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

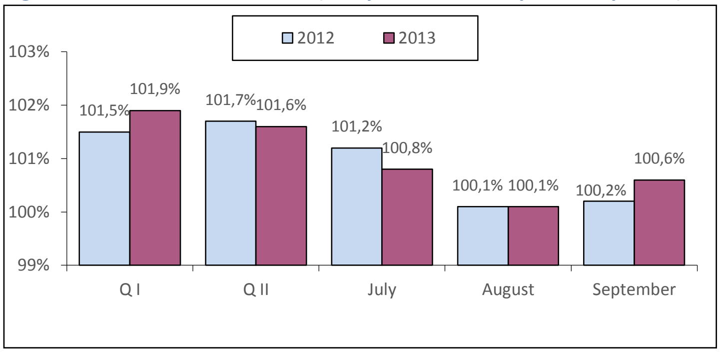
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in September 2013 Consumer Price Index was estimated as 100.2% compared to the previous month, and 104.7% for the year to date (in January-September 2012 – 105.2%).

In September this year, Industrial Producer Price Index was 101.4%, whereas in the month-earlier period it had amounted to 102.8%.

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



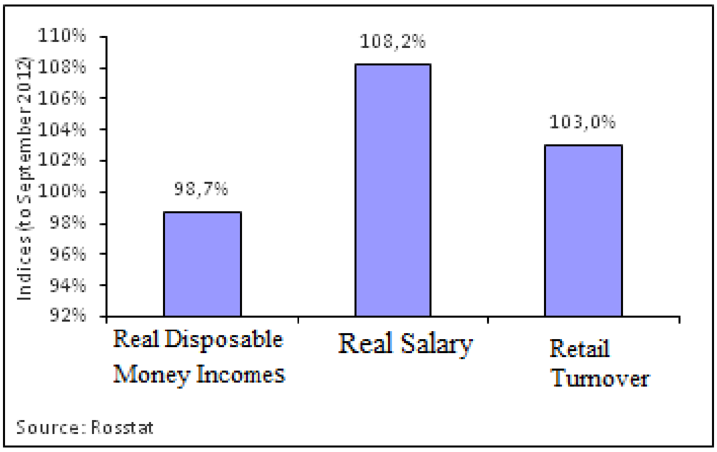
Living standard

According to preliminary Federal State Statistics Service's data, in September 2013 a gross monthly average salary per worker reached RUB 29,811 (USD 921.51) which accounted for 102% compared to the previous month and 114.8% compared to September 2012. In September 2013, the real salary accounted for 108.2% as compared with the same period in 2012. In September 2013, the real value of cash incomes accounted for 98.7% compared to the same period of 2012 (Fig. 2).

Retail turnover

In September 2013, the retail turnover was equal to RUB 2,011.6 bln, which in comparable prices accounted for 103.0% compared to the same period a year ago, in January-September 2013 - RUB 16946.0 bln and 103.8% (Fig. 2).

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



Manufacture of Industrial Products

According to Federal State Statistics Service's data, in September 2013 Industrial Production Index accounted for 100.3% compared to the same period a year ago, 99.3% to the previous period of 2013, in January - September 2013 - 100.1%.

Domestic production

The top 10 largest domestic manufacturers by production volume at September-end 2013 are summarized in Table 1. The total production volume of top ten manufacturers was estimated at USD 327.1 mln.

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

Rank	Manufacturer	Production volume, $mln
1	Pharmstandart	85.6
2	KRKA-RUS	61.4
3	Valenta	42.4
4	Stada	32.9
5	NEARMEDIC Plus	26.9
6	Microgen	19.2
7	Akrihin	18.1
8	Materia Medica	14.8
9	Pharm-Center	13.0
10	Sotex	12.8

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In August 2013 compared to July, growth in pharmacy sales (in terms of roubles) was observed in most analysed regions. The highest performance was observed in Perm (+16%), the lowest one in Moscow (+0.3%). Three regions showed reduction in sales, the lowest sales were observed in Krasnoyarsky Krai (+19%) and Tatarstan (-5%).

Table 2. Pharmacy sales in the regions, 2013

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	June 2013	July 2013	August 2013	June/ May 2013	July/ June 2013	August/July 2013
Moscow	153.9	144.8	143.8	0.4%	-5%	0.3%
St Petersburg	40.5	39.3	39.7	-3%	-2%	2%
Krasnodarsky Krai	34.3	40.6	38.2	9%	19%	-5%
Novosibirskaya Oblast	20.1	19.4	19.7	-2%	-3%	3%
Tatarstan	23.6	23.5	22.1	-8%	0.5%	-5%
Krasnoyarsky Krai	17.9	15.0	16.2	0.3%	-16%	9%
Rostovskaya Oblast	18.3	20.9	21.5	1%	15%	4%
Voronezhskaya Oblast	13.4	15.0	14.5	-10%	12%	-3%
Perm	6.1	5.5	6.3	10%	-10%	16%
Tyumen	6.8	6.1	6.5	6%	-9%	8%

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	11,829
2	Pharmstandart	11,520
3	Berlin-Chemie Menarini Group	5,855
4	Bayer AG	5,476
5	Johnson & Johnson	3,014

Source - Remedium according to TNS Russia's data

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

Rank	Brand name*	Quantity of broadcasts
1	TheraFlu	2,029
2	Grippferon	1,920
3	Complivit	1,859
4	Linex	1,633
5	Smekta	1,572

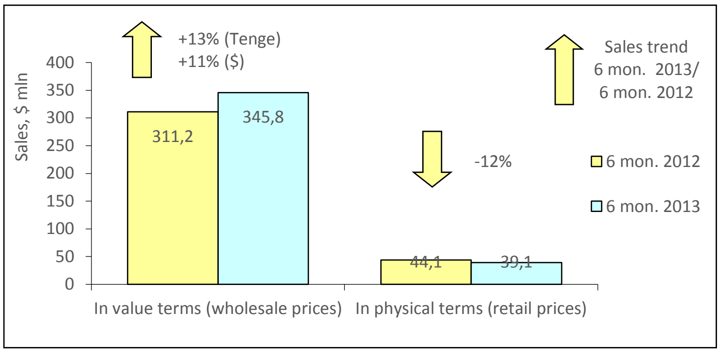
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN HOSPITAL MARKET: 2013 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Kazakhstan™, in the first quarter of 2013 the Kazakhstan hospital market in physical terms reduced by 12% to 39.054 million packs. In value terms, the market also showed positive growth rates (13% in terms of tenges and 11% in terms of dollars) and reached 52.195 bln tenges (USD 345.828 mln) in wholesale prices. Based on the results of the first six months of 2013, the average cost of OTC pack in the hospital sector was USD 8.86, whereas in the year-earlier period its cost was USD 7.05.

Figure 1. Kazakhstan hospital market for 6 months of 2012 – 6 months of 2013



Based on the results for the first half of 2013, half of the top ten drug manufacturers in the Kazakhstan market rose in the ranks (Table 1). ROCHE (+22%) and SANTO (+18%[1]) moved to ranks one and two from two and four respectively. BAYER (+13%) moved up one rank, coming in at number four. GLAXOSMITHKLINE (+55%) and OCTAPHARMA (+36%) showed the highest purchase rates and moved up to ranks five and seven. SANOFI (+12%) and JOHNSON & JOHNSON (-7%) held their previous ranks three and six in the ranking. The drug manufacturers with low purchase rates moved down to the bottom three ranks in the top ten. They were the last year leader PFIZER (-42%) that reduced its purchases and moved down to rank 8 and BAXTER (+17%) that moved down one rank. MERCK SHARP & DOHME (+5%) moved down from rank seven to ten. The total share accumulated by the ten top manufacturers reduced from 65.0% to 62.3%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	ROCHE	10.1	9.3
2	4	SANTO	7.9	7.5
3	3	SANOFI	7.5	7.7
4	5	BAYER HEALTHCARE	6.4	6.5
5	9	GSK	6.1	4.5
6	6	JOHNSON & JOHNSON	5.2	6.3
7	10	OCTAPHARMA AG	5.1	4.2
8	1	PFIZER	5.1	9.9
9	8	BAXTER	4.7	4.5
10	7	MERCK SHARP & DOHME	4.4	4.7
Total			62.3	65.0

*AIPM members are in bold

Four newcomers broke into the ranks of the top-ten brand names (table 2). They were vaccine INFANRIX (500-fold growth in purchases), blood-coagulation factor OCTANATE (+55%), anti-TB drug CAPREOMYCIN and alpha interferons PEGASYS which purchases grew 2.4 and 1.6 times respectively. Two more brand names managed to rise in the ranks: TAXOTERE (+38%) moved up from rank four to two, and OCTAGAM (+49%) from rank 10 to 7. The vaccine PREVENAR (-46%) held its leading position despite the considerable reduction in purchases. Pegylated interferon alfa-2b PEGINTRON (-7%) showed negative purchase rates and moved down from rank 2 to four. In addition, HERCEPTINE (+11%) moved down from rank3 to 5, and RECOMBINAT (+22%) moved down from rank 6 to 9. The total share of the top ten ranking increased by 1 p.p. and achieved 25.8%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand name	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	PREVENAR	4.1	8.7
2	4	TAXOTERE	3.1	2.6
3	81	INFANRIX	2.8	0.0
4	2	PEGINTRON	2.6	3.2
5	3	HERCEPTIN	2.6	2.6
6	11	OCTANAT	2.1	1.6
7	10	OCTAGAM	2.1	1.6
8	24	CAPREOMYCIN	2.1	1.0
9	6	RECOMBINAT	2.1	1.9
10	15	PEGASYS	2.1	1.4
Total			25.8	24.6

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

In the list of the top-10 INN and generic names, the top three INNs held their own in the ranking (table 3). INNs PNEUMOCOCCAL VACCINE (-46%) and OCTOCOG ALFA (+14%) and ANTIHEMOPHILIC FACTOR VIII (+9%) held their previous ranks in the top ten. DOCETAXEL (+38%) moved up to rank four, the newcomer DIPHTHERIA-TETANUS-PERTUSSIS-POLIOMYELITIS & Haemophilus influenzae type b INFECTIONS-HEPATITIS B VACCINE broke into the ranks of the top ten, coming in at number five. At the same time, they displaced INNs PEGINTERFERON ALFA-2B (-7%), TRASTUZUMAB (+11%) and HUMAN NORMAL IMMUNOGLOBULIN (+37%) down to ranks 6 through 8 respectively. The newcomers moved up to ranks nine and ten of the top ten. They were CAPREOMYCIN which purchases grew 2.4 times and PEGINTERFERON ALFA-2A (+64%).

