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AIPM

Association of International Pharmaceutical Manufacturers

Ассоциация международных фармацевтических производителей

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

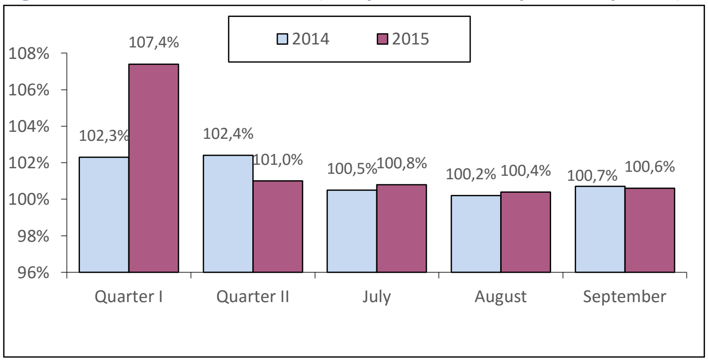
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in September 2015, the Consumer Price Index was estimated at 100.6% compared to the previous month, and 110.4% since the beginning of the year.

In September this year, Industrial Producer Price Index was 98.9%, whereas in the month-earlier period it had amounted to 100.1%.

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



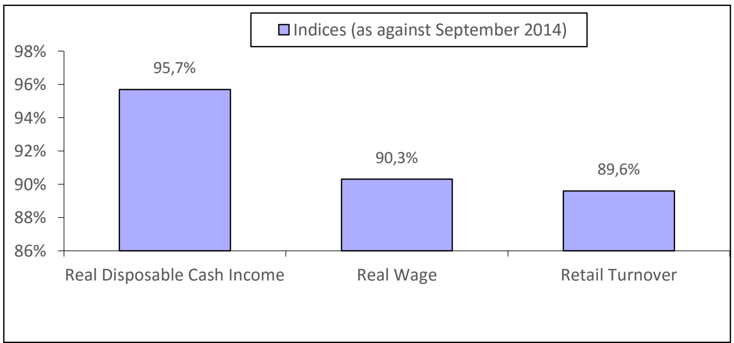
Living standard

According to preliminary Federal State Statistics Service's data, in September 2015 a gross monthly average salary per worker reached RUR 33,140 (USD 496.33) which accounted for 103% compared to the previous month and 104.5% compared to September 2014. The real wage in September 2015 accounted for 90.3% as compared with the same period in 2014. In September 2015, the real value of disposable cash incomes accounted for 95.7% as compared with the same period of the previous year (Fig. 2).

Retail turnover

In September 2015, the retail turnover was equal to RUB 2,335.9 bil., which in comparable prices accounted for 89.6% compared to the same period a year ago, in January-September 2015 - RUB 19,973.3 bil. and 91.5% (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in September 2015



Industrial Production

According to Federal State Statistics Service's data, in September 2015 Industrial Production Index accounted for 96.3% compared to the same period of the previous year, and in January - September of 2015 - 96.8%).

According to Federal State Statistics Service's data, Industrial Production Index in September 2015 accounted for 116.4% compared to the relevant period of the previous year, and 133.2% to the previous month.

Domestic production

Top 10 domestic pharmaceutical manufacturers according to their shares of total sales in all segments of the market based on the results for September 2015 are shown in Table 1.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales volume in September 2015

Rank	Manufacturer	% of sales
1	Otcpharm	7.8%
2	Pharmstandart	5.0%
3	Valenta	4.7%
4	Stada	4.2%
5	Ozon	3.4%
6	Sotex	3.1%
7	Pharmasyntez (Irkutsk)	3.0%
8	Materia Medica	2.9%
9	Veropharm	2.8%
10	KRKA	2.8%

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In August 2015 compared to July, pharmacy sales slump (in terms of roubles) was observed in six analysed regions. The most pronounced growth in sales was observed in St. Petersburg (-19%), the least one – in Tyumen (-3%). The highest positive growth rates were observed in Krasnodarsky Krai (+6%).

Table 2. Pharmacy sales in the regions, 2015

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	June 2015	July 2015	August 2015	June/ May 2015	July/ June 2015	August/ July 2015
Moscow	114.1	106.3	89.0	-3%	-2%	-4%
St. Petersburg	32.0	33.1	23.6	-3%	8%	-19%
Krasnodar Krai	23.8	27.0	25.1	2%	18%	6%
Novosibirsk Region	13.7	12.7	11.3	0.3%	-3%	2%
Tatarstan	15.8	14.1	12.6	-14%	-6%	2%
Krasnoyarsk Krai	14.6	14.6	11.3	-2%	5%	-11%
Rostov Region	18.4	18.3	16.5	7%	4%	3%
Voronezh Region	10.8	9.9	8.0	5%	-4%	-8%
Perm	3.4	3.5	2.8	-6%	9%	-8%
Tyumen	4.4	3.9	3.3	4%	-7%	-3%

Advertising

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

Table 3. Top five advertisers in mass media in September 2015

Rank	Company*	Quantity of broadcasts
1	Otcpharm	11,693
2	Bayer AG	10,755
3	Novartis	8,811
4	Berlin-Chemie Menarini Group	6,596
5	Teva	5,889

Source - Remedium according to TNS Russia's data

Table 4. Top five brand names in mass media in September, 2015

Rank	Brand*	Quantity of broadcasts
1	Nasivin	2,663
2	Nurofen	2,487
3	Ingavirin	2,217
4	Kagocel	2,107
5	Otrivin	1,942

Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

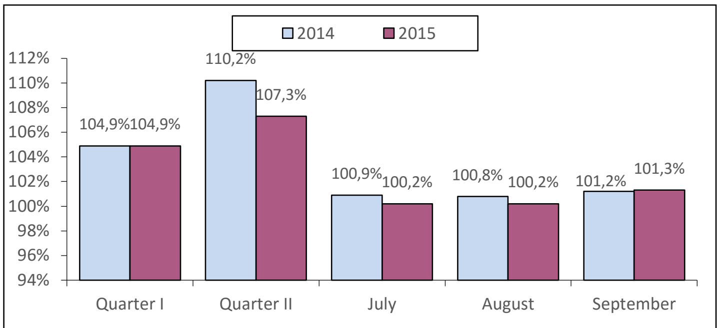
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of National Statistical Committee of the Republic of Belarus, in September 2015 the Consumer Price Index was estimated at 101.3% compared to the previous month (as a comparison, it was 101.2% in September 2014), 111.9% compared to June 2014. In January-September of this year the Consumer Price Index was 114.2% as compared to the same period of 2014.

In September 2015, Industrial Producer Price Index was 102.1% compared to August 2015, and 114.1% as compared to December 2014. In January-September 2015, the Industrial Producer Price Index was 117.2% as compared to the same period of 2014.

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



Source: Belstat

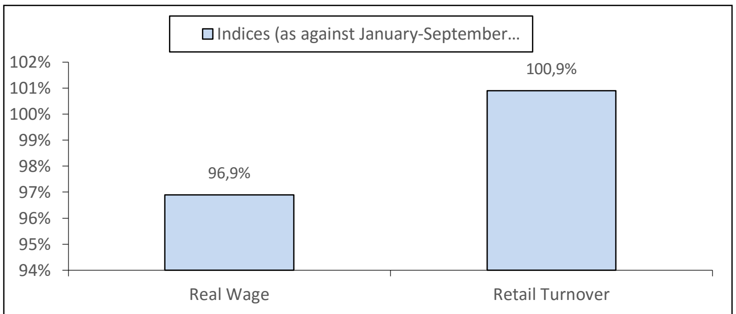
Living standard

According to the preliminary Balstat's data, in January-September 2015 the average monthly nominal accrued wage of the workers of the Republic of Belarus was BYR 6,625.4 thd (USD 434.04[1]). In January-September 2015, the real wage reduced by 3.1% as compared to January-September 2014, and in September 2015 reduced by 2.8%as compared to August 2015 (Fig.2). According to Balstat's data, in January-August 2015 the real disposable cash income accounted for 94.7% as against January-August 2014.

Retail turnover

In January-September 2015, the retail turnover amounted to BYR 253.4 tril., which was 0.9% more than in January-September 2014 in comparable prices (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-September 2015



Source: Belstat

Industrial Production

According to Belstat's data, in January-September 2015 the industrial output by economic activities "Mining industry", "Processing Industry" and "Production and distribution of electricity, gas and water" at current prices amounted to BYR 536.8 tln. Industrial Production Index accounted for 92.9% as against January-September 2014.

According to Belstat's data, in January-September 2015 the pharmaceutical production output was estimated at BYR 5,674.4 bil., which accounted for 137% as against the same period of 2014 in comparable prices.

[1] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Belarus www.nbrb.

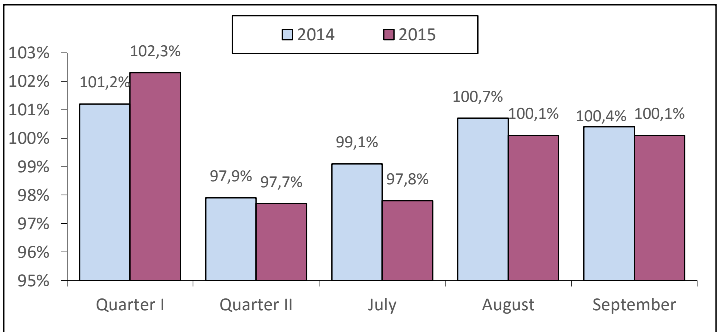
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to data of National Statistical Service of the Republic of Armenia, in September 2015 the Consumer Price Index was estimated at 100.1%, compared to September 2014 – 103.3%). For the period January-September of the current year to January-September 2014, Consumer Price Index was 104.7%.

In September this year, the Industrial Producer Price Index was 99.2%, as compared to the previous month, while in the month-earlier period it had amounted to 100.0%. Since the beginning of 2015, the index accounted for 99.7% as compared with the same period last year.

