СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

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AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

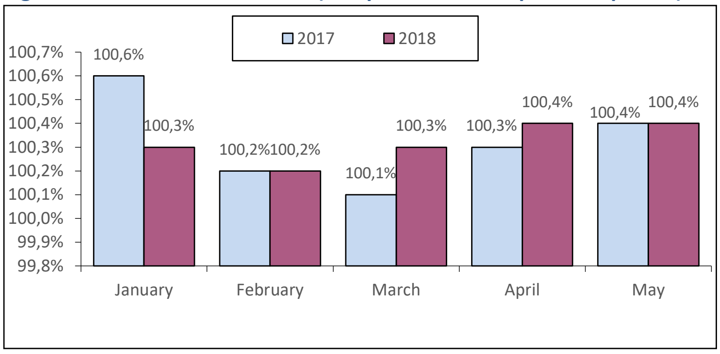
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 100.4% in May 2018, compared to the previous month, 101.6% as against December 2017.

In April this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 103.9%, whereas in the month-earlier period it had amounted to 101.2%. The index accounted for 105.5% against December of the 2017.

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



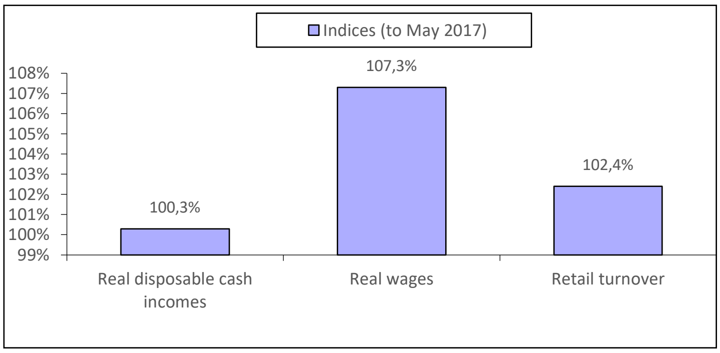
Living standard

According to preliminary Federal State Statistics Service's data, at the end of May 2018 a gross monthly average wage per worker reached RUB 43,815 (USD 704.31) which accounted for 101% compared to the previous month and 109.9% compared to May 2017. The real wage in May 2018 accounted for 107.3% as compared with May 2017. In May of 2018, the real value of disposable cash incomes accounted for 104.1% as compared with May of 2017 *(without taking into account a lump sum payment to pensioners in January 2017 in the amount of RUB 5 th.),* accounted for 100.3% as compared with the same period of 2017, and 90.7% compared with the previous period (Fig. 2).

Retail turnover

In May 2018, the retail turnover was equal to RUB 2507.0 bil. or 102.4% (in comparable prices) against the level of the corresponding period of the previous year, in January-May 2018 - RUB 12025.1 bil. or 102.4% (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in May 2018



Industrial Production

According to Federal State Statistics Service's data, in April 2018 Industrial Production Index accounted for 103.7% compared to the same period of the previous year, and 103.2% in January-May 2018.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in May 2018 accounted for 112.2% compared to the relevant period of the previous year, and - 120% vs April 2018, 109.6% in January-May 2018.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers by sales in all segments of the market based on the results for May 2018.

Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales volume in May 2018

Rank	Manufacturer	RUB mil.
1	Otcpharm	1779.9
2	Generium	1507.9
3	Pharmstandart	1279.8
4	Pharmasyntez	1194.5
5	Biocad	1107.7
6	Stada	1011.1
7	Nativa	805.0
8	Veropharm	784.8
9	Akrikhin Pharma	783.0
10	Valenta	747.2

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In April 2018 compared to the previous month, sales (in terms of roubles) reduced almost in all regions. The most accentuated reduction was observed in Krasnodar Krai (-21%), the least one in Perm (-1%). The sales increased only in Tyumen by 7%.

Table 2. Pharmacy sales in the regions, 2018

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	February 2018	March 2018	April 2018	February/January 18	March / February 18	April/March 18
Moscow	154.1	211.0	194.8	2%	37%	-2%
St. Petersburg	53.9	75.4	57.8	32%	40%	-19%
Krasnodar Krai	33.0	39.1	29.2	6%	19%	-21%
Krasnoyarsk Krai	28.9	33.1	29.3	9%	15%	-6%
Tatarstan	21.7	27.6	21.6	3%	28%	-17%
Rostov Region	23.7	26.0	23.0	-0.2%	10%	-6%
Novosibirsk Region	24.3	26.5	21.8	15%	9%	-13%
Voronezh Region	15.1	17.8	14.3	3%	19%	-15%
Perm	9.1	9.3	8.6	2%	3%	-1%
Tyumen	6.8	6.8	6.9	13%	1%	7%

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 May 2018

Rank	Company*	Quantity of broadcasts
1	Otcpharm	12,936
2	Sandoz	10,797
3	Berlin-Chemie/Menarini	8,913
4	GSK Consumer Healthcare	7,998
5	Sanofi Aventis	7,235

Source - Remedium according to Mediascope's data

Table 4. Top five brand names in mass media in May 2018

Rank	Brand*	Quantity of broadcasts
1	Exoderil	5,141
2	Linex	3,146
3	Acipol	2,912
4	Ekzorolfinlac	2,505
5	Fenistil	2,504

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2018 FIRST THREE MONTHS RESULTS

According to DLO in RF™, the drugs supplies under the Federal Program amounted to RUB 14.614 bil. on the basis of the results for January-March 2018, (USD 256.856 mil.) in contract prices[1]. The sector volume decreased by 53% in terms of roubles and 51% - in terms of dollars as compared to 2017. Scope of supplies in pack terms reduced by 19% to 18.129 mil. packs. The average cost of a FPP pack through the DLO program was USD 14.17 in contractual prices (a year ago it was USD 23.53).

The Russian BIOCAD (-55%[2]) managed to take a lead in the top ten manufacturers ranking in DLO segment based on the results for the first quarter of 2018, despite the strong negative growth rates (Table 1). Note that the other manufacturers of the top ten also reduced their purchases in the analysed period. However, despite this, five of them rose in the ranks. SANOFI (-25%) and NOVO NORDISK (-20%) moved up to ranks two and three from six and seven, and JOHNSON & JOHNSON (-44%) moved up one rank, coming in at number 7. The newcomers NOVARTIS (-2%) and ASTRAZENECA (-31%) broke into the ranks of the top ten, coming in at numbers five and six. The former leaders CELGENE (-88%) and NATIVA (-69%) moved down to ranks four and eight respectively. SHIRE (-73%) moved down four ranks, coming in at rank nine. As before, ROCHE (-66%) held its previous rank ten. The total share of the top 10 drug manufacturers under DLO Program reduced from 56.7% to 49.9%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	3	BIOCAD RF	8.0	8.4
2	6	**SANOFI**	7.4	4.6
3	7	**NOVO NORDISK**	6.4	3.7
4	2	NATIVA	6.3	9.5
5	12	**NOVARTIS**	4.7	2.2
6	11	**ASTRAZENECA**	4.6	3.1
7	8	**JOHNSON & JOHNSON**	4.1	3.4
8	1	**CELGENE**	3.5	13.9
9	5	**SHIRE**	2.7	4.7
10	10	**ROCHE**	2.4	3.2
Total			49.9	56.7

*AIPM members are in bold

Just as in the previous ranking, the most brands of the top ten ranking reduced their purchase volumes (Table 2). Among them is ACELLBIA (-57%) which moved up to rank one from two. Despite the negative growth rates, another four brands of the ranking moved up to the higher ranks. They were the newcomers NOVORAPID (-9%), LEVEMIR (-20%) and HERTICAD (-29%) as well as LANTUS SOLOSTAR (-33%) which moved up two ranks. Due to strong negative growth rates, the brands REVLIMIDE (-90%) and ADVATE (-66%) moved down to ranks three and nine, respectively. Three brands increased their purchase volumes. TOUJEO SOLOSTAR (+21%) moved up to rank two and the newcomers of the top ten 10 HUMIRA (+11%) and IMBRUVICA moved up to ranks four and eight respectively. The total share of the top ten brands reduced by almost 3 p.p. and accounted for 25%

Table 2. The top 10 Brands in DLO segment

Rank in the top ten		Brand	Share in total DLO volume, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	2	ACELLBIA	5.4	5.9
2	10	TOUJEO SOLOSTAR	3.1	1.2
3	1	REVLIMIDE	2.9	13.8
4	14	HUMIRA	2.3	1.0
5	12	NOVORAPID	2.2	1.1
6	8	LANTUS SOLOSTAR	2.1	1.4
7	11	LEVEMIR	2.0	1.2
8	N/A	IMBRUVICA	1.8	N/A
9	5	ADVATE	1.6	2.2
10	13	HERTICAD	1.6	1.0
Total			25.0	28.7

Following the respective brand, RITUXIMAB (-56%) moved up to the leading rank in the top ten INNs and group names ranking (Table 3). INSULIN GLARGINE (-9%) moved up to rank two from seven, and the last year leader LENALIDOMIDE (-90%) moved down to rank three. The newcomers moved up to the lower part of the ranking: the composition BUDESONIDE*FORMOTEROL (-22%), and INN ADALIMUMAB (+11%), INSULIN ASPART (-9%), INSULIN DETEMIR (-20%), OCTREOTIDE (-29%), INSULIN HUMAN ISOPHANE (-13%) and EPOETIN ALFA (-4%). In total, 10 INNs and group names accounted for 28.7%, and in the year-earlier period 30.6%.

