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

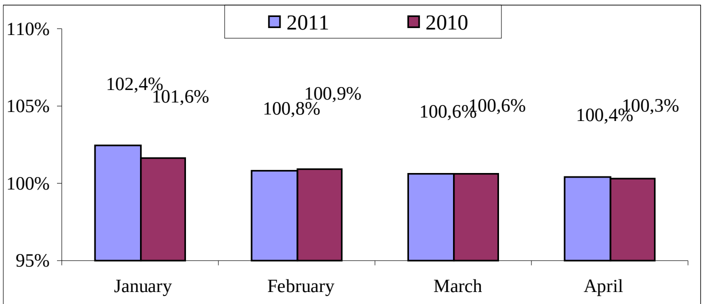
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in April 2011, compared to the previous month, the Consumer Price Index was estimated as 100.4%. For the period from start of the year, it escalated to 104.3% (in January-April 2010 – 103.5%).

In April 2011 compared with March 2011, Industrial Producer Price Index was 102.0%, whereas a month ago -101.4%. In January-April, it accounted for 109.1% (during the same period a year ago – 106.0%).

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



Source: Rosstat

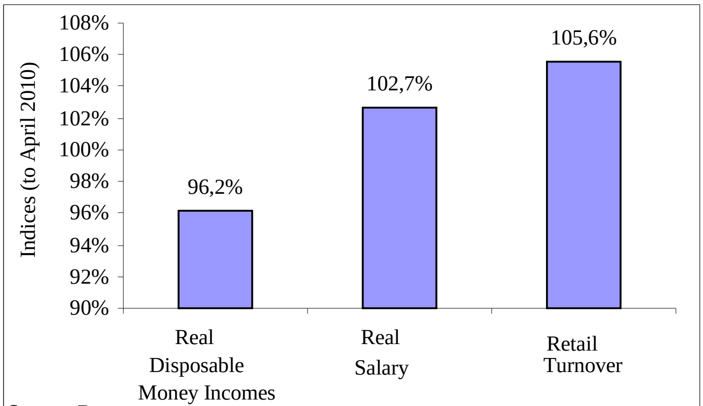
Living standard

According to preliminary Federal State Statistics Service's data, in April 2011 a gross monthly average salary per worker reached RUR 22,559 (USD 820) which accounts for 112.6% compared to April 2010. The real salary in April 2011 compared with the same period in 2010 accounted for 102.7%. In April 2011, the real value of cash incomes accounted for 96.2% as compared with the corresponding period of last year (Fig. 2).

Retail turnover

In April 2011 the retail turnover was equal to RUR 1,483.8 bln, which in stock accounts for 105.6% as compared to the same period a year ago (Fig. 2).

Figure 2. Real value of cash incomes, salary and retail turnover in April 2011



Source: Rosstat

Manufacture of industrial products

According to Federal State Statistics Service's data, in April 2011 Industrial Production Index accounted for 104.5% compared to the same period in 2010, and in January-March 2011 – 105.5%.

Domestic production

The Top-10 domestic manufacturers by production volume at April-end 2011 are shown in Table 1. The total production volume by Top-ten manufacturers was estimated as USD 249.4 mln.

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

Rating position	Manufacturer	Production volume, $mln
1	Pharmstandart	130,9
2	Stada	22,2
3	Pharm-Center	19,7
4	Akrihin	15,4
5	Sotex	12,1
6	KRKA-RUS	11,2
7	Moskhimpharmpreparaty	10,3
8	Valenta	9,7
9	Biosintez	9,5
10	Materia Medica	8,3

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In March 2011, pharmacy sales showed negative growth in two regions of RF – Tatarstan and Tyumen. In five regions OTC drug sales grew, the most pronounced growth was seen in Perm (+80%). It should be noted that in three regions (Saint-Petersburg, Krasnodarksy Kray and Novosibirskaya Oblast) the growth rates were close to zero.

Table 2. Pharmacy sales in the regions, 2011

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	January 2011	February 2011	March 2011	January'11/ December'10	February/ January 2011	March/ February 2011
Moscow city	144,5	158,0	171,7	-20%	7%	7%
St. Petersburg city	37,8	46,2	47,0	-28%	19%	0,0%
Krasnodarsky Kray	24,8	27,5	28,1	-15%	8%	0,2%
Novosibirskaya Oblast	24,7	20,8	21,3	4%	-18%	0,4%
Republic of Tatarstan	24,9	22,8	23,1	10%	-11%	-1%
Krasnoyarsky Kray	15,0	16,9	17,4	-12%	10%	1%
Rostovskaya Oblast	19,0	21,0	22,7	-12%	8%	6%
Voronezhskaya Oblast	14,7	16,3	17,5	-15%	8%	5%
Perm city	6,0	6,7	12,3	-11%	10%	80%
Tyumen city	5,8	7,0	6,3	-6%	18%	-11%

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 April, 2011

Rating position	Company*	Quantity of broadcasts
1	Novartis	4 843
2	Berlin-Chemie/Menarini Group	3 756
3	Reckitt Benckiser	2 876
4	Pharmstandart	2 792
5	Sandoz Farma	2 382

Source – TNS Gallup AdFact

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

Rating position	Trade name*	Quantity of broadcasts
1	Nurofen	1 928
2	Evalar	1 768
3	Diflucan	1 332
4	Dlianos	1 197
5	Essentiale	1 168

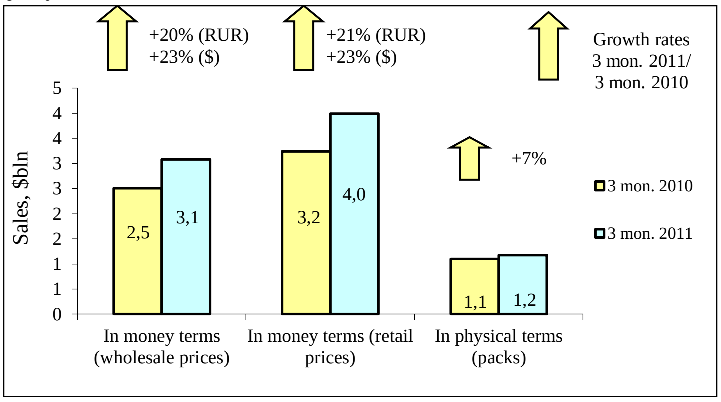
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 2011 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter (OTC) Drugs in Russian Federation™, the sales of over-the-counter drugs in physical terms increased by 7% to 1.178 bln packs over the period of first three months of 2011. In money terms, the Russian OTC drugs market saw 20% increase in terms of roubles and 23% increase in terms of dollars and reached RUR 89.985 bln (USD 3.078 bln) in wholesale prices (Fig.1). The average cost of an OTC pack grew as compared to the same period of the previous year (USD 2.95) and reached USD 3.39 in retail prices. The average Russian consumer spent USD 27.95 for over-the-counter drugs in the first three months of 2011, whereas in the same period of 2010 - USD 22.67).

Figure 1. Russian pharmacy market for 3 months of 2010 – 3 months of 2011



At the end of three months of 2011, Russia-based PHARMSTANDART topped the rating of the Ten-top manufacturers (table 1). 37%[1] growth rate showed by the company allowed it to expand its market share up to 6% of the Russian market and move SANOFI-AVENTIS (+16%) from the first position to the second one. Apart from the leader, another three manufacturers developed their markets by outstripping rates: BAYER (+22%), SANDOZ (+47%) and NYCOMED (+25%). The former two moved up to 3rd an 4th positions respectively and the latter managed to retain its previous 7th position. The volumes of pharmacy sales of the other manufacturers of Top-10 lagged behind the market average which resulted in the reduction of their market shares and in some cases to the loss of rating positions. Thus, SERVIER (+10%), MENARINI (+11%) and GEDEON RICHTER (+12%) which took up 5th, 6th and 8th positions respectively moved down two rows down. NOVARTIS (+13%) and TEVA (+16%) managed to retain its two bottom position in the rating.

Table 1. The Top-ten manufacturers by pharmacy sales

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

*AIPM members are in bold

Three leaders in the Top-10 trade names rating in the Russian market remained intact (table 2). ARBIDOL placed on the first position increased its sales 1.6 times and expanded its market share up to 2.4%. The markets of ESSENTIALE N (+13%) and ACTOVEGIN (+11%) developed at not such fast pace which resulted in the reduction of their market shares. One more trade name managed to maintain its position: as before, the sex stimulator VIAGRA (+26%) takes 5th position. The homeopathic preparation OCILLOCOCCINUM (+39%) moved up two rows to 4th position from 6th one, whereas LINEX (+10%) which used to take that position earlier moved down to 7th position. Apart from that, ANAFERON (+30%) as well as newcomers of the Top-10 - LASOLVAN (+83%) and ACC (which sales increased 2 times) placed on 8th and 10th positions, respectively, took up higher positions.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	ARBIDOL	2,4	1,8
2	2	ESSENTIALE N	1,0	1,1
3	3	ACTOVEGIN	0,8	0,9
4	6	OCILLOCOCCINUM	0,8	0,7
5	5	VIAGRA	0,7	0,7
6	7	ANAFERON	0,7	0,6
7	4	LINEX	0,7	0,8
8	17	LASOLVAN	0,7	0,5
9	8	THERAFLU	0,6	0,6
10	30	ACC	0,6	0,3
Total			9,1	8,0

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

ARBIDOL (+61%) managed to hold and reinforce its first position in the top-10 INN and generic names rating as well (table 3). Apart from that, another two INNs maintained their previous positions: PHOSPHOLIPIDS (+17%) and PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+35%) as before take 4th and 6th positions. The other Top-10 participants changed their rating positions. On top of that, five of them showed a rating progress, PANCREATIN (+12%) and BISOPROLOL (+21%) moved up the row, to 2nd and 8th positions. AMBROXOL (+69%) moved up even further, from 5th to 10th position. The newcomers moved up to the two bottom positions of the rating: AZITHROMYCIN (+54%) and IBUPROFEN (+29%). Low and even negative sales growth rates resulted in the loss of positions for XYLOMETAZOLINE (-8%) and BLOOD (+8%) which moved down to 3rd and 7th positions respectively.

