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

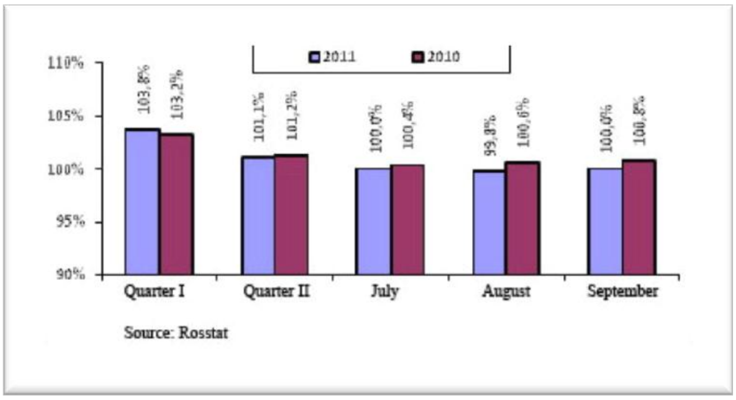
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in September 2011 the Consumer Price Index was estimated as 100.0%. For the period from start of the year, it escalated to 104.7% (in January-September 2010 – 106.2%).

In September, Industrial Producer Price Index was 99.3%, whereas in the month-earlier period it had amounted to 104.6%. For the period from start of the year, it accounted for 110.7% (in January-September 2010 – 108.2%).

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



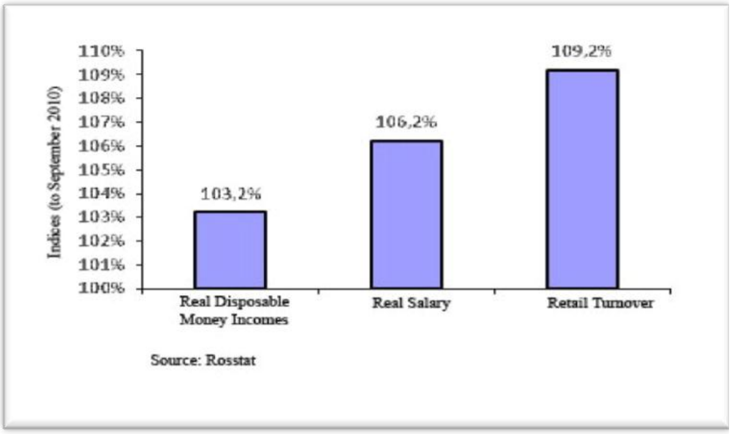
Living standard

According to preliminary Federal State Statistics Service's data, in September 2011 a gross monthly average salary per worker reached RUB 23,628 (USD 741) which accounts for 113.9% compared to September 2010. The real salary in September 2011 accounted for 106.2% as compared with the same period in 2010. In September 2011, the real value of cash incomes accounted for 103.2% as compared with the same period of 2010 (Fig. 2).

Retail turnover

In September 2011 the retail turnover was equal to RUB 1,637.4 bln, which in stock accounts for 109.2% as compared to the same period a year ago (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in September 2011



Manufacture of industrial products

According to Federal State Statistics Service's data, Industrial Production Index in September 2011 accounted for 103.9% compared to the same period in 2010, to the previous month – 99.2%. In January-September 2011, the Index was equal to 105.2% (in the year-earlier period – 108.9%).

Domestic production

According to Ministry of Industry and Trade's data, in January – September 2011 Pharmaceutical Production Index accounted for 93.5% compared to January - September in 2010. In September 2011, it accounted for 98.6% compared to September 2010 and 115.9% compared to August 2011.

Production volume of pharmaceutical products for the period of January – September 2011 amounted to RUB 94.8 bln.

The top ten domestic manufacturers by production volume at September-end 2011 are shown in Table 1. The total production volume by top ten manufacturers was estimated as USD 238.4 mln.

Table1. Top 10 chemical and pharmaceutical manufacturers by production volume in September 2011

Rank	Drug Manufacturer	Production volume, $mln.
1	Pharmstandart	94,2
2	Stada	27,9
3	Valenta	19,4
4	KRKA-RUS	18,9
5	Pharm-Center	16,1
6	Microgen	16,0
7	Akrihin	13,6
8	Sotex	11,9
9	Materia Medica	10,9
10	Veropharm	9,5

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In August 2011 the positive sales growth was registered in all analyzed regions. The most pronounced market growth was observed in Krasnodarsky Kray (+14%), the least – in Tyumen (+3%).

Table 2. Pharmacy sales in the regions, 2011

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	June 2011	July 2011	August 2011	June/ May 2011	July/ June 2011	August/ July 2011
Moscow city	149,9	123,9	139,0	2%	-19%	12%
St. Petersburg city	38,4	38,1	39,6	-3%	-2%	4%
Krasnodarsky Kray	29,0	32,7	37,2	0,3%	11%	14%
Novosibirskaya Oblast	19,2	19,4	20,8	-9%	-0,1%	7%
Republic of Tatarstan	21,3	20,4	22,0	-8%	-6%	8%
Krasnoyarsky Kray	13,6	13,8	14,5	-7%	-0,2%	5%
Rostovskaya Oblast	17,5	19,2	21,2	-9%	8%	11%
Voronezhskaya Oblast	14,7	14,2	16,2	-1%	-5%	14%
Perm city	5,5	5,0	5,4	-5%	-10%	9%
Tyumen city	6,2	6,1	6,3	-6%	-3%	3%

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 September 2011

Rank	Company*	Quantity of broadcasts
1	Novartis	7 452
2	Berlin-Chemie Menarini Group	6 647
3	Pharmstandart	4 433
4	Sanofi Aventis	3 722
5	Reckitt Benckiser	3 532

Source – TNS Gallup AdFact

Table 4. Top five trade names in mass media in September 2011

Rank	Trade name*	Quantity of broadcasts
1	Coldrex	2 275
2	Theraflu	2 183
3	Nurofen	1 595
4	Panangin	1 252
5	No-Spa	1 243

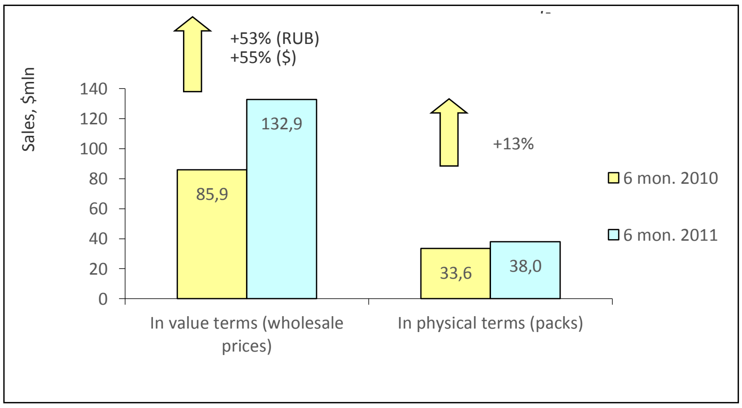
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN HOSPITAL MARKET: 2011 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Kazakhstan™, at the end of first half of 2011, the retail over-the-counter drugs market in physical terms saw a 13% increase to 37.981 mln packs. In value terms this sector increased by as many as half: 53% in terms of Kazakhstani Tenge and 55% in terms of USD (Fig.1). The country hospital market amounted to Kazakhstani Tenge 19.398 bln (USD 132.859 mln). In the first half of 2011, the average cost of a hospital pack was USD 3.50, whereas last year its cost was USD 2.56.

Figure 1. Kazakhstan hospital market for 6 months of 2010 – 6 months of 2011



Eighteen percent of drugs purchased for hospitals of Kazakhstan in I half of 2011 were made in Kazakhstan. The share of OTC drugs made in Switzerland and Denmark was 11% each, and the share of those made in Belgium and Germany - 10% each. Drugs made in Russia accumulated 2% each of the hospital market, alongside with OTC drugs from France and Slovenia.

At first half-end 2011, two newcomers have broken into the top ten manufacturers ranking by pharmacy sales in Kazakhstan hospital market (Table 1). Due to 2-fold growth of hospital purchases, GlAXOSMITHKLINE rose from number 12 to 7, and BAYER - from 11 to 8 increasing sales 1.7 times. The markets of JANSSEN-CILAG and F. HOFFMANN-LA ROCHE developed at a yet faster pace and their supplies grew 2.7 and 2.2 times, respectively. As a result, the drug manufacturers rose in their ranks and came in at number two and five. At the same time, SANOFI-AVENTIS (+47), NYCOMED (+83%) and preparations of unidentified manufacturers moved down one rank. Apart from that, the only company of the ranking that demonstrated negative growth in purchases TEVA (-21%) moved down from number 7 to 10. The local drug manufacturer KHIMPHARM (+45%) held its leadership in the top ten ranking, despite decreased share. In contrast, the total share accumulated by the top ten drug manufacturers notably increased and reached 63.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Drug Manufacturer*	Share in total hospital purchases, %	
6 mon. 2011	6mon. 2010		6 mon. 2011	6 mon. 2010
1	1	KHIMPHARM JSC	13,2	13,9
2	4	**JANSSEN-CILAG AG**	9,7	5,6
3	2	**SANOFI-AVENTIS**	9,0	9,4
4	3	**NYCOMED**	8,4	7,0
5	6	**F. HOFFMANN-LA ROCHE LTD**	7,1	4,9
6	5	Unidentified manuf.	4,0	5,0
7	12	**GIAXOSMITHKLINE**	3,6	2,8
8	11	**BAYER HEALTHCARE**	3,5	3,1
9	9	**ELI LILLY**	2,4	3,1
10	7	**TEVA**	2,2	4,3
Total			63,2	59,2

