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

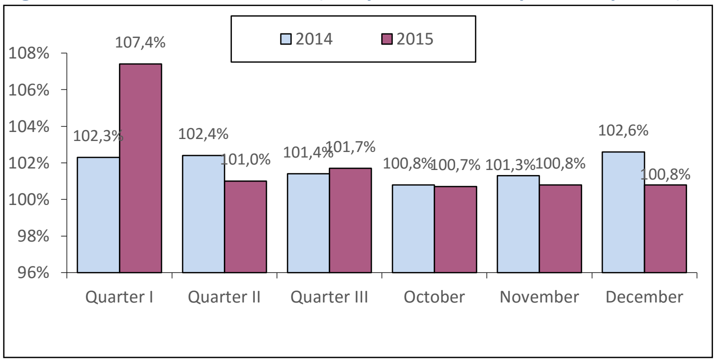
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in December 2015, the Consumer Price Index was estimated at 100.8% compared to the previous month, and 112.9% since the beginning of the year.

In December this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 97.8%, whereas in the month-earlier period it had amounted to 99.3%.

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



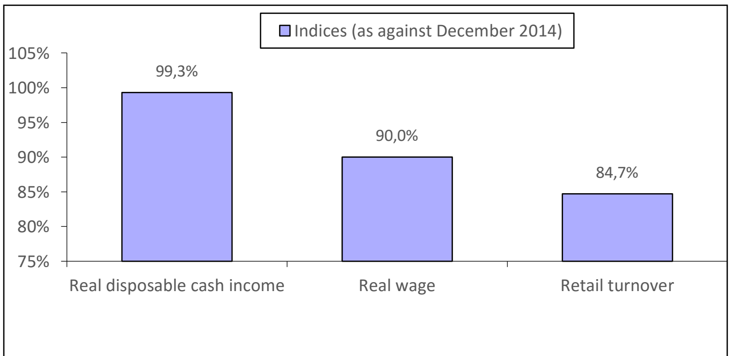
Living standard

According to preliminary Federal State Statistics Service's data, in December 2015 a gross monthly average salary per worker reached RUB 42,684 (USD 612.75) which accounted for 128% compared to the previous month and 101.6% compared to December 2014. The real wages in December 2015 accounted for 95.3% as compared with December 2014. In December 2015, the real value of disposable cash incomes accounted for 99.3% as compared with the same period of 2014 (Fig. 2). Based on the results for 2015, these parameters were equal to RUB 33.925, 90.5% and 96%, respectively.

Retail turnover

In December 2015, the retail turnover was equal to RUB 2,865.0 bil., which in comparable prices accounted for 84.7% compared to the same period a year ago, at the end of 2015 - RUB 27,575.7 bil. and 90.0% (Fig. 2).

Figure 2. Real values of cash incomes, wages and retail turnover in December 2015



Industrial Production

According to Federal State Statistics Service's data, in December 2015 Industrial Production Index accounted for 95.5% compared to the same period a year ago, and in 2015 - 96.6%).

According to Federal State Statistics Service's data, Industrial Production Index in December 2015 accounted for 100.2% compared to the relevant period of the previous year, and 109.1% to the previous month. At the end of the year, index accounted for 108.9% as compared to 2014.

Domestic production

Top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for December 2015 is shown in Table 1.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales volume in December 2015

Rank	Manufacturer	RUB mil.
1	Otcpharm	1648.3
2	Pharmstandart	1045.2
3	Valenta	962.0
4	Servier	761.1
5	KRKA	731.6
6	Veropharm	690.4
7	Pharm-Center	636.8
8	Ozon	635.3
9	Materia Medica	626.1
10	Biocard	595.3

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In November 2015 compared to October, pharmacy sales slump (in terms of roubles) was observed in most analysed regions. The highest performance was observed in Perm (-13%), the lowest one in Moscow (-2%). Two regions, Krasnodar Krai (+15%) and Rostov Region (+14%), showed positive performance.

Table 2. Pharmacy sales in the regions, 2015

Region	Pharmacy sales, $mil. (wholesale prices)			Growth gain, % (roubles)		
	September 2015	October 2015	November 2015	September/ August 2015	October/ September 2015	November/ October 2015
Moscow	125.1	129.6	123.4	31%	-2%	-2%
St. Petersburg	47.2	50.4	44.7	41%	0.7%	-9%
Krasnodar Krai	31.1	28.2	31.3	-7%	-15%	15%
Novosibirsk Region	20.3	20.2	18.7	12%	-6%	-5%
Tatarstan	17.9	17.6	16.5	25%	-7%	-3%
Krasnoyarsk Krai	17.2	20.7	17.4	17%	14%	-14%
Rostov Region	17.2	18.4	20.4	33%	1%	14%
Voronezh Region	12.2	13.8	11.7	24%	7%	-12%
Perm	5.8	8.3	7.0	39%	35%	-13%
Tyumen	5.0	5.1	4.8	26%	-5%	-3%

Advertising

The largest advertisers and pharmaceutical brand names highly publicized in mass media (TV, radio, press, outdoor advertising) are shown in Tables 3 & 4.

Table 3. Top five advertisers in mass media in December 2015

Rank	Company*	Quantity of broadcasts
1	Novartis	12,991
2	Otcpharm	10,969
3	Teva	7,900
4	Reckitt Benckiser	7,897
5	Bayer AG	7,583

Source - Remedium according to TNS Russia's data

Table 4. Top five trade names in mass media in December, 2015

Rank	Brand*	Quantity of broadcasts
1	Strepsils	4,264
2	Nurofen	3,561
3	Gaviscon	3,364
4	Grippferon	2,493
5	Calcium-D3 Nycomed	2,434

Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

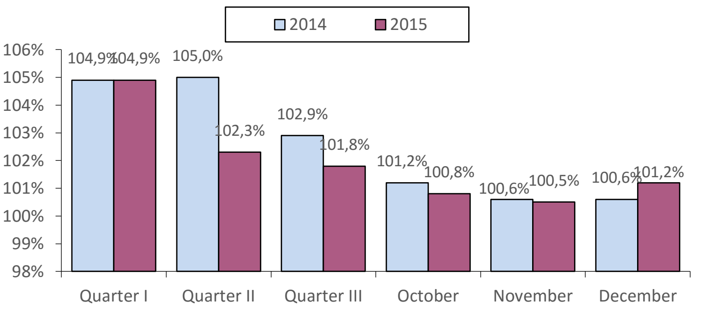
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of National Statistical Committee of the Republic of Belarus, in December 2015 the Consumer Price Index was estimated at 101.2% compared to the previous month – 101.2% (as a comparison, it was 100.6% in December 2014), 112% compared to December 2014. In 2015, Consumer Price Index was estimated as 113.5% compared to 2014.

In December 2015, Industrial Producer Price Index was 101% as compared to November 2015, and 116% as compared to December 2014. In January-December 2015, the Industrial Producer Price Index was 116.8% as compared to 2014.

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



Source: Belstat

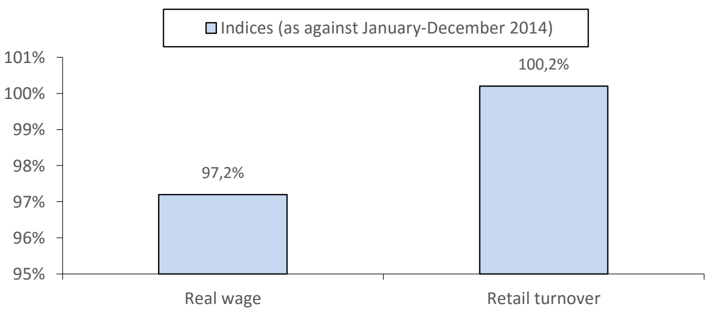
Living standard

According to the preliminary Balstat's data, in December 2015 the average monthly nominal accrued wage of the workers of the Republic of Belarus was BYR 7,424,092 (USD 406.11[1]), for 2015 - BYR 6,718,697 (USD 423.50). In December 2015, the real wage accounted for 108.7% as compared to November 2015, for 2015 – 97.2% (Fig. 2). According to Balstat's data, in January-December 2015 the real disposable cash income accounted for 94.1% as against January-December 2014.

Retail turnover

In December 2015, the retail turnover was RUB 34,145.4 tril., which is 115.8% to the previous period and 96.6% to the same period of the last year. Based on the results for 2015, it amounted to RUB 347.3 tril. or 100.2% in comparable prices to 2014 level (Fig. 2).

Figure 2. Real monthly wage and retail turnover in 2015



Source: Belstat

Industrial Production

According to Belstat's data, in 2015 the industrial output by economic activities "Mining industry", "Processing Industry" and "Production and distribution of electricity, gas and water" at current prices amounted to BYR 729 tril. or 93.4% in comparable prices to 2014 level.

According to Belstat's data, in 2015 the pharmaceutical production output was estimated at BYR 8,287.8 bil, which accounted for 138.5% to the indicators of 2014.

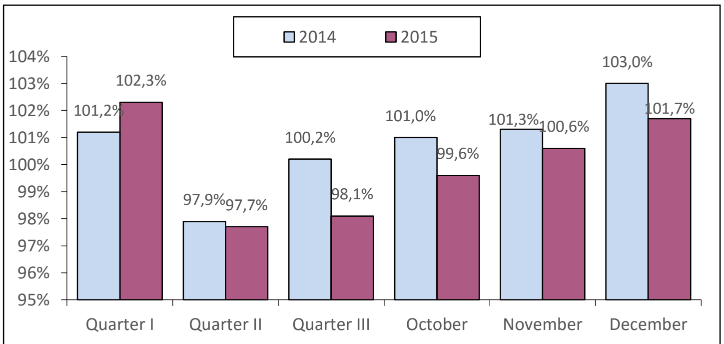
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to data of National Statistical Service of the Republic of Armenia, in December 2015 the Consumer Price Index was estimated at 101.7%, compared to December 2014 – 99.9%). For the period of January-December of the current year to 2014, Consumer Price Index was 103.7%.

In December 2015, the Industrial Producer Price Index was 100.6%, as compared to the previous month, while as against December 2014 – 92.3%). At the end of 2015, index accounted for 99.2% as compared to 2014.