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



Source: National Statistical Service of the Republic of Armenia

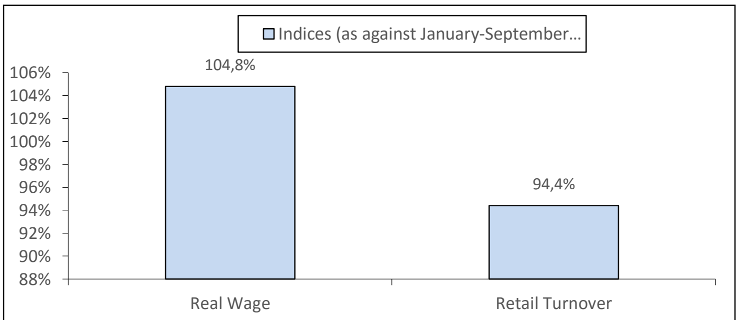
Living standard

According to the preliminary data of the National Statistical Service of RA, in September 2015 the average monthly nominal accrued wage of the workers in the Republic of Armenia was Dram 184,808.0 (USD 384), which accounted for 107.2% to the same period of the last year. In January-September 2015, the average monthly nominal wage was Dram 181,537 (USD 380) and 109.7% to January-September 2014 (Fig.2). In January-September 2015, the real wage accounted for 104,8% as compared to January-September 2014. Calculation of real disposable income in accordance with State Statistical Efforts Program for 2008 has not been performed in the Republic of Armenia since January 1, 2008.

Retail turnover

The retail turnover amounted to AMD 201,610.5 mil. in September 2015, and AMD 1,620,631.9 mil. since the start of the year, which accounted for 89.1% and 94.4% respectively, as compared to the same period of the previous year (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-September 2015



Source: National Statisticla Service of the Republic of Armenia

Industrial Production

According to the preliminary data of the National Statistical Service of RA, in September 2015 the industrial output by economic activities "Mining industry", "Processing Industry" and "Supply (service) of electricity, gas, steam and conditioned air" and "Water supply, sewage water, management and disposal of waste" at current prices amounted to AMD 104,898.7 mil., in January-June - AMD 117,495.0 mil. or 104.8% to January-September 2014.

According to the National Statistical Service of RA, in September 2015 the pharmaceutical production output was estimated at AMD 838.1 mil., and in January-September - AMD 5,615.6 mil., which accounted for 133.6% and 127.5% respectively to the same periods of the previous year.

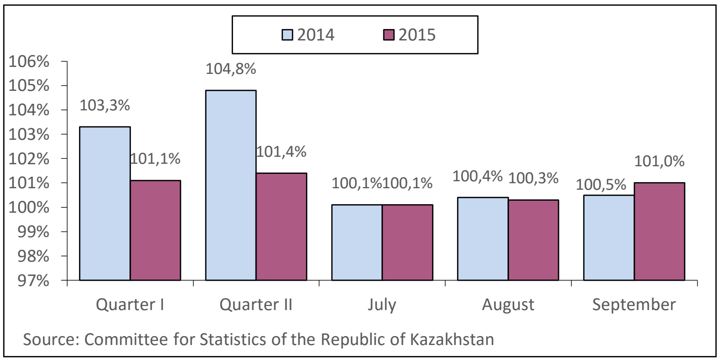
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in September 2015 the Consumer Price Index was estimated at 101%, compared to the previous month. In January-September of this year, the Index reached 104.8% as compared to the same period of 2014.

In September 2015, the core industrial producer price index (with due account for the production services) accounted for 101.3% as compared to August of this year. A month earlier, it was 98%, and in January-September 2015 it was 76.4% as compared to January-September 2014.

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



Source: Committee for Statistics of the Republic of Kazakhstan

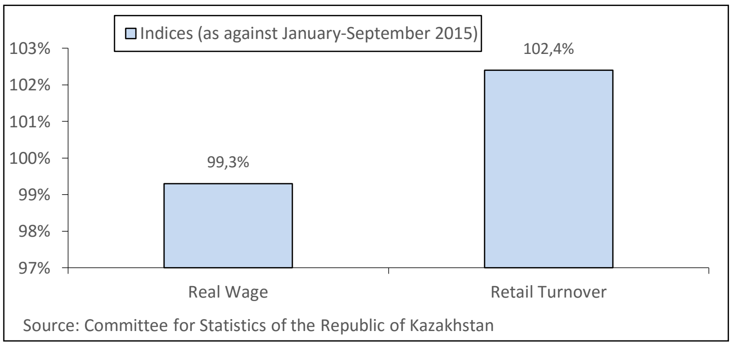
Living standard

According to the preliminary data of the National Statistical Service of RK, in September 2015 the average monthly nominal wage per worker was KZT 124,656, in January-September of the last year - KZT 122,110 (USD 624.38[2]). In January-September 2015, the Nominal Wage Index to the same period of 2014 accounted for 104.1%, the Real Wage Index - 99.3% and 98.1% (September 2015 to September 2015). In September 2015, the Real Cash Income Index was 100.4 to September 2014, and in January-September 2015 it was 101.5% to the same period of the last year (Fig. 2).

Retail turnover

In September 2015, the retail turnover accounted for KZT 538,555.0 mil., and from the beginning of the year - KZT 44,157,627 mil. In January-September 2015, the Volume of Retail Turnover Index accounted for 102.4% to the same period of the previous year (Fig.2).

Figure 2. Real monthly wage and retail turnover in January-September 2015



Source: Committee for Statistics of the Republic of Kazakhstan

Industrial Production

According to data of the Committee for Statistics of RK, in January-September 2015 the industrial output was KZT 10,329,289 mil. In January-September of 2015, the Volume of Industrial Products index accounted for 99% to the same period of 2014.

According to data of the Committee for Statistics of RK, in January-September of 2015 the essential pharmaceuticals output was KZT 21,000 mil. At the end of January-September 2015, the Volume of Industrial Production for Pharmaceuticals index to January-September 2014 was 99.3%.

[2] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Kazakhstan www.nationalbank.kz

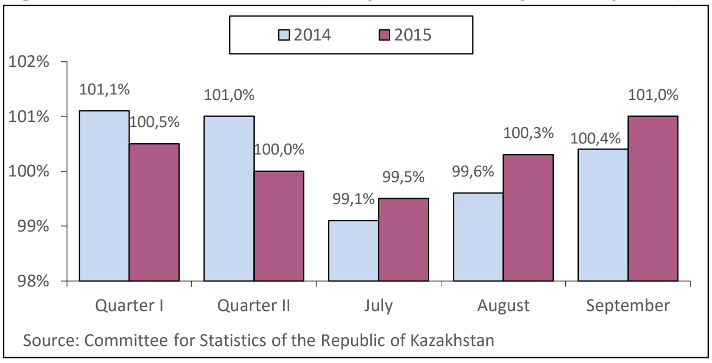
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of the Kyrgyz Republic, in September 2015 the Consumer Price Index was estimated at 101%, compared to December 2014 – 101.1%). In January-September of this year, the Index accounted for 107.4% as compared to the same period of 2014.

In January-September 2014, the Industrial Producer Price Index was 107.3% as compared to January-September 2014.

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



Source: Committee for Statistics of the Republic of Kazakhstan

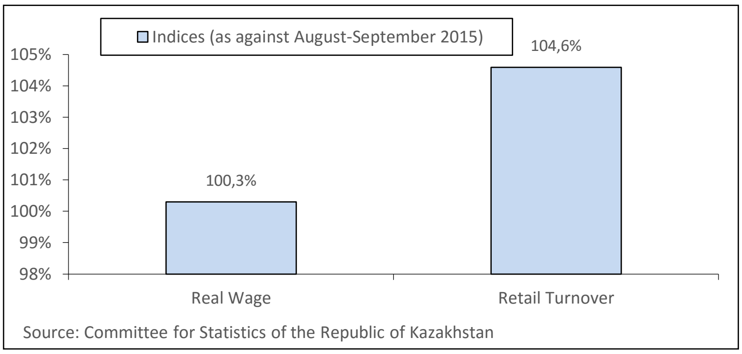
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in January-August 2015 the average monthly nominal wage per worker was KGS 12,617 (USD 206.4[3]), which was 7.8% more than in January-August 2014. In January-August 2015, the real wage accounted for 100.3% as compared to the same period in 2014 (Fig. 2).

Retail turnover

In September 2015, the retail turnover amounted to KGS 21,512.5 mil., in January-September 2015 - KGS 146,102.3 mil. The Volume of Retail Turnover Index accounted for 110% and 104.6% to the same period of the previous year (Fig.2).

Figure 2. Real monthly wage and retail turnover in January-September 2015



Source: Committee for Statistics of the Republic of Kazakhstan

* Data for January-August 2015

Industrial Production

According to data of the National Committee for Statistics of the Kyrgyz Republic, in January-September 2015 the industrial output was KGS 126,615.9 mil. (USD 2,046.81 mil.) In January-September of 2015, the Index of Physical Volume of Industrial Production accounted for 117.4% to the same period of 2014.

According to data of the National Committee for Statistics of the Kyrgyz Republic, in January-September of 2015 the essential pharmaceuticals output amounted to KGS 145.1 mil., in September - KGS 19.5 mil. At the end of January-September 2015, the Index of Physical Volume of Industrial Production for Pharmaceuticals was 123.8% to January-September 2014.

