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AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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

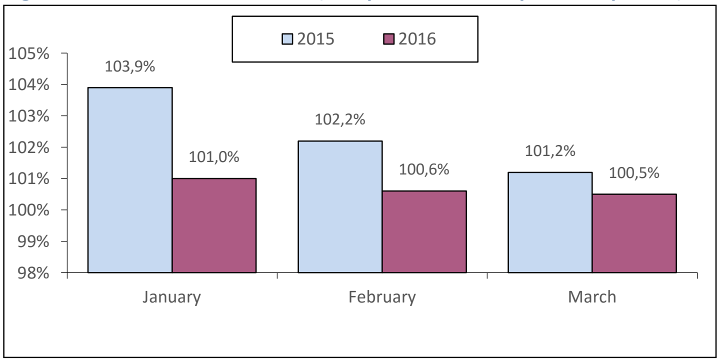
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in March 2016, the Consumer Price Index was estimated at 100.5% compared to the previous month, and 102.1% since the beginning of the year.

In March this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 103.1%, whereas in the month-earlier period it had amounted to 98.5%. In Quarter I, index accounted for 100.1%.

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



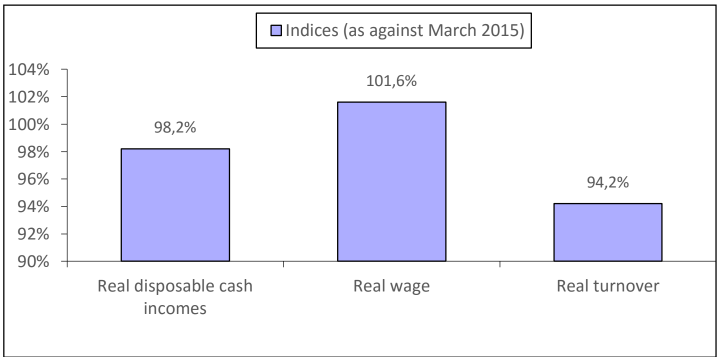
Living standard

According to preliminary Federal State Statistics Service's data, in March 2016 a gross average monthly salary per worker reached RUB 35,570 (USD 504.75) which accounted for 105% as compared to the previous month and 109.0% as compared to March 2015. The real wage in March 2016 accounted for 101.6% as compared with March in 2015. In March 2016, the real value of disposable cash incomes accounted for 98.2% as compared with the same period of 2015 (Fig. 2).

Retail turnover

In March 2016, the retail turnover was equal to RUB 2,230.1 bln, which in comparable prices accounted for 94.2% compared to the same period a year ago, in the first quarter of 2016. - RUB 6473.6 bil. or 94.6% (Fig. 2).

Figure 2. Real values of cash income, wage and retail turnover in March 2016



Industrial Production

According to Federal State Statistics Service's data, in March 2016 Industrial Production Index accounted for 99.5% compared to the same period in 2010, and in January-March 2016 - 99.4%.

According to Federal State Statistics Service's data, Industrial Production Index in March 2016 accounted for 95.4% compared to the relevant period of the previous year, and 100.2% to the previous month.

Domestic production

The top 10 domestic pharmaceutical manufacturers by sales in all segments of the market based on the results for March 2016 are shown in Table 1.

Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales volume in March 2016

Rank	Manufacturer	RUB mil.
1	Otcpharm	1665.3
2	Pharmstandart	1080.2
3	Stada	912.0
4	Valenta	846.8
5	Servier	761.7
6	Sotex	655.1
7	Akrikhin Pharma	542.5
8	Ozon	528.6
9	Veropharm	523.3
10	Pharm-Center	463.0

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In February 2016 compared to January, the negative growth in pharmacy sales (in terms of roubles) was observed in eight regions. The lowest performance was observed in Krasnodar Krai (-22%), the highest one in Perm (-2%). Increase in sales was recorded in Tatarstan (+5%) and Krasnoyarsk Krai (+13%).

Table 2. Pharmacy sales in the regions, 2015-2016

Region	Pharmacy sales, $mil. (wholesale prices)			Growth gain, % (roubles)		
	December 2015	January 2016	February 2016	December/ November 2015	January16/ December 15	February/ January 16
Moscow	140.7	109.7	103.1	22%	-14%	-5%
St. Petersburg	49.8	41.9	38.8	19%	-8%	-6%
Krasnodar Krai	35.1	31.0	23.9	20%	-3%	-22%
Novosibirsk Region	19.9	19.1	17.2	14%	5%	-9%
Tatarstan	19.1	15.2	15.8	24%	-12%	5%
Krasnoyarsk Krai	20.9	14.3	15.9	29%	-25%	13%
Rostov Region	19.1	15.7	14.6	0.2%	-10%	-6%
Voronezh Region	13.8	11.8	10.4	25%	-6%	-11%
Perm	8.2	6.0	5.8	26%	-20%	-2%
Tyumen	5.6	4.2	4.0	25%	-17%	-4%

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 March 2016

Rank	Company*	Quantity of broadcasts
1	Otcpharm	19,908
2	Bayer AG	16,596
3	GSK Consumer Healthcare	11,594
4	Sandoz Farma	7,965
5	Actavis	7,722

Source - Remedium according to TNS Russia's data

Table 4. Top five brand names in mass media in March, 2016

Rank	Brand*	Quantity of broadcasts
1	Lasolvan	3,390
2	Evalar	3,156
3	Rennie	2,832
4	Complivit	2,570
5	Otrivin	2,570

Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

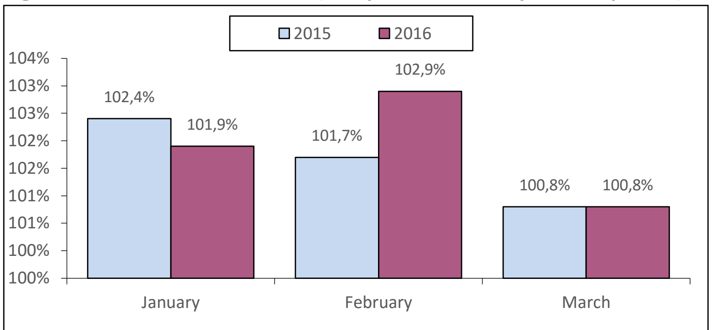
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of National Statistical Committee of the Republic of Belarus, in March 2016 the Consumer Price Index was estimated at 100.8%, compared to the previous month, to March 2014 - 112.8%. In the first quarter of 2016, the Consumer Price Index was 112.4% as compared to the same period of 2015.

In March 2016, Industrial Producer Price Index was 100.02% as compared to February 2016, and 106.2% as compared to December 2015. In January-March 2016, the Industrial Producer Price Index was 115.1% as compared to January-March 2015.

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



Source: Belstat

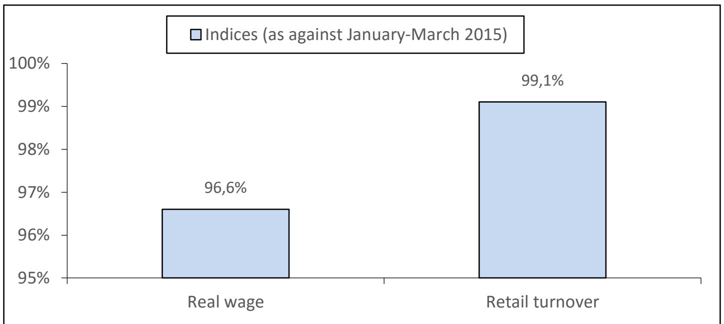
Living standard

According to the preliminary Belstat's data, in March 2016 the average monthly nominal accrued wage of the workers of the Republic of Belarus was BYR 7,424,092 (USD 406.11[1]), in January-March 2016 - BYR 6,773,734 (USD 326.36). In March 2016, the real wage accounted for 96,8% as compared to the same period of 2015, in January-March 2016 – 96.6% (Fig. 2). According to Belstat's data, in January-February 2016 the real disposable cash income accounted for 93.4% as against January-February 2015.

Retail turnover

In March 2016, the retail turnover was estimated at RUB 29,595.7 bln which accounted for 109.9% compared to the previous period and 97.7% compared to the same period of the last year. In January-March 2016, it amounted to RUB 83,444.4 bln or 99.1% to the same period of the last year (Fig. 2).

Figure 2. Real monthly wage and retail turnover in the first quarter of 2016



Source: Belstat

Industrial Production

According to Belstat's data, in January-March 2016 the industrial output by economic activities "Mining industry", "Processing Industry" and "Production and distribution of electricity, gas and water" at current prices amounted to BYR 729 bil. or 95.7% in comparable prices to the same period of 2015.

According to Belstat's data, in January-March 2016 the pharmaceutical production output was estimated at BYR 2,343.4 bil., which accounted for 113.1% to January-March 2015 in comparable prices.

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

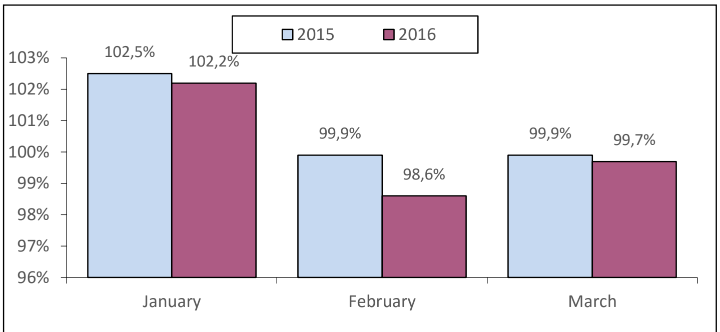
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to data of National Statistical Service of the Republic of Armenia, in March 2016 the Consumer Price Index was estimated at 99.7%, compared to December 2015 – 100.4%). The Consumer Price Index accounted for 98.6% since the beginning of the year compared to the previous period.