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

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	ARBIDOL	2,4	1,8
2	3	PANCREATIN	1,1	1,2
3	2	XYLOMETAZOLINE	1,1	1,5
4	4	PHOSPHOLIPIDS	1,1	1,2
5	10	AMBROXOL	1,1	0,8
6	6	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,1	0,9
7	5	BLOOD	0,9	1,0
8	9	BISOPROLOL	0,9	0,9
9	14	AZITHROMYCIN	0,9	0,7
10	12	IBUPROFEN	0,8	0,7
Total			11,4	10,7

Numerous shifts took place in the Top-ten ATC groups rating as well (table 4). For the first time ever, J05 Antivirals for systemic use (+79%) entered the Top-10 having moved up from 12th to 6th position. Apart from it, yet another Top-10 rating participant showed a rating progress – R05 Cough and cold preparations (+74%) moved up from 7th to 1st position. At the same time, it forced the first three leaders of the previous year down the row - N02 Analgesics (+23%), J01 Antibacterials for systemic use (+30%) and M01 Anti-inflammatory and antirheumatic products (+23%) - which took up 2nd through 4th positions respectively. Preparations of the unidentified pharmaceutical groups maintained their 5th position in the Top-10. The groups (A11, R01, C09 and G03) which used to take higher places moved down to the four bottom positions of Top-10. Note that the summary shares of all ratings increased and that of the former rating increased most significantly, by 2.5 p.p.

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

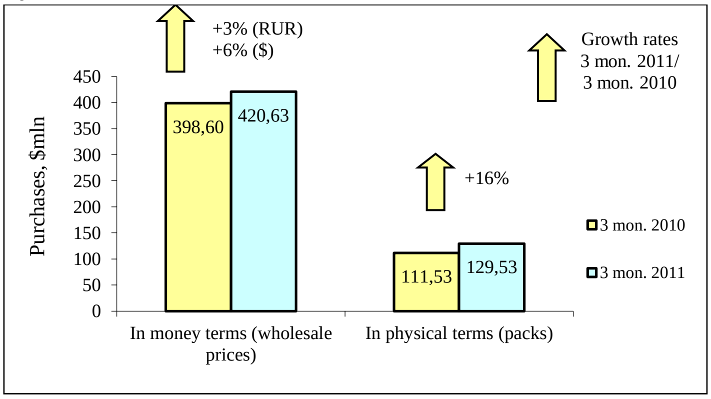
Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010			3 mon 2011	3 mon 2010
1	7	R05	COUGH AND COLD PREPARATIONS	5,5	3,8
2	1	N02	ANALGESICS	5,4	5,3
3	2	J01	ANTIBACTERIALS FOR SYST USE	4,8	4,5
4	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,2	4,1
5	5		UNIDENTIFIED	4,0	4,0
6	12	J05	ANTIVIRALS FOR SYSTEMIC USE	3,8	2,6
7	4	A11	VITAMINS	3,8	4,0
8	6	R01	NASAL PREPARATIONS	3,5	3,8
9	8	C09	AG ACT RENIN-ANGIOTENS SYST	3,3	3,7
10	9	G03	SEX HORM&MODULAT GENITAL SYS	3,0	3,1
Total				41,4	38,9

Conclusion. On the basis of the results of Q 1, 2011, the retail pharmacy market brought in RUR 116.770 bln (USD 3.994 bln). The market saw a 21% increase in terms of roubles and 23% in terms of dollars. The city market in physical terms also showed positive, but less pronounced growth rates (+7%) and reached 1.178 bln packs. The average cost of a pack at the end of three months was notably more than the same indicator in the past year (USD 3.39 vs. USD 2.95). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 27.95 vs. USD 22.67).

RUSSIAN FEDERATION HOSPITAL MARKET: 2011 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russian Federation™, in Q1, 2011, the hospital market in physical terms increased by sixteen percent and amounted to 129.533 million packs. In January-March 2011, the hospital market in money terms brought in RUR 12.267 bln (USD 420.629 bln) in wholesale prices. As compared to the same period of 2010, the market saw 3% increase in terms of roubles, and 6% in terms of dollars. The average cost of a pack was USD 3.25, whereas in the same period of last year – USD 3.27. The share of Moscow and St. Petersburg hospitals in the total hospital market in value terms accounted for 22.9% and 5.5% and in physical terms – 11.7% and 4.0% respectively.

Figure 1. Russian hospital market for 3 months of 2010 – 3 months of 2011



On the basis of the results for the first three months of the current year, 10.5% of hospital market was occupied by drugs of unidentified manufacturers (Table 1). SANOFI-AVENTIS (+1%) which maintained the second position slightly reduced its market share due to its low sales growth rates, but its market share continue to remain high enough (6.7% of the hospital market). MERCK SHARP DOHME which used to take the third position reduced its hospital purchases by a third and moved down two positions allowing NYCOMED (+6%) and ASTRAZENECA (+4%) to move up. The newcomers of Top-10, which entered the Top-10 rating for the first time due to high growth rates, moved up to the sixth, eighth and ninth positions: PFIZER (+48%), GLAXOSMITHKLINE (+33%) and ABBOTT (+24%). Note that in Top -10 there are two Russian manufacturers. Moreover, one of them (PHARM-CENTER) improved its positions and took up 7th place, whereas the second one (BIOTEK), on the contrary, worsened them and took up the bottom position in the rating. The total share accumulated by the Top-10 manufacturers increased 3 p.p. and reached 40.2%.

Table 1. The Top-ten manufacturers by hospital purchases

Rating position		Manufacturer*	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	Unidentified manuf.	10,5	7,2
2	2	**SANOFI-AVENTIS**	6,7	6,8
3	4	**NYCOMED**	4,0	3,9
4	5	**ASTRAZENECA**	3,7	3,7
5	3	**MERCK SHARP DOHME**	3,0	4,5
6	13	**PFIZER**	2,8	1,9
7	10	PHARM-CENTER	2,6	2,3
8	15	**GLAXOSMITHKLINE**	2,4	1,9
9	14	**ABBOTT**	2,3	1,9
10	9	BIOTEK	2,1	2,4
Total			40,2	36,7

*AIPM members are in bold

Two newcomers entered the rating of Ten-top trade names (table 2). They were the fibrinolytic ACTILYSE (+43%) and anticoagulant FRAXIPARINE (+75%), which moved up from 15th to 8th and from 23rd to 10th positions respectively. The other four manufacturers took yet higher rating positions. They were GLUCOSE (+26%), HEPARIN (+61%), ACTOVEGIN (+33%) и CEFOTAXIM (+9%), which moved up to 2nd, 4th, 6th and 9th positions respectively. At the same time, they forced down the less dynamic trade names MERONEM (+7%), CLEXAN (+4%) and TIENAM (+14%). NATRIUM CHLORIDUM continues to remain the leader of the rating. Due to 35% growth, it considerably reinforced its position by accumulating 5.1% of the hospital market. The total share of the Top 10 has notably increased as well and reached 18.3%.

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

Rating position		Trade name	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	NATRIUM CHLORIDUM	5,1	3,9
2	3	GLUCOSE	2,0	1,7
3	2	MERONEM	1,9	1,8
4	7	HEPARIN	1,8	1,2
5	4	CLEXAN	1,6	1,5
6	8	ACTOVEGIN	1,5	1,1
7	6	TIENAM	1,3	1,2
8	15	ACTILYSE	1,1	0,8
9	10	CEFOTAXIM	1,1	1,0
10	23	FRAXIPARINE	0,9	0,6
Total			18,3	14,8

The top four positions in the leading INN and generic names rating remained unchanged (table 3). SODIUM (+34%), CEFTRIAXONE (-9%), MEROPENEM (+18%) and GLUCOSE (+27%) maintained and, apart from the second one, strengthened their positions. As before, ENOXAPARIN SODIUM (+11%) takes up its 6th position. Among the remaining five participants, only one INN CEFOTAXIME (-0.2%) moved down to the lower 8th position, whereas the other four INNs showed a rating progress. Among them there are three newcomers, HEPARIN (+61%), CEFOTAXIME (+38%) and OXALIPLATIN (+56%), which took up 5th, 7th and 10th positions respectively. The total share accumulated by the Top-ten INN names increased by 3.4% to 21.8%.

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

Rating position		INN/Generic Names	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	SODIUM	5,1	4,0
2	2	CEFTRIAXONE	2,7	3,0
3	3	MEROPENEM	2,4	2,1
4	4	GLUCOSE	2,1	1,7
5	13	HEPARIN	1,9	1,2
6	6	ENOXAPARIN SODIUM	1,6	1,5
7	12	BLOOD	1,6	1,2
8	5	CEFOTAXIME	1,6	1,6
9	10	CILASTATIN + IMIPENEM	1,5	1,2
10	19	OXALIPLATIN	1,3	0,9
Total			21,8	18,5

J01 Antibacterials for systemic use (+1%) and B05 Blood substitutes and perfusion solutions continue to remain the best selling groups in the regional hospital market (table 4). B01 Antithrombotic agents (+46%) which had the highest growth rates among the Top-10 ATC Groups moved up to the third position from the fourth one. L01 Antineoplastic agents (-2%), which used to take that position before, reduced its purchases and market share and as a result moved down to 4th position. N01 Analgesics and N05 Psycholeptics (-7%) maintained the fifth and sixth positions. Three newcomers appeared in the bottom part of Top-10 rating. They were B02 Antihemorrhagics (+24%), J06 Immune sera and immunoglobulins (+40%) and J07 Vaccines which took 7th, 9th and 10th positions respectively. The total share of Top-ten ATC groups as well as in the previous ratings increased by over 3 p.p. and achieved 62.4%.

