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

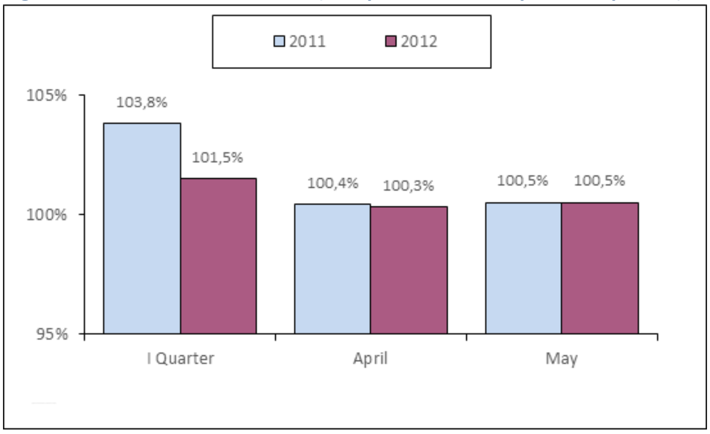
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in May 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 102.3% (in January-May 2011 – 104.8%)

In May, Industrial Producer Price Index was 97.6%, whereas in the month-earlier period it had amounted to 100.6%. In January-May, it accounted for 101.1% (during the same period a year ago – 110.3%).

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



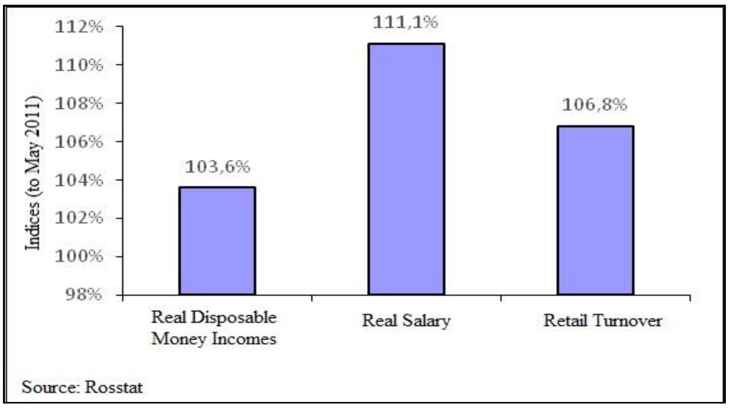
Living standard

According to preliminary Federal State Statistics Service's data, in May 2012 a gross monthly average salary per worker reached RUB 26,058 (USD 845.92) which accounted for 115.1% compared to May 2011 and 101.0% compared to April 2012. The real salary in May 2012 accounted for 111.1 % as compared with the same period in 2011. In May 2012, the real value of cash incomes accounted for 103.6% compared to the same period of 2011 (Fig. 2).

Retail turnover

In May 2012, the retail turnover was equal to RUB 1,701.7 bln, which in stock accounts for 106.8% compared to the same period a year ago (Fig. 2).

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



Manufacture of industrial products

According to Federal State Statistics Service's data, in May 2012 Industrial Production Index accounted for 103.7% compared to the same period a year ago, 103.2% to the previous period of 2012, and 103.4% for year to date.

Domestic production

The Top-10 domestic manufacturers by production volume at May-end 2012 are shown in Table 1. The total production volume by top ten manufacturers was estimated at USD 216.4 mln.

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

Rank	Drug Manufacturer	Production volume, $mln.
1	Pharmstandart	76,2
2	KRKA-RUS	29,7
3	Stada	26,6
4	Sotex	17,9
5	Akrihin	14,1
6	Valenta	12,4
7	Pharm-Center	11,3
8	Microgen	10,5
9	Veropharm	9,9
10	Polysan	7,7

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In April 2012 compared to March 2012, pharmacy sales slump (in terms of roubles) was observed in most analyzed regions. The deepest slump was observed in Moscow (-16%), the least one in Krasnoyarsk Krai (-2%). The growth in sales was only observed in Perm (+8%).

Table 2. Pharmacy sales in regions, 2011 - 2012

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (Roubles)		
	February 2012	March 2012	April 2012	February/ January 2012	March/ February 2012	April/ March 2012
Moscow city	174,1	202,8	170,2	20%	18%	-16%
St. Petersburg	46,3	48,2	46,1	22%	5%	-4%
Krasnodarsky Krai	26,9	33,5	30,8	-3%	26%	-8%
Novosibirskaya Oblast	22,4	24,9	22,4	9%	12%	-10%
Republic of Tatarstan	25,0	28,8	26,2	3%	17%	-9%
Krasnoyarsky Krai	16,5	18,8	18,4	8%	15%	-2%
Rostovskaya Oblast	19,3	19,1	18,5	2%	-0,1%	-3%
Voronezhskaya Oblast	18,1	18,0	15,3	21%	1%	-15%
Perm city	6,2	7,3	7,9	0,3%	19%	8%
Tyumen city	6,8	7,0	6,8	5%	4%	-3%

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 May, 2012

Rank	Company*	Quantity of broadcasts
1	Berlin-Chemie Menarini Group	5 286
2	Novartis	3 712
3	Pharmstandart	2 810
4	Reckitt Benckiser	2 464
5	Bayer AG	2 391

Source – TNS Gallup AdFact

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

Rank	Trade name*	Quantity of broadcasts
1	Evalar	1 943
2	Nurofen	1 776
3	Oftalmoferon	1 416
4	Pentalgin	1 328
5	Flucostat	1 136

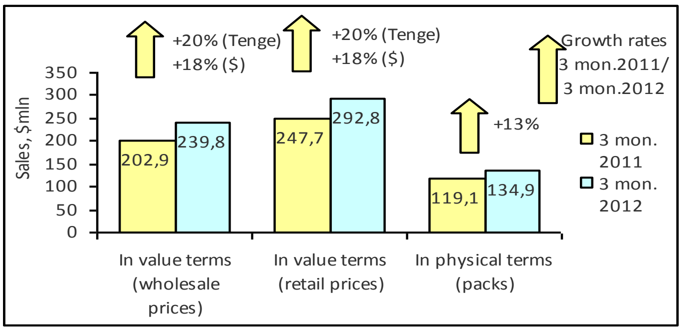
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter (OTC) drugs in Kazakhstan™, at the end of three months of 2012, the retail over-the-counter drugs market in physical terms saw a 13% decrease to 134.950 mln packs. In money terms (exclusive of Beneficiary Drug Coverage) the country market showed a positive performance: 20% in terms of Kazakhstan Tenges and 18% in terms of Dollars. In wholesale prices the market achieved USD 239.776 mln (Tenge 35.520 bln), in retail prices – USD 292.834 mln (Tenge 43.380 bln) (Fig.1). The average retail cost of a pack was USD 2.17, whereas in the year earlier period its cost was USD 2.08. At Q1-end, 2012, the level of OTC drugs consumption per capita was USD 17.56 (during the same period in 2011 - USD 15.06).

Figure 1. Kazakhstan pharmacy market for 3 months of 2011 – 3 months of 2012



Nineteen percent of OTC drugs sold in pharmacies of Kazakhstan in Q I, 2012, were produced in Germany. The Russian pharmaceutical products' share in the region accounted for 7.3% of the market and ranked 2nd by volume of sales. OTC products made in India and France accounted for six percent of the market each. Drugs made in Kazakhstan accumulated 5% of the pharmacy market, as well as OTC drugs from USA, Denmark and Slovenia.

On the basis of the results for three months of 2012, NOVARTIS (+9%1) became the leader of the regional pharmacy market of Kazakhstan (Table 1). Preparations of unidentified manufacturers ranked 2nd – the share thereof noticeably reduced which resulted in the loss of one rank. SANOFI-AVENTIS (+9%) kept its third rank. BAYER (+21%) moved up from rank 6 to 4, displacing TEVA and NYCOMED (+12% each) down one rank. The manufacturers, which rose in the ranks, came in at numbers 7 through 10. BERLIN-CHEMIE (+25%) move up one rank, coming in at number 7, whereas the more dynamic SOLVAY (+32%), SERVIER/EGIS (+37%) and WORLD MEDICINE (+47%) moved up two ranks. At the same time, the two latter became the only newcomers of the top 10. The total share of the top 10 companies reduced to 42.4%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	**NOVARTIS (INC. SANDOZ-LEK)**	6,0	6,6
2	1	Unidentified	5,7	6,6
3	3	**SANOFI-AVENTIS**	5,3	5,8
4	6	**BAYER HEALTHCARE**	4,8	4,8
5	4	**TEVA**	4,7	5,0
6	5	**NYCOMED**	4,6	4,9
7	8	**BERLIN-CHEMIE AG/MENARINI GROUP**	3,2	3,0
8	10	**SOLVAY PHARMA**	2,8	2,6
9	11	**SERVIER/EGIS**	2,8	2,5
10	12	WORLD MEDICINE	2,5	2,0
Total			42,4	43,7

*AIPM members are in bold

Actovegin (-7%) remained the best selling drug in the pharmacies of Kazakhstan, however, it should be noted that its sales volumes in the analyzed period reduced (Table 2). Theraflu Flu and Cold (+8%), Essentiale N (+13%) and Cefazolin (+8%) held their own ranks from 2 through 4 in the top ten, and Viferon (+27%) and Linex (+36%) as before kept ranks six and eight. Only one trade name from the top 10 under review – Sumamed (+11%) moved down to the lower rank 9. In contrast, the other three trade names of the analyzed ranking rose in the ranks and broke into the ranks of the top 10: Ursosan (+70%), Canephron N (+64%) and Mezym Forte (+34%), coming in at numbers 5, 7 and 10, respectively.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	1	Actovegin	1,3	1,7
2	2	Theraflu Flu and Cold	1,0	1,1
3	3	Essentiale N	0,9	1,0
4	4	Cefazolin	0,8	0,9
5	18	Ursosan	0,7	0,5
6	6	Viferon	0,7	0,7
7	17	Canephron N	0,7	0,5
8	8	Linex	0,7	0,6
9	5	Sumamed	0,7	0,7
10	13	Mezym Forte	0,6	0,6
Total			8,2	8,2