Table 3. The top ten INN and group names in DLO segment

Rank in the top ten		INNs/Grouping Names	Share in total DLO volume, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	2	RITUXIMAB	5.9	6.3
2	7	INSULIN GLARGINE	5.2	2.6
3	1	LENALIDOMIDE	2.9	13.8
4	11	BUDESONIDE*FORMOTEROL	2.4	1.4
5	18	ADALIMUMAB	2.3	1.0
6	15	INSULIN ASPART	2.2	1.1
7	14	INSULIN DETEMIR	2.0	1.2
8	12	OCTREOTIDE	2.0	1.3
9	17	INSULIN HUMAN ISOPHANE	1.9	1.0
10	20	EPOETIN ALFA	1.9	0.9
Total			28.7	30.6

Only one newcomer entered the top ten ATC Group ranking in the DLO segment: N05 Psycholeptics (-20%) moved up to rank ten from 12 (table 4). In contrast to the previous rankings, its leader also held its own in the ranking - despite the negative growth rates, the group L01 Antineoplastic agents (-49%) held its previous rank number one. The other members of the ranking also reduced their purchase volumes, though five of them rose in the ranks. The group A10 Drugs used in diabetes (-13%) moved up to rank 2 from 5, displacing L04 L04] Immunosuppressants (-71%) and B02 Antihemorrhagics (-79%) down one rank. The group R03 Drugs for obstructive airway diseases (-28%), L02 Endocrine therapy (-40%), B03 Antianemic preparations (-26%) and H01 Hypothalamic-Pituitary Hormones and their analogues (-27%) moved up one rank, coming in at numbers 5 through 7 and nine, respectively. Group L03 Immunostimulants (-84%) moved down from rank 4 to eight. The total share of the top ten accounted for 80%, which was 5.6 p.p. much less than the indicator of the last year.

Table 4. The top ten ATC groups in DLO segment

Rank		ATC code	ATC group	Share in total DLO volume, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	1	L01	ANTINEOPLASTIC AGENTS	22.0	20.2
2	5	A10	DRUGS USED IN DIABETES	18.4	9.9
3	2	L04	IMMUNOSUPPRESSANTS	12.3	19.9
4	3	B02	ANTIHEMORRHAGICS	6.5	14.1
5	6	R03	DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES	5.6	3.6
6	7	L02	ENDOCRINE THERAPY	3.7	2.9
7	8	B03	ANTIANEMIC PREPARATIONS	3.5	2.2
8	4	L03	IMMUNOSTIMULANTS	3.4	10.0
9	10	H01	PITUITARY, HYPOTHALAMIC HORMONES AND ANALOGUES	2.7	1.7
10	12	N05	PSYCHOLEPTICS	2.0	1.2
Total				80.0	85.6

Data on supplies to the top ten regions of Russia under State Reimbursement Program (DLO) are shown in Table 5. The highest supplies were observed in Moscow with one third-market share. Despite the negative rouble growth rates, Moscow region (9.7%) and Tatarstan (8.8%) maintained and reinforced their ranks two and three. Note that most regions showed reduction in purchases under the program, except for St. Petersburg (+8%) and Krasnodar Krai (+37%). The top ten regions accumulated 95.6% of the DLO market.

Table 5. The top ten regions by sales in DLO segment

Rank		Region	Share in total DLO volume, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	Moscow	33.5	12.8
2	2	Moscow Region	9.7	6.9
3	3	Tatarstan Republic	8.8	5.3
4	12	Saint Petersburg	7.6	3.3
5	20	Krasnodar Krai	7.2	2.5
6	11	Krasnoyarsk Region	6.6	3.6
7	6	Kemerovo Region	6.3	3.8
8	10	Tyumen Region	5.5	3.6
9	9	Bashkortostan Republic	5.4	3.6
10	4	Sverdlovsk Region	4.8	5.3
Total			95.6	50.5

Conclusion. On the basis of the results for the first quarter 2018, the DLO segment of Russia brought in RUB 14.614 bil. (USD 256.856 mil.) in contract prices which is by 53% in terms of roubles and by 51% in terms of dollars less than in 2017. In physical terms, the supplies decreased by 19% to 18.129 mil. packs. The average cost of FPP included in the DLO Programme decreased as compared to the past year (USD 14.17 vs USD 23.53).

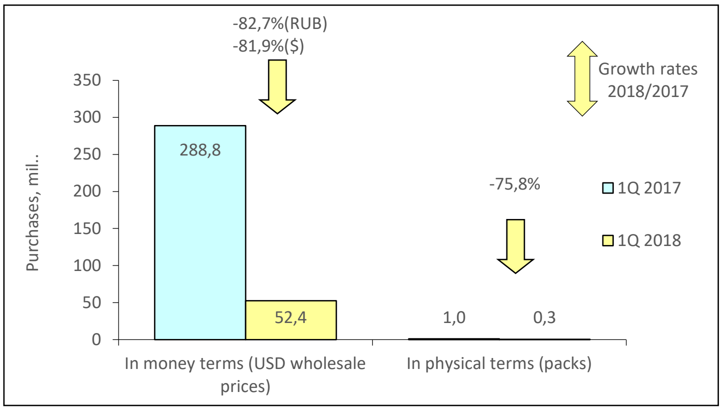
[1] From 2008 until now, data on DLO have been provided as shipments in contractual prices, which are prices at which the government will reimburse moneys to the distributor.

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

COST DEMANDING NOSOLOGIES (VZN) PROGRAM, Q 1, 2017

Based on the results for the first quarters of 2018, the purchases under VZN Program in physical terms (packs) reduced by 75.8% as compared with the same period of the previous year (Fig. 1). In terms of national currency, the purchases decreased by 82.7%, in terms of dollars by 81.9%. The purchase volume amounted to RUB 288.8 mil. or USD 52.4 mil.

Figure 1. Supplies trend under the DLO Program in Q 1, 2018 against Q - 1, 2017



The drugs used in treatment of cystic fibrosis (-89%) and Gaucher disease (-84%), and multiple sclerosis (-84%) showed the highest decline rates in purchases in terms of roubles as compared to the same period of the previous year. The sales of these groups in terms of packs also decreased proportionally to the value parameters. At the same time, the sales profile of VZN segment in terms of shares did not show any significant changes (Table 1).

The oncohematological drugs showed relatively low reduction in purchases in terms of packs (-61%), but in value terms saw a 83% decrease. The group held its leading position, however its share in the VZN segment pattern reduced by 1.6 p.p. to 47.4% (Table 1).

The pituitary dwarfism (-22%) and transplantology (-73%) segments showed the highest negative growth rates in terms of value. In terms of packs, both segments demonstrated reduction in purchases by 59% and 65%.

The purchases of drugs for the treatment of haemophilia decreased by 81% in value terms with a virtually proportional decrease in natural volumes (-79%).

The growth of weighted average price (WAP) or their stable level was typical for the segments of treatment of pituitary nanism (+ 91%), multiple sclerosis (+ 0.8%) and Gaucher disease (+ 0%). The remaining groups showed negative growth rates with strong tendencies for oncohematological preparations (-57%).

Table 1. Supplies pattern under the VZN Program

Nosologies	INN	Share in total VZN supplies (RUB), %	
		1Q 2018	1Q 2017
Oncohematology		47.4	49.0
	RITUXIMAB	27.3	10.7
	LENALIDOMIDE	14.4	25.1
	BORTEZOMIB	4.6	8.4
	IMATINIB	1.1	4.4
	FLUDARABINE	0.1	0.4
Haemophilia		25.8	24.2
	OCTOCOG ALFA	7.9	4.0
	FACTOR VIII	6.7	6.9
	FACTOR VON WILLEBRAND*FACTOR VIII	3.4	2.1
	EPTACOG ALFA (ACTIVATED)	3.0	4.2
	FACTOR IX	2.2	2.1
	FACTOR VIII INHIBITOR BYPASSING FRACTION	2.0	2.0
	MOROCTOCOG ALFA	0.7	2.9
Sclerosis Multiplex		17.4	18.8
	INTERFERON BETA-1A	7.3	7.9
	INTERFERON BETA-1B	4.0	3.1
	GLATIRAMER ACETATE	3.6	6.5
	NATALIZUMAB	2.6	1.3
Transplantology		4.9	3.2
	MYCOPHENOLIC ACID	2.6	1.2
	TACROLIMUS	1.7	1.6
	MYCOPHENOLATE MOFETIL	0.3	0.2
	CICLOSPORIN	0.3	0.3
Mucoviscidosis		1.8	2.8
	DORNASE ALFA	1.8	2.8
Gaucher disease		1.6	1.9
	IMIGLUCERASE	1.4	1.6
	VELAGLUCERASE ALFA	0.1	0.2
Pituitary dwarfism		1.1	0.2
	SOMATROPIN	1.1	0.2

Based on the results for Q I, 2018, the original drug Revlimid (INN Lenalidomide) Celgene and biosimilar Acelbiya (INN Rituximab) Biocad were ranked first and second by purchases in terms of value in the top ten brand names ranking as in the previous year (Table 2). As compared with the same period of the previous year, the drugs saw a sales decrease by 86% and 53% in terms of packs, respectively. In value terms, the sales of Revlimid decreased by 90% and those of Acelbiya reduced by 60%. The WAP per pack decreased by 30% and 14% respectively The Revlimid market is under patent protection, and competitors have not yet succeeded in reaching it. Acelbiya accounted for 66% of all sales of INN Rituximab group in value terms. Advate (INN Octocog Alfa), a localized drug of SHIRE, whose sales decreased by 21% in physical terms and 65% in monetary terms, moved up to rank 3 from 5. Boramilan FS (INN Bortezomib) produced by Nativa held its previous rank four in the ranking, its supplies reduced by 53% in pack terms and by 85% in value terms (WAP reduced by 68%). Boramilan FS accounted for 86% in value terms in the INN group purchases pattern. Another Russian biosimilar, Axoglatiran FS (INN Glatiramer Acetate), Nativa, dropped from rank 3 to 5 in the rating, its sales declined by 85% in physical terms and by 90% in value terms (WAP decreased by 31%). This drug accounted for 93% in the Glatiramer Acetate INN value sales pattern, and the purchases of Copaxone-Teva were reduced to zero.

