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

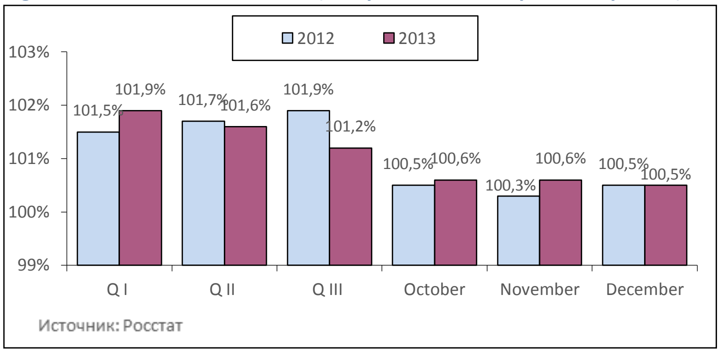
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in December 2013 Consumer Price Index was estimated as 100.5% compared to the previous month, and 106.5% for the year to date (in January-December 2012 – 106.6%).

In December this year, Industrial Producer Price Index was 101%, whereas in the month-earlier period it had amounted to 98.5%.

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



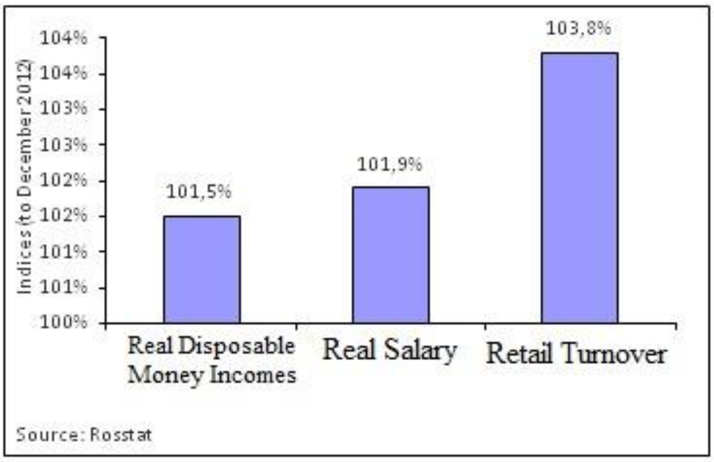
Living standard

According to preliminary Federal State Statistics Service's data, in December 2013 a gross monthly average salary per worker reached RUB 39,380 (USD 1203.18) which accounted for 130.0% compared to the previous month and 108.5% compared to December 2012. In December 2013, the real salary accounted for 101.9% as compared with the same period in 2012. In December 2013, the real value of cash incomes accounted for 101.5% compared to the same period of 2012 (Fig. 2).

Retail turnover

In December 2013, the retail turnover was equal to RUB 2,519.2 bln, which in comparable prices accounted for 103.8% compared to the same period a year ago, in January-December 2013 - RUB 23,668.4 bln and 103.9% (Fig. 2).

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



Manufacture of Industrial Products

According to Federal State Statistics Service's data, in December 2013 Industrial Production Index accounted for 100.8% compared to the same period a year ago, and 104.3% to the previous period of 2013 . At 2013-end, the Index accounted for 100.3%.

Domestic production

The top 10 domestic pharmaceutical manufacturers by production volume at 2013 December-end are shown in Table 1. The total production volume of top ten manufacturers was estimated at USD 589.9 mln.

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

Rank	Manufacturer	Production volume, $mln
1	Pharmstandart	399.8
2	Stada	34.2
3	Valenta	30.1
4	Materia Medica	25.4
5	Sotex	20.8
6	KRKA-RUS	19.9
7	Akrihin	19.6
8	Pharm-Center	17.1
9	NEARMEDIC Plus	12.7
10	Excom	10.3

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In November 2013 compared to October, reduction in pharmacy sales (in terms of roubles) was observed in all analysed regions. The lowest performance was observed in Rostovskaya Oblast (-10%), the highest one in Krasnoyarsky Krai (-0.3%).

Table 2. Pharmacy sales in the regions, 2013

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	September 2013	October 2013	November 2013	September/ August 2013	October/ September 2013	November/ October 2013
Moscow	191.1	200.2	181.3	29%	4%	-6%
St Petersburg	53.6	58.3	55.2	32%	8%	-2%
Krasnodarsky Krai	40.0	38.8	36.9	2%	-4%	-2%
Novosibirskaya Oblast	25.2	25.6	24.6	25%	1%	-1%
Tatarstan	28.7	30.3	26.7	26%	4%	-9%
Krasnoyarsky Krai	19.5	21.0	20.2	17%	6%	-0.3%
Rostovskaya Oblast	28.2	31.6	27.5	28%	11%	-10%
Voronezhskaya Oblast	18.0	19.4	18.4	21%	7%	-2%
Perm	7.3	6.8	6.4	14%	-9%	-2%
Tyumen	7.7	8.1	7.3	15%	4%	-7%

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 December 2013

Rank	Company*	Quantity of broadcasts
1	Novartis	9,209
2	Evalar	5,049
3	Pharmstandart	4,550
4	Berlin-Chemie Menarini Group	4,462
5	Sanofi Aventis	3,626

Source - Remedium according to TNS Russia's data

Table 4. Top five brand names in mass media in December, 2013

Rank	Brand name*	Quantity of broadcasts
1	Evalar	5,049
2	Grippferon	2,044
3	Essentiale	1,755
4	TheraFlu	1,283
5	Pimafucin	1,227

Source - Remedium according to TNS Russia's data

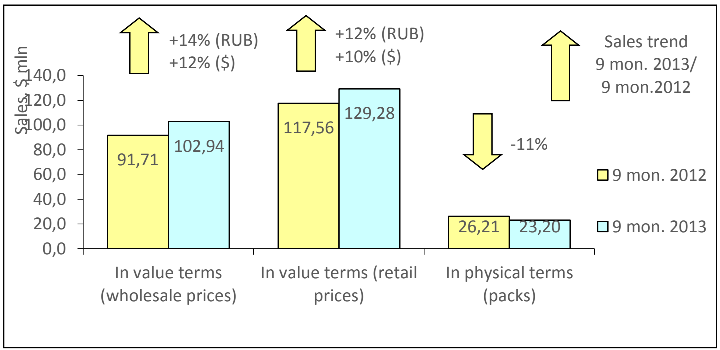
* Only products registered with State Register of Medicines were considered

KAZAN PHARMACY MARKET: 2013 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Kazan was estimated as 1.176 mln, which accounted for 0.8% of the total Russian Federation population and 4.0% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2013 the average salary in the Krasnodarski Krai was RUB 28,093 (USD 785.84), which is 14% lower than the average salary in Russia (RUB 29,043.6).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of nine months of 2013 the sales of OTC drugs in physical terms in pharmacies of Kazan saw a 11% decrease to 23.202 mln packs. In value terms, the OTC drugs market increased by 14% in rouble terms and by 12% in dollar terms and reached RUB 3.247 billion (USD 102.940 million) in wholesale prices (Fig. 1). The city market share accounted for 1% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 4.48) and reached USD 5.57 in retail prices. For 9 months of 2013, the average amount spent by residents of Kazan for drugs in the pharmacies amounted to USD 109.92.

Figure 1. Kazan pharmacy market for 9 months of 2012 – 9 months of 2013



At the end of the first nine months of 2013, only two of the top ten drug manufacturers in the regional market held their own in the ranking(Table 1). They were the leader of the top ten SANOFI-AVENTIS (+25%[1]), which not only held, but also strengthened its position due to high sales rates, and SANDOZ (+15%) placed at rank 6. The markets of another four manufacturers also developed at a fast pace. They were the drug manufacturers BAYER (+22%), TEVA (+33%), NOVARTIS (+23%) and MERCK SHARP DOHME (+17%) which moved up to numbers two, five, eight and ten, respectively. Apart from that, PHARMSTANDART (+7%) moved up one rank to number three. Due to lagging behind the growth rates, the drug manufacturers SERVIER (+2%), ABBOTT (+9%) and MENARINI (+2%) reduced their market shares and moved down to the lower ranks 4, 7 and 9. The total share of the top 10 manufacturers increased from 36.5% to 36.9%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	**SANOFI-AVENTIS**	6.0	5.5
2	3	**BAYER HEALTHCARE**	4.3	4.1
3	4	PHARMSTANDART	3.8	4.0
4	2	**SERVIER**	3.7	4.2
5	8	**TEVA**	3.5	3.0
6	6	**SANDOZ GROUP**	3.4	3.3
7	5	**ABBOTT**	3.3	3.4
8	10	**NOVARTIS**	3.2	2.9
9	7	**MENARINI**	2.9	3.2
10	11	**MERCK SHARP DOHME**	2.9	2.8
Total			36.9	36.5

*AIPM members are in bold

Due to 1.5-fold growth in sales, hepatoprotector ESSENTIALE N became the leader of the top 10 brand names (table 2). Antiviral agent KAGOCEL (+74%) also showed high sales rates, moving up from rank 9 to three. The newcomer, antifungal agent EXODERIL (+39%), broke into the ranks of the top ten, coming in at number ten. At the same time, ALFLUTOP (+0.3%) and VIAGRA (+2%) moved down one rank, to numbers 2 and 4, respectively. In addition, ACTOVEGIN (-2%) and DETRALEX (-5%) also reduced their growth rates and fell in the ranks. The brand names HEPTRAL (+10%), ARBIDOL (+6%) and PEGINTRON (+13%) held their previous ranks five, seven and eight. The total share of the top 10 brand names increased to 8.4%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	2	ESSENTIALE N	1.6	1.2
2	1	ALFLUTOP	1.0	1.2
3	9	KAGOCEL	0.9	0.6
4	3	VIAGRA	0.8	0.9
5	5	HEPTRAL	0.8	0.8
6	4	ACTOVEGIN	0.7	0.8
7	7	ARBIDOL	0.7	0.7
8	8	PEGINTRON	0.6	0.6
9	6	DETRALEX	0.6	0.7
10	15	EXODERIL	0.6	0.5
Total			8.4	8.1

