REMEDIUM
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AIPM
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей
A Joint Publication of the Association of International Pharmaceutical Manufacturers in Russia and Group of Companies Remedium

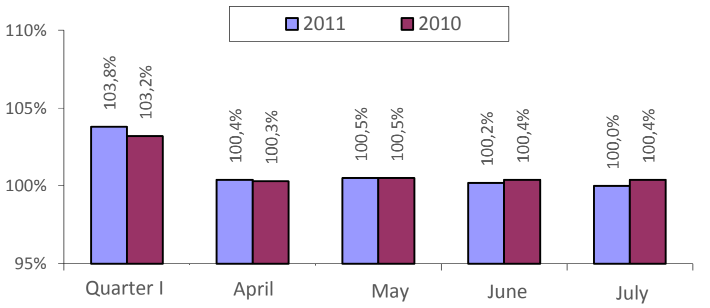
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in July 2011 the Consumer Price Index was estimated as 100.0%. For the period from start of the year, it escalated to 105.0% (in January-July 2010 – 104.8%).

In July, Industrial Producer Price Index was 99.0%, whereas in the month-earlier period it had accounted for 97.7%. For the period from start of the year, it escalated to 106.6% (in January-July 2010 – 106.2%).

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



Source: Rosstat

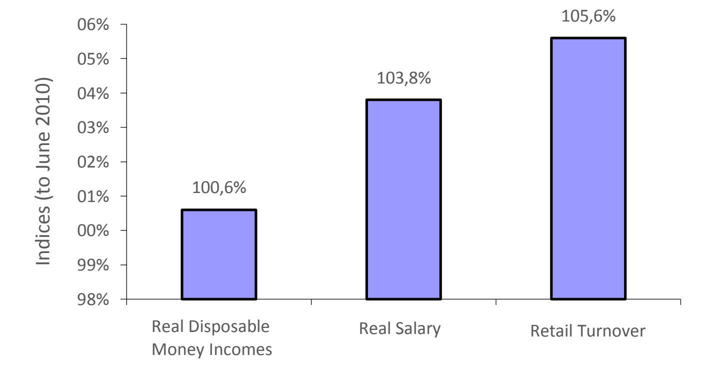
Living standard

According to preliminary Federal State Statistics Service's data, in July 2011 a gross monthly average salary per worker reached RUR 23,895 (USD 863.26) which accounts for 113.2% compared to July 2010. The real salary in July 2011 accounted for 103.8% as compared with the same period in 2010. In July 2011, the real value of cash incomes accounted for 100.6% as compared with the same period of 2010 (Fig. 2).

Retail turnover

In July 2011 the retail turnover was equal to RUR 1588.3 bln, which in stock accounts for 105.6% as compared to the same period a year ago (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in July 2011



Source: Rosstat

Manufacture of industrial products

According to Federal State Statistics Service's data, in July 2011 Industrial Production Index accounted for 105.2% compared to the same period in 2010, and 100.4% to the previous month. In January-July 2011, the Index was equal to 105.3% (in the year-earlier period – 109.6%).

Domestic production

According to Ministry of Industry and Trade's data, in January – July 2011 Pharmaceutical Production Index accounted for 94.3% compared to January - July in 2010. In July 2011 it accounted for 80.4% compared to July 2010 and 78.3% compared to June 2011.

Production volume of pharmaceutical products for the period of January – July 2011 amounted to RUR 71.7 bln.

The Top-10 largest domestic manufacturers by production volume at June-end 2011 are summarized in Table 1. The total production volume by Top-ten manufacturers was estimated as USD 157.9 mln.

Table 1. Top-ten chemical and pharmaceutical manufacturers by production volume in July 2011

Rating position	Manufacturer	Production volume, $mln.
1	Pharmstandart	35,1
2	STADA	23,6
3	Microgen	21,4
4	Pharm-Center	18,8
5	Valenta	15,3
6	Akrihin	11,7
7	Gedeon-Richter-Rus	10,0
8	Biosintez	8,0
9	KPKA-Rus	7,3
10	Polisan	6,7

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In June 2011, the reduction in retail sales was observed in the most analyzed regions, the positive growth was only reported in Moscow (+3%) and in Krasnodarsky Krai (+0.3%). The most pronounced reduction in retail sales was registered in Novosibirskaya Oblast and Rostovskaya Oblast (-9% each).

Table 2. Pharmacy sales in the regions, 2011

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	April 2011	May 2011	June 2011	April/ March 2011	May/ April 2011	June/ May 2011
Moscow city	166,1	146,4	149,9	-3%	-10%	2%
St. Petersburg city	43,1	39,6	38,4	-8%	-6%	-3%
Krasnodarsky Kray	27,8	28,9	29,0	-1%	6%	0,3%
Novosibirskaya Oblast	21,3	21,0	19,2	0,1%	1%	-9%
Republic of Tatarstan	25,2	23,2	21,3	9%	-6%	-8%
Krasnoyarsky Kray	15,5	14,6	13,6	-11%	-3%	-7%
Rostovskaya Oblast	19,7	19,3	17,5	-13%	0%	-9%
Voronezhskaya Oblast	16,3	14,9	14,7	-7%	-7%	-1%
Perm city	6,6	5,7	5,5	-47%	-11%	-5%
Tyumen city	6,6	6,6	6,2	4%	2%	-6%

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 July 2011

Rating position	Company*	Quantity of broadcasts
1	Novartis	6 100
2	Berlin-Chemie Menarini Group	4 734
3	Reckitt Benckiser	2 315
4	Sanofi Aventis	2 125
5	Sanofi Aventis	1 919

Source – TNS Gallup AdFact

Table 4. Top-five trade names in mass media in July 2011

Rating position	Trade name*	Quantity of broadcasts
1	Lamisil	1 727
2	Solpadein	1 476
3	Nurofen	1 451
4	No-Spa	1 318
5	Bepanthen	1 236

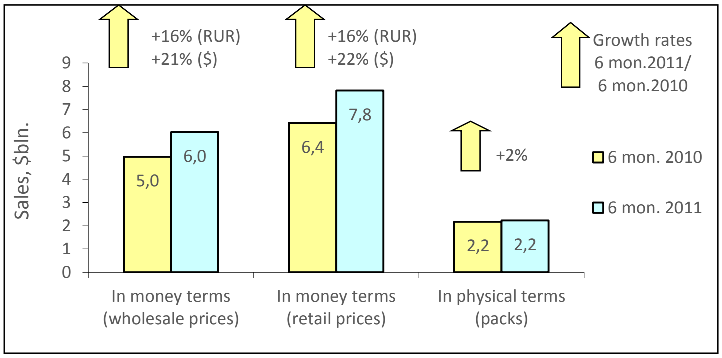
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered.

RUSSIAN PHARMACY OTC DRUG MARKET: 2011 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter (OTC) Drugs in Russian Federation™, the sales of over-the-counter drugs in physical terms increased by 2% to 2.230 bln packs over the period of first six months of 2011. In money terms, the Russian OTC drugs market (exclusive of Additional Pharmacological Support) saw 16% increase in terms of roubles and 21% increase in terms of dollars and reached RUR 172.568 bln (USD 6.027 bln) in wholesale prices (Fig.1). The average cost of an OTC pack grew as compared to the same period of the previous year (USD 2.94) and reached USD 3.51 in retail prices. The average Russian consumer spent USD 54.70 for over-the-counter drugs in the first half-year of 2011, whereas in the same period of 2010 - USD 44.93).

Figure 1. Russian pharmacy market for 6 months of 2010 – 6 months of 2011



On the basis of the results for six months of 2011, SANOFI-AVENTIS (+14%[1]) and Russian PHARMSTANDART (+23%) continue to remain the leaders of the regional market (Table 1). Due to 17% sales growth, BAYER moved up to the third position from the fifth one displacing SERVIER (+6%) down the row. Another three manufacturers developed their markets by outstripping rates: SANDOZ (+34%), NYCOMED (+21%) and NOVARTIS (+22%). The second manufacturer managed to retain its previous 7th position, whereas the former and the latter moved up to higher 5th and 9th positions. Note that NOVARTIS became the only newcomer of Top-10 rating. The growth of pharmacy sales of MENARINI (+5%), GEDEON RICHTER (+12%) and ABBOTT (+10%) lagged behind the market average which resulted in the reduction of their market shares and in some cases to the loss of rating positions. The cumulative share of Top-10 manufacturers didn't change and accounted for 38%.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	**SANOFI-AVENTIS**	5,7	5,8
2	2	PHARMSTANDART	5,0	4,8
3	5	**BAYER HEALTHCARE**	3,9	3,8
4	3	**SERVIER**	3,8	4,2
5	8	**SANDOZ GROUP**	3,6	3,1
6	4	**MENARINI**	3,6	4,0
7	7	**NYCOMED**	3,5	3,3
8	6	**GEDEON RICHTER**	3,3	3,4
9	11	**NOVARTIS**	2,8	2,7
10	9	**ABBOTT**	2,7	2,9
Total			38,0	38,0

*AIPM members are in bold

The first six trade names in the Top-10 trade names rating in the Russian market remained intact (table 2). But only the leader's market – antiviral ARBIDOL – developed at a fast pace (+33%), which allowed it to strengthen its positions. On the whole, the growth rates of ESSENTIALE N (+5%), ACTOVEGIN (+11%), VIAGRA and LINEX (+13% each), as well as CONCOR (+11%) lagged behind the market growth rates, however it didn't prevent the trade names from maintaining their positions in the rating. ALFLUTOP (+19%) kept its eighth position. The other three positions in the rating were taken by the newcomers of Top-10. The most dynamic trade name in the Top-10 LASOLVAN (+67%) moved up from 23rd to 7th position, MEXIDOL (+20%) – from 14th to 9th position and OCILLOCOCCINUM (+13%) – from 11th to 10th position.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	1,5	1,4
2	2	ESSENTIALE N	1,1	1,2
3	3	ACTOVEGIN	0,9	0,9
4	4	VIAGRA	0,8	0,8
5	5	LINEX	0,7	0,7
6	6	CONCOR	0,6	0,6
7	23	LASOLVAN	0,6	0,4
8	8	ALFLUTOP	0,6	0,6
9	14	MEXIDOL	0,5	0,5
10	11	OCILLOCOCCINUM	0,5	0,5
Total			7,8	7,6

Most names of the Top-ten INN and Generic Names Rating managed to keep their previous positions (table 3). They were the leaders of Top-ten RBIDOL (+33%) and PHOSPHOLIPIDS (+8%), as well as BLOOD (+7%), BISOPROLOL (+18%), SILDENAFIL (+13%) and KETOPROFEN (+15%) placed on 5th, 6th, 8th and 10th positions, respectively. Two INNs, XYLOMETAZOLINE (+26%) and PANCREATIN (+9%), switched positions - the more dynamic XYLOMETAZOLINE moved up from 4th to 3rd position displacing PANCREATIN down the row. Apart from that, two newcomers entered the Top-10 rating: AMBROXOL (+51%) and NIMESULIDE (+13%) which occupied 7th and 9th positions.

