REMEDIUM GROUP OF COMPANIES

AIPM
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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

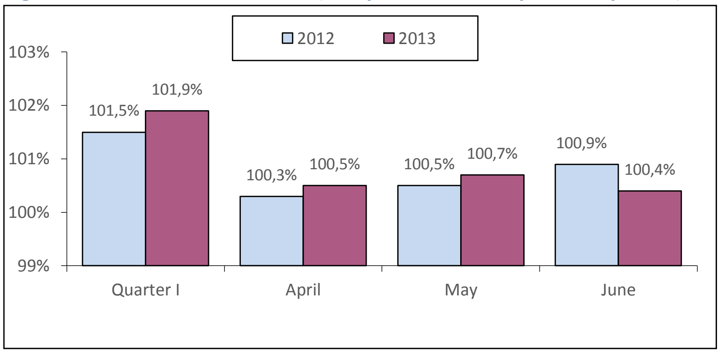
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in June 2013 Consumer Price Index was estimated as 100.4% compared to the previous month, and 103.5% for the year to date (in January-June 2012 - 103.2%).

In June this year, Industrial Producer Price Index was 100.4%, whereas in the month-earlier period it had amounted to 99.0%.

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



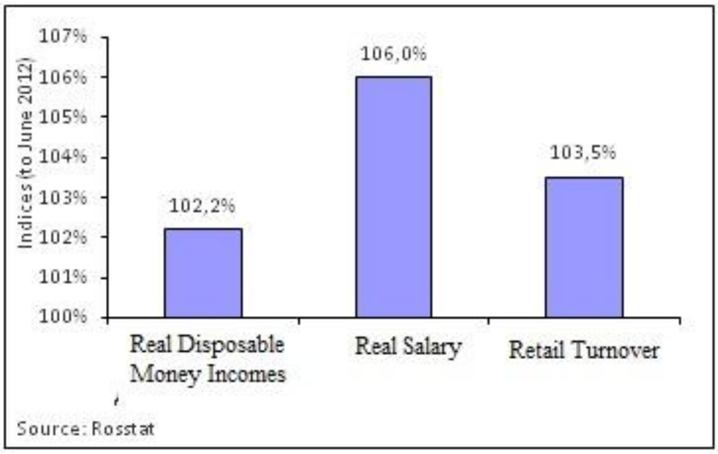
Living standard

According to preliminary Federal State Statistics Service's data, in June 2013a gross monthly average salary per worker reached RUB 31,210 (USD 954.14) which accounted for 105.0% compared to the previous month and 113.3% compared to June 2012. In June 2013, the real salary accounted for 106.0% as compared with the same period in 2012. In June 2013, the real value of cash incomes accounted for 102.2% compared to the same period of 2012 (Fig. 2).

Retail turnover

In June 2013, the retail turnover was equal to RUB 1,932.6 bln, which in comparable prices accounted for 103.5% compared to the same period a year ago, in the first half of 2013. - RUB 10,909.9 bln and 103.7% (Fig. 2).

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



Manufacture of industrial products

According to Federal State Statistics Service's data, in June 2013 Industrial Production Index accounted for 100.1% compared to the same period a year ago, 100.9% to the previous period of 2013, 100.1% in the first half of 2013.

Domestic production

The top 10 largest domestic manufacturers by production volume at June-end 2013 are summarized in Table 1. The total production volume of top ten manufacturers was estimated at USD 260.9 mln.

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

Rank	Manufacturer	Production volume, $mln
1	Pharmstandart	83.3
2	KRKA-RUS	46.5
3	Stada	28.7
4	Sotex	20.4
5	Valenta	18.7
6	Akrihin	14.7
7	NEARMEDIC Plus	13.9
8	Pharm-Center	13.3
9	Excom	11.4
10	Materia Medica	10.0

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In May 2013 compared to April, reduction in pharmacy sales (in terms of roubles) was observed in all analysed regions. The lowest performance was observed in Moscow (-19%) and in St. Petersburg (-18%) the highest one in Krasnoyarsky Krai (-7%).

Table 2. Pharmacy sales in the regions, 2013

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	March 2013	April 2013	May 2013	March / February 2013	April/March 2013	May/ April 2013
Moscow	205.4	199.1	158.8	8%	-3%	-19%
St Petersburg	56.7	52.9	43.0	1%	-6%	-18%
Krasnodarsky Krai	39.9	37.7	32.7	6%	-5%	-12%
Novosibirskaya Oblast	25.3	23.8	21.3	-5%	-6%	-10%
Tatarstan	29.6	30.0	26.4	0%	2%	-11%
Krasnoyarsky Krai	20.4	20.1	18.5	-2%	-1%	-7%
Rostovskaya Oblast	25.3	22.0	18.7	1%	-13%	-14%
Voronezhskaya Oblast	19.6	18.1	15.4	5%	-7%	-14%
Perm	7.5	7.0	5.8	-4%	-7%	-16%
Tyumen	8.0	7.5	6.6	-2%	-5%	-11%

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 June 2013

Rank	Company*	Quantity of broadcasts
1	Novartis	8,084
2	Pharmstandart	4,626
3	Berlin-Chemie Menarini Group	2,957
4	Reckitt Benckiser	2,771
5	Firn M	2,484

Source - Remedium according to TNS Russia

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

Rank	Trade name*	Quantity of broadcasts
1	Evalar	1,953
2	Smekta	1,835
3	Nurofen	1,747
4	Candid	1,365
5	Lamasil	1,342

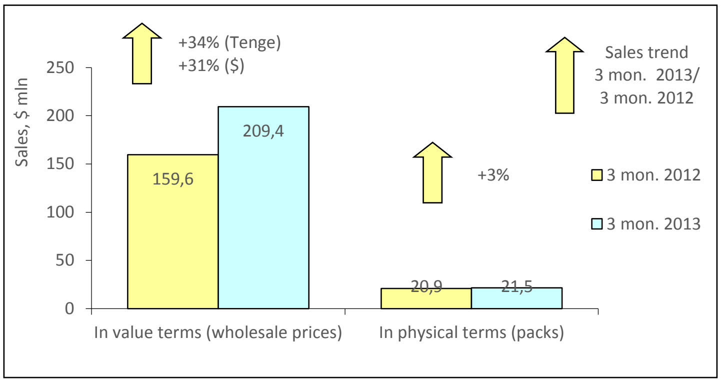
Source - Remedium according to TNS Russia

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN HOSPITAL MARKET: 2013 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Kazakhstan™, in the first quarter of 2013 the Kazakhstan hospital market in physical terms increased by 3% to 21.550 million packs. In value terms, the market also showed positive growth rates (34% in terms of tenges and 31% in terms of dollars) and reached TENGE 31.555 bln (USD 209.447 mln) in wholesale prices. Based on the results of 3 months 2013, the average cost of OTC pack in the hospital sector was USD 9.72, whereas in the year-earlier period its cost was USD 7.62.

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



At QI-end 2013, ROCHE which hospital purchases increased 2.1[1] times took the lead in the top ten manufacturers ranking in the Kazakhstan market (Table 1). The leader of the previous year PFIZER reduced its sales 40% and moved down to rank three. The local manufacturer SANTO (+28%) maintained its own rank two. MERCK SHARP & DOHME (+36%) also managed to hold its own rank nine (+36%). Almost all other drug manufacturers of the ranking showed outperformance and expanded their market share. At the same time, four of them rose in the ranks. The sole exception was SANOFI (+18%) which due to lagging behind the growth rates reduced its market share and moved down to rank five from three. The drug manufacturers BAYER (+76%), OCTAPHARMA (+62%) and BAXTER (+58%) moved up one rank, coming in at numbers four, six and seven. At the same time, they forced down the less dynamic drug maker JOHNSON & JOHNSON (+40%) to rank 8. The only newcomer, NOBEL ILAC SANAYII VE TICARET which hospital purchases increased 2.6 times, broke into the ranks of the top ten, coming in at number ten. But the total share accumulated by the top ten manufacturers reduced from 65.3% to 63.7%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	4	**ROCHE**	9.9	6.3
2	2	SANTO	7.9	8.3
3	1	**PFIZER**	7.7	17.3
4	5	**BAYER HEALTHCARE**	6.8	5.2
5	3	**SANOFI**	6.6	7.5
6	7	OCTAPHARMA AG	5.8	4.8
7	8	**BAXTER**	5.5	4.6
8	6	**JOHNSON & JOHNSON**	5.2	5.0
9	9	**MERCK SHARP & DOHME**	4.5	4.5
10	14	NOBEL ILAC SANAYII VE TICARET A.S.	3.7	1.9
Total			63.7	65.3

*AIPM members are in bold

Two newcomers broke into the top ten trade names ranking (table 2). They were antituberculous drug CAPREOMYCIN and interferon preparation PEGASYS, which purchases increased 2.8 and 2.7 times, respectively. Three more trade names managed to rise in the ranks: PEGINTRON (+46%) moved up one rank, coming in at number 2. The more dynamic KOGENATE FS (+102%) and OCTANAT (+84%) moved up to ranks four and five from ranks nine and eight. At the same time, TAXOTERE (+25%), HERCEPTIN (+43%), RECOMBINATE (=51%) and OCTAGAM (+58%) moved down to the lower ranks 3, 6, 7 and 9, respectively. The vaccine PREVENAR (-46%) held its leading position despite the considerable reduction in purchases. The cumulative share of the top 10 considerably reduced and accounted for 29.7%.

