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

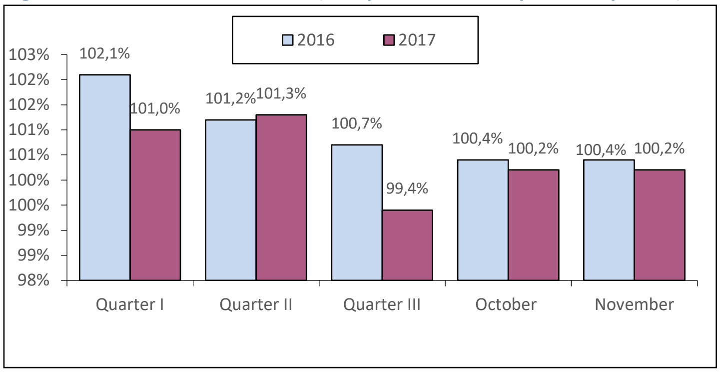
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated at 100.2% in November 2017 compared to the previous month, and 102.1% as against December 2016.

In November this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 100.9%, whereas in the month-earlier period it had amounted to 101.2%. The index accounted for 107% against December of the previous year.

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



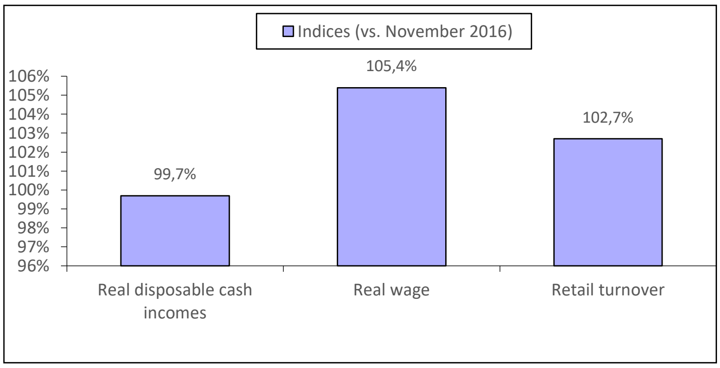
Living standard

According to preliminary Federal State Statistics Service's data, in November 2017 gross monthly average salary per worker reached RUB 38,720 (USD 657.16) which accounted for 101% compared to the previous month and 108% compared to November 2016. The real wage accounted for 105.4% in November 2017 compared to July 2016. In November 2017, the real value of disposable cash incomes accounted for 99.7% as compared with the same period of 2016 (Fig. 2).

Retail turnover

In November 2016, the retail turnover was equal to RUB 2560.3 bil., which in comparable prices accounted for 102.7% compared to the same period a year ago, in January-November 2017 - RUB 26,722.5 bil. or 101.0% (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in November 2017



Industrial Production

According to Federal State Statistics Service's data, in November 2016 Industrial Production Index accounted for 96.4% compared to the same period of the previous year, and in January - November 2017 - 101,2%.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in November 2017 accounted for 111.7% compared to the relevant period of the previous year, and in January – November of 2017 - 111.9%.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for November 2017.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales volume in November 2017

Rank	Manufacturer	RUB mil.
1	Otcpharm	1843.7
2	Pharmstandart	1239.4
3	Stada	1129.2
4	Biocad	1108.4
5	Valenta	969.2
6	Sotex	825.4
7	Veropharm	805.0
8	Servier	728.6
9	Nativa	719.7
10	Akrikhin Pharma	671.2

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In October 2017 compared to September, growth in pharmacy sales (in terms of roubles) was observed in most analysed regions. Tatarstan showed the highest growth (+7%), St. Petersburg did the lowest one (+0.2%). Three regions showed reduction in sales, the lowest sales were observed in Krasnodar Krai (-5%).

Table 2. Pharmacy sales in the regions, 2017

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	August 2017	September 2017	October 2017	August/July 17	September/ August 17	October/September 17
Moscow	123.4	184.1	192.4	5%	44%	5%
St. Petersburg	43.1	56.0	56.1	4%	26%	0.2%
Krasnodar Krai	45.3	38.4	36.5	15%	-18%	-5%
Krasnoyarsk Krai	23.1	27.6	28.8	9%	15%	4%
Tatarstan	20.4	24.7	26.4	8%	17%	7%
Rostov Region	20.3	23.0	24.4	5%	9%	6%
Novosibirsk Region	19.3	23.5	23.7	18%	17%	1%
Voronezh Region	12.0	15.2	14.9	7%	23%	-2%
Perm	7.7	9.7	9.4	16%	22%	-3%
Tyumen	6.2	7.2	7.6	7%	13%	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 2017

Rank	Company*	Quantity of broadcasts
1	Otcpharm	22,410
2	Berlin-Chemie Menarini Group	13,355
3	Bayer AG	12,542
4	Teva	12,449
5	GSK Consumer Healthcare	9,873

Source - Remedium according to Mediascope's data

Table 4. Top five brands in mass media in November, 2017

Rank	Brand*	Quantity of broadcasts
1	Evalar	4,563
2	Supradin	3,692
3	Polyoxidoni	3,369
4	Complivit	3,096
5	Linex	2,772

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2017 NINE MONTHS RESULTS

According to DLO in RF™, the drugs supplies under the Federal Program amounted to RUB 93.942 bil. on the basis of the results for January-September of 2017, (USD 1.616 bil.) in contractual prices,[1]. The segment volume increased 4% in terms of roubles, and 25% in terms of dollars as compared to the same period in 2016. Scope of supplies in pack terms reduced by 0.2% to 64.161 mil. packs. The average cost of a FPP pack through the DLO program was USD 25.19 in contractual prices (a year ago it was USD 20.09).

Based on the results for nine months in 2017, the manufacturer CELGENE (+16%[2]) moved up to rank one among the top ten manufacturers in DLO segment, displacing NATIVA (+2%) down one rank (table 1). As before, BIOCAD (+6%) held its previous rank three. In addition to it, BAXTER (+16%), SANOFI-AVENTIS (+9%), JOHNSON & JOHNSON (+4%) and NOVO NORDISK (-0.4%) also held their own in the top ten. Two drug manufacturers with high growth rates: GENERIUM (+40%) and OCTAPHARMA (+91%) moved up to ranks four and seven. On top of that, the latter became the only newcomer of the top 10 ranking. Due to 49% reduction in purchases, ROCHE moved down from rank four to ten. The total share of the top ten drug manufacturers under DLO Program extended by almost 2 p.p. and accounted for 56.6%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	2	**CELGENE**	9.1	8.1
2	1	NATIVA	8.4	8.5
3	3	BIOCAD RF	7.0	6.9
4	7	GENERIUM ZAO RF	6.7	5.0
5	5	BAXTER INT	5.9	5.3
6	6	**SANOFI-AVENTIS**	5.2	5.0
7	12	OCTAPHARMA	4.0	2.2
8	8	**JOHNSON & JOHNSON**	3.9	3.9
9	9	**NOVO NORDISK**	3.2	3.3
10	4	**ROCHE**	3.2	6.5
Total			56.6	54.7

*AIPM members are in bold

REVLIMIDE (+15%) and ACELLBIA (-2%) continued to hold the lead in the top ten brands ranking in the DLO segment (Table 2). BORAMILAN FS placed at rank three in the previous year, reduced its purchases by 40% and moved down to rank eight. In addition, despite the outperformance rates REBIF (+16%) moved down one rank, coming in at rank 9, and the less dynamic AKSOGLATIRAN FS (+2%), in contrast, moved up one rank, to number 3. Apart from it, another five brands rose in the ranks. COAGIL-VII (+30%), GENFAXON (+22%) and ADVATE (+43%) moved up to ranks four, six and seven, and the newcomers OCTOFACTOR (+87%) and OCTANATE (+42%) broke into the ranks of the top ten. The total share of the top 10 brands increased from 30% to 32.3%

Table 2. The top 10 Brand in DLO segment

Rank in the top ten		Brand	Share in total DLO volume, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	REVLIMIDE	8.9	8.0
2	2	ACELLBIA	4.7	5.0
3	4	AKSOGLATIRAN FS	2.8	2.8
4	6	COAGIL-VII	2.7	2.2
5	14	OCTOFACTOR	2.5	1.4
6	7	GENFAXON	2.4	2.0
7	10	ADVATE	2.2	1.6
8	3	BORAMILAN FS	2.1	3.6
9	8	REBIF	2.1	1.9
10	12	OCTANATE	2.0	1.5
Total			32.3	30.0

Two newcomers broke into the top 10 INN and group names ranking (table 3). MOROCTOCOG ALFA (+87%) and OCTOCOG ALFA (+38%) moved up to the last ranks of the top ten. The markets of INNs INTERFERON BETA-1A (+23%) and EPTACOG ALFA (ACTIVATED) (+35%) also developed at a fast pace, moving up to ranks two and six. LENALIDOMIDE (+15%) and FACTOR VIII (+8%), which held their previous ranks one and four, and INSULIN GLARGINE (+12%), which lost one rank, showed outperformance rates. INNs RITUXIMAB (-12%), BORTEZOMIB (-34%) and GLATIRAMER ACETATE (-28%) reduced their market shares and moved down to ranks three, five and eight respectively. The cumulative share of the top 10 didn't virtually change and accounted for 42.4%.