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Names	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	PNEUMOCOCCAL VACCINE	4.1	8.7
2	2	OCTOCOG ALFA	4.1	4.1
3	3	ANTIHEMOPHILIC FACTOR VIII	3.7	3.9
4	6	DOCETAXEL	3.1	2.6
5	85	DIPHTHERIA-TETANUS-PERTUSSIS-POLIOMYELITIS & Haemophilus influenzae type b INFECTIONS-HEPATITIS B VACCINE	2.8	0.0
6	4	PEGINTERFERON ALFA-2B	2.6	3.2
7	5	TRASTUZUMAB	2.6	2.6
8	7	HUMAN NORMAL IMMUNOGLOBULIN	2.3	1.9
9	20	CAPREOMYCIN	2.1	1.0
10	13	PEGINTERFERON ALFA-2A	2.1	1.4
Total			29.6	29.3

One newcomer broke into the ranks of the top ten ATC groups - Group J06 Immune sera and immunoglobulins (+26%) moved up from rank 11 to ten (table 4). Due to 2.5-fold growth in purchases, J04 Antimycobacterials moved up from rank ten to six. At the same time, A10 Drugs used to treat diabetes (+7%), B01 Antithrombotic agents (-13%) and B03 Antianemic preparations (-3%) moved down one rank to numbers 7 through 9 respectively. The upper part of the top-10 remained flat. As before, ATC groups L01 Antineoplastic agents (+28%), B02 Antihemorrhagics (+7%), J07 Vaccines (-10%), J01 Antibacterials for systemic use (+15%) and L03 Immunostimulants (+26%) held their first five ranks in the top tens. The cumulative share of the top-ten increased by almost 2 p.p. and achieved 77.5%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	1	L01	ANTINEOPLASTIC AGENTS	22.1	19.6
2	2	B02	ANTIHEMORRHAGICS	11.3	12.0
3	3	J07	VACCINES	9.4	11.8
4	4	J01	ANTIBACTERIALS FOR SYST USE	8.4	8.2
5	5	L03	IMMUNOSTIMULANTS	8.0	7.2
6	10	J04	- ANTIMYCOBACTERIALS	5.3	2.4
7	6	A10	DRUGS USED IN DIABETES	4.5	4.8
8	7	B01	- ANTITHROMBOTIC AGENTS	3.3	4.3
9	8	B03	- ANTIANEMIC PREPARATIONS	2.6	3.1
10	11	J06	IMMUNE SERA & IMMUNOGLOBULIN	2.6	2.3
Total				77.5	75.7

Conclusion. At the end of the first six months of 2013, Kazakhstan hospital market grew by 13% in tenge terms and by 11% in dollar terms and brought in Tenge 52.195 bln (USD 345.828 mln). In pack terms, the market showed negative growth rates (-12%) and achieved 39.054 mln packs. In the first six months of 2013, the average cost of OTC pack in the regional hospital sector was much higher than in the year-earlier period (USD 8.86 vs. USD 7.05).

RUSSIAN FEDERATION REGIONAL HOSPITAL MARKETS: 2013 FIRST 6 MONTHS RESULTS

According to the results of the Hospital Purchase Audit in Russian Federation™, following the results of the first half of 2013, eleven regional markets taken individually accounted for 47.1% of the entire hospital sector of the Russian Federation, which is higher than in the year-earlier period (45.7%). The biggest market is the market of Moscow which share accounted for 20% of hospital purchases (Fig. 1). Further follow the markets of Saint Petersburg (6.2%), Sverdlovskaya Oblast (3.4%) and Krasnodarsky Krai (3.0%). The regional markets considerably differ by average cost of a hospital OTC pack. At 6 month-end 2013, the highest average cost of a hospital pack was observed in Moscow and St. Petersburg (USD 9.41). Then follow Nizhegorodskaya Oblast (USD 9.06) and Novosibirskaya Oblast (USD 7.82). The lowest cost of a hospital pack was registered in the Republic of Tatarstan (USD 4.12).

Figure 1. Regions share in the total hospital purchase volume in the Russian Federation for 6 months 2013.

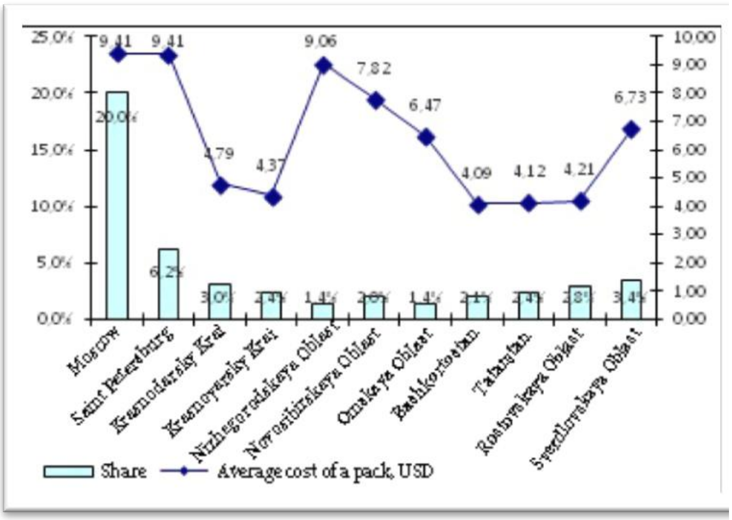


Table 1 provides information of the ranks of the All-Russia top drug manufacturers in the regional top ten rankings. At first half year-end, the largest share of the Russian hospital market was accounted for by the drugs made by Sanofi-Aventis, which dominated in the four analyzed regions. It moved up to rank two in the Krasnodarsky Krai , and rank three in Moscow and Sverdlovskaya Oblast. Note that the Russian leader was ranked in the first top ten rankings in all analyzed regions. The drug manufacturer Roche placed at rank two in the All-Russia ranking is ranked 2nd in Moscow, Bashkortostan, Nizhegorodskaya Oblast and Rostovskaya Oblast. The above manufacturer is ranked 3rd in St. Petersburg and Omskaya Oblast, and got shortlisted in the top-ten of three other regions under review. Only in Krasnodarski Krai and Tatarstan Roche got shortlisted in the top twenty and top forty rankings. Merck Sharp Dohme rounding out the top three drug manufacturers was the leader of the St.Petersburg market. It was ranked 2nd in Omskaya Oblast and 3rd in Nizhegorodskaya Oblast. Note that this company, as well as the leader, got shortlisted in the top ten ranking in all regions. The maximum number of "crossings" with the all-Russia list of top drug manufacturers was observed in Moscow and Krasnoyarsky Krai (8 manufacturers each), the minimum number – in Krasnodarsky Krai, Tatarstan and Rostovskaya Oblast (5 manufacturers each).

Table 1. The top 10 drug manufacturers by hospital purchases (rank in the regional rankings)

Rank in RF ranking	Company	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodarsky Krai	Bashkortostan	Tatarstan	Sverdlovskaya Oblast	Nizhegorodskaya Oblast	Rostovskaya Oblast	Novosibirskaya Oblast	Krasnoyarsky Krai	Omskaya Oblast
1	Sanofi-Aventis	3	4	2	1	9	3	6	1	5	1	1
2	Roche	2	3	16	2	34	7	2	2	8	5	3
3	Merck Sharp Dohme	5	1	5	5	4	6	3	6	3	4	2
4	GlaxoSmithKline	11	2	6	3	7	4	5	14	4	3	6
5	Microgen	1	27	4	11	11	13	9	16	21	2	20
6	Abbvie	9	5	43	10	1	1	7	48	2	10	17
7	Johnson & Johnson	14	6	38	39	8	2	4	18	20	19	4
8	Nycomed/Takeda	7	14	14	7	3	8	19	4	7	7	13
9	Pfizer	4	9	1	15	26	10	17	17	16	22	5
10	AstraZeneca	6	11	11	4	12	12	14	5	10	9	8

Yet more significant deviations in the regional top 10 rankings were observed with a breakdown of individual trade names (Table 2). However, in four regions under review the leader of all-Russia hospital market - Sodium Chloride – was ranked number one in the regional rankings. It was ranked 2nd in another four regions, and 3rd and 4th in Sverdlovskaya Oblast and Novosibirskaya Oblast, respectively. And only in Nizhegorodskaya Oblast it was ranked 23rd. The brand name Kaletra ranked 2nd in the All-Russia ranking was placed at the same rank in Novosibirskaya Oblast, and became the leader in the other three regions. It got shortlisted in the top ten rankings in another three regions. However, in four regions the drug was placed at the lower ranks. Clexane ranked third got shortlisted in the top ten rankings in nine regions and the top twenty rankings in two regions. It should be noted that in three regions (Krasnoyarsky Krai, Nizhegorodskaya and Novosibirskaya Oblast) the leader of the regional market wasn't listed in the All-Russia top ten ranking. The maximum number of "crossings" with the all-Russia list of top trade names was observed in Bashkortastan (seven positions), the minimum number of those was registered in Krasnodarsky Krai (two positions).

