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

REMEDIUM GROUP OF COMPANIES

AIPM Association of International Pharmaceutical Manufacturers | Ассоциация международных фармацевтических производителей

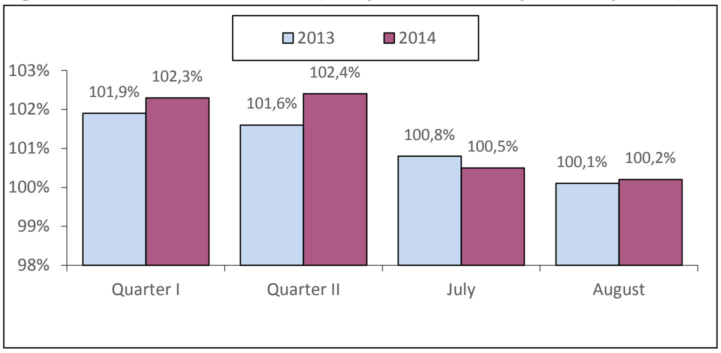
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in August 2014, the Consumer Price Index was estimated as 100.2%, compared to the previous month, in August 2013 it was 100.1%.

In August this year, Industrial Producer Price Index was 100.0%, whereas in the month-earlier period it had amounted to 101.6%.

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



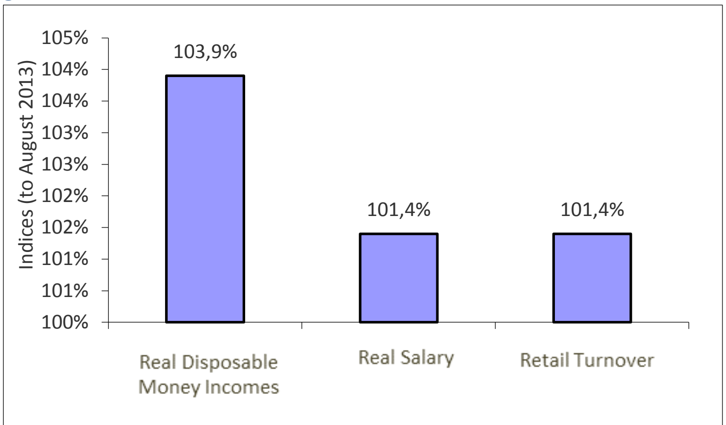
Living standard

According to preliminary Federal State Statistics Service's data, in August 2014 a gross monthly average salary per worker reached RUB 31,540 (USD 873.44) which accounted for 97% compared to the previous month and 109.1% compared to August 2013. The real wages in August 2014 accounted for 101.4% as compared with the same period in 2013. In August 2014, the real value of disposable cash incomes accounted for 103.9% as compared with the same period of 2013 (Fig. 2).

Retail turnover

In August 2014, the retail turnover was equal to RUB 2,231.1 bln, which in comparable prices accounted for 101.4% compared to the same period a year ago, in January-August 2014 - RUB 16,337.7 bln and 102.3% (Fig. 2).

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



Source: Rosstat

Manufacture of Industrial Products

According to Federal State Statistics Service's data, in August 2014 Industrial Production Index accounted for 100% compared to the same period in 2013, and in January - July of 2014 – 101.3%.

Domestic production

The top 10 domestic pharmaceutical manufacturers by production volume at August-end 2014 are shown in Table 1. The total production volume of top ten manufacturers was estimated at USD 130.36 mln.

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

Rank	Manufacturer	Production volume, $mln
1	Otcpharm	25.29
2	Pharmstandart	17.14
3	Stada	16.23
4	Valenta	12.10
5	Microgen	11.27
6	Sotex	10.42
7	Veropharm	10.37
8	Ozon	10.37
9	Biotec	8.64
10	Pharm-Center	8.53

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In July compared to June 2014, pharmaceutical sales continued on an upward trend (in terms of roubles) in most analysed regions. The highest performance was observed in Krasnodarsky Krai (+16%), the lowest one in Tatarstan (+1%). Four regions showed reduction in sales, with the most perceptible one in Tyumen (-5%).

Table 2. Pharmacy sales in the regions, 2014

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	May 2014	June 2014	July 2014	May/ April 2014	June/ May 2014	July/ June 2014
Moscow	164.6	159.0	161.7	-21%	-5%	2%
St Petersburg	47.5	44.8	43.2	-14%	-7%	-3%
Krasnodar Krai	32.1	36.6	42.2	-3%	12%	16%
Novosibirsk Oblast	22.4	21.6	20.7	-13%	-5%	-3%
Tatarstan	25.1	23.6	23.5	-17%	-8%	1%
Krasnoyarsk Krai	19.6	18.4	17.8	-7%	-8%	-3%
Rostov Oblast	24.6	25.1	26.1	-12%	1%	5%
Voronezh Oblast	15.2	14.4	15.9	-17%	-7%	11%
Perm	6.5	6.3	6.7	-15%	-4%	7%
Tyumen	6.5	6.9	6.5	-15%	5%	-5%

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 August 2013

Rank	Company*	Quantity of broadcasts
1	Novartis	9,373
2	Otcpharm	6,451
3	Johnson & Johnson	5,850
4	Dr. Reddy's Laboratories	5,112
5	Bayer AG	4,989

Source - Remedium according to TNS Russia's data

Table 4. Top five brand names in mass media in August, 2014

Rank	Brand*	Quantity of broadcasts
1	Tribestan	2,782
2	Imodium	2,030
3	Grippferon	2,019
4	Linex	1,912
5	Nurofen	1,885

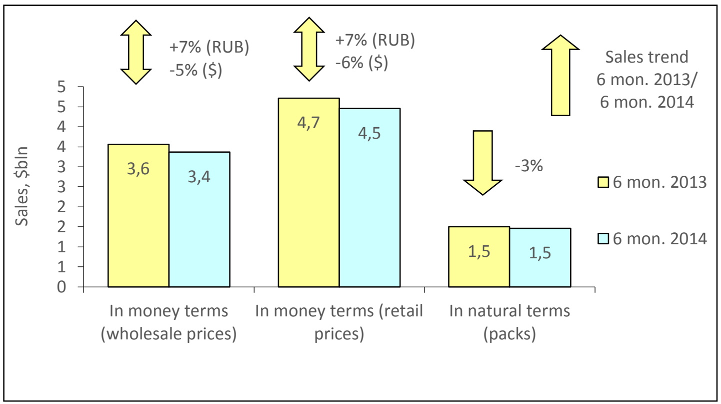
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

PHARMACY OTC MARKET IN RUSSIA: 2014 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first six months of 2014 the sales of OTC drugs in natural terms in pharmacies of Russia saw a 3% decrease to 1.462 bln packs. In money terms, the market saw a 7% increase in roubles equivalent, whereas it showed a negative decline (-5%) in dollars equivalent due to significant drop in the exchange rate of rouble. The market reached RUB 117.922 bln (USD 3.371 bln) in wholesale prices (Fig.1). The average cost of an OTC pack reduced as compared to a year earlier period (USD 3.14) and reached USD 3.05 at retail prices. At the end of the first half of 2014, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 31.02.

Figure 1. Russian pharmacy market for 6 months of 2013 – 6 months of 2014



According to the results for the first six months of 2014, the top ten OTC drug manufacturers ranking hasn't changed in composition, but undergone some transformation (Table 1). SANOFI-AVENTIS (+11%[1]) topped the ranking, whereas the last year leader OTCPHARM reduced sales by 1% and moved down to rank two. SANDOZ (+7%) moved up one rank, to number three, displacing the less dynamic BAYER (+4%) down to rank four. In the bottom part of the ranking, the drug manufacturer with the highest growth rates JOHNSON & JOHNSON (+17%) displaced TEVA (+11%) down.from rank eight. The drug manufacturers NOVARTIS (-4%), STADA (+3%), MENARINI (+4%) and NYCOMED/TAKEDA (+9%) held their previous ranks from five through seven. The total share of the top 10 drug manufacturers decreased by almost 0.7 p.p. to 40.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	2	**SANOFI-AVENTIS**	5.8	5.6
2	1	OTCPHARM	5.5	6.0
3	4	**SANDOZ GROUP**	4.8	4.8
4	3	**BAYER HEALTHCARE**	4.7	4.8
5	5	**NOVARTIS**	3.9	4.4
6	6	**STADA**	3.5	3.6
7	7	**MENARINI**	3.5	3.5
8	9	**JOHNSON & JOHNSON**	3.1	2.8
9	8	**TEVA**	3.1	3.0
10	10	**NYCOMED/TAKEDA**	2.5	2.5
Total			40.2	40.9

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brand names ranking (table 2). INGAVIRIN (+56%) and TROXEVASIN (+36%) moved up to ranks seven and ten, respectively. ESSENTIALE N (+6%) remained the leader of the top ten ranking. KAGOCEL (-4%), LINEX (+6%) and EXODERIL (+39%) move up to ranks two through four from the lower positions. ARBIDOL cut its sales by 30% and moved down from rank two to five. CARDIOMAGNIL (+10%) also moved down one rank, to number six, and DETRALEX (+9%) moved down from rank six to eight. PENTALGIN (+16%) showing high growth rates moved up to rank nine. The total share of the top 10 brands increased from 12.3% to 12.4%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	ESSENTIALE N	2.2	2.2
2	3	KAGOCEL	1.4	1.5
3	4	LINEX	1.3	1.3
4	7	EXODERIL	1.3	1.0
5	2	ARBIDOL	1.2	1.8
6	5	CARDIOMAGNIL	1.1	1.0
7	14	INGAVIRIN	1.1	0.7
8	6	DETRALEX	1.1	1.0
9	10	PENTALGIN	1.0	0.9
10	16	TROXEVASIN	0.9	0.7
Total			12.4	12.3

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

The first three INNs in the top ten INNs and group names ranking remained unchanged (table 3) INNs XYLOMETAZOLINE (+16%), PHOSPHOLIPIDS (+5%) and PANCREATIN (+10%) as before held the first three positions in the ranking. Due to negative growth rates, INN UMIFENOVIR (-28%) moved down from rank four to ten. It enabled INNs IBUPROFEN (+5%), AMBROXOL (-10%) and KAGOCEL (-4%), and the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+6%) to move up one rank, coming in at numbers four through seven. . The newcomers NAFTIFINE (+39%) and CHONDROITINSULFURIC ACID + GLUCOSAMINE (+16%) broke into the top ten, moving up to ranks eight and nine. The consolidated share of the analysed ranking reduced from 17.2% to 16.8%.