Table 3. The Top-Ten INN and Generic Names by pharmacy sales

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	1,5	1,4
2	2	PHOSPHOLIPIDS	1,2	1,2
3	4	XYLOMETAZOLINE	1,1	1,0
4	3	PANCREATIN	1,1	1,2
5	5	BLOOD	1,0	1,0
6	6	BISOPROLOL	0,9	0,9
7	14	AMBROXOL	0,9	0,7
8	8	SILDENAFIL	0,8	0,8
9	13	NIMESULIDE	0,8	0,7
10	10	KETOPROFEN	0,8	0,8
Total			10,2	9,9

The Top-ten ATC group rating (table 4) showed high stability: only two shifts occurred whereas the other ATC groups maintained their previous positions unchanged. M01 Anti-inflammatory and antirheumatic products (+19%) moved up the row to the second position from the third one, whereas J01 Antibacterials for systemic use (+17%) which used to take it earlier moved down to 3rd position. The most dynamic group of Top -10 R05 Cough and cold preparations (+49%) moved up to the fourth position from the seventh one. At the same time, it forced down the row three ATC groups of Top-10 (C09, preparations of unidentified pharmaceutical groups and A11). N02 Analgesics (+15%) continue to remain the best selling group in the Russian market, its market share accounts for 5% of the sales. The total share of Top-10 ATC groups increased by 0.5 p.p. and accounted for 38.4%.

Table 4. The Top-ten ATC Groups by pharmacy sales

Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	1	N02	ANALGESICS	5,0	5,1
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,5	4,4
3	2	J01	ANTIBACTERIALS FOR SYST USE	4,5	4,5
4	7	R05	COUGH AND COLD PREPARATIONS	4,4	3,5
5	4	C09	AG ACT RENIN-ANGIOTENS SYST	3,6	3,8
6	5		UNIDENTIFIED	3,5	3,7
7	6	A11	VITAMINS	3,5	3,6
8	8	R01	NASAL PREPARATIONS	3,4	3,3
9	9	G03	SEX HORM&MODULAT GENITAL SYS	3,3	3,3
10	10	N06	PSYCHOANALEPTICS	2,8	2,9
Total				38,4	37,9

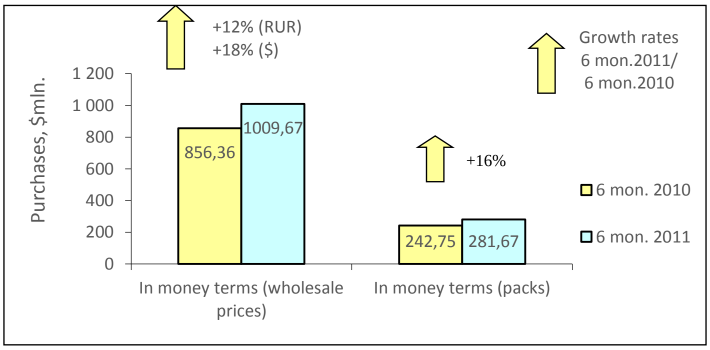
Conclusion. On the basis of the results of the first half of 2011, the retail OTC drugs market of Russia brought in RUR 223.810 bln (USD 7.817 bln). The market saw a 16% increase in terms of roubles and 22% in terms of dollars. The country market in physical terms also showed positive, but less pronounced growth rates (+2%) and reached 2.230 bln packs. The average cost of a pack at the end of six months was notably more than the same indicator in the past year (USD 3.51 vs. USD 2.94). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 54.70 vs. USD 44.93).

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

RUSSIAN FEDERATION HOSPITAL MARKET: 2011 FIRST 6 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russian Federation™, in the first half of 2011, the hospital market in physical terms increased by sixteen percent and amounted to 281.672 million packs. In January-June 2011, the hospital market in money terms brought in RUR 28.763 bln (USD 1.010 bln) in wholesale prices. As compared to the same period of 2010, the market saw 12% increase in terms of roubles, and 18% in terms of dollars. The average cost of a pack was USD 3.58, whereas in the same period of last year – USD 3.53. The share of Moscow and St. Petersburg hospitals in the total hospital market in value terms accounted for 25.3% and 5.8% and in physical terms – 12.8% and 4.2% respectively.

Figure 1. Russian hospital market for 6 months of 2010 – 6 months of 2011



On the basis of the results for the first six months of the current year, almost10% of hospital market was occupied by drugs of unidentified manufacturers (Table 1). SANOFI-AVENTIS (+9%) continues to remain the leader of this market segment, despite the reduction of its market's share due to growth rates lagging. MERCK SHARP DOHME, which used to take the third position, reduced its hospital purchases by 13% and moved down two positions allowing NYCOMED (+18%) and ASTRAZENECA (+6%) to move up. Russian BIOTEK (+10%) also occupied the lower position in the Top-10, which moved down from the ninth to the bottom position in the rating. One more Russian manufacturer PHARM-CENTER (+19%), on the contrary, improved its position and occupied 7th position. The remaining three positions of Top-10 rating were taken up by the newcomers PFIZER (+44%), TEVA (+58%) and GLAXOSMITHKLINE (+27%).

Table 1. The Top-ten manufacturers by hospital purchases

Rating position		Manufacturer*	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	Unidentified manuf.	9,7	7,8
2	2	**SANOFI-AVENTIS**	7,0	7,2
3	4	**NYCOMED**	4,2	4,0
4	5	**ASTRAZENECA**	3,7	3,9
5	3	**MERCK SHARP DOHME**	3,1	4,0
6	13	**PFIZER**	2,6	2,0
7	10	PHARM-CENTER	2,3	2,1
8	22	**TEVA**	2,2	1,5
9	14	**GLAXOSMITHKLINE**	2,2	1,9
10	9	BIOTEK	2,1	2,1
Total			38,9	36,5

*AIPM members are in bold

Some newcomers entered the Ten-top trade names rating as well (table 2). There were two of them: the blood-thinner FRAXIPARINE (+90%) and anticancer preparation TAXOTERE (+41%) which moved up from 22nd to 9th and from 17th to 10th positions respectively. The other three trade names took yet higher rating positions: HEPARIN (+97%), GLUCOSE (+23%) and CEFOTAXIM (+17%) which moved up to 2nd, 3rd and 8th positions respectively. At the same time, they forced down the row the less dynamic trade names MERONEM (+7%), CLEXAN (+4%) and TIENAM (+14%). NATRIUM CHLORIDUM continues to remain the leader of the rating. Due to 36% growth in purchases, it considerably reinforced its position by accumulating 5% of the hospital market. The total share of the Top 10 has notably increased as well and reached 16.7%.

Table 2. The Top-ten trade names by hospital purchases

Rating position		Trade name	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	NATRIUM CHLORIDUM	4,8	3,9
2	8	HEPARIN	1,8	1,0
3	4	GLUCOSE	1,7	1,5
4	2	MERONEM	1,7	1,8
5	3	CLEXAN	1,6	1,7
6	5	ACTOVEGIN	1,3	1,2
7	6	TIENAM	1,1	1,2
8	9	CEFOTAXIM	1,0	1,0
9	22	FRAXIPARINE	0,9	0,5
10	17	TAXOTERE	0,9	0,7
Total			16,7	14,6

The top three names in the leading INN and generic names rating remained unchanged (table 3). INNs SODIUM (+36%), CEFTRIAXONE (-12%) and MEROPENEM (+15%) maintained and, apart from the second one, strengthened their positions. The fourth position was occupied by one of three newcomers of the Top-10 rating HEPARIN (+96%). Another two newcomers, IMMUNOGLOBULIN BASE (+43%) and OXALIPLATIN (+59%), occupied the bottom positions of the rating. Apart from them, the higher rating position was occupied by one INN GLUCOSE (+24%), which moved up from 6th to 5th position. The remaining three INNs from the Top-10, on the contrary, moved down to the lower positions.

Table 3. The Top-ten INN and Generic Names by hospital purchases

Rating position		INN/Generic Names	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	SODIUM	4,8	3,9
2	2	CEFTRIAXONE	2,4	3,1
3	3	MEROPENEM	2,2	2,1
4	13	HEPARIN	1,8	1,0
5	6	GLUCOSE	1,8	1,6
6	4	ENOXAPARIN SODIUM	1,7	1,7
7	5	CEFOTAXIME	1,5	1,6
8	7	BLOOD	1,4	1,3
9	11	IMMUNOGLOBULIN BASE	1,4	1,1
10	15	OXALIPLATIN	1,3	0,9
Total			20,3	18,3

The top half of Top-10 ATC Groups rating in the hospital market remained unchanged – as before groups J01, B05, L01, B01 and N01 occupy from 1st through 5th positions (Table 4). It should be noted that all of them, apart from the former, showed the outstripping growth rates and expanded their market shares. The purchases growth of the leader accounted for 5%, which resulted in the reduction of its market share to 19.2%. One newcomer appeared in the bottom part of the Top-10 rating – the bottom position was occupied by J06 Immune sera and immunoglobulin (+48%). Apart from that, one more shift occurred - the more dynamic group B02 Antihemorrhagics (+38%) moved up from 9th to 6th position by forcing Groups N05, V08 and L03 down the row. The total share of Top-ten ATC groups as well as the one in the previous ratings increased in this case by almost 3 p.p. and achieved 62.0%.