Table 2. The top 10 trade names by hospital purchases

Rank in the top ten		Trade name	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	PREVENAR	6.8	16.9
2	3	PEGINTRON	2.9	2.7
3	2	TAXOTERE	2.8	3.0
4	9	KOGENATE FS	2.7	1.8
5	8	OCTANAT	2.6	1.9
6	4	HERCEPTIN	2.5	2.3
7	5	RECOMBINAT	2.5	2.2
8	16	CAPREOMYCIN	2.3	1.1
9	7	OCTAGAM	2.3	1.9
10	15	PEGASYS	2.3	1.1
Total			29.7	35.0

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

Three leaders of the top 10 INN and generic names ranking remained unchanged (table 3). INNs PNEUMOCOCCAL VACCINE (-46%) and OCTOCOG ALFA (+74%) and ANTIHEMOPHILIC FACTOR VIII (+60%) held their own and, except for the former, reinforced their ranks. PEGINTERFERON ALFA-2B (+46%) moved up to rank four by displacing DOCETAXEL (+25%) down one rank. The names in the bottom part of top 10 ranking showed high growth rates. TRASTUZUMAB (+43%) and HUMAN NORMAL IMMUNOGLOBULIN (+46%) moved up one rank. The newcomers broke into the ranks, coming in at numbers eight, nine and ten. They were CAPREOMYCIN (2.8-fold purchases growth), PEGINTERFERON ALFA-2A (2.7-fold) and IMATINIB (2.5-fold).

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

Rank		INN/Generic Names	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012		3 mon. 2013	3 mon. 2012
1	1	PNEUMOCOCCAL VACCINE	6.8	17.0
2	2	OCTOCOG ALFA	5.2	4.0
3	3	ANTIHEMOPHILIC FACTOR VIII	4.5	3.8
4	5	PEGINTERFERON ALFA-2B	2.9	2.7
5	4	DOCETAXEL	2.8	3.0
6	7	TRASTUZUMAB	2.5	2.3
7	8	HUMAN NORMAL IMMUNOGLOBULIN	2.4	2.2
8	15	CAPREOMYCIN	2.3	1.1
9	14	PEGINTERFERON ALFA-2A	2.3	1.1
10	13	IMATINIB	2.1	1.1
Total			33.9	38.4

One newcomer broke into the ranks of the top ten ATC groups - Group J06 Immune sera and immunoglobulins (+54%) moved up from rank 11 to nine (table 4). The other four ATC groups of the top 10 rose in the ranks. L01 Antineoplastic agents (2-fold growth in purchases) and B02 Antihemorrhagics (+53%) moved up one rank, coming in at numbers one and two, whereas the last year leader J07 Vaccines reduced their purchases by 36% and only moved up to rank three. L03 Immunostimulants (+83%) moved up one rank, coming in at number 4. Due to 2.8-fold growth in purchases, J04 Antimycobacterials moved up from rank nine to six. At the same time, J01 Antibacterials for systemic use (+26%), A10 Drugs used to treat diabetes (+29%), B01 Antithrombotic agents (-7%) and B03 Antianemic preparations (+13%) moved down to the lower ranks 5, 7, 8 and 10, respectively. In contrast to the previous rankings, the total share of the analysed top 10 remained increased 2p.p. and accounted for 79.8%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2013	3 mon. 2012			3 mon. 2013	3 mon. 2012
1	2	L01	ANTINEOPLASTIC AGENTS	21.7	14.5
2	3	B02	ANTIHEMORRHAGICS	13.5	11.8
3	1	J07	VACCINES	8.9	18.7
4	5	L03	IMMUNOSTIMULANTS	8.7	6.4
5	4	J01	ANTIBACTERIALS FOR SYST USE	8.0	8.5
6	9	J04	ANTIMYCOBACTERIALS	5.5	2.6
7	6	A10	DRUGS USED IN DIABETES	4.9	5.1
8	7	B01	ANTITHROMBOTIC AGENTS	3.2	4.6
9	11	J06	IMMUNE SERA & IMMUNOGLOBULIN	2.7	2.4
10	8	B03	ANTIANEMIC PREPARATIONS	2.6	3.1
Total				79.8	77.7

Conclusion. At the end of the three months of 2013, Kazakhstan hospital market grew by 34% in tenge terms and by 31% in dollar terms and brought in Tenge 31.555 bln (USD 209.447 mln). In pack terms, the market showed not so high positive growth rates (+3%) and brought in 21.550 mln packs. In the first three months of 2013, the average cost of OTC pack in the regional hospital sector was much higher than in the year-earlier period (USD 9.72 vs. USD 7.62).

RUSSIAN FEDERATION REGIONAL HOSPITAL MARKETS: 2013 FIRST 3 MONTHS RESULTS

According to the results of the Hospital Purchase Audit in Russian Federation™, following the results of the first quarter of 2013, eleven regional markets taken individually accounted for 46.9% of the entire hospital sector of the Russian Federation, which is a bit higher than in the year-earlier period (45.5%). The biggest market is the market of Moscow which share accounted for 20.9% of hospital purchases (Fig. 1). The Moscow market is followed by the markets of St. Petersburg (5.8%), Krasnodarsky Krai (3.8%), Krasnoyarski Krai and Rostovskaya Oblast (2.8% each). The regional markets considerably differ by average cost of a hospital OTC pack. At QI-end 2013, the highest average cost of a hospital pack was observed in Moscow (USD 8.20). Moscow is followed by Novosibirskaya Oblast (USD 7.81) and Nizhegorodskaya Oblast (USD 7.78) and St. Petersburg (USD 7.70). The lowest cost of a hospital pack was registered in the Republic of Tatarstan (USD 3.14).

Figure 1. Regions share in the total hospital purchase volume in the Russian Federation for 3 months 2013.

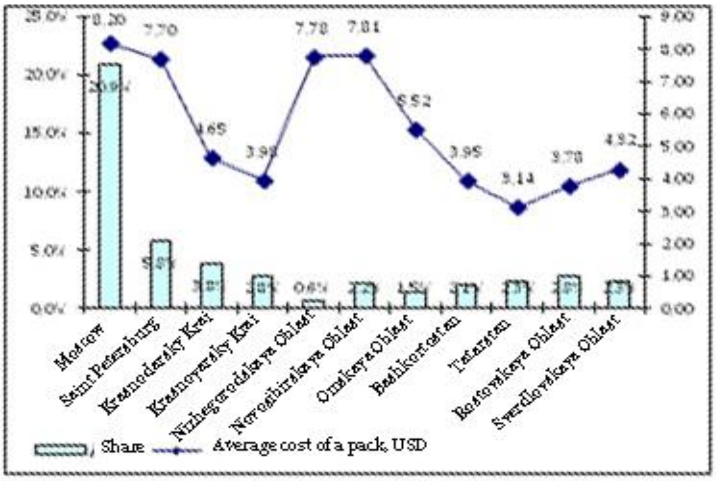


Table 1 provides information of the ranks of the All-Russia top drug manufacturers in the regional top ten rankings. At first quarter-end, the largest share of the Russian hospital market was accounted for by the drugs made by Sanofi-Aventis, which dominated in the four regions. It was ranked 2nd in the Krasnodarski Krai, Bashkortostan and Omskaya Oblast and 3rd in St. Petersburg, Nizhegorodskaya Oblast and Novosibirskaya Oblast. In Moscow the leader of the All-Russia ranking was placed at rank four. Roche, which was ranked 2nd in the All-Russia ranking, was placed at the same rank only in St. Petersburg. This drug maker became the leader of Moscow, Bashkortostan and Sverdlovskaya Oblast markets, and was ranked 3rd in the Rostovskaya Oblast. It only got shortlisted in the top tens of another three regions and placed at the lower ranks only in Tatarstan and Krasnoyarsky Krai. Merck Sharp Dohme rounding out the top three drug manufactures ranking dominated the Novosibirsk market, broke into the ranks of the top tens in seven regions and of the top twenties in two regions. The maximum number of “crossings” with the all-Russia list of top drug manufacturers was observed in Moscow (9 manufacturers), the minimum number – in Krasnodarsky Krai, Rostovskaya Oblast and Omskaya Oblast (5 manufacturers each).

Table 1. The top 10 drug manufacturers by hospital purchases (rank in the regional rankings)

Rank in RF ranking	Company	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodarsky Krai	Bashkortostan	Tatarstan	Sverdlovskaya Oblast	Nizhegorodskaya Oblast	Rostovskaya Oblast	Novosibirskaya Oblast	Krasnoyarsky Krai	Omskaya Oblast
1	Sanofi-Aventis	4	3	2	2	1	1	3	1	3	1	2
2	Roche	1	2	9	1	52	8	1	3	5	18	8
3	Merck Sharp Dohme	3	1	7	5	11	3	2	12	4	8	1
4	Pfizer	2	5	1	30	17	13	9	18	13	23	3
5	AstraZeneca	7	7	12	6	4	15	10	4	8	6	4
6	Nycomed/Takeda	5	10	21	10	2	2	12	6	6	5	20
7	Bayer Healthcare	6	4	19	7	14	18	15	8	9	13	17
8	GlaxoSmithKline	9	11	6	3	10	5	7	17	2	3	12
9	Novartis	8	6	16	15	5	20	21	29	15	51	24
10	Microgen	18	35	14	14	3	25	5	15	24	2	28

Yet more significant deviations in the regional top 10 rankings were observed with a breakdown of individual trade names (Table 2). However, in six regions under review the leader of all-Russia hospital market - Sodium Chloride – was ranked number one in the regional rankings. Note that it got shortlisted in the top-tens of the other regions. The trade name Clexan ranked second in the All-Russia ranking was placed at the same rank in Tatarstan and Sverdlovskaya Oblast. This drug became the leader in the Krasnoyasky Krai and was ranked 3rd in Krasnodarsky Krai and Nizhegorodskaya Oblast. It got shortlisted in the top-tens in another five regions and ranked 15th only in St. Petersburg. Pegasys which was ranked 3rd in the All-Russia ranking got shortlisted in the top tens of six regions, at the same time it became the leader of Bashkortostan market, whereas in other regions it moved down to much lower ranks. It should be noted that in two regions (Novosibirskaya Oblast and Omskaya Oblast) the leader of the regional market didn't achieve the All-Russia top ten finishes. The maximum number of “crossings” with the all-Russia list of top trade names was observed in Rostovskaya Oblast (seven positions), the minimum number of those was registered in Omskaya Oblast (two positions).

