СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

РЕМЕДИУМ
ГРУППА КОМПАНИЙ

AIPM®
Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

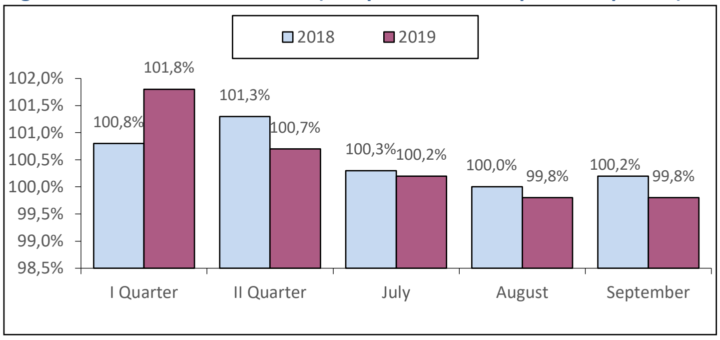
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated as 99.8% in September of 2019 as compared to August, 102.4% as compared to December of 2018.

In September of 2019, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 99.7%, whereas in the month-earlier period it had amounted to 99.4%. The index accounted for 97.2% against December of 2017.

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



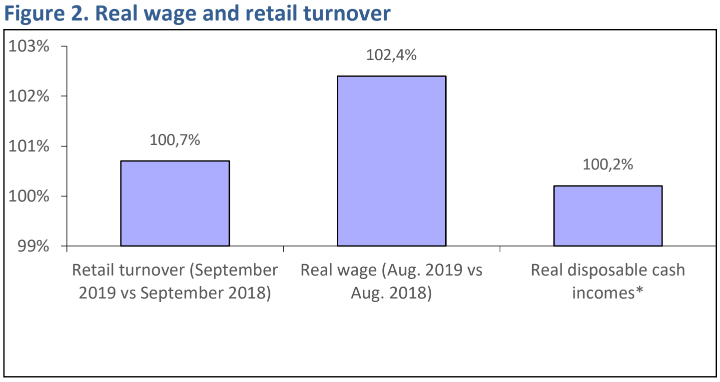
Living standard

In August of 2019, a gross monthly average wage of corporate employees reached RUB 44961[1] (USD 686.11). and increased by 106.8% compared to the same period in 2018, and 96.5% compared to the previous period. In August 2019, the real gross wage accounted for 102.4% as compared to August 2018, and 96.7% against the prior period. According to estimates[2], in January - September of 2019 real disposable cash incomes increased by 0.2% compared to the same period of 2018 (Fig. 2).

Retail turnover

In September 2019, the retail turnover was equal to RUB 2848.6 bil. or 100.7% (in comparable prices) against the level of the same period of the previous year, and RUB 24231.6 bil. or 101.4% in January - September 2019 (Fig. 2).

Figure 2. Real wage and retail turnover



* January-September 2019 vs. January-September 2018.

Industrial Production

According to Federal State Statistics Service's data, Industrial Production Index accounted for 103.0% in September 2019 compared to the same period in the previous year, and 102.7% in January - September 2019.

According to Federal State Statistics Service's data, Industrial Production Index for drugs and medical products accounted for 115.7% in September 2019 compared to the same period of 2018, and 117.2% in January - September vs January - September 2018.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers according to their volumes of sales in all segments of the market based on the results for September 2019.

Table 1. The top ten Russian chemical and pharmaceutical manufacturers by sales, September 2019

Rank	Manufacturer	RUB mil.
1	Biocad	2325.8
2	Otcpharm	2230.0
3	Microgen	1808.7
4	Pharmasyntez	1472.1
5	Pharmstandart	1319.7
6	Valenta	1269.8
7	Stada	1075.5
8	Veropharm	1034.4
9	Sotex	825.1
10	Akrikhin Pharma	819.3

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. Sales (in terms of roubles) grew in most regions in August 2019 as compared to the previous month. The most accentuated growth was observed in Krasnoyarsk Krai (+16%), the least one in Saint Petersburg (+1%). A decrease in sales was reported in three regions, the most pronounced one in Tyumen (-13%).

Table 2. Pharmacy sales in the regions, 2019

Region	Pharmacy sales, USD mil. (wholesale prices)			Growth gain, % (roubles)		
	June 2019	July 2019	August 2019	June/ May 19	July/ June 19	August/ July 19
Moscow	146.7	147.3	157.7	-7%	-1%	11%
St. Petersburg	56.3	56.1	54.8	-3%	-2%	1%
Krasnodar Krai	31.4	37.8	38.2	5%	18%	5%
Krasnoyarsk Krai	28.0	24.7	27.6	6%	-13%	16%
Tatarstan	15.3	16.9	15.8	-9%	9%	-3%
Rostov Region	18.7	20.6	21.1	-6%	9%	6%
Novosibirsk Region	18.7	18.0	17.0	-8%	-5%	-2%
Voronezh Region	10.9	11.5	12.1	-6%	4%	10%
Perm	7.6	6.9	7.3	-0.3%	-10%	9%
Tyumen	6.0	6.5	5.5	-6%	7%	-13%

Advertising

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

Table 3. Top five advertisers in mass media in September 2019

Rank	Company*	Quantity of broadcasts
1	GSK Consumer Healthcare	12,316
2	Sandoz	11,778
3	Sanofi	9,172
4	Berlin-Chemie/Menarini	8,626
5	Bayer	8,369

Source - Remedium according to Mediascope's data

Table 4. Top five brand names in mass media in September, 2019

Rank	Brand*	Quantity of broadcasts
1	Cycloferon	4,303
2	Otrivin	3,766
3	Broncho-munal	3,753
4	Voltaren	2,968
5	Linex	2,939

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

[1] The data have been changed as compared to the previously published following the receipt of the results for the reporting period.

[2] Due to switching of Federal State Statistics Service to the updated methodology for calculating real disposable cash incomes of the population, the data will be published once a quarter.

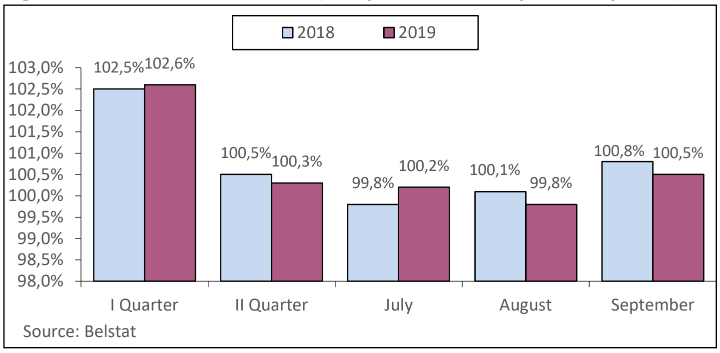
MACROECONOMIC INDICES OF THE REPUBLIC OF BELARUS

Inflation

According to data of the Committee for Statistics of the National Statistical Committee of Belarus, the Consumer Price Index was estimated at 100.5% in September 2019, 103.4% in January - September vs January - September 2018. At the end of January-September of 2019, the Consumer Price Index was 105.8% as compared to January-September of 2018.

In September 2019, Industrial Producer Price Index was 100.1% compared to August 2019, and 104.3% compared to December 2018. In January - September 2019, the Industrial Producer Price Index was 106.9% as compared to 2018.

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



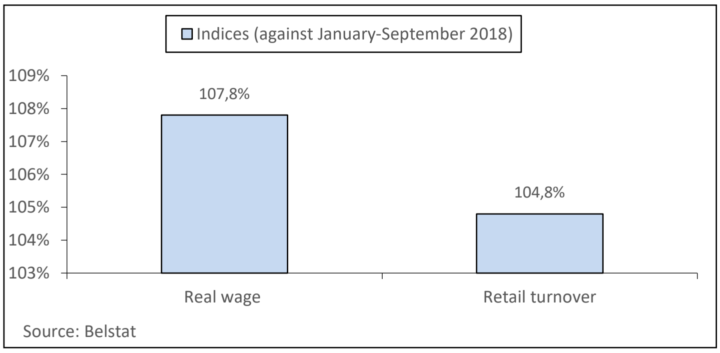
Living standard

According to the preliminary Balstat's data, in March 2018 the average monthly nominal accrued wage of the corporate workers of the Republic of Belarus was BYR 1108.5 (USD 533.99[3]), - BYR 1,068.5 (USD 509.37) in January-September 2019, which accounted for 114.4% compared to January-September 2019. In March 2019, the real wage accounted for 108,6% as compared to the same period of 2018, and 107.8% in January-September of 2019 (Fig. 2). According to National Statistical Committee of the Republic of Belarus, in January- August 2019 the real disposable cash incomes accounted for 106.8% compared to January-August 2018.

Retail turnover

In September 2019, the retail turnover was estimated at BYR 4168.2 mil. which accounted for 95.1% compared to the previous period and 103.7% compared to the same period of the last year. According to the results for January-September of 2019, the turnover amounted to BYR 36.23 bil., or 104.8% against - 2018 January-September level in comparable prices (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-September 2019



Industrial Production

According to the National Statistical Committee of the Republic of Belarus, in January-September of 2019 the industrial output by economic activities "Mining industry", "Processing Industry" and "Supply of electricity, gas, steam, hot water and conditioned air" and "Water supply; sewerage, waste management and remediation activities" amounted to BYR 84.3 bil. in current prices or 100.7% against January-September at comparable prices.

According to Belstat's data, in January-September of 2019 pharmaceutical production output of essential pharmaceutical products and pharmaceutical preparations was estimated at BYR 991.7 mil., which accounted for 100.2% against the indicators of January-September at comparable prices.

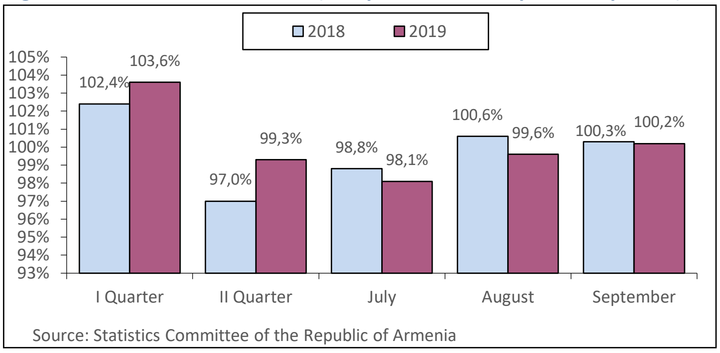
MACROECONOMIC INDICES OF THE REPUBLIC OF ARMENIA

Inflation

According to the National Statistics Committee of the Republic of Armenia, in September 2019 consumer price index amounted to 100.2% against the previous month and 97.9% compared to December 2018. The Consumer Price Index accounted for 101.6% in January-September 2019 compared to the same period of 2018.

