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AIPM® Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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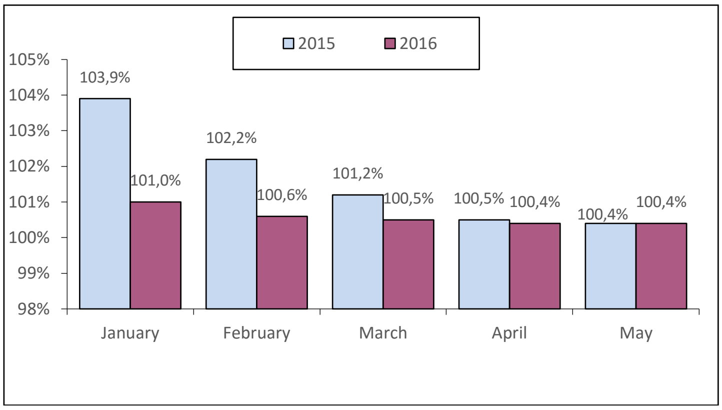
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in May 2016, the Consumer Price Index was estimated at 100.4% compared to the previous month, and 102.9% since the beginning of the year.

In May this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 101%, whereas in the month-earlier period it had amounted to 102.6%. The index accounted for 103.7% against December of the previous year.

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



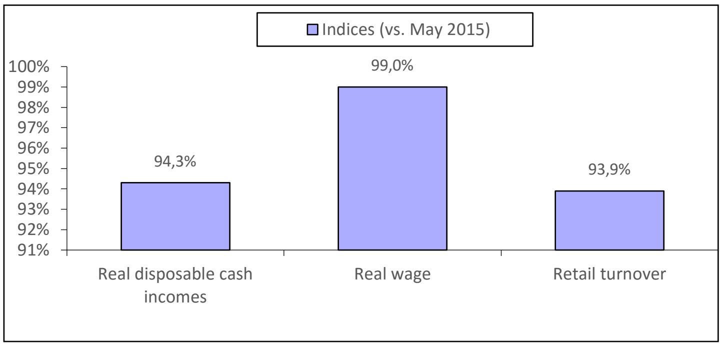
Living standard

According to preliminary Federal State Statistics Service's data, in May 2016 a gross monthly average salary per worker reached RUB 36,570 (USD) which accounted for 100.2% compared to the previous month and 106.2% compared to May 2015. The real wage in May 2016 accounted for 99.0% compared to May in 2015. In May 2016, the real value of disposable cash incomes accounted for 94.3% compared to the same period of 2015 (Fig. 2).

Retail turnover

In May 2016, the retail turnover was equal to RUB 2,239.3 bil., which in comparable prices accounted for 93.9% compared to the same period a year ago, in January-May 2016 - RUB 10,894.9 bil. or 94.3% (Fig. 2).

Figure 2. Real values of cash incomes, salary and retail turnover in May 2016



Industrial Production

According to Federal State Statistics Service's data, in May 2016 Industrial Production Index accounted for 100.7% compared to the same period in January-May 2016. - 100.1%.

According to Federal State Statistics Service's data, Industrial Production Index in May 2016 accounted for 123.3% compared to the relevant period of the previous year, and 93.5% compared to the previous month.

Domestic production

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

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

Rank	Manufacturer	RUB mil.
1	F-Sintez	1,859,773,164
2	Otcpharm	1,260,743,942
3	Pharmstandart	936,240,967
4	Sotex	928,183,131
5	Stada	793,352,291
6	Valenta	656,822,360
7	Servier	644,018,812
8	Biocard	520,837,041
9	Veropharm	516,168,460
10	Akrikhin Pharma	513,953,783

Source - Remedium according to IMS Health's data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In April 2016 compared to March, the negative growth in pharmacy sales (in terms of roubles) was observed in eight regions. The most pronounced growth in sales was observed in St. Petersburg and Rostov Region (-9%), the least one – in Tatarstan (-1%). A slight increase in sales was recorded in Perm (+1%) and Tyumen (+3%).

Table 2. Pharmacy sales in the regions, 2016

Region	Pharmacy sales, $mil. (wholesale prices)			Growth gain, % (roubles)		
	February 2016	March 2016	April 2016	February/ January 16	March / February 16	April/ March 16
Moscow	103.1	131.0	132.9	-5%	16%	-4%
St. Petersburg	38.8	49.4	47.5	-6%	16%	-9%
Krasnodar Krai	23.9	28.8	29.0	-22%	10%	-5%
Novosibirsk Region	17.2	16.7	16.3	-9%	-11%	-8%
Tatarstan	15.8	16.1	16.9	5%	-7%	-1%
Krasnoyarsk Krai	15.9	18.6	19.2	13%	7%	-3%
Rostov Region	14.6	17.9	17.2	-6%	12%	-9%
Voronezh Region	10.4	12.1	12.1	-11%	6%	-5%
Perm	5.8	6.9	7.4	-2%	9%	1%
Tyumen	4.0	4.7	5.0	-4%	7%	3%

Advertising

The largest advertisers and pharmaceutical brand names highly publicized in mass media (TV, radio, press, outdoor advertising) are shown in Tables 3 & 4.

Table 3. Top five advertisers in mass media in May 2016

Rank	Company*	Quantity of broadcasts
1	Bayer AG	8,793
2	Otcpharm	7,571
3	Berlin-Chemie Menarini Group	7,336
4	Actavis	6,851
5	Sandoz Farma	6,628

Source - Remedium according to TNS Russia's data

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

Rank	Brand*	Quantity of broadcasts
1	Linex	2,697
2	Claritin	2,288
3	Aerius	2,227
4	Pentalgin	2,109
5	Voltaren	1,992

Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2016 FIRST 3 MONTHS RESULTS

According to DLO in RF™, the OTC drugs supplies under the Federal Program amounted to RUB 43.143 bil. on the basis of the results for Quarter I of 2016. (USD 568.512 mil.) in contract prices[1]. The sector volume reduced 8% in terms of roubles, and 25% in terms of dollars as compared to the same period of 2015. Scope of supplies in pack terms reduced by 12% to 28.553 mil. packs. The average cost of a FPP pack through the DLO program was USD 19.91 in contractual prices (a year ago it was USD 23.49).

Based on the results for three months of 2016, the most dynamic manufacturer CELGENE broke into the ranks of the top ten ranking and became the leader among the top ten manufacturers in the DLO segment, increasing its purchases by 48[2] times (Table 1). In addition, another three manufacturers showed positive growth rates. The Russia-based GENERIUM (+46%) moved up from rank 8 to 5 and two newcomers CSL BEHRING (+81%) and NOVO NORDISK (+2%) moved up to ranks nine and ten. The remaining six manufacturers showed negative growth rates. At the same time, BIOCAD RF (-13%) and SANOFI-AVENTIS (-19%) maintained their positions, whereas ROCHE (-14%) and OCTAPHARMA (-10%) moved up to ranks three and seven. Due to significant reduction in purchases, the manufacturers BAXTER (-21%) and TEVA (-58%) also fell in the ranks, moving down to ranks 4 and 8 respectively. However, the total share of the top ten drug manufacturers in the DLO Program expanded by 7.3 p.p. and accounted for 57.8%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	44	**CELGENE**	9.7	0.2
2	2	BIOCAD RF	8.2	8.6
3	4	**ROCHE**	7.2	7.7
4	3	**BAXTER INT**	7.2	8.4
5	8	GENERIUM ZAO RF	7.1	4.5
6	6	**SANOFI-AVENTIS**	4.9	5.6
7	10	OCTAPHARMA	3.7	3.8
8	5	**TEVA**	3.3	7.2
9	15	CSL BEHRING GMBH	3.3	1.7
10	11	**NOVO NORDISK**	3.2	2.9
Total			57.8	50.5

*AIPM members are in bold

The leader of the top 10 brand names in the DLO segment changed. The newcomer of the top ten, REVLIMIDE, which purchases increased by 49 times, moved up to rank number one (Table 2). The former leader of the top ten ACELLBIA (-15%) showed negative growth rates and moved down to rank two. Reduction in purchases was shown by finished pharma products (FPP) COAGIL-VII, OCTANATE (-19% each), LANTUS SOLOSTAR (-17%) which rose in the ranks, coming in at ranks three, five and eight, and COPAXONE TEVA (-65%) which moved down from rank two to seven. The other four brand names: MABTHERA (+12%), OCTOFACTOR, HEMOFIL M (+0,1%) and REBIF 44 (their purchases increased by 100 times) broke into the ranks of the top ten for the first time. In large part because of them, the total share of the top ten increased by 9 p.p. and accounted for 37.3%.

Table 2. The top ten brand names for DLO.

Rank in the top ten		Brand name	Share in total DLO volume, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	45	REVLIMIDE	9.7	0.2
2	1	ACELLBIA	7.5	8.0
3	6	COAGIL-VII	3.1	3.5
4	12	MABTHERA	2.9	2.3
5	8	OCTANATE	2.7	3.0
6	N/A	OCTOFACTOR	2.6	N/A
7	2	COPAXONE TEVA	2.5	6.6
8	10	LANTUS SOLOSTAR	2.3	2.5
9	13	HEMOFIL M	2.2	2.0
10	47	REBIF 44	2.1	0.0
Total			37.3	28.2

In contrast to the above rankings, the leader of the top ten INNs and group names ranking didn't change (Table 3). Despite the reduction in purchases, RITUXIMAB (-9%) held its rank number one. Ranks two, seven and nine were taken by the newcomers of the top 10 ranking: LENALIDOMIDE which increased its purchases by 49 times, and MOROCTOCOG ALFA and FACTOR IX (+19%). Six brand names showed negative growth rates. On top of that, two of them: INTERFERON BETA-1A (-20%) and EPTACOG ALFA (ACTIVATED) (-17%) moved up one rank, coming in at numbers 4 and 6. INNs FACTOR VIII (-12%), BORTEZOMIB (-68%), GLATIRAMER ACETATE (-65%) and INSULIN GLARGINE (-17%), to the contrast, moved down to ranks three, five, eight and ten, respectively. The total share of the top 10 has increased from 50.2% to 50.6%.