*AIPM members are in bold

The leader of top 10 trade names didn't change either, antineoplastic drug Taxotere (+46%) kept the first place (table 2). Apart from it, the other two preparations held their own in the ranking: Cef (+45%) and Clexane (+50%) placed at number 6 and 7, respectively. Five trade names rose in the ranks and only two names (Curosurf and Cefazolin) fell in the ranks. Herceptine and Eprex which purchases increased 2.7 and 3.2 times respectively moved up to number two and three. The newcomers of top 10 ranking came in at number five and nine. They were antineoplastic drug Avastin (2-fold increase in purchases) and neuroleptic agent Invega (1.7-fold increase). Actovegin (+47%) that was less dynamic in sales moved up one rank to number 8.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
6mon. 2011	6mon. 2010		6 mon. 2011	6mon. 2010
1	1	Taxotere	5,3	5,6
2	4	Herceptine	3,7	2,1
3	8	Eprex	3,7	1,7
4	2	Curosurf	2,6	2,7
5	13	Avastin	1,8	1,4
6	6	Cef IV	1,8	1,9
7	7	Clexane	1,7	1,8
8	9	Actovegin	1,7	1,7
9	11	Invega	1,7	1,5
10	3	Cefazolin	1,6	2,1
Total			25,4	22,4

Numerous shifts took place in the top ten INN and generic names ranking - Neither drug of the top ten held their own in the ranking (table 3). In addition, three newcomers broke into the ranks of blockbusters - Epoetin alfa (3.2-fold growth in purchases), Bevacizumab (2-fold growth) and Enoxaparin sodium (+50%), coming in at number 4, 9 and 10. Preparations that also rose in the ranks included drugs of unidentified formula, antineoplastic drug Trastuzumab (2.7-fold growth in purchases) and antibacterial drug Meropenem (+57%) at number one, three and six, respectively. The less dynamic drugs Docetaxel (+46%), Poractant alfa (+45%), Cefepime (+28%) and Aprotinin (+28%) fell in the ranks. The total share of top ten INNs increased by 4 p.p. and reached 30.1%.

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

Rank		INN and Generic Name	Share in total hospital purchases, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	2	Unidentified	5,5	4,5
2	1	Docetaxel	5,3	5,6
3	7	Trastuzumab	3,7	2,1
4	13	Epoetin alfa	3,7	1,7
5	3	Poractant alfa	2,6	2,7
6	10	Meropenem	2,0	2,0
7	4	Cefepime	1,9	2,3
8	5	Aprotinin	1,9	2,1
9	17	Bevacizumab	1,8	1,4
10	12	Enoxaparin sodium	1,7	1,8
Total			30,1	26,1

L01 Antineoplastic agents (+69%) and J01 Antibacterials for systemic use (+42%) remained the best selling groups in the hospital market of the country (table 4). Note that due to outperformance, these groups have not only held but reinforced their own in the ranking. The markets of groups B03 Antianemic preparations (3.1-fold increase in purchases), B02 Antihemorrhagics and N06 Psychoanaleptics (2.2-fold increase in purchases) as well as V08 Contrast media (+72%) developed at a yet faster pace. It allowed the former three to rise in the ranks. On top of that, group N06 was the only newcomer of the top ten. Group V08 held its number 10 in the ranking. The other four groups of the top ten (B05, B01, N05 and R07) fell in the ranks. The total share of the top ATC groups, as well as of the above rankings, increased and reached 69.6%.

Table 4. The top 10 ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6mon. 2011	6mon. 2010			6 mon. 2011	6 mon. 2010
1	1	L01	Antineoplastic agents	21,0	19,1
2	2	J01	Antibacterials for systemic use	16,2	17,4
3	8	B03	Antianemic preparations	5,4	2,7
4	3	B05	Blood substitutes and perfusion solutions	5,3	7,9
5	6	B02	Antihemorrhagics	4,9	3,5
6	4	B01	Antithrombotic agents	4,5	4,6
7	5	N05	Psycholeptics	3,7	4,6
8	7	R07	Other respiratory system products	3,0	2,8
9	13	N06	Psychoanaleptics	2,9	2,0
10	10	V08	Contrast media	2,8	2,5
Total				69,6	67,1

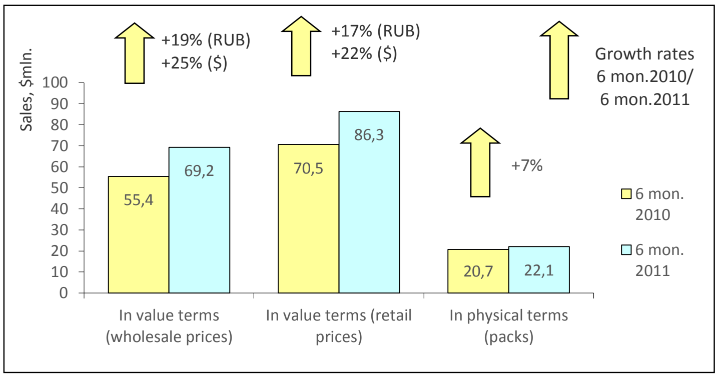
Conclusion. At the end of first half of 2011, Kazakhstan hospital market demonstrated high positive growth by 53% in national currency terms and by 55% in dollar terms and brought in Kazakhstani Tenge 19.398 bln (Tenge 132.859 mln). Compared to the growth rates of the first quarter of the current year, the market performance considerably increased (+18% in terms of Tenge and +19% in terms of dollars). The country market in physical terms also showed growth gain by 13% and achieved 37.981 million packs. The average cost of a hospital pack increased noteworthily and reached 3.50 USD (in a year-earlier period – USD 2.56).

NIZHNY NOVGOROD PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Nizhegorodskaya Oblast was estimated as 3.308 mln, which accounts for 2.3% of the total Russian Federation population and 11% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the region was RUB 17,347.9 (USD 609.77), which is 22% less than the average salary in Russia (RUB 22,277.2).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2011 the Nizhny Novgorod pharmacy market volume increased in physical terms by 7% and amounted to 22.050 million packs (Fig. 1) In wholesale prices the market also showed the positive performance - 19% in terms of roubles and 25% in terms of dollars and reached 1.978 billion roubles (USD 69.151 million). The region share in the total volume of all-Russia pharmacy market accounts for 1.1%. The average cost of OTC pack following the results of the analyzed period was USD 3.91 (in the same period of 2010 - USD 3.41). In the first half of the current year, per capita expenses of Nizhny Novgorod residents for purchase of medicines in pharmacies amounted to USD 67.88.

Figure 1. Nizhny Novgorod pharmacy market for 6 months of 2010 – 6 months of 2011



At the first half-end of 2011, more than half of the top ten manufacturers held their own in the ranking (table 1). They were the top five drug manufacturers SANOFI-AVENTIS (+18%), SERVIER (+11%), NYCOMED, PHARMSTANDART (+15% each) and SANDOZ (+21%) as well as ABBOTT (+27%) and NOVARTIS (+19%) placed at bottom numbers of the ranking. One shift occurred in the middle part of the ranking. More dynamic BAYER (+20%) moved up two ranks to number six by putting competitive pressure on the less dynamic MENARINI (+14%) and TEVA (+15%) which moved down one rank. The total share of the top ten drug manufacturers reduced from 38.9% to 38.4%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug Manufacturer*	Share in total pharmacy sales, %	
6mon. 2011	6mon. 2010		6 mon. 2011	6 mon. 2010
1	1	**SANOFI-AVENTIS**	6,7	6,7
2	2	**SERVIER**	4,4	4,7
3	3	**NYCOMED**	4,2	4,4
4	4	PHARMSTANDART	3,9	4,1
5	5	**SANDOZ GROUP**	3,7	3,6
6	8	**BAYER HEALTHCARE**	3,3	3,2
7	6	**MENARINI**	3,2	3,3
8	7	**TEVA**	3,2	3,3
9	9	**ABBOTT**	3,2	2,9
10	10	**NOVARTIS**	2,7	2,6
Total			38,4	38,9

* AIPM members are in bold

The top ten trade names ranking underwent more significant changes – only three of trade names managed held their own in the ranking (Table 2). They were the leader of the top 10 ARBIDOL (+1%), as well as VIAGRA (+8%) and и SYMBICORT TURBUHAL (+1%) at number 5 and 6. Five drugs rose in the ranks and only two fell in the ranks of the first half of 2011. Due to 8% reduction in sales, ACTOVEGIN moved down two ranks, to number 4 allowing CONCOR (+20%) and ESSENTIALE N (+22%) to move up. Preparation LINEX (+3%) moved down to the bottom rank from number nine – it was displaced by the only newcomer of the top 10 PANANGIN (+48%). KETONAL (+13%) and DETRALEX (+20%) also moved up to the higher ranks.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	1	ARBIDOL	1,3	1,6
2	3	CONCOR	1,1	1,1
3	4	ESSENTIALE N	1,0	1,0
4	2	ACTOVEGIN	1,0	1,3
5	5	VIAGRA	0,8	0,8
6	6	SYMBICORT TURBUHAL	0,6	0,7
7	8	KETONAL	0,6	0,6
8	10	DETRALEX	0,6	0,5
9	20	PANANGIN	0,5	0,4
10	9	LINEX	0,5	0,6
Total			8,0	8,7

The top 10 INN and generic names leader has changed (table 3). BISOPROLOL (+19%) forced ARBIDOL (+1%) into number two and became the leader. On top of that, numerous shifts occurred in the top 10 and as a result neither INN of the top 10 held its own in the ranking. At the same time most of them showed a rating progress. PANCREATIN (+26%), PHOSPHOLIPIDS (+25%) and SILDENAFIL (+8%) moved up one spot to ranks 3, 4 and 9. respectively. XYLOMETAZOLINE (+29%) moved up three ranks from number nine to six. The newcomers INN AMBROXOL (+77%) and combination SILDENAFIL AMOXICILLIN + CLAVULANIC ACID (+35%) came in at number eight and ten of the ranking.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	2	BISOPROLOL	1,5	1,5
2	1	ARBIDOL	1,3	1,6
3	4	PANCREATIN	1,2	1,1
4	5	PHOSPHOLIPIDS	1,1	1,1
5	3	BLOOD	1,0	1,4
6	9	XYLOMETAZOLINE	1,0	0,9
7	6	KETOPROFEN	0,9	1,0
8	23	AMBROXOL	0,8	0,6
9	10	SILDENAFIL	0,8	0,8
10	15	AMOXICILLIN + CLAVULANIC ACID	0,8	0,7
Total			10,4	10,5