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

Most names of the top 10 INN and Generic Names held their own in the ranking (table 3). They were the leaders of the top ten INNs PHOSPHOLIPIDS (+52%) and FISH (+0,3%), as well as SILDENAFIL (+12%), CHONDROITINSULFURIC ACID + GLUCOSAMINE (+14%) and AZITHROMYCIN (+20%) placed at ranks 4, 6 and 7. Three drug manufacturers of the top 10 rose in the ranks. XYLOMETAZOLINE (+17%) moved up to rank three from five, and the newcomers KAGOCEL (+74%) and NIMESULIDE (+19%) moved up to ranks five and ten. PANCREATIN (+4%) and ADEMETIONINE (+14%) moved down to ranks eight and nine from the higher ranks. The total share of the top ten increased by 0.5 p.p. and accounted for 10.0%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	PHOSPHOLIPIDS	1.7	1.3
2	2	FISH	1.0	1.2
3	5	XYLOMETAZOLINE	1.0	1.0
4	4	SILDENAFIL	0.9	1.0
5	23	KAGOCEL	0.9	0.6
6	6	CHONDROITINSULFURIC ACID + GLUCOSAMINE	0.9	0.9
7	7	AZITHROMYCIN	0.9	0.9
8	3	PANCREATIN	0.9	1.0
9	8	ADEMETIONINE	0.9	0.9
10	12	NIMESULIDE	0.8	0.7
Total			10.0	9.5

ATC groups M01 Anti-inflammatory and antirheumatic products (+20%) and J01 Antibacterials for systemic use (+15%) retained and enhanced their leading positions in the top ten ATC groups ranking (Table 4). A11 Vitamines (+12%) also held their previous rank nine. The only newcomer broke into the top 10 ATC ranking – J05 Antivirals for systemic use (+47%), coming in at number three. On top of that, A05 Bile and liver therapy (+31%) moved up two ranks, coming in at number 5. The other five ATC groups from the top 10, on the contrary, moved down to much lower ranks. They were ATC groups G03 Sex hormones (+11%), N02 Analgesics (+8%), C09 Agents acting on the rennin-angiotensin system (+13%), L03 Immunostimulants (+9%) and R05 Cough and cold preparations (+10%), which moved down to ranks 6 through 8 and ten, respectively. The total share of the top ten under review increased by almost 1 p.p. and achieved 36.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012			9 mon. 2013	9 mon. 2012
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5.0	4.7
2	2	J01	ANTIBACTERIALS FOR SYST USE	4.5	4.4
3	12	J05	ANTIVIRALS FOR SYSTEMIC USE	3.8	3.0
4	3	G03	SEX HORM&MODULAT GENITAL SYS	3.7	3.8
5	7	A05	BILE AND LIVER THERAPY	3.7	3.2
6	4	N02	ANALGESICS	3.5	3.7
7	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.3	3.3
8	5	L03	IMMUNOSTIMULANTS	3.2	3.4
9	9	A11	VITAMINS	3.1	3.1
10	8	R05	COUGH AND COLD PREPARATIONS	3.0	3.1
Total				36.7	35.8

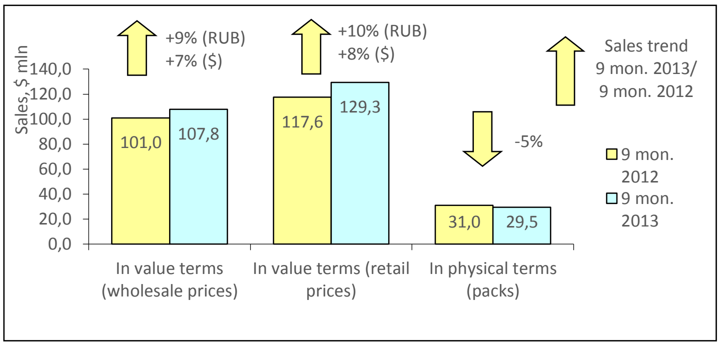
Conclusion. On the basis of the results for the first nine months of 2013, the retail pharmacy market of Kazan brought in RUB 4.077 bln (USD 129.285 mln). The market saw a 12% increase in terms of roubles and 10% increase in terms of dollars compared to the last year results. In pack terms, the market showed reduction in sales rates (-11%) and achieved 23.202 mln packs. The average cost of an OTC pack in the city pharmacies in January-September 2013 slightly increased as compared to the previous year (USD 5.57 vs. USD 4.48), and was higher than the average figures in Russia (USD 4.19). The average expenses of the region residents for purchase of OTC drugs in pharmacies also proved to be higher (USD 109.92 vs. USD 90.88).

NIZHNY NOVGOROD PHARMACY MARKET: 2013 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Nizhny Novgorod was estimated as 1.26 mln, which accounted for 0.9% of the total Russian Federation population and 4.2% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2013 the average salary in the Nizhegorodskaya Oblast was RUB 22,761 (USD 716.88), which is 22% lower than the average salary in Russia (RUB 29,043.6).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, in the first nine months of 2013 the sales of OTC drugs in physical terms in the pharmacies of Nizhny Novgorod saw a 5% drop to 29.475 mln packs. In value terms, the city pharmacy market (exclusive of DLO Programme) saw a +9% increase in terms of roubles and +7% increase in terms of dollars compared to the same period a year ago and reached RUB 3.402 bln (USD 107.775 mln) in wholesale prices (Fig.1). The region's share accounted for 1.1% of the total volume of all-Russia pharmacy market. The average cost of an OTC pack in the pharmacies of Nizhny Novgorod was USD 4.68 (in a year-earlier period – USD 4.11). For 9 months of 2013, the average amount spent by residents of Irkutsk for drugs in the pharmacies amounted to USD 109.44.

Figure 1. Nizhny Novgorod pharmacy market for 9 months of 2012 – 9 months of 2013



On the basis of the results for nine months of 2013, SANOFI-AVENTIS (+2%) held its first rank in the top 10 drug manufacturers in the Nizhny Novgorod market, though it reduced its market share due to lagging behind the growth rates (table 1). PHARMSTANDART (+12%) and SANDOZ (+15%) showed high growth rates and moved up to ranks 2 and 3. BAYER (+12%), TEVA (+23%) and NOVARTIS (+18%) moved up one rank, coming in at numbers 5, 7 and 8, respectively. The only newcomer PFIZER (+14%) broke into the ranks of the top ten, coming in at number ten. In contrast, the other three drug manufacturers showed low or negative growth rates and moved down to the lower ranks. SERVIER (-2%) moved down two ranks, coming in at number 4 from 2. NYCOMED/TAKEDA (+3%) moved down from rank four to six, and ABBOTT (+2%) moved down from rank 7 to 9. The cumulative share of the top 10 didn't change and accounted for 38.8%.

Table 1. The top ten manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	**SANOFI-AVENTIS**	6.0	6.4
2	3	PHARMSTANDART	4.3	4.2
3	5	**SANDOZ GROUP**	4.1	3.9
4	2	**SERVIER**	3.8	4.2
5	6	**BAYER HEALTHCARE**	3.7	3.6
6	4	**NYCOMED/TAKEDA**	3.7	3.9
7	8	**TEVA**	3.6	3.2
8	9	**NOVARTIS**	3.4	3.1
9	7	**ABBOTT**	3.3	3.6
10	12	**PFIZER**	2.7	2.5
Total			38.8	38.7

*AIPM members are in bold

Three newcomers broke into the ranks of the top ten brand names ranking (table 2). They were antiviral agents INGAVIRIN which sales grew 2.7 times and KAGOCEL (+53%), as well as antifungal agent EXODERIL (+49%), coming in at numbers four, seven and ten, respectively. In addition, one more antiviral agent ARBIDOL saw a 23% increase in sales and moved up one rank. At the same time, four brand names moved down to the lower ranks. They are ACTOVEGIN (-3%), VIAGRA (+5%), LINEX (+6%) and KETONAL (+5%), which moved down to ranks 5, 6, 8 and 9, respectively. ESSENTIALE N (+23%) and CONCOR (+0.4%) remained the top ten leaders. The cumulative share of the top 10 increased from 6.9% to 7.7%.

Table 2. The top ten brand names by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	ESSENTIALE N	1.2	1.0
2	2	CONCOR	0.9	1.0
3	4	ARBIDOL	0.9	0.8
4	35	INGAVIRIN	0.8	0.3
5	3	ACTOVEGIN	0.8	0.9
6	5	VIAGRA	0.7	0.7
7	18	KAGOCEL	0.6	0.5
8	7	LINEX	0.6	0.6
9	6	KETONAL	0.6	0.6
10	19	EXODERIL	0.6	0.4
Total			7.7	6.9

XYLOMETAZOLINE (+24%) took the lead in the top 10 INN and generic names ranking, displacing the last year leader BISOPROLOL (+3%). On top of that, two more INNs PHOSPHOLIPIDS (+21%) and UMIFENOVIR (+23%) moved up one rank to numbers 3 and 7, respectively. At the same time, PANCREATIN (-8%) moved down one rank, to number 4. Two newcomers IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID, which sales increased 2.7 times, and AMBROXOL (+29%), broke into the ranks of the top ten, coming in at numbers 8 and 10. INNs KETOPROFEN (+4%) and BLOOD (-0.4%), as well as the composition AMOXICILLIN + CLAVULANIC ACID (+26%) held their previous ranks five, six and nine. The total share of the top ten INN and generic names ranking increased by 0.8 p.p. and achieved 10.1%.