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



Source: National Statistical Service of the Republic of Armenia

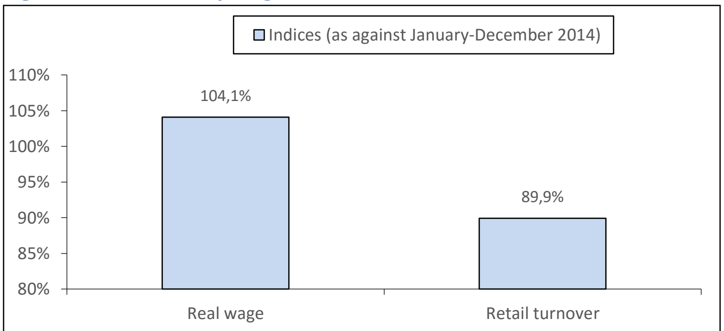
Living standard

According to the preliminary data of the National Statistical Service of RA, in December 2015 the average monthly nominal accrued wage of the workers in the Republic of Armenia was Dram 220,047 (USD 456), which accounted for 101.9% to the same period of the last year. In January-December 2015, the average monthly nominal wage per worker was Dram 184,441 (USD 386) and 107.7% to 2014 (Fig.2). In January-December 2015, the real wage accounted for 104,1% as compared to January-December 2014. Calculation of real disposable income in accordance with State Statistical Efforts Program for 2008 has not been performed in the Republic of Armenia since January 1, 2008.

Retail turnover

The retail turnover amounted to Dram 178849.0 mil. in December 2015, and Dram 1,352,025.8 mil. from the start of the year, which accounted for 82.4% and 89.9% respectively, as compared to the same period of the previous year (Fig. 2).

Figure 2. Real monthly wage and retail turnover in 2015



Source: National Statistic Service of the Republic of Armenia

Industrial Production

According to the preliminary data of the National Statistical Service of RA, in December 2015 the industrial output by economic activities "Mining industry", "Processing Industry" and "Supply (service) of electricity, gas, steam and conditioned air" and "Water supply, sewage water, management and disposal of waste" at current prices amounted to Dram 104898.7 mil., from the start of the year - Dram 1,327,075.5 mil. or 105.2% to 2014.

According to the National Statistical Service of RA, in December 2015 the pharmaceutical production output was estimated at Dram 717.3 mil., and in 2015 - Dram 7,634.4 mil., which accounted for 105.9% and 125.1% respectively to the same periods of the previous year.

[1] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Belarus www.nbrb.

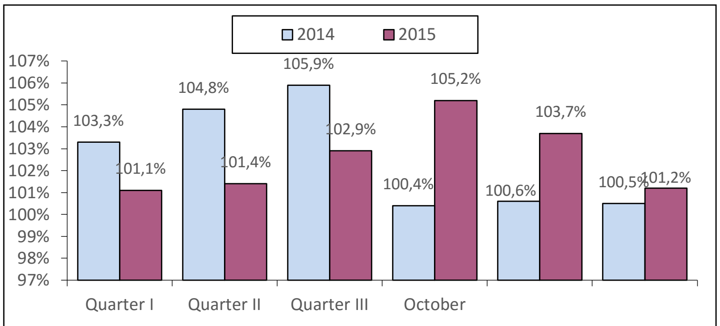
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in December 2015 the Consumer Price Index was estimated at 101.2%, as against to December 2014 – 113.6%). In January-December 2015, the Index reached 106.6% as compared to 2014.

In December 2015, the core industrial producer price index (with due account for the production services) accounted for 100.2% as compared to November 2015, as against December 2014 – 95.2%). In January-December 2015, the prices of producers of industrial products reduced by 20.5% as compared to January-December 2014.

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



Source: National Statistical Service of RK

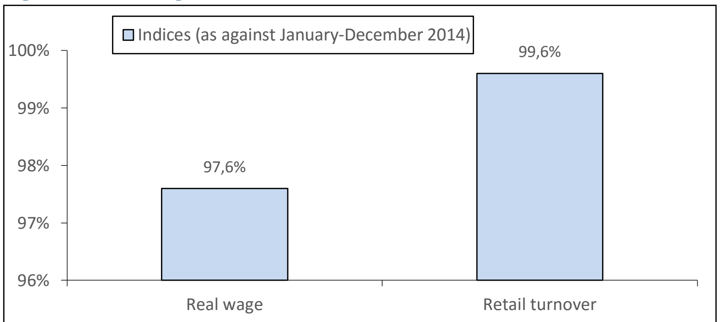
Living standard

According to the preliminary data of the National Statistical Service of RK, in Quarter IV, 2015 the average monthly nominal wage per worker was KZT 136,094, in January-December 2015 - KZT 125,335 (USD 565.26[2]). In Quarter IV, 2015, the Nominal Wage Index accounted for 109.2% as against the same period of 2014, in January-December 2015 it was104.1% as against 2014; the Real Wage Index was 100.1% and 97.6% respectively. In December 2015, the Real Cash Income Index was 92.2% to December 2014, and in January-December 2015 it was 100.7% to the same period of the last year (Fig. 2).

Retail turnover

In December 2015, the retail turnover was KZT 789,206.4 mil., in January-December 2015 it amounted to KZT 6,369.6 bil. or 99.6% compared to the same period in 2014 (Fig. 2).

Figure 2. Real wage index and retail turnover in 2015



Source: National Statistical Service of RK

Industrial Production

According to data of the Committee for Statistics of RK, in January-December 2015 the industrial output was KZT 14,634,477 mil. In 2015, the Volume of Industrial Products index accounted for 98.4% as compared to 2014.

According to data of the Committee for Statistics of RK, in January-December of 2015 the essential pharmaceuticals output amounted to KZT 31,828 mil. At the end of 2015, the Volume of Industrial Production for Pharmaceuticals index was 100.9% as compared to 2014.

[2] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Kazakhstan www.nationalbank.kz

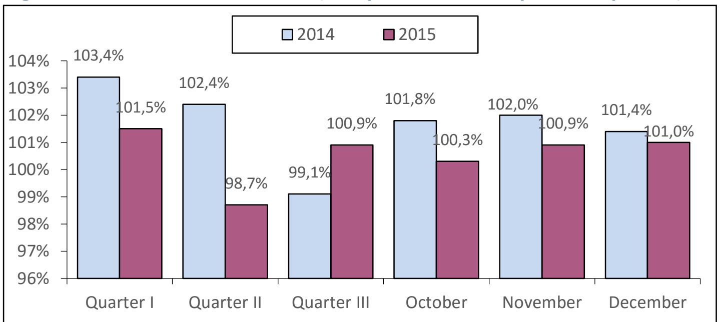
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of the Kyrgyz Republic, in December 2015 the Consumer Price Index was estimated at 101%, as against December 2014 – 103.4%). In January-December 2015, the Index accounted for 106.5% as compared to the same period of 2014.

In December 2015, the Industrial Producer Price Index was 96.6% as compared to the previous month. In 2015, the prices of producers of industrial products across the republic increased by 8.8 % as compared to 2014.

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



Source: National Statistical Committee of RK

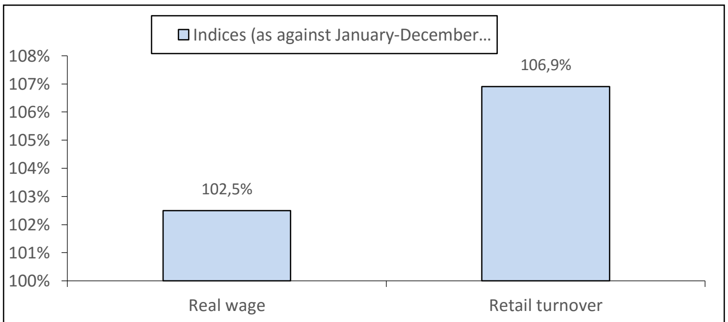
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in 2015 the average monthly nominal wage per worker was KGS 13,277 (USD 206 [3]), which was 9.2% more than in 2014. In January-December 2015, the real wage accounted for 102.5% as compared to 2014 (Fig. 2).

Retail turnover

In December 2015, the retail turnover amounted to KGS 68,271.4 mil., in January-December 2015 it was KGS 428,072.9 mil. The Volume of Retail Turnover Index accounted for 112.4% and 106.9% to the same period of the previous year (Fig.2).

Figure 2. Real monthly wage and retail turnover in January-September 2015



Source: National Statistical Committee of RK

Industrial Production

According to data of the National Committee for Statistics of the Kyrgyz Republic, in December 2015 the industrial output was KGS 16,450.8 mil., and in January-December 2015 it was KGS 175,164.0 mil. (USD 2,717.41 mil.). In 2015, the Volume of Industrial Products index accounted for 95.6% as compared to the same period of 2014 (in December 2015 as compared to December 2014 – 62.7%).

According to data of the National Committee for Statistics of the Kyrgyz Republic, in 2015 the essential pharmaceuticals output amounted to KGS 218,866.5 thd., in December - KGS 26,495.0 thd. At the end of January-December 2015, the Index of Physical Volume of Industrial Production for Pharmaceuticals was 136.2% as compared to January-December 2014.

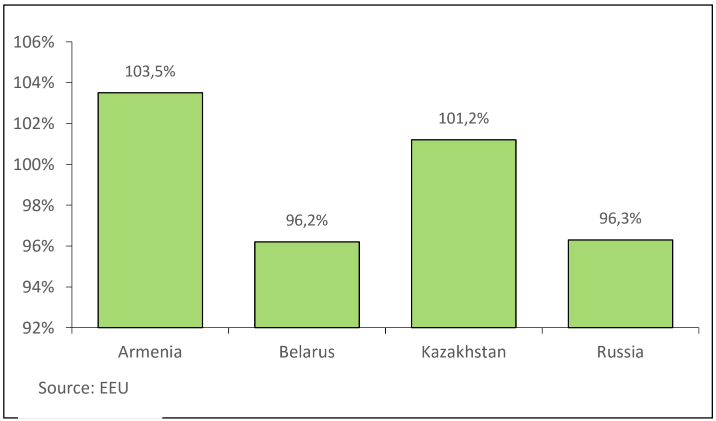
[3] The average exchange rate to calculate the above indices was used from the official website of the National Bank of the Kyrgyz Republic http://www.nbkr.kg/

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to Eurasian Economic Commission's data (EAEU), at the end of January-September 2015 GDP of EAEU member-states amounted to USD 1.1 tril. and reduced by 3% as compared to the same period of 2014. GDP growth was reported in Armenia (+3.5%) and Kazakhstan (+1.2%). In two countries, Russia (-3.7%) and Belarus (-3.8%) GDP reduced as compared to the same period of 2014 (Fig. 1). According to preliminary estimates, in January-September 2015 the Kyrgyz Republic GDP accounted for 105.9%.

