REMEDIUM GROUP OF COMPANIES

AIPM Association of International Pharmaceutical Manufacturers / Ассоциация международных фармацевтических производителей

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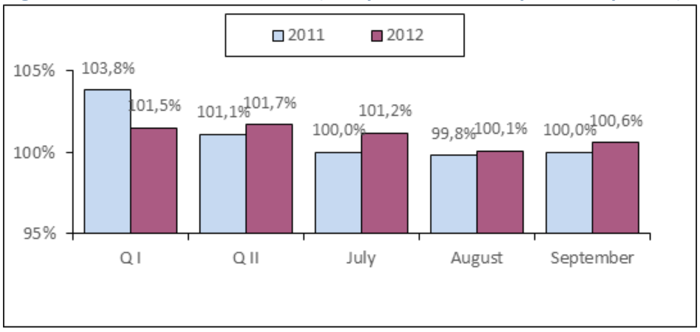
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in September 2012, the Consumer Price Index was estimated as 100.6%, compared to the previous month. For the period from start of the year, it escalated to 105.2% (in January-September 2011 – 104.7%)

In September, Industrial Producer Price Index was 104.8%, whereas in the month-earlier period it had amounted to 105.1%. In January-September, it accounted for 109.4% (during the same period a year ago – 109.8%).

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



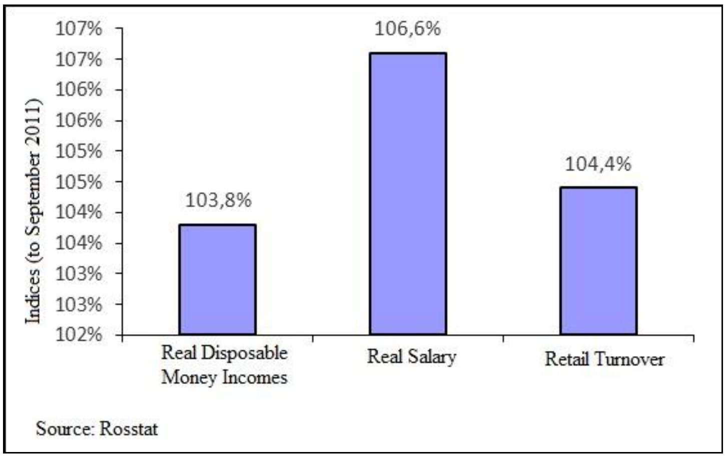
Living standard

According to preliminary Federal State Statistics Service's data, in September 2012 a gross monthly average salary per worker reached RUB 26,489 (USD 856.69) which accounted for 113.6% compared to September 2011 and 103.0% compared to August 2012. The real salary in September 2012 accounted for 106.6% as compared with the same period in 2011. In September 2012, the real value of cash incomes accounted for 103.8% compared to the same period of 2011 (Fig. 2).

Retail turnover

In September 2012 the retail turnover was equal to RUB 1,837.6 bln, which in stock accounts for 104.4% as compared to the same period a year ago (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in September 2012



Manufacture of industrial products

According to Federal State Statistics Service's data, in September 2012 Industrial Production Index accounted for 102.0% compared to the same period a year ago, 99.0% to the previous period of 2012, and 102.9% for year to date.

Domestic production

The top ten domestic manufacturers by production volume at September-end 2012 are shown in Table 1. The total production volume by top ten manufacturers was estimated at USD 528.5 mln.

Table 1. Top-ten chemical and pharmaceutical manufacturers by production volume in September 2012

Rank	Drug Manufacturer	Production volume, $mln.
1	Pharmstandart	370,1
2	KRKA-RUS	31,3
3	Stada	30,1
4	Valenta	19,8
5	Microgen	19,4
6	Pharm-Center	14,4
7	Materia Medica	12,3
8	Sotex	11,5
9	Akrihin	10,7
10	Nearmedic Plus	8,8

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In August 2012 compared to July 2012, growth in pharmacy sales (in terms of roubles) was observed in all analysed regions. Three of them, Novosibirskaya Oblast, Krasnoyarsky Krai and Rostovskaya Oblast (+14%) showed the highest positive performance. The lowest growth in sales was observed in Moscow (+1%).

Table 2. Pharmacy sales in the regions, 2012

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (Roubles)		
	June 2012	July 2012	August 2012	June/ May2012	July/ June 2012	August/ July 2012
Moscow city	143,6	145,1	146,4	-3%	-1%	1%
St. Petersburg	35,2	33,6	35,9	-13%	-6%	7%
Krasnodarsky Krai	33,4	35,0	38,1	5%	3%	9%
Novosibirskaya Oblast	17,5	16,9	19,3	-15%	-5%	14%
Republic of Tatarstan	21,7	21,2	22,9	-8%	-4%	8%
Krasnoyarsky Krai	13,7	14,4	16,4	-17%	3%	14%
Rostovskaya Oblast	17,1	18,4	21,0	-7%	6%	14%
Voronezhskaya Oblast	12,6	13,0	14,4	-10%	1%	11%
Perm city	5,2	4,9	5,5	-15%	-7%	12%
Tyumen city	6,1	6,2	6,6	0,3%	-0,5%	7%

Advertising

The largest advertisers and pharmaceutical trade 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 September 2012

Rank	Drug Manufacturer	Quantity of broadcasts
1	Novartis	7 927
2	Pharmstandart	6 766
3	Berlin-Chemie Menarini Group	4 985
4	Sanofi Aventis	3 917
5	Bayer AG	3 603

Source – TNS Gallup AdFact

Table 4. Top-five trade names in mass media in September 2012

Rank	Trade name*	Quantity of broadcasts
1	Arbidol	1 765
2	Grippferon	1 693
3	Theraflu	1 592
4	ACC	1 418
5	Bronchicum	1 377

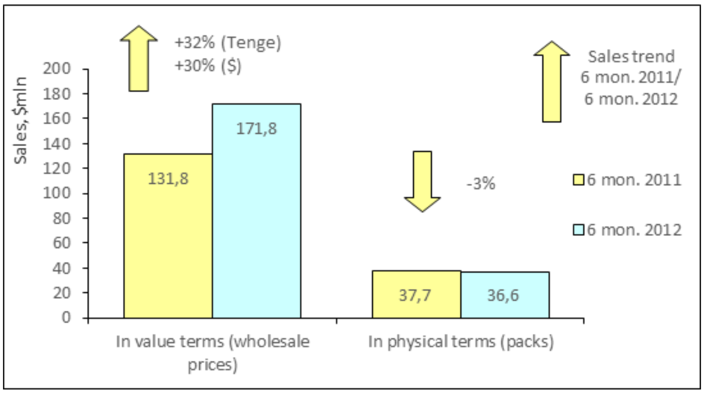
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN HOSPITAL MARKET: 2012 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first half of 2012 the Kazakhstan hospital market in physical terms decreased by 3% to 36.604 million packs. The market in value terms showed outperformance (increased by 32% in Tenges, by 30% in USD) and achieved Tenge 25.541 billion (USD 171.792 million) in wholesale prices. In the analysed period, the average cost of OTC pack in the hospital sector was USD 4.69, whereas in the year-earlier period its cost was USD 3.49.

Figure 1. Kazakhstan hospital market for 6 months of 2011 – 6 months of 2012



At the first half of 2012-end, domestic drugs (15%) accounted for the most significant share in the country hospital market, but it reduced as compared to a year-earlier (+18%). The share of OTC-drugs made in Switzerland was fourteen per cent; the share of OTC-drugs made in Germany and Belgium was 12% each. Market shares of OTC drugs made in Great Britain (8%), Denmark and India (5% each) were also high. OTC drugs from Russia accumulated 2.3% of Kazakhstan hospital market, which is prominently more than in the year-earlier period (1.4%).

JOHNSON & JOHNSON (+57%[1]) came in at number one and a local drug maker KHIMPHARM (+7%) moved down to number two in the top ten drug manufacturers ranking of the Kazakhstan market (Table 1) F. HOFFMANN-LA ROCHE moved upwards to rank three from five due to increase in purchases 1.9 times displacing SANOFI-AVENTIS (+33%) and TAKEDA (-21%) down one rank. GLAXOSMITHKLINE (+61%) and BAYER (+45%) kept ranks six and seven in the top ten. The other three drug manufacturers rose in the ranks, two of which broke into the ranks of the top ten: MERCK SHARP AND DOHME (2.5-fold increase in purchases) and ABBOTT (1.9-fold increase), coming in at numbers 8 and 10. Due to 1.6-fold increase in purchases, TEVA moved up one rank, to number 9. However, the total share accumulated by the top 10 drug manufacturers increased by more than 3 p.p. and escalated to 63.1%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Drug manufacturer*	Share in total hospital purchases, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	**JOHNSON & JOHNSON**	11,5	9,7
2	1	KHIMPHARM OJSC	10,9	13,4
3	5	**F. HOFFMANN-LA ROCHE LTD**	10,3	7,2
4	3	**SANOFI-AVENTIS**	9,0	9,0
5	4	**TAKEDA**	5,0	8,4
6	6	**GLAXOSMITHKLINE**	4,4	3,6
7	7	**BAYER HEALTHCARE**	3,9	3,5
8	14	**MERCK SHARP AND DOHME B.V.**	3,2	1,7
9	10	**TEVA**	2,6	2,2
10	15	**ABBOTT LABORATORIES LTD**	2,3	1,6
Total			63,1	60,3