The top INN and generic names ranking leader, preparations of unidentified composition, managed to hold its first position in the top ten (table 3). One of the most dynamic preparations of the top 10 – Pancreatin (+37%), which displaced Ambroxol (+9%) down one rank, moved up to rank two. The markets of INNs Ceftriaxone (+43%), STADA (+22%) and Soybean Phospholipids (+22%) also developed at a fast pace which allowed them to move up to rank 4 and 9, respectfully. Fluconazole (+17%) moved up one rank, to number 8. At the same time, three INNs moved down to the lower ranks: The composition Multivitamin+ Multimineral (+7%) and Paracetamol + Pheniramine + Phenylephrine + Ascorbic Acid (+8%), as well as INN Diclofenac (+8%) moved down to ranks five, six and nine, respectively. The total share of the top 10 INNs reduced from 24.6% to 24.0%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	1	Unidentified	13,0	13,5
2	4	Pancreatin	1,6	1,4
3	2	Ambroxol	1,6	1,7
4	6	Ceftriaxone	1,4	1,2
5	3	Multivitamin+ Multimineral	1,3	1,5
6	5	Paracetamol + Pheniramine + Phenylephrine + Ascorbic Acid	1,1	1,2
7	7	Azithromycin	1,1	1,1
8	9	Fluconazole	1,0	1,0
9	10	Soybean Phospholipids	1,0	1,0
10	8	Diclofenac	1,0	1,1
Total			24,0	24,6

The top part of the top 10 ATC groups held their own in the ranking (table 4). J01 Antibacterials for systemic use (+18%), R05 Cough and cold preparations (+11%), N02 Analgesics (-4%), A11 Vitamins (+11%) and M01 Anti-inflammatory and antirheumatic products (+23%) held their own top five ranks. A05 Bile and liver therapy (+25%) and G03 Sex hormones, at numbers 8 and 9, also held their own in the top ten. Two ATC groups of the top 10 rose in the ranks: G04 Urologicals (+34%) and L03 Immunostimulants (+23%) moved up one rank, coming in at numbers 6 and 10, respectively, displacing R01 Nasal preparations (+24%) down to number 7. The total share of top ten under review reduced by over 1 p.p. and accounted for 45.8%.

Table 4. The top 10 ATC Groups by pharmacy sales

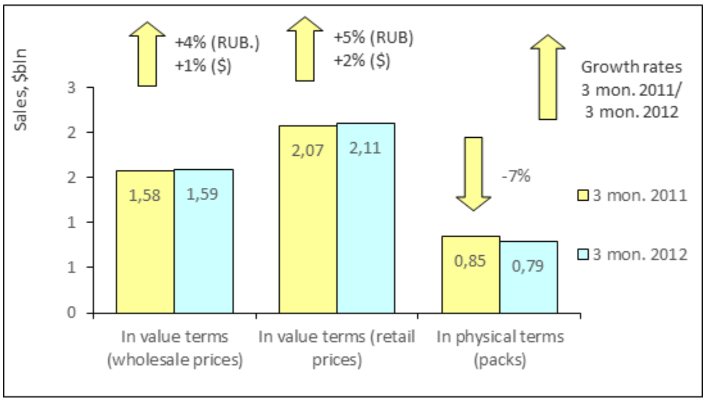
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	1	J01	Antibacterials for systemic use	10,5	10,6
2	2	R05	Cough and cold preparations	6,0	6,5
3	3	N02	Analgesics	5,0	6,2
4	4	A11	Vitamins	4,0	4,3
5	5	M01	Anti-inflammatory and antirheumatic products	4,0	3,9
6	7	G04	Urologicals	3,6	3,2
7	6	R01	Nasal preparations	3,5	3,4
8	8	A05	Bile and liver therapy	3,3	3,2
9	9	G03	Sex hormones	3,1	3,1
10	11	L03	Immunostimulants	2,7	2,6
Total				45,8	47,0

Conclusion. At the end of Q1, 2012, Kazakhstan retail market grew by 20% in national currency terms and by 18% in dollar terms and brought in USD 292.834 mln (Tenge 43.380 bln). In physical terms, the market also showed positive growth rates (+13%) and amounted to 134.950 mln packs. Compared to the indicators of the same period a year ago, both the average cost of a pack and the level of OTC drugs consumption by residents of the country increased (USD 2.17 vs. USD 2.08 and USD 17.56 vs. USD 15.06).

PHARMACY OTC MARKET IN RUSSIA: 2012 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of Q 1, 2012 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 7% decrease to 786.921 bln packs. In value terms, the regional OTC drugs market increased 4% in rouble terms and 1% in dollar terms and achieved RUB 47.926 bln (USD 1.593 bln) in wholesale prices (Fig.1). The regional market share of OTC drugs accounted for 50.2% of the Russian pharmacy market in value terms and 70.8% in physical terms. The average cost of an OTC pack grew as compared to a year earlier (USD 2.44) and reached USD 2.68 in retail prices. For three months of 2012, the average amount spent by residents of Russia for OTC drugs amounted to USD 14.73.

Figure 1. Russian pharmacy market for 3 months of 2011 – 3 months of 2012



The first four manufacturers in the top 10 manufacturers ranking in the Russian market remained intact (table 1). PHARMSTANDART (-21%), SANOFI-AVENTIS (+15%), SANDOZ (+1%) and BAYER (+10%) held their own ranks one through four in the ranking. In addition, STADA (+4%) and TEVA (+9%) also managed to maintain their ranks 7 and 9 in the ranking, The most dynamic company of the top-10 NOVARTIS (+21%) moved up to rank five from six by forcing MENARINI (+6%) to move down one rank. The only new company of the ranking JOHNSON & JOHNSON (+19%) moved to rank eight, whereas RECKITT BENCKISER (-1%) which used to take that rank earlier reduced its sales and moved down to the bottom rank. The cumulative share of the top 10 manufacturers reduced from 43.8% to 44.6%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	1	PHARMSTANDART	8,2	10,8
2	2	**SANOFI-AVENTIS**	6,1	5,5
3	3	**SANDOZ GROUP**	4,9	5,1
4	4	**BAYER HEALTHCARE**	4,6	4,3
5	6	**NOVARTIS**	4,4	3,8
6	5	**MENARINI**	4,2	4,1
7	7	**STADA**	3,0	3,0
8	11	**JOHNSON & JOHNSON**	2,9	2,6
9	9	**TEVA**	2,8	2,7
10	8	**RECKITT BENCKISER**	2,6	2,8
Total			43,8	44,6

*AIPM members are in bold

The top two trade names didn't change either, as before ARBIDOL (-49%) and ESSENTIALE N (+21%) held their own in the top-10 trade names ranking, though the former of the above reduced its sales by as much as half (table 2). OTC LINEX (+19%) moved up to rank three, and a newcomer KAGOCEL, which sales grew 2 times, broke into the ranks of the top ten, coming in at number five. OTC NO SPA (+31%) became a second newcomer of the top-10 ranking, having moved from rank 13 to 9. MEZYM FORTE (+2%) rose in the ranks by one score, moving up from number 9 to 8. The other four trade names of the top ten (ANAFERON, OCILLOCOCCINUM, LASOLVAN and ACC) showed a decrease in sales and moved down to the lower ranks. The total share of the top ten drug manufacturers reduced by over 2 p.p. and accounted for 13.4%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	1	ARBIDOL	2,3	4,7
2	2	ESSENTIALE N	2,1	1,8
3	5	LINEX	1,5	1,3
4	19	KAGOCEL	1,2	0,6
5	4	ANAFERON	1,1	1,4
6	3	OCILLOCOCCINUM	1,1	1,5
7	6	LASOLVAN	1,1	1,3
8	9	MEZYM FORTE	1,0	1,0
9	13	NO SPA	1,0	0,8
10	8	ACC	0,9	1,2
Total			13,4	15,7

The top INN and generic names leader changed (table 3). XYLOMETAZOLINE (+44%) became the leader, moving up one rank. PANCREATIN (+14%) moved up to rank two from three, whereas the last year leader ARBIDOL (-49%) reduced its sales and moved down to rank 3. PHOSPHOLIPIDS (+22%) and the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+19%) moved up two ranks, to numbers 4 and 8, The newcomer of the top 10 KAGOCEL (+98%) showed the more pronounced rating progress, moving up from number 31 to 9 . At the same time, two INNs, AMBROXOL and INTERFERON GAMMA, NATURAL (-15% each) moved down to ranks six and ten. The composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-13%) and INN IBUPROFEN (+6%) held their own ranks 5 and 7, respectively.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	XYLOMETAZOLINE	3,1	2,2
2	3	PANCREATIN	2,4	2,2
3	1	ARBIDOL	2,3	4,7
4	6	PHOSPHOLIPIDS	2,3	2,0
5	5	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,7	2,1
6	4	AMBROXOL	1,7	2,1
7	7	IBUPROFEN	1,5	1,5
8	10	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	1,5	1,3
9	31	KAGOCEL	1,2	0,6
10	9	INTERFERON GAMMA, NATURAL	1,1	1,4
Total			19,1	20,2

Despite the reduction in sales, at the Q I-end N02 Analgesics (-6%) became the leader of the ten top ATC group ranking (table 4) R05 Cough and cold preparations (-17%), which used to be number one, showed even greater negative growth rates and moved down to rank 2. J01 Antibacterials for systemic use (-31%) also showed reduction in sales, which moved down from rank 6 to 7. The other top 10 ATC groups showed the positive sales growth rates. A newcomer of the top 10 A03 Drugs for Functional Gastrointestinal Disorders (+30%) which moved up from rank 16 to 9, showed the most pronounced growth rates. A09 Digestives, incl. enzymes (+14%) became the second newcomer of the top ten, coming in at the bottom rank of the top ten. R01 Nasal preparations (+16%) and A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents (+21%) moved up one rank, to numbers 3 and 6, respectively. Groups A11 Vitamins (+5%) and A05 Bile and liver therapy (+17%) as before held their own ranks 4 and 8 in the top ten. The total share of the top 10 decreased by almost 3 p.p. and accounted for 54.8%.

