СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

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AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

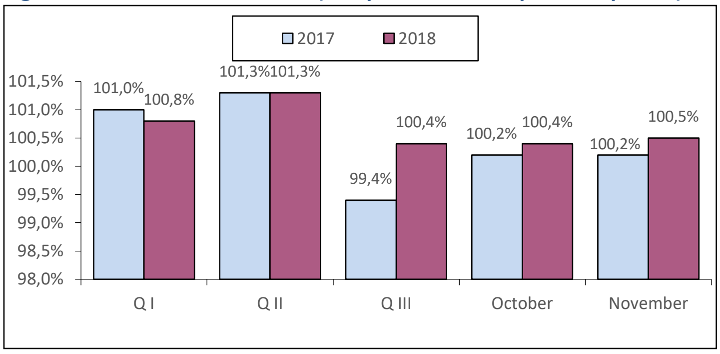
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 100.5% in November 2018, compared to the previous month, and 103.4% compared to December of 2017.

In November this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 100.7%, whereas in the month-earlier period it had amounted to 103.3%. The index accounted for 115.5% against December of the 2017.

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



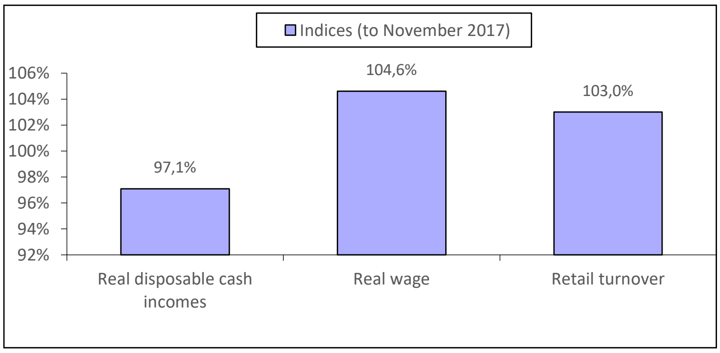
Living standard

According to preliminary Federal State Statistics Service's data, at the end of November 2018 a gross monthly average wage per worker reached RUB 42750 (USD 645.38) which accounted for 101.0% compared to the previous month and 108.6% compared to November 2017. The real wage accounted for 104.6% in November 2018 compared to November 2017. In November 2018, the real value of disposable cash incomes accounted for 97,1% as compared with November 2017 *(without taking into account a lump sum payment to pensioners in January 2017 in the amount of 5 thousand roubles),* accounted for 97.1% as compared with November 2017, and 97.1% compared with the previous period (Fig. 2).

Retail turnover

In November 2018, the retail turnover was equal to RUB 2763.1 bil. or 103.0% (in comparable prices) against the level of the corresponding period of the previous year, in January- November 2018 - RUB 28241.6 bil. or 102.6% (Fig. 2).

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



Industrial Production

According to Federal State Statistics Service's data, in November 2018 Industrial Production Index accounted for 102.4% compared to the same period of the previous year, and in January - November 2018 102.9% in January - November 2018.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in November 2018 accounted for 109.7% compared to the relevant period of the previous year, 95.4% against October 2018, and 107.5% in January-November 2018.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for November 2018.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales volume in November 2018

Rank	Manufacturer	RUB mil.
1	Otcpharm	1715.0
2	Biocad	1541.2
3	Microgen	1280.6
4	Pharmasyntez	1150.4
5	Pharmstandart	1053.5
6	Veropharm	1037.0
7	Stada	998.8
8	Valenta	878.6
9	Sotex	832.1
10	Akrikhin Pharma	757.4

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. Sales (in terms of roubles) increased in all regions in October 2018, compared to the previous month. The highest growth was observed in Moscow (+7%), the lowest one in Voronezh Region (+0.3%). Four regions showed reduction in sales, with the most perceptible one in Krasnodar Krai (-11%).

Table 2. Pharmacy sales in the regions, 2018

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	August 2018	September 2018	October 2018	August/ July 18	September/ August 18	October/ September 18
Moscow	130.6	151.1	165.4	10%	18%	7%
St. Petersburg	43.8	54.4	57.3	13%	27%	3%
Krasnodar Krai	43.0	34.7	31.8	9%	-17%	-11%
Krasnoyarsk Krai	22.5	24.4	25.3	7%	11%	1%
Tatarstan	14.9	18.8	17.8	1%	29%	-8%
Rostov Region	19.8	18.8	20.4	7%	-3%	6%
Novosibirsk Region	16.6	17.6	20.3	-9%	9%	12%
Voronezh Region	12.7	13.0	13.4	9%	5%	0.3%
Perm	7.3	7.2	6.9	15%	1%	-7%
Tyumen	5.6	6.2	6.2	2%	14%	-2%

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 November 2018

Rank	Company*	Quantity of broadcasts
1	Teva	12,821
2	Bayer	11,104
3	Berlin-Chemie/Menarini	10,693
4	GSK CONSUMER HEALTHCARE	10,315
5	Sandoz	9,993

Source - Remedium according to Mediascope's data

Table 4. Top five brands in mass media in November, 2018

Rank	Brand*	Quantity of broadcasts
1	Linex	4,166
2	Evalar	4,136
3	Supradin	3,844
4	Broncho-munal	3,487
5	ACC	3,365

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

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

According to DLO in RF™, the drug supplies under the Federal Program amounted to RUB 87.070 bil. in contractual prices on the basis of the results for January-September of 2018 (USD 1.403 bil.)[1]. The sector volume decreased by 7% in terms of roubles and 13% - in terms of dollars as compared to 2017. The scope of supplies in pack terms reduced by 1% to 62.805 mil. packs. The average cost of a FPP pack through the DLO program was USD 22.34 in contractual prices (a year ago it was USD 25.26).

The manufacturer CELGENE (-11%[2]) continues to remain the leader of the DLO segment, despite the negative growth rates (Table 1). BIOCAD and SHIRE (+4% each), as well as SANOFI (+14%) moved up to ranks two through four. At the same time, GENERIUM (-13%) moved down from rank four to five, and NATIVA (-56%) placed at rank two due to the strong negative growth rates moved down to rank nine. OCTAPHARMA (-7%) and NOVO NORDISK (+8%) held their previous ranks seven and ten. The only newcomer of the top ten NOVARTIS (+30%) moved up to rank eight. The total share of the top 10 drug manufacturers under DLO Program reduced from 56.8% to 56.5%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	**CELGENE**	8.7	9.1
2	3	BIOCAD RF	7.8	6.9
3	5	**SHIRE**	7.3	6.5
4	6	**SANOFI**	6.4	5.2
5	4	GENERIUM ZAO RF	6.3	6.7
6	8	**JOHNSON & JOHNSON**	4.4	3.9
7	7	OCTAPHARMA	4.0	4.0
8	12	**NOVARTIS**	3.9	2.8
9	2	NATIVA	3.9	8.4
10	10	**NOVO NORDISK**	3.7	3.2
Total			56.5	56.8

*AIPM members are in bold

Four newcomers broke into the ranks of the top-ten brand names (Table 2). FEIBA (+49%), TYSABRI (+51%), WILATE (+92%) and INFIBETA (-7%) moved up to ranks five, seven and two bottom ranks. The other three Brands took yet higher ranks: OCTOFACTOR (+3%) and ADVATE (+13%) moved up to ranks three and four, and TOUJEO SOLOSTAR (+26%) moved up to rank six. Due to 34% reduction in purchases, COAGIL-VII moved down to rank eight from three. The brands REVLIMIDE (-12%) and ACELLBIA (-33%) keeping leading positions also showed negative growth rates. The total share of the top 10 expanded from 27.7% to 28.9%.

Table 2. The top 10 Brands in DLO segment

Rank in the top ten		Brand	Share in total DLO volume, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	REVLIMIDE	8.4	8.9
2	2	ACELLBIA	3.3	4.7
3	4	OCTOFACTOR	2.7	2.5
4	6	ADVATE	2.7	2.2
5	12	FEIBA	2.2	1.4
6	10	TOUJEO SOLOSTAR	2.2	1.6
7	15	TYSABRI	2.0	1.2
8	3	COAGIL-VII	2.0	2.8
9	23	WILATE	1.9	0.9
10	11	INFIBETA	1.5	1.5
Total			28.9	27.7

LENALIDOMIDE continued to head the top INN and grouping names ranking, though its purchases reduced by 12% (Table 13%). Another four INNs of the top ten showed the negative growth rates. RITUXIMAB (-17%) moved up to rank 2, INTERFERON BETA-1A (-26%) and EPTACOG ALFA (ACTIVATED) (-37%) moved down to ranks three and ten, FACTOR VIII (-37%) retained its rank 4. The INNs with positive growth rates rose in the ranks, moving up to numbers five through nine: INSULIN GLARGINE (+7%), MOROCTOCOG ALFA (+3%), OCTOCOG ALFA (+13%), and the newcomers FACTOR VIII*FACTOR VON WILLEBRAND (+63%) and FACTOR VIII INHIBITOR BYPASSING FRACTION (+49%). In total, 10 INNs and group names accounted for 36.7%, in the year-earlier period - 38.6%.