Table 3. The top ten INN and group names in DLO segment

Rank in the top ten		INNs/Group Names	Share in total DLO volume, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	LENALIDOMIDE	8.9	8.0
2	5	INTERFERON BETA-1A	5.6	4.7
3	2	RITUXIMAB	5.6	6.6
4	4	FACTOR VIII	5.3	5.1
5	3	BORTEZOMIB	3.7	5.7
6	8	EPTACOG ALFA (ACTIVATED)	3.0	2.3
7	6	GLATIRAMER ACETATE	2.9	4.2
8	7	INSULIN GLARGINE	2.8	2.6
9	15	MOROCTOCOG ALFA	2.5	1.4
10	11	OCTOCOG ALFA	2.2	1.7
Total			42.4	42.3

Most of the top 10 ATC groups in DLO segment held their own in the ranking (Table 4): L01 Antineoplastic agents (-10%), B02 Antihemorrhagics (+31%), L04 Immunosuppressants (+17%), L03 Immunostimulants (-1%), A10 Drugs used in diabetes (+4%) and R03 Drugs for obstructive airway diseases (-10%) held their previous first six ranks in the top ten. The shifts took place in the bottom part of the top-10 ranking. L02 Endocrine therapy (+22%) moved up from rank ten to 7, and A16 Other alimentary tract and metabolism products (+18%) moved up from rank nine to 8. At the same time, the group B03 Antianemic preparations (-7%) which showed negative growth rates, moved down from rank seven to nine. The only newcomer of the top ten H01 Hypothalamic-Pituitary Hormones and their analogues (-1%) broke into the ranks of the top ten, coming in at the last rank. The total share of the top ten accounted for 86.5% of the market, which was 2 p.p. more than in the indicators of the last year.

Table 4. The top ten ATC groups in DLO segment

Rank		ATC code	ATC group	Share in total DLO volume, %	
9 mon. 2017	9 mon. 2016			9 mon. 2017	9 mon. 2016
1	1	L01	ANTINEOPLASTIC AGENTS	19.4	22.4
2	2	B02	ANTIHEMORRHAGICS	18.5	14.6
3	3	L04	IMMUNOSUPPRESSANTS	16.2	14.4
4	4	L03	IMMUNOSTIMULANTS	10.9	11.4
5	5	A10	DRUGS USED IN DIABETES	9.7	9.7
6	6	R03	DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES	3.1	3.6
7	10	L02	ENDOCRINE THERAPY	2.4	2.1
8	9	A16	OTHER ALIMENTARY TRACT AND METABOLISM PRODUCTS	2.4	2.1
9	7	B03	ANTIANEMIC PREPARATIONS	2.2	2.5
10	11	H01	PITUITARY, HYPOTHALAMIC HORMONES AND ANALOGUES	1.7	1.7
Total				86.5	84.6

Data on supplies to the top ten regions of Russia under State Reimbursement Program (DLO) are shown in Table 5. The highest supplies volumes were observed in Moscow with an almost 22% market share. They are followed by Moscow region (4.8%), St. Petersburg (38%) and Tatarstan (3.2%). Note that most regions showed positive growth rates, except for the North Caucasus, Sverdlovsk region and Tyumen region. The top ten regions accumulated 48.8% of the DLO market.

Table 5. The top ten regions by sales in DLO segment

Rank		Region	Share in total DLO volume, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	Moscow	22.1	19.8
2	2	Moscow Region	4.8	4.5
3	3	Saint Petersburg	3.8	3.7
4	4	Tatarstan Republic	3.2	3.1
5	9	Krasnodar Krai	3.1	2.2
6	6	North Caucasian FD, Rest	2.5	2.8
7	5	Sverdlovsk Region	2.5	2.8
8	10	Bashkortostan Republic	2.4	2.2
9	12	Rostov Region	2.2	2.1
10	8	Tyumen Region	2.2	2.3
Total			48.8	45.5

Conclusion. On the basis of the results for January-September of 2017, the DLO segment of Russia brought in RUB 93.942 bil. (USD 1.616 bil.) in contractual prices, which is by 4% in terms of roubles and by 25% in terms of dollars more than in the same period of 2016. In physical terms, the supplies decreased by 0.2% to 64.161 mil. packs. The average cost of FPP participating in the DLO Programme increased as compared to the past year (USD 25.19 vs USD 20.09).

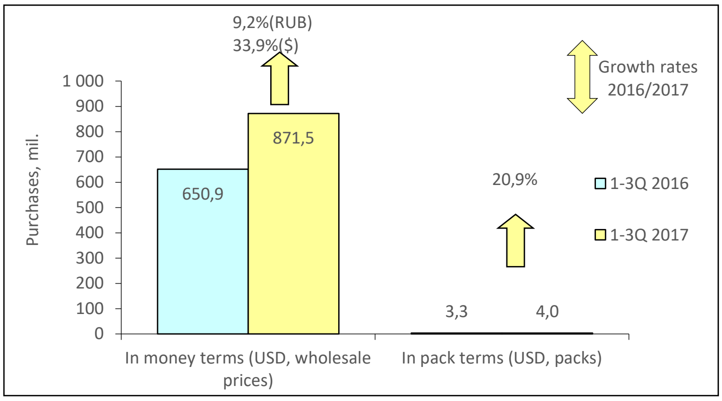
[1] From 2008 until now, data on DLO have been provided as shipments in contractual prices, which are prices at which the government will reimburse moneys to the distributor.

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

COST-INTENSIVE NOSOLOGIES (VZN) PROGRAM, Q 1-3, 2017

Based on the results for three quarters of 2017, the purchases under VZN Program in physical terms (packs) grew by 20.9% as compared with the same period of the previous year (Fig. 1). In terms of national currency, the purchases increased by 9.2%, in terms of dollars by 33.9% due to strengthening of the rouble. The purchase volume amounted to RUB 50,607.7 mil. or USD 871.5 mil.

Figure 1. Purchases trend under the VZN Program in 1-3 Q, 2017 against Q 1-3, 2016



The drugs used in treatment of haemophilia (+31%) and Gaucher disease (+26%) showed the highest growth rates in purchases in terms of roubles as compared to the same period of the previous year. The sales of these groups in terms of packs also increased proportionally to the value parameters. Against the background of high growth rates, a share of drugs used in treatment of haemophilia in VZN segment pattern increased by 5.4 p.p. and accounted for 32.6% (36.4% (Table 1). The oncohematological drugs showed the highest growth rates in terms of packs (+37%), but in value terms saw a 3.5% decrease. The group held its leading position, however its share in the VZN segment pattern reduced by 4.8 p.p. to 36.4% (Table 1). The cystic fibrosis (-14%) and transplantology (-6%) treatment segments also showed negative growth rates in terms of value. In terms of packs, the cystic fibrosis segment demonstrated a slight reduction in purchases and the transplantology segment showed a growth in purchases by 12%. The drug groups used in treatment of multiple sclerosis (+11%) and pituitary dwarfism (14%) showed a growth in purchases at rates which were slightly higher than the VZN average rate. In terms of packs, the growth in purchases rates of these groups was approximately two times higher. Only the haemophilia segment (+6%) showed a growth in weighted average price (WAP), the other treatment groups showed negative growth in this indicator, which was particularly pronounced for oncohematological preparations (-30%).

Table 1. Supplies pattern under the VZN Program

Nosologies	INN	Share in total CDD supplies (RUB), %	
		1-3Q 2017	1-3Q 2016
Oncohematology		**36.4**	**41.2**
	LENALIDOMIDE	16.5	15.5
	RITUXIMAB	9.8	12.1
	BORTEZOMIB	6.8	10.9
	IMATINIB	2.9	2.3
	FLUDARABINE	0.4	0.4
Haemophilia		**32.6**	**27.2**
	FACTOR VIII	9.8	9.8
	EPTACOG ALFA (ACTIVATED)	5.6	4.5
	MOROCTOCOG ALFA	4.6	2.7
	OCTOCOG ALFA	4.1	3.3
	FACTOR VON WILLEBRAND*FACTOR VIII	3.1	2.2
	FACTOR IX	3.0	2.5
	FACTOR VIII INHIBITOR BYPASSING FRACTION	2.5	2.3
Sclerosis Multiplex		**21.9**	**21.5**
	INTERFERON BETA-1A	10.4	9.3
	GLATIRAMER ACETATE	5.4	8.1
	INTERFERON BETA-1B	3.8	3.5
	NATALIZUMAB	2.3	0.7
Transplantology		**3.7**	**4.3**
	TACROLIMUS	1.8	2.2
	MYCOPHENOLIC ACID	1.4	1.5
	CICLOSPORIN	0.3	0.4
	MYCOPHENOLATE MOFETIL	0.2	0.2
Gaucher disease		**2.8**	**2.4**
	IMIGLUCERASE	2.4	2.2
	VELAGLUCERASE ALFA	0.4	0.3
Mucoviscidosis		**2.3**	**2.9**
	DORNASE ALFA	2.3	2.9
Pituitary dwarfism		**0.3**	**0.3**
	SOMATROPIN	0.3	0.3

Based on the results for Q I-3, 2017, the original drug Revlimid (INN Lenalidomide) Celgene and biosimilar Acelbiya (INN Rituximab) Biocad were ranked 1st and 2nd by purchases in terms of value in the top ten brand names ranking as in the previous year (Table 2). As compared with the same period of the previous year, the drugs saw a sales increase by 47% and 46% in terms of packs, respectively. In value terms, the sales of Revlimid increased by 16% and those of Acelbiya reduced by 2%. WAP of these drugs reduced by 21% and 33%, due to reregistration of prices for the drugs supplied under the 7 Nosologies Program. The Revlimid market is under patent protection, and competitors have not yet succeeded in reaching it. Acelbiya accounted for 88% of all sales of INN Rituximab group in value terms. Another Russian biosimilar Axoglatiran FS (INN Glatiramer Acetate) Nativa, which sales grew by 36% in pack terms and by 4% in value terms, moved up from rank 4 to 3 in the ranking (WAP reduced by 24%). In the Glatiramer Acetate INN value sales pattern, this drug accounted for 95%, and the purchases of Copaxone-Teva were reduced to zero. Supplies of another drug produced by Nativa - Boramilan FS (INN Bortezomib) grew by 11% in pack terms and reduced by 37% in value terms (WAP reduced by 43%). As a result, the drug moved down from rank 3 to 8 in the top ten brand ranking (Table 2). Boramilan FS accounted for 57% in value terms in the INN group purchases pattern. The whole volume of supplies of Nativa in value terms reduced by 8.5% and the manufacturer moved down from rank 2 to 3 in the top ten drug manufacturers ranking (Table 3).