Table 2. The top 10 trade names by hospital purchases (rank in the regional rankings)

Rank in RF ranking	Trade name	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodarsky Krai	Bashkortostan	Tatarstan	Sverdlovskaya Oblast	Nizhegorodskaya Oblast	Rostovskaya Oblast	Novosibirskaya Oblast	Krasnoyarsky Krai	Omskaya Oblast
1	Sodium Chloride	1	1	1	2	1	1	6	1	3	2	2
2	Clexane	6	15	3	4	2	2	3	9	5	1	6
3	Pegasys	2	2	121	1	222	8	4	N/A	4	189	25
4	Curosurf	20	11	20	5	4	33	2	32	27	3	23
5	Meronem	17	75	30	22	11	18	23	10	20	9	35
6	Glucose	35	27	8	6	401	12	16	4	29	7	28
7	Actovegin	47	26	163	N/A	32	308	30	2	40	42	56
8	Herceptin	15	19	195	3	N/A	61	1	3	50	72	N/A
9	Ceftriaxone	77	60	83	28	8	6	112	103	33	21	16
10	**Ultravist**	18	9	16	11	58	15	83	8	6	13	15

Considerable variances in the consumption structure of not only individual drugs, but of pharmacotherapeutic groups as well are observed depending on the regions (table 3). However, it should be noted that the leader of all-Russia ranking – the group J01 Antibacterials for systemic use tops almost all regional rankings. The exception was St. Petersburg, Nizhegorodskaya Oblast and Novosibirskaya Oblast, as well as Krasnoyarsky Krai. The second group of All-Russia hospital ranking - L01 Antineoplastic agents got shortlisted in the top fives in all analysed regions and became the leader in two of them. And only in Tatarstan it was ranked tenth. The group B05 Blood substitutes and perfusion solutions which was ranked 3rd got shortlisted in the top fives in all regions and in most of them - even in the top threes. Starting from rank four, the regional rankings differed considerably. The top-10 of all-Russia hospital sector is reproduced in Moscow and St. Petersburg (9 positions match) to the fullest extent.

Table 3. The top 10 ATC groups by hospital purchases (rank in the regional rankings)

Rank in RF ranking	ATC code	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodarsky Krai	Bashkortostan	Tatarstan	Sverdlovskaya Oblast	Nizhegorodskaya Oblast	Rostovskaya Oblast	Novosibirskaya Oblast	Krasnoyarsky Krai	Omskaya Oblast
1	J01	1	2	1	1	1	1	2	1	4	3	1
2	L01	2	1	3	5	10	5	1	2	2	5	4
3	B05	3	3	2	2	2	4	5	3	3	2	2
4	B01	5	7	4	4	3	3	3	4	6	62	3
5	L03	9	9	14	3	27	8	4	19	8	14	11
6	V08	6	5	12	11	12	6	19	10	7	9	15
7	J06	4	21	7	6	5	24	10	20	24	10	9
8	N05	13	8	8	7	21	9	9	6	10	6	8
9	L04	7	4	6	27	16	33	14	43	17	36	10
10	N01	10	10	10	9	6	10	13	7	9	11	14

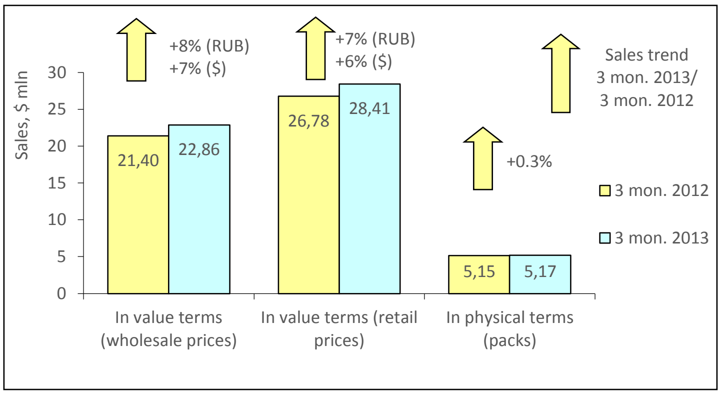
Conclusion. As comparison of the main rankings shows, the Russian hospital sector was marked by the pronounced regional specificity of market profile. However, in most cases the leaders of all-Russia rankings got high ranks in the regional hospital markets as well.

KRASNODAR PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Tver's estimated population was 871.2 thd, which accounted for 0.6% of the total Russian Federation population and 6.3% of Southern FO (SFO). According to Federal State Statistics Service's data, based on the results for 3 months of 2013 the average salary in the Krasnodarski Krai was RUB 21,845.9 (USD 714.39), which is 20% 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 Krasnodar saw a 0.3% increase to 5.175 mln packs. In value terms, the OTC drugs market increased by 8% in rouble terms and by 7% in dollar terms and reached RUB 695.203 million (USD 22.857 million) in wholesale prices (Fig. 1). The city's share accounted for 0.6% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 5.20) and reached USD 5.49 in retail prices. For the first three months of 2013, the average amount spent by residents of Krasnodar for drugs in the pharmacies amounted to USD 32.61.

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



At QI-end 2013, SANOFI-AVENTIS (-3%), PHARMSTANDART (+1%) and BAYER (+2%) remained the leaders of the regional top drug manufacturers ranking (table 1). It should, however, be noted that due to low and even negative (the leader of the top ten) growth rates, the drug manufacturers reduced their market shares. Another three drug manufacturers showed lagging behind growth rates. They were SERVIER (+4%), ABBOTT (-7%) and SANDOZ (+3%) which moved down to ranks six, eight and nine. In contrast, the other drug manufacturers demonstrated outperformance and rose in the ranks. They were NOVARTIS (+12%) and TEVA (+14%) which moved up to ranks 4 and 7, as well as the newcomers ALLERGAN and PFIZER (+20%) which broke into the ranks of the top ten, coming in at numbers five and ten. The total share of the top 10 drug manufacturers increased by over 2 p.p to 37.7%.

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	**SANOFI-AVENTIS**	5.2	5.9
2	2	PHARMSTANDART	4.5	4.7
3	3	**BAYER HEALTHCARE**	4.1	4.4
4	8	**NOVARTIS**	3.7	3.5
5	87	ALLERGAN	3.6	0.0
6	5	**SERVIER**	3.5	3.7
7	9	**TEVA**	3.5	3.3
8	4	**ABBOTT**	3.4	4.0
9	7	**SANDOZ GROUP**	3.4	3.5
10	11	**PFIZER**	2.8	2.5
Total			37.7	35.6

*AIPM members are in bold

The ranking of the top-10 trade names was half updated five newcomers broke into the ranks of the top ten drug manufacturers (table 2). BOTOX moved up to rank one, HEMAPAXAN (+95%), ABILIFY (+48%) and AMIXIN (+41%) moved up to ranks from five through seven and BARACLUDE, which sales increased 8 times, moved up to rank nine. KAGOCEL (+22%) also rose in the ranks, coming in at number two from three. On top of that, it displaced another antiviral drug ARBIDOL (+3%) down one rank. Three more trade names showing negative growth rates fell in the ranks. They were ESSENTIALE N (-11%), DUPHASTON (-3%) and OSCILLOCOCCINUM (-2%), moving down to numbers 4, 8 and 10, respectively. The total share of the top-ten increased by 4.4 p.p. and achieved 10.3%.

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	N/A	BOTOX	3.5	N/A
2	3	KAGOCEL	1.0	0.9
3	2	ARBIDOL	1.0	1.1
4	1	ESSENTIALE N	0.9	1.1
5	27	HEMAPAXAN	0.8	0.4
6	15	ABILIFY	0.7	0.5
7	14	AMIXIN	0.7	0.5
8	6	DUPHASTON	0.6	0.7
9	83	BARACLUDE	0.6	0.1
10	8	OSCILLOCOCCINUM	0.6	0.6
Total			10.3	5.9

Three newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were the leading INNs CLOSTRIDIUM BOTULINUM TOXIN TYPE A, as well as ENOXAPARIN SODIUM (+73%) and TILORONE (+42%) which moved up to ranks 6 and 8. Another three INNs developed their markets at a fast pace. One of them, KAGOCEL (+22%) moved up from rank 6 to four. Two other INNs XYLOMETAZOLINE (+11%) and AZITHROMYCIN (+21%) moved down to the lower ranks two and nine, after being displaced by the more dynamic newcomers of the top ten. The other four INNs also fell in the ranks. They were PANCREATIN (-12%) and PHOSPHOLIPIDS (-10%), as well as UMIFENOVIR (+3%) and INTERFERON ALFA-2B (+0.4%) showing low growth rates. The total share of the analysed ranking, as well as one of the above ranking increased noteworthily by 3.8 p.p to 13.2%.

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	85	CLOSTRIDIUM BOTULINUM TOXIN TYPE A	3.5	0.0
2	1	XYLOMETAZOLINE	1.7	1.7
3	2	PANCREATIN	1.2	1.5
4	6	KAGOCEL	1.0	0.9
5	4	UMIFENOVIR	1.0	1.1
6	19	ENOXAPARIN SODIUM	1.0	0.6
7	3	PHOSPHOLIPIDS	1.0	1.2
8	11	TILORONE	0.9	0.7
9	7	AZITHROMYCIN	0.9	0.8
10	5	INTERFERON ALFA-2B	0.9	0.9
Total			13.2	9.4

The leader of the top ten ATC groups didn't change - L03 Immunostimulants (+7%) held its own in the ranking (table 4). Groups J01 Antibacterials for systemic use (+4%), R01 Nasal preparations (+12%) and R05 Cough and cold preparations (+10%) also held their own ranks 4, 7 and 8 in the top ten. ATC groups which rose in the ranks moved up to numbers two, three and six. N05 Psycholeptics (+31%) moved up to rank two from six, and J05 Antivirals for systemic use (+49%) moved up to rank three from 9. The only newcomer of the top ten, Group M03 Muscle relaxants, moved up to rank six. In contrast, the other three groups fell in the ranks. N06 Psychoanaleptics (+2%) moved down to rank five, whereas G03 Sex hormones (-6%) and N02 Analgesics (-14%) moved down to rank s nine and ten. The total share of the top 10 ATC groups increased by almost 4 p.p. and reached 40.7%.