Table 3. The top ten INN and group names for DLO

Rank in the top ten		Brand name	Share in total DLO volume, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	RITUXIMAB	10.3	10.4
2	46	LENALIDOMIDE	9.7	0.2
3	2	FACTOR VIII	9.3	9.8
4	5	INTERFERON BETA-1A	5.0	5.7
5	3	BORTEZOMIB	3.3	9.5
6	7	EPTACOG ALFA (ACTIVATED)	3.2	3.6
7	N/A	MOROCTOCOG ALFA	2.6	N/A
8	4	GLATIRAMER ACETATE	2.5	6.6
9	11	FACTOR IX	2.4	1.9
10	9	INSULIN GLARGINE	2.3	2.5
Total			50.6	50.2

B02 Antihemorrhagics (+11%) became the most in-demand group in the DLO segment, whereas the last year leader L01 Antineoplastic agents (-40%) moved down to rank 2 (Table 4). The most dynamic of the top ten ATC groups L04 Immunosuppressants which purchases increased 3 times moved up to rank three from five. At the same time, it displaced the less dynamic Group L03 Immunostimulants (-37%) and A10 Drugs Used in Diabetes (-8%) down one rank. The groups R03 Drugs for obstructive airway diseases (-6%), A16 Other alimentary tract and metabolism products (-11%), B03 Antianemic preparations (+2%) and L02 Endocrine therapy (-12%) retained ranks six through nine. The only newcomer of the top ten H01 Hypothalamic-Pituitary Hormones and their analogues (-3%) broke into the ranks of the top ten, coming in at the last rank. In total, based on the results for 3 months of 2016, the top ten ATC groups accumulated 87.9% of the market, which is 0.3 p.p. more than in the last year.

Table 4. The top ten ATC groups for DLO

Rank		ATC code	ATC group	Share in total DLO volume, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	2	B02	ANTIHEMORRHAGICS	22.4	18.6
2	1	L01	ANTINEOPLASTIC AGENTS	19.6	29.9
3	5	L04	IMMUNOSUPPRESSANTS	16.1	5.0
4	3	L03	IMMUNOSTIMULANTS	9.8	14.4
5	4	A10	DRUGS USED IN DIABETES	8.7	8.7
6	6	R03	DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES	3.4	3.4
7	7	A16	OTHER ALIMENTARY TRACT AND METABOLISM PRODUCTS	2.5	2.6
8	8	B03	ANTIANEMIC PREPARATIONS	2.0	1.8
9	9	L02	ENDOCRINE THERAPY	1.7	1.8
10	11	H01	PITUITARY, HYPOTHALAMIC HORMONES AND ANALOGUES	1.6	1.6
Total				87.9	87.6

Data on supplies to the top ten regions of Russia under State Reimbursement Program (DLO) are shown in Table 5. The highest supplies volumes were observed in Moscow with an over 9% market share in the DLO segment and in Moscow Region. Tatarstan moved up to rank three by sales volume. Note that the supplies growth was positive in terms of roubles in six regions including the leader. The total share of the top ten regions in DLO sector accounted for 38.9%.

Table 5. The top ten regions by sales for DLO

Rank		Region	Share in total DLO volume, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	Moscow	9.3	10.1
2	2	Moscow Region	5.7	4.9
3	5	Tatarstan Republic	3.8	3.3
4	3	Sverdlovsk Region	3.8	3.5
5	7	North Caucasian FD, Rest	2.8	3.2
6	10	Kemerovo Region	2.8	2.6
7	4	Rostov Region	2.7	3.3
8	13	Samara Region	2.7	2.2
9	9	Tyumen Region	2.6	2.8
10	8	Bashkortostan Republic	2.6	2.8
Total			38.9	38.5

Conclusion. On the basis of the results for 3 months of 2016, the DLO segment of Russia brought in RUB 43.143 bil. (USD 568.512 mil.) in contract prices. This was 8% more in terms of roubles and 25% less in terms of dollars than during the same period in 2015. In pack terms, the supplies reduced by 12% and amounted to 28.553 mil. packs. The average cost of OTC pack participating in the DLO Programme reduced as compared to the figures of the past year (USD 19.91 vs USD 23.49).

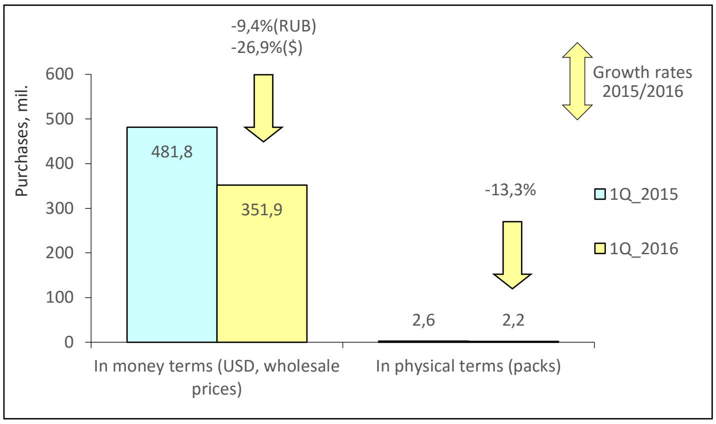
[1] From 2008 until now, data on DLO have been provided as shipments in contractual prices, which are prices at which the government will reimburse moneys to the distributor.

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

COST DEMANDING NOSOLOGIES (CDN) PROGRAM: Q 1, 2016

Based on the results for Q I, 2016, the purchases under the CDN Program in physical terms (packs) reduced by 13.3%, as compared to the same period of the previous year. In national currency, the reduction in purchases accounted for 9.4%, in terms of dollars - 26.9%. In absolute terms, the supplies are estimated at RUB 26.9 bil. or USD 351.9 mil.

Figure 1. Supplies trend under the DLO Program in Q 1, 2016 and Q 1, 2015



The reduction in purchases in terms of packs affected all nosology groups, but to different extents, as compared to Q 1, 2015.

The procurement of the group of drugs to treat multiple sclerosis in physical terms reduced by 26.5%, and to treat cancer diseases by 33.6%. In value terms, the procurement of the former group reduced by 37.8%, and the latter only by 11.1%. This is due to the fact that in Q 1, 2016, a drug to treat multiple myeloma, Revlimid (Lenalidomide) Celgene (the second packaging is executed by Pharmstandart-Leksredstva), was purchased, which accounted for 41% of supplies in the oncohematology segment. The purchases of the other drugs from the group reduced by 49%.

The wide range of drugs to treat multiple sclerosis also showed considerable reduction in purchases. Copaxone-Teva sales also reduced by 65.5% (INN Glatiramer Acetate), which monopoly was broken only in Q 2, 2016. Interferone beta–1a (-20.2%) also showed negative growth rates, at the same time the purchases of Interferone beta–1в, represented exclusively by the drug Infibeta (Generium), grew (by 34.5%)

The group of drugs to treat pituitary dwarfism (-14.2%) and mucoviscidosis (-15.5%) also showed reduction in purchases in terms of value caused by the negative growth of physical terms. In the first group compared to Q 1 2015, not only Cerezym (INN Imiglucerase) Sanofi, but also its analogue - the drug Vpriv (INN Velaglucerase) Shire were purchased. As before, the mucoviscidosis segment was only represented by the drug Pulmozyme (Dornase Alfa) Roche.

As for the other drug groups, the supplies grew in terms of value. The considerable increase in terms of roubles (by 24.8%) was characteristic of the immunosuppressants group to be used in the transplantology (reduced by 1.8% in terms of packs). In total, it was caused by the increase in purchases of the drug Myfortic (Mycophenolic acid) Novartis.

The sales of drugs to treat haemophilia also increased by 9.5% (reduced by 8.4% in terms of packs). The supplies of Factor IX grew by 18.4%. The wide range of drugs which in Q 1 2015 were not featured, have been purchased (Table 1). The share of this nosology group in the value purchases profile under the CDN Program grew by 6 p.p. and accounted for 35%. Despite the negative growth, the oncohematology group, which share accounted for 38%, held its leading position by sales volumes (Table 1).

Table 1. Supplies structure under the CDN Program

Nosology	INN	Share in total CDD supplies (RUB), %	
		1Q_2016	1Q_2015
Oncohematology		37.8	38.5
	RITUXIMAB	16.1	15.9
	LENALIDOMIDE	15.5	0.0
	BORTEZOMIB	5.3	15.0
	FLUDARABINE	0.6	0.7
	IMATINIB	0.3	6.9
Haemophilia		35.3	29.2
	FACTOR VIII	14.9	15.4
	EPTACOG ALFA (ACTIVATED)	5.2	5.7
	MOROCTOCOG ALFA	4.1	0.0
	FACTOR IX	3.8	2.9
	FACTOR VIII INHIBITOR BYPASSING FRACTION	2.5	0.0
	FACTOR VON WILLEBRAND*FACTOR VIII	2.9	0.0
	OCTOCOG ALFA	1.7	5.1
Sclerosis Multiplex		14.9	21.7
	INTERFERON BETA-1A	8.0	9.0
	GLATIRAMER ACETATE	4.0	10.5
	INTERFERON BETA-1B	3.0	2.2
Transplantology		6.0	4.3
	TACROLIMUS	3.0	2.3
	MYCOPHENOLIC ACID	2.3	1.3
	CICLOSPORIN	0.5	0.5
	MYCOPHENOLATE MOFETIL	0.3	0.2
Gaucher disease		3.0	3.1
	IMIGLUCERASE	2.7	3.1
	VELAGLUCERASE ALFA	0.3	0.0
Mucoviscidosis		2.6	2.7
	DORNASE ALFA	2.6	2.7
Pituitary dwarfism		0.5	0.4
	SOMATROPIN	0.5	0.4

Based on the results for Quarter 1, 2016, the top ten brand names ranking underwent considerable changes (Table 2). The ranking was topped by the drug Revlimid Celgene, which accounted for 15.5% of all supplies under the CDN Program. As a result, the leaders of the last year - Acelbiya (INN Rituximab) Biocad (-14.9%) and Copaxone-Teva (-65.5%) moved down to ranks 2 and 7. The wide range of drugs, which entered the top ten ranking earlier, haven't broken into the ranks of the top ten in this year, in particular Boralamin (INN Bortezomib) FS F-Sintez, which purchases reduced by 77% (in Q 1, 2015 it held rank 3 in the ranking).