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

Rank in RF ranking	Brand name	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodarsky Krai	Bashkortostan	Tatarstan	Sverdlovskaya Oblast	Nizhegorodskaya Oblast	Rostovskaya Oblast	Novosibirskaya Oblast	Krasnoyarsky Krai	Omskaya Oblast
1	Sodium Chloride	2	2	2	1	2	3	23	1	4	1	1
2	Kaletra	45	1	N/A	35	1	1	4	152	2	9	7
3	Clexane	4	20	5	2	8	5	11	4	6	2	9
4	HEPATITIS B VACCINE	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Curosurf	23	22	18	5	10	24	24	30	30	5	26
6	Herceptin	15	13	294	6	N/A	17	6	2	93	19	131
7	Pegasys	12	8	148	3	331	16	25	452	10	18	21
8	Prezista	97	5	N/A	220	11	2	5	352	58	28	101
9	**Ultravist**	22	18	23	9	5	14	65	8	8	13	23
10	Glucose	48	44	12	7	14	21	49	5	31	6	25

Considerable variances in the consumption structure of not only individual drugs, but of pharmacotherapeutic groups as well are observed depending on the regions (table 3). However, it should be noted that the leader of all-Russia ranking – the group J01 Antibacterials for systemic use tops almost all regional rankings. It ranked 2nd in four regions and 3rd in one region. And only in Nizhegorodskaya Oblast it was ranked 6th. The second group of All-Russia hospital ranking - L01 Antineoplastic agents got shortlisted in the top fives in all analysed regions and became the leader in one of them. And only in Tatarstan it was ranked 15th. The group B05 Blood substitutes and perfusion solutions which was ranked 3rd got shortlisted in the top tens in all regions and in most of them - even in the top fives. The top-10 ATC groups of all-Russia hospital sector is reproduced in Bashkortostan, Sverdlovskaya Oblast and Krasnoyarksy Krai (8 positions match) to the fullest extent.

Table 3. The top 10 ATC groups by hospital purchases (rank in the regional rankings)

Rank in RF ranking	ATC code	Rank in regional rankings										
		Moscow	St. Petersburg	Krasnodarsky Krai	Bashkortostan	Tatarstan	Sverdlovskaya Oblast	Nizhegorodskaya Oblast	Rostovskaya Oblast	Novosibirskaya Oblast	Krasnoyarsky Krai	Omskaya Oblast
1	J01	1	3	1	1	2	2	6	1	2	2	1
2	L01	3	1	3	4	15	3	4	2	4	5	4
3	B05	4	4	2	2	3	5	8	3	3	1	2
4	J05	12	2	20	13	1	1	1	17	1	62	5
5	B01	6	7	4	3	4	6	7	4	5	3	7
6	J07	2	23	8	11	18	4	12	21	25	4	8
7	V08	8	5	16	9	5	7	29	12	7	7	18
8	J06	5	17	13	6	7	13	24	18	21	13	11
9	L03	11	11	22	5	26	8	10	19	8	9	15
10	N05	14	9	10	8	13	12	20	6	12	8	6

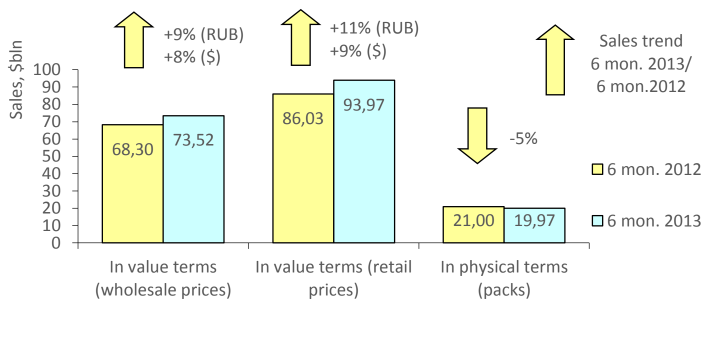
Conclusion. As comparison of the main rankings shows, the Russian hospital sector was marked by the pronounced regional specificity of market profile. However, in most cases the leaders of all-Russia rankings got high ranks in the regional hospital markets as well.

NIZHNY NOVGOROD PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Nizhny Novgorod was estimated as 1.26 mln, which accounted for 0.9% of the total Russian Federation population and 4.2% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2013 the average salary in Nizhegorodskaya Oblast was RUB 22,535.0 (USD 721.81), which is 22% lower than the average salary in Russia (RUB 28,787.6).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of six months of 2013 the sales of OTC drugs in physical terms in pharmacies of Nizhny Novgorod saw a 5% decrease to 19.968 mln packs. In value terms, the OTC drugs market increased by 9% in rouble terms and by 8% in dollar terms and reached RUB 2.227 billion (USD 73.520 million) in wholesale prices (Fig. 1). A share of city in the total pharmacy sales in Russia accounted for 1% in value terms. The average cost of an OTC pack grew as compared to the same period of previous year (USD 4.10) and reached USD 4.71 in retail prices. For 6 months of 2013, the average amount spent by residents of Nizhny Novgorod for OTC drugs in pharmacies amounted to USD 74.59.

Figure 1. Nizhny Novgorod pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results for the first half of 2013, SANOFI-AVENTIS remained the leader of the top ten drug manufacturers in the regional market of drug products, though its growth rates were equal to zero (Table 1). Russia-based drug manufacturer PHARMSTANDART (+14%) moved up to rank two, displacing SERVIER (0%) down one rank. The other four drug manufacturers came in at yet higher ranks. They were SANDOZ (+15%) and BAYER (+19%) moving up to numbers 4 and 5, TEVA (+28%) moving up to number 7 and the only newcomer of the top ten PFIZER (+11%), coming in at number ten. At the same time, the drug manufacturers with low growth rates NYCOMED/TAKEDA (+4%) and ABBOTT (+5%) lost two ranks each and moved down to numbers 6 and 8, respectively. NOVARTIS (+23%) kept its rank nine. The cumulative share of the top 10 drug manufacturers increased and accounted for 38.7%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	**SANOFI-AVENTIS**	6.1	6.7
2	3	PHARMSTANDART	4.3	4.1
3	2	**SERVIER**	3.9	4.3
4	5	**SANDOZ GROUP**	3.8	3.6
5	7	**BAYER HEALTHCARE**	3.8	3.5
6	4	**NYCOMED/TAKEDA**	3.7	4.0
7	8	**TEVA**	3.7	3.2
8	6	**ABBOTT**	3.4	3.5
9	9	**NOVARTIS**	3.3	3.0
10	12	**PFIZER**	2.6	2.5
Total			38.7	38.4

*AIPM members are in bold

The leaders of the top ten brand names held their own in the ranking, as before the brand names ESSENTIALE N (+11%) and CONCOR (+1%) kept the first two lines (Table 2). Three brand names of the top 10 rose in the ranks. They were the newcomers INGAVIRIN which sales increased 2.8 times, KAGOCEL (+54%) and CIALIS (+25%), coming in at numbers three, six and nine respectively. In contrast, the other five brand names from the top 10 moved down to the lower ranks. ACTOVEGIN (-5%) and ARBIDOL (+25%) moved down one rank, VIAGRA (+5%), LINEX (+7%) and KETONAL (+5%) moved down two ranks. The total share of the top ten brand names increased by almost 0.6 p.p. and accounted for 7.6%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ESSENTIALE N	1.2	1.2
2	2	CONCOR	0.9	0.9
3	35	INGAVIRIN	0.9	0.3
4	3	ACTOVEGIN	0.8	0.9
5	4	ARBIDOL	0.8	0.7
6	17	KAGOCEL	0.7	0.5
7	5	VIAGRA	0.6	0.7
8	6	LINEX	0.6	0.6
9	14	CIALIS	0.6	0.5
10	8	KETONAL	0.6	0.6
Total			7.6	7.0

Two newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). INN AMBROXOL (+51%) moved up from rank 12 to six, and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID which sales increased 2.8 times moved up from rank 61 to nine. INN XYLOMETAZOLINE (+22%) became the leader of the ranking. At the same time, the former leaders of the top ten BISOPROLOL (+3%) and PHOSPHOLIPIDS (+10%) moved down one rank. The markets of the other two INNs the composition AMOXICILLIN + CLAVULANIC ACID (+37%) and INN UMIFENOVIR (+25%) developed at a fast pace. On top of that, the former moved up from rank 10 to 8, and the letter moved down from rank 8 to 10. Despite the reduction in sales, PANCREATIN (-8%) and BLOOD (-2%) held their ranks five and six, whereas KETOPROFEN with zero growth rates moved down one rank, to number 7. The cumulative share of the top 10 under review increased to 10.2%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	3	XYLOMETAZOLINE	1.4	1.2
2	1	BISOPROLOL	1.3	1.4
3	2	PHOSPHOLIPIDS	1.3	1.3
4	4	PANCREATIN	1.0	1.2
5	5	BLOOD	0.9	1.0
6	12	AMBROXOL	0.9	0.7
7	6	KETOPROFEN	0.9	1.0
8	10	AMOXICILLIN + CLAVULANIC ACID	0.9	0.7
9	61	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.9	0.3
10	8	UMIFENOVIR	0.8	0.7
Total			10.2	9.5

The leader of the top ten ATC groups C09 Agents acting on the rennin-angiotensin system (+1%) and the last group in the top ten A07Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+14%) held their own in the ranking (Table 4). The other ATC groups changed their positions, as a result five of them fell and only three of them - rose in the ranks. J01 Antibacterials for systemic use (+27%) and R05 Cough and cold preparations (+35%) moved up two ranks, coming in at numbers two and six. The newcomer of the top ten ATC groups J05 Antivirals for systemic use (+72%) moved up to rank four from 12. At the same time, M01 Anti-inflammatory and anti-rheumatic products (+16%) moved down one rank and ATC groups N02 Analgesics (+9%), R01 Nasal preparations (+22%), A11 Vitamins (+10%) and G03 Sex hormones (+8%) moved down two ranks. The total share of the top ten under review increased by over 3 p.p. and achieved 38.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	1	C09	AG ACT RENIN-ANGIOTENS SYST	4.4	4.8
2	4	J01	ANTIBACTERIALS FOR SYST USE	4.4	3.8
3	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.3	4.0
4	12	J05	ANTIVIRALS FOR SYSTEMIC USE	4.0	2.6
5	3	N02	ANALGESICS	3.9	4.0
6	8	R05	COUGH AND COLD PREPARATIONS	3.9	3.1
7	5	R01	NASAL PREPARATIONS	3.7	3.3
8	6	A11	VITAMINS	3.3	3.3
9	7	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.2
10	10	A07	INTESTINAL ANTIINFECTIVES	3.0	2.9
Total				38.1	35.0