In March 2016, the Industrial Producer Price Index was 100.9% , as compared to the previous month, while as against March 2015 – 98.1%). The index accounted for 96.1% since the beginning of 2016, as compared to 2015.

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



Source: National Statistics Service of the Republic of Armenia

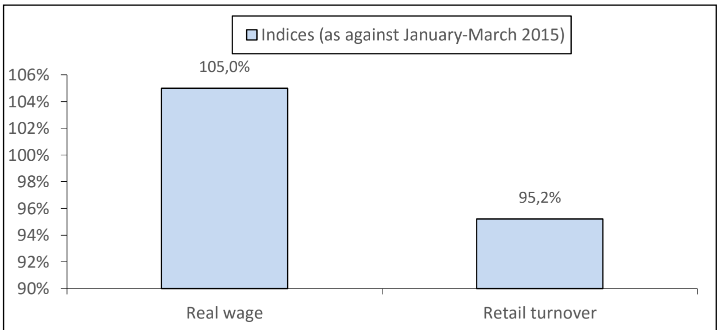
Living standard

According to the preliminary data of the National Statistical Service of RA, in March 2016 the average monthly nominal accrued wage of the workers of the Republic of Armenia was Dram 186,044 (USD 383), which accounted for 103.4% to the same period of the last year. In January-March 2016, the average monthly nominal wage per worker was Dram 184,441 (USD 372) or 103.5% to the same period of 2015 (Fig.2). In January-March 2016, the real wage accounted for 105,0% as compared to January-March 2015. Calculation of real disposable income in accordance with State Statistical Efforts Program for 2008 has not been performed in the Republic of Armenia since January 1, 2008.

Retail turnover

The retail turnover amounted to Dram 92863.4 mln in March 2016, and Dram 248.794.4 mil. since the start of the year, which accounted for 95.7% and 95.2% respectively, as compared to the same period of the previous year (Fig. 2).

Figure 2. Real monthly wage and retail turnover in the first quarter of 2016



Source: National Statistics Service of the Republic of Armenia

Industrial Production

According to the preliminary data of the National Statistical Service of RA, in December 2015 the industrial output by economic activities "Mining industry", "Processing Industry" and "Supply (service) of electricity, gas, steam and conditioned air" and "Water supply, sewage water, management and disposal of waste" at current prices amounted to Dram 111,202.4 mil., from the start of the year - Dram 305,307.9 mil. or 107.2% and 108.9% to the same period of 2015.

According to the National Statistical Service of RA, in March 2016 the pharmaceutical production output was estimated at Dram 653.7 mil., and from the start of the year - Dram 1729.4 mil., which accounted for 90.1% and 97.8% respectively against the same periods of the previous year.

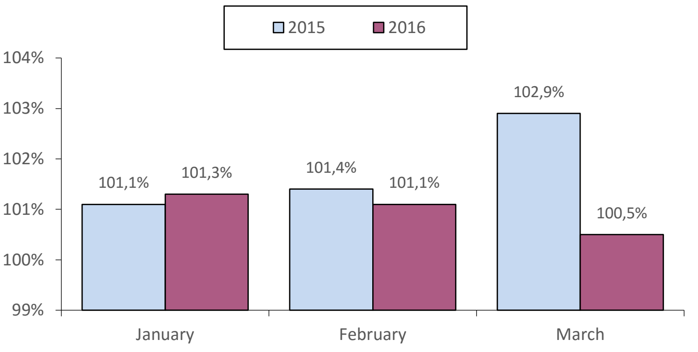
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Committee of the Ministry of National Economy for Statistics of the Republic of Kazakhstan, in March 2015 the Consumer Price Index was estimated at 100.5% compared to the previous month, as against to March 2015 – 115.7%). In January-March 2016, the Index reached 115.1% as compared to 2015.

In March 2016, the industrial producer price index (with due account for the production services) accounted for 103.0% as compared to February 2016, as against March 2015 – 108.2%). In January-March 2016, the prices of producers of industrial products increased by 7.0% as compared to January-March 2015.

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



Source: Statistics Committee of the Republic of Kazakhstan

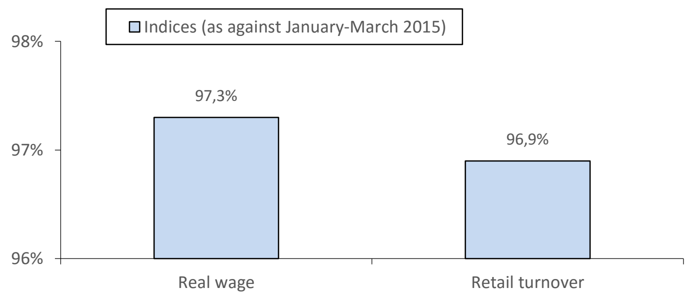
Living standard

According to the preliminary data of the National Statistical Service of RK, in March 2016 the average monthly nominal wage per worker was KZT 138,642, in the first quarter 2016 - KZT 132,769 (USD 372.30[2]). In March 2016, the Nominal Wage Index against the respective period of 2015 accounted for 108.8%, in the first quarter of 2016 - 111.9%, the Real Wage Index – 94% and 97.3% respectively. In March 2015, the Real Cash Income Index was 100.9% against March 2015, and in January-March 2016 it was 99.7% to the same period of the last year (Fig. 2).

Retail turnover

In March 2016, the retail turnover was KZT 550.2 bil., in January-March 2016 it amounted to KZT 1535.2 bil. or 99.2% and 96.9% compared to the same period in 2015 (in comparable prices) (Fig. 2).

Figure 2. Average monthly wage index and retail turnover in the first quarter of 2016



Source: Statistics Committee of the Republic of Kazakhstan

Industrial Production

According to data of the Committee for Statistics of RK, in March 2016 the industrial output was KZT 1453.93 bil., in January-March of the last year KZT 4,058 bil. As compared to the same period of 2015, the indices accounted for 98.2% and 99.2%, respectively.

According to data of the Committee for Statistics of RK, in March 2016 the essential pharmaceuticals output amounted to KZT 33310 mil., in January-March 2016 it was KZT 8465 mil. At the end of March 2016, the Physical Index of Industrial Production for Pharmaceuticals was 114.2 % against the previous month, compared to March 2015 - 100.2%.

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

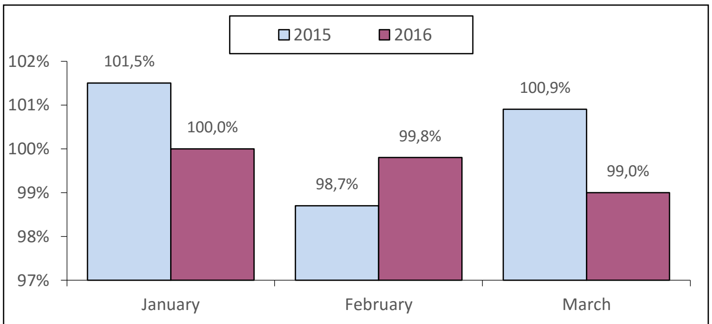
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of the Kyrgyz Republic, in March 2016 the Consumer Price Index was estimated at 99.0%, as against December 2015 – 98.8%). In January-March 2016, the Index accounted for 101.2% as compared to the same period of 2015.

In March 2015, the Industrial Producer Price Index was 101.8% as compared to the previous month. Throughout the republic, the prices of industrial manufacturers have increased by 10.8% since the beginning of 2016.

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



Source: Statistics Committee of the Republic of Kazakhstan

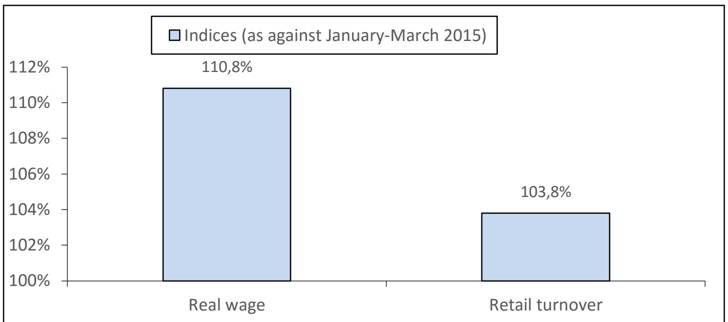
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in February 2016 the average monthly nominal wage per worker was KGS 13,153 (USD 174.65 [3]), in January-February of 2016 - KGS 13,172 (USD 174.9), which is 12.4% and 12.6% more than in the same period of 2015, respectively. In January-February 2016, the real wage accounted for 110.8% as compared to 2015 (Fig. 2).

Retail turnover

In March 2016, the retail turnover (without cars and motorcycles sales) amounted to KGS 14,357.5 mil, in January-March 2016 - KGS 40,105.3 mil. The Volume of Retail Turnover Index accounted for 105.2% and 103.8% to the same period of the previous year (Fig.2).

Figure 2. Real monthly wage and retail turnover in the first quarter of 2016



Source: Statistics Committee of the Republic of Kazakhstan

* Data for January-February 2016

Industrial Production

According to data of the National Committee for Statistics of the Kyrgyz Republic, in March 2016 the industrial output was KGS 12,837.8 mil., and in January-March 2016 it was KGS 39,452.4 mil. (USD mil.). In the first quarter 2016, the Volume of Industrial Products index accounted for 74.3% as compared to the same period of 2015 (in March 2016 as compared to March 2015 – 96.5%).