Table 2. Top ten brand names by purchases under the VZN Program

Rank		Brand	Share in total VZN supplies, %	
1Q 2018	1Q 2017		1Q 2018	1Q 2017
1	2	ACELLBIA	24.8	10.7
2	1	REVLIMIDE	14.4	25.1
3	5	ADVATE	7.9	4.0
4	4	BORAMILAN FS	3.8	4.4
5	3	AKSOGLATIRAN FS	3.5	5.9
6	8	GENFAXON	3.4	3.2
7	18	SINNOVEX	3.2	1.5
8	14	INFIBETA	2.8	2.3
9	22	MYFORTIC	2.6	1.2
10	19	TYSABRI	2.6	1.3
Total			69.0	66.5

Biocad took a lead in the top ten manufacturers ranking, moving up from rank 3, which sales decreased the least (-61%) in comparison with the first quarter of 2017. Celgene (-90%) moved down to rank two, losing the lead (Table 3). Shire (which bought Baxalta, a dedicated division of Baxter Int) (-74%) moved to rank 3 in the rating. Advate (INN Octocog alfa) made a major contribution to the growth in sales. It moved up two ranks, coming in at number 3 in the top ten brand names ranking (Table 2). Nativa moved up from rank two to 4, due to a decrease in sales of Axoglatiran FS (INN Glatiramer Acetate) and Filachromin FS (INN Imatinib). Octapharma, a supplier of blood factors, moved up one rank, coming in at number 6, while retaining its share in total sales (5.9%) (Table 3). The leading drug of this manufacturer Octanate (Factor YIII) (+42%) didn't enter the top ten brands ranking, but moved upt to rank 11. Generium, which total sales decreased by 88% due to the negative dynamics of sales of drugs for the treatment of haemophilia - Coagil-YII (-88%) and Octofactor (-96%), moved down to rank six in the rating.

In total, the drugs of foreign manufacturers prevailed in the top ten brand names ranking (6 from 10). However, the final manufacturing phases of all foreign drugs were localized at the facilities of the domestic manufacturers (Table 2). A total share of the top 10 brand names has grown insignificantly, and the top ten manufacturers has slightly reduced as compared to the same period of the previous year (Table 2 and 3).

Table 3. Top ten manufacturers by purchases under the VZN Program

Rank in the top ten		Manufacturer*	Share in total VZN supplies, %	
1Q 2018	1Q 2017		1Q 2018	1Q 2017
1	3	BIOCAD RF	26.1	11.5
2	1	**CELGENE**	14.4	25.1
3	5	**SHIRE**	12.3	8.2
4	2	NATIVA	8.0	13.2
5	6	OCTAPHARMA	5.9	5.9
6	4	GENERIUM ZAO RF	5.9	8.7
7	8	LABORATORIO TUTEUR	3.6	3.5
8	7	JOHNSON & JOHNSON*	3.3	4.2
9	14	CINNAGEN CO	3.2	1.5
10	15	**NOVARTIS***	2.7	1.2
Total			85.3	86.2

*AIPM members are in bold

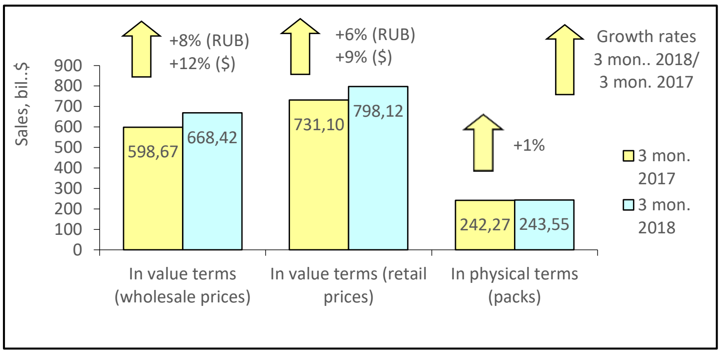
Conclusion. The purchases under the VZN program substantially reduced in the 1st quarter of 2018 in comparison with the same period of the previous year. The share of domestic drugs increased in the purchases profile in value terms, accounting for 42%, the share of localized products (the final manufacturing stages) decreased from 57% to 46%. The share of imported drugs increased from 7% to 12%.

CFD PHARMACY MARKET (WITHOUT MOSCOW): 2018 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Central Federal District (CFD) (without Moscow) was 26.805 mil., which accounted for 18.2% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for January-March 2018 the average wage in CFD (with Moscow) was RUB 51152 (USD 899.45), which was 26% higher than the average wage in Russia (RUB 40691).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first three months of 2018 the sales of drugs in physical terms in the CFD (without Moscow) saw a 1% increase to 243.545 mil. packs. In money terms, the market saw a 8% increase in terms of roubles and 12% in terms of dollars. At the same time, the volume of the market achieved RUB 38.030 mil. (USD 668.424 mil.) at wholesale prices (Fig. 1). The region market share accounted for 20.0% of the Russian pharmacy retail sales. The average cost of a pack increased as compared to the same period of 2017: USD 3.28 vs. USD 3.02 in retail prices. At the end of January-March 2018, an average amount spent by the region residents for FPPs in the pharmacies amounted to USD 20.30.

Figure 1. The CFD (without Moscow) pharmacy market for 3 months of 2017 – 3 months 2018



At the end of the first quarter of 2018, most manufacturers of the top ten manufacturers ranking held their own on the pharmacy market of the Central Federal District (CFD) (without Moscow) (Table 1). The manufacturers BAYER (+10%), SANOFI (+1%), TEVA (+15%), SERVIER (+8%), OTCPHARM (+7%) and BERLIN-CHEMIE/MENARINI (+9%) as before are placed at the upper part of the ranking, and KRKA (+8%) continued to hold its previous rank eight. In contrast, the other three drug makers of the top 10 rose in the ranks. SANDOZ (+10%) moved up to rank seven from nine, and- GLAXOSMITHKLINE (+8%) moved up to rank nine from rank ten. Its only newcomer ABBOTT (+10%) moved up to the bottom rank in the top 10 ranking. The cumulative share of the top 10 manufacturers didn't virtually change and accounted for 34.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	**BAYER**	4.8	4.7
2	2	**SANOFI**	4.3	4.6
3	3	**TEVA**	4.2	4.0
4	4	**SERVIER**	3.6	3.6
5	5	OTCPHARM	3.5	3.6
6	6	**BERLIN-CHEMIE/MENARINI**	3.2	3.1
7	9	**SANDOZ**	2.9	2.9
8	8	**KRKA**	2.9	2.9
9	10	**GLAXOSMITHKLINE**	2.8	2.8
10	12	**ABBOTT**	2.6	2.5
Total			34.8	34.7

*AIPM members are in bold

INGAVIRIN which moved up from rank eight to one due to 44% growth in sales became the bestselling brand in the regional market (table 2). At the same time, the last year leader MEXIDOL (+14%) moved down one rank. The most dynamic among the brand leaders XARELTO (+50%) moved up to rank three from ten, and KAGOCEL (+35%) moved up to rank four from nine. The market of the top ten newcomer PENTALGIN (+12%) also developed at a fast pace. In contrast, five brands with modest and negative growth rates moved down to the lower ranks. They were CONCOR (-1%), ACTOVEGIN (-7%), DETRALEX (+1%), NUROFEN (+10%) and CARDIOMAGNYL (-5%) which moved down to ranks five through nine respectively. The total share of the top 10 brands increased from 7.1% to 7.3%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	8	INGAVIRIN	0.9	0.7
2	1	MEXIDOL	0.8	0.8
3	10	XARELTO	0.8	0.6
4	9	KAGOCEL	0.8	0.6
5	2	CONCOR	0.7	0.8
6	4	ACTOVEGIN	0.7	0.8
7	6	DETRALEX	0.7	0.7
8	3	NUROFEN	0.7	0.8
9	7	CARDIOMAGNYL	0.6	0.7
10	11	PENTALGIN	0.6	0.6
Total			7.3	7.1

Despite the shifts in the previous ranking, the top five INNs held their own in the top-10 INN and grouping names raking (table 3). The INNs XYLOMETAZOLINE (+6%), IBUPROFEN and BISOPROLOL (+2% each), and PANCREATIN (+4%) and NIMESULIDE (+5%) held their previuos five ranks. The composition DIOSMIN*HESPERIDIN (+10%) moved up to rank six from seven, displacing ETHYLMETHYLHYDROXYPYRIDINE (+3%) down one rank. The newcomers IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+44%), RIVAROXABAN (+50%) and ROSUVASTATIN (+22%) broke into the ranks of the top ten, coming in at its lower part. The cumulative share of the top 10 under review increased from 10% to 10.3%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	XYLOMETAZOLINE	1.9	1.9
2	2	IBUPROFEN	1.1	1.1
3	3	BISOPROLOL	1.0	1.1
4	4	PANCREATIN	1.0	1.0
5	5	NIMESULIDE	1.0	1.0
6	7	DIOSMIN*HESPERIDIN	0.9	0.9
7	6	ETHYLMETHYLHYDROXYPYRIDINE	0.9	1.0
8	14	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.9	0.7
9	21	RIVAROXABAN	0.8	0.6
10	12	ROSUVASTATIN	0.8	0.7
Total			10.3	10.0