Table 4. The Top-ten ATC groups by hospital purchases

Rating position		ATC code	ATC Group	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	19,2	20,8
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	12,1	10,8
3	3	L01	ANTINEOPLASTIC AGENTS	8,0	6,8
4	4	B01	ANTITHROMBOTIC AGENTS	7,2	5,3
5	5	N01	ANESTHETICS	3,4	3,3
6	9	B02	ANTIHEMORRHAGICS	2,8	2,2
7	6	N05	PSYCHOLEPTICS	2,5	3,0
8	7	V08	CONTRAST MEDIA	2,4	2,6
9	8	L03	L03 IMMUNOSTIMULANTS	2,4	2,5
10	15	J06	IMMUNE SERA & IMMUNOGLOBULIN	2,2	1,6
Total				62,0	59,1

Conclusion. According to the results of 6 months of 2011, the Russian hospital market saw a 16% increase in physical terms to 281.672 mln packs. In money terms, the hospital purchases growth was positive as well (+12% in terms of roubles and +18% in terms of dollars) and market volume reached RUR 28.763 bln (USD 1.010 mln). Compared to the retail market, in physical terms the hospital sector growth rates were notably higher (+2% in retail market), whereas in money terms they almost equal. In 2011, the average cost of a pack in the hospital sector was virtually the same as in the year-earlier period (USD 3.58 vs. USD 3.53). As the analyzed ratings show, the hospital market continues to experience noticeable structural changes; the hospital market concentration continues to grow.

ADDITIONAL PHARMACOLOGICAL SUPPORT IN RF: 2011 FIRST 6 MONTHS RESULTS

According to APS data in RF™, on the basis of the results of six months of 2011, the OTC drugs supplies under the Federal Essential Medicines Procurement Program amounted to RUR 52.959 bln (USD 1.845 bln) in contractual prices[2]. The growth gain as compared with the same period of last year accounted for 3% in terms of roubles, and 7% in terms of dollars. Drugs supplies in physical terms also increased (+15%) and amounted to 54.425 mln packs. On the average, the cost of OTC pack within the scope of the Program was USD 33.89 in contractual prices (in the first half of 2010 - USD 32.80).

On the basis of the results of three months of 2011, three newcomers entered the rating of Top-10 manufacturers participating in the Federal Essential Medicines Procurement Program (Table 1). They were BAXTER (2.3-fold growth of purchases), MERCK SHARP DOHME (+17%) and LEKKO (+72%). Apart from them, another three manufacturers showed a rating progress. ROCHE (+6%) and SANOFI-AVENTIS (+7%) moved up the row, by virtue of which the former topped the rating, and the latter occupied 6th position. ASTRAZENECA (+18%) moved up two rows, to 7th position. It should be noted that three manufacturers of Top-10 showed the negative growth rates. They were the leader of past year NOVARTIS (-6%), JOHNSON & JOHNSON (-16%) and NOVO NORDISK (-32%). At the same time, the former and the latter occupied the lower positions, whereas the second one, as before, continues to maintain 3rd position. TEVA (+11%) also maintained its original position.

Table 1. The Top-ten manufacturers for APS

Rating position		Manufacturer*	Share in total APS, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	2	**ROCHE**	13,5	13,2
2	1	**NOVARTIS**	12,4	13,5
3	3	**JOHNSON & JOHNSON**	9,4	11,4
4	4	**TEVA**	6,7	6,2
5	11	**BAXTER INT**	5,0	2,2
6	7	**SANOFI-AVENTIS**	3,9	3,7
7	9	**ASTRAZENECA**	3,2	2,8
8	6	**NOVO NORDISK**	3,1	4,6
9	12	**MERCK SHARP DOHME**	2,3	2,0
10	18	LEKKO	2,2	1,3
Total			61,6	60,9

*AIPM members are in bold

The leader of Top-10 trade names rating changed – following the results of six months of 2011, the antineoplastic drug GLIVEC (+11%) occupied the first position (table 2). The last year leader VELCADE, which purchases reduced by 12%, moved down to the second position. MABTHERA (+13%), COPAXONE TEVA (+6%) and PULMOZYME (+11%) retained their third, fourth and tenth positions in the rating. The newcomers occupied 5th through 8th positions, as well as the bottom position in the rating. They were the blood-clotting agents HEMOFIL M and COAGIL-VII, the interferon preparations GENFAXON and RONBETAL, as well as insulin preparation LANTUS SOLOSTAR. All these preparations considerably increased their purchases – from 1.7 to 13 times, and essentially expanded their market shares. Thanks largely to this, the total share accumulated by the Top-10 trade names increased almost 8 p.p. and escalated to 40.0%.

Table 2. The Top-ten trade names for APS

Rating position		Trade name	Share in total APS, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	2	GLIVEC	8,4	7,8
2	1	VELCADE	7,6	8,8
3	3	MABTHERA	7,2	6,6
4	4	COPAXONE TEVA	5,3	5,1
5	57	HEMOFIL M	2,9	0,3
6	11	COAGIL-VII	2,2	1,3
7	N/A	GENFAXON	1,7	N/A
8	115	LANTUS SOLOSTAR	1,6	0,1
9	9	PULMOZYME	1,6	1,5
10	27	RONBETAL	1,5	0,8
Total			40,0	32,3

Despite the considerable updating of the previous rating, only one newcomer entered the Top-ten INN and generic names rating (table 3). It was OCTOCOG ALFA (+12%) which moved up from 11th to 10th position. Apart from the newcomer, the other two INNs took yet higher positions. They were the leader of Top-10 IMATINIB (+11%) and INSULIN GLARGINE (+15%) which moved up from 9th to 8th position. At the same time, two INNs (BORTEZOMIB and EPTACOG ALFA (ACTIVATED)) moved down the row and occupied 2nd and 9th positions respectively. Five manufacturers of the rating managed to maintain their earlier positions.

[2] From 2008, APS data constitute the data about supplies in contractual prices, at which the government shall reimburse moneys to the distributor.

Table 3. Top-ten INN and generic names for APS

Rating position		INN/Generic Names	Share in total APS, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	2	IMATINIB	8,4	7,8
2	1	BORTEZOMIB	7,6	8,8
3	3	FACTOR VIII	7,4	7,2
4	4	RITUXIMAB	7,2	6,6
5	5	GLATIRAMER ACETATE	5,3	5,1
6	6	INTERFERON BETA-1A	4,1	3,5
7	7	INTERFERON BETA-1B	2,6	3,1
8	9	INSULIN GLARGINE	2,2	2,0
9	8	EPTACOG ALFA (ACTIVATED)	2,2	2,3
10	11	OCTOCOG ALFA	1,9	1,7
Total			48,9	48,0

Only three positions were changed in the Top-ten ATC Group rating in the APS segment (table 4). Due to 17% growth of purchases, Group R03 Drugs for obstructive airways diseases moved up the row, to 5th position, displacing the less dynamic L04 Immunosuppressant (+5%) down the row. Apart from that, the ninth position in the rating was occupied by the only newcomer – Group A16 Other alimentary tract and metabolism products (+50%). As before, L01 Antineoplastic agents (+2%), L03 Immunostimulants (+5%) and B02 Antihemorrhagics (+2%) remain the most in-demand groups in the APS program. As well as in the two previous ratings, the total share of Top-ten ATC groups increased and reached 81.2%.

Table 4. The Top-ten ATC groups for APS

Rating position		ATC code	ATC Group	Share in total APS, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	1	L01	ANTINEOPLASTIC AGENTS	28,7	28,9
2	2	L03	IMMUNOSTIMULANTS	12,8	12,5
3	3	B02	ANTIHEMORRHAGICS	12,0	12,1
4	4	A10	DRUGS USED IN DIABETES	9,2	9,5
5	6	R03	DRUG FOR OBSTRUCT AIRWAY DIS	4,3	3,8
6	5	L04	IMMUNOSUPPRESSANTS	4,2	4,1
7	7	B03	ANTIANEMIC PREPARATIONS	2,8	3,1
8	8	L02	ENDOCRINE THERAPY	2,8	2,7
9	13	A16	OTH ALIMENT TRACT&METAB PROD	2,1	1,5
10	10	C09	AG ACT RENIN-ANGIOTENS SYST	2,1	2,0
Total				81,2	80,1

Supply data on Top-ten regions of Russia under APS Program are shown in Table 5. As before, Moscow city which market share accounts for 14.5% of the segment topped the rating by a wide margin. Moscovskaya Oblast (6.0%) and St. Petersburg (4.3%) maintain their second and third positions. The considerable growth in purchases under APS Program was observed in the South FO, which moved up to 4th position based on the half-year results. The total share of Top-10 regions by supplies under APS Program increased 2.4 p.p. as compared to the same period in 2010 and accounted for 44.5%.

Table 5. The Top-ten regions by sales for APS

Rating position		Region	Share in total APS, %	
6 mon 2011	6 mon 2011		6 mon 2011	6 мес. 2010г.
1	1	Moscow city	14,5	14,6
2	2	Moscovskaya oblast	6,0	5,4
3	3	St. Petersburg city	4,3	3,1
4	9	Rest of South FO	3,3	2,7
5	4	Rest of North-West FO	3,1	3,0
6	5	Sverdlovskaya oblast	3,0	3,0
7	7	Krasnodarsky kray	2,8	2,8
8	8	Republic of Tatarstan	2,7	2,8
9	10	Republic of Bashkortostan	2,4	2,6
10	13	Rest of Privolzhski FO	2,3	2,3
Total			44,5	42,2

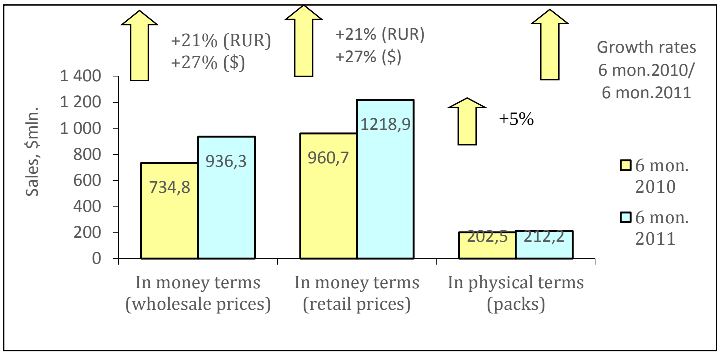
Conclusion. On the basis of the results of the first six months of 2011, the APS segment brought in RUR 52.959 bln (USD 1.845 bln) and as compared to the same period of last year it increased 3% in terms of roubles and 7% in terms of dollars. In physical terms, the supplies saw a +4% increase to 54.425 mn packs. It should be noted that as compared with the first quarter, the segment performance has considerably declined. The average cost of OTC pack participating in APS Program (USD 33.89) grew as compared to the figures of the past year (USD 32.80). It should be noted that considerable structural changes occurred in the analyzed ratings, which resulted in the change of leaders in three ratings. The rather stable Top-10 ATS Groups Rating became the exception; however, even it housed a newcomer.