Table 2. Top ten brand names by purchases under the VZN Program

Rank		Brand	Share in total VZN supplies, %	
1-3Q 2017	1-3Q 2016		1-3Q 2017	1-3Q 2016
1	1	REVLIMIDE	16.5	15.5
2	2	ACELLBIA	8.6	9.6
3	4	AKSOGLATIRAN FS	5.1	5.4
4	5	COAGIL-VII	5.1	4.3
5	13	OCTOFACTOR	4.6	2.7
6	6	GENFAXON	4.4	3.9
7	9	ADVATE	4.1	3.1
8	3	BORAMILAN FS	3.9	6.8
9	11	OCTANATE	3.8	2.9
10	7	REBIF 44	3.5	3.5
Total			59.5	58.2

Celgene (+15%) held its previous rank number one in the top ten drug manufacturers ranking as compared to the same period of the previous year (Table 3). Generium moved up to rank two in the ranking, increasing its sales by 40% in total. The drugs used in treatment of haemophilia Coagil-VII (+30%) and Octofactor (+87%), which moved up to ranks 4 and 5 in the ranking, made the main contribution to the growth of sales (Table 2). Biocad from amongst the Russian manufacturers also broke into the ranks of the top ten drug manufacturers. Its sales didn't virtually change (+1.5%), which resulted in falling in the ranks (ranked 5th) (Table 3). Baxter Int (+15%) held its previous rank 4 in the ranking, as in the previous year. Advate (INN Octocog alfa) (+44%) made a major contribution to the growth in sales. It moved up two ranks, coming in at number 7 in the top ten brand names ranking (Table 2). Among all manufacturers included in top ten ranking, a supplier of blood factors Octapharma (+92%) showed the highest sales growth rates, which allowed it to move two ranks up, coming in at number 6 in the ranking (Table 3). The leading drug of this manufacturer Octanate (Factor YIII) (+42%) broke into the ranks of the top ten brands (Table 2). Serono (+16%), the manufacturer of Rebif 22 and Rebif 44 (INN Interferone beta–1a), also showed a positive growth in sales, moving up two ranks to number 8. In total, the drugs of Russian and foreign manufacturers amounted to an equal number in the top ten brand names ranking. On top of that the final manufacturing phases of all foreign drugs were localized at the facilities of the domestic manufacturers (Table 2). A total share of the top 10 brand names and manufacturers has grown insignificantly, as compared to the same period of the previous year (Table 2 and 3).

Table 3. Top ten manufacturers by purchases under the VZN Program

Rank in the top ten		Manufacturer*	Share in total VZN supplies, %	
1-3Q 2017	1-3Q 2016		1-3Q 2017	1-3Q 2016
1	1	**CELGENE**	16.5	15.5
2	5	GENERIUM ZAO RF	12.4	9.7
3	2	NATIVA	11.5	13.8
4	4	**BAXTER INT**	10.9	10.3
5	3	BIOCAD RF	9.7	10.4
6	8	OCTAPHARMA	7.3	4.2
7	7	LABORATORIO TUTEUR	4.5	4.2
8	10	SERONO	3.8	3.6
9	9	**JOHNSON & JOHNSON**	3.8	3.8
10	11	**CSL BEHRING GMBH**	2.9	3.4
Total			83.4	80.9

*AIPM members are in bold

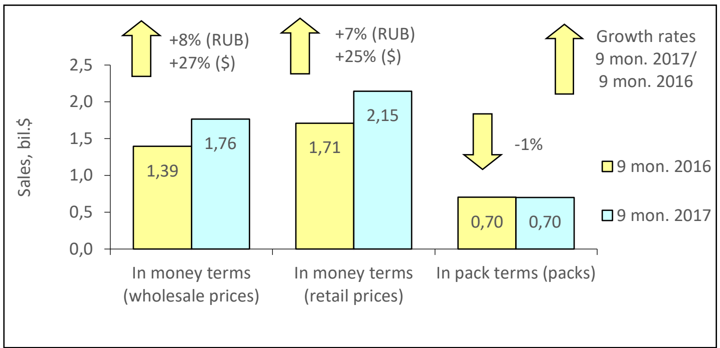
Conclusion. In Q 1 -3 of 2017, a share of domestic drugs in the purchase pattern under the VZN Program didn't virtually change in value terms, accounting for 36%, and a share of localized drugs (final manufacturing stages) reduced from 47% to 45%, compared to the same period a year ago. The share of the imported drugs increased from 17% to 19%.

CFD PHARMACY MARKET (WITHOUT MOSCOW): 2017 NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Central Federal District (CFD) (without Moscow) was 26.829 mil., which accounted for 18.3% of the total Russian Federation population. According to Federal State Statistics Service's data, the average wage in the CFD (inc. Moscow) was RUB 46,833 based on the results for 9 months of 2017 (USD 803.03), which was 23% higher than the average wage in Russia (RUB 38,005).

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 2017 the sales of drugs in pack terms in the CFD (excl. Moscow) saw a 1% increase to 698.654 mil. packs. In money terms, the market saw a 8% increase in terms of roubles and 27% in terms of dollars. At the same time, the market volume reached RUB 102.836 bil. (USD 1.764 bil.) at wholesale prices (Fig.1). The region market share accounted for 19.8% of the Russian pharmacy retail sales. The average cost of a pack increased as compared to the same period a year ago: USD 3.07 vs. USD 2.43 in retail prices. At the end of the first nine months of 2017, the average amount spent by the residents of the region for the drugs in pharmacies amounted to USD 80.0.

Figure 1. The CFD (without Moscow) pharmacy market for 9 months of 2016 – 9 months 2017



At the end of the first nine months of 2017, BAYER(+16%) took the lead in the top ten manufacturers ranking on the pharmacy market of the Central Federal District (CFD) (excl. Moscow) (Table 1). SANOFI-AVENTIS that had previously topped the ranking (+1%) moved down to rank two. TEVA (+3%), SERVIER (+8%), NYCOMED/TAKEDA (+17%), OTCPHARM (+9%) and MENARINI (+8%) held their previous ranks three through seven, respectively. The newcomer KRKA (+13%) broke into the ranks of the top ten ranking, moving up to rank eight. The less dynamic GLAXOSMITHKLINE (+4%) and GEDEON RICHTER (+10%) lost one rank each, moving down to ranks nine and ten. The cumulative share of the top 10 manufacturers didn't change and accounted for 36.0%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	2	**BAYER HEALTHCARE**	4.9	4.6
2	1	**SANOFI-AVENTIS**	4.5	4.8
3	3	**TEVA**	4.2	4.5
4	4	**SERVIER**	3.8	3.8
5	5	**NYCOMED/TAKEDA**	3.5	3.3
6	6	OTCPHARM	3.3	3.3
7	7	**MENARINI**	3.2	3.2
8	11	**KRKA**	2.9	2.8
9	8	**GLAXOSMITHKLINE**	2.8	3.0
10	9	GEDEON RICHTER	2.8	2.9
Total			36.0	36.0

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brands ranking (table 2). XARELTO (+54%) and MIRAMISTIN (+21%) moved up to ranks six and ten of the top ten. Note that most brand names from the top ten rose in the ranks. DETRALEX (+24%) moved up to rank one from six, MEXIDOL (+17%) and NUROFEN (+23%) moved up to ranks three and four. CARDIOMAGNYL (+17%) moved up to rank seven from nine, and PENTALGIN (+16%) moved up to rank nine from ten. The brands CONCOR (+6%) and ACTOVEGIN (+9%) held their previous ranks two and five and only ESSENTIALE (-7%), which reduced its sales, moved down from rank seven to eight. The total share of the top 10 brands increased from 6.7% to 7.2%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	6	DETRALEX	0.8	0.7
2	2	CONCOR	0.8	0.9
3	4	MEXIDOL	0.8	0.8
4	8	NUROFEN	0.8	0.7
5	5	ACTOVEGIN	0.7	0.7
6	13	XARELTO	0.7	0.5
7	9	CARDIOMAGNYL	0.7	0.6
8	7	ESSENTIALE	0.6	0.7
9	10	PENTALGIN	0.6	0.6
10	16	MIRAMISTIN	0.5	0.5
Total			7.2	6.7

In contrast to the above rankings, the leader of the top ten INNs and grouping names ranking didn't change: XYLOMETAZOLINE (+20%) held and reinforced its previous leading position in the ranking due to high growth rates (Table 3). The markets of the most INNs from the top ten developed at a fast pace, which allowed them to rise up in the ranks. IBUPROFEN (+23%) and BLOOD (+9%) moved up two ranks, coming in at numbers two and eight, respectively. The composition DIOSMIN*HESPERIDIN (+24%) and INN ETHYLMETHYLHYDROXYPYRIDINE (+19%) moved up one rank, coming in at numbers four and seven. The newcomers of the top 10 DICLOFENAC (+10%) and ROSUVASTATIN (+32%) broke into the ranks of the top ten, coming in at numbers nine and ten. INNs BISOPROLOL (+9%) and PANCREATIN (+8%) hold their previous ranks three and six. And only NIMESULIDE, which showed zero rates, moved down to rank five. The total share of the top ten under review increased from 10% to 10.6%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	XYLOMETAZOLINE	1.8	1.7
2	4	IBUPROFEN	1.1	1.0
3	3	BISOPROLOL	1.1	1.1
4	5	DIOSMIN*HESPERIDIN	1.1	1.0
5	2	NIMESULIDE	1.1	1.1
6	6	PANCREATIN	1.0	1.0
7	8	ETHYLMETHYLHYDROXYPYRIDINE	0.9	0.8
8	10	BLOOD	0.8	0.8
9	12	DICLOFENAC	0.8	0.8
10	17	ROSUVASTATIN	0.8	0.6
Total			10.6	10.0