Table 4. The top 10 ATC Groups by pharmacy sales

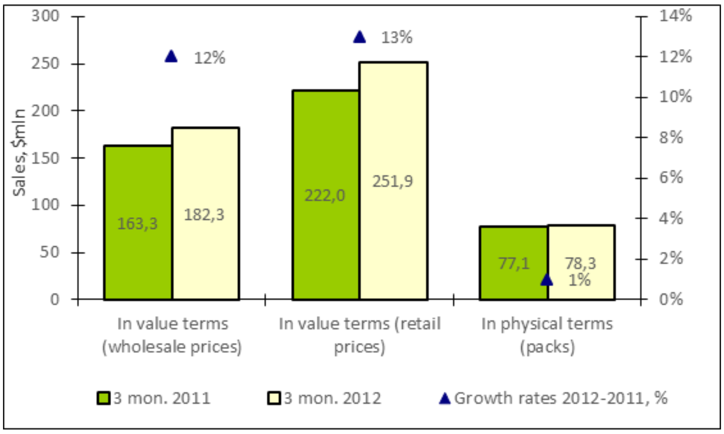
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	2	N02	ANALGESICS	8,8	9,7
2	1	R05	COUGH AND COLD PREPARATIONS	7,9	9,9
3	5	R01	NASAL PREPARATIONS	6,7	6,0
4	4	A11	VITAMINS	6,6	6,5
5	3		Unidentified	6,4	7,2
6	7	A07	INTESTINAL ANTIINFECTIVES	5,2	4,4
7	6	J05	ANTIVIRALS FOR SYSTEMIC USE	3,8	5,7
8	8	A05	BILE AND LIVER THERAPY	3,7	3,2
9	16	A03	DRUGS FOR FUNCT GI DISORDERS	2,9	2,3
10	12	A09	DIGESTIVES INCL ENZYMES	2,8	2,6
Total				54,8	57,5

Conclusion. On the basis of the results of Q 1, 2012, the retail pharmacy market of Russia brought in RUB 63.378 bln (USD 2.107 bln). The market saw a 5% increase in terms of roubles and 2% in terms of dollars. In physical terms, the country market showed negative sales growth rates (-7%) and reached 786.921 mln packs. The average cost of an OTC pack at the end of Q 1 of 2011 was markedly higher than the same indicator a year ago (USD 2.68 vs. USD 2.44). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 14.73 vs. USD 14.50).

RUSSIAN BIOLIGICALLY ACTIVE ADDITIVE (BAA) MARKET: 2012 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of BAA in Russian Federation™, at the end of Q 1, 2012, the BAA pharmacy sales in Russia brought in 5.481 billion roubles (USD 182.281 million) in wholesale prices and 7.576 bln roubles (USD 251.923 mln) in retail prices (Fig.1). The market performance was positive both in rouble terms (+15%) and in dollar terms (+12%) in wholesale prices. In physical terms, the BAA sales increased insignificantly (1%) to 78.263 mln packs. The average retail cost of a BAA pack was USD 3.22, whereas in a year earlier period – USD 2.88. It should be noted that the average cost of an OTC pack (USD 3.77) was higher than that of a BAA pack. The average sum spent by residents of Russia for purchase of BAA amounted to USD 1.76

Figure 1. Russian pharmacy market for 3 months of 2011 – 3 months of 2012



At the end of the first three months of 2012, BAA produced by EVALAR (+10%) remained the bestselling BAAs in the BAA market, as was the case in the year-earlier period (Table 1). Despite the delay in growth rates and reduction of company's share in the market, its share in the BAA market remained very high 22.5%. Due to one of the highest sales growth among the leaders, VIS (+43%) moved up to rank two by forcing AKVION (-13%) and PFIZER (+7%) down to rank three. The markets of the newcomers of the top 10 pharmaceutical manufacturers developed at faster pace, as a result of which GNC PM FARMA (2.2-fold sales growth) and QUEISSER (+53%) moved up to ranks 8 and 10, respectively. Canadian drug maker PHARMA-MED (+32%) which moved up one rank, coming in at number 6, also showed a ranking progress. In addition, they displaced AVVA RUS (+2%) and EKOMIR (+20%) down one row to numbers 7 and 9, respectively. The total share of top ten manufacturers in the BAA market reduced by almost 1 p.p. and accounted for 51.8%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	1	EVALAR	22,5	23,4
2	4	VIS	5,7	4,6
3	2	AKVION,RF	4,6	6,1
4	3	**PFIZER**	4,6	4,9
5	5	DIOD	3,3	4,2
6	7	PHARMA-MED CANADA	2,5	2,2
7	6	AVVA RUS	2,2	2,5
8	17	GNC PM FARMA	2,1	1,1
9	8	EKOMIR	2,1	2,0
10	12	QUEISSER	2,1	1,6
Total			51,8	52,7

*AIPM members are in bold

The leader of the top 10 biologically active additive trade names didn't change either, SEALEX FORTE, which sales increased 52% in the analyzed period, managed to hold and reinforce its rank (table 2). FITOLAX (+18%) and LACTOFILTRUM (+0.4%) held their ranks two and three. ALI CAPS, which sales increased 2.3 times, moved up from rank fourteen to four. As the same time, OVESOL and CI-CLIM (+11% each) moved down one rank. It should be noted that apart from them, one more trade name moved down to the lower rank: LEONURI FORTE (-5%) reduced its sales and moved down rank 6 to 8. The other three trade names showed signs of growth. HAEMATOGEN RUSS (+9%) and TURBOSLIM CLEANING (+8%) moved up one rank, to numbers 7 and 9. A newcomer HEPATRIN (+8%) broke into the ranks of the top ten, coming in at number ten. The total share of top ten increased by over 1 p.p. and accounted for 19.5%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3mon. 2012	3mon. 2011		3 mon. 2012	3 mon. 2011
1	1	SEALEX FORTE	4,2	3,2
2	2	FITOLAX	3,0	2,9
3	3	LACTOFILTRUM	2,2	2,5
4	14	ALI CAPS	2,1	1,0
5	4	OVESOL	1,7	1,8
6	5	CI-CLIM	1,5	1,6
7	8	HAEMATOGEN RUSS	1,3	1,3
8	6	LEONURI FORTE	1,2	1,5
9	10	TURBOSLIM CLEANING	1,2	1,3
10	12	HEPATRIN	1,2	1,2
Total			19,5	18,3

The share of unidentified INN and Generic Names in the BAA market accounted for 5.2% of the market, which is less than in the year-earlier period (table 3). The compositions GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS (+52%) and ASCORBIC ACID + BIOTIN + CALCIUM (-10%) which held their own ranks 2 and 3 showed the highest sales volumes at the analyzed period end. Despite the moderate sales rates, the composition LACTULOSE + LIGNIN (+0.4%) moved up to rank five, whereas the composition FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR, which used to hold that rank earlier, reduced its sales 14% and moved down to rank 7. In contrast, due to high sales growth (2.3 times), EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA moved up from rank 19 to 5. ASCORBIC ACID (+4%) managed to maintain its rank 6 in the ranking. The other three INNs from the top 10 fell in the ranks. On top of that, only one of them – the composition PYRIDOXINE + LEONURUS SIBIRICUS (-5%) – showed the negative sales rates. In contrast to the previous ranking, the cumulative share of the top ten reduced from 25.1% to 24.4%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	1	Unidentified	5,2	5,7
2	2	GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS	4,2	3,2
3	3	ASCORBIC ACID + BIOTIN + CALCIUM	2,4	3,1
4	5	LACTULOSE + LIGNIN	2,2	2,5
5	19	EURYCOMA LONGIFOLIA + SERENOA REPENS + TURNERA DIFFUSA	2,1	1,0
6	6	ASCORBIC ACID	2,0	2,2
7	4	FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR	1,9	2,5
8	7	AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA	1,7	1,8
9	8	DEXPANTHENOL + DIOSCOREA VILLOSA + HYALURONIC ACID	1,5	1,6
10	9	PYRIDOXINE + LEONURUS SIBIRICUS	1,2	1,5
Total			24,4	25,1

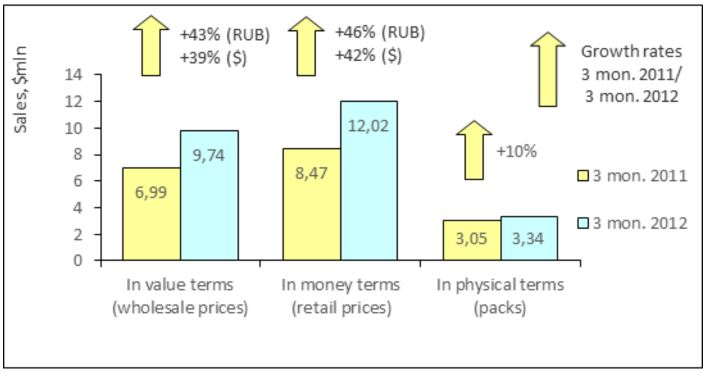
Conclusion. At the end of the first three months of 2012, BAA sales in pharmacies of the country increased 17% in terms of roubles and 13% in terms of dollars and brought in 7.576 bln roubles (USD 251.923 million) in final consumer prices. In physical terms, the BAA market also saw a 1% sales increase to 78.263 mln packs. The average retail cost of a BAA pack increased as compared to the past year (USD 3.22 vs. USD 2.88). Expenses of residents for purchase of BAA in pharmacies proved to be much higher as well (USD 1.76 vs. USD 1.55).