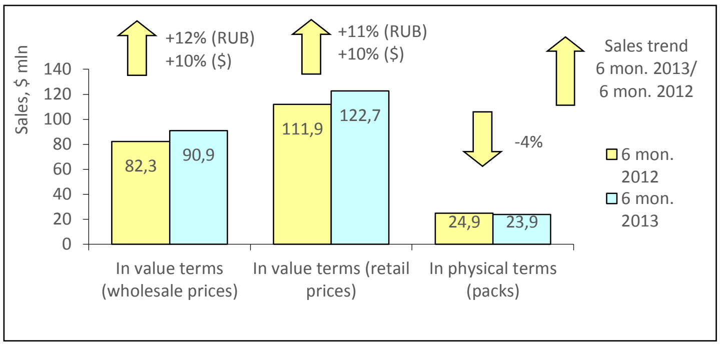
Conclusion. On the basis of the results for six months of 2013, the retail pharmacy market of Nizhny Novgorod brought in RUB 2.910 bln (USD 93.971 mln). The market saw a 11% increase in terms of roubles and 9% increase in terms of dollars compared to the last year results. In pack terms, the market showed reduction in sales rates (-5%) and achieved 19.968 mln packs. In the first half of 2013, the average cost of an OTC pack in the city pharmacies was higher than in the year-earlier period (USD 4.71 vs. USD 4.10) and exceeded the Russia average OTC -drug figures (USD 4.25). The average expenses of Nizhny Novgorod residents for medicines (USD 74.59) in pharmacies also exceeded the Russia average (USD 62.71).

SAMARA PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Samara was estimated as 1.172 mln, which accounted for 0.8% of the total Russian Federation population and 3.9% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, based on the results for 6 months of 2013 the average salary in the Samarskaya Oblast was RUB 22,264.8 (USD 713.16), which is 23% lower than the average salary in Russia (RUB 28,787.6).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, in the first half of 2013 the sales of OTC drugs in physical terms in the pharmacies of Samara saw a 4% drop to 23.942 mln packs. In value terms, the city pharmacy market (exclusive of State Reimbursement Program) saw a +12% increase in terms of roubles and +10% increase in terms of dollars compared to the same period a year ago and reached RUB 2.811 mln (USD 90.868 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 1.4%. The average cost of OTC pack was USD 5.12 (in a year-earlier period – USD 4.50). In the first half of 2013, per-capita expenses spent by residents of Samara for OTC medications amounted to USD 104.68.

Figure 1. Samara pharmacy market for 6 months of 2012 – 6 months of 2013



In the first half of 2013, Russia-based PHARMSTANDART (+42%) which showed the highest growth rates in the top ten became the leader of the top ten drug manufacturers in the regional market (Table 1). The markets of BAYER (+29%), NOVARTIS (+32%), TEVA (+26%) and SANDOZ (+28%) also developed at a swift pace. On top of that, the former held its previous rank two, whereas the other drug manufacturers moved up to the higher ranks 4, 5 and 7, respectively. The only newcomer of the top ten STADA (+5%) rose in the ranks, coming in at number ten. NYCOMED/TAKEDA (+3%) held its previous rank nine. The other three drug manufacturers of the top ten fell in the ranks. SANOFI-AVENTIS (+6%) moved down from rank one to three, SERVIER (-6%) moved down from rank 4 to 6 and ABBOTT (-0.2%) – from rank 5 to 8 (-0.2%). The total share of the top 10 manufacturers increased from 39.6% to 41.1%.

Table 1. The top ten manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	3	PHARMSTANDART	5.9	4.7
2	2	**BAYER HEALTHCARE**	5.6	4.9
3	1	**SANOFI-AVENTIS**	5.5	5.9
4	6	**NOVARTIS**	4.2	3.6
5	7	**TEVA**	3.9	3.5
6	4	**SERVIER**	3.8	4.5
7	8	**SANDOZ GROUP**	3.6	3.2
8	5	**ABBOTT**	3.3	3.7
9	9	**NYCOMED/TAKEDA**	2.7	3.0
10	11	**STADA**	2.6	2.8
Total			41.1	39.6

*AIPM members are in bold

Five newcomers broke into the ranks of the top ten brand names ranking (table 2). KAGOCEL (+63%) moved up from rank 13 to three, and INGAVIRIN (3.6-fold growth in sales), SUPRADIN (2.5-fold growth in sales) and HYLAK FORTE (+54%) moved up to ranks 6 through 8 respectively. One more newcomer REDUKSIN (+23%) moved up to rank ten. Apart from the newcomers, ARBIDOL and LINEX (+39% each) also moved to the higher ranks 2 and 4, respectively. ESSENTIALE N (+35%) kept and reinforced its leading rank. Two INNs with negative growth rates, VIAGRA (-9%) and PENTALGIN (-16%) moved down to ranks 5 and 9, respectively. The cumulative share of the top-ten increased by almost 2 p.p. and achieved 9.4%.

Table 2. The top ten brand names by pharmacy sales

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ESSENTIALE N	1.7	1.4
2	3	ARBIDOL	1.2	1.0
3	13	KAGOCEL	0.9	0.6
4	10	LINEX	0.9	0.7
5	2	VIAGRA	0.9	1.1
6	57	INGAVIRIN	0.9	0.3
7	40	SUPRADIN	0.8	0.4
8	17	HYLAK FORTE	0.7	0.5
9	5	PENTALGIN	0.7	0.9
10	12	REDUKSIN	0.7	0.6
Total			9.4	7.6

Three INNs in the top ten INN and generic names ranking showed reduction in sales (Table 3). They were PANCREATIN (-6%), SILDENAFIL (-5%) and AMBROXOL (-7%) moved down to ranks 5, 7 and 9, respectively. On top of that, the former leader XYLOMETAZOLINE (+15%) moved down one rank. It was displaced by the more dynamic INN PHOSPHOLIPIDS (+37%). The markets of the other five INNs of the top ten developed at a fast pace, which allowed them to rise in the ranks. On top of that, four of them broke into the ranks of the top -10 ranking for the first time. They were KETOPROFEN (+80%), PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE (+59%), KAGOCEL (+63%) and BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+39%), coming in at numbers 4, 6, 8 and 10 respectively. Apart from that, INN UMIFENOVIR (+39%) moved up from rank six to three.

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

Rank in the top ten		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	PHOSPHOLIPIDS	1.9	1.5
2	1	XYLOMETAZOLINE	1.6	1.6
3	6	UMIFENOVIR	1.2	1.0
4	18	KETOPROFEN	1.1	0.7
5	3	PANCREATIN	1.0	1.2
6	19	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	1.0	0.7
7	4	SILDENAFIL	0.9	1.1
8	21	KAGOCEL	0.9	0.6
9	5	AMBROXOL	0.9	1.1
10	14	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.7
Total			11.4	10.2

One newcomer A05 Bile and liver therapy (+16%) broke into the ranks of the top ten ATC groups ranking, coming in at number nine from 11 (Table 4). Note that almost all ATC groups developed at a fast pace. ATC group G03 Sex hormons (+4%) placed at rank ten became the only exception of the top ten. N02 Analgesics (+29%) held and reinforced its leading position. As before, J01 Antibacterials for systemic use (+24%) held its previous rank six. ATC groups J05 Antivirals for systemic use (+75%), R05 Cough and cold preparations (+32%) and A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+29%) which showed higher growth rates rose in the ranks, coming in at numbers 2, 3 and 5, respectively. At the same time, ATC groups M01 Anti-inflammatory and anti-rheumatic products (+13%), R01 Nasal preparations (+16%) and A11 Vitamins (+18%) moved down to the lower ranks. The cumulative share of the top ten ATC groups increased by over 4 p.p. and achieved 41.5%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	1	N02	ANALGESICS	5.6	4.9
2	9	J05	ANTIVIRALS FOR SYSTEMIC USE	4.9	3.1
3	4	R05	COUGH AND COLD PREPARATIONS	4.6	3.9
4	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.1	4.1
5	7	A07	INTESTINAL ANTIINFECTIVES	4.1	3.6
6	6	J01	ANTIBACTERIALS FOR SYST USE	4.1	3.7
7	3	R01	NASAL PREPARATIONS	4.1	3.9
8	5	A11	VITAMINS	4.0	3.8
9	11	A05	BILE AND LIVER THERAPY	3.2	3.1
10	10	G03	SEX HORM&MODULAT GENITAL SYS	2.9	3.1
Total				41.5	37.2

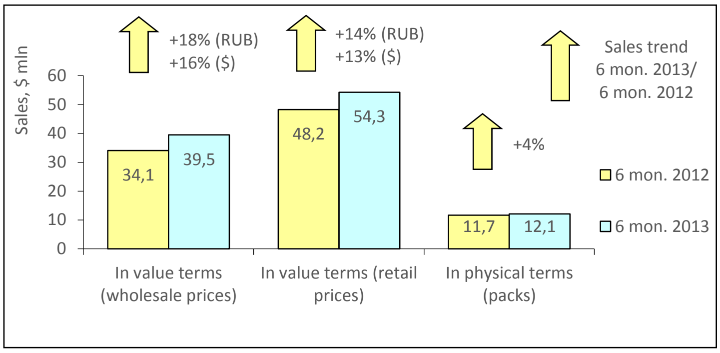
Conclusion. On the basis of the results for the first half of 2013, the retail pharmacy market of Samara brought in RUB 3.794 mln (USD 122.658 mln). On top of that, the market performance was positive both in rouble terms (+11%) and in dollar terms (+10%). In physical terms, the sales reduced by 4% to 23.942 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 5.12 vs. USD 4.50), however it was higher than the average indicator in Russia (USD 4.25). Per capita expenses for the purchase of medicines in the city amounted to USD 104.68, which is much higher than on the average in the country (USD 62.71).

