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

MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in May 2013, the Consumer Price Index was estimated as 100.7%, compared to the previous month. For the period from start of the year, it escalated to 103.1% (in January-May 2012 – 102.3%).

In May, Industrial Producer Price Index was 99.0%, whereas in the month-earlier period it had amounted to 98.8%.

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

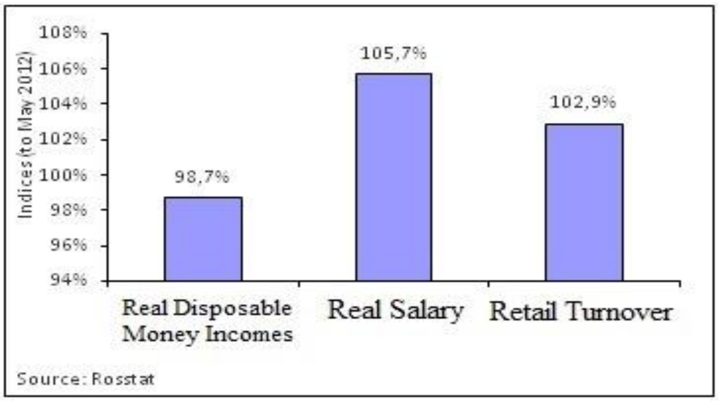
Living standard

According to preliminary Federal State Statistics Service's data, in May 2013 a gross monthly average salary per worker reached RUB 30,000 (USD 949.67) which accounted for 99.9% compared to the previous month and 113.5% compared to May 2012. The real salary in May 2013 accounted for 105.7% as compared with the same period in 2012. In May 2013, the real value of cash incomes accounted for 98.7% compared to the same period of 2012 (Fig. 2).

Retail turnover

In May 2013 the retail turnover was equal to RUB 1,892.5 bln, which in comparable prices accounted for 102.9% compared to the same period a year ago, in January-May 2013 - RUB 8,977.3 bln and 103.8% (Fig. 2).

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



Manufacture of industrial products

According to Federal State Statistics Service's data, in May 2013 Industrial Production Index accounted for 98.6% compared to the same period a year ago, 99.4% to the previous period of 2012, in January-May 2013 - 100.2%.

Domestic production

According to Ministry of Industry and Trade's data, in January – May 2013 Pharmaceutical Production Index was equal to 101.1% compared to January - May in 2012. In May 2013, it accounted for 98.5% compared to May 2012 and 90.2% compared to April 2013.

Production volume of pharmaceutical products for January – May 2013 amounted to RUR 63.1 bn, which is 111.9% more as compared to January-May in 2012 (in current prices).

The top 10 domestic manufacturers by production volume at May-end 2013 are shown in Table 1. The total production volume of top ten manufacturers was estimated at USD 229.7 mln.

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

Rank	Manufacturer	Production volume, $mln
1	Pharmstandart	60.8
2	KRKA-RUS	31.5
3	Valenta	27.7
4	Stada	27.6
5	Microgen	22.2
6	Sotex	15.3
7	Akrihin	12.9
8	NEARMEDIC Plus	12.6
9	Vertex	9.8
10	Pharm-Center	9.2

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In April 2013 compared to March, reduction in pharmacy sales (in terms of roubles) was observed in all analysed regions. The lowest performance was observed in Rostovskaya Oblast (-13%), the highest one in Krasnoyarsky Krai (-1%). The sales rates were positive (+2%) only in Tatarstan.

Table 2. Pharmacy sales in the regions, 2013

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	February 2013	March 2013	April 2013	February/ January 2013	March / February 2013	April/ March 2013
Moscow	193.8	205.4	199.1	9%	8%	-3%
St Petersburg	56.8	56.7	52.9	17%	1%	-6%
Krasnodarsky Krai	38.3	39.9	37.7	11%	6%	-5%
Novosibirskaya Oblast	27.2	25.3	23.8	11%	-5%	-6%
Tatarstan	30.0	29.6	30.0	-3%	0%	2%
Krasnoyarsky Krai	21.2	20.4	20.1	12%	-2%	-1%
Rostovskaya Oblast	25.4	25.3	22.0	12%	1%	-13%
Voronezhskaya Oblast	19.0	19.6	18.1	7%	5%	-7%
Perm	7.9	7.5	7.0	12%	-4%	-7%
Tyumen	8.3	8.0	7.5	11%	-2%	-5%

Advertising

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

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

Rank	Company*	Quantity of broadcasts
1	Berlin-Chemie Menarini Group	5,286
2	Novartis	3,712
3	Pharmstandard	2,810
4	Reckitt Benckiser	2,464
5	Bayer AG	2,391

Source – TNS Gallup AdFact

Table 4. Top five trade names in mass media in May, 2013

Rank	Trade name*	Quantity of broadcasts
1	Evalar	1,943
2	Nurofen	1,776
3	Oftalmoferon	1,416
4	Pentalgin	1,328
5	Flucostat	1,136

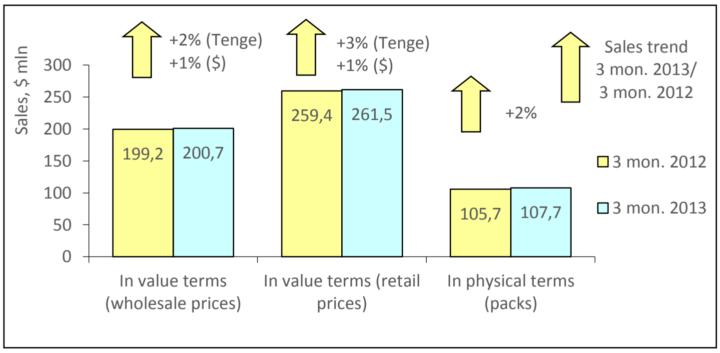
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Kazakhstan™, at the end of first three months of 2013 the sales of OTC drugs in physical terms in pharmacies of Kazakhstan saw a 2% increase to 107.671 mln packs. In value terms (exclusive of reimbursement drug list) the regional market also showed the positive growth: 2% in terms of Kazakhstan Tenges and 1% in terms of Dollars. At the same time, the market in wholesale prices reached USD 200.717 mln (Tenge 30.241 bln) and USD 261.457 mln in retail prices (Tenge 39.392 bln) (Fig.1). The average retail cost of a pack was USD 2.43, whereas in the year earlier period its cost was USD 2.45. At Q1-end, 2013, the level of OTC drugs consumption per capita was USD 15.46 (during the same period in 2012 - USD 15.56).

Figure 1. Kazakhstan pharmacy market for 3 months of 2012 – 3 months of 2013



At Q1-end 2013, NYCOMED gained the lead among drug manufacturers in the Kazakhstan pharmacy market (+11%[1]), whereas the last year leader NOVARTIS (-15%) reduced its sales and moved down to rank two (table 1). Israel-based TEVA (-1%) also reduced its sales and held its rank three. Note, that another three drug manufacturers of the top ten showed negative sales rates. Those were SANOFI (-3%), BAYER (-7%) and GLAXOSMITHKLINE (-9%) which reduced their market shares and move down to lower ranks five, 3rd, 6 and 10 respectively. The other four drug manufacturers of the top ten showed positive growth rates. At the same time, two of them rose in the ranks - a drug manufacturer from Kazakhstan SANTO (+41%) and Hungary-based drug manufacturer GEDEON RICHTER (+16%) moved up two ranks, coming in at numbers 4 and 8. The drug manufacturers BERLIN-CHEMIE /MENARINI (+20%) and ABBOTT (+4%) held their earlier ranks 7 and 9. The total share of the top ten INN and generic names ranking increased by 0.5 p.p. and achieved 41.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	2	**NYCOMED**	6.0	5.5
2	1	**NOVARTIS**	5.6	6.7
3	3	**TEVA PHARMACEUTICAL INDASTRIES LTD**	4.8	4.9
4	6	SANTO	4.7	3.4
5	4	**SANOFI**	4.6	4.8
6	5	**BAYER HEALTHCARE**	3.8	4.2
7	7	**BERLIN-CHEMIE /MENARINI**	3.7	3.2
8	10	GEDEON RICHTER	3.1	2.8
9	9	**ABBOTT PRODUCTS**	3.0	2.9
10	8	**GSK**	2.6	3.0
Total			41.8	41.3

*AIPM members are in bold

Two dominating drugs ACTOVEGIN (+3%) and THERAFLU (-0.2%) as well as LASOLVAN (+8%) placed at number six held their own in the top ten trade names ranking (table 2). The other four trade names of the top 10 moved up to the higher ranks. VITRUM (+60%) moved up to rank three from sixteen, and CREON (+19%) moved up to rank four from ten. Two more newcomers broke into the ranks of the top ten trade names, coming in at numbers seven and eight: nootropic agent CERAXON which sales grew 2 times and antiviral preparation ANAFERON (+29%). In contrast, the other three trade names fell in the ranks. They were ESSENTIALE (-5%), AMBROBENE (+4%) and CEFAZOLIN (+0.3) which moved to ranks five and two bottom ranks. The total share of the top ten trade names increased by almost 1 p.p. and accounted for 9.1%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	ACTOVEGIN	1.9	1.9
2	2	THERAFLU	1.0	1.1
3	16	VITRUM	0.9	0.6
4	10	CREON	0.8	0.7
5	3	ESSENTIALE	0.8	0.8
6	6	LASOLVAN	0.8	0.7
7	42	CERAXON	0.8	0.4
8	13	ANAFERON	0.7	0.6
9	8	AMBROBENE	0.7	0.7
10	4	CEFAZOLIN	0.7	0.8
Total			9.1	8.2