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

Rank		INN/Group Name	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	XYLOMETAZOLINE	3.1	2.8
2	2	PHOSPHOLIPIDS	2.4	2.5
3	3	PANCREATIN	2.0	1.9
4	5	IBUPROFEN	1.7	1.7
5	6	AMBROXOL	1.4	1.6
6	7	KAGOCEL	1.4	1.5
7	8	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1.3	1.3
8	16	NAFTIFINE	1.3	1.0
9	11	CHONDROITINSULFURIC ACID + GLUCOSAMINE	1.2	1.1
10	4	UMIFENOVIR	1.2	1.8
Total			16.8	17.2

The top ten ATC groups ranking showed high performance stability - eight of its ATC groups held their own in the ranking (Table 4). The leading ATC groups of the top ten R05 Cough and cold preparations (-6%), N02 Analgesics (-3%), R01 Nasal preparations (+10%) and A11 Vitamins (+5%), and ATC groups rounding out the top ten C05 Vasoprotectives (+13%), A05 Bile and liver therapy (+7%), R02 Throat preparations (+9%) and M01 Anti-inflammatory and antirheumatic products (+13%). The only shift took place in the central part of the ranking. Due to 13% growth, ATC group A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents moved up one rank, coming in at number five. At the same time, J05 Antivirals for systemic use (-2%) cut the sales and moved down to rank six The total share of the top 10 reduced by more than 1 p.p. and accounted for 49.5%.

Table 4. The top ten ATC Groups by pharmacy sales

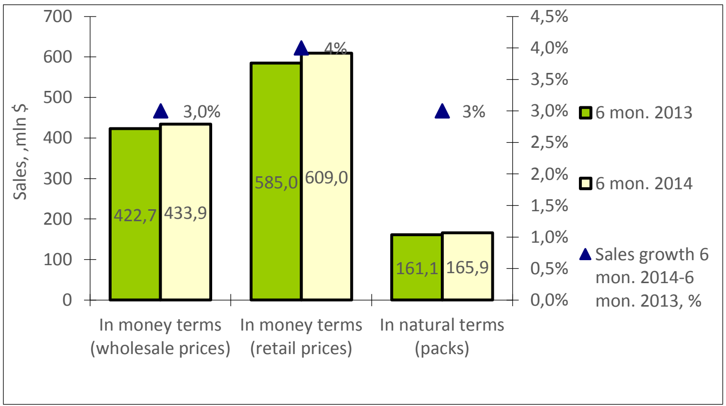
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013			6 mon. 2014	6 mon. 2013
1	1	R05	COUGH AND COLD PREPARATIONS	6.5	7.4
2	2	N02	ANALGESICS	6.2	6.9
3	3	R01	NASAL PREPARATIONS	6.0	5.9
4	4	A11	VITAMINS	5.6	5.7
5	6	A07	INTESTINAL ANTIINFECTIVES	5.6	5.3
6	5	J05	ANTIVIRALS FOR SYSTEMIC USE	4.9	5.4
7	7	C05	VASOPROTECTIVES	4.3	4.0
8	8	A05	BILE AND LIVER THERAPY	3.7	3.7
9	9	R02	THROAT PREPARATIONS	3.4	3.3
10	10	M01	ANTIINFLAM & ANTIRHEUM PROD	3.2	3.1
Total				49.5	50.7

Conclusion. On the basis of the results for the first three months of 2014, the OTC drug market of Russia brought in RUB 155.866 bln (USD 4.456 bln). It was 7% more in terms of roubles and 6% less in terms of dollars than during the same period in 2013. In natural terms, the market also showed the negative growth rates (-3%) and brought in 1.462 bln packs. Based on the results for the first half of 2014, the average cost of OTC pack in the pharmacies of Russia was USD 3.05, which was lower than in 2013 (USD 3.14). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also slightly increased (USD 31.02 vs. USD 32.9).

RUSSIAN BIOLIGICALLY ACTIVE ADDITIVE (BAA) MARKET: 2014 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of BAA in Russian Federationтм, at the end of the first half of 2014, the BAA pharmacy sales in Russia brought in 15.176 billion roubles (USD 433.851 million) in wholesale prices and 21.302 bln roubles (USD 608.974 mln) - at retail prices (Fig. 1). The market performance was positive both in rouble terms (+16%) and in dollar terms (+3%) at wholesale prices. In natural terms, the BAA sales increased by 3% and amounted to 165.935 mln packs. The average cost of a BAA pack was USD 3.67, whereas in the year-earlier period its cost was USD 3.63. It should be noted that the average cost of an OTC pack (USD 4.15) was higher than that of a BAA pack. The average amount spent by residents of Russia for purchase of BAAs in the first six months of 2014 amounted to USD 4.24 (in the first half of 2013 - USD 4.08).

Figure 1. Russian pharmacy BAA market for 6 months of 2013 – 6 months of 2014



In the first six months of 2014, the drug manufacturers EVALAR (+3%) and VIS (+28%) held their leading positions in the BAA market in terms of sales volumes (Table 1). In addition, due to high growth rates the letter significantly expanded its market share, whereas the former, in contrast, considerably reduced it. However, the leader's share remained very high - 18% of the entire BAA market. The markets of the other six BAAs of the top ten also developed at a fast pace, which resulted in the enhancing of their positions. The BAA manufacturers POLYARIS (+47%), PHARMAMED CANADA (+17%), QUEISSER (+31%) and POLENS (+34%) moved up to ranks three through six. The newcomers - BAYER HEALTHCARE (+46%) and SOLGAR (+65%) broke into the ranks of the top ten, coming in at numbers seven and ten. Two BAA manufacturers with negative growth rates, RECORDATI (-14%) and PFIZER (-10%) moved down to ranks eight and nine. The total share of the top 10 BAA manufacturers reduced from 48.7% to 48.3%.

Table 1. The top ten BAA manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	EVALAR	18.0	20.2
2	2	VIS	9.9	9.0
3	6	POLYARIS	3.1	2.4
4	5	PHARMAMED CANADA	2.9	2.9
5	7	QUEISSER	2.7	2.4
6	8	POLENS	2.6	2.2
7	11	**BAYER HEALTHCARE**	2.5	2.0
8	3	RECORDATI	2.4	3.3
9	4	**PFIZER**	2.4	3.1
10	16	SOLGAR	2.0	1.4
Total			48.3	48.7

*AIPM members are in bold

Five leaders in the top 10 brand names rating in the Russian market remained intact in the analysed period (table 2). Continuing to show high growth rates, the BAAs to treat erectile dysfunction SEALEX FORTE (+34%) and ALI CAPS (+34%) held and reinforced their ranks one and two. As before, the less dynamic BAAs PHITOLAX (+8%), REDUKSIN-LIGHT (+6%) and TONGKAT ALI PLATINUM (+2%) held ranks three through five. The other brand named of the top ten BAAs demonstrated outperformance and rose in the ranks. For example, SUPRADIN KIDS (+46%) moved up from rank eight to six. The newcomers of the top ten moved up to ranks seven through ten: BAA MYCOSAN (4.8-fold growth in sales), FEMIBION NATALCARE (2.2-fold growth in sales), TROPIKANA SLIM ZELENY KOFE (71-fold growth in sales) and NORMOBACT (+32%). The total share of the top ten brand names increased by 3.5 p.p. and accounted for 20.3%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	SEALEX FORTE	4.6	4.0
2	2	ALI CAPS	3.4	2.9
3	3	PHITOLAX	2.4	2.6
4	4	REDUKSIN-LIGHT	2.1	2.3
5	5	TONGKAT ALI PLATINUM	1.8	2.0
6	8	SUPRADIN KIDS	1.4	1.1
7	65	MYCOSAN	1.4	0.3
8	27	FEMIBION NATALCARE	1.1	0.6
9	83	TROPIKANA SLIM ZELENY KOFE	1.1	0.0
10	13	NORMOBACT	1.0	0.9
Total			20.3	16.8

As in the previous ranking, the upper part of the top-10 INNs and group names in the BAA market held their own in the ranking (table 3). In this case, six BAAs retained their positions. The compositions GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS (+32%), EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA (+39%), LINOLEIC ACID + VITAMIN E (+6%), EURYCOMA LONGIFOLIA + PANAX GINSENG + ROYAL JELLY (+2%), and INN ASCORBIC ACID (-1%) and the composition ANETHUM GRAVEOLENS + ARMENIACA VULGARIS + PLANTAGO OVATA + SENNA (+33%) kept their positions from one through six. The group name ASCORBIC ACID + CHOLINE + CYANOCOBALAMIN + FISH + NICOTINAMIDE + PYRIDOXINE (+46%) moved up to rank seven from nine, and INN INDOLE-3-CARBINOL (+34%) moved up to rank nine from ten. The newcomers of the top ten moved up to ranks eight and ten. INN SECALE CEREALE sales increased by 4.8 times, and the composition BIFIDOBACTERIUM ANIMALIS + LACTOBACILLUS ACIDOPHILUS sales - by +34% The cumulative share of the top-10 INNs and group names increased by 2.2 p.p. and reached 20.1%.