*AIPM members are in bold

Four newcomers broke into the ranks of the top-ten trade names (table 2). They were antineoplastic agent Velcade which due to 4.7-fold growth in purchases moved up from rank 23 to 3, and fibrinolytic agent Actilyse (6.8-fold growth in purchases), antineoplastic agent Yondelis (+42%) and immunosuppressant Mabthera (5.5-fold growth), coming in at numbers 6, 8 and 10, respectively. Four trade names of the top 10 managed to hold their own in the ranking. They were the top ten ranking leaders Taxotere (+34%) and Herceptine (+56%), as well as Avastin (+69%) and Clexane (+26%) at numbers 5 and 7. Eprex which reduced its sales (-10%) and Cef IV (+7%) showing relatively low sales rates moved down to ranks 4 and 9.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade Name	Share in total hospital purchases, %	
6mon. 2012	6mon. 2011		6 mon. 2012	6 mon. 2011
1	1	Taxotere	5,4	5,3
2	2	Herceptine	4,3	3,7
3	23	Velcade	3,5	1,0
4	3	Eprex	2,5	3,7
5	5	Avastin	2,3	1,8
6	58	Actilyse	1,9	0,4
7	7	Clexane	1,6	1,7
8	13	Yondelis	1,5	1,4
9	6	Cef IV	1,4	1,8
10	65	Mabthera	1,4	0,3
Total			26,0	21,1

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

Only leaders of the top ten INN and Generic Names held their own in the ranking – as before INNs Docetaxel (+34%) and Trastuzumab (+56%) maintained the first two ranks (table 3). Six INNs of the top ten that showed a pronounced growth in purchases rose in the ranks. Among them there were four newcomers that broke into the ranks of the top ten for the first time: Bortezomib (which purchases grew 4.7 times), Alteplase (3.8 times) and Trabectedin (+42%), coming in at numbers 3, 6.7 and 10, respectively. Apart from them, Bevacizumab (+69%) moved up from rank eight to five, and Enoxaparin sodium (+26%) moved up from rank 10 to 8. In contrast, INNs Epoetin alfa (-10%) and Cefepime (+9%) moved down to the lower ranks 4 and 9. The total share of the analysed ranking, as well as one of the above ranking considerably increased, in this case from 21.5% to 26.3%.

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

Rank		INN/Generic Name	Share in total hospital purchases%	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	Docetaxel	5,4	5,3
2	2	Trastuzumab	4,3	3,7
3	24	Bortezomib	3,5	1,0
4	3	Epoetin alfa	2,5	3,7
5	8	Bevacizumab	2,3	1,8
6	64	Alteplase	1,9	0,4
7	41	Human normal immunoglobulin	1,6	0,6
8	10	Enoxaparin sodium	1,6	1,7
9	6	Cefepime	1,6	1,9
10	15	Trabectedin	1,5	1,4
Total			26,3	21,5

A newcomer broke into the ranks of the top ten ATC groups: due to twofold growth in purchases the group L03 Immunostimulants moved up from rank 14 to 8 (table 4). In addition, B01 Antithrombotic Agents (+91%) moved up from rank six to four. However, most ATC groups of the top ten held their own in the ranking. Among them were three leading groups: L01 Antineoplastic agents (+66%), J01 Antibacterials for systemic use (+15%) and B05 Blood substitutes and perfusion solutions (+36%). B02 Antihemorrhagics (+53%), N05 Psycholeptics (+17%), N06 Psychoanaleptics (+1%) and V08 Contrast Media (+4%) retained ranks 5, 7, 9 and 10, respectively. Only Group B03 Antianemic preparations (+3%) moved down from rank 4 to 6. The total share of the top 10 increased more than 4 p.p. and reached 73.2%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	L01	Antineoplastic agents	26,6	21,2
2	2	J01	Antibacterials for systemic use	14,1	16,2
3	3	B05	Blood substitutes and perfusion solutions	6,4	6,2
4	6	B01	Antithrombotic Agents	6,4	4,4
5	5	B02	Antihemorrhagics	5,7	4,9
6	4	B03	Antianemic preparations	4,3	5,5
7	7	N05	Psycholeptics	3,2	3,6
8	14	L03	Immunostimulants	2,3	1,5
9	9	N06	Psychoanaleptics	2,2	2,9
10	10	V08	Contrast Media	2,2	2,8
total				73,2	69,1

Conclusion. At the end of the first six months in 2012, Kazakhstan hospital market grew by 32% in terms of tenge and by 30% in terms of dollars and brought in Tenge 25.541 bln (USD 171.792 mln). In physical terms, the country market showed negative sales growth rates (-3%) and reached 36.604 mln packs. The average cost of an OTC pack in the hospital market of Kazakhstan at the end of first half of 2012 was much higher than the same indicator a year ago (USD 4.69 vs. USD 3.49). As the analysed rankings show, as before the hospital market of Kazakhstan experiences considerable structural changes.

RUSSIAN FEDERATION REGIONAL HOSPITAL MARKETS: 2012 FIRST 6 MONTHS RESULTS

According to the results of the Hospital Purchase Audit in Russian Federation™, at first half-end of 2012, 11 regional markets taken individually accounted for 45.7% of the entire hospital sector of the Russian Federation, which is a bit lower than in the year-earlier period (49.6%). The biggest market is the market of Moscow which share accounted for 21% of hospital purchases (Fig. 1). Further follow the markets of Saint Petersburg (5.5%), Kazan (4.5%) and Yekaterinburg (3.0%). The regional markets considerably differ by average cost of a hospital OTC pack. At the end of six months of 2012, the highest average price of hospital OTC pack was registered in Moscow (USD 7.24), almost the same high as in Moscow – in St. Petersburg, where the average cost of a pack was USD 7.13. The lowest cost of a hospital pack was observed in Nizhny Novgorod (USD 2.33)

Figure 1. Regions share in the total hospital purchase volume in the Russian Federation for 6 months 2012.

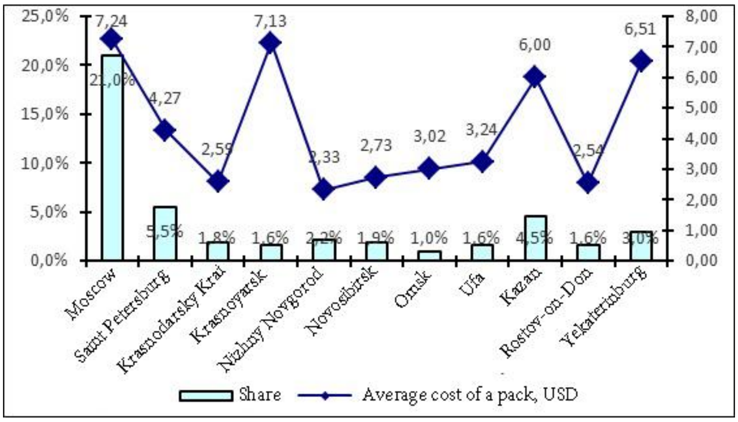


Table 1 provides information of the ranks of the All-Russia top drug manufacturers in the regional top ten rankings. At the half year-end, the largest share of the Russian hospital market was accounted for by the drugs made by Sanofi-Aventis, which took the lead in five regions. In Moscow, Yekaterinburg and Krasnoyarsk it ranked second, in Krasnodarsky Krai – fourth, in Novosibirsk – fifth. Sanofi-Aventis ranked ninth only in Rostov-on-Don. Nycomed ranked second in the all-Russia ranking held the same rank in three regions. In seven regions it entered the top 10 rankings, and only in St. Petersburg it was placed at number 14. Roche rounding out the top three was a top-ranking drug maker in Moscow and Krasnoyarsk; it broke into the top ten rankings in two analysed regions, and into the top twenty rankings in another two regions. The drug maker ranked from 24th to 102nd in the other five regions. The maximum number of "crossings" with the all-Russia list of top drug manufacturers was observed in Moscow (7 manufacturers), the minimum number – in Novosibirsk and Omsk (only 3 manufacturers).

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

Rank in RF top ten	Company	Rank in Regional top tens										
		Moscow	St. Petersburg	Krasnodar sky Krai	Ufa	Kazan	Yekaterinburg	Nizhniy Novgorod	Rostov-on-Don	Novosibirsk	Krasnoyarsk	Omsk
1	Sanofi-Aventis	2	1	4	1	1	2	1	9	5	2	1
2	Nycomed	10	14	2	10	2	10	7	2	4	8	6
3	Roche	1	10	10	37	14	13	38	102	24	1	50
4	Merck Sharp Dohme	5	2	55	25	4	7	9	6	13	4	5
5	AstraZeneca	6	4	9	5	7	8	6	12	3	3	15
6	Bayer Healthcare	3	8	54	16	3	1	47	5	30	24	21
7	Pharm-Center	60	12	21	9	52	25	36	1	17	19	12
8	Pfizer	4	9	29	26	15	5	22	31	10	9	14
9	Veropharm	14	23	5	4	5	12	50	19	45	11	38
10	Biotek	123	56	61	22	11	78	18	33	121	46	86

Yet more significant deviations in the regional top 10 rankings were observed with a breakdown of individual trade names (Table 2). However, in six regions under review the leader of all-Russia hospital market - Sodium Chloride was a top-ranking drug in the regional market. It broke into the ranks of the top tens in four regions, and only in Kransodarsky Krai it ranked 18th. Clexane ranked second in the all-Russia ranking held the same rank in Kazan and Omsk, but in three cities it ranked third, in St. Petersburg it ranked sixth. In the other five regions it was placed at the ranks in the second and even third tens. At the same time, Actovegin which ranked third broke into the ranks of the top ten in only two regions, and moved to much lower ranks in the other regions. It should be noted that in three regions (Saint-Petersburg, Krasnodarksy Krai and Krasnoyarsk) the leader of the regional market didn't come in the All-Russia top ten. The maximum number of "crossings" with the all-Russia list of top trade names was observed in Nizhny Novgorod (6 ranks).