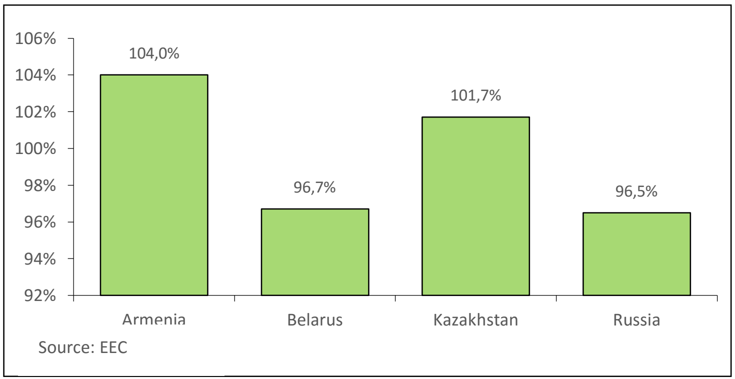
[3] The average exchange rate to calculate the above indices was used from the official website of the National Bank of the Kyrgyz Republic http://www.nbkr.kg/

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to Eurasian Economic Commission's (EEC) data, at the end of January-September 2015 GDP of EAEU member-states reduced by 2.7% compared to the same period of 2014. GDP growth was reported in Kazakhstan (+1.7%) and Armenia (+4.0%). In two countries, Russia (-3.5%) and Belarus (-3.3%) GDP reduced as compared to the same period of 2014 (Fig. 1). According to preliminary estimates, in January-September of 2015 the Kyrgyz Republic GDP accounted for 107.3%.

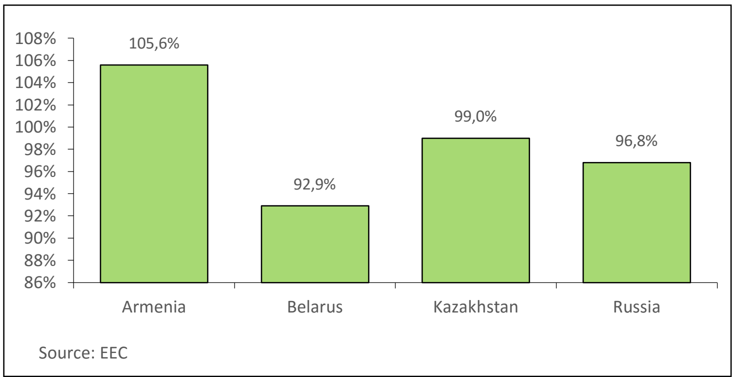
Figure 1. GDP growth of EAEU countries (January-September 2015 to January-September 2014)



Industrial Production

According to preliminary ECE data, in January-September 2015 the volume of industrial production (at constant prices) of the EAEC Member States amounted to USD 681.8 bil. and decreased by 3.1% as compared with January-September 2014. The volume of industrial production by individual countries accounted for Armenia – 105.6%, Belarus – 92.9%, Kazakhstan – 99.0% and Russia – 96.8% (Fig. 2). In the Kyrgys Republic, the volume of industrial production accounted for 117.4%.

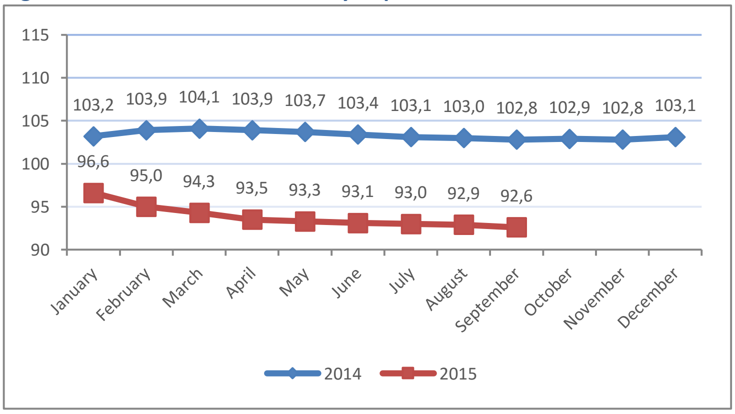
Figure 2. Industrial production in the EAEU member-states in January-September of 2015 (compared to January-September 2014)



Retail turnover

According to the EEC, the retail trade turnover (through all sales channels) of EAEU member-states in January-June 2015 amounted to USD 381.6 bln. Compared with the same period of 2014, the volume of retail sales (in comparative prices) decreased by 7.4%. The main reason for the overall decline was the decline in retail turnover in Russia (91.5%) and Armenia (92.5%). In Belarus, Kazakhstan and Kyrgys Republic, the retail trade turnover increased (by 0.9%, 2.4% and 4.6%, respectively).

Figure 3. Retail turnover in January-September 2015



Nominal and real wage

According to the EEC, in January-September 2015 the average monthly nominal wage increased by 9.7% in Armenia , 10.7% in Belarus, 4.1% in Kazakhstan, 7.8% in the Kyrgyz Republic (in January–August 2015), 5.5% in Russia, as compared with the same period of the last year. Given the increase in consumer prices for goods and services, the real wage in the respective period increased by 4.8% in Armenia, 0.3% in the Kyrgyz Republic (in January–August 2015), reduced by 3.1% in Belarus, 0.6% in Kazakhstan, and by 9.0% in Russia.

Table 1. Nominal and real wage in January-September 2015

Country	Real wage, as % to the same period of 2014	Nominal wage, USD
Armenia	104.8	380
Belarus	96.9	423
Kazakhstan	99.4	624
Russia	91.0	561
Kyrgys Republic[1]	100.3	206

[1] January-August 2015

Budget implementation in the first half of 2015

According to the EEC, in January-July of 2015, the republican budget in Armenia, Kazakhstan and Russia was implemented with a deficit. In Armenia and Russia, the main reason for the budget deficit is the reduction of budget revenues, while in Kazakhstan it is a significant slowdown in its growth rate. In Belarus and Kyrgyz Republic, the budget was implemented with the significant surplus due to high income growth.

The expenditures of the republican budget increased in all EAEU member-states. AT the same time, Armenia, Kyrgyzstan and Russia also increased the pace of spending growth. In contrast, Belarus and Kazakhstan showed slowdown in spending the national budget.

Table 2. Republican budget in January-June 2015

Country	USD bil.		
	Income	Expenditure	Deficit (surplus)
Armenia	1.1	1.2	-0.1
Belarus	5.2	4.0	1.2
Kazakhstan	17.9	18.4	-0.5
Russia	115.8	128.9	-13.1
Kyrgyz Republic	0.9	0.7	0.1
EAEU	**140.9**	**153.2**	**-12.4**

Mutual trade of EAEU member-states in January-August 2015

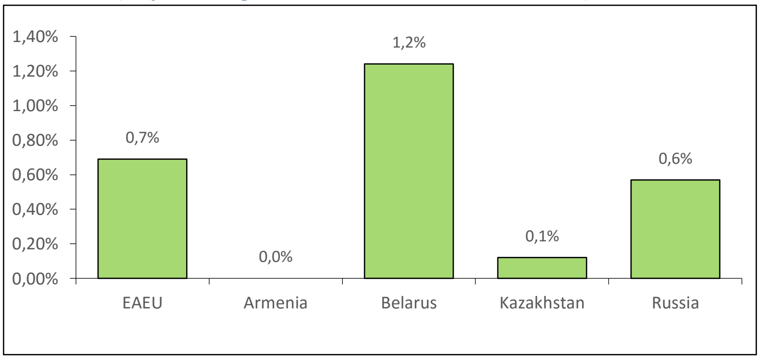
The volume of mutual trade in commodities of EAEU member-states in January-August 2015 amounted to USD 30.3 bil. or 74% as against the same period of 2014.

Table 3. Volumes of mutual trade in commodities of EAEU member-states in January-August 2015

Countries	USD bil.	As % to January-August 2014	As % to total
EAEU	30335.1	74.4	100.0
Armenia - Belarus	22.8	95.7	0.08
Armenia - Kazakhstan	4.4	91.5	0.01
Armenia - Russia	751.3	92.8	2.48
Belarus - Kazakhstan	424.1	72.8	1.40
Kazakhstan - Russia	10329.3	75.5	34.05
Belarus - Russia	17261.7	72.2	56.90

Pharmaceutical products account for a small share in the structure of mutual trade (less than 1%) (Figure 4).

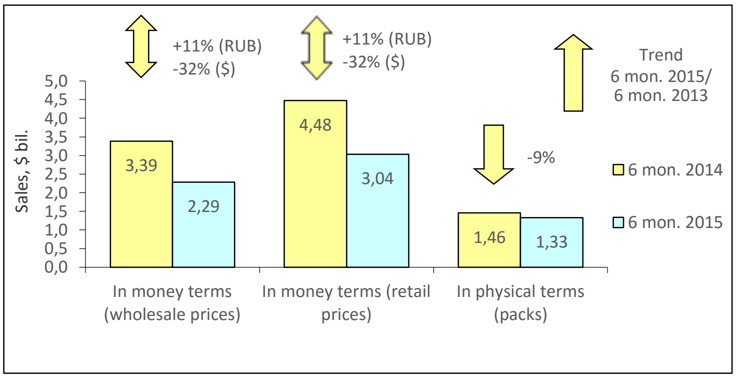
Table 4. The structure of mutual trade between EEU member-states within the Customs Commodity Code group "Pharmaceutical products" in Q1 2015 (as percentage of total volume of mutual trade)



PHARMACY OTC MARKET IN RUSSIA: 2015 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first six months of 2015 the sales of OTC drugs in natural terms in pharmacies of Russia saw a 9% decrease to 1.329 bil. packs. In money terms, the OTC drugs market increased by 11% in rouble terms and reduced by 32% in dollar terms and reached RUB 131.595 bil. (USD 2.289 bil.) in wholesale prices (Fig. 1). The share of Over-the-Counter (OTC) drugs accounted for 68.9% of sales in physical terms and 52.0% in retail prices. The average cost of an OTC pack reduced as compared to a year earlier and reached USD 2.28 (vs. USD 3.07) in retail prices. At half year-end 2015, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 20.76.

