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

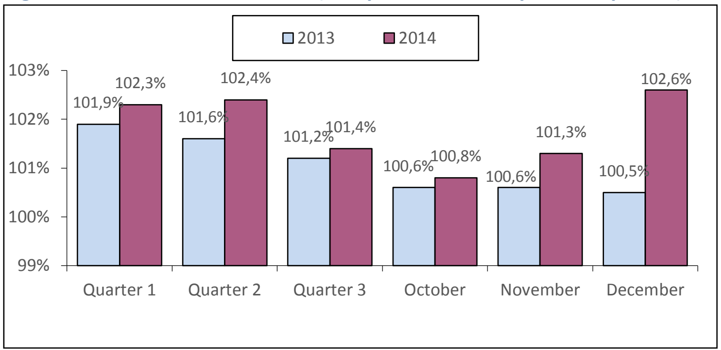
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in December 2014, the Consumer Price Index was estimated as 102.6%, compared to the previous month, in December 2013 it was 100.5%.

According to preliminary data, industrial Producer Price Index was 100.8% in December this year, while in the month-earlier period it had amounted to 99.5%.

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



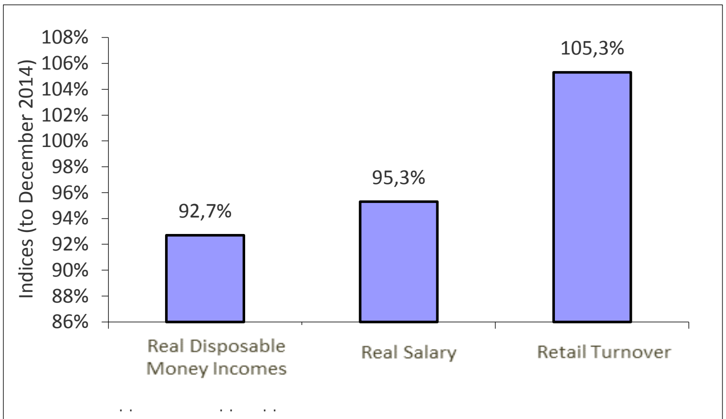
Living standard

According to preliminary Federal State Statistics Service's data, in December 2014 a gross monthly average salary per worker reached RUB 41,985 (USD 757.72) which accounted for 129% compared to the previous month and 106.1% compared to December 2013. The real wages in December 2014 accounted for 95.3% as compared with the same period in 2013. In December 2014, the real value of disposable cash incomes accounted for 92.7% as compared with the same period of 2013 (Fig. 2).

Retail turnover

In December 2014, the retail turnover was equal to RUB 2,941.8 bln, which in comparable prices accounted for 105.3% compared to the same period a year ago, in 2014 - RUB 26,118.9 bln or 102.5% to 2013 (Fig. 2).

Figure 2. Real values of cash incomes, wages and retail turnover in December 2014



Source: Rosstat

Manufacture of Industrial Products

According to Federal State Statistics Service's data, in December 2014 Industrial Production Index accounted for 103.9% compared to the same period in 2013, and at year-end 2014 - 101.7%).

Domestic production

The top 10 domestic pharmaceutical manufacturers by production volume at December-end 2014 are shown in Table 1 The total production volume of top ten manufacturers was estimated at USD 142.5 mln.

Table 1. Top ten chemical and pharmaceutical manufacturers by production volume in December 2014

Rank	Manufacturer	Production volume, $mln
1	Otcpharm	28.32
2	Pharmstandart	18.17
3	Valenta	17.44
4	Stada	16.25
5	Sotex	11.91
6	Materia Medica	11.06
7	Pharm-Center	11.06
8	Ozon Pharmacevtika	10.17
9	Veropharm	9.23
10	Nearmedic Plus	8.91

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In November 2014 compared to October, the negative growth in pharmacy sales (in terms of roubles) was observed in all regions. The lowest growth was observed in Tatarstan and Perm (-18% each), the highest one in Moscow and Krasnoyarsk Krai (-2% each).

Table 2. Pharmacy sales in the regions, 2014

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	September 2014	October 2014	November 2014	September/ August 2014	October/ September 2014	November/ October 2014
Moscow	184.9	178.6	155.8	32%	4%	-2%
St. Petersburg	48.3	50.4	40.5	30%	12%	-10%
Krasnodar Krai	37.6	35.8	26.3	-14%	3%	-17%
Novosibirsk Region	23.1	22.6	17.8	19%	5%	-11%
Tatarstan	25.6	26.9	19.7	18%	13%	-18%
Krasnoyarsk Krai	19.7	19.1	16.6	17%	4%	-2%
Rostov Region	27.8	28.1	22.0	17%	9%	-12%
Voronezh Region	17.5	16.9	13.6	32%	4%	-9%
Perm	7.5	6.8	5.0	29%	-2%	-18%
Tyumen	7.4	7.2	5.6	22%	5%	-13%

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 December 2014

Rank	Company*	Quantity of broadcasts
1	Novartis	8,559
2	Otcpharm	7,492
3	Dr. Reddy's Laboratories	6,338
4	Bayer AG	5,184
5	Reckitt Benckiser	5,021

Source - Remedium according to TNS Russia's data

Table 4. Top five trade names in mass media in December, 2014

Rank	Brand*	Quantity of broadcasts
1	Evalar	2,933
2	Grippferon	2,665
3	Nurofen	2,429
4	Nice	1,963
5	Essentiale	1,954

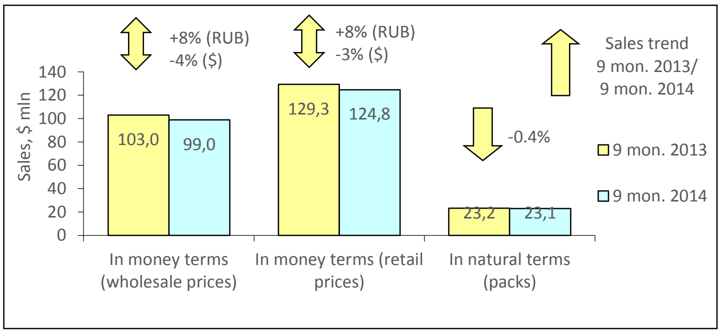
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

KAZAN PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Kazan was estimated as 1.191 mln, which accounted for 0.8% of the total Russian Federation population and 4% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2014 the average wages in the region was RUB 27,401 (USD 756.72), which was 13% lower than the national average wage (RUB 31,581). 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 2014 the sales of OTC drugs in natural terms in pharmacies of Russia saw a 0.4% decrease to 23.095 bln packs. In money terms, the market saw a 8% increase in roubles equivalent, whereas it showed a negative decline (-4%) in dollars equivalent due to significant drop in the exchange rate of rouble. The market reached RUB 3.494 bln (USD 99.001 mln) in wholesale prices (Fig.1). The city market share accounted for 1% of the Russian pharmacy sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 5.40) and reached USD 5.57 at retail prices. At the end of three quarters of 2014, the average amount spent by residents of Kazan for OTC drugs in pharmacies amounted to USD 104.8.

Figure 1. Kazan pharmacy market for 9 months of 2013 – 9 months of 2014



According to the results for the first nine months of 2014, the top ten OTC drug manufacturers in the Kazan market showed high stability - the ranking hasn't changed in composition, and most of its manufacturers held their own in the ranking (Table 1). The drug manufacturers SANOFI-AVENTIS (+10%[1]) and BAYER (+4%) held their dominating positions in the market. The manufacturer with higher growth rates TEVA (+12%) moved up to rank 3, displacing the less dynamic SERVIER (+6%) down one rank. The manufacturer SANDOZ (+10%) also showed outperformance levels, holding its previous rank five. The manufacturers rounding out the top ten MENARINI (+8%), MERCK SHARP DOHME (-3%) and STADA (-0.3%) held their own in the ranking, though the two latter showed negative growth rates. The manufacturer ABBOTT (-1%) also saw a reduction of sales, moving down one rank, to number 7, giving the way to NOVARTIS (+7%). The cumulative share of the top 10 manufacturers reduced from 35.7% to 35.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	6.1	6.0
2	2	**BAYER HEALTHCARE**	4.1	4.2
3	4	TEVA	3.7	3.5
4	3	**SERVIER**	3.7	3.7
5	5	**SANDOZ GROUP**	3.4	3.4
6	7	**NOVARTIS**	3.1	3.2
7	6	**ABBOTT**	3.0	3.3
8	8	**MENARINI**	2.9	2.9
9	9	**MERCK SHARP DOHME**	2.6	2.9
10	10	**STADA**	2.5	2.7
Total			35.1	35.7

*AIPM members are in bold

The leading three brand names of the regional top ten held their own in the ranking (table 2). The products ESSENTIALE N (-1%), ALFLUTOP (-3%) and KAGOCEL (+8%) maintained their positions, but at the same time, the two former showed reduction of sales. Another two brand names HEPTRAL (-11%) and VIAGRA (-25%) showed negative growth rates and moved down to the lower ranks 8 and 9, respectively. Almost all the other brand names of the top ten rose in the ranks. The newcomers INGAVIRIN (2.2-fold growth in sales), EXODERIL (+17%) and MEXIDOL (+2%) broke into the ranks of the top ten, coming in at numbers four, five and ten. FPP (Finished Pharma Product) ARTRA (+11%) moved up from rank 9 to 6. ACTOVEGIN (+1%) held its previous rank 6. The cumulative share of the top-ten increased by 0.3 p.p. and achieved 7.7%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	ESSENTIALE N	1.4	1.6
2	2	ALFLUTOP	0.9	1.0
3	3	KAGOCEL	0.9	0.9
4	39	INGAVIRIN	0.7	0.3
5	11	EXODERIL	0.7	0.6
6	6	ACTOVEGIN	0.7	0.7
7	9	ARTRA	0.6	0.6
8	5	HEPTRAL	0.6	0.8
9	4	VIAGRA	0.6	0.8
10	12	MEXIDOL	0.5	0.6
Total			7.7	8.0