Table 3. The top 10 INNs and Group Names by pharmacy sales

Rank		INN/Group Name	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS	4.6	4.0
2	2	EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA	3.4	2.9
3	3	LINOLEIC ACID + VITAMIN E	2.1	2.3
4	4	EURYCOMA LONGIFOLIA + PANAX GINSENG + ROYAL JELLY	1.8	2.0
5	5	ASCORBIC ACID	1.6	1.9
6	6	ANETHUM GRAVEOLENS + ARMENIACA VULGARIS + PLANTAGO OVATA + SENNA	1.5	1.3
7	9	ASCORBIC ACID + CHOLINE + CYANOCOBALAMIN + FISH + NICOTINAMIDE + PYRIDOXINE	1.4	1.1
8	65	SECALE CEREALE	1.4	0.3
9	10	INDOLE-3-CARBINOL	1.2	1.0
10	14	BIFIDOBACTERIUM ANIMALIS + LACTOBACILLUS ACIDOPHILUS	1.1	0.9
Total			20.1	17.9

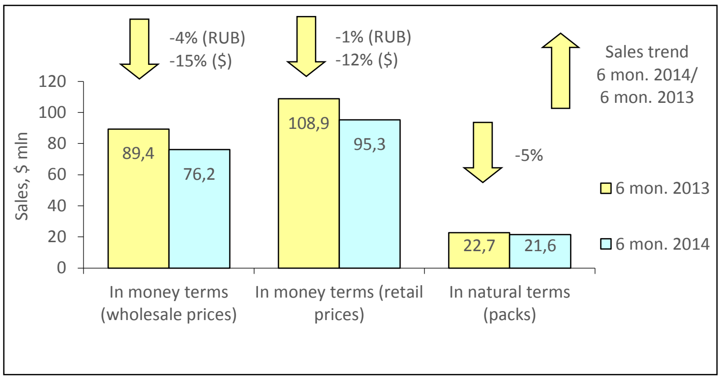
Conclusion. At the end of the first six months of 2014, BAA sales in pharmacies of the country increased 17% in terms of roubles and 4% in terms of dollars and brought in RUB 21.302 bln (USD 608.974 million) in final consumer prices. In pack terms, the BAA market grew by 3% and achieved 165.935 mln packs. The average cost of a BAA pack slightly increased as compared to the previous year (USD 3.67 vs. USD 3.63). Expenses of Russian residents for purchase of BAAs in pharmacies also slightly increased (USD 4.24 vs. USD 4.08).

OMSK PHARMACY MARKET: 2014 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Omsk was estimated as 1.166 mln, which accounted for 0.8% of the total Russian Federation population and 6% of Siberian FO (SFO). According to Federal State Statistics Service's data, in the first quarter of 2014 the average wages in the Omsk Region amounted to RUB 25,585 (USD 731.42), which was 19% lower than the average salary in Russia (RUB 31,509).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2014 the pharmacy market volume in natural terms reduced by 5% and amounted to 21.600 million packs (Fig. 1) In wholesale prices, the market also showed the negative performance both in terms of roubles (-4%) and in terms of dollars (-15%) and reached RUB 2.664 billion (USD 76.172 mln). The city share in the total volume of all-Russia pharmacy market accounted for 1.1%. The average cost of OTC pack in the Omsk pharmacies based on the results for the first half of 2014 was USD 4.41 (during the same period in 2013 - USD 4.79). The average sum spent by residents of Omsk on purchase of medicines reached USD 81.76

Figure 1. Omsk pharmacy market for 6 months of 2013 – 6 months of 2014



At the end of the first half of 2014, half of the regional top ten drug manufacturers held their own in the ranking (table 1). Three leading drug manufacturers SANOFI-AVENTIS (-7%), SERVIER (-15%) and BAYER (-8%) kept their ranks one, two, three, and GEDEON RICHTER and KRKA (-5% each) maintained ranks seven and eight. However, two shifts took place in the top ten ranking. PFIZER (+10%) and TEVA (+15%) moved up one rank, coming in at numbers four and five, whereas NYCOMED/ TAKEDA (-10%) cut their sales and moved down from rank four to six. In addition, OTCPHARM (+8%) moved up one rank, to number nine, displacing MERCK SHARP DOHME (-7%) down to rank ten ot the top 10. The total share of the analyzed top 10 manufacturers remained unchanged and accounted for 37.6%.

Table 1. The top ten BAA manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	**SANOFI-AVENTIS**	5.8	6.0
2	2	**SERVIER**	5.1	5.7
3	3	**BAYER HEALTHCARE**	4.4	4.7
4	5	**PFIZER**	3.7	3.3
5	6	**TEVA**	3.7	3.1
6	4	**NYCOMED/TAKEDA**	3.4	3.6
7	7	GEDEON RICHTER	3.1	3.1
8	8	**KRKA**	2.9	3.0
9	10	OTCPHARM	2.9	2.6
10	9	**MERCK SHARP DOHME**	2.6	2.7
Total			37.6	37.6

*AIPM members are in bold

Despite the negative growth rates, ESSENTIALE N (-13%) and ACTOVEGIN (-16%) continued to show the highest sales rates in the regional market (Table 2). Note that most of the top ten brand names as well as its leaders cut their sales volumes. However, it didn't prevent two of them from moving to the higher positions: XALATAN (-3%) and LOZAP PLUS (-5%) with the least negative growth rates moved up two ranks, to numbers 4 and 5. URSOSAN (-2%) held its rank ten, whereas CARDIOMAGNIL (-15%), KAGOCEL (-26%) and DETRALEX (-19%) fell in the ranks, moving down from rank six through eight. Two newcomers came up in the top 10 rating. VIAGRA (+21%) moved up to rank three from 12, and EXODERIL (+12%) moved up to rank 9 from 16. The total share of the top-10 reduced from 7.4% to 7.1%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	ESSENTIALE N	1.0	1.1
2	2	ACTOVEGIN	0.8	0.9
3	12	VIAGRA	0.7	0.6
4	6	XALATAN	0.7	0.7
5	7	LOZAP PLUS	0.7	0.7
6	5	CARDIOMAGNIL	0.7	0.7
7	3	KAGOCEL	0.7	0.9
8	4	DETRALEX	0.6	0.8
9	16	EXODERIL	0.6	0.5
10	10	URSOSAN	0.6	0.6
Total			7.1	7.4

ATORVASTATIN (+3%) moved up to rank one and XYLOMETAZOLINE (+18%) to rank two in the top ten INNs and group names ranking (Table 3). The former leaders PHOSPHOLIPIDS (-14%) and BISOPROLOL (-8%) reduced their sales and moved down to ranks three and four. The other three INNs of the top ten also showed the negative growth rates: PANCREATIN (-2%) moved up two ranks, to number five, whereas the composition LOSARTAN + HYDROCHLOROTHIAZIDE (-5%) and INN BLOOD (-15%) cut their sales more substantially and moved down to ranks six and eight. The newcomers SILDENAFIL (+26%), LATANOPROST (+2%) and IBUPROFEN (+21%) broke into the ranks of the top ten, moving up to ranks seven, nine and ten. The total share of the top ten INNs and group names increased by 0.5 p.p. and achieved 9.6%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	3	ATORVASTATIN	1.1	1.0
2	6	XYLOMETAZOLINE	1.1	0.9
3	1	PHOSPHOLIPIDS	1.1	1.2
4	2	BISOPROLOL	1.0	1.0
5	7	PANCREATIN	0.9	0.9
6	5	LOSARTAN + HYDROCHLOROTHIAZIDE	0.9	0.9
7	16	SILDENAFIL	0.9	0.7
8	4	BLOOD	0.9	1.0
9	11	LATANOPROST	0.8	0.8
10	22	IBUPROFEN	0.8	0.6
Total			9.6	9.1

One newcomer broke into the ranks of the top ten ATC groups. R01 Nasal preparations (+10%) moved up to rank nine from thirteen (Table 4). ATC groups S01 Ophthalmologicals (+9%) and N02 Analgesics (+14%) also showed positive growth rates, moving up to ranks four and six, respectively. Most of the top ten ATC groups cut their sales against the backdrop of the regional market. However, three of them, C09 Agents acting on the rennin-angiotensin system (-7%), M01 Anti-inflammatory and antirheumatic products (-2%) and G03 Sex hormones (-10%) held their first three positions in the top ten ranking. The other four ATC groups from the top 10 fell in the ranks. J01 Antibacterials for systemic use (-7%), A11 Vitamins (-9%), R05 Cough and cold preparations (-1%) and G04 Urologicals (-0.4%) moved down to ranks five, seven, eight and ten. The cumulative share of top ten ATC groups increased by 1 p.p. and achieved 39.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013			6 mon. 2014	6 mon. 2013
1	1	C09	AG ACT RENIN-ANGIOTENS SYST	5.2	5.4
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	5.0	4.9
3	3	G03	SEX HORM&MODULAT GENITAL SYS	4.6	4.9
4	6	S01	OPHTHALMOLOGICALS	3.8	3.4
5	4	J01	ANTIBACTERIALS FOR SYST USE	3.6	3.8
6	9	N02	ANALGESICS	3.6	3.1
7	5	A11	VITAMINS	3.4	3.6
8	7	R05	COUGH AND COLD PREPARATIONS	3.4	3.3
9	13	R01	NASAL PREPARATIONS	3.3	2.9
10	8	G04	UROLOGICALS	3.2	3.1
Total				39.3	38.3

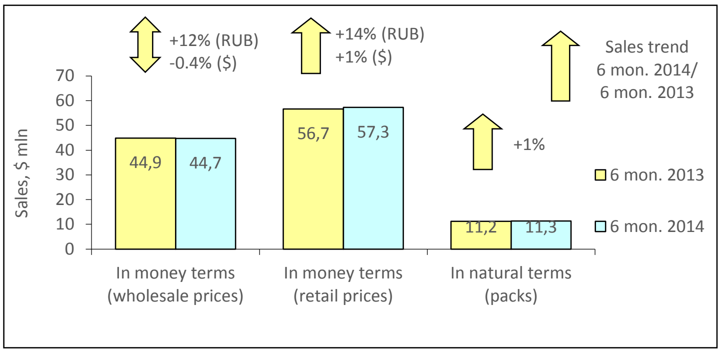
Conclusion. In the first half of 2014, the pharmacy market in Omsk was estimated at RUB 3.335 bln (USD 95.344 mln) in final consumer prices. Note that the market performance was negative both in rouble terms and in dollar terms (-1% and -12%, respectively). In pack terms, the market also reduced (-5%) and amounted to 21.600 mln packs. The average cost of an OTC pack (USD 4.41) in the city pharmacies slightly reduced as compared to a year earlier (USD 4.79), but was higher than the average value in Russia (USD 4.15). Expenses of residents for purchase of medicines in the city pharmacies also proved to be higher than the average expenses in Russia (USD 81.76 vs. USD 60.80).