MOSCOW PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 Moscow's estimated population was 11.468 mln, which accounts for 8% of the total Russian Federation population and 30% of Central FO (CFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the capital was RUR 41,430.4 (USD 1,456.25), which is 86% more than the average salary in Russia (RUR 22,277.2).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2011 the metropolitan pharmacy market volume increased in physical terms by 5% and amounted to 212.160 million packs (Fig. 1) In wholesale prices the market increased by 21% in terms of roubles and by 27% in terms of dollars and reached 26.794 billion roubles (USD 936.317 million). The metropolitan share in the total volume of all-Russia pharmacy market accounts for 15.6%. The average cost of OTC pack following the results of the analyzed period is USD 5.75 (in the same period of 2010 - USD 4.74). In the first half of the current year, the average expenses of Moscow residents for medicines were estimated as USD 105.52, whereas in the year-earlier period – USD 83.77.

Figure 1. Moscow pharmacy market for 6 months of 2010 – 6 months of 2011



On the basis of the results for the first half of 2011, SANOFI-AVENTIS (+20%) and PHARMSTANDART (+29%) continue to remain the leading manufacturers of the metropolitan market (Table 1). Due to outperformance, the Russian manufacturer expanded its market share and reinforced its positions. It should be noted that apart from it, markets of other 6 manufacturers developed at a fast pace as well, which allowed them to improve their rating positions. In this connection, BAYER (+34%), NOVARTIS (+29%) and TEVA (+32%) moved up the row. SANDOZ (+32%) moved up two rows. The newcomers of Top-10 rating, NYCOMED (+39%) and PFIZER (+35%), showed the more pronounced rating progress and occupied 8th and 10th positions respectively. 2 manufacturers with relatively low growth rates: SERVIER (+6%) and ABBOTT (+13%), moved down to 4th and 7th positions. The total share of the Top-10 manufacturers has increased from 37.8% to 39.1%.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	**SANOFI-AVENTIS**	6,4	6,4
2	2	PHARMSTANDART	4,7	4,4
3	4	**BAYER HEALTHCARE**	4,6	4,1
4	3	**SERVIER**	3,7	4,3
5	6	**NOVARTIS**	3,7	3,5
6	8	**SANDOZ GROUP**	3,5	3,2
7	5	**ABBOTT**	3,3	3,6
8	12	**NYCOMED**	3,2	2,8
9	10	**TEVA**	3,1	2,8
10	13	**PFIZER**	2,9	2,6
Total			39,1	37,8

*AIPM members are in bold

Two newcomers entered the rating of the Top-10 trade names (table 2). Due to considerable growth in sales, the drug for treating erectile dysfunction CIALIS (+63%) and antiviral drug AMIXIN (+53%) entered the Top-10 for the first time and occupied 7th and 10th positions respectively. Apart from them, only one trade name of the Top-10 rating moved up to higher position – homeopathic preparation OCILLOCOCCINUM (+41%) moved up to 5th position from 4th one displacing the trade name VIAGRA (+33%) down the row. ACTOVEGIN (+17%) also moved down the row. The other five trade names of the Top-10 rating managed to maintain their earlier positions. Among them there were the leaders of the Top-10: ARBIDOL (+41%), ESSENTIALE N (+9%) and LINEX (+10%). The total share of the Top-10, as well as in the previous rating, notably increased and achieved 8.3%.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	1,6	1,5
2	2	ESSENTIALE N	1,0	1,1
3	3	LINEX	0,9	0,9
4	5	OCILLOCOCCINUM	0,8	0,7
5	4	VIAGRA	0,8	0,8
6	6	DETRALEX	0,7	0,7
7	16	CIALIS	0,6	0,5
8	7	ACTOVEGIN	0,6	0,6
9	9	HEPTRAL	0,6	0,6
10	20	AMIXIN	0,6	0,4
Total			8,3	7,8

The leader of Top-10 INN and Generic Names Rating didn't change either – antiviral ARBIDOL (+41%) managed to hold and reinforce its position (table 3). The most dynamic INN of the Top-10 XYLOMETAZOLINE (+55%) moved up to 2nd position from 3rd one by displacing the less dynamic PHOSPHOLIPIDS (+11%), which used to take that position, to 3rd position. PANCREATIN (+9%) maintained its 4th position. Apart from the above mentioned XYLOMETAZOLINE, another 5 INNs from Top-10 showed a rating progress. Among them there were 2 newcomers: INN AZITHROMYCIN (+25%) and the combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+34%), which occupied 8th and 10th positions respectively. The total share of Top-ten INNs increased by 0.5 p.p. and achieved 9.8%.

Table 3. The Top-Ten INN and Generic Names by pharmacy sales

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	1,6	1,5
2	3	XYLOMETAZOLINE	1,5	1,1
3	2	PHOSPHOLIPIDS	1,1	1,2
4	4	PANCREATIN	1,0	1,1
5	9	ANAS BARBARIAE	0,8	0,7
6	8	SILDENAFIL	0,8	0,8
7	6	FLUCONAZOLE	0,8	0,8
8	11	AZITHROMYCIN	0,7	0,7
9	10	AMOXICILLIN + CLAVULANIC ACID	0,7	0,7
10	16	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,7	0,6
Total			9,8	9,3

The first five groups in Top-10 ATC groups rating didn't change (table 4). J01 Antibacterials for systemic use (+21%) continue to remain the best selling group in Moscow pharmacies. They are followed by N02 Analgesics (+25%), preparations from unidentified pharmaceutical groups, R01 Nasal preparations (+32%) and A11 Vitamins (+22%). On the contrary, considerable moves took place in the bottom part of Top-10 rating. 6th, 8th and 9th positions were occupied by the groups which entered the Top-10 rating for the first time. They were L03 Immunostimulants (+73%), J05 Antivirals for systemic use (+71%) and R05 Cough and cold preparations (+50%). At the same time, they displaced M01 Anti-inflammatory and antirheumatic products (+24%) to the bottom position in the rating. Note that one more group G03 Sex hormones (+30%) moved up three rows, from 10th to 7th position. The cumulative share of Top-ten increased by 3.1 p.p. and achieved 36.8%.

Table 4. The Top-ten ATC Groups by pharmacy sales

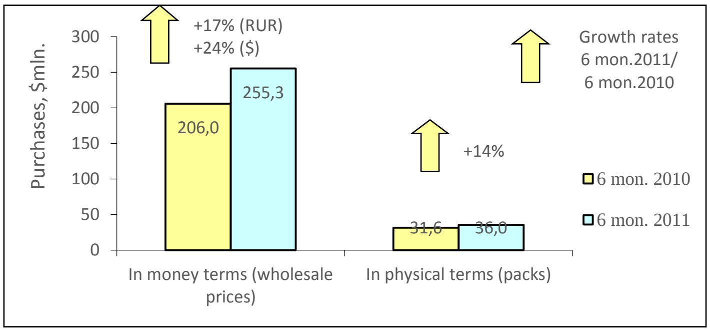
Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	4,3	4,4
2	2	N02	ANALGESICS	4,3	4,2
3	3		UNIDENTIFIED	3,9	4,1
4	4	R01	NASAL PREPARATIONS	3,9	3,6
5	5	A11	VITAMINS	3,5	3,5
6	15	L03	IMMUNOSTIMULANTS	3,5	2,5
7	10	G03	SEX HORM&MODULAT GENITAL SYS	3,4	3,2
8	17	J05	ANTIVIRALS FOR SYSTEMIC USE	3,3	2,4
9	12	R05	COUGH AND COLD PREPARATIONS	3,3	2,7
10	9	M01	ANTIINFLAM & ANTIRHEUM PROD	3,3	3,2
Total				36,8	33,7

Conclusion. The Moscow pharmacy market in the first six months to end June 2011 brought in RUR 34.884 bln (USD 1.219 mln) in final consumption prices, which is by 21% in terms of roubles and 27% in terms of dollars more than in the same period of 2010. In pack terms the market showed the positive growth rates as well (+5%). The average cost of an OTC pack (USD 5.75) and the average medicine expenses per capita (USD 105.52) increased as compared to last year (USD 4.74 and USD 83.77) and at the same time, considerably exceeded the analogous indicators in Russia (USD 3.51 and USD 54.70).

MOSCOW HOSPITAL MARKET: 2011 FIRST 6 MONTHS RESULTS

According to the results of the Audit of Hospital Purchases in Russian Federation™, in the first six months of 2011 the Moscow hospital market saw a 14% increase in physical terms to 35.956 mln packs. In money terms the hospital purchases increased by 17% in terms of roubles and by 24% in terms of dollars and reached RUR 7.261 bln (USD 255.292 mln) in wholesale prices. The average cost of a hospital drug increased as compared with the previous year and escalated to USD 7.10 (in 2010 - USD 6.53). The metropolitan market share accounted for 25.3% of the Russian hospital market in money terms.

