REMEDIUM GROUP OF COMPANIES

AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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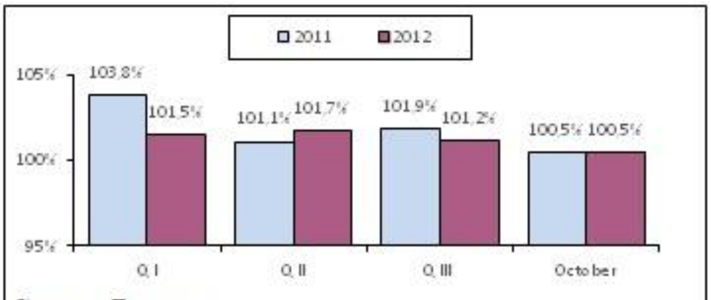
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in October 2012, the Consumer Price Index was estimated as 100.5%, compared to the previous month. For the period from start of the year, it escalated to 105.6% (in January-October 2011 – by 105.2%).

In October, Industrial Producer Price Index was 98.4%, whereas in the month-earlier period it had amounted to 104.8%. In January-October, it accounted for 107.6% (during the same period a year ago – 110.8%).

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



Source: Rosstat

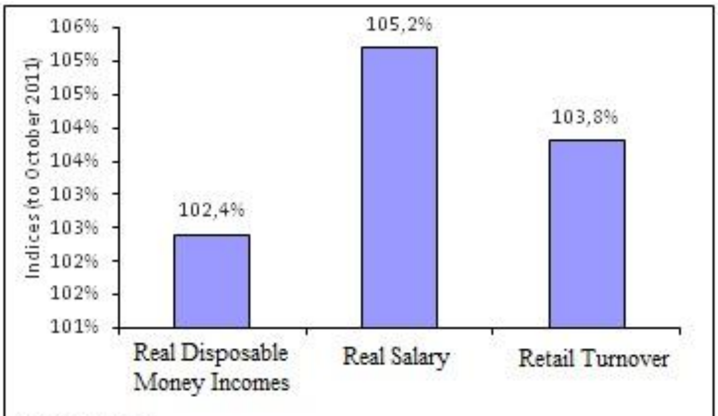
Living standard

According to preliminary Federal State Statistics Service's data, in October 2012 a gross monthly average salary per worker reached RUB 26,256 (USD 832.73) which accounted for 112.1% compared to October 2011 and 101.0% compared to September 2012. The real salary in October 2012 accounted for 105.2% as compared with the same period in 2011. In October 2012, the real value of cash incomes accounted for 102.4% compared to the same period of 2011 (Fig. 2).

Retail turnover

In October 2012 the retail turnover was equal to RUB 1892.8 bln, which in stock accounts for 103.8% as compared to the same period a year ago (Fig. 2)

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



Source: Rosstat

Manufacture of industrial products

According to Federal State Statistics Service's data, in October 2012 Industrial Production Index accounted for 101.8% compared to the same period a year ago, 103.8% to the previous period of 2012, and 102.8% for year to date.

Domestic production

The top 10 domestic manufacturers by production volume at October-end 2012 are shown in Table 1. The total production volume by top ten manufacturers was estimated at USD 401.9 mln.

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

Rank	Manufacturer	Production volume, $mln
1	Pharmstandart	168.9
2	F-SINTEZ	43.8
3	KRKA-RUS	42.9
4	Stada	33.9
5	Valenta	27.1
6	Microgen	23.2
7	Sotex	17.4
8	Pharm-Center	15.1
9	Materia Medica	15.1
10	Akrihin	14.6

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In September 2012 compared to August, growth in pharmacy sales (in terms of roubles) was observed in most analysed regions. The highest performance was observed in St. Petersburg (+20%), the least one in Rostovskaya Oblast (+4%). The sole exception was Krasnodarsky Krai where the sales reduced by 10%.

Table 2. Pharmacy sales in the regions, 2012

Region	Pharmacy sales, $mn (wholesale prices)			Growth gain, % (roubles)		
	July 2012	August 2012	September 2012	July/ June 2012	August/ July 2012	September/ August 2012
Moscow	145.1	146.4	177.1	-1%	1%	16%
St Petersburg	33.6	35.9	45.2	-6%	7%	20%
Krasnodarsky Krai	35.0	38.1	35.8	3%	9%	-10%
Novosibirskaya Oblast	16.9	19.3	22.7	-5%	14%	13%
Tatarstan	21.2	22.9	27.3	-4%	8%	14%
Krasnoyarsky Krai	14.4	16.4	18.2	3%	14%	7%
Rostovskaya Oblast	18.4	21.0	22.9	6%	14%	4%
Voronezhskaya Oblast	13.0	14.4	16.8	1%	11%	12%
Perm	4.9	5.5	6.8	-7%	12%	19%
Tyumen	6.2	6.6	7.4	-0.5%	7%	8%

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 October 2012

Rank	Company*	Quantity of broadcasts
1	Novartis	8,829
2	Pharmstandart	7,289
3	Berlin-Chemie/Menarini Group	6,756
4	Sanofi Aventis	4,898
5	Reckitt Benckiser	4,248

Source – TNS Gallup AdFact

Table 4. Top five trade names in mass media in October, 2012

Rank	Trade name*	Quantity of broadcasts
1	Nurofen	2,397
2	Xymelin	1,991
3	Evalar	1,818
4	Grippferon	1,766
5	ACC	1,549

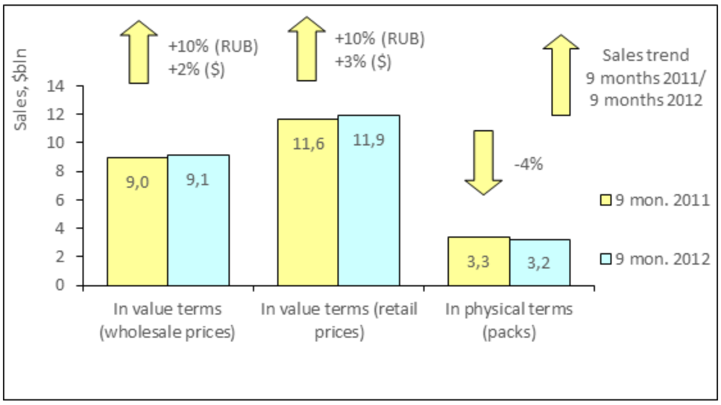
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 2012 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of nine months of 2012 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 4% decrease to 3.194 bln packs. In value terms, the OTC drugs market increased by 10% in rouble terms and by 2% in dollar terms and reached 283.177 billion roubles (USD 9.145 billion) in wholesale prices (Fig. 1). The average cost of an OTC pack grew as compared to a year earlier (USD 3.49) and reached USD 3.74 in retail prices. For 9 months of 2012, the average amount spent by residents of Russia for drugs amounted to USD 83.41.

Figure 1. Russian pharmacy market for 9 months of 2011 – 9 months of 2012



Based on the results of nine months of 2012, the top ten drug manufacturers of the Russian market didn't change in composition (Table 1). Apart from that, the top ten showed high stability – only one shift took place in the ranking. MENARINI (+5%[1]), which showed slow growth in sales moved down from rank five to seven. At the same time, SANDOZ (+9%) and NYCOMED/TAKEDA (+10%) moved up one rank, to numbers 5 to 6. SANOFI-AVENTIS (+8%), PHARMSTANDART (-4%), BAYER (+15%) and SERVIER (+13%) remained the top ten leaders. GEDEON RICHTER (+3%), NOVARTIS (+15%) and ABBOTT (+16%) held their own three bottom ranks, though two of the drug manufacturers expanded their market shares due to outperformance in sales. However, the cumulative share of the top 10 drug manufacturers reduced from 37.8% to 37.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	**SANOFI-AVENTIS**	5.6	5.7
2	2	PHARMSTANDART	4.3	4.8
3	3	**BAYER HEALTHCARE**	4.0	3.9
4	4	**SERVIER**	4.0	3.8
5	6	**SANDOZ GROUP**	3.5	3.5
6	7	**NYCOMED/TAKEDA**	3.5	3.5
7	5	**MENARINI**	3.5	3.6
8	8	**GEDEON RICHTER**	3.1	3.3
9	9	**NOVARTIS**	3.0	2.9
10	10	**ABBOTT**	2.9	2.7
Total			37.2	37.8

*AIPM members are in bold

Based on results for 9 months of 2012, hepatoprotector ESSENTIALE N (+17%) became a bestselling trade name (Table 2. Due to pronounced negative growth rates, ARBIDOL (-30%) which used to be a leader of the top ten moved down to rank two. VIAGRA reduced its sales by 8% and moved down from rank 3 to 4. At the same time, ACTOVEGIN (+10%) moved up to rank three. The trade names ALFLUTOP (+25%), NICE (+18%) and MEXIDOLUM (+11%) moved up to the higher ranks, coming in at numbers 6, 9 and 10, and the latter became the only newcomer of the top ten. At the same time, the less dynamic CONCOR (+9%) moved down one rank. LINEX (+18%) and DETRALEX (+20%) held their own ranks 5 and 8 in the top ten. The total share of the top 10 trade names reduced from 7.6% to 7.2%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	2	ESSENTIALE N	1.1	1.0
2	1	ARBIDOL	0.9	1.3
3	4	ACTOVEGIN	0.9	0.9
4	3	VIAGRA	0.7	0.9
5	5	LINEX	0.7	0.7
6	7	ALFLUTOP	0.7	0.6
7	6	CONCOR	0.6	0.6
8	8	DETRALEX	0.6	0.5
9	10	NICE	0.6	0.5
10	13	MEXIDOLUM	0.5	0.5
Total			7.2	7.6