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

Rank in the top ten		INNs/Grouping Names	Share in total DLO volume, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	LENALIDOMIDE	8.4	8.9
2	3	RITUXIMAB	4.9	5.5
3	2	INTERFERON BETA-1A	4.5	5.6
4	4	FACTOR VIII	3.6	5.3
5	8	INSULIN GLARGINE	3.2	2.8
6	9	MOROCTOCOG ALFA	2.7	2.5
7	10	OCTOCOG ALFA	2.7	2.2
8	15	FACTOR VIII*FACTOR VON WILLEBRAND	2.4	1.4
9	14	FACTOR VIII INHIBITOR BYPASSING FRACTION	2.2	1.4
10	6	EPTACOG ALFA (ACTIVATED)	2.1	3.1
Total			36.7	38.6

The top 10 ATC groups ranking did not change in composition (Table 4). However, in contrast to the previous rankings, it changed its leader: L04 (+6%) moved up to rank one from three. B02 Antihemorrhagics (-8%) held their previous rank two, and L01 Antineoplastic agents (-14%) moved down to rank three from one. Apart from the leader, another three ATC groups managed to rise in the ranks. A10 Drugs used in diabetes (+6%), L02 Sex preparations (+10%) and B03 Antianemic preparations (-3%) moved up to ranks four, seven and eight. At the same time, they displaced L03 Immunostimulants down one rank, and ATC group A16 Other alimentary tract and metabolism products (-18%) moved down from rank seven to nine. ATC groups R03 Drugs for obstructive airway diseases (-8%) and H01 H01 Hypothalamic-Pituitary Hormones and their analogues (+11%) held their previous ranks. The total share of the top ten accounted for 85.9%, whereas in the year-earlier period it was 86.4%.

Table 4. The top ten ATC groups in DLO segment

Rank		ATC code	ATC group	Share in total DLO volume, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	3	L04	IMMUNOSUPPRESSANTS	18.4	16.2
2	2	B02	ANTIHEMORRHAGICS	18.3	18.5
3	1	L01	ANTINEOPLASTIC AGENTS	17.8	19.4
4	5	A10	DRUGS USED IN DIABETES	11.1	9.7
5	4	L03	IMMUNOSTIMULANTS	8.0	10.8
6	6	R03	DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES	3.1	3.1
7	8	L02	ENDOCRINE THERAPY	2.9	2.4
8	9	B03	ANTIANEMIC PREPARATIONS	2.3	2.2
9	7	A16	OTHER ALIMENTARY TRACT AND METABOLISM PRODUCTS	2.1	2.4
10	10	H01	PITUITARY, HYPOTHALAMIC HORMONES AND ANALOGUES	2.0	1.6
Total				85.9	86.4

Data on supplies to the top ten regions of Russia under State Reimbursement Program (DLO) are shown in Table 5. Moscow, which share accounted for almost 25%, Moscow region (6% of the market) and St. Petersburg (4%) continued to show the largest volumes of purchases. Note that almost all regions, except for Moscow and Moscow region (+6% each), demonstrated the reduction in purchases under the program. The top ten regions accumulated 50.7% of the DLO market.

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

Rank		Region	Share in total DLO volume, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	Moscow	25.2	22.1
2	2	Moscow Region	5.5	4.8
3	3	Saint Petersburg	3.9	3.7
4	6	North Caucasian FD, Rest	2.7	2.6
5	5	Krasnodar Krai	2.5	3.1
6	4	Tatarstan Republic	2.5	3.2
7	7	Sverdlovsk Region	2.2	2.5
8	9	Rostov Region	2.1	2.2
9	12	Novosibirsk Region	2.0	1.9
10	10	Tyumen Region	2.0	2.2
Total			50.7	48.3

Conclusion. Based on the results for 9 months of 2018, the DLO segment of Russia brought in RUB 87.070 bil. (USD 1.403 bil.) in contractual prices, which is by 7% in terms of roubles and by 13% in terms of dollars less than in 2017. In physical terms, the supplies decreased by 1% to 62.805 mil. packs. The average cost of FPP included in the DLO Programme decreased as compared to the past year (USD 22.34 vs USD 25.26).

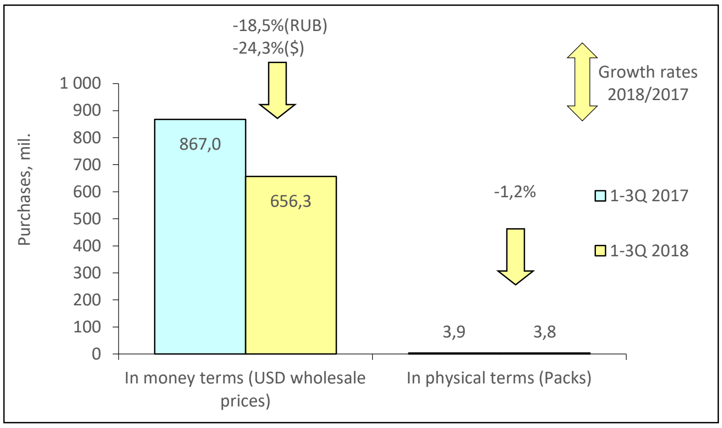
[1] Since 2008 until now, data on DLO have been provided as shipments in contractual prices: which are prices at which the government will reimburse moneys to the distributor.

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

COST-INTENSIVE NOSOLOGIES (VZN) PROGRAM, Q 1-3, 2018

Based on the results for three quarters of 2018, the purchases under VZN Program in physical terms (packs) reduced by 1.2% as compared with the same period of the previous year (Fig. 1). In terms of national currency, the purchases decreased by 18.5%, in terms of dollars by 24.3%. The purchase volume amounted to RUB 41,053.4 mil. or USD 656.3 mil.

Figure 1. Purchases trend under the VZN Program in 1-3 Q 2018 against 1-3 Q 2017



The oncohematological drugs (-30%), drugs for the treatment of Gaucher disease (-26%), and cystic fibrosis (-19%) showed the highest decline in purchases in terms of roubles as compared to the same period of the previous year. The sales of these groups in terms of packs also decreased proportionally to the value parameters. The oncohematological drugs (- 5.2%) reduced their share, whereas the drugs used to treat haemophilia (+4.3%) slightly increased their share in the overall purchase pattern (Table 1). The group of drugs to treat haemophilia became the leader of the purchases rating, displacing the oncohematological drugs down to rank two. Among separate INNs, FACTOR VON WIL-LEBRAND*FACTOR VIII (+52.5%), FACTOR VIII INHIBITOR BYPASSING FRACTION (+49.7%) and NATALIZUMAB (+51.1%) showed the highest purchase growth rates, whereas most INNs showed negative growth rates.

Table 1. Supplies pattern under the VZN Program

Nosologies	INN	Share in total VZN supplies (RUB), %	
		1-3Q 2018	1-3Q 2017
Haemophilia		37.1	32.8
	FACTOR VIII	7.6	9.8
	MOROCTOCOG ALFA	5.8	4.6
	OCTOCOG ALFA	5.8	4.1
	FACTOR VON WIL-LEBRAND*FACTOR VIII	5.8	3.1
	FACTOR VIII INHIBITOR BY-PASSING FRACTION	4.5	2.5
	EPTACOG ALFA (ACTIVATED)	4.4	5.7
	FACTOR IX	2.9	3.0
	NONACOG ALFA	0.2	0.0
Oncohematology		31.1	36.3
	LENALIDOMIDE	17.8	16.5
	RITUXIMAB	10.0	9.7
	BORTEZOMIB	1.8	6.8
	IMATINIB	1.1	2.9
	FLUDARABINE	0.5	0.4
Sclerosis Multiplex		22.6	21.9
	INTERFERON BETA-1A	9.5	10.4
	INTERFERON BETA-1B	4.4	3.8
	NATALIZUMAB	4.2	2.3
	GLATIRAMER ACETATE	2.4	5.4
	TERIFLUNOMIDE	2.1	0.0
Transplantology		3.9	3.6
	TACROLIMUS	2.1	1.7
	MYCOPHENOLIC ACID	1.6	1.4
	CICLOSPORIN	0.2	0.3
	MYCOPHENOLATE MOFETIL	0.1	0.2
Gaucher disease		2.5	2.8
	IMIGLUCERASE	1.9	2.4
	VELAGLUCERASE ALFA	0.6	0.4
Mucoviscidosis		2.3	2.3
	DORNASE ALFA	2.3	2.3
Pituitary dwarfism		0.5	0.3
	SOMATROPIN	0.5	0.3

At of the end of 9 months of 2018, the original drug Revlimid (INN Lenalidomide) Celgene and biosimilar Acellbia (INN Rituximab) Biocad were ranked 1st and 2nd by purchases in terms of value among the top ten brand names ranking as in the previous year (Table 2). The sales of Revlimid in money terms reduced by 12%, whereas its sales in physical terms grew by 50%, which was due to the reduction of Volume-Weighted Average Price (VWAP) by 41% as compared to the same period of the last year. Acellbia purchases reduced by 37% in money terms and by 31% in physical terms, whereas VWAP reduced insignificantly (-8%). The domestic drug Octofactor (INN Moroctocog alfa), Generium (-7% in physical terms and +3% in money terms whereas Volume-Weighted Average Price (VWAP) increased by 11%) moved up from rank 5 to three. The drugs of manufacturer Shire – Advate (INN Octocog alfa) and Feiba (INN Factor VIII inhibitor bypassing fraction) moved up to ranks four and five, jointly accounting for 10.3% of all purchases under the Program. The localized drug to treat multiple sclerosis Tizabri (INN Natalizumab), JOHNSON & JOHNSON, saw a growth in sales by 52% in physical terms and by 51% in money terms, moving up from rank 15 to 6 in the rating.

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

Rank		Brand	Share in total VZN supplies, %	
1-3Q 2018	1-3Q 2017		1-3Q 2018	1-3Q 2017
1	1	REVLIMIDE	17.8	16.5
2	2	ACELLBIA	6.6	8.5
3	5	OCTOFACTOR	5.8	4.6
4	7	ADVATE	5.8	4.1
5	12	FEIBA	4.5	2.5
6	15	TYSABRI	4.2	2.3
7	3	COAGIL-VII	4.2	5.2
8	20	WILATE	4.1	1.7
9	11	INFIBETA	3.1	2.7
10	10	OCTANATE	3.1	3.8
Total			59.2	59.9

The manufacturer Celgene, which sales reduced by 12% as compared to three quarters of 2017, took the lead in the top ten manufacturers ranking just as in the same period of the previous year (Table 3). The manufacturer Shire (which bought Baxalta, a dedicated division of Baxter Int), moved up to rank 2 from four in the rating (+4.7%). Feiba (INN factor VIII inhibitor bypassing fraction) made the main contribution to the sales dynamics moving from rank 12 to 5 in the brands rating (Table 2). Generium move to rank three in the ranking, reducing its sales by 13% in total. Biocad, which sales increased by 2% as compared to 9 months of 2017, moved up from rank 5 to four in the ranking. Octapharma, a supplier of blood factors, improved its position in the ranking, moving up one rank, to number 5, increasing its share by 1% in total sales (Table 3). The leading drug of this manufacturer Octanate (Factor YIII) (+42%) broke into the ranks of the top ten brands ranking, moving up to rank 10. Due to growth in sales of multiple sclerosis drug Tizabri (INN Natalizumab) in total, the manufacturer JOHNSON & JOHNSON moved up to rank 6 from 9.

