms (-4%) and in dollar terms (-14%). In natural terms, the sales increased by 1% to 13.825 mln packs. The average cost of a FPP pack in the regional pharmacies reduced as compared to the previous year (USD 5.21 vs. USD 6.08), but was higher than the national average in Russia (USD 4.13). Per capita expenses of Khabarovsk residents for purchase of medicines in the pharmacies amounted to USD 119.73 which was higher than on the average in the country (USD 88.60).

REGIONAL DIGEST

Additional Pharmacological Support (DLO)/Essential Drug Reimbursement Program (ONLS), Government Control

December 3, 2014, Vademec.ru

Health funding allocations from the federal budget for 2015 have been approved in the amount of RUB 421.1 bln

President Putin signed a law "On the Federal Budget for 2015 and the Planning Period for 2016 and 2017". According to the document approved on December 3, the total expenditure of the federal budget system on health care in 2015 will amount to 2.764 tln rubles (3.6% of GDP). In 2015, the overall funding of health care from the federal budget will be RUB 421.1 bln As of September 1, 2014, the total funding from the federal budget aimed at health care amounted to RUB 535.7 bln. In 2015, the Ministry of Health will receive RUB 197.098 bln for spending and Federal Service for the Supervision of Public Health and Social Development (Roszdravnadzor) - RUB 3.066 bln from the federal budget.

December 4, 2014, Regnum

Ministry of Industry and Trade to support the full-cycle drug manufacturers

The Ministry of Industry and Trade is developing additional preferences for manufacturers providing a full cycle of drugs. This was reported by Deputy Minister of Industry and Trade S. Tsyb. According to him, full-cycle production of the pharmaceutical products and production of the finished products from the imported substances are two completely different processes which have different costs, level of manufacturability, competences and knowledge contributed to the production. Therefore, it is absolutely clear that the full-cycle manufacturers should have additional preferences as compared to those who only produces finished dosage forms, and even more so to those who just packs the products. The Ministry of Industry and Trade will need to prepare a document to define the stages of the process, which allow them to develop a package of preferences for such manufacturers by June 1, 2015. Not only Russian, but also foreign pharmaceutical manufacturers will be able to obtain support measures subject to the localization of pharmaceutical production in Russia.

December 4, 2014, Kommersant

Government funding of vaccines for routine immunization to be increased in 2015

Expansion of the National Immunization Schedule from 12 to 14 over the next two years, and the development of domestic combination vaccines have been approved by the final annual meeting of the Expert Council on Public Health at the Federation Council Committee on Social Policy as the most important issues facing the immunization of the population. The Government also recognized the need for modernization and expansion of the National Immunization Schedule: chickenpox (varicella) vaccination will be added in 2015, vaccination of teenage girls against human papilloma virus (HPV) infection - in 2016. Public funding for immunization will be increased from RUB 6.2 bln in 2014 to RUB 10.2 bln in 2015.

December 12, 2014, Vedomosti

Regional authorities note an uncontrolled increase in drug prices due to devaluation of the Russian rouble

Regional officials can not control the prices of VED due to lack of formal powers, the Governor G. Poltavchenko complained to Prime Minister D. Medvedev. In mid-November, the Governor sent him a letter in which he asked Prime Minister to instruct authorities to accelerate the preparation of the necessary bylaw. Federal Supervisory Authority controls the prices of VED and regions should control the application of the prices, the Governor reminded. But the document establishing the procedure for regional control over the prices doesn't exist. Therefore, the regional officials, including those in St. Petersburg, have no legal control over the prices, he concluded. Due to the devaluation of the rouble and inflation, the prices for drugs that are not included in the VED list also increase.