Only one INN managed to hold its own in the top ten INN and generic names ranking (table 3). It was INN PANCREATIN (+7%) at rank 3. Most INNs of the top ten showed the outperformed retail sales growth which led to the raise in ranks. XYLOMETAZOLINE (+28%) and PHOSPHOLIPIDS (+17%) moved up to the top two ranks of the ranking. INNs BISOPROLOL (+14%) and BLOOD (+11%) moved up one rank, coming in at numbers 4 and 5. NIMESULIDE (+13%) and IBUPROFEN (+18%) moved up to ranks seven and eight from the two bottom ranks. At the same time, three INNs with negative growth rates: UMIFENOVIR (-30%), SILDENAFIL (-3%) and AMBROXOL (-1%) moved down to ranks six, nine and ten, respectively. The total share of the analysed top ten ranking, as well as of the above ranking reduced in this case from 10.0% to 9.7%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	2	XYLOMETAZOLINE	1.3	1.1
2	4	PHOSPHOLIPIDS	1.2	1.1
3	3	PANCREATIN	1.1	1.1
4	5	BISOPROLOL	1.0	1.0
5	6	BLOOD	0.9	0.9
6	1	UMIFENOVIR	0.9	1.3
7	9	NIMESULIDE	0.9	0.8
8	10	IBUPROFEN	0.8	0.8
9	7	SILDENAFIL	0.8	0.9
10	8	AMBROXOL	0.8	0.8
Total			9.7	10.0

Based on the results for nine months of 2012, ATC Group M01 Anti-inflammatory and antirheumatic products (+14%) became a leader of the top ten ATC groups, whereas N02 Analgesics (-4%) which used to top the ranking reduced its sales and moved down to rank 2 (Table 4). One more ATC group, R05 Cough and cold preparations (-5%) showed negative growth rates in sales and as a result lost one rank, moving down to number 5. Another two ATC groups of the top ten with low sales rates moved down to the lower ranks. They were G03 Sex hormones (+9%) and L03 Immunostimulants (+4%) which moved down one rank, to numbers 7 and 10, respectively. One more ATC group with low sales rates, J01 Antibacterials for systemic use (+3%) held its own rank three. The sales rates of the other pharmaceutical groups exceeded the mid-market rates. On top of that, C09 Agents acting on the rennin-angiotensin system (+16%), R01 Nasal preparations (+14%) and A07Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+16%) moved up one rank, coming in at numbers 4, 6 and 9, respectively. ATC group A11 Vitamins (+11%) held its own rank 8 in the top ten, but expanded its market share. However, the total share of the analysed ranking, as well as of the above rankings reduced and accounted for 36.6%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2012	9mon. 2011			9 mon. 2012	9 mon. 2011
1	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4.7	4.5
2	1	N02	ANALGESICS	4.5	5.1
3	3	J01	ANTIBACTERIALS FOR SYST USE	4.1	4.4
4	5	C09	AG ACT RENIN-ANGIOTENS SYST	3.8	3.6
5	4	R05	COUGH AND COLD PREPARATIONS	3.6	4.1
6	7	R01	NASAL PREPARATIONS	3.4	3.3
7	6	G03	SEX HORM&MODULAT GENITAL SYS	3.3	3.4
8	8	A11	VITAMINS	3.3	3.2
9	10	A07	INTESTINAL ANTIINFECTIVES	3.1	2.9
10	9	L03	IMMUNOSTIMULANTS	2.8	3.0
Total				36.6	37.5

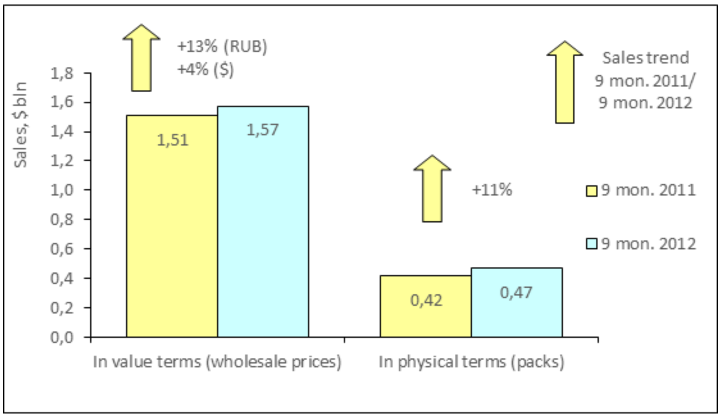
Conclusion. On the basis of the results for 9 months of 2012, the retail pharmacy market of Russia brought in RUB 369.503 bln (USD 11.932 bln). The market saw a 10% increase in terms of roubles and 3% in terms of dollars. In pack terms the market showed negative growth rates (-4%) and achieved 3.194 bln packs. The average cost of OTC pack for 9 months of 2012 increased as compared to the same period a year ago (USD 3.74 vs. USD 3.49). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 83.41 vs. USD 81.37).

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

RUSSIAN FEDERATION HOSPITAL MARKET: 2012 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first nine months of 2012 the Russian hospital market in physical terms increased by 11% to 466.360 million packs. In value terms, the market also showed positive growth rates (13% in terms of roubles and 4% in terms of dollars) and reached RUB 48.932 bln (USD 1.574 bln) in wholesale prices. In the analysed period, the average cost of OTC pack in the hospital sector was USD 3.38, whereas in the year-earlier period its cost was USD 3.59.

Figure 1. Russian hospital market for 9 months of 2011 – 9 months of 2012



On the basis of the results for the first nine months of the current year, as before the largest volume of purchases in the hospital market of Russia was accounted for by drugs of SANOFI-AVENTIS (-3%), however due to their negative growth rates its share decreased noticeably (Table 1). ASTRAZENECA (-5%) also reduced its volumes of drugs purchases which resulted in the loss of one rank - the company moved down to rank three. NYCOMED/TAKEDA (+18%) moved up to rank two, and MERCK SHARP DOHME (+5%) held its own rank four. Two newcomers appeared in the bottom part of the top-10 ranking: BAYER (+66%) moved up to rank 6 from 16, and the Russian drug maker VEROPHARM (+25%) - from rank 11 to 9. At the same time, the dynamic drug maker ROCHE (+45%) moved up from rank seven to five. In addition they displaced the companies PHARM-CENTER (+24%) and BIOTEK (+9%) to the lower ranks. Due to low growth rates, PFIZER (+1%) also moved down from rank five to nine. The total share accumulated by the top drug manufacturers didn't virtually change and accounted for 30.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Manufacturer*	Share in total hospital purchases, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	**SANOFI-AVENTIS**	6.0	7.0
2	3	**NYCOMED/TAKEDA**	3.6	3.4
3	2	**ASTRAZENECA**	3.1	3.7
4	4	**MERCK SHARP DOHME**	3.0	3.3
5	7	**ROCHE**	2.9	2.2
6	16	**BAYER HEALTHCARE**	2.5	1.7
7	6	PHARM-CENTER	2.5	2.3
8	5	**PFIZER**	2.4	2.6
9	11	VEROPHARM	2.1	1.9
10	8	BIOTEK	2.1	2.2
Total			30.2	30.3

*AIPM members are in bold

The traditional hospital preparation SODIUM CHLORIDE (+8%) remained the leader of the top 10 trade names ranking (table 2. Note that though its market share slightly reduced, the preparation continued to hold a wide lead, its share accounted for 4.4% of the hospital market. CLEXANE (+24%) holding rank two accumulated 1.8% of the hospital purchases. ACTOVEGIN (+35%) moved up to rank three from five, whereas MERONEM, which had been placed on that rank earlier, reduced its purchases by 29% and moved down to rank 4. Two more trade names of the top ten reduced their purchases - GLUCOSE (-5%) and HEPARIN (-25%). At the same time, the former moved up one rank, coming in at number 5, and the latter moved down to the bottom rank of the top ten. The other four trade names showed positive growth rates, three of which showed the pronounced growth rates. They were CUROSURF (+34%), CEFTRIAXONE (+52%) and ZIVOX (+55%) which broke into the ranks of the top ten, coming in at numbers 6 through 8, respectively. On top of that, they displaced CEFOTAXIME (+4%) down one rank to number 9. The total share of the top ten trade names reduced by 0.5 p.p. and accounted for 14.7%.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	SODIUM CHLORIDE	4.4	4.6
2	2	CLEXANE	1.9	1.8
3	5	ACTOVEGIN	1.6	1.3
4	3	MERONEM	1.1	1.7
5	6	GLUCOSE	1.1	1.3
6	12	CUROSURF	0.9	0.8
7	16	CEFTRIAXONE	0.9	0.7
8	17	ZIVOX	0.9	0.7
9	8	CEFOTAXIME	0.9	1.0
10	4	HEPARIN	0.9	1.4
Total			14.7	15.2

Only one newcomer broke into the ranks of the top ten INN and generic names ranking (table 3. DOCETAXEL (+18%) became the above newcomer, coming in at number ten. Apart from it, another three names showed growth in purchases. ENOXAPARIN SODIUM (+28%) and IMMUNOGLOBULIN BASE (+20%) move up one rank, to numbers 3 and 8, and INN BLOOD (+28%) moved up from rank 8 to 5. Two INNs with negative growth rates: MEROPENEM (-14%) and HEPARIN (-13%) moved down to ranks 4 and 9, respectively. The other four INNs of the top ten held their own in the ranking. They were the leaders of top ten SODIUM (+9%) and CEFTRIAXONE (+6%), as well as GLUCOSE (+4%) and CEFOTAXIME (+15%) placed at numbers 6 and 7. The total share of the top 10 decreased by almost 1 p.p. and accounted for 19.4%.