The Industrial Producer Price Index was 101.4% in September 2019, as compared to the previous month, and 99.4% compared to December 2018. In January-September 2019, the Index reached 100.5% as compared to 2018.

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



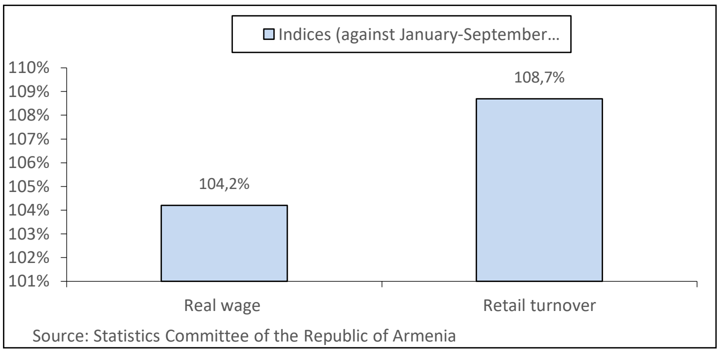
Living standard

According to the preliminary data of the Statistics Committee of RA, in September 2019 the average monthly nominal wage[4] of the workers of the Republic of Armenia was Dram 178430 (USD 374.67), which accounted for 98.6% compared to the previous period and 107.4% compared to the same period of 2018. In January-September 2019, the average monthly nominal wage per worker was Dram 178633 (USD 370.98) or 105.9% against the same period of 2018. The real wage (according to Eurasian Economic Commission) accounted for 104.2% in January-March 2019 as compared to January-September 2018 (Fig. 2).

Retail turnover

The retail turnover amounted to Dram 138339.4 mil. in September 2019, and Dram 1083214.7 mil. In January - September 2019, which accounted for 108.2% and 108.7% respectively, as compared to the same period of the previous year (Fig. 2).

Figure 2. Real monthly wage and retail turnover in January-September 2019



Industrial Production

According to the preliminary data of Statistics Committee of the Republic of Armenia, in September 2019 the industrial output by economic activities "Mining industry", "Processing industry" and "Supply of electricity, gas, steam, hot water and conditioned air" and "Water supply; sewerage, waste management and remediation activities" amounted to AMD 184309.1 mil., and AMD -1444445.1 mil. in January- September 2019 or 111.0% and 109.7% against the same periods of 2018, respectively.

According to Statistics Committee of the Republic of Armenia, the pharmaceutical output was estimated at AMD 839.3 mil. in September 2019, and AMD 6694.8 mil. from the beginning of the year, which accounted for 94.3% and 100.5% as compared to the same periods of 2018.

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[3] The official average arithmetic exchange rate was used to calculate the above indices from the website of the National Bank of the Republic of Belarus www.nbrb.by.

[4] Since January 1, 2018, the monthly indicators also include data from micro and small organizations as the Statistics Committee of the Republic of Armenia (RA) uses a new information source for calculation - the database of the State Revenue Committee of the RA (KGA RA). Detailed explanations are available on the website of the RA Statistical Committee http://www.armstat.am.

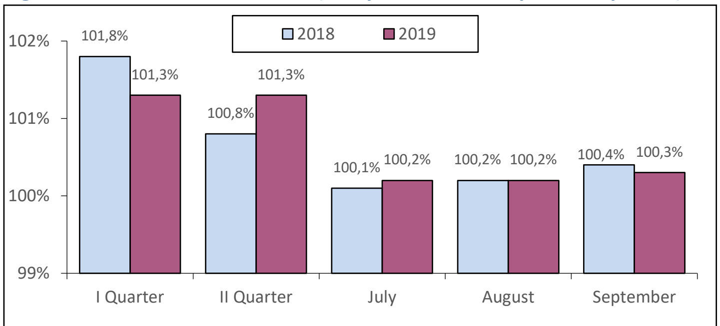
MACROECONOMIC INDICES OF THE REPUBLIC OF KAZAKHSTAN

Inflation

According to data of the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan, in September 2019 the Consumer Price Index was estimated at 100.3% compared to December 2018, 103.3% compared to December 2018. In January-September 2019, the index reached 105.2% compared to January-September 2018.

The Industrial Producer Price Index was 97.4 % in September 2019, as compared to the previous month, 100.4% compared to December 2018. In January-September 2019, the prices of producers of industrial products decreased by 2.6% as compared to January-September 2018.

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



Source: National Committee for Statistics of RK

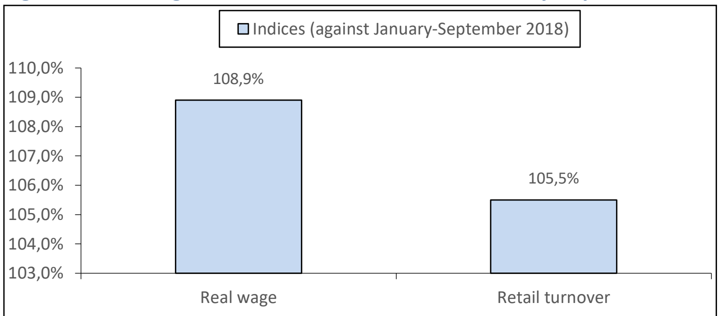
Living standard

According to the preliminary data of the Statistics Committee of RK, the gross monthly average nominal wage per worker reached KZT188634 (USD 487.44[5]) in September 2019, KZT 180885 (USD 474.33) in January-September of 2019. The Nominal Wage Index accounted for 116.0% in September 2019 compared to the respective period of the previous year, 113.8% in January-September 2019, and the Real Wage Index – 110.2% and 108.9%, respectively. According to the preliminary data, in January-August 2019 the real cash income index was 106.7% compared to the same period of 2018 (Fig. 2).

Retail turnover

In September 2018 the retail volume was KZT 1011.7 bil. which accounted for 105.0% against September 2018. In January-September 2019, the volume amounted to KZT 8054.4 bil., which was 5.5% more than in the same period of 2018 (at comparable prices) (Fig. 2).

Figure 2. Real wage index and retail turnover in January-September 2019



Source: Committee for Statistics of RK

Industrial Production

According to data of the Committee for Statistics of RK, in September 2019 the industrial output was KZT 2357.5 bil., in January-September of 2018 – KZT 21409.1 bil. As compared to the same period of 2017, the indices accounted for 103.7% and 103.3%, respectively.

According to the Statistics Committee of RK, in January-September of 2019 the industrial output of basic pharmaceutical products amounted to KZT 65.316 bil., in September of 2019 - KZT 7722 mil. In January-September 2019, the volume of Industrial Production for Pharmaceuticals Index was 112.5 % compared to January-September 2018, 102.2% in September 2019 compared to the same period in 2018.

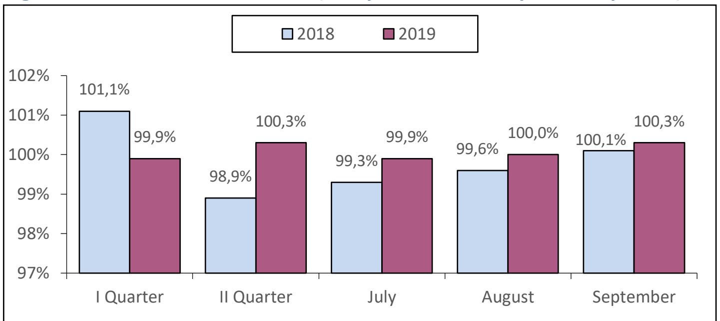
MACROECONOMIC INDICES OF THE KYRGYZ REPUBLIC

Inflation

According to the National Statistics Committee of the Kyrgyz Republic, the Consumer Price Index was estimated at 100.3% in September 2019 compared to the previous month, 100.6% compared to the same period in 2018. In January-September 2019, the index reached 100.6% compared to January-September 2018.

In September 2019, the Producer Price Index for industrial production and services was 107.1% as compared to the previous month, 109.6% compared to the same period in 2018. Throughout the Republic, in January-September 2019 the prices of producers for industrial products and services increased by 2.4% compared to the same period of 2018.

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



Source: National Committee for Statistics of RK

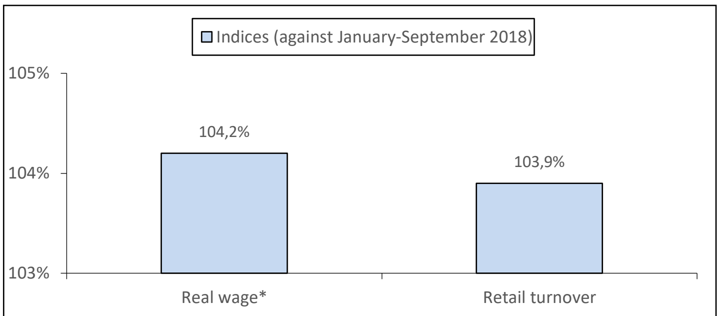
Living standard

According to data of the Committee for Statistics of the Kyrgyz Republic, in August 2019 the average monthly nominal wage per worker was KGS 16476 (USD 236.05), in January-August 2019 - KGS 16451 (USD 235.8), which is 4.1% and 4.6% more than in the same period of the previous year, respectively. In January-August 2019, the real wage accounted for 104.2% as compared to January-August 2018, 102.1% in August 2019 compared to August 2018 (Fig. 2).

Retail turnover

In September 2019, the retail turnover (without cars and motorcycles sales) amounted to KGS 30714.0 mil, in January-September 2019 - KGS 187695.7 mil. The Volume of Retail Turnover Index accounted for 102.0% and 103.9% to the same period of the previous year (Fig.2).