M01 Anti-inflammatory and antirheumatic products (+9%) and C09 Agents acting on the rennin-angiotensin system (+13%) held their previous two top ranks in the top ten. The groups R01 Nasal preparations (+12%), N02 Analgesics (+4%), J01 Antibacterials for systemic use (+1%) and G03 Sex hormones (+11%) moved up one rank, coming in at numbers three through six respectively. B01 Antithrombotic agents (+26%) showed the highest growth rates among the top ten ATC groups and moved up from rank 13 to seven. The second newcomer, N06 Psychoanaleptics (+12%) moved up to rank ten. At the same time, C05 Vasoprotectives (+16%) which used to hold that rank earlier, moved up to rank eight, and the group A07 Antidiarrheals, intestinal anti-inflammatory/anti-infective agents (+6%) moved down to rank nine. In total, the top ten ATC groups accumulated 37.1% of the regional market, whereas in the year-earlier period they accounted for 36.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016			9 mon. 2017	9 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.4	5.3
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.0	4.8
3	4	R01	NASAL PREPARATIONS	3.9	3.8
4	5	N02	ANALGESICS	3.6	3.8
5	6	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.8
6	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.5	3.4
7	13	B01	ANTITHROMBOTIC AGENTS	3.2	2.8
8	10	C05	VASOPROTECTIVES	3.1	2.9
9	8	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.0	3.1
10	12	N06	PSYCHOANALEPTICS	2.9	2.8
Total				37.1	36.3

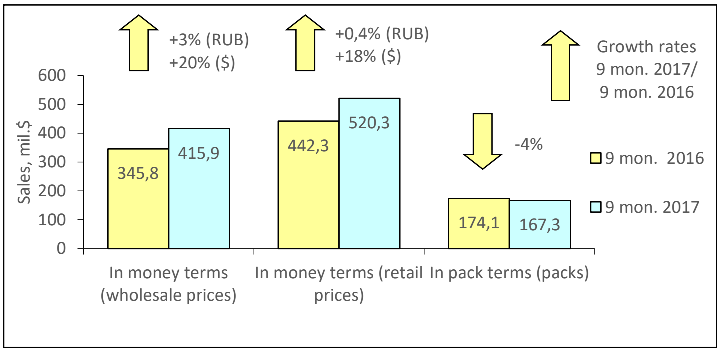
Conclusion. At the end of nine months of 2017, the pharmacy market of the Central Federal District (without Moscow) brought in RUB 125.091 mil. (USD 2.146 bil.), which was 7% in terms of roubles and 25% in terms of dollars more than in the same period of 2016. In pack terms, the market shrank by 1% to 698.654 mil packs. The average cost of FPP pack in the regional pharmacies based on the results for January-September of 2017 was USD 3.07 which was higher than in the year-earlier period (USD 2.43), and less than the national average (USD 3.29). However, the average medicine expenses of the CFD residents were higher than the national average expenses in Russia (USD 80.00 vs. USD 73.84).

NWFD (WITHOUT SAINT PETERSBURG) PHARMACY MARKET: 2017 NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the North-Western Federal District (NWFD) (without St. Petersburg) was 8.618 mil., which accounted for 5.9% of the total Russian Federation population. According to Federal State Statistics Service's data, as of the end of the first nine months of 2017 the average wage in the NWFD (with St. Petersburg) was RUB 43359 (USD 743.47), which was 14% higher than the average wage in Russia (RUB 38,005).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federation™, at the end of nine months 2017 the sales of FPPs in physical terms in pharmacies of NWFD (without St. Petersburg) saw a 4% decrease to 167.331 mil. packs. In money terms, the market saw a 3% increase in terms of roubles and 20% in terms of dollars. At the same time, the volume of the market achieved RUB 24.255 bil. (USD 415.933 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 4.8% of the retail pharmacy sales. The average cost of a pack increased as compared to a year earlier (USD 2.54) and reached USD 3.11 at retail prices. In January-September 2017, an average amount spent by the region residents for FPPs in the pharmacies amounted to USD 60.38.

Figure 1. The NWFD (without St. Petersburg) pharmacy market for 9 months of 2016 – 9 months 2017



Based on the results for January-September of 2017, the manufacturer BAYER (+8%), which displaced SANOFI-AVENTIS (-2%) down from that position, became the leader of the NWFD (exclusive of St. Petersburg) pharmacy market (Table 1). As before, SERVIER (-1%), TEVA (+0.3%) and GEDEON RICHTER (+3%) held their previous ranks from three through five. NYCOMED/TAKEDA (+7%) also held its previous rank eight. OTCPHARM (+13%), STADA (+9%) and KRKA (+15%), which showed the highest sales rates among the top ten drug manufacturers, moved up to ranks six, nine and ten, respectively. On top of that, the latter became the only newcomer of the top 10 ranking. The less dynamic SANDOZ (+2%) lost one rank and moved down to rank seven. The total share of the top 10 drug manufacturers increased by 0.7 p.p. and accounted for 38.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	2	**BAYER HEALTHCARE**	5.0	4.7
2	1	**SANOFI-AVENTIS**	4.9	5.2
3	3	**SERVIER**	4.4	4.6
4	4	**TEVA**	4.1	4.2
5	5	GEDEON RICHTER	4.0	4.0
6	7	OTCPHARM	3.7	3.3
7	6	**SANDOZ**	3.5	3.5
8	8	**NYCOMED/TAKEDA**	3.3	3.2
9	10	STADA	2.9	2.7
10	12	**KRKA**	2.9	2.6
Total			38.7	38.0

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brands ranking in the region (Table 2). THERAFLU (+10%) and LORISTA (+22%) moved up to ranks eight and ten of the top ten. In addition to them, another five brands from the top ten ranking showed growth in sales. NUROFEN (+18%) moved up to rank number one from three, DETRALEX (+21%) moved up to rank three from six, and ESSENTIALE (+14%), LOZAP (-7%) and NISE (+2%) moved up to rank five, seven and nine. At the same time, KAGOCEL (-19%) and CARDIOMAGNYL (+9%) moved down to the lower ranks four and six. CONCOR (+4%) kept its previous rank two. The total share of the top 10 brands increased from 7.4% to 7.7%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	3	NUROFEN	1.1	0.9
2	2	CONCOR	0.9	0.9
3	6	DETRALEX	0.9	0.7
4	1	KAGOCEL	0.8	1.0
5	7	ESSENTIALE	0.8	0.7
6	4	CARDIOMAGNYL	0.8	0.7
7	8	LOZAP	0.6	0.7
8	12	THERAFLU	0.6	0.6
9	10	NISE	0.6	0.6
10	15	LORISTA	0.6	0.5
Total			7.7	7.4

The top ten leaders XYLOMETAZOLINE (+17%), IBUPROFEN (+16%) and BISOPROLOL (+3%) held their own in the top ten INNs and grouping names ranking and NIMESULIDE (+4%) held its previous rank five (Table 3). Almost all other INNs of the top ten rose in the ranks. The composition DIOSMIN* HESPERIDIN (+23%) moved up to rank four from six, and PANCREATIN (+6%), PHOSPHOLIPIDS (+14%) and DICLOFENAC (+5%) moved up to ranks six through eight respectively. Its only newcomer ACETYLSALICYLIC ACID* MAGNESIUM (+9%) moved down to the last rank in the top 10 ranking. And only KAGOCEL (-19%), which reduced its sales, moved down from rank four to nine. The cumulative share of the top-ten increased by 0.6 p.p. and achieved 10.7%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	XYLOMETAZOLINE	1.8	1.6
2	2	IBUPROFEN	1.4	1.2
3	3	BISOPROLOL	1.2	1.2
4	6	DIOSMIN*HESPERIDIN	1.1	0.9
5	5	NIMESULIDE	1.0	1.0
6	7	PANCREATIN	0.9	0.8
7	10	PHOSPHOLIPIDS	0.8	0.8
8	9	DICLOFENAC	0.8	0.8
9	4	KAGOCEL	0.8	1.0
10	12	ACETYLSALICYLIC ACID* MAGNESIUM	0.8	0.7
Total			10.7	10.1

M01 Anti-inflammatory and antirheumatic products (+7%) and C09 Agents acting on the rennin-angiotensin system (+4%) remained the bestselling groups in the regional market (Table 4). Shifts took place in the lower part of the top ten ATC groups ranking, resulting in moving up by all remaining ATC groups to the higher ranks. R01 Nasal preparations (+9%) and G03 Sex hormones (+8%) moved up to ranks three and four from five and six. At the same time, N02 Analgesics (+4%) moved down one rank, to number five. In contrast, the groups R05 Cough and cold preparations (+8%), J01 Antibacterials for systemic use and A11 Vitamins (-2% each) moved up one rank, and the newcomers B01 Antithrombotic agents and C05 Vasoprotectives (+13% each) moved up to ranks nine and ten of the top ten ranking. In total, the top ten ATC groups accumulated 38.8% of the market, whereas in the year-earlier period they accounted for 37.6%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016			9 mon. 2017	9 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.4	5.2
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.3	5.2
3	5	R01	NASAL PREPARATIONS	4.0	3.7
4	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.9	3.7
5	4	N02	ANALGESICS	3.8	3.8
6	7	R05	COUGH AND COLD PREPARATIONS	3.6	3.4
7	8	J01	ANTIBACTERIALS FOR SYST USE	3.3	3.4
8	9	A11	VITAMINS	3.2	3.4
9	11	B01	ANTITHROMBOTIC AGENTS	3.1	2.8
10	12	C05	VASOPROTECTIVES	3.1	2.8
Total				38.8	37.6

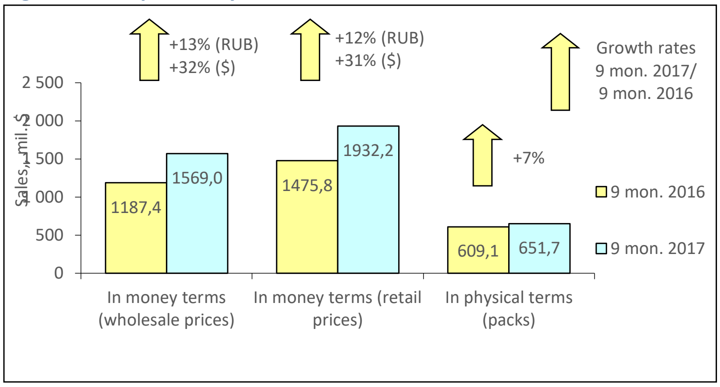
Conclusion. On the basis of the results for January-September of 2017, the pharmacy market of the NWFD (without St Petersburg) brought in RUB 30.341 bil. (USD 520.310 mil.), It was 0.4% in terms of roubles and 18% in terms of dollars more than in the same period of 2016. In pack terms, the market saw a 4% decrease to 167.331 mil. packs. According to the results for nine months of 2017, the average cost of an FPP pack in the regional pharmacies was USD 3.11 which was more than in the year-earlier period (USD 2.54) and lower than the national average (USD 3.29). The average medicine expenses of the district residents in the pharmacies were lower than the national average expenses in Russia (USD 60.38 vs. USD 73.84).