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

INN PHOSPHOLIPIDS (+2%) held its leadership position in the top ten INN and group names ranking (table 3). INN FISH that was earlier placed at rank two saw a 3% reduction in sales and moved down to rank 4, giving the way to INNs with positive growth rates XYLOMETAZOLINE (+18%) and CHONDROITINSULFURIC ACID + GLUCOSAMINE (+5%). Another four INNs of the top ten rose in the ranks: KAGOCEL (+8%), PANCREATIN (+7%) and NIMESULIDE (+17%), as well as the newcomer of the top ten CHONDROITINSULFURIC ACID (+32%). INNs with negative growth rates SILDENAFIL (-5%) and AZITHROMYCIN (-4%) moved down to ranks nine and ten. The total share of the analysed top 10 ranking remained unchanged and amounted to 9.8%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	PHOSPHOLIPIDS	1.6	1.7
2	3	XYLOMETAZOLINE	1.1	1.0
3	4	CHONDROITINSULFURIC ACID + GLUCOSAMINE	0.9	1.0
4	2	FISH	0.9	1.0
5	7	KAGOCEL	0.9	0.9
6	8	PANCREATIN	0.9	0.9
7	14	CHONDROITINSULFURIC ACID	0.9	0.7
8	10	NIMESULIDE	0.9	0.8
9	5	SILDENAFIL	0.8	0.9
10	6	AZITHROMYCIN	0.8	0.9
Total			9.8	9.9

The dominant five ATC groups held their own in the top ten ATC group ranking (table 4). The groups M01 Anti-inflammatory and antirheumatic products (+14%), J01 Antibacterials for systemic use (+3%), J05 Antivirals for systemic use (+16%) and A05 Bile and liver therapy (+8%) as before maintained their previous top five ranks. In addition, R05 Cough and cold preparations (+7%) held their previous rank ten. Another three groups showing outperformance rates rose in the ranks. C09 Agents acting on the rennin-angiotensin system (+16%) moved up one rank, to number six. The newcomers of the top ten B01 Antithrombotic agents (+24%) and R01 Nasal preparations (+16%).moved up to ranks eight and nine. In contrast, N02 Analgesics (-1%) which reduced their sales moved down to the lower rank seven. The total share of the top ten increased by almost 1 p.p. and accounted for 37%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5.3	5.0
2	2	J01	ANTIBACTERIALS FOR SYST USE	4.3	4.5
3	3	J05	ANTIVIRALS FOR SYSTEMIC USE	4.1	3.8
4	4	G03	SEX HORM&MODULAT GENITAL SYS	3.7	3.7
5	5	A05	BILE AND LIVER THERAPY	3.7	3.7
6	7	C09	AG ACT RENIN-ANGIOTENS SYST	3.5	3.3
7	6	N02	ANALGESICS	3.2	3.5
8	14	B01	ANTITHROMBOTIC AGENTS	3.2	2.8
9	13	R01	NASAL PREPARATIONS	3.1	2.9
10	10	R05	COUGH AND COLD PREPARATIONS	3.0	3.0
Total				37.0	36.1

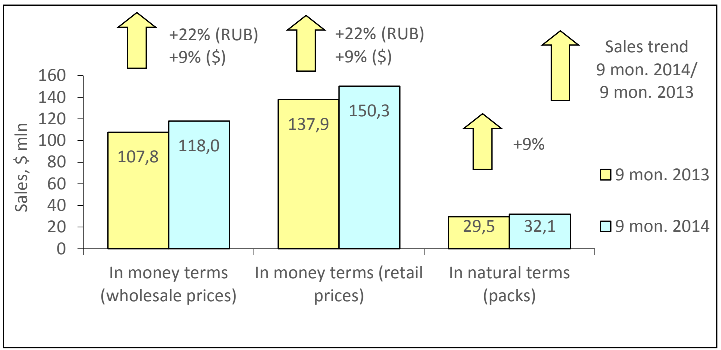
Conclusion. On the basis of the results for the first nine months of 2014, the retail pharmacy market of Kazan reached RUB 4.405 bln (USD 124.801 mln). It was 8% more in terms of roubles and 3% less in terms of dollars than during the same period in 2013. In natural terms, the market showed the negative growth rates (-0.4%) and brought in 23.095 mln packs. The average cost of OTC pack in the city pharmacies based on the results for three quarters of 2014 was USD 5.40 which was lower than in 2013 (USD 5.57), but higher than the national average (USD 4.13). The average expenses of city residents for purchase of OTC drugs in pharmacies amounted to USD 104.8, whereas the Russia average figures were USD 88.6.

NIZHNY NOVGOROD PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Nizhny Novgorod was estimated as 1.264 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 2014 the average wages in the Nizhny Novgorod Region was RUB 24,939 (USD 688.73), which was 21% lower than the national average wages (RUB 31,581).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first nine months of 2014 the pharmacy market volume of Nizhny Novgorod in physical terms increased by 9% and amounted to 32.056 mln packs (Fig. 1) In wholesale prices, the market also showed the positive performance both in terms of roubles (+22%) and in terms of dollars (+9%) and reached RUB 4.165 bln. (USD 117.953 mln). The city's share in the total volume of all-Russia pharmacy market accounted for 1.2%. Based on the results for three quarters of 2014, the average cost of FPP pack in the Nizhny Novgorod pharmacies was USD 4.69 (during the same period in 2013 - USD 4.68). The average sum spent by city residents on purchase of medicines reached USD 118.96

Figure 1. Nizhny Novgorod pharmacy market for 9 months of 2013 – 9 months of 2014



Based on the results for three quarters of 2014, the top half of the regional top ten manufacturers remained unchanged - the drug manufacturers placed at the top six ranks held their own in the ranking (Table 1). They were SANOFI-AVENTIS (+35%), SANDOZ (+18%), SERVIER (+25%), NYCOMED/TAKEDA (+27%), BAYER (+21%) and TEVA (+17%). Two shifts took place in the bottom part of the top-10 ranking. ABBOTT (+24%) and PFIZER (+23%) showing the higher growth rates moved up one rank to numbers 7 and 9. At the same time, the less dynamic NOVARTIS (+12%) and OTCPHARM (+3%) moved down one rank. The total share of the top ten drug manufacturers reduced from 37.5% to 37.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	6.7	6.0
2	2	**SANDOZ GROUP**	4.0	4.1
3	3	**SERVIER**	3.9	3.8
4	4	**NYCOMED/TAKEDA**	3.9	3.7
5	5	**BAYER HEALTHCARE**	3.6	3.7
6	6	TEVA	3.5	3.6
7	8	**ABBOTT**	3.4	3.3
8	7	**NOVARTIS**	3.1	3.4
9	10	**PFIZER**	2.7	2.7
10	9	OTCPHARM	2.6	3.1
Total			37.3	37.5

*AIPM members are in bold

Hepatoprotector ESSENTIALE N (+55%) continued to show the highest sales volumes in the regional market (Table 2). Note that the product showed the highest growth rates among the leaders which allowed it to expand its market share and reinforce its leadership position. Another five brand names of the top ten showed outperformance rates. INGAVIRIN (+40%), KAGOCEL (+52%), EXODERIL (+29%) and PENTALGIN (+32%) moved to the higher positions. Note that the latter became the only newcomer of the top-10. In addition, the product CONCOR (+28%) that moved down one rank also showed outperformance rates, it was displaced by the above mentioned more dynamic INGAVIRIN. The products ACTOVEGIN (+17%), LINEX (+15%) and KETONAL (+12%) held their previous positions five, eight and nine. Due to low growth rates, VIAGRA (+2%) moved down one rank. The total share of the top ten ranking increased by 0.5 p.p. and achieved 7.9%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	ESSENTIALE N	1.5	1.2
2	4	INGAVIRIN	1.0	0.8
3	2	CONCOR	0.9	0.9
4	7	KAGOCEL	0.8	0.6
5	5	ACTOVEGIN	0.8	0.8
6	10	EXODERIL	0.6	0.6
7	12	PENTALGIN	0.6	0.6
8	8	LINEX	0.6	0.6
9	9	KETONAL	0.6	0.6
10	6	VIAGRA	0.6	0.7
Total			7.9	7.4

Due to 52% growth in sales, PHOSPHOLIPIDS moved up to rank number one in the top ten INN and group names ranking (Table 3). At the same time, INNs XYLOMETAZOLINE (+31%) and BISOPROLOL (+29%) moved down one rank. PANCREATIN (+35%) the only INN from the top ten that held its own in the ranking maintained its previous rank four. Apart from the leader, another four INNs from the top ten managed to rise in the ranks. IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+40%) moved up from rank 8 to 5, displacing KETOPROFEN (+17%) and BLOOD (+15%) down one rank. The composition AMOXICILLIN + CLAVULANIC ACID (+17%) moved up to rank eight from 9. The newcomers KAGOCEL (+52%) and IBUPROFEN (+19%) broke into the ranks of the top ten, coming in at numbers nine and ten. The total share of the top 10 INNs increased from 9.9% to 10.5%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	3	PHOSPHOLIPIDS	1.5	1.2
2	1	XYLOMETAZOLINE	1.5	1.4
3	2	BISOPROLOL	1.4	1.3
4	4	PANCREATIN	1.1	1.0
5	8	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.0	0.8
6	5	KETOPROFEN	0.9	1.0
7	6	BLOOD	0.9	0.9
8	9	AMOXICILLIN + CLAVULANIC ACID	0.8	0.8
9	15	KAGOCEL	0.8	0.6
10	12	IBUPROFEN	0.7	0.7
Total			10.5	9.9