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

AMBROXOL (+6%) remained the leader of the top 10 INN and generic names ranking (table 3). Apart from it, only one INN of the top ten held its own in the ranking: as before the composition MULTIVITAMIN+MULTIMINERAL (-0.5%) retained its earlier rank four. PANCREATIN (+31%) and AMOXICILLIN+CLAVULANIC ACID (+13%) moved up one rank, to numbers 2 and 5. At the same time, the former displaced the less dynamic CEFTRIAXONE (+17%) down to rank 3. AZITHROMYCINUM moved up from rank nine to six. XYLOMETAZOLINE (+14%) and PHOSPHOLIPIDS (+7%) broke into the ranks of the top ten, coming in at numbers eight and nine. INNs with negative sales rates PARACETAMOL + PHENIRAMINE + PHENYLEPHRINE + ASCORBIC ACID (-1%) and FLUCONAZOLE (-7%) moved down to ranks seven and ten. The total share of the top 10 INNs increased from 11.5% to 12.4%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	AMBROXOL	1.9	1.9
2	3	PANCREATIN	1.6	1.3
3	2	CEFTRIAXONE	1.5	1.3
4	4	MULTIVITAMIN+MULTIMINERAL	1.2	1.2
5	6	AMOXICILLIN+CLAVULANIC ACID	1.1	1.0
6	9	AZITHROMYCIN	1.1	0.9
7	5	PARACETAMOL + PHENIRAMINE + PHENYLEPHRINE + ASCORBIC ACID	1.1	1.1
8	11	XYLOMETAZOLINE	1.0	0.9
9	12	PHOSPHOLIPIDS	0.9	0.9
10	8	FLUCONAZOLE	0.9	1.0
Total			12.4	11.5

The top-10 ATC groups ranking showed high stability – eight of its groups hold its own in the ranking (Table 4). The only shift took place in the bottom part of the ranking. Group A05 Bile and liver therapy (-2%) reduced its sales, but moved up one rank to number 7, whereas Group C09 Agents acting on the rennin-angiotensin system (-5%), which had been placed at that rank earlier, moved down one rank due to more pronounced negative sale rates. Two more groups R01 Nasal preparations (-6%) and G03 Sex hormones (-4%) which held ranks 9 and 10 showed the reduction in sales. Another four ATC groups developed their markets by outstripping rates. They were the leader of the top ten J01 Antibacterials for systemic use (+4%) as well as A11 Vitamins (+35), M01 Anti-inflammatory and antirheumatic products (+7%) and G04 Urologicals (+3%) placed at numbers three through five. Despite the low sales rates and a loss of market share, groups R05 Cough and cold preparations (+2%) and N02 Analgesics (+0.5%) retained their ranks two and three. As contrasted from the previous rankings, the cumulative share of the top ten reduced from 44.8% to 44.2%.

Table 4. The top ten ATC Groups by pharmacy sales

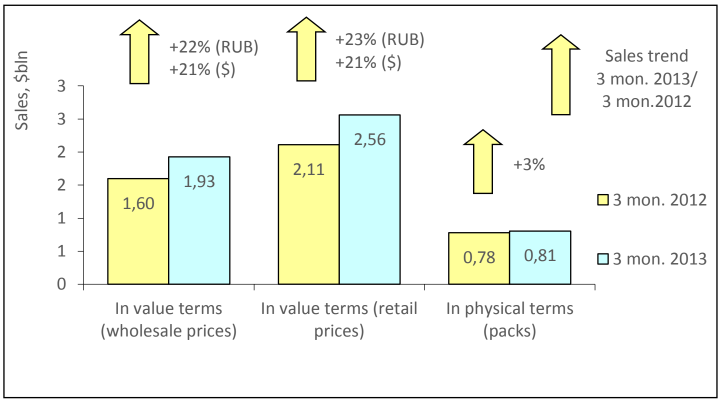
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	1	J01	ANTIBACTERIALS FOR SYST USE	10.0	9.9
2	2	R05	COUGH AND COLD PREPARATIONS	6.1	6.2
3	3	N02	ANALGESICS	5.4	5.5
4	4	A11	VITAMINS	4.1	4.1
5	5	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.9	3.7
6	6	G04	UROLOGICALS	3.3	3.2
7	8	A05	BILE AND LIVER THERAPY	2.9	3.1
8	7	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	2.9	3.2
9	9	R01	NASAL PREPARATIONS	2.7	3.0
10	10	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	2.7	2.9
Total				44.2	44.8

Conclusion. At the end of quarter I of 2013, Kazakhstan retail market grew by 3% in national currency terms and by 1% in dollar terms and brought in USD 261.457 mln (Tenge 39.392 bln). In pack terms, the market also showed positive growth rates (+2%) and achieved 107.6715 mln packs. Compared to the indicators of in the comparable period a year earlier, both the average cost of a pack and the level of OTC drugs consumption by residents of the country slightly reduced (USD 2.43 vs. USD 2.45 and USD 15.46 vs. USD 15.56).

PHARMACY OTC MARKET IN RUSSIA: 2013 FIRST 3 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 three months of 2013 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 3% increase to 805.991 mln packs. In value terms, the OTC drugs market increased by 22% in rouble terms and by 21% in dollar terms and reached 58.664 billion roubles (USD 1.929 billion) in wholesale prices (Fig. 1). The average cost of an OTC pack grew as compared to the previous year (USD 2.71) and reached USD 3.18 in retail prices. For 3 months of 2013, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 17.88. A share of OTC-segment in the total pharmacy sales in Russia accounted to 71% in pack terms and 52% in value terms.

Figure 1. Russian pharmacy OTC market for 3 months of 2012 – 3 months of 2013



Following the results of the first quarter of 2013, the top 10 drug manufacturers in the Russian OTC market continued to show a high degree of stability. Almost all of its drug makers held their own in the ranking (table 1). PHARMSTANDART (+42%) and SANOFI-AVENTIS (+13%) held their leading positions in the ranking. Note that the former was the first drug manufacturer which showed the highest sales rates among the top-tens and reinforced its position. Apart from the leader, another five manufacturers developed their markets at a fast pace. At the same time, one of them BAYER (+25%) moved up one rank to number three, by displacing SANDOZ (+15%) The drug makers NOVARTIS (+26%), STADA (+23%), TEVA (+24%) and NYCOMED/TAKEDA (+31%) showed high growth rates and moved up to ranks 5, 7, 9 and 10, respectively. The market growth rates of the drug manufacturer JOHNSON & JOHNSON (+21%) slightly lagged behind the mid-market rates which resulted in the reduction of its market share. MENARINI (-0.3%) placed at number 6 was the only company which sales reduced. The cumulative share of the top 10 drug manufacturers didn't change and accounted for 42.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	PHARMSTANDART	8.4	7.2
2	2	**SANOFI-AVENTIS**	5.5	5.9
3	4	**BAYER HEALTHCARE**	4.7	4.6
4	3	**SANDOZ GROUP**	4.6	4.9
5	5	**NOVARTIS**	4.6	4.4
6	6	**MENARINI**	3.5	4.2
7	7	**STADA**	3.1	3.0
8	8	**JOHNSON & JOHNSON**	2.9	3.0
9	9	**TEVA**	2.9	2.8
10	10	**NYCOMED/TAKEDA**	2.7	2.5
Total			42.7	42.7

*AIPM members are in bold

Only two trade names - ARBIDOL (+37%) and ANAFERON (+41%) - held their own in the ranking, as before they kept ranks one and five in the top ten trade names ranking (Table 2). Due to 2.2-fold growth in sales, antiviral drug KAGOCEL moved up to rank two, displacing hepatoprotector ESSENSIALE N (+26%) and a preparation for restoring intestinal flora LINEX (+9%) down one rank. Almost all trade names in the bottom part of the top 10 rose in the ranks. LASOLVAN (+36%) and THERAFLU (+19%) moved up one rank, to numbers 6 and 10. The more dynamic trade names CARDIOMAGNIL (+80%) and ACC (+49%) moved up from rank 14 to seven and from 10 to eight. Only OSCILLOCOCCINUM (+15%) moved down from rank six to nine. The total share of the top ten trade names increased by almost 2 p.p. and accounted for 15%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	ARBIDOL	2.6	2.3
2	4	KAGOCEL	2.2	1.2
3	2	ESSENTIALE N	2.1	2.1
4	3	LINEX	1.4	1.5
5	5	ANAFERON	1.3	1.1
6	7	LASOLVAN	1.2	1.1
7	14	CARDIOMAGNIL	1.2	0.8
8	10	ACC	1.1	0.9
9	6	OSCILLOCOCCINUM	1.0	1.1
10	11	THERAFLU	0.9	0.9
Total			15.0	13.1

No newcomers entered the top-ten INN and generic names ranking (table 3). The leader of the top ten XYLOMETAZOLINE (+18%) also held its own in the ranking. INNs UMIFENOVIR (+37%) and PHOSPHOLIPIDS (+23%) moved up one rank to numbers two and three. KAGOCEL which sales increased 2.2 times moved up to rank 4 from 9. The composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE (+57%) also moved up to the higher rank eight. The other INNs of the top ten, except for INN AMBROXOL (+46%) fell in the ranks. PANCREATIN (-3%) moved down from rank 2 to 6, displacing IBUPROFEN (+30%) down one rank. INTERFERON ALFA-2B (+25%) and BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+9%) moved down to two bottom ranks. The cumulative share of the top 10 under review increased to 20.2%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	XYLOMETAZOLINE	3.0	3.2
2	3	UMIFENOVIR	2.6	2.3
3	4	PHOSPHOLIPIDS	2.3	2.3
4	9	KAGOCEL	2.2	1.2
5	5	AMBROXOL	2.1	1.7
6	2	PANCREATIN	1.9	2.4
7	6	IBUPROFEN	1.6	1.5
8	10	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	1.6	1.2
9	8	INTERFERON ALFA-2B	1.4	1.4
10	7	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1.4	1.5
Total			20.2	18.9

The leading four ATC groups of the top ten held their own in the ranking (table 4). As before, Groups R05 Cough and cold preparations (+55%), N02 Analgesics (+40%), R01 Nasal preparations (+16%), A11 Vitamins (+10%) and A11 Vitamins (+17%) maintained ranks one through four, respectively. The most dynamic group of the ranking J05 Antivirals for systemic use (+75%) moved up to rank five from seven, displacing A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+18%) and L03 Immunostimulants (+41%) down one rank. Due to outperformance, R02 Throat preparations (+34%) moved up one rank, to number 8. At the same time, the less dynamic A05 Bile and liver therapy (+16%) moved down to rank 9. The only newcomer of the top ten M01 Anti-inflammatory and antirheumatic products (+33%) broke into the ranks of the top ten, coming in at the last rank. The total share of the top ten under review increased by almost 5 p.p. and achieved 55.4%.