TYUMEN PHARMACY MARKET: 2014 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Tyumen was estimated at 679.9 ths, which accounts for 0.5% of the total Russian Federation population and 5.6% of Ural FO (UFO). According to Federal State Statistics Service's data, based on the results for 6 months of 2014 the average wages in the Tyumen Region were RUB 54,284 (USD 1,551.86), which is 75% higher than the average wages in Russia (RUB 31,509).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2014 the Moscow pharmacy market volume in natural terms increased by 1% and amounted to 11.349 million packs (Fig. 1). In wholesale prices, the market performance in terms of roubles was positive (+12%), but in terms of dollars it was negative (-0.4%) and reached RUB 1.564 bln (USD 44.699 mln). The region's share accounted for 0.7% of the total volume of all-Russia pharmacy market. The average cost of OTC pack in the city pharmacies based on the results for the first half of 2014 was USD 5.05 (during the same period in 2013 - USD 5.06). In the analysed period, per capita expenses of the city residents for purchase of medicines in pharmacies amounted to USD 84.30.

Figure 1. Tyumen pharmacy market for 6 months of 2013 – 6 months of 2014



Based on the results for the first six months of 2014, the top ten drug manufacturers in the Tyumen market showed high stability - almost all drug manufacturers held their own in the ranking (Table 1). The three leading manufacturers SANOFI-AVENTIS (+20%), BAYER (+12%) and ABBOTT (+6%) kept their positions. As before, NYCOMED/TAKEDA (+17%) and TEVA (+13%). held their previous ranks six and seven. Two shifts took place in the top ten ranking. The more dynamic manufacturer SERVIER (+14%) moved up one rank, to number 4, displacing the less dynamic SANDOZ (+9%) to rank five. Another manufacturer with low growth rates STADA (+8%) moved down to bottom rank of the top ten. At the same time, it allowed the more dynamic manufacturers NOVARTIS (+10%) and MENARINI (+11%) to move upwards. The total share of the analysed top 10 manufacturers remained unchanged and accounted for 36.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	**SANOFI-AVENTIS**	5.7	5.4
2	2	**BAYER HEALTHCARE**	4.5	4.5
3	3	**ABBOTT**	3.5	3.7
4	5	**SERVIER**	3.5	3.4
5	4	**SANDOZ GROUP**	3.4	3.5
6	6	**NYCOMED/TAKEDA**	3.4	3.2
7	7	**TEVA**	3.2	3.2
8	9	**NOVARTIS**	3.0	3.1
9	10	**MENARINI**	3.0	3.0
10	8	**STADA**	3.0	3.1
Total			36.1	36.1

*AIPM members are in bold

Hepatoprotector ESSENTIALE N (+21%) kept its rank number one in the top ten brand names ranking (Table 2). The other top 10 brands changed their ranks; moreover, only four of them improved them. ALFLUTOP (+32%) moved up to rank two from five, and INGAVIRIN (+57%) to rank three.from seven. SYMBICORT TURBUHALER (+15%) and DETRALEX (+21%) moved up one rank, to numbers eight and nine. At the same time, KAGOCEL (-3%), ARBIDOL (-25%), DUPHASTON (-3%) and HEPTRAL (-1%) cut their sales and moved down to the lower ranks four, six, seven and ten, respectively. ACTOVEGIN (+11%) moved down one rank, to number five. In total, the top ten brand names accumulated 7.8% 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, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	ESSENTIALE N	1.2	1.1
2	5	ALFLUTOP	1.0	0.8
3	7	INGAVIRIN	1.0	0.7
4	2	KAGOCEL	0.9	1.0
5	4	ACTOVEGIN	0.8	0.9
6	3	ARBIDOL	0.6	1.0
7	6	DUPHASTON	0.6	0.7
8	9	SYMBICORT TURBUHALER	0.6	0.6
9	10	DETRALEX	0.6	0.6
10	8	HEPTRAL	0.6	0.6
Total			7.8	8.0

In contrast to the previous rankings, the newcomers entered the top ten INNs and group names ranking (table 3). There were three of them: IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+57%), FISH (+32%) and BISOPROLOL (+18%), moving up to ranks three, four and nine. One more INN from the top ten managed to rise in the ranks. INN IBUPROFEN (+15%) moved up from rank eight to six. At the same time, the other three INNs of the top ten fell in the ranks. INN BLOOD (+11%) moved down one rank, to number seven, whereas KAGOCEL (-4%) and AMOXICILLIN + CLAVULANIC ACID (-3%) cut their sales and moved down from rank three and seven to eight and ten, respectively. INNs XYLOMETAZOLINE (+26%) and PHOSPHOLIPIDS (+17%) kept their first two lines, and PANCREATIN (+11%) as before held held its previous rank five. The total share of the top 10 increased from 9.6% to 10%.

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

Rank		INN/Group Name	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	XYLOMETAZOLINE	1.6	1.4
2	2	PHOSPHOLIPIDS	1.3	1.2
3	16	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.0	0.7
4	11	FISH	1.0	0.8
5	5	PANCREATIN	0.9	1.0
6	8	IBUPROFEN	0.9	0.9
7	6	BLOOD	0.9	0.9
8	3	KAGOCEL	0.9	1.0
9	14	BISOPROLOL	0.8	0.7
10	7	AMOXICILLIN + CLAVULANIC ACID	0.8	0.9
Total			10.0	9.6

In contrast to the above rankings, the top ten ATC groups changed their leader – R01 Nasal preparations (+13%) moved up to rank one (table 4). J05 Antivirals for systemic use (+4%), which had been placed at that position earlier, moved down to rank two. M01 Anti-inflammatory and antirheumatic products (+20%) and R01 Nasal preparations (+18%) moved up one rank, to numbers three and four, displacing J01 Antibacterials for systemic use (+0.2%) down to rank five. On top of that, C09 Agents acting on the rennin-angiotensin system (+19%) moved up two ranks, to number seven, displacing ATC groups R05 Cough and cold preparations (+2%) and L03 Immunostimulants (-0.4%) to ranks eight and nine. A11 Vitamins (+15%) and N02 Analgesics (+4%) held their previous ranks six and ten. The total share of the top 10 reduced by more than 1 p.p. and accounted for 37.5%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013			6 mon. 2014	6 mon. 2013
1	2	G03	SEX HORM&MODULAT GENITAL SYS	4.5	4.5
2	1	J05	ANTIVIRALS FOR SYSTEMIC USE	4.5	4.9
3	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4.2	4.0
4	5	R01	NASAL PREPARATIONS	4.1	3.9
5	3	J01	ANTIBACTERIALS FOR SYST USE	3.9	4.4
6	6	A11	VITAMINS	3.7	3.6
7	9	C09	AG ACT RENIN-ANGIOTENS SYST	3.5	3.3
8	7	R05	COUGH AND COLD PREPARATIONS	3.2	3.5
9	8	L03	IMMUNOSTIMULANTS	3.0	3.4
10	10	N02	ANALGESICS	2.9	3.2
Total				37.5	38.6

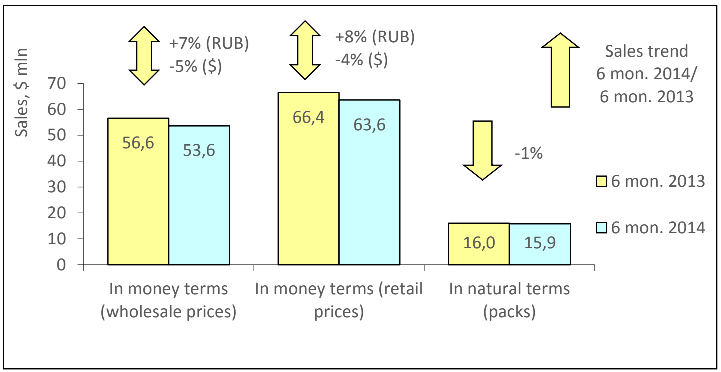
Conclusion. In the first half of 2014, the pharmacy market in Tyumen was estimated at RUB 2.005 bln (USD 57.310 bln) in final consumer prices. At the same time, the market behaviour was positive both in rouble (+14%) and dollar (+1%) terms. In natural terms, the sales increased by 1% and amounted to 11.349 mln packs. The average cost of an OTC pack (USD 5.05) in the pharmacies didn't virtually change as compared to a year earlier period (USD 5.06), but was higher than the average value in Russia (USD 4.15). The average expenses of Tyumen residents for purchase of OTC drugs in the pharmacies also considerably exceeded the Russia average figures (USD 84.30 vs. USD 60.80).

CHELYABINSK PHARMACY MARKET: 2014 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Chelyabinsk was estimated at 1.169 mln, which accounted for 0.8% of the total Russian Federation population and 9.6% of Ural FO (UFO). According to Federal State Statistics Service's data, based on the results for 6 months of 2014 the average wages in the region was RUB 27,023 (USD 772.53), which was 14% lower than the average wages in Russia (RUB 31,509).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first six months of 2014 the sales of OTC drugs in physical terms in pharmacies of Chelyabinsk saw a 1% decrease to 15.860 mln packs. In money terms, the OTC drugs market increased by 7% in rouble terms and reduced by 5% in dollar terms and reached RUB 1.876 bln (USD 53.629 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 6 months of 2014 amounted to USD 4.01 at retail prices, which was slightly lower than in a year-earlier period (USD 4.14). For the first half of 2014, the average amount spent by residents of Chelyabinsk for medications amounted to USD 54.35.