TOLYATTI PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Tolyatti's estimated population was 719.1 thousand, which accounted for 0.5% of the total Russian Federation population and 2.4% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, based on the results for 6 months of 2013 the average salary in the Samarskaya Oblast was RUB 22,264.8 (USD 713.16), which is 23% lower than the average salary in Russia (RUB 28,787.6).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2013 the pharmacy market volume in physical terms increased by 4% and amounted to 12.122 million packs (Fig. 1) In wholesale prices, the market also showed the positive performance both in terms of roubles (+18%) and in terms of dollars (+16%) and reached 1.221 billion roubles (USD 39.493 mln). The region's share accounted for 0.6% of the total volume of all-Russia pharmacy market. Based on the results for the first half of the year, the average cost of OTC pack in the city pharmacies in the analysed period was USD 4.48 (during the same period in 2012 - USD 4.13). The average expenses of Tolyatti residents for purchase of drugs in the first six months of 2013 were estimated as USD 75.51.

Figure 1. Tolyatti pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results for the first half of 2013, SANOFI-AVENTIS (+10%) held and reinforced its leading rank in the regional top ten manufacturers ranking (table 1). On top of that, two more drug manufacturers of the top ten, BAYER (+21%) and SERVIER (+7%), held their previous ranks three and five in the ranking. Four drug manufacturers rose in the ranks. PHARMSTANDART (+37%), NOVARTIS (+32%) and SANDOZ (+27%) moved up two ranks, to numbers two, eight and ten. The more dynamic TEVA (+38%) moved up from rank 9 to 6. At the same time, the drug manufacturers with low growth rates NYCOMED/TAKEDA (+5%), ABBOTT (+13%) and PFIZER (+1%) moved down to numbers 4, 7 and 9, respectively. The total share of the analysed top 10 manufacturers didn't virtually change and accounted for 38.9%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	**SANOFI-AVENTIS**	6.1	6.5
2	4	PHARMSTANDART	5.0	4.3
3	3	**BAYER HEALTHCARE**	4.6	4.4
4	2	**NYCOMED/TAKEDA**	4.1	4.6
5	5	**SERVIER**	3.8	4.2
6	9	**TEVA**	3.3	2.9
7	6	**ABBOTT**	3.2	3.3
8	10	**NOVARTIS**	3.1	2.8
9	7	**PFIZER**	2.8	3.3
10	12	**SANDOZ GROUP**	2.8	2.6
Total			38.9	38.8

*AIPM members are in bold

Three newcomers broke into the top 10 brand names ranking (table 2). They were INGAVIRIN and KAGOCEL which increased their sales 2.8 and 2.3 times accordingly, as well as ANAFERON (+37%) which moved up to ranks six, seven and nine, respectively. ARBIDOL (+40%) showed the high growth sales, due to which it moved up from rank 4 to two. ESSENTIALE N (+15%) held its previous rank one and VIAGRA (-2%) - rank five. The other bank names moved down to the lower ranks. CONCOR, ACTOVEGIN (-4% each) and LASOLVAN (+14%) moved down one rank, coming in at numbers three, four and eight. OSCILLOCOCCINUM (+6%) moved down to rank ten from eight. The cumulative share of the top10 increased from 8.0% to 8.4%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ESSENTIALE N	1.3	1.3
2	4	ARBIDOL	1.2	1.0
3	2	CONCOR	0.9	1.1
4	3	ACTOVEGIN	0.8	1.0
5	5	VIAGRA	0.8	1.0
6	37	INGAVIRIN	0.8	0.3
7	28	KAGOCEL	0.7	0.4
8	7	LASOLVAN	0.7	0.7
9	15	ANAFERON	0.6	0.5
10	8	OSCILLOCOCCINUM	0.6	0.6
Total			8.4	8.0

The top 10 INN and generic names changed its leader. Based on the results of the first half of 2013 INN XYLOMETAZOLINE (+28%) moved up to rank one from three (table 3). As before, PHOSPHOLIPIDS (+16%) held their previous rank two, and the last year leader BISOPROLOL (+1%) moved to rank three. UMIFENOVIR (+40%) and AMBROXOL (+24%) moved up from the lower ranks to four and five, displacing SILDENAFIL (+5%) and PANCREATIN (+3%) down one rank. On top of that, INN BLOOD moved down to rank 8 from 4, reducing its sales by 3%. The newcomers IBUPROFEN (+24%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID, which sales grew 2.8 times, moved up to the bottom two ranks in the ranking.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	3	XYLOMETAZOLINE	1.5	1.4
2	2	PHOSPHOLIPIDS	1.4	1.5
3	1	BISOPROLOL	1.3	1.5
4	8	UMIFENOVIR	1.2	1.0
5	7	AMBROXOL	1.1	1.0
6	5	SILDENAFIL	0.9	1.1
7	6	PANCREATIN	0.9	1.0
8	4	BLOOD	0.9	1.1
9	11	IBUPROFEN	0.8	0.8
10	59	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.3
Total			10.9	10.7

A newcomer entered the top ten ATC Group ranking (table 4). J05 Antivirals for systemic use (+80%) moved up to rank four from eleven (Table 4). The other three ATC groups of the top-10 also rose in the ranks. R05 Cough and cold preparations (+49%) and J01 Antibacterials for systemic use (+41%) moved up to the first two ranks. R01 Nasal preparations (+31%) moved up from rank eight to six. ATC groups N02 Analgesics (+35%) and A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+24%) held their previous ranks three and nine. Due to lagging behind growth rates, the other four ATC groups from the top 10 moved down to the lower ranks. They were the last year leader M01 Anti-inflammatory and anti-rheumatic products (+14%), A11 Vitamins (+15%), C09 Agents acting on the rennin-angiotensin system (+6%) and G03 Sex hormones (+1%). The total share of the top 10 increased by more than 3 p.p. and accounted for 39.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	5	R05	COUGH AND COLD PREPARATIONS	4.8	3.8
2	4	J01	ANTIBACTERIALS FOR SYST USE	4.6	3.9
3	3	N02	ANALGESICS	4.4	3.9
4	13	J05	ANTIVIRALS FOR SYSTEMIC USE	4.1	2.7
5	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.1	4.2
6	8	R01	NASAL PREPARATIONS	4.0	3.6
7	6	A11	VITAMINS	3.6	3.7
8	2	C09	AG ACT RENIN-ANGIOTENS SYST	3.6	4.0
9	9	A07	INTESTINAL ANTIINFECTIVES	3.3	3.1
10	7	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.6
Total				39.8	36.5

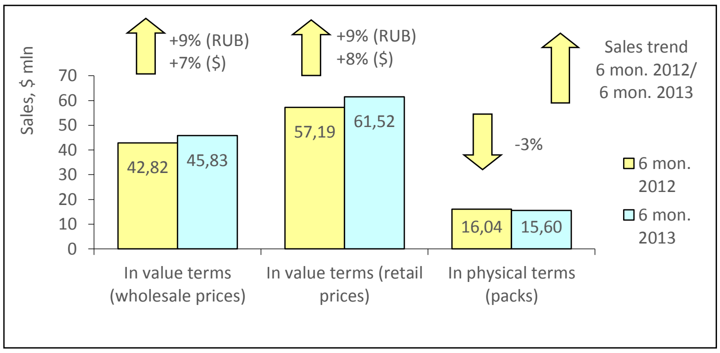
Conclusion. In the first half of 2013, the pharmacy market in Tolyatti was estimated at RUB 1.679 bln (USD 54.305 mln.) in final consumer prices. Note that the market performance was positive both in rouble terms and in dollar terms (+14% and +13%, respectively). In pack terms, the market expanded by 4% and achieved 12.122 mln packs. The average cost of an OTC pack (USD 4.48) in the pharmacies increased as compared to a year earlier (USD 4.13) and was higher than the average value in Russia (USD 4.25). At the same time, expenses of residents for purchase of drugs in the city pharmacies also proved to be higher than the average expenses in Russia (USD 75.51 vs. USD 62.71).

SARATOV PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Saratov's estimated population was 839.8 thousand, which accounted for 0.6% of the total Russian Federation population and 2.8% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2013 the average salary in Saratovskaya Oblast was RUB 19,662.1 (USD 629.79), which is 32% lower than the average salary in Russia (RUB 28787.6).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2013 the Saratov pharmacy market volume reduced by 3% in physical terms and amounted to 15.596 million packs. In value terms, the sales showed a 9% increase in sales in terms of roubles and 7% in terms of dollars and reached RUB 1.420 bln (USD 45.832 mln) in wholesale prices. The regional market share in value terms accounted for 0.7% of the Russian pharmacy market. The average cost of an OTC drug in the region pharmacies increased as compared to a year earlier and amounted to USD 3.94 (in a year-earlier period – USD 3.56). In the first half of 2013, per capita expenses for purchase of medicines in pharmacies of Saratov amounted to USD 73.26.