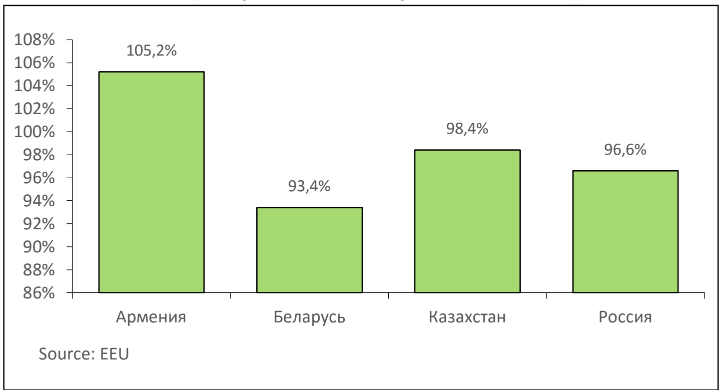
Figure 1. GDP growth of EAEU countries (January-September 2015 to January-September 2014)



Industrial Production

According to preliminary ECE data, in January-December 2015 the volume of industrial production (at constant prices) of the EAEC Member States amounted to USD 907.1 bil., reducing by 3.4% as compared with the same period of 2014. In individual countries, the Industrial Production Index accounted for: Armenia – 105.2%, Belarus – 93.4%, Kazakhstan – 98.4% and Russia – 96.6% (Fig. 2). In the Kyrgys Republic, at the end of 2015 the volume of industrial production accounted for 95.6%.

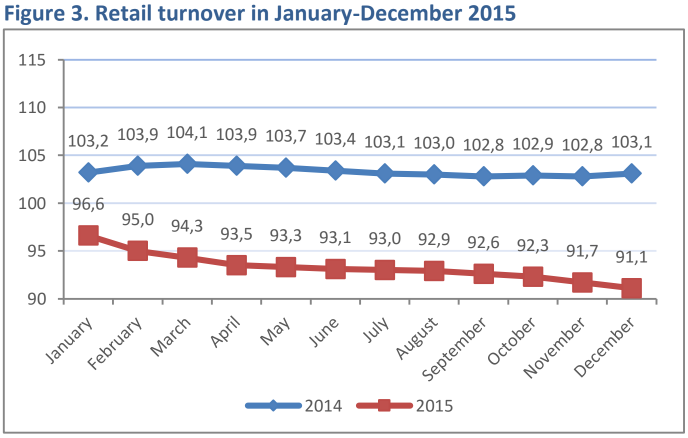
Figure 2. Industrial production in the EAEU member-states in January-December of 2015 (compared to January-December 2014)



Retail turnover

According to the EEC, the retail trade turnover (through all sales channels) of EEU member-states in January-December 2015 amounted to USD 511.1 bil. Compared with the same period of 2014, the volume of retail sales (in comparative prices) decreased by 8.9%. The main reason for the overall decline was the decline in retail turnover in Russia (90%) and Armenia (90.1%), and in Kazakhstan (99.6%). In Belarus and Kyrgyzstan, the retail trade turnover increased (by 0.2%, and 5.6%, respectively).

Figure 3. Retail turnover in January-December 2015



Nominal and real wage

According to the EEC, in January-December 2015 the average monthly nominal wage increased by 7.7% in Armenia , 10.0% in Belarus, 4.1% in Kazakhstan, 9.0% in the Kyrgyzstan (in January–November 2015), 4.6% in Russia, as compared with the same period of the last year. Given the increase in consumer prices for goods and services, the real wage in the respective period increased by 3.9% in Armenia, 2.1% in the Kyrgyzstan (in January–November2015), reduced by 3.1% in Belarus, 2.4% in Kazakhstan, and by 9.5% in Russia.

Table 1. Nominal and real wage in January-December 2015

Country	Real wage, as % to the same period of 2014	Nominal wage, USD
Armenia	103.9	386
Belarus	96.9	431
Kazakhstan	97.6	565
Russia	90.5	559
Kyrgyzstan[1]	102.1	203

[1] January-November 2015

Budget implementation for 9 months of 2015

According to the EEC, in January-September of 2015, the republican budget in Armenia, Kazakhstan and Russia was implemented with a deficit. In Armenia, the deficit was primarily caused by a decline in rates of growth in budget income, and in Kazakhstan and Russia - by a reduction of such rates. In contrast, in Belarus and Kyrgyzstan, the budget was executed with a surplus due to high rates of growth in budget income.

The expenditures of the republican budget increased in all EAEU member-states. At the same time, Armenia, Belarus, Kyrgyzstan and Russia showed an increase in rates of growth in budget expenditures, while Kazakhstan showed a slight decrease in such rates.

Table 2. Republican budget in January-September 2015

Country	USD bil.		
	Income	Expenditure	Deficit (surplus)
Armenia	1.8	2.0	-0.2
Belarus	7.8	6.8	1.0
Kazakhstan	22.5	26.2	-3.7
Russia	171.9	182.6	-10.8
Kyrgyzstan	1.3	1.1	0.0
EAEU	**205.2**	**218.6**	**-13.4**

Mutual trade of EAEU member-states in January-December 2015

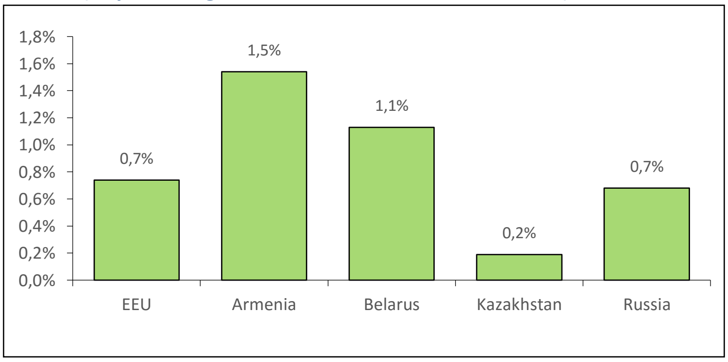
The volume of mutual trade in commodities of EAEU member-states in 2015 amounted to USD 45.4 bil. or 74.2% as compared to 2014.

Table 3. Volumes of mutual trade in commodities of EAEU member-states in January-December 2015

Countries	USD bil.	As percentage of 2014	As percentage of total
EAEU	45379.8	74.2	100.0
Armenia - Belarus	33.3	86.9	0.07
Armenia - Kazakhstan	5.6	75.8	0.01
Armenia - Russia	1274.2	91.2	2.82
Belarus - Kazakhstan	572.4	60.8	1.26
Kazakhstan - Russia	15178.6	74	33.45
Belarus - Russia	25928.2	73.8	57.14

Pharmaceutical products account for a small share in the structure of mutual trade (less than 1%) (Figure 4).

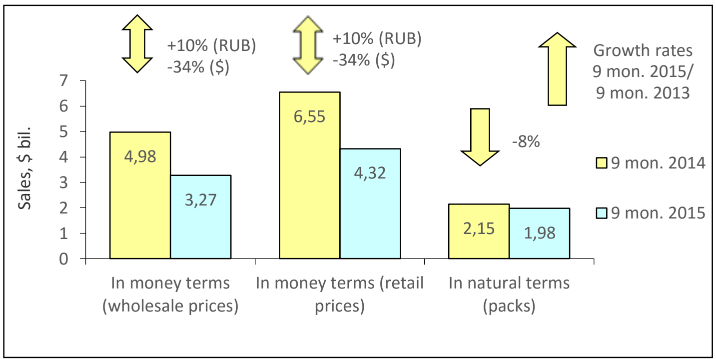
Table 4. The structure of mutual trade between EEU member-states within the Customs Commodity Code Group "Pharmaceutical products" in 2015 (as percentage of the total mutual trade volume)



PHARMACY OTC MARKET IN RUSSIA: 2015 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first nine months of 2015 the sales of OTC drugs in natural terms in pharmacies of Russia saw an 8% decrease to 1.982 bil. packs. In money terms, the OTC drugs market increased by 10% in rouble terms and reduced by 34% in dollar terms and reached RUB 194.030 bil. (USD 3.273 bil.) at wholesale prices (Fig. 1). The share of Over-the-Counter (OTC) drugs accounted for 69% of sales in physical terms and 51.7% in retail prices. The average cost of an OTC pack reduced as compared to a year earlier and reached USD 2.18 (vs. USD 3.05) in retail prices. At the end of the first nine months of 2015, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 29.55.