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

Rating position		ATC code	ATC Group	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010			3 mon 2011	3 mon 2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	20,5	20,9
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	12,9	11,2
3	4	B01	ANTITHROMBOTIC AGENTS	7,4	5,3
4	3	L01	ANTINEOPLASTIC AGENTS	6,7	7,0
5	5	N01	ANESTHETICS	3,4	3,2
6	6	N05	PSYCHOLEPTICS	2,7	3,0
7	11	B02	ANTIHEMORRHAGICS	2,6	2,1
8	7	V08	CONTRAST MEDIA	2,2	2,8
9	17	J06	IMMUNE SERA & IMMUNOGLOBULIN	2,0	1,5
10	14	J07	VACCINES	2,0	1,7
Total				62,4	58,5

Conclusion. According to the results of the three months of 2011, the Russian hospital market saw a 16% increase in physical terms to 129.533 mln packs. In money terms the hospital purchases growth was positive as well (+3% in terms of roubles and +6% in terms of dollars) and market volume reached RUR 12.267 bln (USD 420.629 mln). Compared to the retail market, in physical terms the hospital sector growth rates were notably higher (+7% in retail market), whereas in money terms they lagged behind those in the retail sector. In 2011, the average cost of a pack in the hospital sector was lower than that in the year-earlier period (USD 3.25 vs. USD 3.57). As the analyzed ratings show, the regional market continues to experience numerous structural changes; the hospital market concentration continues to grow.

ADDITIONAL PHARMACOLOGICAL SUPPORT IN RF: 2009 FIRST 9 MONTHS RESULTS

According to APS in RF™, on the basis of the results of three months in 2011, the OTC drugs supplies under the Federal Essential Medicines Procurement Program amounted to RUR 32.792 bln (USD 1.124 bln) in contractual prices[2]. The growth gain as compared with the same period of last year accounted for 19% in terms of roubles, and 21% in terms of dollars. Drugs supplies in physical terms also increased (+15%) and amounted to 33.476 mln packs. On the average, the cost of OTC pack within the scope of the Program was USD 33.59 in contractual prices (in 2010 - USD 31.83).

On the basis of the results of three months of 2011, three newcomers entered the Top-10 manufacturers participating in the Federal Essential Medicines Procurement Program (Table 1). They were American Corporation BAXTER (purchases increased 2.4 times), LEKKO (5.5 times) and Argentine LABORATORIO TUTEUR (9,5 times) which took 5th, 9th and 10th positions respectively. The rating progress was showed by another two manufacturers - SANOFI-AVENTIS (+14%) and ASTRAZENECA (+21%) which moved up the row to 6th and 8th positions. At the same time NOVO NORDISK (-36%) which reduced its sales moved down from 5th to 7th position. Top-4 companies in the segment remained unchanged: ROCHE (+56%), NOVARTIS (+14%), JOHNSON & JOHNSON (-13%) and TEVA (+7%).

Table 1. The Top-ten manufacturers for APS

Rating position		Manufacturer*	Share in total APS volume, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	**ROCHE**	16,8	12,8
2	2	**NOVARTIS**	11,3	11,8
3	3	**JOHNSON & JOHNSON**	8,5	11,6
4	4	**TEVA**	5,6	6,3
5	11	**BAXTER INT**	4,7	2,3
6	7	**SANOFI-AVENTIS**	3,6	3,7
7	5	**NOVO NORDISK**	3,1	5,8
8	9	**ASTRAZENECA**	3,0	3,0
9	29	LEKKO	3,0	0,6
10	40	LABORATORIO TUTEUR	2,4	0,3
Total			62,1	58,2

*AIPM members are in bold

The leader of Top-10 trade names rating changed – following the results of three months of 2011, the antineoplastic drug MABTHERA which purchases grew 2 times took up the first position (table 2). The last year leader VELCADE (-9%) moved down to 3rd position. The antineoplastic drug GLIVEC (+18%) and immune response modifier COPAXONE TEVA (-2%) maintained their second and forth positions though the former showed negative growth rates. The reduction in purchases was also shown by REBIF 44 (-6%) which moved down from 6th position to 9th one. The fifth, sixth, seventh, eighth and tenth positions were taken by newcomers of the Top-10 rating: haemostatic drugs HEMOFIL M and COAGIL-VII, mucolitic PULMOZYME, interferon preparation GENFAXON and enzymatic drug CEREZYME. On top of that, all preparations increased their purchases many times – from 2 times (PULMOZYME and CEREZYME) to 270 times (HEMOFIL M) and considerably increased their market shares. Thanks largely to this, the total share accumulated by the Top-10 manufacturers increased almost 10 p.p. and escalated to 42.5%.

Table 2. The Top-ten trade names for APS

Rating position		Trade name	Share in total APS volume, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	3	MABTHERA	10,3	6,3
2	2	GLIVEC	7,3	7,4
3	1	VELCADE	6,8	8,8
4	4	COPAXONE TEVA	4,3	5,2
5	184	HEMOFIL M	3,0	0,0
6	38	COAGIL-VII	2,9	0,6
7	11	PULMOZYME	2,4	1,3
8	N/A	GENFAXON	2,2	N/A
9	6	REBIF 44	1,7	2,2
10	20	CEREZYME	1,5	0,9
Total			42,5	32,8

Only one newcomer entered the Top ten INN and generic names rating (table 3). It was DORNASE ALFA (+113%) which moved up from 17th to 9th position and forced INSULIN GLARGINE (+19%) to the bottom position of the rating. Apart from the newcomer, the other two INNs took yet higher positions. They were the leader of Top-10 RITUXIMAB (+94%) and INTERFERON BETA-1A (+102%) which moved up from 6th to 5th position. Concurrently with this, three INNs (BORTEZOMIB, FACTOR VIII and GLATIRAMER ACETATE) moved down to much lower positions. Three INNs managed to maintain their previous positions - IMATINIB (+18%) kept its second position, EPTACOG ALFA (ACTIVATED) (+48%) kept its seventh position and INTERFERON BETA-1B (+34%) kept its eighth position.

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

Rating position		INN/Generic Names	Share in total APS volume, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	4	RITUXIMAB	10,3	6,3
2	2	IMATINIB	7,3	7,4
3	1	BORTEZOMIB	6,8	8,8
4	3	FACTOR VIII	6,7	7,2
5	6	INTERFERON BETA-1A	5,6	3,3
6	5	GLATIRAMER ACETATE	4,3	5,2
7	7	EPTACOG ALFA (ACTIVATED)	2,9	2,4
8	8	INTERFERON BETA-1B	2,6	2,3
9	17	DORNASE ALFA	2,4	1,3
10	9	INSULIN GLARGINE	2,0	2,0
Total			51,0	46,2

The groups which were placed on the top-eight positions in the Top-10 ATC Groups rating in the APS segment didn't change their structure, however, two shifts occurred (table 4). More dynamic L03 Immunostimulants (+34%) and L02 Endocrine therapy (+12%) moved up the row by forcing B02 and B03 groups to move down the row. As before, L01 Antineoplastic agents (+23%) remain the most in-demand group in the APS program. Note that one newcomer appeared in the rating, due to purchases growth 2.1 times, the R05 Group Cough and cold preparations moved up from 12th to 9th position. C09 Agents acting on the rennin-angiotensin system (+19%) maintained their tenth position. As well as in the two previous ratings, the total share of top-ten groups increased and reached 81.4%.

Table 4. The Top-ten ATC groups for APS

Rating position		ATC code	ATC Group	Share in total APS volume, %	
3 mon 2011	3 mon 2010			3 mon 2011	3 mon 2010
1	1	L01	ANTINEOPLASTIC AGENTS	29,1	28,1
2	3	L03	IMMUNOSTIMULANTS	13,4	11,8
3	2	B02	ANTIHEMORRHAGICS	11,9	12,4
4	4	A10	DRUGS USED IN DIABETES	8,8	10,0
5	5	R03	DRUG FOR OBSTRUCT AIRWAY DIS	4,3	4,1
6	6	L04	IMMUNOSUPPRESSANTS	4,1	4,0
7	8	L02	ENDOCRINE THERAPY	2,7	2,9
8	7	B03	ANTIANEMIC PREPARATIONS	2,6	3,3
9	12	R05	COUGH AND COLD PREPARATIONS	2,4	1,4
10	10	C09	AG ACT RENIN-ANGIOTENS SYST	2,0	2,0
Total				81,4	80,0

Supply data on Top-ten regions of Russia under APS Program are shown in Table 5. As before, Moscow city which market share accounts for 10.6% of the segment topped the rating by a wide margin. Moscovskaya oblast (6.2%) and North-West FO (3.4%) maintain their second and third positions. Considerable growth of purchases under APS Program was observed in Saint-Petersburg, Altaisky kray and Krasnoyarsky kray – these regions became the newcomers of the rating. The total share of Top-10 regions by supplies in APS increased 1 p.p. as compared to the same period in 2010 and accounted for 40.4%.

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

Rating position		Region	Share in total APS volume, %	
3 mon 2011	3 mon 2011		3 mon 2011	3 мес. 2010г.
1	1	Moscow city	10,6	12,7
2	2	Moscovskaya oblast	6,2	6,4
3	3	Rest of North-West FO	3,4	3,0
4	7	Rest of South FO	3,2	2,7
5	27	St. Petersburg city	3,1	1,2
6	6	Republic of Tatarstan	3,1	2,9
7	5	Krasnodarsky kray	3,1	3,0
8	14	Altaisky kray + Republic of Altay	2,6	2,4
9	16	Krasnoyarsky kray	2,6	2,4
10	9	Rest of Privolzhski FO	2,6	2,6
Total			40,4	39,3

Conclusion. On the basis of the results of the first three months of 2011, the APS segment brought in RUR 32.792 bln (USD 1.124 bln) and as compared to the same period of last year it increased 19% in terms of roubles and 21% in terms of dollars. In physical terms, the supplies also saw a +15% increase to 33.476 mln packs. The average cost of OTC pack participating in APS Program (USD 33.59) grew as compared to the figures of the past year (USD 31.83). It should be noted that considerable structural changes occurred in the analyzed ratings, which resulted in the change of leaders in two cases. The enough stable Top-10 ATS Groups Rating became the exception; however, even it housed a newcomer.