Figure 1. Moscow hospital market for 6 months of 2010 – 6 months of 2011



In the first six months of 2011 the rating of the Ten-top manufacturers in Moscow hospital market suffered considerable changes (table 1). However, the preparations of unidentified pharmaceutical groups and SANOFI-AVENTIS (+43%) maintained their leading positions. The manufacturers which had improved their rating positions occupied the third through sixth positions. ASTRAZENECA (+17%) and NYCOMED (+53%) moved up the row, to the 3rd and 5th positions of the rating. PFIZER (+90%) moved up to 4th position from 9th one. The only newcomer of Top-10 TEVA which purchases increased 4 times took up the sixth position of the rating. Four companies, which used to maintain the higher positions, on the contrary, moved down to the bottom part of the rating. On top of that, two of them (ROCHE and MERCK SHARP DOHME) showed the reduction in hospital purchases, whereas the markets of two other (BAXTER and NOVARTIS) developed at a fast pace, which resulted in the expansion of their market shares. The total share of the Top-10, which achieved 52.7%, also considerably increased by 7 p.p.

Table 1. The Top-ten manufacturers by hospital purchases

Rating position		Manufacturer*	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	Unidentified manuf.	10,7	9,8
2	2	**SANOFI-AVENTIS**	8,0	6,5
3	4	**ASTRAZENECA**	5,1	5,1
4	9	**PFIZER**	4,8	3,0
5	6	**NYCOMED**	4,7	3,6
6	22	**TEVA**	4,7	1,4
7	5	**ROCHE**	3,9	4,6
8	7	**BAXTER INT**	3,8	3,2
9	3	**MERCK SHARP DOHME**	3,7	5,4
10	8	**NOVARTIS**	3,5	3,0
Total			52,7	45,6

*AIPM members are in bold

Only four trade names of hospital preparations from the rating of first half of 2010 have been included into Top-10 on the basis of the results of six months of 2011 (Table 2). They were NATRIUM CHLORIDUM (+41%) which maintained 2nd position, as well as MERONEM (+19%), TAVANIC (+6%) and TAXOTERE (2-fold increase in purchases). At the same time, the first two mentioned above trade names occupied the lower positions, whereas TAXOTERE moved up two rows, from 8th to 6th position. The other six positions in the rating were occupied by the newcomers of Top-10. They were the immunomodifier COPAXONE TEVA, the blood-clotting agent FEIBA, antibacterial preparation ZYVOX, anticancer drug ELOXATIN, the immunosuppressant XOLAIR and the blood-thinner HEPARIN. Due to growth of purchases by several times, these preparations considerably improved their rating positions, and COPAXONE TEVA has become the leader to Top-10. The total share of Top-10 increased by almost 10 p.p. and reached 20.6%.

Table 2. The Top-ten trade names by hospital purchases

Rating position		Trade name	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	N/A	COPAXONE TEVA	3,1	N/A
2	2	NATRIUM CHLORIDUM	2,8	2,3
3	1	MERONEM	2,6	2,5
4	21	FEIBA	2,4	0,7
5	3	TAVANIC	2,1	2,3
6	8	TAXOTERE	1,9	1,0
7	22	ZYVOX	1,8	0,6
8	53	XOLAIR	1,4	0,3
9	61	ELOXATIN	1,3	0,3
10	18	HEPARIN	1,3	0,8
Total			20,6	10,9

The Top-10 INN and Generic Names Rating hasn't updated as much as the previous one – only four of its INNs entered the rating for the first time (table 3). GLATIRAMER ACETATE, FACTOR VIII INHIBITOR BYPASSING FRACTION, LINEZOLID and OMALIZUMAB became the newcomers and occupied the first, fifth, ninth and tenth positions respectively. Apart from them, another three INNs of Top-10 showed a rating progress. SODIUM shifted from 4th to 2nd position, IMMUNOGLOBULIN BASE - from 7th to 3rd position and DOCETAXEL moved upwards from 10th to 8th position. At the same time, three INNs (MEROPENEM, LEVOFLOXACIN and OXALIPLATIN), on the contrary, moved down to the lower positions. As in two previous ratings, the total share of the Top-10 INN and Generic Names considerably increased – from 14.9% to 23.5%.

Table 3. The Top-ten INN and Generic Names by hospital purchases

Rating position		INN/Generic Names	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	N/A	GLATIRAMER ACETATE	3,1	N/A
2	4	SODIUM	2,8	2,3
3	7	IMMUNOGLOBULIN BASE	2,7	1,8
4	1	MEROPENEM	2,7	2,7
5	30	FACTOR VIII INHIBITOR BYPASSING FRACTION	2,4	0,7
6	2	LEVOFLOXACIN	2,3	2,5
7	3	OXALIPLATIN	2,2	2,4
8	10	DOCETAXEL	2,1	1,5
9	32	LINEZOLID	1,8	0,6
10	70	OMALIZUMAB	1,4	0,3
Total			23,5	14,9

Top ten ATC groups rating suffered the least changes in contrast to the previous analyzed Top-10 ratings (table 4). The first three groups (J01, L01 and B05) maintained their earlier positions, though L01 Antineoplastic agents (-2%) placed on 2nd position showed the negative growth rates. The reduction in purchases was also shown by Group N01 Analgesics (-12%) which moved down from 5th position to 8th one. Group V08 Contrast media (+20%) which moved down from the eighth to the bottom position in the rating also occupied the lower position in the Top-10. The other ATC Groups of Top-10 occupied higher positions. There were five of them: B01 Antithrombotic agents (+55%), L03 Immunostimulants (3.2-fold increase in purchases), B02 Antihemorrhagics (+94%), J06 Immune sera and immunoglobulin (+84%) and L04 Immunosuppressants (+67%). On top of that, two of them, L03 and L04, for the first time appeared in the rating. The cumulative share of the Top-10 increased from 62.1% to 67.9%.

Table 4. The Top-ten ATC groups by hospital purchases

Rating position		ATC code	ATC Group	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	17,1	18,4
2	2	L01	ANTINEOPLASTIC AGENTS	11,5	13,9
3	3	B05	BLOOD SUBSTITUTE & PERF SOLS	8,8	7,3
4	7	B01	ANTITHROMBOTIC AGENTS	5,8	4,4
5	13	L03	IMMUNOSTIMULANTS	5,1	1,8
6	9	B02	ANTIHEMORRHAGICS	5,0	3,0
7	10	J06	IMMUNE SERA & IMMUNOGLOBULIN	3,9	2,5
8	5	N01	ANESTHETICS	3,9	5,2
9	11	L04	IMMUNOSUPPRESSANTS	3,5	2,4
10	8	V08	CONTRAST MEDIA	3,3	3,2
Total				67,9	62,1

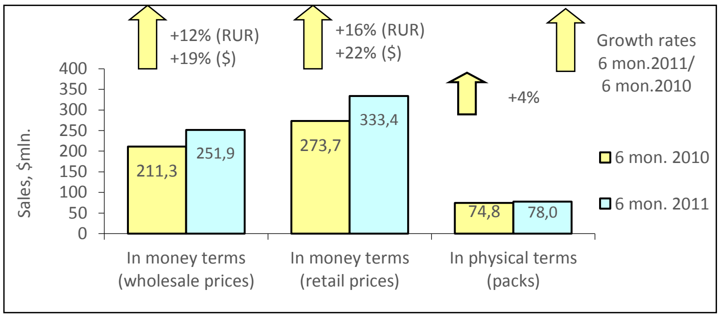
Conclusion. On the basis of the results of six months of 2011, the Moscow hospital market performance (in money terms) proved to be pronounced and positive (+17% in terms of roubles and +24% in terms of dollars). At the same time, the market volume amounted to RUR 7.261 bln (USD 255.292 mln). In pack terms the market grew by 14% and achieved 35.956 mln packs. The average cost of OTC pack in hospitals of Moscow increased as compared to the last year (USD 7.10 vs. USD 6.53) and continued to remain considerably higher than that on the average in Russia (USD 3.58). As the analyzed ratings show, the regional market experienced numerous structural changes through the notable increase in market concentration.

SAINT PETERSBURG PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 St. Petersburg's estimated population was 4.869 mln, which accounts for 3.4% of the total Russian Federation population and 36% of North West FO (NWFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the city was RUR 28,428.1 (USD 999.23), which is 20% more than the average salary in Russia (RUR 22,277.2).

According to the results of the Retail Audit of Over-the-Counter (OTC) Drugs in Russian Federation™, in the first six months of 2011 the volume of St. Petersburg pharmacy market in physical terms increased by 4% and made up 78.007 million packs. In money terms, St Petersburg market increased by 12% in rouble terms and 19% in dollar terms and made up 2.229 billion roubles (251.931 million dollars) in wholesale prices (exclusive of Additional Pharmacological Support). The city share in the total volume of Russian pharmacy market accounted for 4.3%. The average cost of a pack in the first half of 2011 was USD 4.27 (in the same period of 2010 - USD 3.66). St. Petersburg residents expenses for purchase of OTC drugs amounted to USD 68.49, whereas in a year earlier period – USD 56.66.

Figure 1. St. Petersburg pharmacy market in 6 months of 2010 – 6 months of 2011



Following the results of the first half of 2011, as before SANOFI-AVENTIS (+12%) occupies the top position in the St. Petersburg pharmacy market (Fig.1). Apart from it, the other two manufacturers of Top-10 rating MENARINI (+9%) and TEVA (+8%) managed to maintain their previous 8th and 9th positions respectively. The other manufacturers of Top-10 suffered the rating changes. On top of that, in three cases the manufacturers switched places. PHARMSTANDART (+19%), SANDOZ (+30%) and NOVARTIS (+21%) moved up the row and occupied 2nd, 4th and 6th positions respectively. At the same time, the less dynamic BAYER (+13%), SERVIER and ABBOTT (+7% each) moved down to the lower third, fifth and seventh positions. Its only newcomer GEDEON RICHTER (+11%) took up the tenth position in the Top-10 rating. The total share aggregated by the Ten-top pharmaceutical manufacturers remained virtually unchanged – 39.8%.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	**SANOFI-AVENTIS**	5,8	5,9
2	3	PHARMSTANDART	4,9	4,7
3	2	**BAYER HEALTHCARE**	4,7	4,7
4	5	**SANDOZ GROUP**	4,5	4,0
5	4	**SERVIER**	4,1	4,4
6	7	**NOVARTIS**	3,6	3,4
7	6	**ABBOTT**	3,3	3,5
8	8	**MENARINI**	3,1	3,2
9	9	**TEVA**	2,8	3,0
10	11	**GEDEON RICHTER**	2,7	2,8
Total			39,8	39,7