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	L03	IMMUNOSTIMULANTS	4.8	4.9
2	6	N05	PSYCHOLEPTICS	4.8	4.0
3	9	J05	ANTIVIRALS FOR SYSTEMIC USE	4.7	3.4
4	4	J01	ANTIBACTERIALS FOR SYST USE	4.1	4.3
5	2	N06	PSYCHOANALEPTICS	4.0	4.3
6	59	M03	MUSCLE RELAXANTS	3.7	0.2
7	7	R01	NASAL PREPARATIONS	3.7	3.6
8	8	R05	COUGH AND COLD PREPARATIONS	3.6	3.6
9	5	G03	SEX HORM&MODULAT GENITAL SYS	3.6	4.2
10	3	N02	ANALGESICS	3.4	4.3
Total				40.7	36.7

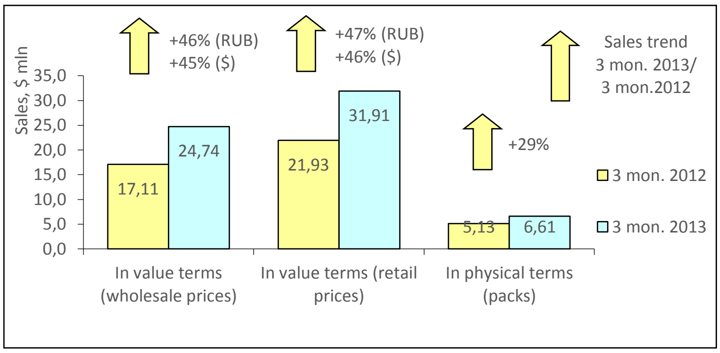
Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of Krasnodar brought in RUB 864.112 mln (USD 28.410 mln). The market increased 7% in terms of roubles and 6% in terms of dollars. In pack terms, the market also showed positive growth rates (+0.3%) and achieved 5.175 mln packs. In the first quarter of 2013, the average cost of an OTC pack in the city pharmacies was higher than in the same period a year ago (USD 5.49 vs. USD 5.20), and higher than the national average figures (USD 4.28). The medicine expenses in the region were lower than the average expenses in Russia (32.61 USD vs. 34.06 USD).

SOCHI PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Sochi's estimated population was 445.2 thd, which accounted for 0.3% of the total Russian Federation population and 3.2% of Southern FO (SFO). According to Federal State Statistics Service's data, based on the results for 3 months of 2013 the average salary in the Krasnodarski Krai was RUB 21,845.9 (USD 714.39), which is 20% 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 the end of the first three months of 2013 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 29% increase to 6.610 mln packs. In value terms, the OTC drugs market increased by 46% in rouble terms and by 45% in dollar terms and reached RUB 752.396 million (USD 24.737 million) in wholesale prices (Fig. 1). The city's share accounted for 0.7% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 4.28) and reached USD 4.83 in retail prices. For 3 months of 2013, the average amount spent by residents of Sochi for OTC drugs in pharmacies amounted to USD 71.67.

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



At Quarter I-end of 2013, PFIZER which sales increased 2.1 times and not so dynamic PHARMSTANDART (+16%) remained the leaders of the top ten drug manufacturers in the Sochi market (table 1). Apart from the leader, another four drug manufacturers of the top ten showed consistent outperformance. They were NYCOMED/TAKEDA (+62%), BAYER and NOVARTIS (+48% each) which moved up to ranks 4, 5 and 6 respectively, as well as a newcomer of the top ten - a drug manufacturer TEVA (+67%) which moved up to rank ten from twelve. Despite lagging behind the growth rates and reduction in its market share, ABBOTT (+36%) became the second newcomer of the top ten, coming in at number 9. SANOFI-AVENTIS (+41%) moved up one rank to number three, whereas a drug manufacturer RECKITT BENCKISER which had been placed at that rank earlier, reduced its sales by one third and fell outside the top ten. As before, SERVIER (+36%) held its rank 8. The total share of the top-ten manufacturers increased by almost 2 p.p. and accounted for 42.0%.

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	**PFIZER**	9.7	6.9
2	2	PHARMSTANDART	4.8	6.0
3	4	**SANOFI-AVENTIS**	4.3	4.5
4	7	**NYCOMED/TAKEDA**	3.9	3.6
5	6	**BAYER HEALTHCARE**	3.7	3.6
6	5	**SANDOZ GROUP**	3.6	3.7
7	9	**NOVARTIS**	3.3	3.2
8	8	**SERVIER**	3.2	3.4
9	11	**ABBOTT**	2.8	3.0
10	12	**TEVA**	2.7	2.4
Total			42.0	40.3

*AIPM members are in bold

Only four trade names of the top ten trade names held their own in the ranking (table 2). They were the leaders of the top ten LYRICA (2.4-fold growth in sales) and NUROFEN PLUS (-54%), as well as ARBIDOL (+48%) and ACTOVEGIN (+54%) that were placed at ranks five and six. Four trade names of the top10 rose in the ranks. ESSENTIALE N (+62%) moved up one rank, to number three. The newcomers TROPICAMIDE (+71%), KAGOCEL (+76%) and CARDIOMAGNYL (2.6-fold growth in sales) broke into the ranks of the top ten, coming in at numbers seven, eight and ten. At the same time, despite outperformance REDUKSIN (+48%) moved down one rank. TERPINCODE (-22%) also reduced its sales and moved down one rank to number 4. The total share of the top 10 trade names increased from 16.1% to 16.4%.

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	LYRICA	8.0	4.8
2	2	NUROFEN PLUS	1.2	3.9
3	4	ESSENTIALE N	1.1	1.0
4	3	TERPINCODE	1.1	2.0
5	5	ARBIDOL	1.0	1.0
6	6	ACTOVEGIN	1.0	0.9
7	11	TROPICAMIDE	0.8	0.7
8	12	KAGOCEL	0.8	0.6
9	8	REDUKSIN	0.8	0.8
10	26	CARDIOMAGNIL	0.7	0.4
Total			16.4	16.1

Two newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE (+97%) and AMOXICILLIN + CLAVULANIC ACID (+76%) which due to high sales rates moved up to ranks eight and nine respectively. Note that the markets of the other five INNs of the top ten developed at a fast pace: Among them was the leader of the top ten PREGABALIN which increased its sales by 2.4 times. INNs XYLOMETAZOLINE (+55%), PHOSPHOLIPIDS (+58%) and BLOOD (+55%) rose in the ranks, coming in at numbers 2, 3 and 6 respectively, whereas INN UMIFENOVIR (+48%) held its rank seven. The composition IBUPROFEN + CODEINE (-54%) and CODEINE + SODIUM + TERPIN HYDRATE (-22%) moved down two ranks to numbers four and five.

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	PREGABALIN	8.0	4.8
2	4	XYLOMETAZOLINE	1.6	1.5
3	5	PHOSPHOLIPIDS	1.2	1.1
4	2	IBUPROFEN + CODEINE	1.2	3.9
5	3	CODEINE + SODIUM + TERPIN HYDRATE	1.1	2.0
6	8	BLOOD	1.0	1.0
7	7	UMIFENOVIR	1.0	1.0
8	15	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	1.0	0.7
9	12	AMOXICILLIN + CLAVULANIC ACID	0.9	0.8
10	6	PANCREATIN	0.9	1.1
Total			17.9	17.9

The group N03 Antiepileptics which increased its sales 2.4 times took the lead in the top ten ATC groups ranking (Table 4). Apart from it, another seven ATC groups of the top ten showed high growth rates. Only the group R05 Cough and cold preparations (+30%) placed at rank 2 lagged behind the mid-market growth rates, whereas N02 Analgesics (-10%) showed negative growth rates which resulted in the loss of three ranks. M01 Anti-inflammatory and antirheumatic products (+57%) moved down one rank to number 8. They were displaced by one of the newcomers of the top ten - groups J05 Antivirals for systemic use (+99%) which moved up from rank 15 to 7. The second newcomer A05 Bile and liver therapy (+53%) moved up to rank ten. The groups J01 Antibacterials for systemic use (+64%) and S01 Ophthalmologicals (+59%) placed at ranks 3 and 9, respectively, also rose in the ranks. The groups R01 Nasal preparations (+54%) and L03 Immunostimulants (+60%) held its own in the ranking. The total share of the top 10 increased by almost 2 p.p. and accounted for 43.8%.

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	N03	ANTIEPILEPTICS	8.3	5.1
2	2	R05	COUGH AND COLD PREPARATIONS	5.5	6.2
3	4	J01	ANTIBACTERIALS FOR SYST USE	5.2	4.6
4	1	N02	ANALGESICS	5.1	8.3
5	5	R01	NASAL PREPARATIONS	3.7	3.5
6	6	L03	IMMUNOSTIMULANTS	3.6	3.3
7	15	J05	ANTIVIRALS FOR SYSTEMIC USE	3.5	2.5
8	7	M01	ANTIINFLAM & ANTIRHEUM PROD	3.4	3.2
9	10	S01	OPHTHALMOLOGICALS	2.9	2.7
10	11	A05	BILE AND LIVER THERAPY	2.8	2.7
Total				43.8	42.1

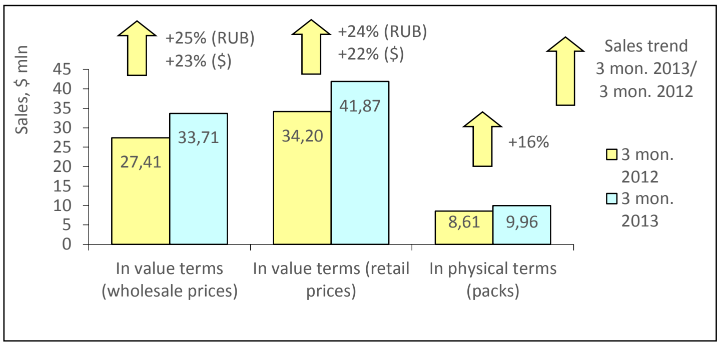
Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of Sochi brought in RUB 970.558 mln (USD 31.910 mln). The regional market saw a 47% increase in terms of roubles and 46% increase in terms of dollars compared to the last year results. In pack terms, the market also showed positive growth rates (+29%) and achieved 6.610 mln packs. In the first quarter 2013, the average cost of an OTC pack in Sochi pharmacies was higher than in the year-earlier period (USD 4.83 vs. USD 4.28) and exceeded the Russia average figures (USD 4.28). The average expenses of Sochi residents for purchase of OTC drugs in the pharmacies also considerably exceeded the Russia average figures (USD 71.67 vs. USD 34.06).