Figure 2. Real monthly wage and retail turnover in January-September 2019



Source: National Committee for Statistics of RK

* data for January- August 2019

Industrial Production

According to data of the National Committee for Statistics of the Kyrgyz Republic, the industrial output amounted to KGS 26516,9 mil. in September 2018 and KGS 196199.6 mil. in January-September of 2019. The Physical Index of Industrial Production accounted for 112.9% and 116.5% as compared to the same periods of 2018, respectively.

According to the National Committee for Statistics of the Kyrgyz Republic, the pharmaceutical output amounted to KGS 25.0 mil. in September 2019, and KGS 205.1 mil. from the start of the year. At the end of September 2019, the Industrial Products Volume Index for Pharmaceuticals was 106.0% compared to the previous period, and it accounted for 97.4% against September 2018, and 86.5% in January-September 2019 as compared to January-September 2018.

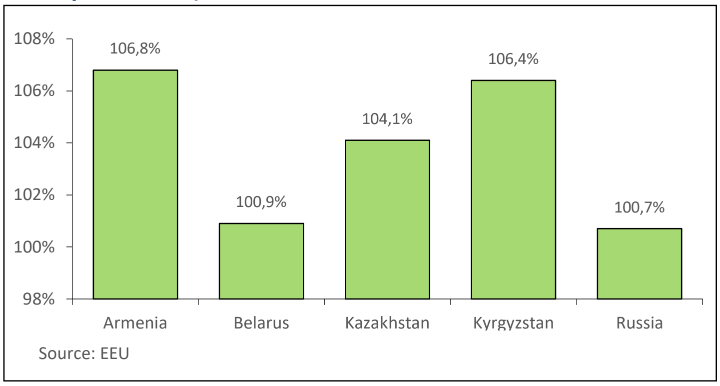
[5] The average exchange rate to calculate the above indices was used from the official website of the National Bank of Kazakhstan www.nationalbank.kz

COMPARATIVE MACROECONOMIC INDICES OF THE EURASIAN ECONOMIC UNION (EAEU)

GDP

According to Eurasian Economic Commission's data (EAEC), at the end of January-June of 2019 GDP of EAEU member-states amounted to USD 887081.7 mil. and increased by 1.0% as compared to January-June of 2018 in fixed prices. GDP growth was recorded in all countries, the highest one in Armenia (+6.8%) and Kyrgyzstan (+6.4%), a bit lower in Kazakhstan (+ 4.1%). In Belarus (+ 0.9%) and Russia (+ 0.7%), GDP increased by less than 1 pp. (Fig. 1).

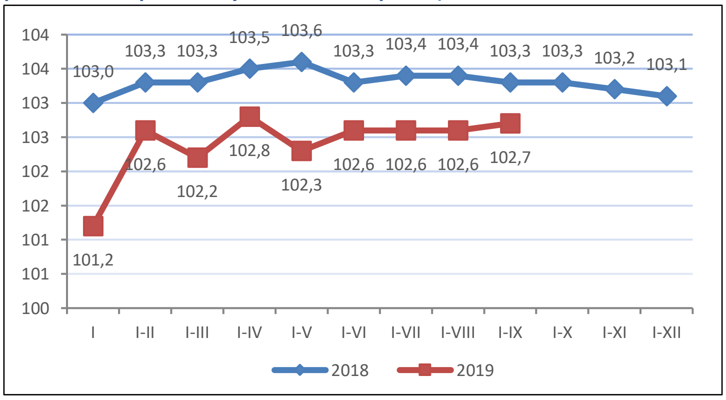
Figure 1. GDP growth in the EAEU member-states (January- June 2019 vs. January- June 2018)



Industrial Production

According to preliminary EAEC data, in January-September 2019 the volume of industrial output of the EAEU member-states amounted to USD 886.0 bil. and increased by 2.7% in fixed prices as compared to 2018. In individual countries, the Industrial Production Index accounted for: 109.7% in Armenia, 100.7% in Belarus, 103.3% in Kazakhstan 116.5% Kyrgyzstan and – 102.7% in Russia (Fig. 2).

Figure 2. Dynamics of the industrial output in EAEU (as % over the same period of the previous year; constant prices)

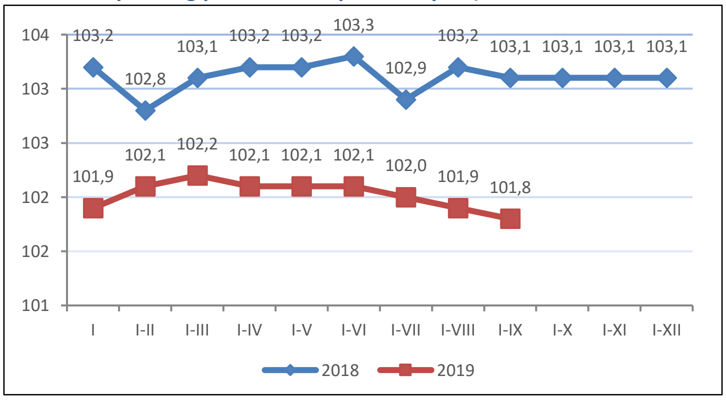


Note. The data for the period from January 2016 to April 2018 were updated due to recalculation of the industrial production indices of the Russian Federation for the specified period.

Retail turnover

According to the EEC, the retail turnover (through all sales channels) of EEU member-states in January-September 2019 amounted to USD 416.6 bil. Compared with the same period of 2018, the volume of retail sales (in comparative prices) increased by 1.8%. In the analysed period, all member-states showed growth in the retail turnover. In this case, the indices accounted for 108.4% in Armenia, 104.8% in Belarus, 105.5% in Kazakhstan 103.6% Kyrgyzstan and 101.4% in Russia (Fig. 2).

Figure 3. The dynamics of the retail turnover in the EAEU (as a percentage over corresponding period of the previous year)



Nominal and real wage

According to EEU, the gross monthly average nominal wage per worker increased by 5.9% in Armenia, 14.1% in Belarus, 14.6% in Kazakhstan, 4.2% in Kyrgyzstan, 7.2% in Russia in January-September of 2019. The real wage (adjusted for the consumer price index for goods and services) increased: by 4.2% in Armenia, 7.8% in Belarus, 8.9% in Kazakhstan, 3.6% in Kyrgyzstan, 2.3% in Russia.

Table 1. Nominal and real wage in January-September 2019

Country	Real wage, % against the same period of 2018	Nominal wage, USD
Armenia	104.2	371
Belarus	107.8	510
Kazakhstan	108.9	477
Kyrgyzstan	103.6	235
Russia	102.3	708

Budget performance

According to the ECE, in January- June 2019 the republican budget was executed with a surplus in Armenia, Belarus and Russia. At the same time, the surplus was observed in Armenia after the deficit, the surplus in Russia increased 1.8 times, and in Kazakhstan the deficit increased 1.4 times compared with the same period last year.

Compared to the previous year, the growth rates of the republican budget indicators had multidirectional dynamics. The growth rates of the republican budgets were as follows: revenues - 125% in Armenia, 100% in Belarus, 122% in Kazakhstan, 101% Kyrgyzstan and 111% Russia; expenditures - 104% in Armenia, 108% in Belarus, 122% in Kazakhstan, 100% in Kyrgyzstan, 102% in Russia.

Table 2. Republican budget in January-June 2019

Country	USD bil.		
	Income	Expenditure	Deficit (surplus)
Armenia	1.6	1.3	0.3
Belarus	5.4	4.5	0.9
Kazakhstan	13.8	14.5	-0.7
Kyrgyzstan	0.9	0.9	-0.0
Russia	146.3	120.2	26.0
EAEU	**168.0**	**141.4**	**26.5**

Mutual trade of EAEU member-states in January– August 2019

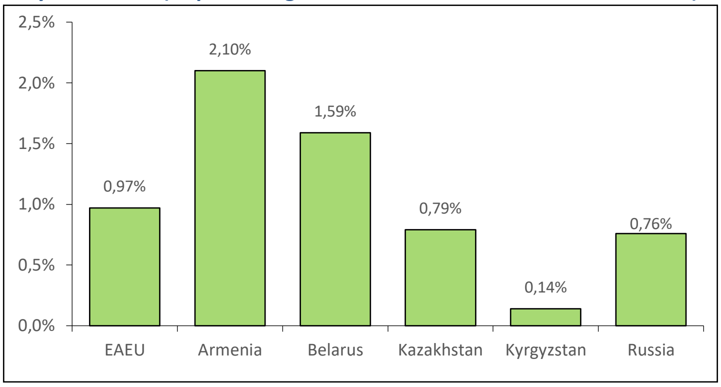
Volume of mutual trade in goods of the Member States of the Eurasian Economic Union in January- August 2019 amounted to USD 38.6 bil. or 97% as against the same period of 2018.

Table 3. Export volumes of the EAEU member-states in the mutual trade in January-August 2019

Countries	USD bil.	% vs January-August 2018	Share in total, %
EAEU	**38619.3**	**97.0**	**100.0**
Armenia	465.4	106.0	1.2
Russia	451.7	106.4	97.1
Belarus	9382.3	102.0	24.3
Russia	8749.7	102.1	93.3
Kazakhstan	3979.9	96.9	10.3
Russia	3549.4	98.7	89.2
Kyrgyzstan	391.6	92.0	1.0
Russia	163.5	70.8	41.7

Pharmaceutical products account for a small share in the structure of mutual trade (Figure 4).