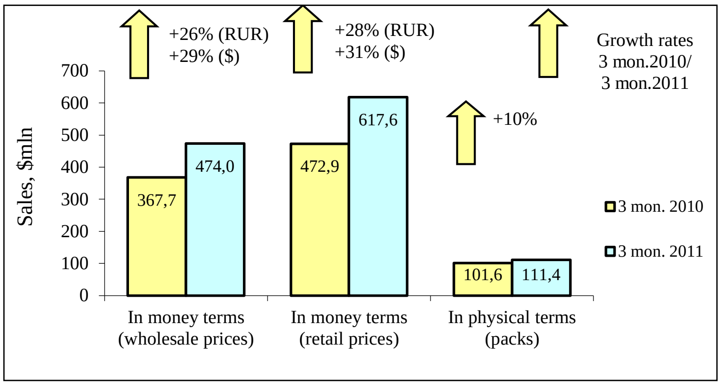
[2] Since 2008, the data on APS constitute the data concerning shipments and contract prices: the prices at which the government shall reimburse moneys to the distributor.

MOSCOW PHARMACY MARKET: 2011 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 Moscow's estimated population was 11.468 mln, which accounts for 8% of the total Russian Federation population and 30% of Central FO (CFO). According to Federal State Statistics Service's data, in January-March 2011 the average salary in the capital was RUR 39,016.3 (USD 1,345), which is 83% more than the average salary in Russia (RUR 21,353.9).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first three months of 2011 the metropolitan pharmacy market volume increased in physical terms by 10% and amounted to 111.398 million packs (Fig. 1) In wholesale prices the market increased by 26% in roubles and by 29% in dollars and reached 13.846 billion roubles (USD 473.952 million). The metropolitan share in the total volume of all-Russia pharmacy market accounts for 15%. The average cost of OTC pack following the results of the analyzed period is USD 5.54 (in the same period of 2010 - USD 4.65). In Q1 of the current year, the average expenses of Moscow residents for medicines were estimated as USD 53.47, in the year-earlier period – USD 41.24.

Figure 1. Moscow pharmacy market for 3 months of 2010 – 3 months of 2011



Following the results of three months of 2011, two newcomers appeared in the Top-ten manufacturers rating as compared to the same period of last year (table 1). NYCOMED (+42%) and JOHNSON & JOHNSON (+29%) improved their positions by taking up two bottom lines of the rating. Apart from them, another two manufacturers showed a rating progress. BAYER (+49%) moved up from 4th position to 3rd one and SANDOZ (+33%) moved up from 7th to 4th position. At the same time, SERVIER (+10%), NOVARTIS and ABBOTT (+18% each) moved down to the lower 5th, 6th and 7th positions. It should be noted that three manufacturers of Top-10 managed to maintain their previous positions unchanged. They are the rating leaders SANOFI-AVENTIS (+23%) and PHARMSTANDART (+47%), as well as TEVA (+35%) placed on 8th position. The total share of Top ten manufacturers rating increased by over 1 p.p. and achieved 39.6%.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	**SANOFI-AVENTIS**	6,1	6,2
2	2	PHARMSTANDART	5,9	5,1
3	4	**BAYER HEALTHCARE**	4,6	3,9
4	7	**SANDOZ GROUP**	3,6	3,5
5	3	**SERVIER**	3,6	4,1
6	5	**NOVARTIS**	3,5	3,7
7	6	**ABBOTT**	3,3	3,6
8	8	**TEVA**	3,1	2,9
9	11	**NYCOMED**	3,1	2,8
10	12	**JOHNSON & JOHNSON**	2,7	2,7
Total			39,6	38,4

*AIPM members are in bold

Four newcomers entered the rating of the top-ten trade names (table 2). Due to considerable sales growth, antiviral AMIXIN (which sales increased 1.9 times), macrolide SUMAMED (1.6 times), mucolitic LASOLVAN (1.8 times) and antiviral TAMIFLU, which sales increased 6.5 times, for the first time entered the Top-10 rating. The above trade names took up 5th, and 7th through 9th positions. Antiviral ARBIDOL (1.7-fold sales growth), homeopathic OCILLOCOCCINUM (1.9-fold) and sex stimulator VIAGRA (1.6-fold) also showed high growth rates. On top of that, the former maintained and reinforced its leadership position, and the second and latter moved up two rows and took up 2nd and 6th positions respectively. Only two trade names (LINEX and ACTOVEGIN) took up much lower positions of the rating. The total share of the Top-10, as well as in the previous rating, notably increased and accounted for 9.9%.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	ARBIDOL	2,7	1,9
2	4	OCILLOCOCCINUM	1,2	0,8
3	3	ESSENTIALE N	1,0	1,1
4	2	LINEX	0,9	1,1
5	13	AMIXIN	0,8	0,5
6	8	VIAGRA	0,8	0,6
7	16	SUMAMED	0,6	0,5
8	22	LASOLVAN	0,6	0,4
9	176	TAMIFLU	0,6	0,1
10	7	ACTOVEGIN	0,6	0,6
Total			9,9	7,7

Some newcomers entered the Top-ten INN and generic names rating as well (table 3). There were three of them: TILORONE (+97%), AZITHROMYCIN (+54%) and AMBROXOL (+73%), and all of them corresponded to the newcomers of the Top-10 trade names rating: AMIXIN, SUMAMED and LASOLVAN. These names took up 6th, 8th and 10th positions respectively. Following the respective preparation OCILLOCOCCINUM, INN ANAS BARBARIAE (+95%) also took up the higher position by moving from 8th to 3rd position. ARBIDOL (+75%) and XYLOMETAZOLINE (+6%) maintained their leading positions, moreover the former reinforced its position by expanding its market share up to 2.7%. PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+47%) and AMOXICILLIN + CLAVULANIC ACID (+35%) placed on 7th through 9th places respectively didn't change their positions either. The total share of the Top 10 trade names has increased from 10.1% to 11.8%.

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

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	ARBIDOL	2,7	1,9
2	2	XYLOMETAZOLINE	1,4	1,7
3	8	ANAS BARBARIAE	1,2	0,8
4	5	PHOSPHOLIPIDS	1,1	1,1
5	4	PANCREATIN	1,0	1,1
6	19	TILORONE	0,9	0,6
7	7	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,9	0,8
8	11	AZITHROMYCIN	0,9	0,7
9	9	AMOXICILLIN + CLAVULANIC ACID	0,8	0,8
10	22	AMBROXOL	0,8	0,6
Total			11,8	10,1

J05 Antivirals for systemic use, which increased its sales 2 times, became a leader of the Top-10 ATC Groups rating by moving to the first position from 11th line (table 4). The last year leader J01 Antibacterials for systemic use (+27%) moved down to the second position. N02 Analgesics (+33%) – the only ATC Group of the rating which position remained unchanged – maintained its third position. Four ATC Groups (preparations of unidentified pharmaceutical groups, R01, A11 and M01) moved down to the lower positions, and only three of them (apart from the leader) showed a rating progress. Thus, due to 2-fold sales growth, L03 Immunostimulants moved up from 14th to 5th position. R05 Cough and cold preparations which sales increased 1.7 times, moved up from 10th to 6th position. The 10th position was taken up by the third newcomer of Top-10 – G03 Sex Hormones (+31%). The cumulative share of Top-ten increased by 4.5 p.p. and achieved 41.0%.

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

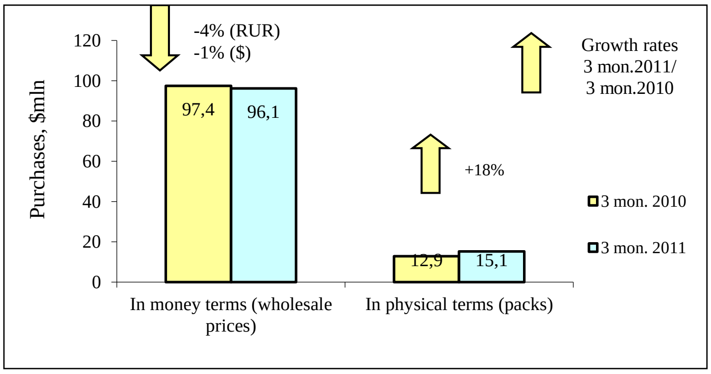
Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010			3 mon 2011	3 mon 2010
1	11	J05	ANTIVIRALS FOR SYSTEMIC USE	4,8	3,1
2	1	J01	ANTIBACTERIALS FOR SYST USE	4,6	4,6
3	3	N02	N02 ANALGESICS	4,6	4,4
4	2		UNIDENTIFIED	4,5	4,4
5	14	L03	IMMUNOSTIMULANTS	4,2	2,7
6	10	R05	COUGH AND COLD PREPARATIONS	4,1	3,1
7	4	R01	NASAL PREPARATIONS	4,0	4,2
8	5	A11	VITAMINS	4,0	4,0
9	12	G03	SEX HORM&MODULAT GENITAL SYS	3,1	3,0
10	9	M01	ANTIINFLAM & ANTIRHEUM PROD	3,1	3,1
Total				41,0	36,5

Conclusion. The Moscow pharmacy market in the first three months to end March 2011 brought in 18.045 billion roubles (USD 617.628 million) in final consumption prices, which is 28% in terms of roubles and 31% in terms of dollars more as compared to last year. In pack terms the market also showed the pronounced positive growth rates (+10%). The average cost of an OTC pack (USD 5.54) and the average medicine expenses per capita (USD 53.47) increased as compared to last year (USD 4.65 and USD 41.24) and at the same time, considerably exceeded the analogous indicators in Russia (USD 3.39 and USD 27.95).

MOSCOW HOSPITAL MARKET: 2011 FIRST 3 MONTHS RESULTS

According to the results of the Audit of Hospital Purchases in Russian Federation™, in the first months of 2011 the Moscow hospital market saw a 18% increase in physical terms to 15.140 mln packs. In money terms the hospital purchases increased by 4% in terms of roubles and by 1% in terms of dollars and reached RUR 2.804 bln (USD 96.133 mln) in wholesale prices. The average cost of a hospital drug increased as compared with the previous year and escalated to USD 6.35 (in 2010 - USD 7.57). The metropolitan market share accounted for 23% of the Russian hospital market in money terms.