VFD PHARMACY MARKET: 2017 NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Volga Federal District (VFD) was 29.637 mil., which accounted for 20.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in January- September of 2017 the average wage in the VFD was RUB 28,331 (USD 485.79), which was 25% lower than the national average wage (RUB 38,005).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first nine months of 2017 the pharmacy market of VFD in pack terms expanded by 7% and amounted to 651.692 million packs (Fig. 1) In wholesale prices, the market performance also showed sales growth in terms of roubles (+13%) and in terms of dollars (+32%) and reached RUB 91.483 bil. (USD 1.569 bil.). A region's share in the total pharmacy sales in Russia accounted for 17.8%. At the end of January-September of 2017, the average cost of a finished pharma product (FPP) in the VFD pharmacies amounted to USD 2.96 vs. USD 2.42 in the year earlier period. At the end of the first nine months of 2017, the average per capita expenses for purchase of drugs in the regional pharmacies reached USD 65.20.

Figure 1. VFD pharmacy market for 9 months of 2016 – 9 months 2017



Following the results for January-September of 2017, the manufacturer SANOFI-AVENTIS (+5%) held the lead on the Volga Federal District retail market despite the lagging behind the growth rates and reduction of its market share (Table 1). BAYER (+17%) and OTCPHARM (+18%), which showed outperformance rates, moved up to ranks two and three, whereas TEVA (-2%) placed at rank two moved down to rank four due to reduction in sales. NYCOMED/TAKEDA (+17%), SERVIER (+10%) and SANDOZ (+13%) held their own ranks five through seven, respectively. ABBOTT (+8%) also held its previous rank nine. MENARINI (+10%) moved up to rank eight from ten, and STADA (+2%) moved down from that rank to the last rank in the top ten. The total share of the top ten manufacturers decreased by almost 1 p.p. and accounted for 33.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	**SANOFI-AVENTIS**	4.5	4.9
2	3	**BAYER HEALTHCARE**	4.1	3.9
3	4	OTCPHARM	3.7	3.6
4	2	**TEVA**	3.7	4.3
5	5	**NYCOMED/TAKEDA**	3.4	3.3
6	6	**SERVIER**	3.1	3.2
7	7	**SANDOZ**	2.9	2.9
8	10	**MENARINI**	2.7	2.8
9	9	ABBOTT	2.7	2.8
10	8	STADA	2.6	2.9
Total			33.5	34.6

*AIPM members are in bold

As in the previous ranking, half of the top ten brands in the regional market held their own in the ranking (Table 2) Three leaders are listed among them: KAGOCEL (+9%), ACTOVEGIN (+10%) and ESSENTIALE (+9%), and CARDIOMAGNYL (+17%) and ERGOFERON (+11%) which held their previous ranks six and ten. Three brands with high growth rates: MEXIDOL (+33%), NUROFEN (+23%) and the only newcomer PENTALGIN (+20%) moved up ranks four, five and eight. At the same time, the less dynamic CONCOR (+5%), and INGAVIRIN (-9%), which reduced its sales, moved down to ranks seven and nine, respectively. The cumulative share of the top 10 brands didn't change and accounted for 6.8%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	KAGOCEL	0.8	0.8
2	2	ACTOVEGIN	0.8	0.8
3	3	ESSENTIALE	0.7	0.8
4	8	MEXIDOL	0.7	0.6
5	7	NUROFEN	0.7	0.6
6	6	CARDIOMAGNYL	0.7	0.7
7	5	CONCOR	0.7	0.7
8	11	PENTALGIN	0.6	0.6
9	4	INGAVIRIN	0.6	0.7
10	10	ERGOFERON	0.6	0.6
Total			6.8	6.8

The top ten INNs and grouping names ranking didn't change in composition (Table 3). The top three INNs also held their own in the ranking: as before, INNs XYLOMETAZOLINE (+19%), PANCREATIN (+14%) and BISOPROLOL (+13%) held their previous ranks one, two and three. Some shifts took place in the lower part of the top ten ranking, as a result of which four brands rose in the ranks. IBUPROFEN (+31%), PHOSPHOLIPIDS (+20%), DIOSMIN*HESPERIDIN and ETHYLMETHYLHYDROXYPYRIDINE (+29% each) moved up to ranks four through seven respectively. In contrast, NIMESULIDE (+1%), BLOOD (+10%) and KAGOCEL (+9%) moved down to the lower part of the ranking. The total share of the top 10 increased from 9.6% to 10%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	XYLOMETAZOLINE	1.4	1.4
2	2	PANCREATIN	1.2	1.2
3	3	BISOPROLOL	1.1	1.1
4	5	IBUPROFEN	1.1	0.9
5	6	PHOSPHOLIPIDS	0.9	0.9
6	9	DIOSMIN*HESPERIDIN	0.9	0.8
7	10	ETHYLMETHYLHYDROXYPYRIDINE	0.9	0.8
8	4	NIMESULIDE	0.9	1.0
9	7	BLOOD	0.8	0.9
10	8	KAGOCEL	0.8	0.8
Total			10.0	9.6

Half of the top ten ATC groups managed to retain their positions unchanged (table 4). Those were groups M01 Anti-inflammatory and antirheumatic products (+11%), C09 Agents acting on the rennin-angiotensin system (+17%) and J01 Antibacterials for systemic use (+10%), and J05 Antivirals for systemic use (+2%) placed at the upper ranks, and R01 Nasal preparations (+14%) placed at rank seven. G03 Sex hormones (+16%) and N06 Psychoanaleptics (+17%), which showed higher growth rates, moved up one rank, coming in at ranks five and eight and displacing N02 Analgesics (+10%) and R05 Cough and Cold Preparations (+12%) down one rank. The only newcomer of the top ten B01 Antithrombotic agents (+23%) moved up to number ten of the ranking. In total, the top ten ATC groups accumulated 36.7% of the regional sales, 36.8 % in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016			9 mon. 2017	9 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.3	5.4
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.6	4.4
3	3	J01	ANTIBACTERIALS FOR SYST USE	3.8	3.9
4	4	J05	ANTIVIRALS FOR SYSTEMIC USE	3.5	3.9
5	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.5	3.4
6	5	N02	ANALGESICS	3.5	3.6
7	7	R01	NASAL PREPARATIONS	3.4	3.3
8	9	N06	PSYCHOANALEPTICS	3.2	3.1
9	8	R05	COUGH AND COLD PREPARATIONS	3.0	3.1
10	13	B01	ANTITHROMBOTIC AGENTS	2.9	2.6
Total				36.7	36.8

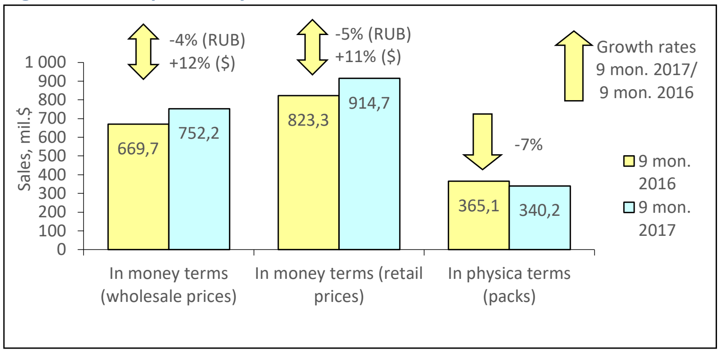
Conclusion. At the end of the first nine months of 2017, the pharmacy market in VFD was estimated at RUB 112.656 bil. (USD 1.932 bil.) in retail prices. At the same time, the market behaviour was positive both in rouble (+12%) and dollar (+31%) terms. In natural terms, the sales increased by 7% to 651.692 mil. packs. The average cost of an FPP pack in January-September of 2017 grew compared to the same period a year ago (USD 2.42), but continued to be lower than the national average across Russia (USD 3.29). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 65.20 vs. USD 73.84).

SoFD PHARMACY MARKET: 2017 NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Southern Federal District (SoFD) was 16.428 mil., which accounted for 11.2% of the total Russian Federation population. According to Federal State Statistics Service's data, at the end of 9 months of 2017 the average wage in the SoFD was RUB 27,942 (USD 479.12), which was 26% lower than the national average wage throughout Russia (RUB 38,005).

According to the results of the Retail Audit of FPPs in Russian Federation™, at the end of the first nine months of 2017 the sales of drugs in pack terms in the SoFD saw a -7% decrease to 340.221 mil. packs. In money terms, the market showed negative growth rates in rouble terms (-4%) and positive growth rates in dollar terms (+12%), reached RUB 43.900 bil. (USD 752.171 mil.) in wholesale prices (Fig. 1). The city market share accounted for 8.4% of the pharmacy sales in Russia. The average cost of an OTC pack increased as compared to a year earlier period (USD 2.25) and reached USD 2.69 at retail prices. In January-September 2017, the average amount spent by residents of the SoFD for drugs amounted to USD 55.68.