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

Rank		INN/Generic Names	Share in total hospital purchases, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	SODIUM	4.5	4.6
2	2	CEFTRIAXONE	2.5	2.6
3	4	ENOXAPARIN SODIUM	2.1	1.8
4	3	MEROPENEM	1.8	2.3
5	8	BLOOD	1.6	1.4
6	6	GLUCOSE	1.5	1.7
7	7	CEFOTAXIME	1.5	1.5
8	9	IMMUNOGLOBULIN BASE	1.4	1.3
9	5	HEPARIN	1.4	1.8
10	13	DOCETAXEL	1.1	1.1
Total			19.4	20.2

The dominant five ATC groups held their own in the top ten ATC group ranking (table 4). ATC Groups J01 Antibacterials for Systemic Use (+11%), B05 Blood Substitutes and Perfusion Solutions and L01 Antineoplastic Agents (+8% each), as well as B01 Antithrombotic Agents (+9%), and N01 Anaesthetics (+20%) as before held their own ranks 1 through 5 respectively. In addition, J06 Immune sera and immunoglobulines (+22%) held its own rank ten. V08 Contrast media (+33%) and N06 Psychoanaleptics (+43%), two ATC groups that showed the highest growth rates, moved up to ranks 6 and 8 respectively. Note that the latter became the only newcomer of the top 10 ranking. At the same time, they forced B02 Antihemorrhagics (+9%) and N05 Psycholeptics (+5%) down one rank. The total share of the top 10 reduced and accounted for 61.4%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
9 mon. 2012	9 mon. 2011			9 mon. 2012	9 mon. 2011
1	1	J01	ANTIBACTERIALS FOR SYST USE	19.3	19.5
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	11.4	11.9
3	3	L01	ANTINEOPLASTIC AGENTS	7.7	8.0
4	4	B01	ANTITHROMBOTIC AGENTS	7.0	7.2
5	5	N01	ANAESTHETICS	3.6	3.4
6	8	V08	CONTRAST MEDIA	2.8	2.4
7	6	B02	ANTIHEMORRHAGICS	2.6	2.7
8	11	N06	PSYCHOANALEPTICS	2.5	2.0
9	7	N05	PSYCHOLEPTICS	2.4	2.6
10	10	J06	IMMUNE SERA & IMMUNOGLOBULIN	2.3	2.1
Total				61.4	61.7

Conclusion. At the end of the first nine months in 2012, the Russian hospital market grew by 13% in rouble terms and by 4% in dollar terms and brought in RUB 48.932 bln (USD 1.574 bln). In pack terms the market also showed positive growth rates (+11%) and achieved 466.360 mln packs. In the first nine month of 2012, the average cost of OTC pack in the regional pharmacies was slightly lower than in the year-earlier period (USD 3.38 vs. USD 3.59). As the analysed rankings showed, the hospital market experienced considerable structural changes, though the leaders remained unchanged.

STATE REIMBURSEMENT PROGRAM IN THE RUSSIAN FEDERATION: 2012 FIRST 9 MONTHS RESULTS

According to SRP in RF™, on the basis of the results of nine months of 2012, the OTC drugs supplies under the Federal Program amounted to RUB 66.989 bln (USD 2.180 bln) in contractual prices[2]. The segment volume increased 2% in terms of roubles, and reduced 5% in terms of dollars as compared to the same period a year ago. Scope of supplies in pack terms increased by 2% to 77.552 mln packs. The average cost of OTC pack through the program was USD 28.12 in contractual prices (a year ago was USD 30.14). In the first nine months of 2012 the top ten drug manufacturers participating in the State Reimbursement program didn't change in composition (table 1). In addition, the company ROCHE (+13%) managed to maintain and reinforce its rank. Another drug manufacturer, NOVO NORDISK (+7%), held its own rank 8. Four drug manufacturers of the top ten showed negative growth rates and fell in ranks. They were NOVARTIS (-33%), SANOFI-AVENTIS (-10%), BAXTER (-11%) and ASTRAZENECA (-7%),, which moved down to ranks 4, 5, 7 and 9, respectively. In addition, despite the pronounced positive growth rates, MERCK SHARP DOHME (+16%) moved down one rank. In contrast, the other three drug makers of the top 10 rose in the ranks. JOHNSON & JOHNSON (+3%) and TEVA (+26%) moved up to ranks two and three. Due to 2.4-fold growth in purchases, LABORATORIO TUTEUR moved up from rank ten to six. The total share accumulated by the top ten drug manufacturers increased from 61.8% to 63.0%.

Table 1. The top 10 drug manufacturers for SRP

Rank		Manufacturer*	Share in total SRP volume, %	
9mon. 2012	9mon. 2011		9 mon. 2012	9 mon. 2011
1	1	**ROCHE**	14.9	13.2
2	3	**JOHNSON & JOHNSON**	8.6	8.5
3	5	**TEVA**	7.7	6.1
4	2	**NOVARTIS**	7.2	11.0
5	4	**SANOFI-AVENTIS**	5.8	6.6
6	10	LABORATORIO TUTEUR	4.7	2.0
7	6	**BAXTER INT**	3.9	4.5
8	8	**NOVO NORDISK**	3.8	3.6
9	7	**ASTRAZENECA**	3.4	3.7
10	9	**MERCK SHARP DOHME**	3.1	2.7
Total			63.0	61.8

*AIPM members are in bold

The leader of the top 10 trade names in the SRP sector changed (table 2). Due to 30% reduction in purchases, GLIVEC which was the leader of the top ten earlier moved down to rank 4. In contrast, MABTHERA (+20%), VELCADE (+12%) and COPAXONE-TEVA (+39%) showed positive growth rates, due to which expanded their market shares, moving up to ranks 1 through 3. Another three trade names showed the positive growth rates. GENFAXON (+99%) moved up from rank 10 to 5, and REMICADE (+32%) moved up from rank 9 to 7. A newcomer KOATE-DVI, which purchases grew 20 times, broke into the ranks of the top ten, coming in at number ten of the ranking. In contrast, COAGIL-VII (-2%) reduced its purchases which resulted in the loss of two ranks. Two trade names of the top 10 - LANTUS SOLOSTAR (+22%) and HERCEPTIN (+37%) – held their own ranks 6 and 8. The total share increased by more than 5 p.p. and achieved 38.4%.

Table 2. The top ten trade names for SRP.

Rank		Trade name	Share in total SRP volume, %	
9 mon. 2012	9mon. 2011		9 mon. 2012	9 mon. 2011
1	2	MABTHERA	7.6	6.4
2	3	VELCADE	7.0	6.3
3	4	COPAXONE-TEVA	6.1	4.5
4	1	GLIVEC	4.9	7.1
5	10	GENFAXON	3.1	1.6
6	6	LANTUS SOLOSTAR	2.2	1.9
7	9	REMICADE	2.1	1.6
8	8	HERCEPTIN	2.0	1.7
9	7	COAGIL-VII	1.8	1.8
10	148	KOATE-DVI	1.5	0.1
Total			38.4	33.0

Three INNs from the top ten INN and Generic Names held their own in the ranking – as before INNs BORTEZOMIB (+12%), INTERFERON BETA-1A (+6%) and INSULIN GLARGINE (+11%) maintained numbers 3, 6 and 7 (table 3). INN RITUXIMAB (+20%) became a leader of the top ten, whereas IMATINIB (+5%) which took a lead in the ranking earlier, moved down to rank two. GLATIRAMER ACETATE (+39%) moved to rank four, and FACTOR VIII (-1%) which had been placed at that number earlier, showed negative growth rates and moved down one rank. The newcomers INFLIXIMAB (+32%) and TRASTUZUMAB (+17%) broke into the ranks of the top ten, coming in at numbers eight and nine respectively. At the same time, they displaced INSULIN HUMAN ISOPHANE (+0.3%) down to rank ten.

Table 3. The top ten INN and generic names for SRP

Rank		Trade name	Share in total SRP volume, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	2	RITUXIMAB	7.6	6.4
2	1	IMATINIB	7.3	7.1
3	3	BORTEZOMIB	7.0	6.3
4	5	GLATIRAMER ACETATE	6.1	4.5
5	4	FACTOR VIII	6.0	6.2
6	6	INTERFERON BETA-1A	3.8	3.5
7	7	INSULIN GLARGINE	2.8	2.6
8	14	INFLIXIMAB	2.1	1.6
9	12	TRASTUZUMAB	2.0	1.7
10	9	INSULIN HUMAN ISOPHANE	1.9	1.9
Total			46.6	41.9

[2] From 2008 data on APS constitute information of shipments in contractual prices: prices at which the government will reimburse moneys to the distributor.

Most of the top 10 ATC groups in SRP segment held their own in the ranking (table 4). Among them were the leaders of the top ten - ATC groups L01 Antineoplastic agents and L03 Immunostimulants (12% each), as well as A10 Drugs used in diabetes (+1%) and B02 Antihemorrhagics (+3%). Despite the negative growth rates, B03 Antianemic preparations (-11%), L02 Endocrine therapy (-12%) and A16 Other alimentary tract and metabolism products (-23%) placed at numbers 7 through 9 held their own in the bottom part of the top ten. R03 Drugs for obstructive airway diseases (-11%) also reduced their purchases which led to the loss of one rank. At the same time, L04 Immunosuppressants (+21%) moved up from rank 6 to 5. The only newcomer H01 Hypothalamic-Pituitary Hormones and Analogues (+3%) broke into the ranks of the top ten, coming in at number ten. The cumulative share of the top ten ATC groups increased noteworthy and achieved 81.3%.

Table 4. The top ten ATC groups for SRP

Rank		ATC code	ATC group	Share in total SRP volume, %	
9mon. 2012	9 mon. 2011			9 mon. 2012	9 mon. 2011
1	1	L01	ANTINEOPLASTIC AGENTS	29.1	26.3
2	2	L03	IMMUNOSTIMULANTS	12.4	11.1
3	3	A10	DRUGS USED IN DIABETES	10.6	10.7
4	4	B02	ANTIHEMORRHAGICS	10.4	10.3
5	6		L04 IMMUNOSUPPRESSANTS	5.1	4.2
6	5	R03	DRUG FOR OBSTRUCT AIRWAY DIS	4.2	4.8
7	7	B03	ANTIANEMIC PREPARATIONS	2.9	3.3
8	8	L02	ENDOCRINE THERAPY	2.8	3.3
9	9	A16	OTH ALIMENT TRACT&METAB PROD	1.9	2.6
10	11	H01	PITUIT&HYPOTHAL HORM& ANALOG	1.8	1.8
Total				81.3	78.5

Data on supplies to the top ten regions of Russia under State Reimbursement Program are shown in Table 5. As before Moscow dominated the top ten, though its share in the analysed period reduced markedly from 17.6% to 14.3%. Moscovskaya Oblast (5.7%) held its own rank two. Republic of Tatarstan (3.5%) moved up to rank three from eight, displacing St. Petersburg (3.4%) down to rank 4. In addition, Krasnodarsky Kray (3.2%) showed the significant growth in purchases under State Reimbursement Program. However, the total share of the top 10 regions by SRP supplies reduced by more than 3 p.p. and accounted for 43.6%.