Figure 1. Saratov pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results for 6 months of 2013, SANOFI-AVENTIS (+2%) and PHARMSTANDART (+3%) held the lead in the regional top ten drug manufacturers ranking (Table 1). Five drug manufacturers of the top 10 rose in the ranks. Due to 13% growth in sales, BAYER and STADA moved up one rank, to numbers 3 and 7. The more dynamic SANDOZ (+19%) and TEVA (+33%) moved up to ranks four and six. The newcomer NOVARTIS (+29%) moved up to rank nine in the top ten. The drug manufacturers SERVIER (-3%) and ABBOTT (-1%) reduced their sales which resulted in the reduction of their market shares and loss of ranks and moved down to ranks 5 and 8, respectively. Apart from it, MENARINI (+2%) with low sales rates fell in the ranks, moving down to rank ten. The total share of the analysed top 10 manufacturers virtually remained unchanged and accounted for 37.8%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	**SANOFI-AVENTIS**	5.2	5.6
2	2	PHARMSTANDART	4.9	5.1
3	4	**BAYER HEALTHCARE**	4.1	3.9
4	6	**SANDOZ GROUP**	3.7	3.4
5	3	**SERVIER**	3.7	4.2
6	10	**TEVA**	3.4	2.8
7	8	**STADA**	3.3	3.2
8	5	**ABBOTT**	3.2	3.6
9	12	**NOVARTIS**	3.1	2.6
10	7	**MENARINI**	3.1	3.3
Total			37.8	37.7

*AIPM members are in bold

Hepatoprotector ESSENTIALE N (+15%) which due to its high growth rates reinforced its ranks remained the bestselling brand name in the regional market (Table 2). Due to 42% growth in sales, antiviral ARBIDOL moved up to rank two from seven, and MEXIDOL (+5%) held its previous rank three. The newcomers of the top 10 KAGOCEL which sales increased 2.9 times, CARDIOMAGNIL (+40%), LINEX (+18%) and INGAVIRIN which sales grew 2.3 times moved up to ranks four, six, nine and ten. ACTOVEGIN (-6%), VIAGRA (-13%) and HEPTRAL (+2%) showing low and negative growth rates moved down to ranks five, seven and eight, respectively.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ESSENTIALE N	1.2	1.1
2	7	ARBIDOL	0.8	0.6
3	3	MEXIDOL	0.8	0.8
4	42	KAGOCEL	0.8	0.3
5	2	ACTOVEGIN	0.8	0.9
6	17	CARDIOMAGNIL	0.6	0.5
7	4	VIAGRA	0.6	0.8
8	6	HEPTRAL	0.6	0.6
9	11	LINEX	0.6	0.5
10	54	INGAVIRIN	0.6	0.3
Total			7.3	6.4

Two newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). AMBROXOL (+24%) moved up to rank seven from eleven, and UMIFENOVIR (+42%) moved up to rank nine from nineteen. INN PHOSPHOLIPIDS (+15%) topped the ranking, whereas the former leader PANCREATIN reduced sales by 2% and moved down to rank 2. INNs BISOPROLOL (-3%) and BLOOD (-4%) also showed negative growth rates and moved down to the lower ranks five and ten. ETHYLMETHYLHYDROXYPYRIDINE (+5%) also moved down one rank, to number 8. The other three INNs showed outstripping growth rates. On top of that, two of them, NIMESULIDE (+25%) and AZITHROMYCIN (+30%), showed the positive performance and moved up to ranks 3 and 6. INN XYLOMETAZOLINE (+20%) held its previous rank 4. The total share of the top 10 has increased from 9.6% to 10.0%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	PHOSPHOLIPIDS	1.3	1.2
2	1	PANCREATIN	1.3	1.4
3	6	NIMESULIDE	1.1	0.9
4	4	XYLOMETAZOLINE	1.1	1.0
5	3	BISOPROLOL	1.0	1.1
6	9	AZITHROMYCIN	1.0	0.8
7	11	AMBROXOL	0.9	0.8
8	7	ETHYLMETHYLHYDROXYPYRIDINE	0.9	0.9
9	19	UMIFENOVIR	0.8	0.6
10	5	BLOOD	0.8	0.9
Total			10.0	9.6

Due to 25% growth in sales, J01 Antibacterials for systemic use topped the top ten ATC groups ranking (Table 4). As before, M01 Anti-inflammatory and antirheumatic products (+15%) held their previous rank two, and the last year leader N02 Analgesics (-11%) moved down to rank three. The groups which showed high growth rates moved up to ranks four, five and eight. They were R05 Cough and cold preparations (+21%), J05 Antivirals for systemic use (+90%) and L03 Immunostimulants (+32%). At the same time, the letter two became the newcomers of the top ten. As before, ATC group R01 Nasal preparations (+20%) held its previous rank 9. Apart from the above N02 group, three ATC groups moved down to the lower ranks. They were C09 Agents acting on the rennin-angiotensin system (-0.3%), as well as A11 Vitamins (+9%) and G03 Sex hormones which reduced their sales. The total share of top ten ATC groups in the region increased by over 2 p.p. and achieved 37.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	3	J01	ANTIBACTERIALS FOR SYST USE	4.9	4.3
2	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.7	4.4
3	1	N02	ANALGESICS	4.2	5.1
4	5	R05	COUGH AND COLD PREPARATIONS	4.0	3.6
5	18	J05	ANTIVIRALS FOR SYSTEMIC USE	3.8	2.1
6	4	C09	AG ACT RENIN-ANGIOTENS SYST	3.6	4.0
7	6	A11	VITAMINS	3.4	3.4
8	14	L03	IMMUNOSTIMULANTS	3.1	2.6
9	9	R01	NASAL PREPARATIONS	3.1	2.8
10	7	G03	SEX HORM&MODULAT GENITAL SYS	3.0	3.2
Total				37.8	35.4

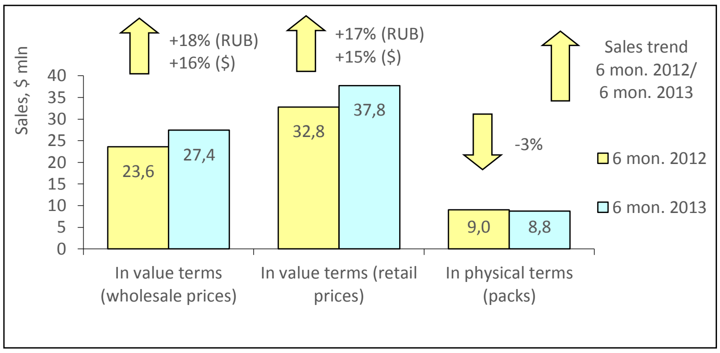
Conclusion. Following the results of the first half of 2013, the Saratov pharmacy market performance (in value terms) proved to be positive both (+9%) in terms of roubles and (+8%) in terms of dollars. At the same time, the market volume amounted to RUB 1.906 bln (USD 61.521 mln). In pack terms, the market shrank by 3% to 15.596 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 3.94 vs. USD 3.56), and was lower than the average figures in Russia (USD 4.25). The average medicine expenses for residents of the region were higher than the average expenses throughout Russia (USD 73.26 vs. USD 62.71).

ULYANOVSK PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Ulyanovsk's estimated population was 638.07 thousand, which accounted for 0.4% of the total Russian Federation population and 2.1% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2013 the average salary in Ulyanovskaya Oblast was RUB 18,225.9 (USD 583.79), which is 37% lower than the average salary in Russia (RUB 28,787.6).

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 2013 the sales of OTC drugs in physical terms in pharmacies of Ulyanovsk saw a 3% decrease to 8.768 mln packs. In value terms, the OTC drugs market increased by 18% in rouble terms and by 16% in dollar terms and reached RUB 848.897 million (USD 27.425 million) in wholesale prices (Fig. 1). The regional market share in value terms accounted for 0.4% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 3.63) and reached USD 4.31 in retail prices. For 6 months of 2013, the average amount spent by residents of Ulyanovsk for OTC drugs in pharmacies amounted to USD 59.17.

Figure 1. Ulyanovsk pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results for the first half of 2013, the Russia-based drug manufacturer PHARMSTANDART topped the top ten drug manufacturers ranking in the regional market due to 44% growth in sales (Table 1). The last year leader SANOFI-AVENTIS (+15%) showed low growth rates and moved down to rank two. Apart from that, another four drug manufacturers of the top ten managed to rise in the ranks. They were the drug manufacturers BAYER (+45%) and TEVA (+55%) that moved up to ranks three and four, whereas the newcomers of the top ten NOVARTIS (+58%) and SANDOZ (+32%) moved up to ranks 6 and 7. The growth rates of three drug manufacturers NYCOMED/TAKEDA (+4%), ABBOTT (+10%) and STADA (+9%) lagged considerably behind the market's average, whereas SERVIER (-1%) showed the negative growth rates. That resulted in the reduction of their shares and loss of ranks. The total share of the top ten drug manufacturers increased by 3 p.p. and achieved 41.9%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	PHARMSTANDART	6.6	5.4
2	1	**SANOFI-AVENTIS**	5.6	5.7
3	4	**BAYER HEALTHCARE**	5.1	4.1
4	10	**TEVA**	4.1	3.1
5	3	**NYCOMED/TAKEDA**	3.8	4.3
6	12	**NOVARTIS**	3.7	2.8
7	11	**SANDOZ GROUP**	3.4	3.1
8	7	**ABBOTT**	3.4	3.6
9	5	**SERVIER**	3.1	3.7
10	8	**STADA**	3.1	3.4
Total			41.9	39.2

*AIPM members are in bold

The ranking of the top 10 brand names was half updated (table 2). The newcomers KAGOCEL (2.8-fold growth in sales), INGAVIRIN (2.6-fold growth), AFOBAZOL (2.9-fold growth), REDUKSIN (+41%) and CARDIOMAGNIL (+32%) broke into the ranks of the top ten, coming in at numbers 7 through 10, respectively. In addition, the top ten ranking changed its leaders. The former leader VIAGRA reduced its sales by 10% and moved down to rank three, giving way to ESSENTIALE N (+67%) and ARBIDOL (+46%). ACTOVEGIN (-5%) also showed the negative growth and moved down from rank 4 to 6. In contrast, LINEX (+30%) moved up two ranks, coming in at number 5.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	2	ESSENTIALE N	1.5	1.1
2	3	ARBIDOL	1.3	1.1
3	1	VIAGRA	1.0	1.3
4	30	KAGOCEL	0.9	0.4
5	7	LINEX	0.8	0.7
6	4	ACTOVEGIN	0.8	1.0
7	40	INGAVIRIN	0.7	0.3
8	48	AFOBAZOL	0.7	0.3
9	13	REDUKSIN	0.7	0.6
10	11	CARDIOMAGNIL	0.7	0.6
Total			9.2	7.4