The top ten ATC groups ranking also changed its leader (table 4). C09 Agents acting on the rennin-angiotensin system (+29%) moved up from rank two to one, displacing M01 Anti-inflammatory and antirheumatic products (+25%) to rank two. The groups J05 Antivirals for systemic use (+15%), R01 Nasal preparations (+22%) and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+33%) moved up two ranks, coming in at numbers three, four and seven. The only newcomer A05 Bile and liver therapy (+51%) broke into the ranks of the top ten, coming in at number eight. At the same time, J01 Antibacterials for systemic use (+8%), N02 Analgesics (+7%), R05 Cought and cold preparations (+10%) and G03 Sex hormones (+19%) moved down two ranks, to numbers 5, 6, 9 and 10. The cumulative share of top ten ATC groups decreased by 0.5 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. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	2	C09	AG ACT RENIN-ANGIOTENS SYST	4.6	4.4
2	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.5	4.4
3	5	J05	ANTIVIRALS FOR SYSTEMIC USE	3.7	4.0
4	6	R01	NASAL PREPARATIONS	3.7	3.7
5	3	J01	ANTIBACTERIALS FOR SYST USE	3.6	4.1
6	4	N02	ANALGESICS	3.6	4.1
7	9	A07	INTESTINAL ANTIINFECTIVES	3.4	3.2
8	13	A05	BILE AND LIVER THERAPY	3.3	2.7
9	7	R05	COUGH AND COLD PREPARATIONS	3.2	3.5
10	8	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.2
Total				36.7	37.3

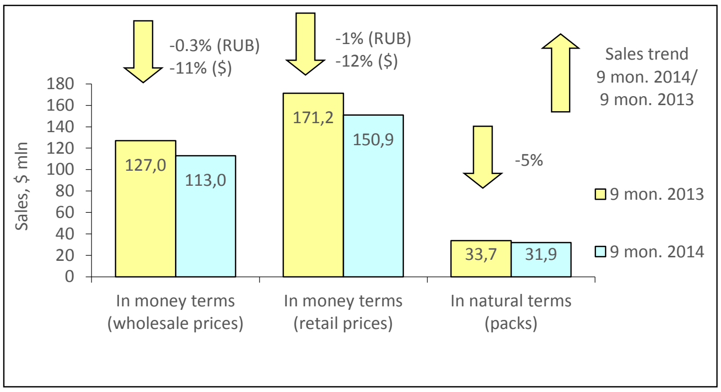
Conclusion. In the first 9 months of 2014, the pharmacy market in Nizhny Novgorod was estimated at RUB 5.308 bln (USD 150.344 mln) in final consumer prices. Note that the market performance was positive both in rouble terms and in dollar terms (+22% and +9%, respectively). In natural terms, the market expanded by 9% and achieved 32.056 mln packs. The average cost of an OTC pack (USD 4.69) in the city pharmacies didn't virtually change as compared to a year earlier cost (USD 4.68), but it was higher than the national average value in Russia (USD 4.13). Expenses of residents for purchase of medicines in the city pharmacies also proved to be higher than the average expenses in Russia (USD 118.96 vs. USD 88.60).

SAMARA PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 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 Povolzhsky FO (PFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2014 the average wages in the Samara Region was RUB 25,142 (USD 694.34), which was 20% lower than the national average wages (RUB 31,581).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first 9 months of 2014 the Tolyatti pharmacy market volume reduced by 5% in natural terms and amounted to 31.922 mln packs (Fig. 1) In wholesale prices, the market performance was negative both in terms of roubles (-0.3%), and in terms of dollars (-11%) and reached RUB 3.990 bln (USD 112.960 mln). The region's share accounted for 1.2% in the total volume of all-Russia pharmacy market. The average cost of a FPP pack in the city pharmacies according to the results for 9 months of 2014 was USD 4.73 (during the same period in 2013 - USD 5.08). In the analysed period, per capita expenses of the city residents for purchase of medicines amounted to USD 128.76.

Figure 1. Samara pharmacy market for 9 months of 2013 – 9 months of 2014



In the first nine months of 2014 the top ten drug manufacturers in the Samara pharmacy market didn't change in composition (table 1). However, only the leader of the ranking SANOFI-AVENTIS and the drug manufacturer rounding out the top ten PFIZER (+2% each) managed to hold their own in the ranking. Five brand names of the top 10 rose in the ranks. TEVA (+0.1%) moved up from rank five to two, displacing BAYER (-25%) and OTCPHARM (-24%) down one rank. The drug manufacturers SERVIER and SANDOZ (+1% each), ABBOTT (+8%) and NYCOMED/TAKEDA (+13%) moved up one rank, coming in at numbers five through eight, respectively. Due to 30% reduction in sales, NOVARTIS moved down from rank four to nine. The total share of the top 10 manufacturers has reduced from 39.5% to 36.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	5.7	5.5
2	5	TEVA	3.8	3.8
3	2	**BAYER HEALTHCARE**	3.8	5.1
4	3	OTCPHARM	3.7	4.9
5	6	**SERVIER**	3.7	3.7
6	7	**SANDOZ GROUP**	3.6	3.6
7	8	**ABBOTT**	3.5	3.2
8	9	**NYCOMED/TAKEDA**	3.1	2.7
9	4	**NOVARTIS**	3.0	4.2
10	10	**PFIZER**	2.7	2.7
Total			36.7	39.5

*AIPM members are in bold

Four newcomers broke into the ranks of the top ten brand names ranking (table 2). HEPTRAL (+14%), ACTOVEGIN (+11%), MEXIDOL (+19%) and OSCILLOCOCCINUM (-5%), which moved up to ranks six, seven, nine and ten respectively. Apart from them, another two brand names managed to rise in the ranks. LINEX (+19%) and INGAVIRIN (+23%) moved up to ranks two and three. At the same time, ARBIDOL (-33%), VIAGRA (-21%) and KAGOCEL (-25%) reduced their sales and moved down to the lower positions 4, 5 and 8, respectively. Hepatoprotector ESSENTIALE N (+5%) held its leadership in the ranking. In total, the top ten brand names accumulated 8.4% of sales, which was the same as in the year-earlier period (8.5%).

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	ESSENTIALE N	1.5	1.5
2	5	LINEX	1.0	0.9
3	7	INGAVIRIN	1.0	0.8
4	2	ARBIDOL	0.8	1.2
5	3	VIAGRA	0.8	1.0
6	14	HEPTRAL	0.7	0.6
7	15	ACTOVEGIN	0.7	0.6
8	4	KAGOCEL	0.7	0.9
9	17	MEXIDOL	0.6	0.5
10	11	OSCILLOCOCCINUM	0.6	0.6
Total			8.4	8.5

INNs XYLOMETAZOLINE (+11%) and PHOSPHOLIPIDS (+1%) held their leading positions in the top 10 INNs and group names ranking (Table 3). PANCREATIN (+18%) moved up to rank three from six. The newcomers of the top ten moved up to ranks four, six, seven, nine and ten: BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+19%), IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+23%), IBUPROFEN (+6%), ADEMETIONINE (+19%) and BLOOD (+12%). In contrast, two brands with negative sales rates, SILDENAFIL (-10%) and UMIFENOVIR (-31%), moved down to the lower ranks five and eight, respectively. The total share of the top-ten increased by 0.5 p.p. and achieved 10.9%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	XYLOMETAZOLINE	1.8	1.7
2	2	PHOSPHOLIPIDS	1.6	1.6
3	6	PANCREATIN	1.1	1.0
4	11	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1.0	0.9
5	4	SILDENAFIL	1.0	1.1
6	13	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.0	0.8
7	12	IBUPROFEN	0.9	0.9
8	3	UMIFENOVIR	0.8	1.2
9	16	ADEMETIONINE	0.8	0.7
10	18	BLOOD	0.7	0.7
Total			10.9	10.4

A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+13%) became the best selling group in the regional market (Table 4). M01 Anti-inflammatory and antirheumatic products (+6%) moved up to rank two, displacing J05 Antivirals for systemic use (-9%) down one rank. In addition to the leaders, another four drug manufacturers from the top ten ranking showed growth in sales. R01 Nasal preparations (+4%), J01 Antibacterials for systemic use (-10%) and G03 Sex hormones (+7%) moved up to ranks 4, 6 and 8, and the newcomers of the top ten C09 Agents acting on the rennin-angiotensin system (+14%) moved up to rank ten. At the same time, the groups showing considerable reduction of sales N02 Analgesics (-23%), R05 Cough and cold preparations (-20%) and A11 Vitamins (-19%) moved down to the lower ranks five, seven and nine, respectively. The total share of the top ten ATC groups reduced by 2 p.p. and achieved 38.6%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	5	A07	INTESTINAL ANTIINFECTIVES	4.7	4.2
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4.6	4.4
3	2	J05	ANTIVIRALS FOR SYSTEMIC USE	4.3	4.7
4	6	R01	NASAL PREPARATIONS	4.2	4.1
5	1	N02	ANALGESICS	4.2	5.4
6	7	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.9
7	4	R05	COUGH AND COLD PREPARATIONS	3.5	4.3
8	9	G03	SEX HORM&MODULAT GENITAL SYS	3.2	3.0
9	8	A11	VITAMINS	3.2	3.9
10	12	C09	AG ACT RENIN-ANGIOTENS SYST	3.2	2.8
Total				38.6	40.6

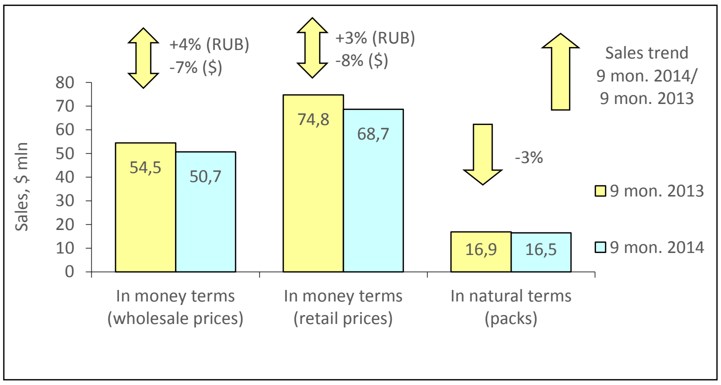
Conclusion. In 9 months of 2014, the pharmacy market in Samara was estimated at RUB 5.331 bln (USD 150.946 mln) in final consumer prices. At the same time, the market behaviour was negative both in rouble (-1%) and dollar (-12%) terms. In natural terms, the sales decreased by 5% to 31.922 mln packs. The average cost of an OTC pack (USD 4.73) in the pharmacies increased as compared to a year earlier (USD 5.08) and was higher than the average value in Russia (USD 4.13). The average expenses of urban residents for purchase of OTC drugs in the pharmacies also considerably exceeded the national average figures (USD 128.76 vs. USD 88.60).