TVER PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 Tver's estimated population was 406.9 mln, which accounted for 0.3% of the total Russian Federation population and 1.1% of Central FO (CFO). According to Federal State Statistics Service's data, in Q 1, 2012 the average salary in the city was RUB 18,439.0 (USD 623.99), which is 32% lower than the average salary in Russia (RUB 24,407.3).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Tver the sales of over-the-counter drugs in physical terms increased by 10% to 3.341 mln packs over the period of first three months of 2012. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 43% increase in terms of roubles and 39% increase in terms of dollars compared to the same period a year ago and reached RUB 293.448 mln (USD 9.744 mln) in wholesale prices (Fig.1). The region share accounted for 0.3% of the total volume of all-Russia pharmacy market. The average cost of an OTC pack grew as compared to a year earlier (USD 2.78) and reached USD 3.60 in retail prices. In Q 1, 2012, the Tver consumers spent USD 29.54 on drugs on the average.

Figure 1. Tver pharmacy market for 3 months of 2011 – 3 months of 2012



In the first three months of 2012 the top ten drug manufacturers in the regional market didn't change in composition (table 1). The leader of the top ten - PHARMSTANDART (+21%) – held its own in the ranking, but reduced its market share by 1 p.p. and maintained its leadership. The more dynamic SANOFI-AVENTIS (+61%) moved up to rank two, by displacing MENARINI (+44%) down one rank. NOVARTIS (+90%) showed two-fold increase in sales and moved up from rank 9 to 4. The markets of the other two drug manufacturers BAYER (+66%) and KRKA (+71%) developed at a fast pace. At the same time, the former managed to move up one rank, coming in at number 5, and the latter held its own bottom rank in the top ten. The other four drug makers (NYCOMED, GEDEON RICHTER, SERVIER and SANDOZ) showed not so high sales growth which resulted in the loss of ranks. The total share accumulated by the top 10 drug manufacturers increased almost 1 p.p. and escalated to 40.4%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	1	PHARMSTANDART	5,6	6,6
2	3	**SANOFI-AVENTIS**	5,1	4,6
3	2	**MENARINI**	4,6	4,6
4	9	**NOVARTIS**	4,3	3,1
5	6	**BAYER HEALTHCARE**	4,1	3,5
6	4	**NYCOMED**	3,7	4,2
7	5	GEDEON RICHTER	3,5	3,6
8	7	**SERVIER**	3,3	3,5
9	8	**SANDOZ GROUP**	3,1	3,2
10	10	**KRKA**	3,1	2,6
Total			40,4	39,5

*AIPM members are in bold

ADELPHAN ESIDREX became the best selling drug in the regional market – the trade name saw a 3.3-fold growth in sales and moved up from rank 20 to 1 (table 2). Apart from it, another three newcomers broke into the ranks of the top-10. They were VIAGRA (sales increased 2.8 times), LINEX (1.8 times) and REDUKSIN (4.5 times), coming in at numbers 6, 8 and 9, respectively. ESSENTIALE N moved up four ranks, and due to 2.1-fold growth in sales, came in at number three. CONCOR (+26%) held its own bottom rank in the top ten, whereas the other four trade names moved down to the lower ranks. Among them were OTC drugs ARBIDOL (-42%), ACTOVEGIN (+11%), NIMESIL (+39%) and MEXIDOL (+56%), which moved down to ranks 2, 4, 5 and 7, respectively.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	20	ADELPHAN ESIDREX	1,1	0,5
2	1	ARBIDOL	1,1	2,6
3	7	ESSENTIALE N	1,0	0,7
4	2	ACTOVEGIN	1,0	1,2
5	4	NIMESIL	0,9	0,9
6	28	VIAGRA	0,8	0,4
7	6	MEXIDOL	0,8	0,7
8	22	LINEX	0,6	0,5
9	99	REDUKSIN	0,6	0,2
10	10	CONCOR	0,6	0,7
Total			8,5	8,4

Only two newcomers broke into the ranks of the top 10 INN and Generic names ranking: PHOSPHOLIPIDS (2.1-fold growth in sales) and DIHYDRALAZINE + HYDRO-CHLOROTHIAZIDE + RESERPINE (3.3-fold growth in sales) moved up to numbers 4 and 6, respectively. The top ten's leader changed, as well as in the above ranking. Due to two-fold growth in sales INN XYLOMETAZOLINE moved up from rank 5 to one. One more INN rose in the ranks – BISOPROLOL (+52%) moved up from rank six to three. Only INN NIMESULIDE (+36%) remained unchanged and as before held its own rank two. The other five INNs from the top-10 moved down to the lower ranks: It should be noted that only one of them, ARBIDOL (-42%), showed the negative growth in sales.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	5	XYLOMETAZOLINE	1,7	1,2
2	2	NIMESULIDE	1,5	1,6
3	6	BISOPROLOL	1,2	1,1
4	14	PHOSPHOLIPIDS	1,2	0,8
5	4	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,2	1,2
6	32	DIHYDRALAZINE + HYDRO-CHLOROTHIAZIDE + RESERPINE	1,1	0,5
7	1	ARBIDOL	1,1	2,6
8	3	BLOOD	1,0	1,3
9	8	PANCREATIN	0,9	1,0
10	7	AZITHROMYCIN	0,9	1,0
Total			11,8	12,3

Half of top-10 ATC groups moved down to the lower ranks (table 4). On top of that, only one ATC group J05 Antivirals for systemic use (-12%) showed reduction in sales, which moved down from rank 5 to 10. The other groups (R05, J01, A11 and preparations of unidentified pharmaceutical groups) moved down to the lower ranks due to lag in growth rates, whereas the other more dynamic ATC groups, on the contrary, rose in the ranks. M01 Anti-inflammatory and antirheumatic products (+32%) moved up one rank, coming in at number 2, displacing R05 Cough and cold preparations (+21%) down the row. R01 Nasal preparations (+74%) moved up from rank eight to four. C09 Agents acting on the rennin-angiotenzin system (+64%) and G03 Sex hormones (+74%) moved up three ranks, coming in at numbers 6 and 7. N02 Analgesics (+43%) held their own leading rank. The cumulative share of the top ten ATC groups noticeably reduced to 39.0%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	1	N02	ANALGESICS	5,6	5,6
2	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,8	5,2
3	2	R05	COUGH AND COLD PREPARATIONS	4,6	5,5
4	8	R01	NASAL PREPARATIONS	4,3	3,5
5	4	J01	ANTIBACTERIALS FOR SYST USE	3,8	5,0
6	9	C09	AG ACT RENIN-ANGIOTENS SYST	3,7	3,2
7	10	G03	SEX HORM&MODULAT GENITAL SYS	3,6	3,0
8	6	A11	VITAMINS	3,1	3,7
9	7		Unidentified	2,9	3,6
10	5	J05	ANTIVIRALS FOR SYSTEMIC USE	2,7	4,3
Total				39,0	42,6

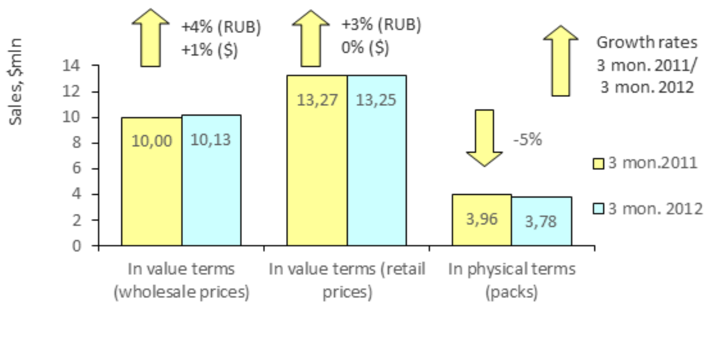
Conclusion. On the basis of the results of Q 1, 2012, the retail pharmacy market of Tver brought in RUB 361.988 mln (USD 12.019 mln), which is by 46% in terms of roubles and 42% in terms of dollars higher than the same indicator during the same period a year ago. In pack terms, the supplies increased by 10% to 3.341 mln packs. The average cost of an OTC pack in the Tver pharmacies considerably increased as compared to the previous year (USD 3.60 vs. USD 2.78), however it was lower than the average value in Russia (USD 3.77). Per capita expenses spent by city residents for the purchase of medicines in Tver amounted to USD 29.54 which is slightly higher than on the average in Russia (USD 29.32).

SMOLENSK PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 Smolensk's estimated population was 329.9 thousand, which accounted for 0.2% of the total Russian Federation population and 0.9% of Central FO (CFO). According to Federal State Statistics Service's data, in Q 1, 2012 the average salary in the city was RUB 16,697.1 (USD 565.05), which is 46% lower than the average salary in Russia (RUB 24,407.3).

According to the results of the Retail Audit of over-the-counter (OTC) drugs in Russian Federation™, in Smolensk the sales of over-the-counter drugs in physical terms increased by 5% to 3.776 mln packs over the period of first three months of 2012. In value terms, the city OTC drugs market (exclusive of Beneficiary Drug Coverage) saw a 4% increase in terms of roubles and 1% increase in terms of dollars compared to the same period a year ago and reached RUB 304.456 mln (USD 10.130 mln) in wholesale prices (Fig.1). The region share accounted for 0.3% of the total volume of all-Russia pharmacy market. The average cost of an OTC pack grew as compared to a year earlier and reached USD 3.51 in retail prices (vs. USD 3.35 a year earlier) in retail prices. In Q 1, 2012, the city consumers spent USD 40.17 on drugs on the average.