Noticeable shifts occurred in the top 10 ATC groups rating as well (table 4). The leader of the top 10 – group C09 Agents acting on the rennin-angiotensin system (+16%) – as well as R01 Nasal preparations (+22%) placed at number 8 held their own in the ranking. Due to 9% reduction in sales, group A10 Drugs used in diabetes moved down from rank 2 to 5 allowing J01 Antibacterials from systemic use (+11%), M01 Antiinflammatory and antirheumatic products and N02 Analgesics (+22%) to move upwards. The newcomer R05 Cough and cold preparations which sales increased 1.8 times broke into the ranks of the top 10, coming in at number six. G03 Sex hormones (+26%) moved up to higher number 9. At the same time, two groups A11 Vitamins (+26%) and N06 Psycholeptics (+16%) moved down one rank to numbers 7 and 9. In contrast to the above ratings, the total share of the top 10 ATC groups increased from 35.4% to 35.7%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010			6 mon. 2011	6 mon. 2010
1	1	C09	AG ACT RENIN-ANGIOTENS SYST	4,7	4,8
2	3	J01	ANTIBACTERIALS FOR SYST USE	4,2	4,5
3	4	M01	ANTIINFLAM & ANTIRHEUM PROD	3,9	3,7
4	5	N02	ANALGESICS	3,7	3,6
5	2	A10	DRUGS USED IN DIABETES	3,6	4,7
6	15	R05	COUGH AND COLD PREPARATIONS	3,5	2,4
7	6	A11	VITAMINS	3,4	3,2
8	8	R01	NASAL PREPARATIONS	3,0	2,9
9	10	G03	SEX HORM&MODULAT GENITAL SYS	2,9	2,7
10	9	N06	PSYCHOANALEPTICS	2,8	2,9
Total				35,7	35,4

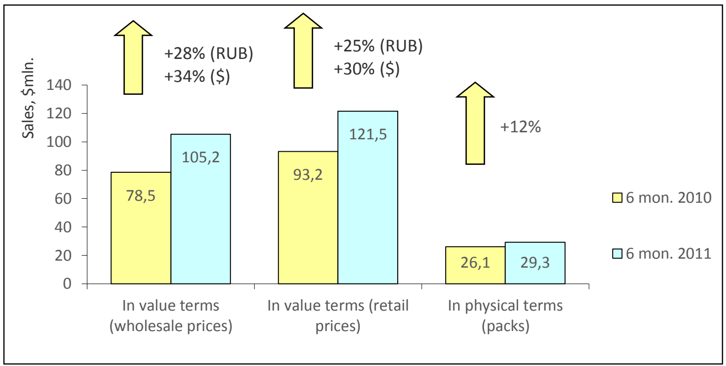
Conclusion. The Nizhny Novgorod pharmacy market in the first six months to end June 2011 brought in RUB 2.468 bln (USD 86.275 mln) in final consumption prices, which is by 25% in terms of roubles and 30% in terms of dollars more than in the same period of the last year. The city market in physical terms also showed positive sales growth rates (+7%) and reached 22.050 mln packs. The average cost of a pack in the first six months increased as compared to the same period of past year (USD 3.41) and was more than an average cost in Russia (USD 3.51). Expenses of residents for purchase of medicines in the city pharmacies proved to be higher than the average prices in Russia (USD 67.88 vs. USD 54.70).

SAMARA PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Samarskaya Oblast was estimated as 3.215 mln, which accounts for 2.2% of the total Russian Federation population and 10.8% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the region was RUB 17,575 (USD 617.75), which is 21% less than the average salary in Russia (RUB 22,277.2).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2011 the Samara pharmacy market volume increased in physical terms by 12% and amounted to 29.271 million packs (Fig. 1) In wholesale prices the market also showed the growth gain: 28% in terms of roubles and by 34% in terms of dollars and reached 3.023 billion roubles (USD 105.249 million). The city share in the total volume of all-Russia pharmacy market accounts for 1.6%. The average cost of OTC pack in the city pharmacies in the analyzed period was USD 4.15 (in the same period of 2010 - USD 3.57). In the first half of the current year, per capita expenses of Samara residents for purchase of medicines in pharmacies amounted to USD 107.13.

Figure 1. Samara pharmacy market for 6 months of 2010 – 6 months of 2011



In the first six months of 2011, the top 10 ranking of drug manufacturers hasn't changed in composition as compared to the same period of past year, but it underwent numerous shifts (table 1). Four manufacturers of the top 10 ranking rose in the ranks, whereas five of them fell in the ranks. The less dynamic SERVIER (+9%) and ABBOTT (+1%) moved down two ranks to numbers 4 and 5, respectively. Due to growth of sales by one third, companies PHARMSTANDART and BAYER on the contrary, moved up two ranks to numbers 2 and 3. SANDOZ (+59%) that moved up from number 10 to 6 showed the more pronounced rating progress. TEVA (+37%) moved up to number 7 from 8. At the same time, NOVARTIS (+25%), NYCOMED (+14%) and MENARINI (+19%) moved down to the bottom three ranks. The total share of the top 10 reduced from 41.7% to 40.0%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug Manufacturer*	Share in total pharmacy sales, %	
6mon. 2011	6mon. 2010		6 mon. 2011	6 mon. 2010
1	1	**SANOFI-AVENTIS**	6,3	6,7
2	4	PHARMSTANDART	4,7	4,6
3	5	**BAYER HEALTHCARE**	4,4	4,3
4	2	**SERVIER**	4,3	5,1
5	3	**ABBOTT**	3,7	4,7
6	10	**SANDOZ GROUP**	3,6	2,9
7	8	**TEVA**	3,4	3,2
8	7	**NOVARTIS**	3,4	3,5
9	6	**NYCOMED**	3,2	3,6
10	9	**MENARINI**	2,9	3,1
Total			40,0	41,7

*AIPM members are in bold

Two newcomers broke into the top ten trade names ranking (table 2). They were preparations LASOLVAN (2.3-fold increase in sales) and HYLAK FORTE (+45%) which came in at numbers 7 and 8, respectively. The top 10 leader has changed – antiviral ARBIDOL (+32%) moved up from rank 2 to 1 displacing hepatoprotector ESSENTIALE N (+14%). Preparations VIAGRA (+59%), OCILLOCOCCINUM and LINEX (+44% each) which also showed signs of growth came in at numbers 3 through 5. At the same time, the other three trade names, on the contrary, fell in the ranks. TROPICAMID (+3%) moved down from rank 3 to 8, and ACTOVEGIN (-9%) and HEPTRAL (-16%) moved down from numbers 5 and 4 to the bottom two ranks.

Table 2. Top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
6mon. 2011	6mon. 2010		6 mon. 2011	6 mon. 2010
1	2	ARBIDOL	1,6	1,6
2	1	ESSENTIALE N	1,5	1,7
3	7	VIAGRA	1,1	0,9
4	6	OCILLOCOCCINUM	1,0	0,9
5	8	LINEX	0,9	0,8
6	3	TROPICAMID	0,9	1,1
7	27	LASOLVAN	0,8	0,5
8	13	HYLAK FORTE	0,7	0,7
9	5	ACTOVEGIN	0,7	1,0
10	4	HEPTRAL	0,7	1,0
Total			9,9	10,1

The leader of the top 10 INN and generic names also changed. Following the respective preparation, ARBIDOL (+32%) became the leader (Table 3). INN PHOSPHOLIPIDS (+18%) that topped the top 10 ranking moved down to rank 2. XYLOMETAZOLINE (+42%) moved up from rank five to three by displacing PANCREATIN (+7%) to rank 4. Four newcomers broke into the ranks of blockbusters, coming in at the middle part of ranking. They were SILDENAFIL (+59%), PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+78%), AMBROXOL (+115%) and ANAS BARBARIAE (+44%), coming in at numbers 5 through 8, respectively. TROPICAMIDE (+3%) and LACTOBACILLUS ACIDOPHILUS (+15%) moved down to the bottom two ranks. The total share of the top 10, in contrast to two above rankings, increased from 11.0% to 11.5%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	2	ARBIDOL	1,6	1,6
2	1	PHOSPHOLIPIDS	1,6	1,7
3	5	XYLOMETAZOLINE	1,3	1,1
4	3	PANCREATIN	1,2	1,4
5	12	SILDENAFIL	1,1	0,9
6	13	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,1	0,8
7	24	AMBROXOL	1,1	0,6
8	11	ANAS BARBARIAE	1,0	0,9
9	6	TROPICAMIDE	0,9	1,1
10	9	LACTOBACILLUS ACIDOPHILUS	0,8	0,9
Total			11,5	11,0

N02 Analgesics (+32%) remained the leader of the top 10 ATC Groups ranking (table 4). Groups J01 Antibacterials for systemic use (+40%), preparations of unidentified pharmaceutical groups and R01 Nasal preparations (+41%) placed at ranks 3, 4 and 6, respectively, also held their own in the ranking. Three groups (M01, A07 and G03) fell in the ranks, whereas the other three, on the contrary, showed signs of growth. Among them there were two newcomers R05 Cough and cold preparations and J05 Antivirals for systemic use that due to 2.2- and 1.6-fold increase in sales broke into the ranks, coming in at numbers 2 and 10, respectively. The cumulative share of the top10 increased from 35.5% to 38.9%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010			6 mon. 2011	6 mon. 2010
1	1	N02	ANALGESICS	4,9	4,8
2	12	R05	COUGH AND COLD PREPARATIONS	4,7	2,8
3	3	J01	ANTIBACTERIALS FOR SYST USE	4,2	3,8
4	4		UNIDENTIFIED	4,0	3,7
5	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4,0	4,1
6	6	R01	NASAL PREPARATIONS	3,8	3,5
7	10	A11	VITAMINS	3,6	3,2
8	7	A07	INTESTINAL ANTIINFECTIVES	3,4	3,4
9	5	G03	SEX HORM&MODULAT GENITAL SYS	3,3	3,7
10	16	J05	ANTIVIRALS FOR SYSTEMIC USE	3,1	2,5
Total				38,9	35,5