Four drugs to treat haemophilia entered the top ten ranking, of which three - Coagil-VII Generium (-18.7%), Octant Octapharma (-19.2%), Hemofil M Baxter Int (+0.1%), improved their ranks even against the negative growth rates, and Octofactor (INN Moroctocog alfa) Generium entered the top ten ranking in Q 1 for the first time.

The drugs which improved their ranks included Mabthera (INN Rituximab) Roche (+17.8%) and the drug Rebif (INN Interferone beta–1a) Serono which moved up from rank 42 to 9 in the ranking due to high growth rates. Another drug referred to the same INN group - Genfaxon Laboratorio Tuteur, on the contrary, moved down from rank 4 to 10 due to reduction in purchases by 60%.

Table 2. Top 10 brand names by supplies under the CDN Program

Rank		Brand	Share in total CDD supplies, %	
1Q_2016	1Q_2015		1Q_2016	1Q_2015
1		REVLIMID	15.5	0.0
2	1	Acelbiya	11.9	12.7
3	6	COAGIL-VII	4.9	5.5
4	8	OCTANAT	4.3	4.8
5	11	MABTHERA	4.1	3.2
6		Octofactor	4.1	0.0
7	2	COPAXONE-TEVA	4.0	10.5
8	12	HEMOFIL M	3.5	3.2
9	42	REBIF	3.3	0.0
10	4	GENFAXON	3.0	6.9
Total			58.8	56.8

The top-10 manufacturers ranking also showed some shifts (table 3). The company Celgene with the drug Revlimid moved up to rank number one. Biocad (-14.5%) and Baxter Int (-21.7%) held their previous ranks two and three against the background of the negative growth of supplies. Due to reduction in supplies by 84%, F-Sintez, which held rank number 1, dropped out of the top ten. Against the background of the considerable positive growth rates, the manufacturers of the drugs to treat haemophilia reinforced their positions in the ranking - Generium (+46.2%), CSL Behring GmbH(+78%), Serono.

In total, the top ten ranks in Q 1, 2016 accounted for 80.4% of all purchases under the CDN Program, whereas earlier this share accounted for only 66%.

Table 3. Top 10 manufacturers by supplies under the CDN Program

Rank in the top ten		Manufacturer*	Share in total CDD supplies, %	
1Q_2016	1Q_2015		1Q_2016	1Q_2015
1		**CELGENE**	15.5	0.0%
2	2	BIOCAD RF	12.5	13.3%
3	3	**BAXTER INT**	11.6	13.2%
4	6	GENERIUM ZAO RF	11.4	7.1%
5	7	**ROCHE***	6.7	6.0%
6	8	OCTAPHARMA	5.9	5.7%
7	12	CSL BEHRING GMBH	5.1	2.6%
8	4	**TEVA***	4.7	10.6%
9	25	SERONO	3.6	0.0%
10	5	LABORATORIO TUTEUR	3.5	7.5%
Total			80.4%	65.9%

*AIPM members are in bold

Conclusion. In general, it can be concluded that in Q 1, 2016 the purchases under the CDN Program reduced both in physical terms and in value terms as compared to the same period of the previous year. The cancer drugs and the drugs to treat multiple sclerosis showed the especially considerable reduction in physical terms. Funding for the supply of drugs to treat hemophilia and immunosuppressants increased.

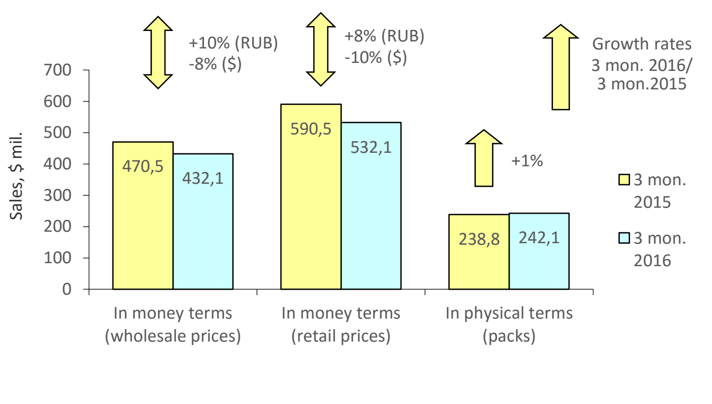
The purchase structure is not stable, which made it evident especially in the segments where there is no patent protection. As compared to Q I, 2015, the share of purchases of drugs made by the Russian manufacturers reduced from 36% to 27% in value terms. In contrast, the share of the localized products increased from 44% to 48%.

CFD PHARMACY MARKET (WITHOUT MOSCOW): 2016 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Central Federal District (CFD) (without Moscow) was 26.774 mil., which accounted for 18.3% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for three months of 2016 the average wage in the CFD was RUB 42,521 (USD 570.06), which was 25% higher than the average wage in Russia (RUB 34,000).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at Q1-end 2016 the sales of OTC drugs in physical terms in the pharmacies of the Moscow region saw a 1% increase to 242.090 mil. packs. In money terms, the market saw a 10% increase in terms of roubles, whereas it showed a negative decline (-8%) in terms of dollars. The market reached RUB 32.223 bil. (USD 423.142 mil.) in wholesale prices (Fig.1). The region market share accounted for 19.3% of the Russian pharmacy retail sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 2.47) and reached USD 2.20 at retail prices. At the end of three months of 2016, the average amount spent by the residents of the region for drugs in pharmacies amounted to USD 19.87.

Figure 1. The CFD (without Moscow) pharmacy market for 3 months of 2015 – 3 months of 2016



Based on the results for three months of 2016, BAYER (+17%) took the lead in the top ten manufacturers ranking in the Central Federal District (without Moscow), displacing SANOFI-AVENTIS (+5%) down one rank (Table 1). The Russian OTCPHARM (+32%) moved up to rank three from six, while SERVIER (+13%) maintained its previous rank four. GEDEON RICHTER (+4%) also held its own in the ranking, maintaining it previous rank 9. The manufacturers MENARINI (+8%), STADA (+15%) and KRKA (+12%) moved up to ranks six, eight and ten, respectively. At the same time, the letter two became the newcomers of the top ten. At the same time, NYCOMED/TAKEDA (+1%) and GLAXOSMITHKLINE (-2%) moved down two ranks, coming in at numbers five and seven. The cumulative share of the top 10 manufacturers didn't virtually change and accounted for 33.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	2	**BAYER HEALTHCARE**	4.4	4.1
2	1	**SANOFI-AVENTIS**	4.4	4.6
3	6	OTCPHARM	3.9	3.2
4	4	**SERVIER**	3.6	3.5
5	3	**NYCOMED/TAKEDA**	3.3	3.6
6	7	**MENARINI**	3.2	3.2
7	5	**GLAXOSMITHKLINE**	2.9	3.3
8	12	STADA	2.7	2.6
9	9	GEDEON RICHTER	2.6	2.8
10	11	**KRKA**	2.6	2.6
Total			33.6	33.5

*AIPM members are in bold

INGAVIRIN, which sales increased 2.4 times, became the best-selling and dynamic drug on the regional market (Table 2). At the same time, KAGOCEL (+22%) and ESSENTIALE N (+2%) moved down one rank. Apart from the leader, another five brand names of the top ten ranking rose in the ranks. MEXIDOL (+13%) and ARBIDOL (+42%) moved up to ranks 4 and 6, and the newcomers AMIXIN (+63%), ERGOFERON (+93%) and DETRALEX (+67%) broke into the ranks of the top ten ranking, coming in at numbers eight, nine and ten. At the same time, ACTOVEGIN (-10%), which reduced its sales, and CARDIOMAGNYL (+2%) showing low growth rates moved down to ranks five and seven, respectively. The total share of the top 10 brand names expanded from 6.8% to 8.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	4	INGAVIRIN	1.6	0.7
2	1	KAGOCEL	1.2	1.0
3	2	ESSENTIALE N	0.9	0.9
4	5	MEXIDOL	0.7	0.7
5	3	ACTOVEGIN	0.7	0.9
6	9	ARBIDOL	0.7	0.6
7	6	CARDIOMAGNYL	0.7	0.7
8	17	AMIXIN	0.6	0.4
9	28	ERGOFERON	0.6	0.3
10	16	DETRALEX	0.6	0.4
Total			8.3	6.8

Three INNs from the top ten INNs and group names held their own in the ranking (Table 3). XYLOMETAZOLINE (-1%) held its rank number one and PANCREATIN and IBUPROFEN (+3% each) maintained their previous ranks six and eight. Three INNs of the top ten that showed a pronounced growth in sales rose in the ranks. IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (2.4-fold growth in sales) moved up to rank two from 11, KAGOCEL (+22%) moved up one rank, coming in at rank three, and another INN from the top ten UMIFENOVIR (+52%), moved up to rank 9. At the same time, they displaced INNs BISOPROLOL and ETHYLMETHYLHYDROXYPYRIDINE (+14% each), developing at a fast pace, down one rank. The less dynamic NIMESULIDE (+8%) and PHOSPHOLIPIDS (+1%) moved down to ranks five and seven, respectively. The cumulative share of the top 10 under review increased from 10.2% to 11.1%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	XYLOMETAZOLINE	1.7	1.9
2	11	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.6	0.7
3	4	KAGOCEL	1.2	1.0
4	3	BISOPROLOL	1.1	1.1
5	2	NIMESULIDE	1.1	1.1
6	6	PANCREATIN	0.9	1.0
7	5	PHOSPHOLIPIDS	0.9	1.0
8	8	IBUPROFEN	0.9	0.9
9	16	UMIFENOVIR	0.9	0.6
10	9	ETHYLMETHYLHYDROXYPYRIDINE	0.8	0.8
Total			11.1	10.2