Figure 1. Russian pharmacy OTC market for 9 months of 2014 – 9 months of 2015



In the first nine months of 2015, the top ten pharmaceutical manufacturers of OTC drugs in the Russian market didn't change in composition (Table 1). However, only three manufacturers from the top ten held their own in the ranking. The drug manufacturers SANDOZ and GLAXOSMITHKLINE (-2%[4] each) and JOHNSON & JOHNSON (+2%) kept their previous ranks four, five and eight. The previous leader of the top ten SANOFI-AVENTIS reduced its sales by 5% and moved down to rank three, giving way to the drug manufacturers with positive growth rates BAYER and OTCPHARM (+6% each). On top of that, another two drug manufacturers from the top ten showed growth in sales, moving up one rank: STADA (+23%) and NYCOMED/TAKEDA (+13%) moved up to ranks six and nine. At the same time, MENARINI (-3%) and TEVA (-1%), which in contrast reduced their sales, moved down one rank. The cumulative share of the top 10 manufacturers reduced from 42.8% to 40%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2015	9 mon. 2014		9 mon. 2015	9 mon. 2014
1	2	**BAYER HEALTHCARE**	5.5	5.7
2	3	OTCPHARM	5.3	5.5
3	1	**SANOFI-AVENTIS**	5.0	5.9
4	4	**SANDOZ GROUP**	4.6	5.1
5	5	**GLAXOSMITHKLINE**	4.3	4.9
6	7	**STADA**	4.0	3.6
7	6	**MENARINI**	3.2	3.7
8	8	**JOHNSON & JOHNSON**	3.0	3.3
9	10	**NYCOMED/TAKEDA**	2.6	2.5
10	9	**TEVA**	2.5	2.7
Total			40.0	42.8

*AIPM members are in bold

One newcomer broke into the top ten brand names ranking. Due to 54% growth in sales, the product MIRAMISTIN moved up from rank 25 to ten (table 2). In addition, another five brand names managed to improve their positions. CARDIOMAGNYL (+25%) moved up from rank six to three, and DETRALEX (+6%) moved up from rank seven to five. The brand names NGAVIRIN (+7%), PENTALGIN and TROXEVASIN (+2% each) moved up one rank, coming in at numbers seven through nine. At the same time, LINEX (-13%) and EXODERIL (-8%), in contrast, moved down to ranks four and six. Despite the decline in sales, the product ESSENTIALE N (-15%) remained the leader of the ranking, and KAGOCEL (+23%) held and reinforced its previous rank two. The total share of the top ten brand names reduced by 0.7 p.p. and accounted for 11.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
9 mon. 2015	9 mon. 2014		9 mon. 2015	9 mon. 2014
1	1	ESSENTIALE N	1.7	2.2
2	2	KAGOCEL	1.6	1.4
3	6	CARDIOMAGNYL	1.3	1.1
4	3	LINEX	1.1	1.4
5	7	DETRALEX	1.1	1.1
6	4	EXODERIL	1.0	1.2
7	8	INGAVIRIN	1.0	1.0
8	9	PENTALGIN	0.9	1.0
9	10	TROXEVASIN	0.8	0.9
10	25	MIRAMISTIN	0.8	0.6
Total			11.3	12.0

[4] Hereinafter, unless otherwise stated, growth gains are estimated in terms of dollars.

Due to outperformance, XYLOMETAZOLINE (+15%) held and reinforced its leading position in the top ten INNs and group names ranking (Table 3). PANCREATIN (+11%) and IBUPROFEN (+18%) moved up to ranks two and three, improving their positions by one point. In contrast, INN PHOSPHOLIPIDS (-13%) that had been placed at rank two earlier moved down to rank four. KAGOCEL (+23%) kept its rank five. The compositions DIOSMIN*HESPERIDIN (+19%), CHONDROITINSULFURIC ACID*GLUCOSAMINE (+15%) and ACETYLSALICYLIC ACID* MAGNESIUM (+25%) moved up to ranks six through eight from the lower ranks. On top of that, the latter became the only newcomer of the top 10 ranking. AMBROXOL (-8%) and BIFIDOBACTERIUM INFANTIS* ENTEROCOCCUS FAECIUM* LACTOBACILLUS ACIDOPHILUS (-13%) reduced their sales and moved down to ranks nine and ten. The cumulative share of the top 10 under review decreased from 17.3% to 17.1%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
9 mon. 2015	9 mon. 2014		9 mon. 2015	9 mon. 2014
1	1	XYLOMETAZOLINE	3.2	3.1
2	3	PANCREATIN	2.2	2.2
3	4	IBUPROFEN	1.9	1.8
4	2	PHOSPHOLIPIDS	1.9	2.4
5	5	KAGOCEL	1.6	1.4
6	7	DIOSMIN*HESPERIDIN	1.5	1.4
7	10	CHONDROITINSULFURIC ACID* GLUCOSAMINE	1.3	1.2
8	12	ACETYLSALICYLIC ACID* MAGNESIUM	1.3	1.1
9	8	AMBROXOL	1.1	1.4
10	6	BIFIDOBACTERIUM INFANTIS* ENTEROCOCCUS FAECIUM* LACTOBACILLUS ACIDOPHILUS	1.1	1.4
Total			17.1	17.3

Almost all of the top 10 brand names held their own in the ranking (table 4). The groups N02 Analgesics (+11%), R01 Nasal preparations (+12%), J05 Antivirals for systemic use (+10%), R05 Cough and cold preparations (+7%), M01 Anti-inflammatory and antirheumatic products (+21%), R02 Throat preparations (+9%) and L03 Immunostimulants (+8%) maintained the top seven ranks in the top ten. A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+0.3%) also kept their previous rank nine. The only shift took place in the bottom part of the top ten ranking. Despite the outperformance rates, C05 Vasoprotectives (+14%) moved up from rank 10 to eight, while R06 Antihistamines for systemic use (-1%), in contrast, reduced their sales and moved down from rank 8 to the last. The consolidated share of the top 10 reduced from 40.9% to 40.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2015	9 mon. 2014			9 mon. 2015	9 mon. 2014
1	1	N02B	OTHER ANALGESICS AND ANTIPYRETICS	6.4	6.3
2	2	R01A	DECONGESTANTS AND OTHER NASAL PREPARATIONS FOR TOPICAL USE	6.2	6.0
3	3	J05A	AGENTS AFFECTING THE VIRUS DIRECTLY	4.9	4.9
4	4	R05C	EXPECTORANTS, EXCL COMBINATIONS WITH COUGH SUPPR.	3.9	4.1
5	5	M01A	ANTIINFLAMMATORY/ ANTIRHEUMATIC PROD., NON-STEROIDS	3.9	3.5
6	6	R02A	THROAT PREPARATIONS	3.4	3.4
7	7	L03A	IMMUNOSTIMULANTS	3.2	3.3
8	10	C05C	CAPILLARY STABILIZING AGENTS	3.1	3.0
9	9	A07F	ANTIDIARRHEAL MICROORGANISMS	2.9	3.2
10	8	R06A	ANTIHISTAMINES FOR SYSTEMIC USE	2.9	3.2
Total				40.7	40.9

Conclusion. On the basis of the results for the first 9 months of 2015, the OTC retail market of Russia achieved RUB 256.157 bil. (USD 4.323 bil.). It was 10% more in terms of roubles and 34% less in terms of dollars than in 2014. In physical terms, the market showed the negative growth rates (-8%) and accounted for 1.982 bil. packs. The average cost of OTC-pack in the Russian pharmacies based on the results for 9 months 2015 was USD 2.18 which was more than in the year-earlier period (USD 3.05). The average expenses of Russian residents for the purchase of OTC drugs in pharmacies also reduced (USD 29.55 vs. USD 45.58).

ANALYSIS OF PRICES IN THE OUT-PATIENT SECTOR KEY PERFORMANCE INDICATORS

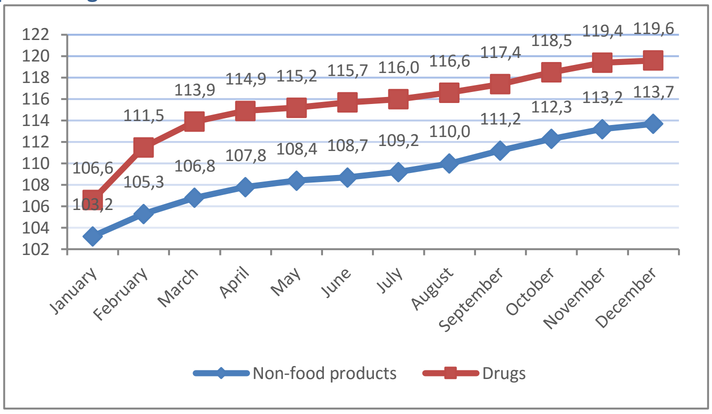
Price Indices

Table 1. Inflation rates in the Russian Federation, December 2015

	December 2015 as against December 2014	January-December 2015 as against January-December 2014
CPI	112.9	115.5
CPI for non-food products	113.7	114.2
CPI for medications	119.6	122.8

Rosstat data

Figure 1. Dynamics of the price index for non-food items and drug supplies as against December 2014



Rosstat data

Indicators of dynamics of prices and retail margins (according to retail audit data)

Figure 2. Dynamics of weighted average prices and retail margins in Q 4, 2014 – Q 4, 2015

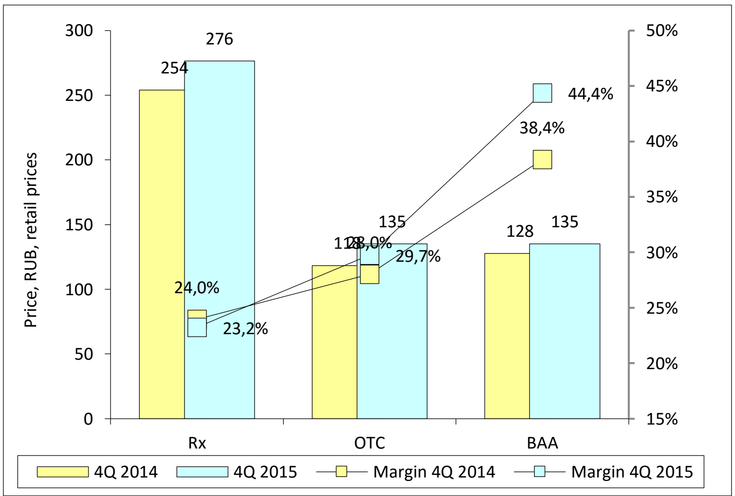


Figure 3. Dynamics of weighted average prices and retail margins in Q 4, 2014 – Q 4, 2015