Figure 1. Chelyabinsk pharmacy market for 6 months of 2013 – 6 months of 2014



At first half-end 2014, two newcomers broke into the top ten manufacturers ranking by pharmacy sales in the Chelyabinsk retail market: PFIZER (+26%) and GEDEON RICHTER (+13%) moved up to ranks seven and ten (Table 1). In addition, two more drug manufacturers from the top ten SANDOZ (+5%) and NYCOMED/TAKEDA (+9%) moved up one rank, coming in at numbers four and nine. At the same time, two manufacturers SERVIER (+4%) and STADA (+1%) moved down one rank, coming in at numbers five and eight, respectively. The drug manufacturers SANOFI-AVENTIS (+3%), BAYER (+7%), TEVA and ABBOTT (+8% each) held their previous positions: ranks from one through three and six. The total share of the top 10 drug manufacturers expanded by almost 0.3 p.p. to 35.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	**SANOFI-AVENTIS**	5.0	5.2
2	2	**BAYER HEALTHCARE**	4.7	4.7
3	3	**TEVA**	4.1	4.1
4	5	**SANDOZ GROUP**	3.3	3.4
5	4	**SERVIER**	3.3	3.4
6	6	**ABBOTT**	3.3	3.2
7	11	**PFIZER**	3.1	2.7
8	7	**STADA**	2.9	3.0
9	10	**NYCOMED/TAKEDA**	2.8	2.7
10	12	GEDEON RICHTER	2.8	2.6
Total			35.3	35.0

*AIPM members are in bold

Due to 57% growth in sales, LYRICA held and reinforced its previous rank number one in the top ten brand names ranking (Table 2). As before, despite the reduction in sales by 5% ESSENTIALE N held its previous rank two. The brand names KAGOCEL (-5%) and ARBIDOL (-30%) also showed negative growth rates, which resulted in the loss of their positions - OTC drugs moved down to ranks six and nine, respectively. Another two brand names of the top ten with low growth rates moved down to the lower ranks. ACTOVEGIN (+3%) and ALFLUTOP (+4%) moved down to ranks five and ten. In contrast, four brand names showed a ranking progress. NISE (+28%) moved up from rank seven to three, and HEPTRAL (+11%) moved up from rank ten to seven. The newcomers INGAVIRIN (+65%) and HYRUAN PLUS (3.5-fold increase in sales) broke into the ranks of the top ten, coming in at numbers four and eight. The total share of the top 10 trade names increased from 6.6% to 7.3%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	LYRICA	1.7	1.2
2	2	ESSENTIALE N	0.8	0.9
3	7	NISE	0.7	0.6
4	12	INGAVIRIN	0.7	0.5
5	4	ACTOVEGIN	0.6	0.7
6	5	KAGOCEL	0.6	0.7
7	10	HEPTRAL	0.6	0.5
8	85	HYRUAN PLUS	0.5	0.2
9	3	ARBIDOL	0.5	0.8
10	8	ALFLUTOP	0.5	0.6
Total			7.3	6.6

PREGABALIN (+63%) moved up to rank one from two, displacing the last year leader XYLOMETAZOLINE (+26%) to rank two in the top ten INNs and group names ranking(Table 3) Note that most of the top 10 INNs and group names improved their positions in the ranking. NIMESULIDE (+25%) moved up two ranks, to number three, BISOPROLOL (+7%), PANCREATIN (+10%) and BLOOD (+4%) improved their positions by one point, coming in at numbers five, seven and nine, respectively. The only newcomer of the top ten ranking HYALURONIC ACID increased sales by 2.2 times, coming in at rank eight. The other three INNs of the top ten, PHOSPHOLIPIDS (-6%), AZITHROMYCIN (-8%) and AMBROXOL (-6%), cut sales, reducing their market shares and falling in the ranks. The cumulative share of the top ten INN and group names increased by 1 p.p. and achieved 10.2%.

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

Rank		INN/Group Name	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	2	PREGABALIN	1.8	1.2
2	1	XYLOMETAZOLINE	1.6	1.4
3	5	NIMESULIDE	1.1	1.0
4	3	PHOSPHOLIPIDS	0.9	1.1
5	6	BISOPROLOL	0.9	0.9
6	4	AZITHROMYCIN	0.8	1.0
7	8	PANCREATIN	0.8	0.8
8	54	HYALURONIC ACID	0.7	0.4
9	10	BLOOD	0.7	0.7
10	9	AMBROXOL	0.7	0.8
Total			10.2	9.2

M01 Anti-inflammatory and antirheumatic products (+13%) remained the best selling ATC group in the regional pharmacies (Table 4). G03 Sex hormones (+7%) moved up to rank two, whereas J01 Antibacterials for systemic use (-3%) which had been placed at that position earlier, moved down one rank due to reduction in sales. Another two similar shifts took place in the ranking. R01 Nasal preparations (+12%) moved up to rank four from five, displacing C09 Agents acting on the rennin-angiotensin system (+6%) to rank five. In addition, R05 Cough and cold preparations (-3%) cut sales and moved down two ranks, to number 9, giving way to A11 Vitamins (+8%) and N02 Analgesics (+2%). J05 Antivirals for systemic use (-0.2%) and S01 Ophthalmologicals (-10%) held their previous ranks six and ten. The total share of the top 10 reduced by more than 1 p.p. and accounted for 36.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013			6 mon. 2014	6 mon. 2013
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.8	4.5
2	3	G03	SEX HORM&MODULAT GENITAL SYS	4.3	4.3
3	2	J01	ANTIBACTERIALS FOR SYST USE	3.9	4.3
4	5	R01	NASAL PREPARATIONS	3.9	3.7
5	4	C09	AG ACT RENIN-ANGIOTENS SYST	3.8	3.9
6	6	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	3.7
7	8	A11	VITAMINS	3.3	3.3
8	9	N02	ANALGESICS	3.1	3.3
9	7	R05	COUGH AND COLD PREPARATIONS	3.0	3.4
10	10	S01	OPHTHALMOLOGICALS	2.7	3.2
Total				36.3	37.5

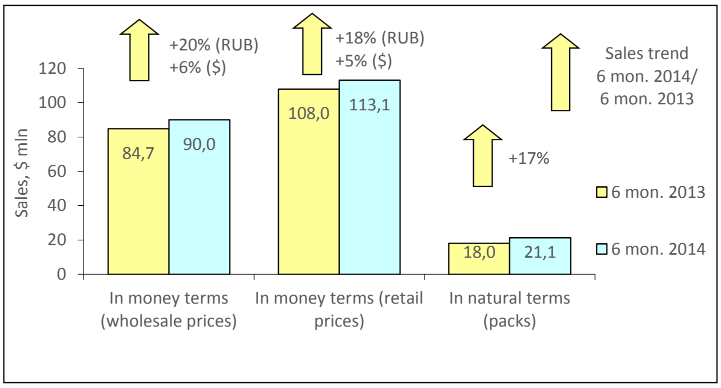
Conclusion. On the basis of the results for the first half of 2014, the pharmacy market of Chelyabinsk brought in RUB 2.223 bln (USD 63.561 mln). At the same time, the market increased 8% in terms of roubles and reduced 4% in terms of dollars. In natural terms, the market reduced by 1% to 15.860 mln packs. Based on the results for six months of 2014, the average cost of an OTC pack was slightly lower than in the year-earlier period (USD 4.01 vs. USD 4.14), and lower than the Russia average figures (USD 4.15). Per capita expenses for the purchase of medicines in the Chelyabinsk pharmacies amounted to USD 54.35 which is lower than the average figures in the country (USD 60.80).

YEKATERINBURG PHARMACY MARKET: 2014 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Yekaterinburg was estimated as 1.41 mln, which accounted for 1% of the total Russian Federation population and 11.5% of Ural FO (UFO). According to Federal State Statistics Service's data, in the first quarter of 2014 the average wages in the Yekaterinburg Region amounted to RUB 29,053 (USD 830.56), which was 8% lower than the average wages in Russia (RUB 31,509).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first six months of 2014 the sales of OTC drugs in natural terms in Yekaterinburg saw a 17% increase to 21.147 mln packs. In money terms, the market also showed the positive growth rates: 20% in rouble terms and 6% in dollar terms and reached RUB 3.149 bln (USD 90.015 mln) in wholesale prices (Fig. 1). The regional market's share accounted for 1.3% of the Russian pharmacy sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 6.00) and achieved USD 5.35 at retail prices. For six months of 2014, the average amount spent by the residents of Yekaterinburg for medications amounted to USD 80.10.

Figure 1. Yekaterinburg pharmacy market for 6 months of 2013 – 6 months of 2014



As of the first half of 2014, AVENTIS (+18%), BAYER (+21%) and ABBOTT (+15%) continued to show the highest sales in the Yekaterinburg pharmacy market, holding the first three leading positions in the top ten ranking (Table 1). The drug manufacturers with high growth rates SERVIER (+21%), GEDEON RICHTER (+40%) and TEVA (+22%) moved up to ranks four through six. The markets of another two companies developed at a faster pace than the market as a whole. On top of that, one of them SANDOZ (+21%) held its previous rank 8, whereas another more dynamic manufacturer NYCOMED/TAKEDA (+26%) entered the top ten for the first time, coming in at number ten. In contrast, the other two drug manufacturers from the top 10 moved down to the lower ranks. NOVARTIS (+13%) and MERCK SHARP DOHME (+15%) move down to ranks seven and nine, respectively. The cumulative share of the top ten drug manufacturers increased from 35.1% to 35.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	**SANOFI-AVENTIS**	5.8	5.8
2	2	**BAYER HEALTHCARE**	4.9	4.8
3	3	**ABBOTT**	3.7	3.9
4	5	**SERVIER**	3.2	3.2
5	10	GEDEON RICHTER	3.1	2.6
6	7	**TEVA**	3.1	3.0
7	4	**NOVARTIS**	3.0	3.2
8	8	**SANDOZ GROUP**	3.0	3.0
9	6	**MERCK SHARP DOHME**	3.0	3.1
10	11	**NYCOMED/TAKEDA**	2.7	2.5
Total			35.3	35.1