Noticeable shifts took place in the top-10 ATC groups ranking (Table 4). The leader changed as well. J05 Antivirals for systemic use (+65%) moved up to rank number one from seven, displacing M01 Anti-inflammatory and antirheumatic products (+6%) down one rank. C09 Agents acting on the rennin-angiotenzin system (+16%) and R01 Nasal preparations (+4%) moved up to ranks three and four from the lower ones. The newcomer L03 Immunostimulants (+22%) also rose in the ranks, breaking into the top ten ranking and coming in at number ten. The groups A11 Vitamins (+18%) and G03 Sex hormones (+12%) held their previous ranks eight and nine in the top ten. Three INNs with negative growth rates: J01 Antibacterials for systemic use and N02 Analgesics (-3% each), and R05 Cough and cold preparations (-9%) moved down to the lower positions from five through seven, respectively. In total, the top ten ATC groups accumulated 39.8% of the regional market, whereas in the year-earlier period 39.1%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	7	J05	ANTIVIRALS FOR SYSTEMIC USE	6.1	4.1
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	5.0
3	4	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.5	4.2
4	6	R01	NASAL PREPARATIONS	4.0	4.2
5	2	J01	ANTIBACTERIALS FOR SYST USE	3.9	4.5
6	5	N02	ANALGESICS	3.7	4.2
7	3	R05	COUGH AND COLD PREPARATIONS	3.6	4.4
8	8	A11	VITAMINS	3.3	3.1
9	9	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.0	3.0
10	12	L03	IMMUNOSTIMULANTS	2.8	2.5
Total				39.8	39.1

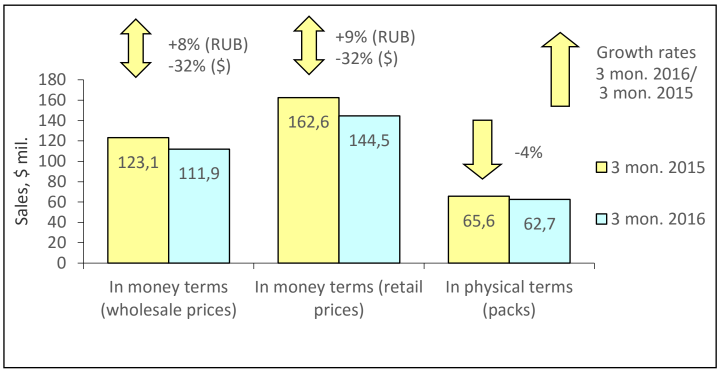
Conclusion. On the basis of the results for Quarter I, 2016, the retail pharmacy market of the Central Federal District (without Moscow) brought in RUB 39.679 bil. (USD 532.104 mil.), which is by 8% in terms of roubles and 10% in terms of dollars less than in 2015. In pack terms, the market increased by 1% and amounted to 242.090 mil. packs. According to the results for 3 months of 2016, the average cost of an FPP pack in the regional pharmacies was USD 2.20 which was lower than in the year-earlier period (USD 2.47), and less than the national average (USD 2.42). However, the average medicine expenses of the CFD residents were higher than the national average expenses in Russia (USD 19.87 vs. USD 18.76).

NWFD (WITHOUT SAINT PETERSBURG) PHARMACY MARKET: 2016 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the North-Western Federal District (NWFD) (without St. Petersburg) was 8.628 mil., which accounted for 5.9% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for Q I, 2016 the average wage in the NWFD (with St. Petersburg) was RUB 38,640 (USD 518.03), which was 14% higher than the average wage in Russia (RUB 34,000).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federation™, at the end of three months of 2016 the sales of FPPs in physical terms in pharmacies of NWFD (without St. Petersburg) saw a 4% decrease to 62.706 mil. packs. In money terms, the market saw a 9% increase in terms of roubles, whereas it showed a negative decline (-9%) in terms of dollars. The market reached RUB 8.351 bil. (USD 111.932 mil.) in wholesale prices (Fig.1). The regional market share accounted for 5.3% of the Russian pharmacy sales. The average cost of an OTC pack reduced as compared to a year earlier period (USD 2.48) and reached USD 2.30 at retail prices. At the end of quarter I, 2016, the average amount spent by the residents of the region for drugs in pharmacies amounted to USD 16.75.

Figure 1. The NWFD (without St. Petersburg) pharmacy market for 3 months of 2015 – 3 months of 2016



At the end of Quarter I, 2016, the top ten drug manufacturers on the pharmacy market of the NWFD (without St. Petersburg) demonstrated high stability: Another six drug manufacturers from the top ten held their own in the ranking (Table 1). Among them were the manufacturers SANOFI-AVENTIS (+8%), BAYER (+12%) and SERVIER (+14%) taking the lead in the top ten, as well as GEDEON RICHTER (+8%), NYCOMED/TAKEDA (+10%) and GLAXOSMITHKLINE (+2%) placed at numbers five, six and eight. Two INNs of the top 10 managed to rise in the ranks. The Russian OTCPHARM (+27%) moved up to rank four from 7, and STADA (+7%) moved up to rank 9 from 10, displacing the less dynamic manufacturer MENARINI (+2%) down one rank. Due to reduction in sales, SANDOZ (-4%) also fell in the ranks, moving down from rank four to seven. The cumulative share of the top 10 manufacturers didn't change and accounted for 35.7%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	**SANOFI-AVENTIS**	4.7	4.7
2	2	**BAYER HEALTHCARE**	4.4	4.3
3	3	**SERVIER**	4.3	4.1
4	7	OTCPHARM	3.8	3.3
5	5	GEDEON RICHTER	3.6	3.7
6	6	**NYCOMED/TAKEDA**	3.4	3.3
7	4	**SANDOZ GROUP**	3.3	3.8
8	8	**GLAXOSMITHKLINE**	2.9	3.2
9	10	STADA	2.7	2.7
10	9	**MENARINI**	2.5	2.7
Total			35.7	35.7

*AIPM members are in bold

Two newcomers broke into the ranks of the top ten brand names ranking (table 2). The antiviral drug ERGOFERON (+73%) moved up to rank 15 to 6, and the vein protector DETRALEX (+49%) moved from rank 18 to 9. Apart from them, another three FPPs showed a rating progress. Antiviral product INGAVIRIN (2.3-fold increase in sales), ARBIDOL (+32%) and CONCOR (+17%) moved up to ranks two, three and seven, respectively. At the same time, ESSENTIALE N (+5%) и CARDIOMAGNYL (+8%) moved down two ranks, to numbers 4 and 5, whereas ACTOVEGIN which reduced its sales by 4% moved down from rank five to eight. KAGOCEL (+30%) and ACC (+8%) held their previous ranks one and ten in the top ten ranking. The total share of the top 10 brand names expanded from 7.3% to 8.8%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	KAGOCEL	1.8	1.5
2	7	INGAVIRIN	1.3	0.6
3	4	ARBIDOL	0.9	0.8
4	2	ESSENTIALE N	0.9	0.9
5	3	CARDIOMAGNYL	0.8	0.8
6	15	ERGOFERON	0.7	0.5
7	8	CONCOR	0.7	0.6
8	5	ACTOVEGIN	0.6	0.7
9	18	DETRALEX	0.6	0.4
10	10	ACC	0.6	0.6
Total			8.8	7.3

The leader of the top ten INN and group names was updated. KAGOCEL (+30%) moved up to rank one from two (Table 3). In contrast, XYLOMETAZOLINE (-1%), which had been placed at that rank earlier, showed negative growth rates and moved down to rank two. Due to 2.3-fold growth in sales, IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID broke into the ranks of the top ten, coming in at number three. INTERFERON ALFA-2B (+40%) became the second newcomer, moving up to rank nine. Apart from them, only one more INN managed to rise in the ranks. UMIFENOVIR (+50%) moved up from rank ten to five. At the same time, IBUPROFEN (-3%), which reduced its sales, and PHOSPHOLIPIDS (+3%), NIMESULIDE (+2%) и PANCREATIN (+1%), which showed low growth rates, in contrast, moved down from rank 6 through 8 and ten, respectively. BISOPROLOL (+19%) maintained its previous rank four. The cumulative share of the top10 increased from 10.5% to 11.6%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	2	KAGOCEL	1.8	1.5
2	1	XYLOMETAZOLINE	1.6	1.8
3	20	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.3	0.6
4	4	BISOPROLOL	1.2	1.1
5	10	UMIFENOVIR	1.1	0.8
6	3	IBUPROFEN	1.1	1.2
7	5	PHOSPHOLIPIDS	0.9	1.0
8	6	NIMESULIDE	0.9	1.0
9	15	INTERFERON ALFA-2B	0.8	0.7
10	7	PANCREATIN	0.8	0.9
Total			11.6	10.5

Numerous shifts took place in the top ten ATC groups ranking as well (table 4). Only one ATC group from the top 10 ranking was successful in holding its previous rank. As before, G03 Sex hormones (+10%) maintained its rank nine. Five INNs from the top ten rose in the ranks. Among them were the leader of the top ten J05 Antivirals for systemic use (+55%) and C09 Agents acting on the rennin-angiotenzin system (+14%). The groups R01 Nasal preparations (+5%) and A11 Vitamins (+14%) moved up two ranks, coming in at numbers 5 and 6. Its only newcomer L03 Immunostimulants (+21%) moved up to the bottom rank in the top 10 ranking. The other four ATC groups showed negative growth rates, which resulted in the loss of their ranks. M01 Anti-inflammatory and antirheumatic products (-0.4%), R05 Cough and cold preparations (-10%), N02 Analgesics (-5%) and J01 Antibacterials for systemic use (-7%) moved down to ranks 5, 7 and 8, respectively. In total, following the results for three months of 2016 the top ten ATC groups accumulated 41.8% of the regional market.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	4	J05	ANTIVIRALS FOR SYSTEMIC USE	6.4	4.5
2	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.8	4.6
3	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.6	5.0
4	1	R05	COUGH AND COLD PREPARATIONS	4.3	5.2
5	7	R01	NASAL PREPARATIONS	4.0	4.1
6	8	A11	VITAMINS	3.9	3.7
7	5	N02	ANALGESICS	3.8	4.4
8	6	J01	ANTIBACTERIALS FOR SYST USE	3.6	4.2
9	9	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.2	3.2
10	11	L03	IMMUNOSTIMULANTS	3.1	2.8
Total				41.8	41.7

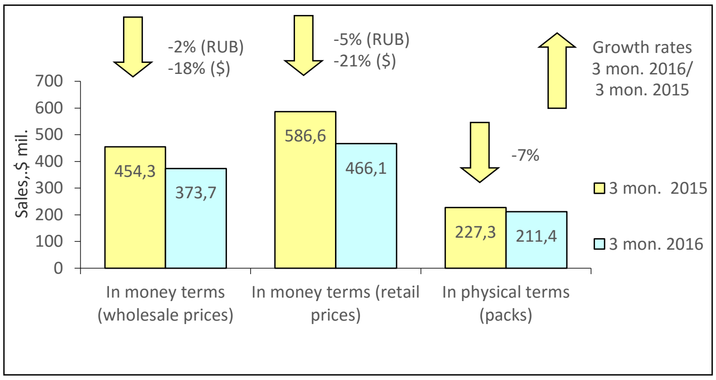
Conclusion. On the basis of the results for Quarter I of 2016, the pharmacy market of the NWFD (without St Petersburg) brought in RUB 10.780 bil. (USD 144.495 mil.). It was 6% more in terms of roubles and 11% less in terms of dollars than in 2015. In physical terms, the market saw a 4% decrease and was equal to 62.706 mil. packs. In the first three months of 2016, the average cost of FPP pack in the regional pharmacies was higher than in the year-earlier period and the national average (USD 2.48 vs. USD 2.42). The average medicine expenses of the NWFD residents in the pharmacies were lower than the national average expenses in Russia (USD 16.75 vs. USD 18.76).