According to data of the National Committee for Statistics of the Kyrgyz Republic, in March of 2016 the essential pharmaceuticals output amounted to KGS 10.2 mil., in January - March of the last year - KGS 42.8 mil. At the end of March 2016, the Physical Index of Industrial Production for Pharmaceuticals was 56.7% compared to the same period of the last year, and in January-March 2016 it was 93.7% compared to January-March 2015.

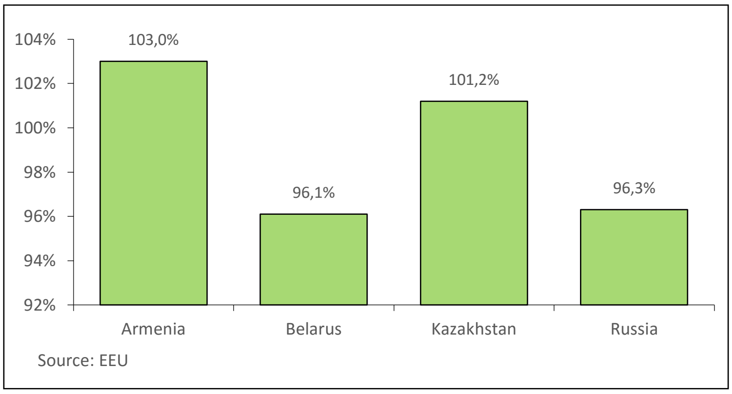
[3] The average exchange rate to calculate the above indices was used from the official website of the National Bank of the Kyrgyz Republic http://www.nbkr.kg/

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to Eurasian Economic Commission's data (EAEU), at the end of January-December 2015 GDP of EAEU member-states amounted to USD 1.6 tril. and reduced by 3.0% as compared to 2014. GDP growth was reported in Armenia (+3.0%) and Kazakhstan (+1.2%). In two countries, Russia (-3.7%) and Belarus (-3.9%) GDP reduced as compared to 014 (Fig. 1). According to preliminary estimates, in January-December of 2015 the Kyrgyz Republic GDP Index accounted for 103.5%.

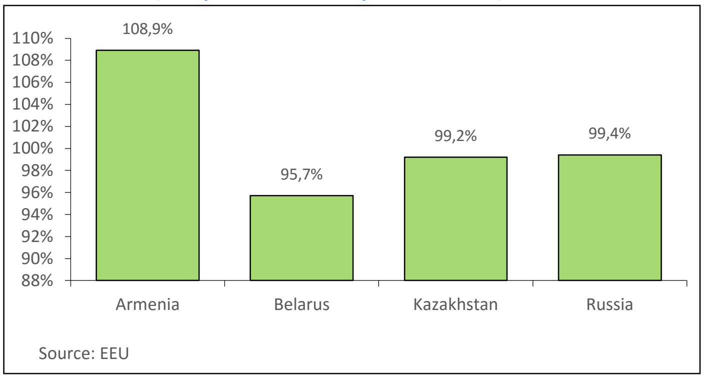
Figure 1. GDP growth of EAEU countries (2015 vs. 2014)



Industrial Production

According to preliminary ECE data, in January-March 2016 the volume of industrial production (at constant prices) of the EAEC Member States amounted to USD 170.2 bil., reducing by 0.9% as compared with the same period of 2015. In individual countries, the Industrial Production Index accounted for: Armenia – 108.7%, Belarus – 95.7%, Kazakhstan – 99.2% and Russia – 99.4% (Fig. 2). In the Kyrgys Republic, in January-March of 2016 the volume of industrial production accounted for 74.3%.

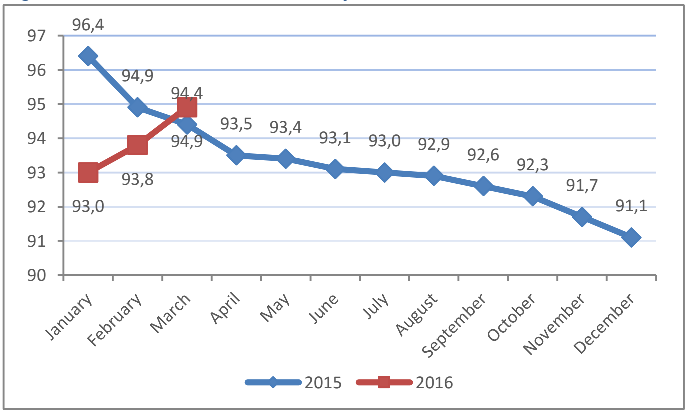
Figure 2. Industrial production in the EAEU member-states in January-March of 2016 (compared to January-March 2015)



Retail turnover

According to the EEC, the retail trade turnover (through all sales channels) of EEU member-states in January-March 2016 amounted to USD 96.1 bil. Compared with the same period of 2015, the volume of retail sales (in comparative prices) decreased by 5.1%. The main reason for the overall decline was the decline in retail turnover in Russia (94.6%) and Armenia (95.4%), and in Kazakhstan (96.2%) and in Belarus (99.1%). Only in Kyrgyz Republic, the retail turnover grew by 3.8%.

Figure 3. Retail turnover in January-March 2016



Nominal and real wage

According to the EEC, in January-March 2016 the average monthly nominal wage increased by 3.5% in Armenia , 8.6% in Belarus, 11.9% in Kazakhstan, 12.6% in the Kyrgyzstan (in January–February 2016), 6.1% in Russia, as compared with the same period of the last year. Given the increase in consumer prices for goods and services, the real wage in the respective period increased by 5.0% in Armenia, 10.8% in the Kyrgyz Republic (in January–February 2016), reduced by 3.4% in Belarus, 2.7% in Kazakhstan, and by 2.1% in Russia.

Table 1. Nominal and real wage in January-March 2016

Country	Real wage, as % to the same period of 2015	Nominal wage, USD
Armenia	105.0	372
Belarus	96.6	329
Kazakhstan	97.3	372
Russia	97.9	456
Kyrgyzstan[1]	110.8	175

[1] January-February 2016

2015 Budget implementation

According to the EEC, in January-December of 2015, the republican budget in Armenia, Kazakhstan, Kyrgyz Republic and Russia was implemented with a deficit, only in Belarus it was did with surplus. Slowdown in growth rates of incomes was the main reason for deficit-ridden budget in Armenia, Kazakhstan and Kyrgyz Republic. In Russia, due to coming crisis events there was a reduction in the revenue part of budget.

The expenditure part of the republican budget has increased in all EEU member-states. However, Armenia, Belarus and Kyrgyz Republic showed an increase of budget expenditures growth, while Kazakhstan and Russia showed a reduction of it.

Table 2. Republican budget in January-September 2015

Country	USD bln		
	Income	Expenditure	Deficit (surplus)
Armenia	2.4	2.7	-0.3
Belarus	10.5	9.4	1.1
Kazakhstan	28.6	32.7	-4.1
Russia	225.2	255.8	-30.6
Kyrgyzstan	2.0	1.7	-0.2
EAEU	**268.6**	**302.3**	**-34.1**

Mutual trade of EEU member-states in January-February 2016

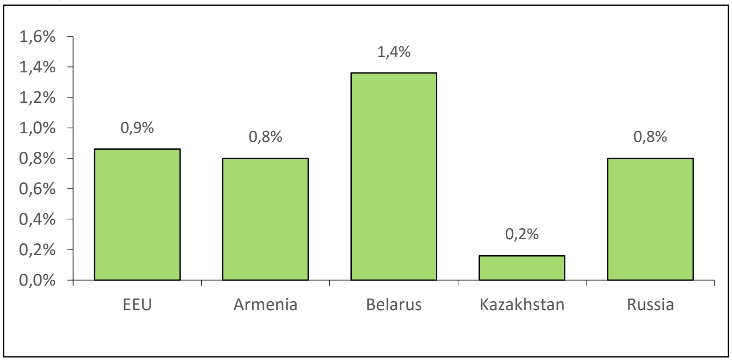
The volume of mutual trade in commodities of EAEU member-states in January-February 2016 amounted to USD 5.3 bil. or 82.9% as against the same period of 2015.

Table 3. Volumes of mutual trade in commodities of EEU member-states in January-February 2016

Countries	USD bil.	As % to January-February 2015	As percentage of total
EAEU	5300.9	82.9	100.0
Armenia - Belarus	2.7	84.1	0.05
Armenia - Kazakhstan	0.2	26.5	0.00
Armenia - Russia	226.4	108.8	4.27
Belarus - Kazakhstan	43.5	53.2	0.82
Kazakhstan - Russia	1565.2	73.9	29.53
Belarus - Russia	3211.0	90.0	60.58

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

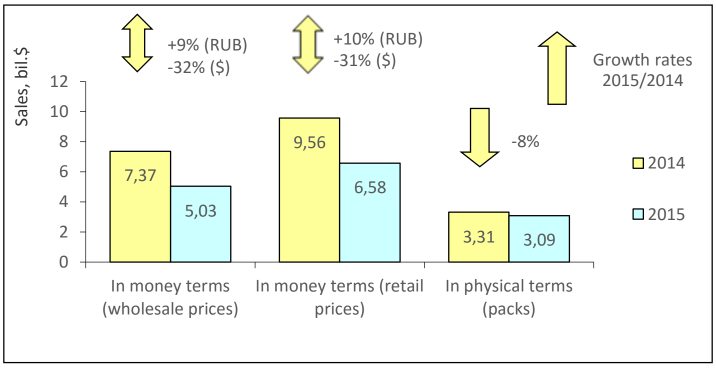
Table 4. The structure of mutual trade between EEU member-states within the Customs Commodity Code group "Pharmaceutical products" in January-February 2016 (as percentage of the total volume of mutual trade)



PHARMACY OTC MARKET IN RUSSIA: 2015 RESULTS

According to the results of the Retail Audit of Over-the-Counter (OTC) Drugs in Russian Federation™, at year-end 2015 the sales of OTC drugs in physical terms in the pharmacies of Russia saw a 7% decrease to 3.094 bil. packs. In money terms, the OTC drugs market increased by 9% in rouble terms and reduced by 32% in dollar terms and reached RUB 306.860 bil. (USD 5.034 bil.) at wholesale prices (Fig. 1). The share of Over-the-Counter (OTC) drugs accounted for 70.9% of sales in physical terms and 52.6% in retail prices. The average cost of an OTC pack reduced as compared to 2014 and reached USD 2.13 (vs. USD 2.89) in retail prices. At year-end 2015, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 44.95.