In total, the drugs of foreign manufacturers prevailed in the top ten brand names ranking (7 from 10). However, the final manufacturing phases of all foreign drugs were localized at the facilities of the domestic manufacturers. A total share of the top 10 brand names and the top ten manufacturers slightly reduced, as compared to the same period of the previous year (Table 2 and 3).

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

Rank in the top ten		Manufacturer*	Share in total VZN supplies, %	
1-3Q 2018	1-3Q 2017		1-3Q 2018	1-3Q 2017
1	1	**CELGENE**	17.8	16.5
2	4	**SHIRE***	14.6	11.4
3	2	GENERIUM ZAO RF	13.3	12.5
4	5	BIOCAD RF	12.0	9.6
5	6	OCTAPHARMA	8.4	7.4
6	9	**JOHNSON & JOHNSON***	4.3	3.8
7	11	**SANOFI-AVENTIS**	4.0	2.4
8	10	**CSL BEHRING GMBH**	3.3	2.9
9	12	**ROCHE***	2.9	2.4
10	16	DR REDDYS LAB	2.7	1.1
Total			83.3	83.8

*AIPM members are in bold

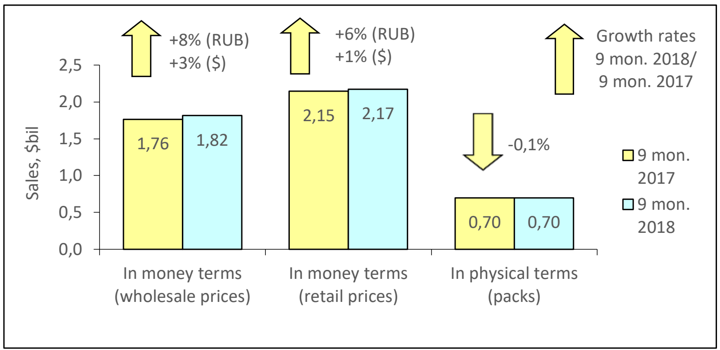
Conclusion. The purchases under the VZN program substantially reduced in money terms in the first 9 months of 2018 in comparison with the same period of the previous year, while the decrease in purchases in physical terms was not so pronounced, which indicates a decrease in the price of purchases (in general, the VWAP decreased by 17.5%). The share of domestic drugs in value terms reduced in the purchases profile and accounted for 30%, the share of localized products (the final manufacturing stages) increased from 52% to 56%. The share of imported drugs increased from 11% to 14%.

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

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Central Federal District (CFD) (excl. of Moscow) was 26.805 mil., which accounted for 18.2% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for January- September 2018 the average wage in CFD (inclusive of Moscow) was RUB 52,947 (USD 892.57), which was 25% higher than the average wage in Russia (RUB 42,325).

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 2018, the volume of drugs in physical terms in the CFD (excl. Moscow) did not virtually change and totalled to 698.179 mil. packs. In money terms, the market saw a 8% increase in terms of roubles and 3% in terms of dollars. At the same time, the market volume reached RUB 111.057 bil. (USD 1.817 bil.) at wholesale prices (Fig.1). The region market share accounted for 20.1% of the Russian pharmacy retail sales. The average cost of a pack slightly increased as compared to the same period of 2017: USD 3.11 vs. USD 3.07 in retail prices. At the end of January- September 2018, an average amount spent by the region residents for FPPs in the pharmacies amounted to USD 81.01.

Figure 1. The CFD (without Moscow) pharmacy market for 9 months of 2017 – 9 months 2018



Based on the results for 9 months of 2018, the ranking of the top ten manufacturers on the pharmacy market of the Central Federal District (excl. of Moscow) did not change in composition (Table 1). Its leaders held their own in the ranking. As before, BAYER (+8%), SANOFI (+4%), TEVA (+6%) and SERVIER (+8%) held their first four ranks. KRKA (+12%) placed at rank seven did not change its position either. Two from other manufacturers rose in the ranks. BERLIN-CHEMIE/MENARINI (+7%) moved up one rank, to number five, whereas SANDOZ (+14%) moved up to rank eight from ten. At the same time, they moved the manufacturers OTCPHARM, GLAXOSMITHKLINE (+5% each) and GEDEON RICHTER (+2%) down one rank. The consolidated share of the top 10 reduced from 35.3% to 34.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	**BAYER**	4.9	4.9
2	2	**SANOFI**	4.4	4.6
3	3	**TEVA**	4.2	4.2
4	4	**SERVIER**	3.8	3.8
5	6	**BERLIN-CHEMIE/MENARIN**	3.2	3.2
6	5	OTCPHARM	3.2	3.3
7	7	**KRKA**	3.0	2.9
8	10	**SANDOZ**	2.9	2.8
9	8	**GLAXOSMITHKLINE**	2.8	2.8
10	9	GEDEON RICHTER	2.6	2.8
Total			34.9	35.3

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brand names ranking: INGAVIRIN (+27%) and KAGOCEL (+17%) moved up to the bottom two ranks (Table 2). The leader changed as well. The most dynamic among the top ten brands XARELTO (+49%) moved up from rank six to one. At the same time, it displaced the brands DETRALEX (+8%), CONCOR (+6%), MEXIDOL (+8%), NUROFEN (+1%) and ACTOVEGIN (+3%) down one rank, from rank two through six respectively. As before, CARDIOMAGNYL (+6%) held its previous rank seven, and PENTALGIN (+12%) moved up to rank eight from nine. The total share of the top 10 brands increased from 7.1% to 7.4%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	6	XARELTO	1.0	0.7
2	1	DETRALEX	0.8	0.8
3	2	CONCOR	0.8	0.8
4	3	MEXIDOL	0.8	0.8
5	4	NUROFEN	0.7	0.8
6	5	ACTOVEGIN	0.7	0.7
7	7	CARDIOMAGNYL	0.7	0.7
8	9	PENTALGIN	0.6	0.6
9	11	INGAVIRIN	0.6	0.5
10	12	KAGOCEL	0.6	0.5
Total			7.4	7.1

XYLOMETAZOLINE (+0.3%) remained the leader of the top 10 INN and group names ranking (Table 3). The composition DIOSMIN*HESPERIDIN (+16%) moved up to rank four from six, displacing INN IBUPROFEN (+10%) and BISOPROLOL (+9%) down one rank. As before, NIMESULIDE (+7%) and PANCREATIN (+9%) held their previous ranks five and six. The only newcomer of the top 10 ranking, RIVAROXABAN (+49%) moved up to rank seven, displacing ETHYLMETHYLHYDROXYPYRIDINE (+6%) to rank eight. The shift also took place in two bottom ranks of the top ten: More dynamic ROSUVASTATIN (+14%) moved up to rank nine from ten, whereas INN BLOOD (+3%) moved down to rank ten from eight. The cumulative share of the top 10 under review increased from 10.5% to 10.7%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	XYLOMETAZOLINE	1.7	1.8
2	4	DIOSMIN*HESPERIDIN	1.2	1.1
3	2	IBUPROFEN	1.2	1.1
4	3	BISOPROLOL	1.1	1.1
5	5	NIMESULIDE	1.0	1.1
6	6	PANCREATIN	1.0	1.0
7	12	RIVAROXABAN	1.0	0.7
8	7	ETHYLMETHYLHYDROXYPYRIDINE	0.9	0.9
9	10	ROSUVASTATIN	0.8	0.8
10	8	BLOOD	0.8	0.8
Total			10.7	10.5

M01 Anti-inflammatory and antirheumatic products (+3%) and C09 Agents acting on the rennin-angiotensin system (+10%) remained the bestselling ATC groups in the regional market (Table 4). The most dynamic among the top ten ATC groups B01 Antithrombotic agents (+26%) moved up to rank three from seven. The groups G03 Sex hormones (+9%), A07 Antidiarrheal, intestinal anti-inflammatory and antimicrobial agents (+13%) and the newcomer of the top 10 J05 Antivirals for systemic use (+14%) also rose in the ranks. At the same time, four INNs from the top-10 moved down to the lower ranks: R01 Nasal preparations (+2%), J01 Antibacterials for systemic use (+5%), N02 Analgesics (-0.2%) and C05 Vasoprotectors (+12%) moved down to ranks four, six, seven and nine respectively. In total, the top ten ATC groups accumulated 36.8% of the regional market, whereas in the year-earlier period they accounted for 37.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.1	5.4
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.1	5.0
3	7	B01	ANTITHROMBOTIC AGENTS	3.8	3.2
4	3	R01	NASAL PREPARATIONS	3.7	3.9
5	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.5	3.5
6	5	J01	ANTIBACTERIALS FOR SYST USE	3.4	3.5
7	4	N02	ANALGESICS	3.4	3.6
8	9	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.2	3.0
9	8	C05	VASOPROTECTIVES	3.2	3.0
10	12	J05	ANTIVIRALS FOR SYSTEMIC USE	2.9	2.7
Total				37.1	36.8

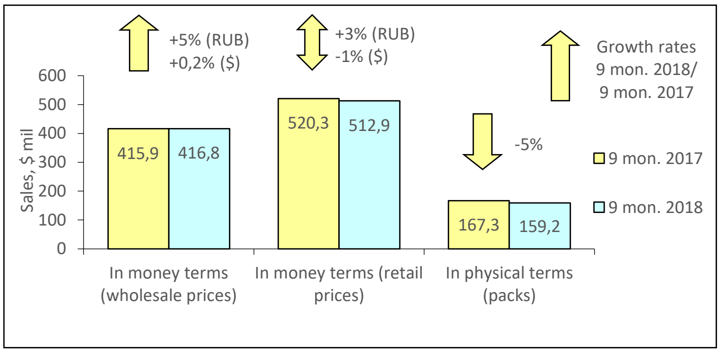
Conclusion. Based on the results for January-September of 2018, the retail pharmacy market of CFD (excl. of Moscow) brought in RUB 132.718 bil. (USD 2.172 bil.), which was 6% in terms of roubles and 1% in terms of dollars more than in the same period of 2017. In natural terms, the market demonstrated virtually zero growth rates (-0.1%) and achieved 698.179 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results for January-September of 2018 was USD 3.11, which was higher than in the year-earlier period (USD 3.07), and less than the national average (USD 3.33). However, the average medicine expenses of the CFD residents were higher than the national average expenses in Russia (USD 81.08 vs. USD 73.56).