VFD PHARMACY MARKET: 2016 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Volga Federal District (VFD) was 29.674 mil., which accounted for 20.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first three months of 2016 the average salary in the region was RUB 25,167 (USD 337.4), which was 26% lower than the national average wage in Russia (RUB 34,000).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first quarter of 2016 the VFD pharmacy market volume in physical terms increased by 7% to 211.354 mil. packs (Fig. 1) In wholesale prices, the market performance was negative both in terms of roubles (-2%), and in terms of dollars (-18%) and reached RUB 27.884 bil. (USD 373.668 mil.). A region's share in the total pharmacy sales in Russia accounted for 17.0%. Based on the results for three months of 2016, the average cost of FPP pack in the VFD pharmacies was USD 2.21, whereas in the year-earlier period its cost was USD 2.58. At the end of Quarter I, 2016, the average per capita expenses for purchase of drugs in the pharmacies were estimated at USD 15.71.

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



At the first three months of 2016, the top ten drug manufacturers in the Volga Federal District retail market didn't change (Table 1). The leader of the top ten drug manufacturers didn't change either. Despite the 10% reduction in sales, SANOFI-AVENTIS held its rank number one. In addition, another two manufacturers held their own in the ranking: as before BAYER (+2%) kept its previous rank three and TEVA (-11%) - its previous rank seven. Four drug manufacturers of the top 10 ranking managed to rise in the ranks. OTCPHARM (+15%) and STADA (-3%) moved up three ranks, coming in at numbers two and six, respectively. The drug manufacturer ABBOTT (-2%) moved up two ranks, to number eight, while SERVIER (-5%) moved up one rank, to number five. In contrast, NYCOMED/ TAKEDA (-11%), MENARINI (-13%) and SANDOZ (-25%) showed strong reduction in sales and moved down to rank four, and the last two ranks. The total share of the top 10 drug manufacturers decreased from 33.9% to 32.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	**SANOFI-AVENTIS**	4.4	4.8
2	5	OTCPHARM	3.9	3.3
3	3	**BAYER HEALTHCARE**	3.7	3.5
4	2	**NYCOMED/TAKEDA**	3.3	3.6
5	6	**SERVIER**	3.1	3.2
6	9	STADA	2.9	2.9
7	7	**TEVA**	2.9	3.2
8	10	**ABBOTT**	2.8	2.8
9	8	**MENARINI**	2.7	3.0
10	4	**SANDOZ GROUP**	2.7	3.5
Total			32.2	33.9

*AIPM members are in bold

Based on the results for Quarter I, 2016, antiviral drug INGAVIRIN (+91%) became the best-selling drug on the regional market (Table 2). Due to negative growth rates, the former leaders KAGOCEL (-4%), ESSENTIALE N (-25%) and ACTOVEGIN (-18%) moved down one rank, to numbers two through four, respectively. CARDIOMAGNYL (-19%) and ALFLUTOP (-28%) placed at ranks four and five also reduced their sales, moving down to the lower ranks six and nine, respectively. The newcomer CONCOR (-8%) placed at rank ten also showed negative growth rates. The second newcomer ARBIDOL (+7%) moved up to rank 8. FPPs ERGOFERON (+27%) and MEXIDOL (+1%) also moved to the higher ranks, coming in at numbers five and seven, respectively. The total share of the top 10 FPPs virtually remained the same and accounted for 7.8%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	6	INGAVIRIN	1.4	0.7
2	1	KAGOCEL	1.1	1.2
3	2	ESSENTIALE N	0.8	1.1
4	3	ACTOVEGIN	0.8	1.0
5	7	ERGOFERON	0.8	0.6
6	4	CARDIOMAGNYL	0.7	0.8
7	8	MEXIDOL	0.6	0.6
8	11	ARBIDOL	0.6	0.5
9	5	ALFLUTOP	0.5	0.7
10	12	CONCOR	0.5	0.5
Total			7.8	7.7

Three newcomers broke into the ranks of the top ten INN and generic names ranking (Table 3). IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+91%), UMIFENOVIR (+19%) and INTERFERON GAMMA (+27%) moved up to ranks two, seven and ten, respectively. On top of that, another two INNs PANCREATIN (+0.2%) and BISOPROLOL (+1%) moved up one rank, coming in at numbers 3 and 5. In contrast, the other INNs of the top ten, except for its leader, fell in the ranks. At the same time, INNs KAGOCEL (-4%), PHOSPHOLIPIDS (-27%), BLOOD (-16%) and NIMESULIDE (-11%) moved down to ranks four, six, eight and nine, respectively. As before, INN MENARINI (-7%) held its rank number one in the ranking. The total share of the top 10 increased from 10.2% to 10.5%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	XYLOMETAZOLINE	1.5	1.5
2	16	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.4	0.7
3	4	PANCREATIN	1.2	1.1
4	3	KAGOCEL	1.1	1.2
5	6	BISOPROLOL	1.0	1.0
6	2	PHOSPHOLIPIDS	0.9	1.3
7	13	UMIFENOVIR	0.9	0.7
8	5	BLOOD	0.9	1.0
9	7	NIMESULIDE	0.9	1.0
10	21	INTERFERON GAMMA	0.8	0.6
Total			10.5	10.2

Due to 30% growth in sales, the group J05 Antivirals for systemic use moved up to rank number one from 4 of the top ten ATC groups ranking (Table 4). The last year leader M01 Anti-inflammatory and antirheumatic products (-10%) showed negative growth rates and moved down to rank two. Note that most ATC groups from the top ten showed reduction in sales. In addition to the above group, another five ATC groups demonstrated negative growth rates. J01 Antibacterials for systemic use (-11%), R05 Cough and cold preparations (-24%), R01 Nasal preparations (-3%), N02 Analgesics (-16%) and G03 Sex hormones (-5%) moved down to ranks 4 through 7 and ten, respectively. And if most of them fell in the ranks, the group R01 moved one rank up. C09 Agents acting on the rennin-angiotenzin system (+8%) moved up from rank six to three, and the newcomer L03 Immunostimulants (+5%) which broke into the ranks of the top ten for the first time, moved up to rank nine. The group A11 Vitamins (+6%) held its own rank 8. In total, the top ten ATC groups accumulated 39.5% of sales, which is slightly more than in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	4	J05	ANTIVIRALS FOR SYSTEMIC USE	6.0	4.6
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.9	5.3
3	6	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.2	3.8
4	3	J01	ANTIBACTERIALS FOR SYST USE	4.1	4.6
5	2	R05	COUGH AND COLD PREPARATIONS	3.7	4.8
6	7	R01	NASAL PREPARATIONS	3.5	3.6
7	5	N02	ANALGESICS	3.5	4.1
8	8	A11	VITAMINS	3.4	3.2
9	11	L03	IMMUNOSTIMULANTS	3.0	2.9
10	9	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.0	3.1
Total				39.5	39.9

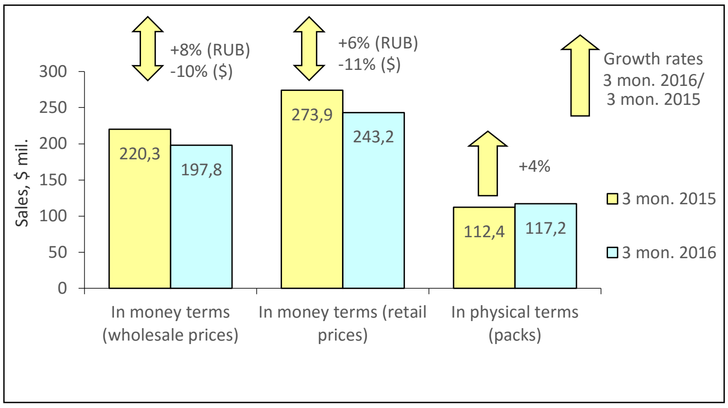
Conclusion. In the first quarter of 2016, the pharmacy market in VFD was estimated at RUB 34.781 bil. (USD 446.089 mil.) at retail prices. At the same time, the market behaviour was positive both in rouble (-5%) and dollar (-21%) terms. In physical terms, the sales reduced by 7% to 211.354 mil. packs. The average cost of an FPP pack (USD 2.21) in the pharmacies reduced as compared to a year earlier (USD 2.58), but was lower than the average value in Russia (USD 2.42). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 15.71 vs. USD 18.76).

SFD PHARMACY MARKET: 2016 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Southern Federal District (SFD) was 14.045 mil., which accounted for 9.6% of the total Russian Federation population. According to Federal State Statistics Service's data, in Q 1, 2016 the average salary in the SFD was RUB 24,767 (USD 332.04), which was 27% lower than the national average wage in Russia (RUB 34,000).

According to the results of the Retail Audit of FPPs in Russian Federation™, at the end of three months of 2016 the sales of drugs in physical terms in pharmacies of SFD saw a 4% increase to 117.187 mil. packs. In money terms, the market showed positive growth rates (+8%) in rouble terms, while in dollar terms it reduced (-10%) and reached RUB 14.777 bil. (USD 197.818 mil.) at wholesale prices (Fig. 1). The city market share accounted for 8.9% of the pharmacy sales in Russia. The average cost of an OTC pack reduced as compared to a year earlier period (USD 2.44) and reached USD 2.08 at retail prices. In the first quarter of 2016, the average amount spent by residents of the SFD for drugs amounted to USD 17.32.