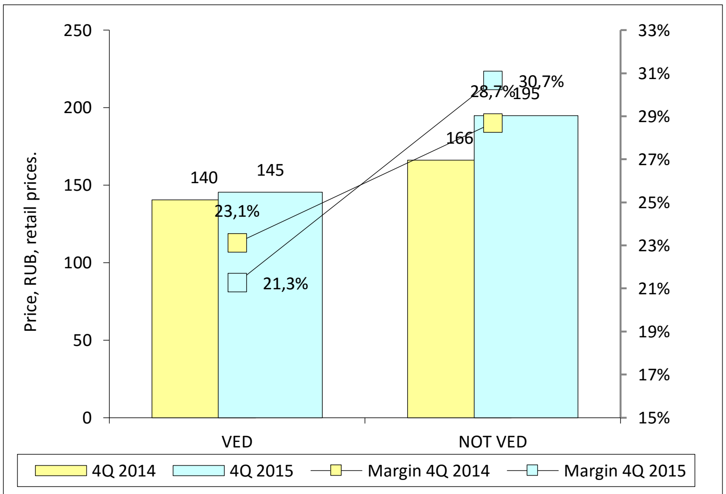
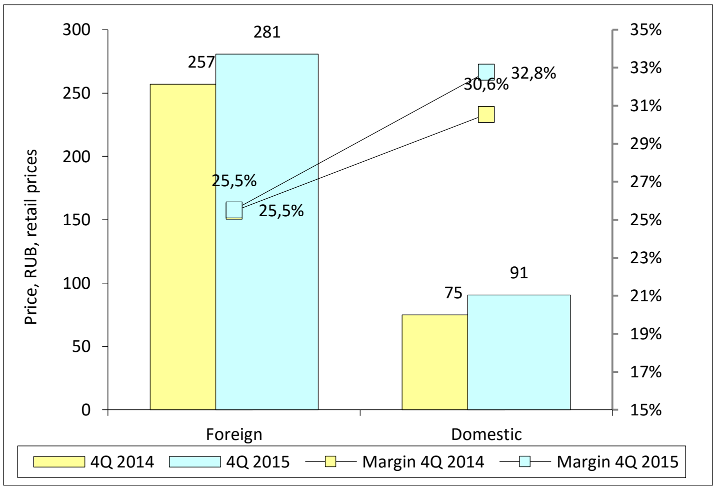


Figure 4. Dynamics of weighted average prices and retail margins in Q 4, 2014 – Q 4, 2015

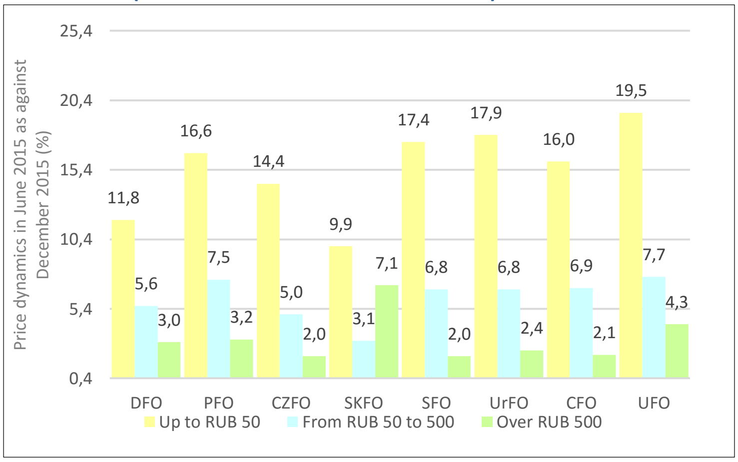


Indicators of dynamics of prices for vital and essential drugs (VED)

Table 2. Results of the VED price monitoring conducted by Roszdravnadzor in the Russian Federation

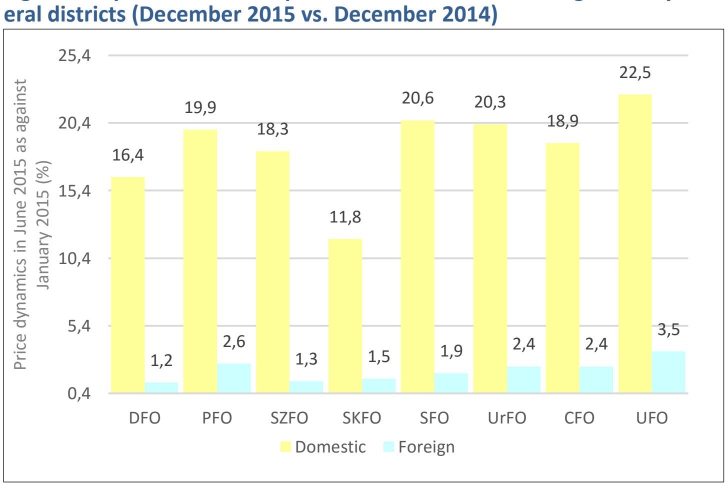
	Price dynamics in December 2015 as against December 2014 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	8.8	10.1	8.9
Up to RUB 50	16.0		
From RUB 50 to 500	6.9		
Over RUB 500	2.6		
Domestic	18.6		
Foreign	2.0		

Figure 5. Dynamics of retail prices for VED in various price ranges by federal districts (December 2015 vs. December 2014)



Roszdravnadzor data

Figure 6. Dynamics of retail prices for domestic and foreign VED by federal districts (December 2015 vs. December 2014)



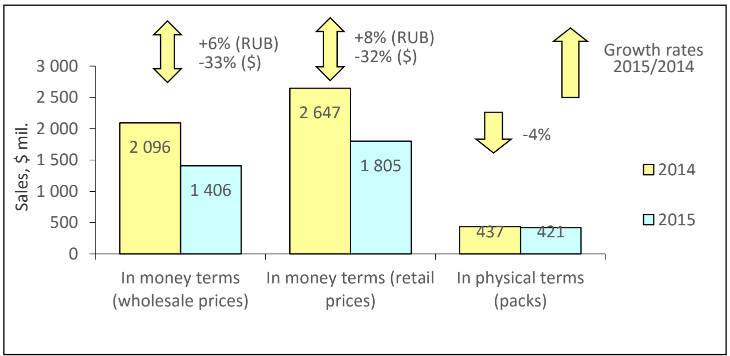
Roszdravnadzor data

MOSCOW CITY PHARMACY MARKET: 2015 RESULTS

According to Federal State Statistics Service, as of January 1, 2015 Moscow's estimated population was 12.198 mil., which accounted for 8.3% of the total Russian Federation population and 31.3% of Central FO (CFO). According to Federal State Statistics Service's data, based on the results for 2015 the average wage in the city was RUB 64,324 (USD 1055.53), which was 90% higher than the average wage in Russia (RUB 33,925).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™ at year-end 2015 the sales of OTC drugs in physical terms in the pharmacies of Moscow saw a 4% decrease to 420.709 mil. packs. In money terms, the market saw a 6% increase in terms of roubles, whereas it showed a negative decline (-33%) in terms of dollars. The market reached RUB 85.439 bil. (USD 1.406 bil.) at wholesale prices (Fig.1). The city market share accounted for 10.7% of the Russian pharmacy sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 6.06) and reached USD 4.29 at retail prices. At the end of 2015, the average amount spent by the Muscovites for OTC drugs in pharmacies amounted to USD 147.96.

Figure 1. Moscow pharmacy market in 2014 – 2015



At the end of 2015, the top ten manufacturers in the metropolitan pharmacy market showed high stability - the overwhelming majority of the top ten manufacturers succeeded in holding their own in the ranking (Table 1). Among them there were the leading top 10 manufacturers SANOFI-AVENTIS (-2%), BAYER (+8%), GLAXOSMITHKLINE (-4%), SERVIER (-2%) and SANDOZ (-1%), and NYCOMED/TAKEDA (+2%), TEVA (+0.1%) and MENARINI (+8%) rounding out the top ten. The only shift in the top ten affected the companies placed at ranks 6 and 7. At the same time, the manufacturer ABBOTT (+2%) improved its position by one rank, moving to rank six and displacing PFIZER (-5%) down to rank 7. The total share of the top 10 drug manufacturers ranking decreased by almost 2 p.p. to 35.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2015	2014		2015	2014
1	1	**SANOFI-AVENTIS**	5.6	6.1
2	2	**BAYER HEALTHCARE**	5.5	5.4
3	3	**GLAXOSMITHKLINE**	3.5	3.9
4	4	**SERVIER**	3.4	3.7
5	5	**SANDOZ GROUP**	3.2	3.5
6	7	**ABBOTT**	3.2	3.4
7	6	**PFIZER**	3.1	3.4
8	8	**NYCOMED/TAKEDA**	2.8	2.9
9	9	**TEVA**	2.7	2.9
10	10	**MENARINI**	2.6	2.6
Total			35.6	37.6

*AIPM members are in bold

The hepatoprotective product ESSENTIALE N (-10%) remained the bestselling brand on the Moscow market, though its market share slightly reduced due to negative growth rates (table 2). Note that in addition to the leader, another three brand names showed reduction in sales: DETRALEX (-4%), LINEX (-16%) and ACTOVEGIN (-5%). At the same time, they lowered their ranks, moving in at numbers three, nine and ten, respectively. The remaining six manufacturers showed positive growth rates and almost all of them rose in the ranks. The products CRESTOR (+3%) and CIALIS (+6%) moved up one rank, to numbers two and four, and the brand name KAGOCEL (+8%) moved up from rank 7 to five. The newcomers MIRAMISTIN (+31%) and XARELTO (+95%) broke into the ranks of the top ten, coming in at numbers seven and eight. INGAVIRIN (+4%) kept its sixth position. The total share of the top 10 brand names virtually remained unchanged and accounted for 6.7%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2015	2014		2015	2014
1	1	ESSENTIALE N	0.9	1.1
2	3	CRESTOR	0.7	0.7
3	2	DETRALEX	0.7	0.7
4	5	CIALIS	0.7	0.7
5	7	KAGOCEL	0.7	0.7
6	6	INGAVIRIN	0.7	0.7
7	15	MIRAMISTIN	0.6	0.5
8	49	XARELTO	0.6	0.3
9	4	LINEX	0.6	0.7
10	8	ACTOVEGIN	0.6	0.6
Total			6.7	6.8