Two names of the top-ten INN and generic names ranking managed to keep their previous ranks (table 3). They were PANCREATIN (+12%) and NIMESULIDE (+11%) placed at numbers 7 and 10. Four ATC groups of the top 10 rose in the ranks. INN PHOSPHOLIPIDS (+66%) moved up from rank 4 to 1 and UMIFENOVIR (+46%) moved up from rank 8 to 3. At the same time, the last year leader XYLOMETAZOLINE (+20%) moved down one rank. The newcomers PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE (2.1-fold growth in sales) and KETOPROFEN (+62%) broke into the ranks of the top ten, coming in at numbers four and eight The other three INNs reduced their sales and moved down to the lower ranks. They were AMBROXOL (-4%), SILDENAFIL (-7%) and BISOPROLOL (-5%). The total share of the top 10 under review increased and accounted for 11.5%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	4	PHOSPHOLIPIDS	1.7	1.2
2	1	XYLOMETAZOLINE	1.6	1.5
3	8	UMIFENOVIR	1.3	1.1
4	28	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE + PHENYLEPHRINE	1.0	0.6
5	3	AMBROXOL	1.0	1.3
6	2	SILDENAFIL	1.0	1.3
7	7	PANCREATIN	1.0	1.1
8	13	KETOPROFEN	1.0	0.7
9	5	BISOPROLOL	1.0	1.2
10	10	NIMESULIDE	0.9	1.0
Total			11.5	10.9

In contrast to the previous top 10s, this top ten ATC groups ranking changed its leader (table 4). Due to lagging behind the growth rates, the former leader M01 Anti-inflammatory and anti-rheumatic products (+12%) moved down to rank three, and N02 Analgesics (+40%) and R05 Cough and cold preparations (+35%) moved up to the first two ranks. The markets of the other five ATC groups developed at a fast pace: The newcomer J05 Antivirals for systemic use (+96%) moved up to rank four in the top ten, displacing J01 Antibacterials for systemic use (+25%) down one rank. R01 Nasal preparations (+28%) and A11 Vitamins (+27%) held their previous ranks six and seven. A07 Antidiarrheals, intestinal anti-inflammatory / anti-infective agents (+37%) moved up to rank eight. Due to reduction in sales by 4%, ATC group C09 Agents acting on the rennin-angiotensin system lost four ranks and moved down to rank 9. G03 Sex hormones (+11%) kept its previous rank ten. The total share of the top ten under review increased by almost 3.6 p.p. and achieved 42.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	2	N02	ANALGESICS	5.8	4.9
2	3	R05	COUGH AND COLD PREPARATIONS	5.3	4.6
3	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.8	5.1
4	12	J05	ANTIVIRALS FOR SYSTEMIC USE	4.5	2.7
5	4	J01	ANTIBACTERIALS FOR SYST USE	4.4	4.1
6	6	R01	NASAL PREPARATIONS	4.0	3.7
7	7	A11	VITAMINS	3.9	3.6
8	9	A07	INTESTINAL ANTIINFECTIVES	3.7	3.2
9	5	C09	AG ACT RENIN-ANGIOTENS SYST	3.2	3.9
10	10	G03	SEX HORM&MODULAT GENITAL SYS	2.9	3.0
Total				42.3	38.7

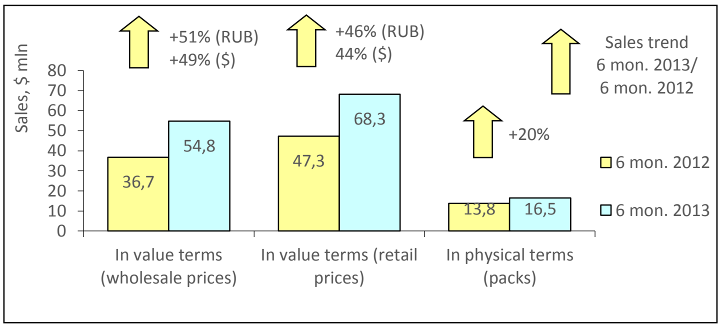
Conclusion. On the basis of the results for six months of 2013, the retail pharmacy market of Ulyanovsk brought in RUB 1.168 bln (USD 37.753 mln). The market saw a 17% increase in terms of roubles and 15% increase in terms of dollars compared to the last year results. In pack terms, the market showed negative growth rates (-3%) and achieved 8.768 mln packs. At Q I-end 2013, the average cost of an OTC pack in the city pharmacies was higher than in the year-earlier period (USD 4.31 vs. USD 3.63) and exceeded the Russia average figures (USD 4.25). However, the average medicine expenses for residents of the region were higher than the average expenses throughout Russia (USD 59.17 vs. USD 62.71).

VOLGOGRAD PHARMACY MARKET: 2013 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Volgograd was estimated as 1.019 mln, which accounted for 0.7% of the total Russian Federation population and 7.3% of Southern FO (SFO). According to Federal State Statistics Service's data, in the first half of 2013 the average salary in the city was RUB 19,991.5 (USD 640.34), which is 31% lower than the average salary in Russia (RUB 28,787.6).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2013 the pharmacy market volume in physical terms increased by 20% and amounted to 16.506 million packs (Fig. 1) In wholesale prices, the market showed a still more positive performance both in terms of roubles (+51%) and in terms of dollars (+49%) and reached 1.696 million roubles (USD 54.782 mln). The region's share accounted for 0.8% of the total volume of all-Russia pharmacy market. Based on the results for the first half of the year, the average cost of OTC pack in the city pharmacies in the analysed period was USD 4.14 (during the same period in 2012 - USD 3.43). The average expenses of residents for purchase of drugs in the first six months of 2013 were estimated as USD 67.02.

Figure 1. Volgograd pharmacy market for 6 months of 2012 – 6 months of 2013



Based on the results for the first half of 2013, the drug manufacturers PHARMSTANDART (+26%), BAYER (+40%), SANOFI-AVENTIS (+55%) and SERVIER (+53%) held their leading ranks in the regional top ten drug manufacturers ranking (Table 1). On top of that, despite high growth rates, the former two, especially the top ten leader PHARMSTANDART, reduced their market shares. The markets of SANOFI-AVENTIS and SERVIER developed at a fast pace, which allowed the former to expand its share and the letter to held its own in the ranking. The drug manufacturers NYCOMED/TAKEDA (+66%), TEVA (+64%) and NOVARTIS (+75%) showed a yet higher growth in sales and moved up to ranks five, seven and ten, respectively. Note that the latter became the only newcomer of the top-10. In addition they displaced the drug manufacturers GEDEON RICHTER (+35%) and SANDOZ (+40%) to the lower ranks. However, despite the lagging behind average growth rates the drug manufacturer STADA (+48%) managed to move up one rank, to number 9. The total share of the top 10 ATC groups decreased by almost 1 p.p. and accounted for 37.5%.

Table 1. The top ten manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	PHARMSTANDART	4.9	5.8
2	2	**BAYER HEALTHCARE**	4.4	4.8
3	3	**SANOFI-AVENTIS**	4.4	4.3
4	4	**SERVIER**	4.3	4.3
5	7	**NYCOMED/TAKEDA**	3.7	3.4
6	5	GEDEON RICHTER	3.4	3.8
7	8	**TEVA**	3.3	3.1
8	6	**SANDOZ GROUP**	3.2	3.5
9	10	**STADA**	2.9	3.0
10	12	**NOVARTIS**	2.9	2.5
Total			37.5	38.4

*AIPM members are in bold

The leading three brand names of the top ten held their own in the ranking (table 2). ESSENTIALE N (+73%), ACTOVEGIN (+70%) and ARBIDOL (+64%) held and reinforced their ranks due to high sales rates. The newcomers broke into the ranks of the top ten, coming in at numbers four and five, as well as 7 through 9 of the top ten. They were antiviral drugs KAGOCEL (2.4-fold growth in sales) and INGAVIRIN (3.5-fold growth), interferon inducer CYCLOFERON and anti-aggregant CARDIOMAGNIL (2-fold growth), as well as corrector of bone tissue metabolism ALFLUTOP (+72%). Apart from that, CONCOR (+48%) moved up one rank to number 6. And only YARINA (+14%) moved down from rank six to ten. The cumulative share of the top10 increased from 6.2% to 7.4%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	ESSENTIALE N	1.0	0.9
2	2	ACTOVEGIN	1.0	0.9
3	3	ARBIDOL	0.9	0.9
4	11	KAGOCEL	0.8	0.5
5	52	INGAVIRIN	0.7	0.3
6	7	CONCOR	0.6	0.6
7	21	CYCLOFERON	0.6	0.4
8	23	CARDIOMAGNIL	0.6	0.4
9	14	ALFLUTOP	0.6	0.5
10	6	YARINA	0.5	0.7
Total			7.4	6.2

A total of four newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were AMBROXOL (+85%), KAGOCEL (2.3-fold growth in sales), TRIMETAZIDINE (+57%) and AZITHROMYCIN (+49%) which moved up to the lower four ranks of the top ten. Apart from them, another three names of the top ten showed growth in sales. BISOPROLOL (+50%), PHOSPHOLIPIDS (+68%) and UMIFENOVIR (+64%) moved up one rank, coming in at numbers 2, 3 and 6. At the same time, PANCREATIN (+24%) moved down two ranks from number four. The leader of the top ten XYLOMETAZOLINE (+22%) and BLOOD (+65%) at number 5 held their own in the ranking. The total share of the top 10 has increased from 9.6% to 9.8%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012		6 mon. 2013	6 mon. 2012
1	1	XYLOMETAZOLINE	1.2	1.5
2	3	BISOPROLOL	1.1	1.2
3	4	PHOSPHOLIPIDS	1.1	1.0
4	2	PANCREATIN	1.1	1.3
5	5	BLOOD	1.1	1.0
6	7	UMIFENOVIR	0.9	0.9
7	15	AMBROXOL	0.9	0.7
8	26	KAGOCEL	0.8	0.5
9	14	TRIMETAZIDINE	0.7	0.7
10	13	AZITHROMYCIN	0.7	0.7
Total			9.8	9.6