Table 4. The top ten ATC Groups by pharmacy sales

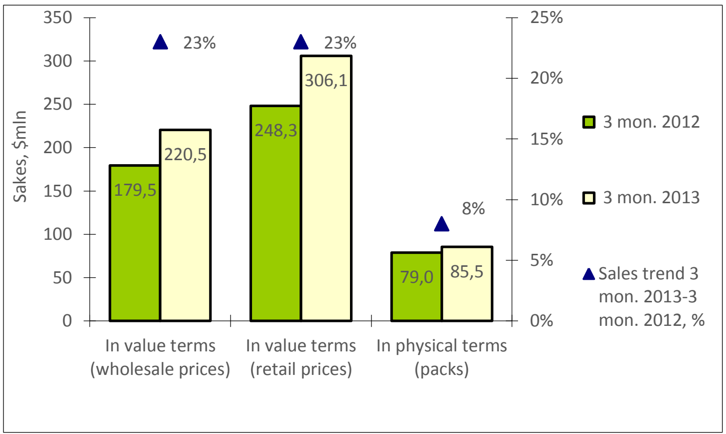
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	1	R05	COUGH AND COLD PREPARATIONS	9.8	7.7
2	2	N02	ANALGESICS	7.7	6.8
3	3	R01	NASAL PREPARATIONS	6.4	6.8
4	4	A11	VITAMINS	6.3	6.6
5	7	J05	ANTIVIRALS FOR SYSTEMIC USE	5.5	3.8
6	5	A07	INTESTINAL ANTIINFECTIVES	5.1	5.3
7	6	L03	IMMUNOSTIMULANTS	4.6	4.0
8	9	R02	THROAT PREPARATIONS	3.7	3.4
9	8	A05	BILE AND LIVER THERAPY	3.5	3.7
10	15	M01	ANTIINFLAM & ANTIRHEUM PROD	2.8	2.5
Total				55.4	50.5

Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of Russia brought in RUB 77.955 bln (USD 2.563 bln). The market saw a 23% increase in terms of roubles and 21% in terms of dollars compared to the previous year. In pack terms, the market showed positive growth rates (+3%) and achieved 805.991 mln packs. In QI, 2013, the average cost of an OTC pack was higher than in the year-earlier period (USD 3.18 vs. USD 2.71). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased significantly (USD 17.88 vs. USD 14.75).

RUSSIAN BIOLIGICALLY ACTIVE ADDITIVE (BAA) MARKET: 2013 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of BAA in Russian Federation™, at the end of Q1, 2013, the BAA pharmacy sales in Russia brought in 6.707 billion roubles (USD220.517 million) in wholesale prices and 9.311 bln roubles (USD 306.120 mln) - at retail prices (Fig. 1). The market performance was positive both in rouble terms (+24%) and in dollar terms (+23%) at wholesale prices. In physical terms, the BAA sales increased by 8% and amounted to 85.509 mln packs. The average cost of a BAA pack was USD 3.58, whereas in the year-earlier period its cost was USD 3.14. It should be noted that the average cost of an OTC pack (USD 4.28) was higher than that of a BAA pack. The average sum spent by residents of Russia for purchase of BAAs in the analysed period amounted to USD 2.14 (in Q1, 2012 - USD 1.74).

Figure 1. Russian pharmacy BAA market for 3 months of 2012 – 3 months of 2013



In Q 1 of 2013, the top four BAA manufacturers held their own in the ranking (table 1). As before, EVALAR (+9%) with a 20.2% share in the BAA market was placed at rank one. Despite of the fact that its market share was much less than in the previous year, the drug-maker continued to hold a wide lead in the top-10 manufacturers ranking. A market share of VIS (+22%) at number two only accounted for 5.7% of sales. AKVION (+17%) and PFIZER (-5%) held their earlier ranks three and four. PHARMAMED CANADA (+52%) and GNC PM FARMA (+67%) moved up one rank to numbers 5 and 6. QUEISSER (+52%) moved up to rank seven from nine. The newcomers broke into the ranks of the top ten ranking, coming at numbers eight, nine and ten: BAYER HEALTHCARE (3.2-fold growth in sales), POLYARIS and POLENS (2.6-fold growth each) The total share of the top ten manufacturers in the BAA market increased by over 1 p.p. and accounted for 49.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	EVALAR	20.2	22.9
2	2	VIS	5.7	5.8
3	3	AKVION RF	4.4	4.7
4	4	**PFIZER**	3.6	4.7
5	6	PHARMAMED CANADA	3.1	2.5
6	7	GNC PM FARMA	2.9	2.1
7	9	QUEISSER	2.6	2.1
8	21	**BAYER HEALTHCARE**	2.4	0.9
9	16	POLYARIS	2.3	1.1
10	17	POLENS	2.3	1.1
Total			49.3	48.0

*AIPM members are in bold

A BAA to treat erectile dysfunction SEALEX FORTE remained the bestselling BAA in the Russia market (Table 2). A BAA of similar effect ALI CAPS (+65%) moved up to rank two, displacing laxative agent PHITOLAX (+5%) down one rank. The newcomers REDUKSIN-LIGHT and TONGKAT ALI PLATINUM which sales increased 2.5 times as well as SUPRADIN KIDS which showed 4.3-fold growth in sales broke into the ranks of the top ten, coming in at numbers four, five and seven. The growth rates of the other top ten trade names lagged behind the mid-market rates or were negative, which made three of them to fell in the ranks. OVESOL (-9%) moved down from rank four to six, HEMATOGEN RUSKY (+7%) and CI-KLIM (-19%) moved down from ranks six and five to two bottom ranks. BAA TURBOSLIM OCHISCHAYUSCHY (+19%) held its earlier rank eight in the ranking. The total share of the top ten increased by 1.5 p.p. and achieved 19.3%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	SEALEX FORTE	3.8	4.2
2	3	ALI CAPS	2.8	2.1
3	2	PHITOLAX	2.6	3.0
4	12	REDUKSIN-LIGHT	2.2	1.1
5	11	TONGKAT ALI PLATINUM	2.1	1.1
6	4	OVESOL	1.3	1.8
7	62	SUPRADIN KIDS	1.3	0.4
8	8	TURBOSLIM OCHIS-CHAYUSCHIY	1.2	1.2
9	6	HEMATOGEN RUSSKIY	1.1	1.3
10	5	CI-KLIM	1.0	1.6
Total			19.3	17.7

Two names of the top-ten INN and Generic Names Ranking managed to keep their previous positions in the BAA market (table 3): the top two GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS (+11%) and EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA (+65%). The newcomers broke into the ranks of the top ten, coming in at numbers three and four: LINOLEIC ACID + VITAMIN E and EURYCOMA LONGIFOLIA + PANAX GINSENG + ROYAL JELLY which sales increased 2.5 times. Another three newcomers of the top ten, the compositions ASCORBIC ACID + CHOLINE + CYANOCOBALAMIN + FISH + NICOTINAMIDE + PYRIDOXINE (4.3-fold growth in sales), ANETHUM GRAVEOLENS + ARMENIACA VULGARIS + PLANTAGO OVATA + SENNA (+65%) and UBIDECARENONE + VITAMIN E (+42%), moved up to ranks seven, eight and ten. In contrast, the other names from the top 10 moved down to much lower ranks. ASCORBIC ACID (+24%) moved down from rank three to five, the composition AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA + HELICHRYSUM ARENARIUM + MENTHA PIPERITA (-9%) moved down from rank five to six and FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR + SENNA + LINUM USITATISSIMUM (-19%) moved down from rank four to nine. The total share of the top-10 INN and generic names increased by almost 3 p.p. and reached 19.2%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS	3.8	4.2
2	2	EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA	2.8	2.1
3	13	LINOLEIC ACID + VITAMIN E	2.2	1.1
4	12	EURYCOMA LONGIFOLIA + PANAX GINSENG + ROYAL JELLY	2.1	1.1
5	3	ASCORBIC ACID	2.1	2.1
6	5	AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA + HELICHRYSUM ARENARIUM + MENTHA PIPERITA	1.3	1.8
7	64	ASCORBIC ACID + CHOLINE + CYANOCOBALAMIN + FISH + NICOTINAMIDE + PYRIDOXINE	1.3	0.4
8	16	ANETHUM GRAVEOLENS + ARMENIACA VULGARIS + PLANTAGO OVATA + SENNA	1.3	1.0
9	4	FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR + SENNA + LINUM USITATISSIMUM	1.3	1.9
10	15	UBIDECARENONE + VITAMIN E	1.1	1.0
Total			19.2	16.6

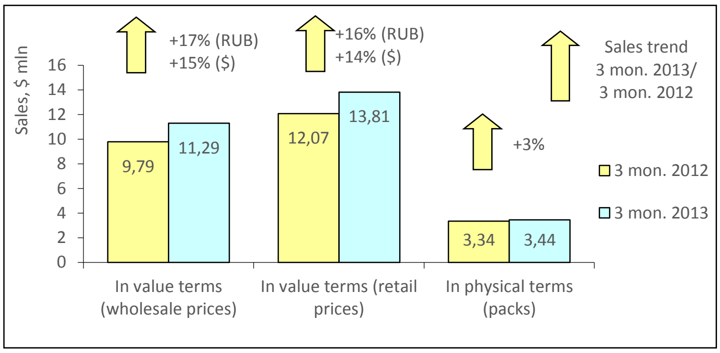
Conclusion. At the end of the first three months of 2013, BAA sales in pharmacies of the country increased 25% in terms of roubles and 23% in terms of dollars and brought in 9.311 bln roubles (USD 306.120 million) in final consumer prices. In pack terms, the BAA market grew by 8% and achieved 85.509 mln packs. The average cost of an OTC pack increased as compared to the previous year (USD 3.58 vs. USD 3.14). Expenses of residents for purchase of BAA in pharmacies proved to be much higher as well (USD 2.14 vs. USD 1.74).