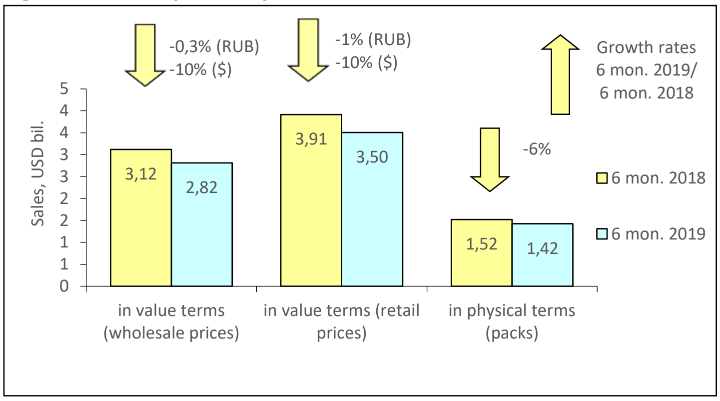
Table 4. The mutual trade pattern of EAEU member-states within the Customs Commodity Code group "Pharmaceutical products" for January-May 2019 2015 (as percentage over the total volume of mutual trade)



PHARMACY OTC MARKET IN RUSSIA: 2019 FIRST SIX MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first six months of 2019 the sales of OTC drugs in physical terms in the pharmacies of Russia saw a 6% decrease to 1.423 bil. packs. In money terms, the OTC drugs market decreased by 0.3% in rouble terms and by 10% in dollar terms and reached RUB 184.012 bil. (USD 2.815 bil.) in wholesale prices (Fig. 1). The share of Over-the-Counter (OTC) drugs accounted for 66.1% of sales in physical terms and 48.5% in retail prices in terms of roubles. At the end of January-June 2019, the average cost of an OTC pack was USD 2.46, whereas in year-earlier period its cost was USD 2.58 in retail prices. In the analysed period, Russians spent an average of USD 23.87 on the purchase of OTC drugs in the pharmacies.

Figure 1. Russian pharmacy market for 6 months of 2018 – 6 months 2019



At the end of the first half of 2019, OTCPHARM (+ -6%[6]), BAYER (-8%) and SANOFI (+3%) held their previous leading positions in the top-10 manufacturers ranking in the non-prescription drugs market despite the negative growth rates of the former two (Table 1). SANDOZ (-3%), JOHNSON&JOHNSON (-10%) and BERLIN-CHEMIE/MENARINI (-2%) also saw sales decline, coming in at ranks seven to nine. At the same time, the former and latter held their own in the ranking, while JOHNSON & JOHNSON moved down to this rank from number four. Three manufacturers having the same growth rates: GLAXOSMITHKLINE, STADA and TEVA (+ 4% each) moved up to ranks four through six. SERVIER (+ 7%) held its previous rank ten. The total share of the top 10 drug manufacturers reduced from 39.3% to 38.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	OTCPHARM	5.8	6.2
2	2	**BAYER**	5.0	5.4
3	3	**SANOFI**	4.4	4.2
4	5	**GLAXOSMITHKLINE**	3.9	3.7
5	6	STADA	3.8	3.6
6	8	TEVA	3.7	3.5
7	7	**SANDOZ**	3.5	3.6
8	4	**JOHNSON & JOHNSON**	3.3	3.7
9	9	**BERLIN-CHEMIE/MENARINI**	2.8	2.9
10	10	**SERVIER**	2.7	2.5
Total			38.8	39.3

*AIPM members are in bold

The leaders of the top ten brands ranking also held their own in the ranking: DETRALEX (+ 4%) and NUROFEN (+ 6%) maintained and strengthened their ranks (Table 2). CARDIOMAGNYL (-2%), ESSENTIALE (-3%) and THERAFLU (-0.4%) also held their previous ranks four, eight and ten. Three of the remaining five brands moved up to higher ranks. Due to positive dynamics, KAGOCEL (+ 4%), MIRAMISTIN (+ 7%) and the newcomer of the top ten KREON (+ 29%) moved up to ranks three, five and nine, respectively. At the same time, INGAVIRIN (-16%) and PENTALGIN (-1%), on the contrary, moved down to the lower ranks six and seven. The total share of the top 10 brands increased from 11.2% to 11.4%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	DETRALEX	1.6	1.5
2	2	NUROFEN	1.5	1.4
3	5	KAGOCEL	1.2	1.1
4	4	CARDIOMAGNYL	1.1	1.2
5	7	MIRAMISTIN	1.1	1.0
6	3	INGAVIRIN	1.1	1.3
7	6	PENTALGIN	1.1	1.1
8	8	ESSENTIALE	1.0	1.0
9	14	KREON	0.9	0.7
10	10	THERAFLU	0.9	0.9
Total			11.4	11.2

The leader of the top ten INN and group names ranking also remained unchanged: XYLOMETAZOLINE continued to hold rank number one, despite a 2% decline in sales (Table 3). The combination DIOSMIN * HESPERIDIN (+ 5%) moved up to rank two from three, shifting IBUPROFEN (+ 4%) one rank down. Another four INNs of the top 10 INN and group names managed to improve their ranks. ACETYLSALICYLIC ACID * MAGNESIUM (+ 2%), KAGOCEL (+ 4%) and DEXPANTHENOL (+ 8%) moved up to rank five through seven, including the newcomer MIRAMISTIN (+ 10%), which broke into the ranks of the top ten, coming in at number nine. Due to negative growth rates, INNs PHOSPHOLIPIDS (-3%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (-16%) moved down to ranks eight and ten. PANCREATIN (+10%) held its previous rank four. The total share of the top ten ranking increased by 0.3 p.p. to 16.8%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	XYLOMETAZOLINE	3.2	3.2
2	3	DIOSMIN*HESPERIDIN	2.3	2.2
3	2	IBUPROFEN	2.3	2.2
4	4	PANCREATIN	2.1	1.9
5	6	ACETYLSALICYLIC ACID* MAGNESIUM	1.2	1.2
6	8	KAGOCEL	1.2	1.1
7	9	DEXPANTHENOL	1.2	1.1
8	7	PHOSPHOLIPIDS	1.1	1.2
9	11	MIRAMISTIN	1.1	1.0
10	5	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	1.1	1.3
Total			16.8	16.5

The top ten ATC groups showed high stability - seven of its groups held their own in the ranking (Table 4). R05 Cough and cold preparations (-3%), N02 Analgesics and A07 Antidiarrheals (-2% each), and J05 Antivirals for systemic use (-10%), A11 Vitamins (-12%), M01 Anti-inflammatory and anti-rheumatic drugs (+ 1%) and L03 Immunostimulants (-6%). In the first half of 2019, C05 Vasoprotectives (+ 4%), which displaced R01 Nasal preparations (-2%) from that rank, became the best-selling group on the OTC market. The only newcomer - M02 Topical products for joint and muscular pain (+ 7%) - moved up to rank ten of the top ten ranking. In total, the top - ten ATC groups accumulated 46.7% of the retail market, whereas in the year– earlier period they accounted for 47.9%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	2	C05	VASOPROTECTIVES	6.0	5.7
2	1	R01	NASAL PREPARATIONS	5.7	5.9
3	3	R05	COUGH AND COLD PREPARATIONS	5.4	5.6
4	4	N02	ANALGESICS	5.4	5.5
5	5	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	5.2	5.3
6	6	J05	ANTIVIRALS FOR SYSTEMIC USE	4.2	4.7
7	7	A11	VITAMINS	4.0	4.5
8	8	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	3.9	3.8
9	9	L03	IMMUNOSTIMULANTS	3.5	3.7
10	11	M02	TOPICAL PRODUCTS FOR JOINT AND MUSCULAR PAIN	3.3	3.1
Total				46.7	47.9

Conclusion. At the end of the first half of 2019, the OTC retail pharmacy market of Russia brought in RUB 228.984 bil. (USD 3.503 bil.), It was 1% in terms of roubles and 10% in terms of dollars less than in January- June 2018. In physical terms, the market demonstrated negative growth rates (-6%) and achieved 1.423 bil. packs. The average cost of OTC-pack in the pharmacies of Russia was USD 2.46 based on the results for 6 months of 2019, which was lower than the 2017 figure (USD 2.58). The average expenses of Russian residents for the purchase of OTC drugs in pharmacies in the period under review decreased (USD 23.87 vs. USD 26.63).

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

PRICE ANALYSIS, 1-3 Q 2019 KEY PERFORMANCE INDICATORS

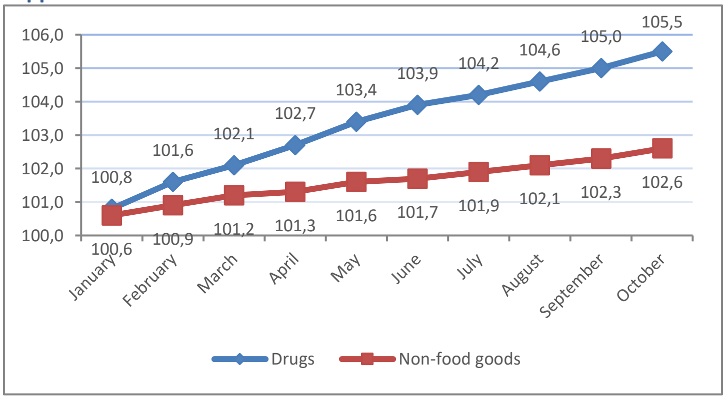
Price Indices

Table 1. Inflation rates in the Russian Federation, October 2019

	October 2019 vs December 2018	January-October 2019 vs. January-October 2018
CPI	102.4	104.7
CPI for non-food products	102.6	104.9
CPI for medications	105.5	106.3

Rosstat data

Figure 1. Dynamics of the price index for non-food items and medicines supplies vs. December 2018



Rosstat data

Indicators of dynamics of prices and retail margins (according to retail audit data)

Figure 2. Dynamics of weighted average prices and retail margins in 1-3 Q, 2018 - 1-3 Q, 2019

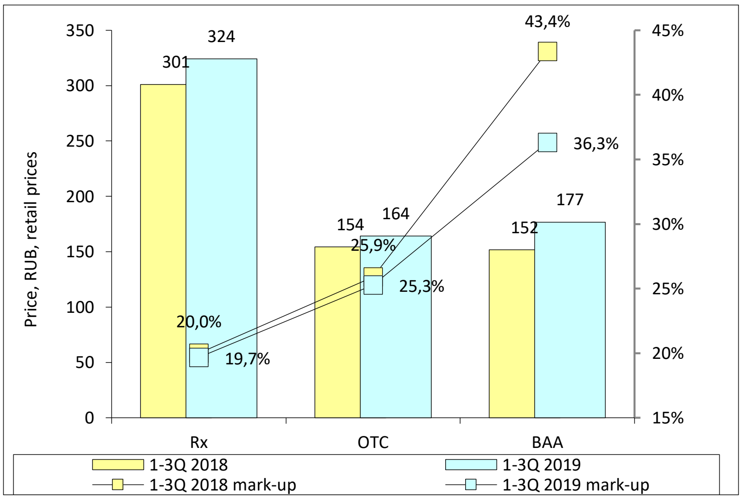


Figure 3. Dynamics of weighted average prices and retail margins in 1-3 Q 2018 - 1-3 Q, 2019