TOLYATTI PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Tolyatti 's estimated population was 718.1 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 2014 the average wages in the Samara Region was RUB 25,142 (USD 694.34), which was 20% lower than the national average wages (RUB 31,581).

According to the results of the Retail Audit of Finished Pharma Products in Russian Federation™, in the first 9 months of 2014 the Tolyatti pharmacy market volume reduced by 3% in natural terms and amounted to 16.462 mln packs (Fig. 1) In wholesale prices, the market performance in terms of roubles was positive (+4%), but in terms of dollars it was negative (-7%) and reached RUB 1.789 bln (USD 50.664 mln). The region's share accounted for 0.5% in the total volume of all-Russia pharmacy market. Based on the results for three quarters of 2014, the average cost of FPP pack in the Tolyatti pharmacies was USD 4.17 (during the same period in 2013 - USD 4.43). In the analysed period, per capita expenses of the city residents for purchase of medicines in pharmacies amounted to USD 95.61.

Figure 1. Tolyatti pharmacy market for 9 months of 2013 – 9 months of 2014



In the first nine months of 2014, the top ten drug manufacturers in the Tolyatti pharmacy market didn't change in composition (table 1). On top of that, four drug manufacturers from the top 10 held their own in the ranking. SANOFI-AVENTIS (+8%) held its previous rank number one in the top ten, and SERVIER (+3%), ABBOTT (+6%) and PFIZER (0%) maintained their ranks four, seven and nine. The other drug manufacturers shifted their ranks. What is more, they shifted in pairs. Due to outperformance in sales, NYCOMED/TAKEDA (+10%) and TEVA (+4%) moved up one rank, coming in at numbers two and five, respectively. At the same time, BAYER (-5%) and OTCPHARM (-7%) moved down one rank. The manufacturer SANDOZ (+8%) moved up from rank ten to eight, while NOVARTIS (-9%) placed at that rank earlier, in contrast, moved down to rank ten. The total share of the top 10 manufacturers reduced by almost 1 p.p. and accounted for 36.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	6.4	6.1
2	3	**NYCOMED/TAKEDA**	4.3	4.1
3	2	**BAYER HEALTHCARE**	3.9	4.3
4	4	**SERVIER**	3.7	3.8
5	6	TEVA	3.3	3.3
6	5	OTCPHARM	3.3	3.7
7	7	**ABBOTT**	3.2	3.1
8	10	**SANDOZ GROUP**	2.9	2.8
9	9	**PFIZER**	2.8	3.0
10	8	**NOVARTIS**	2.7	3.1
Total			36.6	37.4

*AIPM members are in bold

One newcomer broke into the ranks of the top ten brand names ranking (table 2). It was HEPTRAL (+4%). which moved up one rank, coming in at number ten. Another four brand names of the top ten showed growth in sales. ACTOVEGIN (+11%) moved up from rank five to two, the products INGAVIRIN (+3%), LINEX (+20%) and CARDIOMAGNIL (+12%) moved up to ranks five, seven and eight. In contrast, ARBIDOL (-34%) and KAGOCEL (-14%) showing negative growth rates moved down to the lower ranks six and nine, respectively. Hepatoprotector ESSENTIALE N (+16%) held its previous rank one, and CONCOR (+3%) and VIAGRA (-16%) as before held their previous ranks three and four. In total, the top ten FPPs accumulated 7.5% of sales, which was less than in the year-earlier period (8%).

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	ESSENTIALE N	1.3	1.2
2	5	ACTOVEGIN	0.9	0.8
3	3	CONCOR	0.9	0.9
4	4	VIAGRA	0.7	0.9
5	6	INGAVIRIN	0.7	0.7
6	2	ARBIDOL	0.7	1.1
7	9	LINEX	0.7	0.6
8	10	CARDIOMAGNIL	0.6	0.5
9	7	KAGOCEL	0.5	0.7
10	11	HEPTRAL	0.5	0.5
Total			7.5	8.0

The top three names in the leading INN and group names ranking remained unchanged (table 3). These INNs were XYLOMETAZOLINE (+14%), PHOSPHOLIPIDS (+15%) and BISOPROLOL (+8%). SILDENAFIL (+1%) held its previous rank five. Almost all the other INNs of the top ten rose in the ranks. So, for example PANCREATIN (+23%) moved up to rank 4 from 8, and BLOOD (+13%) and IBUPROFEN (+4%) moved up to ranks 6 and 7 from much lower positions. The INN newcomers NIMESULIDE (+22%) and ROSUVASTATIN (+26%) broke into the ranks of the top ten, coming in at numbers nine and ten. INN UMIFENOVIR (-28%), the only INN which saw a reduction of sales, fell in the ranks, moving down to rank 8 from four. The total share of the top-ten increased by 0.4 p.p. and achieved 10.6%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	XYLOMETAZOLINE	1.7	1.6
2	2	PHOSPHOLIPIDS	1.5	1.3
3	3	BISOPROLOL	1.4	1.3
4	8	PANCREATIN	1.0	0.9
5	5	SILDENAFIL	1.0	1.0
6	7	BLOOD	1.0	0.9
7	9	IBUPROFEN	0.8	0.8
8	4	UMIFENOVIR	0.7	1.1
9	17	NIMESULIDE	0.7	0.6
10	22	ROSUVASTATIN	0.7	0.6
Total			10.6	10.2

In contrast to the above rankings, the top ten ATC groups changed their leader (table 4). The groups M01 Anti-inflammatory and antirheumatic products (+13%), R01 Nasal preparations (+7%) and C09 Agents acting on the rennin-angiotenzin system (+14%) moved up to ranks one, two and three from the lower positions. The groups making the last year top three showed negative growth rates and fell in the ranks. J01 Antibacterials for systemic use (-14%), R05 Cough and cold preparations (-22%) and N02 Analgesics (-5%) moved down to ranks six, ten and four, respectively. Due to reduction in sales, J05 Antivirals for systemic use (-6%) moved down to rank 7, and A11 Vitamins (-2%) held its previous rank 8. The remaining two manufacturers showed signs of growth. A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+18%) moved up from rank nine to five, G03 Sex hormons (+7%) moved up from rank ten to nine. The cumulative share of the top-ten increased by 1.6 p.p. and achieved 37.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4.6	4.3
2	5	R01	NASAL PREPARATIONS	4.1	4.0
3	7	C09	AG ACT RENIN-ANGIOTENS SYST	4.0	3.6
4	3	N02	ANALGESICS	3.9	4.3
5	9	A07	INTESTINAL ANTIINFECTIVES	3.8	3.4
6	1	J01	ANTIBACTERIALS FOR SYST USE	3.6	4.4
7	6	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	3.8
8	8	A11	VITAMINS	3.3	3.6
9	10	G03	SEX HORM&MODULAT GENITAL SYS	3.3	3.2
10	2	R05	COUGH AND COLD PREPARATIONS	3.2	4.3
Total				37.3	38.9

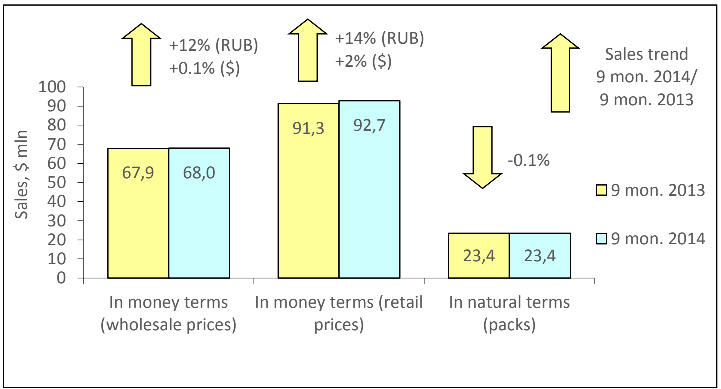
Conclusion. In 9 months of 2014, the pharmacy market in Tolyatti was estimated at RUB 2.424 bln (USD 68.660 mln) in final consumer prices. At the same time, the regional market performance was positive in rouble terms (+3%), whereas in dollar terms it was negative (-8%). In natural terms, the sales decreased by 3% to 16.462 mln packs. The average cost of an FPP pack (USD 4.17) reduced as compared to a year earlier (USD 4.43), but was slightly higher than the national average in Russia (USD 4.13). The medicine expenses of Tolyatti residents were higher than the national average expenses in Russia (95.61 USD vs. 88.60 USD).

SARATOV PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Saratov's estimated population was 840.8 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 2014 the average wage in the Saratov Region was RUB 21,439 (USD 592.07), which was 32% lower than the national average wages (RUB 31,581).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of nine months of 2014 the sales of drugs in natural terms in pharmacies of Saratov saw a 0.1% decrease to 23.381 mln packs. In money terms, the OTC drugs market increased by 12% in rouble terms and by 0.1% in dollar terms and reached RUB 2.402 bln (USD 67.971 mln) in wholesale prices (Fig. 1). The city share in the total volume of all-Russia pharmacy market accounted for 0.7%. The average cost of an OTC pack based on the results for 9 months of 2014 amounted to USD 3.96 at retail prices, which was slightly higher than in a year-earlier period (USD 3.90). For nine months of 2014, the average amount spent by residents of Saratov for drugs amounted to USD 110.24.