ROSTOV-ON-DON PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Rostov-on-Don was estimated as 1.104 mln, which accounted for 0.8% of the total Russian Federation population and 7.9% of Southern FO (SFO). According to Federal State Statistics Service's data, in the first quarter of 2013 the average salary in the Rostovskaya Oblast amounted to RUB 19,665.4 (USD 643.08), 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 Federationтм, at Q1-end 2013 the sales of OTC drugs in physical terms in the pharmacies of Rostov-on-Don saw a 16% drop to 9.958 mln packs. In value terms, the city pharmacy market (exclusive of State Reimbursement Program) saw a +25% increase in terms of roubles and +23% increase in terms of dollars compared to the same period a year ago and reached RUB 1.025 mln (USD 33.772 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 0.9%. The average cost of an OTC pack in the pharmacies of Rostov-on-Don was USD 4.20 (in a year-earlier period – USD 3.97). In the first quarter of 2013, per-capita expenses spent by residents of the city for medications amounted to USD 37.94.

Figure 1. Rostov-on-Don pharmacy market for 3 months of 2012 – 3 months of 2013



Due to 57% growth in sales, at QI-end of 2013 the Russia-based manufacturer PHARMSTANDART became the leader of the regional top drug manufacturers ranking (table 1). BAYER (+18%) and SANOFI-AVENTIS (+17%) held their own numbers two and three in the ranking. In addition, two more drug manufacturers - SERVIER (+15%) and SANDOZ (+17%) - held their own numbers 5 and 7 in the ranking. Due to high growth rates, SANOFI-AVENTIS (+60%) and TEVA (+39%) as well as the leader of the top ten rose in the rank. At the same time, the former moved up from rank 10 to 4 and the second one - from rank 9 to 8, displacing ABBOTT (+16%) down one rank. Two drug manufacturers with negative (NOVARTIS) and low (MENARINI) growth rates moved down to the lower ranks six and ten. The total share of the top 10 reduced from 39.8% to 38.4%.

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	4	PHARMSTANDART	5.0	3.9
2	2	**BAYER HEALTHCARE**	4.8	5.0
3	3	**SANOFI-AVENTIS**	4.6	4.9
4	10	**PFIZER**	3.8	2.9
5	5	**SERVIER**	3.6	3.9
6	1	**NOVARTIS**	3.5	5.1
7	7	**SANDOZ GROUP**	3.5	3.7
8	9	**TEVA**	3.3	3.0
9	8	**ABBOTT**	3.3	3.5
10	6	**MENARINI**	3.2	3.9
Total			38.4	39.8

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten trade names ranking (table 2). LYRICA which showed 3.4 -fold growth in sales moved up from rank eleven to one, and INGAVIRIN which increased its sales 3.2 times moved up to rank nine from 57. ARBIDOL (+67%), TROPICAMIDE (+82%) and KAGOCEL (+79%) showed outstripping growth rates and rose in the ranks, coming in at numbers 2, 3 and 8, respectively. At the same time, they displaced ESSENTIALE N (+28%) down from rank two to four, and OTC VIAGRA (+11%) from rank 9 to 10. LINEX which sales reduced 4% moved down from rank four to eight. The drugs ACTOVEGIN (+8%) and OSCILLOCOCCINUM (+22%) held its own ranks six and seven in the top ten. The total share of the top 10 has increased from 8.3% to 10.5%.

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	11	LYRICA	1.6	0.6
2	3	ARBIDOL	1.4	1.1
3	5	TROPICAMIDE	1.4	1.0
4	2	ESSENTIALE N	1.2	1.1
5	8	KAGOCEL	1.1	0.8
6	6	ACTOVEGIN	0.8	0.9
7	7	OSCILLOCOCCINUM	0.8	0.8
8	4	LINEX	0.8	1.0
9	57	INGAVIRIN	0.7	0.3
10	9	VIAGRA	0.7	0.8
Total			10.5	8.3

None of INNs from the top ten INNs and generic names ranking held its own in the ranking. At the same time, most of them rose in the ranks (Table 3). XYLOMETAZOLINE (+17%) moved up to rank 1 from 2, and a newcomer of the top ten PREGABALIN increased its sales 3.4 times and moved up to rank two. UMIFENOVIR (+67%) and TROPICAMIDE (+82%) moved up to ranks 3 and 4, displacing NIMESULIDE and PHOSPHOLIPIDS (+26% each). Two more newcomers of the top ten KAGOCEL (+79%) and AZITHROMYCIN (+72%) moved up to ranks 7 and 10. Only PANCREATIN which showed 0 growth rates and the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE (-44%) which reduced their sales rates moved down to the lower ranks eight and nine. The total share of the top ten INN and generic names ranking increased by 1 p.p. and achieved 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	2	XYLOMETAZOLINE	1.7	1.8
2	21	PREGABALIN	1.6	0.6
3	6	UMIFENOVIR	1.4	1.1
4	9	TROPICAMIDE	1.4	1.0
5	3	NIMESULIDE	1.3	1.3
6	5	PHOSPHOLIPIDS	1.2	1.2
7	12	KAGOCEL	1.1	0.8
8	4	PANCREATIN	1.0	1.3
9	1	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	0.9	2.1
10	17	AZITHROMYCIN	0.9	0.6
Total			12.7	11.7

One newcomer - the group S01 Ophthalmologicals (+36%) broke into ranks of the top ten ATC groups ranking, coming in at number ten (Table 4). Apart from that, some other shifts took place in the top 10 ranking. The top ten changed its leader - J05 Antivirals for systemic use (+97%) moved up to rank one from eight, and J01 Antibacterials for systemic use (+97%) moved up to ranks two and three, and R05 Cough and cold preparations (+65%) moved up to ranks two and three. At the same time, they displaced M01 Anti-inflammatory and antirheumatic products (+29%) from rank 2 to 4. Due to lagging behind the growth rates, another three ATC groups moved down to the lower ranks. They were the last year leader N02 Analgesics (+6%), as well as the groups R01 Nasal preparations (+24%) and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+23%) that moved down to ranks 5, 7 and 8, respectively. Only groups L03 Immunostimulants (+54%) and G03 Sex hormones (+23%) held its own ranks six and eight in the ranking. The cumulative share of top ten ATC groups increased by 4 p.p. and achieved 41.6%.

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	8	J05	ANTIVIRALS FOR SYSTEMIC USE	5.0	3.2
2	4	J01	ANTIBACTERIALS FOR SYST USE	4.8	4.1
3	5	R05	COUGH AND COLD PREPARATIONS	4.8	3.6
4	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.7	4.5
5	1	N02	ANALGESICS	4.6	5.4
6	6	L03	IMMUNOSTIMULANTS	4.4	3.5
7	3	R01	NASAL PREPARATIONS	4.2	4.2
8	7	A07	INTESTINAL ANTIINFECTIVES	3.1	3.2
9	9	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.1
10	11	S01	OPHTHALMOLOGICALS	3.1	2.8
Total				41.6	37.6

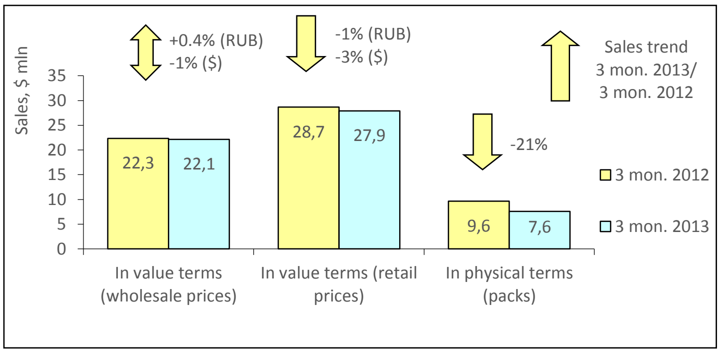
Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of Rostov-on-Don brought in RUB 1.254 bln (USD 41.871 mln). On top of that, the market performance was positive both in rouble terms (+24%) and in dollar terms (+22%). In physical terms, the sales increased by 16% to 9.958 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 4.20 vs. USD 3.97), however it was slightly lower than the average indicator in Russia (USD 4.28). Per capita expenses for purchase of medicines in pharmacies of Rostov-on-Don amounted to USD 37.94 which was higher than on the average in the country (USD 34.06).

TULA PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Tula's estimated population was 493.8 thousand, which accounted for 0.3% of the total Russian Federation population and 1.3% of Central FO (CFO). According to Federal State Statistics Service's data, in the first quarter of 2013 the average salary in the Tulskaya Oblast amounted to RUB 20,929.6 (USD 684.42), which was 23% 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 21% and amounted to 7.583 million packs (Fig. 1) In wholesale prices, the market also showed the positive performance - +0.4% in terms of roubles and reduced by 1% in terms of dollars and reached 673.329 million roubles (USD 22.137 mln). The region's share accounted for 0.6% 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 3.68 (during the same period in 2012 - USD 2.97). The average expenses of Tula residents for purchase of drugs in the first three months of 2013 were estimated as USD 56.52

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



At QI-end of 2013, the drug manufacturer SANOFI-AVENTIS became the leader of the regional top ten drug manufacturers market despite the reduction in sales by 7% (table 1). MENARINI (-20%) which had been placed at rank one earlier showed even more apparent negative growth rates and moved down to rank two. The drug manufacturer SANDOZ (-5%) also reduced its sales and moved down from rank eight to ten. On top of that, due to low growth rates NOVARTIS (+0.4%) also fell in the ranks, moving down one rank to number 7. In contrast, NYCOMED/TAKEDA (+5%), BAYER (+12%) and KRKA (+11%) rose in the ranks, coming in at numbers five, six and eight. On top of that, the latter became the only newcomer of the top 10 ranking. PHARMSTANDART (+9%) and SERVIER (+6%) held their own ranks three and four, as before ABBOTT (+1%) held its rank nine. The total share of the top 10 ATC groups increased by 0.4 p.p. and accounted for 38.0%.