Figure 1. Smolensk pharmacy market for 3 months of 2011 – 3 months of 2012



One newcomer broke into the ranks of the top ten manufacturers ranking as compared to the same period of last year – due to 12% growth in sales, NOVARTIS moved up from rank 12 to 9 (table 1). Apart from that, the top 10 ranking leader changed: PHARMSTANDART (-26%), that used to top it before, considerably reduced its sales and moved down to rank 3, giving the way to NYCOMED (+7%) and SERVIER (+9%). MENARINI, BAYER (-0.4% each), SANDOZ (-16%) and TEVA (-1%) also showed the negative sales growth resulted in the reduction of their market shares. At the same time, the two latter moved down to the lower ranks eight and ten, whereas MENARINI and BAYER moved up one rank, coming in at numbers 6 and 7, respectively. Two drug manufacturers of the top 10 - SANOFI-AVENTIS (+7%) and GEDEON RICHTER (+1%) – held their own in the ranking, The total share of the top 10 drug manufacturers reduced by almost 2.7 p.p. and accounted for 40%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	**NYCOMED**	5,4	5,2
2	3	**SERVIER**	4,9	4,7
3	1	PHARMSTANDART	4,8	6,8
4	4	**SANOFI-AVENTIS**	4,7	4,6
5	5	GEDEON RICHTER	4,3	4,4
6	7	**MENARINI**	3,7	3,9
7	8	**BAYER HEALTHCARE**	3,5	3,7
8	6	**SANDOZ GROUP**	3,4	4,2
9	12	**NOVARTIS**	2,7	2,5
10	9	**TEVA**	2,6	2,7
Total			40,0	42,7

*AIPM members are in bold

More significant shifts took place in the top ten trade names ranking – neither of the trade names of the ranking managed to hold their own in the top ten (table 2). Following the result of Q 1, the top ten's leader also changed for ACTOVEGIN (+4%), whereas ARBIDOL (-57%), which used to take that rank earlier, reduced sales by more than half and moved down to rank 2. CONCOR (-4%) and ESSENTIALE N (+30%) moved up to ranks three and four, whereas VIAGRA (-12%) and MEXIDOL (-1%) moved down to ranks 5 and 6. Three newcomers broke into the ranks of the bottom part of the top-10 ranking. They were ophthalmological preparation TROPICAMID, which sales increased 3.4 times, the combination NSAID SEDAL M (4 times) and angioprotector DETRALEX (+9%), coming in at numbers 7, 9 and 10, respectively. CARDIOMAGNYL (+4%) moved up one rank, to number 8.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	ACTOVEGIN	1,5	1,4
2	1	ARBIDOL	1,1	2,6
3	4	CONCOR	0,9	1,0
4	10	ESSENTIALE N	0,9	0,7
5	3	VIAGRA	0,8	1,0
6	5	MEXIDOL	0,8	0,9
7	64	TROPICAMID	0,8	0,2
8	9	CARDIOMAGNYL	0,7	0,7
9	107	SEDAL M	0,7	0,2
10	15	DETRALEX	0,6	0,6
Total			8,8	9,3

Two newcomers broke into the ranks of the top ten INN and Generic Names Ranking – INNs PHOSPHOLIPIDS (+26%) and NIMESULIDE (+3), coming in at the bottom ranks of the top ten from numbers 14 and 12, respectively (table 3). Apart from them, the other six INNs of the top ten rose in the ranks. BISOPROLOL (-1%), BLOOD (+7%), EMOXIPIN (+1%) and PANCREATIN (+6%) moved up one rank, coming in at numbers 1, 2, 4 and 8, respectively. The most dynamic INN of the top 10 ranking XYLOMETAZOLINE (+37%) moved up from rank 8 to 3. The name TRIMETAZIDINE (+8%) moved up to the higher rank 5. At the same time, the last year's leader ARBIDOL (-57%) and the composition PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+1%) moved down to ranks 6 and 7, respectively. The total share of the top ten INN and generic names ranking reduced by 1 p.p. and achieved 11.7%.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	BISOPROLOL	1,5	1,6
2	3	BLOOD	1,5	1,5
3	8	XYLOMETAZOLINE	1,3	1,0
4	5	EMOXIPIN	1,1	1,2
5	7	TRIMETAZIDINE	1,1	1,0
6	1	ARBIDOL	1,1	2,6
7	6	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,0	1,0
8	9	PANCREATIN	1,0	1,0
9	14	PHOSPHOLIPIDS	1,0	0,8
10	12	NIMESULIDE	0,9	1,0
Total			11,7	12,7

The top ten ATC group ranking also changed its leaer – J01 Antibacterials for systemic which used to be its leader earlier reduced its sales by 22% and moved down to rank 4 (table 4). In this connection, C09 Agents acting on the rennin-angiotensin system (+10%), N02 Analgesics (+14%) and M01 Anti-inflammatory and antirheumatic products (+7%) moved up one rank, coming in at the first three numbers. The other four ATC groups of the top 10 managed to rise in the ranks. R01 Nasal preparations (+16%), N06 Psychoanaleptics (+23%), C01 Cardiac therapy (+5%) and S01 Ophthalmologicals (+36%) moved up to ranks 5, 6, 9 and 10, respectively. ATC groups G03 Sex hormones (-4%) and A11 Vitamins (-7%) held their earlier ranks 7 and 8. The total share of the top ten ATC groups, in contrast to the above rankings, increased from 35.8% to 36.1%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	2	C09	AG ACT RENIN-ANGIOTENS SYST	4,8	4,6
2	3	N02	ANALGESICS	4,8	4,4
3	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4,1	4,0
4	1	J01	ANTIBACTERIALS FOR SYST USE	3,8	5,1
5	10	R01	NASAL PREPARATIONS	3,4	3,0
6	12	N06	PSYCHOANALEPTICS	3,3	2,8
7	7	G03	SEX HORM&MODULAT GENITAL SYS	3,2	3,5
8	8	A11	VITAMINS	3,0	3,4
9	11	C01	CARDIAC THERAPY	2,9	2,9
10	16	S01	OPHTHALMOLOGICALS	2,8	2,2
Total				36,1	35,8

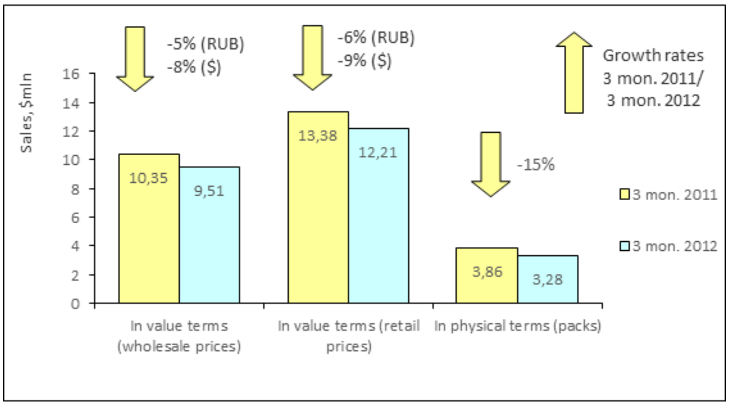
Conclusion. At the end of Q 1, 2012, the retail OTC drugs market of Smolensk brought in RUB 398.344 mln (USD 13.254 mln). The market saw a 3% increase in terms of roubles and 0% in terms of dollars. In physical terms, the city market showed negative sales growth rates (-5%) and reached 3.776 mln packs. The average cost of a pack at the end of the period was markedly higher than the same value a year ago (USD 3.51 vs. USD 3.35), but lower than the average value in the country (USD 3.77). At the end of three months in 2012, per capita expenses for purchase of medicines in pharmacies of Smolensk amounted to USD 40.17 and exceeded the average indicators throughout Russia (USD 29.32).

KIROV PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 Kirov's estimated population was 502.6 thousand, which accounted for 0.4% of the total Russian Federation population and 1.7% of Central FO (CFO). According to Federal State Statistics Service's data, in Q 1, 2012 the average salary in the city was RUB 15,351.2 (USD 519.5), which is 59% lower than the average salary in Russia (RUB 24,407.3).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first three months of 2012 the pharmacy market volume in physical terms reduced by 15% and amounted to 3.278 million packs (Fig. 1) In wholesale prices, the market also showed the negative performance -5% in terms of roubles and -8% in terms of dollars and reached 286.347 million roubles (USD 9.509 million). The region's share accounted for 0.3% of the total volume of all-Russia pharmacy market. The average cost of OTC pack in the city pharmacies in the analyzed period was USD 3.72 (during the same period in 2011 - USD 3.46). The average sum spent by residents of Kirov on purchase of medicines reached USD 24.30

Figure 1. Kirov pharmacy market for 3 months of 2011 – 3 months of 2012



At the end of Q 1 of 2012, four drug manufacturers of the top ten drug manufacturers held their own in the ranking (table 1). They were NYCOMED (-11%), KRKA (-1%), GEDEON RICHTER (-5%) and SANDOZ (-12%) at numbers three, five, eight and nine, respectively. Four drug manufacturers rose in the ranks. SERVIER (-5%), SANOFI-AVENTIS (+2%) and TEVA (+3%) moved up one rank, coming in at numbers one, six and ten of the top ten. The most dynamic of the top ten drug makers BAYER (+12%) moved up from rank 6 to 4. At the same time, PHARMSTANDART (-22%) and MENARINI (-9%) moved down to the lower ranks two and seven. The total share of the top 10 drug manufacturers reduced from 43.4% to 43.1%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	**SERVIER**	6,4	6,3
2	1	PHARMSTANDART	5,4	6,6
3	3	**NYCOMED**	4,8	5,1
4	6	**BAYER HEALTHCARE**	4,8	4,0
5	5	**KRKA**	4,4	4,2
6	7	**SANOFI-AVENTIS**	4,2	3,9
7	4	**MENARINI**	4,1	4,3
8	8	GEDEON RICHTER	3,6	3,6
9	9	**SANDOZ GROUP**	2,9	3,1
10	11	**TEVA**	2,3	2,2
Total			43,1	43,4