TVER PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Tver's estimated population was 408.9 thd, which accounted for 0.3% of the total Russian Federation population and 1.1% of Central FO (CFO). According to Federal State Statistics Service's data, based on the results for 3 months of 2013 the average salary in the Tverskaya Oblast was RUB 20,534.9 (USD 671.51), which is 25% lower than the average salary in Russia (RUB 27,339.4).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at QI-end 2013 the sales of OTC drugs in physical terms in pharmacies of Tver saw a 3% increase to 3.44 mln packs. In value terms, the OTC drugs market increased by 17% in rouble terms and by 15% in dollar terms and reached RUB 343.393 million (USD 11.290 million) in wholesale prices (Fig. 1). The city's share accounted for 0.3% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 3.61) and reached USD 4.01 in retail prices. For the first three months of 2013, the average amount spent by residents of Tver for drugs in the pharmacies amounted to USD 33.78.

Figure 1. Tver pharmacy market for 3 months of 2012 – 3 months of 2013



At QI-end 2013, Russia-based drug maker PHARMSTANDART (+16%) remained the leader of the regional top ten drug manufacturers in Tver, which market share accounted for almost 6% of the pharmacy market of the region (table 1). One of the most dynamic companies BAYER (+24%) moved up to rank two from five, displacing SANOFI-AVENTIS (-1%), MENARINI (+3%) and NOVARTIS (+8%) down one rank. The market of the only newcomer of the top ten TEVA (+32%) developed at a faster pace, which allowed it to move up from rank 11 to seven. On top of that, KRKA(+14%) moved up two ranks. As the same time, less dynamic SERVIER (+6%) and SANDOZ (+8%) moved down one rank. The drug maker NYCOMED/TAKEDA (+13%) held its earlier rank 6. The total share of the top 10 drug manufacturers ranking reduced by almost 2 p.p. to 37.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	PHARMSTANDART	5.7	5.7
2	5	**BAYER HEALTHCARE**	4.4	4.1
3	2	**SANOFI-AVENTIS**	4.3	5.1
4	3	**MENARINI**	4.1	4.7
5	4	**NOVARTIS**	3.9	4.3
6	6	**NYCOMED/TAKEDA**	3.6	3.7
7	11	**TEVA**	3.1	2.7
8	10	**KRKA**	3.0	3.0
9	8	**SERVIER**	3.0	3.3
10	9	**SANDOZ GROUP**	2.9	3.1
Total			37.9	39.8

*AIPM members are in bold

The top ten trade names ranking has been considerably updated. Six newcomers broke into the ranks of the top ten trade names (table 2). Due to 3.5-fold growth in sales, antiviral preparation KAGOCEL moved up to rank one from twelve, and antiviral preparation INGAVIRIN which sales grew 3.3 times moved up to rank three from twenty five. The newcomers of the top ten THERAFLU (+88%), CARDIOMAGNIL (2.6-fold growth in sales), LASOLVAN (+68%) and EURESPAL (+50%) moved up to ranks five through seven and ten. Another two preparations ARBIDOL (+59%) and NIMESIL (+63%) also showed high positive growth rates. At the same time, the former managed to retain its previous rank 2, whereas the latter moved up one rank to number 4. In contrast, the trade names ESSENTIALE N (-18%) and ACTOVEGIN (-13%) reduced their sales and fell in the ranks, moving down to ranks 8 and 9.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	12	KAGOCEL	1.7	0.6
2	2	ARBIDOL	1.4	1.0
3	25	INGAVIRIN	1.3	0.5
4	5	NIMESIL	1.3	0.9
5	22	THERAFLU	0.8	0.5
6	39	CARDIOMAGNIL	0.8	0.4
7	21	LASOLVAN	0.7	0.5
8	3	ESSENTIALE N	0.7	1.0
9	4	ACTOVEGIN	0.7	1.0
10	16	ERESPAL	0.7	0.5
Total			10.1	6.9

Five newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were KAGOCEL (3.5-fold growth in sales), IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (3.3-fold growth in sales), AMBROXOL (+85%) and IBUPROFEN (+43%), which moved up to ranks 3, 7, 8 and 10, as well as the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE (+99%). The other two INNs of the top-10 also rose in the ranks. UMIFENOVIR (+59%) moved up two ranks, coming in at number 4, and AZITHROMYCIN (+73%) moved up from rank 9 to 6. BISOPROLOL (-3%) reduced its sales and moved down from rank three to nine. XYLOMETAZOLINE (+28%) and NIMESULIDE (+42%) maintained their leading positions. The total share of the analysed ranking as well as one of the above ranking increased by 4.3 and reached 14.0%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	XYLOMETAZOLINE	1.9	1.7
2	2	NIMESULIDE	1.9	1.5
3	25	KAGOCEL	1.7	0.6
4	6	UMIFENOVIR	1.4	1.0
5	12	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	1.4	0.8
6	9	AZITHROMYCIN	1.4	0.9
7	38	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.3	0.5
8	13	AMBROXOL	1.2	0.8
9	3	BISOPROLOL	1.0	1.2
10	14	IBUPROFEN	0.9	0.7
Total			14.0	9.7

The top ten ATC groups ranking changed its leader for R05 Cough and cold preparations (+49%) which moved up from rank two to one (Table 4). ATC groups which rose in the ranks moved up to numbers two and three. Due to 2.5-fold growth in sales, J05 Antivirals for systemic use (+62%) moved up to rank two from eleven, and J01 Antibacterials for systemic use (+62%) moved up to rank three from five. The former leader N02 Analgesics (+8%) moved up to rank four. The groups which moved down from the higher ranks came in at numbers five and six. They were M01 Anti-inflammatory and antirheumatic products (+25%) and R01 Nasal preparations (+28%). Due to high growth rates, group L03 Immunostimulants (+55%) moved up from rank 12 to 7. At the same time, it displaced the less dynamic group G03 Sex hormones (+8%) and A11 Vitamins (+19%) down one rank to numbers 8 and 9. C09 Agents acting on the rennin-angiotensin system (-3%) which reduced its sales and market share moved down to rank ten from six. The total share of the top-10 ATC groups increased by almost 6 p.p. and reached 44.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	2	R05	COUGH AND COLD PREPARATIONS	6.1	4.8
2	11	J05	ANTIVIRALS FOR SYSTEMIC USE	5.6	2.7
3	5	J01	ANTIBACTERIALS FOR SYST USE	5.2	3.8
4	1	N02	ANALGESICS	5.2	5.6
5	3	M01	ANTIINFLAM & ANTIRHEUM PROD	5.1	4.8
6	4	R01	NASAL PREPARATIONS	4.7	4.3
7	12	L03	IMMUNOSTIMULANTS	3.4	2.6
8	7	G03	SEX HORM&MODULAT GENITAL SYS	3.4	3.6
9	8	A11	VITAMINS	3.2	3.1
10	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.0	3.7
Total				44.9	38.8

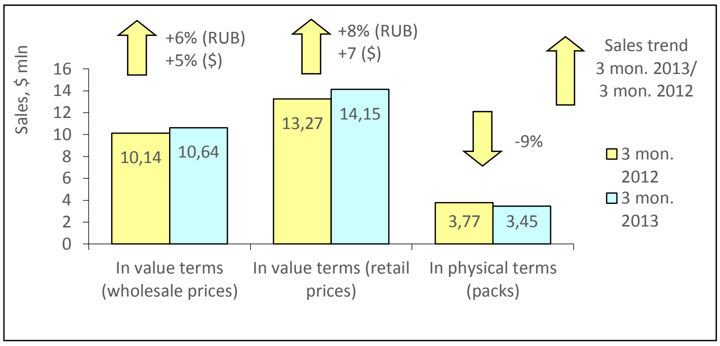
Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of Tver brought in RUB 420.106 mln (USD 13.812 mln). The market increased 16% in terms of roubles and 14% in terms of dollars. In pack terms, the market also showed positive growth rates (+3%) and achieved 3.443 mln packs. At Quarter I-end 2013, the average cost of an OTC pack in the city pharmacies was higher than in the same period a year ago (USD 4.01 vs. USD 3.61), but lower than the national average figures (USD 4.28). Per capita expenses of Tver residents for purchase of medicines in the city pharmacies were also lower than the national average figures (USD 33.78 vs. USD 34.06).

SMOLENSK PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Smolensk's estimated population was 330.97 thousand, which accounted for 0.2% of the total Russian Federation population and 0.9% of Central FO (CFO). According to Federal State Statistics Service's data, in the first quarter of 2013 the average salary in the Smolenskaya Oblast amounted to RUB 18,068.2 (USD 590.85), which is 34% lower than the average salary in Russia (RUB 27,339.4).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at Q1-end 2013 the sales of OTC drugs in physical terms in the pharmacies of Smolensk saw a 9% drop to 3.447 mln packs. In value terms, the city pharmacy market (exclusive of State Reimbursement Program) saw a +6% increase in terms of roubles and +5% increase in terms of dollars compared to the same period a year ago and reached RUB 323.488 mln (USD 10.636 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 0.3%. The average cost of an OTC pack in the pharmacies of Smolensk was USD 4.11 (in a year-earlier period – USD 3.52). For the first three months of 2013, the average amount spent by residents of Smolensk for OTC drugs amounted to USD 42.75.