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

Rank in RF top ten	Trade name	Rank in Regional top tens										
		Moscow	St. Petersburg	Krasnodar sky Krai	Ufa	Kazan	Yekaterinburg	Nizhniy Novgorod	Rostov-on-Don	Novosibirsk	Krasnoyarsk	Omsk
1	NATRIUM CHLORIDUM	7	2	18	1	1	4	1	1	1	3	1
2	CLEXAN	17	6	22	3	2	3	3	15	15	14	2
3	ACTOVEGIN	38	63	3	N/A	11	89	20	2	42	30	18
4	GLUCOSE	39	47	8	6	38	7	5	27	7	13	4
5	AVELOX	1	162	455	141	62	37	N/A	189	64	48	N/A
6	CUROSURF	12	17	N/A	8	6	17	10	70	11	4	N/A
7	MERONEM	15	9	108	25	392	16	14	130	5	2	253
8	HEPARIN	41	5	4	32	N/A	15	7	13	9	68	27
9	CEFOTAXIM	90	23	215	86	191	164	9	7	30	98	72
10	ULTRAVIST	50	19	N/A	19	3	1	N/A	4	173	N/A	108

Considerable variance in the consumption structure of not only individual drugs and INN groups, but of pharmacotherapeutic groups as well is observed depending on the regions (table 3). However, it should be noted that the leader of the all-Russia ranking – Group J01 Antibacterials for systemic use toped almost all regional rankings. The sole exception was Krasnoyarsk where it was ranked 2nd. L01 Antineoplastic agents ranked 3rd in the Top-10 in Russia became the top-ranking leader of this region. The second group of the All-Russia hospital ranking - B05 Blood substitutes and perfusion solutions – broke into the top five rankings in 10 analysed regions, being ranked 2nd in five of them. And only in Yekaterinburg it ranked sixth. Starting from rank three, the regional rankings differ considerably. To the fullest extent the top 10 of all-Russia hospital sector is reproduced in Moscow, St. Petersburg and Kazan (8 ranks match).

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

Rank in RF top ten	ATC Code	Rank in Regional top tens										
		Moscow	St. Petersburg	Krasnodar sky Krai	Ufa	Kazan	Yekaterinburg	Nizhniy Novgorod	Rostov-on-Don	Novosibirsk	Krasnoyarsk	Omsk
1	J01	1	1	1	1	1	1	1	1	1	2	1
2	B05	3	2	5	3	2	6	2	2	2	3	2
3	L01	2	9	6	2	3	2	5	34	54	1	4
4	B01	4	6	4	4	4	3	3	3	4	62	3
5	N01	5	8	34	6	8	10	7	11	5	10	7
6	V08	6	7	22	7	5	4	36	4	6	12	14
7	N06	19	12	2	8	12	21	12	8	14	6	5
8	B02	9	14	14	17	9	14	6	5	30	20	20
9	J06	8	5	40	22	11	12	34	36	7	7	11
10	N05	11	3	3	27	6	16	32	46	8	4	35

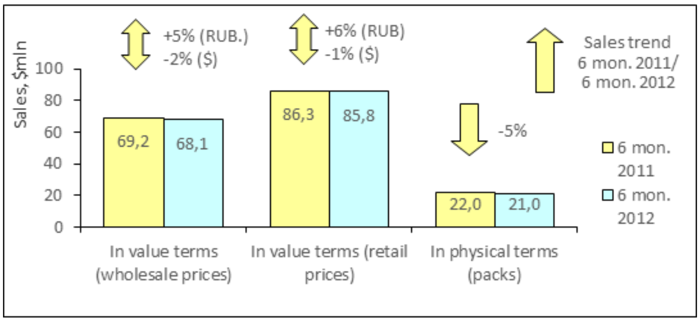
Conclusion. As the comparison of the main rankings shows, the Russian hospital sector was marked by the pronounced regional specificity of market profile. However, in most cases the leaders of all-Russia rankings got high ranks in the regional hospital markets as well.

NIZHNY NOVGOROD PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Republic of Bashkortostan was estimated as 1.255 mln, which accounts for 0.9% of the total Russian Federation population and 4.2% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in Nizhegorodskaya Oblast was RUB 19,948.7 (USD 652.99), which is 22% lower than the average salary in Russia (RUB 25,476.0).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of first half of 2012 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 5% decrease to 21.044 mln packs. In value terms, the regional OTC drugs market increased 5% in rouble terms, but reduced 2% in dollar terms and achieved RUB 2.076 bln (USD 68.097 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 1.1%. The average cost of an OTC pack grew as compared to the same period of previous year (USD 3.91) and reached USD 4.08 in retail prices. For six months of 2012, the average amount spent by residents of Nizhny Novgorod for drugs amounted to USD 68.38.

Figure 1. Nizhny Novgorod pharmacy market for 6 months of 2011 – 6 months of 2012



Based on the results of the first half of 2012, the top five drug manufacturers of the regional market didn't change in composition (Table 1). As before, drug manufacturers SANOFI-AVENTIS (+4%), SERVIER (+3%), NYCOMED, PHARMSTANDART (+4%) and SANDOZ (+3%), as before held their own ranks 1 through 5, though almost all of them reduced their market shares due to sales growth lags. The sole exception was the Russian PHARMSTANDART, which share remained unchanged. TEVA (+4%) and MENARINI (-4%) also showed low and negative performance. On top of that, the former held its own rank 8 and the latter moved down to rank ten of the top ten. In contrast, the markets of the other three drug manufacturers developed at a fast pace. This allowed two of them, ABBOTT (+19%) and NOVARTIS (+21%), to move up to the higher ranks 6 and 9, whereas BAYER (+12%) moved down one rank, being displaced by the more dynamic ABBOTT. The cumulative share of the top ten drug manufacturers increased from 38.4% to 38.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	**SANOFI-AVENTIS**	6,7	6,8
2	2	**SERVIER**	4,3	4,4
3	3	**NYCOMED**	4,0	4,2
4	4	PHARMSTANDART	3,9	3,9
5	5	**SANDOZ GROUP**	3,6	3,7
6	9	**ABBOTT**	3,6	3,2
7	6	**BAYER HEALTHCARE**	3,5	3,3
8	8	**TEVA**	3,2	3,2
9	11	**NOVARTIS**	3,0	2,6
10	7	**MENARINI**	2,9	3,2
Total			38,7	38,4

*AIPM members are in bold

The more significant changes took place in the ranking of the top 10 trade names (table 2). Two newcomers NO-SPA (+18%) and HEPTRAL (+30%) broke into the ranks of the top ten, coming in at numbers 9 and 10. On top of that, the top ten's leader changed for hepatoprotector ESSENTIALE N (+22%) which moved up to rank one, whereas the earlier leader an antiviral agent ARBIDOL (-44%) considerably reduced its sales and moved down to rank four. Apart from it, only one more trade name fell in the ranks: KETONAL (+4%) moved down one rank. Three trade names, apart from the abovementioned, rose in the ranks: ACTOVEGIN (+2%) and DETRALEX (+11%) moved up one rank, whereas the more dynamic LINEX (+20%) moved down from rank 10 to 6. Despite the reduction in sales by 8%, the preparations CONCOR and VIAGRA held their own ranks two and five, respectively.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	3	ESSENTIALE N	1,2	1,0
2	2	CONCOR	1,0	1,1
3	4	ACTOVEGIN	1,0	1,0
4	1	ARBIDOL	0,7	1,3
5	5	VIAGRA	0,7	0,8
6	10	LINEX	0,6	0,5
7	8	DETRALEX	0,6	0,6
8	7	KETONAL	0,6	0,6
9	12	NO-SPA	0,6	0,5
10	21	HEPTRAL	0,5	0,4
Total			7,4	7,8

The leader in the top ten INN/Generic names ranking didn't change as distinguished from the above ranking. Despite the reduction in sales INN, BISOPROLOL (-4%) held its own rank one (table 3). The other two INNs also held their own in the ranking, as before BLOOD (+2%) and the composition AMOXICILLIN + CLAVULANIC ACID (-5%) are placed at numbers 5 and 10, though the latter as well as the leader reduced its sales. The other two INNs of the top ten also showed the negative growth rates. They were SILDENAFIL (-1%) which moved up two ranks to number 7 and ARBIDOL (-44%) which considerably reduced its sales and moved down to rank 8. PANCREATIN (+8%) also moved down one rank, to number 4, as it was displaced by the more dynamic PHOSPHOLIPIDS (+20%) and XYLOMETAZOLINE (+35%) which moved up to ranks 2 and 3, respectively. KETOPROFEN (+8%) moved up one rank, to number six. A newcomer ENALAPRIL (+0.3%) broke into the ranks of the top ten, coming in at number nine. The total share of the analysed ranking reduced, as well as one of the above ranking, in this case from 10.3% to 9.9%.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	BISOPROLOL	1,4	1,5
2	4	PHOSPHOLIPIDS	1,3	1,1
3	6	XYLOMETAZOLINE	1,2	1,0
4	3	PANCREATIN	1,2	1,2
5	5	BLOOD	1,0	1,0
6	7	KETOPROFEN	1,0	0,9
7	9	SILDENAFIL	0,7	0,8
8	2	ARBIDOL	0,7	1,3
9	12	ENALAPRIL	0,7	0,7
10	10	AMOXICILLIN + CLAVULANIC ACID	0,7	0,8
Total			9,9	10,3

One newcomer broke into the ranks of the top ten ATC groups – A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+18%) moved up from rank 17 to 10 (Table 4). The other six ATC groups managed to rise in the ranks. M01 Aniinflammatory and antirheumatic products (+13%), N02 Analgesics (+12%), A11 Vitamins (+2%) and N06 Psychoanaleptics (+7%) moved up one rank, coming in at numbers 2, 3, 6 and 9, respectively. R01 Nasal Preparations (+17%) moved up from rank eight to five, and G03 (+16%) moved up from rank 9 to 7. C09 Agents acting on the rennin-angiotensin system (+7%) held and reinforced its leading positions. Two groups of the top ten with the negative growth rates fell in the ranks. They were J01 Antibacterials for systemic use (-6%) and R05 Cough and Cold Preparations (-10%, coming in at numbers 4 and 8. The total share of the analysed ranking, in contrast to the above rankings, increased from 34.5% to 35.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	C09	AG ACT RENIN-ANGIOTENS SYST	4,8	4,7
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,1	3,8
3	4	N02	ANALGESICS	4,0	3,7
4	2	J01	ANTIBACTERIALS FOR SYST USE	3,8	4,2
5	8	R01	NASAL PREPARATIONS	3,3	3,0
6	7	A11	VITAMINS	3,3	3,4
7	9	G03	SEX HORM&MODULAT GENITAL SYS	3,2	2,9
8	6	R05	COUGH AND COLD PREPARATIONS	3,0	3,5
9	10	N06	PSYCHOANALEPTICS	2,9	2,9
10	17	A07	INTESTINAL ANTIINFECTIVES	2,8	2,5
Total				35,2	34,5