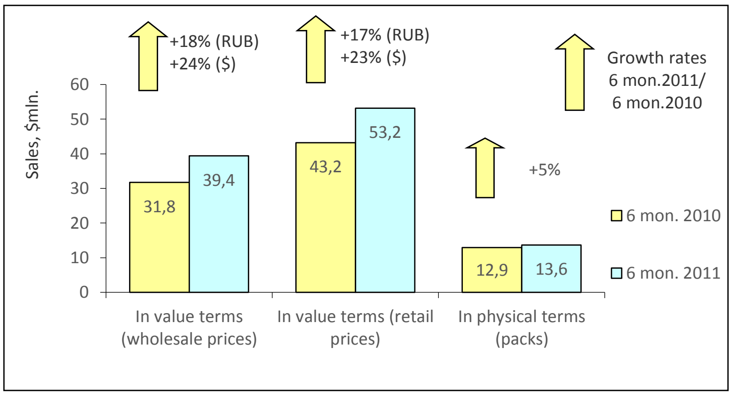
Conclusion. The Samara pharmacy market in the first six months to end June 2011 brought in RUB 3.489 bln (USD 121.464 mln) in final consumption prices, which is 25% in terms of roubles and 30% in terms of dollars more as compared to the last year. The city market in terms of natural values also showed positive sales growth rates (+12%) and reached 29.271 mln packs. The average cost of an OTC pack in the analyzed period increased as compared to the last year – USD 4.15 vs. USD 3.57 and was considerably higher than on an average in Russia (USD 3.51). In the first half of the current year, the average expenses of Samara residents for medicines were estimated as USD 107.13, which was twice higher than the average expenses in Russia (USD 54.70).

TOLYATTI PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Samarskaya Oblast was estimated as 3.215 mln, which accounts for 2.2% of the total Russian Federation population and 10.8% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the region was RUB 17,575 (USD 617.75), which is 21% less than the average salary in Russia (RUB 22,277.2).

According to the results of the Retail Audit of Over-the-Counter (OTC) Drugs in Russian Federation™, in the first six months of 2011 the volume of Tolyatti pharmacy market in physical terms increased by 5% and amounted to 13.645 million packs. In value terms, the market increased by 18% in rouble terms and 24% in dollar terms and brought in 1.129 billion roubles (39.402 million dollars) in wholesale prices (exclusive of Beneficiary Drug Coverage). The city share in the total volume of Russian pharmacy market accounted for 0.7%. The average cost of an OTC pack in the first half-year of 2011 amounted to USD 3.90 (in the same period of 2010 - USD 3.34). Per capita expenses for the purchase of OTC drugs in Tolyatti amounted to USD 73.64,

Figure 1. Tolyatti pharmacy market for 6 months of 2010 – 6 months of 2011



Following the results of the first half of 2011, SANOFI-AVENTIS (+23%) remained the leader of the Tolyatti pharmacy market (Fig.1). Apart from it, only one drug manufacturer of the top 10 NYCOMED (+16%) held its own in the ranking. And, for the most part, the top 10 companies rose in the ranks. Due to 40% growth in sales, the Russian drug manufacturer PHARMSTANDART moved up to rank two from five. The markets of companies PFIZER (+38%), SANDOZ (+60%) and NOVARTIS (+35%) that came in at the bottom three ranks of the top 10 also developed at a fast pace. At the same time, the latter two were newcomers of the ranking. ABBOTT (+7%) and MENARINI (+18%) moved up one rank and BAYER (+24%) moved up two ranks to numbers 6, 7 and 4, respectively. Only one company SERVIER (+14%) moved down from number four to five. The total share of the top ten drug manufacturers increased by over 2 p.p. and achieved 39.7%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug Manufacturer*	Share in total pharmacy sales, %	
6mon. 2011	6mon. 2010		6 mon. 2011	6 mon. 2010
1	1	**SANOFI-AVENTIS**	6,9	6,6
2	5	PHARMSTANDART	4,8	4,1
3	3	**NYCOMED**	4,6	4,7
4	6	**BAYER HEALTHCARE**	4,2	4,0
5	4	**SERVIER**	4,0	4,2
6	7	**ABBOTT**	3,4	3,7
7	8	**MENARINI**	3,2	3,2
8	10	**PFIZER**	3,0	2,6
9	14	**SANDOZ GROUP**	2,9	2,1
10	12	**NOVARTIS**	2,7	2,4
Total			39,7	37,5

*AIPM members are in bold

Due to 1.6-fold growth, ARBIDOL became the leader of the top 10 trade names (table 2). The former leader TETRALGIN (-67%) considerably reduced its sales and moved down to number 2. ESSENTIALE N (+7%), ACTOVEGIN (-2%) and OCILLOCOCCINUM (+13%) moved down to lower ranks and came in at numbers 3, 6 and 10, respectively. The other trade names of the top 10, apart from CONCOR, showed signs of growth. VIAGRA (+12%) and LINEX (+33%) moved up one rank, to numbers 5 and 9. The newcomers of the top 10 LASOLVAN (+93%) and TROPICAMID (+106%) broke in the ranks of bestsellers, coming in at numbers 7 and 8.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
6mon. 2011	6mon. 2010		6 mon. 2011	6 mon. 2010
1	5	ARBIDOL	1,6	1,2
2	1	TETRALGIN	1,4	4,9
3	2	ESSENTIALE N	1,3	1,4
4	4	CONCOR	1,1	1,2
5	6	VIAGRA	1,1	1,2
6	3	ACTOVEGIN	1,1	1,3
7	15	LASOLVAN	0,9	0,5
8	21	TROPICAMID	0,8	0,4
9	10	LINEX	0,7	0,6
10	7	OCILLOCOCCINUM	0,7	0,7
Total			10,5	13,6

Two newcomers were born into the top 10 INN and generic names ranking (table 3): AMBROXOL (+93%) and PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+73%), coming in at numbers 5 and 10, respectively. The top 10 leader changed - ARBIDOL (+56%) moved up from rank five to one. BISOPROLOL (+13%) and PHOSPHOLIPIDS (+11%) held their own in the ranking, and the combination METAMIZOLE SODIUM + CAFFEINE + PHENOBARBITAL (-67%) moved down from rank one to four. BLOOD (-2%), SILDENAFIL (+12%) and PANCREATIN (+21%) also moved down to the lower ranks and came in at numbers 7 through 9, respectively. The total share of the analyzed ranking, as well as of the above ranking, considerably reduced from 15.1% to 12.4%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	5	ARBIDOL	1,6	1,2
2	2	BISOPROLOL	1,5	1,5
3	3	PHOSPHOLIPIDS	1,4	1,5
4	1	METAMIZOLE SODIUM + CAFFEINE + PHENOBARBITAL	1,4	4,9
5	13	AMBROXOL	1,2	0,7
6	8	XYLOMETAZOLINE	1,2	1,0
7	4	BLOOD	1,1	1,4
8	6	SILDENAFIL	1,1	1,2
9	7	PANCREATIN	1,1	1,0
10	15	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,9	0,6
Total			12,4	15,1

The negative growth in sales of group N02 Analgesics (-24%) caused the reduction in a market share by more than 3 p.p., however it didn't prevent the group from holding the leadership by a wide margin (table 4). R05 Cough and cold preparations (+94%) which showed the most pronounced growth rates among the top groups moved up to rank two from ten. The other two groups came in at yet higher numbers: J01 Antibacterials for systemic use (+37%) and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+21%) moved up one rank to numbers 3 and 10, respectively. Five groups, on the contrary, moved down to the lower ranks despite positive sales growth. M01 Aniinflammatory and antirheumatic products (+27%) held rank five. The total share of the top 10 ATC groups reduced by almost 1 p.p. and accounted for 40.5%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6mon. 2011	6mon. 2010			6 mon. 2011	6 mon. 2010
1	1	N02	ANALGESICS	5,9	9,2
2	10	R05	COUGH AND COLD PREPARATIONS	4,6	2,8
3	4	J01	ANTIBACTERIALS FOR SYST USE	4,4	3,8
4	2		UNIDENTIFIED	4,3	4,7
5	5	M01	ANTIINFLAM & ANTIRHEUM PROD	3,9	3,7
6	3	G03	SEX HORM&MODULAT GENITAL SYS	3,7	4,0
7	6	C09	AG ACT RENIN-ANGIOTENS SYST	3,7	3,6
8	7	A11	VITAMINS	3,6	3,6
9	8	R01	NASAL PREPARATIONS	3,4	3,0
10	11	A07	INTESTINAL ANTIINFECTIVES	2,9	2,8
Total				40,5	41,4

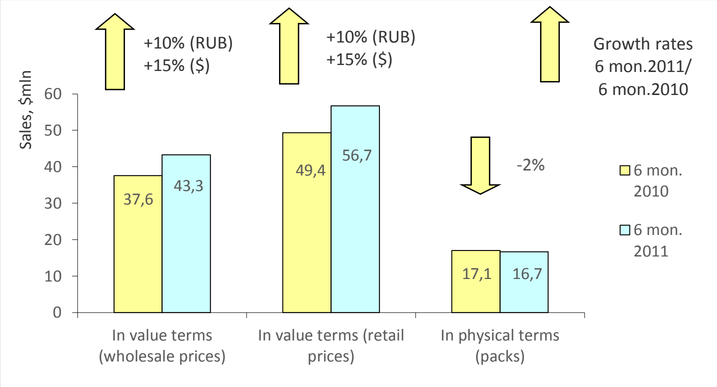
Conclusion. On the basis of the results of first half of 2011, the pharmacy market of Tolyatti brought in RUB 1.523 bln (USD 53.153 mln) in final consumer prices. The market performance was profoundly positive both in rouble terms (+17%) and in dollar terms (+237%). Growth gain was observed in physical terms (+5%) as well, and the volume of market achieved 13.645 mln packs. The average cost of a pack, USD 3.90, and the average sum spent by residents of the region for the purchase of OTC drugs (USD 73.64) were higher than the average values in Russia (USD 3.51 and USD 54.70).