Table 5. The top ten regions by sales for SRP

Rank		Region	Share in total SRP volume, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	Moscow city	14.3	17.6
2	2	Moscovskaya oblast	5.7	5.5
3	8	Republic of Tatarstan	3.5	2.8
4	3	St. Petersburg city	3.4	4.6
5	7	Krasnodarsky kray	3.2	2.9
6	5	Rest of South FO	2.8	2.9
7	6	Rest of North-West FO	2.8	2.9
8	4	Sverdlovskaya oblast	2.8	3.0
9	10	Rest of Privolzhski FO	2.6	2.3
10	9	Republic of Bashkortostan	2.4	2.5
Total			43.6	47.0

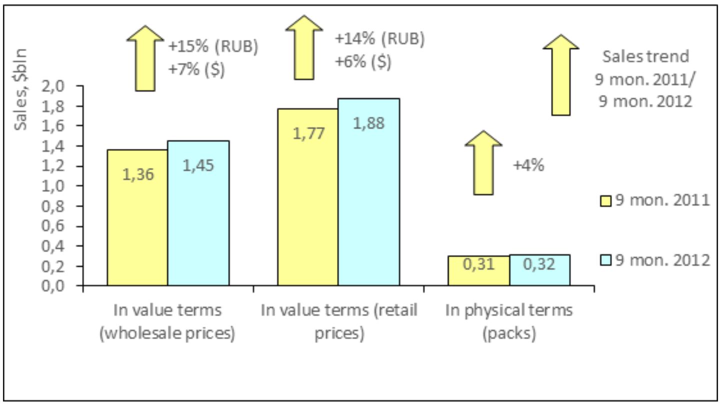
Conclusion. On the basis of the results for 9 months of 2012, the SRP segment of Russia brought in RUB 66.989 bln. (USD 2.180 bln) which is by 2% in terms of roubles and 5% in terms of dollars lower than the same indicator during the same period a year ago. In pack terms, the supplies increased by 2% to 77.552 mln packs. The average cost of OTC pack participating in the State Reimbursement Program (USD 28.12) dropped as compared to the figures of the past year (USD 30.14).

MOSCOW PHARMACY MARKET: 2012 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 Moscow's estimated population was 11.613 mln, which accounted for 8.1% of the total Russian Federation population and 30.1% of Central FO (CFO). According to Federal State Statistics Service's data, based on the results for 9 months of 2012 the average salary in the region was RUB 45,605.8 (USD 1,473.06), which is 78% higher than the average salary in Russia (RUB 25,686.0).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of nine months of 2012 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 4% increase to 317.348 mln packs. In value terms, the OTC drugs market increased by 15% in rouble terms and by 7% in dollar terms and reached 44.833 billion roubles (USD 1.448 billion) in wholesale prices (Fig. 1). The city share in the total volume of all-Russia pharmacy market accounted for 15.2%. The average cost of an OTC pack grew as compared to a year earlier (USD 5.79) and reached USD 5.92 in retail prices. For nine months of 2012, the average amount spent by residents of Moscow for drugs amounted to USD 161.79.

Figure 1. Moscow pharmacy market for 9 months of 2011 – 9 months of 2012



SANOFI-AVENTIS (+12%) remained a leader of the regional top ten ranking based on the results for the first 9 months of 2012 (Table 1). In addition, two more drug manufacturers - SERVIER (+18%) and NOVARTIS (+19%) - held their own in the ranking - numbers 4 and 5. Due to outperformance, SANDOZ (+18%), ABBOTT and MERCK SHARP DOHME (+19% each) moved up to the higher ranks 6, 7 and 9, respectively. On top of that, the latter became the only newcomer of the top 10 ranking. BAYER (+10%) also moved up one rank, coming in at number 2, whereas PHARMSTANDART (-4%) which used to hold that rank earlier, moved down to rank 3 due to reduction in sales. PFIZER (+8%) and NYCOMED/TAKEDA (+11%) also fell in the ranks, moving down to ranks 8 and 10, respectively. The cumulative share of the top 10 manufacturers reduced from 39.2% to 38.4%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	**SANOFI-AVENTIS**	6.3	6.4
2	3	**BAYER HEALTHCARE**	4.3	4.5
3	2	PHARMSTANDART	3.8	4.5
4	4	**SERVIER**	3.8	3.7
5	5	**NOVARTIS**	3.7	3.6
6	7	**SANDOZ GROUP**	3.6	3.5
7	8	**ABBOTT**	3.5	3.3
8	6	**PFIZER**	3.3	3.5
9	11	**MERCK SHARP DOHME**	3.1	3.0
10	9	**NYCOMED/TAKEDA**	3.0	3.1
Total			38.4	39.2

*AIPM members are in bold

No newcomers appeared in the top 10 INN and Generic Names ranking; however considerable shifts took place in it (table 2). Only one trade name - AMIXIN (+13%) - managed to hold its own in the ranking, as before placed at number ten. Half of the trade names of the top 10 rose in the ranks. ESSENTIALE N (+20%), SIALIS AND HEPTRAL (+18% each) moved up one rank, coming in at numbers one, six and eight. LINEX (+21%) moved up from rank 4 to 2, and the more dynamic DETRALEX (+26%) moved up from rank six to four. The other four trade names of the top ten moved down to the lower ranks, at the same time three of them showed reduction in sales. They were OTC drug ARBIDOL (-33%), VIAGRA (-4%) and OSCILLOCOCCINUM (-4%), which moved down to ranks 3, 5 and 7. ACTOVEGIN (+14%) moved down from rank 8 to 9. The total share of the top ten trade names reduced by almost 1 p.p. and accounted for 7.5%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	2	ESSENTIALE N	1.0	1.0
2	4	LINEX	0.9	0.9
3	1	ARBIDOL	0.9	1.5
4	6	DETRALEX	0.8	0.7
5	3	VIAGRA	0.8	0.9
6	7	SIALIS	0.7	0.7
7	5	OSCILLOCOCCINUM	0.6	0.8
8	9	HEPTRAL	0.6	0.6
9	8	ACTOVEGIN	0.6	0.6
10	10	AMIXIN	0.6	0.6
Total			7.5	8.3

Numerous shifts took place in the top 10 INN and Generic Names Ranking (table 3). Only INN PANCREATIN (+11%) placed at number 3 hold its own in the ranking. XYLOMETAZOLINE (+24%) and PHOSPHOLIPIDS (+21%) moved up to two first ranks, whereas the last year leader UMIFENOVIR (-33%) moved down to rank 5. Note that apart from it, only one more INN of the top ten moved down to the lower ranks - INN SILDENAFIL (+1%) moved down from rank 5 to 8. The other INNs showed positive growth rates. The composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+21%) moved up from rank 6 to 4, and INN FLUCONAZOLE (+8%) moved up from rank 7 to 6 and DIOSMIN + HESPERIDIN (+27%) moved up from rank 9 to 7. Two bottom ranks in the top 10 were taken by the newcomers of the ranking: TADALAFIL (+18%) and IBUPROFEN (+22%).. The total share of the analysed ranking, as well as that of the above ranking decreased, in this case from 9.7% to 9.3%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	2	XYLOMETAZOLINE	1.6	1.4
2	4	PHOSPHOLIPIDS	1.1	1.1
3	3	PANCREATIN	1.0	1.1
4	6	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.9
5	1	UMIFENOVIR	0.9	1.5
6	7	FLUCONAZOLE	0.8	0.9
7	9	DIOSMIN + HESPERIDIN	0.8	0.7
8	5	SILDENAFIL	0.8	0.9
9	12	TADALAFIL	0.7	0.7
10	15	IBUPROFEN	0.7	0.7
Total			9.3	9.7

Two newcomers broke into the ranks of the top ten ATC groups - C09 Agents acting on the rennin-angiotensin system (+24%) and N06 Psychoanaleptics (+21%) coming in at numbers 8 and 9 (Table 4). Five more groups managed to rise in the ranks. J01 Antibacterials for systemic use (+9%) which topped the top ten and R01 Nasal preparations (+16%) and A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+14%) which came in at numbers 3 and 4, moved up one rank. A11 Vitamins (+13%) moved up from rank seven to five, and M01 Anti-inflammatory and antirheumatic products (+18%) moved up from rank ten to seven, respectively. At the same time, N02 Analgesics (+5%) and L03 Immunostimulants (-3%) moved down to ranks 2 and 10. G03 Sex hormones (+7%) held its own rank 6. The total share of the analysed ranking, as well as that of the above rankings reduced and accounted for 34.6%.

Table 4. The top ten ATC Groups by pharmacy sales

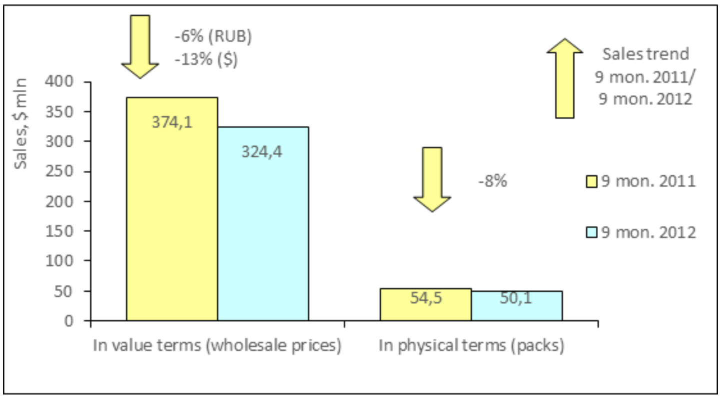
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011			9 mon. 2012	9 mon. 2011
1	2	J01	ANTIBACTERIALS FOR SYST USE	4.1	4.2
2	1	N02	ANALGESICS	4.0	4.3
3	4	R01	NASAL PREPARATIONS	3.7	3.7
4	5	A07	INTESTINAL ANTIINFECTIVES	3.6	3.6
5	7	A11	VITAMINS	3.3	3.3
6	6	G03	SEX HORM&MODULAT GENITAL SYS	3.2	3.5
7	10	M01	ANTIINFLAM & ANTIRHEUM PROD	3.2	3.1
8	14	C09	AG ACT RENIN-ANGIOTENS SYST	3.2	3.0
9	13	N06	PSYCHOANALEPTICS	3.2	3.0
10	3	L03	IMMUNOSTIMULANTS	3.2	3.7
Total				34.6	35.5

Conclusion. On the basis of the results for 9 months of 2012, the retail pharmacy market of Moscow brought in RUB 58.160 bln (USD 1.879 bln). This is 14% in terms of roubles and 6% in terms of dollars higher than during the same period a year ago. In pack terms, the market also showed the positive growth rates (+4%) and brought in 317.349 mln packs. The average cost of OTC pack was higher than during the same period a year ago (USD 5.92 vs. USD 5.79) and exceeded the national average (USD 3.74). Per capita expenses of Moscow residents for purchase of medicines in pharmacies also exceeded the national average (USD 161.79 vs. USD 83.41).