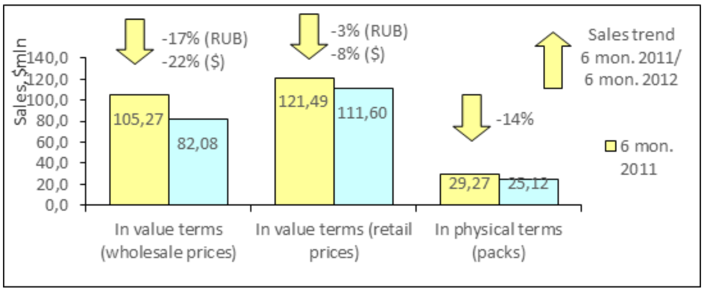
Conclusion. The OTC drug market of Nizhny Novgorod in the first six months of 2012 brought in 2.615 billion roubles (85.783 mln dollars), which was by 6% in terms of roubles and 1% in terms of dollars less than in the same period of 2011. The city market in physical terms showed negative sales growth rates (-5%) and reached 21.044 mln packs. The average cost of a pack in the first six months was more than in the same period of last year (USD 4.08 vs. USD 3.91) and exceeded the country average (USD 3.77). Per capita expenses for purchase of medicines in pharmacies were also higher (USD 68.38 vs. USD 56.37).

SAMARA PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Samara was estimated as 1.169 mln, which accounted for 0.8% of the total Russian Federation population and 3.9% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in Samarskaya Oblast was RUB 19,938.4 (USD 652.65), which is 22% lower than the average salary in Russia (RUB 25,476.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Samara the sales of over-the-counter drugs in physical terms reduced by 14% to 25.115 mln packs over the period of first six months of 2012. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 17% increase in terms of roubles and 22% decrease in terms of dollars compared to the same period a year ago and reached RUB 2.500 bln (USD 82.083 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 1.4%. The average cost of an OTC pack grew as compared to a year earlier (USD 4.15) and reached USD 4.44 in retail prices. In the first half of 2012, the Samara consumers spent on drugs USD 95.44 on the average.

Figure 1. Samara pharmacy market for 6 months of 2011 – 6 months of 2012



Following the results of the first six months of 2012, one newcomer broke into the ranks of the top-ten drug manufacturers ranking in the regional market – despite the reduction in sales by 19%, USA-based PFIZER moved up from rank 11 to 10 (table 1). Against the backdrop of the sluggish market, the other drug manufacturers of the top ten showed negative growth in sales, but three of them managed to rise in the ranks. BAYER (-7%) and SERVIER (-13%) moved up one rank, to numbers 2 and 3. PHARMSTANDART (-24%) which was placed at rank two considerably cut its sales and moved down to rank 4. One more move took place in the bottom part of the top 10 ranking. NOVARTIS (-8%) moved up from rank 8 to 6, whereas SANDOZ (-27%) reduced its sales and moved down from rank 6 to 8. The other drug makers from the top ten held their own in the ranking, including the leader manufacturer SANOFI-AVENTIS (-23%). The total share accumulated by the top ten drug manufacturers reduced from 39.9% to 39.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6mon. 2012	6mon. 2011		6 mon. 2012	6 mon. 2011
1	1	**SANOFI-AVENTIS**	5,9	6,3
2	3	**BAYER HEALTHCARE**	4,9	4,4
3	4	**SERVIER**	4,5	4,3
4	2	PHARMSTANDART	4,4	4,7
5	5	**ABBOTT**	3,7	3,7
6	8	**NOVARTIS**	3,7	3,3
7	7	**TEVA**	3,5	3,4
8	6	**SANDOZ GROUP**	3,2	3,6
9	9	**NYCOMED**	3,0	3,2
10	11	**PFIZER**	2,8	2,9
Total			39,5	39,9

*AIPM members are in bold

The leader in the top 10 trade names ranking changed. ARBIDOL that used to be a top-ranking trade name reduced its sales by 50% and moved down to rank 3 (table 2). As a result, ESSENTIALE N (-19%) and VIAGRA (-18%) moved up one rank, coming in at numbers nine and ten respectively. OSCILLOCOCCINUM (-20%) held its own rank four. Almost all the other INNs of the top 10 rose in the ranks. The newcomers of the top 10 showed the most pronounced growth rates. Among them were the trade name PENTALGIN-ICN that due to sales growth 3.1 times moved up from rank 70 to 5, and DETRALEX (+8%) which moved up from rank 13 to 7. LASOLVAN (-15%), ACTOVEGIN (-19%) and HEPTRAL (-14%) moved up one rank, coming in at numbers 6, 8 and 9. The sole exception was LINEX (-34%) that moved down to rank ten. The total share of the analysed top 10 remained unchanged and accounted for 9.1%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	ESSENTIALE N	1,4	1,5
2	3	VIAGRA	1,1	1,1
3	1	ARBIDOL	1,0	1,6
4	4	OSCILLOCOCCINUM	1,0	1,0
5	70	PENTALGIN-ICN	0,9	0,3
6	7	LASOLVAN	0,8	0,8
7	13	DETRALEX	0,8	0,6
8	9	ACTOVEGIN	0,7	0,7
9	10	HEPTRAL	0,7	0,7
10	5	LINEX	0,7	0,9
Total			9,1	9,1

The top 10 INN and generic names ranking leader also changed. Due to growth in sales by 6%, XYLOMETAZOLINE moved up to rank one from three (table 3). Apart from it, the positive growth rates were showed by one more INN – the composition PARACETAMOL + PENTOBARBITAL + CODEINE increased its sales 2.5 times and moved up from rank 68 to 8. The second newcomer of the top ten ranking was ADEMETIONINE (-14%). Despite the reduction in sales, it moved down to the bottom rank of the top ten. The remaining INNs of the top 10 showed the negative growth rates; at the same time, most of them rose in the ranks. They were PANCREATIN (-17%), SILDENAFIL (-15%), AMBROXOL (-16%) and ANAS BARBARIAE (-20%), coming in at numbers 3 through 5 and 7, respectively. Two INNs ARBIDOL (-50%) and PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-36%) that considerably cut their sales moved down to ranks six and nine. PHOSPHOLIPIDS (-19%) managed to retain its rank two in the ranking.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	3	XYLOMETAZOLINE	1,6	1,3
2	2	PHOSPHOLIPIDS	1,5	1,6
3	4	PANCREATIN	1,2	1,2
4	5	SILDENAFIL	1,1	1,1
5	7	AMBROXOL	1,1	1,1
6	1	ARBIDOL	1,0	1,6
7	8	ANAS BARBARIAE	1,0	1,0
8	68	PARACETAMOL + PENTOBARBITAL + CODEINE	0,9	0,3
9	6	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,9	1,1
10	14	ADEMETIONINE	0,8	0,7
Total			11,1	10,9

Three groups of the top 10 ATC groups held their own in the ranking (table 4). They were the ranking leader N02 Analgesics (-19%) and A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (-18%) and G03 Sex hormones (-20%) at numbers 7 and 9. Five manufacturers rose in the ranks. M01 Anti-inflammatory and antirheumatic products (-14%), R01 Nasal preparations (-15%) and A11 Vitamins (-12%) moved up to ranks two through four, respectively. The newcomers C09 Agents acting on the rennin-angiotensin system and G04 Urologicals (-11% each) broke into the ranks of the top ten, coming in at numbers 8 and 10. At the same time, R05 Cough and cold preparations (-34%) and J01 Antibacterials for systemic use (-27%) notably cut their sales and moved down to ranks 5 and 6, respectively. The total share of the top 10 reduced from 37.6% to 37.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	N02	ANALGESICS	4,9	4,9
2	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4,1	3,9
3	5	R01	NASAL PREPARATIONS	3,9	3,8
4	6	A11	VITAMINS	3,8	3,6
5	2	R05	COUGH AND COLD PREPARATIONS	3,8	4,7
6	3	J01	ANTIBACTERIALS FOR SYST USE	3,7	4,2
7	7	A07	INTESTINAL ANTIINFECTIVES	3,3	3,4
8	11	C09	AG ACT RENIN-ANGIOTENS SYST	3,3	3,0
9	9	G03	SEX HORM&MODULAT GENITAL SYS	3,1	3,3
10	13	G04	UROLOGICALS	3,1	2,9
Total				37,1	37,6

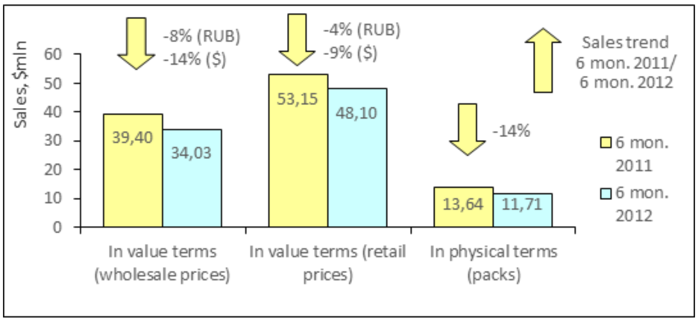
Conclusion. On the basis of the results of the first half of 2012, the retail pharmacy market of Samara brought in RUB 3.399 bln (USD 111.595 mln). The market performance was profoundly negative both in rouble terms (-3%) and in dollar terms. In physical terms, the market performance also decreased by 14% to 25.115 mln packs. The average cost of OTC pack in the city pharmacies increased as compared to a year earlier (USD 4.44 vs. USD 4.15) and was higher than the average cost in Russia (USD 3.77). Per capita expenses for purchase of medicines in pharmacies amounted to USD 95.44 which is much higher than on the average in the country (USD 56.37).