C09 Agents acting on the renin-angiotensin system (+5%) moved up to rank one in the top ten ATC groups ranking on the regional market (Table 4). The former leader of the top ten M01 Anti-inflammatory and antirheumatic products (-1%) moved down to rank two. In addition to the leader, another three ATC groups managed to rise in the ranks. R05 Cough and cold preparations (+19%) and J05 Antivirals for systemic use (+23%) moved up one rank, coming in at numbers five and six. B01 Antithrombotic agents (+22%) moved up to rank eight from 11, becoming the only newcomer of the top ten. At the same time, the less dynamic groups N02 Analgesics (+4%) and G03 Sex hormones (+9%) moved down to the lower ranks, coming in at numbers seven and nine respectively. R01 Nasal preparations (+6%), J01 Antibacterials for systemic use (+7%) and A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+5%) held their previous ranks three, four and the last rank in the top ten ranking. In total, the top ten ATC groups accumulated 38% of the regional market, whereas in the year-earlier period they accounted for 37.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.8	4.9
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.7	5.1
3	3	R01	NASAL PREPARATIONS	4.1	4.1
4	4	J01	ANTIBACTERIALS FOR SYST USE	3.9	3.9
5	6	R05	COUGH AND COLD PREPARATIONS	3.8	3.4
6	7	J05	ANTIVIRALS FOR SYSTEMIC USE	3.7	3.3
7	5	N02	ANALGESICS	3.7	3.8
8	11	B01	ANTITHROMBOTIC AGENTS	3.3	2.9
9	8	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.2	3.2
10	10	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	2.9	3.0
Total				38.0	37.7

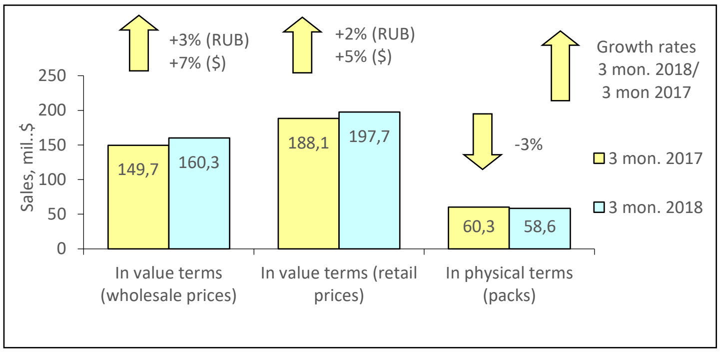
Conclusion. On the basis of the results for the first quarter of 2018, the retail pharmacy market of CFD (without Moscow) brought in RUB 45.409 mil. (USD 798.120 mil.), which was 6% in terms of roubles and 9% in terms of dollars more than in the same period of 2017. In pack terms the market extended by 1% and amounted to 243.545 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results January-March of 2018 was USD 3.28 which was higher than in the year-earlier period (USD 3.02), and less than the national average (USD 3.49). The average expenses of the regional residents for the purchase of OTC drugs in pharmacies were lower than the national average (USD 20.30 vs. USD 27.19).

NWFD (WITHOUT SAINT PETERSBURG) PHARMACY MARKET: 2018 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the North-Western Federal District (NWFD) (without St. Petersburg) was 8.600 mil., which accounted for 5.9% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for January-March 2018 the average wage in NWFD (with St. Petersburg) was RUB 47387 (USD 833.25), which was 16% higher than the average wage in Russia (RUB 40691).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federation™, at the end of the first quarter of 2018 the sales of FPPs in physical terms in pharmacies of NWFD (without St. Petersburg) saw a 3% decrease to 58.591 mil. packs. In money terms, the market saw a 3% increase in terms of roubles and 7% in terms of dollars. At the same time, the volume of the market achieved RUB 9.120 bil. (USD 160.300 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 4.9% of the retail pharmacy sales. The average cost of a pack increased as compared to a year earlier (USD 3.12) and reached USD 3.37 at retail prices. For the first three months 2018, the average amount spent on drugs by residents of the region in the pharmacies amounted to USD 14.17.

Figure 1. The NWFD (without St. Petersburg) pharmacy market for 3 months of 2017 – 3 months 2018



Based on the results for January-March 2018, the manufacturer BAYER (+4%), which displaced SANOFI (-7%) down from that rank, became the leader of the NWFD (without St. Petersburg) pharmacy market (Table 1). In addition to the leader, another four manufacturers rose in the ranks. OTCPHARM (+8%), GEDEON RICHTER (+3%), KRKA (+8%) and GLAXOSMITHKLINE (+5%) moved up one rank, coming in at numbers three, six, nine and ten. At the same time, SERVIER (+5%) and SANDOZ (-1%) moved down one rank, whereas STADA (-9%) lost two ranks and moved down to the last rank. Only TEVA (+4%) held its previous rank five. The cumulative share of the top 10 manufacturers reduced from 38.1% to 37.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	2	**BAYER**	5.0	4.9
2	1	**SANOFI**	4.5	5.0
3	4	OTCPHARM	4.3	4.1
4	3	**SERVIER**	4.2	4.2
5	5	**TEVA**	4.0	4.0
6	7	GEDEON RICHTER	3.7	3.7
7	6	**SANDOZ**	3.6	3.7
8	9	**KRKA**	3.0	2.8
9	10	**GLAXOSMITHKLINE**	2.8	2.7
10	8	STADA	2.6	3.0
Total			37.5	38.1

*AIPM members are in bold

The leader of the top ten brands ranking did not change: though NUROFEN reduced its sales by 13%, it held its previous rank one (Table 2). INGAVIRIN (+16%) and KAGOCEL (+8%) moved up to ranks two and three from five and four. The brands DETRALEX (+8%), THERAFLU (-2%) and the newcomers of the top ten XARELTO (+24%), LORISTA (+10%) and AMOKSIKLAV (+7%) rose in the ranks. At the same time, CONCOR (-10%) and CARDIOMAGNYL (-18%), in contrast, reduced significantly their sales and moved down to ranks four and seven, respectively. The total share of the top 10 brands reduced from 7.4% to 7.2%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	NUROFEN	0.9	1.1
2	5	INGAVIRIN	0.9	0.8
3	4	KAGOCEL	0.9	0.8
4	2	CONCOR	0.8	0.9
5	7	DETRALEX	0.7	0.7
6	15	XARELTO	0.6	0.5
7	6	CARDIOMAGNYL	0.6	0.8
8	13	LORISTA	0.6	0.5
9	10	THERAFLU	0.6	0.6
10	12	AMOKSIKLAV	0.6	0.6
Total			7.2	7.4

The top three INNs of the top-ten INN and Group Names held its own in the ranking (table 3). These INNs were XYLOMETAZOLINE (+7%), IBUPROFEN (-2%) and BISOPROLOL (-8%). Some shifts took place in the lower part of the top ten ranking, as a result of which five brands rose in the ranks. The composition DIOSMIN*HESPERIDIN (+21%), INNs IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+16%) and KAGOCEL (+8%), as well as the newcomers of the top ten AMOXICILLIN*CLAVULANIC ACID (+10%) and LOSARTAN (+11%) moved up to ranks four through six and the last two ranks. At the same time, NIMESULIDE (-1%) and PANCREATIN (-3%) moved down to ranks seven and eight, respectively. The cumulative share of the top10 extended from 10.2% to 10.4%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	XYLOMETAZOLINE	1.8	1.8
2	2	IBUPROFEN	1.3	1.4
3	3	BISOPROLOL	1.1	1.2
4	7	DIOSMIN*HESPERIDIN	1.0	0.9
5	9	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.9	0.8
6	8	KAGOCEL	0.9	0.8
7	6	NIMESULIDE	0.9	0.9
8	4	PANCREATIN	0.9	0.9
9	11	AMOXICILLIN*CLAVULANIC ACID	0.8	0.8
10	14	LOSARTAN	0.8	0.7
Total			10.4	10.2

The Top-10 ATC - groups ranking did not change in composition; however, numerous shifts took place in it (table 4). C09 Agents acting on the renin-angiotensin system (+3%) moved up to rank one from two, displacing M01 Anti-inflammatory and anti-rheumatic agents (-3% down one rank. The same shifts took place in the lower part of the top ten. The more dynamic J05 Antivirals for systemic use (+7%) moved up to rank five, displacing N02 Analgesics (+1%) down to rank six. A11 Vitamins lost two ranks due to reduction in sales, which allowed J01 Antibacterials for systemic use (+5%) and G03 Sex hormones (+9%) to move up one rank. Two groups: R05 Cough and cold preparations (+5%) and R01 Nasal preparations (+4%), held their own in the ranking. In total, the top ten ATC groups accumulated 40.1% of the market, whereas in the year-earlier period they accounted for 40.4%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.1	5.1
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.9	5.2
3	3	R05	COUGH AND COLD PREPARATIONS	4.5	4.4
4	4	R01	NASAL PREPARATIONS	4.1	4.0
5	6	J05	ANTIVIRALS FOR SYSTEMIC USE	3.8	3.7
6	5	N02	ANALGESICS	3.8	3.9
7	8	J01	ANTIBACTERIALS FOR SYST USE	3.7	3.7
8	9	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.7	3.5
9	7	A11	VITAMINS	3.4	3.7
10	10	A07	ANTIDIARR.,INTEST. ANTIINFL./ANTIINFECT. AGENTS	3.0	3.1
Total				40.1	40.4

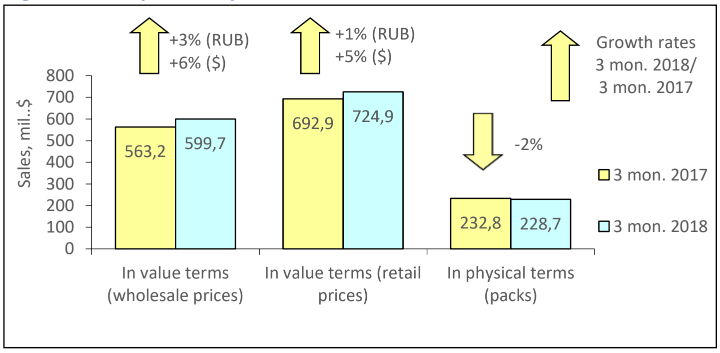
Conclusion. On the basis of the results for three months of 2018, the pharmacy market of the NWFD (without St Petersburg) brought in RUB 11.247 bil. (USD 197.677 mil.), which was 2% in terms of roubles and 5% in terms of dollars more than in the same period of 2017. In pack terms, the market reduced by 3% and amounted to 58.591 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results for the first quarter of 2018 was USD 3.37 which was more than in the year-earlier period (USD 3.12) and lower than the national average (USD 3.49). The average medicine expenses of the district residents in the pharmacies were less than the national average expenses in Russia (USD 14.17 vs. USD 27.19).