*AIPM members are in bold

Four newcomers broke into the ranks of the top-ten trade names (table 2). They were ESSENTIALE N (+19%), ALFLUTOP (+53%), CARDIOMAGNYL (-3%) and NISE (+2%), coming in at the bottom part of the ranking. Apart from that, none of the trade names held their own in the ranking. Despite the pronounced negative growth rates, ARBIDOL (-21%) remained the best selling drug of the top 10. ARBIDOL (-58%) which used to be placed at that rank earlier considerably cut its sales and moved down to the second position. OTC drugs showing the pronounced positive growth rates DETRALEX (+14%) and YARINA (+21%) moved up to ranks three and four. At the same time, CONCOR (-8%) and ANAFERON (-20%) moved down to ranks 5 and 6.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	ACTOVEGIN	1,5	1,8
2	1	ARBIDOL	1,2	2,7
3	6	DETRALEX	0,9	0,7
4	8	YARINA	0,8	0,6
5	4	CONCOR	0,8	0,9
6	3	ANAFERON	0,7	0,9
7	13	ESSENTIALE N	0,7	0,6
8	29	ALFLUTOP	0,6	0,4
9	12	CARDIOMAGNYL	0,6	0,6
10	15	NISE	0,6	0,5
Total			8,5	9,7

Noticeable shifts took place in the top ten INN and generic names ranking as well. Only one INN name of the ranking managed to keep its earlier rank unchanged (table 3). As before, BISOPROLOL (-3%) was at number 5. INN BLOOD (-21%) and METOPROLOL (+12%) moved up to rank one and two, and the last year leader ARBIDOL (-58%) moved up to rank three. The newcomers, XYLOMETAZOLINE (+66%) and ATORVASTATIN (+19%), as well as the composition DIOSMIN + HESPERIDIN (+17%), broke into the ranks of the top ten, coming in at numbers four, six and ten. At the same time, INDAPAMIDE (-12%), PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-13%) and NIMESULIDE (-1%) moved down one rank, coming in at numbers 7 through 9, respectively.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	BLOOD	1,6	1,9
2	3	METOPROLOL	1,5	1,2
3	1	ARBIDOL	1,2	2,7
4	18	XYLOMETAZOLINE	1,2	0,7
5	5	BISOPROLOL	1,2	1,1
6	12	ATORVASTATIN	1,1	0,8
7	6	INDAPAMIDE	1,0	1,1
8	7	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,0	1,1
9	8	NIMESULIDE	1,0	0,9
10	14	DIOSMIN + HESPERIDIN	1,0	0,8
Total			11,6	12,4

The prevailing trend in the top ten ATC group ranking was raising in the ranks – five of the ATC groups showed a ranking progress, three held their own and only two groups moved down to the lower ranks (table 4). This trend also affected the top ten leaders - C09 Agents acting on the rennin-angiotensin system (+14%), G09 Sex hormones (+14%) and M01 Anti-inflammatory and antirheumatic products (-6%) moved up to rank one, two and three. R05 Cough and cold preparations (-32%) and J01 Antibacterials for systemic use (-25%) which used to be place at the first ranks notably cut their sales and moved down to ranks 7 and 5, respectively. N02 Analgesics (-0.4%) moved up from rank 8 to 6, and the only newcomer R01 Nasal preparations (+26%) moved up from rank 13 to 8. Preparations of unidentified pharmaceutical groups held their own rank four, and A11 Vitamins (-5%) and C07 Beta-Blocking Agents (2%) as before held two bottom ranks in the top ten. The total share of the top ten ATC groups, as well as of the above rankings, reduced and accounted for 40.6%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	3	C09	AG ACT RENIN-ANGIOTENS SYST	5,3	4,8
2	6	G03	SEX HORM&MODULAT GENITAL SYS	4,9	4,1
3	5	M01	ANTIINFLAM & ANTIRHEUM PROD	4,4	4,4
4	4		Unidentified	4,4	4,6
5	2	J01	ANTIBACTERIALS FOR SYST USE	3,9	5,0
6	8	N02	ANALGESICS	3,9	3,7
7	1	R05	COUGH AND COLD PREPARATIONS	3,6	5,1
8	13	R01	NASAL PREPARATIONS	3,5	2,7
9	9	A11	VITAMINS	3,5	3,5
10	10	C07	BETA BLOCKING AGENTS	3,1	2,9
Total				40,6	40,7

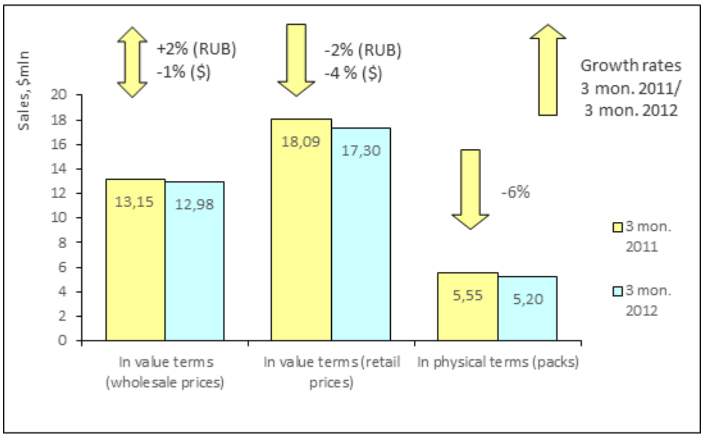
Conclusion. On the basis of the results of Q1, 2012, the pharmacy market of Kirov brought in RUB 367.718 mln (USD 12.212 mln) in final consumer prices, Note that the market performance was negative both in rouble terms and in dollar terms (-6% and -9%, respectively). In physical terms, the city market also reduced (-15%) and reached 3.279 mln packs. The average cost of an OTC pack (USD 3.72) increased as compared to a year earlier (USD 3.46) and was considerably lower than an average cost in Russia (USD 3.77). Expenses of residents for purchase of medicines in the city pharmacies also proved to be lower than the average expenses in Russia (USD 24.30 vs. USD 29.32).

ORENBURG PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 Kirov's estimated population was 570.3 thousand, which accounted for 0.4% of the total Russian Federation population and 1.9% of Central FO (CFO). According to Federal State Statistics Service's data, in Q 1, 2012 the average salary in the city was RUB 17,674.2 (USD 598.11), which is 38% lower than the average salary in Russia (RUB 24,407.3).

According to the results of the Audit of OTC drugs in Russian Federation™, in the first three months of 2012 the Orenburg region pharmacy market in physical terms saw a 6% decline to 5.199 mln packs. In value terms, the sales volume increased 2% in terms of roubles and 1% in terms of dollars and reached RUB 390.514 mln (USD 12.977 mln) in wholesale prices. The regional market's share in value terms accounted for 0.4% of the Russian pharmacy market. The average cost of an OTC drug in the city pharmacies slightly increased as compared to a year earlier and amounted to USD 3.33 (in a year-earlier period – USD 3.26). The average sum spent by residents for purchase of medicines amounted to USD 30.34.

Figure 1. Orenburg pharmacy market for 3 months of 2011 – 3 months of 2012



At Q 1-end 2012, the top 10 manufacturers ranking demonstrated high stability in the pharmacy market of Orenburg – most of the companies held the earlier ranks (table 1). In the middle part of the ranking the only shift took place - GEDEON RICHTER (+4%) moved up from rank 7 to 5, whereas ABBOTT (+0.3%) and MENARINI (-1%) moved down one rank, to numbers 6 and 7. PHARMSTANDART (-18%), SANOFI-AVENTIS (-1%), SERVIER (+6%) and BAYER (+4%) held their own numbers one through four in the ranking. As before, TEVA (+6), NYCOMED and SANDOZ (+10% each) held their own three bottom ranks. The total share of the top 10 drug manufacturers reduced from 40.8% to 40.0%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3mon. 2012	3mon. 2011		3 mon. 2012	3 mon. 2011
1	1	PHARMSTANDART	6,0	7,5
2	2	**SANOFI-AVENTIS**	4,9	5,0
3	3	**SERVIER**	4,3	4,1
4	4	**BAYER HEALTHCARE**	4,0	3,9
5	7	GEDEON RICHTER	3,8	3,8
6	5	**ABBOTT**	3,8	3,8
7	6	**MENARINI**	3,7	3,8
8	8	**TEVA**	3,4	3,3
9	9	**NYCOMED**	3,1	2,9
10	10	**SANDOZ GROUP**	2,8	2,6
Total			40,0	40,8

*AIPM members are in bold

The more significant changes took place in the top 10 trade names ranking (table 2). Following the results of three months, its leader changed for ESSENTIALE N (+10%), and ARBIDOL (-35%) that used to held that rank earlier moved down to rank two. VIAGRA (-2%) held its own rank three, and ALFLUTOP (+31%) moved up to rank 4 from 10. At the same time, it forced HEPTRAL (-8%) down one rank. ACTOVEGIN (+10%) moved up one rank, to number 6. Apart from that, some newcomers broke into the ranks of the top 10 ranking. There were three of them: DUPHASTON (+53%), OCILLOCOCCINUM (+21%) and LINEX (+20%) came in at numbers 7, 9 and 10, respectively. ANAFERON (+2%) succeeded in maintaining its rank 8 in the top ten.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	ESSENTIALE N	1,6	1,5
2	1	ARBIDOL	1,6	2,5
3	3	VIAGRA	0,9	0,9
4	10	ALFLUTOP	0,8	0,6
5	4	HEPTRAL	0,8	0,9
6	7	ACTOVEGIN	0,8	0,7
7	18	DUPHASTON	0,8	0,5
8	8	ANAFERON	0,7	0,7
9	13	OCILLOCOCCINUM	0,7	0,6
10	14	LINEX	0,7	0,6
Total			9,4	9,6

Two newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were INN BISOPROLOL (+18%) and BLOOD (+8%), which held two bottom ranks in the top 10. Apart from them, the other three INNs managed to rise in the ranks. PHOSPHOLIPIDS (+11%) which topped the ranking moved up one rank. XYLOMETAZOLINE (+64%) moved up from number six to two, and SILDENAFIL (+0.2%) to number 6 from 8. At the same time, the other five INNs, on the contrary, fell in the ranks. They were the last year leader ARBIDOL (-35%), as well as PANCREATIN (+9%), AZITHROMYCIN (-12%), AMBROXOL (-19%) and ADEMETIONINE (-5%), which moved up to rank 3 from 5, and 7 and 8.