The three leaders of the top 10 INN and group names ranking remained unchanged (table 3). As before, INNs XYLOMETAZOLINE (+11%), PHOSPHOLIPIDS (-8%) and PANCREATIN (+8%) held their previous ranks one, two and three. On top of that, the composition DIOSMIN*HESPERIDIN (+10%) also managed to hold its previous rank six. Four brand names of the top10 showed high growth rates. ROSUVASTATIN (+11%), IBUPROFEN (+22%), NIMESULIDE (+27%) and MIRAMISTIN (+32%) (+32%) moved up to ranks four, five and two bottom ranks, respectively. At the same time, the latter two INNs became the newcomers of the top ten. In contrast, INNs HYALURONIC ACID (-8%) and BISOPROLOL (+5%) moved down to the lower ranks seven and eight, respectively. The total share of the top ten increased by 0.2 p.p. and achieved 9.3%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2015	2014		2015	2014
1	1	XYLOMETAZOLINE	1.7	1.6
2	2	PHOSPHOLIPIDS	1.0	1.2
3	3	PANCREATIN	1.0	0.9
4	5	ROSUVASTATIN	1.0	0.9
5	8	IBUPROFEN	0.9	0.8
6	6	DIOSMIN*HESPERIDIN	0.9	0.8
7	4	HYALURONIC ACID	0.8	0.9
8	7	BISOPROLOL	0.8	0.8
9	19	NIMESULIDE	0.7	0.6
10	28	MIRAMISTIN	0.7	0.5
Total			9.3	9.1

As in the previous rankings, the top 10 ATC groups didn't change its leader: R01 Nasal preparations (+6%) continued to show the highest sales on the regional market (Table 4). M01 Anti-inflammatory and antirheumatic products (+14%) moved up to rank two from three, displacing the less dynamic J05 Antivirals for systemic use (+6%) from this rank. The same shifts took place in this ranking two more times. On top of that, the groups showing higher sales ranks such as B01 Antithrombotic agents (+20%) and C10 Lipid modifying agents (+2%) moved up one rank, coming in at numbers four and seven respectively, displacing N02 Analgesics (+2%) and M09 Other drugs for disorders of the musculosceletal system (-4%) down one rank. In addition, the only newcomer of the top ten A02 Drugs for Acid Related Disorders (+10%) moved up to rank ten from 12. The groups L03 Immunostimulants (+3%) and G04 Urologicals (+6%) held their previous ranks six and nine. In total, following the results for 2015 the top ten ATC groups accumulated 27.4% of the reginal market.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2015	2014			2015	2014
1	1	R01A	DECONGESTANTS AND OTHER NASAL PREPARATIONS FOR TOPICAL USE	4.0	4.0
2	3	M01A	ANTIINFLAMMATORY/ANTIRHEUMATIC PROD., NON-STEROIDS	3.9	3.7
3	2	J05A	AGENTS AFFECTING THE VIRUS DIRECTLY	3.9	3.9
4	5	B01A	ANTITHROMBOTIC AGENTS	3.0	2.7
5	4	N02B	OTHER ANALGESICS AND ANTIPYRETICS	2.6	2.7
6	6	L03A	IMMUNOSTIMULANTS	2.3	2.4
7	8	C10A	CHOLESTEROL AND TRIGLYCERIDE REDUCERS	2.0	2.1
8	7	M09A	OTHER DRUGS FOR DISORD. OF THE MUSCULO-SKELET.SYST	2.0	2.2
9	9	G04B	OTHER UROLOGICALS, INCL ANTISPASMODICS	1.9	1.9
10	12	A02B	DRUGS FOR PEPTIC ULCER AND GASTROESOPHAGEAL REFLUX DISEASE (GORD)	1.8	1.7
Total				27.4	27.3

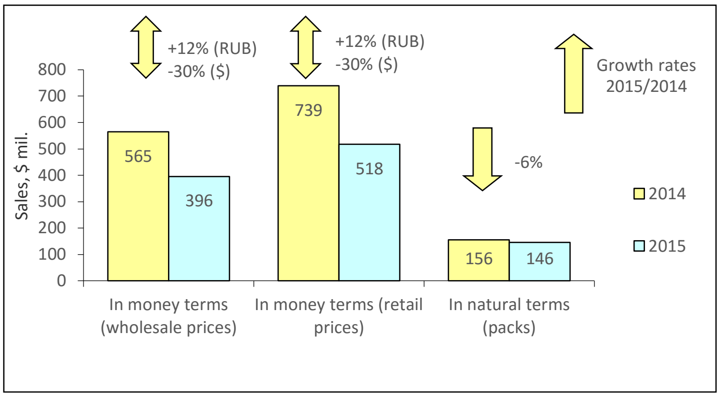
Conclusion. On the basis of the results for 2015, the retail pharmacy market of Moscow brought in RUB 109.624 bil. (USD 1.805 mil.). It was 8% more in terms of roubles and 32% less in terms of dollars than in 2014. In natural terms, the market showed the negative growth rates (-4%) and brought in 420.710 mil. packs. At the end of 2015, the average cost of a FPP pack in the metropolitan pharmacies was USD 4.29, which was lower than in 2014 (USD 6.06), but notably higher than the national average (USD 2.24). The average expenses of Moscow residents for purchase of drugs in pharmacies were also higher than the national average (USD 147.96 vs. USD 59.94).

SAINT PETERSBURG PHARMACY MARKET: 2015 RESULTS

According to Federal State Statistics Service, as of January 1, 2015 St. Petersburg's estimated population was 5.19 mil., which accounted for 3.5% of the total Russian Federation population and 37.5% of North West FO (NWFO). According to Federal State Statistics Service's data, based on the results for 2015 the average wage in the city was RUB 42429 (USD 696.24), which was 25% higher than the average wage in Russia (RUB 33,925).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of 2015 the sales of drugs in natural terms in pharmacies of St. Petersburg saw a 6% decrease to 146.114 mil. packs. In money terms, the market showed positive growth rates (+12%) in rouble terms, while in dollar terms it reduced (-30%) and reached RUB 24.053 bil. (USD 395.837 mil.) at wholesale prices (Fig. 1). The city market share accounted for 5.9% of the pharmacy sales in Russia. The average cost of an OTC pack reduced as compared to a year earlier period (USD 4.74) and reached USD 3.54 at retail prices. For 12 months of 2015, the average amount spent by residents of St. Petersburg for drugs amounted to USD 99.71.

Figure 1. St. Petersburg pharmacy market in 2014 – 2015



Based on the results for 2015, the most dynamic among leaders manufacturer BAYER (+22%) took the lead in the top ten manufacturers ranking on the St. Petersburg market (table 1). At the same time, SANOFI-AVENTIS (-4%) moved down to rank two in the ranking. SANDOZ (+10%), GLAXOSMITHKLINE (+12%), SERVIER (-3%), ABBOTT (+8%) and PFIZER (+4%) held their own ranks three through seven, respectively. Due to outperformance, the manufacturers TEVA (+14%) and JOHNSON & JOHNSON (+20%) moved up one rank, coming in at numbers eight and ten, respectively. Note that the latter became the only newcomer of the top 10 ranking. The less dynamic OTCPHARM (+7%) moved down from rank eight to nine. The total share of the top 10 drug manufacturers ranking decreased by 1.2 p.p. to 37.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2015	2014		2015	2014
1	2	**BAYER HEALTHCARE**	5.7	5.2
2	1	**SANOFI-AVENTIS**	4.9	5.7
3	3	**SANDOZ GROUP**	4.3	4.4
4	4	**GLAXOSMITHKLINE**	4.2	4.2
5	5	**SERVIER**	3.3	3.8
6	6	**ABBOTT**	3.2	3.3
7	7	**PFIZER**	3.0	3.2
8	9	**TEVA**	2.9	2.9
9	8	OTCPHARM	2.9	3.0
10	11	**JOHNSON & JOHNSON**	2.7	2.5
Total			37.1	38.3

*AIPM members are in bold

The antiviral drug KAGOCEL (+27%) took the lead in the regional top ten brand names ranking, while the former leader ESSENTIALE N reduced sales by 17% and moved down to rank two (table 2). In addition to the leader, another six drug manufacturers from the top-ten ranking showed growth in sales. The brand names INGAVIRIN (+26%), VIAGRA (+7%) and EXODERIL (+6%) moved up to ranks three, four and six respectively, and the newcomers CIALIS (+26%), ACC (+17%) and TYZINE XYLO (+34%) which broke into the ranks of the top ten, moved up to ranks 7 through 9, respectively. In contrast, LINEX (-6%) also reduced its sales and moved down one rank to number 5. As before, HEPTRAL (+2) held its previous rank ten in the top ten ranking. The total share of the top ten FPPs reduced by 0.2 p.p. and accounted for 6.7%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2015	2014		2015	2014
1	2	KAGOCEL	1.0	0.9
2	1	ESSENTIALE N	0.8	1.1
3	6	INGAVIRIN	0.8	0.7
4	5	VIAGRA	0.7	0.7
5	4	LINEX	0.6	0.8
6	7	EXODERIL	0.6	0.7
7	12	CIALIS	0.6	0.5
8	11	ACC	0.5	0.5
9	18	TYZINE XYLO	0.5	0.5
10	10	HEPTRAL	0.5	0.6
Total			6.7	6.9

In contrast to the above rankings, the leader of the top ten INNs and grouping names ranking didn't change: INN XYLOMETAZOLINE (+33%) held and strengthened its leadership due to high growth rates (table 3). Note that the markets of almost each INN in the top ten developed at a fast pace. Due to falling-off in sales by 17%, only INN PHOSPHOLIPIDS reduced its market share and moved down from rank 2 to 6. INN PANCREATIN (+13%) also fell in the ranks, being displaced down one rank by the more dynamic IBUPROFEN (+55%) and KAGOCEL (+27%), which came in at numbers two and three, respectively. INN SILDENAFIL (+17%) and the composition AMOXICILLIN* CLAVULANIC ACID (+13%) kept their previous ranks seven and eight. The newcomers of the top 10 NIMESULIDE (+33%), IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+26%) and DICLOFENAC (+39%) moved up to ranks five and two bottom ranks. The total share of the top ten INNs increased by almost 1 p.p. and accounted for 10.1%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2015	2014		2015	2014
1	1	XYLOMETAZOLINE	2.1	1.8
2	5	IBUPROFEN	1.2	0.8
3	4	KAGOCEL	1.0	0.9
4	3	PANCREATIN	0.9	0.9
5	11	NIMESULIDE	0.9	0.8
6	2	PHOSPHOLIPIDS	0.9	1.2
7	7	SILDENAFIL	0.9	0.8
8	8	AMOXICILLIN*CLAVULANIC ACID	0.8	0.8
9	16	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.7
10	25	DICLOFENAC	0.7	0.6
Total			10.1	9.2

The leading four groups didn't change their ranks in the top ten ATC group ranking (table 4). R01 Nasal preparations (+22%), M01 Anti-inflammatory and antirheumatic products (+17%), J05 Antivirals for systemic use (+16%) and N02 Analgesics (+21%) held their own in the ranking. A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+13%) rounding out the top ten held its own in the ranking. Three of the other five ATC groups from the top ten managed to improve their positions. The groups R05 Cough and cold preparations (+10%) and R02 Throat preparations (+30%) moved up one rank, to numbers 5 and 7, respectively. The only newcomer of the top 10 ATC groups G04 Urologicals (+21%) moved up to rank nine. At the same time, the less dynamic L03 Immunostimulants (+2%) and B01 Antithrombotic agents (+11%) moved down one rank, coming in at numbers six and eight. The total share of the top ten under review increased by almost 2 p.p. and achieved 39.1%.