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



In the first three months of 2016, SANOFI-AVENTIS (+4%) took the lead in the top ten drug manufacturers ranking on the Southern Federal District, displacing the last year leader BAYER (-5%) down to rank two (Table 1). The most dynamic manufacturer of the top-10 OTCPHARM (+48%) moved up to rank three from eight. The drug manufacturers, which improved their positions by one rank, moved up to numbers four through 6: SERVIER and GLAXOSMITHKLINE (-0.4% each), and MENARINI (+5%). The newcomer of the top ten STADA (+15%) also rose in the ranks, coming in at number eight from twelve. SANDOZ (-7%), NYCOMED/TAKEDA (-12%) and TEVA (-2%) showed negative growth rates and moved down to the lower ranks seven, nine and ten, respectively. The total share of the top 10 drug manufacturers decreased by 1.3 p.p. to 32.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	2	**SANOFI-AVENTIS**	4.1	4.3
2	1	**BAYER HEALTHCARE**	4.1	4.7
3	8	OTCPHARM	4.1	3.0
4	5	**SERVIER**	3.0	3.2
5	6	**GLAXOSMITHKLINE**	3.0	3.2
6	7	**MENARINI**	2.9	3.0
7	4	**SANDOZ GROUP**	2.9	3.4
8	12	STADA	2.9	2.7
9	3	**NYCOMED/TAKEDA**	2.8	3.4
10	9	**TEVA**	2.7	3.0
Total			32.5	33.8

*AIPM members are in bold

Due to 2.3-fold growth, INGAVIRIN became the leader of the top 10 brand names (Table 2). The markets of the other six brand names of the top ten also developed at a fast pace: KAGOCEL (+70%), which held its previous rank two, and the newcomers of the top ten FPPs ERGOFERON and AMIXIN (2.3-fold growth in sales), CYCLOFERON (+58%) and VIFERON (+38%). In addition, the sales of ARBIDOL grew by two times, which allowed it to move up from rank nine to four, displacing ESSENTIALE N (+5%) one rank down. In contrast, the brand names ACTOVEGIN (-19%) and CARDIOMAGNYL (-12%) reduced their sales and lost their ranks by moving down to numbers 7 and 10, respectively. The total share of the top ten FPPs increased by 3 p.p. and accounted for 9.9%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	5	INGAVIRIN	1.8	0.8
2	2	KAGOCEL	1.8	1.1
3	13	ERGOFERON	1.0	0.5
4	9	ARBIDOL	1.0	0.6
5	4	ESSENTIALE N	0.9	0.9
6	24	AMIXIN	0.8	0.4
7	3	ACTOVEGIN	0.8	1.0
8	19	CYCLOFERON	0.6	0.4
9	15	VIFERON	0.6	0.5
10	6	CARDIOMAGNYL	0.5	0.7
Total			9.9	6.8

The leader of the top-10 INN and group names ranking also been updated by half (Table 3). At the same time, one of the newcomers took the lead in the top ten. It was IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID which increased its sales 2.3 times. The newcomers TILORONE (2.4-fold growth), INTERFERON ALFA-2B (+61%), UMIFENOVIR (2.1-fold growth) and INTERFERON GAMMA (2.3-fold growth) broke into the top ten, coming in at ranks 4 through 6 and 9, respectively. In addition, KAGOCEL (+70%) also moved up one rank, coming in at number two of the ranking. The less dynamic NIMESULIDE (+7%), PANCREATIN (+5%) and PHOSPHOLIPIDS (+3%), and XYLOMETAZOLINE (-6%), which reduced its sales, fell in the ranks. The total share of the top ten INNs increased by almost 3.6 p.p. and accounted for 13.1%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	12	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.8	0.8
2	3	KAGOCEL	1.8	1.1
3	1	XYLOMETAZOLINE	1.6	1.9
4	21	TILORONE	1.3	0.6
5	11	INTERFERON ALFA-2B	1.3	0.8
6	18	UMIFENOVIR	1.2	0.6
7	5	NIMESULIDE	1.1	1.1
8	6	PANCREATIN	1.0	1.1
9	26	INTERFERON GAMMA	1.0	0.5
10	7	PHOSPHOLIPIDS	0.9	1.0
Total			13.1	9.5

Just as in the previous rankings, neither ATC group from the top ten held its own in the ranking (Table 4). On top of that, four of them were successful in rising in the ranks. For instance, due to two-fold growth in sales J05 Antivirals for systemic use move up to rank one from three. L03 Immunostimulants (+42%) and R01 Nasal preparations (0%) moved up to ranks four and five, and A11 Vitamines (+10%) moved up to rank nine. In contrast, the remaining six ATC groups from the top 10 moved down to the lower ranks. The groups M01 Anti-inflammatory and antirheumatic products (+1%), J01 Antibacterials for systemic use (-5%), N02 Analgesics (-3%), C09 Agents acting on the rennin-angiotenzin system (+9%) and G03 Sex hormones (+9%) lost one rank each. Due to strong reduction in sales, the group R05 Cough and cold preparations (-17%) moved down from rank 4 to seven. However, the consolidated share of the top 10 under review increased from 40.0% to 42.4%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	3	J05	ANTIVIRALS FOR SYSTEMIC USE	8.7	4.7
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.7	5.0
3	2	J01	ANTIBACTERIALS FOR SYST USE	4.3	4.9
4	8	L03	IMMUNOSTIMULANTS	4.2	3.1
5	6	R01	NASAL PREPARATIONS	3.8	4.1
6	5	N02	ANALGESICS	3.8	4.2
7	4	R05	COUGH AND COLD PREPARATIONS	3.6	4.7
8	7	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	3.3	3.3
9	10	A11	VITAMINS	3.0	2.9
10	9	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.0	3.1
Total				42.4	40.0

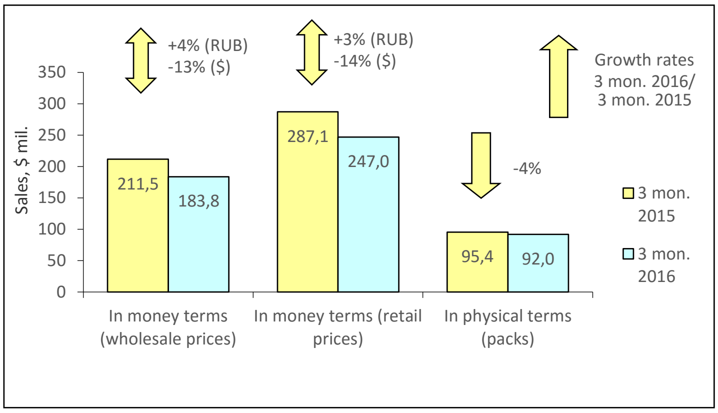
Conclusion. On the basis of the results for three months of 2016, the pharmacy market of St. Petersburg reached RUB 11.758 bil. (USD 243.183 mil.) at retail prices. The sales saw a 6% increase in terms of roubles, and a 11% decrease in terms of dollars. In pack terms, the market also showed positive growth rates (+4%) and achieved 117.187 mil. packs. The average cost of an FPP pack in the district pharmacies was USD 2.08 which was lower than the 2015 figures (USD 2.44), and lower than national average (USD 2.42). The average expenses of the SFD residents for medications in the pharmacies didn't exceed the national average either (USD 17.32 vs. USD 18.76).

UFD PHARMACY MARKET: 2016 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Ural Federal District (UFD) was 12.308 mil., which accounted for 8.4% of the total Russian Federation population. According to Federal State Statistics Service's data, in Q 1, 2016 the average salary in the UFD was RUB 38,765 (USD 519.71), which was 14% higher than the average wage in Russia (RUB 34,000).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first three months of 2016 the sales of FPP drugs in physical terms in the pharmacies of UFD saw a 4% decrease to 91.983 mil. packs. In money terms, the market showed positive growth rates (+4%) in rouble terms, but it reduced (13%) in dollar terms and reached RUB 13.690 bil. (USD 183.829 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 9.0% of the total pharmacy sales in Russia. The average retail cost of an FPP pack was USD 2.69, which was lower than in the year-earlier period (USD 3.01). For the first quarter of 2016, the average amount spent by residents of the UFD for drugs amounted to USD 20.32.

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



Based on the results for three months of 2016, SANOFI-AVENTIS (-4%) and BAYER (+13%) held their leading positions on the pharmacy market of the Ural Federal District, despite the reduction in sales of the former (Table 1). The drug manufacturers GEDEON RICHTER (+1%) and NYCOMED/TAKEDA (+2%) placed at ranks four and six, also held their own in the top ten ranking. OTCPHARM (+15%), SERVIER (+13%) and ABBOTT (+7%) showed high growth rates and rose in the ranks, moving up to numbers three, five and seven, respectively. In contrast, the drug manufacturers SANDOZ (-11%), STADA (-1%) and TEVA (-3%) reduced their sales and moved down to the lower part of the top ten, coming in at numbers eight, nine and ten. The cumulative share of the top ten drug manufacturers reduced from 34.4% to 34.2%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	**SANOFI-AVENTIS**	4.9	5.3
2	2	**BAYER HEALTHCARE**	4.7	4.3
3	5	OTCPHARM	3.7	3.3
4	4	GEDEON RICHTER	3.3	3.4
5	10	**SERVIER**	3.1	2.9
6	6	**NYCOMED/TAKEDA**	3.0	3.0
7	9	**ABBOTT**	3.0	2.9
8	3	**SANDOZ GROUP**	2.9	3.4
9	8	STADA	2.9	3.0
10	7	**TEVA**	2.9	3.0
Total			34.2	34.4

*AIPM members are in bold

In contrast to the previous ranking, two newcomers broke into the top 10 brand names ranking on the regional market (Table 2). DETRALEX (+60%) and HEPTRAL (+11%) moved up to ranks seven and ten, respectively. At the same time, the brand names INGAVIRIN (+80%) and ERGOFERON (+48%) moved up three ranks, to numbers one and four. KAGOCEL (+3%) and CARDIOMAGNYL (+6%) showing low, but positive growth rates, held their previous ranks two and nine. At the same time, four brand names with negative sales rates moved down to the lower ranks. ESSENTIALE N (-16%), ACTOVEGIN (-12%), ALFLUTOP (-4%) and ARBIDOL (-8%) moved down to ranks three, five, six and eight, respectively. The total share of the top 10 increased from 7.3% to 7.9%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	4	INGAVIRIN	1.4	0.8
2	2	KAGOCEL	1.1	1.1
3	1	ESSENTIALE N	1.0	1.3
4	7	ERGOFERON	0.9	0.6
5	3	ACTOVEGIN	0.7	0.8
6	5	ALFLUTOP	0.6	0.7
7	22	DETRALEX	0.6	0.4
8	6	ARBIDOL	0.6	0.7
9	9	CARDIOMAGNYL	0.5	0.5
10	17	HEPTRAL	0.5	0.4
Total			7.9	7.3