Figure 1. Moscow hospital market over 3 months of 2010 – 3 months of 2011



In the first three months of 2011 the rating of the top-ten manufacturers in Moscow hospital market suffered considerable changes – only one company of the rating ASTRAZENECA (-16%) kept its fourth position (table 1). Preparations of unidentified manufacturers, which market share increased up to 11.5%, topped the Top-10 rating. The last year leader MERCK SHARP DOHME reduced its purchases two times and only took up 6th position. Apart from it, two more manufactures (ROCHE and NOVARTIS) moved down to the lower positions, whereas the other manufacturers showed a rating progress. SANOFI-AVENTIS (+27%), NYCOMED (+17%) and BAYER (+6%) moved up the row and took up 2nd, 5th and 9th positions. PFIZER (+69%) moved up from 8th to 3rd position and the only newcomer of Top-10 BAXTER which purchases increased 2.3 times moved up from 16th to 7th position.

Table 1. The Top-ten manufacturers by hospital purchases

Rating position		Manufacturer*	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	2	Unidentified manuf.	11,5	9,2
2	3	**SANOFI-AVENTIS**	8,4	6,4
3	8	**PFIZER**	5,1	2,9
4	4	**ASTRAZENECA**	5,0	5,7
5	6	**NYCOMED**	4,2	3,5
6	1	**MERCK SHARP DOHME**	4,2	9,4
7	16	**BAXTER INT**	4,1	1,7
8	5	**ROCHE**	3,3	4,9
9	10	**BAYER HEALTHCARE**	2,8	2,5
10	7	**NOVARTIS**	2,8	3,4
Total			51,3	49,7

*AIPM members are in bold

Only three trade names of hospital preparations from the rating of QI, 2010, have been included into Top-10 on the basis of the results of three months of 2011 (Table 2). They were the leader of Top-ten rating NATRIUM CHLORIDUM (+16%) as well as MERONEM (-20%) and TAVANIC (-17%) placed on 3rd and 4th positions respectively. The other seven positions in the rating were taken by the newcomers of Top-10. They were the coagulant FEIBA, which purchases grew 3 times and the position improved from 17th to 2nd position; antineoplastic drugs ELOXATIN (12-fold increase in purchases) and TAXOTERE (+46%), antibacterial drugs ZYVOX (3 times) and TIENAM (+41%), immunosuppressant SIMULECT (2,7 times), as well as a preparation for parenteral nutrition GLUCOSE (+33%). The latter six preparations were placed on 5th through 10th positions respectively.

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

Rating position		Trade name	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	3	NATRIUM CHLORIDUM	2,9	2,4
2	17	FEIBA	2,8	0,9
3	1	MERONEM	2,6	3,1
4	2	TAVANIC	2,3	2,7
5	106	ELOXATIN	1,7	0,1
6	28	ZYVOX	1,6	0,6
7	11	TAXOTERE	1,6	1,0
8	12	TIENAM	1,5	1,0
9	35	SIMULECT	1,4	0,5
10	13	GLUCOSE	1,3	1,0
Total			19,6	13,3

The Top-10 INN and Generic Names Rating hasn't updated as much as the previous one – only five of its INNs entered the rating for the first time (table 3). The newcomers of Top-10 are FACTOR VIII INHIBITOR BYPASSING FRACTION (3-fold purchases growth), ALBUMIN (2.6-foldLINEZOLID (2.8-fold), DOCETAXEL (+15%) and formulation CILASTATIN + IMIPENEM (+43%) which took 4th and 7th through 10th positions respectively. Apart from that, three INNs which showed a rating progress became the leaders of the Top-10 rating. Thus, SODIUM moved up from 6th to 1st position, IMMUNOGLOBULIN BASE moved up from 8th to 2nd position, and OXALIPLATIN – from 5th to 3rd position. At the same time, MEROPENEM (-21%) and LEVOFLOXACIN (-22%) reduced their purchases and moved down three rows from 5th to 6th position.

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

Rating position		INN/Generic Names	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	6	SODIUM	2,9	2,4
2	8	IMMUNOGLOBULIN BASE	2,9	1,9
3	5	OXALIPLATIN	2,9	2,5
4	21	FACTOR VIII INHIBITOR BYPASSING FRACTION	2,8	0,9
5	2	MEROPENEM	2,7	3,3
6	3	LEVOFLOXACIN	2,5	3,1
7	31	ALBUMIN	1,7	0,6
8	38	LINEZOLID	1,6	0,6
9	15	DOCETAXEL	1,6	1,3
10	17	CILASTATIN + IMIPENEM	1,5	1,0
Total			23,0	17,5

Top ten ATC2 groups rating suffered the least changes in contrast to the previous Top-10 ratings (table 4). Despite their negative growth rates, the first two groups (J01 and L01) maintained their earlier positions, V08 Contrast media (-6%) placed on 8th line also kept its position. The reduction in purchases was also shown by N01 Analgesics (-16%) which moved down from 6th position to 7th one. It should be noted that six other groups of Top-10 showed the rating progress. B05 and L04 moved up the row, B01Antithrombotic agents (+25%) moved up three rows, and B02 Antihemorrhagics (+77%) – four rows. Apart from that, two newcomers entered the Top-10 rating: J06 Immune sera and Immunoglobulins (+92%) and J02 Antimycotics for systemic use, which purchases grew 2.6 times. All analyzed ratings showed an increase of their market shares, which in this case accounted for 6.5 p.p.

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

Rating position		ATC code	ATC Group	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010			3 mon 2011	3 mon 2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	17,4	18,1
2	2	L01	ANTINEOPLASTIC AGENTS	12,3	14,3
3	4	B05	BLOOD SUBSTITUTE & PERF SOLS	9,3	7,4
4	7	B01	ANTITHROMBOTIC AGENTS	5,6	4,3
5	9	B02	ANTIHEMORRHAGICS	4,9	2,7
6	11	J06	IMMUNE SERA & IMMUNOGLOBULIN	4,2	2,1
7	6	N01	ANESTHETICS	4,0	4,6
8	8	V08	CONTRAST MEDIA	3,7	3,8
9	10	L04	IMMUNOSUPPRESSANTS	3,2	2,6
10	17	J02	ANTIMYCOTICS FOR SYSTEM USE	3,0	1,1
Total				67,5	61,0

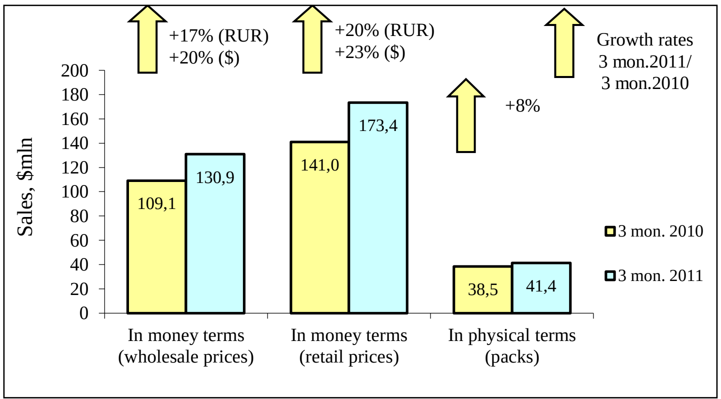
Conclusion. On the basis of the results of three months of 2011, the Moscow hospital market performance (in money terms) proved to be negative (-4% in terms of roubles and -1% in terms of dollars). At the same time, the market volume amounted to RUR 2.804 bln (USD 96.133 mln). In physical terms, the market performance was positive and pronounced (+18%). The average cost of OTC pack in hospitals of Moscow reduced as compared to last year (USD 6.35 vs. USD 7.57) and continued to remain notably higher than that on the average in Russia (USD 3.258). As the analyzed ratings show, the regional market experienced numerous structural changes through the notable increase in market concentration.

SAINT PETERSBURG PHARMACY MARKET: 2011 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 St. Petersburg's estimated population was 4.869 mln, which accounts for 3.4% of the total Russian Federation population and 36% of North West FO (NWFO). According to Federal State Statistics Service's data, in January-March 2011 the average salary in the city was RUR 27,387.1 (USD 944), which is 28% more than the average salary in Russia (RUR 21,353.9).

According to the results of the Retail Audit of Over-the-Counter (OTC) Drugs in Russian Federation™, in the first three months of 2011 the volume of St. Petersburg pharmacy market in physical terms increased by 8% and made up 41.396 million packs. In money terms, St Petersburg market increased by 17% in rouble terms and 20% in dollar terms and made up 3.823 billion roubles (130.891 million dollars) in wholesale prices (exclusive of Additional Pharmacological Support). The city share in the total volume of Russian pharmacy market accounts for 4.3%. The average cost of a pack in Q I, 2011 was USD 4.19 (in the same period of 2010 - USD 3.66). St. Petersburg residents expenses for purchase of OTC drugs amounted to USD 35.61, whereas a year earlier period – USD 29.19.