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

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	2	XYLOMETAZOLINE	1.4	1.2
2	1	BISOPROLOL	1.3	1.4
3	4	PHOSPHOLIPIDS	1.2	1.1
4	3	PANCREATIN	1.0	1.2
5	5	KETOPROFEN	1.0	1.0
6	6	BLOOD	0.9	1.0
7	8	UMIFENOVIR	0.9	0.8
8	60	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.3
9	9	AMOXICILLIN + CLAVULANIC ACID	0.8	0.7
10	12	AMBROXOL	0.8	0.7
Total			10.1	9.4

Only one ATC group of the top ten ATC groups held its own in the ranking (Table 4). It was ATC group R05 Cough and cold preparations (+24%) placed at rank 7. Three drug manufacturers of the top 10 rose in the ranks. ATC groups M01 Anti-inflammatory and antirheumatic products (+14%) and J01 Antibacterials for systemic use (+16%) moved up one rank to numbers one and three, displacing the less dynamic ATC group C09 Agents acting on the rennin-angiotenzin system (+1%) and N02 Analgesics (+8%) to ranks 2 and 4. The newcomer J05 Antivirals for systemic use (+67%) broke into the ranks of the top ten ATC groups, coming in at number five. At the same time, R01 Nasal preparations (+19%) moved down one rank. ATC groups G03 Sex hormones (+8%), A11 Vitamins and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+11% each) moved down to the three bottom ranks of the top ten. The total share of the top 10 brand names increased from 35.3% to 37.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012			9 mon. 2013	9 mon. 2012
1	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.4	4.2
2	1	C09	AG ACT RENIN-ANGIOTENS SYST	4.4	4.7
3	4	J01	ANTIBACTERIALS FOR SYST USE	4.1	3.9
4	3	N02	ANALGESICS	4.1	4.1
5	12	J05	ANTIVIRALS FOR SYSTEMIC USE	4.0	2.6
6	5	R01	NASAL PREPARATIONS	3.7	3.4
7	7	R05	COUGH AND COLD PREPARATIONS	3.5	3.1
8	6	G03	SEX HORM&MODULAT GENITAL SYS	3.2	3.2
9	8	A11	VITAMINS	3.2	3.1
10	9	A07	INTESTINAL ANTIINFECTIVES	3.1	3.0
Total				37.7	35.3

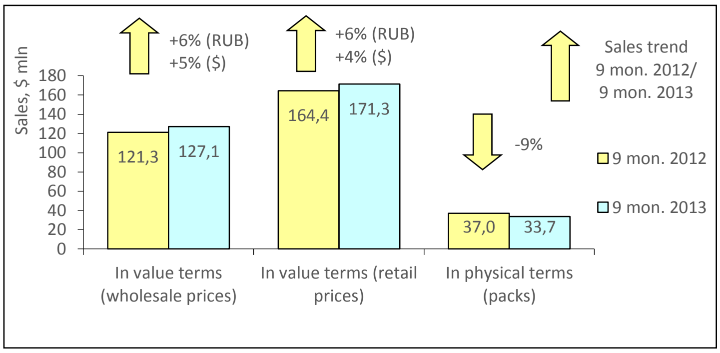
Conclusion. On the basis of the results for three quarters of 2013, the retail pharmacy market of Nizhny Novgorod brought in RUB 4.353 bln (USD 137.887 mln). The market performance was positive both in rouble terms (+10%) and in dollar terms (+8%). In physical terms, the sales reduced by 5% to 29.475 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 4.68 vs. USD 4.11), however it was higher than the average indicator in Russia (USD 4.19). Per capita expenses of Nizhny Novgorod residents for purchase of medicines in pharmacies amounted to USD 109.44 which is much higher than the national average (USD 90.88).

SAMARA PHARMACY MARKET: 2013 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Samara was estimated as 1.172 mln, which accounted for 0.8% of the total Russian Federation population and 3.9% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2013 the average salary in the region was RUB 22,615.6 (USD 712.3), which is 22% lower than the average salary in Russia (RUB 29,043.6).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first nine months of 2013 the sales of OTC drugs in physical terms in pharmacies of Samara saw a 9% decrease to 33.710 mln packs. In value terms, the OTC drugs market increased by 6% in rouble terms and by 5% in dollar terms and reached RUB 4.001 billion (USD 127.079 million) in wholesale prices (Fig. 1). The regional market share in value terms accounted for 1.3% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 4.45) and reached USD 5.08 in retail prices. For 9 months of 2013, the average amount spent by residents of Samara for OTC drugs in the pharmacies amounted to USD 146.2.

Figure 1. Samara pharmacy market for 9 months of 2012 – 9 months of 2013



On the basis of the results for three quarters of 2013, the Russia-based PHARMSTANDART took the lead in the top ten manufactures ranking in the Samara market due to one-third growth in sales (Table 1). The last year leader SANOFI-AVENTIS (+1%) moved down to rank two. As before, BAYER (+15%) held its previous rank eight. Another three drug manufacturers held their previous ranks in the top 10. They were the drug manufacturers TEVA (+11%), NYCOMED/TAKEDA (-1%) and PFIZER (+0.3%) placed at ranks five, nine and ten. NOVARTIS (+28%) and SANDOZ (+15%) showed high sales rates and moved up to ranks four and seven. At the same time, SERVIER (-11%) and ABBOTT (-6%) showing reduction in their sales rates shrank their market shares and moved down to ranks six and eight. The total share of the top ten drug manufacturers increased by 1 p.p. and achieved 40.7%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	2	PHARMSTANDART	6.0	4.8
2	1	**SANOFI-AVENTIS**	5.5	5.8
3	3	**BAYER HEALTHCARE**	5.3	4.8
4	7	**NOVARTIS**	4.2	3.5
5	5	**TEVA**	3.8	3.7
6	4	**SERVIER**	3.7	4.4
7	8	**SANDOZ GROUP**	3.6	3.3
8	6	**ABBOTT**	3.2	3.7
9	9	**NYCOMED/TAKEDA**	2.7	3.0
10	10	**PFIZER**	2.7	2.9
Total			40.7	39.8

*AIPM members are in bold

Five newcomers broke into the ranks of the top 10 brand names, which resulted in the updating of half of its members (Table 2). They were antiviral agent KAGOCEL (+60%), appetite regulator REDUKSIN (+39%), antiviral agent INGAVIRIN, which sales increased 3 times, as well as potency regulator CIALIS (+21%) and preparation for gut microflora resetting HYLAK FORTE (+19%), placed at ranks four and 6 through 8 and ten, respectively. ARBIDOL (+16%) and LINEX (+27%) also moved up to the higher ranks two and five. However, the brand names VIAGRA (-6%) and PENTALGIN (-19%) reduced their sales and moved down to ranks three and nine. ESSENTIALE N (+17%) kept and reinforce its leading rank one in the top ten. The total share of the top 10 has increased from 7.9% to 9.1%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	ESSENTIALE N	1.5	1.3
2	3	ARBIDOL	1.2	1.1
3	2	VIAGRA	1.0	1.1
4	15	KAGOCEL	0.9	0.6
5	7	LINEX	0.9	0.7
6	11	REDUKSIN	0.8	0.6
7	62	INGAVIRIN	0.8	0.3
8	12	CIALIS	0.7	0.6
9	4	PENTALGIN	0.7	0.9
10	14	HYLAK FORTE	0.7	0.6
Total			9.1	7.9

INN and generic names ranking also retained their leaders - INN XYLOMETAZOLINE (+12%) and PHOSPHOLIPIDS (+18%) maintained and reinforced their ranks one and two (Table 3). SILDENAFIL (-1%) held its previous rank four. Five from the remaining INNs of the top ten showed high growth rates and two moved to the lower ranks. UMIFENOVIR (+16%) moved up from rank five to three. The newcomers broke into the ranks of the top ten INN and generic names, coming in at numbers seven through nine: KETOPROFEN (+59%), SIBUTRAMINE (+34%), PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE (+42%) and KAGOCEL (+60%). At the same time, two INNs showing reduction in sales, PANCREATIN (-13%) and AMBROXOL (-3%), moved down to ranks 6 and 10. The total share of the top ten under review increased by almost 1 p.p. and achieved 11.1%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	XYLOMETAZOLINE	1.7	1.6
2	2	PHOSPHOLIPIDS	1.6	1.5
3	5	UMIFENOVIR	1.2	1.1
4	4	SILDENAFIL	1.1	1.2
5	16	KETOPROFEN	1.0	0.7
6	3	PANCREATIN	1.0	1.2
7	12	SIBUTRAMINE	1.0	0.8
8	20	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	0.9	0.7
9	26	KAGOCEL	0.9	0.6
10	6	AMBROXOL	0.9	1.0
Total			11.1	10.2

N02 Analgesics (+20%) remained the leader of the top 10 ATC Groups ranking (table 4). The most dynamic among top 10 ATC groups J05 Antivirals for systemic use (+56%) moved up to rank two from nine, displacing M01 Antiinflammatory and antirheumatic products (+11%). R05 Cough and cold preparations (+22%) moved up to rank four from six. At the same time, ATC groups A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+16%), R01 Nasal preparations (+9%), J01 Antibacterials for systemic use (+11%), A11 Vitamins (+12%) and G03 Sex hormones (-2%) moved down to the lower ranks 5 through 9, respectively. The only newcomer A05 Bile and liver therapy (+6%) broke into the top ten ranking, coming in at number 10. The total share of the top ten under review increased by almost 3.4 p.p. and achieved 40.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012			9 mon. 2013	9 mon. 2012
1	1	N02	ANALGESICS	5.4	4.8
2	9	J05	ANTIVIRALS FOR SYSTEMIC USE	4.7	3.2
3	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.4	4.2
4	6	R05	COUGH AND COLD PREPARATIONS	4.3	3.7
5	4	A07	INTESTINAL ANTIINFECTIVES	4.1	3.8
6	3	R01	NASAL PREPARATIONS	4.0	4.0
7	5	J01	ANTIBACTERIALS FOR SYST USE	3.9	3.7
8	7	A11	VITAMINS	3.9	3.7
9	8	G03	SEX HORM&MODULAT GENITAL SYS	3.0	3.2
10	12	A05	BILE AND LIVER THERAPY	2.9	2.9
Total				40.7	37.3

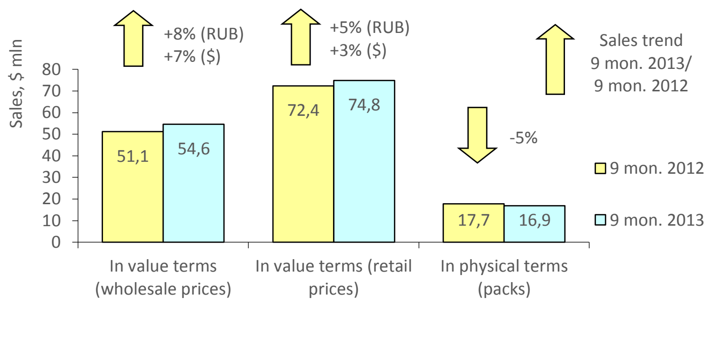
Conclusion. On the basis of the results for nine months of 2013, the retail pharmacy market of Samara brought in RUB 5.393 bln (USD 171.296 mln). The market saw a 6% increase in terms of roubles and 4% increase in terms of dollars compared to the last year results. In pack terms, the market showed negative growth rates (-9%) and achieved 33.710 mln packs. In the first three quarters of 2013, the average cost of an OTC pack in the city pharmacies was higher than in the year-earlier period (USD 5.08 vs. USD 4.45) and exceeded the Russia average figures (USD 4.19). The average expenses of the region residents for purchase of OTC drugs in pharmacies also proved to be higher (USD 146.2 vs. USD 90.88).