*AIPM members are in bold

The leaders of the top 10 brand names ranking didn't change either – ESSENTIALE N (+9%) and HEPTRAL (-2%) held their first two ranks in the ranking (table 2). The OTC drugs, which rose in the ranks, came in at numbers 3 through 5: ALFLUTOP, URSOSAN (+32% each) and REDUKSIN (+25%). The only newcomer ACTOVEGIN (+26%) moved up to rank nine of the top 10 ranking. At the same time, the brand names with lagging growth rates, DETRALEX (+16%) and CIALIS (+17%), as well as ARBIDOL (-14%) and KAGOCEL (-15%), which cut sales, moved down to the lower positions from six through eight and ten. The total share of the top ten brands reduced by 0.6 p.p. to 6.5%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	ESSENTIALE N	1.0	1.1
2	2	HEPTRAL	0.7	0.9
3	8	ALFLUTOP	0.6	0.6
4	9	URSOSAN	0.6	0.6
5	7	REDUKSIN	0.6	0.6
6	5	DETRALEX	0.6	0.6
7	3	ARBIDOL	0.6	0.8
8	6	CIALIS	0.6	0.6
9	11	ACTOVEGIN	0.6	0.5
10	4	KAGOCEL	0.5	0.8
Total			6.5	7.1

In contrast to the above rankings, the top ten INNs and group names leader changed (table 3). Due to 44%-fold growth in sales, INN URSODEOXYCHOLIC ACID moved up to rank one from six, displacing the less dynamic XYLOMETAZOLINE (+16%) to rank two. The markets of the INNs PANCREATIN (+26%), ROSUVASTATIN (+43%) and ATORVASTATIN (+31%) and the composition CHONDROITINSULFURIC ACID + GLUCOSAMINE (+32%) also developed at a fast pace, moving up to ranks three, six, nine and ten. Note that the latter three became the newcomers of the top ten. In addition, IBUPROFEN (+16%) moved up one rank, to number seven, despite the lagging behind the growth rates. Two INNs PHOSPHOLIPIDS (+11%) and HYALURONIC ACID (-19%) moved down to the lower positions four and eight, respectively. INN ADEMETIONINE (+1%) held its earlier rank five. The cumulative share of the top10 reduced from 9.2% to 9.1%.

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

Rank		INN/Group Name	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	6	URSODEOXYCHOLIC ACID	1.1	1.0
2	1	XYLOMETAZOLINE	1.1	1.2
3	4	PANCREATIN	1.1	1.0
4	3	PHOSPHOLIPIDS	1.0	1.1
5	5	ADEMETIONINE	0.8	1.0
6	16	ROSUVASTATIN	0.8	0.7
7	8	IBUPROFEN	0.8	0.8
8	2	HYALURONIC ACID	0.8	1.1
9	15	ATORVASTATIN	0.7	0.7
10	17	CHONDROITINSULFURIC ACID + GLUCOSAMINE	0.7	0.6
Total			9.1	9.2

J01 Antibacterials for systemic use (+8%) and G03 Sex hormones (+20%) remained the best selling groups in the regional market (table 4). C09 Agents acting on the rennin-angiotensin system (+30%) moved up to rank four from six, displacing A11 Vitamins (+20%) and M01 Anti-inflammatory and antirheumatic products (+23%) down one rank. N06 Psycholeptics (+17%) moved up one rank, to number six, displacing J01 Antibacterials for systemic use (+10%) to rank seven. ATC groups A05 Bile and liver therapy (+26%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+34%) moved up one rank, coming in at numbers nine and ten, respectively. On top of that, the latter became the only newcomer of the top ten ranking. As before, ATC group R01 Nasal preparations (+19%) held its previous rank eight. The total share of the top ten ATC groups reduced by 0.3 p.p. and accounted for 37.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013			6 mon. 2014	6 mon. 2013
1	1	J05	ANTIVIRALS FOR SYSTEMIC USE	4.6	5.1
2	2	G03	SEX HORM&MODULAT GENITAL SYS	4.3	4.3
3	6	C09	AG ACT RENIN-ANGIOTENS SYST	3.9	3.7
4	3	A11	VITAMINS	3.8	3.8
5	4	M01	ANTIINFLAM & ANTIRHEUM PROD	3.8	3.7
6	7	N06	PSYCHOANALEPTICS	3.6	3.7
7	5	J01	ANTIBACTERIALS FOR SYST USE	3.4	3.7
8	8	R01	NASAL PREPARATIONS	3.4	3.4
9	10	A05	BILE AND LIVER THERAPY	3.3	3.1
10	11	A07	INTESTINAL ANTIINFECTIVES	3.3	3.1
Total				37.3	37.6

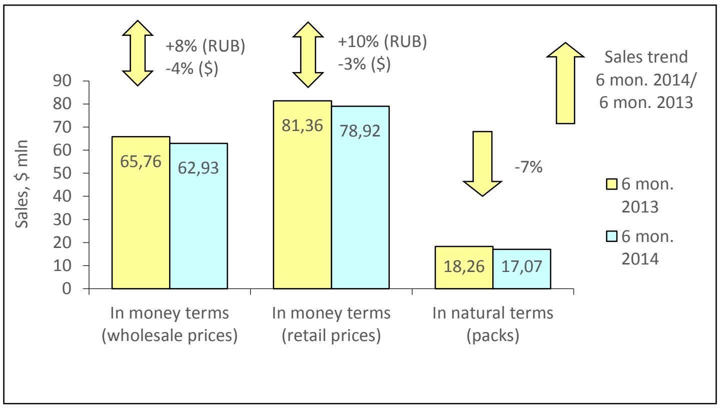
Conclusion. On the basis of the results for the first half of 2014, the pharmacy market of Yekaterinburg brought in RUB 3.957 bln (USD 113.132 mln) in retail prices. The sales increased 18% in terms of roubles and 5% in terms of dollars. In pack terms, the market also showed positive growth rates (+17%) and achieved 21.147 mln packs. The average cost of OTC pack in the Yekaterinburg pharmacies according to the results for the first six months of 2014 was USD 5.35 which was lower than the last year figures (USD 6.0), but higher than average figures in the country (USD 4.15). The average expenses of city residents for medications in the pharmacies exceeded the national average (USD 80.10 vs. USD 60.80).

UFA PHARMACY MARKET: 2014 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2014 the population of Ufa was estimated as 1.11 mln, which accounted for 0.8% of the total Russian Federation population and 3.7% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in QI 2014 the average wages in the Republic of Bashkortostan was RUB 23,691 (USD 677.27), which was 25% lower than the average wages in Russia (RUB 31,509).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, in the first half of 2014 the sales of OTC drugs in natural terms in the pharmacies of Ufa saw a 7% drop to 17.065 mln packs. In money terms, the city pharmacy market (exclusive of State Reimbursement Program) saw a +8% increase in terms of roubles and -4% decrease in terms of dollars compared to the same period a year ago and reached RUB 2.202 bln (USD 62.933 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 a OTC pack in Ufa pharmacies was USD 4.62 (in a year-earlier period – USD 4.46). For the first six months of the current year, the average amount spent by residents of the city on OTC drugs amounted to USD 71.32.

Figure 1. Ufa pharmacy market for 6 months of 2013 – 6 months of 2014



Based on the results of the first half of 2014, the top ten drug manufacturers ranking in the region didn't change in composition (table 1). Apart from that, most of its drug manufacturers held their own in the ranking: As before, SANOFI-AVENTIS (+12%), BAYER (+7%), SANDOZ (+9%) and ABBOTT (-1%) held their first four ranks, and SERVIER (+4%) and MENARINI (+8%) maintained their ranks six and ten. Three drug manufacturers of the top ten rose in the ranks. The most dynamic manufacturer of the top ten TEVA (+26%) moved up two ranks, to number five, whereas the manufacturers NYCOMED/TAKEDA (+6%) and GEDEON RICHTER (+9%) moved up one rank, to numbers 7 and 8, respectively. OTCPHARM cut sales and lost four rating points, moving down to the last but one line in the top ten. The total share of the top 10 drug manufacturers reduced by 0.8 p.p. and accounted for 36.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	**SANOFI-AVENTIS**	5.5	5.3
2	2	**BAYER HEALTHCARE**	4.3	4.4
3	3	**SANDOZ GROUP**	4.1	4.1
4	4	**ABBOTT**	3.7	4.0
5	7	**TEVA**	3.7	3.2
6	6	**SERVIER**	3.3	3.5
7	8	**NYCOMED/TAKEDA**	3.1	3.1
8	9	GEDEON RICHTER	2.9	2.9
9	5	OTCPHARM	2.8	3.8
10	10	**MENARINI**	2.7	2.7
Total			36.2	37.0

*AIPM members are in bold

ESSENTIALE N (+17%) and KAGOCEL (+1%) kept their leading positions in the top ten brand names ranking. The other top 10 brand names shifted their positions; moreover, six of them improved them. ACTOVEGIN (+9%) moved up to rank three from five, whereas HEPTRAL, which had been placed on that rank earlier, moved down to rank 4. The brand names MEXIDOL (+6%), ALFLUTOP (+20%), EXODERIL (+41%), CARDIOMAGNIL (+6%) and INGAVIRIN (+100%) moved up to ranks five through nine, respectively. On top of that, two of them EXODERIL and INGAVIRIN broke into the ranks of the top -10 ranking for the first time. KETONAL (-8%) reduced its sales and moved down from rank seven to the last line in the ranking. The total share of the top 10 increased from 8.7% to 9.1%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	ESSENTIALE N	1.9	1.7
2	2	KAGOCEL	1.0	1.1
3	5	ACTOVEGIN	0.9	0.9
4	3	HEPTRAL	0.9	1.0
5	6	MEXIDOL	0.9	0.9
6	8	ALFLUTOP	0.8	0.8
7	13	EXODERIL	0.7	0.5
8	9	CARDIOMAGNIL	0.7	0.7
9	41	INGAVIRIN	0.7	0.4
10	7	KETONAL	0.6	0.8
Total			9.1	8.7

Two newcomers broke into the ranks of the top ten INNs and group names ranking as well (table 3). 3). INNs BISOPROLOL (+11%) and FISH (+20%) moved up to the bottom two ranks. Apart from them, another three INNs from the top ten showed signs of growth: XYLOMETAZOLINE (+23%) moved up to rank three from seven. INNs BLOOD and ETHYLMETHYLHYDROXYPYRIDINE (+8%) moved up one rank, to numbers five and seven, respectively. INN KAGOCEL (+1%) with low growth rates and KETOPROFEN (-2%) and ADEMETIONINE (-7%) which cut sales moved down to the lower ranks four, six and eight, respectively. PHOSPHOLIPIDS (+16%) and PANCREATIN (+11%) maintained their leading positions in the top ten.