Figure 1. Russian pharmacy OTC market for 6 months of 2014 – 6 months of 2015



At half year-end 2015, the top OTC drugs manufacturers ranking in the Russian market didn't change in composition (table 1. On top of that, six manufacturers held their own in the ranking. Among them was the manufacturer BAYER ranked number one in the top ten (+6%[4]). As before, the manufacturers SANDOZ, GlaxoSmithKline (+3% each), STADA (+23%), MENARINI (+1%) and JOHNSON & JOHNSON (+4%) maintained their ranks four through eight, respectively. Two manufacturers from the top 10 rose in the ranks. The Russian OTCPHARM (+6%) moved up from rank three to two, displacing SANOFI-AVENTIS down one rank (-6%). The same shift took place in the bottom part of the top ten ranking: NYCOMED/TAKEDA (+18%) moved up to rank nine from ten, while TEVA (-5%) reduced its sales and moved down to rank ten. The cumulative share of the top 10 manufacturers reduced from 41.9% to 39.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	1	**BAYER HEALTHCARE**	5.6	5.8
2	3	OTCPHARM	5.2	5.5
3	2	**SANOFI-AVENTIS**	4.9	5.8
4	4	**SANDOZ GROUP**	4.4	4.7
5	5	**GSK CON.HEALTHCARE**	4.3	4.7
6	6	**STADA**	3.9	3.5
7	7	**MENARINI**	3.2	3.4
8	8	**JOHNSON & JOHNSON**	2.9	3.1
9	10	**NYCOMED/TAKEDA**	2.6	2.5
10	9	TEVA	2.6	3.0
Total			39.6	41.9

*AIPM members are in bold

One newcomer broke into the top ten brand names ranking. Due to one-fourth growth in sales, the product ACC moved up from rank 14 to nine (table 2). Another four brand names managed to improve their positions. Thus, CARDIOMAGNIL (+33%) moved up from rank six to three. The brand names DETRALEX (+7%), INGAVIRIN (+10%) and PENTALGIN (+2%) moved up one rank, coming in at numbers six through eight, respectively. Another four brand names from the top ten held their own in the ranking. The leaders of the top ten ESSENTIALE N (-16%) and KAGOCEL (+32%) maintained their ranks one and two, and EXODERIL (-3%) and TROXEVASIN (-1%) kept their ranks four and ten. And only one brand name LINEX (-10%) moved down two ranks, coming in at number five. The total share of the top ten brand names reduced by 0.5 p.p. and accounted for 11.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	1	ESSENTIALE N	1.7	2.2
2	2	KAGOCEL	1.6	1.4
3	6	CARDIOMAGNIL	1.3	1.1
4	4	EXODERIL	1.1	1.3
5	3	LINEX	1.0	1.3
6	7	DETRALEX	1.0	1.0
7	8	INGAVIRIN	1.0	1.0
8	9	PENTALGIN	0.9	1.0
9	14	ACC	0.8	0.8
10	10	TROXEVASIN	0.8	0.9
Total			11.3	11.9

[4] Hereinafter, unless otherwise stated, growth gains are estimated in terms of dollars.

The leader of the top ten INN and group names ranking XYLOMETAZOLINE (+17%) maintained and strengthened the leading position in the ranking (Table 3). PANCREATIN (+11%) moved up to rank two from four, while INN PHOSPHOLIPIDS (-14%) that had held that rank earlier, in contrast, moved down to rank three. IBUPROFEN (+23%) continued to hold rank four in the ranking. The INNs with high growth rates moved up to numbers five through eight: KAGOCEL (+32%), DIOSMIN + HESPERIDIN (+21%), ACETYLSALICYLIC ACID + MAGNESIUM (+33%) и CHONDROITINSULFURIC ACID + GLUCOSAMINE (+18%). At the same time, the composition ACETYLSALICYLIC ACID + MAGNESIUM became the only newcomer of the top ten. At the same time, due to reduction in sales AMBROXOL (-8%) and NAFTIFINE (-3%) moved down to ranks nine and ten. The cumulative share of the top 10 didn't change and accounted for 16.6%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	1	XYLOMETAZOLINE	3.2	3.0
2	3	PANCREATIN	2.0	2.0
3	2	PHOSPHOLIPIDS	1.9	2.4
4	4	IBUPROFEN	1.8	1.6
5	6	KAGOCEL	1.6	1.4
6	9	DIOSMIN + HESPERIDIN	1.4	1.2
7	12	ACETYLSALICYLIC ACID+ MAGNESIUM	1.3	1.1
8	10	CHONDROITINSULFURIC ACID + GLUCOSAMINE	1.3	1.2
9	5	AMBROXOL	1.1	1.4
10	8	NAFTIFINE	1.1	1.3
Total			16.6	16.6

R05 Cough and cold preparations (+10%) remained the bestselling group in the regional OTC market (Table 4). Products of the group R01 Nasal preparations (+16%) moved up to rank two from three, displacing N02 Analgesics (+12%) down one rank. Note that another two ATC groups from the top ten moved up one rank. The groups A11 Vitamins (+6%) and M01 Anti-inflammatory and antirheumatic products (+24%) moved up to ranks four and eight, respectively. At the same time, A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+4%) and A05 Group Bile and Liver Therapy (-7%) moved down one rank each. The groups J05 Antivirals for systemic use (+17%), C05 Vasoprotectives (+13%) and R02 Throat preparations (+9%) held their previous ranks six, seven and ten. The consolidated share of the top 10 reduced from 50.3% to 49.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2015	6 mon. 2014			6 mon. 2015	6 mon. 2014
1	1	R05	COUGH AND COLD PREPARATIONS	6.4	6.6
2	3	R01	NASAL PREPARATIONS	6.2	6.0
3	2	N02	ANALGESICS	6.2	6.2
4	5	A11	VITAMINS	5.3	5.6
5	4	A07	INTESTINAL ANTIINFECTIVES	5.3	5.6
6	6	J05	ANTIVIRALS FOR SYSTEMIC USE	5.0	4.9
7	7	C05	VASOPROTECTIVES	4.9	4.7
8	9	M01	ANTIINFLAM & ANTIRHEUM PROD	3.8	3.4
9	8	A05	BILE AND LIVER THERAPY	3.4	4.0
10	10	R02	THROAT PREPARATIONS	3.3	3.4
Total				49.7	50.3

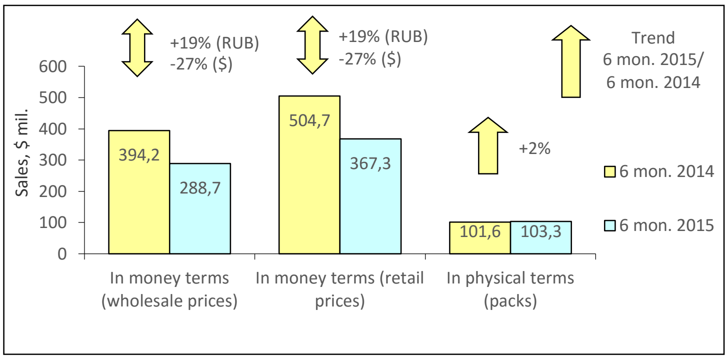
Conclusion. On the basis of the results for the first 6 months of 2015, the OTC retail market of Russia achieved RUB 174.668 bil. (USD 3.036 bil.). It was 11% more in terms of roubles and 32% less in terms of dollars than in 2014. In physical terms, the market showed the negative growth rates (-9%) and accounted for 1.329 bil. packs. The average cost of OTC-pack in the Russian pharmacies based on the results for the first half of 2015 was USD 2.28 which was more than in the year-earlier period (USD 3.07). The average expenses of Russian residents for the purchase of OTC drugs in pharmacies also reduced (USD 20.76 vs. USD 31.17).

MOSCOW REGION PHARMACY MARKET: 2015 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2015 the population of Moscow region was estimated as 7.23 mil., which makes 4.9% of the total Russian Federation population and 18.6% of Central FO (CFO). According to Federal State Statistics Service's data, in the first half of 2015 the average wage in the region amounted to RUB 39,330 (USD 684.95), which was 19% higher than the average wage in Russia (RUB 33.124).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at half year-end 2015 the sales of OTC drugs in physical terms saw a 2% increase to 103.349 mil. packs in Moscow region. In money terms, the drugs market increased (+19%) in rouble terms and reduced (-27%) in dollar terms and brought in RUB 16.489 bil. (USD 288.712 mil.) in wholesale prices (Fig. 1). The city market share accounted for 6.2% of the sales (in retail prices). The average cost of an OTC pack reduced as compared to a year earlier and reached USD 3.55 (vs. USD 4.97). For 6 months of 2015, the average amount spent by residents of the region for drugs in the pharmacies amounted to USD 50.8.

Figure 1. Moscow region pharmacy market for 6 months of 2014 – 6 months of 2015



At the first six months of 2015, the top ten drug manufacturers in the Moscow region market didn't change in composition (Table 1). In addition, the top five manufacturers held their own in the ranking: SANOFI-AVENTIS (+8%), BAYER (+15%), SERVIER (+13%), SANDOZ (+15%) и MENARINI (+19%), and GlaxoSmithKline (+14%) rounded out the top ten. Some shifts took place in the bottom part of the top ten ranking. The most dynamic among the top ten manufacturers ABBOTT (+24%) moved up from rank eight to six, and OTCPHARM (+14%) moved up to rank eight from nine. At the same time, ABBOTT (+10%) moved down one rank to number seven and the manufacturer TEVA (+9%) lost two ranking positions, coming in at number nine. The total share of the top 10 drug manufacturers reduced by almost 2 p.p. to 35.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	1	**SANOFI-AVENTIS**	5.6	6.2
2	2	**BAYER HEALTHCARE**	5.0	5.1
3	3	**SERVIER**	3.7	3.9
4	4	**SANDOZ GROUP**	3.7	3.8
5	5	**MENARINI**	3.2	3.2
6	8	**NYCOMED/TAKEDA**	3.1	3.0
7	6	**ABBOTT**	2.9	3.1
8	9	OTCPHARM	2.8	2.9
9	7	TEVA	2.7	3.0
10	10	**GSK CON.HEALTHCARE**	2.6	2.7
Total			35.2	36.9