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

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the North-Western Federal District (NWFD) (excl. of St. Petersburg) was 8.600 mil., which accounted for 5.9% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for January- September 2018 the average wage in NWFD (incl. of St. Petersburg) was RUB 48295 (USD 786.56), which was 14% higher than the average wage in Russia (RUB 42,325).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federation™, at the end of nine months of 2018 the sales of FPPs in physical terms in pharmacies of NWFD (without St. Petersburg) saw a 5% decrease to 159.183 mil. packs. In money terms, the market saw a 5% increase in terms of roubles and 0.2% in terms of dollars. At the same time, the volume of the market achieved RUB 25.418 bil. (USD 416.757 mil.) 216 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 4.7% of the retail pharmacy sales. The average cost of a pack increased as compared to a year earlier (USD 3.11) and reached USD 3.22 at retail prices. For the first nine months of 2018, the average amount spent on drugs by residents of the region in the pharmacies amounted to USD 59.64.

Figure 1. The NWFD (without St. Petersburg) pharmacy market for 9 months of 2017 – 9 months 2018



At the end of January- September of 2018, the top ten manufacturers rating in the NWFD OTC (excl. of St Petersburg) market showed high stability (Table 1). It did not change in composition, and most of the top ten ATC groups held their own in the ranking. BAYER (+6%), SANOFI (-1%), SERVIER and TEVA (+4% each), as well as GEDEON RICHTER (+1%), OTCPHARM and SANDOZ (+8% each) held their previous ranks one through seven respectively. The shifts took place in the bottom part of the top ten ranking. Due to reduction in sales by 3%, STADA moved down two ranks, coming in at number ten of the top ten ranking. At the same time, KRKA (+13%) and GLAXOSMITHKLINE (+1%) moved up one rank, to numbers eight and nine. The total share of the top 10 drug manufacturers reduced from 38.2% to 37.9%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	**BAYER**	5.1	5.0
2	2	**SANOFI**	4.6	4.9
3	3	**SERVIER**	4.4	4.4
4	4	**TEVA**	4.1	4.1
5	5	GEDEON RICHTER	3.8	4.0
6	6	OTCPHARM	3.8	3.7
7	7	**SANDOZ**	3.6	3.5
8	9	**KRKA**	3.1	2.9
9	10	**GLAXOSMITHKLINE**	2.7	2.8
10	8	STADA	2.7	2.9
Total			37.9	38.2

*AIPM members are in bold

Only one newcomer held its own in the top ten brands ranking (Table 2). Its leader NUROFEN held its rank number one despite the reduction in sales by 4%. The other three brands also showed negative rating progress. CONCOR (-5%), KAGOCEL (-3%) and ESSENTIALE (-20%) moved down to ranks three, six and ten, respectively. The remaining brands of the top ten showed outperformance rates. DETRALEX (+13%) and CARDIOMAGNYL (+5%) moved up one rank, coming in at numbers two and six. The brand LORISTA (+9%) moved up to rank eight from 10, improving its rank by two positions. Three brands broke into the ranks of the top 10 ranking for the first time. They were XARELTO (+44%), INGAVIRIN (+26%) and PENTALGIN (+16%) that moved up to ranks four, seven and nine, respectively. The total share of the top 10 brands did not virtually change and accounted for 7.6%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	NUROFEN	1.0	1.1
2	3	DETRALEX	0.9	0.9
3	2	CONCOR	0.9	0.9
4	11	XARELTO	0.8	0.6
5	6	CARDIOMAGNYL	0.8	0.8
6	4	KAGOCEL	0.8	0.8
7	12	INGAVIRIN	0.7	0.6
8	10	LORISTA	0.6	0.6
9	13	PENTALGIN	0.6	0.5
10	5	ESSENTIALE	0.6	0.8
Total			7.6	7.5

The leader of the top ten INN and group names XYLOMETAZOLINE (-6%) managed to hold its own in the ranking (Table 3). IBUPROFEN (+7%), NIMESULIDE (-1%) and PANCREATIN (+5%) also held their previous ranks two, five and six. Only one from the remaining INNs BISOPROLOL (-1%) fell in the ranks, whereas five INNs, in contrast, rose in the ranks. The composition DIOSMIN*HESPERIDIN (+20%) moved up one rank, and one more group name ACETYLSALICYLIC ACID* MAGNESIUM (+7%) moved up two ranks, to ranks three and eight respectively. Three newcomers of the top ten ranking, LOSARTAN (+9%), DROSPIRENONE* ETHINYLESTRADIOL (+8%) and RIVAROXABAN (+44%) moved up to ranks seven and the last two ranks. The total share of the top 10 has increased from 10.3% to 10.5%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	XYLOMETAZOLINE	1.6	1.8
2	2	IBUPROFEN	1.4	1.4
3	4	DIOSMIN*HESPERIDIN	1.3	1.1
4	3	BISOPROLOL	1.2	1.2
5	5	NIMESULIDE	0.9	1.0
6	6	PANCREATIN	0.9	0.9
7	11	LOSARTAN	0.8	0.8
8	10	ACETYLSALICYLIC ACID* MAGNESIUM	0.8	0.8
9	13	DROSPIRENONE*ETHINYLESTRADIOL	0.8	0.8
10	25	RIVAROXABAN	0.8	0.6
Total			10.5	10.3

In contrast to the above rankings, the top ten ATC - groups changed their leader (Table 4). C09 Agents acting on the renin-angiotensin system (+6%) moved up to rank one from two, displacing M01 Anti-inflammatory and antirheumatic products (-0.4%) down one rank. The same shifts took place in the lower part of the top ten. G03 Sex hormones (+11%) showing growth in sales moved up one rank, to number three, displacing R01 Nasal preparations that reduced its sales by 4%, down to rank four. At the same time, more dynamic B01 Antithrombotic agents (+17%) moved down from rank nine to six, displacing R05 Cough and cold preparations (+1%) and J01 Antibacterials for systemic use down. The newcomers C05 Vasoprotectors (+13%) and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+8%) broke into the top ten, rounding out the top ten. Only the group N02 Analgesics (-3%) managed to hold its earlier rank five. In total, the top ten ATC groups accumulated 38.5% of the market, whereas in the year-earlier period they accounted for 38.4%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.4	5.3
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.2	5.4
3	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.1	3.9
4	3	R01	NASAL PREPARATIONS	3.6	3.9
5	5	N02	ANALGESICS	3.6	3.8
6	9	B01	ANTITHROMBOTIC AGENTS	3.5	3.1
7	6	R05	COUGH AND COLD PREPARATIONS	3.5	3.6
8	7	J01	ANTIBACTERIALS FOR SYST USE	3.4	3.3
9	11	C05	VASOPROTECTIVES	3.3	3.0
10	12	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	3.1	3.0
Total				38.5	38.4

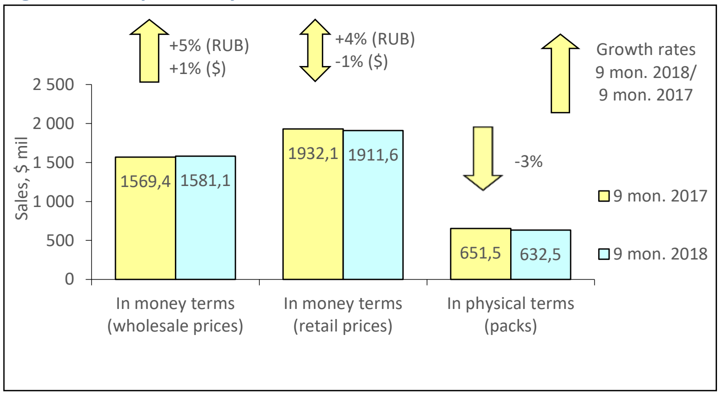
Conclusion. Based on the results for the first 9 months of 2018, the pharmacy market of the NWFD (without St Petersburg) brought in RUB 31.282 bil. (USD 512.937 mil.), which was 3% more in terms of roubles and 1% less in terms of dollars than in the same period of 2017. In pack terms, the market reduced by 5% and amounted to 159.183 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results for January-September of 2018 was USD 3.22, which was more than in the year-earlier period (USD 3.11) and lower than the national average (USD 3.33). The average medicine expenses of the district residents in the pharmacies were less than the national average expenses in Russia (USD 59.64 vs. USD 73.56).