MOSCOW HOSPITAL MARKET: 2012 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first nine months of 2012 the Russian hospital market in physical terms increased by 8% to 50.063 million packs. In value terms, the market also showed negative growth rates (-6% in terms of roubles and -13% in terms of dollars) and reached RUB 10.079 bln (USD 324.416 bln) in wholesale prices. In the analysed period, the average cost of OTC pack in the hospital sector of Moscow was USD 6.48, whereas in the year-earlier period its cost was USD 6.86. The regional market share accounted for 10.7% of the Russian hospital market in physical terms and 20.6% in value terms.

Figure 1. Moscow hospital market for 9 months of 2011 – 9 months of 2012



Despite 24% reduction in sales, SANOFI-AVENTIS managed to remain a leader of the top ten drug manufacturers in the market of Moscow, based on the results for nine months of 2012 (Table 1). ROCHE (+46%) moved up to rank two from four, and PFIZER (+1%) held its own rank three in the top ten. BAYER (+55%), MERCK SHARP DOHME (+1%) and NOVARTIS (+5%), as well as a newcomer of the top ten ABBOTT (+48%) moved up to the higher ranks to numbers 4, 5, 7 and 10, respectively. The other three drug manufacturers: ASTRAZENECA (-35%), BAXTER (-27%) and NYCOMED/TAKEDA (-14%) had negative growth in purchases which resulted in the reduction of market shares and loss of the ranks in the top ten. However, the total share of the top 10 has increased from 41.5% to 43%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Manufacturer*	Share in total hospital purchases, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	**SANOFI-AVENTIS**	7.0	8.7
2	4	**ROCHE**	6.6	4.2
3	3	**PFIZER**	5.4	5.1
4	10	**BAYER HEALTHCARE**	4.2	2.5
5	6	**MERCK SHARP DOHME**	4.0	3.7
6	2	**ASTRAZENECA**	3.7	5.3
7	9	**NOVARTIS**	3.2	2.9
8	5	**BAXTER INT**	3.1	4.0
9	8	**NYCOMED/TAKEDA**	3.1	3.4
10	12	**ABBOTT**	2.8	1.7
Total			43.0	41.5

*AIPM members are in bold

Almost all trade names of the top ten ranking in the hospital metropolitan market rose in the ranks (Table 2). The last year leader SODIUM CHLORID became the sole exception, which reduced its purchases 29% and moved down to rank four. Based on the results for 9 months of 2012, an antineoplastic agent TAXOTERE (+65%) topped the ranking. An antibacterial agent ZIVOX (+44%) and fluroquinolone AVELOX (+96%) moved up to ranks two and three. In addition, due to one third growth in sales, SEVORANE moved up two points, coming in at number 6. The newcomers broke into the ranks of the top ten trade names, coming in at numbers five and from 7 through 10. Among them were AVASTIN, which purchases increased 5 times, XOLAIR (+38%), KAMRHO (growth in purchases 4 times), NAROPIN (+71%) and CUROSURF (+44%). The total share of the top 10 trade names increased considerably from 12.4% to 20.3%.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
9mon. 2012	9mon. 2011		9 mon. 2012	9 mon. 2011
1	5	TAXOTERE	3.4	2.0
2	4	ZIVOX	3.1	2.1
3	6	AVELOX	2.9	1.4
4	1	SODIUM CHLORIDE	2.1	2.8
5	43	AVASTIN	2.0	0.4
6	8	SEVORAN	1.6	1.1
7	14	XOLAIR	1.3	0.9
8	55	KAMRHO	1.3	0.3
9	20	NAROPIN	1.3	0.7
10	23	CUROSURF	1.1	0.7
Total			20.3	12.4

Four newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were IMMUNOGLOBULIN ANTI-D (RHO) (purchases grew 2 times), BEVACIZUMAB (5 times), AMINOSALICYLIC ACID (6.1 times) and SEVOFLURANE (+33%), coming in at numbers 5 through 8. DOCETAXEL (+46%), LINEZOLID (+44%) and MOXIFLOXACIN (+96%) also rose in the ranks. Due to high growth in purchases, they moved up from the bottom part of the top ten to the top three ranks. Due to pronounced reduction in sales the last year leaders MEROPENEM (-49%) and SODIUM (-29%) moved down to ranks 9 and 4, respectively. IMMUNOGLOBULIN BASE (-40%) also moved down to rank ten from four. In contrast to the previous rankings, the total share of the analysed top 10 remained unchanged and accounted for 16.7%.

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

Rank		INN/Generic Names	Share in total hospital purchases, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	7	DOCETAXEL	3.5	2.3
2	8	LINEZOLID	3.1	2.1
3	9	MOXIFLOXACIN	2.9	1.4
4	2	SODIUM	2.1	2.9
5	19	IMMUNOGLOBULIN ANTI-D (RHO)	2.0	1.0
6	60	BEVACIZUMAB	2.0	0.4
7	86	AMINOSALICYLIC ACID	1.7	0.3
8	13	SEVOFLURANE	1.6	1.1
9	1	MEROPENEM	1.6	2.9
10	4	IMMUNOGLOBULIN BASE	1.6	2.5
Total			16.7	16.7

The top four ATC groups of the top ten ATC groups remained unchanged (Table 4). ATC groups J01 Antibacterials for systemic use (-13%), Antineoplastic agents (+1%), B05 Blood substitutes and perfusion solutions (-24%) and B01Antithrombotic Agents (-5%) held their own in the ranking, though three of them showed reduction in purchases. Two more groups B02 Antihemorrhagics (-22%) and L04 Immunosuppressants (-7%) also had negative growth rates. On top of that, the former moved down from rank 5 to 8, and the former held its own rank 9. The other INNs of the top ten rose in the ranks. N01 Anaesthetics (+18%) and J06 Immune sera and immunoglobulins (+2%) moved up one rank to numbers 5 and 6. V08 Contrast media (+24%) moved up to rank seven from ten. A newcomer J04 Antimycobacterials (+23%) broke into the ranks of the top ten, coming in at number ten of the ranking. The total share of the top 10 didn't virtually change and accounted for 66.4%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
9 mon. 2012	9 mon. 2011			9 mon. 2012	9 mon. 2011
1	1	J01	ANTIBACTERIALS FOR SYST USE	16.7	18.2
2	2	L01	ANTINEOPLASTIC AGENTS	13.5	12.5
3	3	B05	BLOOD SUBSTITUTE & PERF SOLS	6.9	8.7
4	4	B01	ANTITHROMBOTIC AGENTS	5.5	5.5
5	6	N01	ANESTHETICS	5.1	4.0
6	7	J06	IMMUNE SERA & IMMUNOGLOBULIN	4.2	3.9
7	10	V08	CONTRAST MEDIA	4.1	3.1
8	5	B02	ANTIHEMORRHAGICS	3.9	4.7
9	9	L04	IMMUNOSUPPRESSANTS	3.5	3.5
10	12	J04	ANTIMYCOBACTERIALS	3.0	2.2
Total				66.4	66.3

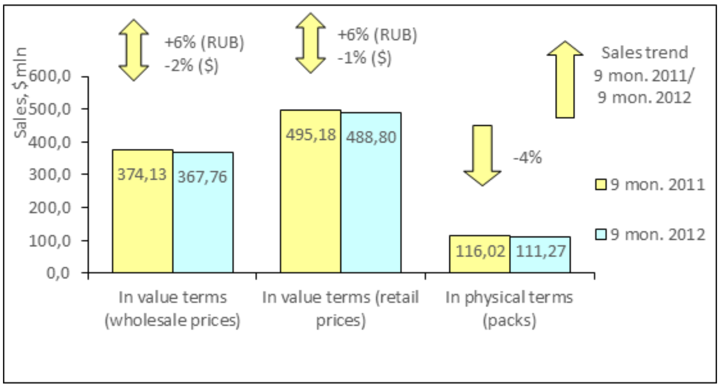
Conclusion. At the end of the first nine months in 2012, the Moscow hospital market grew by 6% in rouble terms and by 13% in dollar terms and brought in RUB 10.079 bln (USD 324.416 mln). In pack terms the market also showed negative growth rates (-8%) and brought in 50.063 mln packs. The average cost of a pack in the hospital sector of the city was markedly lower than in the year-earlier period (USD 6.48 vs. USD 6.86). As the analysed rankings show, the hospital market of the region experienced considerable structural changes.

SAINT PETERSBURG PHARMACY MARKET: 2012 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 St. Petersburg's estimated population was 4.953 mln, which accounts for 3.5% of the total Russian Federation population and 36.3% of North West FO (NWFO). According to Federal State Statistics Service's data, in the first nine months of 2012 the average salary in the city was RUB 31,130.6 (USD 1005.51), which is 21% higher than the average salary in Russia (RUB 25,686.0).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of nine months of 2012 the sales of OTC drugs in physical terms in pharmacies of St. Petersburg saw a 4% decrease to 111.271 mln packs. In value terms, the city pharmacy market (exclusive of State Reimbursement Program) saw a 6% increase in terms of roubles and -2% decrease in terms of dollars compared to the same period a year ago and reached RUB 11.375 bln (USD 367.758 mln) in wholesale prices (Fig.1). The city share in the total volume of all-Russia pharmacy market accounted for 4.3%. The average cost of an OTC pack grew as compared to a year earlier (USD 4.27) and reached USD 4.39 in retail prices. For nine months of 2012, the average amount spent by residents of St. Petersburg for OTC drugs amounted to USD 98.68.