Due to 6% reduction in sales, XYLOMETAZOLINE (6%) managed to hold and reinforce rank number one in the top ten INNs and group names ranking (Table 3). The newcomer of the top ten IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+80%) moved up to rank two, displacing INNs PHOSPHOLIPIDS (-16%), KAGOCEL (+3%) and PANCREATIN (+5%) down one rank. Another two newcomers of the top ten, the composition DIOSMIN*HESPERIDIN (+63%) and INN INTERFERON GAMMA (+48%) moved up to ranks six and seven, respectively. BISOPROLOL (+6%) moved up to rank 8 from 10, whereas NIMESULIDE (-4%) and IBUPROFEN (-9%) reduced their sales and moved down to the two bottom ranks. The cumulative share of the top10 extended from 9.5% to 10.1%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	XYLOMETAZOLINE	1.4	1.6
2	11	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.4	0.8
3	2	PHOSPHOLIPIDS	1.1	1.4
4	3	KAGOCEL	1.1	1.1
5	4	PANCREATIN	1.0	1.0
6	22	DIOSMIN*HESPERIDIN	0.9	0.6
7	20	INTERFERON GAMMA	0.9	0.6
8	10	BISOPROLOL	0.8	0.8
9	6	NIMESULIDE	0.8	0.9
10	5	IBUPROFEN	0.8	0.9
Total			10.1	9.5

The leader of the top ten ATC groups didn't change either - J05 Antivirals for systemic use (+27%) held and reinforced its rank number one (Table 4). N02 Analgesics (-4%) also held their previous rank nine. Six INNs from the top 10 rose in the ranks. The groups M01 Anti-inflammatory and antirheumatic products (+0.2%), A11 Vitamins (+7%), G03 Sex hormones (+8%) and R01 Nasal preparations (-0.5%) moved up one rank, coming in at number two and from four through six. At the same time, C09 Agents acting on the rennin-angiotenzin system (+12%) moved up to rank three from eight, and the only newcomer of the top ten N06 Psychoanaleptics (+5%) moved up to the last rank of the ranking. Due to strong reduction in sales, the groups R05 Cough and cold preparations (-22%) and J01 Antibacterials for systemic use (-17%) moved down to ranks seven and eight, respectively. The total share of the top ten reduced by almost 1 p.p. and accounted for 39.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	1	J05	ANTIVIRALS FOR SYSTEMIC USE	6.0	5.0
2	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.4	4.6
3	8	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.2	3.8
4	5	A11	VITAMINS	4.1	4.0
5	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.1	3.9
6	7	R01	NASAL PREPARATIONS	3.7	3.9
7	2	R05	COUGH AND COLD PREPARATIONS	3.5	4.7
8	4	J01	ANTIBACTERIALS FOR SYST USE	3.4	4.3
9	9	N02	ANALGESICS	3.3	3.6
10	12	N06	PSYCHOANALEPTICS	2.9	2.9
Total				39.7	40.6

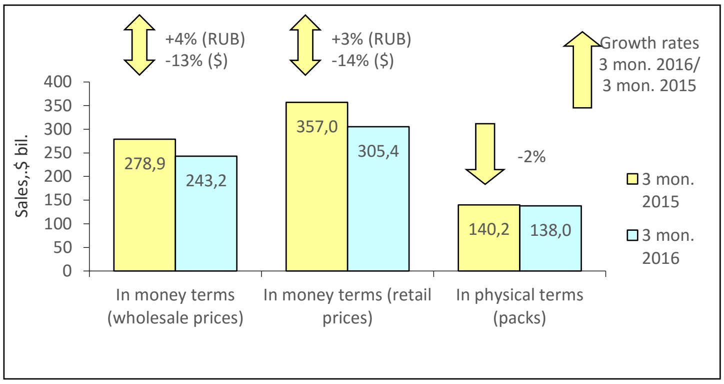
Conclusion. On the basis of the results for 2016, the retail pharmacy market of the Ural Federal District brought in RUB 18.398 bil. (USD 247.043 mil.) at retail prices. The sales saw a 3% increase in terms of roubles, and a 14% decrease in terms of dollars. In physical terms, the market showed negative growth rates (-4%) and amounted to 91,983 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results for the first quarter of 2016 was USD 2.69 which was lower than the last year figures (USD 3.01), but higher than average figures in the country (USD 2.42). The average expenses of the UFD residents for medications in the pharmacies also exceeded the national average (USD 20.07 vs. USD 18.76).

SFD PHARMACY MARKET: 2016 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Siberian Federal District (SFD) was 19.324 mil., which accounted for 13.2% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for the first quarter of 2016 the average wage in the SFD was RUB 29,058 (USD 389.57), which was 15% lower than the national average wage in Russia (RUB 34,000).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first three months of 2016 the SFD pharmacy market volume reduced by 2% in physical terms and amounted to 137.981 mil. packs (Fig. 1) In wholesale prices, the market showed the positive performance in terms of roubles (+4%) and the negative performance in terms of dollars (-13%) and reached RUB 18,154 bil. (USD 243.185 mil.). The district's share accounted for 11.1% of the total pharmacy sales in the Russian pharmacy market pattern. Based on the results for three months of 2016, the average cost of FPP pack in the SFD pharmacies was USD 2.21, whereas in the year-earlier period its cost was USD 3.55. At the end of the first quarter of 2016, per capita expenses of the SFD residents for purchase of FPPs in the pharmacies amounted to USD 15.8.

Figure 1. The SFD pharmacy market for 3 months of 2015 – 3 months of 2016



Based on the results for the first quarter of 2016, the drug manufacturers SANOFI-AVENTIS (+0.2%) and BAYER (+10%) held the lead in the regional top ten drug manufacturers ranking (Table 1). The drug manufacturers SERVIER (+9%), OTCPHARM (+19%) and TEVA (+3%) move up to ranks three through five from the lower positions. One more drug manufacturer with positive growth rates STADA (+2%) improved its position by one rank, moving up to number nine. In contrast, four drug manufacturers of the top ten showed reduction in sales and as a result fell in the ranks. NYCOMED/TAKEDA (-4%), SANDOZ (-6%), GLAXOSMITHKLINE (-3%) and GEDEON RICHTER (-1%), moved down to ranks six through eight and ten of the top ten ranking, respectively. The total share of the top ten INN and group names increased by 0.5 p.p. and achieved 33.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	**SANOFI-AVENTIS**	4.5	4.7
2	2	**BAYER HEALTHCARE**	4.3	4.0
3	5	**SERVIER**	3.4	3.3
4	9	OTCPHARM	3.3	2.9
5	6	**TEVA**	3.2	3.2
6	3	**NYCOMED/TAKEDA**	3.1	3.4
7	4	**SANDOZ GROUP**	3.1	3.4
8	7	**GLAXOSMITHKLINE**	2.9	3.1
9	10	STADA	2.8	2.8
10	8	GEDEON RICHTER	2.8	2.9
Total			33.3	33.8

*AIPM members are in bold

Due to high growth rates, KAGOCEL (+21%) held and strengthened its previous rank number one in the top ten brand names ranking on the regional market (Table 2). The markets of the other three brand names also developed at a fast pace. INGAVIRIN (+81%), ERGOFERON (+51%) and ARBIDOL (+30%) moved up to ranks two, five and six, respectively. On top of that, ERGOFERON became the only newcomer of the top 10 ranking. ALFLUTOP (+3%) showed positive, but rather low growth rates, so it held its previous rank nine. Due to reduction in sales, ESSENTIALE N (-5%), CARDIOMAGNYL (-4%), ACTOVEGIN (-9%), ACC (-7%) and CONCOR (-6%) fell in the ranks, moving down to numbers three, four, seven, eight and ten, respectively. In total, the top ten brand names accumulated 7.3% of sales, which was 0.6 p.p. more than in the year-earlier period.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	KAGOCEL	1.3	1.1
2	7	INGAVIRIN	1.0	0.6
3	2	ESSENTIALE N	0.8	0.8
4	3	CARDIOMAGNYL	0.8	0.8
5	15	ERGOFERON	0.7	0.4
6	8	ARBIDOL	0.7	0.5
7	4	ACTOVEGIN	0.6	0.7
8	5	ACC	0.5	0.6
9	9	ALFLUTOP	0.5	0.5
10	6	CONCOR	0.5	0.6
Total			7.3	6.7

The first three of the top ten INNs and group names held their own in the ranking. INN XYLOMETAZOLINE (-6%), KAGOCEL (+21%) and BISOPROLOL (+4%) held their previous three upper ranks (Table 3). On top of that, PANCREATIN (+3%) also held its previous rank seven. Two newcomers of the top ten moved up to ranks four and five: IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+81%) and INTERFERON ALFA-2B (+31%). One more newcomer, INN UMIFENOVIR (+36%) rounds out the top ten INNs ranking. Three INNs with negative growth rates, IBUPROFEN and NIMESULIDE (-1% each), and PHOSPHOLIPIDS (-8%) fell in the ranks, moving down to ranks six, eight and nine, respectively. The total share of the top 10 increased from 9.5% to 10.1%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	XYLOMETAZOLINE	1.6	1.7
2	2	KAGOCEL	1.3	1.1
3	3	BISOPROLOL	1.0	1.0
4	23	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.0	0.6
5	12	INTERFERON ALFA-2B	0.9	0.8
6	4	IBUPROFEN	0.9	1.0
7	7	PANCREATIN	0.9	0.9
8	6	NIMESULIDE	0.9	0.9
9	5	PHOSPHOLIPIDS	0.8	0.9
10	18	UMIFENOVIR	0.8	0.6
Total			10.1	9.5