Figure 1. SoFD pharmacy market for 9 months of 2016 – 9 months 2017



Following the results of the first nine months of 2017, the top ten drug manufacturers ranking on the Southern Federal District market didn't change in composition (Table 1). The top three ATC groups also didn't change: BAYER (+5%), SANOFI-AVENTIS (-10%) and TEVA (-8%) continued to top the ranking, while the two latter reduced their sales. Note that almost all manufacturers from the top ten ranking showed negative growth rates in terms of dollars. Only the above leader and NYCOMED/TAKEDA (+4%), which moved up to rank eight, showed growth in sales. Despite the reduction in sales, another two manufacturers showed growth in sales: SERVIER (-1%) moved up to rank four from six and MENARINI (-5%) moved up to rank seven from eight. In contrast, the manufacturers OTCPHARM (-9%) and GLAXOSMITHKLINE (-12%) moved down to ranks six and the last rank, while SANDOZ (-7%) and STADA (-1%) held their previous ranks five and nine. The total share of the top 10 ATC groups reduced by 0.3 p.p. and accounted for 34.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	**BAYER HEALTHCARE**	5.2	4.7
2	2	**SANOFI-AVENTIS**	4.3	4.6
3	3	**TEVA**	4.1	4.3
4	6	**SERVIER**	3.2	3.1
5	5	**SANDOZ**	3.1	3.2
6	4	OTCPHARM	3.1	3.3
7	8	**MENARINI**	3.0	3.1
8	10	**NYCOMED/TAKEDA**	3.0	2.8
9	9	STADA	3.0	2.9
10	7	**GLAXOSMITHKLINE**	2.9	3.1
Total			34.8	35.1

*AIPM members are in bold

Three newcomers broke into the top 10 Brand ranking on the regional market (table 2). MIRAMISTIN (+11%), DETRALEX (+29%) and CARDIOMAGNYL (+5%) moved up to ranks six through eight respectively. NUROFEN (+4%) also showed positive growth rates by moving to rank one from three. The brands ACTOVEGIN (-4%), ESSENTIALE (-5%), THERAFLEX (-1%) and CONCOR (-2%) moved up to rank five through two despite the negative growth rates. At the same time, the previous year leaders KAGOCEL (-42%) and INGAVIRIN (-44%) moved down to the last two ranks due to strong reduction in sales. The total share of the top 10 brands reduced from 6.8% to 6.4%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	3	NUROFEN	0.9	0.8
2	4	ACTOVEGIN	0.7	0.7
3	5	ESSENTIALE	0.7	0.7
4	6	THERAFLEX	0.6	0.6
5	10	CONCOR	0.6	0.6
6	12	MIRAMISTIN	0.6	0.5
7	18	DETRALEX	0.6	0.4
8	11	CARDIOMAGNYL	0.6	0.5
9	1	KAGOCEL	0.6	0.9
10	2	INGAVIRIN	0.5	0.9
Total			6.4	6.8

In contrast to the previous ranking, XYLOMETAZOLINE (+6%) maintained and strengthened the leading position in the top ten INN and grouping names ranking (Table 3). IBUPROFEN (+7%) moved up to rank two from four, displacing PANCREATIN (-3%) and NIMESULIDE (-6%) down to ranks three and four respectively. The other INNs from the top ten rose in the ranks. BISOPROLOL (+2%) and BLOOD (-4%) moved up to ranks five and six from nine and eight, INN PHOSPHOLIPIDS (-4%) moved up to rank eight from ten. The newcomers DIOSMIN*HESPERIDIN (+24%), DICLOFENAC (+2%) and SILDENAFIL (+8%) broke into the ranks of the top ten, coming in at ranks seven and the last two ranks. The total share of the top 10 INNs expanded from 9.2% to 9.8%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	XYLOMETAZOLINE	1.9	1.7
2	4	IBUPROFEN	1.1	1.0
3	2	PANCREATIN	1.1	1.1
4	3	NIMESULIDE	1.1	1.1
5	9	BISOPROLOL	0.9	0.8
6	8	BLOOD	0.8	0.8
7	12	DIOSMIN*HESPERIDIN	0.8	0.6
8	10	PHOSPHOLIPIDS	0.8	0.8
9	11	DICLOFENAC	0.7	0.7
10	18	SILDENAFIL	0.7	0.6
Total			9.8	9.2

The group M01 Anti-inflammatory and antirheumatic products (-1%) held and reinforced rank number one in the top ten ATC groups ranking (Table 4). G03 Sex hormones (+0.6%) also held its previous rank seven, whereas the other groups changed them, rising in the ranks in the majority of cases. J01 Antibacterials for systemic use (-9%), R01 Nasal preparations (-2%), N02 Analgesics (-6%), A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (-4%) and R05 Cough and cold preparations (-9%) moved up one rank, coming in at numbers two through five and nine respectively. The groups C09 Agents acting on the rennin-angiotensin system (+1%) and N06 Psychoanaleptics (-0.2%) showed positive and virtually zero growth rates, moving up two positions to ranks eight and ten respectively. On top of that, the latter became the only newcomer of the top 10 ranking. And only J05 Antivirals for systemic use reduced their sales by 35% and moved down from rank two to eight. In total, the top ten ATC groups accumulated 36.6% of the market against 38.1% in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016			9 mon. 2017	9 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.3	5.2
2	3	J01	ANTIBACTERIALS FOR SYST USE	4.0	4.2
3	4	R01	NASAL PREPARATIONS	3.9	3.9
4	5	N02	ANALGESICS	3.7	3.8
5	6	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.6	3.7
6	8	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	3.6	3.4
7	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.5	3.4
8	2	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	4.8
9	10	R05	COUGH AND COLD PREPARATIONS	2.9	3.1
10	12	N06	PSYCHOANALEPTICS	2.7	2.7
Total				36.6	38.1

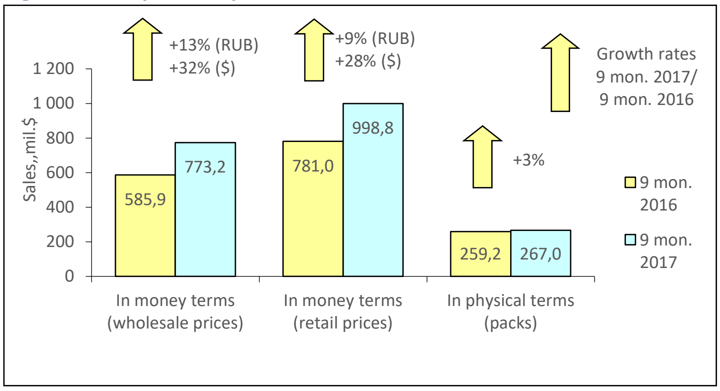
Conclusion. On the basis of the results for the first 9 months of 2017, the pharmacy market of SoFD reached RUB 53.386 bil. (USD 914.670 mil.) at retail prices. The sales decreased by 5% in terms of roubles and increased by 11% in terms of dollars. In pack terms, the market showed negative growth rates (-7%) and amounted to 340.221 mil. packs. The average cost of an FPP pack in the district pharmacies was USD 2.69 which was higher than the 2016 figures (USD 2.25), but lower than national average (USD 3.29). At the end of January-September of 2017, the average expenses of the SoFD residents for medications in the pharmacies were also lower than the national average (USD 55.68 vs. USD 73.84).

UFD PHARMACY MARKET: 2017 NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Ural Federal District (UFD) was 12.346 mil., which accounted for 8.4% of the total Russian Federation population. According to Federal State Statistics Service's data, in January- September of 2017 the average wage in the UFD was RUB 43,153 (USD 739.93), which was 14% higher than the average wage in Russia (RUB 38,005).

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 2017 the sales of FPP drugs in physical terms in the pharmacies of UFD saw a 3% increase to 267.002 mil. packs. In money terms, the market also showed positive growth rates both in rouble terms (+13%), and in dollar terms (+32%), and reached RUB 45.068 bil. (USD 773.213 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 9.2% of the total pharmacy sales in Russia. The average retail cost of an FPP pack was USD 3.74, which was higher than in the same year-earlier period (USD 3.01). In January-September of 2017, the average amount spent by the UFD residents on drugs amounted to USD 80.90.

Figure 1. UFD pharmacy market for 9 months of 2016 – 9 months 2017



The drug manufacturers SANOFI-AVENTIS (+7%), BAYER (+15%), TEVA (-4%) and GEDEON RICHTER (+7%) continued to show the largest sales on the market of Ural Federal District based on the results of January-September of 2017. OTCPHARM (+17%) moved up from rank six to five, displacing SERVIER (+10%) down one rank. In addition to the Russia-based manufacturer, NYCOMED/TAKEDA (+21%) and STADA (+15%) also moved up to the higher ranks seven and nine. At the same time, the less dynamic SANDOZ (+11%) and ABBOTT (+9%) in contrast moved down to ranks eight and the last rank in the top ten ranking. The total share of the top 10 drug manufacturers reduced by almost 1 p.p. to 35.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	**SANOFI-AVENTIS**	5.1	5.4
2	2	**BAYER HEALTHCARE**	5.0	4.9
3	3	**TEVA**	3.6	4.2
4	4	GEDEON RICHTER	3.4	3.6
5	6	OTCPHARM	3.3	3.2
6	5	**SERVIER**	3.2	3.3
7	9	**NYCOMED/TAKEDA**	3.2	3.0
8	7	**SANDOZ**	3.0	3.1
9	10	STADA	3.0	2.9
10	8	ABBOTT	3.0	3.1
Total			35.8	36.6

*AIPM members are in bold

Three newcomers broke into the top 10 brands ranking on the regional market ARTRA (+40%), XARELTO (+48%) and THERAFLEX (+17%) moved up to ranks seven through nine respectively (Table 2). Apart from them, another three brands managed to rise in the ranks. DETRALEX (+19%), NUROFEN (+11%) and ACTOVEGIN (+7%) moved up to ranks two through four. At the same time, INGAVIRIN which reduced its sales by 8% lost three rating positions, moving down to rank five. The brands ESSENTIALE (+12%), LOZAP (+3%) and CARDIOMAGNYL (+12%) held their previous ranks one, six and ten. The cumulative share of the top 10 didn't change and accounted for 6.4%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	ESSENTIALE	0.9	0.9
2	3	DETRALEX	0.8	0.7
3	4	NUROFEN	0.7	0.7
4	5	ACTOVEGIN	0.6	0.7
5	2	INGAVIRIN	0.6	0.8
6	6	LOZAP	0.6	0.7
7	14	ARTRA	0.6	0.5
8	20	XARELTO	0.6	0.4
9	12	THERAFLEX	0.5	0.5
10	10	CARDIOMAGNYL	0.5	0.5
Total			6.4	6.4