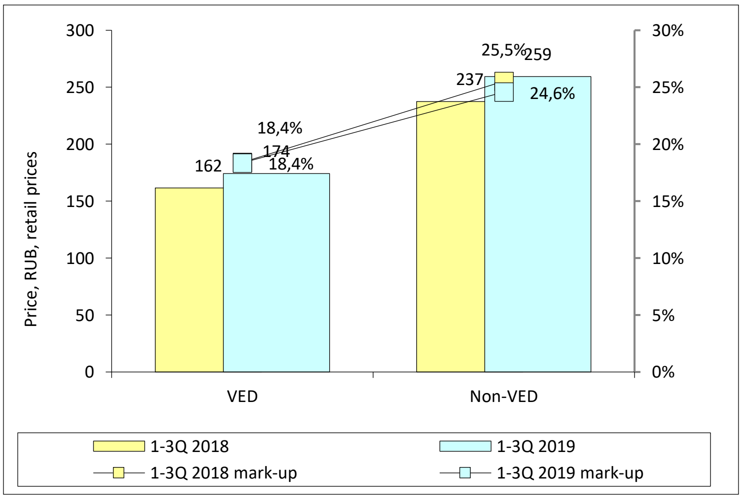
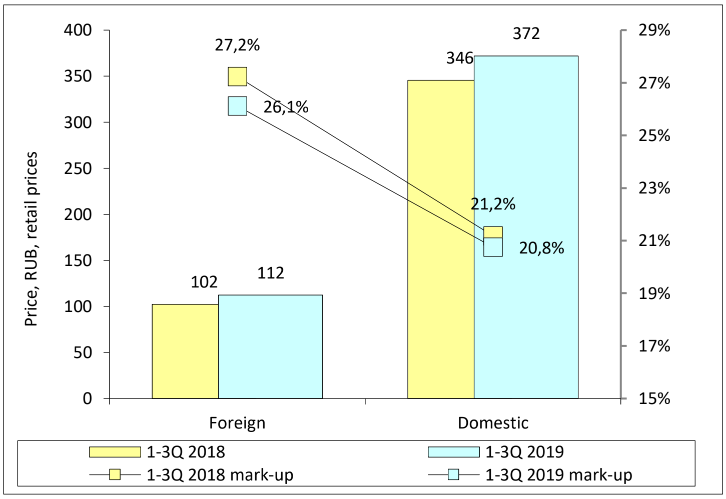


Figure 4. Dynamics of weighted average prices and retail margins in 1-3 Q 2018 - 1-3 Q, 2019



Indicators of price dynamics in the reimbursable market segment

Figure 5. Dynamics of weighted average purchase prices in 1-3 Q 2018 - 1-3 Q, 2019

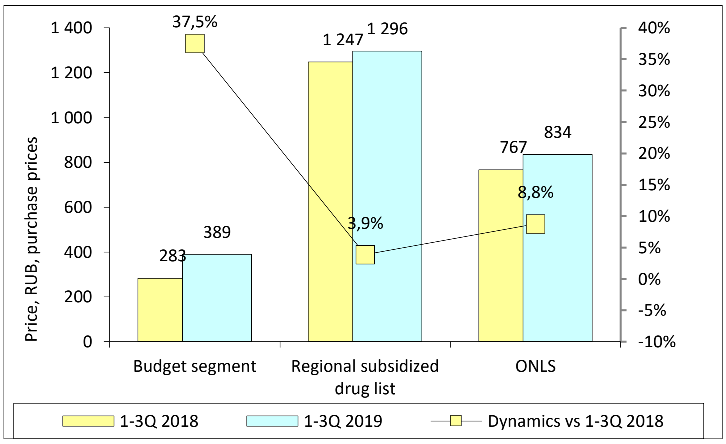


Figure 6. Dynamics of weighted average purchase prices for domestic drugs, 1-3 Q 2018 - 1-3 Q, 2019

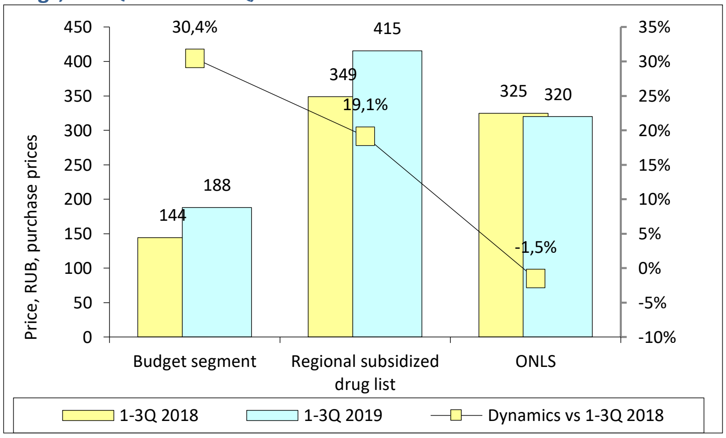
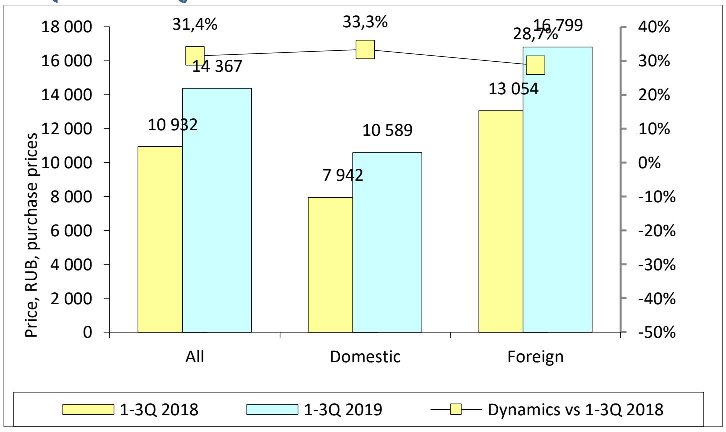


Figure 7 Dynamics of weighted average purchase prices in VZN segment, 1-3 Q 2018 - 1-3 Q, 2019

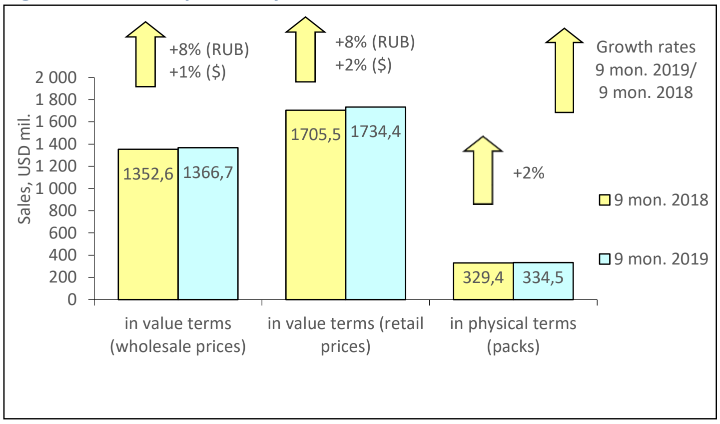


MOSCOW CITY PHARMACY MARKET: 2019 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2019 Moscow's estimated population was 12.615 mil., which accounted for 8.6% of the total Russian Federation population and 32.0% of Central FO (CFO). According to Moscow City Statistics Committee, it's estimated that the average monthly accrued wage in Moscow amounted to RUB 86684 in September 2019. (USD 1334.01), in January-September – RUB 90504. (USD 1390.66), which was 97% higher than the national average in January-September (RUB 46057).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of the first nine months of 2019 the sales of OTC drugs in natural terms in the pharmacies of Moscow saw a 2% decrease to 334.478 mil. packs. In value terms, the market showed positive growth rates both in terms of roubles (+8%) and in terms of dollars (+1%) and reached RUB 88.930 bil. (USD 1.367 mil.) at wholesale prices (Fig. 1). The region market share accounted for 16.0% of the Russian pharmacy retail sales. An average retail cost of a pack did not virtually change as compared to the previous year: USD 5.19 vs. USD 5.18. At the end of January-September 2019, the average amount spent by residents of Moscow for medicinal products in the pharmacies amounted to USD 137.48.

Figure 1. Moscow pharmacy market for 9 months 2018 – 9 months 2019



According to the results for the first 9 months of 2019, the top ten manufacturers rating in the retail market of Moscow showed high stability: it did not change in composition and most of its manufacturers held their own in the ranking (Table 1). Among them are the leaders of the top ten BAYER (+ 7%), SANOFI (-3%), TEVA (+ 1%), SERVIER (+ 3%) and ABBOTT (+ 10%), which still held their previous ranks from one through five. BERLIN-CHEMIE/MENARINI (+ 4%) held its previous rank eight. Two manufacturers of the top 10 rose in the ranks. GLAXOSMITHKLINE (+ 16%) and JOHNSON & JOHNSON (+ 10%) moved up one rank, coming in at ranks six and nine. At the same time, the less dynamic SANDOZ (+ 5%) and PFIZER (+ 9%) moved down one rank. In total, the top ten manufacturers accumulated 36.6% of the market, whereas in the same period of 2018 they accounted for 37.0%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	**BAYER**	6.4	6.4
2	2	**SANOFI**	4.4	4.9
3	3	**TEVA**	3.6	3.8
4	4	**SERVIER**	3.6	3.7
5	5	**ABBOTT**	3.5	3.5
6	7	**GLAXOSMITHKLINE**	3.4	3.1
7	6	**SANDOZ**	3.2	3.2
8	8	**BERLIN-CHEMIE/MENARINI**	3.0	2.8
9	10	**JOHNSON & JOHNSON**	2.8	2.7
10	9	**PFIZER**	2.8	2.7
Total			36.6	37.0