*AIPM members are in bold

One newcomer CONCOR (+20%) broke into the ranks of the top ten brand names ranking, moving up to number ten from 11 (table 2). Apart from it, another three brand names showed a ranking progress. Due to one-third growth in sales, KAGOCEL moved up from rank five to two. The less dynamic DETRALEX (+18%) and MEXIDOL (+21%) moved up one rank, to numbers six and seven respectively, displacing ALFLUTOP (+10%) down to rank eight. Due to reduction in sales, LINEX (-1%) moved down to the lower rank five. The other four brand names from the top 10 brands held their own in the ranking. The top ten leader ESSENTIALE N (-10%) held its rank number one, and EXODERIL (+15%), ACTOVEGIN (+19%) and INGAVIRIN (+18%) kept their previous ranks three, four and nine. The total share of the top ten FPPs reduced by 0.5 p.p. and accounted for 7.2%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	1	ESSENTIALE N	0.9	1.2
2	5	KAGOCEL	0.7	0.7
3	3	EXODERIL	0.7	0.7
4	4	ACTOVEGIN	0.7	0.7
5	2	LINEX	0.6	0.8
6	7	DETRALEX	0.6	0.6
7	8	MEXIDOL	0.6	0.6
8	6	ALFLUTOP	0.6	0.6
9	9	INGAVIRIN	0.5	0.6
10	11	CONCOR	0.5	0.5
Total			6.5	7.0

The leader of the top-10 INN and group names ranking didn't change either – due to one fourth growth in sales, XYLOMETAZOLINE (+41%) held and reinforced its position (table 3). PANCREATIN (+20%) moved up to rank two from three, displacing PHOSPHOLIPIDS (-10%) down to rank three. INN NIMESULIDE (+38%) and the composition DIOSMIN + HESPERIDIN (+33%) moved up to the higher ranks, and the newcomers DICLOFENAC (+35%) and KAGOCEL (+33%) broke into the ranks of the top ten, coming in at numbers five, seven, eight and ten, respectively. At the same time, BISOPROLOL (+24%) and BLOOD (+19%) moved down one rank, to numbers six and nine, respectively. INN IBUPROFEN (+38%) held its previous rank four. The cumulative share of the top 10 under review increased 0.3 p.p. to 9.8%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	1	XYLOMETAZOLINE	1.9	1.8
2	3	PANCREATIN	1.1	1.1
3	2	PHOSPHOLIPIDS	1.0	1.3
4	4	IBUPROFEN	1.0	0.8
5	6	NIMESULIDE	1.0	0.8
6	5	BISOPROLOL	0.9	0.8
7	9	DIOSMIN + HESPERIDIN	0.8	0.7
8	12	DICLOFENAC	0.8	0.7
9	8	BLOOD	0.8	0.8
10	13	KAGOCEL	0.7	0.7
Total			9.8	9.5

At the end of nine months of 2015, M01 Anti-inflammatory and antirheumatic products (+27%) and R01 Nasal preparations (+20%) remained the best selling group in the regional market (table 4). On top of that, another four ATC groups held their own in the ranking. A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+17%) kept its rank six, and A11 Vitamins (+21%), J05 Antivirals for systemic use (+24%) and G03 Sex hormones (+21%) rounded out the top ten. Two ATC groups of the top 10 rose in the ranks. C09 Agents acting on the rennin-angiotensin system (+23%) and N02 Analgesics (+22%) moved up to ranks three and five. At the same time, the groups showing the lower growth rates J01 Antibacterials for systemic use (+19%) and R05 Cough and cold preparations (+14%) moved down to ranks four and seven, respectively. In total, the top ten ATC groups accumulated 36.7% of the market, which was more than in the year-earlier period (36.4%).

Table 4. The top ten ATC Groups by pharmacy sales

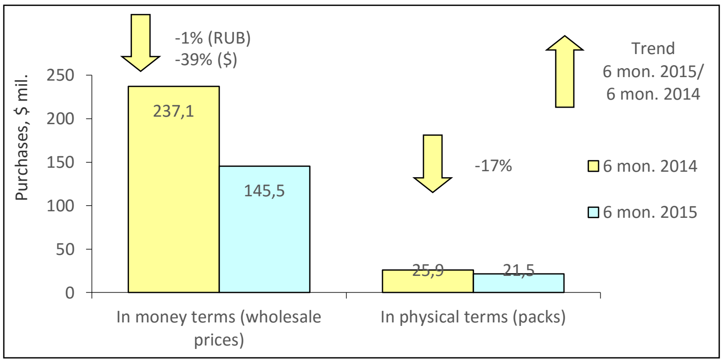
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2015	6 mon. 2014			6 mon. 2015	6 mon. 2014
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.7	4.4
2	2	R01	NASAL PREPARATIONS	4.3	4.3
3	4	C09	AG ACT RENIN-ANGIOTENS SYST	3.9	3.7
4	3	J01	ANTIBACTERIALS FOR SYST USE	3.8	3.9
5	7	N02	ANALGESICS	3.5	3.4
6	6	A07	INTESTINAL ANTIINFECTIVES	3.4	3.5
7	5	R05	COUGH AND COLD PREPARATIONS	3.3	3.5
8	8	A11	VITAMINS	3.3	3.3
9	9	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	3.3
10	10	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.0
Total				36.7	36.4

Conclusion. On the basis of the results for six months of 2015, the retail pharmacy market of the Moscow region brought in RUB 20.977 bil. (USD 367.309 mil.). It was 19% more in terms of roubles and 27% less in terms of dollars than in 2014. In physical terms, the market saw a 2% increase and was equal to 103.349 mil. packs. In the regional pharmacies the average cost of a product pack was USD 3.55 based on the results for the first half of 2015 (in a year-earlier period - USD 4.97), and was lower than the national average (USD 3.04). The average medicine expenses of residents were higher than the national average expenses in Russia (USD 50.80 vs. USD 40.05).

MOSCOW CITY HOSPITAL MARKET: 2015 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first six months of 2015 the Moscow hospital market in natural terms reduced by 17% compared to the previous year to 21.532 million packs. In money terms, the market also showed negative growth rates (-1% in terms of roubles and -39% in terms of dollars) and reached RUB 8.192 bil. (USD 145.541 mil.) in wholesale prices. Based on the results for the first half year of 2014, the average cost of FPP pack in the hospital sector of Moscow was USD 6.76, whereas in the year-earlier period its cost was USD 9.16. The metropolitan market share accounted for 7.7% of the Russian hospital market in natural terms and 13.5% in money terms.

Figure 1. Moscow city hospital market for 6 months of 2014 – 6 months of 2015



At six month-end 2015, the top ten pharmaceutical manufacturers ranking in the hospital market of Moscow underwent significant structural changes (Table 1). The leaders also changed: the manufacturers SANOFI-AVENTIS (+8%) and ROCHE (-0.3%) headed the top ten, moving up two ranks. Apart from that, two newcomers entered the Top-10 rating: The manufacturers ABBVIE (+54%) and BAXTER (-1%) moved up to ranks six and ten, respectively. Apart from the above, the other two manufacturers INN improved their ranking positions. PFIZER (+36%) and ASTRAZENECA (-5%) moved up to ranks 4 and 8. In contrast, due to negative growth rates the manufacturers MERCK SHARP DOHME (-23%), NOVARTIS (-38%) and BAYER (-13%) moved down to the lower ranks three and nine, respectively. Only one manufacturer held its own in the ranking. As before, JOHNSON & JOHNSON (-3%) maintained its previous rank five. The total share of the top ten manufacturers increased by almost 1 p.p. and accounted for 34.6%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	3	**SANOFI-AVENTIS**	5.1	4.7
2	4	**ROCHE**	4.3	4.3
3	1	**MERCK SHARP DOHME**	4.1	5.3
4	9	**PFIZER**	3.7	2.7
5	5	**JOHNSON & JOHNSON**	3.7	3.8
6	11	**ABBVIE**	3.6	2.3
7	2	**NOVARTIS**	2.9	4.7
8	10	**ASTRAZENECA**	2.6	2.7
9	8	**BAYER HEALTHCARE**	2.4	2.7
10	12	**BAXTER INT**	2.3	2.3
Total			34.6	35.5

*AIPM members are in bold

The top ten brand names ranking on the metropolitan hospital market also was notably updated - seven newcomers broke into the ranks of the top ten brand names (Table 2). In addition, four of them topped the ranking: Antiviral (HIV) drug KALETRA (650-fold growth in purchases), anesthetic drug SEVORAN (2.4-fold growth), antibacterial drug MEROPENEM (+64%) and surfactant CUROSURF (12.7-fold growth in purchases). The newcomers REYATAZ (44.8-fold growth in purchases), MYCAMINE (2.4-fold growth) and TAXOTERE (3.2-fold growth) broke into the ranks of the top ten, coming in at numbers six, seven and ten, respectively. PENTAGLOBIN (+13%) also rose in the ranks, moving up from rank ten to eight. In contrast, two brand names with negative growth rates fell in the ranks. LUCENTIS (-43%) and NATRIUM CHLORIDUM (-12%) moved down to ranks five and nine, respectively. Due to newcomers, the total share of the top ten brand names increased significantly - from 6.4% to 12.2%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	1,704	KALETRA	1.7	0.0
2	28	SEVORAN	1.4	0.6
3	14	MEROPENEM	1.3	0.8
4	204	CUROSURF	1.3	0.1
5	2	LUCENTIS	1.2	2.0
6	617	REYATAZ	1.1	0.0
7	37	MYCAMINE	1.1	0.5
8	10	PENTAGLOBIN	1.1	0.9
9	6	NATRIUM CHLORIDUM	1.1	1.2
10	71	TAXOTERE	1.0	0.3
Total			12.2	6.4

Following the above ranking, the top ten INN and group names ranking was updated significantly. On top of that, six newcomers broke into the ranks of the top ten INN and group names ranking (Table 3). The composition LOPINAVIR*RITONAVIR (650-fold growth in purchases), and INNs SEVOFLURANE (2.5-fold growth in purchases), LINEZOLID (2.7-fold growth), PORACTANT ALFA (12.7-fold growth), DOCETAXEL (+44%) and OXALIPLATIN (+109%) moved up to ranks two and four, ranks 6 through 8, and rank ten. The leader of the top ten also changed: IMMUNOGLOBULIN BASE (-5%) moved up to rank one from two despite its negative growth rates. MEROPENEM (+16%) moved up to rank three from five. INNs ALBUMIN (-18%) and RANIBIZUMAB (-43%) fell in the ranks, coming in at numbers five and nine, respectively. The total share of the analysed ranking, as well as of the above ranking, increased considerably - in this context from 10.6% to 15.2%.