Figure 1. Smolensk pharmacy market for 3 months of 2012 – 3 months of 2013



NYCOMED/TAKEDA (+0,2%) and PHARMSTANDART (+5%) remained the leaders of the regional top ten drug manufacturers ranking based on the results for the first 3 months of 2013 (Table 1). Five drug manufacturers of the top 10 rose in the ranks. The drug manufacturers SANOFI-AVENTIS (+2%), SANDOZ (+6%) and TEVA (+20%) moved up one rank, coming in at numbers three, seven and nine. BAYER (+13%) moved up from rank seven to five. Its only newcomer PFIZER (+22%) moved up to the bottom rank in the top 10 ranking. The remaining drug manufacturers reduced their sales and market shares which led to the fall in the ranks. They were SERVIER and GEDEON RICHTER (-4% each), as well as MENARINI (-7%), which moved down to ranks three, six and eight, respectively. The total share of the top 10 drug manufacturers reduced by almost 1 p.p. and accounted for 38.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	**NYCOMED/TAKEDA**	5.1	5.4
2	2	PHARMSTANDART	4.9	5.0
3	4	**SANOFI-AVENTIS**	4.5	4.7
4	3	**SERVIER**	4.4	4.9
5	7	**BAYER HEALTHCARE**	3.8	3.5
6	5	GEDEON RICHTER	3.6	4.0
7	8	**SANDOZ GROUP**	3.4	3.4
8	6	**MENARINI**	3.2	3.7
9	10	**TEVA**	2.9	2.6
10	14	**PFIZER**	2.7	2.3
Total			38.5	39.5

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten trade names ranking (table 2). Due to 3-fold increase in sales, KAGOCEL moved up to ran 5 from 42, ALFLUTOP (+34%) moved up to rank ten from 11. CARDIOMAGNIL (+35%) and MEXIDOL (+13%) showed outstripping growth rates and rose in the ranks, coming in at numbers 3 and 4. ARBIDOL (+28%) which held its earlier rank two showed high growth rates and expanded its market share up to 1.3%. The ranking leader ACTOVEGIN which sales reduced 6% had the same share of the market. CONCOR (-4%) and ESSENTIALE N (-7%) also showed the negative growth rates, moving down to ranks 6 and 8, respectively. VIAGRA (+5%) and TROPICAMIDE (+2%) moved down to the bottom part of the ranking, to numbers 7 and 9. The total share of the Top 10 has increased from 8.4% to 9.1%.

Table 2. The top ten trade names by pharmacy sales

Rank in the top ten		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	ACTOVEGIN	1.3	1.4
2	2	ARBIDOL	1.3	1.1
3	8	CARDIOMAGNIL	0.9	0.7
4	6	MEXIDOLUM	0.9	0.8
5	42	KAGOCEL	0.9	0.3
6	3	CONCOR	0.8	0.9
7	5	VIAGRA	0.8	0.8
8	4	ESSENTIALE N	0.8	0.9
9	7	TROPICAMIDE	0.8	0.8
10	11	ALFLUTOP	0.8	0.6
Total			9.1	8.4

Despite the reduction in sales, INNs BISOPROLOL (-4%) and BLOOD (-6%) held the first two ranks in the top ten ranking (table 3). XYLOMETAZOLINE (+2%) placed at number three also held its earlier rank, though its growth rates lagged behind the mid-market rates. In contrast, the remaining INNs showed the outstripping sales rates and almost all of them rose in the ranks. AZITHROMYCIN (+48%) moved up to rank 4 from 10, and UMIFENOVIR (+28%) moved up to rank 5 from 6. At the same time, they displaced ETHYLMETHYLHYDROXYPYRIDINE (+12%) down to rank six. NIMESULIDE (+16%) moved up two ranks, coming in at number seven. The newcomers AMOXICILLIN + CLAVULANIC ACID (+58%), ACETYLSALICYLIC ACID + MAGNESIUM (+35%) and TROPICAMIDE (+11%) moved up to three bottom ranks of the top ten. The total share of the top 10 ATC groups increased from 10.8% to 11.6%.

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

Rank in the top ten		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	BISOPROLOL	1.4	1.5
2	2	BLOOD	1.4	1.5
3	3	XYLOMETAZOLINE	1.3	1.4
4	10	AZITHROMYCIN	1.3	0.9
5	6	UMIFENOVIR	1.3	1.1
6	4	ETHYLMETHYLHYDROXYPYRIDINE	1.2	1.1
7	9	NIMESULIDE	1.0	0.9
8	18	AMOXICILLIN + CLAVULANIC ACID	0.9	0.6
9	14	ACETYLSALICYLIC ACID+ MAGNESIUM	0.9	0.7
10	11	TROPICAMIDE	0.9	0.9
Total			11.6	10.8

In contrast to the above rankings, the top ten ATC groups changed their leader – J01 Antibacterials for systemic use (+32%) moved up from rank four to one (table 4). At the same time, C09 Agents acting on the rennin-angiotensin system (-2%) and N02 Analgesics (-17%) moved down from rank 1 and 2 to two and four, respectively. As before, M01 Aniinflammatory and antirheumatic products (+12%) held its earlier rank three. The newcomers R05 Cough and cold preparations (+34%) and J05 Antivirals for systemic use (+73%) also rose in the ranks. coming in at numbers 5 and 6 respectively. The groups R01 Nasal preparations (-0.1%), N06 Psychoanaleptics (0%), G03 Sex hormons (+2%) and A11 Vitamins (+6%) showing low and negative sales rates moved down to the bottom part of the ranking. The cumulative share of the top-ten increased by 2.1 p.p. and achieved 41.4%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	4	J01	ANTIBACTERIALS FOR SYST USE	4.7	3.8
2	1	C09	AG ACT RENIN-ANGIOTENS SYST	4.4	4.8
3	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4.1	3.9
4	2	N02	ANALGESICS	3.7	4.8
5	11	R05	COUGH AND COLD PREPARATIONS	3.6	2.9
6	18	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	2.0
7	5	R01	NASAL PREPARATIONS	3.2	3.4
8	6	N06	PSYCHOANALEPTICS	3.2	3.4
9	7	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.2
10	9	A11	VITAMINS	2.9	3.0
Total				36.3	35.2

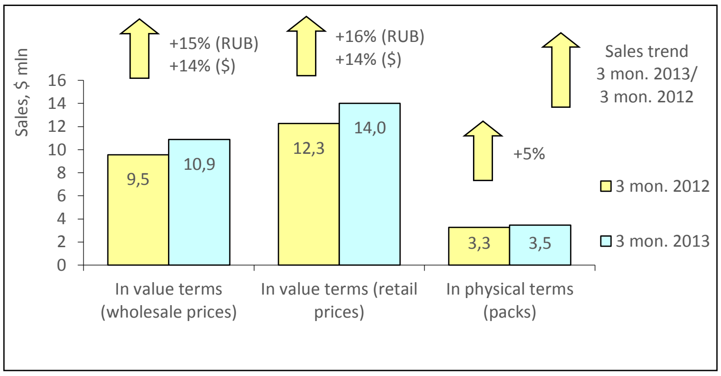
Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of Smolensk brought in RUB 430.357 mln (USD 14.149 mln). On top of that, the market performance was positive both in rouble terms (+8%) and in dollar terms (+7%). In physical terms, the sales decreased by 9% and amounted to 3.447 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 4.11 vs. USD 3.52), however it was higher than the average indicator in Russia (USD 4.28). Per capita expenses of Smolensk residents for purchase of medicines in pharmacies amounted to USD 42.75 which was higher than on the average in the country (USD 34.06).

KIROV PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Kirov's estimated population was 508.1 thousand, which accounted for 0.4% of the total Russian Federation population and 1.7% of Privolzhsky FO (PFO). According to Federal State Statistics Service's data, in the first quarter of 2013 the average salary in the Kirovskaya Oblast amounted to RUB 17,694.3 (USD 578.62), which is 35% lower than the average salary in Russia (RUB 27,339.4).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first three months of 2013 the pharmacy market volume in physical terms reduced by 5% and amounted to 3.456 million packs (Fig. 1) In wholesale prices, the market also showed the negative performance - 15% in terms of roubles and +14% in terms of dollars and reached 330.662 million roubles (USD 10.871 million). The region's share accounted for 0.3% of the total volume of all-Russia pharmacy market. The average cost of OTC pack in the city pharmacies in the analysed period was USD 4.05 (during the same period in 2012 - USD 3.74). The average sum spent by residents of Kirov on purchase of medicines reached USD 27.58

Figure 1. Kirov pharmacy market for 3 months of 2012 – 3 months of 2013



At QI-end 2013, the composition of regional top ten drug manufacturers ranking didn't change, but only one drug maker held its own in the ranking (Table 1). It was NYCOMED (+12%) placed at rank three. PHARMSTANDART (+29%) became the leader of the top ten which moved up one rank, displacing SERVIER (+6%) down one rank. Two more shifts took place in the top ten ranking. KRKA (+17%) and MENARINI (+1%) moved up one rank, coming in at numbers four and six, displacing the less dynamic BAYER (+7%) and SANOFI-AVENTIS (-3%) which reduced its sales to ranks 5 and 7. SANDOZ (+23%) and TEVA (+41%) showing high growth rates also moved up one rank, to numbers eight and nine. GEDEON RICHTER which reduced its sales by 8% moved down to the bottom rank. The total share of the top 10 drug manufacturers reduced from 43.2% to 41.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	2	PHARMSTANDART	6.4	5.7
2	1	**SERVIER**	5.9	6.4
3	3	**NYCOMED/TAKEDA**	4.7	4.8
4	5	**KRKA**	4.5	4.4
5	4	**BAYER HEALTHCARE**	4.4	4.8
6	7	**MENARINI**	3.6	4.1
7	6	**SANOFI-AVENTIS**	3.6	4.2
8	9	**SANDOZ GROUP**	3.1	2.9
9	10	**TEVA**	2.9	2.3
10	8	GEDEON RICHTER	2.8	3.6
Total			41.8	43.2