Figure 1. St. Petersburg pharmacy market for 9 months of 2011 – 9 months of 2012



Based on the results for the first nine months of 2012, the top ten drug manufacturers in the regional market showed high stability - almost all drug manufacturers held their own in the ranking (Table 1). Only two companies, SANDOZ (+5%) and PHARMSTANDART (-6%), switched places - due to positive growth rates, the former moved up from rank 4 to 2, in contrast, the latter reduced its sales and moved down to rank four. SANOFI-AVENTIS (+7%) remained the leader of top ten regional ranking. SERVIER (+8%), NOVARTIS (+9%) and TEVA (+12%) which not only held, but strengthened their ranks, showed outperformance. The growth rates of the other drug manufacturers: BAYER (+1%), ABBOTT (+5%), PFIZER (+4%) and MENARINI (+1%) fell behind the mid-market rates, but didn't affect the ranks of the companies. The total share accumulated by the top ten drug manufacturers reduced from 40.1% to 39.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	**SANOFI-AVENTIS**	5.9	5.9
2	4	**SANDOZ GROUP**	4.5	4.5
3	3	**BAYER HEALTHCARE**	4.5	4.7
4	2	PHARMSTANDART	4.3	4.8
5	5	**SERVIER**	4.2	4.1
6	6	**NOVARTIS**	3.7	3.6
7	7	**ABBOTT**	3.3	3.3
8	8	**PFIZER**	3.2	3.2
9	9	**MENARINI**	3.0	3.2
10	10	**TEVA**	3.0	2.8
Total			39.7	40.1

*AIPM members are in bold

ARBIDOL remained the leader of the top ten trade names, though its sales reduced by 24% (Table 2). In addition, VIAGRA (-5%) and OSCILLOCOCCINUM (-10%) reduced their sales. as a result the trade names moved down one rank, to numbers 3 and 5. In contrast, the other seven trade names of the top-10 ranking rose in the ranks. ESSENTIALE N (+14%) and LINEX (+15%) moved up one rank, to numbers 2 and 4. Preparations HEPTRAL (+12%) and DETRALEX (+13%) moved up two ranks, to numbers 6 and 7. The newcomers broke into the ranks of the top ten, coming in at numbers eight, nine and ten: NO-SPA (+10%), SIALIS (+14%) and KAGOCEL (+90%). The total share of the analysed top 10 trade names remained unchanged and accounted for 8.2%.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	ARBIDOL	1.2	1.7
2	3	ESSENTIALE N	1.2	1.1
3	2	VIAGRA	1.0	1.1
4	5	LINEX	0.9	0.9
5	4	OSCILLOCOCCINUM	0.9	1.0
6	8	HEPTRAL	0.7	0.6
7	9	DETRALEX	0.6	0.6
8	13	NO-SPA	0.6	0.6
9	14	SIALIS	0.6	0.5
10	54	KAGOCEL	0.6	0.3
Total			8.2	8.3

Only one newcomer broke into the ranks of the top ten INN and Generic Names ranking, INN IBUPROFEN (+14%), moving up from rank 12 to 9, displacing KETOPROFEN (+3%) (table 3). Another three manufacturers developed their markets by outstripping rates: the leader of the top ten ranking XYLOMETAZOLINE (+29%), as well as INN PHOSPHOLIPIDS (+14%) and the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+15%) that moved up to ranks 3 and 7. PANCREATIN (+5%) also moved up one rank. Four trade names of the top 10 reduced their sales. Among them were UMIFENOVIR (-23%), PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-4%) and ANAS BARBARIAE (-9%) which moved down to the lower ranks, and SILDENAFIL (-1%) that retained its rank 5.

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

Rank		Trade name	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	2	XYLOMETAZOLINE	1.8	1.5
2	1	UMIFENOVIR	1.2	1.7
3	4	PANCREATIN PHOSPHOLIPIDS	1.2	1.1
4	3	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1.1	1.2
5	5	SILDENAFIL	1.0	1.1
6	7	PANCREATIN	1.0	1.0
7	8	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.9
8	6	ANAS BARBARIAE	0.9	1.0
9	12	IBUPROFEN	0.8	0.8
10	9	KETOPROFEN	0.8	0.8
Total			10.8	11.1

Three ATC Groups of the top 10 ATC groups retained their previous ranks (table 4). They were the leader of the top ten N02 Analgesics, as well as J01 Antibacterials for systemic use and A11 Vitamins (+3% each) at numbers 4 and 5. Four trade names rose in the ranks. R01 Nasal preparations (+12%), M01 Anti-inflammatory and antirheumatic products (+9%) and C09 Agents acting on the rennin-angiotensin system (+10%) moved up one rank, coming in at numbers two, six and nine. The more dynamic A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+15%) moved up from rank 9 to 7. At the same time, the groups R05 Cough and cold preparations (-1%) and G03 Sex hormones (-2%) reduced their sales and moved down to ranks 3 and 9. The cumulative share of the top 10 didn't change and accounted for 38.2%.

Table 4. The top ten ATC Groups by pharmacy sales

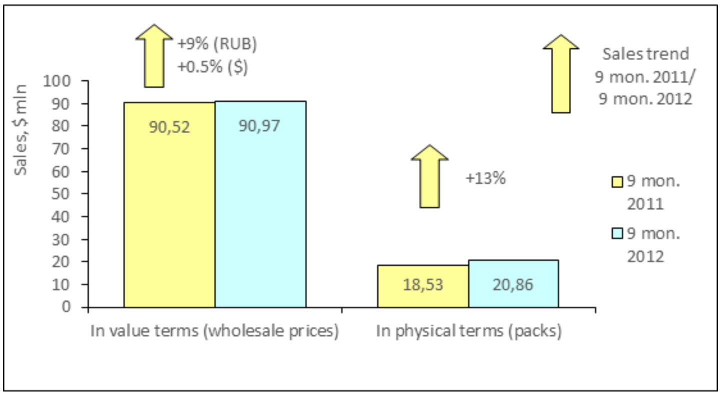
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9mon. 2012	9 mon. 2011			9 mon. 2012	9 mon. 2011
1	1	N02	ANALGESICS	4.5	4.6
2	3	R01	NASAL PREPARATIONS	4.4	4.1
3	2	R05	COUGH AND COLD PREPARATIONS	4.1	4.3
4	4	J01	ANTIBACTERIALS FOR SYST USE	3.9	4.0
5	5	A11	VITAMINS	3.9	4.0
6	7	M01	ANTIINFLAM & ANTIRHEUM PROD	3.8	3.7
7	9	A07	INTESTINAL ANTIINFECTIVES	3.5	3.3
8	6		Unidentified	3.5	3.7
9	10	C09	AG ACT RENIN-ANGIOTENS SYST	3.3	3.2
10	8	G03	SEX HORM&MODULAT GENITAL SYS	3.2	3.5
Total				38.2	38.2

Conclusion. On the basis of the results for 9 months of 2012, the retail pharmacy market of St Petersburg brought in RUB 15.119 bln (USD 488.796 mln). At the same time, the market showed the positive growth rates in terms of roubles (+6%) and negative growth rates (-1%) in terms of dollars. In physical terms the sales also decreased by 4% and amounted to 111.272 mln packs. The average cost of an OTC pack in the city pharmacies increased as compared to the previous year (USD 4.39 vs. USD 4.27), however it was higher than the average indicator in Russia (USD 3.74). Per capita expenses for purchase of medicines in pharmacies amounted to USD 98.68 which is higher than on the average in the country (USD 83.41).

SAINT PETERSBURG HOSPITAL MARKET: 2012 FIRST 9 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in the first nine months of 2012 the Russian hospital market in physical terms increased by 13% to 20.864 million packs. In value terms, the purchases movement was positive both in roubles (+9%) and in dollars (+0.5%), and the volume amounted to RUB 2.833 bln (USD 90.968 mln) in wholesale prices. In the analyzed period of 2012, the average cost of OTC pack in the hospital sector of the city was USD 4.36, whereas in the year-earlier period its cost was USD 4.88. The regional market share accounted for 4.5% of the Russian hospital market in physical terms and 5.8% in value terms.

Figure 1. St. Petersburg hospital market for 9 months of 2011 – 9 months of 2012



Following the results of the first nine months of 2012, despite the noticeable reduction in purchases, MERCK SHARP DOHME (-14%) and SANOFI-AVENTIS (-13%) held their leading ranks in the top ten drug manufacturers in the hospital market of St. Petersburg (Table 1). ABBOTT (+1%) moved up to rank three from four, whereas ASTRAZENECA (-10%) which used to hold that rank earlier moved down to rank four. Two more drug manufacturers of the top ten moved down one rank: B.BRAUN (-8%) and GEDEON RICHTER (+2%), coming in at numbers 6 and 9, respectively. In contrast, the other names of the top 10 rose in the ranks. PFIZER (+29%) moved up to rank 5 from 7. Three newcomers broke into the bottom part of the ranking - NOVARTIS (+76%), NYCOMED/ TAKEDA (+45%) and BIOTEST PHARMA which purchases grew 4 times, moved up to ranks seven, eight and ten. The total share accumulated by the ten top manufacturers reduced from 36.8% to 36.2%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank		Manufacturer*	Share in total hospital purchases, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	**MERCK SHARP DOHME**	6.3	8.0
2	2	**SANOFI-AVENTIS**	4.9	6.2
3	4	**ABBOTT**	3.6	3.9
4	3	**ASTRAZENECA**	3.6	4.4
5	7	**PFIZER**	3.6	3.0
6	5	B.BRAUN	3.2	3.8
7	15	**NOVARTIS**	3.0	1.9
8	11	**NYCOMED/TAKEDA**	2.9	2.2
9	8	GEDEON RICHTER	2.6	2.8
10	36	BIOTEST PHARMA	2.4	0.6
Total			36.2	36.8

*AIPM members are in bold

The ranking of the top ten trade names in the hospital market of the region was half updated – it acquired five newcomers (table 2). Due to growth in purchases 4 times, the preparation REMICADE moved up to rank 2 from 19. The markets of OTC drugs INTRATECT (9-fold growth in purchases), ZIVOX (3.5-fold growth), XOLAIR (3-fold growth) and CLEXANE (1.5-fold growth) developed at a fast pace which allowed them to break into the ranks of the top ten and move to ranks 4, 6, 8 and 9, respectively. HEPARIN (+15%) and ALBUMIN (+28%) also showed the pronounced growth rates, at the same time the former moved up from rank seven to three, and the latter held its own rank 10. Three trade names of the ranking reduced their sales. They were a leader SODIUM CHLORIDE (-10%), as well as SEVORAN (-25%) and PUREGON (-51%), which moved down to ranks 5 and 7. The total share accumulated by the top 10 manufacturers increased by almost 3 p.p. and escalated to 18.5%.