TOLYATTI PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 Tolyatti's estimated population was 719.6 thousand, which accounted for 0.5% of the total Russian Federation population and 2.4% of Central FO (CFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in Samarskaya Oblast was RUB 19,938.4 (USD 652.65), which is 22% lower than the average salary in Russia (RUB 25,476.0).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first half of 2012 the sales of OTC drugs in physical terms in pharmacies of Tolyatti saw a 14% drop to 11.709 mln packs. In value terms, the sales volumes decreased 8% in rouble terms and 14% in dollar terms and achieved RUB 1.037 bln (USD 34.035 mln) in wholesale prices (Fig.1). The regional market share (in value terms) accounted for 0.6% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 3.90) and reached USD 4.11 in retail prices. For six months of 2012, the average amount spent by residents of Tolyatti for OTC drugs amounted to USD 66.85.

Figure 1. Tolyatti pharmacy market for 6 months of 2011 – 6 months of 2012



Based on the results of the first six months of 2012, the drug manufacturer SANOFI-AVENTIS remained the leader of the top 10 ranking in Tolyatti regional market, despite 13% reduction in sales (table 1). The Russian drug maker PHARMSTANDART (-24%) that showed even more negative growth rates moved down from rank two to five. NYCOMED (-9%), BAYER (-1%) and SERVIER (-3%) moved up one rank, to numbers 2 through 5, respectively. ABBOTT (-8%) moved up one rank, to number 6, whereas PFIZER (-12%) which used to take that position earlier moved down to rank seven. The only newcomer of the top 10 TEVA (+2%) which moved up from rank 11 to 9 showed the positive growth rates. The drug manufacturers MENARINI (-13%) and NOVARTIS (-3%) held their own ranks 8 and 10. The total share of the top 10 drug manufacturers decreased by almost 0.6 p.p. and accounted for 39.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	**SANOFI-AVENTIS**	6,5	6,9
2	3	**NYCOMED**	4,6	4,6
3	4	**BAYER HEALTHCARE**	4,5	4,2
4	5	**SERVIER**	4,2	4,0
5	2	PHARMSTANDART	4,0	4,8
6	7	**ABBOTT**	3,3	3,4
7	6	**PFIZER**	3,3	3,4
8	8	**MENARINI**	3,0	3,2
9	11	**TEVA**	2,9	2,6
10	10	**NOVARTIS**	2,8	2,7
Total			39,1	39,7

*AIPM members are in bold

More significant shifts took place in the top ten trade names ranking – neither of the trade names of the ranking managed to hold their own in the top ten (table 2). ESSENTIALE N (-6%) and CONCOR (-11%) topped up the ranking, and ACTOVEGIN (-11%) moved up to rank three from five. The last year leader ARBIDOL (-43%) moved down to rank four displacing VIAGRA (-18%) down one rank. DETRALEX (+11%) moved up from rank 10 to 6, whereas LASOLVAN (-24%) which used to hold that position earlier moved down to rank 7. Due to growth in sales 4.2 and 3.4 times, the newcomers REDUKSIN and PENTALGIN-ICN moved down to ranks nine and ten. OSCILLOCOCCINUM (-16%) moved up one rank, despite its negative growth rates.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	ESSENTIALE N	1,3	1,3
2	3	CONCOR	1,1	1,1
3	5	ACTOVEGIN	1,0	1,1
4	1	ARBIDOL	1,0	1,6
5	4	VIAGRA	1,0	1,1
6	10	DETRALEX	0,8	0,6
7	6	LASOLVAN	0,7	0,9
8	9	OSCILLOCOCCINUM	0,6	0,7
9	156	REDUKSIN	0,6	0,1
10	116	Pentalgin-ICN	0,6	0,2
Total			8,8	8,6

The main trend in the TOP TEN INN and generic names ranking was INNs upgrade showed by eight of them (table 3). BISOPROLOL (-4%), PHOSPHOLIPIDS (-5%), XYLOMETAZOLINE (+11%), BLOOD (-10%), SILDENAFIL (-13%) and PANCREATIN (-10%) moved up to ranks one through six. The newcomers - ATORVASTATIN (+6%) and the composition DIOSMIN + HESPERIDIN (+13%) – broke into the ranks of the top ten, coming in at numbers nine and ten. Two INNs with negative growth rates, AMBROXOL (-24%) and ARBIDOL (-43%) moved down to ranks 7 and 8, respectively. The consolidated share of the top 10 reduced from 11.5% to 11.3%.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	BISOPROLOL	1,5	1,5
2	3	PHOSPHOLIPIDS	1,5	1,4
3	5	XYLOMETAZOLINE	1,4	1,2
4	6	BLOOD	1,1	1,1
5	7	SILDENAFIL	1,1	1,1
6	8	PANCREATIN	1,0	1,1
7	4	AMBROXOL	1,0	1,2
8	1	ARBIDOL	1,0	1,6
9	11	ATORVASTATIN	0,9	0,8
10	21	DIOSMIN + HESPERIDIN	0,8	0,6
Total			11,3	11,5

The top 10 ATC groups ranking changed its leader. Based on the results of the first half of 2012, M01 Aniinflammatory and antirheumatic products (+1%) became the leader of the above ranking, coming in at number one from 4 (table 4). C09 Agents acting on the rennin-angiotensin system (+0%) move up from rank six to two, whereas the last year leader N02 Analgesics (-40%) moved down to rank three. J01 Antibacterials for systemic use (-20%) moved down one rank. Groups R05 Cough and cold preparations (-28%), G03 Sex hormones (-9%) and A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (-6%) moved down to the lower ranks, coming in at numbers 6. 7 and 10, respectively. At the same time, A11 Vitamins (-5%) and N06 Psychoanaleptics (-0.3%) which sales reduced to a lesser degree, moved up to ranks 5 and 9. Group R01 Nasal preparations (-2%) held its earlier rank 8. The cumulative share of the top ten ATC groups reduced more than 2 p.p. and achieved 36.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4,2	3,9
2	6	C09	AG ACT RENIN-ANGIOTENS SYST	4,0	3,7
3	1	N02	ANALGESICS	3,9	5,9
4	3	J01	ANTIBACTERIALS FOR SYST USE	3,9	4,4
5	7	A11	VITAMINS	3,7	3,6
6	2	R05	COUGH AND COLD PREPARATIONS	3,7	4,6
7	5	G03	SEX HORM&MODULAT GENITAL SYS	3,7	3,7
8	8	R01	NASAL PREPARATIONS	3,6	3,4
9	10	N06	PSYCHOANALEPTICS	3,0	2,8
10	9	A07	INTESTINAL ANTIINFECTIVES	3,0	2,9
Total				36,7	39,0

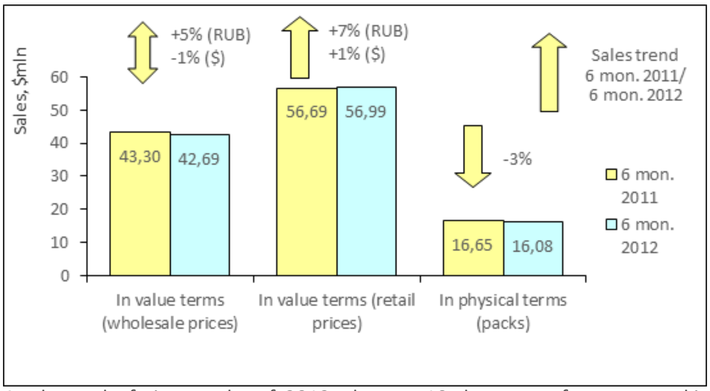
Conclusion. On the basis of the results of the first half of 2012, the retail pharmacy market of Tolyatti reached RUB 1.465 bln (USD 48.102 mln), which is by 4% in terms of roubles and 9% in terms of dollars less than in the same period of last year. In physical terms, the country market showed negative growth rates (-14%) and reached 11.709 mln packs. The average cost of an OTC pack at the end of the first half of 2012 in the city pharmacies was markedly higher than the same indicator a year ago (USD 4.11 vs. USD 3.90). At the same time, both the average cost of an OTC pack and the average sum (USD 66.85) spent by residents of the city for the purchase of OTC drugs in the pharmacies were higher than the Russia average (cost of OTC drug – USD 3.77 and average expenses per year – USD 56.37).

SARATOV PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Saratov was estimated as 836.9 mln, which accounted for 0.6% of the total Russian Federation population and 2.8% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in the city was RUB 17,857.2 (USD 584.52), which is 30% lower than the average salary in Russia (RUB 25,476.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Saratov the sales of over-the-counter drugs in physical terms reduced by 3% to 16.076 mln packs over the period of first six months of 2012. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 5% increase in terms of roubles and 1% increase in terms of dollars compared to the same period a year ago and reached RUB 1.303 bln (USD 42.689 mln) in wholesale prices (Fig.1). The region's share accounted for 0.7% of the total volume of all-Russia pharmacy market. The average cost of an OTC pack increased as compared to a year earlier and reached USD 3.55 (vs. USD 3.40 a year earlier) in retail prices. In the first half of 2012, the region consumers spent USD 68.10 on drugs on the average.