Table 3. The top 10 INNs and Group Names by hospital purchases

Rank		INNs/Group Names	Share in total hospital purchases, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	2	IMMUNOGLOBULIN BASE	2.7	2.8
2	1,085	LOPINAVIR*RITONAVIR	1.7	0.0
3	5	MEROPENEM	1.7	1.4
4	30	SEVOFLURANE	1.5	0.6
5	4	ALBUMIN	1.5	1.8
6	37	LINEZOLID	1.4	0.5
7	226	PORACTANT ALFA	1.3	0.1
8	15	DOCETAXEL	1.2	0.9
9	3	RANIBIZUMAB	1.2	2.0
10	34	OXALIPLATIN	1.1	0.5
Total			15.2	10.6

In contrast to the previous rankings, the leader of the top ten ATC-groups remained the same - ATC group J01 Antibacterials for systemic use (+20%) not only maintained, but also reinforced its position (Table 4). B05 Plasma substitutes and perfusion solutions (-4%) also held their previous rank four. The other top 10 INNs shifted their ranks; moreover, six improved them. L01 Antineoplastic agents (+52%) and J05 Antivirals for systemic use (+80%) moved up to ranks two and three, and B01 Antithrombotic agents (-10%), N01 Aesthetics (+27%) and V08 Contrast media (-8%) moved up to ranks five through seven, respectively. The newcomer of the top ten J02 Antimycotics for systemic use (+34%) moved up to rank nine. At the same time, ATC groups J06 Immune sera and immunoglobulins (-25%) and J07 Vaccines (-71%) reduced considerably their purchases and moved down to ranks eight and ten. The cumulative share of the top 10 under review increased by 2.3 p.p. to 60.9%.

Table 4. The top ten ATC groups by hospital purchases

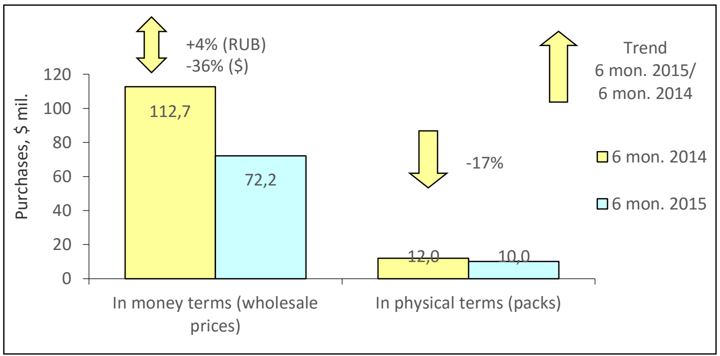
Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2015	6 mon. 2014			6 mon. 2015	6 mon. 2014
1	1	J01	ANTIBACTERIALS FOR SYST USE	12.4	10.3
2	3	L01	ANTINEOPLASTIC AGENTS	10.7	7.0
3	6	J05	ANTIVIRALS FOR SYSTEMIC USE	9.0	4.9
4	4	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	6.3	6.5
5	7	B01	ANTITHROMBOTIC AGENTS	4.4	4.9
6	10	N01	ANESTHETICS	4.2	3.3
7	8	V08	CONTRAST MEDIA	4.1	4.4
8	5	J06	IMMUNE SERA & IMMUNO-GLOBULIN	3.8	5.1
9	13	J02	ANTIMYCOTICS FOR SYS-TEMIC USE	3.1	2.3
10	2	J07	VACCINES	3.0	10.0
Total				60.9	58.6

Conclusion. At the end of six months of 2015, the Moscow hospital market reduced by 1% in rouble terms and by 39% in dollar terms and brought in RUB 8.192 bil. (USD 145.541 mil.). In pack terms, the market reduced by 17% and amounted to 21.532 mil. packs. The average cost of an FPP pack in the hospital market of Moscow reduced as compared to the previous year (USD 6.76 vs. USD 9.16), and was much higher than the average indicator in Russia (USD 3.91).

SAINT PETERSBURG HOSPITAL MARKET: 2015 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first six months of 2015 the St. Petersburg hospital market reduced in natural terms by 17% and amounted to 10.021 mil. packs. In money terms, the purchases movement was positive in rouble terms (+4%) and negative in dollar terms (-36%), and the volume amounted to RUB 4.080 bil. (USD 72.227 mil.) in wholesale prices. In the first half of 2015, the average cost of FPP pack in the hospital sector of the city was USD 7.21, whereas in the year-earlier period its cost was USD 9.36. The St. Petersburg market share accounted for 3.6% of the Russian hospital market in natural terms and 7.6% in money terms.

Figure 1. St. Petersburg hospital market for 6 months of 2014 – 6 months of 2015



Notable shifts took place in the top ten INN and group names ranking in the St. Petersburg hospital market based on the results for the first six months of 2015 (table 1). However, three ATC groups of the top 10 ranking retained their previous ranks. The manufacturers JOHNSON & JOHNSON (-9%), ASTRAZENECA (-2%) and BAYER (-10%) as before kept their ranks three, seven and eight, respectively. The other top manufacturers changed their ranks; moreover, four manufacturers improved them. The most dynamic leader of the top ten SANOFI-AVENTIS (+55%) moved up to rank one from five, displacing the previous leader MERCK SHARP DOHME (-7%) down one rank. The manufacturers ROCHE (+16%) and PFIZER (+23%) moved up to ranks five and six, and the only newcomer ABBVIE (+16%) broke into the ranks of the top ten, coming in at number ten. Due to considerable reduction in hospital purchases, the manufacturers GLAXOSMITHKLINE (-25%) and NOVARTIS (-32%) moved down to ranks four and nine. The total share accumulated by the top 10 manufacturers reduced by 2.1 p.p. to 40.4%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	5	**SANOFI-AVENTIS**	6.1	4.1
2	1	**MERCK SHARP DOHME**	5.9	6.6
3	3	**JOHNSON & JOHNSON**	5.3	6.1
4	2	**GLAXOSMITHKLINE**	4.7	6.5
5	6	**ROCHE**	4.1	3.6
6	9	**PFIZER**	3.3	2.8
7	7	**ASTRAZENECA**	3.1	3.3
8	8	**BAYER HEALTHCARE**	2.8	3.2
9	4	**NOVARTIS**	2.7	4.2
10	12	**ABBVIE**	2.3	2.0
Total			40.4	42.5

*AIPM members are in bold

The top ten brand names ranking in the city hospital market was half updated - five new brand names broke into the ranks of the top ten (Table 2). KIVEXA (4-fold growth in purchases), HERCEPTIN and MEROPENEM (2.2-fold growth each), CLEXAN (+61%) and XEPLION (+76%) moved up to ranks two and five, and ranks 7 through 9, respectively. On top of that, the other four brand names of the top 10 rose in the ranks. The traditional hospital drug NATRIUM CHLORIDUM (-1%) moved up to rank one, the brand names PUREGON (+31%) and REVLIMIDE (+28%) moved up to ranks three and four, and TAXOTERE (+38%) moved up to rank six. FPP ULTRAVIST (+12%) maintained the bottom position of the ranking. The total share of the top ten brand names increased by 6 p.p. and reached 17.4%.

Table 2. The top 10 brand names by hospital purchases

Rank		Brand	Share in total hospital purchases, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	2	NATRIUM CHLORIDUM	2.1	2.3
2	35	KIVEXA	2.1	0.5
3	4	PUREGON	2.0	1.6
4	5	REVLIMIDE	2.0	1.6
5	17	HERCEPTIN	1.8	0.8
6	9	TAXOTERE	1.7	1.3
7	18	MEROPENEM	1.6	0.7
8	12	CLEXAN	1.4	0.9
9	15	XEPLION	1.4	0.8
10	10	ULTRAVIST	1.2	1.1
Total			17.4	11.7

Six newcomers broke into the ranks of the top 10 INN and group names ranking (table 3). Due to four-fold growth in purchases, the composition ABACAVIR* LAMIVUDINE moved up from the top fifty to rank two. Another five newcomers moved up to the lower part of the ranking: Inns MEROPENEM (+70%), TRASTUZUMAB (2.2-fold growth in purchases), ENOXAPARIN SODIUM (+67%), QUETIAPINE (2.2-fold growth) and PALIPERIDONE PALMITATE (+76%). INN SODIUM (-0.3%) became the leader of the ranking, moving up from rank two to one. In addition, DOCETAXEL (+35%) moved up from rank six to three. INN FOLLITROPIN BETA (+31%) and LENALIDOMIDE (+28%) retained their ranks four and five. The total share of the top-ten increased by over 6 p.p. and accounted for 18.5%.