Figure 1. Russian OTC pharmacy market for 2014 – 2015



At the end of 2015, the top 10 OTC drugs manufacturers in the Russian market didn't change and five of its drug makers held their own in the ranking (table 1). As before, the manufacturers SANDOZ (-5%), GLAXOSMITHKLINE (-3%), STADA (+20%), MENARINI (-2%) and JOHNSON & JOHNSON (+3) maintained their ranks four through eight, respectively. The only swap took place in the top part of the top-10 ranking. The previous leader of the top ten SANOFI-AVENTIS reduced its sales by 3% and moved down to rank three, giving way to the drug manufacturers with positive growth rates: BAYER (+6%) and OTCPHARM (+8%). The manufacturers rounding out the top ten also changed. Due to reduction in sales, TEVA (-1%) moved down one rank, coming in at number ten, while NYCOMED/TAKEDA (+11%) in contrast showed positive growth rates and moved up to rank nine. The cumulative share of the top 10 manufacturers reduced from 41.1% to 38.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
2015	2014		2015	2014
1	2	**BAYER HEALTHCARE**	5.3	5.5
2	3	OTCPHARM	5.3	5.3
3	1	**SANOFI-AVENTIS**	5.0	5.6
4	4	**SANDOZ GROUP**	4.2	4.9
5	5	**GLAXOSMITHKLINE**	4.2	4.7
6	6	**STADA**	3.9	3.5
7	7	**MENARINI**	3.1	3.4
8	8	**JOHNSON & JOHNSON**	2.9	3.1
9	10	**NYCOMED/TAKEDA**	2.5	2.5
10	9	**TEVA**	2.4	2.7
Total			38.8	41.1

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brand names ranking: THERAFLEX (+8%) moved up from rank 11 to eight and PENTALGIN (+5%) moved up from rank 12 to ten (table 2). In addition, another three brand names managed to improve their positions. The brands CARDIOMAGNIL (+21%), DETRALEX (+8%) and INGAVIRIN (+4%) moved up to ranks four through six, respectively. At the same time, due to reduction in sales LINEX (-19%) and EXODERIL (-10%), in contrast, moved down to ranks seven and nine. Despite the decline in sales, the product ESSENTIALE N (-10%) remained the leader of the ranking, and KAGOCEL (+19%) and NUROFEN (+19%) held and reinforced their previous ranks two and three. The total share of the top ten brand names reduced by 0.7 p.p. and accounted for 11.7%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
2015	2014		2015	2014
1	1	ESSENTIALE	1.8	2.1
2	2	KAGOCEL	1.5	1.4
3	3	NUROFEN	1.5	1.3
4	6	CARDIOMAGNIL	1.2	1.1
5	9	DETRALEX	1.0	1.0
6	8	INGAVIRIN	1.0	1.1
7	4	LINEX	1.0	1.3
8	11	THERAFLEX	0.9	0.9
9	7	EXODERIL	0.9	1.1
10	12	PENTALGIN	0.9	0.9
Total			11.7	12.4

Due to outperformance, XYLOMETAZOLINE (+13%) held and reinforced its leading position in the top ten INNs and group names ranking (Table 3). PANCREATIN (+11%) moved up to rank two from three, displacing PHOSPHOLIPIDS (-9%) down one rank. IBUPROFEN (+15%) and KAGOCEL (+13%) retained their ranks four and five. The compositions DIOSMIN+HESPERIDIN (+20%), CHONDROITINSULFURIC ACID + GLUCOSAMINE (+10%) and ACETYLSALICYLIC ACID + MAGNESIUM (+21%), which showed high growth rates, moved up to ranks six through eight from the lower ranks. At the same time, the latter became one of two newcomers of the top ten. The second newcomer INTERFERON ALFA-2B (+8%) broke into the ranks of the top ten, coming in at number ten. AMBROXOL (-9%) reduced its sales and moved down from rank six to nine. The cumulative share of the top 10 didn't virtually change and accounted for 16.7%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
2015	2014		2015	2014
1	1	XYLOMETAZOLINE	3.2	3.0
2	3	PANCREATIN	2.2	2.2
3	2	PHOSPHOLIPIDS	1.9	2.3
4	4	IBUPROFEN	1.8	1.7
5	5	KAGOCEL	1.5	1.4
6	8	DIOSMIN + HESPERIDIN	1.4	1.3
7	9	CHONDROITINSULFURIC ACID + GLUCOSAMINE	1.3	1.2
8	11	ACETYLSALICYLIC ACID+ MAGNESIUM	1.2	1.1
9	6	AMBROXOL	1.1	1.4
10	12	INTERFERON ALFA-2B	1.1	1.1
Total			16.7	16.8

Most of the top 10 brand names held their own in the ranking (table 4): R05 Cough and cold preparations (+1%), N02 Analgesics (+9%), R01 Nasal preparations (+10%), A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+6%), A11 Vitamins (+9%), J05 Antivirals for systemic use (+7%) and C05 Vasoprotectives (+14%). The only shift took place in the bottom part of the top ten ranking. Due to reduction in sales, group A05 Bile and liver therapy (-3%) moved down to the last rank from eight, giving way to M01 Anti-inflammatory and antirheumatic products (+15%) and R02 Throat preparations (+11%), which showed outperformance rates. The consolidated share of the top 10 reduced from 50.5% to 49.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
2015	2014			2015	2014
1	1	R05	COUGH AND COLD PREPARATIONS	6.2	6.7
2	2	N02	ANALGESICS	6.2	6.2
3	3	R01	NASAL PREPARATIONS	6.1	6.1
4	4	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	5.5	5.7
5	5	A11	VITAMINS	5.4	5.4
6	6	J05	ANTIVIRALS FOR SYSTEMIC USE	4.9	5.0
7	7	C05	VASOPROTECTIVES	4.8	4.6
8	9	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.7	3.5
9	10	R02	THROAT PREPARATIONS	3.5	3.5
10	8	A05	BILE AND LIVER THERAPY	3.5	3.9
Total				49.8	50.5

Conclusion. On the basis of the results for 2015, the retail pharmacy market of Russia brought in RUB 400.891 bil. (USD 6.580 bil.). It was 10% more in terms of roubles and 31% less in terms of dollars than in 2014. In physical terms, the market showed the negative growth rates (-5%) and accounted for 3.094 bil. packs. The average cost of OTC-pack in the pharmacies of Russia was USD 2.13 based on the results for 2015, which was more than in the year-earlier period (USD 2.89). The average expenses of Russian residents for the purchase of OTC drugs in pharmacies also reduced (USD 44.99 vs. USD 66.58).

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

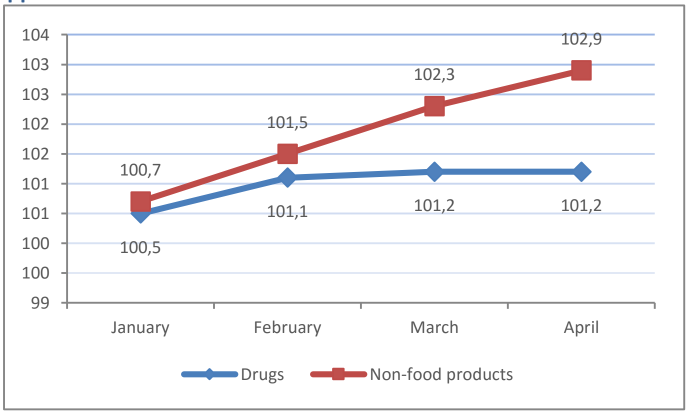
Price Indices

Table 1. Inflation rates in the Russian Federation, April 2016

	April 2016 vs. December 2015	January-April 2016 vs. January-April 2015
CPI	102.5	108.1
CPI for non-food products	102.9	109.4
CPI for medications	101.2	108.1

Rosstat data

Figure 1. Dynamics of the price index for non-food items and medicines supplies to December 2015



Rosstat data

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

Figure 2. Dynamics of weighted average prices and retail margins in Q 1, 2015 – Q 1, 2016

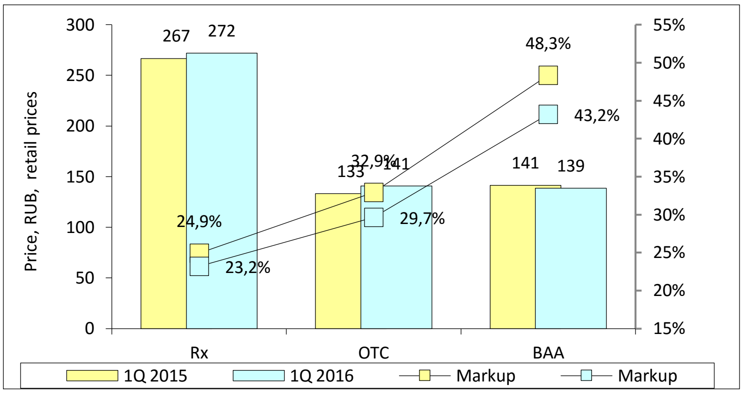


Figure 3. Dynamics of weighted average prices and retail margins in Q 1, 2015 – Q 1, 2016