*AIPM members are in bold

Four newcomers broke into the ranks of the top-ten trade names (table 2). Due to 3.5-fold growth in sales, KAGOCEL moved up to rank three from thirty. The market of another antiviral preparation INGAVIRIN developed at a still faster pace - its sales increased by 4.8 times, which allowed the trade name to move up from rank 103 to six. The newcomers of the top ten LASOLVAN (+92%) and FLEMOXIN SOLUTAB (+89%) also moved up to ranks seven and eight. The markets of the trade names ARBIDOL(+67%), ANAFERON (+44%) and CARDIOMAGNIL (+61%) also developed at a fast pace, which allowed them to move up to ranks one, four and five, respectively. At the same time, ACTOVEGIN (-5%), CONCOR (-19%) and ESSENTIALE N (+11%) moved down to ranks two, nine and ten, respectively. The cumulative share of the top-ten increased by 2.6 p.p. and achieved 9.7%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	2	ARBIDOL	1.7	1.2
2	1	ACTOVEGIN	1.2	1.5
3	30	KAGOCEL	1.2	0.4
4	6	ANAFERON	0.9	0.7
5	9	CARDIOMAGNIL	0.8	0.6
6	103	INGAVIRIN	0.8	0.2
7	16	LASOLVAN	0.8	0.5
8	19	FLEMOXIN SOLUTAB	0.8	0.5
9	5	CONCOR	0.7	0.8
10	7	ESSENTIALE N	0.7	0.7
Total			9.7	7.1

Noticeable shifts took place in the top ten INN and generic names ranking as well. But one INN of the top ten ranking managed to keep its earlier rank unchanged (table 3). INN UMIFENOVIR (+67%) became a leader of the ranking, AMBROXOL which sales grew 2.1 times moved up to rank two from fourteen. The last year leader BLOOD (-3%) moved down to rank three, displacing XYLOMETAZOLINE (+19%) down one rank. INNs METOPROLOL (-14%), ATORVASTATIN (+15%) and BISOPROLOL (+4%) also fell in the ranks, moving down to ranks six, eight and nine. Apart from the above mentioned AMBROXOL, two more newcomers entered the top-10 ranking. They were KAGOCEL (3.5-fold growth in sales) and AZITHROMYCIN (2.2-fold in sales) which moved up to ranks 5 and 10. The total share of the top ten INNs increased by almost 2 p.p. and reached 12.2%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	4	UMIFENOVIR	1.7	1.2
2	14	AMBROXOL	1.4	0.8
3	1	BLOOD	1.3	1.6
4	3	XYLOMETAZOLINE	1.2	1.2
5	57	KAGOCEL	1.2	0.4
6	2	METOPROLOL	1.1	1.5
7	8	NIMESULIDE	1.1	1.0
8	6	ATORVASTATIN	1.0	1.1
9	5	BISOPROLOL	1.0	1.2
10	34	AZITHROMYCIN	1.0	0.5
Total			12.2	10.3

R05 Cough and cold preparations which sales in the analysed region grew 1.8 times became the bestselling ATC group in the regional market (Table 4) J01 Antibacterials for systemic use (+63%) and J05 Antivirals for systemic use (2-fold growth in sales) also showed high growth rates, which allowed them to move up to ranks two and three. At the same time, the latter became one of two newcomers of the top ten. Goup L03 Immunostimulants (+44%) became the second newcomer of the top ten, which moved up from rank 11 to nine. In contrast, the other six ATC groups from the top 10 moved down to much lower ranks. C09 Agents acting on the rennin-angiotensin system (+2%), M01 Anti-inflammatory and antirheumatic products (+16%), G03 Sex hormones (-3%), N02 Analgesics (+16%) and R01 Nasal preparations (+18%) moved down to ranks four through eight. A11 Vitamins (+10%) moved down to rank ten from eight. The cumulative share of top ten ATC groups increased by 5.6 p.p. and achieved 44.5%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	6	R05	COUGH AND COLD PREPARATIONS	6.3	3.9
2	4	J01	ANTIBACTERIALS FOR SYST USE	5.6	3.9
3	13	J05	ANTIVIRALS FOR SYSTEMIC USE	4.9	2.7
4	1	C09	AG ACT RENIN-ANGIOTENS SYST	4.6	5.3
5	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4.4	4.4
6	2	G03	SEX HORM&MODULAT GENITAL SYS	4.1	4.9
7	5	N02	ANALGESICS	4.0	3.9
8	7	R01	NASAL PREPARATIONS	3.6	3.5
9	11	L03	IMMUNOSTIMULANTS	3.6	2.9
10	8	A11	VITAMINS	3.3	3.5
Total				44.5	38.9

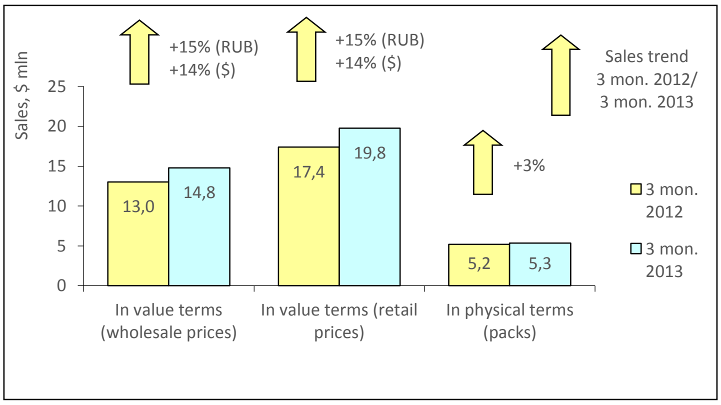
Conclusion. At QI-end 2013, the pharmacy market in Kirov was estimated at RUB 426.172 mln (USD 14.012mln.) in final consumer prices. At the same time, the market performance was positive both in rouble terms and in dollar terms (+16% and +14%, respectively). In pack terms, the market also increased (+5%) and amounted to 3.456 mln packs. The average cost of an OTC pack (USD 4.05) in the pharmacies increased as compared to the previous year (USD 3.74) however it was lower than the average value in Russia (USD 4.28). Expenses of residents for purchase of medicines in the city pharmacies also proved to be lower than the average expenses in Russia (USD 27.58 vs. USD 34.06).

ORENBURG PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Orenburg's estimated population was 556.1 thousand, which accounted for 0.4% of the total Russian Federation population and 1.9% of Privolzhsky FO (PFO). According to Federal State Statistics Service's data, in Q 1, 2013 the average salary in the region was RUB 19,785.9 (USD 647.02), which is 28% lower than the average salary in Russia (RUB 27,339.4).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at QI-end 2013 the sales of OTC drugs in physical terms in the pharmacies of Orenburg saw a 3% increase to 5.347 mln packs. In value terms, the OTC drugs market increased by 15% in rouble terms and by 14% in dollar terms and reached 450.120 billion roubles (USD 14.799 million) 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 OTC pack in the Orenburg pharmacies was USD 3.69, whereas in the year-earlier period its cost was USD 3.34 at retail prices. For 3 months of 2013, the average amount spent by residents of the region for drugs in the pharmacies amounted to USD 35.51.

Figure 1. Orenburg pharmacy market for 3 months of 2012 – 3 months of 2013



At QI-end 2013, the composition of the top ten drug manufacturers in the Orenburg market didn't change (Table 1). On top of that, four drug manufacturers of the top ten held their own in the ranking. As before, PHARMSTANDART (+46%) and SANOFI-AVENTIS (+9%) held their earlier ranks one and two in the ranking, and NYCOMED/TAKEDA (+13%) and SANDOZ (+9%) - their ranks nine and ten. Three drug manufacturers of the top 10 rose in the ranks. BAYER (+29%) and MENARINI (+3%) moved up one rank, to numbers three and seven, whereas TEVA (+27%) moved down from rank 8 to 5. At the same time, the drug manufacturers with low (SERVIER) and negative growth rates (ABBOTT and GEDEON RICHTER) moved down to the lower ranks four, seven and eight respectively. The cumulative share of the top ten drug manufacturers increased from 40.2% to 40.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	PHARMSTANDART	8.1	6.4
2	2	**SANOFI-AVENTIS**	4.7	4.9
3	4	**BAYER HEALTHCARE**	4.5	4.0
4	3	**SERVIER**	3.9	4.3
5	8	**TEVA**	3.7	3.4
6	7	**MENARINI**	3.3	3.7
7	6	**ABBOTT**	3.3	3.8
8	5	GEDEON RICHTER	3.2	3.8
9	9	**NYCOMED/TAKEDA**	3.1	3.1
10	10	**SANDOZ GROUP**	2.7	2.8
Total			40.5	40.2

*AIPM members are in bold

Antiviral ARBIDOL (+29%) became the leader of the top ten trade names ranking, displacing ESSENTIALE N (+13%) down one rank (Table 2). The trade names with high positive growth rates rose in the ranks, moving up to ranks three through six. ANAFERON (+43%) moved up to rank three from eight, and OSCILLOCOCCINUM (+26%) moved up to rank five from nine. The newcomers KAGOCEL (+65%) and PENTALGIN (+21%) broke into the ranks of the top ten, coming in at numbers four and six. At the same time, the trade names with low and negative sales rates moved down to the bottom part of the ranking. They were ACTOVEGIN (+1%), VIAGRA (-11%), DUPHASTON (+1%) and ALFLUTOP (-10%). The total share of the top ten trade names increased by almost 0.2 p.p. and accounted for 9.3%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	2	ARBIDOL	1.8	1.6
2	1	ESSENTIALE N	1.6	1.6
3	8	ANAFERON	0.9	0.7
4	17	KAGOCEL	0.9	0.6
5	9	OSCILLOCOCCINUM	0.8	0.7
6	11	PENTALGIN	0.7	0.7
7	6	ACTOVEGIN	0.7	0.8
8	3	VIAGRA	0.7	0.9
9	7	DUPHASTON	0.7	0.8
10	4	ALFLUTOP	0.6	0.8
Total			9.3	9.1