VFD PHARMACY MARKET: 2018 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Volga Federal District (VFD) was 29.543 mil., which accounted for 20.1% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-March 2018, the average salary in the PFD was RUB 29611 (USD 520.68), which was 27% lower than the national average wage (RUB 40691).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first nine months of 2018 the pharmacy market of VFD in pack terms expanded by 2% to 228.672 million packs (Fig. 1) In wholesale prices, the market performance showed sales growth in terms of roubles (+3%) and in terms of dollars (+6%) and reached RUB 34.119 bil. (USD 559.670 mil.), A region's share in the total pharmacy sales in Russia accounted for 18.2%. At the end of the first quarter of 2018, the average cost of a finished pharma product (FPP) in the VFD pharmacies amounted to USD 3.17 vs. USD 2.98 in the year earlier period. At the end of January - March of 2018, the average per capita expenses for purchase of drugs in the pharmacies were estimated at USD 24.54.

Figure 1. VFD pharmacy market for 3 months of 2017 – 3 months 2018



Following the results for January-March 2018, despite 9% reduction in sales and market share, the manufacturer SANOFI continued to hold the lead on the Volga Federal District retail market (Table 1). In addition, another five manufacturers held their own on the market. TEVA (+5%), SANDOZ and SERVIER (+2% each) as before held their previous ranks four through six, and BERLIN-CHEMIE/MENARINI (-2%) and NYCOMED/TAKEDA (+3%) continued to round out the top ten ranking. Three drug manufacturers of the top ten rose in the ranks. BAYER (+3%) and ABBOTT (+4%) moved up one rank to numbers two and seven. The more dynamic KRKA (+14%) moved up from rank 12 to eight. Only OTCPHARM, which reduced its sales by 2%, lost one rank, moving down to rank three. In total, the top ten manufacturers accumulated 31.7% of the market against 32.3% in the year-earlier period.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	**SANOFI**	4.1	4.7
2	3	**BAYER**	4.0	4.0
3	2	OTCPHARM	3.9	4.1
4	4	**TEVA**	3.5	3.4
5	5	**SANDOZ**	3.0	3.0
6	6	**SERVIER**	2.9	2.9
7	8	**ABBOTT**	2.8	2.7
8	12	**KRKA**	2.6	2.3
9	9	**BERLIN-CHEMIE/MENARINI**	2.5	2.6
10	10	**NYCOMED/TAKEDA**	2.5	2.5
Total			31.7	32.3

*AIPM members are in bold

At the end of the first quarter of 2018, antiviral INGAVIRIN (+7%) took the lead in the top ten brands ranking on the regional market (Table 2). The previous year leader KAGOCEL reduced its sale volumes by 13% and moved down to rank two. CARDIOMAGNYL (-16%) and ESSENTIALE (-44%) also showed strong negative growth rates, moving down to the last two ranks in the top ten. The brand CONCOR (-6%) also reduced its sales; however it managed to move up one rank, in the top ten, coming in at rank eight. ACTOVEGIN (+1%), MEXIDOL (+8%), NUROFEN (+1%) and the only newcomer of the top ten PENTALGIN (+17%) also moved up to the higher ranks. ERGOFERON, which showed zero growth rates, held its previous rank five. The total share of the top 10 brands reduced from 7.6% to 6.9%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	3	INGAVIRIN	0.9	0.9
2	1	KAGOCEL	0.9	1.1
3	4	ACTOVEGIN	0.7	0.8
4	7	MEXIDOL	0.7	0.7
5	5	ERGOFERON	0.7	0.7
6	8	NUROFEN	0.7	0.7
7	11	PENTALGIN	0.6	0.5
8	9	CONCOR	0.6	0.6
9	6	CARDIOMAGNYL	0.6	0.7
10	2	ESSENTIALE	0.5	1.0
Total			6.9	7.6

XYLOMETAZOLINE (+5%) and PANCREATIN (+12%) continued to hold the top two ranks in the top ten INN and grouping names ranking, and NIMESULIDE (-2%) rounded out it (table 3). Shifts took place in the middle part of the top 10, and six of its INNs rose in the ranks. IBUPROFEN (+8%), BISOPROLOL (+1%), IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+7%) and ETHYLMETHYLHYDROXYPYRIDINE (+5%) moved up to ranks three through six respectively, and BLOOD (+2%) and the composition DIOSMIN* HESPERIDIN (+20%) which broke into the ranks of the top ten ranking, moving up to ranks 8 and 9. Due to 13% reduction in sales, KAGOCEL moved down from rank four to seven. The total share of the top 10 reduced from 9.8% to 9.6%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	XYLOMETAZOLINE	1.5	1.5
2	2	PANCREATIN	1.0	1.2
3	6	IBUPROFEN	1.0	1.0
4	5	BISOPROLOL	1.0	1.0
5	8	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.9	0.9
6	7	ETHYLMETHYLHYDROXYPYRIDINE	0.9	0.9
7	4	KAGOCEL	0.9	1.1
8	9	BLOOD	0.8	0.8
9	15	DIOSMIN*HESPERIDIN	0.8	0.7
10	10	NIMESULIDE	0.8	0.8
Total			9.6	9.8

One newcomer entered the top ten ATC groups rating as well: B01 Antithrombotic agents (+9%) moved up to rank ten from 14 (Table 4). R01 Nasal preparations (+1%) and N06 Psychoanaleptics (+5%) improved their ranking positions by one rank, moving up to ranks six and nine. Six ATC groups from the top ten held their own in the ranking. M01 Anti-inflammatory and antirheumatic products(-1%), J05 Antivirals for systemic use (-0.5%), C09 Agents acting on the renin-angiotensin system (+5%), J01 Antibacterials for systemic use (+0.4%) and R05 Cough and Cold Preparations (+3%) maintained their ranks at the upper part of the top ten, and G03 Sex hormones (+8%) kept their previous rank eight. N02 Analgesics (+3%) became the only group, which fell in the ranks. In total, the top ten ATC groups accumulated 38.1% of the regional sales, 38.3 % in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	5.0
2	2	J05	ANTIVIRALS FOR SYSTEMIC USE	4.5	4.7
3	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.4	4.3
4	4	J01	ANTIBACTERIALS FOR SYST USE	4.2	4.3
5	5	R05	COUGH AND COLD PREPARATIONS	3.9	3.9
6	7	R01	NASAL PREPARATIONS	3.5	3.6
7	6	N02	ANALGESICS	3.5	3.7
8	8	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.3	3.2
9	10	N06	PSYCHOANALEPTICS	3.1	3.0
10	14	B01	ANTITHROMBOTIC AGENTS	2.8	2.6
Total				38.1	38.3

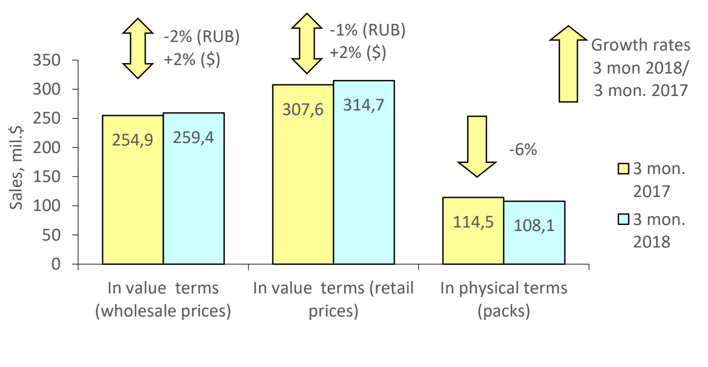
Conclusion. At the end of the period from January to March of 2018, the pharmacy market in VFD was estimated at RUB 41.243 bil. (USD 724.896 mil.) at retail prices. At the same time, the market behaviour was positive both in rouble (+1%) and dollar (+5%) terms. In physical terms, the sales reduced by 2% to 228.671 mil. packs. The average cost of an FPP pack, which in the first quarter of 2018 was USD 3.17, grew compared to the last year (USD 2.98), but continued to be lower than the national average across Russia (USD 3.49). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 24.54 vs. USD 27.19).

SoFD PHARMACY MARKET: 2018 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Southern Federal District (SoFD) was 16.442 mil., which accounted for 11.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-March 2018, the average salary in the SoFD was RUB 29436 (USD 517.6), which was 28% lower than the national average wage (RUB 40691).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of January-March 2018 the sales of drugs in physical terms in the Southern Federal District saw a 6% decrease to 108.081 mil. packs. In money terms, the market showed negative growth rates in rouble terms (-2%) and positive growth rates in dollar terms (+2%), and reached RUB 14.760 bil. (USD 259.431 mil.) in wholesale prices (Fig. 1). The city market share accounted for 7.9% of the pharmacy sales in Russia. The average cost of an OTC pack increased as compared to a year earlier period (USD 2.69) and reached USD 2.91 at retail prices. In 2017, the average amount spent by residents of the SoFD for drugs amounted to USD 19.14.