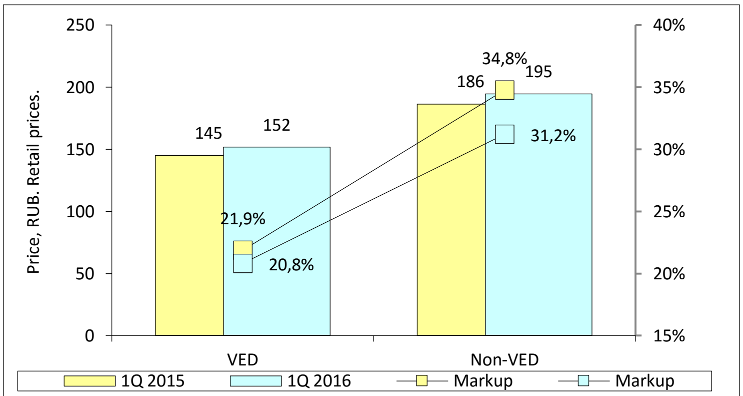
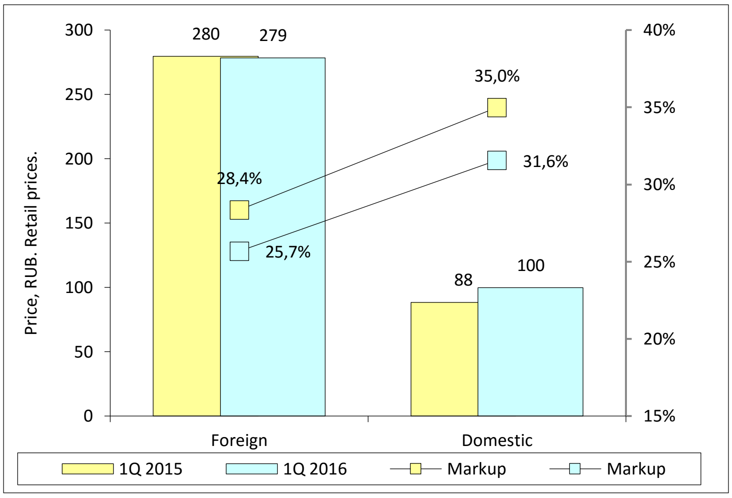


Figure 4. Dynamics of weighted average prices and retail margins in Q 1, 2015 – Q 1, 2016

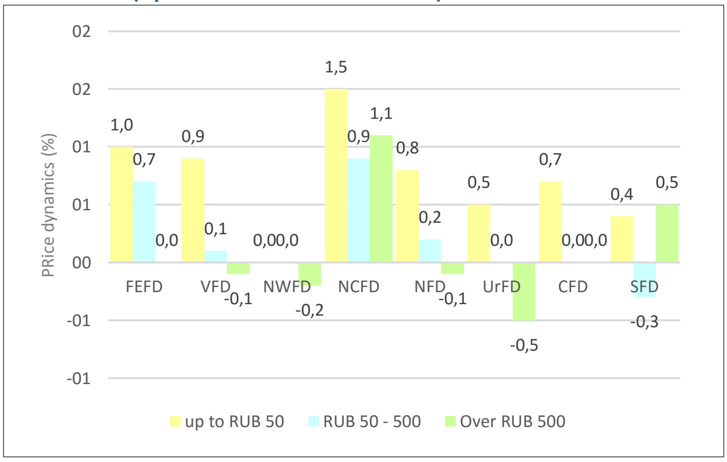


Dynamics indicators of prices for vital and essential drugs (VED)

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

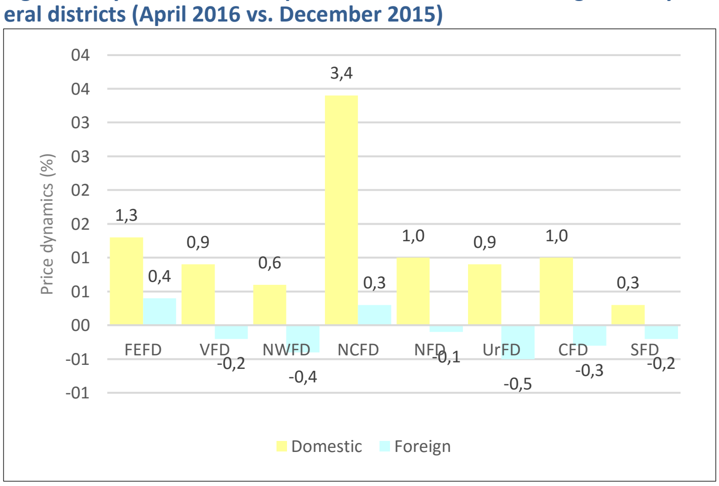
	Price dynamics in April 2016 vs. December 2015 (%)		
	Retail prices	Wholesale prices	Manufacturers' prices
VED total	0.3	0.3	0.5
Up to RUB 50	0.7		
From RUB 50 to 500	0.1		
Over RUB 500	0.0		
Domestic	1.0		
Foreign	-0.2		

Figure 5. Dynamics of retail VED prices within various price ranges by federal districts (April 2016 vs. December 2015)



Roszdravnadzor data

Figure 6. Dynamics of retail prices for domestic and foreign VED by federal districts (April 2016 vs. December 2015)



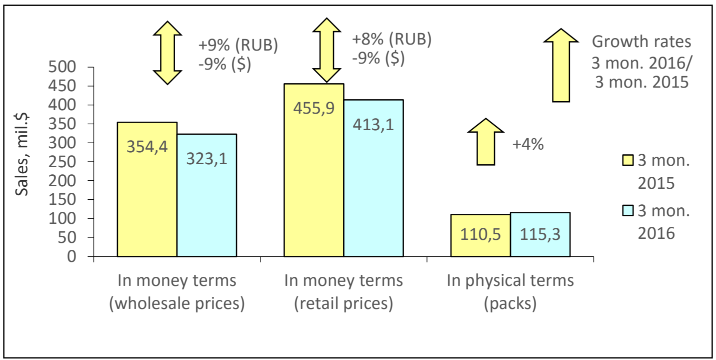
Roszdravnadzor data

MOSCOW CITY PHARMACY MARKET: 2016 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 Moscow's estimated population was 12.330 mln, which accounted for 8.4% of the total Russian Federation population and 31.5% of Central FO (CFO). According to Federal State Statistics Service's data, based on the results for January-February of 2016 the average salary in the city was RUB 63,659.2 (USD 829.54), which was 94% higher than the average wage in Russia (RUB 323,825).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of three months of 2016 the sales of OTC drugs in physical terms in pharmacies of Moscow saw a 4% increase to 115.257 mil. packs. In money terms, the market saw a 9% increase in terms of roubles, whereas it showed a negative decline (-9%) in terms of dollars. The market reached RUB 24.072 bil. (USD 323.148 mil.) in wholesale prices (Fig.1). The city market share accounted for 18% of the Russian pharmacy sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 4.13) and reached USD 3.58 at retail prices. At the end of three months of 2016, the average amount spent by the Muscovites for OTC drugs in pharmacies amounted to USD 33.51.

Figure 1. Moscow city pharmacy market for 3 months of 2015 – 3 months of 2016



Based on the results for 3 months of 2016, BAYER (+15%) headed the top ten manufacturers ranking on the metropolitan pharmacy market, displacing the former leader SANOFI-AVENTIS (-2%) down to rank 2 (Table 1). The most dynamic among leaders OTCPHARM (+33%) moved up to rank three, also displacing GLAXOSMITHKLINE (-3%) down to rank 4. The manufacturers SERVIER (+8%), ABBOTT (+9%) and PFIZER (+3%) held their previous ranks from 5 through 7 in the ranking. The newcomers JOHNSON & JOHNSON (+30%) and MENARINI (+11%) broke into the ranks of the top ten, coming in at numbers eight and ten. Due to 21% reduction in sales, SANDOZ moved down from rank four to nine. The total share of the top-10 drug manufacturers decreased by almost 1 p.p. to 34.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	2	**BAYER HEALTHCARE**	5.4	5.1
2	1	**SANOFI-AVENTIS**	5.1	5.7
3	9	OTCPHARM	3.4	2.8
4	3	**GLAXOSMITHKLINE**	3.4	3.8
5	5	**SERVIER**	3.3	3.4
6	6	**ABBOTT**	3.2	3.2
7	7	**PFIZER**	2.8	3.0
8	12	**JOHNSON & JOHNSON**	2.7	2.3
9	4	**SANDOZ GROUP**	2.7	3.8
10	11	**MENARINI**	2.6	2.5
Total			34.7	35.6

*AIPM members are in bold

Due to 68% growth in sales, antiviral drug INGAVIRIN moved up to the leading positions on the retail market of Moscow (Table 2). Another FPP with the same effect moved up to rank two, displacing antiviral drug KAGOCEL (-2%) down one rank. The last year leader ESSENTIALE N (-17%) moved up to rank four. One of the newcomers of the top ten ranking XARELTO (+86%) moved up to rank five. The second newcomer of the ranking MEXIDOL (+13%) moved down to the bottom rank of the top ten. In addition to the above mentioned drugs, the brand names CRESTOR (+24%) and DETRALEX (+33%) also rose in the ranks, moving up to number six and eight, respectively. At the same time, the less dynamic MIRAMISTIN (+16%) moved down two ranks. As before, CIALIS (+24%) held its previous rank nine. The total share of the top 10 brand names increased from 7.2% to 8.2%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	3	INGAVIRIN	1.4	0.9
2	4	AMIXIN	1.1	0.8
3	2	KAGOCEL	0.9	1.0
4	1	ESSENTIALE N	0.8	1.1
5	21	XARELTO	0.7	0.4
6	7	CRESTOR	0.7	0.6
7	10	DETRALEX	0.7	0.6
8	6	MIRAMISTIN	0.7	0.6
9	9	CIALIS	0.7	0.6
10	13	MEXIDOL	0.5	0.5
Total			8.2	7.2