Four newcomers broke into the ranks of the top ten INN and generic names ranking, INN IMMUNOGLOBULIN ANTI INTERFERON GAMMA (+43%), KAGOCEL (+65%), AMOXICILLIN (+16%) and IBUPROFEN (+28%), coming in at numbers six through ten (Table 3). Another three INNs showed the positive growth rates. UMIFENOVIR (+29%) moved up to rank one from three, displacing PHOSPHOLIPIDS (+15%) and XYLOMETAZOLINE (+12%) down one rank. INNs AZITHROMYCIN (+41%) and AMBROXOL (+37%) moved up one rank, to numbers four and six, respectively. PANCREATIN (+2%) showing low growth rates moved down from rank four to five. The cumulative share of the top 10 under review increased 1 p.p. to 12.3%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	3	UMIFENOVIR	1.8	1.6
2	1	PHOSPHOLIPIDS	1.7	1.7
3	2	XYLOMETAZOLINE	1.7	1.7
4	5	AZITHROMYCIN	1.3	1.1
5	4	PANCREATIN	1.3	1.5
6	7	AMBROXOL	1.1	0.9
7	17	IMMUNOGLOBULIN ANTI INTERFERON GAMMA	0.9	0.7
8	30	KAGOCEL	0.9	0.6
9	13	AMOXICILLIN	0.8	0.8
10	16	IBUPROFEN	0.8	0.7
Total			12.3	11.3

The leader of the top-10 ATC groups ranking changed (table 4). R05 Cough and cold preparations (+39%) moved up to rank one from three. At the same time, J01 Antimicrobial drugs for systemic administration (+21%) and N02 Analgesics (+28%) moved down one rank to numbers 2 and 3. The only newcomer J05 Antivirals for systemic use (+59%) broke into the ranks of the top 10 ranking, coming in at number four. One more ATC group L03 Immunostimulants (+36%) moved up to the higher rank, coming in at number nine from 10. The other ATC groups of the top ten, except for A11 Vitamins (+15%), fell in the ranks. They were the groups G03 Sex hormones (+14%), M01 Anti-inflammatory and antirheumatic products and R01 Nasal preparations (+19% each) which moved to ranks 6 through 8 respectively. As well as A05 Bile and liver therapy (+11%) which moved down to rank ten of the top ten ATC groups. The total share of the top ten increased by 4 p.p. and accounted for 43.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	3	R05	COUGH AND COLD PREPARATIONS	5.3	4.4
2	1	J01	ANTIBACTERIALS FOR SYST USE	5.3	5.0
3	2	N02	ANALGESICS	5.1	4.6
4	12	J05	ANTIVIRALS FOR SYSTEMIC USE	4.3	3.1
5	5	A11	VITAMINS	4.2	4.1
6	4	G03	SEX HORM&MODULAT GENITAL SYS	4.1	4.2
7	6	M01	ANTIINFLAM & ANTIRHEUM PROD	4.1	3.9
8	7	R01	NASAL PREPARATIONS	3.9	3.8
9	10	L03	IMMUNOSTIMULANTS	3.8	3.2
10	9	A05	BILE AND LIVER THERAPY	3.2	3.3
Total				43.3	39.8

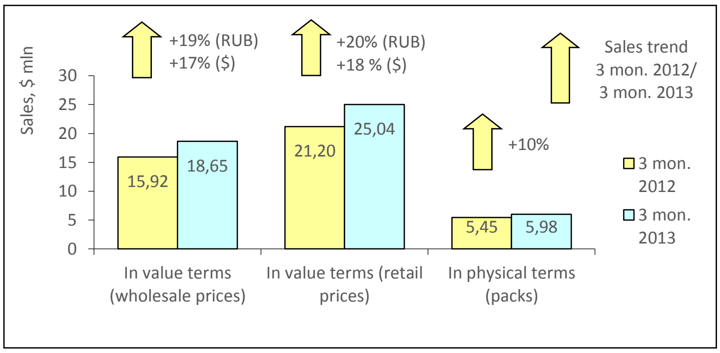
Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of Orenburg brought in RUB 600.726 mln (USD 19.750 mln). At the same time, the market increased 15% in terms of roubles and 14% in terms of dollars. In pack terms, the market also showed positive growth rates (+3%) and achieved 5.347 mln packs. At QI-end 2013, the average cost of an OTC pack in the pharmacies was higher than in the same period a year ago (USD 3.69 vs. USD 3.34), but it was lower than the national average figures (USD 4.28). Per capita expenses for purchase of medicines in the regional pharmacies amounted to USD 35.51 which is higher than on the average in the country (USD 34.06).

PENZA PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Penza was estimated as 519.9 mln, which accounted for 0.4% of the total Russian Federation population and 1.7% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in Q I, 2013 the average salary in the region was RUB 18,471.4 (USD 604.04), which is 32% lower than the average salary in Russia (RUB 27,339.4).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first three months of 2013 the Penza pharmacy market volume increased by 10% in physical terms and amounted to 5.981 million packs (Fig. 1) In value terms, the market also showed positive growth rates (19% in terms of roubles and 17% in terms of dollars) and reached RUB 567.128 mln (USD 18.646 mln) in wholesale prices. The regional market share in value terms accounted for 0.5% 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 4.19 (in a year-earlier period – USD 3.89). In QI 2013, per capita expenses for purchase of medicines in pharmacies amounted to USD 48.17.

Figure 1. Penza pharmacy market for 3 months of 2012 – 3 months of 2013



Following the results of Q I 2013, PHARMSTANDART (+4%) which sales grew by half became a leader in the region pharmacy market (table 1). Due to high growth rates, BAYER (+31%) held and reinforced its earlier rank two in the ranking. The markets of the other two drug manufacturers developed at a fast pace. They were NOVARTIS (+29%) and TEVA (+38%) which moved up to ranks four and eight. On top of that, the latter became the only newcomer of the top 10 ranking. Apart from that, SANDOZ (+18%) also rose in the ranks, coming in at number seven from ten. The drug makers SANOFI-AVENTIS (+7%), SERVIER (+10%), ABBOTT and GEDEON RICHTER (+2% each) fell in the ranks, to numbers 3, 5, 9 and 10, respectively. The drug maker NYCOMED/TAKEDA (+15%) held its earlier rank 6. The total share of the top ten drug manufacturers increased by 0.5 p.p. and achieved 39.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	3	PHARMSTANDART	5.8	4.6
2	2	**BAYER HEALTHCARE**	5.1	4.6
3	1	**SANOFI-AVENTIS**	5.0	5.6
4	5	**NOVARTIS**	4.1	3.8
5	4	**SERVIER**	4.1	4.5
6	6	**NYCOMED/TAKEDA**	3.6	3.7
7	10	**SANDOZ GROUP**	3.2	3.2
8	11	**TEVA**	3.1	2.7
9	8	**ABBOTT**	2.9	3.4
10	9	GEDEON RICHTER	2.8	3.3
Total			39.7	39.2

*AIPM members are in bold

Antiviral ARBIDOL which sales in the analysed period increased 1.9 times became the bestselling drug in the city pharmacies (1.9-fold growth in sales) (Table 2). Hepatoprotector ESSENTIALE N (+13%) held its earlier rank two, and VIAGRA (-20%) moved down to rank three from one. The newcomers KAGOCEL which sales grew 4 times and CARDIOMAGNIL which sales doubled broke into the ranks of the top ten, coming in at numbers four and five. The markets of THERAFLU (+73%) and NICE (+41) developed at a fast pace, which allowed them to move up to ranks six and eight. At the same time, ACTOVEGIN (-12%), LINEX (+11%) and LASOLVAN (-5%) moved down to numbers 7, 9 and 10. The total share of the top ten trade names increased by 1 p.p. and accounted for 9.8%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	4	ARBIDOL	1.6	1.0
2	2	ESSENTIALE N	1.4	1.4
3	1	VIAGRA	1.1	1.6
4	49	KAGOCEL	1.0	0.3
5	14	CARDIOMAGNIL	0.9	0.6
6	8	THERAFLU	0.9	0.6
7	3	ACTOVEGIN	0.8	1.0
8	10	NICE	0.7	0.6
9	6	LINEX	0.7	0.8
10	5	LASOLVAN	0.7	0.8
Total			9.8	8.8

In contrast to the above rankings, the leader of the top ten INN and generic names held its own in the ranking - as before, INN XYLOMETAZOLINE (+12%) was placed at rank one (table 3). Some shifts took place in the bottom part of the ranking, at the same time four of the top ten INNs rose in the ranks, and five of them fell in the ranks. UMIFENOVIR (+88%) moved up from rank eight to two, displacing PHOSPHOLIPIDS (+12%) down one rank. The newcomers of the top ten, the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE and INN KAGOCEL, which sales grew 2 and 4 times, moved up to ranks four and seven, respectively. NIMESULIDE (+40%) moved up three ranks, coming in at number 6. In contrast, the trade names with modest and negative growth rates moved down to the lower ranks. They were SILDENAFIL (-16%), BISOPROLOL (+6%), AMBROXOL (+7%) and PANCREATIN (-7%) which moved down to ranks five and three.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	XYLOMETAZOLINE	1.6	1.7
2	8	UMIFENOVIR	1.6	1.0
3	2	PHOSPHOLIPIDS	1.5	1.6
4	11	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	1.4	0.8
5	3	SILDENAFIL	1.2	1.6
6	9	NIMESULIDE	1.1	0.9
7	73	KAGOCEL	1.0	0.3
8	5	BISOPROLOL	1.0	1.1
9	6	AMBROXOL	1.0	1.1
10	4	PANCREATIN	1.0	1.2
Total			12.3	11.4