*AIPM members are in bold

The leader of the top ten brands ranking also held its own in the ranking: XARELTO (+26%) held and reinforced its rank number one due to outperformance growth rates (Table 2). Some shifts took place in the lower part of the top ten, whereby seven brands rose in the ranks. DETRALEX (-2%) and NUROFEN (+24%) moved up one rank to numbers two and three. The brands CIALIS (+26%) and CONCOR (+3%) moved two ranks up, coming in at numbers four and six. The newcomers HEPTRAL (+14%), KREON (+29%) and VOLTAREN (+25%) broke into the ranks of the top ten, coming in at numbers seven, eight and ten, respectively. At the same time, CRESTOR that reduced sales by 42% moved down from rank two to nine. The brand MIRAMISTIN (+5%) kept its previous rank five. In total, the top-ten brands ranking accumulated 8.4%, in the year-earlier period they accounted for 8.3%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	XARELTO	1.9	1.6
2	3	DETRALEX	1.0	1.1
3	4	NUROFEN	0.9	0.8
4	6	CIALIS	0.9	0.7
5	5	MIRAMISTIN	0.7	0.8
6	8	CONCOR	0.7	0.7
7	11	HEPTRAL	0.6	0.6
8	17	KREON	0.6	0.5
9	2	CRESTOR	0.6	1.1
10	18	VOLTAREN	0.6	0.5
Total			8.4	8.3

Just as the corresponding trade name, INN RIVAROXABAN (+ 26%) held and strengthened its leading rank in the top -10 INN and grouping names (Table 3). XYLOMETAZOLINE (+ 7%), IBUPROFEN (+ 13%) and NIMESULIDE (+ 19%) placed at ranks two, five and ten, respectively, also held their previous ranks. The other three INNs of the top 10 rose in the ranks. The composition DIOSMIN*HESPERIDIN (+5%) and INN HYALURONIC ACID (+32%) moved up to ranks three and four. The only newcomer TADALAFIL (+29%) moved up to rank eight. They displaced PANCREATIN (+14%) and BISOPROLOL (+%) one rank down, whereas ROSUVASTATIN that reduced its sales by 23%, moved down from rank three to six. The cumulative share of the top 10 under review increased by 0.3 to 11.7%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	RIVAROXABAN	1.9	1.6
2	2	XYLOMETAZOLINE	1.6	1.6
3	4	DIOSMIN*HESPERIDIN	1.3	1.3
4	7	HYALURONIC ACID	1.2	0.9
5	5	IBUPROFEN	1.1	1.0
6	3	ROSUVASTATIN	1.1	1.5
7	6	PANCREATIN	1.1	1.0
8	11	TADALAFIL	0.9	0.7
9	8	BISOPROLOL	0.8	0.8
10	10	NIMESULIDE	0.8	0.8
Total			11.7	11.4

The top three groups in the top-10 ATC groups ranking remained unchanged: groups B01 Anticoagulants (+ 7%), C09 Agents acting on the renin-angiotensin system (+ 19%) and M01 Anti-inflammatory and antirheumatic products (+ 11%) still held the top ranks (Table 4). As before, G03 Sex hormones (+6%) held its previous rank six. Thanks to outperformance growth rates, R01 Nasal preparations (+ 12%) and N06 Psychoanaleptics (+ 9%) moved one rank up, coming in at numbers four and nine, respectively. The market of the newcomer G04 Urologicals (+ 14%), which broke into the top ten ranking, coming in at number eight, also developed at a fast pace. C05 Vasoprotectors (+ 5%) were also able to move one rank up. The group A07 Anti-diarrheal, intestinal anti-inflammatory and antimicrobial agents (-0.1%) and J01 Antibacterials for systemic use (+2%), which showed zero and low dynamics, on the contrary, moved down to ranks five and ten. In total, the top ten ATC groups accumulated 36.7% of the regional market, whereas in the year-earlier period they accounted for 36.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	1	B01	ANTITHROMBOTIC AGENTS	4.6	4.6
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.5	4.1
3	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.2	4.1
4	5	R01	NASAL PREPARATIONS	4.0	3.8
5	4	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	3.5	3.8
6	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.5	3.6
7	8	C05	VASOPROTECTIVES	3.2	3.2
8	11	G04	UROLOGICALS	3.2	3.0
9	10	N06	PSYCHOANALEPTICS	3.0	3.0
10	9	J01	ANTIBACTERIALS FOR SYST USE	3.0	3.1
Total				36.7	36.3

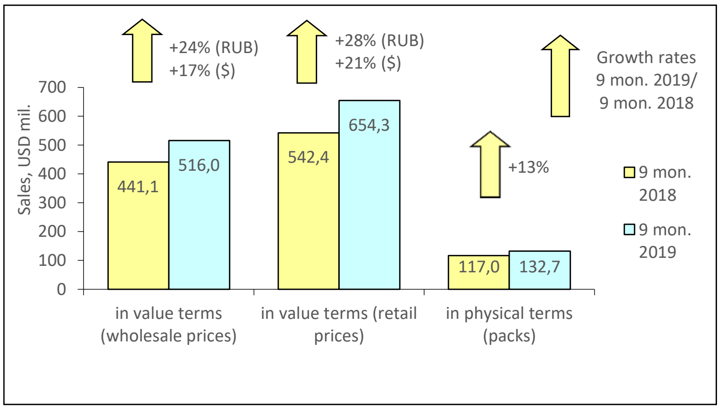
Conclusion. Based on the results of the first nine months of 2019, the pharmacy market of Moscow reached RUB 112.853 bil. (USD 1.734 bil.), This is more than in the same period in 2018: by 8% in roubles and 2% in dollars. In pack terms, the market increased by 2% and amounted to 334.478 mil. packs. The average cost of FPP pack in the city pharmacies based on the results for January-September of 2019 was USD 5.19, which did not virtually change compared to 2018. (USD 5.18) but exceeding the national average (USD 3.39). The average expenses of the regional residents for purchase of OTC drugs in pharmacies were also higher than the national average (USD 137.48 vs. USD 73.61).

SAINT PETERSBURG PHARMACY MARKET: 2019 FIRST NINE MONTHS RESULTS

According to Federal State Statistics Service, St. Petersburg's population as of January 1, 2019 was estimated at 5.384 mil., which accounted for 3.7% of the total Russian Federation population and 38.5% of North West FD (NWFD). According to the territorial body of the Federal State Statistics Service in St. Petersburg and the Leningrad region, the average monthly salary in the city was RUB 60,205 in September 2019. (USD 926.52), in January-September – RUB 61304. (USD 941.98), which was 33% higher than the national average in January-September (RUB 46057).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of the first nine months of 2019 the sales of drugs in natural terms in St. Petersburg pharmacies saw a 13% increased to 132.654 mil. packs. In value terms, the market saw a 24% increase in terms of roubles and 17% in terms of dollars. At the same time, the volume of the market achieved RUB 33.577 bil. (USD 515.984 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 6.1% of the Russian pharmacy sales (in terms of roubles). The average cost of a pack increased as compared to 2018 (USD 4.63) and reached USD 4.93 at retail prices. The average amount spent by residents of the city for drugs in the pharmacies during January-September amounted to USD 121.54.

Figure 1. St. Petersburg pharmacy market for 9 months 2018 – 9 months 2019



BAYER (+16%), SANOFI (+17%), SERVIER (+22%) and TEVA (+16%) held their leading ranks in the top ten manufacturers ranking on the retail market of Saint Petersburg based on the results for January-September 2019 (Table 1). Some shifts took place in the lower part of the top ten, whereby the manufacturers ABBOTT (+ 32%) and OTCPHARM (+ 43%) moved up one rank, while the most dynamic KRKA (+ 50%) moved up two ranks, coming in at number seven. Not so dynamic SANDOZ (+ 22%), GLAXOSMITHKLINE (+ 26%) and PFIZER (+ 20%), on the contrary, moved down to ranks six, eight and ten, respectively. The total share of the top 10 manufacturers didn't change and accounted for 38.6%

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	**BAYER**	5.8	6.3
2	2	**SANOFI**	4.7	5.0
3	3	**SERVIER**	4.3	4.4
4	4	**TEVA**	3.8	4.1
5	6	**ABBOTT**	3.8	3.5
6	5	**SANDOZ**	3.7	3.8
7	9	**KRKA**	3.2	2.7
8	7	**GLAXOSMITHKLINE**	3.2	3.1
9	10	OTCPHARM	3.1	2.7
10	8	**PFIZER**	3.0	3.1
Total			38.6	38.6

*AIPM members are in bold

The leaders of the top ten brands ranking also held its own in the ranking: XARELTO (+39%), DETRALEX (+19%) and ELIQUIS (+49%) continued to hold their own (Table 2). LOZAP (+24%) rounding out the top ten also held its previous rank. It should be noted that almost all the other brands of the top-ten showed outperformance rates. Four of them, NUROFEN (+46%), HEPTRAL (+45%), NOLIPREL (+32%) and ESSENTIALE (+28%) managed to move up to ranks four, six, seven and nine. Note that the latter became the only newcomer of the top-10 ranking. On top of that, they displaced CONCOR (+29%) down one rank, whereas LINEX (+11%) lost two ranks and moved down to rank eight due to lagging behind the growth rates. The total share of the top 10 increased from 7.4% to 7.8%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	1	XARELTO	1.4	1.3
2	2	DETRALEX	1.1	1.1
3	3	ELIQUIS	0.9	0.8
4	5	NUROFEN	0.8	0.6
5	4	CONCOR	0.8	0.7
6	9	HEPTRAL	0.7	0.6
7	8	NOLIPREL	0.6	0.6
8	6	LINEX	0.6	0.6
9	11	ESSENTIALE	0.5	0.5
10	10	LOZAP	0.5	0.5
Total			7.8	7.4

The top ten INNs and grouping names ranking did not change in composition (Table 3). However, its leader changed: RIVAROXABAN (+ 39%) moved up to rank one from three, displacing DIOSMIN * HESPERIDIN and XYLOMETAZOLINE (+ 26% each) down one rank. In addition to the leader, PANCREATIN (+ 40%), IBUPROFEN (+ 43%) and APIXABAN (+ 49%) placed at ranks four, six and eight, moved up to higher ranks. At the same time, ROSUVASTATIN and ATORVASTATIN (+ 27% each) and BISOPROLOL (+ 32%) moved down to lower ranks, coming in at numbers five, seven and nine, respectively. NIMESULIDE (+ 37%) held its previous rank ten. As a result, the top ten INN and grouping names accounted for 10.8%, while a year earlier it was 10.1%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	3	RIVAROXABAN	1.4	1.3
2	1	DIOSMIN*HESPERIDIN	1.4	1.4
3	2	XYLOMETAZOLINE	1.3	1.3
4	5	PANCREATIN	1.1	0.9
5	4	ROSUVASTATIN	1.0	1.0
6	8	IBUPROFEN	1.0	0.8
7	6	ATORVASTATIN	1.0	0.9
8	9	APIXABAN	0.9	0.8
9	7	BISOPROLOL	0.9	0.8
10	10	NIMESULIDE	0.8	0.8
Total			10.8	10.1