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	**SANOFI-AVENTIS**	4.9	5.4
2	1	**MENARINI**	4.7	5.9
3	3	PHARMSTANDART	4.6	4.2
4	4	**SERVIER**	4.3	4.0
5	7	**NYCOMED/TAKEDA**	3.4	3.3
6	10	**BAYER HEALTHCARE**	3.4	3.1
7	6	**NOVARTIS**	3.3	3.3
8	11	**KRKA**	3.2	2.9
9	9	**ABBOTT**	3.1	3.1
10	8	**SANDOZ GROUP**	3.0	3.2
Total			38.0	38.4

*AIPM members are in bold

Four newcomers broke into the ranks of the top-ten trade names (table 2). Due to 4.4-fold growth in sales, KAGOCEL moved up to rank one from fifty. The drugs CARDIOMAGNYL (+26%), ACTOVEGIN (+17%) and LASOLVAN (+48%) moved up to ranks six, nine and ten, respectively. ARBIDOL (+39%) rose in the ranks due to high growth rates and moved up from rank four to two. In contrast, the other trade names of the top ten fell in the ranks. TROPICAMIDE (-14%), ESSENTIALE N (+13%) and NIMESIL (-1%) moved down two ranks, coming in at numbers from three through five. CONCOR (-12%) and MEXIDOL (-5%) reduced their sales and moved down to ranks seven and eight from five and seven respectively. However, the cumulative share of the top-ten increased by 1.5 p.p. and achieved 8.9%.

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	55	KAGOCEL	1.2	0.3
2	4	ARBIDOL	1.1	0.8
3	1	TROPICAMIDE	1.1	1.3
4	2	ESSENTIALE N	1.1	0.9
5	3	NIMESIL	0.8	0.9
6	13	CARDIOMAGNIL	0.7	0.6
7	5	CONCOR	0.7	0.8
8	7	MEXIDOLUM	0.7	0.7
9	12	ACTOVEGIN	0.7	0.6
10	23	LASOLVAN	0.6	0.4
Total			8.9	7.4

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 NIMESULIDE (-4%) became the leader of the top ten, XYLOMETAZOLINE (+4%) moved up to rank two from five. The last year leader BISOPROLOL (-13%) moved down to rank three. Due to reduction in sales, INNs TROPICAMIDE (-13%), PANCREATIN (-27%) and ENALAPRIL (-24%) also fell in the ranks, moving down to ranks six, eight and ten. In contrast, PHOSPHOLIPIDS (+8%), UMIFENOVIR (+39%), KAGOCEL (4.4-fold increase in sales) and AMBROXOL (+56%) which showed positive growth rates, moved up to ranks four, seven, five and nine, respectively. On top of that, the latter two INNs broke into the ranks of the top 10 ranking for the first time.

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	2	NIMESULIDE	1.4	1.4
2	5	XYLOMETAZOLINE	1.4	1.3
3	1	BISOPROLOL	1.3	1.4
4	6	PHOSPHOLIPIDS	1.2	1.1
5	68	KAGOCEL	1.2	0.3
6	4	TROPICAMIDE	1.2	1.3
7	9	UMIFENOVIR	1.1	0.8
8	3	PANCREATIN	1.0	1.3
9	22	AMBROXOL	1.0	0.6
10	7	ENALAPRIL	0.9	1.1
Total			11.5	10.9

In contrast to the previous rankings, the leaders of the top ten ATC groups held their own in the ranking. Despite the negative growth rates, the groups C09 Agents acting on the rennin-angiotensin system (-5%) and M01 Anti-inflammatory and antirheumatic products (-4%) held their own in the ranking (table 4). Apart from the leader, another three ATC groups of the top10 managed to retain their earlier positions: They were the group J01 Antibacterials for systemic use (+12%), R01 Nasal preparations (+8%) and A11 Vitamins (+2%), which as before held their own ranks four, seven and nine. The other five top ATC groups changed their ranks; moreover, three of them improved them. R05 Cough and cold preparations (+37%) moved up to rank three from six, and newcomers of the top ten J05 Antivirals for systemic use (2.2-fold growth in sales) and N06 Psychoanaleptics (-6%) moved up to ranks five and ten. At the same time N02 Analgesics (-26%) and S01 Ophthalmologicals (-7%) moved down to ranks six and eight. The total share of the top ten under review increased by almost 1.7 p.p. and achieved 39.1%.

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	C09	AG ACT RENIN-ANGIOTENS SYST	5.0	5.2
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.7	4.9
3	6	R05	COUGH AND COLD PREPARATIONS	4.7	3.5
4	4	J01	ANTIBACTERIALS FOR SYST USE	4.4	4.0
5	24	J05	ANTIVIRALS FOR SYSTEMIC USE	3.7	1.8
6	3	N02	ANALGESICS	3.6	4.9
7	7	R01	NASAL PREPARATIONS	3.5	3.3
8	5	S01	OPHTHALMOLOGICALS	3.3	3.6
9	9	A11	VITAMINS	3.2	3.2
10	11	N06	PSYCHOANALEPTICS	2.8	3.0
Total				39.1	37.4

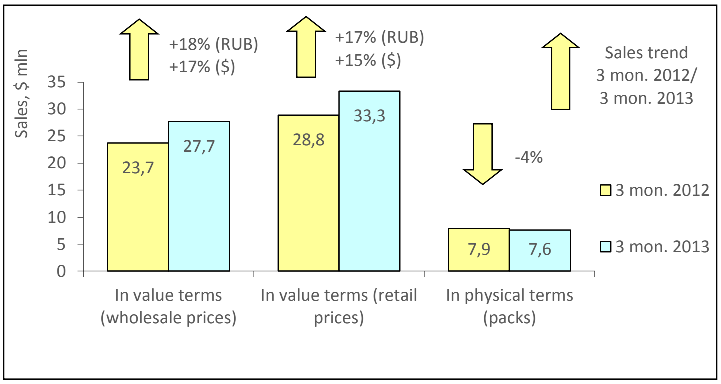
Conclusion. At QI-end 2013, the pharmacy market in Tula was estimated at RUB 848.867 mln (USD 27.909 mln.) in final consumer prices. Note that the market performance was negative both in rouble terms and in dollar terms (-1% and -3%, respectively). In pack terms, the market also decreased (-21%) and amounted to 7.583 mln packs. The average cost of an OTC pack (USD 3.68) in the pharmacies increased as compared to the previous year (USD 2.97) however it was lower than the average value in Russia (USD 4.28). At the same time, expenses of residents for purchase of drugs in the city pharmacies proved to be higher than the average expenses in Russia (USD 56.52 vs. USD 34.06).

VORONEZH PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Voronezh's estimated population was 1.004 mln, which accounted for 0.7% of the total Russian Federation population and 2.6% of Central FO (CFO). According to Federal State Statistics Service's data, in Q 1, 2013 the average salary in the region was RUB 19,825.4 (USD 648.31), which was 27% 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 Voronezh saw a 4% decrease to 7.585 mln packs. In value terms, the market volume increased 18% in terms of roubles and 17% in terms of dollars and achieved RUB 841.826 mln (USD 27.671 mln) in wholesale prices (Figure 1). The city share in the total volume of all-Russia pharmacy market accounted for 0.7%. The average cost of OTC pack in the Voronezh pharmacies was USD 4.39, whereas in the year-earlier period its cost was USD 3.65 at retail prices. For 3 months of 2013, the average amount spent by residents of the city for drugs in the pharmacies amounted to USD 33.17.

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



At QI-end of 2013, one newcomer TEVA (+33%) broke into the ranks of the top ten drug manufacturers ranking in the Voronezh market, coming in at number six from eleven (Table 1). On top of that, the leader of the top ten changed - SANOFI-AVENTIS (+20%) moved up to rank one, and PHARMSTANDART (+23%) to rank two. SERVIER (+14%) which had been placed at rank one moved down to rank three. Due to outperformance, BAYER (+40%) and NYCOMED/TAKEDA (+27%) held and reinforced their own ranks four and five. The drug manufacturers ABBOTT (+15%) and BOEHRINGER INGELHEIM (+7%) moved up from two bottom ranks to ranks seven and nine respectively, whereas MENARINI (-1%) and NOVARTIS (+2%) moved down to ranks 8 and 10. The cumulative share of the top 10 manufacturers didn't change and accounted for 36.5%.

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	2	**SANOFI-AVENTIS**	4.7	4.6
2	3	PHARMSTANDART	4.6	4.4
3	1	**SERVIER**	4.6	4.7
4	4	**BAYER HEALTHCARE**	4.5	3.8
5	5	**NYCOMED/TAKEDA**	3.8	3.5
6	11	**TEVA**	3.2	2.8
7	9	**ABBOTT**	3.0	3.0
8	6	**MENARINI**	2.8	3.4
9	10	**BOEHRINGER I**	2.8	3.0
10	7	**NOVARTIS**	2.7	3.2
Total			36.5	36.5

*AIPM members are in bold

Three leaders of the top three trade names held their own in the ranking -as before ESSENTIALE N (+48%), ARBIDOL (+21%) and ACTOVEGIN (+15%) are placed at the first three numbers of the ranking (table 2). The newcomers KAGOCEL and INGAVIRIN (2.1-fold growth in sales for each), as well as anti-aggregant CARDIOMAGNIL (+85%) and anorexigen REDUKSIN (+24%) broke into the top ten ranking, coming in at numbers from four through six, as well as nine, respectively. LASOLVAN (+37%) which showed high growth rates moved up two ranks, coming in at number 8. At the same time, MEXIDOL (+10%) and PREDUCTAL (+6%) moved down to ranks seven and ten. The total share of the top ten trade names increased by almost 1.5 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	ESSENTIALE N	1.5	1.2
2	2	ARBIDOL	1.1	1.1
3	3	ACTOVEGIN	1.0	1.0
4	16	KAGOCEL	0.9	0.5
5	17	INGAVIRIN	0.9	0.5
6	13	CARDIOMAGNIL	0.9	0.6
7	4	MEXIDOLUM	0.8	0.8
8	10	LASOLVAN	0.7	0.6
9	12	REDUKSIN	0.6	0.6
10	8	PREDUCTAL MB	0.6	0.7
Total			9.1	7.6

Three newcomers AZITHROMYCIN (+44%), KAGOCEL and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID which sales increased 2.1 times, broke into the ranks of the top ten INNs and generic names ranking, coming in at numbers five, eight and ten, respectively. Another two INNs also rose in the ranks. PHOSPHOLIPIDS (+15%) moved up from rank three to one, and AMBROXOL (+38%) - to rank seven from ten. At the same time, PANCREATIN (+5%), XYLOMETAZOLINE (+9%) and BLOOD (+14%) moved down one rank, and INN NIMESULIDE (+18%) moved down from rank six to nine. INN UMIFENOVIR (+21%) held its previous rank four. The cumulative share of the top 10 under review increased to 11.1%.