Figure 1. St. Petersburg pharmacy market in 3 months of 2010 – 3 months of 2011



Following the results of the first quarter of 2011, the Russian PHARMSTANDART has taken the top position in the St. Petersburg pharmacy market due to almost 33% sales growth (Fig.1). SANOFI-AVENTIS (+15%) which used to take that position moved down to the second position. The most dynamical company of Top-10 - SANDOZ (+37%) moved up to the third position from the fifth one, forcing BAYER (+15%) and SERVIER (+9%) to move to 4th and 5th positions respectively. NOVARTIS (+9%), ABBOTT (+10%), MENARINI and TEVA (12% each) remained in their positions taken earlier. Its only newcomer NYCOMED (+22%) moved up to the bottom position from 12th one in the Top-10 rating.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	2	PHARMSTANDART	5,8	5,2
2	1	**SANOFI-AVENTIS**	5,6	5,7
3	5	**SANDOZ GROUP**	4,7	4,0
4	3	**BAYER HEALTHCARE**	4,6	4,7
5	4	**SERVIER**	4,0	4,3
6	6	**NOVARTIS**	3,5	3,8
7	7	**ABBOTT**	3,2	3,5
8	8	**MENARINI**	3,0	3,1
9	9	**TEVA**	2,9	3,0
10	12	**NYCOMED**	2,7	2,6
Total			39,9	39,8

*AIPM members are in bold

Three leaders in the Top-10 trade names rating in the regional market remained intact (table 2). Antiviral ARBIDOL (+52%), homeopathic OCILLOCOCCINUM (+10%) and hepatoprotector ESSENTIALE N (+14%) continue to remain the best-selling over-the-counter drugs. The libido enhancer VIAGRA (+25%) moved up from 5th to 4th position displacing the less dynamic LINEX (+10%). Another shift took place in the bottom part of the Top-10 rating: Due to 30% sales growth, ANAFERON moved up from 7th to 8th position displacing PANANGIN (+24%) down the row. The newcomers ACC and ANTIGRIPPIN, which sales grew 2 and 6 times respectively, took up two bottom positions in the rating. The total share of the Top 10 has increased from 8.9% to 10.3%.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	ARBIDOL	2,6	2,0
2	2	OCILLOCOCCINUM	1,3	1,4
3	3	ESSENTIALE N	1,1	1,1
4	5	VIAGRA	0,9	0,9
5	4	LINEX	0,9	0,9
6	6	THERAFLU	0,8	0,8
7	8	ANAFERON	0,7	0,7
8	7	PANANGIN	0,7	0,7
9	44	ACC	0,6	0,3
10	183	ANTIGRIPPIN MAXIMU	0,6	0,1
Total			10,3	8,9

One newcomer appeared in the Top-10 INN and generic names rating - AMBROXOL which sales increased 1.7 times moved up from 20th to 10th position (table 3). Apart from that, two shifts took place in the Top-10 rating. PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+34%) moved up the row to 3rd position by displacing the less dynamic ANAS BARBARIAE (+11%). AZITHROMYCIN (+38%) moved up two rows to 8th position, whereas LACTOBACILLUS ACIDOPHILUS which used to take that position earlier reduced its sales by 11% and fell outside the limits of Top-10 rating. Antiviral ARBIDOL (+52%) continues to remain the leader of the rating.

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

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	ARBIDOL	2,6	2,0
2	2	XYLOMETAZOLINE	1,5	2,0
3	4	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,4	1,3
4	3	ANAS BARBARIAE	1,3	1,4
5	5	PHOSPHOLIPIDS	1,2	1,1
6	6	PANCREATIN	1,0	1,1
7	10	AZITHROMYCIN	0,9	0,8
8	8	SILDENAFIL	0,9	0,9
9	9	AMOXICILLIN + CLAVULANIC ACID	0,9	0,8
10	20	AMBROXOL	0,9	0,6
Total			12,6	12,0

The Top-ten ATC groups rating changed its leader – following the results of the first quarter R05 Cough and cold preparations (+63%) became the leader displacing the preparations of unidentified pharmaceutical groups (Table 4). N02 Analgesics (+23%) moved up to the third position by displacing A11 Vitamins (+12%). The fifth position was taken up by the only newcomer of Top-10 – J05 Antivirals for systemic use (+81%). In the bottom part of the rating four Groups took up the lower positions and only one of them – G03 Sex hormones (+13%) maintained its position unchanged. The cumulative share of the Top-ten groups expanded to 42.5%.

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

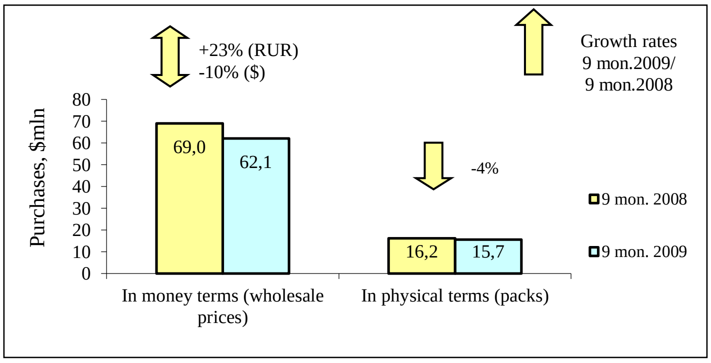
Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010			3 mon 2011	3 mon 2010
1	6	R05	COUGH AND COLD PREPARATIONS	5,5	4,0
2	1		UNIDENTIFIED	5,1	5,2
3	4	N02	ANALGESICS	4,7	4,5
4	3	A11	VITAMINS	4,5	4,8
5	11	J05	ANTIVIRALS FOR SYSTEMIC USE	4,4	2,9
6	5	J01	ANTIBACTERIALS FOR SYST USE	4,3	4,1
7	2	R01	NASAL PREPARATIONS	4,2	4,9
8	7	M01	ANTIINFLAM & ANTIRHEUM PROD	3,5	3,4
9	9	G03	SEX HORM&MODULAT GENITAL SYS	3,2	3,3
10	8	C09	AG ACT RENIN-ANGIOTENS SYST	3,0	3,3
Total				42,5	40,3

Conclusion. On the basis of the results of the first quarter 2011, the pharmacy market of St. Petersburg brought in RUR 5.063 bln (USD 173.360 mln) in final consumer prices. The regional market performance was profoundly positive both in rouble terms (+20%) and in dollar terms (+23%). The growth gain was observed in physical terms as well (+8%). The average cost of a pack, USD 4.19, and the average sum spent by residents of the region for the purchase of OTC drugs (USD 35.61) were higher than the average indicators in Russia (USD 3.39 and USD 27.95).

SAINT PETERSBURG HOSPITAL MARKET: 2011 FIRST 3 MONTHS RESULTS

According to the results of the Hospital Purchase Audit in Russian Federation™, over the first three months of 2011 the Saint Petersburg hospital market increased by 7% in physical terms and made up 5.202 million packs (Fig. 1) In terms of money the market reached 670.734 million roubles (22.999 million dollars) in wholesale prices. As compared to the same period of 2010, the market performance was negative: -3% in terms of roubles and -0.3% in terms of dollars. The average cost of OTC drug purchased by hospitals of the city amounted to USD 4.42 (in 2010 - USD 4.76). The regional market share accounted for 5.5% of the Russian hospital market.

Figure 1. St. Petersburg hospital market in 3 months of 2010 – 3 months of 2011



The rating of the Top-ten manufacturers by hospital purchases in the region suffered significant changes (table 1). As before, the preparations of unidentified pharmaceutical manufacturers account for the highest market share. Due to 2-fold purchases growth, Corporation MERCK SHARP DOHME move up to the second position from the fourth one, ABBOTT which sales grew 1.7 times moved up to the third position from the sixth one. The markets of the newcomers of the rating also developed at fast pace. There are four of them - B.BRAUN (2.9-fold sales growth), PFIZER (1.7-fold), BAXTER (3.1-fold) and PHARM-CENTER (1.5-fold). The companies have considerably expanded their market shares and moved up to 5th and 7th through 9th positions respectively. The total share of Top-ten manufacturers increased by over 8 p.p. and achieved 50.5%.

Table 1. The Top-ten manufacturers by hospital purchases

Rating position		Manufacturer*	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	Unidentified manuf.	8,1	10,7
2	4	**MERCK SHARP DOHME**	8,1	4,2
3	6	**ABBOTT**	6,4	3,7
4	2	**SANOFI-AVENTIS**	6,3	7,3
5	20	B.BRAUN	4,3	1,4
6	3	**ASTRAZENECA**	3,9	6,2
7	13	**PFIZER**	3,9	2,3
8	25	**BAXTER INT**	3,4	1,1
9	16	PHARM-CENTER	3,0	2,0
10	8	**NYCOMED**	2,9	3,2
Total			50,5	42,2

*AIPM members are in bold

The leader of Top-10 hospital trade names rating in St. Petersburg changed – due to 2-fold purchases growth, SEVORAN moved up to the first position (table 2). NATRIUM CHLORIDUM (+32%) which used to take the first place earlier moved down to 2nd position. MERONEM (-16%), TIENAM (-2%) and CLEXAN (-32%) also took up the worse rating positions. They showed the negative growth rates and moved down to 4th, 7th and 10th positions. The other five trade names of the Top-10 rating, on the contrary, showed a rating progress. The newcomers of the Top-10 showed the most pronounced rating progress. They were PUREGON, ELOXATIN, TAXACAD and DIANEAL PD4+GLUCOSE placed on 3rd, 6th, 8th and 9th positions respectively. Apart from that, HEPARIN (+52%) moved up two rows to 5th position. Note that the total share of Top-10 increased more than 1 p.p. and accounted for 26.5%.

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

Rating position		Trade name	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	3	SEVORAN	5,0	2,4
2	1	NATRIUM CHLORIDUM	4,2	3,1
3	163	PUREGON	4,2	0,1
4	2	MERONEM	2,6	3,0
5	7	HEPARIN	2,5	1,6
6	15	ELOXATIN	2,3	0,9
7	5	TIENAM	1,9	1,9
8	143	TAXACAD	1,4	0,1
9	N/A	DIANEAL PD4+GLUCOS	1,3	N/A
10	8	CLEXAN	1,1	1,5
Total			26,5	14,7

Structural changes of Top-10 trade names are reflected in Top-10 INN and generic names rating as well (table 3). INN SEVOFLURANE as an active substance of the preparation SEVOFLURANE topped the analyzed rating. The considerable growth of hospital purchases of the hormonal preparation PUREGON, as well as antineoplastic drugs ELOXATIN and TAXACAD allowed the corresponding INNs FOLLITROPIN BETA, OXALIPLATIN and PACLITAXEL significantly increase their market shares and become the newcomers of Top-10. SODIUM (+32%) and HEPARIN (+51%) demonstrated the positive growth rates. On top of that, the former managed to maintain its 2nd position taken earlier, and the latter moved up from 8th to 6th position. Four INNs (CEFTRIAXONE, MEROPENEM, CILASTATIN + IMIPENEM and IMMUNOGLOBULIN BASE) reduced their purchases which resulted in the reduction of their market shares and in three cases the loss of their rating positions. The total share of Top-10 INNs increased by 10 p.p. and accounted for 29.5%.