The groups C09 Agents acting on the renin-angiotensin system (+ 41%), B01 Anticoagulants (+ 27%), M01 Anti-inflammatory and anti-rheumatic drugs (+ 36%), G03 Sex hormones (+ 30%) and C05 Vasoprotectors (+ 25%) held their previous top five ranks in the top ten ATC groups ranking on the regional market (Table 4). J01 Antibacterials for systemic use (+ 15%) also held their previous rank eight. Three of the remaining ATC groups managed to rise in the ranks. R01 Nasal preparations (+ 28%) and R05 Cough and cold preparations (+ 17%) moved one rank up, coming in at numbers six and nine. The newcomer G04 Urologicals (+ 24%) broke into the ranks of the top ten ranking, coming in at number ten. And only A07 Anti-diarrheal, intestinal anti-inflammatory and antimicrobial agents (+17%) moved down to the lower rank seven. The total share of the top ten ATC groups increased from 36.6% to 37.3%.

Table 4. The top ten ATC Groups by pharmacy sales

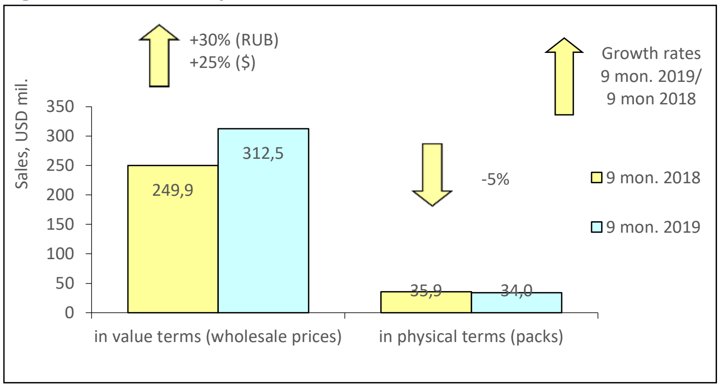
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	1	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.7	5.0
2	2	B01	ANTITHROMBOTIC AGENTS	4.6	4.5
3	3	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.3	4.0
4	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.1	3.9
5	5	C05	VASOPROTECTIVES	3.5	3.5
6	7	R01	NASAL PREPARATIONS	3.4	3.4
7	6	A07	ANTIDIARR.,INTEST. ANTI-INFL./ANTIINFECT. AGENTS	3.2	3.4
8	8	J01	ANTIBACTERIALS FOR SYST USE	3.0	3.2
9	10	R05	COUGH AND COLD PREPARATIONS	2.8	3.0
10	14	G04	UROLOGICALS	2.7	2.8
Total				37.3	36.6

Conclusion. Based on the results for the first nine months of 2019, the pharmacy market of St. Petersburg brought in RUB 42.573 bil. (USD 654.342 mil.) at retail prices. It increased by 28% in terms of roubles, and 21% in terms of dollars as compared to the previous year. In pack terms, the market expanded by 13% and amounted to 132.654 mil. packs. Based on the results for January-September of 2019, the average cost of FPP pack in the city pharmacies was USD 4.93, which was more than in the year-earlier period (USD 4.63), and the national average (USD 3.39). The average medicine expenses of St. Petersburg residents in the pharmacies were higher than the national average expenses in Russia (USD 121.54 vs. USD 73.61).

MOSCOW CITY HOSPITAL MARKET: 2019 FIRST NINE MONTHS RESULTS

According to the results of the Budget Audit of Finished Pharma Products (FFP) in the Russian Federation, at the end of the first nine months of 2019 the Moscow hospital market in physical terms reduced by 5% compared to the previous year and amounted to 34.020 mil. packs. In money terms, the market showed positive growth rates both in terms of roubles (+30%) and in terms of dollars (+25%) and reached RUB 20.243 bil. (USD 312.488 mil.) in wholesale prices. Based on the results for January-September in 2019, the average cost of an FFP pack in the hospital sector of Moscow was USD 9.19, whereas in the year-earlier period its cost was USD 6.97.

Figure 1. Moscow hospital market for 9 months of 2018 – 9 months 2019



Based on the results for the first nine months of 2019, SANOFI became the leader of the hospital market in Moscow due to a triple (3.3-fold) increase in procurement volumes (Table 1). In addition to it, Russian BIOCAD (2.4-fold growth in purchases), and the newcomers ROCHE (3-fold growth) and BRISTOL MYERS (5.1-fold growth) demonstrated high growth rates, coming in at ranks four, eight and ten, respectively. The markets of manufacturers MSD (+ 73%) and BAYER (+ 24%) also developed at a fast pace, which enabled them to move one rank up, coming in at numbers two and six. At the same time, three manufacturers of the top ten showed negative dynamics. The former leader PFIZER (-0.3%), and ABBVIE (-21%) and JOHNSON & JOHNSON (-2%) moved down to ranks three, five and nine respectively. Also, MICROGEN (+ 3%) moved down from rank five to seven, despite the positive growth rates. In total, based on the results for January-September, the top ten manufacturers accounted for 43.9% of the market, while a year earlier they accounted for 36.7%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	6	**SANOFI**	9.3	3.7
2	3	**MSD**	7.3	5.5
3	1	**PFIZER**	5.7	7.4
4	9	BIOCAD RF	4.6	2.5
5	2	**ABBVIE**	3.4	5.7
6	7	**BAYER**	3.4	3.6
7	5	MICROGEN	3.0	3.8
8	18	**ROCHE**	2.9	1.3
9	8	**JOHNSON & JOHNSON**	2.1	2.8
10	38	**BRISTOL MYERS SQU**	2.1	0.5
Total			43.9	36.7

*AIPM members are in bold

The top ten brand names ranking was half updated – five newcomers entered the ranking (Table 2). MENACTRA (2.8-fold growth in purchases), KEYTRUDA (13-fold growth), HERTICAD (4.8-fold growth), OPDIVO (5.9-fold growth) and GARDASIL (8.2-fold growth) moved up to ranks four, six and the last three names, respectively. PENTAXIM (7.6-fold growth) also demonstrated high dynamics and rose in the ranks, moving up to rank one from eight. At the same time, it displaced PREVENAR 13 (+ 19%) and SOVIGRIPP (-1%) down. SYNAGIS (-13%) moved down from rank three to seven due to pronounced negative dynamics. The brand PNEUMOVAX-23 (+63%) held its previous rank five. The total share of the top ten increased by 10 p.p. up to 10. 22.6%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	8	PENTAXIM	6.3	1.1
2	1	PREVENAR 13	3.4	3.7
3	2	SOVIGRIPP	2.2	2.9
4	15	MENACTRA	1.6	0.8
5	5	PNEUMOVAX-23	1.6	1.3
6	43	KEYTRUDA	1.6	0.2
7	3	SYNAGIS	1.5	2.3
8	33	HERTICAD	1.5	0.4
9	37	OPDIVO	1.4	0.3
10	41	GARDASIL	1.4	0.2
Total			22.6	13.1

The newcomer VACCINE, ACEL.PERT.DIP.TET.POLIO & HIB became the leader of the top ten INN and grouping names due to a 7.6-fold increase in purchases (Table 3). Another four newcomers, TRASTUZUMAB (4.4-fold growth in purchases), VACCINE, MENINGOCOCCAL POLYSACCHARIDE AND OMV (2.8-fold growth), PEMBROLIZUMAB (13-fold growth) and NIVOLUMAB (5.9-fold growth) moved up to ranks four through six and ten, At the same time, the less dynamic INNs VACCINE, PNEUMOCOCCAL (+ 30%), VACCINE, INFLUENZA (+ 7%), and IMMUNOGLOBULIN BASE (-3%) and PALIVIZUMAB (-13%) that reduced their purchases, moved down to ranks tow, three, seven and eight, respectively. And only one INN, AFLIBERCEPT (+ 64%) still holds its previous rank nine. The total share of the analysed top ten also increased to 25.5% from 17.2%.

Table 3. The top 10 INNs and grouping names by hospital purchases

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	13	VACCINE, ACEL.PERT.DIP.TET. POLIO & HIB	6.3	1.1
2	1	VACCINE, PNEUMOCOCCAL	5.0	5.0
3	2	VACCINE, INFLUENZA	3.2	3.8
4	33	TRASTUZUMAB	1.8	0.5
5	20	VACCINE, MENINGOCOCCAL POLYSACCHARIDE AND OMV	1.6	0.8
6	44	PEMBROLIZUMAB	1.6	0.2
7	4	IMMUNOGLOBULIN BASE	1.5	2.0
8	3	PALIVIZUMAB	1.5	2.3
9	9	AFLIBERCEPT	1.5	1.2
10	40	NIVOLUMAB	1.4	0.3
Total			25.5	17.2

The top ten ATC groups demonstrated high stability on the Russian pharmacy market, so six of them held their own in the ranking (Table 4). J07 Vaccines (+ 86%) held its previous rank number one, and the groups B05 Plasma substitutes and perfusion solutions (+ 7%), J05 Antivirals for systemic use (-12%), V08 Contrast agents (-0.4 %), J06 Immune sera and immunoglobulins (-8%) and B01 Anticoagulants (-2%) kept their previous ranks four through eight respectively. Due to a 2.6-fold increase in purchases, L01 Antineoplastic agents moved up to rank two, displacing J01 Antibacterials for systemic use (+ 7%) down one rank. The newcomers S01 Ophthalmologicals (+ 50%) and L04 Immunosuppressants (+ 38%) rounding out the top ten showed high growth rates. The total share of the top ten ranking increased by 7.2 p.p. to 75.5%.