SARATOV PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Saratovskaya Oblast was estimated as 2.519 mln, which accounts for 1.8% of the total Russian Federation population and 8.4% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the region was RUB 15,270.3 (USD 536.74), which is 31% less than the average salary in Russia (RUB 22,277.2).

According to the results of the Retail Audit of over-the-counter (OVC) drugs in Russian Federation™, in January-June 2011, the sales of over-the-counter drugs in pharmacies of Saratov in physical terms saw a 2% decrease to 16.663 mln packs. In value terms, the regional OTC drugs market increased by 10% in rouble terms and 15% in dollar terms to RUB 1.240 bln (USD 43.316 mln) in wholesale prices (Fig.1). The average cost of OTC pack based on the results of 6 months of 2011 was USD 3.40 (in 2010 - USD 2.89). The average expenses of Saratov residents for purchase of drugs in the first half of 2011 were estimated as USD 68.55

Figure 1. Saratov pharmacy market for 6 months of 2010 – 6 months of 2011



On the basis of the results for the first half of 2011, SANOFI-AVENTIS (+8%), PHARMSTANDART (+16%) and SERVIER (+3%) remained the leading manufacturers of the regional market (Table 1). BAYER (+7%) that displaced the less dynamic MENARINI (+5%) moved up to rank four from five. The most dynamical company of the top 10 SANDOZ (+28%) moved up three ranks from number 9 to 6. In this connection, three companies (ABBOTT, NYCOMED and STADA) moved down one rank. The only newcomer of the top 10 GEDEON RICHTER (+9%) came in at the bottom rank. The total share of the top ten drug manufacturers in the regional market reduced by 0.5 p.p. and achieved 38.6%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug Manufacturer*	Share in total pharmacy sales, %	
6mon. 2011	6mon. 2010		6mon. 2011	6mon. 2010
1	1	**SANOFI-AVENTIS**	5,9	6,0
2	2	PHARMSTANDART	5,4	5,2
3	3	**SERVIER**	4,1	4,4
4	5	**BAYER HEALTHCARE**	3,7	3,8
5	4	**MENARINI**	3,7	3,8
6	9	**SANDOZ GROUP**	3,4	2,9
7	6	**ABBOTT**	3,3	3,6
8	7	**NYCOMED**	3,3	3,5
9	8	**STADA**	3,1	3,2
10	11	**GEDEON RICHTER**	2,6	2,7
Total			38,6	39,1

*AIPM members are in bold

Some newcomers broke into the ranks of the top 10 trade names as well (table 2). There were four of them - HEPTRAL (+20%), PYRALGIN (+21%), MOVALIS (+10%) and LASOLVAN (+16%), coming in at the bottom four ranks of the top 10. Apart from that, some shifts occurred in the ranking. More dynamic ARBIDOL (+18%) moved up to rank one by displacing the last year leader ESSENTIALE N (+2%). The trade names OCILLOCOCCINUM (-23%) and VIAGRA (+24%) swapped the ranks: the former reduced sales and moved down to rank 6, whereas the latter due to pronounced positive growth, on the contrary, moved up two ranks to number 4. Preparations ACTOVEGIN (-6%) and MEXIDOL (+8%) held their own ranks 3 and 5, respectively.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	2	ARBIDOL	1,3	1,2
2	1	ESSENTIALE N	1,2	1,3
3	3	ACTOVEGIN	1,0	1,2
4	6	VIAGRA	0,8	0,8
5	5	MEXIDOL	0,8	0,8
6	4	OCILLOCOCCINUM	0,7	1,1
7	11	HEPTRAL	0,7	0,6
8	14	PYRALGIN	0,6	0,6
9	12	MOVALIS	0,6	0,6
10	26	LASOLVAN	0,6	0,4
Total			8,4	8,5

The leader of the top 10 INN and generic names changed for INN PHOSPHOLIPIDS (+8%) that forced PANCREATIN (+4%) to moved down to number two (Table 3). Antiviral ARBIDOL (+18%) came in at rank three, whereas BLOOD (-7%) moved down to rank 4. Two INNs of the top 10 - NIMESULIDE (+11%) and EMOXIPIN (+10%) – held their own in the ranking, The other INNs showed signs of growth. BISOPROLOL (+5%) moved up from rank 6 to 5, and AZITHROMYCIN (+28%) moved up from rank 9 to 6. The newcomers AMBROXOL (+51%) and SILDENAFIL (+24%) came in at ranks seven and nine respectively.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	2	PHOSPHOLIPIDS	1,4	1,4
2	1	PANCREATIN	1,4	1,4
3	4	ARBIDOL	1,3	1,2
4	3	BLOOD	1,0	1,2
5	6	BISOPROLOL	1,0	1,0
6	9	AZITHROMYCIN	0,9	0,8
7	17	AMBROXOL	0,9	0,7
8	8	NIMESULIDE	0,9	0,9
9	12	SILDENAFIL	0,8	0,8
10	10	EMOXIPIN	0,8	0,8
Total			10,4	10,2

Only two groups of the top 10 ATC groups held their own in the ranking – Group N02 Analgesics (+2%) remained the leader and N06 Psychoanaleptics (+8%) as before held its own rank 9 (table 4). Three groups showed signs of growth. J01 Antibacterials for systemic use (+21%) moved up one rank, to number 2, displacing M01 Anti-inflammatory and antirheumatic products (+8%). R05 Cough and cold preparations (+44%) moved up from rank 8 to 4, moving four ATC groups of the top 10 down one rank. The newcomer L03 Immunostimulants (+25%) broke into the ranks of the top 10, coming in at the bottom rank. The total share of the analyzed top 10 remained unchanged and amounted to 39.0%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6mon. 2011	6mon. 2010			6 mon. 2011	6 mon. 2010
1	1	N02	ANALGESICS	5,5	5,9
2	3	J01	ANTIBACTERIALS FOR SYST USE	5,0	4,6
3	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4,6	4,6
4	8	R05	COUGH AND COLD PREPARATIONS	4,4	3,4
5	4		UNIDENTIFIED	3,7	4,2
6	5	C09	AG ACT RENIN-ANGIOTENS SYST	3,6	3,8
7	6	A11	VITAMINS	3,3	3,5
8	7	G03	SEX HORM&MODULAT GENITAL SYS	3,1	3,4
9	9	N06	PSYCHOANALEPTICS	3,0	3,1
10	13	L03	IMMUNOSTIMULANTS	2,8	2,5
Total				39,0	39,0

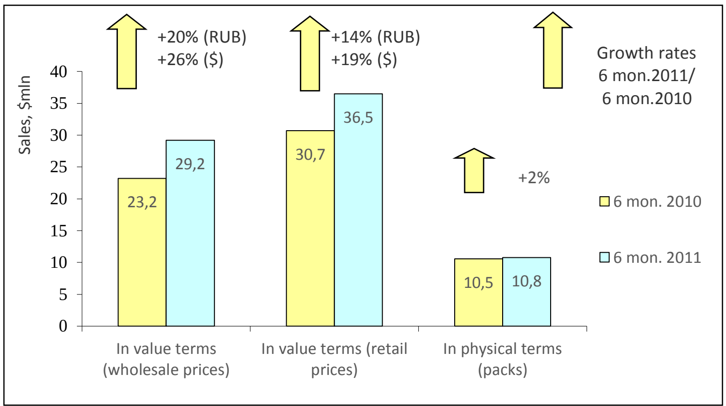
Conclusion. On the basis of the results of six months of 2011, the retail pharmacy market of Saratov brought in RUB 1.623 bln (USD 56.708 mln), which is 10% in terms of roubles and 15% in terms of dollars more than in the same period of 2010. In physical terms, the regional market showed negative growth rates (-2%) and amounted to 16.663 mln packs. In the first six months of 2011, the average cost of OTC pack in the regional pharmacies was USD 3.40 (in a year-earlier period – USD 2.89) which is a bit lower, than the average cost of it in Russia (USD 3.51). The average expenses of the regional population amounting to USD 68.55, on the contrary, proved to be above the average value in the country (USD 54.70).

ULYANOVSK PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Ulyanovskaya Oblast was estimated as 1.290 mln, which accounts for 0.9% of the total Russian Federation population and 4.3% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the region was RUB 14,234.4 (USD 500.33), which is 36% less than the average salary in Russia (RUB 22,277.2).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, the sales of over-the-counter drugs in physical terms increased by 2% to 10.788 mln packs over the period of first six months of 2011. In value terms, the city pharmacy market (exclusive of Beneficiary Drug Coverage) saw 20% increase in terms of roubles and 26% increase in terms of dollars and reached RUB 837.500 mln (USD 29.174 mln) in wholesale prices as compared with the same period of past year (Fig.1). The average cost of an OTC pack grew as compared to the same period of the previous year (USD 2.91) and reached USD 3.38 in retail prices. In the first half of 2011, the average amount spent by residents of Ulyanovsk on drugs amounted to USD 60.54.