TOLYATTI PHARMACY MARKET: 2013 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Tolyatti 's estimated population was 719.6 thousand, which accounted for 0.5% of the total Russian Federation population and 2.4% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2013 the average salary in the Samarskaya Oblast was RUB 22615.6 (USD 712.3), which is 22% lower than the average salary in Russia (RUB 29043.6).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first nine months of 2013 the Tolyatti pharmacy market volume reduced by 5% in physical terms and amounted to 16.901 million packs (Fig. 1) In wholesale prices, the market showed the positive performance both in terms of roubles (+8%) and in terms of dollars (+7%) and reached 1.717 million roubles (USD 54.552 mln). The region's share accounted for 0.6% of the total volume of all-Russia pharmacy market. The average cost of OTC pack in the city pharmacies according to the results for 9 months of 2013 was USD 4.43 (during the same period in 2012 - USD 4.08). In the analysed period, per capita expenses for purchase of medicines in pharmacies amounted to USD 104.03.

Figure 1. Tolyatti pharmacy market for 9 months of 2012 – 9 months of 2013



On the basis of the results for nine months of 2013, SANOFI-AVENTIS (+1%) retained its leading position among the top ten drug manufacturers in the Tolyatti market despite lagging behind growth rates and reduction in market share (Table 1). SERVIER (-1%) and ABBOTT (+3%) also managed to hold its own in the top ten ranking. Four drug manufacturers with high growth rates: PHARMSTANDART, TEVA (+21% each), NOVARTIS (+22%) and SANDOZ (+15%), rose in the ranks, coming in at numbers 2, 6, 8 and 10. Note that the latter became the only newcomer of the top-10. At the same time, BAYER (+8%) and NYCOMED/TAKEDA (+0.2%) moved down one rank, and PFIZER (-5%) showing negative sales rates, moved down to number nine from six. The total share of the top 10 drug manufacturers reduced from 39.1% to 38.7%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	**SANOFI-AVENTIS**	6.1	6.6
2	4	PHARMSTANDART	4.9	4.3
3	2	**BAYER HEALTHCARE**	4.5	4.5
4	3	**NYCOMED/TAKEDA**	4.1	4.5
5	5	**SERVIER**	3.8	4.2
6	8	**TEVA**	3.3	3.0
7	7	**ABBOTT**	3.1	3.3
8	10	**NOVARTIS**	3.1	2.8
9	6	**PFIZER**	3.0	3.4
10	12	**SANDOZ GROUP**	2.8	2.6
Total			38.7	39.1

*AIPM members are in bold

Despite lagging behind growth rates, hepatoprotector ESSENTIALE N (+2%) kept and reinforced its leading position in the top ten brand names ranking (Table 2). On top of that, CONCOR (-8%) also managed to hold its previous rank three. Five brand names of the top 10 rose in the ranks. ARBIDOL (+13%) moved up from rank five to two. The newcomers of the top ten, INGAVIRIN (2.6-fold increase in sales), KAGOCEL (2.2-fold increase in sales), LINEX (+7%) and ANAFERON (+16%), moved up to ranks six and seven, as well as nine and ten. Three brand names with negative and low sales rates: VIAGRA (-11%), ACTOVEGIN (-9%) and LASOLVAN(+2%) moved down to ranks 4, 5 and 8, respectively. In total, the top ten brand names accumulated 8.1% of sales, which is slightly more than in the year-earlier period (7.9%).

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	ESSENTIALE N	1.2	1.3
2	5	ARBIDOL	1.1	1.0
3	3	CONCOR	0.9	1.1
4	2	VIAGRA	0.9	1.1
5	4	ACTOVEGIN	0.8	1.0
6	44	INGAVIRIN	0.7	0.3
7	37	KAGOCEL	0.7	0.3
8	7	LASOLVAN	0.6	0.7
9	12	LINEX	0.6	0.6
10	13	ANAFERON	0.6	0.5
Total			8.1	7.9

Only one newcomer broke into the ranks of the top ten INN and generic names ranking : the most dynamic among the top ten KETOPROFEN (+22%), moved up to rank ten from twelve (Table 3). The other three brand names of the top ten also showed the high growth rates: XYLOMETAZOLINE (+20%) placed at rank one, as well as UMIFENOVIR (+15%) and AMBROXOL (+11%) that moved up to ranks 4 and 6. IBUPROFEN (+8%) moved up one rank, coming in at number nine. The name PHOSPHOLIPIDS (+2%) held its earlier rank two. Four INNs with negative sales rates: BISOPROLOL and SILDENAFIL (-4% each), as well as BLOOD (-8%) and PANCREATIN (-5%), moved down to the lower ranks three, five, seven and eight, respectively. The cumulative share of the top ten INNs reduced to 10.7%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	3	XYLOMETAZOLINE	1.6	1.4
2	2	PHOSPHOLIPIDS	1.3	1.4
3	1	BISOPROLOL	1.3	1.5
4	7	UMIFENOVIR	1.1	1.0
5	4	SILDENAFIL	1.0	1.2
6	8	AMBROXOL	1.0	0.9
7	5	BLOOD	0.9	1.1
8	6	PANCREATIN	0.9	1.0
9	10	IBUPROFEN	0.8	0.8
10	12	KETOPROFEN	0.8	0.7
Total			10.7	11.1

The top-10 ATC groups ranking changed its leader (table 4). ATC group J01 Antibacterials for systemic use (+19%) moved up one rank and topped the ranking. In addition, N02 Analgesics (+19%) moved up from rank three to two, and R05 Cough and cold preparations (+31%) - from rank eight to three. The other two ATC groups also rose in the ranks. The only newcomer broke into the top-10 ranking – J05 Antivirals for systemic use (+51%) - coming in at number six. A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+11%) moved up one rank, to number 9. R01 Nasal preparations (+19%) held its previous rank five, whereas the other ATC groups of the top ten moved down to the lower ranks. M01 Anti-inflammatory and antirheumatic products (+7%) moved down to rank four from one. C09 Agents acting on the rennin-angiotensin system (+1%), A11 Vitamins (+8%) and G03 Sex hormones (-3%) moved down to ranks 7, 8 and 10. The total share of the top 10 ranking increased by more than 2.5 p.p. and accounted for 38.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012			9 mon. 2013	9 mon. 2012
1	2	J01	ANTIBACTERIALS FOR SYST USE	4.4	4.0
2	3	N02	ANALGESICS	4.3	3.9
3	8	R05	COUGH AND COLD PREPARATIONS	4.3	3.6
4	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.3	4.3
5	5	R01	NASAL PREPARATIONS	4.0	3.6
6	14	J05	ANTIVIRALS FOR SYSTEMIC USE	3.8	2.6
7	4	C09	AG ACT RENIN-ANGIOTENS SYST	3.6	3.9
8	7	A11	VITAMINS	3.6	3.6
9	10	A07	INTESTINAL ANTIINFECTIVES	3.3	3.2
10	6	G03	SEX HORM&MODULAT GENITAL SYS	3.2	3.6
Total				38.9	36.3

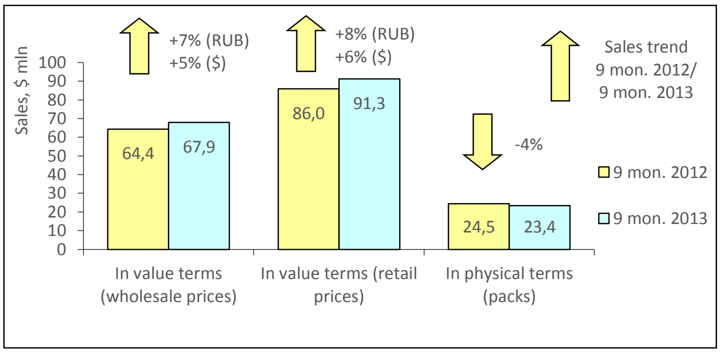
Conclusion. In 9 months of 2013, the pharmacy market in Tolyatti was estimated at RUB 2.354 bln (USD 74.814 mln.) in final consumer prices. Note that the market performance was positive both in rouble terms and in dollar terms (+5% and +3%, respectively). In pack terms, the market reduced by 5% and amounted to 16.901 mln packs. The average cost of an OTC pack (USD 4.43) in the pharmacies increased as compared to a year earlier (USD 4.08) and was higher than the average value in Russia (USD 4.19). Per capita expenses of Moscow region residents for purchase of medicines in the pharmacies were also higher than the national average figures (USD 104.03 vs. USD 90.88).