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

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	PHOSPHOLIPIDS	2.0	1.9
2	2	PANCREATIN	1.4	1.4
3	7	XYLOMETAZOLINE	1.1	1.0
4	3	KAGOCEL	1.0	1.1
5	6	BLOOD	1.0	1.0
6	4	KETOPROFEN	1.0	1.1
7	8	ETHYLMETHYLHYDROXYPYRIDINE	1.0	1.0
8	5	ADEMETIONINE	0.9	1.1
9	11	BISOPROLOL	0.8	0.8
10	14	FISH	0.8	0.8
Total			11.2	11.1

In contrast to the previous top 10 rankings, the top ten ATC groups changed its leader (table 4). ATC group M01 Anti-inflammatory and antirheumatic products (+17%) moved up to rank one, whereas the last year leader J01 Antibacterials for systemic use (-0.1%) moved down to rank 2. The other three ATC groups of the top 10 succeeded in rising in the ranks. G03 Sex hormones (+18%), A05 Bile and liver therapy (+17%) and C09 Agents acting on the rennin-angiotensin system (+15%) moved up to ranks three, four and eight. At the same time, three ATC groups A11 Vitamins (+5%), J05 Antivirals for systemic use (+3%) and N02 Analgesics (-3%) moved down to the lower positions five, six and ten, respectively. R05 Cough and cold preparations (-6%) and N06 Psychoanaleptics (+2%) held their previous positions seven and nine in the top 10. The cumulative share of the top10 reduced from 39% to 38.4%.

Table 4. The top ten ATC Groups by pharmacy sales

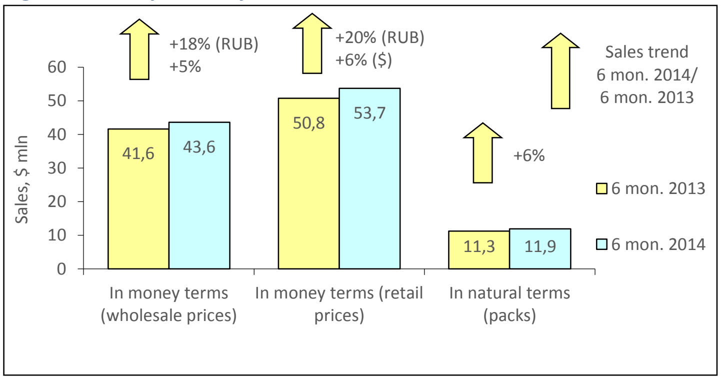
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013			6 mon. 2014	6 mon. 2013
1	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.9	4.5
2	1	J01	ANTIBACTERIALS FOR SYST USE	4.5	4.9
3	5	G03	SEX HORM&MODULAT GENITAL SYS	4.3	4.0
4	6	A05	BILE AND LIVER THERAPY	4.2	3.9
5	3	A11	VITAMINS	3.9	4.1
6	4	J05	ANTIVIRALS FOR SYSTEMIC USE	3.8	4.1
7	7	R05	COUGH AND COLD PREPARATIONS	3.3	3.9
8	10	C09	AG ACT RENIN-ANGIOTENS SYST	3.3	3.1
9	9	N06	PSYCHOANALEPTICS	3.1	3.3
10	8	N02	ANALGESICS	3.0	3.4
Total				38.4	39.0

Conclusion. On the basis of the results for the first half of 2014, the retail pharmacy market of Ufa brought in RUB 2.761mln (USD 78.923 mln). At the same time, the market showed the positive growth rates in terms of roubles (+10%) and negative growth rates (-3%) in terms of dollars. In natural terms, the sales decreased by 7% to 17.065 mln packs. The average cost of an OTC pack in the Ufa pharmacies increased as compared to the previous year (USD 4.62 vs. USD 4.46), and was higher than the average indicator in Russia (USD 4.15). Per capita expenses for purchase of medications in pharmacies amounted to USD 71.32 which was higher than on the average in the country (USD 60.80).

PERM PHARMACY MARKET: 2014 FIRST 6 MONTHS RESULTS

According to the Federal State Statistics Service, as of January 1, 2014 the population of Perm was estimated as 1.03 mln, which accounted for 0.7% of the total Russian Federation population and 3.5% of Povolzhskiy FO (PFO). According to the Federal State Statistics Service's data, in the first half of 2014 the average wages in the Perm Krai was RUB 26,231 (USD 749.89), which was 17% lower than the average wages in Russia (RUB 31,509). According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first six months of 2014 the sales of OTC drugs in natural terms in Perm saw a 6% increase to 11.928 mln packs. In money terms, the market also showed the positive growth rates: 18% in rouble terms and 5% in dollar terms and reached RUB 1.525 bln (USD 43.606 mln) in wholesale prices (Fig. 1). The regional market's share accounted for 0.6% of the Russian pharmacy market. The average cost of an OTC pack didn't virtually change as compared to a year earlier period (USD 4.51 versus USD 4.50) at retail prices. For 6 months of 2014, the average amount spent by the residents of the city for medications amounted to USD 52.36.

Figure 1. Perm pharmacy market for 6 months of 2013 – 6 months of 2014



At the end of the first half of 2014, SANOFI-AVENTIS (+21%) and BAYER (+15%) held their leading positions in the top ten drug manufacturers in the Perm market (Table 1). No more manufacturers of the top ten managed to hold their own in the ranking. On top of that, four of them rose in the ranks, and four fell in the ranks. The drug manufacturers NYCOMED/TAKEDA (+27%) and SERVIER (+21%) moved up one rank to numbers three and four. The manufacturers TEVA (+40%) and MENARINI (+15%) moved up two ranks, to numbers six and eight, respectively. Four manufacturers with lagging rates SANDOZ (+15%), ABBOTT (+14%), OTCPHARM (+4%) and NOVARTIS (+2%) moved down to the lower ranks five, seven, nine and ten, respectively. The cumulative share of the top ten drug manufacturers reduced from 35% to 34.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	**SANOFI-AVENTIS**	5.1	5.0
2	2	**BAYER HEALTHCARE**	4.0	4.1
3	4	**NYCOMED/TAKEDA**	3.8	3.6
4	5	**SERVIER**	3.6	3.5
5	3	**SANDOZ GROUP**	3.6	3.7
6	8	**TEVA**	3.5	3.0
7	6	**ABBOTT**	3.2	3.3
8	10	**MENARINI**	2.8	2.9
9	7	OTCPHARM	2.7	3.1
10	9	**NOVARTIS**	2.5	2.9
Total			34.8	35.0

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brand names ranking: EXODERIL (+48%) and CAPSICUM EXTRACT (+98%) moved up to ranks eight and ten, respectively. The markets of the other six brand names also developed at a fast pace. ACTOVEGIN (+31%) and INGAVIRIN (+85%) held their leading positions, KAGOCEL (+40%) and ALFLUTOP (+40%) moved up three ranks, coming in at ranks 4 and 7. Growth rates of the other top ten brand names lagged behind the average market rates, and ARBIDOL (-8%) showed negative rates. It resulted in the loss of ranking positions - the brand names ASEPTOLIN (+12%) and CARDIOMAGNIL (+2%) moved down to ranks six and nine, ARBIDOL - to rank five. Only ESSENTIALE N (+13%) held its previous rank three. The total share of the top 10 trade names increased from 6.8% to 7.4%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	2	ACTOVEGIN	1.0	0.9
2	8	INGAVIRIN	0.9	0.6
3	3	ESSENTIALE N	0.8	0.9
4	7	KAGOCEL	0.8	0.7
5	1	ARBIDOL	0.7	0.9
6	4	ASEPTOLIN	0.7	0.7
7	10	ALFLUTOP	0.7	0.5
8	13	EXODERIL	0.6	0.5
9	5	CARDIOMAGNIL	0.6	0.7
10	47	CAPSICUM EXTRACT	0.5	0.3
Total			7.4	6.8

Due to outperformance, XYLOMETAZOLINE (+27%) held and reinforced rank number one in the top ten INNs and group names ranking (Table 3). INN BLOOD (+31%) and NIMESULIDE (+25%) moved up to ranks two and three, displacing the less dynamic PHOSPHOLIPIDS (+12%) and PANCREATIN (+13%) down to ranks four and five. The newcomers IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+85%) and KAGOCEL (+40%), and the composition DIOSMIN + HESPERIDIN (+29%) broke into the ranks of the top ten INNs and group names ranking for the first time, coming in at numbers six, seven and ten. At the same time, the composition AMOXICILLIN + CLAVULANIC ACID (+4%), which showed low growth rates, and UMIFENOVIR (-8%), which cut its sales, moved down to the lower positions eight and nine, respectively. The total share of the top ten INNs and group names increased by 0.3 p.p. and accounted for 8.9%.