Table 4. The top ten ATC Groups by pharmacy sales

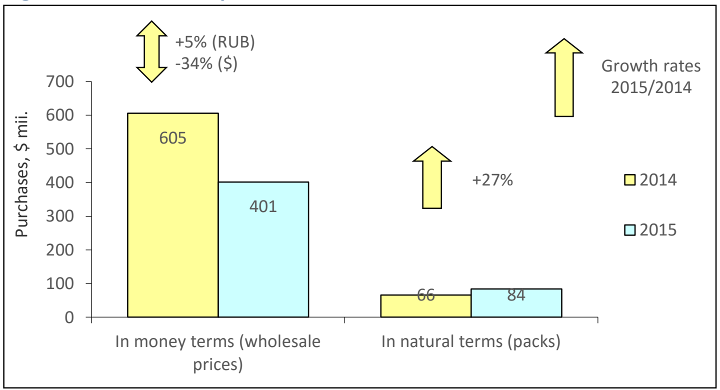
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2015	2014			2015	2014
1	1	R01A	DECONGESTANTS AND OTHER NASAL PREPARATIONS FOR TOPICAL USE	5.0	4.6
2	2	M01A	ANTIINFLAMMATORY/ANTIRHEUMATIC PROD., NON-STEROIDS	4.4	4.2
3	3	J05A	AGENTS AFFECTING THE VIRUS DIRECTLY	4.3	4.1
4	4	N02B	OTHER ANALGESICS AND ANTIPYRETICS	3.7	3.4
5	6	R05C	EXPECTORANTS, EXCL COMBINATIONS WITH COUGH SUPPR.	2.5	2.6
6	5	L03A	IMMUNOSTIMULANTS	2.5	2.8
7	8	R02A	THROAT PREPARATIONS	2.1	1.8
8	7	B01A	ANTITHROMBOTIC AGENTS	2.1	2.1
9	11	G04B	OTHER UROLOGICALS, INCL ANTISPASMODICS	2.0	1.8
10	10	A07F	ANTIDIARRHEAL MICROORGANISMS	1.8	1.8
Total				30.4	29.3

Conclusion. On the basis of the results for 2015, the retail pharmacy market of St. Petersburg brought in RUB 31.422 bil. (USD 517.663 mil.) at retail prices. The sales saw a 12% increase in terms of roubles, and a 30% decrease in terms of dollars. In natural terms, the market showed negative growth rates (-6%) and amounted to 146.114 mil. packs. The average cost of an FPP pack in the city pharmacies was USD 3.54 which was lower than the 2014 figures (USD 4.74), but higher than the national average in the country (USD 2.24). The average expenses of the St. Petersburg residents for medications in the pharmacies also exceeded the national average (USD 99.71 vs. USD 59.94).

MOSCOW CITY HOSPITAL MARKET: 2015 RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in 2015 the Moscow hospital market in natural terms increased by 27% as compared to the previous year and amounted to 83.971 mil. packs. In money terms, the market showed positive growth rates in terms of roubles (+5%) and negative growth rates (-34%) in terms of dollars and reached RUB 24.718 bil. (USD 401.087 mil.) at wholesale prices. In 2015, the average cost of FPP pack in the hospital sector of Moscow was USD 4.78, whereas in the year-earlier period its cost was USD 9.15. The metropolitan market share accounted for 12% of the Russian hospital market in natural terms and 15.5% in money terms.

Figure 1. Moscow hospital market in 2014 – 2015



At the end of 2015, the significant structural shifts took place among the top ten manufacturers in the hospital market of Moscow (Table 1). Due to 6.3-fold growth in purchases, the newcomer MICROGEN broke into the ranks of the top ten, coming in at rank one from 18, becoming the leader of the top ten ranking. The manufacturer SANOFI-AVENTIS (+12%), ABBVIE (+11%) and PFIZER (+6%) moved up to ranks two through four from the lower ranks. Due to considerable reduction in purchases, the former leader JOHNSON & JOHNSON (-31%) reduced its market share and moved down to rank five. Note that apart from it all manufacturers in the lower part of the top 10 showed negative growth rates. At the same time, MERCK SHARP DOHME (-13%) and BAXTER (-4%) held their previous ranks six and ten, respectively. ROCHE (-23%), GLAXOSMITHKLINE (-34%) and NOVARTIS (-32%), which showed the stronger reduction in purchases, moved down to the lower ranks from seven to nine, respectively. The total share of the top ten drug manufacturers reduced by 0.7 p.p. and achieved 40.6%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
2015	2014		2015	2014
1	18	MICROGEN	7.9	1.3
2	4	**SANOFI-AVENTIS**	5.1	4.7
3	9	**ABBVIE**	4.0	3.8
4	8	**PFIZER**	3.9	3.8
5	1	**JOHNSON & JOHNSON**	3.8	5.9
6	6	**MERCK SHARP DOHME**	3.8	4.6
7	3	**ROCHE**	3.5	4.8
8	2	**GLAXOSMITHKLINE**	3.2	5.0
9	5	**NOVARTIS**	3.0	4.7
10	10	**BAXTER INT**	2.4	2.6
Total			40.6	41.3

*AIPM members are in bold

Four newcomers broke into the ranks of the top 10 brand names on the hospital metropolitan market (table 2). At the same time, two of them took the lead in the top ten ranking - flu vaccines SOVIGRIPP and VACC GRIPPOL moved up to the two upper ranks in the top ten. In addition, anaesthetic drug SEVORAN(+86%) and vaccine for prevention of Hepatitis B Virus ENGERIX B, which purchases increased 46 times, moved up to ranks seven and ten from 28 and 606. The brand names SYNAGIS (+13%) and REGEVAC B (+4%) placed at ranks four and five respectively also improved their positions. At the same time, LUCENTIS (-20%), KALETRA (-5%) and PREZISTA (-29%), which reduced their sales, fell in the ranks, coming in at numbers three, six and eight, respectively. The traditional hospital drug NATRIUM CHLORIDUM (+2%) held its previous rank nine. Due to newcomers, the total share of the top ten brand names increased significantly - from 9% to 16.5%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
2015	2014		2015	2014
1	N/A	SOVIGRIPP	5.4	0.0
2	N/A	VACC GRIPPOL	1.7	0.0
3	1	LUCENTIS	1.5	2.0
4	7	SYNAGIS	1.3	1.2
5	6	REGEVAC B	1.2	1.2
6	5	KALETRA	1.2	1.3
7	28	SEVORAN	1.1	0.6
8	3	PREZISTA	1.1	1.6
9	9	NATRIUM CHLORIDUM	1.0	1.0
10	606	ENGERIX B	1.0	0.0
Total			16.5	9.0

Numerous changes took place in the Top 10 INN and generic names rating (table 3). Apart from that, two newcomers entered the top 10 ranking. INN VACCINE, INFLUENZA (25-fold growth in purchases) moved up to rank one and SEVOFLURANE (2-fold growth in purchases) moved up to rank 8. Three more brand names managed to rise in the ranks. VACCINE, HEPATITIS B SURFACE ANTIGEN (+8%) and DARUNAVIR (+16%) moved up one rank, to numbers 2 and 4 and INN PALIVIZUMAB (+13%) moved up from rank 9 to seven. The other INNs from the top ten ranking showed negative growth rates. On top of that, four of them: IMMUNOGLOBULIN BASE (-15%), RANIBIZUMAB (-20%), LOPINAVIR*RITONAVIR (-5%) and ALBUMIN (-17%) fell in the ranks, coming in at numbers three, five and the two bottom ranks. INN MEROPENEM (-1%) held its previous rank six. The total share of the analysed ranking, as well as of the above ranking, increased considerably - in this context from 14.5% to 21%.

Table 3. The top 10 INNs and Group Names by hospital purchases

Rank		INNs/Group Names	Share in total hospital purchases, %	
2015	2014		2015	2014
1	75	VACCINE, INFLUENZA	7.3	0.3
2	3	VACCINE, HEPATITIS B SURFACE ANTIGEN	2.2	2.2
3	1	IMMUNOGLOBULIN BASE	2.1	2.5
4	5	DARUNAVIR	1.8	1.6
5	4	RANIBIZUMAB	1.5	2.0
6	6	MEROPENEM	1.3	1.4
7	9	PALIVIZUMAB	1.3	1.2
8	27	SEVOFLURANE	1.2	0.6
9	8	LOPINAVIR*RITONAVIR	1.2	1.3
10	7	ALBUMIN	1.1	1.4
Total			21.0	14.5

The leader of the top ten ATC groups also changed - the group J07 Vaccines (+96%) moved up from rank two to one, displacing J05 Antivirals for systemic use (-7%) down one rank (Table 4). As before, J01 Antibacterials for systemic use (+8%) held its previous rank three. L04 Immunosuppressants that had been placed at rank four reduced it purchases by 37% and moved down three ranks, coming in at number 7. At the same time, the groups L01 Antineoplastic agents (+16%), J06 Immune sera and immunoglobulins (+2%) and B01 Antithrombotic agents (+3%) moved up one rank, coming in at numbers four through six respectively. The groups V08 Contrast media (+16%) and N01 Anaesthetics (+44%) also rose in the ranks, moving up to numbers 8 and 9. On top of that, the latter became the only newcomer of the top 10 ranking. As before, J02 Antimycotics for systemic use (+12%) held its previous rank ten. The cumulative share of the top 10 ranking under review increased by 5 p.p. to 49.8%.