Figure 1. SFD pharmacy market for 3 months of 2017 – 3 months 2018



Following the results for the first quarter of 2018, the top ten drug manufacturers ranking on the Southern Federal District market did not change in composition (Table 1). The leader of the top ten, BAYER (-3%) also held its own in the ranking. OTCPHARM (-12%) BERLIN-CHEMIE/MENARINI (-0.3%) and GLAXOSMITHKLINE (-7%) rounding out the top ten also maintained their previous ranks. Three drug manufacturers rose in the ranks. TEVA (+1%) moved up to rank two from three, SERVIER (+2%) - from rank nine to five, and SANDOZ (-1%) - from rank eight to seven. The drug manufacturers SANOFI (-11%), ABBOTT (-12%) and STADA (-14%), which showed strong negative sales growth rates, moved down to the lower ranks three, eight and nine respectively. The total share of the top 10 ATC groups reduced by 1.5 p.p. and accounted for 33.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	**BAYER**	5.0	5.1
2	3	**TEVA**	4.1	4.0
3	2	**SANOFI**	4.0	4.4
4	4	OTCPHARM	3.3	3.7
5	9	**SERVIER**	3.2	3.1
6	6	**BERLIN-CHEMIE/MENARINI**	3.1	3.1
7	8	**SANDOZ**	3.1	3.1
8	7	**ABBOTT**	2.8	3.1
9	5	STADA	2.7	3.1
10	10	**GLAXOSMITHKLINE**	2.7	2.8
Total			33.9	35.4

*AIPM members are in bold

Two newcomers broke into the top 10 brands ranking on the regional market (table 2). MEXIDOL (+9%) and MIRAMISTIN (+8%) moved up to ranks seven and ten. The remaining brands of the top ten demonstrated negative growth rates of sales, however, six of them managed to rise to higher positions. Among them are ACTOVEGIN (-6%), NUROFEN (-10%), KAGOCEL (-13%) and THERAFLU (-2%) which topped the ranking. THERAFLEX (-13%) and CONCOR (-12%) moved up one rank, coming in at numbers six and eight. Brand INGAVIRIN (-17%) lost three ranks and moved down to rank five. CARDIOMAGNYL (-12%) continued to hold its previous rank ten. The total share of the top 10 brands reduced from 6.5% to 6.1%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	3	ACTOVEGIN	0.7	0.8
2	5	NUROFEN	0.7	0.7
3	4	KAGOCEL	0.7	0.7
4	6	THERAFLU	0.7	0.7
5	2	INGAVIRIN	0.6	0.8
6	7	THERAFLEX	0.6	0.6
7	13	MEXIDOL	0.6	0.5
8	9	CONCOR	0.5	0.6
9	16	MIRAMISTIN	0.5	0.5
10	10	CARDIOMAGNYL	0.5	0.6
Total			6.1	6.5

The top ten leaders XYLOMETAZOLINE (-5%) and PANCREATIN (-7%) held their own in the top ten INNs and grouping names ranking though their sales in the analysed period reduced (Table 3). Another four brand names of the top ten showed the negative growth rates. On top of that, two of them IBUPROFEN (-1%) and KAGOCEL (-13%) lost one rank each, moving down to ranks four and ten. Another two, BISOPROLOL (-2%) and BLOOD (-4%) moved up one rank, to numbers five and six. NIMESULIDE (+0.2%), ROSUVASTATIN (+24%), DIOSMIN*HESPERIDIN (+16%) and ETHYLMETHYLHYDROXYPYRIDINE (+8%) showing positive growth rates, moved up to rank three and seven through nine respectively. At the same time, the latter three became the newcomers of the top ten. The cumulative share of the top 10 did not change and accounted for 9.5%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	XYLOMETAZOLINE	1.9	2.0
2	2	PANCREATIN	1.1	1.1
3	4	NIMESULIDE	1.0	1.0
4	3	IBUPROFEN	1.0	1.0
5	6	BISOPROLOL	0.9	0.9
6	7	BLOOD	0.8	0.8
7	18	ROSUVASTATIN	0.8	0.6
8	13	DIOSMIN*HESPERIDIN	0.7	0.6
9	17	ETHYLMETHYLHYDROXYPYRIDINE	0.7	0.6
10	9	KAGOCEL	0.7	0.7
Total			9.5	9.4

Most of the top-10 ATC groups also showed the negative growth rates (table 4). Among them are M01 Anti-inflammatory and antirheumatic products (-4%) which held their previous rank one. N02 Analgesics (-9%) and A11 Vitamins (-7%) reduced their sales and held their previous ranks five and ten. The group R01 Nasal preparations (-8%) managed to move up one rank to number two, whereas J01 Antibacterials for systemic use (-9%), J05 Antivirals for systemic use (-20%) and R05 Cough and Cold Preparations (-10%), in contrast, moved to the lower ranks three, six and seven. Two groups with positive growth rates, C09 Agents acting on the renin-angiotensin system (+3%) and N06 Psychoanaleptics (+7%), moved up to ranks four and nine. On top of that, the latter became the only newcomer of Top-10 rating. As before, G03 Sex hormones (+3%) maintained its rank eight. In total, the top ten ATC groups accumulated 36.3% of the market against 38% in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.9	5.0
2	3	R01	NASAL PREPARATIONS	4.0	4.2
3	2	J01	ANTIBACTERIALS FOR SYST USE	3.9	4.2
4	7	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	3.8	3.7
5	5	N02	ANALGESICS	3.7	4.0
6	4	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	4.2
7	6	R05	COUGH AND COLD PREPARATIONS	3.4	3.8
8	8	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.4	3.3
9	12	N06	PSYCHOANALEPTICS	3.0	2.7
10	10	A11	VITAMINS	2.8	3.0
Total				36.3	38.0

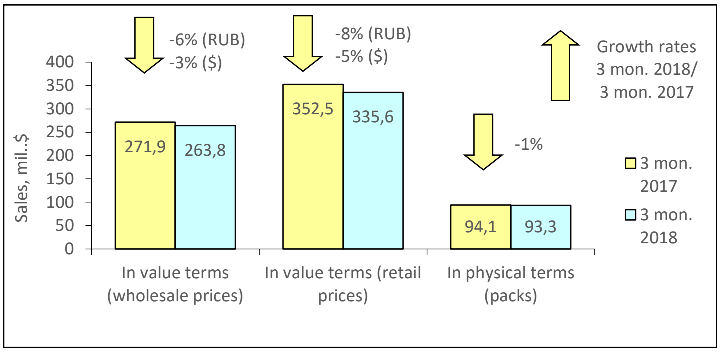
Conclusion. On the basis of the results for the first three months of 2018, the pharmacy market of SoFD reached RUB 17.907 bil. (USD 314.742 mil.) at retail prices. The sales decreased by 1% in terms of roubles and increased by 2% in terms of dollars. In natural terms, the market showed negative growth rates (-6%) and amounted to 108.081 mil. packs. The average cost of an FPP pack in the district pharmacies was USD 2.91, which was higher than the previous year figures (USD 2.69), but lower than national average (USD 3.49). At the end of January-March 2018, the average expenses of the SoFD residents for drugs in the pharmacies were also lower than the national average (USD 19.14 vs. USD 27.19).

UFD PHARMACY MARKET: 2018 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Ural Federal District (UFD) was 12.356 mil., which accounted for 8.4% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first quarter of 2018 the average salary in the UFD was RUB 44442 (USD 781.47), which was 9% higher than the average wage in Russia (RUB 40691).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first three months 2018 the sales of FPP drugs in physical terms in the pharmacies of UFD saw a 1% decrease to 93.252 mil. packs. In money terms, the market also showed positive growth rates both in rouble terms (-6%), and in dollar terms (-3%), and. 15.005 bil. (USD 263.753 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 8.4% of the total pharmacy sales in Russia. The average retail cost of an FPP pack was USD 3.60, which was lower than in the year-earlier period (USD 3.74). In January-March of 2018, the average amount spent by the UFD residents on drugs amounted to USD 27.16.

Figure 1. UFD pharmacy market for 3 months of 2017 – 3 months 2018



In the first quarter of 2018, the drug manufacturer BAYER (-1%) showed the largest sales among the leaders on the Ural Federal District, moving up to rank one from two (Table 1). SANOFI that had previously topped the ranking reduced its sales by 17% and moved down one rank. As before, OTCPHARM (-5%), TEVA (-3%) and GEDEON RICHTER (-8%) held their previous ranks from three through five respectively. SANDOZ (-7%) moved up to rank six from nine, displacing SERVIER (-14%), STADA (-15%) and ABBOTT (-13%) down one rank. The manufacturer ASTELLAS PHARMA (+36%), the only manufacturer which showed the sales growth and its only newcomer, moved up to rank ten. The total share of the top 10 drug manufacturers reduced by 0.3 p.p. to 33.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	2	**BAYER**	4.9	4.7
2	1	**SANOFI**	4.7	5.4
3	3	OTCPHARM	3.8	3.8
4	4	**TEVA**	3.5	3.4
5	5	GEDEON RICHTER	3.1	3.2
6	9	**SANDOZ**	3.0	3.0
7	6	**SERVIER**	2.8	3.1
8	7	STADA	2.8	3.1
9	8	**ABBOTT**	2.8	3.0
10	15	**ASTELLAS PHARMA**	2.5	1.7
Total			33.9	34.2

*AIPM members are in bold

Two newcomers broke into the top 10 brands ranking on the regional market (table 2). ARTRA (+42%) and FLEMOXIN SOLUTAB (+61%) moved up to ranks four and six. The leaders of the top ten INGAVIRIN (+1%) and KAGOCEL (+17%) showed positive growth rates and rating progress. The brands ESSENTIALE (36%), NUROFEN (-9%), ACTOVEGIN (-14%) and LOZAP (-015%), reduced their sales and moved down to ranks three, five, seven and eight. ERGOFERON (-7%) and CARDIOMAGNYL (+0.5%) held their previous lower ranks in the top ten. The total share of the top 10 increased from 6.7% to 7%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	2	INGAVIRIN	1.0	0.9
2	5	KAGOCEL	0.8	0.7
3	1	ESSENTIALE	0.8	1.1
4	13	ARTRA	0.7	0.5
5	3	NUROFEN	0.7	0.7
6	25	FLEMOXIN SOLUTAB	0.7	0.4
7	4	ACTOVEGIN	0.6	0.7
8	6	LOZAP	0.6	0.6
9	9	ERGOFERON	0.6	0.6
10	10	CARDIOMAGNYL	0.6	0.5
Total			7.0	6.7