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

Rank		INN/Group Name	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013		6 mon. 2014	6 mon. 2013
1	1	XYLOMETAZOLINE	1.2	1.1
2	3	BLOOD	1.1	1.0
3	6	NIMESULIDE	1.0	0.9
4	2	PHOSPHOLIPIDS	0.9	1.0
5	4	PANCREATIN	0.9	0.9
6	29	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.9	0.6
7	14	KAGOCEL	0.8	0.7
8	7	AMOXICILLIN + CLAVULANIC ACID	0.7	0.8
9	5	UMIFENOVIR	0.7	0.9
10	20	DIOSMIN + HESPERIDIN	0.7	0.7
Total			8.9	8.6

One newcomer G03 Sex hormones (+19%) entered the top ten ATC groups, coming in at number eight from 11 (Table 4). Apart from the newcomers, another three ATC groups of the top ten managed to rise in the ranks. J05 Antivirals for systemic use (+26%) moved up to rank two, N06 Psychoanaleptics (+28%) and R01 Nasal preparations (+19%) moved up to ranks six and seven. The markets of the other two ATC groups developed at a fast pace. The top ten leader, ATC group M01 Anti-inflammatory and antirheumatic products increased its sales 22%, and C09 Agents acting on the rennin-angiotensin system, which held its rank three, saw a 19% increase. ATC-group J01 Antibacterials for systemic use (+10%) managed to hold its previous rank five. Three ATC groups from the top 10 moved down to the lower ranks. Among them were A11 Vitamins (+12%), L03 Immunostimulants (+3%) and R05 Cough and cold preparations (+2%) which moved down to ranks four and two bottom lines, respectively. The consolidated share of the top 10 reduced from 37.9% to 37.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2014	6 mon. 2013			6 mon. 2014	6 mon. 2013
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.8	4.7
2	4	J05	ANTIVIRALS FOR SYSTEMIC USE	4.4	4.1
3	3	C09	AG ACT RENIN-ANGIOTENS SYST	4.2	4.2
4	2	A11	VITAMINS	4.0	4.3
5	5	J01	ANTIBACTERIALS FOR SYST USE	3.8	4.1
6	9	N06	PSYCHOANALEPTICS	3.5	3.3
7	8	R01	NASAL PREPARATIONS	3.3	3.3
8	11	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.1
9	7	L03	IMMUNOSTIMULANTS	3.0	3.5
10	6	R05	COUGH AND COLD PREPARATIONS	3.0	3.5
Total				37.2	37.9

Conclusion. On the basis of the results for the first half of 2014, the pharmacy market of Perm brought in RUB 1.880 bln (USD 53.744 mln) in retail prices. The sales increased 20% in terms of roubles and 6% in terms of dollars. In pack terms, the market also showed positive growth rates (+6%) and achieved 11.928 mln packs. According to the results for the first six months of 2014, the average cost of an OTC pack in the Perm pharmacies was USD 4.51, which was virtually the same as in the year-earlier period (USD 4.50), but higher than the average figures in the country (USD 4.15). The average expenses of the city residents for medications in the pharmacies were considerably lower than the national average (USD 52.36 versus USD 60.80).

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

September 08, 2014, Meditsinski Vestnik

Government approved a plan for implementing the Health Development Program

The RF Government approved a plan for implementing the Health Development Program for 2014 and plan years 2015 and 2016. The respective Decree of the Government of the Russian Federation №1727-p of September 4, 2014 was signed by Prime Minister Dmitry Medvedev. The plan contains a list of milestones which are the most significant for the implementation of the program, deadlines for achievement of such milestones, as well as data on the responsibility of the federal bodies of executive power. In particular, the document stated that the Ministry of Health shall, before June 1, 2015. prepare a list of medicines to be procured in accordance with their trade names. The draft list of vital and essential drugs shall be prepared by December 30, 2014, 2015 and 2016. The marketing authorisation procedure for medicines to treat orphan diseases should be developed by September 30, 2015. The government regulation of drug pricing must be provided by September 30, 2015.

September 12, 2014, RIA News

Ministry of Health is preparing a set of measures to stimulate Russian drug-makers

Sergei Kraevoi, Deputy Minister of Healthcare of the Russian Federation, says that "the authorities of the Russian Federation are preparing a set of measures to stimulate domestic drug manufacturers, the Ministry of Health together with the manufacturers carry out intensive efforts to bring new drugs to the market and substitute imported drugs". According to him, this isn't about imposing full embargo on drug imports to Russia. Now the government is preparing a normative document, which doesn't aim at limiting access to the market of manufacturers other than Russian, but strives to draft arrangements that will stimulate the development of the domestic pharmaceutical industry. He noted that the government has set a target to bring the share of domestic products on the market to 90% by 2018.

September 15, 2014, Doctorpiter.ru

FAS proposed to restore the centralized procurement of drugs for patients with HIV and hepatitis B and C

In the recently published Proposals for the Development of Competition in the Pharmaceutical Markets in 2015-2016 the Federal Anti-monopoly Service explains why the government needs to re-centralize the procurement of drugs for the prevention, detection, monitoring and treatment of the Russians infected with human immunodeficiency virus and hepatitis B and C. FAS believes that the decentralization of procurement of expensive drugs used to treat patients under the government programs leads to increased government expenditures and reduced availability of medicines in the public sector. Assessment of the impact of procurement of antiretroviral drugs to treat HIV showed that 20% of auctions in 2013 were not held, of which 6% failed due to the lack of applications, and also revealed a significant increase in prices and government expenditures for the purchase of these drugs.

September 16, 2014, RIA News

Head of the Accounting Chamber proposed to restructure the pharmaceutical industry development program

Golikova, Head of the Accounting Chamber, believes that it is necessary to adjust the concept of socio-economic development until 2020, the key activities of the government until 2018, and other program documents, as some of parameters in them are already outdated. According to her, the main focus needs to be set on the priorities that are important for us within the development of the economic situation, including those triggered by the sectoral sanctions. And such programs for the development of agriculture, manufacturing industry, pharmaceutical and medical technology industries, innovative economy, fishery industry - all these programs should be restructured and reconfigured according to the going economic situation and challenges.

September 17, 2014, RIA News

According to Rosstat, the reduction in production of pharmaceuticals accounted for 5.6% for 8 months

In January-August, the production of pharmaceutical products in Russia dropped by 5.6% compared to the same period in a previous year, Rosstat reported. In August, a year-on-year production rate fell by 14.8%, and a month-on-month rate - by 4.5%. Among other factors, in August the antibiotics production in terms of packs fell by 9.4% in the annual quantities and amounted to 7.6 mln packs, and in terms of vials grew by 21.8% to 32.4 mln pcs. Release of drugs for the treatment of cardiovascular diseases in terms of packs reduced by 40.5% to 24.9 mln packs, release of similar drugs in ampoules increased by 67.2%, to 11.8 mln pcs. In August, production of drugs for the treatment of cancer grew in terms of packs by 3.5% to 0.9 mln packages, in terms of vials by 16% to 29 th pcs.

September 19, 2014, Moscovskiy Komsomolets

Government to increase HTMC funding by more than RUB 30 bln in 2015

According to V. Skvortsova, Health Minister, in the first half of 2014 the number of patients who received high tech medical care (HTMC) increased by 31,000 patients as compared to the same period in the previous year. As of today, 80 th. patients received high tech medical care at the expense of the compulsory medical insurance. In 2015, the HTMC funding will be increased. Skvortsova said that "this year the government has allocated RUB 50 bln, and the funding agreed with the Ministry of Finance for the next year amounted to RUB 82 bln". In an interview, the Minister of Health referred in detail on the subject of cancer care for patients.

September 25, 2014, RBC

Russian Popular Front proposed to move Roszdravnadzor out of the jurisdiction of the Ministry of Health and make it directly accountable to the Government

Eduard Gavrilov, a member of the Central Headquarters of the Russian Popular Front (ONF), believes that the Federal Service for the Supervision of Public Health and Social Development (Roszdravnadzor) with responsibility for supervising the public health care can not effectively carry out activities due to its subordination to the Ministry of Health. The survey of the Fund for Independent Monitoring of Health Services and the Protection of Human Health showed that the deadlines for the delivery and putting into service of new medical equipment had been missed. The putting into service of medical equipment was scheduled to be completed in July 2013, but hospitals have only been retrofitted in 10 regions of Russia. According to Gavrilov, this happens largely because of the fact that Roszdravnadzor, which should monitor the delivery and use of expensive medical equipment, turned a blind eye on what is going on.

NEWS FROM COMPANIES

September 2, 2014, PRIME

Government Commission approved the purchase of Russian drug manufacturer Veropharm by Abbott for USD 650 mln

Government Commission for Control over Foreign Investments in the Russian Federation approved the purchase of Russia-based Veropharm by American Abbott. This was reported by Igor Artemyev, Chairman of the FAS, the executive secretary of the Commission. According to him, the amount of the transaction is USD 650 mln /the value of Veropharm and its subsidiaries/, and another USD 250 mln will be allocated for the construction of new manufacturing sites and enhancement of production localization.

September 22, 2014, GMPnews.ru

Beijing-based biotech company and Russia's Rusnano to set up a vaccine production in the Amur region

The memorandum of partnership between Russia and China was signed in Blagoveshchensk. According to one of the projects, Health Guard, a Beijing-based biotech company, and Russia's Rusnano will launch a joint venture. Total investment will amount to USD 50 mln, the pharmaceutical plant capacity will reach 20 mln doses per year. Technology and qualified staff will be provided by the Chinese party, and the implementation of the project will be conducted by the Russian party. The future production site will be built in Predmostovaya, a regional special economic zone.

September 30, 2014, Vedomosti

National Immunobiological Company and Genfa Distributor to launch a joint venture

National Immunobiological Company (NIC), a subsidiary of Rostec state corporation, and Genfa Distributor signed an agreement to establish a joint venture. The joint venture will be registered as a separate company, where Genfa and NIC will hold 50% shares each. The name and management procedure of the company will be determined by the end of the year. According to the agreement, Genfa will contribute its entire business to the joint venture, and Rostec will finance the construction of the plant. Genfa's spokesman evaluates investments into the construction of the phase I plant with a capacity of 1 mln packs per year at approximately USD 100 mln. The location of the plant will be determined by the end of the year. The joint venture products will substitute expensive foreign drugs which will improve access to medicines, the Rostec report said.

Source of information – IMS Health
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