The top INN and group names leader managed to hold their own in the ranking: due to outperformance rates, XYLOMETAZOLINE (+19%) held and consolidated its hold of its previous rank number one (Table 3). The compositions DIOSMIN*HESPERIDIN (+23%), CHONDROITINSULFURIC ACID* GLUCOSAMINE (+17%) and INN IBUPROFEN (+16%) held their own in the ranking. Three drug manufacturers of the top ten rose in the ranks. INN PHOSPHOLIPIDS (+18%) moved up one position to rank three, and INN ROSUVASTATIN (+24%) and the newcomer composition DROSPIRENONE* ETHINYLESTRADIOL (+16%) moved up to ranks six and nine respectively. At the same time, INNs PANCREATIN (+12%), NIMESULIDE (-0.2%) and BISOPROLOL (+10%) moved down to ranks four, eight and ten, respectively. The cumulative share of the top10 increased from 9.3% to 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. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	XYLOMETAZOLINE	1.4	1.3
2	2	DIOSMIN*HESPERIDIN	1.2	1.1
3	4	PHOSPHOLIPIDS	1.0	1.0
4	3	PANCREATIN	1.0	1.0
5	5	IBUPROFEN	0.9	0.9
6	8	ROSUVASTATIN	0.9	0.8
7	7	CHONDROITINSULFURIC ACID* GLUCOSAMINE	0.9	0.8
8	6	NIMESULIDE	0.8	0.9
9	12	DROSPIRENONE*ETHINYLESTRADIOL	0.8	0.7
10	9	BISOPROLOL	0.8	0.8
Total			9.6	9.3

The top ten ATC groups ranking proved to be the most stable, of which six ATC groups held their own in the ranking (Table 4). M01 Anti-inflammatory and antirheumatic products (+12%), G03 Sex hormones (+14%) and C09 Agents acting on the rennin-angiotensin system (+13%) held their previous top ranks, and N06 Psychoanaleptics (+16%) and A07 Antidiarrheals (+12%) retained their ranks eight and the last one. Two groups from the remaining ATC groups rose in the ranks. R01 Nasal preparations (+14%) moved up to rank five from six, and the only newcomer of the top ten B01 Antithrombotic agents (+24%) moved up to rank seven. The less dynamic A11 Vitamins (+7%) and J01 Antibacterials for systemic use (+8%) moved down to ranks six and nine. The consolidated share of the top 10 under review reduced from 37.2% to 36.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016			9 mon. 2017	9 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	4.9
2	2	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.7	4.6
3	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.4	4.4
4	4	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	3.9
5	6	R01	NASAL PREPARATIONS	3.4	3.4
6	5	A11	VITAMINS	3.4	3.6
7	11	B01	ANTITHROMBOTIC AGENTS	3.4	3.1
8	8	N06	PSYCHOANALEPTICS	3.2	3.1
9	7	J01	ANTIBACTERIALS FOR SYST USE	3.1	3.3
10	10	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.1	3.1
Total				36.8	37.2

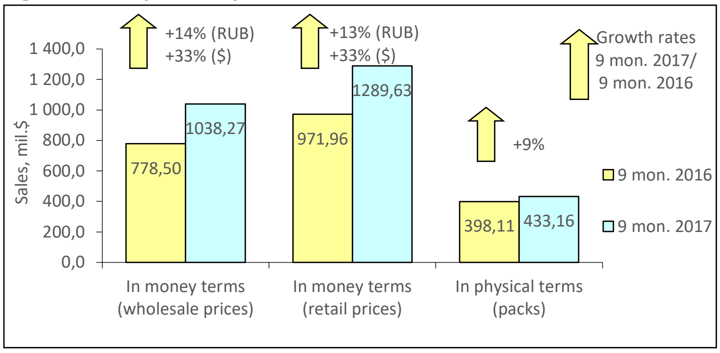
Conclusion. On the basis of the results for the first nine months of 2017, the pharmacy market of the Ural Federal District brought in RUB 58.219 bil. (USD 998.829 mil.) at retail prices. The sales increased 9% in terms of roubles and 28% in terms of dollars. In physical terms, the market also showed the positive growth rates (+3%) and achieved 267.002 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results for the first half of 2017 was USD 3.74 which was higher than the last year figures (USD 3.01) and the national average (USD 3.29). The average expenses of the UFD residents for medications in the pharmacies also exceeded the national average (USD 80.90 vs. USD 73.84).

SiFD PHARMACY MARKET: 2017 NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Siberian Federal District (SiFD) was 19.326 mil., which accounted for 13.2% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for January-September of 2017 the average wage in SiFD was RUB 32,818 (USD 562.72), which was 14% lower than the national average wage throughout Russia (RUB 38,005).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first nine months 2017 the SiFD pharmacy market volume increased in physical terms by 9% and amounted to 433.160 mil. packs (Fig. 1) In wholesale prices, the market showed the positive performance both in terms of roubles (+14%) and in terms of dollars (+33%) and reached RUB 60.559 bil. (USD 1.038 bil.). The district's share accounted for 11.9% of the total pharmacy sales in the Russian pharmacy market pattern. Based on the results for nine months of 2017, the average cost of FPP pack in the SiFD pharmacies was USD 2.98, whereas in the year-earlier period its cost was USD 2.44. In the January-September of 2017, per capita expenses of the SFD residents for purchase of medicines in pharmacies amounted to USD 66.73.

Figure 1. SiFD pharmacy market for 9 months of 2016 – 9 months 2017



The most dynamic among the top ten drug manufacturers BAYER (+22%) became the leader of the ranking on the SiFD pharmacy market based on the results of January-September of 2017 (Table 1). The markets of the other five INNs of the top ten also developed at a fast pace. NYCOMED/TAKEDA (+18%) and SANDOZ (+16%) were placed at ranks five and six, and OTCPHARM (+21%) and STADA (+18%) moved up one rank, coming in at numbers seven and eight, and the newcomer KRKA (+20%) moved up to rank ten, rounding out the top ten. Two drug manufacturers with relatively low growth rates SANOFI-AVENTIS (+5%) and GEDEON RICHTER (+8%) moved down to ranks two and nine. TEVA and SERVIER saw a 11% increase in sales and held their previous ranks three and four. The total share of the top 10 drug manufacturers increased from 35.6% to 35.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	2	**BAYER HEALTHCARE**	4.9	4.6
2	1	**SANOFI-AVENTIS**	4.7	5.1
3	3	**TEVA**	4.4	4.5
4	4	**SERVIER**	3.6	3.7
5	5	**NYCOMED/TAKEDA**	3.3	3.2
6	6	**SANDOZ**	3.2	3.2
7	8	OTCPHARM	3.1	2.9
8	9	STADA	2.9	2.8
9	7	GEDEON RICHTER	2.9	3.1
10	12	**KRKA**	2.7	2.6
Total			35.8	35.6

*AIPM members are in bold

Due to outperformance sale rates, CARDIOMAGNYL (+16%) and NUROFEN (+15%) moved up to the upper ranks of the top 10 brands, displacing LOZAP (+1%) and CONCOR (+4%) down one rank, to numbers three and four (Table 2). Apart from them, another three brands from the top ten showed high growth rates and rose in the ranks. The newcomer DETRALEX (+32%), and LORISTA (+22%) and PENTALGIN (+15%) moved up to ranks five, six and eight, respectively. At the same time, the brand ESSENTIALE (+8%) moved down one rank, to number seven, whereas the more dynamic ACTOVEGIN (+11%) lost two positions in the ranking. On top of that, due to 12% reduction in sales, KAGOCEL moved down to the last rank. In total, the top ten brands accumulated 6.5% 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. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	4	CARDIOMAGNYL	0.7	0.7
2	5	NUROFEN	0.7	0.7
3	1	LOZAP	0.7	0.8
4	2	CONCOR	0.7	0.8
5	12	DETRALEX	0.7	0.6
6	8	LORISTA	0.6	0.6
7	6	ESSENTIALE	0.6	0.6
8	9	PENTALGIN	0.6	0.6
9	7	ACTOVEGIN	0.6	0.6
10	3	KAGOCEL	0.6	0.8
Total			6.5	6.8

In contrast to the above rankings, XYLOMETAZOLINE (+25%) held and reinforced its previous leading position in the top ten INN and grouping names ranking (Table 3). The shifts took part in the lower part of the top ten. On top of that, five INNs of the top ten managed to rise in the ranks. IBUPROFEN (+25%) moved up one rank, to number two, displacing BISOPROLOL (+10%) from that position down one rank. The composition DIOSMIN*HESPERIDIN (+35%) moved up to rank four from eight, and the newcomer ROSUVASTATIN (+33%), DICLOFENAC (+20%) and LOSARTAN (+18%) moved up to ranks seven through nine respectively. At the same time, NIMESULIDE (+4%), PANCREATIN (+10%) and the composition ACETYLSALICYLIC ACID*MAGNESIUM (+17%) moved down to the lower ranks five, six and ten. The total share of the top 10 reduced from 9% to 9.4%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	1	XYLOMETAZOLINE	1.6	1.4
2	3	IBUPROFEN	1.1	1.0
3	2	BISOPROLOL	1.0	1.1
4	8	DIOSMIN*HESPERIDIN	0.9	0.7
5	4	NIMESULIDE	0.9	0.9
6	5	PANCREATIN	0.9	0.9
7	16	ROSUVASTATIN	0.8	0.7
8	12	DICLOFENAC	0.8	0.7
9	11	LOSARTAN	0.8	0.7
10	9	ACETYLSALICYLIC ACID*MAGNESIUM	0.8	0.7
Total			9.4	9.0