SARATOV PHARMACY MARKET: 2013 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Saratov's estimated population was 839.8 thousand, which accounted for 0.6% of the total Russian Federation population and 2.8% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2013 the average salary in the Saratovskaya Oblast was RUB 19,840.8 (USD 624.91), which is 32% lower than the average salary in Russia (RUB 29,043.6).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of nine months of 2013 the sales of OTC drugs in physical terms in the pharmacies of Saratov saw a 4% decrease to 23.410 mln packs. In value terms, the OTC drugs market increased by 7% in rouble terms and by 5% in dollar terms and reached 2.144 billion roubles (USD 67.876 million) in wholesale prices (Fig. 1). The city's share accounted for 0.7% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 3.90 vs. USD 3.51) in retail prices. For 9 months of 2013, the average amount spent by residents of Samara for drugs amounted to USD 108.70.

Figure 1. Saratov pharmacy market for 9 months of 2012 – 9 months of 2013



Based on the results for the first nine months of 2013, only two drug manufacturers of the top ten in the market of Saratov held their own in the ranking (Table 1). They were the leaders of the ranking SANOFI-AVENTIS (+3%) and PHARMSTANDART (+5%). Five drug manufacturers of the top 10 rose in the ranks. BAYER (+8%), SANDOZ (+18%) and STADA (+10%) moved up one rank to numbers 3, 4 and 7, respectively. TEVA (+21%) and NOVARTIS (+23%) showing higher growth rates moved up to ranks six and nine. On top of that, the latter became the only newcomer of the top 10 ranking. Three drug manufacturers with negative sales rates, SERVIER (-5%), ABBOTT (-3%) and MENARINI (-1%) moved down to the lower ranks five, eight and ten. The cumulative share of the top 10 drug manufacturers reduced from 37.8% to 37.5%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	**SANOFI-AVENTIS**	5.3	5.6
2	2	PHARMSTANDART	4.9	5.0
3	4	**BAYER HEALTHCARE**	4.0	3.9
4	5	**SANDOZ GROUP**	3.8	3.5
5	3	**SERVIER**	3.6	4.1
6	10	**TEVA**	3.3	2.9
7	8	**STADA**	3.2	3.2
8	6	**ABBOTT**	3.2	3.5
9	11	**NOVARTIS**	3.1	2.7
10	7	**MENARINI**	3.1	3.3
Total			37.5	37.8

*AIPM members are in bold

Three newcomers broke into the ranks of the top ten brand names ranking (table 2). They were antiviral agent KAGOCEL which sales increased 2.7 times, antiaggregant CARDIOMAGNIL (+39%) and one more antiviral agent INGAVIRIN with two-fold growth in sales that moved up to ranks 5, 8 and 10, respectively. In addition, two more brand names ARBIDOL (+17%) and LINEX (+18%) rose in the ranks, coming in at numbers two and seven. ACTOVEGIN (-3%), VIAGRA (-6%) and HEPTRAL (-1%) showing negative growth rates moved down to ranks 4, 6 and 9, respectively. ESSENTIALE N (+13%) remained the leader of the ranking. The total share of the top ten trade names increased by almost 0.8 p.p. and accounted for 7.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	ESSENTIALE N	1.1	1.1
2	5	ARBIDOL	0.8	0.7
3	3	MEXIDOL	0.8	0.8
4	2	ACTOVEGIN	0.8	0.8
5	45	KAGOCEL	0.7	0.3
6	4	VIAGRA	0.7	0.8
7	10	LINEX	0.6	0.6
8	19	CARDIOMAGNIL	0.6	0.5
9	7	HEPTRAL	0.6	0.6
10	47	INGAVIRIN	0.6	0.3
Total			7.3	6.5

The top INN and generic names ranking changed its leader (table 3). PHOSPHOLIPIDS (+12%) moved up from rank two to one, displacing PANCREATIN (-6%) to rank 2. XYLOMETAZOLINE (+20%) and NIMESULIDE (+19%) moved up one rank to numbers 3 and 4. AMBROXOL (+10%) placed at rank ten also moved up one rank. It became one of two newcomers of the top ten. The second newcomer, UMIFENOVIR (+18%), moved up to rank 9. High growth rates allowed one more INN AZITHROMYCIN (+16%) to move up to the higher rank six. However, two INNs of the top ten, BISOPROLOL (-1%) and BLOOD (-3%), showed reduction in sales which resulted in the loss of ranks. ETHYLMETHYLHYDROXYPYRIDINE (+5%) kept its rank seven.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	2	PHOSPHOLIPIDS	1.2	1.2
2	1	PANCREATIN	1.2	1.4
3	4	XYLOMETAZOLINE	1.1	1.0
4	5	NIMESULIDE	1.1	1.0
5	3	BISOPROLOL	1.0	1.1
6	9	AZITHROMYCIN	0.9	0.8
7	7	ETHYLMETHYLHYDROXYPYRIDINE	0.8	0.9
8	6	BLOOD	0.8	0.9
9	12	UMIFENOVIR	0.8	0.7
10	11	AMBROXOL	0.8	0.8
Total			9.8	9.7

Only one of the top ten ATC groups held its own in the top-ten ranking (table 4). It was group R05 Cough and Cold Preparations (+24%) placed at rank 5. Five ATC groups of the top 10 rose in the ranks. They were ATC groups M01 Anti-inflammatory and antirheumatic products and J01 Antibacterials for systemic use (+15% each), as well as R01 Nasal preparations (+15%) that moved up from rank ten to eight and the newcomers J05 Antivirals for systemic use (+69%) and L05 Immunostimulants (+24%). In contrast, another four ATC Groups moved down to the lower ranks. N02 Analgesics (-8%), C09 Agents acting on the rennin-angiotensin system (+2%), A11 Vitamins (+8%) and G03 Sex hormones (+4%) moved down to ranks 3, 6, 7 and 10, respectively. The total share of the top ten under review increased by almost 2 p.p. and achieved 37.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012			9 mon. 2013	9 mon. 2012
1	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.9	4.6
2	3	J01	ANTIBACTERIALS FOR SYST USE	4.6	4.3
3	1	N02	ANALGESICS	4.2	4.9
4	17	J05	ANTIVIRALS FOR SYSTEMIC USE	3.7	2.3
5	5	R05	COUGH AND COLD PREPARATIONS	3.7	3.4
6	4	C09	AG ACT RENIN-ANGIOTENS SYST	3.6	3.8
7	6	A11	VITAMINS	3.3	3.2
8	10	R01	NASAL PREPARATIONS	3.1	2.9
9	12	L03	IMMUNOSTIMULANTS	3.1	2.7
10	7	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.2
Total				37.2	35.2

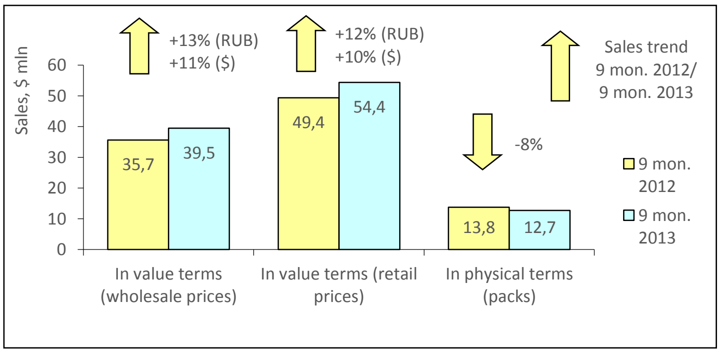
Conclusion. On the basis of the results for nine months of 2013, the retail pharmacy market of Saratov brought in RUB 2.883 bln (USD 91.279 mln). The market increased 8% in terms of roubles and 6% in terms of dollars. In pack terms, the market showed negative growth rates (-4%) and achieved 23.410 mln packs. In the nine months of 2013, the average cost of an OTC pack in the pharmacies of the region was higher than in the same period a year ago (USD 3.90 vs. USD 3.51), but was lower than the national average figures (USD 4.19). On top of that, the average expenses of city residents for medicines in the pharmacies considerably exceeded the national average (USD 108.70 vs. USD 90.88).

ULYANOVSK PHARMACY MARKET: 2013 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Ulyanovsk's estimated population was 615.3 thousand, which accounted for 0.4% of the total Russian Federation population and 2.1% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in December-September 2013 the average salary in the region was RUB 18,562.5 (USD 584.65), which is 36% lower than the average salary in Russia (RUB 29,043.6).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, based on the results for three quarters of 2013 the sales of OTC drugs in physical terms in the regional pharmacies saw a 8% decrease to 12.739 mln packs. In value terms, the OTC drugs market increased by 13% in rouble terms and by 11% in dollar terms and reached RUB 1.246 billion (USD 39.515 million) in wholesale prices (Fig. 1). The region share in the total volume of all-Russia pharmacy market accounted for 0.4%. The average cost of an OTC pack increased as compared to the same period of previous year (USD 3.58) and reached USD 4.27 in retail prices. For 9 months of 2013, the average amount spent by residents of Ulyanovsk for drugs amounted to USD 88.33.