Table 4. The top ten ATC groups by hospital purchases

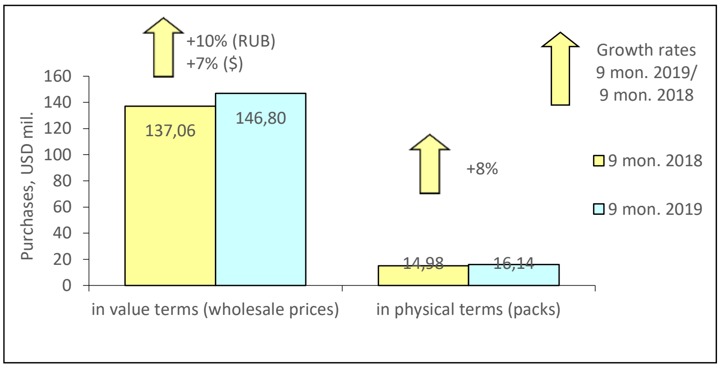
Rank		ATC code	ATC group	Share in total hospital purchases, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	1	J07	VACCINES	21.3	14.9
2	3	L01	ANTINEOPLASTIC AGENTS	18.3	9.1
3	2	J01	ANTIBACTERIALS FOR SYST USE	7.7	9.4
4	4	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	6.4	7.8
5	5	J05	ANTIVIRALS FOR SYSTEMIC USE	4.6	6.8
6	6	V08	CONTRAST MEDIA	4.0	5.2
7	7	J06	IMMUNE SERA & IMMUNOGLOBULIN	3.6	5.0
8	8	B01	ANTITHROMBOTIC AGENTS	3.2	4.3
9	12	S01	OPHTHALMOLOGICALS	3.2	2.8
10	11	L04	IMMUNOSUPPRESSANTS	3.1	2.9
Total				75.5	68.2

Conclusion. Based on the results for January-September of 2019, the Moscow hospital market grew by 30% in rouble terms and by 25% in dollar terms and brought in RUB 20.243 bil. (USD 312.488 mil.). In pack terms, the market also showed negative growth rates (-5%) and achieved 34.020 mil. packs. At the end of nine months of 2019, the average cost of an FPP pack in the Moscow hospital market increased as compared to the same period of the previous year (USD 9.19 vs. USD 6.97).

SAINT PETERSBURG HOSPITAL MARKET: 2019 FIRST NINE MONTHS RESULTS

According to the results of the Budget Audit of FPPs in the Russian Federation (without DLO and regional benefit), based on the results for January-September in 2019, the St. Petersburg hospital market increased by 8% in physical terms and amounted to 16.138 mil. packs. In money terms, the hospital purchases movement was positive both in rouble (+10%) and in dollar (+7%) terms, and the volume amounted to RUB 9.504 bil. (USD 146.797 mil.) at wholesale prices. Based on the results for nine months of 2019, the average cost of OTC pack in the hospitals of Russia was USD 9.10, whereas in the year-earlier period its cost was USD – 9.15.

Figure 1. St. Petersburg hospital market for 9 months of 2018 – 9 months 2019



Following the results for January-September of the current year, the leader of the St. Petersburg hospital market changed: MSD (+ 45%) moved up to rank one from three (Table 1). Despite the negative growth rates, PFIZER (-2%) kept its previous rank two, while BIOCAD (+ 42%) and NOVARTIS (+ 14%) moved up to ranks three and four from seven and sixth. BAYER (+ 33%) and newcomers of the top ten ranking ROCHE (2.5-fold growth in purchases) and BRISTOL MYERS (2.4-fold growth) placed at ranks six and the last two ranks, respectively, also demonstrated positive dynamics and rose in the ranks. PHARMASYNTEZ reduced purchases by 14% and kept its previous rank five, while JOHNSON & JOHNSON (-55%) and ABBVIE (-28%), which showed more pronounced negative growth rates, moved down to ranks seven and eight, respectively. The total share of the top 10 drug manufacturers reduced by 1.5 p.p. to 42.9%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	3	**MSD**	7.1	5.4
2	2	**PFIZER**	5.4	6.0
3	7	BIOCAD RF	5.0	3.9
4	6	**NOVARTIS**	4.8	4.6
5	5	PHARMASYNTEZ	3.7	4.8
6	9	**BAYER**	3.7	3.0
7	1	**JOHNSON & JOHNSON**	3.6	8.7
8	4	**ABBVIE**	3.3	5.1
9	17	**ROCHE**	3.3	1.5
10	18	**BRISTOL MYERS SQU**	3.1	1.4
Total			42.9	44.4

*AIPM members are in bold

Four newcomers broke into the ranks of the top ten brands ranking (Table 2). One of them, OPDIVO (3.1-fold growth in purchases), moved up to rank one. Another three brands, KEYTRUDA (5.4-fold growth in purchases), HERTICAD (+95%) and ULTRAVIST (+67%) moved up to ranks four, six and ten, respectively. On top of that, PREVENAR (+5%) moved up one rank to number two. Due to low growth rates, ISENTRESS (+2%) placed at that rank earlier moved one rank down. SOVIGRIPP (-6%) and KALETRA (-51%) fell in the ranks and showed negative growth rates, moving down to ranks eight and nine. NATRIUM CHLORIDUM (+12%) and TIVICAY (+31%) kept their previous ranks five and seven. The total share of the top ten ranking increased from 14.6% to 16.8%.

Table 2. The top 10 brands by hospital purchases

Rank in the top ten		Brand	Share in total hospital purchases, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	14	OPDIVO	2.3	0.8
2	3	PREVENAR 13	2.1	2.2
3	2	ISENTRESS	2.1	2.3
4	28	KEYTRUDA	1.9	0.4
5	5	NATRIUM CHLORIDUM	1.7	1.7
6	12	HERTICAD	1.6	0.9
7	7	TIVICAY	1.5	1.3
8	6	SOVIGRIPP	1.3	1.5
9	1	KALETRA	1.3	2.8
10	15	ULTRAVIST	1.2	0.8
Total			16.8	14.6

Following the corresponding brand, NIVOLUMAB (3.1-fold growth in purchases) moved up to rank one from sixteen in the top ten INN and grouping names ranking (Table 3). Another two newcomers PEMBROLIZUMAB (5.4-fold growth) and TRASTUZUMAB (+ 71%) moved up to ranks five and seven. Among the remaining INNs, only one more managed to move up a higher rank: INN VACCINE, INFLUENZA (+ 20%) moved up to rank three from five. At the same time, they displaced RALTEGRAVIR (+ 2%) and DOLUTEGRAVIR (+ 31%) one rank down, moving down to ranks four and eight, respectively. In addition, the combination LOPINAVIR*RITONAVIR (-43%) moved down to rank nine from one, due to pronounced negative growth rates. The names VACCINE, PNEUMOCOCCAL (+ 8%), SODIUM (+ 12%) and AFLIBERCEPT (+ 45%) retained their previous ranks two, six and ten. The total share accumulated by the top-ten INNs and grouping names increased from 15.7% to 18.4%.

Table 3. The top 10 INNs and grouping names by hospital purchases

Rank		INNs/Grouping Names	Share in total hospital purchases, %	
9 mon. 2019	9 mon. 2018		9 mon. 2019	9 mon. 2018
1	16	NIVOLUMAB	2.3	0.8
2	2	VACCINE, PNEUMOCOCCAL	2.3	2.4
3	5	VACCINE, INFLUENZA	2.1	1.9
4	3	RALTEGRAVIR	2.1	2.3
5	36	PEMBROLIZUMAB	1.9	0.4
6	6	SODIUM	1.7	1.7
7	11	TRASTUZUMAB	1.6	1.0
8	7	DOLUTEGRAVIR	1.5	1.3
9	1	LOPINAVIR*RITONAVIR	1.5	2.8
10	10	AFLIBERCEPT	1.4	1.1
Total			18.4	15.7

In contrast to the above rankings, the leaders of the top ten ATC groups ranking did not change: L01 Antineoplastic agents (+34%) and J05 Antivirals for systemic use (-16%) as before held the top two ranks (Table 4). Some shifts took place in the lower part of the top ten ranking, whereby six brands rose in the ranks. However, most of them rose in the ranks by one point. The groups J01 Antibacterials for systemic use (+ 27%), B05 Plasma substitutes and perfusion solutions (+ 29%), V08 Contrast media (+ 12%) and B01 Anticoagulants (+ 16%) moved up to ranks three, five, six and nine, respectively. The more dynamic L04 Immunosuppressants (+ 38%) and L02 Endocrine therapy (+ 71%) moved up to ranks seven and eight. On top of that, the latter became the only newcomer of the top ten ranking. The groups J07 Vaccines (-1%) and N01 Anaesthetics (+6%), on the contrary, moved down to the lower ranks four and ten. In total, the top ten ATC groups accumulated 76.9% of the regional market, whereas they accounted for 72.9% in the year-earlier period.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
9 mon. 2019	9 mon. 2018			9 mon. 2019	9 mon. 2018
1	1	L01	ANTINEOPLASTIC AGENTS	29.9	24.6
2	2	J05	ANTIVIRALS FOR SYSTEMIC USE	12.8	16.9
3	4	J01	ANTIBACTERIALS FOR SYST USE	7.1	6.1
4	3	J07	VACCINES	7.0	7.8
5	6	B05	PLASMA SUBSTITUTES AND PERFUSION SOLUTIONS	5.3	4.5
6	7	V08	CONTRAST MEDIA	3.9	3.8
7	9	L04	IMMUNOSUPPRESSANTS	3.1	2.5
8	12	L02	ENDOCRINE THERAPY	2.9	1.9
9	10	B01	ANTITHROMBOTIC AGENTS	2.5	2.4
10	8	N01	ANESTHETICS	2.4	2.5
Total				76.9	72.9

Conclusion. At the end of the first six months of 2019, the St. Petersburg hospital market grew by 10% in rouble terms and by 7% in dollar terms and brought in RUB 9.504 bil. (USD 146.797 mil). In pack terms, the market also showed positive growth rates (+8%) and amounted to 16.138 mil. packs. Following the results for January-September of 2019, the average cost of an FPP pack in the city hospital sector was slightly lower than that in the year-earlier period (USD 9.10 vs. USD 9.15).