Noticeable shifts occurred in the top 10 ATC groups ranking as well (table 4). However, N02 Analgesics (+42%) held and reinforced its leading position. The markets of the other six ATC groups developed at a fast pace. On top of that, four of them rose in the ranks, one (R01) held its own in the rank, and another (M01) moved down two ranks. R05 Cough and cold preparations (+54%) and J01 Antibacterials for systemic use (+57%) moved up to ranks two and three from 4 and 7, displacing M01 Anti-inflammatory and antirheumatic products (+22%) to rank four. The only newcomer of the top ten J05 Antivirals for systemic use which sales increased 2.3 times, moved up to rank five. A11 Vitamins (+23%) moved up to rank seven from nine. Non-dynamic ATC groups C09 Agents acting on the rennin-angiotensin system (+2%) and G03 Sex hormones (+10%) as well as G04 Urologicals (-6%) which reduced its sales moved down to three bottom ranks. The total share of top ten ATC groups in the region increased by over 4 p.p. and achieved 42.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	1	N02	ANALGESICS	5.8	4.8
2	4	R05	COUGH AND COLD PREPARATIONS	5.3	4.1
3	7	J01	ANTIBACTERIALS FOR SYST USE	4.9	3.7
4	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.5	4.4
5	14	J05	ANTIVIRALS FOR SYSTEMIC USE	4.4	2.3
6	6	R01	NASAL PREPARATIONS	3.9	3.8
7	9	A11	VITAMINS	3.5	3.4
8	5	C09	AG ACT RENIN-ANGIOTENS SYST	3.4	3.9
9	8	G03	SEX HORM&MODULAT GENITAL SYS	3.3	3.6
10	3	G04	UROLOGICALS	3.2	4.1
Total				42.3	38.1

Conclusion. Following the results of the first quarter of 2013, the Penza pharmacy market performance (in value terms) proved to be positive (+20%) in terms of roubles and (+18%) in terms of dollars. At the same time, the market volume amounted to RUB 761.733 mln (USD 25.044 mln). In pack terms, the market grew by 10% and achieved 5.981 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 4.19 vs. USD 3.89), however it was lower than the average figures in Russia (USD 4.28). The average medicine expenses for residents of the region were higher than the average expenses throughout Russia (USD 48.17 vs. USD 34.06).

REGIONAL DIGEST

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

June 1, 2013, The Kommersant

FAS supported Patient Organizations that came out against delegation to the regions any functions on purchase of drugs for patients with rare diseases

Representatives of All-Russia Patient Association and Patient's League came out against introduction of cardinal changes into the governmental drug purchasing system. From January 2014, the Ministry of Public Health will stop a centralized purchasing of drugs and delegate its powers to the regions. According to experts, the reform will arouse discomfiture in purchasing drugs for patients with rare diseases, increase in drug prices and deficit of vital medicines and health impairment of tens of thousands of patients. The Federal Anti-monopoly Service supports their position and intends to ask the government for a review of the reform plans.

June 4, 2013 Remedium

AIPM developed a new Code of Good Practices

Association of International Pharmaceutical Manufacturers (AIPM) developed and published a new Code of Good Practices. An updated document regulates the larger scope of activities of pharmaceutical companies than the previous Code of Marketing Practices of Association of International Pharmaceutical Manufacturers as amended in 2009, which covered mainly the marketing activities associated with the promotion of pharmaceutical products.

June 13, 2013, RIA-AMI

Russia to allocate a total of around $600 million for HIV services in 2013

This year Russia will allocate a total of around $600 million for HIV services, Dmitri Maximychev, Deputy Permanent Representative of the Russian Federation at United Nations Organization, announced at the conference of the General Assembly of the World Health Organization devoted to the international efforts to prevent HIV and AIDS. According to the diplomat, Russia currently "provides free treatment of HIV infected patients using the most up-to-date medicines as needed".

June 14, 2013, The Komsomolskaya Pravda

About 9% of patients in need receive opioid analgesics in Russia

A general practitioner prescribed opioid analgesics to the terminally ill patient and was found guilty. If we compare how many opioid analgesics are consumed on medical authority in Russia and other countries, it appears that we consume tens times less, an expert on public health David Melik-Gusejnov, Director, Social Economy Centre, said. Only 8-9% of those who really needs it receive opioid analgesics. It means that even less than one in ten patients suffering from cancer and other severe diseases may count on relief of hideous pain. On top of that, one can buy opioid analgesics only using low fare prescriptions, therefore nobody can legally buy such medicines using paid prescriptions, the expert explained. At the same time, an increasing part of pharmacies refuses to take opioid analgesics for sale due to extremely strict guidelines for keeping and dispensing such medicines.

June 18, 2013, The Kommersant

Federal Service for Narcotics Control prepared a draft law to broaden the powers of the authority

Federal Service for Narcotics Control (FSNC) developed a draft law which significantly broadens the powers of the authority. If the Law On Organs for Narcotics Control is approved, workers of FSNC will have the right to institute the liquidation of companies, at its own discretion prohibit any substances that have an effect similar to that produced by narcotic drugs, distribute moneys under the governmental programmes, provide grants to specialized non-profit organizations, as well as to carry out health screening, even Alcohol Screening Test, on its own.

June 18, 2013, ITAR-TASS

Government to support a project to set up a pharmacological cluster in Irkutskaya Oblast

The Russian Federation Government is ready and willing to support a project to set up a pharmacological cluster in the Irkutskaya Oblast, Dmitri Medvedev, Prime-Minister, said. According to Dmitri Medvedev, he has already discussed it with his ministers. As a result, they have taken a decision to review the project despite the negative resolution adopted earlier. On top of that, such cluster de-facto exits in Irkutsk. Pharmasyntez set it up on the basis of its enterprise, Irkutsk Scientific Centre of the Siberian Branch of Russian Academy of Sciences and Centres of Russian Academy of Medical Sciences.

June 21, 2013, RIA News

Minister of Public Health to have three new deputies

In the near future, the Minister of Public Health will have three new deputies which will be transferred from the Ministry or any other adjacent authorities or organs, Veronika Skvortsova, Ministry of Public Health, said on the margins of the St. Petersburg International Economy Forum. She noted that one of them will deal with optimization, building of a new financial and economic model and optimization of healthcare logistics in accordance with the three-level healthcare system. The other deputy will be engaged in the development of innovative medical technologies. Skvortsova didn't give any names of three new deputies, but said that they were the workers from the team.

June 25, 2013, PRIME

A draft law on requirements to BAA advertising is ready for the second reading

At the conference held on June 25, 2013 the State Duma Committee on Economic Policy, Innovative Development and Entrepreneurship recommended to pass amendments to the Federal Law on Advertising and Administrative Code on its second reading, which establish requirements to the advertising of biologically active additives and responsibility for breach of advertising law. According to the draft law, any BAA advertising should contain a warning that BAA is not a drug. Responsibility for violation of requirements to advertising of biologically active additives shall be vested in the advertising distributors.

June 26, 2013, The Pharmatsevticheski Vestnik

Ministry for Industry and Trade to develop regulatory platform to enable Russian manufacturers to use preferences in state purchasing

Legislative measures on additional requirements to government customers and criteria for recognizing drugs as Russian will come into force on January 1, 2014. It was announced by the Ministry for Industry and Trade to the representatives of the industry. On top of that, to enable Russian manufacturers to use preferences in state purchasing the Ministry will develop legislative platform: documents related to introduction of GMP in Russia, definition of interchangeability of medications with different INNs, etc. The Russian product status shall be approved by the Decree of Ministry for Industry and Trade which will come into effect around January 1, 2014, Sergey Tsyb, Director of Department of Chem and Bioengineering at Russian Ministry of Industry and Trade, said.

June 26, 2013, PRIME

The Federation Council requested information on setting up the Data Processing Centre from the Ministry of Public Health

The Federation Council has taken a decision at the conference held on Wednesday to make a parliamentary inquiry to the Head of Ministry of Public Health Veronika Skvortsova concerning setting up of Federal Data Processing Centre. The document states that the Ministry held a public online auction to award a state contract for performance of works on designing and arranging telecommunication and computing facilities of the Centre. The auction documentation implies that the considerable part of funds has been allocated for leasing the infrastructure of the Centre, but not for building it. "As such, the feasibility of expenditures generates doubts", the senators believe.

NEWS FROM COMPANIES

June 19, 2013, Interfax

AbbVie viewing production of its high-technology medicinal products in Russia with R-Pharm plant in Yaroslavl

The US biopharmaceutical manufacturer AbbVie is holding negotiations with Russian pharmaceutical producer R-Pharm on the launch of production of its drugs in the Yaroslavl region, the spokesman for Public Communications Department of the regional government reported. As part of AbbVie's plans, the production of a series of high-tech drugs for the treatment and prevention of rheumatoid arthritis, HIV and AIDS will be initiated at the facilities of the Russian company R-Pharm in the Yaroslavl region.

June 25, 2013, The Kommersant

Pharmstandard may sell its non-Rx business

Pharmstandard, Russia's largest drug producer, is considering selling its production of non-prescription drugs business, the value of which is estimated at about $2.5 billion. Meantime, Russian analysts believe that the company's non-prescription portfolio, in which Arbidol is the most famous drug, costs twice less.

June 27, 2013, RIA News

Gazprombank is going to sell drug-maker Biocad

Biocad, a Russian biotechnology company is seeking a buyer in sale, reported Bloomberg Agency referring to the sources with direct knowledge of the matter. OAO Gazprombank acquired a controlling stake in the drug-maker in 2011 in a deal that valued the company between $250 million and $300 million, while Morozov remained a co-owner of the company, according to mass media. Biocad may be valued at as much as $1 billion, according to one of the people, who asked not to be identified as the talks are private. A second person estimated its value at closer to $750 million. U.S. drug-maker Pfizer Inc. and Amgen Inc., the world's biggest biotechnology companies, are two of three remaining bidders, one of the people said.

Source of information – IMS Health

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