*AIPM members are in bold

As in the previous Top-10, three preparations of Top-10 trade names rating managed to maintain their earlier positions (table 2). They were the leader of Top-ten ARBIDOL (+27%), as well as LINEX (+11%) and ANAFERON (+19%) placed on 5th and 10th positions. Two trade names - OCILLOCOCCINUM (-3%) and HEPTRAL (+4%) -lost two rating positions each and moved down to 4th and 8th positions respectively. The other five trade names from the Top-10, on the contrary, moved up to the higher positions. ESSENTIALE N (+9%), VIAGRA (+16%) and PANANGIN (+17%) moved up the row, to 2nd, 3rd and 6th positions. Due to 30% increase in sales, THERAFLU placed on 7th position improved its rating by two positions. The antifungal agent FITOLAX which sales increased 3 times moved up to the ninth position from 96th one.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	1,8	1,6
2	3	ESSENTIALE N	1,1	1,1
3	4	VIAGRA	1,0	1,0
4	2	OCILLOCOCCINUM	1,0	1,2
5	5	LINEX	0,9	0,9
6	7	PANANGIN	0,7	0,7
7	9	THERAFLU	0,7	0,6
8	6	HEPTRAL	0,6	0,7
9	96	EXODERIL	0,6	0,2
10	10	ANAFERON	0,6	0,6
Total			9,0	8,6

One newcomers entered the Top INN and generic names rating as well - AZITHROMYCIN (+20%) moved up from 11th to 10th position (table 3). Three more INNs managed to improve their rating position: the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+29%), as well as INN SILDENAFIL (+16%) and KETOPROFEN (+20%) which moved up to the third, fifth and eighth positions respectively. At the same time, ANAS BARBARIAE (-3%) and PANCREATIN (+6%) lowered their ratings and took 6th and 7th positions respectively. ARBIDOL (+27%) and XYLOMETAZOLINE (+19%) retained their leading positions in the rating.

Table 3. The Top-Ten INN and Generic Names by pharmacy sales

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	1,8	1,6
2	2	XYLOMETAZOLINE	1,5	1,5
3	6	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,2	1,0
4	4	PHOSPHOLIPIDS	1,2	1,2
5	8	SILDENAFIL	1,0	1,0
6	3	ANAS BARBARIAE	1,0	1,2
7	5	PANCREATIN	1,0	1,1
8	10	KETOPROFEN	0,8	0,8
9	9	AMOXICILLIN + CLAVULANIC ACID	0,8	0,8
10	11	AZITHROMYCIN	0,8	0,8
Total			11,2	10,9

In spite of the fact that their market share reduced by 0.5 p.p., the preparations of unidentified pharmaceutical groups maintained the first position in the Top-10 ATC Groups Rating (Table 4). R05 Cough and cold preparations (+44%) moved up from the sixth position to the second one, whereas N02 Analgesics (+19%) which used to take that position earlier moved down the row. Groups R01, M01, G03 and C09 maintained the fourth, as well as the seventh through ninth positions respectively. The bottom position was occupied by the only newcomer of Top-10 – J05 Antivirals for systemic use (+53%). The cumulative share of the Top-ten groups expanded to 39.4%.

Table 4. The Top-ten ATC Groups by pharmacy sales

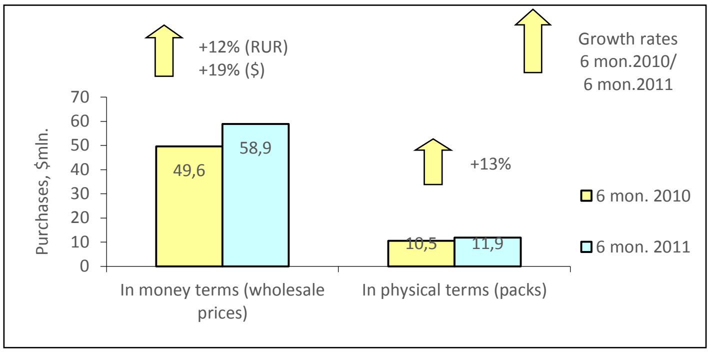
Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	1		UNIDENTIFIED	4,5	5,0
2	6	R05	COUGH AND COLD PREPARATIONS	4,5	3,6
3	2	N02	ANALGESICS	4,5	4,3
4	4	R01	NASAL PREPARATIONS	4,2	4,2
5	3	A11	VITAMINS	4,2	4,3
6	5	J01	ANTIBACTERIALS FOR SYST USE	4,1	4,1
7	7	M01	ANTIINFLAM & ANTIRHEUM PROD	3,7	3,6
8	8	G03	SEX HORM&MODULAT GENITAL SYS	3,4	3,4
9	9	C09	C09 AG ACT RENIN-ANGIOTENS SYST	3,2	3,4
10	16	J05	ANTIVIRALS FOR SYSTEMIC USE	3,1	2,3
Total				39,4	38,1

Conclusion. On the basis of the results of the first half of 2011, the pharmacy market of St. Petersburg brought in RUR 9.546 bln (USD 333.427 mln) in final consumer prices. The market performance was profoundly positive both in rouble terms (+16%) and in dollar terms (+22%). The growth gain was observed in physical terms as well (+4%). The average cost of a pack, USD 4.27, and the average sum spent by residents of the region for the purchase of OTC drugs (USD 68.49) were higher than the average indicators in Russia (USD 3.51 and USD 54.70).

SAINT PETERSBURG HOSPITAL MARKET: 2011 FIRST 6 MONTHS RESULTS

According to the results of the Hospital Purchase Audit in Russian Federation™, over the first sixth months of 2011 the Saint Petersburg hospital market increased by 13% in physical terms and made up 11.851 million packs (Fig. 1) In terms of money the market reached 1.675 million roubles (58.865 million dollars) in wholesale prices. As compared to the same period of 2010, the market performance was positive: +12% in terms of roubles and +19% in terms of dollars. The average cost of OTC drug purchased by hospitals of the city amounted to USD 4.97 (in 2010 - USD 4.71). The regional market share accounted for 5.8% of the Russian hospital market.

Figure 1. St. Petersburg hospital market in 6 months of 2010 – 6 months of 2011



The rating of the Top-ten manufacturers by hospital purchases in the region suffered significant changes (table 1). Its leader changed; based on the results of the first half of 2011, Top-10 was headed by MERCK SHARP DOHME (+23%). Two newcomers appeared in the Top-10 rating: B.BRAUN and BAXTER, which due to 3.5- and 3.8-fold growth in purchases respectively moved up from the third dozen and occupied 6th and 7th position. Apart from that, two shifts took place in the Top-10 rating. ASTRAZENECA reduced its purchases by 13% and moved down two rows, to 5th position allowing SANOFI-AVENTIS (+12%) and ABBOTT (+48%) to move up. In the bottom part of the rating, the more dynamic PFIZER (+41%) moved up the row, to 8th position. At the same time, NYCOMED (-12%) and GEDEON RICHTER (-1%) reduced their purchases and moved down to the bottom lines of Top-10. The total share accumulated by top-10 manufacturers of OTC-drugs increased by 1.5 p.p. and achieved 46.3%.

Table 1. The Top-ten manufacturers by hospital purchases

Rating position		Manufacturer*	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	2	**MERCK SHARP DOHME**	7,6	7,0
2	1	UNIDENTIFIED MANUF	6,6	9,9
3	4	**SANOFI-AVENTIS**	6,3	6,3
4	5	**ABBOTT**	5,0	3,8
5	3	**ASTRAZENECA**	4,9	6,4
6	22	**B.BRAUN**	4,0	1,3
7	28	**BAXTER INT**	3,3	1,0
8	9	**PFIZER**	3,0	2,4
9	6	**NYCOMED**	2,8	3,6
10	8	**GEDEON RICHTER**	2,8	3,2
Total			46,3	44,8

*AIPM members are in bold

Two top trade names didn't change their positions in the Top-10 hospital trade names rating in St. Petersburg (table 2). They were the rating leader NATRIUM CHLORIDUM (+23%) and MERONEM (+38%) placed on 4th position. Three trade names improved their positions by one row. PUREGON (+63%) moved up from 3rd position to 2nd one, HEPARIN (+48%) moved up from 7th position to 6th one and CLEXAN (+2%) moved up from 10th position to 9th one. The most pronounced rating progress was shown by the newcomers of the Top-10 rating. There were three of them: ELOXATIN (+90%), OCTAGAM and DIANEAL PD4+GLUCOSA which purchased increased 7 and 54 times respectively. SEVORAN (+37%) and TIENAM (-11%) on the contrary occupied the lower positions by moving down to 3rd and 8th positions, respectively. The total share of Top-ten increased by 5 p.p. and achieved 21.6%.

Table 2. The Top-ten trade names by hospital purchases

Rating position		Trade name	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	NATRIUM CHLORIDUM	4,0	3,6
2	3	PUREGON	3,3	2,2
3	2	SEVORAN	3,2	2,7
4	4	MERONEM	2,5	2,1
5	11	ELOXATIN	2,0	1,2
6	7	HEPARIN	1,9	1,5
7	97	OCTAGAM	1,3	0,2
8	5	TIENAM	1,3	1,6
9	10	CLEXAN	1,1	1,2
10	174	DIANEAL PD4+GLUCOS	1,0	0,0
Total			21,6	16,3

The Top-10 INN and generic names changed its leader. Based on the results of the first half of 2011 INN SODIUM (+24%) became the leader of the above rating (table 3). Due to reduction in purchases one fourth, CEFTRIAXONE which used to take the first position in the Top-10 moved down to the fifth position. CILASTATIN + IMIPENEM (-11%) also moved down to the lower 9th position. Three INNs: SEVOFLURANE (+37%), OXALIPLATIN (+32%) and HEPARIN (+48%) managed to keep their earlier third, sixth and eighth positions respectively. Apart from the leader, another four INNs showed the rating progress. At the same time, two of them for the first time entered the Top-10. They were IMMUNOGLOBULIN BASE and PACLITAXEL, which due to 2- and 4-fold growth of purchases respectively occupied 7th and 10th positions. The total share of the Top-10 INNs has increased from 20.8% to 24.2%.