Table 2. The top 10 trade names by hospital purchases

Rank		Trade name	Share in total hospital purchases, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	SODIUM CHLORIDE	3.2	3.9
2	19	REMICADE	2.6	0.7
3	7	HEPARIN	2.0	1.9
4	95	INTRATECT	1.6	0.2
5	3	SEVORAN	1.6	2.4
6	33	ZIVOX	1.6	0.5
7	2	PUREGON	1.5	3.5
8	32	XOLAIR	1.5	0.5
9	11	CLEXANE	1.5	1.1
10	10	ALBUMINE	1.3	1.1
Total			18.5	15.8

Several newcomers broke into the ranks of the top 10 INN and Generic Names Ranking (table 3). There were three of them - INFLIXIMAB (4-fold growth in purchases), the composition GLUCOSE + SODIUM + DL-LACTIC ACID (+38%) and INN LINEZOLID (3.5-fold growth), which moved up to ranks 3, 6 and 8, respectively. Apart from them, another two names rose in the ranks of the top ten. Due to 2.6-fold growth in purchases, IMMUNOGLOBULIN BASE moved up from rank 9 to 1, and HEPARIN (+15%) – from rank 8 to 4. The other five trade names showed the negative growth rates: SODIUM (-10%), CEFTRIAXONE (-19%), SEVOFLURANE (-25%), OXALIPLATIN (-29%) and FOLLITROPIN BETA (-51%), which resulted in the reduction of their market shares and loss of ranks in the top ten. However, the total share of the top 10 has reduced from 20.8% to 21.5%.

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

Rank		INN/Generic Names	Share in total hospital purchases, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	9	IMMUNOGLOBULIN BASE	3.6	1.5
2	1	SODIUM	3.3	4.0
3	27	INFLIXIMAB	2.6	0.7
4	8	HEPARIN	2.0	1.9
5	3	CEFTRIAXONE	1.9	2.5
6	11	GLUCOSE + SODIUM + DL-LACTIC ACID	1.8	1.4
7	5	SEVOFLURANE	1.6	2.4
8	43	LINEZOLID	1.6	0.5
9	4	OXALIPLATIN	1.6	2.4
10	2	FOLLITROPIN BETA	1.5	3.5
Total			21.5	20.8

The leaders of the top ten ATC groups didn't change - J01 Antibacterials for systemic use and B05 Blood substitutes and perfusion solutions (+2% each) continued to hold a wide lead (Table 4). The group N01 Anaesthetics (+2%) managed to hold their own seven rank in the top ten. The other top 10 ATC groups changed their ranks; moreover, five of them rose in the ranks. N05 Psycholeptics (+24%), V08 Contrast media (+66%) and J06 Immune sera and immunoglobulins (2.6-fold growth in purchases) moved up two ranks, coming in at numbers three, six and eight. L04 Immunosuppressants (2.5-fold growth in purchases) and J04 Antimycobacterials (2.7-fold growth in purchases) rose in the ranks more considerably, to numbers 4 and 10 from 9 and 19, respectively. At the same time, Groups B01 Antithrombotic agents (-16%) and L01 Antineoplastic agents (-53%) showed pronounced negative growth rates and fell in the ranks, moving down to numbers 5 and 9. The total share of the top 10 ATC groups ranking increased by almost 2 p.p. and achieved 68.2%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
9 mon. 2012	9 mon. 2011			9 mon. 2012	9 mon. 2011
1	1	J01	ANTIBACTERIALS FOR SYST USE	15.9	17.1
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	11.0	11.8
3	5	N05	PSYCHOLEPTICS	8.4	7.4
4	9	L04	IMMUNOSUPPRESSANTS	6.1	2.6
5	4	B01	ANTITHROMBOTIC AGENTS	5.9	7.6
6	8	V08	CONTRAST MEDIA	5.1	3.3
7	7	N01	ANAESTHETICS	4.9	4.8
8	10	J06	IMMUNE SERA & IMMUNOGLOBULIN	4.7	2.0
9	3	L01	ANTINEOPLASTIC AGENTS	3.7	8.8
10	19	J04	ANTIMYCOBACTERIALS	2.5	1.0
Total				68.2	66.4

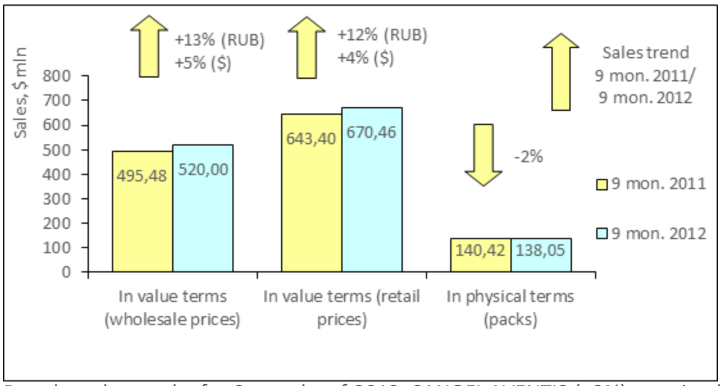
Conclusion. At the end of the first nine months in 2012, the St. Petersburg hospital market grew by 9% in rouble terms and by 0.5% in dollar terms and brought in RUB 2.833 bln (USD 90.968 mln). In pack terms the market showed more positive growth rates (+13%) and achieved 20.864 mln packs. In the first nine months of 2012, the average cost of an OTC pack in the regional hospital sector was lower than in the year-earlier period (USD 4.36 vs. USD 4.88) and considerably exceeded the Russia average figures (USD 3.38).

MOSCOW REGION PHARMACY MARKET: 2012 FIRST 9 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Moscow region was estimated as 7.199 mln, which makes 5% of the total Russian Federation population and 18.7% of Central FO (CFO). According to Federal State Statistics Service's data, in the first nine months of 2012 the average salary in the region was RUB 31,754.3 (USD 1,025.66), which is 24% higher than the average salary in Russia (RUB 25,686.0).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of nine months of 2012 the sales of OTC drugs in physical terms in pharmacies of Moscow region saw a 2% decrease to 138.051 mln packs. In value terms, the region pharmacy market (exclusive of State Reimbursement Program) saw a 13% increase in terms of roubles and -5% in terms of dollars compared to the same period a year ago and reached RUB 16.111 bln (USD 520.000 mln) in wholesale prices (Fig.1). The region's share accounted for 5.5% of the total volume of all-Russia pharmacy market. The average cost of an OTC pack increased as compared to a year earlier and reached USD 4.86 (vs. USD 4.58 a year earlier) in retail prices. In the first nine months of 2012, the region residents spent USD 93.14 on drugs on the average.

Figure 1. Moscow region pharmacy market for 9 months of 2011 – 9 months of 2012



Based on the results for 9 months of 2012, SANOFI-AVENTIS (+9%) remained the leader of the top ten in the regional market, though due to lag in growth rates its market share reduced (Table 1). BAYER (+19%) moved up to rank two by displacing PHARMSTANDART (-1%) down one rank. SERVIER (+17%) and SANDOZ (+14%) retained their ranks four and five. Neither company in the bottom part of the top ten managed to hold their own in the ranking. NOVARTIS (+20%), ABBOTT (+22%) and TEVA (+18%) moved up to ranks 6, 8 and 10, at the same time, the latter became the only newcomer of the top ten. The less dynamic MENARINI (+11%) and NYCOMED/TAKEDA (+12%) moved down one rank, coming in at numbers 7 and 9. The total share of the top ten in the regional market remained virtually unchanged and accounted for 38.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	**SANOFI-AVENTIS**	6.0	6.3
2	3	**BAYER HEALTHCARE**	4.4	4.1
3	2	PHARMSTANDART	4.3	4.8
4	4	**SERVIER**	3.9	3.8
5	5	**SANDOZ GROUP**	3.8	3.8
6	7	**NOVARTIS**	3.5	3.3
7	6	**MENARINI**	3.5	3.5
8	9	**ABBOTT**	3.3	3.1
9	8	**NYCOMED/TAKEDA**	3.1	3.1
10	11	**TEVA**	2.8	2.7
Total			38.6	38.5

*AIPM members are in bold

Only one trade name - ACTOVEGIN (+11%) - held its own rank 6 in the top ten trade names ranking (Table 2). Five trade names of the top 10 rose in the ranks. ESSENTIALE N (+15%) moved up to rank one, LINEX (+21%) moved up to rank three, DETRALEX (+19%) moved up to rank five. ALFLUTOP (+32%) and KAGOCEL (+86%) broke into the ranks of the top ten, coming in at numbers eight and nine. At the same time, four trade names moved down to the lower ranks. They were ARBIDOL (-27%), VIAGRA (-12%) and OSCILLOCOCCINUM (-7%) as well as MEXIDOLUM (+13%) which reduced their sales and moved down to bottom ranks giving the way to the more dynamic trade names.

Table 2. The top ten trade names by pharmacy sales

Rank		Trade name	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	2	ESSENTIALE N	1.1	1.0
2	1	ARBIDOL	0.9	1.4
3	4	LINEX	0.9	0.9
4	3	VIAGRA	0.7	0.9
5	7	DETRALEX	0.7	0.6
6	6	ACTOVEGIN	0.7	0.7
7	5	OSCILLOCOCCINUM	0.7	0.8
8	13	ALFLUTOP	0.6	0.5
9	39	KAGOCEL	0.6	0.3
10	9	MEXIDOLUM	0.6	0.6
Total			7.3	7.7

Three newcomers broke into the ranks of the top ten INN and Generic Names Ranking - BISOPROLOL (+18%), BLOOD (+11%) and the composition DIOSMIN + HESPERIDIN (+22%), coming in at numbers 7, 8 and 10, respectively (table 3). Apart from it, the other four INNs moved up to yet higher ranks. PANCREATIN (+12%), PHOSPHOLIPIDS (+17%) and BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+21%) moved up one rank, coming in at numbers 2, 3 and 5, respectively. IBUPROFEN (+17%) moved up from rank nine to six. Two INNs with negative growth rates: UMIFENOVIR (-27%) and PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-1%), moved down to ranks 4 and 9. INN XYLOMETAZOLINE (+27%) remained the leader of the ranking. The total share of the analysed ranking, as well as of the above ranking, reduced and accounted for 9.6%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011		9 mon. 2012	9 mon. 2011
1	1	XYLOMETAZOLINE	1.7	1.5
2	3	PANCREATIN	1.2	1.3
3	4	PHOSPHOLIPIDS	1.2	1.1
4	2	UMIFENOVIR	0.9	1.4
5	6	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.9
6	9	IBUPROFEN	0.8	0.8
7	16	BISOPROLOL	0.7	0.7
8	11	BLOOD	0.7	0.7
9	7	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0.7	0.8
10	19	DIOSMIN + HESPERIDIN	0.7	0.7
Total			9.6	9.8