In contrast to the above rankings, the leader of the top ten INNs and grouping names ranking did not change: due to outperformance rates, XYLOMETAZOLINE (+3%) held and consolidated its hold of its previous rank number one (Table 3). In addition, the composition DIOSMIN*HESPERIDIN (-10%) kept its previous rank five, and INN ROSUVASTATIN (-5%) its rank seven. Half of INNs of the top ten rose in the ranks. IBUPROFEN and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+1% each) moved up to ranks two and three. The composition CHONDROITINSULFURIC ACID* GLUCOSAMINE (+18%) moved up to rank six from ten, and the newcomers AMOXICILLIN (+46%) and KAGOCEL (+17%) moved up to the lower ranks of the top ten. In contrast, INNs PANCREATIN (-11%) and PHOSPHOLIPIDS (-37%) fell in the ranks and moved down to ranks four and eight. The cumulative share of the top10 increased from 9.3% to 9.8%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	XYLOMETAZOLINE	1.6	1.5
2	4	IBUPROFEN	1.1	1.0
3	6	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.0	0.9
4	3	PANCREATIN	1.0	1.0
5	5	DIOSMIN*HESPERIDIN	0.9	0.9
6	10	CHONDROITINSULFURIC ACID* GLUCOSAMINE	0.9	0.7
7	7	ROSUVASTATIN	0.9	0.9
8	2	PHOSPHOLIPIDS	0.9	1.3
9	26	AMOXICILLIN	0.8	0.5
10	14	KAGOCEL	0.8	0.7
Total			9.8	9.3

The leader of the top-10 ATC groups ranking changed (table 4). J05 Antivirals for systemic use (-2%) moved up to rank number one from two, displacing M01 Anti-inflammatory and antirheumatic products (-7%) down one rank. The same shifts took place in the lower part of the top ten. Thus, C09 Agents acting on the rennin-angiotensin system (-10%) moved up to ranks three from four, displacing G03 Sex hormones (-13%) down to rank four. A11 Vitamins reduced their sales by 9%, moving down from rank five to seven, allowing R01 Nasal preparations (+2%) and R05 Cough and Cold Preparations (+3%) to move one rank up. N02 Analgesics (-1%) moved up one rank, coming in at number 9. The only newcomer of the top ten B01 Antithrombotic agents (-10%) moved up to rank ten. And only Group J01 Antibacterials for systemic use (+2%) held their previous rank eight. In total, the top ten ATC - groups accumulated 38.5% of the regional market against 37.9% in the same period of 2017.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	2	J05	ANTIVIRALS FOR SYSTEMIC USE	4.5	4.3
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.5	4.6
3	4	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.1	4.3
4	3	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.0	4.3
5	6	R01	NASAL PREPARATIONS	3.9	3.6
6	7	R05	COUGH AND COLD PREPARATIONS	3.8	3.5
7	5	A11	VITAMINS	3.7	3.8
8	8	J01	ANTIBACTERIALS FOR SYST USE	3.6	3.3
9	10	N02	ANALGESICS	3.4	3.2
10	12	B01	ANTITHROMBOTIC AGENTS	3.0	3.1
Total				38.5	37.9

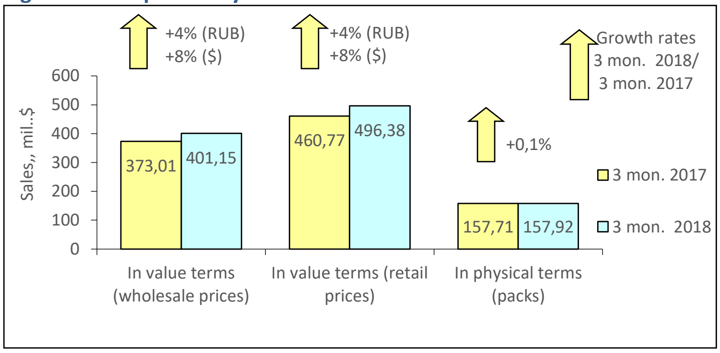
Conclusion. In January-March 2018, the retail pharmacy market of the Ural Federal District brought in RUB 19.094 bil. (USD 335.634 mil.) at retail prices. The sales reduced both in dollar (-5%) and rouble terms (-8%). In pack terms, the market also showed negative growth rates (-1%) and achieved 93.252 mil. packs. Based on the results for the first quarter of 2018, the average cost of an FPP pack in the regional pharmacies was USD 3.60, which was lower than the last year figures (USD 3.74), but higher than average figures in the country (USD 3.49). The average expenses of the UFD residents for medications in the pharmacies were virtually equal to the national average (USD 27.16 vs. USD 27.19).

SiFD PHARMACY MARKET: 2018 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Siberian Federal District (SiFD) was 19.287 mil., which accounted for 13.1% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-March 2018, the average salary in the SiFD was RUB 34915 (USD 613.94), which was 14% lower than the national average wage (RUB 40691).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first quarter of 2018 the SiFD pharmacy market volume in physical terms increased by 0.1% to 157.919 mil. packs (Fig. 1) In wholesale prices, the market showed the more positive performance both in terms of roubles (+4%) and in terms of dollars (+8%) and reached RUB 22.823 mil. (USD 401.149 mil.), The district's share accounted for 12.4% of the total pharmacy sales in the Russian pharmacy market pattern. Based on the results for three months of 2018, the average cost of a FPP pack in the SiFD pharmacies was USD 3.14, whereas in the year-earlier period its cost was USD 2.92. In the January-March of 2018, per capita expenses of the SiFD residents for purchase of medicines in pharmacies amounted to USD 25.74.

Figure 1. SiFD pharmacy market for 3 months of 2017 – 3 months 2018



The most dynamic among the top ten drug manufacturers BAYER (+12%) became the leader of the top ten ranking on the SiFD pharmacy market based on the results for the first three months of 2018 (Table 1). TEVA (+4%) moved up to rank two from three, whereas the former leader of the top ten SANOFI (-5%) moved down to rank three. SANDOZ (+9%) moved up one rank, whereas the dynamic KRKA (+11 %) moved up to rank seven from ten. At the same time, SERVIER (+6%), STADA (-5%) and GLAXOSMITHKLINE (-2%) in contrast moved down to ranks eight and ten respectively. OTCPHARM (-1%) and GEDEON RICHTER (+7%) held their previous ranks four and nine. The total share of the analysed top 10 manufacturers did not virtually change and accounted for 34.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	2	**BAYER**	4.8	4.5
2	3	**TEVA**	4.3	4.3
3	1	**SANOFI**	4.2	4.6
4	4	OTCPHARM	3.5	3.7
5	6	**SANDOZ**	3.5	3.3
6	5	**SERVIER**	3.4	3.3
7	10	**KRKA**	2.8	2.6
8	7	STADA	2.7	3.0
9	9	GEDEON RICHTER	2.7	2.6
10	8	**GLAXOSMITHKLINE**	2.6	2.7
Total			34.5	34.6

*AIPM members are in bold

KAGOCEL kept its rank number one in the top ten, although its sales decreased by 14% (Table 2). Another five manufacturers from the top ten showed negative growth rates. On top of that, two of them INGAVIRIN (-7%) and CONCOR (-3%) moved up to ranks two and four. The brands NUROFEN (-14%), CARDIOMAGNYL (-12%) and THERAFLU (-10%) moved down to ranks five, six and eight. The growth of brands LOZAP (+6%), LORISTA (+14%), PENTALGIN (+11%) and MEXIDOL (+12%) allowed them to rise in the ranks. Note that the three of them broke into the ranks of the top -10 for the first time. In total, the top ten brands accumulated 6.3% of sales, which was less than in the year-earlier period (6.7%).

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	KAGOCEL	0.7	0.9
2	3	INGAVIRIN	0.7	0.7
3	8	LOZAP	0.6	0.6
4	7	CONCOR	0.6	0.7
5	2	NUROFEN	0.6	0.8
6	4	CARDIOMAGNYL	0.6	0.7
7	11	LORISTA	0.6	0.6
8	6	THERAFLU	0.6	0.7
9	13	PENTALGIN	0.6	0.5
10	15	MEXIDOL	0.6	0.5
Total			6.3	6.7

Four newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). The composition DIOSMIN*HESPERIDIN (+21%) and AMOXICILLIN*CLAVULANIC ACID (+4%) and INNs LOSARTAN (+18%) and ROSUVASTATIN (+4%) moved up to ranks five, nine, seven and eight respectively. Apart from that, NIMESULIDE (+7%) moved up one rank to number six. XYLOMETAZOLINE (+11%), IBUPROFEN (+1%), BISOPROLOL (+5%) and PANCREATIN (-0,1%) held the first four ranks in the ranking. Only INN KAGOCEL (-14%) moved down from rank five to ten. The total share of the top 10 reduced from 9% to 9.2%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	XYLOMETAZOLINE	1.8	1.6
2	2	IBUPROFEN	1.1	1.1
3	3	BISOPROLOL	1.0	1.0
4	4	PANCREATIN	0.8	0.9
5	15	DIOSMIN*HESPERIDIN	0.8	0.7
6	7	NIMESULIDE	0.8	0.8
7	17	LOSARTAN	0.8	0.7
8	11	ROSUVASTATIN	0.7	0.7
9	13	AMOXICILLIN*CLAVULANIC ACID	0.7	0.7
10	5	KAGOCEL	0.7	0.9
Total			9.2	9.0