Figure 1. Saratov pharmacy market for 9 months of 2013 – 9 months of 2014



In the first nine months of 2014, one newcomer broke into the top ten manufacturers ranking by pharmacy sales in the Saratov retail market: the manufacturer NYCOMED/TAKEDA (+13%) moved up to rank nine (Table 1). Apart from it, the other three drug manufacturers from the top ten moved up to yet higher ranks. The Russian manufacturer OTCPHARM (+13%) moved up to rank three from five, displacing SANDOZ (+5%) and SERVIER (+8%) down one rank. The manufacturers ABBOTT (+10%) and MENARINI (+13%) moved up to ranks six and seven. At the same time, TEVA (+4%) and STADA (+5%) that had been placed at those ranks earlier moved down to ranks eight and ten. SANOFI-AVENTIS (+16%) and BAYER (+8%) maintained their leading positions. The total share of the top-10 reduced from 36.1% to 35.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	5.5	5.3
2	2	**BAYER HEALTHCARE**	3.7	3.9
3	5	OTCPHARM	3.6	3.6
4	3	**SANDOZ GROUP**	3.6	3.8
5	4	**SERVIER**	3.5	3.6
6	8	**ABBOTT**	3.1	3.2
7	10	**MENARINI**	3.1	3.1
8	6	TEVA	3.1	3.3
9	11	**NYCOMED/TAKEDA**	3.1	3.0
10	7	**STADA**	3.0	3.2
Total			35.3	36.1

*AIPM members are in bold

The top ten brand names also kept their previous leader. Hepatorprotector ESSENTIALE N (+23%) showed high sales rates and reinforced its position (Table 2). Shifts took place in the lower part of the top ten, however only six of the brand names from the ranking managed to rise in the ranks. MEXIDOL (+13%), ACTOVEGIN (+12%), INGAVIRIN (+48%) and LINEX (+26%) moved up to ranks two through five from the lower positions. HEPTRAL (+15%) moved up one rank, coming in at number eight. The only newcomer FPP NIMESIL (+28%) moved up to rank nine in the top 10 ranking. Due to low and negative growth rates, KAGOCEL (+2%), ARBIDOL (-10%) and CARDIOMAGNIL (+6%) moved down to the lower ranks six, seven and ten, respectively. The total share of the top ten trade names increased by almost 0.2 p.p. and accounted for 7.3%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	ESSENTIALE N	1.2	1.1
2	3	MEXIDOL	0.8	0.8
3	4	ACTOVEGIN	0.8	0.8
4	10	INGAVIRIN	0.7	0.6
5	7	LINEX	0.7	0.6
6	5	KAGOCEL	0.7	0.7
7	2	ARBIDOL	0.6	0.8
8	9	HEPTRAL	0.6	0.6
9	16	NIMESIL	0.6	0.5
10	8	CARDIOMAGNIL	0.6	0.6
Total			7.3	7.1

The top five INNs and group names from the top ten held their own in the ranking (table 3). Due to outperformance rates, INNs PHOSPHOLIPIDS (+22%), PANCREATIN (+19%), XYLOMETAZOLINE (+24%), NIMESULIDE (+21%) and BISOPROLOL (+13%) held and reinforced their previous positions. In addition, INN BLOOD (+15%) also managed to keep its previous rank eight. Three INNs from the top ten rose in the ranks. ETHYLMETHYLHYDROXYPYRIDINE (+17%) moved up one rank, to number six, and the newcomers broke into the ranks of the top ten, coming in at numbers seven and ten. . They were SILDENAFIL (+23%) and IBUPROFEN (+11%). AZITHROMYCIN saw a 1% reduction in sales and moved down to rank nine. The total share of the top ten INNs increased by almost 0.4 p.p. and accounted for 10.2%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	PHOSPHOLIPIDS	1.3	1.2
2	2	PANCREATIN	1.3	1.2
3	3	XYLOMETAZOLINE	1.2	1.1
4	4	NIMESULIDE	1.2	1.1
5	5	BISOPROLOL	1.0	1.0
6	7	ETHYLMETHYLHYDROXYPYRIDINE	0.9	0.8
7	11	SILDENAFIL	0.9	0.8
8	8	BLOOD	0.8	0.8
9	6	AZITHROMYCIN	0.8	0.9
10	12	IBUPROFEN	0.8	0.8
Total			10.2	9.8

The upper part of the top ten ATC ranking didn't change either (Table 4). As before, the groups M01 Anti-inflammatory and antirheumatic products (+18%), J01 Antibacterials for systemic use (-1%), N02 Analgesics (+3%) and J05 Antivirals for systemic use (+17%) held their previous top four ranks in the top ten. The ATC groups with high growth rates moved up to numbers five through eight. C09 Agents acting on the rennin-angiotenzin system (+13%) and R01 Nasal preparations (+19%) moved up one rank, coming in at numbers 5 and 8. The more dynamic A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+27%) moved up from rank eight to six. The only newcomer of the top 10 ATC groups – G03 Sex Hormones (+24%) - moved up to rank seven. The groups A11 Vitamins (+8%) and R05 Cough and cold preparations (-6%) moved down to ranks nine and ten. The total share of the top 10 ATC groups increased from 37.2% to 36.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5.1	4.9
2	2	J01	ANTIBACTERIALS FOR SYST USE	4.1	4.6
3	3	N02	ANALGESICS	3.8	4.2
4	4	J05	ANTIVIRALS FOR SYSTEMIC USE	3.8	3.7
5	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.6	3.6
6	8	A07	INTESTINAL ANTIINFECTIVES	3.6	3.1
7	11	G03	SEX HORM&MODULAT GENITAL SYS	3.4	3.1
8	9	R01	NASAL PREPARATIONS	3.3	3.1
9	7	A11	VITAMINS	3.2	3.3
10	5	R05	COUGH AND COLD PREPARATIONS	3.0	3.6
Total				36.9	37.2

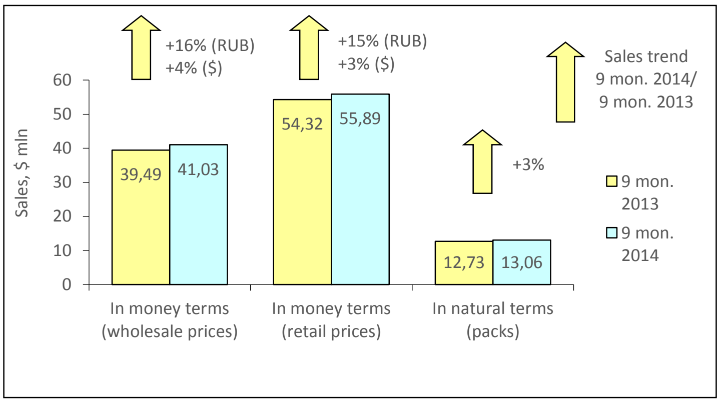
Conclusion. At the end of the first nine months in 2014, the Saratov pharmacy market grew by 14% in rouble terms and by 2% in dollar terms and brought in RUB 3.275 bln (USD 92.684 mln). In natural terms, the market showed slightly negative growth rates (-0.1%) and achieved 23.381 mln packs. In three quarters of 2014, the average cost of an FPP pack in the city pharmacy sector was higher than in the year-earlier period (USD 3.96 vs. USD 3.90), but it was lower than the national average figures (USD 4.13). Per capita expenses for purchase of medicines in pharmacies of Saratov amounted to USD 110.24. which is much higher than the national average (USD 88.6).

ULYANOVSK PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service as of January 1, 2014, Ulyanovsk's estimated population was 616.7 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 the first nine months of 2014 the average wage in the Ulyanovsk region was RUB 20,522 (USD 566.75), which was 35% lower than the national average wages (RUB 31,581).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, in the first nine months of 2014 the sales of drugs in natural terms in the pharmacies of Ulyanovsk saw a 3% increase to 13.060 mln packs. In money terms, the city pharmacy market (exclusive of Additional Pharmacological Support (DLO)) saw a 16% increase in terms of roubles and 4% increase in terms of dollars compared to the same period a year ago and reached RUB 1.450 bln (USD 41.029 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 0.4%. The average cost of an FPP pack in the Ulyanovsk pharmacies was USD 4.28 which is as much as in the year-earlier period (USD 4.27). For the first nine months of 2014, the average amount spent by residents of Ulyanovsk for OTC drugs amounted to USD 90.64.