Figure 1. Ulyanovsk pharmacy market for 9 months of 2012 – 9 months of 2013



According to the results for 9 months of 2013, PHARMSTANDART (+35%) showed the highest sales in the Ulyanovsk retail market (Table 1). As a result, it moved up to rank one from two, displacing the last year leader SANOFI-AVENTIS (+10%) down one rank. The drug manufacturers showing growth rates moved up to ranks three and four. The were BAYER (+29%) and TEVA (+32%). On top of that, the newcomers of the top ten NOVARTIS (+43%) and SANDOZ (+19%) moved up to ranks six and eight. In contrast, the drug manufacturers NYCOMED/TAKEDA (+4%), ABBOTT (+8%) and SERVIER (-5%) moved down to ranks five, seven and ten. STADA (+8%) kept its rank nine. The total share of the top 10 drug manufacturers increased by almost 2 p.p. to 41.5%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	2	PHARMSTANDART	6.7	5.6
2	1	**SANOFI-AVENTIS**	5.7	5.8
3	4	**BAYER HEALTHCARE**	4.6	4.0
4	7	**TEVA**	4.0	3.4
5	3	**NYCOMED/TAKEDA**	3.8	4.2
6	12	**NOVARTIS**	3.6	2.8
7	6	**ABBOTT**	3.4	3.6
8	11	**SANDOZ GROUP**	3.3	3.2
9	9	**STADA**	3.2	3.3
10	5	**SERVIER**	3.1	3.7
Total			41.5	39.6

*AIPM members are in bold

Only two brand names - ARBIDOL (+19%) and LINEX (+17%) - held their own in the ranking, as before they kept ranks 2 and 7 in the top ten brand names ranking (Table 2). ESSENTIALE N (+38%) moved up to rank one from three, whereas VIAGRA (-7%) placed at that rank earlier moved down to rank 3. The newcomers of the top ten KAGOCEL (2.6-fold growth in sales), REDUKSIN (+59%) and CARDIOMAGNIL (+31%) moved up to ranks four, five and eight, respectively. ACTOVEGIN (-4%) and PENTALGIN (-17%) reduced its sales and moved down to ranks 6 and 9. Apart from that, NISE (+11%) moved down two ranks to number 10. The total share of the top 10 trade names increased from 8.4% to 9%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	3	ESSENTIALE N	1.3	1.1
2	2	ARBIDOL	1.2	1.2
3	1	VIAGRA	1.0	1.2
4	34	KAGOCEL	0.8	0.4
5	13	REDUKSIN	0.8	0.6
6	4	ACTOVEGIN	0.8	1.0
7	7	LINEX	0.8	0.8
8	11	CARDIOMAGNIL	0.7	0.6
9	5	PENTALGIN	0.7	1.0
10	8	NISE	0.7	0.7
Total			9.0	8.4

Five INNs of the top 10 INN and generic names ranking showed negative sales rates (table 3). On top of that, three of them: SILDENAFIL (-2%), AMBROXOL (-9%) and BLOOD (-3%) moved down to the lower ranks. However, INN PANCREATIN (-0.1%) managed to hold its previous rank 7, and INN BISOPROLOL (-2%) moved up from rank 6 to 5 despite the reduction in sales volumes. INNs PHOSPHOLIPIDS (+37%), UMIFENOVIR (+22%), NIMESULIDE (+12%) and the newcomer of the top ten KETOPROFEN (+44%) also showed high growth rates. XYLOMETAZOLINE (+16%) held its previous leading position in the ranking. The cumulative share of the analysed ranking, in contrast to the above rankings, reduced from 11.3% to 11.1%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	XYLOMETAZOLINE	1.6	1.6
2	4	PHOSPHOLIPIDS	1.5	1.2
3	5	UMIFENOVIR	1.3	1.2
4	2	SILDENAFIL	1.1	1.3
5	6	BISOPROLOL	1.0	1.2
6	3	AMBROXOL	1.0	1.2
7	7	PANCREATIN	1.0	1.1
8	9	NIMESULIDE	1.0	1.0
9	15	KETOPROFEN	0.9	0.7
10	8	BLOOD	0.9	1.0
Total			11.1	11.3

N02 Analgesics (+29%) became the best-selling over-the-counter ATC group in the regional OTC drugs market (Table 4). M01 Anti-inflammatory and antirheumatic products (+13%) moved down to rank 2 from one. R05 Cough and cold preparations (+22%) held its previous rank three. A11 Vitamins (+20%), A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+24%) and G03 Sex hormones (+9%) placed at ranks seven, eight and ten held their own in the top ten ranking. Due to 71% growth in sales, one newcomer, ATC group J05 Antivirals for systemic use, broke into the ranks of the top ten, coming in at number 4. At the same time, J01 Antibacterials for systemic use (+14%) and R01 Nasal preparations (+19%) moved down one rank. Due to 3% reduction in sales, C09 Agents acting on the rennin-angiotensin system moved down from rank six to nine. The total share of the top-ten ranking increased by almost 3 p.p. and achieved 41.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012			9 mon. 2013	9 mon. 2012
1	2	N02	ANALGESICS	5.7	4.9
2	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5.1	5.1
3	3	R05	COUGH AND COLD PREPARATIONS	4.8	4.4
4	12	J05	ANTIVIRALS FOR SYSTEMIC USE	4.2	2.8
5	4	J01	ANTIBACTERIALS FOR SYST USE	4.2	4.1
6	5	R01	NASAL PREPARATIONS	4.0	3.8
7	7	A11	VITAMINS	3.8	3.6
8	8	A07	INTESTINAL ANTIINFECTIVES	3.8	3.4
9	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.2	3.7
10	10	G03	SEX HORM&MODULAT GENITAL SYS	3.0	3.1
Total				41.7	38.9

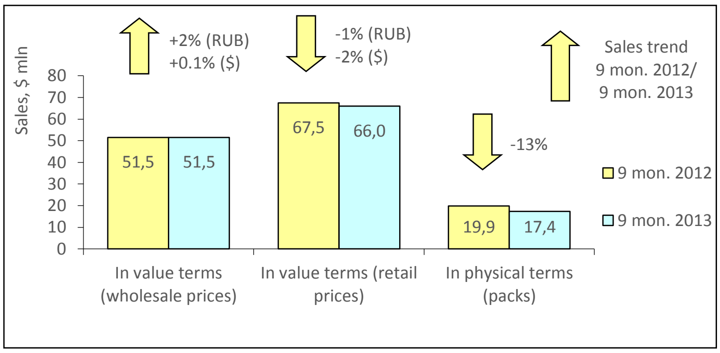
Conclusion. On the basis of the results for 2013, the retail pharmacy market of Ulyanovsk brought in RUB 1.714 bln (USD 54.351 mln). At the same time, the market increased 12% in terms of roubles and 10% in terms of dollars. In pack terms, the market showed negative growth rates (-8%) and achieved 12.739 mln packs. Based on the results for 9 months of 2013, the average cost of an OTC pack in the city pharmacies was higher than in the year-earlier period (USD 4.27 vs. USD 3.58) and slightly exceeded the national average figures (USD 4.19). Per capita expenses amounted to USD 88.33 which is slightly lower than on the average in Russia (USD 90.88).

LIPETSK PHARMACY MARKET: 2013 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Lipetsk's estimated population was 509.1 thd, which accounted for 0.4% of the total Russian Federation population and 1.3% of Central FO (CFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2013 the average salary in the Lipetskaya Oblast was RUB 20,717.9 (USD 652.53), which is 29% lower than the average salary in Russia (RUB 29,043.6).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, based on the results for three quarters of 2013 the sales of OTC drugs in physical terms in the pharmacies of Lipetsk saw a 13% decrease to 17.395 mln packs. In value terms, the OTC drugs market increased by 2% in rouble terms and by 0.1% in dollar terms and reached 1.621 billion roubles (USD 51.531 million) in wholesale prices (Fig. 1). The city share in the total volume of all-Russia pharmacy market accounted for 0.5%. The average cost of OTC pack in the Lipetsk pharmacies was USD 3.79, whereas in the year-earlier period its cost was USD 3.39 at retail prices. For 9 months of 2013, the average amount spent by residents of the region for drugs in the pharmacies amounted to USD 129.62.

Figure 1. Lipetsk pharmacy market for 9 months of 2012 – 9 months of 2013



Following the results of nine months 2013, the top ten drug manufacturers in the Lipetsk market didn't change in composition (Table 1). Apart from that, four of its participants held their own in the ranking. Among them were the leader of the top ten ranking SANOFI-AVENTIS (+3%), as well as NYCOMED/TAKEDA (+6%), ABBOTT (-6%) and TEVA (+9%) placed at numbers 6, 8 and 10. Three shifts took place in the top ten ranking. PHARMSTANDART (-4%) moved up one rank, to number two, despite its negative growth rates. SERVIER (-5%), which had been placed at that rank earlier, moved down to rank 3. BAYER (+9%) placed at rank 4 moved up one rank, whereas MENARINI (-16%) reduced its sales and moved down to rank 5. NOVARTIS (+3%) moved up from rank 9 to seven, and GEDEON RICHTER (-11%) moved down from rank 7 to 9. The total share of the top 10 drug manufacturers reduced from 37.9% to 36.6%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	**SANOFI-AVENTIS**	5.3	5.2
2	3	PHARMSTANDART	4.5	4.8
3	2	**SERVIER**	4.5	4.8
4	5	**BAYER HEALTHCARE**	4.2	4.0
5	4	**MENARINI**	3.6	4.4
6	6	**NYCOMED/TAKEDA**	3.5	3.4
7	9	**NOVARTIS**	2.8	2.8
8	8	**ABBOTT**	2.8	3.0
9	7	GEDEON RICHTER	2.7	3.1
10	10	**TEVA**	2.6	2.4
Total			36.6	37.9

*AIPM members are in bold

ACTOVEGIN (-5%) and ESSENTIALE N (+16%) remained the best-selling over-the-counter drugs in the regional market (Table 2). Due to 2.2-fold growth in sales, the newcomer of the top ten KAGOCEL moved up to rank three. At the same time, it displaced brand names MEXIDOL (-2%), ALFLUTOP (-3%), ARBIDOL (-11%) and DETRALEX (-9%) down one rank, to numbers four through seven, respectively. The newcomers of the top ten LYRICA (+40%), CARDIOMAGNIL (+56%) and INGAVIRIN (2.7-fold growth in sales) moved up to ranks eight through ten. The total share of the top ten brand names increased by 1 p.p. and accounted for 8.4%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	ACTOVEGIN	1.2	1.3
2	2	ESSENTIALE N	1.2	1.1
3	19	KAGOCEL	1.0	0.5
4	3	MEXIDOL	0.9	1.0
5	4	ALFLUTOP	0.9	0.9
6	5	ARBIDOL	0.7	0.8
7	6	DETRALEX	0.7	0.7
8	24	LYRICA	0.6	0.4
9	36	CARDIOMAGNIL	0.6	0.4
10	81	INGAVIRIN	0.6	0.2
Total			8.4	7.4