C09 Agents acting on the rennin-angiotensin system (+10%) moved up to rank one in the top ten ATC groups, displacing M01 Anti-inflammatory and antirheumatic products (+1%) down one rank (Table 4). Apart from the leader, another three INNs of the top ten managed to rise in the ranks. G03 Sex hormones (+14%) moved up to rank three from eight and R01 Nasal preparations (+6%) to rank five from seven. The newcomer of the top ten G04 Urologicals (+9%) moved down to rank ten. At the same time, R05 Cough and cold preparations (-6%), J01 Antibacterials for systemic use (-5%) and J05 Antivirals for systemic use (-9%) in contrast moved down to ranks six through eight, respectively. The groups N02 Analgesics (-0.4%) and A11 Vitamins (-4%) held their previous ranks four and nine. The total share of the Top 10 reduced from 36% to 35.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.6	4.4
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.6	4.8
3	8	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.1	3.7
4	4	N02	ANALGESICS	4.0	4.2
5	7	R01	NASAL PREPARATIONS	3.9	3.8
6	3	R05	COUGH AND COLD PREPARATIONS	3.8	4.2
7	5	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.1
8	6	J05	ANTIVIRALS FOR SYSTEMIC USE	3.6	4.1
9	9	A11	VITAMINS	3.0	3.3
10	11	G04	UROLOGICALS	2.8	2.7
Total				38.3	39.3

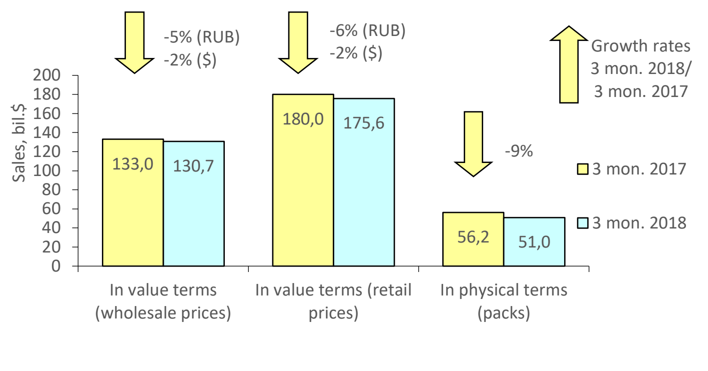
Conclusion. At the end of the first quarter 2018, the pharmacy market in the Siberian Federal District was estimated at RUB 28.241 mil. (USD 496.383 bil.) in final consumer prices. At the same time, the market behaviour was positive both in rouble (+4%), and in dollar (+8%) terms. In pack terms, the sales increased by 0.1% and reached 157.919 mil. packs. The average cost of an FPP pack (USD 3.14) increased as compared to a year earlier (USD 2.92), but continued to be lower than the national FPP price average in Russia (USD 3.49). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 25.74 vs. USD 27.19).

FEFD PHARMACY MARKET: 2018 FIRST THREE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Far Eastern Federal District (FEFD) was 6.165 mil., which accounted for 4.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first quarter of 2018 the average salary in the FEFD was RUB 49952 (USD 878.35), which was 23% higher than the average wage in Russia (RUB 40691).

According to the results of the Retail Audit of Finished Pharma Products in Russian Federation™, in January-March 2018 the volume of drugs in pack terms in the pharmacies of the FEFD saw a 9% decrease to 50.977 mil. packs. In value terms, the OTC drugs market decreased by 5% in rouble terms and by 2% in dollar terms and reached RUB 7.437 bil. (USD 130.728 mil.) in wholesale prices (Fig. 1). The district's share reached 4.6% of the all-Russia sales in retail prices. The average cost of a pack increased as compared to the previous year and escalated to USD 3.44 (vs. USD 3.20). At the end of the first quarter of 2018, the average amount spent by the residents of the FEFD for FPPs in pharmacies amounted to USD 28.47.

Figure 1. FEFD pharmacy market for 3 months of 2017 – 3 months 2018



The rating of leading manufacturers in the retail market of the Far Eastern Federal District for the first three months of 2018 demonstrated high stability: most of the drug manufacturers from the top ten held their own in the ranking (Table 1). Among them are the leaders of the top ten BAYER (+8%) and SANOFI (-14%). GEDEON RICHTER (-3%), OTCPHARM (-7%), GLAXOSMITHKLINE (-11%), KRKA (-8%) and STADA (-15%) held their own ranks six through ten, respectively. The only shift affected ranks from three through five. SANDOZ (-6%) which showed the more pronounced reduction in sales moved down two ranks, coming in at rank five. At the same time, TEVA (-3%) and SERVIER (-2%) moved up one rank. The total share of the top 10 drug manufacturers reduced from 34.3% to 34.1%

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	**BAYER**	4.9	4.3
2	2	**SANOFI**	3.8	4.2
3	4	**TEVA**	3.6	3.5
4	5	**SERVIER**	3.5	3.4
5	3	**SANDOZ**	3.5	3.5
6	6	GEDEON RICHTER	3.4	3.4
7	7	OTCPHAR	3.2	3.2
8	8	**GLAXOSMITHKLINE**	2.9	3.1
9	9	**KRKA**	2.8	2.9
10	10	STADA	2.6	2.8
Total			34.1	34.3

*AIPM members are in bold

As in the previous rankings, the top 10 brands didn't change its leaders (Table 4). NUROFEN (+2%) and INGAVIRIN (-3%) as before held their previous two ranks (table 2). The other top 10 INNs shifted their ranks; moreover, six improved them. KAGOCEL (+0.3%) and CONCOR (-9%) moved up one rank, coming in at numbers three and six. MEXIDOL (-5%) moved up from rank nine to five, and MIRAMISTIN (-3%) to rank seven from ten. Two newcomers of the top ten XARELTO (+28%) and AMOKSIKLAV (-9%) moved up to ranks nine and ten, respectively. And only the brands THERAFLU (-16%) and CARDIOMAGNYL (-12%) moved down to ranks four and eight respectively. The aggregate share of the top-10 expended from 7.1% to 7.3%.

Table 2. The top ten brands by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	INGAVIRIN	1.1	1.0
2	2	NUROFEN	0.9	0.9
3	4	KAGOCEL	0.8	0.8
4	3	THERAFLU	0.7	0.8
5	9	MEXIDOL	0.6	0.6
6	7	CONCOR	0.6	0.7
7	10	MIRAMISTIN	0.6	0.6
8	6	CARDIOMAGNYL	0.6	0.7
9	18	XARELTO	0.6	0.5
10	11	AMOKSIKLAV	0.6	0.6
Total			7.3	7.1

XYLOMETAZOLINE (-7%), IBUPROFEN (+3%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+2%) held their previous top three ranks in the top ten INN and grouping names ranking (Table 3). In addition, NIMESULIDE (-3%) and ETHYLMETHYLHYDROXYPYRIDINE (-8%) continued to hold ranks eight and ten. The brands PANCREATIN (-6%) and KAGOCEL (+0.3%) moved up one rank, to numbers four and six. The only newcomer of the top ten, the composition DIOSMIN*HESPERIDIN (+5%) moved up to rank last but one. At the same time, BISOPROLOL (-9%) and AMOXICILLIN*CLAVULANIC ACID (-7%) lost one rank each, moving down to ranks five and seven. The cumulative share of the top10 increased from 9.7% to 9.9%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017		3 mon. 2018	3 mon. 2017
1	1	XYLOMETAZOLINE	1.9	1.9
2	2	IBUPROFEN	1.4	1.2
3	3	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.1	1.0
4	5	PANCREATIN	0.9	0.9
5	4	BISOPROLOL	0.9	0.9
6	7	KAGOCEL	0.8	0.8
7	6	AMOXICILLIN*CLAVULANIC ACID	0.8	0.8
8	8	NIMESULIDE	0.8	0.8
9	17	DIOSMIN*HESPERIDIN	0.7	0.7
10	10	ETHYLMETHYLHYDROXYPYRIDINE	0.7	0.7
Total			9.9	9.7

The top ten ATC-groups ranking retained its leader - M01 Anti-inflammatory and antirheumatic products (-7%) continued to hold its rank number one (Table 4). Another two ATC groups R05 Cough and cold preparations (-9%) and A11 Vitamins (-2%) held their own in the top ten ranking. Three of the remaining ATC groups rose in the ranks. R01 Nasal preparations (-4%) moved up to rank two from three, C09 Agents acting on the rennin-angiotensin system (-5%) and G03 Sex hormones (+12%), the only group of the top ten with positive growth rates, from rank ten to seven. At the same time, four ATC groups moved down to the lower ranks. They were J05 Antibacterials for systemic use (-6%), J01 Antibacterials for systemic use (-14%), N02 Analgesics (-12%) and L03 Immunostimulants (-11%). The total share of the top ten reduced by 0.5 p.p. and accounted for 38.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2018	3 mon. 2017			3 mon. 2018	3 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.5	4.6
2	3	R01	NASAL PREPARATIONS	4.3	4.2
3	2	J05	ANTIVIRALS FOR SYSTEMIC USE	4.2	4.3
4	6	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.0	4.0
5	5	R05	COUGH AND COLD PREPARATIONS	3.8	4.0
6	4	J01	ANTIBACTERIALS FOR SYST USE	3.8	4.2
7	10	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.8	3.2
8	7	N02	ANALGESICS	3.5	3.8
9	9	A11	VITAMINS	3.3	3.2
10	8	L03	IMMUNOSTIMULANTS	3.0	3.2
Total				38.3	38.8

Conclusion. On the basis of the results for the first three months of 2018, the retail market of the Far Eastern Federal District brought in RUB 9.987 bil. (USD 175.552 mil.), which was 6% in terms of roubles and 2% in terms of dollars more than in the same period of 2017. In natural terms, the market showed negative growth rates (-9%) and amounted to 50.997 mil. packs. The average cost of a pack in the FEFD pharmacies based on the results for January-March of 2018 was USD 3.44 (in a year-earlier period - USD 3.20), which was lower than the national average (USD 3.49). The average medicine expenses of the district residents were higher than the national average expenses in Russia (28.47 USD vs. 27.19 USD).