Figure 1. Ulyanovsk pharmacy market for 9 months of 2013 – 9 months of 2014



Based on the results for the first three quarters of 2014, most drug manufacturers of the regional top ten ranking showed outperformance rates, and almost all of them rose in the ranks (Table 1). Among them were SANOFI-AVENTIS (+20%) that held its leadership position. The manufacturer NYCOMED/TAKEDA (+36%) moved up to rank two from 5, displacing OTCPHARM (-7%) down one rank. ABBOTT (+30%) moved up to rank three from 7, while TEVA (+5%) that had been placed at that rank earlied moved down to rank 5. SANDOZ (+20%) moved up two ranks to number 6, the newcomers MENARINI (+29%) and GEDEON RICHTER (+30%) broke into the top ten drug manufacturers ranking, coming in at numbers 8 and 10. The manufacturer SERVIER (+15%) showing high, but not outperformance rates moved up one rank, to number 9. At the same time, BAYER (-18%) reduced its sales and moved down from rank three to seven. The total share of the top drug manufacturers reduced by 1 p.p. and accounted for 37.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	5.8	5.7
2	5	**NYCOMED/TAKEDA**	4.5	3.8
3	2	OTCPHARM	4.2	5.3
4	7	**ABBOTT**	3.8	3.4
5	4	TEVA	3.6	4.0
6	8	**SANDOZ GROUP**	3.5	3.4
7	3	**BAYER HEALTHCARE**	3.1	4.5
8	11	**MENARINI**	3.1	2.8
9	10	**SERVIER**	3.1	3.1
10	12	GEDEON RICHTER	2.9	2.6
Total			37.6	38.5

*AIPM members are in bold

Only one newcomer broke into the ranks of the top ten brand names ranking - gestagen DUPHASTON (+28%), moving up from rank 15 to ten (Table 2). Another three brand names managed to rise considerably in the ranks. ACTOVEGIN (+52%) moved up from rank 6 to two, LINEX (+38%) - from rank seven to four, and INGAVIRIN (+42%) - from rank 10 to five. Apart from that, CARDIOMAGNIL (+24%) moved up two ranks, to number six. In contrast, three brand names with negative sales rates moved down to the lower ranks. FPPs ARBIDOL (-11%), KAGOCEL (-3%) and VIAGRA (-23%) moved down to ranks 3, 7 and 8, respectively. The leader of the top ten ESSENTIALE N (+12%) and PENTALGIN (+5%) placed at rank nine held their own in the ranking. The total share of the top 10 decreased from 8.7% to 8.4%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	ESSENTIALE N	1.2	1.3
2	6	ACTOVEGIN	1.1	0.8
3	2	ARBIDOL	0.9	1.2
4	7	LINEX	0.9	0.8
5	10	INGAVIRIN	0.8	0.7
6	8	CARDIOMAGNIL	0.8	0.7
7	4	KAGOCEL	0.7	0.8
8	3	VIAGRA	0.7	1.0
9	9	PENTALGIN	0.6	0.7
10	15	DUPHASTON	0.6	0.6
Total			8.4	8.7

Three INNs held their own in the top ten INN and group names ranking (table 3). XYLOMETAZOLINE (+20%) and PHOSPHOLIPIDS (+11%) held their leading ranks one and two, and BISOPROLOL (+30%) held its rank 5. Five INNs from the top ten rose in the ranks. PANCREATIN (+41%) and BLOOD (+50%) moved up to ranks three and four, and INN NIMESULIDE (+27%) moved up to rank seven. Two newcomers, INN MELOXICAM (+41%) and the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+38%) moved up to rank nine and ten in the top ten INNs and group names ranking. INNs UMIFENOVIR (-3%) and SILDENAFIL (-1%) reduced their sales and moved down to ranks 6 and 8. The cumulative share of the top-ten increased by 0.6 p.p. and achieved 11.4%.

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

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	XYLOMETAZOLINE	1.6	1.6
2	2	PHOSPHOLIPIDS	1.4	1.5
3	7	PANCREATIN	1.2	1.0
4	10	BLOOD	1.2	0.9
5	5	BISOPROLOL	1.1	1.0
6	3	UMIFENOVIR	1.0	1.3
7	8	NIMESULIDE	1.0	1.0
8	4	SILDENAFIL	0.9	1.1
9	17	MELOXICAM	0.9	0.8
10	16	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.8
Total			11.4	10.8

M01 Anti-inflammatory and antirheumatic products (+26%), J05 Antivirals for systemic use (+20%) and A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+29%) became the best selling ATC groups in the regional market (Table 4). Due to considerable reduction of sales, the last year leader N02 Analgesics (-13%) moved down to rank four. The other two ATC groups also showed the negative growth rates. R05 Cough and cold preparations (-10%) and A11 Vitamins (-5%) moved down to ranks 8 and 10, respectively. The group with low growth rates J01 Antibacterials for systemic use (+4%) fell in the ranks. It was displaced down two ranks by the groups with higher growth rates R01 Nasal preparations (+17%) and C09 Agents acting on the rennin-angiotenzin system (+37%) which moved up to ranks five and six. G03 Sex hormones (+27%) moved up to rank nine from 10. The total share of top ten ATC groups reduced by almost 2 p.p. and achieved 39.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	2	M01	ANTIINFLAM & ANTIRHEUM PROD	5.6	5.1
2	4	J05	ANTIVIRALS FOR SYSTEMIC USE	4.3	4.2
3	7	A07	INTESTINAL ANTIINFECTIVES	4.3	3.8
4	1	N02	ANALGESICS	4.2	5.6
5	6	R01	NASAL PREPARATIONS	4.1	4.0
6	9	C09	AG ACT RENIN-ANGIOTENS SYST	3.8	3.2
7	5	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.2
8	3	R05	COUGH AND COLD PREPARATIONS	3.7	4.8
9	10	G03	SEX HORM&MODULAT GENITAL SYS	3.2	3.0
10	8	A11	VITAMINS	3.1	3.8
Total				39.9	41.8

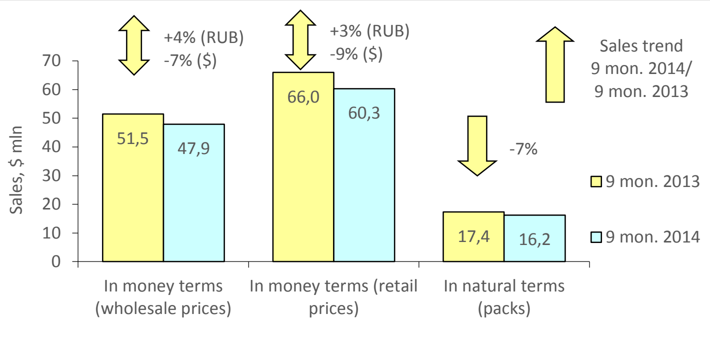
Conclusion. On the basis of the results for 9 months of 2014, the retail pharmacy market of Ulyanovsk brought in RUB 1.974 bln (USD 55.894 mln). The market performance was positive both in rouble terms (+15%) and in dollar terms (+3%). In natural terms, the sales increased by 3% to 13.06 mln packs. The average price for an FPP pack in the city pharmacies didn't virtually change as compared to 2013, which was lower than in 2013 (USD 4.28 vs. USD 4.27), but higher than the national average (USD 4.13). Per capita expenses of Ulyanovsk residents for purchase of medicines in the pharmacies amounted to USD 90.64 which was higher than on the average in the country (USD 88.60).

LIPETSK PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 Lipetsk's estimated population was 509.7 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 2014 the average wage in the Lipetsk Region was RUB 22,645 (USD 625.38), which was 28% lower than the national average wages (RUB 31,581).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first nine months of 2014 the sales of drugs in natural terms in Lipetsk saw a 7% decrease to 16.120 mln packs. In money terms, the market showed positive growth rates (+4%) in rouble terms and negative (-7%) in dollar terms and reached RUB 1.694 bln (USD 47.949 mln) in wholesale prices (Fig. 1). The city market share accounted for 0.5% of the Russian pharmacy sales. The average cost of an FPP pack in Lipetsk reduced as compared to a year earlier period (USD 3.79) and reached USD 3.72 at retail prices. For 9 months of 2014, the average amount spent by residents of Lipetsk for medications amounted to USD 118.33.

Figure 1. Lipetsk pharmacy market for 9 months of 2013 – 9 months of 2014



Based on the results for three quarters of 2014, the top ten drug manufacturers composition in the Lipetsk market remained unchanged, and most of them managed to hold their own in the ranking (Table 1). SANOFI-AVENTIS (-2%), SERVIER (+4%), BAYER (+3%), MENARINI (+10%), NYCOMED/TAKEDA (+6%) and OTCPHARM (+1%) kept their leading positions, ABBOTT (+1%) maintained its rank eight and TEVA (+14%) as before rounded out the top ten. The only shift took place in the bottom part of the ranking. The manufacturer GEDEON RICHTER (+10%) showed outperformance rates and moved up two ranks. coming in at number seven. In contrast, NOVARTIS (-2%) which used to hold that position earlier reduced its sales and moved down to rank nine. The cumulative share of the top 10 drug manufacturers reduced from 35.2% to 34.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	5.0	5.3
2	2	**SERVIER**	4.5	4.5
3	3	**BAYER HEALTHCARE**	4.1	4.2
4	4	**MENARINI**	3.8	3.6
5	5	**NYCOMED/TAKEDA**	3.5	3.5
6	6	OTCPHARM	3.1	3.2
7	9	GEDEON RICHTER	2.9	2.7
8	8	**ABBOTT**	2.7	2.8
9	7	**NOVARTIS**	2.6	2.8
10	10	TEVA	2.6	2.6
Total			34.8	35.2

*AIPM members are in bold

The top ten brand names ranking also showed high stability rates - some shifts took place only in the lower part of the ranking (Table 2). The top five brand names remained unchanged - the products ACTOVEGIN (+1%), ESSENTIALE N (-3%), KAGOCEL (-9%), MEXIDOL (-6%) and ALFLUTOP (+-1%) held their own in the top ten, though most of them reduced their sales rates. In addition, another two FPPs held their previous positions - DETRALEX (-1%) and CARDIOMAGNIL (+7%) maintained their ranks seven and nine. The other three brand names of the top 10 improved their positions in the ranks. So, for example INGAVIRIN (+30%) moved up from rank ten to six. The newcomers NIMESIL (+14%) and EXODERIL (+24%) broke into the ranks of the top ten, coming in at numbers eight and ten. The cumulative share of the top 10 didn't change and accounted for 8%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	ACTOVEGIN	1.2	1.2
2	2	ESSENTIALE N	1.1	1.2
3	3	KAGOCEL	0.9	1.0
4	4	MEXIDOL	0.8	0.9
5	5	ALFLUTOP	0.8	0.9
6	10	INGAVIRIN	0.7	0.6
7	7	DETRALEX	0.6	0.7
8	12	NIMESIL	0.6	0.5
9	9	CARDIOMAGNIL	0.6	0.6
10	18	EXODERIL	0.6	0.5
Total			8.0	8.1