The leader of the top-10 ATC groups ranking changed. Due to 2.4-fold growth in purchases, J05 Antivirals for systemic use moved up to rank one from 11 (Table 4). N02 Analgesics (+13%) placed at rank one earlier showed relatively low growth rates and moved down to rank seven. Apart from that, some more shifts took place in the top 10 ranking. The more dynamic ATC groups M01 Anti-inflammatory and anti-rheumatic products (+50%), C09 Agents acting on the rennin-angiotensin system and R05 Cough and cold preparations (+58% each) moved up one rank, coming in at numbers 3, 5 and 6, respectively. At the same time, less dynamic ATC groups J01 Antibacterials for systemic use (+47%), R01 Nasal preparations (+32%) and A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+36%) moved down to ranks 4, 8 and 10. ATC groups G03 Sex hormones (+41%) and A11 Vitamins (+48%) held their earlier ranks two and nine. The total share of the top ten reduced by 0.8 p.p. and accounted for 37.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2013	6 mon. 2012			6 mon. 2013	6 mon. 2012
1	11	J05	ANTIVIRALS FOR SYSTEMIC USE	4.2	2.7
2	2	G03	SEX HORM&MODULAT GENITAL SYS	4.1	4.4
3	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4.1	4.1
4	3	J01	ANTIBACTERIALS FOR SYST USE	4.0	4.1
5	6	C09	AG ACT RENIN-ANGIOTENS SYST	4.0	3.8
6	7	R05	COUGH AND COLD PREPARATIONS	3.9	3.7
7	1	N02	ANALGESICS	3.5	4.7
8	5	R01	NASAL PREPARATIONS	3.4	4.0
9	9	A11	VITAMINS	3.0	3.1
10	8	A07	INTESTINAL ANTIINFECTIVES	2.9	3.2
Total				37.1	37.9

Conclusion. In the first half of 2013, the pharmacy market in Volgograd was estimated at RUB 2.114 bln (USD 68.276 mln.) in final consumer prices. Note that the market performance was positive both in rouble terms and in dollar terms (+46% and +44%, respectively). In pack terms, the market also increased (+20%) and amounted to 16.506 mln packs. The average cost of an OTC pack (USD 4.14) in the pharmacies increased as compared to a year earlier (USD 3.43) and was higher than the average value in Russia (USD 4.25). At the same time, expenses of residents for purchase of drugs in the city pharmacies proved to be higher than the average expenses in Russia (USD 67.02 vs. USD 62.71).

REGIONAL DIGEST

State Reimbursement Program//Procurement of Necessary Drugs, Government Control

October 2, 2013, The Kommersant

RAMS will seek to transfer the management of its organizations to the Ministry of Public Health

As it has been known from rather informed sources, the Russian Academy of Medical Sciences (RAMS) tries to get around a bill to reform the Academy of Sciences, according to which RAMS is to transfer the management of most academic property to a new federal government agency. The management of RAMS made it clear in the yesterday's private presidium meeting that they would seek to transfer its institutions to the Ministry of Public Health. It was the first presidium meeting after President Vladimir Putin had signed into law a controversial bill to reform the Academy of Sciences on September 27, 2013. The bill's main provisions transfer the management of most academic property to a new federal government agency. Also, the most of scientific institutions will be governed by the property management agency.

October 4, 2013, The Meditsinskaya Gazeta

Deputies concerned about low availability of high-tech medical care

The State Duma is concerned about low availability of high-tech medical care. Members of the round table *Guiding Principles and Prospects for the Development of Procedure for Delivery of High-Tech Medical Care* requested the government to continue financing delivery of specialized medical care for certain categories of citizens in the federal health care facilities and high-technological medical care in the leading clinics using federal budget funds. Deputy Chairman of the Committee of State Duma for Public Health Sergey Dorofeev reminded that the high-tech medical care would be provided using compulsory medical insurance funds in accordance with Federal Act No 323-FZ *On the Fundamentals of Public Health Protection in the Russian Federation* from 2015.

October 8, 2013, RIA News

According to Tatyana Golikova, the law doesn't provide any mechanism to allocate funds for delivery of medical care through CMI system

In Russia, over half of budget expenditures for medical care will be made through the compulsory health insurance system by 2016, Minister of Public Health Veronika Skvortsova said at the end of September. Funds that used to be allocated for direct financing of health care facilities will be provided through the CHI system. The law of Russia doesn't provide any mechanism to implement changes to the structure of health expenditures for the nearest three year which assumes the allocation of funds through CHI system, Head of Accounts Chamber Tatyana Golikova announced at Parliament Hearings in the Federation Council on October 8, 2013.

October 10, 2013, ITAR-TASS

According to Veronika Skvortsova, in 2014 public health funding will make it possible to implement all programs

In 2014, the compulsory health insurance system will have 200 mln roubles more than this year, Minister of Public Health Veronika Skvortsova said after the Russian government session on October 10, 2013. She stressed that "there is not the slightest fear of lack of money for any program".

October 11, 2013, PRIME

Ministry of Industry and Trade approved the good manufacturing practices in Russia

The Ministry of Industry and Trade of the Russian Federation approved the Good Manufacturing Practices (GMP). The Order signed by Denis Manturov on October 10 is published at the website of the Ministry. As a spokesman for the authority reported earlier, GMP Rules were about to be approved in Quarter IV this year.

October 11, 2013 Remedium

ARPM believes all citizens of Russia may be provided with necessary medications due to development of domestic pharmaceutical industry

The government which set themselves a goal to create a rational pharmaceutical management program should rest on the achievements of domestic pharmaceutical industry, believes General Director of Association of Russian Pharmaceutical Manufacturers (ARPM) Viktor Dmitriev. According to the expert, the citizens of Russia may be provided with all necessary medications under health budget cuts only due to development of domestic pharmaceutical industry and promotion of generic medicines.

October 14, 2013, ITAR-TASS

State Duma prepares a number of draft acts to encourage people to take voluntarily preventive medical check-ups

The State Duma prepares a package of acts to encourage people to take voluntarily preventive medical check-ups, Deputy Chairman of the Committee of State Duma for Public Health Sergey Dorofeev announced at the conference *Your Health is the Future of Russia*, focusing on the cardiovascular diseases. According to the Deputy, motivating factors may include such measures as prescription discounts.

October 16, 2013, RIA News

Programme on State Guarantees to Deliver Free Medical Care to the Citizens of the Russian Federation gets 40% funding increase until 2016

Programme on State Guarantees to Deliver Free Medical Care to the Citizens of the Russian Federation gets 40% funding increase, Minister of Public Health of Russia Veronika Skvortsova said on October 16, 2013. According to Veronika Skvortsova, as before National Calendar of Prophylactic Immunization, procurement of federal health care facilities, development of medical science and education will be funded out of federal budget.

October 16, 2013, ITAR-TASS

Introduction of mandatory pneumococcal vaccination for 2014 will cost RUB 4 bln

Introduction of pneumococcal vaccination into the National Calendar of Prophylactic Immunization will cost over 4 bln roubles, Minister of Public Health of Russia Veronika Skvortsova announced in the "Government Hour" at the State Duma on October 16. According to Veronika Skvortsova, pneumococcal vaccination results in a reduction of 80% in the incidence of pneumonias, meningitis, and otitis first of all in the population from 1 to 3 years old.

October 23, 2013, ITAR-TASS

RUB 4 bln to be allocated to combat tuberculosis in 2014

Over 4 bln roubles have been allocated to combat tuberculosis in 2014, Minister of Public Health of Russia Veronika Skvortsova said. The Minister clarified that the funds will be spent in the regions on special diagnostic tests. Such tests are used to identify patients with extensively drug-resistant tuberculosis; determine sensitivity to drugs and effectiveness of treatment applied. In addition, 83 constituent entities of the Russian Federation will receive very expensive second line anti TB drugs, which are used by the patients with extensively drug-resistant tuberculosis.

October 28, 2013, The Vedomosti

The time period for transferring prescription drug-buying powers to the regions under 7 Nosologies Program is proposed to be extended until 2015

The regions may receive the prescription drug-buying powers under 7 Nosologies Program from 2015, and not from 2014, as it was intended earlier, Director – Department of state regulation of the medicines turnover, Ministry of Health of Russian Federation, Elena Maximkina announced at the Pharma Russia Conference held by the Vedomosti. According to her, respective amendments to the second reading have been introduced to the draft bill *On Introducing Amendments to Certain Orders of the Ministry of Public Health and Social Development of the Russian Federation.*

NEWS FROM COMPANIES

October 3, 2013, ITAR-TASS

GardenHills OOO intends to buy out 47.99% stake in Verofarm OAO

GardenHills OOO, belonging to Russian businessman Mr. Roman Avdeyev, sent a mandatory buyout offer for a 47.99% stake in Verofarm OAO (Veropharm) to the Federal Financial Markets Service. In the middle of September, GardenHills bought a major share of stock in Veropharm (51.85%) from Pharmacy Chain 36.6 for 5 bln roubles.

October 9, 2013 Remedium

Mallinckrodt Pharmaceuticals signed a partnership agreement with R-Pharm

Mallinckrodt Pharmaceuticals have signed a partnership agreement with Russian pharmaceutical producer R-Pharm and its subsidiary ORTAT ZAO. The partners will cooperate to produce non-ionic contrast media agents in Russia, which have so far not been manufactured in the country. On 9 September 2013, Russia's Ministry of Health gave its approval for ORTAT ZAO to perform secondary packaging of the products at its facility which fully complies with GMP regulations. With the help of this agreement, the contrast media products are scheduled to be available on the Russian market in early 2014.

October 22, 2013, RIA News

Oticipharm to submit a listing application to the stock exchange in the first half of 2014

Oticipharm which is set up by Pharmstandart as an over-the-counter (OTC) drug manufacturer plans to submit a listing application at the stock exchange in I-II quarter of 2014, Deputy General Director for Finance Elena Arkhangelskaya said at the summit of financial directors of Russia held by the Adam Smith Institute. The probability is that the listing application will be submitted to the Moscow exchange, submission to the western exchanges is unlikely, but not impossible.

Source of information – IMS Health

If you have questions or comments, please contact:

Vladimir Grigorievich Shipkov, Executive Director of AIPM

Tel: 933 70 40

Information of AIPM in Internet: http://www.aipm.org

Ekaterina Korduban, Director for PR and Remedium Group Development

Tel: 780 34 25, fax: 780 34 26

Information of Remedium Group in Internet: http://www.remedium.ru