December 17, 2014, Kommersant

Government to announce emergency measures aimed at curbing the growth of retail prices in pharmacies before the end of the year

The Russian government is ready to announce urgent measures aimed at curbing the growth of retail prices in pharmacies by the end of December. According to Deputy Prime Minister O. Golodets, the Government will bring forward a package of serious measures to prevent a rise of prices for medicines in pharmacy chains. Whereas, Health Minister V. Skvortsova said that due to rising costs, the Government would purchase cheaper generic drugs within the social security program. Assistant to Russian vice-premier Olga Golodets Aleksey Levchenko said that as part of preventing a rise in prices for imported medicines, which were becoming more expensive due to exchange rate differences, the government has allocated to the regions additional RUB 260 mln in late November for the purchase of drugs under the state programs. According to him, VED stock at November prices will last for three months, and 7 Nosologies stock will be enough for 9 months.

December 22, 2014, PRIME

Government to expand VED list and offer three-year contracts to domestic manufacturers to slow down drug price increases

VED list that is subject to severe restrictions on pricing would be expanded, Deputy Prime Minister O.Golodets said at a meeting with D. Medvedev. In addition, the government is ready to make the switchover to long-term - three-year - contracts for purchase of medicines from the manufacturers that would fix and limit prices. According to Golodets, now the government carries on negotiations with drug manufacturers, primarily to those operating in the domestic market, to offer them long-term, three-year contracts in exchange for a fixed price for drugs. According to her, it is about the manufacturers that would "fix prices, limit their margins during this period."

December 20, 2014, TASS

Deputies ask the government to introduce compulsory licensing for analogues of original drugs

In the State Duma, the deputies ask Prime Minister D. Medvedev to introduce compulsory licensing for producing generic versions of branded drugs to treat serious diseases, including cancer and AIDS. The corresponding letter was sent by the Head of the Committee for Health Protection under the State Duma Lower House of the Russian Parliament Sergei Kalashnikov. The State Duma Committee for Health Protection explained this necessity by geopolitical and economic situation. Compulsory licensing suggests that the production of medicines, i.e. generic drugs, having a patent which has not yet expired, is allowed in order to protect the life and health.

December 25, 2014, GMPnews.ru

Minister of Health has promised to index the prices of vital and essential drugs if necessary

The rise in price for drugs from the list of Vital and Essential Drugs is still minimal, but the Ministry of Health intends to index prices for them so that the difference between the cost and the selling price might not hurt the manufacturers. According to Minister V. Skvortsova, in November the prices for VED drugs increased only 0.3%, and 4% in the hospital segment as compared to January 1, 2014. According to her, the government took a decision to provide additional indexation of drugs from low (up to RUB 50 per pack) and medium (from RUB 50 to 500 per pack) cost segments. "This indexation will allow us to develop indexing prices in accordance with the deflator and register them at a slightly other level, but not much different from what we have now," V. Skvortsova said.

NEWS FROM COMPANIES

December 12, 2014, Vedomosti

Head of Government signed a decree on the transfer of 32% stake in Kurgan manufacturers to the Rostec State Corporation

Prime Minister Dmitry Medvedev signed the Government Decree on the transfer of 32.3858% stake in Joint-Stock Company Kurgan Medicines and Products 'Sintez' JSC to Rostec State Corporation as an asset contribution from the Government. The transfer of the stock will allow the government to consolidate assets in National Immunobiological Company JSC (a subsidiary of Rostec) that are required to build up infrastructure for the country's sovereignty in the field of immunobiology and create a comprehensive market of the products made in Russia, according to the press service of the Council of Ministers.

December 24, 2014, Pharmatsevticheski Vestnik

According to the Head of AIPM, compulsory licensing of generics to alienate potential investors from the domestic market

The introduction of compulsory licensing of generic drugs raised by the State Duma deputies in late December, was not a surprise for pharmaceutical manufacturers. Disputes on this matter arose in professional circles long before they began to be discussed in the media. According to the Executive Director of the AIPM V.Shipkov, compulsory licensing would violate the rights of foreign pharmaceutical manufacturers and alienate existing and potential investors from the domestic pharmaceutical market. On December 20, 2014, Head of the Committee for Health Protection under the State Duma Sergei Kalashnikov sent a letter to D. Medvedev with a request to introduce a mechanism of compulsory licensing for production of generic drugs for the treatment of serious diseases, including cancer and AIDS, before the expiration of patent protection for original drugs.

Source of information – IMS Health
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