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

Rank		INN/Generic Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	2	PHOSPHOLIPIDS	1,7	1,6
2	6	XYLOMETAZOLINE	1,7	1,0
3	1	ARBIDOL	1,6	2,5
4	3	PANCREATIN	1,5	1,4
5	4	AZITHROMYCIN	1,1	1,3
6	8	SILDENAFIL	0,9	0,9
7	5	AMBROXOL	0,9	1,1
8	7	ADEMETIONINE	0,9	0,9
9	13	BISOPROLOL	0,9	0,7
10	11	BLOOD	0,8	0,8
Total			11,9	12,3

One newcomer R01 Nasal preparations broke into the ranks of the top ten ATC groups. Due to one third growth in sales, it came in at number seven (table 4). The markets of ATC groups G03 Sex hormones (+11%), A11 Vitamins (+9%), M01 Anti-inflammatory and antirheumatic products and A05 Group Bile and Liver Therapy (+10% each) also developed at a fast pace. On top of that, the former moved down one rank, coming in at number 4, and the two latter managed to retain ranks 6 and 10. The leading three ATC groups showed the reduction in sales: J01 Antibacterials for systemic use (-8%), N02 Analgesics (-25%) and R05 Cough and Cold Preparations (-19%). The last year leader N02 demonstrated the more pronounced drop in sales which resulted in the loss of one rank in the ranking and change of the leader of the top ten. C09 Agents acting on the rennin-angiotensin system (+1%) maintained the last but one rank in the top ten. The total share of the top ten ATC groups in the regional market, as well as the one of the above rankings decreased in this case from 41.5% to 40.3%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	2	J01	ANTIBACTERIALS FOR SYST USE	5,1	5,6
2	1	N02	ANALGESICS	4,6	6,2
3	3	R05	COUGH AND COLD PREPARATIONS	4,3	5,4
4	5	G03	SEX HORM&MODULAT GENITAL SYS	4,2	3,9
5	4	A11	VITAMINS	4,2	3,9
6	6	M01	ANTIINFLAM & ANTIRHEUM PROD	3,9	3,7
7	12	R01	NASAL PREPARATIONS	3,8	2,9
8	7		Unidentified	3,6	3,6
9	9	C09	AG ACT RENIN-ANGIOTENS SYST	3,4	3,4
10	10	A05	BILE AND LIVER THERAPY	3,3	3,1
Total				40,3	41,5

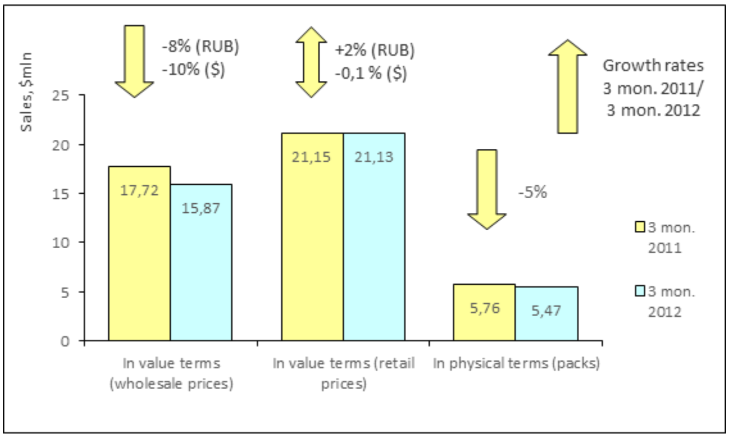
Conclusion. Following the results of the first quarter of 2012, the Orenburg region pharmacy market performance (in value terms) proved to be negative (-2% in terms of roubles and -4% in terms of dollars), at the same time the market brought in RUB 520.624 mln (USD 17.301 mln). In physical terms, the market performance reduced by 6% to 5.199 mln packs. The average cost of OTC pack in pharmacies of the city increased as compared to a year earlier (USD 3.33 vs. USD 3.26) and was lower than the average one in Russia (USD 3.77). However, the average expenses of residents of the region for medicine were slightly higher than the average expenses throughout Russia (USD 30.34 vs. USD 29.32).

PENZA PHARMACY MARKET: 2012 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2012 the population of Penza was estimated as 520.0 mln, which accounted for 0.4% of the total Russian Federation population and 1.7% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in Q 1, 2012 the average salary in the city was RUB 17,591.8 (USD 595.32), which is 39% lower than the average salary in Russia (RUB 24,407.3).

According to the results of the Audit of OTC drugs in Russian Federation™, in the first three months of 2012 the Penza region pharmacy market in physical terms saw a 5% decline to 5.470 mln packs. In value terms, the sales volume increased 8% in terms of roubles and 10% in terms of dollars and reached RUB 477.287 mln (USD 15.869 mln) in wholesale prices. The regional market share in value terms accounted for 0.5% of the Russian pharmacy market. The average cost of an OTC drug in the region pharmacies increased as compared to a year earlier and amounted to USD 3.86 (in a year-earlier period – USD 3.67). The average sum spent by residents for purchase of medicines amounted to USD 40.63.

Figure 1. Penza pharmacy market for 3 months of 2011 – 3 months of 2012



Following the results of Q 1, 2012, despite the noticeable reduction in sales SANOFI-AVENTIS (-10%) held a leading position in the region pharmacy market (table 1). PHARMSTANDART which used to top it earlier reduced its sales by 33% and moved down to rank 4. Apart from the leader, the other two drug manufacturers moved up to the higher ranks: BAYER (+3%) moved up from rank 4 to 2, and NOVARTIS (+25%) – from rank 10 to 5. The other drug manufacturers of the top 10 reduced their sales in the analyzed period. At the same time, SERVIER (-3%), NYCOMED (-11%), ABBOTT (-9%) and GEDEON RICHTER (-4%) held their own ranks 3, 6, 7 and 9. At the same time, MENARINI (-23%) and SANDOZ (-8%) moved down to the lower ranks eight and ten. The total share of the top 10 drug manufacturers reduced from 40.3% to 39.7%.

Table 1. The top 10 drug manufacturers by pharmacy sales

Rank		Drug manufacturer*	Share in total pharmacy sales, %	
3mon. 2012	3mon. 2011		3 mon. 2012	3 mon. 2011
1	2	**SANOFI-AVENTIS**	5,6	5,7
2	4	**BAYER HEALTHCARE**	4,6	4,1
3	3	**SERVIER**	4,5	4,2
4	1	PHARMSTANDART	4,3	5,9
5	10	**NOVARTIS**	3,9	2,8
6	6	**NYCOMED**	3,7	3,8
7	7	**ABBOTT**	3,4	3,4
8	5	**MENARINI**	3,4	4,0
9	9	GEDEON RICHTER	3,3	3,1
10	8	**SANDOZ GROUP**	3,2	3,2
Total			39,7	40,3

*AIPM members are in bold

Three newcomers broke into the ranks of the ten top trade names: THERAFLU (+3%), YARINA (+1%) and ALFLUTOP (+6%) moved down to its three bottom ranks (table 2). Note that almost all other trade names moved up to the higher ranks. The single exception was ARBIDOL (-63%) that moved down from rank 1 to 4. At the same time, VIAGRA (+12%), ESSENTIALE N (-8%) and ACTOVEGIN (+4%) moved up to the top ranks. OTC drugs LASOLVAN (-12%), LINEX (+9%) and PREDUCTAL MV (-11%) moved up to the middle part of the top ten, coming in at numbers 5 through 7. The total share of the top ten reduced by almost 1 p.p. and accounted for 9.2%.

Table 2. The top 10 trade names by pharmacy sales

Rank		Trade Name	Share in total pharmacy sales, %	
3 mon. 2012	3 mon. 2011		3 mon. 2012	3 mon. 2011
1	4	VIAGRA	1,6	1,3
2	3	ESSENTIALE N	1,4	1,4
3	5	ACTOVEGIN	1,1	0,9
4	1	ARBIDOL	1,0	2,5
5	6	LASOLVAN	0,8	0,9
6	9	LINEX	0,8	0,7
7	8	PREDUCTAL MV	0,6	0,7
8	16	THERAFLU	0,6	0,6
9	12	YARINA	0,6	0,6
10	19	ALFLUTOP	0,6	0,5
Total			9,2	10,0

Most names of the top ten INN and Generic Names Ranking also rose in the ranks (table 3). The most dynamic INN of the top 10 ranking XYLOMETAZOLINE (+63%) moved up from rank ten to one. SILDENAFIL (+14%) moved up to rank two from four, whereas PHOSPHOLIPIDS (-2%) held their rank three. PANCREATIN (-13%) and NIMESULIDE (-4%) moved up one rank, coming in at numbers 4 and 10, BLOOD (+3%) moved up two ranks. BISOPROLOL (+3%) moved up even further, from number 8 to 5. At the same time, INNs showing the pronounced negative sales rates ARBIDOL (-63%) and PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-23%) moved down to the lower ranks 8 and 9. AMBROXOL (-13%) held its earlier rank 6.

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

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

Noticeable shifts occurred in the top 10 ATC groups ranking as well (table 4). N02 Analgesics (-11%) remained the best-selling over-the-counter ATC group in the regional OTC drugs market. M01 Anti-inflammatory and antirheumatic products (-5%) and G04 Urologicals (+12%) moved up to ranks two and three. At the same time, the latter broke into the ranks of the top 10 for the first time. The second newcomer of the top ten was A05 Bile and live therapy (+7%) which came in at number ten. C09 Agents acting on the rennin-angiotensin system (+11%) andG03 Sex hormones (+10%) also showed the ranking progress, coming in at numbers 5 and 8, respectively. As a result of considerable reduction in sales, R05 Cough and cold preparations (-31%), J01 Antibacterials for systemic use (-21%) and A11 Vitamins (-16%) notably cut their market shares and moved down to the lower ranks 4. 7 and 9, respectively. In contrast to the previous rankings, the total share of the top 10 ATC groups didn't change and accounted for 38.8%.