Only one newcomer broke into the ranks of the top ten INN and generic names ranking. Due to 2-fold growth in sales, INN KAGOCEL moved up from rank 33 to six (Table 3). PHOSPHOLIPIDS (+17%) also showed high growth rates and moved up from rank five to three. XYLOMETAZOLINE (+11%) and BLOOD (-4%) maintained their leading positions. NIMESULIDE (+3%) and BISOPROLOL (-2%) held their previous ranks four and eight. Four INNs fell in the ranks. ETHYLMETHYLHYDROXYPYRIDINE (-2%) and CHONDROITINSULFURIC ACID (+2%) moved down one rank, coming in at number 7 and 10, whereas INNs PANCREATIN (-9%) and FISH (-3%) lost two ranks each and came in at numbers 5 and 9. The cumulative share of the top10 increased from 10.8% to 11.3%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	XYLOMETAZOLINE	1.7	1.5
2	2	BLOOD	1.3	1.4
3	5	PHOSPHOLIPIDS	1.3	1.1
4	4	NIMESULIDE	1.2	1.2
5	3	PANCREATIN	1.2	1.3
6	33	KAGOCEL	1.0	0.5
7	6	ETHYLMETHYLHYDROXYPYRIDINE	1.0	1.0
8	8	BISOPROLOL	0.9	0.9
9	7	FISH	0.9	0.9
10	9	CHONDROITINSULFURIC ACID	0.9	0.8
Total			11.3	10.8

Three groups of the top 10 ATC groups ranking retained their previous positions (table 4). They were the leader of the top ten M01 Anti-inflammatory and antirheumatic products (+5%), as well as R01 Nasal preparations (+9%) and A11Vitamins (+6%) placed at ranks 5 and 8. Four ATC groups of the top 10 succeeded in rising in the ranks. They were J01 Antibacterials for systemic use (+11%) and R05 Cough and cold preparations (+15%) that moved up to ranks three and six, as well as the newcomers J05 Antivirals for systemic use (+52%) and A05 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+11%). At the same time, three groups with negative sales rates - G03 Sex hormones (-3%), N02 Analgesics (-14%) and C09 Agents acting on the rennin-angiotensin system (-6%) - showed low sales rates, moving down to numbers 4, 7 and 9, respectively. The total share of the top-ten ranking increased by almost 2 p.p. and achieved 37.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012			9 mon. 2013	9 mon. 2012
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5.4	5.2
2	15	J05	ANTIVIRALS FOR SYSTEMIC USE	3.9	2.6
3	4	J01	ANTIBACTERIALS FOR SYST USE	3.9	3.6
4	3	G03	SEX HORM&MODULAT GENITAL SYS	3.9	4.1
5	5	R01	NASAL PREPARATIONS	3.7	3.5
6	7	R05	COUGH AND COLD PREPARATIONS	3.6	3.2
7	2	N02	ANALGESICS	3.6	4.3
8	8	A11	VITAMINS	3.2	3.1
9	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.1	3.4
10	14	A05	BILE AND LIVER THERAPY	2.9	2.6
Total				37.2	35.5

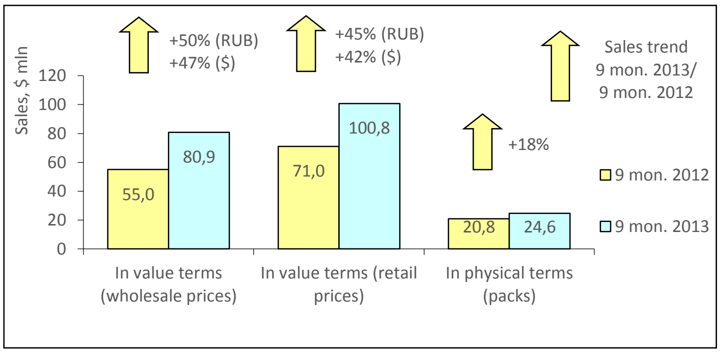
Conclusion. On the basis of the results for three quarters of 2013, the retail pharmacy market of Lipetsk brought in RUB 2.075 bln (USD 65.988 mln). At the same time, the retail market reduced 1% in terms of roubles and 2% in terms of dollars. In pack terms, the market also showed negative growth rates (-13%) and achieved 17.395 mln packs. In January-September 2013, the average cost of an OTC pack in the city pharmacies was much higher than in the year-earlier period (USD 3.79 vs. USD 3.39), but lower than the Russia average figures (USD 4.19). Per capita expenditures spent by the city residents for the purchase of medicines in the region amounted to USD 129.62 which is higher than the national average (USD 90.88).

VOLGOGRAD PHARMACY MARKET: 2013 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Volgograd was estimated as 1.079 mln, which accounted for 0.7% of the total Russian Federation population and 7.3% of Southern FO (SFO). According to Federal State Statistics Service's data, in the first nine months of 2013 the average salary in the Volgogradskaya Oblast was RUB 20,395 (USD 642.36), which is 30% lower than the average salary in Russia (RUB 29,043.6).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first nine months of 2013 the Volgograd pharmacy market volume increased by 18% in physical terms and amounted to 24.622 million packs (Fig. 1) In wholesale prices, the market also showed the positive performance both in terms of roubles (+50%) and in terms of dollars (+47%) and reached 2.554 million roubles (USD 80.880 mln). The region's share accounted for 0.8% of the total volume of all-Russia pharmacy market. The average cost of OTC pack in the city pharmacies according to the results for 9 months of 2013 was USD 4.09 (during the same period in 2012 - USD 3.40). In the analysed period, per capita expenses for purchase of medicines in pharmacies amounted to USD 98.94.

Figure 1. Volgograd pharmacy market for 9 months of 2012 – 9 months of 2013



All drug manufacturers in the top ten ranking that was prepared following the results of the analysed period showed high positive growth rates (Table 1). The leader of the top ten PHARMSTANDART (+18%) showed the lowest growth rates which resulted in the considerable reduction of its market share. The drug manufacturers BAYER (+37%), SANDOZ (+41%), GEDEON RICHTER (+37%) and STADA (+46%) also lagged behind the high mid-market rates, which led to the loss of ranks by the first three drug manufacturers. The latter managed to hold its previous rank 10. SERVIER (+54%) placed at rank 4 didn't change its position. The other four drug manufacturers rose in the ranks. They were SANOFI-AVENTIS (+57%), NYCOMED/TAKEDA (+67%), TEVA (+56%) and the only newcomer of the top ten NOVARTIS (+70%) placed at 2, 5, 7 and 9 ranks respectively. The total share of the top 10 drug manufacturers reduced from 38.3% to 37.2%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	PHARMSTANDART	4.7	5.9
2	3	**SANOFI-AVENTIS**	4.5	4.2
3	2	**BAYER HEALTHCARE**	4.4	4.8
4	4	**SERVIER**	4.3	4.2
5	7	**NYCOMED/TAKEDA**	3.7	3.3
6	5	**SANDOZ GROUP**	3.3	3.5
7	8	**TEVA**	3.3	3.2
8	6	GEDEON RICHTER	3.2	3.5
9	12	**NOVARTIS**	2.9	2.6
10	10	**STADA**	2.9	3.0
Total			37.2	38.3

*AIPM members are in bold

Brand names ESSENTIALE N (+71%) and ACTOVEGIN (+69%) didn't change their leading positions in the top 10 brand names ranking (table 2). They displaced ARBIDOL (+34%) placed at rank one to rank three. VIAGRA reduced its sales by 10% and moved down from rank two to ten. In contrast, the other brand names of the top 10 rose in the ranks. CONCOR (+58%) moved up to rank five from 8. The newcomers of the top ten KAGOCEL (2.3-fold growth in sales), INGAVIRIN (3.0-fold growth in sales), CARDIOMAGNIL (2-fold growth in sales0, ALFLUTOP (+72%) and CYCLOFERON (+83%) moved up to ranks four and 6 through 9, respectively. In total, the top ten brand names accumulated 7.1% of sales, which is 0.8 p.p. more than in the year-earlier period (6.4%).

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	3	ESSENTIALE N	1.0	0.9
2	4	ACTOVEGIN	1.0	0.9
3	1	ARBIDOL	0.9	1.0
4	12	KAGOCEL	0.8	0.5
5	8	CONCOR	0.6	0.6
6	51	INGAVIRIN	0.6	0.3
7	25	CARDIOMAGNIL	0.6	0.4
8	16	ALFLUTOP	0.5	0.5
9	19	CYCLOFERON	0.5	0.4
10	2	VIAGRA	0.5	0.9
Total			7.1	6.4

A total of three newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were KAGOCEL (2.3-fold growth in sales), AMBROXOL (+66%) and TRIMETAZIDINE (+55%), coming in at numbers 7 through 9, respectively. The markets of the other three INNs also developed at a fast pace. They were INNs BISOPROLOL (+57%), PHOSPHOLIPIDS (+66%) and BLOOD (+63%) which moved up one rank, coming in at numbers 2, 3 and 5, respectively. At the same time, INNs PANCREATIN (+22%) and UMIFENOVIR (+34%) moved down to ranks four and six, respectively. XYLOMETAZOLINE (+21%) and NIMESULIDE (+27%) maintained their ranks one and ten of the top ten. The cumulative share of the top 10 didn't virtually change and accounted for 9.6%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012		9 mon. 2013	9 mon. 2012
1	1	XYLOMETAZOLINE	1.3	1.5
2	3	BISOPROLOL	1.2	1.1
3	4	PHOSPHOLIPIDS	1.1	1.0
4	2	PANCREATIN	1.1	1.3
5	6	BLOOD	1.1	1.0
6	5	UMIFENOVIR	0.9	1.0
7	27	KAGOCEL	0.8	0.5
8	15	AMBROXOL	0.8	0.7
9	14	TRIMETAZIDINE	0.7	0.7
10	10	NIMESULIDE	0.7	0.8
Total			9.6	9.7