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

Rating position		INN/Generic Names	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	4	SEVOFLURANE	5,0	2,4
2	2	SODIUM	4,3	3,1
3	175	FOLLITROPIN BETA	4,2	0,1
4	1	CEFTRIAXONE	3,6	4,5
5	3	MEROPENEM	2,6	3,0
6	8	HEPARIN	2,5	1,6
7	21	OXALIPLATIN	2,3	0,9
8	5	CILASTATIN + IMIPENEM	1,9	1,9
9	9	IMMUNOGLOBULIN BASE	1,5	1,6
10	62	PACLITAXEL	1,4	0,4
Total			29,5	19,5

J01 Antibacterials for systemic use (-14%) and B05 Blood substitutes and perfusion solutions (+24%) continue to remain the best selling groups in the regional hospital market (table 4). Four groups swapped their positions. L01 Antineoplastic agents (2.3-fold purchases growth) and N01 Analgesics (+25%) moved up to 3rd and 4th positions of the rating, whereas B01 Antithrombotic agents (-13%) and N05 Psycholeptics (-27%) reduced their purchases and moved down to 5th and 6th positions. Apart from that, three newcomers entered the Top-10 rating. Due to 19-fold purchases growth, G03 Sex hormones move up from 51st to 7th position, the less dynamic J06 Immune sera and Immunoglobulin (+29%) moved up from 13th to 9th position and B02 Antihemorrhagics (+15%) from 17th to 10th position. V08 Contrast media (+32%) managed to retain its 8th position in the rating. The cumulative share of the Top-ten as well as in the above ratings considerably increased and achieved 72.7%.

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

Rating position		ATC code	ATC Group	Share in total hospital purchases, %	
3 mon 2011	3 mon 2010			3 mon 2011	3 mon 2010
1	1	J01	ANTIBACTERIALS FOR SYST USE	19,8	22,3
2	2	B05	BLOOD SUBSTITUTE & PERF SOLS	12,1	9,5
3	6	L01	ANTINEOPLASTIC AGENTS	8,2	3,4
4	5	N01	ANESTHETICS	7,4	5,8
5	4	B01	ANTITHROMBOTIC AGENTS	7,0	7,8
6	3	N05	PSYCHOLEPTICS	7,0	9,2
7	51	G03	SEX HORM&MODULAT GENITAL SYS	4,4	0,2
8	8	V08	CONTRAST MEDIA	3,1	2,3
9	13	J06	IMMUNE SERA & IMMUNOGLOBULIN	2,3	1,7
10	17	B02	ANTIHEMORRHAGICS	1,4	1,2
Total				72,7	63,6

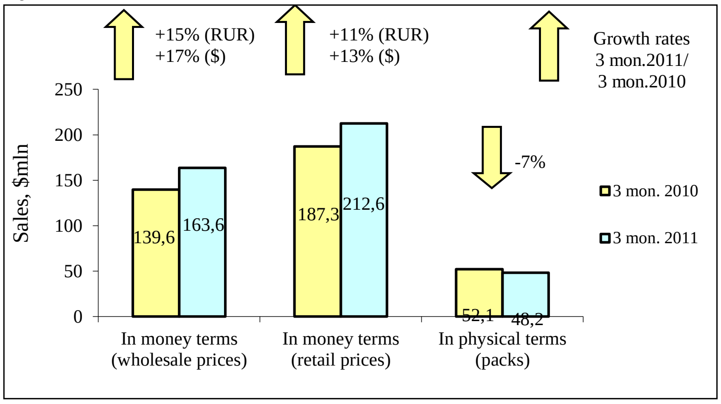
Conclusion. On the basis of the results of three months of 2011, in physical terms the St. Petersburg hospital market increased by 7%. At the same time, in money terms the regional market showed the negative growth rates. -3% in terms of roubles and -0.3% in terms of dollars. The average cost of OTC pack reduced as compared to the same period of last year (USD 4.42 vs. USD 4.76), but was more that the average value in the country (USD 3.25). As the analyzed ratings show, the city market experienced numerous structural changes resulted in the change of leading companies and trade names, as well as in the appearance of newcomers among the leaders. Apart from that, the cumulative shares of the Top-10 considerably increased which goes to prove that the market concentration has grown.

MOSCOW REGION PHARMACY MARKET: 2011 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Moscow region was estimated as 7.104 mln, which makes 4.9% of the total Russian Federation population and 18.5% of Central FO (CFO). According to Federal State Statistics Service's data, in January-March 2011 the average salary in the region was RUR 25,969.3 (USD 895), which is 22% more than the average salary in Russia (RUR 21,353.9).

According to the results of the Retail Audit of Over-the-Counter (OTC) drugs in Russian Federation™, in three months of 2011, the sales of over-the-counter drugs in pharmacies of Moscow Region in physical terms saw a 7% decrease to 48.227 mn packs. In money terms, the regional OTC drugs market saw a 15% increase in rouble terms and 17% in dollar terms and reached RUR 4.781 bln (USD 163.575 mln) in wholesale prices (Fig.1). The average cost of OTC pack based on the results of three months of 2011 was USD 4.41 (in 2010 - USD 3.60). The average expenses of Moscow region residents for purchase of drugs in the first quarter of 2011 were estimated as USD 29.93 (in 2010 - USD 26.54).

Figure 1. Moscow region market for 3 months of 2010 – 3 months of 2011



On the basis of the results for 2010, the Russian company PHARMSTANDART (+36%) topped the regional market due to increase in sales by over a third (Table 1). SANOFI-AVENTIS (+9%) which used to be a leader, moved down to the second position – its growth rates lagged behind the market average which resulted in the reduction of their market shares. The other four manufacturers took yet lower rating positions. They were SERVIER (-3%), MENARINI (+4%), ABBOTT (+8%) and TEVA (+11%), which took up the fifth, sixth, ninth and tenth positions respectively. It should be noted that two manufacturers of Top-10 (SANDOZ and NOVARTIS) managed to maintain their previous positions unchanged. Due to high positive growth rates, the other two companies BAYER (+34%) and NYCOMED (+25%) moved up to the higher 3rd and 8th positions. On top of that, the latter became the only newcomer of Top-10 rating.

Table 1. The Top-ten manufacturers by pharmacy sales

Rating position		Manufacturer*	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	2	PHARMSTANDART	6,1	5,2
2	1	**SANOFI-AVENTIS**	5,8	6,1
3	6	**BAYER HEALTHCARE**	4,1	3,5
4	4	**SANDOZ GROUP**	3,9	3,6
5	3	**SERVIER**	3,7	4,3
6	5	**MENARINI**	3,3	3,6
7	7	**NOVARTIS**	3,3	3,4
8	11	**NYCOMED**	3,1	2,8
9	8	**ABBOTT**	2,9	3,1
10	9	**TEVA**	2,8	2,9
Total			39,0	38,7

*AIPM members are in bold

Some newcomers entered the rating of the top-ten trade names (table 2). There are three of them - LASOLVAN (+51%), AMIXIN (2.3-fold sales increase) and SUMAMED (+42%) placed on 7th, 9th and 10th positions of Top-10 respectively. On top of that, the markets of the other four preparations also developed at fast pace. The leader of the rating – antiviral preparation ARBIDOL – saw 1.6-fold increase in sales. OCILLOCOCCINUM, THERAFLU (+37% each) and VIAGRA (+34%) expanded their markets by over a third, which allowed the trade names to move up to 2nd, 5th and 6th positions of the rating. On the contrary, reduction in sales and lowering of rating positions were showed by OTC drugs ESSENTIALE N (-1%) and LINEX (-4%). ACTOVEGIN (+4%) also moved down from 5th to 8th position.

Table 2. Top-ten trade names by pharmacy sales

Rating position		Trade name	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	1	ARBIDOL	2,5	1,8
2	4	OCILLOCOCCINUM	1,1	0,9
3	2	ESSENTIALE N	1,0	1,2
4	3	LINEX	0,9	1,0
5	6	THERAFLU	0,8	0,6
6	7	VIAGRA	0,7	0,6
7	14	LASOLVAN	0,7	0,5
8	5	ACTOVEGIN	0,6	0,7
9	48	AMIXIN	0,6	0,3
10	18	SUMAMED	0,6	0,5
Total			9,6	8,3

ARBIDOL (+60%) topped the rating of Top-10 INN and Generic Names, whereas the past year leader XYLOMETAZOLINE (-8%) reduced its sales and moved down to 2nd position (table 3). PANCREATIN (+4%) maintained its third position. Apart from the leader, another five INNs showed a rating progress. Among them there were the newcomers of the Top-10 – AMBROXOL (+43%) and AZITHROMYCIN (+35%), which due to its high sales growth rates expanded their shares and moved up to 8th and 9th positions respectively. The total share of the Top-10 increased from 11.7% to 12.2%.

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

Rating position		INN/Generic Names	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010		3 mon 2011	3 mon 2010
1	2	ARBIDOL	2,5	1,8
2	1	XYLOMETAZOLINE	1,5	1,9
3	3	PANCREATIN	1,2	1,4
4	7	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,1	0,9
5	6	ANAS BARBARIAE	1,1	0,9
6	4	PHOSPHOLIPIDS	1,1	1,2
7	11	AMBROXOL	1,0	0,8
8	12	AZITHROMYCIN	0,9	0,8
9	10	AMOXICILLIN + CLAVULANIC ACID	0,8	0,8
10	5	LACTOBACILLUS ACIDOPHILUS	0,8	1,2
Total			12,2	11,7

Noticeable shifts took place in the Top-ten ATC groups rating as well (table 4). Only one of the rating groups kept its 4th position taken earlier. These were preparations of the unidentified pharmaceutical group which share accounts for 4.4% of the market. Five groups (J01, R01, A11, M01 and C09) moved down to the lower positions, though only the former had negative growth rates. On the contrary, the other four participants of Top-10 showed a rating progress. N02 Analgesics (+19%) moved up from 2nd to 1st position and R05 Cough and cold preparations (+49%) moved up from 6th to 2nd position. The sixth and ninth positions were taken by the groups which entered the rating for the first time – J05 Antivirals for systemic use and L03 Immunostimulants which sales grew 2 and 1.5 times respectively. The total share of the analyzed rating, as well as of the above ratings, considerably increased and accounted for 41.7%.