The top 10 INN and grouping names leader held its own in the ranking: As before, XYLOMETAZOLINE (+3%) held its previous rank number one, despite lagging behind the growth rates and decrease in the market's share (Table 3). INNs with high growth rates moved up from rank two through five from the lower ranks: IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+68%), TILORONE (+47%) and ROSUVASTATIN (+24%), and the newcomer of the top ten DIOSMIN*HESPERIDIN (+40%). The second newcomer INN BISOPROLOL (+13%) broke into the ranks of the top ten, coming in at number ten. At the same time, KAGOCEL (-2%), PANCREATIN (+2%) and PHOSPHOLIPIDS (-17%) showed low and negative sales rates and moved down to the lower ranks six, eight and nine, respectively. IBUPROFEN (+22%) kept its previous rank seven. The total share of the top ten increased by 0.7 p.p. and achieved 10.6%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	XYLOMETAZOLINE	1.7	1.8
2	6	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.4	0.9
3	5	TILORONE	1.3	0.9
4	8	ROSUVASTATIN	0.9	0.8
5	12	DIOSMIN*HESPERIDIN	0.9	0.7
6	3	KAGOCEL	0.9	1.0
7	7	IBUPROFEN	0.9	0.9
8	4	PANCREATIN	0.9	0.9
9	2	PHOSPHOLIPIDS	0.9	1.1
10	11	BISOPROLOL	0.8	0.7
Total			10.6	9.9

The leading three groups didn't change their ranks in the top ten ATC group ranking. The groups J05 Antivirals for systemic use (+40%), R01 Nasal preparations (+7%) and J01 Antibacterials for systemic use (+2%) continued to show the highest sales rates in the regional market (Table 4). Shifts took place in the lower part of the ranking, and as a result, five of its ATC groups rose in the ranks. A11 Vitamins (+15%) moved up from rank six to 4, C09 Agents acting on the rennin-angiotenzin system (+12%) , G03 Sex hormones (+7%) and N06 Psychoanaleptics (+6%) moved up one rank, coming in at numbers 6, 9 and 10, respectively. At the same time, the latter became one of two newcomers of the top ten. The second newcomer B01 Antithrombotic agents broke into the ranks of the top ten, coming in at number 7 from 12. At the same time, M01 Anti-inflammatory and antirheumatic products (+7%) moved down one rank, and A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (-6%) reduced sales and moved down from rank five to eight. The total share of the top ten ATC groups accumulated 37.3% of the regional market.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	1	J05	ANTIVIRALS FOR SYSTEMIC USE	6.5	5.1
2	2	R01	NASAL PREPARATIONS	4.2	4.2
3	3	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.2
4	6	A11	VITAMINS	3.7	3.5
5	4	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.6	3.7
6	7	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	3.5	3.4
7	12	B01	ANTITHROMBOTIC AGENTS	3.0	2.7
8	5	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.0	3.5
9	10	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.0	3.1
10	11	N06	PSYCHOANALEPTICS	2.9	3.0
Total				37.3	36.5

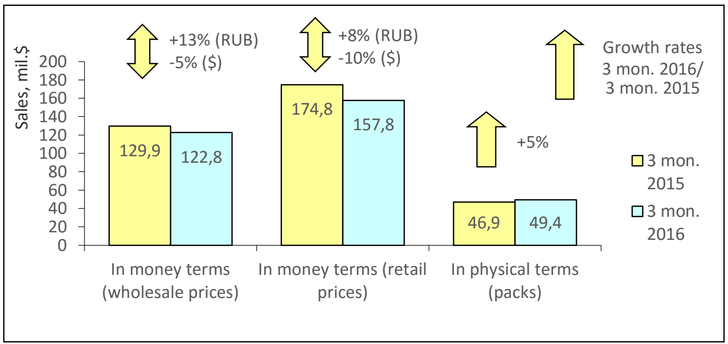
Conclusion. On the basis of the results for the first quarter of 2016, the retail pharmacy market of Moscow brought in RUB 30.776 bil. (USD 413.147 mil). It was 8% more in terms of roubles and 9% less in terms of dollars than in the same period of 2015. In physical terms, the market saw a 4% increase and was equal to 115.257 mil. packs. In the metropolitan pharmacies the average retail cost of an FPP pack was USD 3.58, which was lower than in the year-earlier period (USD 4.13). The medicine expenses of the Muscovites were higher than the national average expenses in Russia (USD 33.51 USD vs.15.65).

SAINT PETERSBURG PHARMACY MARKET: 2016 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 St. Petersburg's estimated population was 5.226 mln, which accounted for 3.6% of the total Russian Federation population and 37.7% of North West FO (NWFO). According to Federal State Statistics Service's data, based on the results for January-February of 2016 the average salary in St. Petersburg was RUB 44,012 (USD 573.52), which was 34% higher than the average wage in Russia (RUB 323,825).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of three months of 2016 the sales of OTC drugs in physical terms in pharmacies of St. Petersburg saw a 5% increase to 49.358 mil. packs. In money terms, the market showed positive growth rates (+13%) in rouble terms, but it reduced (5%) in dollar terms and reached RUB 9.149 bil. (USD 112.796 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 6.9% of the total pharmacy sales in Russia. The average retail cost of an FPP pack was USD 3.20, which was lower than in the year-earlier period (USD 3.73). For 3 months of 2016, the average amount spent by residents of St. Petersburg for drugs amounted to USD 30.20.

Figure 1. St. Petersburg pharmacy market for 3 months of 2015 – 3 months of 2016



Following the results of three months of 2016, MERCK SHARP DOHME (+31%) and ROCHE (+19%) held and strengthened their leading ranks in the top ten drug manufacturers in the pharmacy market of St. Petersburg (Table 1). Despite lagging behind the growth rates, GLAXOSMITHKLINE (+4%) moved up to rank three, whereas SANDOZ (+0.3%), which used to hold that rank earlier, moved down to rank four. SERVIER (+8%) and ABBOTT (+15%) held their previous ranks five and six. The manufacturers OTCPHARM (+17%) and TEVA (+10%) improved their ranking positions, moving up to ranks seven and eight respectively. The only newcomer of the top ten STADA (+31%) moved up to rank nine. Due to 15% reduction in sales, NYCOMED/TAKEDA moved down to rank ten from seven. The cumulative share of the top ten drug manufacturers reduced from 36.9% to 36.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	**BAYER HEALTHCARE**	6.1	5.3
2	2	**SANOFI-AVENTIS**	5.3	5.0
3	4	**GLAXOSMITHKLINE**	3.8	4.2
4	3	**SANDOZ GROUP**	3.7	4.2
5	5	**SERVIER**	3.6	3.8
6	6	**ABBOTT**	3.3	3.2
7	9	OTCPHARM	3.2	3.1
8	10	**TEVA**	2.7	2.7
9	13	**STADA**	2.6	2.2
10	7	**NYCOMED/TAKEDA**	2.4	3.2
Total			36.7	36.9

*AIPM members are in bold

Four newcomers broke into the top 10 brand names ranking on the regional market (table 2). XARELTO (+70%), SUPRADYN (+57%), OCILLOCOCCINUM (+17%) and CRESTOR (+72%) moved up to ranks four, six, nine and ten respectively. Apart from them, ACC (+14%) moved up two ranks, coming in at number seven. In contrast, ARBIDOL (-0.4%) and AMIXIN (+9%) moved down to the lower ranks five and eight, respectively. Due to high growth rates, FPPs KAGOCEL (+16%), INGAVIRIN (+58%) and ESSENTIALE N (+23%) held and strengthened their previous top three ranks. The total share of the top ten increased by 1 p.p. and achieved 8.2%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	KAGOCEL	1.4	1.4
2	2	INGAVIRIN	1.3	0.9
3	3	ESSENTIALE N	1.0	0.9
4	13	XARELTO	0.8	0.6
5	4	ARBIDOL	0.7	0.8
6	20	SUPRADYN	0.7	0.5
7	9	ACC	0.6	0.6
8	6	AMIXIN	0.6	0.6
9	14	OCILLOCOCCINUM	0.6	0.5
10	29	CRESTOR	0.6	0.4
Total			8.2	7.2

The top three names in the leading INNs and group names ranking also remained unchanged (Table 3): XYLOMETAZOLINE (-0,4%), KAGOCEL (+16%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+58%). INN PHOSPHOLIPIDS (+20%) also held its previous rank five. Five INNs of the top 10 managed to rise in the ranks. TILORONE (+41%) moved up to rank four from ten, IBUPROFEN (+19%) moved up to rank six from seven, and UMIFENOVIR (+14%) moved up to rank eight from nine. The newcomers ROSUVASTATIN (+59%) and RIVAROXABAN (+70%) broke into the ranks of the top ten, coming in at numbers seven and nine. PANCREATIN (+2%) moved down to rank ten from six. The cumulative share of the top-ten increased by 1 p.p. and achieved 10.7%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	XYLOMETAZOLINE	1.7	1.9
2	2	KAGOCEL	1.4	1.4
3	3	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.3	0.9
4	10	TILORONE	1.0	0.8
5	5	PHOSPHOLIPIDS	1.0	0.9
6	7	IBUPROFEN	0.9	0.9
7	21	ROSUVASTATIN	0.9	0.6
8	9	UMIFENOVIR	0.8	0.8
9	29	RIVAROXABAN	0.8	0.6
10	6	PANCREATIN	0.8	0.9
Total			10.7	9.7

The leader of the top ten ATC groups, as well as one of the previous rankings, didn't change - as before J05 Antivirals for systemic use (+37%) held its previous rank number one (Table 4). R01 Nasal preparations (+7%) also managed to hold its previous rank three. One of the most dynamic groups A11 Vitamins (+34%) moved up to rank two from seven. Another three ATC groups developed their markets by outstripping rates: M01 Anti-inflammatory and antirheumatic products (+17%), C09 Agents acting on the rennin-angiotenzin system (+16%) and B01 Antithrombotic agents (+25%) moved up to ranks four, five and seven, respectively. On top of that, the latter became the only newcomer of the top 10 ranking. At the same time, R05 Cough and cold preparations (-9%), J01 Antibacterials for systemic use (+1%), N02 Analgesics (-0,2%) and A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+9%) moved down to the lower ranks. The consolidated share of the top 10 under review increased from 40.1% to 40.3%.