Figure 1. Saratov pharmacy market for 6 months of 2011 – 6 months of 2012



At the end of six months of 2012, the top 10 drug manufacturers ranking demonstrated high stability in the pharmacy market of Saratov – seven of the companies held their own in the ranking (table 1). However, one shift took place in the ranking – the most dynamic company ABBOTT (+14%) moved up one rank, to number 5 from 7 by displacing the less dynamic MENARINI (-5%) down to number 7. Apart from that, one newcomer Israel-based TEVA (+14%) broke into the ranks of the top ten, coming in at number ten. SANOFI-AVENTIS (-1%) and Russian PHARMSTANDART (-9%) held their leading ranks in the regional market. However, their market share reduced owing to the reduction in sales. The other top ten drug manufactures showed positive growth rates, though not very high. They were SERVIER (+7%), BAYER (+11%), SANDOZ (+5%), NYCOMED (+2%) and STADA (+6%) at numbers 3, 4, 6, 8 and 9, respectively. The cumulative share of the top 10 drug manufacturers in the regional market reduced and accounted for 37.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	**SANOFI-AVENTIS**	5,6	5,9
2	2	PHARMSTANDART	4,7	5,4
3	3	**SERVIER**	4,2	4,1
4	4	**BAYER HEALTHCARE**	3,9	3,7
5	7	**ABBOTT**	3,6	3,3
6	6	**SANDOZ GROUP**	3,4	3,4
7	5	**MENARINI**	3,3	3,7
8	8	**NYCOMED**	3,2	3,3
9	9	**STADA**	3,1	3,1
10	11	**TEVA**	2,8	2,6
Total			37,8	38,6

*AIPM members are in bold

Only two trade names of the top ten trade names held their own in the ranking (table 2). They were VIAGRA and MOVALIS (-6% each) at numbers 4 and 9. Almost all the other trade names of the top ten ranking rose in the ranks. The single exception was ARBIDOL (-48%) that due to pronounced reduction in sales moved down from rank 1 to 7. ESSENTIALE N (-7%), ACTOVEGIN (-8%) and MEXIDOLUM (+16%) moved up to the higher ranks of the top ten. HEPTRAL (-1%) moved up one rank. The newcomers DETRALEX (+21%), CONCOR (+9%) and ALFLUTOP (+26%) broke into the ranks of the top ten, coming in at numbers five, eight and ten.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	ESSENTIALE N	1,1	1,2
2	3	ACTOVEGIN	0,9	1,0
3	5	MEXIDOLUM	0,8	0,8
4	4	VIAGRA	0,8	0,8
5	11	DETRALEX	0,7	0,6
6	7	HEPTRAL	0,6	0,7
7	1	ARBIDOL	0,6	1,3
8	12	CONCOR	0,6	0,6
9	9	MOVALIS	0,6	0,6
10	19	ALFLUTOP	0,5	0,5
Total			7,3	8,1

Two newcomers broke into the ranks of the top ten INN and Generic Names Ranking - INNs XYLOMETAZOLINE (+32%) and the composition CHONDROITINSULFURIC ACID + GLUCOSAMINE (+23%), coming in at numbers 4 and 8, respectively (table 3). Apart from it, the other four INNs moved up to yet higher ranks. PANCREATIN (+8%) moved up one rank to number one, whereas the last year leader PHOSPHOLIPIDS (-6%) moved to rank two. BISOPROLOL (+16%) moved up from rank five to three and NIMESULIDE (+9%) moved up from rank 8 to 6 and EMOXIPIN (+15%) from rank 10 to 7. Due to reduction in sales, INNs BLOOD (-7%) AZITHROMYCIN (-9%) and SILDENAFIL (-0.2%) fell in the ranks. In contrast to the above rankings, the total share of the analysed ranking increased and reached 9.9%.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	2	PANCREATIN	1,4	1,4
2	1	PHOSPHOLIPIDS	1,2	1,4
3	5	BISOPROLOL	1,1	1,0
4	12	XYLOMETAZOLINE	0,9	0,7
5	4	BLOOD	0,9	1,0
6	8	NIMESULIDE	0,9	0,9
7	10	EMOXIPIN	0,9	0,8
8	16	CHONDROITINSULFURIC ACID + GLUCOSAMINE	0,8	0,7
9	6	AZITHROMYCIN	0,8	0,9
10	9	SILDENAFIL	0,8	0,8
Total			9,9	9,7

The leader of the ten top ATC groups ranking didn't change – despite the pronounced reduction in sales, Group N02 Analgesics (-3%) held its own in the top ten (table 4). On top of that, as before A11 Vitamins (+8%) held its own rank six. The other top 10 ATC groups changed their ranks; moreover, five of them rose in the ranks. M01 Anti-inflammatory and antirheumatic products (+10%) moved up to rank two displacing J01 Antibacterials for systemic use (-11%). C09 Agents acting on the rennin-angiotenzin system (+17%) and G03 Sex hormones (+7%) and N06 Psychoanaleptics (+2%) moved up one rank, coming in at numbers 4, 7 and 8. The only newcomer of the top 10 R01 Nasal preparations (+10%) came in at the bottom rank. At the same time, the groups R05 Cough and cold preparations (-17%) and L03 Immunostimulants (-7%) moved down to the lower ranks 5 and 9. The total share of the top 10 ATC groups decreased by 1.6 p.p. and accounted for 36.5%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	N02	ANALGESICS	5,1	5,5
2	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4,4	4,2
3	2	J01	ANTIBACTERIALS FOR SYST USE	4,3	5,0
4	5	C09	AG ACT RENIN-ANGIOTENS SYST	4,0	3,6
5	3	R05	COUGH AND COLD PREPARATIONS	3,5	4,4
6	6	A11	VITAMINS	3,4	3,3
7	8	G03	SEX HORM&MODULAT GENITAL SYS	3,2	3,1
8	9	N06	PSYCHOANALEPTICS	3,0	3,1
9	7	L03	IMMUNOSTIMULANTS	2,9	3,2
10	13	R01	NASAL PREPARATIONS	2,8	2,7
Total				36,5	38,1

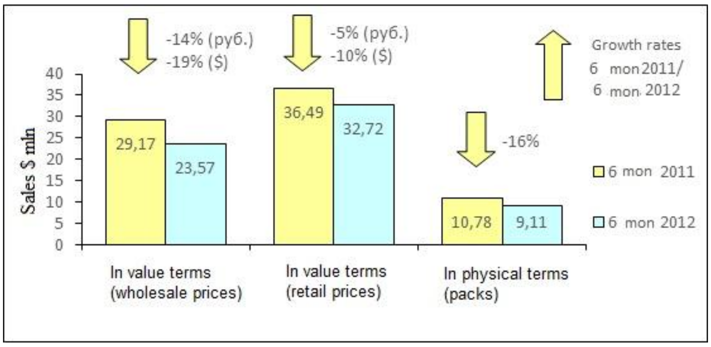
Conclusion. At the end of the first half of 2012, the retail OTC drugs market of Saratov brought in RUB 1.739 bln (USD 56.994 mln). At the same time, the market increased 7% in terms of roubles and 1% in terms of dollars. The city market in physical terms showed negative sales growth rates (-3%) and reached 16.076 mln packs. The average cost of a pack in the first six months was higher than in the same period of last year (USD 3.55 vs. USD 3.40), but lower than the national average (USD 3.77). At the end of six months of 2012, per capita expenses for purchase of medicines in pharmacies of the city amounted to USD 68.10 and were higher than the average indicators throughout Russia (USD 57.37).

ULYANOVSK PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Ulyanovsk was estimated as 614.4 mln, which accounted for 0.4% of the total Russian Federation population and 2.1% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in the city was RUB 16,244.6 (USD 531.74), which is 36% lower than the average salary in Russia (RUB 25,476.0).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first half of 2012 the sales of OTC drugs in physical terms in pharmacies of Ulyanovsk saw a 16% drop to 9.106 mln packs. In value terms, the sales volumes decreased 14% in rouble terms and 19% in dollar terms and achieved RUB 718.947 mln (USD 23.571 mln) in wholesale prices (Fig.1). The regional market share (in value terms) accounted for 0.4% of the Russian pharmacy market. The average cost of an OTC pack grew as compared to the same period of previous year (USD 3.38) and reached USD 3.59 in retail prices. For six months of 2012, the average amount spent by residents of Ulyanovsk for OTC drugs amounted to USD 53.24.

Figure 1. Ulyanovsk pharmacy market for 6 months of 2011 – 6 months of 2012



On the basis of the results for the first half of 2011, SANOFI-AVENTIS (-17%), PHARMSTANDART (-23%) and NYCOMED (-15%) remained the leading drug manufacturers of the regional market (Table 1). Due to pronounced negative sales growth, the former two reduced their market shares. The only drug maker of the top ten BAYER (+6%), showing positive growth in sales, moved up to rank four from eight. The other drug makers reduced their sales; however two of them managed to hold their own in the ranking. Among them were ABBOTT (-11%) and a newcomer of the top ten STADA (-0.2%) placed at numbers 6 and 9 respectively. Three manufacturers moved down to the lower ranks - SERVIER (-15%), GEDEON RICHTER (-16%) and MENARINI (-18%) moved down to ranks 5, 7 and 8. TEVA (-5%) also maintained its original rank 10. The cumulative share of the top 10 drug manufacturers increased and accounted for 39.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	**SANOFI-AVENTIS**	5,8	6,0
2	2	PHARMSTANDART	5,2	5,7
3	3	**NYCOMED**	4,3	4,3
4	8	**BAYER HEALTHCARE**	4,1	3,3
5	4	**SERVIER**	3,7	3,8
6	7	**ABBOTT**	3,6	3,5
7	5	GEDEON RICHTER	3,6	3,6
8	6	**MENARINI**	3,3	3,5
9	11	**STADA**	3,2	2,7
10	10	**TEVA**	3,1	2,8
Total			39,8	39,4

*AIPM members are in bold

Four trade names of the top ten trade names didn't change their positions – ESSENTIALE N (-30%), ACTOVEGIN (-12%), LASOLVAN (-14%) and LINEX (-13%) held their own ranks 4, 6 and 7 (Table 2). VIAGRA (-1%) became a leader of the top ten by moving up from rank three to one. At the same time, ARBIDOL (-51%) moved down from rank 1 to 3. The other ranks of the top ten were held by the newcomers. Among them were the trade name PENTALGIN-ICN that due to 3.1-fold sales growth moved up from rank 54 to 5, and NICE (-2%), HEPTRAL (-7%) and DUPHASTON (-6%) which moved up to ranks 8, 9 and 10. The total share of the top 10 trade names increased from 8.8% to 9%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	3	VIAGRA	1,3	1,1
2	2	ESSENTIALE N	1,1	1,3
3	1	ARBIDOL	1,1	1,8
4	4	ACTOVEGIN	1,0	1,0
5	54	PENTALGIN-ICN	1,0	0,3
6	6	LASOLVAN	0,8	0,8
7	7	LINEX	0,7	0,7
8	11	NICE	0,7	0,6
9	12	HEPTRAL	0,7	0,6
10	13	DUPHASTON	0,6	0,6
Total			9,0	8,8