VFD PHARMACY MARKET: 2018 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Volga Federal District (VFD) was 29.543 mil., which accounted for 20.1% of the total Russian Federation population. According to Federal State Statistics Service's data, in January- September of 2018 the average wage in the VFD was RUB 31026 (USD 523.03), which was 27% lower than the national average wage (RUB 42325).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first nine months of 2018 the pharmacy market of VFD in pack terms expanded by 3% to 632.494 mil. packs as compared to the same period of the last year (Fig. 1). In wholesale prices, the market performance showed sales growth in terms of roubles (+5%) and in terms of dollars (+1%), and reached RUB 96.468 bil. (USD 1.581 bil.). A region's share in the total pharmacy sales in Russia accounted for 17.7%. At the end of January-September of 2018, the average cost of a finished pharma product (FPP) in the VFD pharmacies amounted to USD 3.02 vs. USD 2.97 in the year earlier period. At the end of 9 month of 2018, the average per capita expenses for purchase of drugs in the pharmacies were estimated as USD 64.71.

Figure 1. VFD pharmacy market for 9 months of 2017 – 9 months 2018



At the end of January- September 2018, six of top ten manufacturers of the retail market of Volga Federal District held their own in the ranking (Table 1). SANOFI (-1%), BAYER and OTCPHARM (+5% each), TEVA (+1%), SERVIER (+5%) and SANDOZ (+7%) kept their leading positions in the top ten ranking. ABBOTT (+9%) moved up to rank seven from eight. Two newcomers KRKA (+19%) and NYCOMED/TAKEDA (+8%) moved up to ranks eight and ten. Only manufacturer BERLIN-CHEMIE/MENARINI (+2%) moved down from rank seven to nine. The cumulative share of the top 10 pharmaceutical manufacturer did not change and accounted for 32.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	**SANOFI**	4.3	4.6
2	2	**BAYER**	4.1	4.1
3	3	OTCPHARM	3.7	3.7
4	4	**TEVA**	3.5	3.7
5	5	**SERVIER**	3.1	3.1
6	6	**SANDOZ**	3.0	2.9
7	8	**ABBOTT**	2.8	2.7
8	12	**KRKA**	2.7	2.4
9	7	**BERLIN-CHEMIE/MENARIN**	2.6	2.7
10	11	**NYCOMED/TAKEDA**	2.6	2.6
Total			32.3	32.4

*AIPM members are in bold

The top ten brands ranking has changed its leader on the regional market (Table 2). ACTOVEGIN (+6%), MEXIDOL (+9%) and NUROFEN (+6%) moved up to the top three ranks from the lower ones. KAGOCEL reduced its sales by 13% and moved down from rank one to four. CARDIOMAGNYL (-7%) and CONCOR (-4%) that held their own in the ranking also showed negative growth rates. The other brands of the top ten rose in the ranks. PENTALGIN (+12%) moved up from rank eight to five, and INGAVIRIN (+8%) moved up to rank eight from nine. The newcomers DETRALEX (+13%) and XARELTO (+13%) rounded out the top ten ranking. The gross share of the top 10 brands did not change and accounted for 6.4%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	2	ACTOVEGIN	0.8	0.8
2	4	MEXIDOL	0.7	0.7
3	5	NUROFEN	0.7	0.7
4	1	KAGOCEL	0.6	0.8
5	8	PENTALGIN	0.6	0.6
6	6	CARDIOMAGNYL	0.6	0.7
7	7	CONCOR	0.6	0.7
8	9	INGAVIRIN	0.6	0.6
9	11	DETRALEX	0.6	0.5
10	15	XARELTO	0.5	0.4
Total			6.4	6.4

One newcomer broke into the ranks of the top 10 INN and group names ranking: ROSUVASTATIN (+13%) moved up to the bottom rank of the top ten from 15 (Table 3). The other four INNs from the top ten came in at yet higher ranks. INN IBUPROFEN (+11%) and the composition DIOSMIN* HESPERIDIN (+26%) moved up to ranks two and three, and ETHYLMETHYLHYDROXYPYRIDINE (+5%) and BLOOD (+7%) moved up to ranks six and seven. At the same time, the former displaced INNs PANCREATIN (-7%) and BISOPROLOL (+3%) two ranks down, and PHOSPHOLIPIDS that reduced sales by 19%, moved down from rank five to nine. The leader of the ranking XYLOMETAZOLINE (+1%) placed at rank one and NIMESULIDE (-0.2%) placed at rank eight held their own in the top ten ranking. The total share of the top 10 reduced from 9.8% to 9.6%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	XYLOMETAZOLINE	1.4	1.4
2	4	IBUPROFEN	1.1	1.1
3	6	DIOSMIN*HESPERIDIN	1.1	0.9
4	2	PANCREATIN	1.1	1.2
5	3	BISOPROLOL	1.0	1.1
6	7	ETHYLMETHYLHYDROXYPYRIDINE	0.9	0.9
7	9	BLOOD	0.9	0.8
8	8	NIMESULIDE	0.8	0.9
9	5	PHOSPHOLIPIDS	0.7	0.9
10	15	ROSUVASTATIN	0.7	0.6
Total			9.6	9.8

M01Anti-inflammatory and antirheumatic products (+2%), C09 Agents acting on the renin-angiotensin system (+10%) and J01 Antibacterials for systemic use (+3%) held their previous top three ranks in the top ten ranking (Table 4). In addition, N02 Analgesics (-3%) and R01 Nasal preparations (+1%) held their previous ranks six and seven. Two of the remaining top ten groups rose in the ranks. G03 Sex hormones (+9%) and B01 Antithrombotic Agents (+14%) moved up to ranks four and eight. At the same time, the groups J05 Antivirals for systemic use (+1%), R05 Cough and cold preparations (+4%) and N06 Psychoanaleptics (+6%) moved down to ranks five and two bottom ranks, respectively. In total, the top ten ATC groups accumulated 36.2% of the regional sales, 36.5 % in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.2	5.3
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.8	4.6
3	3	J01	ANTIBACTERIALS FOR SYST USE	3.7	3.8
4	5	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.6	3.5
5	4	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	3.5
6	6	N02	ANALGESICS	3.2	3.5
7	7	R01	NASAL PREPARATIONS	3.2	3.3
8	10	B01	ANTITHROMBOTIC AGENTS	3.1	2.9
9	8	R05	COUGH AND COLD PREPARATIONS	3.0	3.0
10	9	N06	PSYCHOANALEPTICS	3.0	3.0
Total				36.2	36.5

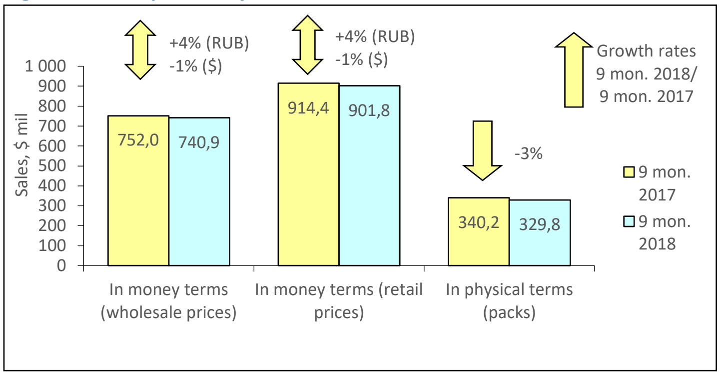
Conclusion. At the end of the period of January to September of 2018, the pharmacy market in VFD was estimated as RUB 116.633 bil. (USD 1.912 bil.) in retail prices. At the same time, the market behaviour was positive in rouble terms (+4%) and negative in dollar (-1%) terms. In physical terms, the sales reduced by 3% to 632.494 mil. packs. The average cost of OTC pack based on the results for nine months of 2018 (USD 3.02) grew compared to the last year (USD 2.97), but continued to be lower than the national average across Russia (USD 3.33). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 64.71 vs. USD 73.56).

SoFD PHARMACY MARKET: 2018 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Southern Federal District (SoFD) was 16.442 mil., which accounted for 11.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in January- September of 2018 the average wage in the SoFD was RUB 30774 (USD 518.78), which was 27% lower than the national average wage (RUB 42325).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of January- September 2018 the sales of drugs in physical terms in the Southern Federal District saw a 3% decrease to 329.762 mil. packs. In money terms, the market showed positive growth rates in rouble terms (+4%) and negative growth rates in dollar terms (-1%), and reached RUB 45.431 bil. (USD 740.915 mil.) at wholesale prices (Fig. 1). The city market share accounted for 8.4% of the pharmacy sales in Russia. The average cost of an OTC pack increased as compared to a year earlier period (USD 2.69) and reached USD 2.73 at retail prices. For nine months of 2018, the average amount spent by residents of the SoFD for OTC drugs amounted to USD 54.85.