Table 4. The top ten ATC groups by hospital purchases

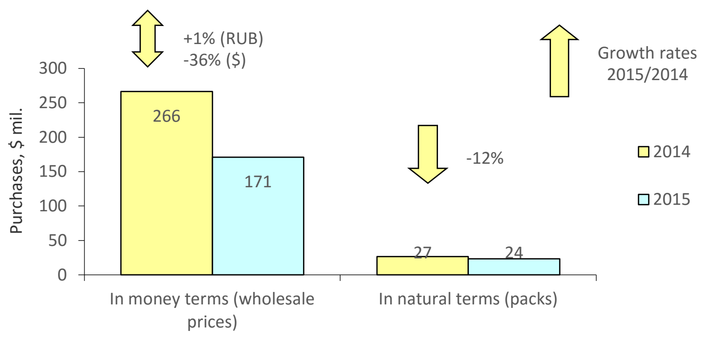
Rank		ATC code	ATC group	Share in total hospital purchases, %	
2015	2014			2015	2014
1	2	J07B	VIRAL VACCINES	12.9	6.9
2	1	J05A	AGENTS AFFECTING THE VIRUS DIRECTLY	8.4	9.4
3	3	J01D	OTHER BETA-LACTAM ANTIBACTERIALS	5.1	4.9
4	5	L01X	OTHER ANTINEOPLASTIC AGENTS	4.8	4.4
5	6	J06B	IMMUNOGLOBULINS	4.1	4.2
6	7	B01A	ANTITHROMBOTIC AGENTS	4.0	4.1
7	4	L04A	IMMUNOSUPPRESSANTS	2.7	4.5
8	9	V08A	X-RAY CONTRAST MEDIA, IODINATED	2.7	2.4
9	14	N01A	ANESTHETICS, GENERAL	2.6	1.9
10	10	J02A	ANTIMYCOTICS FOR SYSTEMIC USE	2.6	2.4
Total				49.8	45.1

Conclusion. At the end of 2015, the Moscow hospital market grew by 5% in rouble terms and reduced by 34% in dollar terms and brought in RUB 24,718 bil. (USD 401.087 mil.). In pack terms, the market increased by 27% and amounted to 83.971 mil. packs. The average cost of an FPP pack in the hospital market of Moscow reduced as compared to the previous year (USD 4.78 vs. USD 9.15), but was much higher than the average indicator in Russia (USD 3.71).

SAINT PETERSBURG HOSPITAL MARKET: 2015 RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first twelve months of 2015 the St. Petersburg hospital market reduced in natural terms by 12% and amounted to 23.506 mil. packs. In money terms, the purchases movement was positive in rouble terms (+1%) and negative in dollar terms (-36%), and the volume amounted to RUB 10.456 bil. (USD 171.053 mil.) at wholesale prices. In 2015, the average cost of an FPP pack in the hospital sector of the city was USD 7.28, whereas in the year-earlier period its cost was USD 9.96. The St. Petersburg market share accounted for 3.4% of the Russian hospital market in natural terms and 6.6% in money terms.

Figure 1. St. Petersburg hospital market in 2014 – 2015



At year-end of 2015, the top ten drug manufacturers dominating in the hospital market of St. Petersburg didn't change in composition (Table 1). Its leaders also didn't change: the manufacturers JOHNSON & JOHNSON (+15%) and MERCK SHARP DOHME (+18%) held their two upper ranks. Due to outperformance, the former reinforced their positions. The market of the manufacturer ABBVIE (+29%) also developed at a fast pace, thereby it moved up from rank eight to three. The manufacturers SANOFI-AVENTIS (+7%), PFIZER (+0,2%), NOVARTIS (-14%) and ASTRAZENECA (-1%) held their previous ranks four, six, seven and ten. Due to strong reduction in purchases, the manufacturers ROCHE (-13%) and GLAXOSMITHKLINE (-33%) moved down to ranks five and nine, respectively. At the same time, the latter allowed the manufacturer BRISTOL MYERS (-10%) to improve its position by 1 point, though its growth rates were negative. The total share accumulated by the top 10 manufacturers reduced by 2 p.p. to 44.1%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
2015	2014		2015	2014
1	1	**JOHNSON & JOHNSON**	7.7	6.7
2	2	**MERCK SHARP DOHME**	5.4	6.7
3	8	**ABBVIE**	5.2	4.0
4	4	**SANOFI-AVENTIS**	4.7	4.5
5	3	**ROCHE**	4.7	5.4
6	6	**PFIZER**	4.2	4.2
7	7	**NOVARTIS**	3.5	4.1
8	9	**BRISTOL MYERS SQU**	3.1	3.4
9	5	**GLAXOSMITHKLINE**	2.9	4.3
10	10	**ASTRAZENECA**	2.7	2.8
Total			44.1	46.1

*AIPM members are in bold

The two new brand names broke into the ranks of the top ten brand names ranking in the hospital city market (Table 2). The drugs KIVEXA (+76%) and XEPLION (+21%) moved up to ranks seven and ten, respectively. In addition, another four brand names managed to improve their positions. HERCEPTIN (+28%) moved up from rank six to two, REYATAZ (-8%) moved up from rank seven to five, PREVENAR 13 (-2%) from rank nine to six, and TAXOTERE (+7%) from rank ten to nine. At the same time, the former displaced drugs NATRIUM CHLORIDUM (+9%) and REVLIMIDE (-9%) down one rank. The brand name KALETRA (+29%) held and, due to high growth rates, reinforced its previous rank one. As before, PREZISTA (-9%) held its own rank eight. The total share of the top 10 brands expanded from 16.2% to 18%.

Table 2. The top 10 brand names by hospital purchases

Rank		Brand	Share in total hospital purchases, %	
2015	2014		2015	2014
1	1	KALETRA	3.6	2.8
2	6	HERCEPTIN	2.2	1.7
3	2	NATRIUM CHLORIDUM	2.1	1.9
4	3	REVLIMIDE	1.7	1.9
5	7	REYATAZ	1.5	1.7
6	9	PREVENAR 13	1.5	1.5
7	19	KIVEXA	1.4	0.8
8	8	PREZISTA	1.4	1.5
9	10	TAXOTERE	1.4	1.3
10	12	XEPLION	1.3	1.1
Total			18.0	16.2

Two newcomers were born into the top 10 INN and generic names ranking (table 3): The composition ABACAVIR*LAMIVUDINE (+76%) and INN PALIPERIDONE PALMITATE (+21%) moved up to ranks eight and ten, respectively. In addition, the other four INNs of the top ten rose in the ranks. TRASTUZUMAB (+28%), DOCETAXEL (+3%), ATAZANAVIR (-8%) and VACCINE, PNEUMOCOCCAL CONJUGATE (-2%) moved up to ranks two and from five through seven. The other four INNs from the top 10 INNs held their own in the ranking. The composition LOPINAVIR*RITONAVIR (+29%) remained the leader of the top ten, and SODIUM (+9%), LENALIDOMIDE (-9%) and DARUNAVIR (-7%) as before held their previous ranks three, four and nine. The total share of the top 10 increased by almost 2 p.p. and accounted for 18.3%.

Table 3. The top 10 INNs and Group Names by hospital purchases

Rank		INNs/Group Names	Share in total hospital purchases, %	
2015	2014		2015	2014
1	1	LOPINAVIR*RITONAVIR	3.6	2.8
2	6	TRASTUZUMAB	2.2	1.7
3	3	SODIUM	2.1	1.9
4	4	LENALIDOMIDE	1.7	1.9
5	8	DOCETAXEL	1.6	1.6
6	7	ATAZANAVIR	1.5	1.7
7	10	VACCINE, PNEUMOCOCCAL CONJUGATE	1.5	1.5
8	23	ABACAVIR*LAMIVUDINE	1.4	0.8
9	9	DARUNAVIR	1.4	1.5
10	13	PALIPERIDONE PALMITATE	1.3	1.1
Total			18.3	16.5

Most of the top-10 ATC groups didn't improve their ranking positions in the top ten (table 4). As before, J05 Antivirals for systemic use and L01 Antineoplastic agents, others (+10% each), N05 Psycholeptics (+16%) and J01 Antibacterials for systemic use (-16%) held their top four ranks. L04 Immunosuppressants (-1%) and L01 Antineoplastic agents, alkaloids and other natural products (+6%) held their ranks six and eight. The groups V08 Contrast media (+7%), L01 Antineoplastic agents, Antimetabolites (+8%) and B05 Plasma substitutes and perfusion solutions (+13%) moved up to ranks five, nine and ten, respectively. In contrast, B01 Antithrombotic agents (-6%) moved down from rank five to seven. The total share of the top 10 ATC groups increased from 51.3% to 54.1%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
2015	2014			2015	2014
1	1	J05A	AGENTS AFFECTING THE VIRUS DIRECTLY	16.1	14.7
2	2	L01X	OTHER ANTINEOPLASTIC AGENTS	11.5	10.5
3	3	N05A	ANTIPSYCHOTICS	5.4	4.7
4	4	J01D	OTHER BETA-LACTAM ANTIBACTERIALS	3.7	4.4
5	7	V08A	X-RAY CONTRAST MEDIA, IODINATED	3.2	3.0
6	6	L04A	IMMUNOSUPPRESSANTS	3.2	3.2
7	5	B01A	ANTITHROMBOTIC AGENTS	3.1	3.4
8	8	L01C	PLANT ALKALOIDS AND OTHER NATURAL PRODUCTS	3.0	2.8
9	10	L01B	ANTIMETABOLITES	2.4	2.3
10	11	B05X	I.V. SOLUTION ADDITIVES	2.4	2.2
Total				54.1	51.3

Conclusion. In 2015, the St. Petersburg hospital market increased by 1% in terms of roubles, however it reduced by 36% in terms of dollars. At the same time, the market volume amounted to RUB 10.456 bil. (USD 171.053 mil.). In pack terms, the market showed significant negative growth rates (-12%) and achieved 23.506 mil. packs. In 2015, the average cost of an FPP pack in the city hospital sector was lower than in the year-earlier period (USD 7.28 vs. USD 9.96), however, it considerably exceeded the Russia average figures (USD 3.71).