Only two newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were the composition PARACETAMOL + PENTOBARBITAL + CODEINE which sales grew 2.6 times and INN NIMESULIDE (-7%) at numbers nine and ten. Apart from them, the other three INNs of the top ten rose in the ranks. They were the leaders of the top ten XYLOMETAZOLINE (+9%) and SILDENAFIL (+3%) and BLOOD (-12%) coming in at number 6. INNs AMBROXOL and BISOPROLOL (-12% each) managed to hold their own ranks three and five. The other three INNs of the top ten fell in the ranks. They were PHOSPHOLIPIDS (-27%), PANCREATIN (+16%) and ARBIDOL (-51%), coming in at numbers 4, 7 and 8. The total share of the top 10 INNs increased by 0.4 p.p. and accounted for 11.6%.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	4	XYLOMETAZOLINE	1,5	1,2
2	7	SILDENAFIL	1,3	1,1
3	3	AMBROXOL	1,3	1,2
4	2	PHOSPHOLIPIDS	1,2	1,4
5	5	BISOPROLOL	1,2	1,2
6	8	BLOOD	1,1	1,0
7	6	PANCREATIN	1,1	1,1
8	1	ARBIDOL	1,1	1,8
9	60	PARACETAMOL + PENTOBARBITAL + CODEINE	1,0	0,3
10	12	NIMESULIDE	1,0	0,9
Total			11,6	11,2

The top 10 ATC groups ranking changed its leader. Based on the results of the first half of 2012, M01 Aniinflammatory and antirheumatic products (-8%) became the leader of the above ranking, coming in at number one from three (table 4). Groups N02 Analgesics (-34%) and R05 Cough and Cold Preparations (-29%) moved down one rank. As before, J01 Antibacterials for systemic use (-15%) and C09 Agents acting on the renin-angiotensin system (-8%) held their own ranks four and five. The groups R01 Nasal preparations (-5%), G04 Urologicals (-2%) and A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (=8%) moved up to the higher ranks 6, 8 and 9, respectively. At the same time, A11 Vitamins (-11%) and G03 Sex hormones (-10%) moved down to ranks 7 and 10. In contrast to the previous rankings, the cumulative share of the top ten reduced and accounted for 39.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	3	M01	ANTIINFLAM & ANTIRHEUM PROD	5,1	4,7
2	1	N02	ANALGESICS	4,9	6,4
3	2	R05	COUGH AND COLD PREPARATIONS	4,5	5,3
4	4	J01	ANTIBACTERIALS FOR SYST USE	4,1	4,2
5	5	C09	AG ACT RENIN-ANGIOTENS SYST	3,9	3,6
6	7	R01	NASAL PREPARATIONS	3,7	3,3
7	6	A11	VITAMINS	3,6	3,5
8	11	G04	UROLOGICALS	3,2	2,8
9	10	A07	INTESTINAL ANTIINFECTIVES	3,1	2,9
10	9	G03	SEX HORM&MODULAT GENITAL SYS	3,0	2,9
Total				39,1	39,7

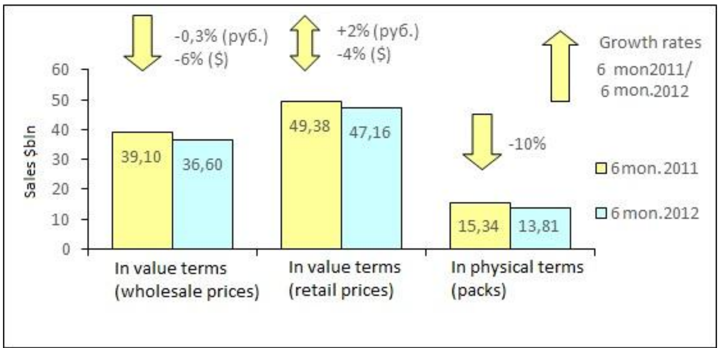
Conclusion. On the basis of the results of the first half of 2012, the retail pharmacy market of Ulyanovsk reached RUB 998.189 mln (USD 32.715 mln), which is by 5% in terms of roubles and 10% in terms of dollars less than in the same period of last year. In physical terms, the country market reduced by 16% and reached 9.106 mln packs. The average cost of an OTC pack at the end of the first half of 2012 in the city pharmacies was higher than the same indicator a year ago (USD 3.59 vs. USD 3.38). At the same time, both the average cost of an OTC pack and the average sum spent by residents of the city for the purchase of OTC drugs in the pharmacies (USD 53.24) was lower than the Russia average (cost of OTC drug – USD 3.77 and average expenses per year – USD 56.37).

VOLGOGRAD PHARMACY MARKET: 2012 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Volgograd was estimated as 1.019 mln, which accounts for 0.7% of the total Russian Federation population and 7.3% of Southern FO (SFO). According to Federal State Statistics Service's data, in the first half of 2012 the average salary in Volgogradskaya Oblast was RUB 18,182.1 (USD 595.16), which is 29% lower than the average salary in Russia (RUB 25,476.0).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Volgograd the sales of over-the-counter drugs in physical terms reduced by 10% to 13.814 mln packs over the period of first six months of 2012. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 0.3% decrease in terms of roubles and 6% in terms of dollars compared to the same period a year ago and reached RUB 1.117 bln (USD 36.601 mln) in wholesale prices (Fig.1). The region's share accounted for 0.6% of the total volume of all-Russia pharmacy market. The average cost of an OTC pack didn't practically change as compared to a year earlier and reached USD 3.41 (USD 3.22 a year earlier) in retail prices. In the first half of 2012, the region consumers spent USD 46.30 on drugs on the average.

Figure 1. Volgograd pharmacy market for 6 months of 2011 – 6 months of 2012



In the first six months of 2012 the ranking of the top-ten manufacturers by pharmacy sales didn't changed in composition, but underwent some shifts (table 1). BAYER (+23%), the only company in the top 10 which showed the highest positive growth rates, moved up from rank 5 to 2. At the same time, SANOFI-AVENTIS (-9%), SERVIER (+7%) and GEDEON RICHTER (-6%) moved down one rank. One more shift took place in the bottom part of the ranking - a drug maker MENARINI (-11%) significantly reduced its sales and market share, as a result of which it moved down two ranks, to number 9. At the same time, NYCOMED (+1%) and TEVA (-1%) moved up one rank, to numbers 7 and 8. Three drug manufacturers of the top ten held their own in the ranking. They were the top-ranking PHARMSTANDART (-11%), as well as SANDOZ (-5%) and STADA (-7%) at numbers 6 and 10. The total share of the top-ten drug manufacturers decreased by almost 1 p.p. and accounted for 38.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	1	PHARMSTANDART	5,4	6,0
2	5	BAYER HEALTHCARE	4,8	3,9
3	2	SANOFI-AVENTIS	4,3	4,7
4	3	SERVIER	4,3	4,0
5	4	GEDEON RICHTER	3,7	4,0
6	6	SANDOZ GROUP	3,5	3,7
7	8	NYCOMED	3,4	3,4
8	9	TEVA	3,1	3,1
9	7	MENARINI	3,0	3,4
10	10	STADA	2,8	3,1
Total			38,4	39,2

*AIPM members are in bold

Hepatoprotector ESSENTIALE N (+9%) became a leader of the regional top ten trade names, moving up from rank four (Table 2). As before, ACTOBEGIN (-10%) maintained rank two and ARBIDOL (-55%) moved down to rank three from one, displacing VIAGRA (-10%) to rank 4. The newcomers REDUKSIN (3.7-fold growth in sales), LINEX (+16%) and PENTALGIN-ICN (+81%) broke into the ranks of the top ten, coming in at numbers five, nine and ten. At the same time, YARINA (+9), CONCOR (+4%) and NICE (+5%) moved down one rank.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	4	ESSENTIALE N	0,9	0,8
2	2	ACTOVEGIN	0,9	1,0
3	1	ARBIDOL	0,9	1,9
4	3	VIAGRA	0,9	1,0
5	85	REDUKSIN	0,8	0,2
6	5	YARINA	0,7	0,7
7	6	CONCOR	0,6	0,6
8	7	NICE	0,6	0,6
9	15	LINEX	0,6	0,5
10	39	PENTALGIN-ICN	0,6	0,3
Total			7,5	7,6

Three newcomers entered the top INN and generic names ranking (table 3). SIBUTRAMINE (+16%), NIMESULIDE (+0.4%) and KETOPROFEN (-2%) moved up to numbers 8, 9 and 10. Another four INNs also rose in the ranks. XYLOMETAZOLINE (+13%) moved up from rank three to one. BISOPROLOL (+7%) and PHOSPHOLIPIDS (+11%) moved to ranks 3 and 9. SILDENAFIL (-7%) moved up one rank, to number 6. INN PANCREATIN (-0.2%) held its own rank two. Two INNs with negative growth rates, BLOOD (-8%) and ARBIDOL (-55%) moved down to ranks 5 and 7, respectively. The total share of the analysed ranking, as well as one of the above ranking reduced, but in this case more significantly from 11.0% to 10.3%.