Most of the top-10 ATC groups retained their previous positions (Table 4). Among them were its leaders M01 Anti-inflammatory and antirheumatic products (+13%), C09 Agents acting on the rennin-angiotensin system (+17%), G03 Sex hormones, N02 Analgesics (+11%), J01 Antibacterials for systemic use (+9%) and R01 Nasal preparations (+16%). As before, A11 Vitamins (+7%) held its previous rank eight. The groups R05 Cough and cold preparations (+18%) and G04 Urologicals (+21%) moved up to ranks seven and ten. On top of that, the latter became the only newcomer of the top 10 ranking. And only J05 Antivirals for systemic use (-1%) cut their sales and moved down two ranks, to number nine. The cumulative share of the top-ten increased by 0.4 p.p. and achieved 37.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016			9 mon. 2017	9 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.1	5.2
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.7	4.6
3	3	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.3	4.2
4	4	N02	ANALGESICS	3.9	4.0
5	5	J01	ANTIBACTERIALS FOR SYST USE	3.6	3.7
6	6	R01	NASAL PREPARATIONS	3.6	3.5
7	9	R05	COUGH AND COLD PREPARATIONS	3.2	3.1
8	8	A11	VITAMINS	2.9	3.1
9	7	J05	ANTIVIRALS FOR SYSTEMIC USE	2.9	3.4
10	12	G04	UROLOGICALS	2.9	2.7
Total				37.1	37.5

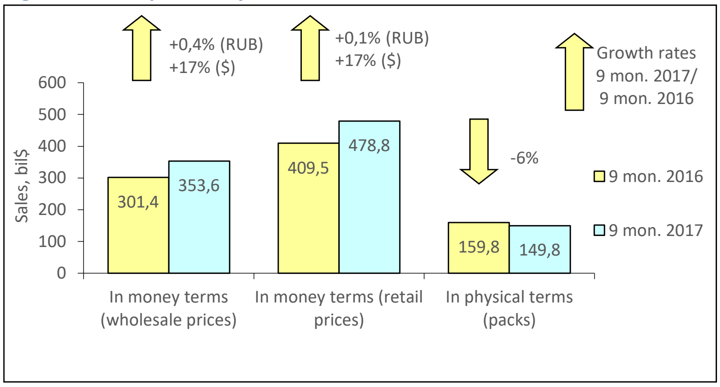
Conclusion. At the end of the first nine months of 2017, the pharmacy market in the Siberian Federal District was estimated at RUB 75.218 mil. (USD 1.290 bil.) in final consumer prices. At the same time, the market behaviour was positive both in rouble (+13%), and in dollar (+33%) terms. In pack terms, the sales increased by 9% and reached 433.160 mil. packs. The average cost of an FPP pack (USD 2.98) increased as compared to a year earlier (USD 2.44), but continued to be lower than the national FPP price average in Russia (USD 3.29). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 66.73 vs. USD 73.84).

FEFD PHARMACY MARKET: 2017 NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2017 estimated population of the Far Eastern Federal District (FEFD) was 6.183 mil., which accounted for 4.2% of the total Russian Federation population. According to Federal State Statistics Service's data, at the end of nine months of 2017 the average wage in the FEFD was RUB 47,558 (USD 815.47), which was 25% higher than the average wage in Russia (RUB 38,005).

According to the results of the Retail Audit of Finished Pharma Products in Russian Federation™, in January-September of 2017 the sales of drugs in pack terms in the pharmacies of the FEFD saw a 6% decrease to 149.775 mil. packs. In value terms, the market increased both in rouble terms (+0.4%) and in dollar terms (+17%) and reached RUB 20.626 bil. (USD 353.640 mil.) in wholesale prices (Fig. 1). The district's share reached 4.4% of the all-Russia sales in retail prices. The average cost of a pack increased as compared with the same period of the Year and escalated to USD 3.20 (vs. USD 2.56). At the end of the first nine months of 2017, the average amount spent by the residents of the FEFD for the drugs in pharmacies amounted to USD 77.44.

Figure 1. FEFD pharmacy market for 9 months of 2016 – 9 months 2017



Based on the results for January-September of 2017, the manufacturer BAYER (+10%) demonstrated the largest sales on the FEFD retail market and moved up to rank number one of the top ten manufacturers (Table 1). At the same time, the last year leader SANOFI-AVENTIS (-7%) moved down one rank. SERVIER, TEVA (-5% each) and GEDEON RICHTER (-6%) held their previous ranks from three through five. Another two shifts took place in the bottom part of the top-10 ranking. NYCOMED/TAKEDA (+8%), which showed positive growth rates, moved up to ranks six and eight. At the same time, SANDOZ which showed zero growth rates and GLAXOSMITHKLINE (-8%) and OTCPHARM (-5%) cut their sales, lost one rank each, moving down to ranks seven, and the last two ranks. The total share of the top 10 drug manufacturers reduced from 35.9% to 35.3%

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	2	**BAYER HEALTHCARE**	4.7	4.3
2	1	**SANOFI-AVENTIS**	4.2	4.5
3	3	**SERVIER**	3.7	4.0
4	4	**TEVA**	3.7	3.9
5	5	GEDEON RICHTER	3.5	3.7
6	7	**NYCOMED/TAKEDA**	3.5	3.2
7	6	**SANDOZ**	3.3	3.3
8	10	**KRKA**	3.0	2.8
9	8	**GLAXOSMITHKLINE**	2.9	3.2
10	9	OTCPHARM	2.8	3.0
Total			35.3	35.9

*AIPM members are in bold

As in the previous ranking, the top 10 brands names leader has changed (Table 2). The former leader INGAVIRIN cut its sales by 14% and moved down to rank four, and NUROFEN (+3%), CONCOR (-2%) and CARDIOMAGNYL (+3%) moved up to the top three ranks. The newcomers DETRALEX (+11%) and MIRAMISTIN (+19%) broke into the ranks of the top ten, and LORISTA (+7%) moved up to rank six from nine. Due to considerable reduction in sales, ESSENTIALE (-16%) and THERAFLU (-7%) shrank their market shares and fell in the ranks. After 1% reduction in sales, MEXIDOL held its previous rank eight. The total share of the top ten didn't virtually change: 6,8% vs 6,9% in 2016.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016		9 mon. 2017	9 mon. 2016
1	2	NUROFEN	0.8	0.8
2	3	CONCOR	0.8	0.8
3	5	CARDIOMAGNYL	0.7	0.7
4	1	INGAVIRIN	0.7	0.8
5	11	DETRALEX	0.7	0.6
6	9	LORISTA	0.6	0.6
7	4	ESSENTIALE	0.6	0.8
8	8	MEXIDOL	0.6	0.6
9	14	MIRAMISTIN	0.6	0.5
10	7	THERAFLU	0.6	0.7
Total			6.8	6.9

XYLOMETAZOLINE (+7%), IBUPROFEN (+12%) and BISOPROLOL (-2%) held their previous three ranks in the top ten INN and group names ranking (Table 3). The other top 10 INNs changed their ranks; of which five INNs improved them. PANCREATIN (+5%) moved up one rank, coming in at number four. The composition DIOSMIN*HESPERIDIN (+11%) moved up to rank five from eight, INN DICLOFENAC (-2%) to rank eight from ten. Two newcomers ACETYLSALICYLIC ACID*MAGNESIUM (+3) and ETHYLMETHYLHYDROXYPYRIDINE (+0.4%) broke into the ranks of the top ten, coming in at numbers seven and ten. At the same time, NIMESULIDE (-9%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-14%) with pronounced negative growth rates moved down to the lower ranks six and nine, respectively. The cumulative share of the 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, %	
6 mon. 2017	6 mon. 2016		6 mon. 2017	6 mon. 2016
1	1	XYLOMETAZOLINE	1.8	1.7
2	2	IBUPROFEN	1.2	1.1
3	3	BISOPROLOL	1.0	1.0
4	5	PANCREATIN	0.9	0.9
5	8	DIOSMIN*HESPERIDIN	0.9	0.8
6	4	NIMESULIDE	0.9	0.9
7	11	ACETYLSALICYLIC ACID*MAGNESIUM	0.7	0.7
8	10	DICLOFENAC	0.7	0.7
9	6	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.7	0.8
10	13	ETHYLMETHYLHYDROXYPYRIDINE	0.7	0.7
Total			9.5	9.4

The top three ATC group held their own in the top ten ranking on the regional market (Table 4). The groups M01 Anti-inflammatory and antirheumatic products (-2%), C09 Agents acting on the rennin-angiotensin system (+0.3%), R01 Nasal preparations (-2%) kept their previous top three positions (Table 4). G03 Sex hormones (+14%) and J01 Antibacterials for systemic use (+2%) moved up to ranks four and five from seven and six. N02 Analgesics (-9%) and J05 Antivirals for systemic use (-15%), which had been placed at those positions earlier, moved down two ranks. The groups rounding out the top ten R05 Cough and cold preparations (-6%), A11 Vitamins (-4%) and A07 Antidiarrheals (-3%) kept their previous positions despite the reduction in pharmacy sales and drop in the market shares. The total share of the analysed ranking also reduced, accounting for 35.9% against 37% in a year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2017	9 mon. 2016			9 mon. 2017	9 mon. 2016
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	4.9
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.3	4.3
3	3	R01	NASAL PREPARATIONS	3.9	3.9
4	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.7	3.3
5	6	J01	ANTIBACTERIALS FOR SYST USE	3.7	3.6
6	4	N02	ANALGESICS	3.5	3.9
7	5	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	3.9
8	8	R05	COUGH AND COLD PREPARATIONS	3.0	3.2
9	9	A11	VITAMINS	2.9	3.0
10	10	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	2.8	2.9
Total				35.9	37.0

Conclusion. On the basis of the results for January-September 2017, the retail market of the Far Eastern Federal District brought in RUB 30.217 bil. (USD 520.310 mil.), which was 0.1% in terms of roubles and 17% in terms of dollars more than in the same period of 2016. In pack terms, the market showed negative growth rates (-6%) and amounted to 149.775 mil. packs. The average cost of a pack in the FEFD pharmacies based on the results for the first nine months of 2017 was USD 3.20 (in a year-earlier period - USD 2.56), which was lower than the national average (USD 3.29). The average medicine expenses of the district residents were higher than the national average expenses in Russia (77.44 USD vs. 73.84 USD).