Table 4. The top ten ATC Groups by pharmacy sales

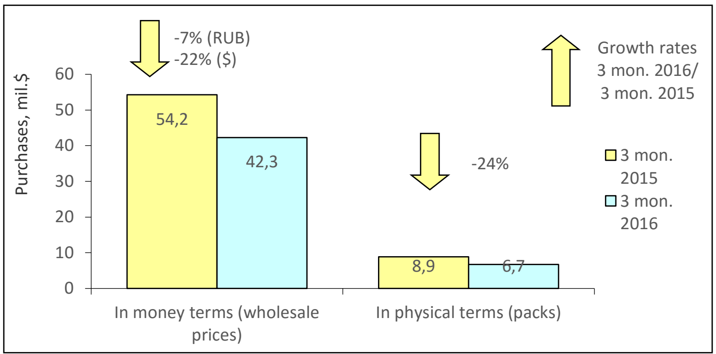
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	1	J05	ANTIVIRALS FOR SYSTEMIC USE	6.4	5.3
2	7	A11	VITAMINS	4.5	3.8
3	3	R01	NASAL PREPARATIONS	4.3	4.6
4	5	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.0	3.9
5	6	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.0	3.9
6	2	R05	COUGH AND COLD PREPARATIONS	4.0	4.9
7	4	J01	ANTIBACTERIALS FOR SYST USE	3.5	4.0
8	11	B01	ANTITHROMBOTIC AGENTS	3.3	3.0
9	8	N02	ANALGESICS	3.2	3.6
10	9	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.1	3.2
Total				40.3	40.1

Conclusion. On the basis of the results for three months of 2016, the pharmacy market of St. Petersburg reached RUB 11.758 bil. (USD 157.795 mil.) at retail prices. The sales saw a 8% increase in terms of roubles, and a 10% decrease in terms of dollars. In pack terms, the market also showed positive growth rates (+5%) and achieved 49.358 mil. packs. The average cost of OTC pack in the city pharmacies based on the results for the first Quarter of 2016 was USD 3.20 which is lower than in the same period of the last year (USD 3.73). The average expenses of St. Petersburg residents for medications in the pharmacies exceeded the national average (USD 30.20 vs. USD 15.65).

MOSCOW CITY HOSPITAL MARKET: 2016 FIRST 3 MONTHS RESULTS

According to the results of the Budget Audit of Finished Pharma Products (FFP) in the Russian Federation, in the first quarter of 2016 the Moscow hospital market in physical terms reduced by 24% compared to the previous year and amounted to 6.716 mil. packs. In money terms, the market showed negative growth rates both in terms of roubles (-7%) and in terms of dollars (-22%) and reached RUB 3.142 bil. (USD 42.288 mil.) in wholesale prices. At the end of three months of 2016, the average cost of FPP pack in the hospital sector of Moscow was USD 6.30, whereas in the year-earlier period its cost was USD 6.12. The metropolitan market share accounted for 14.6% of the Russian hospital market in money (rouble) terms.

Figure 1. Moscow hospital market for 3 months of 2015 – 3 months of 2016



At the end of the first quarter of 2016, the significant structural shifts took place among the top ten manufacturers in the hospital market of Moscow (Table 1). On top of that, none of them managed to hold its previous rank in the top ten, but most of them rose in the ranks. One of the most dynamic manufacturers ABBVIE (+93%) became the leader of the top ten, moving up to rank one from nine. Despite the negative sales, MERCK SHARP DOHME (-7%) and ROCHE (-18%) moved up to ranks two and three, while JOHNSON & JOHNSON (-35%) and SANOFI-AVENTIS (-52%), which held those ranks earlier, moved down to ranks six and nine due to considerable reduction in purchases, respectively. The manufacturers PFIZER (-18%), ASTRAZENECA and BAXTER (-1% each) also showed negative growth rate, but they managed to rise in the ranks, and the latter broke into the ranks of the top ten ranking for the first time. The manufacturers PHARMASYNTEZ IRKUT (9.7-fold increase in purchases) and ASTELLAS PHARMA (+20%) also entered the top ten, coming in at ranks four and eight, respectively. The total share of the top ten trade names expanded by over 2 p.p. and accounted for 36.3%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	9	**ABBVIE**	5.3	2.6
2	5	**MERCK SHARP DOHME**	4.4	4.5
3	4	**ROCHE**	4.3	5.0
4	43	PHARMASYNTEZ IRKUT	4.3	0.4
5	6	**PFIZER**	3.7	4.2
6	2	**JOHNSON & JOHNSON***	3.6	5.2
7	8	**ASTRAZENECA**	3.0	2.8
8	14	**ASTELLAS PHARMA**	2.7	2.1
9	3	**SANOFI-AVENTIS**	2.7	5.2
10	11	**BAXTER INT**	2.4	2.3
Total			36.3	34.1

*AIPM members are in bold

The top ten brand names ranking on the hospital metropolitan market was updated much more notably - six newcomers broke into the ranks of the top ten ranking (Table 2). On top of that, two of them antiviral agents to treat HIV-infections INTELENCE and KEMERUVIR moved up to high ranks two and three. The names REYATAZ (+74%), NATRIUM CHLORIDUM (+50%), CUROSURF (+43%) and ERBITUX, which purchases increased 3.1 times, moved up to ranks six, seven, nine and ten. Another two brand names from the top 10 rose in the ranks. KALETRA (2.7-fold growth in purchases) headed the top ten and SEVORAN (+50%) moved up to rank four. In contrast, the less dynamic MYCAMINE (+18%) and AVASTIN (+12%) moved down three ranks, to numbers five and eight, respectively. In large part because of newcomers, the total share of the top ten brand names increased significantly - from 8% to 17.2%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	7	KALETRA	3.2	1.1
2	22	INTELENCE	1.9	0.5
3	48	KEMERUVIR	1.9	0.0
4	8	SEVORAN	1.7	1.1
5	2	MYCAMINE	1.5	1.2
6	17	REYATAZ	1.5	0.8
7	14	NATRIUM CHLORIDUM	1.4	0.9
8	5	AVASTIN	1.4	1.2
9	13	CUROSURF	1.4	0.9
10	31	ERBITUX	1.4	0.4
Total			17.2	8.0

The leader of the top-10 INN and group names ranking also updated by one half (Table 3). Due to 2.7-fold growth in purchases, the composition LOPINAVIR*RITONAVIR moved up to rank one from 14. The newcomers of the top ten INNs PROPOFOL (2.6-fold increase in purchases), ETRAVIRINE (3.4-fold increase), SEVOFLURANE (+45%) and ABACAVIR (11.3-fold increase) also moved up to ranks three through five and ten respectively. Due to high growth rates, DARUNAVIR (+64%) also moved up from rank seven to two. In contrast, the other four INNs of the top ten INNs moved down to the lower ranks, coming in at numbers six through nine, respectively: MEROPENEM (+7%), ALBUMIN (-3%), DOCETAXEL (+4%) and IMMUNOGLOBULIN BASE (-49%). The total share of the analysed ranking, as well as of the above ranking, increased considerably - in this context from 12.4% to 19.4%.

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

Rank		INNs/Group Names	Share in total hospital purchases, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	14	LOPINAVIR*RITONAVIR	3.2	1.1
2	7	DARUNAVIR	2.3	1.3
3	24	PROPOFOL	2.1	0.8
4	30	ETRAVIRINE	1.9	0.5
5	11	SEVOFLURANE	1.8	1.2
6	5	MEROPENEM	1.8	1.5
7	4	ALBUMIN	1.6	1.6
8	6	DOCETAXEL	1.6	1.4
9	1	IMMUNOGLOBULIN BASE	1.6	2.9
10	48	ABACAVIR	1.6	0.1
Total			19.4	12.4

The leader of the top ten ATC groups also changed - the group J05 Antivirals for systemic use (+62%) moved up from rank three to one, displacing L-1 Antineoplastic agents (-3%) and J01 Antibacterials for systemic use (-25%) down one rank (Table 4). Apart from the leader, another three ATC groups managed to rise in the ranks. N01 Anaesthetics (+64%) and J02 Antimycotics for systemic use (+24%) moved up to ranks four and six from nine and eight, and the newcomer L03 Immunostimulants (+3%), which broke into the ranks of the top ten for the first time, coming in at number ten. B01 Antithrombotic agents (-1%) maintained its rank seven in the ranking. Due to strong negative growth rates, the groups B05 Plasma substitutes and perfusion solutions (-21%), V08 Contrast media (-24%) and J06 Immune sera and immunoglobulins (-40%) moved down to ranks five, eight and nine, respectively. The cumulative share of the top 10 under review increased by over 5 p.p. to 66.2%.