The leader of the ten top ATC groups ranking didn't change either – despite the reduction in market share, Group N02 Analgesics (+1%) held its own in the top ten (table 4). In addition, another five ATC groups held their own in the ranking. Among them were J01 Antibacterials for systemic use (+7%), M01 Anti-inflammatory and antirheumatic products and R01 Nasal preparations (+17% each), coming in at numbers 2 through 4. A11 Vitamins and G03 Sex hormones (+15% each) held their own ranks eight and nine. ATC Group R05 Cough and cold preparations (+3%) with low growth rates moved down two ranks, to number 7. At the same time, more dynamic groups A07 Antidiarrheals, intestinal anti-inflammatory/antiinfective agents (+16%) and C09 Agents acting on the rennin-angiotensin system (+22%) in contrast moved up to ranks 5 and 6. The only newcomer of the top 10 L03 Immunostimulants (+10%) came in at the bottom rank. The total share of the top 10 ATC groups reduced from 36.6% to 36.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2012	9 mon. 2011			9 mon. 2012	9 mon. 2011
1	1	N02	ANALGESICS	4.3	4.8
2	2	J01	ANTIBACTERIALS FOR SYST USE	4.1	4.3
3	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4.0	3.9
4	4	R01	NASAL PREPARATIONS	4.0	3.9
5	6	A07	INTESTINAL ANTIINFECTIVES	3.6	3.5
6	7	C09	AG ACT RENIN-ANGIOTENS SYST	3.5	3.2
7	5	R05	COUGH AND COLD PREPARATIONS	3.4	3.7
8	8	A11	VITAMINS	3.3	3.2
9	9	G03	SEX HORM&MODULAT GENITAL SYS	3.2	3.1
10	11	L03	IMMUNOSTIMULANTS	2.8	2.8
Total				36.3	36.6

Conclusion. At the end of the first nine months of 2012, the retail OTC drugs market of Moscow region brought in RUB 20.773 bln (USD 670.463 mln). At the same time, the market increased 12% in terms of roubles and 4% in terms of dollars. In pack terms the market showed negative growth rates (-2%) and achieved 138.051 mln packs. The average cost of OTC pack was higher than during the same period a year ago (USD 4.86 vs. USD 4.58) but lower than the national average (USD 3.77). At the end of nine months of 2012, per capita expenses for purchase of medicines in pharmacies of the region amounted to USD 93.14 and were higher than the average indicators throughout Russia (USD 83.41).

REGIONAL DIGEST

State Reimbursement Program//Procurement of Necessary Drugs, Government Control

November 07, 2012, RBC daily

Non-availability of pricing procedure for VED approved for 2013 may result in the deficiency of medicines

There are fears that in the beginning of 2013 the pharmacies won't be able to sell available medicines, as prices for them won't be registered (in the pharmaceuticals industry it is called the deficiency of medicines). The reason for this will be non-availability of the pricing procedure for vital and essential drugs approved for 2013. The government violates the rules for the game which it establishes. First of all, it relates to the timing for the submission of documents regulating the vital and essential drugs list and pricing procedure.

November 09, 2012, The Nezavisimaya Gazeta

Half of state guarantees to deliver free medical care is not secured by financing

Today, there isn't enough money to deliver free medical care. But in years to come the Ministry of Public Health hopes to improve health financing, which will make it possible to deliver medical services mainly free. Such perspectives were reported yesterday by the Head of Ministry of Public Health Veronika Skvortsova. According to the Minister, about 1.5 trillion roubles will be required to finance the free medical care standards. But in 2012 the healthcare system has allocated only 680 bln roubles to deliver free medical care standards. The government will be able to cover the free medical care standards only by 2015, Skvortsova announced.

November 09, 2012, The Komsomolskaya Pravda

Ministry of Public Health plans to reimburse patients the cost of over-the-counter medications purchased

One of the most important documents that are currently being prepared by the Ministry of Public Health is State Reimbursement Program until 2025, the Russian Minister for Public Health Veronika Skvortsova said in the press-conference yesterday. In addition to present benefit holders (veterans and invalids), the government intends to reimburse a part of expenses for purchase of out-patient drugs to three more patients categories: children 3 - 18 years old, the elderly and adults. Adult patients shall meet counter requirements. It means that the weightiest support shall be provided to those who make responsible use of his/her body system, fights bad habits and completes medical examinations with authorized physicians on a regular basis.

November 16, 2012, The Vedomosti

Draft Program for Health Care System Development submitted by the Ministry of Public Health has been returned for rework

Fate of 1 mln people has been decided at the yesterday's sitting of the Government. According to the Minister of Public Health Veronika Skvortsova, they won't be able to last till 2020 if the Government opts for the budget scenario of the state program for health care system development. According to it, the Government will spend RUB 2.7 trillion from the federal budget until 2020. This won't allow it to carry out the inaugural instructions of President Vladimir Putin in which he required to extend life expectancy and improve quality of medical services, Skvortsova warned.

November 19, 2012, RIA-AMI

FAS proposed measures for cutting prices for medicines

The Federal Anti-monopoly Service of the Russian Federation suggests methods that can be used to solve problems of pharmaceutical benefits in the country by developing fundamentally new approaches to tackling the very high prices paid by consumers for medicines, first of all by creating conditions for market competition. FAS pointed many times to the provocative deference in prices for similar medicinal products in the same pharmaceutical and dosage form (up to 59 times). According to the authority, the reason for such state of affairs is lack of competitive conditions which can't be created due to lack of proper regulation of drug interchangeability as well as "non-transparent, contradictory, complicated procedure of administrative price regulation and market authorization procedure which doesn't provide for arbitration review of expert examination results".

November 26, 2012, The Rossiyskaya Gazeta

Federal budget to allocate RUB 500 bln for health service system in 2013

The State Duma approved the proposed budget of Russia for the next three years. The document will come into force after approval by the Federation Council and President. The Government intends to spend almost RUB 500 bln to improve health of citizens. These funds will finance projects on construction of pharmaceutical facilities to produce new medicinal products, buy equipment and drugs. Almost RUB 19 bln will be spent on purchase of drugs to prevent and treat B and C hepatitis and almost RUB 7 bln to improve medical care to cancer patients. The Government plans to allocate RUB 520 mln to get the Russians used to a healthy lifestyle.

November 28, 2012, The Pharmatsevticheski Vestnik

Association of Russian Pharmaceutical Manufacturers appealed to President to resolve a problem with re-registration of prices for VED

On November 28, ARPM has sent a letter to Vladimir Putin expressing deep concern about the situation related to re-registration of prices for VED: For the second year in a row, Ministry of Public Health of Russia and Federal Tariff Service refuse manufacturers' application to re-register the marginal ex-factory prices. In fact, the manufacturers have been deprived of a right to re-register prices. The Russian companies found themselves in a state when production of medicines added to the VED list including those supplied under the State Reimbursement Program is becoming unprofitable. The letter states that the Government pursues a policy of setting artificial price caps for medicines regardless of annual rise in inflation, which doesn't stimulate development of domestic pharmaceutical industry, negatively affects the plans of foreign companies on localization of their facilities in the territory of Russia, and reduces investment attractiveness of domestic pharmaceutical industry in general.

November 29, 2012, ITAR-TASS

Ministry of Industry and Trade to prepare proposals for support of domestic drug manufacturers when concluding a state contract until the end of year

The Ministry of Industry and Trade of the Russian Federation will prepare proposals for support of domestic pharmaceutical manufacturers when concluding a state contract until the end of this year. This was reported by Director of Department for Chemical-Engineering Complex and Bioengineering Technologies of Ministry of Industry and Trade Sergey Tsyb in the second International Forum *Life Sciences Invest* in St. Petersburg. According to him, the Ministry's initiative is aimed at legislative recognition of preferences for Russian drug manufacturers when implementing a state contract. In particular, a draft decree of Government of Russian Federation is planned to be developed in order to establish additional requirements to state customers to the extent applicable to a country of origin of goods.

NEWS FROM COMPANIES

November 14, 2012, RIA OREANDA

TEVA became a member of Association of Russian Pharmaceutical Manufacturers

One of the industry leaders, TEVA, has become a member of ARPM. Founded 110 years ago on the territory of modern Israel, today a pharmaceutical company TEVA is leader in the generic pharmaceuticals, and among the top 15 pharmaceutical companies in the world. TEVA has been working over 15 years in the Russian pharmaceutical market. Volume of sales in Russia amounted to over USD 500 mln. The product portfolio includes about 300 pharmaceutical forms. A contract for construction of a pharmaceutical plant in Yaroslavl, on the territory of pharmaceutical cluster, was signed in September 2011.

November 22, 2012, The Vedomosti

FAS allowed Rosnano to buy 30% of stake in St. Petersburg Pharmsynthez

Russia's Federal Antimonopoly Service (FAS) has allowed Rosnano OAO to buy up to 30% of stake in St. Petersburg pharmaceutical manufacturer and developer Pharmsynthez OAO. Chairman of the Board of Directors of Pharmsynthez Dmitry Genkin refused to comment on FAS's decision and possible sale of stock in the company. "Request of FAS's position regarding acquisition of a part of stock in this or that company is a routine corporate procedure; not all transactions approved by FAS become a bargain", Chairman of Rosnano said.

November 27, 2012, The Vedomosti

IMS Health acquired rights to capital assets of PharmExpert

IMS Health, a leading provider of information, services and technology for the healthcare industry, has acquired rights to capital assets of Pharmexpert, one the leading local provider of market intelligence for pharmaceutical industry. The transaction was closed on November 9, Nikolai Demidov, former CEO of Pharmexpert said to the Vedomosti, who took up a position of Head of IMS Health of Russia and CIS. The transaction has been confirmed by the primary beneficiary of PHEX International, which controlled Pharmexpert, Director of Institute of Public Healthcare Development, Yuri Krestinsky. Both Demidov and Krestinsky refused to comment on the sum of transaction. According to Director of the Center for Social Economics, David Melik-Guseinov, it could amount to USD 12-15 mln.

Information source: IMS Health

For any questions and comments please call

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