Figure 1. SoFD pharmacy market for 9 months of 2017 – 9 months 2018



In January-September 2018, six of the top 10 manufacturers in the market of the Southern Federal District demonstrated an increase in sales (Table 1). This allowed three of them to hold their previous ranks and two of them to rise in the ranks. The leader of the top ten BAYER (+5%), as well as SERVIER and BERLIN-CHEMIE/MENARINI (+6% each) held their previous ranks four and seven. Showing positive growth rates, OTCPHARM (+8%) and GLAXOSMITHKLINE (+3%) moved up one rank, to numbers five and eight. At the same time, the former displaced SANDOZ down one rank, despite a 6% increase in its sales. Note that two manufacturers with negative dynamics also rose in the ranks. TEVA (-1%) and ABBOTT (-2%) moved up to ranks two and nine. Two manufacturers with more pronounced reduction in sales, SANOFI (-6%) and STADA (-7%) moved down to rank three and ten, respectively. The total share of the top 10 ATC groups reduced by 0.6 p.p. and accounted for 34.0%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	**BAYER**	5.2	5.2
2	3	**TEVA**	4.0	4.1
3	2	**SANOFI**	3.9	4.3
4	4	**SERVIER**	3.3	3.2
5	6	OTCPHARM	3.2	3.1
6	5	**SANDOZ**	3.2	3.1
7	7	**BERLIN-CHEMIE/MENARIN**	3.1	3.0
8	9	**GLAXOSMITHKLINE**	2.8	2.9
9	10	**ABBOTT**	2.7	2.8
10	8	STADA	2.7	3.0
Total			34.0	34.6

*AIPM members are in bold

Two newcomers broke into the top 10 brands ranking on the regional market: THERAFLU (+10%) and PENTALGIN (+15%) moved up to ranks six and seven (Table 2). The other four brands came in at yet higher ranks. At the same time, THERAFLEX (+8%), DETRALEX (+12%) and MIRAMISTIN (+4%) moved to ranks three through five respectively, and INGAVIRIN (+5%) moved up to rank eight from ten. The ranking leaders NUROFEN (+0.1%) and ACTOVEGIN (+1%), as well as KAGOCEL (+2%) placed at rank last but one held their own in the ranking. CARDIOMAGNYL (-0.1%) was the only brand whose sales declined slightly, and who fell in the ranks by two points. The total share of the top 10 brands did not virtually change 6.2% vs 6.1% a year-earlier.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	NUROFEN	0.8	0.9
2	2	ACTOVEGIN	0.7	0.7
3	4	THERAFLEX	0.7	0.6
4	7	DETRALEX	0.6	0.6
5	6	MIRAMISTIN	0.6	0.6
6	11	THERAFLU	0.6	0.5
7	12	PENTALGIN	0.6	0.5
8	10	INGAVIRIN	0.6	0.5
9	9	KAGOCEL	0.6	0.6
10	8	CARDIOMAGNYL	0.5	0.6
Total			6.2	6.1

INNs XYLOMETAZOLINE (+3%) and IBUPROFEN (+11%) remained the leaders of the top ten INN and generic names ranking (Table 3). In addition, only INN SILDENAFIL (+ 2%) rounding out the top ten managed to hold its own in the ranking. In contrast, three INNs with outstripping sales rates rose in the ranks. INN NIMESULIDE (+6%) moved up one rank, to number three, whereas the composition DIOSMIN*HESPERIDIN (+19%) moved up to rank five from seven. The newcomer ROSUVASTATIN (+17%) broke into the ranks of the top ten, coming in at number nine. INN DICLOFENAC saw a 2% decrease, but rose in the ranks by one point. The remaining INNs, in contrast, lost one point each. INNs PANCREATIN (+1%), BISOPROLOL (+3%) and BLOOD (+1%) moved down to ranks four, six and seven, respectively. The total share of the top ten accounted for 9.8%, whereas in the year-earlier period it was 9.6%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	XYLOMETAZOLINE	1.8	1.9
2	2	IBUPROFEN	1.2	1.1
3	4	NIMESULIDE	1.1	1.1
4	3	PANCREATIN	1.1	1.1
5	7	DIOSMIN*HESPERIDIN	0.9	0.8
6	5	BISOPROLOL	0.9	0.9
7	6	BLOOD	0.8	0.8
8	9	DICLOFENAC	0.7	0.7
9	15	ROSUVASTATIN	0.7	0.6
10	10	SILDENAFIL	0.7	0.7
Total			9.8	9.6

Half of the top-10 ATC groups held their own in the ranking (Table 4). M01 Anti-inflammatory and antirheumatic products (+5%) held its previous rank number one, A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+4%) G03 Sex hormones (+3%), J05 Antivirals for systemic use (-3%) and R05 Cough and cold preparations (+0.3%) maintained their previous ranks five and seven through nine. J01 Antibacterials for systemic use and N02 Analgesics reduced their sales by 2% and moved down to ranks three and six. On top of that, R01 Nasal preparations (+2%) moved up to rank two, and the more dynamic group C09 Agents acting on the renin-angiotensin system (+7%) moved up from rank six to four. Its only newcomer C05 Vasoprotectives (+10%) rounded out the top 10 ranking. The total share of top ten ATC groups reduced by 0.5 p.p. and achieved 36.0%.

Table 4. The top ten ATC Groups by pharmacy sales

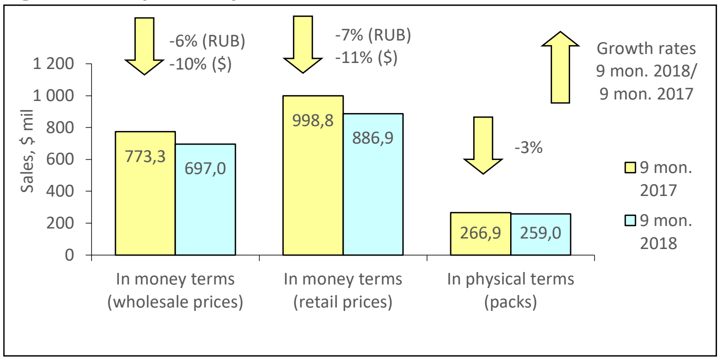
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.4	5.3
2	3	R01	NASAL PREPARATIONS	3.9	3.9
3	2	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.0
4	6	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	3.7	3.6
5	5	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.6	3.6
6	4	N02	ANALGESICS	3.5	3.7
7	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.5	3.5
8	8	J05	ANTIVIRALS FOR SYSTEMIC USE	3.1	3.3
9	9	R05	COUGH AND COLD PREPARATIONS	2.8	2.9
10	11	C05	VASOPROTECTIVES	2.8	2.7
Total				36.0	36.5

Conclusion. Based on the results for the first 9 months of 2018, the pharmacy market of SoFD reached RUB 55.311 bil. (USD 901.850 mil.) in retail prices. The sales saw a 4% increase in terms of roubles, whereas the growth rates (-1%) in terms of dollars was negative. In pack terms, the market reduced by 3% and amounted to 329.762 mil. packs. The average cost of an FPP pack in the district pharmacies was USD 2.73, which was higher than the previous year figures (USD 2.69), but lower than national average (USD 3.33). At the end of January-September of 2018, the average expenses of the SoFD residents for medications in the pharmacies were also lower than the national average (USD 54.85 vs. USD 73.56).

UFD PHARMACY MARKET: 2018 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Ural Federal District (UFD) was 12.356 mil., which accounted for 8.4% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first nine months of 2018 the average wage in the UFD region was RUB 46790 (USD 788.70), which was 11% higher than the average wage in Russia (RUB 42,325). According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first nine months 2018 the sales of FPP drugs in physical terms in the pharmacies of UFD saw a 3% decrease to 258.962 mil. packs. In money terms, the market also showed positive growth rates both in rouble terms (-6%), and in dollar terms (-10%), and. 42.538 bil. (USD 697.029 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 8.2% of the total pharmacy sales in Russia. The average retail cost of an FPP pack in January-September of 2018 was USD 3.42, which was lower than in the year-earlier period (USD 3.74). For the first 9 months of 2018, the average amount spent by residents of UFD for medications amounted to USD 71.78.

Figure 1. UFD pharmacy market for 9 months of 2017 – 9 months 2018



Almost all top ten manufacturers on the Ural Federal District market, as the market in whole, showed negative growth rates based on the results for 9 months of 2018 (Table 1). On top of that, manufacturer BAYER took the lead by sales, moving up to rank one from two, despite the reduction in sales by 7%. Due to strong negative growth rates, SANOFI (-12%), which hold rank number one in the top ten ranking, moved down to rank seven. The only newcomer of the top ten with positive growth rates OTCPHARM (+6%), as well as SANDOZ (-8%) and the newcomer NYCOMED/TAKEDA (-2%) managed to rise in the ranks. At the same time, they displaced TEVA (-7%), GEDEON RICHTER (-12%) and SERVIER (-16%) down one rank, to numbers four, five and seven. STADA (-11%) and ABBOTT (-12%) retained their previous ranks eight and nine. The total share of the top 10 drug manufacturers reduced by 1 p.p. to 34.0%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	2	**BAYER**	5.0	5.0
2	1	**SANOFI**	4.8	5.1
3	5	OTCPHARM	3.7	3.3
4	3	**TEVA**	3.5	3.6
5	4	GEDEON RICHTER	3.2	3.4
6	7	**SANDOZ**	2.9	3.0
7	6	**SERVIER**	2.9	3.2
8	8	STADA	2.8	3.0
9	9	**ABBOTT**	2.8	3.0
10	11	**NYCOMED/TAKEDA**	2.5	2.4
Total			34.0	35.0

*AIPM members are in bold

Numerous swaps took place in the top-10 Brands (Table 2). INGAVIRIN (+21%) and ARTRA (+22%) moved up to the higher positions from ranks 5 and 7. ESSENTIALE placed at rank one, reduced its sales by 20% and moved down to rank three, displacing NUROFEN (+1%) down one rank. Two newcomers KAGOCEL (+23%) and FLEMOXIN SOLUTAB (+67%) moved up to ranks five and six. Due to 7% increase in sales, the brand CARDIOMAGNYL managed to move up one rank. The growth rates of the other three brands was negative and resulted in falling in the ranks. DETRALEX (-22%), ACTOVEGIN (-11%) and LOZAP (-9%) moved down to ranks seven, eight and ten, respectively. The total share of the top 10 brands increased from 6.2% to 6.8%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	5	INGAVIRIN	0.8	0.6
2	7	ARTRA	0.8	0.6
3	1	ESSENTIALE	0.7	0.9
4	3	NUROFEN	0.7	0.7
5	11	KAGOCEL	0.7	0.5
6	27	FLEMOXIN SOLUTAB	0.7	0.4
7	2	DETRALEX	0.6	0.8
8	4	ACTOVEGIN	0.6	0.6
9	10	CARDIOMAGNYL	0.6	0.5
10	6	LOZAP	0.6	0.6
Total			6.8	6.2