Two newcomers broke into the ranks of the top ten INN and generic names ranking as well (table 3). INNs IBUPROFEN (+20%) and the composition DIOSMIN + HESPERIDIN (+4%) moved up to ranks 7 and 10. INN NIMESULIDE (+13%) also moved up to the higher rank, coming in at rank two from four. At the same time, INN BLOOD (+1%), PHOSPHOLIPIDS (-4%) ETHYLMETHYLHYDROXYPYRIDINE (-8%) and BISOPROLOL (-0,1%) moved down one rank, to numbers 3, 4, 8 and 9 respectively. The top ten leader XYLOMETAZOLINE (+20%) and INNs PANCREATIN (+6%) and KAGOCEL (-9%) held their own in the ranking, keeping numbers five and six. The cumulative share of the top 10 didn't change and accounted for 11.2%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	XYLOMETAZOLINE	1.9	1.7
2	4	NIMESULIDE	1.3	1.2
3	2	BLOOD	1.3	1.3
4	3	PHOSPHOLIPIDS	1.2	1.3
5	5	PANCREATIN	1.2	1.2
6	6	KAGOCEL	0.9	1.0
7	12	IBUPROFEN	0.9	0.8
8	7	ETHYLMETHYLHYDROXYPYRIDINE	0.9	1.0
9	8	BISOPROLOL	0.8	0.9
10	11	DIOSMIN + HESPERIDIN	0.8	0.8
Total			11.2	11.2

The top ten ATC groups ranking didn't change its leader either. M01 Anti-inflammatory and antirheumatic products (+10%) held and reinforced their leading positions in the regional market (Table 4). R01 Nasal preparations (+19%) and G03 Sex hormones (+6%) moved up to ranks two and three. J05 Antivirals for systemic use (-0.4%) and J01 Antibacterials for systemic use (-8%) which used to be place at those ranks cut their sales and moved down to ranks 4 and 5, respectively. The groups placed at ranks 6 and 7 also showed negative growth rates. At the same time, the group R05 Cough and cold preparations (-8%) cut their sales more considerably, moving down to rank 7 and giving the way to N02 Analgesics (-5%). A11 Vitamins (+3%) and C09 Agents acting on the rennin-angiotenzin system (+5%) kept their previous ranks eight and nine. The only newcomer A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+14%) broke into the ranks of the top ten, coming in at number ten. The total share of the top 10 ATC groups increased from 37.2% to 36.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	5.7	5.4
2	5	R01	NASAL PREPARATIONS	4.2	3.7
3	4	G03	SEX HORM&MODULAT GENITAL SYS	3.9	3.9
4	2	J05	ANTIVIRALS FOR SYSTEMIC USE	3.7	3.9
5	3	J01	ANTIBACTERIALS FOR SYST USE	3.4	3.9
6	7	N02	ANALGESICS	3.3	3.6
7	6	R05	COUGH AND COLD PREPARATIONS	3.2	3.6
8	8	A11	VITAMINS	3.2	3.2
9	9	C09	AG ACT RENIN-ANGIOTENS SYST	3.2	3.1
10	12	A07	INTESTINAL ANTIINFECTIVES	3.1	2.9
Total				36.9	37.2

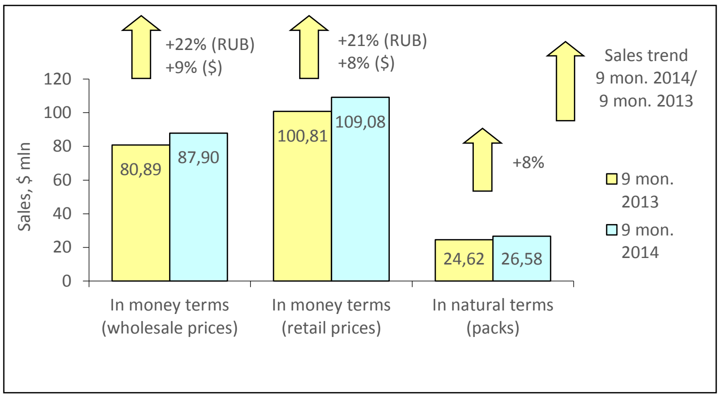
Conclusion. On the basis of the results for the first nine months of 2014, the retail pharmacy market of Lipetsk reached RUB 2.130 bln (USD 60.313 mln). It was 3% more in terms of roubles and 9% less in terms of dollars than during the same period in 2013. In natural terms, the market showed the negative growth rates (-7%) and brought in 16.200 mln packs. The average cost of an FPP pack in the city pharmacies according to the results for the first nine months of 2014 was USD 3.72 which was lower than the last year figures (USD 3.79), and lower than national average (USD 4.13). However, the average expenses of city residents for medications in the pharmacies were considerably higher than the national average (USD 118.33 vs. USD 88.60).

VOLGOGRAD PHARMACY MARKET: 2014 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Volgograd was estimated as 1.018 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 9 months of 2014 the average wage in the region was RUB 23,146 (USD 639.22), which was 27% lower than the national average wage (RUB 31,581).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, in the first nine months of 2014 the sales of drugs in natural terms in the pharmacies of Volgograd saw a 8% increase to 26.579 mln packs. In money terms, the city pharmacy market (exclusive of Additional Pharmacological Support (DLO)) saw a +22% increase in terms of roubles and +9% increase in terms of dollars compared to the same period a year ago and reached RUB 3.109 bln (USD 87.901 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 0.9%. The average cost of an OTC pack in Volgograd pharmacies was USD 4.10 which is as much as in the year-earlier period (USD 4.09). For the first nine months of the current year, the average amount spent by residents of the city on OTC drugs amounted to USD 107.15.

Figure 1. Volgograd pharmacy market for 9 months of 2013 – 9 months of 2014



Based on the results for the first three quarters of 2014, SANOFI-AVENTIS (+19%) remained the leader of the top ten drug manufacturers in the region (table 1). BAYER (+23%) moved up to rank two from 3, displacing SERVIER (+20%) down to rank three. NYCOMED/TAKEDA (+21%) held its previous rank four. STADA (+15%) also managed to hold its previous rank ten. The drug manufacturers GEDEON RICHTER (+27%) and TEVA (+19%) moved up to ranks five and six from 8 and 7 respectively, displacing SANDOZ (+16%) down one rank. A newcomer ABBOTT (+30%) broke into the ranks of the top ten, coming in at number eight. The drug manufacturer with reduced sales OTCPHARM (-0.4%) moved down to rank nine from five. The total share of the top 10 drug manufacturers reduced by almost 0.8 p.p. and accounted for 35.0%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	**SANOFI-AVENTIS**	4.4	4.5
2	3	**BAYER HEALTHCARE**	4.3	4.3
3	2	**SERVIER**	4.3	4.3
4	4	**NYCOMED/TAKEDA**	3.7	3.7
5	8	GEDEON RICHTER	3.3	3.2
6	7	TEVA	3.2	3.3
7	6	**SANDOZ GROUP**	3.2	3.3
8	11	**ABBOTT**	3.1	2.9
9	5	OTCPHARM	2.8	3.4
10	10	**STADA**	2.7	2.9
Total			35.0	35.8

*AIPM members are in bold

ACTOVEGIN (+20%) moved up to rank number one from two in the top ten brand names, displacing the less dynamic ESSENTIALE N (+17%) down one rank (Table 2). One of the newcomers of the top ten, FPP LYRICA (+96%) moved up to rank three. The other two newcomers of the top ten LINEX (+29%) and LASOLVAN (+48%) moved up to ranks seven and eight, respectively. Apart from that, FPP INGAVIRIN (+26%) moved up one rank to number 5. The brand names with lower growth rates CONCOR (+20%), CARDIOMAGNIL (+21%) and ALFLUTOP (+20%) fell in the ranks, coming in at numbers six, nine and ten. However, KAGOCEL (-3%) reduced its sales and kept its previous rank four. The cumulative share of the top 10 accounted for 6.8%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	2	ACTOVEGIN	1.0	1.0
2	1	ESSENTIALE N	1.0	1.0
3	19	LYRICA	0.7	0.4
4	4	KAGOCEL	0.7	0.8
5	6	INGAVIRIN	0.6	0.6
6	5	CONCOR	0.6	0.6
7	11	LINEX	0.6	0.5
8	15	LASOLVAN	0.6	0.5
9	7	CARDIOMAGNIL	0.6	0.6
10	8	ALFLUTOP	0.5	0.5
Total			6.8	6.6

The newcomer entered the top ten INN and group names ranking (table 3). Due to two-fold growth in sales, INN PREGABALIN moved up to rank 8 from 43. Apart from them, another four INNs from the top ten showed signs of growth. PANCREATIN (+24%), BLOOD (+21%) and AMBROXOL (+24%) improved their positions by one rank, moving up to ranks 3, 4 and 7. The more dynamic NIMESULIDE (+35%) moved up from rank ten to six. In contrast, INNs PHOSPHOLIPIDS (+16%) and KAGOCEL (-3%) moved down to the lower ranks five and ten, respectively. Three INNs held their own in the ranking. XYLOMETAZOLINE (+27%) and BISOPROLOL (+24%) kept their previous leading ranks, and TRIMETAZIDINE (+17%) maintained its ranks 9.