Table 3. The Top-ten INN and Generic Names by hospital purchases

Rating position		INN/Generic Names	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	2	SODIUM	4,0	3,7
2	4	FOLLITROPIN BETA	3,3	2,2
3	3	SEVOFLURANE	3,2	2,7
4	5	MEROPENEM	2,6	2,1
5	1	CEFTRIAXONE	2,5	3,8
6	6	OXALIPLATIN	2,1	1,8
7	16	IMMUNOGLOBULIN BASE	2,1	1,1
8	8	HEPARIN	1,9	1,5
9	7	CILASTATIN + IMIPENEM	1,3	1,6
10	73	PACLITAXEL	1,2	0,3
Total			24,2	20,8

J01 Antibacterials for systemic use (+3%) and B05 Blood substitutes and perfusion solutions (+31%) continued to remain the best selling groups in the regional hospital market (table 4). Due to 2-fold growth in purchases, L01 Antineoplastic agents moved up to 3rd position from 6th one. At the same time, N05 Psycholeptics (+2%), B01 Antithrombotic agents (+5%) and N01 Anaesthetics (+6%) moved down the row, to 4th, 5th and 6th positions. Another three groups showed highly positive rating progress: G03 Sex hormones (+67%), V08 Contrast media (+40%) and J06 Immune sera and immunoglobulin (2.3-fold growth in purchases). On top of that, the former managed to retain its previous seventh position, whereas the latter but one and the latter moved up to the higher positions. Apart from that, Group J06 became one of two newcomers of the Rating: L04 Immunosuppressant (-1%) moved up to 10th position from 11th one despite its negative growth rates. The cumulative share of the Top-ten as well as in the above ratings considerably increased and achieved 69.7%.

Table 4. The Top-ten ATC groups by hospital purchases

Rating position		ATC code	ATC Group	Share in total hospital purchases, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	17,8	19,5
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	11,4	9,7
3	6	L01	ANTINEOPLASTIC AGENTS	9,9	5,5
4	3	N05	PSYCHOLEPTICS	7,1	7,8
5	4	B01	ANTITHROMBOTIC AGENTS	6,0	6,4
6	5	N01	ANESTHETICS	5,6	6,0
7	7	G03	SEX HORM&MODULAT GENITAL SYS	4,6	3,0
8	9	V08	CONTRAST MEDIA	2,8	2,2
9	20	J06	IMMUNE SERA & IMMUNOGLOBULIN	2,7	1,3
10	11	L04	IMMUNOSUPPRESSANTS	1,9	2,1
Total				69,7	63,6

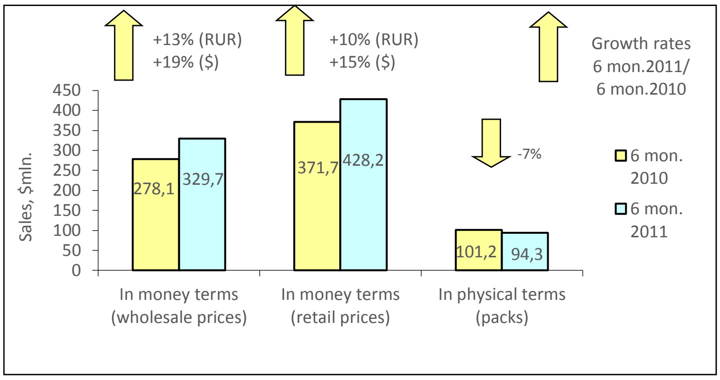
Conclusion. On the basis of the results of six months of 2011, in physical terms the St. Petersburg hospital market increased by 13%. In value terms the regional market also showed the positive growth: +12% in terms of roubles and +19% in terms of dollars. Its market volume amounted to RUR 1.675 mln (RUR 58.865 mln). The average cost of OTC pack increased as compared to the same period of last year (USD 4.97 vs. USD 4.71), but was more that the average indicator in the country (USD 3.58). As the analyzed ratings show, the city market experienced numerous structural changes resulted in the change of leaders in the Top-10 ratings. Apart from that, the cumulative shares of the Top-10 considerably increased which goes to prove that the market concentration has grown.

MOSCOW REGION PHARMACY MARKET: 2011 FIRST 6 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Moscow region was estimated as 7.104 mln, which makes 4.9% of the total Russian Federation population and 18.5% of Central FO (CFO). According to Federal State Statistics Service's data, in January-June 2011 the average salary in the region was RUR 26,843.5 (USD 943.53), which is 20% more than the average salary in Russia (RUR 22,277.2).

According to the results of the Retail Audit of Over-the-Counter (OTC) drugs in Russian Federation™, in January-June of 2011, the sales of over-the-counter drugs in pharmacies of Moscow Region in physical terms saw a 7% decrease to 94.262 mln packs. In money terms, the regional OTC drugs market saw a 13% increase in rouble terms and 19% in dollar terms and reached RUR 9.431 bln (USD 329.669 mln) in wholesale prices (Fig.1). The average cost of OTC pack based on the results of 6 months of 2011 was USD 4.54 (in 2010 - USD 3.67). The average expenses of Moscow region residents for purchase of drugs in the first half of 2011 were estimated as USD 60.28 (in 2010 - USD 52.66).

Figure 1. Moscow region market for 6 months of 2010 – 6 months of 2011



On the basis of the results for the first half of 2011, SANOFI-AVENTIS (+11%) and PHARMSTANDART (+20%) continue to remain the leading manufacturers of the regional market (Table 1). Thus, SERVIER (-2%) and MENARINI (+0.1%) which took up 3rd and 4th positions respectively moved down two rows, allowing BAYER (+22%) and SANDOZ (+25%) to move upwards. The other two manufacturers took yet lower rating positions. They were ABBOTT (+8%) and TEVA (+6%), which were placed on the two bottom positions of the rating. At the same time, due to high positive growth rates, NOVARTIS (+22%) и NYCOMED (+27%) moved up to 7th and 8th positions. On top of that, the latter appeared in the Top -10 rating for the first time.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	**SANOFI-AVENTIS**	6,2	6,3
2	2	PHARMSTANDART	5,0	4,7
3	5	**BAYER HEALTHCARE**	4,1	3,8
4	6	**SANDOZ GROUP**	3,8	3,5
5	3	**SERVIER**	3,8	4,4
6	4	**MENARINI**	3,5	3,9
7	8	**NOVARTIS**	3,4	3,1
8	11	**NYCOMED**	3,1	2,8
9	7	**ABBOTT**	3,0	3,1
10	9	**TEVA**	2,7	2,9
Total			38,7	38,6

*AIPM members are in bold

Some newcomers entered the rating of the Top-ten trade names (table 2). There were three of them - LASOLVAN (+50%), NUROFEN PLUS (+10%) and THERAFLU (+24%) - which occupied three bottom positions of Top-10. In the top part of the rating the only shift took place - VIAGRA (+11%) moved up from 5th to 4th position by displacing OCILLOCOCCINUM (+9%) down the row. ARBIDOL (+28%) which not only keep but considerably strengthened its positions continued to remain the leader of the rating. ESSENTIALE N (-3%) placed on the second position, on the contrary, was the only preparation which reduced its sales. The total share of the analyzed rating, as well as of the above rating, didn't change and accounted for 8.1%.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	1,6	1,4
2	2	ESSENTIALE N	1,1	1,2
3	3	LINEX	0,8	0,9
4	5	VIAGRA	0,8	0,8
5	4	OCILLOCOCCINUM	0,8	0,8
6	6	ACTOVEGIN	0,7	0,7
7	7	DETRALEX	0,6	0,6
8	19	LASOLVAN	0,6	0,5
9	11	NUROFEN PLUS	0,6	0,6
10	12	THERAFLU	0,6	0,5
Total			8,1	8,1

The leader of Top-10 INN and Generic Names Rating didn't change either. ARBIDOL (+28%) continues to hold its leading position (table 3). XYLOMETAZOLINE (+33%) moved up to the second position by displacing PANCREATIN (+3%) down the row. Despite the insignificant growth rates, PHOSPHOLIPIDS (+1%) retained the fourth position. On the contrary, the markets of three newcomers of Top-10 developed at a fast pace. They were PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+24%), INN AMBROXOL (+38%) and AZITHROMYCIN (+19%), which occupied 5th, 6th and 9th position respectively. SILDENAFIL (+11%) moved up the row, whereas INN ANAS BARBARIAE (+10%) and IBUPROFEN (+8%) moved down to 8th and 10th positions. The total share of the Top-10 increased from 10.0% to 10.3%.

Table 3. The Top-Ten INN and Generic Names by pharmacy sales

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010		6 mon 2011	6 mon 2010
1	1	ARBIDOL	1,6	1,4
2	3	XYLOMETAZOLINE	1,5	1,3
3	2	PANCREATIN	1,2	1,3
4	4	PHOSPHOLIPIDS	1,1	1,3
5	11	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,8	0,8
6	16	AMBROXOL	0,8	0,7
7	8	SILDENAFIL	0,8	0,8
8	6	ANAS BARBARIAE	0,8	0,8
9	13	AZITHROMYCIN	0,8	0,7
10	7	IBUPROFEN	0,8	0,8
Total			10,3	10,0

Half of Top-10 ATC groups retained their previous positions (table 4). Among them there were groups placed on the first two positions: N02 Analgesics (+11%) and J01 Antibacterials for systemic use (+8%). R01 Nasal preparations (+20%) and R05 Cough and cold preparations (+32%) moved up to the third and fourth positions from the lower ones. Concurrently with this, three INNs from Top-10 (M01, preparations of unidentified pharmaceutical groups and C09) moved down to much lower positions. The total share of the analyzed Top-10 remained unchanged and amounted to 37.9%.