The leader of the top-10 ATC groups ranking changed: J05 Antivirals for systemic use (+40%) moved up to rank one from four (Table 4). M01 Anti-inflammatory and antirheumatic products (-1%) held its previous rank two, and C09 Agents acting on the rennin-angiotenzin system (+11%) moved up to rank three from five, displacing N02 Analgesics (-3%) down one rank. The last year leader R05 Cough and cold preparations (14%) reduced its sales by 14% and moved down to rank five. The other two ATC groups took yet lower ranks: J01 Antibacterials for systemic use (-7%) and R01 Nasal preparations (+1%) moved down to ranks six and seven. As before, the groups G03 Sex hormones (+5%), A11 Vitamins (+11%) and L03 Immunostimulants (+16%) held their three bottom ranks. The cumulative share of the top 10 didn't virtually change and accounted for 40.8%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	7	J05	ANTIVIRALS FOR SYSTEMIC USE	5.3	4.0
2	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.7	4.9
3	5	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.3	4.0
4	3	N02	ANALGESICS	4.2	4.5
5	1	R05	COUGH AND COLD PREPARATIONS	4.1	5.0
6	4	J01	ANTIBACTERIALS FOR SYST USE	4.0	4.4
7	6	R01	NASAL PREPARATIONS	3.9	4.0
8	8	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.7	3.7
9	9	A11	VITAMINS	3.6	3.3
10	10	L03	IMMUNOSTIMULANTS	3.2	2.9
Total				40.8	40.8

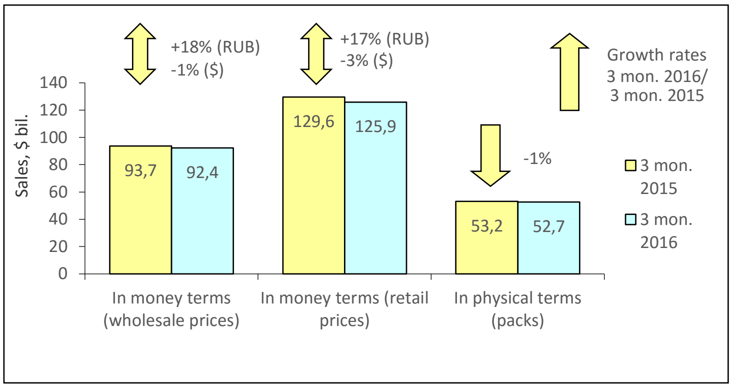
Conclusion. At the end of the first quarter of 2016, the pharmacy market in the Siberian Federal District was estimated at RUB 22.800 bil. (USD 305.391 mil.) in final consumer prices. At the same time, the market performance was positive in rouble terms (+3%), whereas in dollar terms the national market reduced by 14%. In natural terms, the sales decreased by 2% to 137.981 mil. packs. The average cost of a FPP pack (USD 2.21) reduced as compared to a year earlier (USD 2.55), but was lower than the national average FPP cost in Russia (USD 2.42). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 15.80 vs. USD 18.76).

FFD PHARMACY MARKET: 2016 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2016 estimated population of the Far Eastern Federal District (FEFD) was 6.195 mil., which accounted for 4.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first three months of 2016 the average salary in the region was RUB 42,494 (USD 569.70), which was 25% higher than the average wage in Russia (RUB 34,000).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™ at the end of the first quarter of 2016 the sales of drugs in physical terms in the pharmacies of the FEFD saw a 1% decrease to 52.654 mil. packs. In money terms, the drugs market increased by in rouble terms (+18%) and reduced in dollar terms (-1%), reaching RUB 6.904 bil. (USD 93.385 mil.) in wholesale prices (Fig. 1). The district's share reached 4.6% of the all-Russia sales in retail prices. The average cost of a pack reduced as compared to a year earlier and reached USD 2.39 (vs. USD 2.44). At the end of three months of 2016, the average amount spent by the residents of the FEFD for drugs in pharmacies amounted to USD 20.32.

Figure 1. The FEFD pharmacy market for 3 months of 2015 – 3 months of 2016



Two newcomers broke into the ranks of the top ten manufacturers ranking on the FEFD market based on the results for the first three months of 2016 (Table 1). The drug manufacturers STADA (+15%) and KRKA (+13%) moved up to the last two ranks of the top ten. Apart from them, yet only two manufacturers rose in the ranks. BAYER (+34%) and OTCPHARM (+46%) moved up to ranks two and four. In contrast, four drug manufacturers fell in the ranks. SERVIER (+11%) moved down from rank two to three, GEDEON RICHTER (+7%) moved down from rank three to five, and NYCOMED/TAKEDA (+5%) and SANDOZ (+19%) moved down to ranks seven and eight. SANOFI-AVENTIS (+19%) held its previous rank one, and GLAXOSMITHKLINE (+20%) - its previous rank six. The total share of the analysed top 10 manufacturers didn't virtually change and accounted for 33.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	**SANOFI-AVENTIS**	4.1	4.1
2	4	**BAYER HEALTHCARE**	4.1	3.6
3	2	**SERVIER**	3.7	3.9
4	8	OTCPHARM	3.7	3.0
5	3	GEDEON RICHTER	3.4	3.7
6	6	**GLAXOSMITHKLINE**	3.3	3.3
7	5	**NYCOMED/TAKEDA**	3.1	3.5
8	7	**SANDOZ GROUP**	3.0	3.0
9	11	STADA	2.6	2.7
10	12	**KRKA**	2.6	2.7
Total			33.6	33.5

*AIPM members are in bold

Antiviral drug INGAVIRIN, which sales in the analysed period increased 2.5 times, became the bestselling drug in the regional pharmacies (2.5-fold growth in sales) (Table 2). The last year leader, antiviral drug KAGOCEL (+33%), was ranked second by sales volume, and another drug with similar effects ARBIDOL (+58%) moved up to rank three from five. Note that in addition to the leaders, most brand names from the top ten showed high growth rates. Among them were ESSENTIALE N (+19%), which moved two ranks down, and ALFLUTOP (+39%) and MEXIDOL (+32%), which moved up to ranks 5 and 7, and the newcomers of the top ten ERGOFERON (+93%) and AMIXIN (2.4-fold growth in sales), which rounded out the top ten. However, CARDIOMAGNYL (+12%), which showed rather low growth rates, and ACTOVEGIN (+21%), which reduced its sales, moved down to ranks six and eight, respectively. The total share of the top-ten increased by 1.5 p.p. and achieved 8.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	6	INGAVIRIN	1.5	0.7
2	1	KAGOCEL	1.2	1.1
3	5	ARBIDOL	1.0	0.7
4	2	ESSENTIALE N	0.9	0.9
5	7	ALFLUTOP	0.7	0.6
6	4	CARDIOMAGNYL	0.7	0.7
7	10	MEXIDOL	0.6	0.5
8	3	ACTOVEGIN	0.6	0.9
9	34	ERGOFERON	0.6	0.3
10	49	AMIXIN	0.6	0.3
Total			8.3	6.8

The leader of the top ten INN and group names held its own in the ranking: INN XYLOMETAZOLINE (+6%) continued to take the lead in the ranking (Table 3). INN KAGOCEL (+33%) held its previous rank three in the top ten. The newcomers of the top ten IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (2.5-fold growth in sales), UMIFENOVIR (+67%), INTERFERON ALFA-2B (+68%) and TILORONE (+96%) broke into the top ten, coming in at ranks two, four, five and ten. At the same time, IBUPROFEN (-1%), PHOSPHOLIPIDS (+19%), BISOPROLOL (+4%) and NIMESULIDE (-9%) moved down to the lower ranks from six through nine, respectively. The cumulative share of the top10 increased from 10% to 11.2%.

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

Rank		INNs/Group Names	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015		3 mon. 2016	3 mon. 2015
1	1	XYLOMETAZOLINE	1.7	1.9
2	15	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.5	0.7
3	3	KAGOCEL	1.2	1.1
4	11	UMIFENOVIR	1.1	0.8
5	12	INTERFERON ALFA-2B	1.0	0.7
6	2	IBUPROFEN	1.0	1.2
7	6	PHOSPHOLIPIDS	1.0	1.0
8	5	BISOPROLOL	0.9	1.1
9	4	NIMESULIDE	0.8	1.1
10	30	TILORONE	0.8	0.5
Total			11.2	10.0

The most dynamic of the top ten ATC groups J05 Antivirals for systemic use (+77%) moved up to rank one from five (Table 4). Apart from them, another three ATC groups of the top ten showed growth in sales. R01 Nasal preparations (+17%), C09 Agents acting on the rennin-angiotenzin system (+16%) and L03 Immunostimulants (+50%) moved up to ranks three, six and seven, respectively. M01 Anti-inflammatory and antirheumatic products (+1%) and G03 Sex hormones (+19%) kept their previous ranks two and ten. Four ATC groups from the top 10 moved down to the lower ranks. R05 Cough and cold preparations (-8%) moved down from rank one to four, and N02 Analgesics (+6%) from rank 3 to 5, J01 Antibacterials for systemic use (+1%) from rank 4 to 8, and A11 Vitamins (+28%) from rank 8 to 9. The total share of the top ten increased by 0.2 p.p. and accounted for 40.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon. 2016	3 mon. 2015			3 mon. 2016	3 mon. 2015
1	5	J05	ANTIVIRALS FOR SYSTEMIC USE	6.5	4.3
2	2	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.3	5.1
3	6	R01	NASAL PREPARATIONS	4.2	4.3
4	1	R05	COUGH AND COLD PREPARATIONS	4.0	5.1
5	3	N02	ANALGESICS	3.9	4.4
6	7	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	3.9	3.9
7	9	L03	IMMUNOSTIMULANTS	3.8	3.0
8	4	J01	ANTIBACTERIALS FOR SYST USE	3.8	4.4
9	8	A11	VITAMINS	3.6	3.3
10	10	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.0	2.9
Total				40.9	40.7

Conclusion. On the basis of the results for three months of 2016, the retail market of the Far Eastern Federal District brought in RUB 9.408 bil. (USD 125.870 mil.). It was 17% more in terms of roubles and 3% less in terms of dollars than in 2015. In physical terms, the market showed a small negative trend (-1%) and brought in 52.654 mil. packs. The average cost of a pack in the FEFD pharmacies based on the results for the first quarter of 2016 was USD 2.39 (in a year-earlier period - USD 2.44), and it was lower than the national average (USD 2.42). The average medicine expenses of the district residents were higher than the national average expenses in Russia (20.32 USD vs. 18.76 USD).