Table 4. The top ten ATC groups by hospital purchases

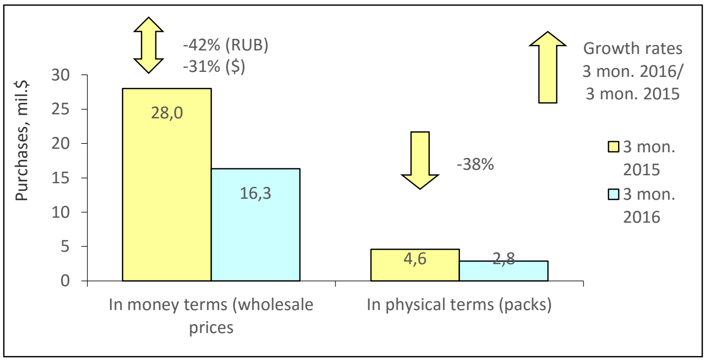
Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	3	J05	ANTIVIRALS FOR SYSTEMIC USE	14.8	8.5
2	1	L01	ANTINEOPLASTIC AGENTS	13.5	13.0
3	2	J01	ANTIBACTERIALS FOR SYST USE	9.9	12.3
4	9	N01	ANESTHETICS	5.4	3.1
5	4	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	5.4	6.4
6	8	J02	ANTIMYCOTICS FOR SYSTEMIC USE	4.6	3.4
7	7	B01	ANTITHROMBOTIC AGENTS	4.1	3.9
8	5	V08	CONTRAST MEDIA	3.6	4.4
9	6	J06	IMMUNE SERA & IMMUNOGLOBULIN	2.6	4.0
10	13	L03	IMMUNOSTIMULANTS	2.5	2.2
Total				66.2	61.1

Conclusion. At the end of 3 months of 2016, the Moscow hospital market reduced by 7% in rouble terms and by 22% in dollar terms and brought in RUB 3.142 bil. (USD 42.288 mil). In pack terms, the market also reduced by -24% and amounted to 6.716 mil. packs. The average cost of an FPP pack in the Moscow hospital market increased as compared to the previous year (USD 6.30 vs. USD 6.12).

SAINT PETERSBURG HOSPITAL MARKET: 2016 FIRST 3 MONTHS RESULTS

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit), in three months of 2016 the St. Petersburg hospital market reduced in physical terms by 38% and amounted to 2.846 mil. packs. In value terms, the purchases movement was negative both in rouble (-42%) and in dollar terms (-31%), and the volume amounted to RUB 1.202 bil. (USD 16.349 mil.) in wholesale prices. The St. Petersburg market share accounted for 5.6% of the Russian hospital market in value terms. In the first quarter of 2016, the average cost of an FPP pack in the hospital sector of the city was USD 5.74, whereas in the year-earlier period its cost was USD 6.08.

Figure 1. St. Petersburg hospital market for 3 months of 2015 – 3 months of 2016



Numerous shifts took place in the top ten INN and group names ranking in the St. Petersburg hospital market based on the results for three months of 2016 (table 1). The manufacturers ABBVIE (2.4-fold increase in purchases), BRISTOL MYERS (4.7-fold increase) and PHARMSTANDART (2.7-fold increase), coming in at numbers two, four and ten, respectively. The leader of the top ten changed. Due to two-fold increase in purchases, JOHNSON & JOHNSON moved up to rank number one from six. The manufacturers NOVARTIS (-0.5%) and ASTRAZENECA (-36%), which moved up to ranks three and six respectively, managed to rise in the ranks despite their negative growth rates. BAYER (-44%) held its previous rank seven, whereas MERCK SHARP DOHME (-50%), SANOFI-AVENTIS (-73%) and PFIZER (-63%) showed stronger reduction in purchases and moved down to ranks five, eight and nine. However, the total share accumulated by the top 10 manufacturers increased by almost 11 p.p. and escalated to 43.6%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	6	**JOHNSON & JOHNSON**	10.6	3.4
2	11	**ABBVIE**	8.0	2.3
3	9	**NOVARTIS**	4.3	3.0
4	30	**BRISTOL MYERS SQU**	4.3	0.6
5	4	**MERCK SHARP DOHME**	3.3	4.5
6	8	**ASTRAZENECA**	3.1	3.3
7	7	**BAYER HEALTHCARE**	2.7	3.4
8	1	**SANOFI-AVENTIS**	2.7	6.9
9	3	**PFIZER**	2.6	4.8
10	36	PHARMSTANDART	2.1	0.5
Total			43.6	32.8

*AIPM members are in bold

The top ten brand names ranking in the hospital city market has been considerably updated: six brand names entered it for the first time (Table 2). KALETRA and RISPOLEPT CONSTA (20-fold growth in purchases) headed the ranking, SPRYCEL (21.5-fold growth), and TASIGNA (6.7-fold growth), PHOSPHOGLIV (21-fold growth) and KIVEXA (2.1-fold growth) moved up to ranks six, seven and nine. XEPLION (+13%) showing positive growth rates held its previous rank five. Reduction in purchases of brand names NATRIUM CHLORIDUM (-31%), SEROQUEL PROLONG (-2%) and ULTRAVIST (-29%) resulted in the loss of their positions - FPPs moved down to ranks four, eight and ten, respectively. The total share of the top 10 brands expanded from 6.9% to 25.8%.

Table 2. The top 10 brand names by hospital purchases

Rank		Brand	Share in total hospital purchases, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	32	KALETRA	6.3	0.2
2	37	RISPOLEPT CONSTA	4.2	0.1
3	38	SPRYCEL	3.3	0.1
4	2	NATRIUM CHLORIDUM	2.1	2.1
5	5	XEPLION	2.1	1.3
6	34	TASIGNA	1.8	0.2
7	40	PHOSPHOGLIV	1.6	0.1
8	7	SEROQUEL PROLONG	1.5	1.0
9	19	KIVEXA	1.4	0.5
10	4	ULTRAVIST	1.4	1.3
Total			25.8	6.9

Six newcomers broke into the ranks of the top 10 INN and group names ranking (table 3). The composition LOPINAVIR*RITONAVIR (20-fold growth in purchases), and INN RISPERIDONE (11.2-fold growth) and DASATINIB (21.5-fold growth) headed the ranking, displacing SODIUM (-30%) down one rank, to number four. The newcomers NILOTINIB (6.7-fold growth in purchases), GLYCYRRHIZIC ACID* PHOSPHOLIPIDS (21-fold growth) and ABACAVIR*LAMIVUDINE (2.1-fold growth) moved down to ranks six, seven and ten, respectively. In addition, PALIPERIDONE PALMITATE (+13%) moved up two ranks, and QUETIAPINE (-10%) moved up from rank nine to eight. Due to 63% reduction in purchases, ENOXAPARIN SODIUM moved down seven points, coming in at number nine. The total share of the top 10 has increased from 8.8% to 26.8%.

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

Rank		INNs/Group Names	Share in total hospital purchases, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	40	LOPINAVIR*RITONAVIR	6.3	0.2
2	34	RISPERIDONE	5.0	0.3
3	44	DASATINIB	3.3	0.1
4	3	SODIUM	2.2	2.1
5	7	PALIPERIDONE PALMITATE	2.1	1.3
6	42	NILOTINIB	1.8	0.2
7	46	GLYCYRRHIZIC ACID* PHOSPHOLIPIDS	1.6	0.1
8	9	QUETIAPINE	1.6	1.2
9	2	ENOXAPARIN SODIUM	1.5	2.9
10	24	ABACAVIR*LAMIVUDINE	1.4	0.5
Total			26.8	8.8

The leader of the top ten ATC groups didn't change - despite 45% reduction in purchases the group L01 Antineoplastic agents as before held its rank number one (Table 4). N05 Psycholeptics (+54%) moved up to rank two from three, and one of the newcomers of the top ten J05 Antivirals for systemic use increased its purchases 3 times and moved up to rank three. One more newcomer of the top ten, N03 Antiepileptics (2.3-fold increase) moved up to rank eight. The groups B05 Plasma substitutes and perfusion solutions (-36%) and N01 Anaesthetics (-24%) held their own in the ranking, being placed at ranks six and nine. The other four of the top 10 manufacturers changed their positions. J01 Antibacterials for systemic use (-55%), V08 Contrast media (-41%), B01 Antithrombotic agents and G03 Sex hormones (-40% each) moved down to ranks four, five, seven ad ten, respectively. The total share of the top 10 ATC groups increased from 63.8% to 71.7%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	1	L01	ANTINEOPLASTIC AGENTS	17.1	21.4
2	3	N05	PSYCHOLEPTICS	13.4	6.0
3	14	J05	ANTIVIRALS FOR SYSTEMIC USE	10.5	2.4
4	2	J01	ANTIBACTERIALS FOR SYST USE	6.7	10.3
5	4	V08	CONTRAST MEDIA	4.9	5.7
6	6	B05	B05 - PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	4.9	5.3
7	5	B01	ANTITHROMBOTIC AGENTS	4.8	5.5
8	22	N03	ANTIEPILEPTICS	3.5	1.0
9	9	N01	ANESTHETICS	3.2	2.9
10	7	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	2.8	3.2
Total				71.7	63.8

Conclusion. At the end of three months of 2016, the St. Petersburg hospital market reduced by 42% in rouble terms and by 31% in dollar terms and brought in RUB 1.202 bil. (USD 16.349 mil.). In pack terms, the market showed significant negative growth rates (-38%) and achieved 2.846 mil. packs. In the first quarter of 2016, the average cost of a FPP pack on the city hospital sector was lower than that in the year-earlier period (USD 5.74 vs. USD 6.08).