Figure 1. Ulyanovsk pharmacy market for 6 months of 2010 – 6 months of 2011



Three leaders of the top 10 trade names in the regional market remained unchanged (table 1). 1). SANOFI-AVENTIS (+23%), PHARMSTANDART (+35%) and NYCOMED (+16%) held their own in the ranking and the former two boosted their ranks. GEDEON RICHTER (+16%) and BAYER (+25%) held their own ranks five and eight in the ranking. Due to falling-off in sales by 2%, ABBOTT considerably reduced its market share and moved down from rank 4 to 7. The other four manufacturers showed signs of growth. SERVIER (+18%) moved up to rank 4 from 6, and MENARINI (+18%) moved up to rank 6 from 7. Two newcomers SANDOZ (+53%) and TEVA (+26%) broke into the ranks of the top 10, coming in at the bottom two ranks.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	1	**SANOFI-AVENTIS**	6,0	5,8
2	2	PHARMSTANDART	5,7	5,2
3	3	**NYCOMED**	4,3	4,5
4	6	**SERVIER**	3,8	3,8
5	5	**GEDEON RICHTER**	3,7	4,0
6	7	**MENARINI**	3,5	3,6
7	4	**ABBOTT**	3,5	4,3
8	8	**BAYER HEALTHCARE**	3,3	3,2
9	12	**SANDOZ GROUP**	3,1	2,5
10	11	**TEVA**	2,8	2,7
Total			39,8	39,6

*AIPM members are in bold

The newcomers broke into the ranks of the top 10 trade names as well (table 2). A total of three products: OCILLOCOCCINUM (+105%), LASOLVAN (+93%) and CARDIOMAGNYL (+61%) came in at numbers 6, 7 and 9, respectively. On top of that, ARBIDOL (+33%), VIAGRA (+17%) and LINEX (+21%) moved up one rank to numbers one, four and eight, respectively. Only ESSENTIALE N (+14%) held its own in the ranking. Another three names moved down to the lower ranks. Due to cut-off of sales, NUROFEN PLUS (-0.2%) and ACTOVEGIN (+14%) as well as CONCOR (+10%) came in at numbers 2, 5 and 10, respectively.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	2	ARBIDOL	1,8	1,6
2	1	NUROFEN PLUS	1,7	2,0
3	3	ESSENTIALE N	1,3	1,4
4	5	VIAGRA	1,1	1,1
5	4	ACTOVEGIN	1,0	1,4
6	17	OCILLOCOCCINUM	1,0	0,6
7	22	LASOLVAN	0,8	0,5
8	9	LINEX	0,7	0,7
9	19	CARDIOMAGNYL	0,7	0,5
10	7	CONCOR	0,7	0,7
Total			10,7	10,6

Two newcomers broke into the ranks of the top ten INN and generic names as well (table 3). They were RECKITT BENCKISER and PFIZER that due to 1.8- and 2.1-fold growth in sales moved up to ranks 4 and 10, respectively. Apart from them, another two INNs showed signs of growth: ARBIDOL (+33%) moved up from rank 2 to 1 and XYLOMETAZOLINE (+42%) moved up from rank nine to five. Two INNs (PHOSPHOLIPIDS and BISOPROLOL) held their own in the ranking, whereas the other five INNs moved down to the lower ranks. Moreover two of them, combination IBUPROFEN + CODEINE (-0.1%) and INN BLOOD (-12%) reduced their sales.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	2	ARBIDOL	1,8	1,6
2	1	IBUPROFEN + CODEINE	1,7	2,0
3	3	PHOSPHOLIPIDS	1,4	1,4
4	13	AMBROXOL	1,2	0,8
5	9	XYLOMETAZOLINE	1,2	1,0
6	6	BISOPROLOL	1,2	1,2
7	5	PANCREATIN	1,1	1,2
8	7	SILDENAFIL	1,1	1,1
9	4	BLOOD	1,0	1,4
10	25	ANAS BARBARIAE	1,0	0,6
Total			12,7	12,4

N02 Analgesics (+8%) remained the best selling group in the regional market that despite lagging behind the expected growth rates and reduction of market share continued to lead in sales (table 4). Another two groups (A11 and G03) at numbers 7 and 9, respectively, held their own in the ranking. R05 Cough and cold preparations (+78%) moved up to number two from five, forcing groups M01 and J01 to move down one rank. One more group, C09 Agents acting on the rennin-angiotensin system (+12%) moved down to lower rank 6. Apart from the above, three ATC groups of the top 10, showed signs of growth. They were preparations of unidentified pharmaceutical groups, as well as groups R01 Nasal preparations (+40%) and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+21%) that moved up to ranks 5, 8 and 10, respectively. The total share of the top 10 ATC groups increased by 1.5 p.p. and accounted for 40.7%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6mon. 2011	6mon. 2010			6 mon. 2011	6 mon. 2010
1	1	N02	ANALGESICS	6,4	7,2
2	5	R05	COUGH AND COLD PREPARATIONS	5,3	3,6
3	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4,9	5,0
4	3	J01	ANTIBACTERIALS FOR SYST USE	4,2	4,1
5	6		UNIDENTIFIED	3,7	3,4
6	4	C09	AG ACT RENIN-ANGIOTENS SYST	3,6	3,9
7	7	A11	VITAMINS	3,5	3,3
8	10	R01	NASAL PREPARATIONS	3,3	2,9
9	9	G03	SEX HORM&MODULAT GENITAL SYS	2,9	3,0
10	11	A07	INTESTINAL ANTIINFECTIVES	2,9	2,8
Total				40,7	39,2

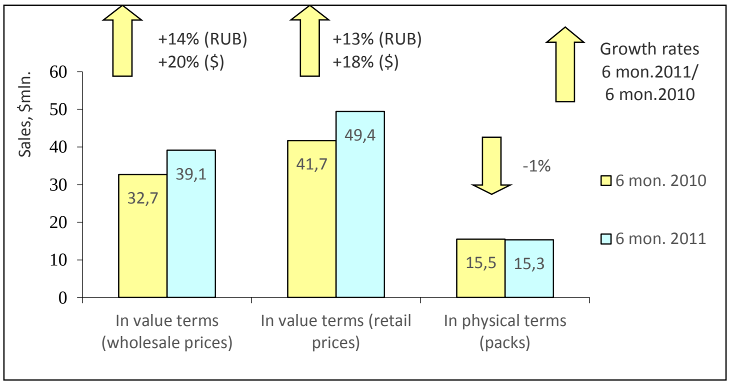
Conclusion. On the basis of the results of the first half of 2011, the retail pharmacy market of Ulyanovsk brought in RUB 1.048 bln (USD 36.494 mln). The market saw a 14% increase in terms of roubles and 19% in terms of dollars. The city market in physical terms also showed positive sales growth rates (+2%) and reached 10.788 mln packs. The average cost of a pack in the first six months was higher than the same value in the same period of past year (USD 3.38 vs. USD 2.91), however lower than on average in Russia (USD 3.51). At the same time, the average medicine expenses of Ulyanovsk residents noticeably exceeded the average expenses in Russia (USD 60.54 vs. USD 54.70).

VOLGOGRAD PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Volgogradskaya Oblast was estimated as 4.276 mln, which accounts for 1.8% of the total Russian Federation population and 18.8% of Southern FO (SFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the region was RUB 15,393.8 (USD 541.08), which is 31% less than the average salary in Russia (RUB 22,277.2).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Volgograd the sales of over-the-counter drugs in physical terms reduced by 1% to 15.350 mln packs over the period of first six months of 2011. In value terms, the city pharmacy market (exclusive of Beneficiary Drug Coverage) saw 14% increase in terms of roubles and 20% increase in terms of dollars and reached RUB 1.120 bln (USD 39.107 mln) in wholesale prices as compared with the same period of past year (Fig.1). The average cost of an OTC pack grew as compared to the same period of the previous year (USD 2.69) and reached USD 3.22 in retail prices. In the first half of 2011, the average amount spent by residents of Volgograd on drugs amounted to USD 50.41.

Figure 1. Volgograd pharmacy market for 6 months of 2010 – 6 months of 2011



On the basis of the results for the first half of 2011, the top10 manufacturers ranked by pharmacy sales in Volgograd was topped by Russian PHARMSTANDART due to growth in sales by one third (Table 1). The last year leader SANOFI-AVENTIS (+5%) moved down to rank two. SERVIER, GEDEON RICHTER (+4% each) and BAYER (+18%) held their own numbers three, four and five in the ranking. TEVA (+10%) and STADA (+18%) at the bottom two ranks held their own in the ranking. Due to the recent outperformance, SANDOZ (+24%) moved up two ranks and came in at number 6. As the same time, less dynamic MENARINI (+2%) and NYCOMED (+6%) moved down one rank. The total share of the top 10 manufacturers increased by almost 0.7 p.p. and accounted for 39.2%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug Manufacturer*	Share in total pharmacy sales, %	
6mon. 2011	6mon. 2010		6mon. 2011	6mon. 2010
1	2	PHARMSTANDART	6,0	5,1
2	1	**SANOFI-AVENTIS**	4,7	5,2
3	3	**SERVIER**	4,0	4,4
4	4	**GEDEON RICHTER**	4,0	4,4
5	5	**BAYER HEALTHCARE**	3,9	3,8
6	8	**SANDOZ GROUP**	3,7	3,4
7	6	**MENARINI**	3,4	3,8
8	7	**NYCOMED**	3,4	3,6
9	9	**TEVA**	3,1	3,2
10	10	**STADA**	3,1	3,0
Total			39,2	39,9

*AIPM members are in bold

Four trade names of the top 10 trade names held their own in the ranking (table 2). They were the leaders of the top ten ARBIDOL (+64%) and ACTOVEGIN (-2%), as well as CONCOR (+2%) and PENTALGIN N (+10%) at numbers 6 and 10. Three trade names showed signs of growth. VIAGRA (+18%) moved up one rank and YARINA (+12%) moved up two ranks, coming in at numbers 3 and 5, respectively. The newcomer NISE (+24%) that broke into the ranks of the top 10, coming in at number 7 from 11, rose in the ranks more significantly. Trade names with modest (ESSENTIALE N) and negative sales growth (OCILLOCOCCINUM and MEZYM FORTE), on the contrary, moved down to the lower ranks.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	1	ARBIDOL	1,9	1,3
2	2	ACTOVEGIN	1,0	1,1
3	4	VIAGRA	1,0	0,9
4	3	ESSENTIALE N	0,8	0,9
5	7	YARINA	0,7	0,7
6	6	CONCOR	0,6	0,7
7	11	NISE	0,6	0,6
8	5	OCILLOCOCCINUM	0,6	0,8
9	8	MEZYM FORTE	0,6	0,7
10	10	PENTALGIN N	0,6	0,6
Total			8,3	8,4