Table 4. The top 10 ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
3 mon 2012	3 mon 2011			3 mon 2012	3 mon 2011
1	3	N02	ANALGESICS	4,8	5,0
2	5	M01	ANTIINFLAM & ANTIRHEUM PROD	4,5	4,3
3	11	G04	UROLOGICALS	4,0	3,2
4	1	R05	COUGH AND COLD PREPARATIONS	4,0	5,3
5	10	C09	AG ACT RENIN-ANGIOTENS SYST	3,9	3,3
6	6	R01	NASAL PREPARATIONS	3,8	3,7
7	4	J01	ANTIBACTERIALS FOR SYST USE	3,7	4,3
8	9	G03	SEX HORM&MODULAT GENITAL SYS	3,6	3,4
9	7	A11	VITAMINS	3,4	3,7
10	13	A05	BILE AND LIVER THERAPY	3,1	2,6
Total				38,8	38,8

Conclusion. Following the results of the first quarter of 2012, the Penza region pharmacy market performance (in value terms) proved to be positive (+2%) in terms of roubles and almost zero (-0.1%) in terms of dollars. At the same time, the market volume amounted to RUB 635.504 mln (USD 21.130 mln). In physical terms, the market performance reduced by 5% to 5.470 mln packs. The average cost of OTC pack in pharmacies of the city increased as compared to a year earlier (USD 3.86 vs. USD 3.67) and was notably higher than that on the average in Russia (USD 3.77). The average expenses of the region residents for purchase of OTC drugs in pharmacies also proved to be higher (USD 40.63 vs. USD 29.32).

REGIONAL DIGEST

Beneficiary Drug Coverage/Procurement of Necessary Drugs, Government Control

June 4, 2012, The Izvestia

In Russia products containing codeine to be obtained by prescription only

Pentalgin-N, Codelak, Solpadein, Nurofen Plus and other codeine drugs can be bought by prescription only from June 1. The Russian government resolution allowing only prescription codeine drug sales was adopted within the framework of campaign to combat drugs. Such drugs are used to make home-made narcotics, which are even more harmful than heroine. But ordinary customers may also be incommoded by such ban. These preparations have long become usual contents of the medicine chest. The Customer Rights Protection Society began to receive applications. According to the official line, the last day of codeine-containing drugs trade passed in the normal mode of operation. Rigla pharmacy chain press-service also confirmed that no excessive demand for Nurofen Plus, as an example, had been observed.

June 4, 2012, The Rossiyskaya Gazeta

Government approved the structure of the Ministry of Public Health

New priorities of the Ministry of Public Health activities have been determined. Government approved the structure of the Ministry of Public Health: Minister Veronica Skvortsova will have five deputies including one in capacity of the official secretary. The Ministry will comprise 15 departments, most of which will deal immediately with medicine matters. A separate department will be set up to supervise the public health authorities in the regions. Among other key lines of activities are rendering the specialized and high-tech medical care, development of standards, issues concerning mothers and children, sanitary and epidemic welfare and prevention. Two departments will handle pharmaceutical benefits and medical products. According to the Minister, it was decided to set up a department of health innovation and biomedicine.

June 4, 2012 Remedium

Essential Medicines List to be upheld

The RF Government approved the proposal of the Ministry of Public Health to extend the term of EML (Essential Medicines List) for 2013. The current Essential Medicines List came in force in December of the last year. The EML for the next year (which according to the rules should be submitted no later than October 15 of the current year) may only be generated in accordance with the previous procedure, but it has already ceased to be in force. In this connection the Ministry of Public Health thought fit to extend the term of the current EML for 2013. The Ministry of Public Health failed to provide any prompt comments on that subject.

June 8, 2012, The Izvestia

CHI budget to reach RUB 1.5 trn by 2015

The Government intends the two-fold increase of the budget of the Compulsory Health Insurance (CHI) System - up to RUB 1.46 trn by 2015. Such amount will be required to implement the advanced model of the national health coverage in the country. At this stage the CHI system's budget amounts to RUB 700 bln. These figures have been reported to the Izvestia by a source of the Ministry of Public Health of Russia. The amount of RUB 1.5 trn will be needed to provide "the high quality public health system all over the country ensuring equal opportunities for each citizen". The Ministry of Public Health has already developed the standards for treatment of the most common diseases. About 1.5 thousand of standards have been created for 450 diseases. The Ministry estimated the average cost of the treatment and diagnostics of a patient and determined the aggregate sum. Increase in the budget is planned to be at the expense of the public health improvement programme (230 bln) and raising of insurance contribution tariff rates, which was formalized in the laws in 2011.

June 19, 2012, The Rossiyskaya Gazeta

Deputies of the Minister of Public Health have been appointed

The Minister of Public Health Veronica Skvortsova has appointed her new deputies. They are the Chairman of the Federal Compulsory Health Insurance Foundation Andrei Yurin, the former Head of Department of Public Health for Yaroslavskaya Oblast Irog Kagramanyan, and the former First Deputy Chairman of the State Duma Committee for Public Health Tatyana Yakovleva. Sergei Velmyaikin has become the State secretary and Deputy Health Minister of the Russian Federation. Before that he held an appointment of Head of the Legal Department of the Ministry of Public Health and Social Development of the Russian Federation.

June 19, 2012, PRIME

In 2011 the Russian regions spent as little as 59.3% of funds allocated for improvement of public health

According to the Accounts Chamber, in 2011 the constituent entities of the Russian Federation spent as little as 59.3% of the funds allocated for implementation of regional public health improvement programmes which amounted to RUB 177.2 bln. "All constituent entities of the Russian Federation failed to implement the regional public health improvement programmes in full measure and within time limits specified in the network schedules of the constituent entities of the Russian Federation", the supervisory body reported. The most part (RUB 101.5 bln) of the funds spent (RUB 177.2 bln) were the funds of the Federal Compulsory Health Insurance Fund.

June 23, 2012, RIA News

Ministry of Industry and Trade works on simplification of the procedure for registration of prices for low-end VEM

The Ministry of Industry and Trade of the Russian Federation together with other authorities prepares a proposal on improvement of the procedure for registration of prices for vital and essential medicines (VEM) which price is no more than RUB 100-150, said Sergey Tsyb, Head of Department of Chemical Industries and Bioengineering Technologies within Russia's Ministry of Industry and Trade. According to him, the Ministry of Industry and Trade is in the process of development of improvements for such procedure in cooperation with the Ministry of Public Health, Ministry of Economic Development and Federal Anti-Monopoly Service. The proposals are intended to be submitted as early as this year. Tsyb noted that the issue concerning registration of prices for this segment of preparations is sensitive for drug manufacturers. He stressed that the procedure for registration of prices for VEM which price is up to RUB 100-150 may be simplified, but didn't detail it more precisely.

NEWS FROM COMPANIES

June 07, 2012 Remedium

AstraZeneca Industries announced that it has become a member of ARPM

On June 6, 2012, AstraZeneca Industries (production) officially announced that it has become a member of the Association of Russian Pharmaceutical Manufacturers (ARPM). It is to be recalled that a little more than one year ago, in April 2011, AstraZeneca Russia began building its plant in Kaluga Region to provide Russian patients with innovative preparations produced in their own country. The total volume of investments made by AstraZeneca into the localization of production facilities in Russia amounted to about USD 170 mln. The completion of the first phase of the project is expected in the first quarter of 2013, and the first product output – in the second quarter of 2013.

June 18, 2012, Remedium.Ru

Ely Lilly and Boehringer Ingelheim announce strategic alliance to jointly develop and commercialize new diabetes treatments to patients in Russia

The alliance serves to integrate innovative technologies of Boehringer Ingelheim and long-term experience and innovative approaches in the diabetes treatment area of Ely Lilly to address patient needs from the growing global diabetes epidemic. The alliance will jointly develop and commercialize a pipeline of oral diabetes agents and basal insulin analogues that constitute the most promising portfolio in diabetes care for people with diabetes, their health care provides and payers. Activities within the framework of the alliance will start with launch of Trajenta (Linagliptin) to the Russian market. Documents for registration in the Russian Federation were obtained on April 13, 2012.

June 20, 2012, ITAR-TASS

Novartis starts building a new pharmaceutical plant in St. Petersburg Special Economic Zone

Today, Swiss company Novartis has put a time capsule in the foundation of the pharmaceutical plant in St. Petersburg Special Economic Zone (SEZ) and signed a joint activities programme with St.Petersburg Chemical and Pharmaceutical Academy. Novartis press-service says it will invest over USD 90 mln in the construction of the plant in the near 2 years. In total the company will invest around USD 140 mln in the plant. The principal and engineering blocks are expected to be completed by the end of 2012 and the delivery and assembly of equipment to Russia is planned for 2013. The project is be completed by 2014. According to estimates of the company, after completion of all necessary registration procedures, the first product output of the plant is expected in the market in 2016.

June 27, 2012, The Vedomosti

Pharmstandart acquires two pharmaceutical manufacturers

The drug maker announces the acquisition of 50.1% stake in the Cyprus Company Bigpearl Trading ltd. The transaction includes Pharmapark LLC and Biomed named after I.I.Mechnickov, said Ilya Krylov, Representative of Pharmstandart. According to its website, these commercial entities comprise Bioprocess Group. Krylov didn't disclose the transaction price or names of sellers. Earlier, the top managers of the company mentioned that the company intends to spend about USD 100 mln for two transactions. According to UBS analysts, both assets will add the current portfolio of Pharmstandart: this acquisition is fully in line with the existing strategy of the company in respect of addition of new original Rx products which may be supplied under public tenders.

Information source: IMS Health

For any questions and comments please call

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