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

Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010			3 mon 2011	3 mon 2010
1	2	N02	ANALGESICS	5,1	5,0
2	6	R05	COUGH AND COLD PREPARATIONS	5,0	3,9
3	1	J01	ANTIBACTERIALS FOR SYST USE	4,9	5,0
4	4		UNIDENTIFIED	4,4	4,1
5	3	R01	NASAL PREPARATIONS	4,2	4,5
6	12	J05	ANTIVIRALS FOR SYSTEMIC USE	4,2	2,6
7	5	A11	VITAMINS	3,8	3,9
8	7	M01	ANTIINFLAM & ANTIRHEUM PROD	3,7	3,8
9	13	L03	IMMUNOSTIMULANTS	3,3	2,6
10	8	C09	AG ACT RENIN-ANGIOTENS SYST	3,0	3,6
Total				41,7	38,7

Conclusion. On the basis of the results of three months of 2011, Moscow region retail market brought in RUR 6.213 bln (USD 212.590 mln), which is by 11% in terms of roubles and 13% in terms of dollars more than in the same period of 2010. In physical terms the regional market showed the negative growth rates (-7%). In the first quarter of 2011, the average cost of over-the-counter pack in pharmacies amounted to USD 4.41 (in the year-earlier period USD 3.60), and the average expenses of the region population – USD 29.93, which is higher than the average indicators in the country (USD 3.39 vs. USD 27.95).

REGIONAL DIGEST

Additional Pharmacological Support/Procurement of Necessary Drugs, Government Control

May 10, 2011, The Kommersant

Ministry of Public Health and Social Development to change the list of medicines in Additional Pharmacological Support Program

Ministry of Public Health and Social Development developed a new list of medicines for Additional Pharmacological Support Program. Pursuant to the Draft Decree concerning Approval of List of Medicines… which is published on the Ministry's website, all medicines enlisted in the APSP shall be specified without any limitations on dosage form and exclusively by International Non-proprietary Names. According to a source in the Ministry of Public Health and Social Development, the Draft Decree has been submitted for registration to the Ministry of Justice.

Mr. Sergey Shulyak, Director General, DSM Group, believes that the absence of limitations may provide more possibilities for Russian manufacturers to bid for a tender: a share of domestic preparations in the APS structure currently accounts for about 10%, but may rise up to 25% in 2012.

May 10, 2011, The AMI-TASS

Two more drugs to be included into the list of essential drugs to patients with diseases requiring expensive treatment under 7 Nosologies Program

The Commission of RF Ministry of Public Health and Social Development have taken a decision concerning additional securitization of essential high-priced drugs to patients after organ transplantation and those suffering from haemophilia. The Ministry of Health and Social Development plans to expand the 7 nosologies reimbursement program**.** However, according to the authority, the Ministry will be able to do it only after adoption of the law On Fundamentals of the Russian Federation legislation on citizens' health protection which has been submitted to State Duma for consideration. The new document proposes to formalise the definition of rare diseases, as now such definition is not spelled out in law.

May 17, 2011, The Prime-Tass

Ministry of Health and Social Development amended the Decree restraining competition in pharmaceutical markets

Federal Antimonopoly Service dismissed a lawsuit against the Ministry of Health and Social Development.

According to the Decree, the requirements to the constituents of the Russian Federation to form the territorial drug lists on the basis of the Vital and Essential Drug List (VEDL) as well as requirements to assign drugs in administering outpatient medical care on the basis of VEDL have been removed from the Instruction. Thus, the Ministry of Health and Social Development of Russia cured a breach of the antimonopoly law on its own motion.

May 19, 2011, The AMI-TASS

Association of International Pharmaceutical Manufacturers believes medical representatives' activity needs regulation mechanisms, but not prohibition

The medical representatives' activity doesn't need to be prohibited, but regulated. That is how the Association of International Pharmaceutical Manufacturers /AIPM/ commented the proposed wording of Article 69 of the draft law On Fundamentals of the Russian Federation Legislation on Citizens' Health Protection under discussion. If the article is enacted as it is currently drafted, it may seriously damage the Russian Public Health System, according to AIPM.

As they clarified in the AIPM, the primary objective of the medical representatives is to provide up-to-date professional information mainly on trends in the development of therapy, new drugs and administration thereof, as well as to collect information on drug side effects and safety monitoring.

"Certainly, the field of cooperation between pharmaceutical companies and medical community needs clear and transparent regulation mechanisms. In our opinion, such mechanisms should constitute optimal balance between statutory restrictions and self-regulation actions which complies with international practice. In working with medical community, the companies included into the Association are governed by Code of Ethics enacted by AIPM in 1998 which imposes serious restrictions on such cooperation", said Mr. Vladimir Shipkov, Executive Director, AIPM.

May 24, 2011, The Kommersant

Public procurements of medicines may dramatically change

Timofey Nizhegorodtsev, Head of Department for Control over Social Sphere and Trade, Federal Antimonopoly Service (FAS), said that the amendments concerning public procurements of medicines shall be included into Law No 94-FZ "On placement of orders for supply of goods, performance of works, rendering of services for state and municipal needs" (On public procurements) by this fall. The primary objective of such amendments is to restrict lots totalling to RUR 500 thousands and to more than one name. According to FAS, inclusion of several drug names in one lot prevents manufacturers from bidding for a tender and provides more advantages to the distributors which have the most diverse drug portfolios.

May 24, 2011, The Vedomosti

FAS and Ministry of Health and Social Development to update the package inserts

Russian and foreign package inserts for the same preparations may differ, established the Federal Antimonopoly Service (FAS). Now FAS together with Ministry of Public Health and Social Development intend to revise all package inserts. The revision aims to bring the Russian and international package inserts for original preparations, as well as package inserts for generic drugs into conformity with information on original preparations. If the company needs to update the package inserts, it shall have to introduce changes into Drug Master File which will take time, but will not entail the withdraw of preparation from circulation.

NEWS FROM COMPANIES

May 18, 2011, The Vedomosti

Finnish Tamro sold 42% of shares of the fourth-largest Russian pharmaceutical Rosta Distributor to its principal owner David Panikashvili

Tamro, one of the largest drug distributors in the North Europe, sold its minority interest held in Rosta Distributor, stated the Finnish Company in its annual report mentioning no names. Tamro's interest was purchased by the principal owner of Rosta Mr.Panikashvili, according to employees of two other companies, pharmaceutical manufacturers. Panikashvili confirmed it. He refused to specify the sum of transaction. Mr. Sergey Shulyak, Director General, DSM Group, estimates 42% of Rosta as USD 300 mln. "But, given that Russia was not a key market for the principal owner of Tamro and the company required funds for development, Mr. Panikashvili might have managed to knock price down to USD 150-180 mln", said Mr. Shulyak.

According to DMS Group, Rosta commands 12% of the Russian pharmaceutical market and takes up the fourth position in the Top Distributors Rating. DSM Group analysts estimate its turnover will be RUR 64.5 bln (in purchase prices of pharmacies inclusive of VAT). Mr. Panikashvili refused to discuss financial performance of the company.

May 20, 2011, The Vedomosti

Novo Nordisk made peace with FAS

The Russian subsidiary of one of the largest insulin manufacturers, Danish Novo Nordisk, shall revise the terms and conditions of work with suppliers. This is the condition of the amicable agreement with the Federal Antimonopoly Service.

The Federal Antimonopoly Service (FAS) entered into the amicable agreement with Novo Nordisk which stipulates the creation of transparent criteria of access to the goods for distributors, said Timofey Nizhegorodtsev, Head of Department for Control over Social Sphere and Trade, FAS, at the Russian Pharmaceutical Forum of Adam Smith Institute. The agreement hasn't been entered into yet, but will be signed some of these days, confirmed a source close to the company. The representative of Novo Nordisk in Russia refused to provide any comments.

European Pharmacopoeia. Russian version

The Russian version of European Pharmacopoeia is published by the Remedium Publishing House. The first volume in the Russian language corresponding to the 7th Edition of the European Pharmacopoeia released in Europe in July 2010 and effective from January 1, 2011 will appear in Q 1, 2011.

The second volume of the European Pharmacopoeia will be published in Q II, 2011.

The European Pharmacopoeia holds a specific place in the regulatory processes of the European Union; its texts are deemed to be obligatory in 37 member-countries of the European Union and applied in over 20 observer-countries. Manufacturing & Quality Control Standards developed by the Pharmacopoeia affect the pharmaceutical drugs and substances used in the largest part of the world and should be harmonized in order to ensure public health and free circulation of products between the countries.

Publishing the European Pharmacopoeia in the Russian language and distribution it throughout the territory of the Russian Federation shall provide the domestic specialists with easy access to the monographs and open up opportunities for researchers to increase the quantity of drug designs created at the up-to-date qualitative level and for manufacturers to produce drugs which can get access to the European market. Referring to the texts of the Russian version, foreign manufacturers will be able to reduce the process of preparation of documentation to be submitted to the licensing authorities. Studying the monographs of the European Pharmacopoeia at the medical and pharmaceutical schools will improve the standard of training of the Russian students.

Remedium Publisher has obtained the right to translate and publish the European Pharmacopoeia ion the Russian language in compliance with the bilateral agreement with the European Directorate for the Quality of Medicines & Healthcare. The translators group for the project includes doctors and associates of science, specialists in the field of pharmacology, pharmacy, chemistry, biology, engineering, biophysics, jurisprudence, economics, and international law.

In the nearest three years the Publisher intends to publish the supplements to the 7th Edition so far as they are released in Europe.

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