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

Rank		INN/Generic Name	Share in total pharmacy sales %	
6 mon. 2012	6 mon. 2011		6 mon. 2012	6 mon. 2011
1	3	XYLOMETAZOLINE	1,5	1,3
2	2	PANCREATIN	1,4	1,4
3	5	BISOPROLOL	1,2	1,1
4	9	PHOSPHOLIPIDS	1,0	0,9
5	4	BLOOD	1,0	1,1
6	7	SILDENAFIL	0,9	1,0
7	1	ARBIDOL	0,9	1,9
8	14	SIBUTRAMINE	0,9	0,7
9	11	NIMESULIDE	0,8	0,8
10	12	KETOPROFEN	0,8	0,8
Total			10,3	11,0

N02 Analgesics (-7%) remained the best-selling over-the-counter group in the regional OTC drugs market (Table 4). Due to pronounced positive growth in sales, G03 Sex hormones (+14%) moved up to rank two, by displacing J01 Antibacterials for systemic use (-17%) one rank down. The other five ATC groups rose in the ranks: M01 Aniinflammatory and antirheumatic products and C09 Agents acting on the renin-angiotensin system (+4% each) which moved up one rank, to numbers 4 and 6. As well as groups A11 Vitamins (+7%), A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+8%) and G04 Drugs to treat urologic diseases (+2%), coming in at numbers 8, 9 and 10. At the same time, the two latter became the newcomers of the top ten. In contrast, R01 Nasal preparations (-3%) and R05 Cough and cold preparations (-26%) moved down to the lower ranks 5 and 7. The total share of the top 10 ATC groups reduced from 39.3% to 37.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon 2012	6 mon 2011			6 mon 2012	6 mon 2011
1	1	N02	ANALGESICS	4,8	5,1
2	6	G03	SEX HORM&MODULAT GENITAL SYS	4,5	3,9
3	2	J01	ANTIBACTERIALS FOR SYST USE	4,1	4,9
4	5	M01	ANTIINFLAM & ANTIRHEUM PROD	4,1	4,0
5	4	R01	NASAL PREPARATIONS	4,0	4,1
6	7	C09	AG ACT RENIN-ANGIOTENS SYST	3,8	3,7
7	3	R05	COUGH AND COLD PREPARATIONS	3,6	4,8
8	10	A11	VITAMINS	3,1	2,9
9	12	A07	INTESTINAL ANTIINFECTIVES	3,0	2,8
10	11	G04	UROLOGICALS	2,9	2,9
Total				37,8	39,0

Conclusion. At the end of first half of 2012, the retail OTC drugs market of Volgograd brought in RUB 1.439 bln (USD 47.164 mln). At the same time, the market increased 2% in terms of roubles, but reduced 4% in terms of dollars. In physical terms, the city market showed reduction in sales (-10%) and reached 13.814 mln packs. The average cost of a pack at the end of the period increased as compared with the same value a year ago (USD 3.41 vs. USD 3.22), but it was lower than the average value in the country (USD 3.77). At the end of first six months of 2012, per capita expenses for purchase of medicines in pharmacies of the region amounted to USD 46.30 and were lower than the average indicators throughout Russia (USD 57.37).

REGIONAL DIGEST

Beneficiary Drug Coverage/Procurement of Necessary Drugs, Government Control

October 1, 2012, The Kommersant

Over 20% of modernization funds allocated to the public health service won't be disbursed by 2012-end

Over RUB 600 bln which were allocated in a result of payments redistribution in the compulsory health insurance system in 2011-2012 to the modernization of the public health system proved to be excessive for the industry. On Friday, the panel of Ministry of Public Health released some data prompting suggestions that by the end of 2012 over 20% of allocated funds wouldn't be spent and the whole process of modernisation would only be completed by late 2013. The heaviest slippage of the clinics retrofit schedule is observed in the Moscow Region and Moscow, where the Mayor of the city Sergey Sobyanin planned to make the public health service a development priority as early as in 2011.

October 6, 2012, The Komsomolskaya Pravda

Ministry of Public Health intended to introduce a medical examination of the population from 2013

According to experts' estimates, up to 70% of the Russians don't care about their health. "We are striving hard to make the people assume the obligation to discontinue bad habits, take preventive measures, undergo medical examinations on a regular basis", the Minister of Public Health Veronika Skvortsova announced at the First National Medical Congress of Russia. To this effect, the free medical examination of the population will be once again introduced from the next year. Those, who will look after their health with due diligence, will be granted bonuses. For example, benefits within the prescription drug insurance and partial refund of medicine expenses.

October 18, 2012, RIA-AMI

According to the State Duma Committee for Health Protection, inclusion of high-tech medical care costs in the compulsory health insurance system will result in the reduction of its availability

The State Duma Committee for Health Protection prepared an opinion on draft law №143344-6 On the Federal Budget for 2013 and the planed period 2014 and 2015. The Committee's opinion reads to the effect that "reduction in federal expenditures for the high-tech types of medical care causes concern. It is difficult to understand the mechanism of costs inclusion in the compulsory health insurance (CHI) system. The question arises as to whether CHI system has enough funds to finance the high-tech medical care". According to the Committee, a transfer to the financing of high-tech medical care out of CHI funds will result in the reduction of availability of such care. The Committee believes that such decision requires additional review.

October 23, 2012, The Rossiyskaya Business-Gazeta

Ministry of Industry and Trade developed rules for foreign investors looking to localize medical device production in Russia

Ministry of Industry and Trade prepared a draft government decree establishing the uniform rules for foreign investors looking to localize medical device production in Russia The federal program Development of the Pharmaceutical and Medical Technology Industry in the Russian Federation until 2020 adopted by the conference of Heads of State and Government on November 18 aims at the localization of production facilities in Russia in those areas which face the significant technological inferiority. Lagging of domestic medical industry slows down the modernization of public health service and the government provides the regulatory framework and conditions for transition of advanced technologies and transfer of organizational and educational models by global industry leaders in this sphere.

October 23, 2012, Prime

Pharmaceutical manufacturers concerned about delay in registration of manufacturer's ceiling prices for medicines included in the EML

The Russian pharmaceutical manufacturers concerned about delay in registration of manufacturer's ceiling prices for medicines included in the EML and believe that this can result in the stock-out in the market early in 2013, Director General of Association of Russian Pharmaceutical Manufacturers Viktor Dmitriev said. "The central problem of our time is the issue of methodology and beginning of 2013 as up to now we know nothing of the pricing methodology for medicines included in the EML in 2013, and whether the prices will be indexed at the inflation rate", Dmitriev noticed.

October 29, 2012, The Vedomosti

Government to test Medical Care Schemes in the regions in 2014

The Ministry of Public Health states in the Draft Program on Population Drug Coverage until 2025 that the government will test various medical care schemes in some regions of Russia in 2014 and begin to introduce them in the whole territory of the country from 2016. On May 7, President Putin instructed to develop the program on population drug coverage by January 1, 2013. In the draft program the Ministry of Public Health proposes to consider a model of population drug coverage in ambulatory care which would include a partial refund of medicine expenses.

October 29, 2012, PRIME

Pharmaceutical community negatively assesses the possibility to sell medicines in the retail store network

As a whole, experts and representatives of the Russian pharmaceutical market negatively assess the government initiative to authorize the sale of OTC drugs in the retail store network. According to media sources, the Russian Federation retail network may be allowed to sell OTC drugs. According to the minutes of the meeting of the governmental Commission for Competitiveness and Development of Small and Medium Enterprises under the supervision of the first Vice-Premier Igor Shuvalov, a report exploring the possibility of selling individual OTC drugs in the retail store network shall be submitted to the Government by December 1. The above report shall be prepared by the Ministry of Public Health in collaboration with the Ministry of Industry and Trade, Ministry of Economic Development, FAS and Federal Tariff Service.

October 31, 2012, The Kommersant

Ministry of Public Health to extend the public health modernization program

The public health modernization reform which was designed for 2011-2012 with the total value of RUB 630 bln shall be extended in 2013. The Ministry of Public Health was straitened not only for time to complete the programs focused on the introduction of new standards, physician salaries rising, repair of hospitals and informatization in due time, but also for funds. Head of Ministry of Public Health Veronika Skvortsova requires the Government to allocate additionally RUB 50 bln for 2013.

NEWS FROM COMPANIES

October 5, 2012, The Izvestia

Abbott has filed an application to acquire 62.5% of the Russia's Petrovax Pharm

FAS source said to Izvestia that one of the largest global pharmaceutical companies Abbott Laboratories filed for approval to acquire 62.5% of Petrovax Pharm. The deal would make Abbott the only American company to own production facilities in Russia. Such a deal would become one of the top three largest in the history of the Russian pharmaceutical market, experts say.

October 8, 2012, The Vedomosti

Protek wins court appeal on Antigrippin

Court of appeal reversed a judgement of Arbitration Court for St. Petersburg and Leningradskaya Region which in June had obliged Antiviral Research and Production Association (in 2009 it changed its name for Laboratory ANVI) and Anvilab to stop using names containing a word Antigrippin or any words confusingly similar to it. Then the court obliged the companies to withdraw from circulation any goods containing such words, as indicated in the court database. It was Natur Product owning the rights to the trademark Antigrippin, which demanded to impose such limitations. According to Protek's spokesman, the company is aware of the court decision. A spokesman for Natur Product refused to comment on the event. Natur Product intends to appeal against a decision, a source close to the company says.

October 25, 2012, RBC daily

Ukraine will block market access to Russian drug makers that haven't confirmed the conformity of production to GMP standards

From the next year, most of the Russian pharmaceutical manufacturers won't be allowed an access to the market of Ukraine. Requirement according to which all import drugs must be produced in conformity with GMP standards will come in force on January 1, 2013. In order to obtain a certificate confirming this fact, a drug manufacturer should be audited. So far only one Russian pharmaceutical company Petrovax Pharm was able to do it, 20 more companies wait their turn.

October 25, 2012, RIA News

Medsintez to put into operation an insulin substance production unit in 2013

Medsintez intends to put into operation the only in Russia insulin substance production unit having a production capacity of 400 kg per year in the first half of 2013, Director General Alexey Podkorytov said to journalists on Thursday. Medsintez currently produces insulin using import substance purchased in France. Putting a production unit into operation will make it possible to establish in Russia a complete production cycle of insulin. The question at issue is the establishment of such production requires special bacteria which were unavailable in Russia until recently. In May 2012 the Ural scientists patented such bacteria; their development took about four years.

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