In contrast to the above rankings, the leader of the top ten INNs and grouping names ranking did not change: due to outperformance rates, XYLOMETAZOLINE (+5%) held and consolidated its hold of its previous rank number one (Table 3). In addition to them, INN PANCREATIN (-8%) and ROSUVASTATIN (-9%) kept their previous ranks four and six. Half of the top ten brands managed to move to the higher ranks. IBUPROFEN (+10%), CHONDROITINSULFURIC ACID* GLUCOSAMINE (-2%) and NIMESULIDE (-0.1%) moved up to ranks two, five and seven, and the newcomers AMOXICILLIN (+51%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+21%) moved up to two bottom ranks. At the same time, two INNs with negative growth rates DIOSMIN*HESPERIDIN (-15%) and PHOSPHOLIPIDS (-24%) moved down to ranks three and eight. The cumulative share of the top10 increased from 9.2% to 9.7%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	XYLOMETAZOLINE	1.5	1.4
2	5	IBUPROFEN	1.1	0.9
3	2	DIOSMIN*HESPERIDIN	1.0	1.2
4	4	PANCREATIN	1.0	1.0
5	7	CHONDROITINSULFURIC ACID* GLUCOSAMINE	0.9	0.9
6	6	ROSUVASTATIN	0.9	0.9
7	8	NIMESULIDE	0.8	0.8
8	3	PHOSPHOLIPIDS	0.8	1.0
9	32	AMOXICILLIN	0.8	0.5
10	15	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.6
Total			9.7	9.2

M01 Anti-inflammatory and antirheumatic products kept their leadership in the top ten ATC groups ranking, though their sales reduced by 8% (Table 4). The group C09 Agents acting on the renin-angiotensin system showing the same growth rates moved up to rank two from three, displacing G03 Sex hormones (-16%) down to rank three due to more pronounced negative growth rates. The groups A11 Vitamins (-1%) and B01 Antithrombotic agents (-13%) also showed reduction in sales, which resulted in the loss of rating positions - they moved down to ranks six and ten, respectively. The other five ATC groups showed positive growth rates, and most of them rose in the ranks. ATC groups R01 Nasal preparations and J01 Antibacterials for systemic use (+4% each) and N02 Analgesics (+1%) moved up one rank, coming in at numbers five, seven and nine. The only newcomer of the top ten ranking R05 Cough and cold preparations (+12%) moved up to rank eight. J05 Antivirals for systemic use (+7%) held their previous rank four. In total, the top ten ATC - groups accumulated 37.5% of the regional market against 36.5% in the same period of 2017.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.7	4.8
2	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.3	4.4
3	2	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.2	4.7
4	4	J05	ANTIVIRALS FOR SYSTEMIC USE	3.9	3.4
5	6	R01	NASAL PREPARATIONS	3.7	3.4
6	5	A11	VITAMINS	3.6	3.4
7	8	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.1
8	13	R05	COUGH AND COLD PREPARATIONS	3.4	2.9
9	10	N02	ANALGESICS	3.2	3.0
10	7	B01	ANTITHROMBOTIC AGENTS	3.1	3.3
Total				37.5	36.5

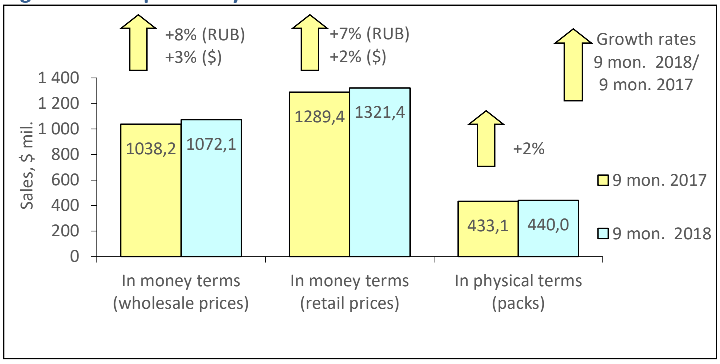
Conclusion. In January- September 2018, the retail pharmacy market of the Ural Federal District brought in RUB 54.128 bil. (USD 886.936 mil.) at retail prices. The sales reduced both in dollar (-11%) and rouble terms (-7%). In pack terms, the market also showed negative growth rates (-3%) and achieved 258.962 mil. packs. According to the results for 9 months of 2016, the average cost of an FPP pack in the district pharmacies was USD 3.42, which was lower than the last year figures (USD 3.74), but higher than average figures in the country (USD 3.33). The average expenses of the UFD residents for medications in the pharmacies were lower than the national average (USD 71.78 vs. USD 73.56).

SiFD PHARMACY MARKET: 2018 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Siberian Federal District (SiFD) was 19.287 mil., which accounted for 13.1% of the total Russian Federation population. According to Federal State Statistics Service's data, in January- September of 2018 the average wage in the SiFD was RUB 36485 (USD 615.05), which was 14% lower than the national average wage (RUB 42325).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first nine months 2018 the SiFD pharmacy market volume increased in physical terms by 2% and amounted to 439.966 mil. packs (Fig. 1) In wholesale prices, the market showed the positive performance both in terms of roubles (+8%) and in terms of dollars (+3%) and reached RUB 65.464 bil. (USD 1.072 bil.). The district's share accounted for 12.2% of the total pharmacy sales in the Russian pharmacy market pattern. Based on the results for nine months of 2018, the average cost of FPP pack in the SiFD pharmacies was USD 3.00, whereas in the year-earlier period its cost was USD 2.98. In the January-September of 2018, per capita expenses of the SFD residents for purchase of medicines in pharmacies amounted to USD 68.51.

Figure 1. SiFD pharmacy market for 9 months of 2017 – 9 months 2018



The manufacturers BAYER (+3%), SANOFI (-1%), TEVA (+3%) and SERVIER (+9%) held the leading positions in the top ten manufacturers ranking on the pharmacy market of the Siberian Federal District based on the results of the first nine month of 2018 (Table 1). Some shifts took place in the lower part of the top ten manufacturers ranking, as a result of which three brands rose in the ranks. The manufacturers OTCPHARM and KRKA that showed 15% growth in sales moved up from rank six to five and from nine to seven, respectively. At the same time, SANDOZ (+9%) moved down one rank, to number six. Its only newcomer ABBOTT (+12%) moved up to the bottom rank in the top 10 ranking. The manufacturer STADA (-3%) continued to show negative growth rates and moved down to rank nine. GEDEON RICHTER (+7%) kept its previous rank eight. The total share of the top 10 drug manufacturers reduced by almost 0.5 p.p. and accounted for 34.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	**BAYER**	4.7	4.9
2	2	**SANOFI**	4.3	4.7
3	3	**TEVA**	4.2	4.4
4	4	**SERVIER**	3.6	3.6
5	6	OTCPHARM	3.3	3.1
6	5	**SANDOZ**	3.3	3.2
7	9	**KRKA**	2.9	2.7
8	8	GEDEON RICHTER	2.9	2.9
9	7	STADA	2.6	2.9
10	12	**ABBOTT**	2.6	2.5
Total			34.4	35.0

*AIPM members are in bold

Four brands of the top 10 brands held their own in the ranking (Table 2). CARDIOMAGNYL (+4%) maintained its rank number one, and LOZAP (+5%), LORISTA (+10%) and KAGOCEL (+2%) retained their ranks three, six and ten, respectively. Another four brands from the top ten ranking rose in the ranks. DETRALEX (+14%) moved up to rank two from five, PENTALGIN (+16%) and ACTOVEGIN (+7%) improved their rating by 1 point, moving up to ranks seven and eight. Its only newcomer MEXIDOL (+14%) moved up to rank nine in the top 10 ranking. Only NUROFEN, which reduced its sales by 1%, and CONCOR (+3%), which showed low growth rates, moved down to the lower ranks four and five, respectively. In total, top ten brands accumulated 6.4% of sales, whereas in the year-earlier period - 6.5%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	CARDIOMAGNYL	0.7	0.7
2	5	DETRALEX	0.7	0.7
3	3	LOZAP	0.7	0.7
4	2	NUROFEN	0.7	0.7
5	4	CONCOR	0.7	0.7
6	6	LORISTA	0.6	0.6
7	8	PENTALGIN	0.6	0.6
8	9	ACTOVEGIN	0.6	0.6
9	12	MEXIDOL	0.6	0.5
10	10	KAGOCEL	0.6	0.6
Total			6.4	6.5

The top ten INN and group names ranking demonstrated high stability and six of them held their own in the ranking (Table 3). XYLOMETAZOLINE (+8%), IBUPROFEN (+14%), BISOPROLOL (+10%), DIOSMIN*HESPERIDIN (+26%), NIMESULIDE and PANCREATIN (+7% each) kept their previous top six ranks in the ranking. LOSARTAN (+12%) moved up to rank seven from nine, displacing the less dynamic ROSUVASTATIN (+4%) down from that position. The composition ACETYLSALICYLIC ACID*MAGNESIUM and INN SILDENAFIL (+8% each) showed the same growth rates and improved their positions by one rank, moving up to two bottom ranks. On top of that, the latter became the only newcomer of the top 10 ranking. The total share of the top 10 increased from 9.3% to 9.6%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	XYLOMETAZOLINE	1.6	1.6
2	2	IBUPROFEN	1.2	1.1
3	3	BISOPROLOL	1.1	1.0
4	4	DIOSMIN*HESPERIDIN	1.0	0.9
5	5	NIMESULIDE	0.9	0.9
6	6	PANCREATIN	0.8	0.9
7	9	LOSARTAN	0.8	0.8
8	7	ROSUVASTATIN	0.8	0.8
9	10	ACETYLSALICYLIC ACID*MAGNESIUM	0.7	0.7
10	11	SILDENAFIL	0.7	0.7
Total			9.6	9.3