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	PHOSPHOLIPIDS	1.6	1.3
2	1	PANCREATIN	1.3	1.5
3	2	XYLOMETAZOLINE	1.3	1.4
4	4	UMIFENOVIR	1.1	1.1
5	11	AZITHROMYCIN	1.0	0.8
6	5	BLOOD	1.0	1.1
7	10	AMBROXOL	1.0	0.9
8	29	KAGOCEL	0.9	0.5
9	6	NIMESULIDE	0.9	0.9
10	31	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.9	0.5
Total			11.1	10.0

The groups M01 Anti-inflammatory and antirheumatic products (+17%), J01 Antibacterials for systemic use (+22%) and J05 Antivirals for systemic use (+67%) held their first three ranks in the top ten ATC groups ranking (Table 4). R05 Cough and cold preparations (+42%) moved up to rank four from six. At the same time, the less dynamic group N02 Analgesics (+16%), C09 Agents acting on the rennin-angiotensin system (+22%), R01 Nasal preparations (+17%) and G03 Sex hormones (+25%) fell in the ranks, coming in at numbers from five through eight. ATC groups, which rose in the ranks, moved up to two bottom ranks of the top ten. L03 Immunostimulants (+30%) moved up to rank nine from ten, and the only newcomer of the top ten A05 Bile and liver therapy (+37%) moved up to rank ten in the ranking. The total share of top ten ATC groups increased by 3 p.p. and achieved 37.8%.

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	M01	ANTIINFLAM & ANTIRHEUM PROD	4.4	4.4
2	2	J01	ANTIBACTERIALS FOR SYST USE	4.3	4.1
3	11	J05	ANTIVIRALS FOR SYSTEMIC USE	4.2	3.0
4	6	R05	COUGH AND COLD PREPARATIONS	4.1	3.4
5	3	N02	ANALGESICS	3.7	3.8
6	5	C09	AG ACT RENIN-ANGIOTENS SYST	3.6	3.5
7	4	R01	NASAL PREPARATIONS	3.5	3.5
8	7	G03	SEX HORM&MODULAT GENITAL SYS	3.4	3.2
9	10	L03	IMMUNOSTIMULANTS	3.4	3.1
10	14	A05	BILE AND LIVER THERAPY	3.2	2.8
Total				37.8	34.8

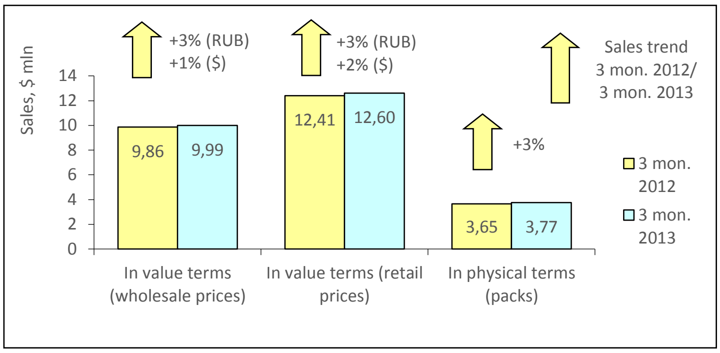
Conclusion. On the basis of the results for three months of 2013, the retail pharmacy market of Voronezh brought in RUB 1.013 bln (USD 33.294 mln). At the same time, the market increased 17% in terms of roubles and 15% in terms of dollars. In pack terms, the market showed negative growth rates (-4%) and achieved 7.585 mln packs. At Q1-end 2013, the average cost of an OTC pack in the pharmacies was higher than in the same period a year ago (USD 4.39 vs. USD 3.65) and exceeded the national average figures (USD 4.28). Per capita expenses for purchase of medicines in the regional pharmacies amounted to USD 33.17 which is higher than the average in the country (USD 34.06).

KURSK PHARMACY MARKET: 2013 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Kursk's estimated population was 428.7 thousand, 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, in the first quarter of 2013 the average salary in the Kursk region amounted to RUR 18,710.5 (USD 611.85), which was 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 Kursk pharmacy market volume increased by 3% in physical terms and amounted to 3.768 million packs. In value terms, the market also showed positive growth rates (3% in terms of roubles and 1% in terms of dollars) and reached RUB 303.883 mln (USD 9.991 mln) in wholesale prices. The regional market share in value terms accounted for 0.3% of the Russian pharmacy market. The average cost of an OTC drug in the region pharmacies increased as compared to a year earlier and amounted to USD 3.34 (in a year-earlier period – USD 3.40). In QI 2013, per capita expenses for purchase of medicines in pharmacies amounted to USD 29.39.

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



At QI-end of 2013, the drug maker SANOFI-AVENTIS reduced its sales by 1%, but held its leading positions in the pharmacy market of the region (table 1). Apart from it, only Russia-based drug manufacturer PHARMSTANDART (+12%), which as before is placed at rank three, held its own in the ranking. The most dynamic among the top ten drug manufacturers STADA (+78%) moved up to rank two from eight. At the same time, MENARINI (-5%) moved down two ranks to number 4, and the drug makers NYCOMED/TAKEDA (+5%), SERVIER (+3%) and KRKA (-4%) lost one rank each and moved down to ranks from 5 through 7. The drug makers in the bottom part of the top 10 ranking showed high growth rates. BAYER (+12%) moved up one rank, coming in at number 8. The newcomers NOVARTIS (+14%) and TEVA (+16%) broke into the ranks of the top ten, coming in at numbers nine and ten. The total share of the top ten drug manufacturers increased by 3 p.p. and achieved 38.6%.

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	**SANOFI-AVENTIS**	5.0	5.2
2	8	**STADA**	4.9	2.9
3	3	PHARMSTANDART	4.6	4.3
4	2	**MENARINI**	4.1	4.4
5	4	**NYCOMED/TAKEDA**	4.0	3.9
6	5	**SERVIER**	3.9	3.9
7	6	**KRKA**	3.4	3.6
8	9	**BAYER HEALTHCARE**	3.1	2.8
9	12	**NOVARTIS**	2.8	2.5
10	13	**TEVA**	2.7	2.4
Total			38.6	35.9

*AIPM members are in bold

ENALAPRIL became the best-selling drug in the city pharmacies and moved up to rank one from 38, due to 4.6-fold growth in sales (table 2). The newcomer, antiviral drug KAGOCEL, increased its sales 3 times and moved up to rank two. Two more newcomers of the top ten moved up to ranks nine and ten of the ranking. They were AMLOTOP with 10.2-fold growth in sales and NIMESIL (+23%). Two drugs, ARBIDOL (+44%) and CARDIOMAGNIL (+55%) held its own ranks three and five, respectively. The other drug manufacturers of the top ten fell in the ranks. They were ESSENTIALE N (+1%), CONCOR (-4%), ACTOVEGIN (+5%) and VIFERON (+20%), coming in at numbers 4 and six through eight. The total share of the top ten trade names increased by over 3 p.p. and accounted for 8.7%.

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	38	ENALAPRIL	1.4	0.3
2	23	KAGOCEL	1.2	0.4
3	3	ARBIDOL	1.0	0.7
4	2	ESSENTIALE N	1.0	0.9
5	5	CARDIOMAGNIL	0.8	0.6
6	1	CONCOR	0.8	0.9
7	4	ACTOVEGIN	0.7	0.6
8	7	VIFERON	0.6	0.5
9	86	AMLOTOP	0.6	0.1
10	18	NIMESIL	0.6	0.5
Total			8.7	5.5

Following the respective trade name, ENALAPRIL, which sales increased 2.1 times, became the leader of the top ten INNs and generic names ranking (Table 3). At the same time, BISOPROLOL (-2%) and XYLOMETAZOLINE (+2%) moved down one rank. One more newcomer of the top ten, KAGOCEL, which sales increased 3 times, moved up to rank four. It displaced PHOSPHOLIPIDS (+15%) down one rank. The third newcomer AMLODIPINE (2.2-fold growth in sales) moved up to rank ten of the top 10 ranking. High positive growth rates allowed INNs UMIFENOVIR (+44%) and AZITHROMYCIN (+42%) to move up two ranks to numbers seven and eight. In the meantime, the less dynamic AMBROXOL (+11%) moved down to rank 9. Only NIMESULIDE (+12%) as before held its own rank six in the ranking. The total share of Top-ten manufacturers increased by 3 p.p. and achieved 11.9%.

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	5	ENALAPRIL	1.9	1.0
2	1	BISOPROLOL	1.5	1.5
3	2	XYLOMETAZOLINE	1.2	1.2
4	45	KAGOCEL	1.2	0.4
5	4	PHOSPHOLIPIDS	1.1	1.0
6	6	NIMESULIDE	1.0	1.0
7	9	UMIFENOVIR	1.0	0.7
8	10	AZITHROMYCIN	1.0	0.7
9	8	AMBROXOL	0.9	0.9
10	42	AMLODIPINE	0.9	0.4
Total			11.9	8.8

Noticeable shifts occurred in the top 10 ATC groups ranking as well (table 4). However, C09 Agents acting on the rennin-angiotensin system (+25%) and M01 Anti-inflammatory and antirheumatic products (+8%) held their own ranks two and four. Half of other ATC groups of the top 10 ATC groups managed to rise in the ranks. The group J01 Antibacterials for systemic use (+29%) moved up to the leading rank. R05 Cough and cold preparations (+32%) moved up from rank six to three, and L03 Immunostimulants (+34%) – from rank nine to seven. The only newcomer of the top ten J05 Antivirals for systemic use which sales increased 2.1 times, moved up to rank eight. In contrast, four ATC groups from the top 10 moved down to the lower ranks. They were N02 Analgesics (-29%), A10 Drugs used to treat diabetes (-6%), R01 Nasal preparations (+2%) and N06 Psychoanaleptics (-3%) which moved up to ranks 5, 6, 9 and 10, respectively. The total share of the top ten ATC groups in the regional market increased by almost 4 p.p. and achieved 41.7%.