The top-10 ATC groups ranking changed its leader (table 4). ATC group G03 Sex hormones (+42%) moved up one rank and topped the ranking. On top of that, ATC groups with high growth rates also moved up to ranks two through four. M01 Anti-inflammatory and antirheumatic products (+51%) moved up from rank four to two, and J05 Antivirals for systemic use moved up to rank three from 11 due to two-fold growth in sales. C09 Agents acting on the rennin-angiotensin system (+63%) moved up from rank six to four. ATC groups J01 Antibacterials for systemic use (+38%), R05 Cough and cold preparations and A11 Vitamins (+49% each) held their previous ranks five, eight and ten. Three ATC groups with relatively low sales rates: N02 Analgesics (+12%), R01 Nasal preparations (+28%) and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+30%) moved down to ranks 6, 7 and 9, respectively. The consolidated share of the top 10 reduced from 37.8% to 36.6%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2013	9 mon. 2012			9 mon. 2013	9 mon. 2012
1	2	G03	SEX HORM&MODULAT GENITAL SYS	4.3	4.5
2	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4.2	4.1
3	11	J05	ANTIVIRALS FOR SYSTEMIC USE	4.1	2.9
4	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.9	3.6
5	5	J01	ANTIBACTERIALS FOR SYST USE	3.8	4.1
6	1	N02	ANALGESICS	3.6	4.8
7	3	R01	NASAL PREPARATIONS	3.5	4.1
8	8	R05	COUGH AND COLD PREPARATIONS	3.4	3.4
9	7	A07	INTESTINAL ANTIINFECTIVES	3.0	3.4
10	10	A11	VITAMINS	2.9	2.9
Total				36.6	37.8

Conclusion. In 9 months of 2013, the pharmacy market in Volgograd was estimated at RUB 3.182 bln (USD 100.800 mln.) in final consumer prices. Note that the market performance was pronounced and positive both in rouble terms and in dollar terms (+45% and +42%, respectively). In pack terms, the market increased by 18% and amounted to 24.622mln packs. The average cost of an OTC pack (USD 4.09) in the pharmacies increased as compared to the previous year (USD 3.40) however it was lower than the national average value (USD 4.19). Per capita expenses of residents for purchase of medicines in the pharmacies were also higher than the national average figures (USD 98.94 vs. USD 90.88).

REGIONAL DIGEST

Additional Pharmacological Support (DLO)/Essential Drug Reimbursement Program (ONLS), Government Control

January 9, 2014, ITAR-TASS

Ministry of Economic Development prepared a draft decree to provide price preferences for goods providers from the Customs Union countries within the public procurement system

Ministry of Economic Development prepared a draft decree to provide preferential access for goods produced in the Customs Union countries to the public procurement system in accordance with the Federal Purchasing System Act (Effective January 1, 2014). The document is expected to be valid until December 31, 2015. The draft decree would apply to pharmaceutical products as well. According to the document, the participants of the public procurement system that offer any goods of Russian, Belarus and Kazakh origin shall be provided price preferences at the rate of 15% of the contract value.

January 18, 2014, RIA-AMI

According to Veronika Skvortsova, the share of GDP allocated to support the health care system should be increased

GDP's share allocated to support the health care system should be increased, Minister of Public Health Veronika Skvortsova said to RBK-TV at the Gaidar Forum. She reminded that in 2014 the share of GDP allocated to support the health care system was reduced to 3.4%, but in the long term social policy development plans that were designed several years ago, it was estimated as 5.4%. The Minister stressed that in general the total volume of financing had increased. More than that, in the nearest three year the volume of financing will be increased 40% in accordance with the Programme on State Guarantees.

January 21, 2014, Nezavisimaya Gazeta

Experts support a draft law on delegation of powers to treat orphan diseases to the federal agencies, as well as temporary suspension of a new emergency care procedure

This year experts show concern regarding two issues. The first one is the suspension of a new procedure for rendering emergency care for half a year, which had to be enacted on January 1, 2014 in the whole territory of the Russian Federation. Many specialists including experts of National Medical Association spoke "against" it, and in the middle of December representatives of the Association applied to the Ministry of Public Health of the Russian Federation for suspension of the new rules for half a year, because the document needs to be improved. In addition, a Draft federal law On Introducing Amendments to the Law Concerning the Fundamentals of Public Health Protection in the Russian Federation has been submitted to the State Duma. The draf law proposes to delegate the powers to treat orphan diseases to the federal agencies and to procure medicines at the expense of the federal budget.

January 21, 2014, The Pharmatsevticheski Vestnik

FAS of Russia clarified the new guidelines for advertising of health services

Due to entry into force on January 1, 2014, of Federal Law of November 25, 2013 No 317-FZ On Introducing Amendments to the Certain Acts of the Russian Federation and the Annulment of Certain Acts of Legislation of the Russian Federation On the Matters of Healthcare In the Russian Federation, Federal Antimonopoly Service (FAS) of Russia clarified that in accordance with part 8, Article 24 of Federal Law On Advertising no advertising of medical services shall be allowed except for the venues of medical and pharmaceutical exhibitions, seminars, conferences and other similar events as well as in the specialized print media designed for medical and pharmaceutical workers.

January 21, 2014, GMPnews.ru

Ministry of Industry and Trade submitted the revised Pharma 2020 Program for public consultation

Due to reduction of budget expenditures for healthcare system, the Ministry of Industry and Trade had to revise the program for long-term pharmaceutical industry development. The reduction of financing for the Federal Program for Development of Pharmaceutical and Medical Industry for 2013-2120 amounted to RUB 5.2 bln. Funds shall be saved through optimization of internal resources, not through adandonment of main purposes. However, the revised version of the Program includes the negative outlook for industry development. After the final results of the public consultation, the amendments shall be submitted to the government for consideration.

January 23, 2014, Vademic.ru

High-tech medical care financing allocated from the federal budget will reach RUB 34.6 bln in 2014

The Ministry of Public Health published a draft decree to establish the planned volumes of high-tech medical care to be provided by the subordinated authorities in 2014. As compared to 2013, the federal financing for such medical care has been reduced by RUB 13.2 bln and amounted to RUB 34.6 bln.

January 23, 2014 Remedium

65% of medicines from the Vital and Essential Drugs List (VED) are produced by Russian companies

Most of the medicines included into the List of Vital and Essential Drugs are currently produced by the Russian manufacturers, the Minister of Industry and Trade Denis Manturov declared at the “government hour” in the State Duma. The Minister stressed that in 2013 a share of domestic medicines in the VED List increased up to 65%. On top of that, the increase in production volume of Russian medicines exceeded the market growth rates which in its turn grew by 7%.

January 24, 2014, The Meditsinski Vestnik

Ministry of Public Health prepared a draft of the Health Development Program

The Ministry of Public Health of Russia prepared a draft decree of Government of the Russian Federation Concerning Approval of National Health Development Program. According to the Federal Law of December 2, 2013 No 349-FZ Concerning the Federal Budget for 2014 and the Planning Periods of 2015 and 2016, the budget allocations for implementation of the National Health Development Program in 2014-2016 shall be as follows: RUB 357,154.2 mln in 2014, RUB 260,503.6 mln in 2015 and RUB 262,867.6 mln in 2016.

January 28, 2014, Rossiyskaya BiznesGazeta

Market players’ opinions differ on the chances for achievement of objectives of Pharma 2020 Program after reduction in state financing

The Ministry of Industry and Trade prepared a revised version of National Program Development of Pharmaceutical and Medical Industry for 2013-2020. It was published on the government website for public consultation. The revision of the program was caused by amendments introduced to the procedure of development, implementation and evaluation of national program efficiency in October of last year. Another reason for revision of the program is optimization of the budget. The total funding for the program has been reduced from RUB 108.38 bln to RUB 103.16 bln. The reduction affected the budget period up to 2016 inclusive.

January 29, 2014, Kommersant

Delay in adoption of international manufacturing standards resulted in a suspension of Russian medicines export

The Russian pharmaceutical manufacturers temporally suspended the export of medicines from January 2014. The medicines can't be exported without certificates of pharmaceutical product which can't be obtained without confirmation of conformity with GMP manufacturing standards. Inconsistency of government actions will affect not only Russian manufacturers, which export volumes of medicines production amounted to RUB 12 bln in 2013, but also their consumers and partners first of all in Kazakhstan, Ukraine and Uzbekistan.

NEWS FROM COMPANIES

January 28, 2014, RIA-AMI

In 2013, Ministry of Public Health of Russia issued 790 permissions to conduct all types of clinical trials

According to the analysis report of Synergy Research Group, in 2013 the Ministry of Public Health of Russia issued 790 permissions to conduct all types of clinical trials which is 4% less than in 2012. However, the number of international multi-centre clinical trials didn't virtually change and amounted to 358 new trials. The number of bioequivalence studies reduced from 322 to 265 as compared to 2012. The number of local clinical trials conducted in the territory of Russia by domestic and foreign sponsors also reduced from 217 to 167 trials.

January 30, 2014, Vademic.ru

Biosintez to invest RUB 2.5 bln to the renovation of pharmaceutical manufacturing facilities

In the first half of 2014, Biosintez intends to put into operation new medicine manufacturing facilities. These facilities shall operate as part of the large-scale investment project on renovation and reconstruction of the company's plant to the amount of RUB 2.5 bln.

January 30, 2014, GMPnews.ru

Microgen and Labiofam signed a cooperation agreement for development of antitumor drugs

According to the press-service of the Russian company, the largest Russian manufacturer of immunobiological products NPO Microgen and Cuba-based pharmaceutical company LABIOFAM can begin cooperation on possible production of antitumor medicines. On January 28, in Moscow the companies signed the agreement to establish cooperation formats and determine projects on joint development and further introduction of antitumor drugs to the market.

Source of information – IMS Health
If you have questions or comments, please contact:
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