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

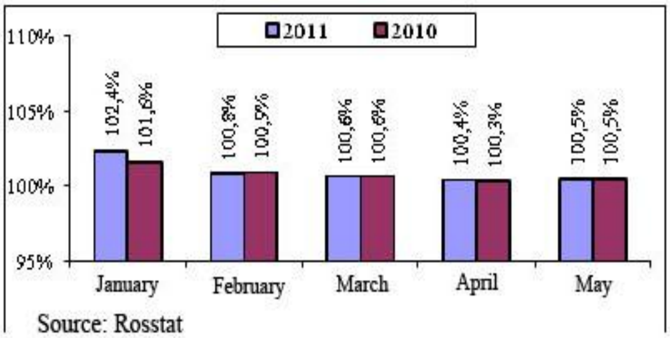
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in May 2011, compared to the previous month, the Consumer Price Index was estimated as 100.5%. For the period from start of the year, it escalated to 104.8% (in January-May 2010 – 104.0%).

In May 2011 compared with April 2011, Industrial Producer Price Index was 102.0%, whereas a month ago -102%. In January-May, it accounted for 110.4% (during the same period a year ago – 108.9%).

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



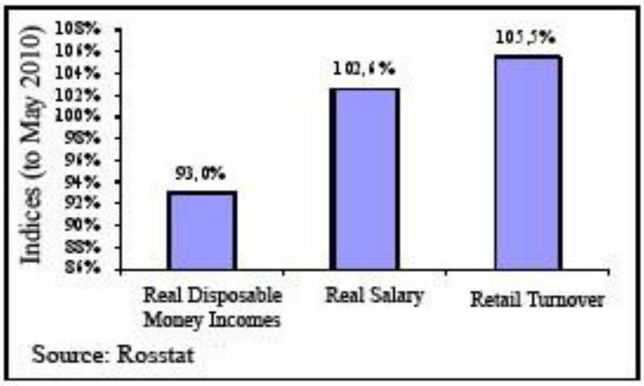
Living standard

According to preliminary Federal State Statistics Service's data, in May 2011 a gross monthly average salary per worker reached RUR 22,520 (USD 802.28) which accounts for 112.5% compared to May 2010. The real salary in May 2011 accounted for 102.6% as compared with the same period in 2010. In May 2011, the real value of cash incomes accounted for 93.0% as compared with the relevant period of last year (Fig. 2).

Retail turnover

In May 2011 the retail turnover was equal to RUR 1,525.4 bln, which in stock accounts for 105.5% as compared to the same period a year ago (Fig. 2).

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



Manufacture of industrial products

According to Federal State Statistics Service's data, in May 2011 Industrial Production Index accounted for 104.1% compared to the same period in 2010, and in January-May 2011 – 105.2%.

Domestic production

The Top-10 domestic manufacturers by production volume at May-end 2011 are shown in Table 1. The total production volume by Top-ten manufacturers was estimated as USD 190.7 mln.

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

Rating position	Manufacturer	Production volume, $mln
1	Pharmstandart	72,1
2	Stada	24,3
3	Microgen	17,6
4	Pharm-Center	14,4
5	Veropharm	13,0
6	Akrihin	12,3
7	Valenta	10,5
8	Moskhimpharmpreparaty	9,4
9	Biosintez	9,2
10	Sotex	8,5

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In April 2011, pharmacy sales showed positive growth in only three regions of RF – Novosibirskaya Oblast (+0.1%), Tatarstan (+9%) and Tyumen (+4%). In seven regions OTC drug sales reduced, the most pronounced reduction was seen in Perm (-47%).

Table 2. Pharmacy sales in the regions, 2011

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	February 2011	March 2011	April 2011	February/ January 2011	March/ February 2011	April/ March 2011
Moscow city	158,0	171,7	166,1	7%	7%	-3%
St. Petersburg city	46,2	47,0	43,1	19%	0,0%	-8%
Krasnodarsky Kray	27,5	28,1	27,8	8%	0,2%	-1%
Novosibirskaya Oblast	20,8	21,3	21,3	-18%	0,4%	0,1%
Republic of Tatarstan	22,8	23,1	25,2	-11%	-1%	9%
Krasnoyarsky Kray	16,9	17,4	15,5	10%	1%	-11%
Rostovskaya Oblast	21,0	22,7	19,7	8%	6%	-13%
Voronezhskaya Oblast	16,3	17,5	16,3	8%	5%	-7%
Perm city	6,7	12,3	6,6	10%	80%	-47%
Tyumen city	7,0	6,3	6,6	18%	-11%	4%

Advertising

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

Table 3. Top five advertisers in mass media in May 2011

Rating position	Company*	Quantity of broadcasts
1	Novartis	5 985
2	Berlin-Chemie/Menarini Group	3 870
3	Sanofi Aventis	3 144
4	GlaxoSmithKline	2 136
5	Bayer AG	2 052