Table 4. The Top-ten ATC Groups by pharmacy sales

Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
6 mon 2011	6 mon 2010			6 mon 2011	6 mon 2010
1	1	N02	ANALGESICS	4,8	4,9
2	2	J01	ANTIBACTERIALS FOR SYST USE	4,5	4,7
3	4	R01	NASAL PREPARATIONS	4,1	3,9
4	8	R05	COUGH AND COLD PREPARATIONS	4,0	3,5
5	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,0	4,0
6	5		UNIDENTIFIED	3,8	3,8
7	7	A11	VITAMINS	3,4	3,5
8	6	C09	AG ACT RENIN-ANGIOTENS SYST	3,2	3,5
9	9	A07	INTESTINAL ANTIINFECTIVES	3,0	3,3
10	10	G03	SEX HORM&MODULAT GENITAL SYS	3,0	2,9
Total				37,9	37,9

Conclusion. On the basis of the results of six months of 2011, Moscow region retail market brought in RUR 12.251 bln (USD 428.221 mln), which is 10% in terms of roubles and 15% in terms of dollars more than in the same period of 2010. In physical terms the regional market showed the negative growth rates (-7%). In the first half of 2011, the average cost of over-the-counter pack in pharmacies amounted to USD 4.54 (in the year-earlier period USD 3.67), and the average expenses of the region population – USD 60.28, which is higher than the average indicators in the country (USD 3.51 vs. USD 54.70).

REGIONAL DIGEST

Additional Pharmacological Support/Procurement of Necessary Drugs, Government Control

August 4, 2011, The Kommersant

Dmitry Medvedev demanded to enact law On Fundamentals of RF Legislation on Citizens' Health Protection in autumn

In order to talk over the draft law On Fundamentals of the Russian Federation Legislation on Citizens' Health Protection Dmitry Medvedev invited to his residence in Sochi the Head of Ministry of Finance Alexei Kudrin, Head of Ministry of Public Health and Social Development Tatiana Golikova, Deputy Head of Economic Development Ministry Stanislav Voskresensky and Head of the relevant Duma Committee Olga Borzova. According to the Kommersant, some incisive comments of the Ministry of Finance regarding the enforceability of the law have become one of the grounds for postponing the enactment of the law. On top of that, the Ministry of Finance and the Ministry of Public Health and Social Development spit over the procedure for medical activity licensing. The Ministry of Public Health and Social Development suggested that the federal and regional medical facilities, as well as all hi-tech medical care facilities should be licensed by the Ministry itself, and only private facilities should be licensed by the regions. The Ministry of Finance believes that the Ministry of Public Health and Social Development should license only the federal medical facilities, and all rest medical facilities including the hi-tech ones are to be licensed by the regions. Summarizing the results of the sitting, the Head of the Ministry Tatiana Golikova and Aids to the President Arcady Dvorkovich said that the President requested to complete the law and enact it in autumn and even now draft the regulations thereunder.

August 5, 2011, The Vedomosti

Ministry of Public Health and Social Development disclosed domestic pharmaceutical manufacturers which shall develop and produce life-saving drugs

Ministry of Pulbic Health and Social Development summarized the first results for the tenders for the right to enter into the government contracts for research and development under Federal Target Program. According to the tender documentation, R-Pharm Company won the tender for the development of technology and the management of production of anaesthetic agent Sevoflurane, and Vips-Med Company would develop and produce the radiopaque contrast agent Iohexol. The above agents are not produced in Russia and not patented, stated the Ministry of Industry and Trade. According to DSM Group, in 2010 the sales of Sevoflurane amounted to almost RUR 300 mln, the sales of Iohexol – to RUR 564 mln (in wholesale prices). The starting price of each lot is RUR 18 mln. R-Pharm offered to develop and produce Sevoflurane for RUR 30 mln, of which RUR 12 mln should be budget funds, as stated in the Bid Opening Procedure Protocol. The remaining amount should comprise own and borrowed funds, said Alexei Repik, the owner of R-Pharm. According to the Protocol, the project implementation period is 420 days from the date of signing the contract. The company intended to produce Sevoflurane at its own plant in Yaroslavl, said Mr. Repik.

August 11, 2011, The Vedomosti

Office of the Federal Antimonopoly Service demands to amend the terms of tenders for purchase of drugs in order to enable manufacturers to participate in such tenders

On August 8, Commission of the Federal Antimonopoly Service for St. Petersburg found the Health Care Committee guilty of breaking the Competition Law and issued the order to rectify the violation. The proceedings were instigated by the Commission on complaint of F-Synthesis Company which was unhappy with the terms of the tender for procurement of drugs for social security beneficiaries in December 2010, said the spokesman for FAS. In particular, F-Synthesis had complaints against a need to provide two licenses – one for retail trade and another for wholesale trade – to be qualified for the tender. According to OFAS, the Committee combined drugs from different groups into lots, which also excluded manufacturers from participation in the tender. However, a wholesale dealer without license for retail trade – Pharmatsevticheskaya Baza, OJSC – has been qualified for the tender, reported the OFAS. St. Petersburg Administration applies commonplace technologies to exclude manufacturers from the tenders, said Mr. Dmitry Morozov, Chairman of Board of Directors, Biocad Company. According to him, as far back as two years ago his company challenged the similar violations in several regions, in particular, in Chelyabinsk Region.

August 12, 2011, The Kommersant

Ministry of Public Health and Social Development summarized the first interim results for implementation of Health Service Modernization Programmes

At the sitting, the Head of Ministry of Public Health and Social Development Tatiana Golikova reported that in January-June 2011, financing the programmes amounted to RUR 102 bln, which accounted for 35% of the total amount of RUR 297 bln allocated for 2011. In total, the sum allocated by the Government from all sources of financing for Health Service Modernization in 2011-2012 amounted to RUR 618.5 bln (of which RUR 460 bln were planned to be recovered due to increase in insurance rates by 2% up to 5.1% for two years). Despite the lack of a new law, due to new standards the salaries of medical workers have been raised, reported the Ministry of Public Health. In the first half of 2011 the salaries of physicians were raised by 6.8% and those of paramedical personnel – by 7% as compared with 2010. Such salary increase is slightly higher than Federal State Statistics Service's data for January-May 2011, according to which the average salary in Public Health Service amounted to RUR 16 thousand and the increase accounted for 6.2%, as compared to January-May 2010. It must be said that according to Federal State Statistics Service's data, the salary rate of medical workers accounted for only 73% of the average salary in the country as a whole (RUR 21.9 thousand).

August 22, 2011, The Vedomosti

Federal Customs Service proposes to amend once again the list of customs terminals which may clear drugs in Moscow Region

The Order of FCS allowing four customs terminals to deal with drugs came in force on August 20, 2011. The customs terminals in question shall be Davydovski (located in the territory of Farmat logistics operator which in this spring announced the foundation of a joint venture with RT-Biotechprom, the management company of Russian Technologies State Corporation); Customs Clearance and Customs Supervision Department No 2 of Davydovski Customs Terminal (Norston); Lytkarinsky (Items-Warehouses) and Mamontovsky (Transservice as part of Protek Group). Last week the Service proposed to amend the Order as follows: to exclude from the list Mamontovsky Terminal and to add Dmitrovsky and Kashirsky Terminals. During January-July, drugs cleared through Mamontovsky Terminal amounted to over USD 1 bln, said Sergey Shulyak, Director General of DSM Group. "We believe that the absence of Mamontovsky Terminal in the list is a technical mistake, which shall be repaired at the order approval phase", said Nikolai Yakovlev, Director General of Transservice.

August 31, 2011, The Moscow News

Additional funds to be allocated for the high-priced medical care

The Ministry of Public Health and Social Development responded to the crucial situation which developed due to the fact that public quotas for high-priced medical procedures had been run out. There is every likelihood that as early as in the beginning of September the draft decree regarding amendments to 2011 Budget shall be submitted to the White House, said the spokesman for Tatiana Golikova's agency. As detailed in the yesterday's report of Ministry of Public Health and Social Development, "We explore the issue of funding additional funds which allow 8 thousand of patients to receive necessary high-priced medical care". This document was the response to the mass critic from patients and press releases. Several days ago the Ministry released to public the draft decree regarding reallocation of unexpended balance of quotas, even if only in very limited quantities, but remaining in some regions. This will make it possible to perform urgent operations and establish diagnoses for another 4727 patients including 3.5 thousand children.

NEWS FROM COMPANIES

August 19, 2011, The Vedomosti

Gazprombank bought majority interest stake of Biocad pharmaceutical manufacturer

According to sources close to Buyer and Seller, Gazprombank bought the majority interest stake of Biocad pharmaceutical manufacturer. Mr. Nikolai Bespalov, Chief of Analytical Study and Consulting Department, Pharmexpert Market Research Centre, estimates 100% of Biocad at USD 250-300 mln. Biocad is involved in the development of generics that are comparable to brand drugs procured by the Government under 7 Nosologies Programme and Essential Medicines Programme (EMP), said Mr. Nikolai Demidov, Director General of Pharmexpert. In the event of successful launch of such generic drugs in the market, the turnover of the company may increase at least 2-3 times in the next 2-3 years, believes Mr. Bespalov.

August 22, 2011, ITAR-TASS

Skolkovo Foundation is engaged in the development of antiviral drug Triazaverin

Skolkovo Foundation is engaged in the development of antiviral drug Triazaverin developed by the Ural scientists. According to Mr. Alexander Petrov, Head of Ural Pharmaceutical Cluster, the application for Phase III Clinical Trial for the drug has been submitted. The commercial production of Triazaverin is slated for December, 2011. The first batch of antiviral preparation is expected in the beginning of 2012. As researches showed, Triazaverin is effective in treating both the bird flu H5N1, and swine flu H1N1. One more advantage of the drug is that it attacks virus during the entire period of illness, and not only in the first days.

August 25, 2011, The Vedomosti

Russian Technologies State Corporation may add a pharmaceutical manufacturer to its biotechnological holding

Mr. Sergey Chemezov, Director General of State Corporation, announced the foundation of the biotechnological holding as part of Russian Technologies as far back as in 2009. But up to now, nothing has been known except several joint ventures with involvement of Russian Technologies in that field, i.e. with GE Healthcare, the manufacturer of medical equipment, and Farmat, the logistics operator. The Company hasn't announced the acquisition of control over large pharmaceutical manufacturers. The Government may transfer them shares in several companies including N.A.Semashko Moskhimpharm-preparaty and Syntez in Kurgan. Such offer is presented in the draft decree of President On Several Issues Related to Russian Technologies State Corporation. Before, the spokesman for State Corporation said that the draft decree was under consideration of the Government.

Information source: IMS Health

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