A total of three newcomers broke into the ranks of the top ten INN and generic names (table 3). They were INNs AMBROXOL (+68%), AZITHROMYCIN (+44%) and the combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+34%), coming in at numbers 6, 8 and 10, respectively. Apart from them, another three names showed signs of growth. They were ARBIDOL (+64%), XYLOMETAZOLINE (+41%) and SILDENAFIL (+18%) that moved up to ranks 1, 3 and 7, respectively. At the same time, four names moved down to the lower ranks. PANCREATIN (+7%), BLOOD (-1%) and BISOPROLOL (+5%) moved down one rank. PHOSPHOLIPIDS (+6%) moved down from number six to nine.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
6 mon. 2011	6 mon. 2010		6 mon. 2011	6 mon. 2010
1	2	ARBIDOL	1,9	1,3
2	1	PANCREATIN	1,4	1,4
3	5	XYLOMETAZOLINE	1,3	1,0
4	3	BLOOD	1,1	1,3
5	4	BISOPROLOL	1,1	1,2
6	20	AMBROXOL	1,0	0,7
7	9	SILDENAFIL	1,0	0,9
8	15	AZITHROMYCIN	1,0	0,8
9	6	PHOSPHOLIPIDS	0,9	1,0
10	13	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,9	0,8
Total			11,4	10,4

Group N02 Analgesics (+27%) came out on top of the regional market, displacing J01 Antibacterials for systemic use (+18%) (table4). Groups R05 Cough and cold preparations (+60%) and R01 Nasal preparations (+24%) moved up to ranks three and four from 8 and 7, respectively. Apart from them, one more group of the top 10 ATC groups showed signs of growth. Group J05 Antivirals for systemic use (+85%) broke into the ranks of blockbusters, coming in at number 9. G03 Sex hormones (+16%) kept its own rank six. Four groups of the top 10 ATC groups (M01, C09, A11 and preparations of unidentified pharmaceutical groups) fell in the ranks. The total share of the top 10 ATC groups increased by 2.6 p.p. and accounted for 40.2%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6mon. 2011	6mon. 2010			6 mon. 2011	6 mon. 2010
1	2	N02	ANALGESICS	5,1	4,6
2	1	J01	ANTIBACTERIALS FOR SYST USE	4,9	4,8
3	8	R05	COUGH AND COLD PREPARATIONS	4,8	3,4
4	7	R01	NASAL PREPARATIONS	4,1	3,8
5	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4,0	4,1
6	6	G03	SEX HORM&MODULAT GENITAL SYS	3,9	3,9
7	3	C09	AG ACT RENIN-ANGIOTENS SYST	3,7	4,1
8	5		UNIDENTIFIED	3,6	4,0
9	21	J05	ANTIVIRALS FOR SYSTEMIC USE	3,1	1,9
10	9	A11	VITAMINS	2,9	3,0
Total				40,2	37,6

Conclusion. On the basis of the results of the first half of 2011, the retail pharmacy market of Volgograd brought in RUB 1.415 bln (USD 49.387 mln). The market saw a 13% increase in terms of roubles and 18% in terms of dollars. The city market in physical terms declined by 1% and reached 15.350 mln packs. The average cost of a pack in the first six months was more than in the same period of past year (USD 3.22 vs. USD 2.69). Note that the average cost of a pack and average expenses of Volgograd residents for purchase of OTC drugs in pharmacies were lower than the corresponding average values in Russia (USD 3.51 vs. USD 54.70).

RUSSIAN FEDERATION REGIONAL HOSPITAL MARKETS: 2011 FIRST 6 MONTHS RESULTS

According to the results of the Hospital Purchase Audit in Russian Federation™, at the end of the first half of 2011, 11 regional markets taken individually accounted for 49.6% of the entire hospital sector of the Russian Federation, The biggest market is the market of Moscow which share accounts for 25.3% (Fig. 1). Further follow the markets of Saint Petersburg (5.8%), Kazan (4.3%) and Nizhny Novgorod (2.7%). The regional markets considerably differ by average cost of a pack of hospital OTC drug. The highest price of a hospital OTC pack was registered in Moscow (USD 7.10) and the lowest one in Novosibirsk (USD 2.17). In Saint Petersburg the average cost of a pack was USD 4.97.

Figure 1. Regions' share in the total hospital purchase volume in the Russian Federation in first half of 2011.

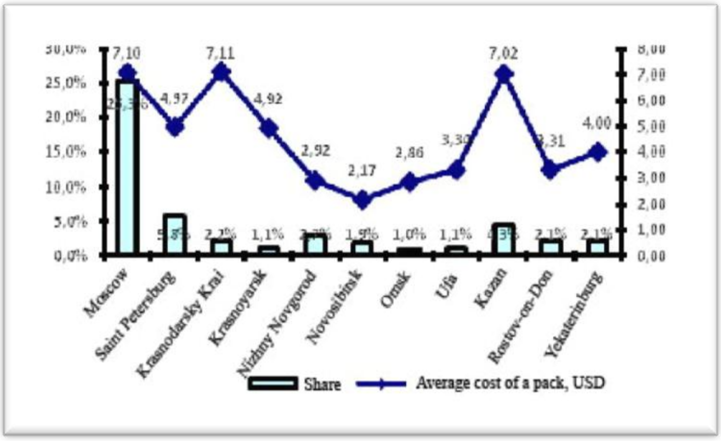


Table 1 provides information of the ranks of the top manufacturers in the Russian market which they obtained in the regional ratings. The leading company of the Russian hospital sector Sanofi-Aventis (that came in at number two in the All-Russia ranking subsequent to preparations from unidentified manufacturers) was ranked the number one manufacturer in four from eleven regions under review: Ufa, Kazan, Rostov-on-Don and Krasnoyarsk. It was ranked number two in Moscow, Novosibirsk and Omsk, number three in S-Petersburg and Nizhny Novgorod. Sanofi-Aventis didn't move down lower than number four (in Yekaterinburg and Krasnodarsky Kray) in either of the regions under review. Company Nycomed ranked number 3 in the All-Russia rating came in at number two in the top 10 of Nizhny Novgorod and Rostov-on-Don, number three – in Krasnodarsky Krai and Yekaterinburg, and number five in Moscow, Kazan and Novosibirsk. Only in Omsk the drug manufacturer broke into the ranks of the top 20, coming in at number 14. Note, that in all cities under review the regional leader broke into the ranks of the all-Russia top 10 drug manufacturers. The maximum number of "crossings" with the all-Russia list of top manufacturers was observed in Moscow (7 companies), the minimum number – in Ufa (2 companies).

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

Rank in RF top 10	Drug Manufacturer	Rank in Regional Top 10 Drug Manufacturers										
		Moscow	St. Petersburg	Krasnodarsky Krai	Ufa	Kazan	Yekaterinburg	Nizhniy Novgorod	Rostov-on-Don	Novosibirsk	Krasnoyarsk	Omsk
1	Unidentified manuf.	1	2	2	12	17	1	1	56	1	5	1
2	Sanofi-Aventis	2	3	4	1	1	4	3	1	2	1	2
3	Nycomed	5	9	3	7	5	3	2	2	5	7	14
4	AstraZeneca	3	5	1	22	3	5	10	5	3	6	28
5	Merck Sharp Dohme	9	1	8	27	4	12	8	8	9	11	3
6	Pfizer	4	8	7	33	6	10	34	24	18	14	7
7	Pharm-Center	51	12	67	11	35	27	20	3	16	10	12
8	Teva	6	35	11	40	7	17	13	40	17	18	19
9	Glaxo-SmithKline	12	14	13	38	20	19	27	26	11	32	18
10	Biotek	108	63	110	21	30	95	33	22	93	44	55

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 Natrium Chloridum was ranked the number one trade name in the regional top 10 trade names. In Moscow and Nizhniy Novgorod it was ranked number two, in Ufa – number three. At the same time, the drug was ranked only number 24 in the Kranodarsky Krai. In six cities Heparin (number two in the all-Russia top 10 trade names) broke into the ranks of the regional top 10 trade names, in four cities it broke into the ranks of the top 20 trade names and only in Krasnoyarsk it came in at number 43. Glucose ranked number three in the RF top 10 broke into the ranks of the top 10 trade names in most regions (in six), and the top 20 trade names in three regions. However, in Kazan that trade name came in at number 27, and in St. Petersburg – only at number 31. Note that in four cities - Moscow, Ufa, Yekaterinburg and Nizhny Novgorod – the leaders of regional markets didn't break into the ranks of the all-Russia top 10 trade names. The maximum number of "crossings" with the all-Russia list of top trade names was observed in Rostov-on-Don and Novosibirsk (7 ranks each), the minimum number - in Ufa, Krasnoyarsk and Omsk (3 ranks each).

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

Rank in RF top 10	Trade name	Rank in Regional Top 10 Trade Names										
		Moscow	St. Petersburg	Krasnodarsky Krai	Ufa	Kazan	Yekaterinburg	Nizhniy Novgorod	Rostov-on-Don	Novosibirsk	Krasnoyarsk	Omsk
1	Natrium chloridum	2	1	24	3	1	3	2	1	1	1	1
2	Heparin	10	6	7	19	16	2	7	13	4	43	19
3	Glucose	18	31	18	8	27	7	6	16	2	4	2
4	Meronem	3	4	1	33	3	14	13	5	3	6	N/A
5	Clexan	21	9	3	6	2	4	3	2	6	14	17
6	Actovegin	43	60	15	N/A	31	105	11	3	43	34	25
7	Tienam	17	8	6	40	18	10	8	4	13	15	4
8	Cefotaxim	87	19	156	34	289	31	30	7	9	89	43
9	Fraxiparine	14	16	79	228	35	191	93	23	27	71	32
10	Taxotere	6	68	48	55	8	N/A	N/A	N/A	N/A	17	69

Considerable variance in the consumption structure of not only individual drugs and INN groups, but of pharmacotherapeutic groups as well is observed depending on the regions (table 3). However, it should be noted that the leader of all-Russia ranking – group J01 Antibacterials for systemic use topped almost all top 10 regional rankings. The sole exception was Ufa where it was ranked number 2. A10 Drugs used in diabetes became the leader of the top 10 ATC groups for that region. B05 Blood substitutes and perfusion solutions group ranked number two in the All-Russia top 10 ATC Groups was ranked number two in five regions and number three in three regions. In Krasnoyarsk, Ufa and Krasnodarsky Kray that group was ranked number 4, 5 and 6, respectively. Starting from rank three, the regional top 10s differ considerably. To the fullest extent the top 10 of all-Russia hospital sector is reproduced in Moscow (9 ranks match).