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	J01	ANTIBACTERIALS FOR SYST USE	5.8	4.6
2	2	C09	AG ACT RENIN-ANGIOTENS SYST	5.7	4.7
3	6	R05	COUGH AND COLD PREPARATIONS	4.7	3.7
4	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4.5	4.3
5	1	N02	ANALGESICS	4.1	5.9
6	5	A10	DRUGS USED IN DIABETES	3.9	4.3
7	9	L03	IMMUNOSTIMULANTS	3.5	2.7
8	25	J05	ANTIVIRALS FOR SYSTEMIC USE	3.5	1.7
9	7	R01	NASAL PREPARATIONS	3.1	3.2
10	8	N06	PSYCHOANALEPTICS	2.8	3.0
Total				41.7	38.0

Conclusion. Following the results of the first quarter of 2013, the Kursk pharmacy market performance (in value terms) proved to be positive (+3%) in terms of roubles and (+2%) in terms of dollars. At the same time, the market volume amounted to RUB 383.301 mln (USD 12.602 mln). In pack terms, the market grew by 3% and achieved 3.768 mln packs. The average cost of an OTC pack in the city pharmacies slightly decreased as compared to the previous year (USD 3.34 vs. USD 3.40), and was lower than the average figures in Russia (USD 4.28). The average medicine expenses of residents of the region were also lower than the average expenses throughout Russia (USD 29.39 vs. USD 34.06).

REGIONAL DIGEST

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

July 2, 2013, Vedomosti.ru

Ministry of Public Health issued a mandatory order to compel doctors to use INN when prescribing drugs

On Tuesday, the Ministry of Public Health published on its website an order compelling doctors to use the international nonproprietary name (INN) or grouping list which includes various INNs in one ATC group) when administering or prescribing drugs. The Ministry reported earlier that the order was aimed at eliminating the possibility to prescribe certain drugs pursuant to a prior oral arrangement with a pharmaceutical company. A doctor may use a brand name to prescribe a drug only if a patient needs any individual therapy, e.g. a patient is suffering from the drug intolerance. The order was registered by the Ministry of Public Health on May 25 and will come into force in 10 days after the date of its official publication.

July 2, 2013, RIA Novosti

In Russia healthcare spending may reduce to 3.3% of GDP by 2016

In the years to come the healthcare spending as a share of GDP in Russia will reduce from 3.7% of GDP in 2013 to 3.3% of GDP in 2016, according to the focal points of draft budget politics over next three years which is available to RIA Novosti. In 2014, healthcare spending in absolute figures in Russia will exceed RUB 2.5 trn (2.4 trn in 2013), in 2015 and 2016 it will reach RUB 2.7 and 3 trn respectively. However, healthcare spending as a share of GDP will reduce. In 2014 it will account for 3.5 % of GDP, in 2015 and 2016 - 3.4% and 3.3%, respectively.

July 2, 2013, PRIME

State Duma has detached Rospotrebnadzor from the Ministry of Public Health

On 2 July 2013, the State Duma passed a law in a second and third final reading to detach the Federal Supervision Agency for Customer Protection and Human Welfare (Rospotrebnadzor) from the Ministry of Public Health. According to the legal instrument, Rospotrebnadzor was detached from the Ministry of Public Health and passed under the control of RF Government. Also, the law specified the terms of reference of Rospotrebnadzor's functions on development and approval of state sanitary and epidemiological rules and hygienic standards.

July 3, 2013, PRIME

State Duma has adopted amendments to the law concerning regulatory requirements to advertising of BAA

The amendments to the Federal Law “About Advertising” were adopted on first reading by the Duma plenary session on 3 July 2013. In particular, these amendments apply to establish requirements to advertising of biologically active additives (BAA) and responsibility for violations when advertising such products. According to the law, BAA ads should contain health warnings stating that BAAs are not medicines. The law establishes duration of such warnings: for radio broadcasting it should be not less than three seconds, for TV advertisements, cinema and video advertising not less than five seconds. The warning should occupy no less than 7% of picture area and no less than 10% of the advertising space distributed by other means.

July 11, 2013, Rossiyskaya Gazeta

According to Ministry of Public Health, new guidelines for the prescribing of opioid analgesics will improve availability and quality of palliative care

From 1 July, the guidelines concerning the use of opioid analgesics have changed. The Ministry of Public Health approved the new guidelines concerning their prescription and administration, new prescription forms, new accounting and reporting rules. According to the Ministry, now the procedure for prescribing opioid analgesics to serious patients will be much easier. The new guidelines will improve availability and quality of palliative care provided to the citizens. General practitioners' attitudes regarding this new legal instrument are more cautious. The rules concerning prescription and dispensing opioid analgesics and psychotropic drugs are made less stringent, but remain quite complex to be observed.

June 19, 2013, Interfax

Moscow authorities privatize the state-owned chain Stolichnye Apteki

Moscow Mayor's Office didn't drop a plan to privatize the state-owned chain Stolichnye Apteki, Natalia Sergunina, Acting Deputy Mayor for Property and Land Relations, said. According to Natalia Sergunina, the conversion of the state-owned enterprise into a joint-stock company is in progress. The assets of the company will be divided into two parts. The pharmacies which dispense prescription medications containing narcotic drugs, specialized warehouses for storage of medications will remain on the Moscow City Health Department's balance sheet, Acting Deputy Mayor explained. The second part, including retail, properties, distribution system, will be sold.

July 19, 2013, Meditsinskaya Gazeta

National Centre for Strategic Biomedical Technologies and Biosafety to be set up in Russia

National Centre for Strategic Biomedical Technologies and Biosafety will be set up in Russia in the next 5 years. The aim of the Centre is to ensure the development of biomedical competencies which are still not available in our country. The setting up of National Centre is provided for in the Roadmap Project *Development of Biotechnologies and Gene Engineering* which the Ministry of Economic Development of Russia submitted to the Ministry of Public Health and other relevant ministries and departments for approval.

July 18, 2013, Farmatsevticheski Vestnik

Procedure for dispensing certain medications to individual persons will change

According to ConsultantPlus, the procedure for dispensing certain medications to individual persons which contain not only small amounts of narcotic substances, but also other pharmaceutical active substances will change from 8 August 2013. Pursuant to the Order of Ministry of Public Health of Russia No 369n of 10 June 2013 On Introducing Amendments to Certain Orders of the Ministry of Public Health and Social Development of the Russian Federation (number of registration in the Ministry of Justice of Russia on 15 July 2013 No 29064), the list of names of narcotic substances which are contained in medications in small quantities has been added by new names of Phenobarbital and Chlordiazepoxide with specification of maximum permissible amounts.

July 24, 2013, Moscovskiy Komsomolets

Ministry of Public Health and Federal Drug Control Service divide responsibilities for implementation of Drug Addiction Treatment and Rehabilitation Program

At a first glance, it seems that each authority minds its work: the Ministry of Public Health gives medical treatment and the FDCS suppresses breaches. In fact, the authorities have been dividing responsibilities for implementation of Drug Addiction Treatment and Rehabilitation Program over the past couple of years. Victor Ivanov said at one of the press-conferences that 1 bln doses are sold and 200 mln drug-related crimes are committed per year in Russia. So it should seem - it's a huge field of action. Recently narco-policemen have developed their own Program for Rehabilitation of Narcotics Consumers. It emerged that it will take about RUB 180 bln to resuscitate all Russian narcotics users.

July 26, 2013, RBC

Ministry of Industry and Trade proposes to reduce volume of financing for the Federal Target Program for Development of the Pharmaceutical Industry

The Ministry of Industry and Trade developed a draft decree of RF Government concerning introduction of changes to the Federal Target Program for Development of the Pharmaceutical and Medical Industry of the Russian Federation until 2020 and further perspective. As detailed in the materials published on the uniform internet-portal for disclosure of information by Federal bodies, the Ministry of Public Health proposes to reduce volume of financing of the program from RUB 187.753 bln allocated beforehand to RUB 182.765 bln.

NEWS FROM COMPANIES

July 5, 2013, Vedomosti

R-Pharm has been granted global rights to develop and commercialize the rheumatoid arthritis drug

Belgian UCB has decided to out-license the rheumatoid arthritis drug to Russia's R-Pharm. R-Pharm will develop, manufacture and distribute globally the preparation with the international nonproprietary name olokizumab in all indications, but is pursuing the rheumatoid arthritis, according to the parties. R-Pharm is the first Russian drug-maker to get a license to develop a treatment on a global basis, Sergey Shulyak, Director General of DSM Group said. Global pharmaceutical companies usually grant the rights to local partners for the certain territory: Russia and CIS, sometimes for some other countries.

July 26, 2013, Vedomosti

A member of Pharmstandard's board of directors owns Singapore's Bever Pharmaceutical

A member of Pharmstandard's board of directors Alexander Shuster is a beneficial owner of Singapore's Bever Pharmaceutical for which Pharmstandard is ready to spend up to USD 630 mln. This information was provided by Elena Arkhangelskaya, Deputy Director General in charge of Economics and Finance of Pharmstandard OAO, during the telephone conference with investors and analysts.

July 25, 2013, ITAR-TASS

Plant will be constructed in Kaluga to produce innovative medications

In Kaluga the Russian NovaMedica will build a pharmaceutical plant to produce innovative pharmaceutical products and medical devices. At present, Anatoli Artamonov, Governor of Kaluzhskaya Oblastand, and Vladimir Gurdus, CEO, D-Pharma, a managing company of RusnanoMedInvest and NovaMedica, have signed an agreement. This is a joint project of Rusnano and U.S. venture capital firm Domain Associates LLC. The total volume of investments will amount to USD 85 mln.

Source of information – IMS Health

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