Table 3. The top 10 INNs and Group Names by hospital purchases

Rank		INNs/Group Names	Share in total hospital purchases, %	
6 mon. 2015	6 mon. 2014		6 mon. 2015	6 mon. 2014
1	2	SODIUM	2.2	2.3
2	42	ABACAVIR*LAMIVUDINE	2.1	0.5
3	6	DOCETAXEL	2.1	1.6
4	4	FOLLITROPIN BETA	2.0	1.6
5	5	LENALIDOMIDE	2.0	1.6
6	11	MEROPENEM	1.9	1.2
7	20	TRASTUZUMAB	1.8	0.8
8	14	ENOXAPARIN SODIUM	1.6	1.0
9	29	QUETIAPINE	1.5	0.7
10	17	PALIPERIDONE PALMITATE	1.4	0.8
Total			18.5	12.1

Most of the top-10 ATC groups didn't improve their ranking positions in the top ten (table 4). L01 Antineoplastic agents (+31%) and J05 Antivirals for systemic use (-9%) and J01 Antibacterials for systemic use (-8%) retained their previous top three ranks. G03 Sex hormones (-14%), B01 Antithrombotic agents (+15%), L04 Immunodepressants (+6%) and N01 Aesthetics (+4%) held the ranks seven through ten respectively. The only shift took place in the middle part of the top ten ranking. ATC group N05 Psycholeptics (+50%) showing the highest growth rates among the top ten ATC groups moved up to rank four from six. At the same time, B05 Plasma substitutes and perfusion solutions (-6%) and V08 Contrast media (+1%) moved down one rank. The total share of the top 10 ATC groups increased from 64.8% to 68%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2015	6 mon. 2014			6 mon. 2015	6 mon. 2014
1	1	L01	ANTINEOPLASTIC AGENTS	20.4	16.1
2	2	J05	ANTIVIRALS FOR SYSTEMIC USE	8.7	9.9
3	3	J01	ANTIBACTERIALS FOR SYST USE	7.8	8.8
4	6	N05	PSYCHOLEPTICS	7.0	4.8
5	4	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	5.2	5.7
6	5	V08	CONTRAST MEDIA	4.9	5.0
7	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.0	4.8
8	8	B01	ANTITHROMBOTIC AGENTS	4.0	3.6
9	9	L04	IMMUNOSUPPRESSANTS	3.4	3.3
10	10	N01	ANESTHETICS	2.7	2.6
Total				68.0	64.8

Conclusion. For the first six month of 2015, the St.Petersburg hospital market increased by 4% in terms of roubles, however it reduced by 36% in terms of dollars. At the same time, the market volume amounted to RUB 4.080 bil. (USD 72.227 mil.) In pack terms, the market also showed significant negative growth rates (-17%) and achieved 10.021 mil. packs. In the first half of 2015, the average cost of an OTC pack in the city hospital sector was lower than in the year-earlier period (USD 7.21 vs. USD 9.36), however, it considerably exceeded the Russia average figures (USD 3.91).

RUSSIAN FEDERATION REGIONAL HOSPITAL MARKETS: 2015 FIRST 6 MONTHS RESULTS

According to the results of the Hospital Purchase Audit in Russian Federation™, following the results of the first half of 2015, eleven regional markets taken individually accounted for 43.5% of the entire hospital sector of the Russian Federation, In the year-earlier period they accounted for 43.8%. The biggest market is the market of Moscow which share accounted for 13.4% of hospital purchases (Fig. 1). Further follow the markets of Saint Petersburg (6.6%), Rostov Region and Sverdlovsk Region (3.5% each), Republic of Tatarstan (3.2%). The regional markets considerably differ by average cost of a hospital FPP pack. The highest average cost of a hospital pack was registered in St. Petersburg (USD 7.20) and Moscow (USD 6.76). Further follow Nizhny Novgorod (USD 6.04) and Novosibirsk region (USD 5.26). The lowest average price for hospital products was recorded in the Republic of Bashkortostan (USD 2.63).

Figure 1. Region's share in total hospital purchases in the Russian Federation at the end of the first six months of 2015

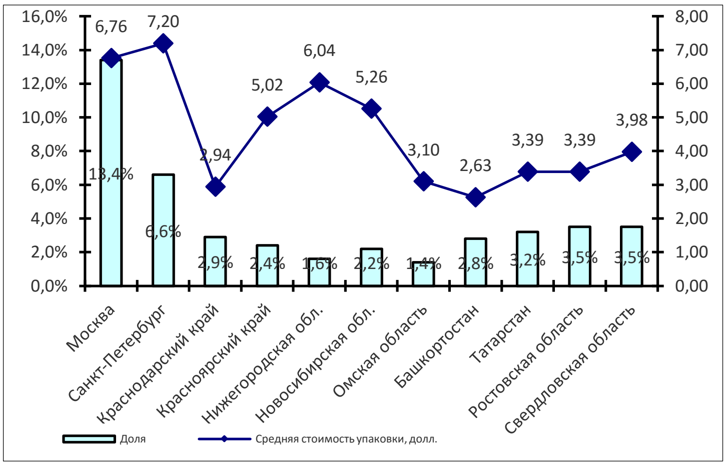


Table 1 provides information about the ranks of the All-Russia top drug manufacturers in the regional top ten rankings for the first six months of 2015. The largest share of the Russian hospital market was accounted for by the drugs made by the drug manufacturer Sanofi-Aventis. It took the lead in three regional markets under review (Moscow, St.-Petersbur and Krasnodar Krai), and was ranked fourth in the other three regions, and fifth in the Novosibirsk Region and Krasnoyarsk Krai. The Russian leader was ranked 7th, 9th and 12th in the Omsk region, Bashkorstostan and Tatarstan. The drug manufacturer Roche placed at rank 2 in the All-Russia ranking was ranked number one in the markets of Rostov Region and Krasnoyarsk Krai, the second in the market of Moscow and Sverdlovsk Region. The manufacturer was placed at rank five in St.Petersburg and Bashkortostan, and at rank six in Nizhny Novgorod Region. Roche was ranked among top twenty and top thirty manufacturers in four regional markets. Rounding out the 2015 top three, the manufacturer Abbvie took the lead in the rankings of Tatarstan and Nizhny Novgorod Region. In the Moscow, St. Petersburg, Rostov Region and Krasnoyarsk Krai markets, the manufacturer got short-listed in the top ten rankings, in Bashkortostan and Sverdlovsk Regions it was ranked second, whereas in the Omsk Region, Novosibirsk Region and Krasnodar Krai it was ranked 23rd and 24th, respectively. Note that the leader of the top 10 in the Omsk Region didn't enter the All-Russia top ten. At the first half year-end of 2015, the maximum number of "crossings" between the all-Russia and regional rankings was observed in St.Petersburg (8 positions), the minimum number - five positions each - in 4 regions (Bashkortostan, Tatarstan, Nizhny Novgorod Region and Novosibirsk Region).

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	Krasnodar Krai	Bashkortostan	Tatarstan	Ekaterinburg Region	Niizhny Novgorod Region	Rostov Region	Novosibirsk Region	Krasnoyarsk Krai	Omsk Region
1	Sanofi Aventis	1	1	1	9	12	4	4	4	5	5	7
2	Roche	2	5	25	5	25	2	6	1	18	1	17
3	Abbvie	6	10	24	12	1	16	1	5	24	4	23
4	Merck Sharp Dohme	3	2	5	2	3	8	2	3	1	3	3
5	Johnson & Johnson	5	3	2	1	4	5	3	11	2	17	8
6	GlaxoSmith-Kline	14	4	29	15	2	1	13	15	3	22	18
7	AstraZeneca	8	7	3	17	16	20	30	7	11	9	6
8	Nycomed/Takeda	12	15	4	13	19	23	23	6	12	2	10
9	Bayer Healthcare	9	8	21	24	18	6	18	20	6	14	12
10	Pharm-Center	18	21	8	7	9	12	27	8	14	6	4

More significant deviations in the regional top 10 rankings were observed with a breakdown of individual brands (Table 2). However, the leader of the All-Russia hospital market NATRIUM CHLORIDUM was ranked among the top three in ten regions. Only in Moscow it was placed at rank 9. KALETRA placed at rank 2 in the All-Russia ranking was ranked number one in the markets of Moscow, Tatarstan and Nizhny Novgorod, and third and fourth in Rostov Region and Krasnoyarsk Krai respectively. This name was ranked 14th in St. Petersburg, 22nd in Sverdlovsk Region, and it moved down into the top 40 in Bashkortostan and Omsk Region. In addition, there was no data on the purchase of the drug by hospitals in two regions: Krasnodar Krai and Novosibirsk Region. Placed at rank three in the All-Russia ranking, HERCEPTIN broke into the ranks of the top ten in four regions under review, heading the ranking in Krasnoyarsk Krai. It was ranked 20th in Moscow and Novosibirsk Region, 97th in Omsk region, and moved down into the top 200 in the other regions. Note that in two analysed regions (Sverdlovsk Region and Omsk Region) the local ranking leader was not included in the All-Russia top ten. The maximum number of "crossings" with the all-Russia list of top trade names was observed in Moscow, Sverdlovsk Region and Nizhny Novgorod Region (5 positions each), the minimum number was in Rostov Region (2 positions).

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

Rank in RF ranking	Brand	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodar Krai	Bashkortostan	Tatarstan	Ekaterinburg Region	Niizhny Novgorod Region	Rostov Region	Novosibirsk Region	Krasnoyarsk Krai	Omsk Region
1	NATRIUM CHLORIDUM	9	1	1	1	2	3	2	1	3	3	2
2	KALETRA	1	14	N/A	33	1	22	1	3	N/A	4	34
3	HERCEPTIN	20	5	153	305	161	4	10	12	20	1	97
4	REYATAZ	6	22	N/A	3	5	2	7	13	N/A	60	36
5	MERO-PENEM	3	7	3	18	28	13	184	11	23	51	3
6	CUROSURF	4	13	24	5	12	21	57	35	61	154	16
7	CLEXAN	16	8	2	22	36	5	89	19	30	11	29
8	ULTRAVIST	21	10	26	27	22	9	24	70	6	26	11
9	CEFTRIAX-ONE	50	41	10	13	13	18	152	16	19	12	4
10	ISENTRESS	31	432	N/A	6	4	N/A	6	15	1	10	166

Considerable variance in the consumption structure of not only individual drugs, but also of pharmacotherapeutic groups is observed depending on the regions (table 3). Heading the All-Russia top ten, the group L01 Antineoplastic agents was the leader of the rankings in St.Petersburg and Rostov Regions. It was ranked 2nd in another four regions, 3rd in three regions, 4th and 5th in Bashkortostan and Tatarstan, respectively. The second group of All-Russia hospital ranking - J05 Antivirals for systemic use - headed the top 10 in six regions. It was ranked 2nd in St. Petersburg, 3rd in Moscow and Rostov Region. At the same time, the group was placed at rank 8 in Omsk Region, and only 37 in Krasnodar Krai. The second group of All-Russia hospital ranking - J01 Antibacterials for systemic use - has got short-listed in the top three in all analysed regions. At the same time, it headed the top 10 in three of them (Moscow, Krasnodar Krai and Omsk Region). The top-10 ATC groups of all-Russia hospital sector was reproduced to the maximum extent in Novosibirsk Region (9 positions each) and to the minimum extent in Tatarstan, Sverdlovsk Region, Nizhny Novgorod Region and Rostov Region (7 positions each).