Two newcomers broke into the top ten ATC Group ranking (Table 4). The groups B01 Antithrombotic agents (+19%) and C05 Vasoprotectives (+16%) moved up to ranks seven and ten. In addition, R01 Nasal preparations and G04 Urologicals (+8% each) also moved up to the higher positions, coming in at numbers six and nine. At the same time, J01 Antibacterials for systemic use (+5%) and R05 Cough and cold preparations (+4%) moved down one rank, coming in at ranks six and eight. As before, M01 Anti-inflammatory and antirheumatic products (+5%), C09 Agents acting on the renin-angiotensin system (+13%), G03 Sex hormones (+10%) and N02 Analgesics (+0.4%) held the top four ranks in the ranking. The total share of the top ten drugs did not change and made up 36.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.0	5.1
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.0	4.7
3	3	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.4	4.3
4	4	N02	ANALGESICS	3.6	3.9
5	6	R01	NASAL PREPARATIONS	3.5	3.5
6	5	J01	ANTIBACTERIALS FOR SYST USE	3.4	3.6
7	11	B01	ANTITHROMBOTIC AGENTS	3.1	2.8
8	7	R05	COUGH AND COLD PREPARATIONS	3.1	3.2
9	10	G04	UROLOGICALS	2.9	2.9
10	12	C05	VASOPROTECTIVES	2.9	2.7
Total				36.8	36.8

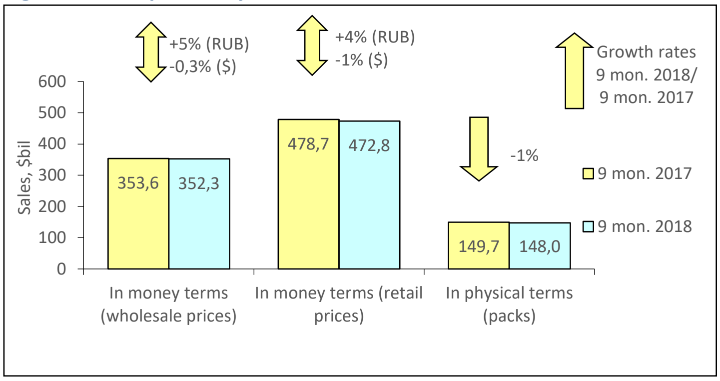
Conclusion. At the end of the first nine months of 2018, the pharmacy market in the Siberian Federal District was estimated as RUB 80.670 mil. (USD 1.321 bil.) in final consumer prices. At the same time, the market behaviour was positive both in rouble (+7%), and in dollar (+2%) terms. In pack terms, the sales increased by 2% and reached 439.966 mil. packs. The average cost of an FPP pack (USD 3.00) increased insignificantly as compared to a year earlier (USD 2.98), but continued to be lower than the national FPP price average in Russia (USD 3.33). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 68.51 vs. USD 73.56).

FEFD PHARMACY MARKET: 2018 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Far Eastern Federal District (FEFD) was 6.165 mil., which accounted for 4.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first half of 2018 the average salary in the FEFD was RUB 52505 (USD 855.13), which was 24% higher than the average wage in Russia (RUB 42,325).

According to the results of the Retail Audit of Finished Pharma Products in Russian Federation™, in January-September of 2018 of drugs in pack terms in the pharmacies of the FEFD saw a 1% decrease to 148.029 mil. packs. In money terms, the OTC drugs market increased by 5% in rouble terms, but reduced by 0.3% in dollar terms and reached RUB 21.553 bil. (USD 352.342 mil.) in wholesale prices (Fig. 1). The district's share reached 4.7% of the all-Russia sales in retail prices. The average cost of a pack increased as compared to the previous year and escalated to USD 3.22 (vs. USD 3.11). At the end of nine months of 2018, average amount spent by the residents of the FEFD for the drugs in pharmacies amounted to USD 76.69.

Figure 1. FEFD pharmacy market for 6 months of 2017 – 6 months 2018



The rating of leading manufacturers in the retail market of the Far Eastern Federal District for nine months of 2018 demonstrated high stability: it did not change in composition, and more than half of the top ten ATC groups held their own in the ranking (Table 1). Among them were the leaders of the top ten BAYER (+11%), SANOFI (-5%) and SERVIER (+4%). The manufacturers SANDOZ (+7%), KRKA (+4%) and STADA (-3%) held their previous ranks six, seven and ten in the top ten ranking. The remaining four representatives of the top ten swapped their places pairwise. On top of that, the more dynamic drug manufacturers GEDEON RICHTER (+6%) and OTCPHARM (+7%) moved up one rank, to numbers four and eight, displacing TEVA (-3%) and GLAXOSMITHKLINE (+1%) down one rank. The total share of the top 10 drug manufacturers reduced from 34.6% to 34.1%

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	**BAYER**	5.0	4.7
2	2	**SANOFI**	3.8	4.2
3	3	**SERVIER**	3.7	3.7
4	5	GEDEON RICHTER	3.5	3.5
5	4	**TEVA**	3.4	3.7
6	6	**SANDOZ**	3.4	3.3
7	7	**KRKA**	2.9	3.0
8	9	OTCPHARM	2.9	2.8
9	8	**GLAXOSMITHKLINE**	2.8	2.9
10	10	STADA	2.5	2.7
Total			34.1	34.6

*AIPM members are in bold

The leader of the top ten brands did not change either: NUROFEN (+12%) held and strengthened its position (Table 2). Some shifts took place in the lower part of the top ten manufacturers ranking, as a result of which four brands moved to the higher ranks. Among them were the brands XARELTO (+33%) and KAGOCEL (+28%) that broke into the ranks of the top ten, moving up to ranks two and six. In addition, INGAVIRIN (+6%) moved up one rank, to number three, whereas the more dynamic MIRAMISTIN (+13%) moved up from rank nine to seven. At the same time, five brands of the top ten fell in the ranks. CARDIOMAGNYL (+2%) and MEXIDOL (+8%) lost one rank each, moving down to ranks four and nine. The brands CONCOR (-3%), DETRALEX (+7%) and LORISTA (+4%) moved down to ranks five, eight and ten. The aggregate share of the top-10 expended from 6.7% to 7.1%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	NUROFEN	0.9	0.8
2	12	XARELTO	0.7	0.6
3	4	INGAVIRIN	0.7	0.7
4	3	CARDIOMAGNYL	0.7	0.7
5	2	CONCOR	0.7	0.8
6	13	KAGOCEL	0.7	0.6
7	9	MIRAMISTIN	0.7	0.6
8	5	DETRALEX	0.7	0.7
9	8	MEXIDOL	0.6	0.6
10	6	LORISTA	0.6	0.6
Total			7.1	6.7

XYLOMETAZOLINE (+2%), IBUPROFEN (+18%) and BISOPROLOL (+0.2%) held their previous top three ranks in the top ten INN and grouping names ranking (Table 3). The other three INNs also kept their positions unchanged. NIMESULIDE (+9%), ACETYLSALICYLIC ACID* MAGNESIUM (+3%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+6%) held their previous ranks six, seven and nine respectively. Three INNs of the top ten, composition DIOSMIN*HESPERIDIN (+14%), and INNs RIVAROXABAN (+33%) and SILDENAFIL (+9%) moved up to the higher ranks four, eight and ten. However, the latter two INNs broke into the ranks of the top ten for the first time. Only PANCREATIN (+8%) moved down one rank, coming in at number five. The cumulative share of the top10 increased from 9.4% to 9.8%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017		9 mon. 2018	9 mon. 2017
1	1	XYLOMETAZOLINE	1.8	1.8
2	2	IBUPROFEN	1.4	1.2
3	3	BISOPROLOL	1.0	1.0
4	5	DIOSMIN*HESPERIDIN	0.9	0.9
5	4	PANCREATIN	0.9	0.9
6	6	NIMESULIDE	0.9	0.9
7	7	ACETYLSALICYLIC ACID*MAGNESIUM	0.7	0.7
8	22	RIVAROXABAN	0.7	0.6
9	9	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.7	0.7
10	12	SILDENAFIL	0.7	0.7
Total			9.8	9.4

The top ten ATC groups ranking did not change its leaders either. As before, M01 Anti-inflammatory and antirheumatic products (+7%) and C09 Agents acting on the rennin-angiotensin system (+4%) held their previous top two ranks (Table 4). The groups J01 Antibacterials for systemic use and N02 Analgesics (-2% each), J05 Antivirals for systemic use (+5%) and R05 Cough and cold preparations (+4%) also held their previous ranks from five to eight. The shifts affected ranks three, four and two bottom ranks in the ranking. Due to outstripping ranks, G03 Sex hormones (+15%) and B01 Antithrombotic agents (+12%) moved up to ranks three and nine. On top of that, the latter broke into the ranks of the top 10 ranking for the first time. At the same time, the groups R01 Nasal preparations and A11 Vitamins moved down one rank, to numbers four and the bottom rank of the top ten, respectively. The consolidated share of the top 10 ranking under review increased from 35.9% to 36.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2018	9 mon. 2017			9 mon. 2018	9 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.9	4.8
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.2	4.3
3	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.1	3.7
4	3	R01	NASAL PREPARATIONS	3.8	3.8
5	5	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.7
6	6	N02	ANALGESICS	3.3	3.5
7	7	J05	ANTIVIRALS FOR SYSTEMIC USE	3.3	3.3
8	8	R05	COUGH AND COLD PREPARATIONS	3.0	3.0
9	11	B01	ANTITHROMBOTIC AGENTS	3.0	2.8
10	9	A11	VITAMINS	2.9	2.9
Total				36.1	35.9

Conclusion. Based on the results for the first nine months of 2018, the retail market of the Far Eastern Federal District brought in RUB 28.924 bil. (USD 472.818 mil.), which was 4% more in terms of roubles and 1% less in terms of dollars than in the same period of 2017. In pack terms, the market also showed negative growth rates (-1%) and achieved 148.029 mil packs. The average cost of a pack in the FEFD pharmacies based on the results for January-September of 2018 was USD 3.19 (in a year-earlier period - USD 3.20), which was lower than the national average (USD 3.33). The average medicine expenses of the district residents were higher than the national average expenses in Russia (76.69 USD vs. 73.56 USD).