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

Rank in RF top 10	ATC Code	Rank in Regional Top 10 ATC Groups										
		Moscow	St. Petersburg	Krasnodarsky Krai	Ufa	Kazan	Yekaterinburg	Nizhniy Novgorod	Rostov-on-Don	Novosibirsk	Krasnoyarsk	Omsk
1	J01	1	1	1	2	1	1	1	1	1	1	1
2	B05	3	2	6	5	3	3	2	2	2	4	2
3	L01	2	3	2	11	2	4	16	53	47	2	4
4	B01	4	5	3	3	4	2	3	3	3	62	3
5	N01	8	6	7	7	6	7	7	13	6	10	7
6	B02	6	12	14	12	10	9	17	6	27	17	31
7	N05	12	4	4	4	5	24	32	41	4	3	32
8	V08	10	8	5	6	7	5	36	4	5	19	5
9	L03	5	19	29	20	13	21	20	27	40	7	13
10	J06	7	9	47	9	11	18	21	20	10	9	18

Conclusion

As comparison of the main rankings shows, the Russian hospital sector is marked by the pronounced regional specificity of market profile. However, in most cases the leaders of all-Russia top 10s get high ranking in the regional hospital markets as well.

REGIONAL DIGEST

Beneficiary Drug Coverage/Procurement of Necessary Drugs, Government Control

October 1, 2011, RIA News

Russia to ease drugs import from October 1

Now the suppliers do not need to obtain special licenses from the Ministry of Industry and Trade of Russia. Mr. Vadim Muzyaev, Director General of Protek Group, believes that measures being taken won't bring any revolutionary change to the market. In his opinion, no changes are likely to occur to Protek in respect of competition either, as there is little likelihood that the pharmaceutical industry of Kazakhstan and Belorussia will undergo any essential changes. Mr. Nikolai Demidov, Director General of Pharmexpert Market Research Centre, points out that Belorussian drugs account for an extremely small share in the Russian market, and the Kazakhstan pharmaceutical industry is "in the egg".

October 3, 2011, The Izvestia

Around 2.5 thousand preparations are waiting in queue for renewal of market authorization

The law "On the Circulation of Pharmaceuticals" that took effect last year was designed to keep prices for essential drugs down, but gave unexpected result. The price of some medicines grew by 10% against contemplated price. Other medicines are in short supply. "Now we have trouble obtaining an answer to the renewal application. This procedure is not transparent and the drug manufacturer doesn't understand what happens to its drug", Head of Russian Office of foreign pharmaceutical company explained. According to Pharmstandart experts, around 2.5 thousand drugs are waiting in queue for renewal of market authorization. Such drugs may be put on the market, but VAT will be 18%, not 10%. "The sale price for buyers has increased by 10% as compared to the standard price. When pharmaceutical companies obtained market authorization, the price restored", Ms. Jelena Nevolina, Executive officer of Aptechnaya Guildiya, said.

October 6, 2011, The Moscow News

Authorities apparently are not ready to switch to the prescription drug insurance

The replacement of beneficiary drug coverage by the national program of general prescription drug insurance has been delayed for an indefinite period. This project can be renewed no sooner than in a few years, Mr. Andrei Yurin, Head of Federal Compulsory Medical Insurance Fund (FCMIF) announced on October 5. Andrei Yurin considers an idea of general prescription drug insurance that will make it possible for people to buy drugs prescribed by GP at half-price to be unrealizable for now due to lack of funds to put it into practice. "I think it will be difficult to withdraw now 200 bln roubles from hospitals and health centres", Head of FCMIF said.

October 10, 2011, The Izvestia

AIPM and ARPM developed the whole package of amendments to the law "On the Circulation of Pharmaceuticals"

Members of AIPM propose to call off recurrent studies in the territory of Russia if they have already been carried out in Europe, USA and other developed countries. According to notes to the amendments, it will make it possible to launch innovative drugs into the Russian market in good time. Orphan drugs (pharmaceutical agents that have been developed specifically to treat a rare medical condition) cause even more problems. Pursuant to the rules in force, it is practically impossible to arrange such clinical studies. There should be no less than two thousand subjects, but in this country we can hardly muster 200 patients suffering from such rare disease. The problem with clinical studies is a matter of great concern to Association of Russian Pharmaceutical Manufacturers (ARPM) as well. Members of the Association propose to call off pre-clinical studies of simulated pharmaceuticals (generics). Also, they propose to call off evaluation of quality, efficiency and safety of drugs, in the event that stopgap amendments such as trade name, address of the applicator etc. are made to the Drug master file.

October 11, 2011, RBCDaily

In Russia, Ministry of Public Health to cancel the list of OTC medications from October 16

In Russia, the Ministry of Public Health shall cancel the list of OTC medications from October 16. Before now it comprised the list of medications that can be freely sold in the pharmacies. Now practitioners, patients and pharmacists should be guided by core data sheets. This is the only clarification provided by the Ministry of Public Health. This improvement shall apply to exactly half of the commercial pharmaceutical market. According to Mr. Nicolay Bespalov, Director of Research and Consulting at Pharmexpert, over the period of eight months of current year, in value terms OTC drugs accounted for 50.01% of market or RUB 145.9 bln. At the same time, in physical terms OTC drugs dominate: the cumulative share of OTC drugs accounted for 72.1%. Members of the market are at a loss: the Ministry of Public Health didn't give any formal clarifications regarding that issue. The Ministry clarified to RBCDaily that no lists shall be issued from now onward, and any details regarding whether it is an OTC drug or a prescription drug should be provided in the core data sheet enclosed for this drug.

October 21, 2011, RBC

State Duma passed in the second reading the draft law "On the Fundamentals of Public Health Protection in the Russian Federation"

The draft law details the constitutional citizens' rights to health protection and medical care, as well as settles capacity to exercise such rights. In particular, the document for the first time gives the definition of the medical care procedure and its standard which shall be subject to compulsory implementation over the whole territory of the Russian Federation and health care facilities including private ones. On top of that, the draft law shall tighten requirements to the health care workers and applicants for positions in the medical and pharmaceutical field. For example, it contains restrictions which apply to prescriptions provided in violation of the impartiality of the practitioner, as well as to the presents, moneys, payments for entertainments, recreation, travelling to the venue of recreation, etc. received from patients. Apart from that, the draft law for the first time provides a definition of rare diseases, Ms. O. Borsova, Head of State Duma Committee on Health Protection. "Also, it will establish the procedure for opening of disease or patient registries, as well as the procedure for procurement of drugs for patients with rare diseases and sources of financing", said Head of Committee. She also added that according to the amendments, from now forth the RF Government may extend the disease registry "7 Nosologies" from federal budget resources.

October 30, 2011, The Rossiyskaya Gazeta—North -West

Russia signed Convention to combat counterfeit drugs

The ceremony of signing the Council of Europe's Convention that aims to fight against counterfeit medicines and other forms of pharmaceutical crimes dangerous for public health was held in Moscow. The Convention allocates criminal liability for the counterfeiting of medical products and similar crimes. This important instrument will make it possible to boost cooperation at the international and domestic levels; more efficiently implement joint activities as a result of interaction between Russia Ministry of Internal Affairs and Europol and other international organizations.

NEWS FROM COMPANIES

October 14, 2011, The Vedomosti

Rigla and Renaissance Insurance announced the launch of prescription drug insurance program

Only corporate customers of the insurer that already have voluntary health insurance (VHI) police and have bought an additional special police may make use of the program. The list of medication covered by the police comprises 4000 trade names. On the average, the pharmacy range of medical products numbers 7000 trade names (with due account for form and dosage), the big pharmacy range – about 10 000 names, Mr. Nikolai Demidov, Director General of Pharmexpert. The cost of "Pharmacy" Police shall be from 700 (it shall cover expenses on medication prescribed by GP to the amount of 3000 roubles per year) up to 3000 roubles (in this case the amount of coverage – 50000 roubles), as indicated in the notes. The employer may enter an option into the VHI program without franchise (in this case a buyer shall receive medication free of charge) and with franchise (a buyer shall pay 20% of medication cost), Ms. Marina Tikhonova, Vice-President on Health Insurance, Renaissance Insurance Group, said via a spokesman.

October 17, 2011, The Vedomosti

Pfizer will not go to court over Viagra in Russia

Pharmaceutical companies Pfizer and Teva – manufacturers of drugs to treat erectile dysfunction – entered into the nondisclosure agreement that discontinued all judicial proceedings and allowed Teva to continue selling its drug that contains sildenafil as the active ingredient (which is the same as the active ingredient of Pfizer Viagra) in Russia, the companies reported. The parties to the agreement refused to disclose any details of such agreement. In 2010, according to DSM Group data, Viagra was included into the top 3 bestselling drugs in the Russian commercial market, and in the previous years it had been the most popular drug (in value terms).

October 18, 2011, RBCDaily

On the eve of epidemics, pharmaceutical companies fight for Antigrippin

At the beginning of October, Antiviral NPO (Scientific and Production Association) (that falls under Protek Group from mid-2011) and Valenta filed an objection to Chamber for Patent Disputes against Antigrippin trademark owned by Natur Product International. The applicants want to cancel the legal protection of the trademark. All three companies produced or are producing Antigrippin. Protek press-service reported that Antigrippin trademark was registered illegally as its trade name consists of commonly used words that are not subject to patent protection. The dispute is more likely to be settled to the benefit of Natur Product, Ms. Marina Misyukevich, Managing Partner of Counsel Legal Firm, believes. "However, Antigrippin is not a commonly used name, and Natur Product was the first company that registered and formalized the patent protection", a legal counsel explained.

Information source: IMS Health

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