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

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013		9 mon. 2014	9 mon. 2013
1	1	XYLOMETAZOLINE	1.3	1.3
2	2	BISOPROLOL	1.2	1.2
3	4	PANCREATIN	1.1	1.1
4	5	BLOOD	1.1	1.1
5	3	PHOSPHOLIPIDS	1.0	1.1
6	10	NIMESULIDE	0.8	0.7
7	8	AMBROXOL	0.8	0.8
8	43	PREGABALIN	0.7	0.4
9	9	TRIMETAZIDINE	0.7	0.7
10	7	KAGOCEL	0.7	0.8
Total			9.4	9.2

The top ten ATC groups ranking didn't change its leaders either (table 4). G03 Sex hormones and M01 Anti-inflammatory and antirheumatic products (+29% each) maintained the first two ranks in the top ten. The other top 10 ATC groups changed their ranks; moreover, five ATC groups improved them. C09 Agents acting on the rennin-angiotenzin system (+27%) and R01 Nasal preparations (+23%) moved up to ranks three and four from 4 and 7. A07 Antidiarrheals, intestinal anti-inflammatory and antiinfective agents (+32%) moved up to rank seven from nine, and N06 Psychoanaleptics (+24%) moved up to rank 9 from 10. In contrast, the other four groups with low sales rates moved down to the lower ranks. J05 Antivirals for systemic use (+4%) and J01 Antibacterials for systemic use (+9%) moved down to ranks five and six. N02 Analgesics (+7%) and R05 Cough and cold preparations (+5%) moved down two ranks, to numbers 8 and 10 respectively. The cumulative share of the top-ten reduced by 1 p.p. and achieved 35.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2014	9 mon. 2013			9 mon. 2014	9 mon. 2013
1	1	G03	SEX HORM&MODULAT GENITAL SYS	4.5	4.3
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.4	4.2
3	4	C09	AG ACT RENIN-ANGIOTENS SYST	4.1	3.9
4	7	R01	NASAL PREPARATIONS	3.6	3.5
5	3	J05	ANTIVIRALS FOR SYSTEMIC USE	3.5	4.1
6	5	J01	ANTIBACTERIALS FOR SYST USE	3.4	3.8
7	9	A07	INTESTINAL ANTIINFECTIVES	3.3	3.0
8	6	N02	ANALGESICS	3.1	3.6
9	10	N06	PSYCHOANALEPTICS	3.0	2.9
10	8	R05	COUGH AND COLD PREPARATIONS	2.9	3.4
Total				35.8	36.7

Conclusion. On the basis of the results for three quarters of 2014, the retail pharmacy market of Volgograd brought in RUB 3.858 bln (USD 109.08 mln). The market performance was positive both in rouble terms (+21%) and in dollar terms (+8%). In natural terms, the sales increased by 8% to 26.579 mln packs. The average cost of an OTC pack in the Volgograd pharmacies didn't virtually change as compared to the previous year (USD 4.10 vs. USD 4.09), and it was slightly lower than the national average (USD 4.13). Per capita expenses for purchase of medicines in pharmacies amounted to USD 107.15 which was higher than on the average in the country (USD 88.60).

REGIONAL DIGEST

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

January 12, 2015, Rossiyskaya Gazeta

The Ministry of Health to update the VED list more speedily in the new mode

The updated VED list, which came into effect on January1, 2015, has been extended to 50 items. This is only one measure of the rescue package proposed by the Ministry of Health to curb the price rise in the medicines market. In addition, for the first time it was agreed that the list of essential medicines that has been reviewed every few years up until now (the last time in 2010), will now be updated in the new mode and more efficiently. According to Press Secretary of the Ministry of Health O.Salagaya, the decision to incorporate new products in the list will be made based on the manufacturers' applications which will make the process more dynamic and agreeable to today standards.

January 12, 2015, RIA AMI

Ministry of Industry and Trade checked over 70 manufacturers for compliance with GMP standards in 2014

The Ministry of Industry and Trade checked over 70 pharmaceutical manufacturers for compliance with international quality standards (GMP) for the current year. On January 1, 2014, Russia introduced GMP-standards which comprised a number of requirements to the manufacturing site, equipment and personnel. Thus, the Russian standards include over 270 requirements to the production of drugs, over 360 requirements to the release of pharmaceutical substances and over 800 to the production of immunobiological and radiopharmaceuticals. So far, the Ministry of Industry examined 71 drug manufacturers. The register of issued licenses contains details about four drug manufacturers which were refused GMP licenses: National Research Company, Pharmaclon, Fox & Co. and Biocad.

January 14, 2015, RIA AMI

In 2014, the availability of Russian medicines under the VED list accounted for over 60%

The first stage of implementation of the Russian Federation State Program “Development of Pharmaceutical and Medical Industry for 2013-2020” was accomplished In January 2015. According to the Minister of Industry and Trade D. Manturov, the state program provided support for 600 items of medicines and medical devices. As the Minister noted, the first phase of the program comprised implementation of projects in accordance with 132 contracts involving the production of non-proprietary medicinal agents from the VED list, while all research works have been completed for 93 projects. In 2014, the availability of Russian medicines under the VED list accounted more than 60%. The next stage of the program envisages an innovative stage of development, which secure the presence of 50% of Russian manufacturers in the pharmaceutical products market by 2020.

January 1, 2015, Kommersant

Ministry of Health to introduce an additional paid policy for services not provided for in the Programme on State Guarantees

The Ministry of Health proposed to legalize the shadow co-payments made by population in the area of free medical care. The preliminary strategy for industry development until 2030 envisages the introduction of mandatory health insurance (MHI) system plus in Russia. In accordance with such system, each citizen who has a MHI policy can buy an additional insurance policy and receive services not covered by the Programme on State Guarantees. Clinics operating within the MHI Plus system will not be able to provide paid services in circumvention of such system. Insurance companies approve the idea, though they were disappointed with the fact that customers would be banned to pay for medical services in cash. Experts fear that the patients' rights to free medical care may be broken. The strategy is intended to be adopted at a meeting of the Public Council of the Ministry of Health on January 28.

December 19, 2015, TASS

Ministry of Industry and Trade to redirect state program funds to commercialize domestic medicines and produce substances for the purpose of stabilizing prices

The Ministry of Industry and Trade of the Russian Federation will redirect funds allocated for the state program on development of pharmaceutical industry to commercialize products developed by domestic manufacturers and produce substances as part of anti-crisis measures. This was announced by Minister of Industry and Trade Denis Manturov. According to him, it is necessary to transfer the state program funds, which were allocated for subsiding interest rate on loans to develop drugs, to secure measures to support enterprises investing into the production, commercialization of the developed drugs. The second line of business activities that the Ministry of Industry is ready to support is the production of substances that will provide foreign currency earnings.

January 21, 2015, Moscovskiy Komsomolets

Government to allocate RUB 16 bln to the Ministry of Health for the purchase of drugs under the anti-crisis program

First Deputy Prime Minister Igor Shuvalov presented an anti-crisis plan to support the Russian economy to President Vladimir Putin. So, for example about RUB 1 tln will be divided between public and commercial banks, RUB 50 bln will be allocated to the agricultural sector, RUB 20 bln to the industrialists, and RUB 16 bln to the Ministry of Health for the purchase of medicines.

January 22, 2015, Lenta.Ru

Ministry of Industry and Trade proposed to cut funding for the production of medicines in the coming years

The Ministry of Industry and Trade proposed to reduce funding for the program on the development of pharmaceutical and medical industries. The Department believes that funding should be scaled back from RUB 18.8 to 18.4 bln in 2016 and from RUB 16.7 to 16.4 bln in 2017. Thus, the budget spending for the state program until 2020 will be reduced by 0.7 percent - from RUB 99.4 to 98.7 bln. The main goal of the program is to increase the production of domestic drugs. It is expected that Russian medicines will account for 50% of the drug market, and medical devices - up to 40% by 2020.

January 29, 2015, ZNAK.COM

Symptoms of medicines crisis are beginning to emerge In Russia

The Russian drug manufacturers refuse to perform state contracts that were concluded at low prices in 2014, and prepare to close down operations of the manufacturing sites. The Russian government is trying to improve the situation, but ongoing dialogue with market participants have not yet obtained. The Russian pharmaceutical manufacturers found themselves on the verge of collapse. According to the market participants, about 14-16 factories have been shut down. "Some factories suspended production output", confirmed a member of the Committee on Health of the State Duma A. Petrov. According to him, this is due to the fact that there is old stock, and against the background of currency fluctuations many consumers are waiting for pegging of exchange rates to buy drugs.

NEWS FROM COMPANIES

December 15, 2015, GMPnews.ru

Federal State Unitary Enterprise on Manufacture of Vaccines of Chumakov Institute has been upgraded according to GMP standards

By the end of 2014, the enterprise of the M.P. Chumakov Institute of Poliomyelitis and Viral Encephalitis completed modernization and technical re-equipment of all production units in accordance with the international GMP-standards. According to the report of the enterprise, technical modernization has established a number of functional systems for training and improving staff training, the audit of suppliers of equipment, raw materials and consumables; for feedback from customers, post-marketing monitoring of vaccines quality and pharmacovigilance over the emergence of possible side effects from their use.

January 16,2015, RosBusinessConsulting

Abbott gave an explanation for the sanction restrictions for business communications of company employees

American Abbott that in December closed the deal on their purchase of Russian drug manufacturer Veropharm offered to employees of the plant in Voronezh to sign corporate documents obliging them to respect the anti-Russian sanctions imposed by the US and EU countries. The Russian office of Abbott argued that this only applies to business relations of the company and will not create problems for employees. As it was noted by the representative of the company I. Gushina, after Veropharm staff joined Abbott, they were given this information for internal use only, it does not affect the personal lives of employees. In particular, all units of the Russian Abbott are encouraged to review all lists of customers and counterparties to identify companies that are under sanctions.

January 23, 2015, RosBusinessConsulting

Novo Nordisk to open a plant in Russia, despite the weakening of the rouble and economic sanctions

Danish pharmaceutical company Novo Nordisk, the largest producer of insulin in the world, will open a plant in Russia, despite the weakening of the rouble and economic sanctions. The spokesman for the company in Davos said that it would continue to invest in Russia and considered it the "interesting market". Marketing Director of Novo Nordisk Jacob Riis has made it clear at the World Economic Forum in Davos that in his personal opinion, it all somehow, at some point, will calm down and the economy would begin to grow, Russia will be an interesting market just based on its demographics and resources.

Source of information – IMS Health

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