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	Krasnodar Krai	Bashkortostan	Tatarstan	Ekaterinburg Region	Niizhny Novgorod Region	Rostov Region	Novosibirsk Region	Krasnoyarsk Krai	Omsk Region
1	L01	2	1	3	4	5	2	2	1	3	2	3
2	J05	3	2	37	1	1	1	1	3	1	1	8
3	J01	1	3	1	2	2	3	3	2	2	3	1
4	K01	8	8	2	3	4	6	5	4	7	6	2
5	B01	6	7	4	6	3	4	7	5	6	4	6
6	T01	5	5	6	7	15	7	17	22	4	5	11
7	J07	10	12	15	8	11	5	26	9	5	7	18
8	N01	4	10	5	13	10	11	35	10	8	9	9
9	N05	11	4	7	10	8	18	8	17	27	16	7
10	A10	29	37	8	32	34	12	9	13	9	26	5

Conclusion. As comparison of the main rankings showed, 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.

ANALYSIS OF PRICES IN THE OUT-PATIENT SECTOR. KEY PERFORMANCE INDICATORS

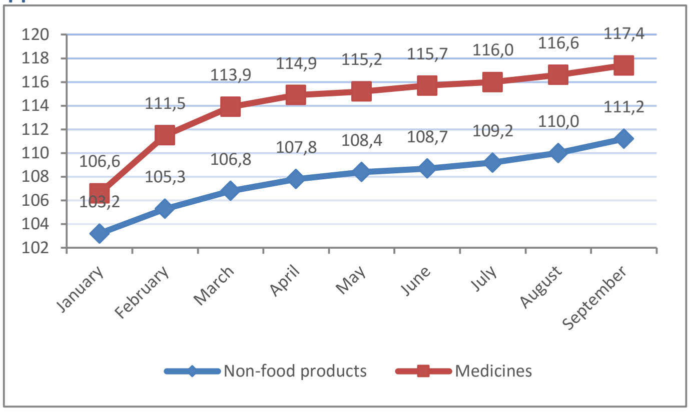
Price Indices

Table 1. Inflation rates in the Russian Federation, September 2015

	September 2015 vs. December 2014	September 2015 vs. September 2014
CPI	110.4	115.7
CPI for non-food products	111.2	115.2
CPI for medicines	117.4	121.7

Rosstat data

Figure 1. Dynamics of the price index for non-food items and medicines supplies vs. December 2014



Rosstat data

Indicators of dynamics of prices and retail margins (according to retail audit data)

Figure 2. Dynamics of weighted average prices and retail margins in Q 3, 2014 – Q 3, 2015

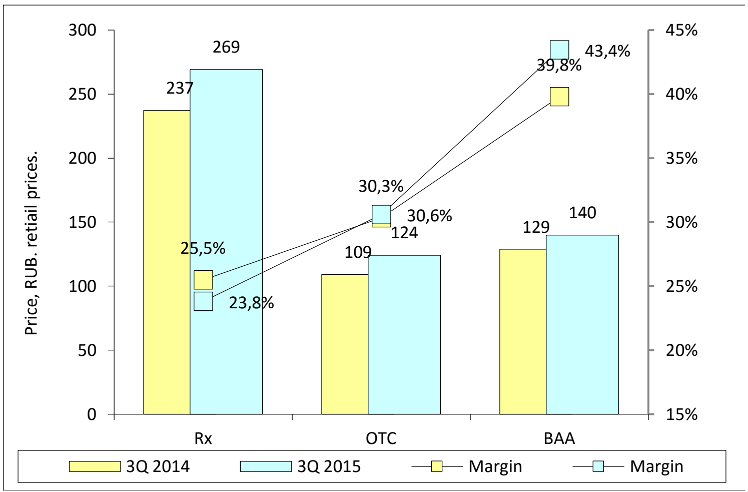


Figure 3. Dynamics of weighted average prices and retail margins in Q 3, 2014 – Q 3, 2015

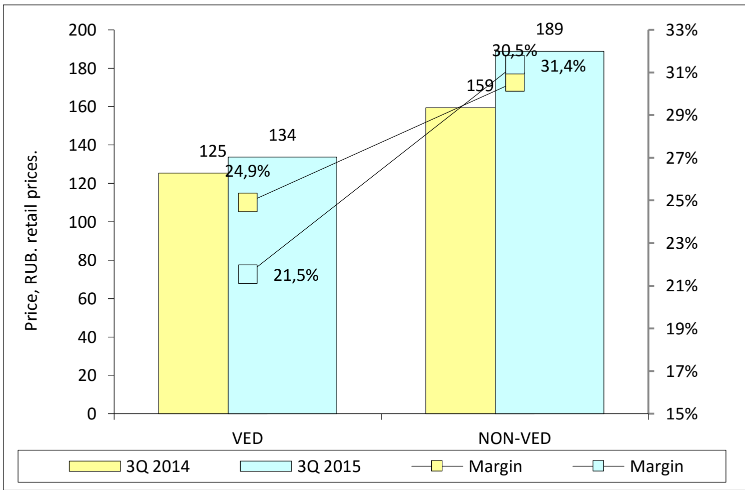
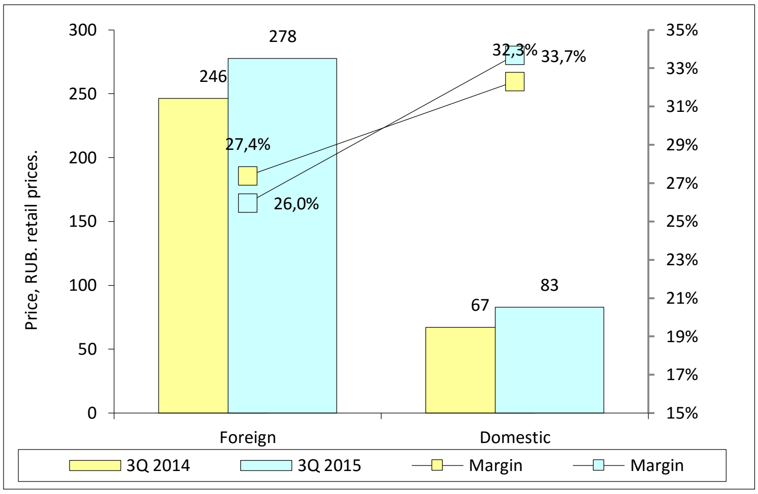


Figure 4. Dynamics of weighted average prices and retail margins in Q 3, 2014 – Q 3, 2015

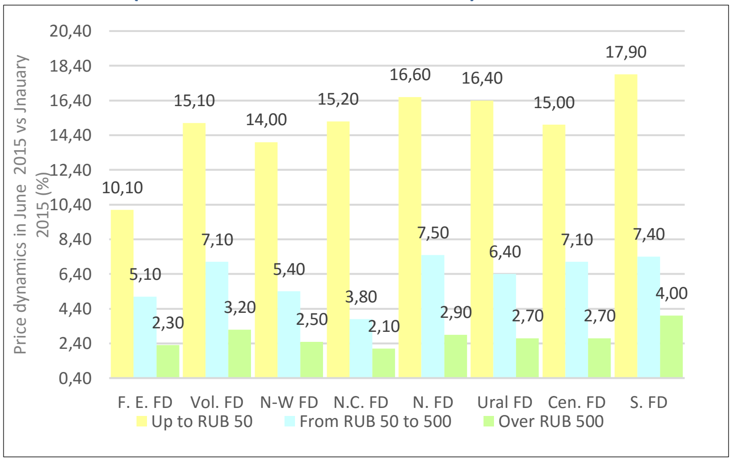


Indicators of dynamics of prices for vital and essential drugs (VED)

Table 2. Results of the VED price monitoring conducted by Roszdravnadzor in the Russian Federation

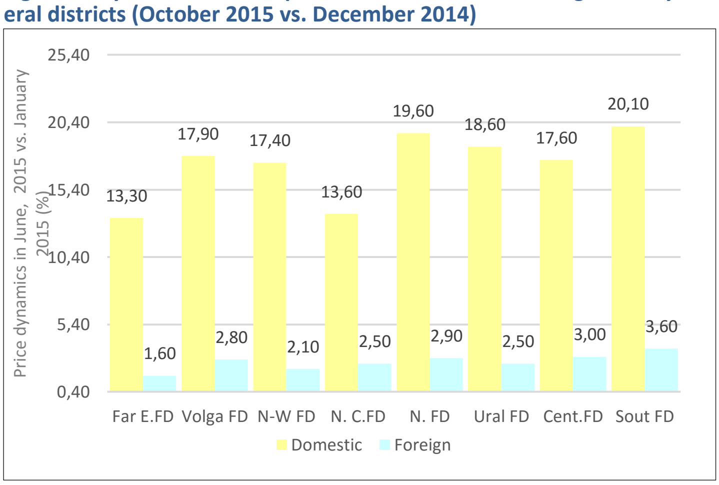
	Price dynamics in October 2015 vs. December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	8.4	9.2	8.0
Up to RUB 50	14.9		
From RUB 50 to 500	6.4		
Over RUB 500	2.7		
Domestic	17.7		
Foreign	2.7		

Figure 5. Dynamics of retail prices for VED in various price ranges by federal districts (October 2015 vs. December 2014)



Roszdravnadzor data

Figure 6. Dynamics of retail prices for domestic and foreign VED by federal districts (October 2015 vs. December 2014)



Roszdravnadzor data