Source – TNS Gallup AdFact

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

Rating position	Trade name*	Quantity of broadcasts
1	Nurofen	1 555
2	Evalar	1 454
3	Essentiale	1 354
4	Voltaren	1 280
5	Tavegil	1 262

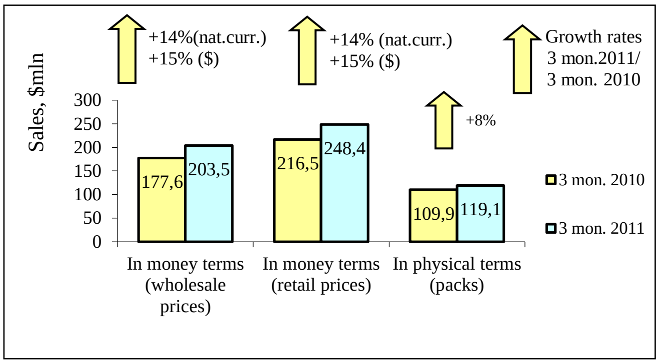
Source – TNS Gallup AdFact

* Only products registered with State Register of Medicines were considered

KAZAKHSTAN PHARMACY MARKET: 2011 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of Over-the-Counter (OTC) drugs in Kazakhstan™, at the end of first quarter 2011, the retail over-the-counter drugs market in physical terms saw a 8% increase to 119,145 mln packs. In money terms (exclusive of Additional Pharmacological Support) the country market saw a 14% increase in terms of Kazakhstan Tenge (15% in terms of dollars) compared with the same period of last year. In wholesale prices the market achieved USD 203.528 mln (Tenge 29.801 bln), in retail prices – USD 248.421 mln (Tenge 36.374 bln) (Fig.1). The average retail cost of a pack is USD 2.09, whereas in the year-earlier period its cost was USD 1.97. Following the results of three months of 2011, the level of OTC drugs consumption per capita was USD 15.11 (in Q1, 2010 - USD 13.36).

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



18% of OTC drugs sold in pharmacies of Kazakhstan in QI, 2011, were produced in Germany. Though the share of German preparations reduced by 2 p.p. as compared to the same period of the past year, they continue to lead with dramatic breakaway. The Russian pharmaceutical products' share in the region makes up 7% and takes the second position. Products made in India and USA account for six percent of the market each. Drugs made in Kazakhstan accumulate 5% share of the pharmacy market each, alongside with OTC drugs from Denmark, France and Slovenia.

At the end of the first quarter of 2011 the first six companies in the Top-10 manufacturers rating in the pharmacy market of Kazakhstan maintained their earlier positions (table 1). It should be noted that five of them (apart from Teva) lagged behind the market average which resulted in the reduction of their market shares. However, the shares of these manufacturers continued to remain high enough. As before, the drugs produced by Unidentified pharmaceutical manufacturers accounted for almost seven percent of the market. The second position was retained by Novartis (+13%[1]), which share accounted for 6.5% of pharmacy sales. Sanofi-Aventis (+11%) placed on the third position accumulates almost six percent of the market. Nycomed (+11%) and TEVA (+16%) accounted for almost 5% each, whereas Bayer preparations (+9%) make up 4.3% of the pharmacy market. GlaxoSmithKline (+41%) expanded its market share by more than 0.5 p.p. which allowed it to move up to 7th positions and became the only newcomer of the rating. At the same time, Berlin-Chemie (-1%) and Solvay (-5%) reduced their sales and moved down the row to 8th to 10th position respectively. The total share accumulated by the Top-ten INN names reduced from 45.4% to 44.1%.

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	Unidentified manuf.	6,6	7,0
2	2	**Novartis (inc. Lek-Sandoz)**	6,5	6,6
3	3	**Sanofi-Aventis**	5,7	5,9
4	4	**Nycomed**	4,8	5,0
5	5	**TEVA**	4,7	4,7
6	6	**Bayer Healthcare (inc. Bayer Schering Pharma AG)**	4,3	4,5
7	11	**GlaxoSmithKline**	3,1	2,5
8	7	**Berlin-Chemie/ Menarini Pharma GmbH**	3,0	3,5
9	9	**Gedeon Richter**	2,6	2,8
10	8	Solvay Pharmaceuticals	2,6	3,1
Total			44,1	45,4

*AIPM members are in bold

The first three leaders in the Top-10 trade names rating remained unchanged – as before Actovegin (+27%), Theraflu Flu and Sore Throat (+40%) and Essentiale N (+10%) occupies the first through third positions (table 2). Meanwhile, the higher sales rates of Theraflu Flu and Cold allowed the trade name to move up to 2nd position displacing the hepatoprotector to 3rd position. Among the other trade names of the rating, only one Linex (-10%) moved down to lower 8th position, whereas the other six names showed a rating progress. Cefazolin (+29%), Sumamed (+26%), Viferon (+20%) and No-Spa (+18%) moved up three rows to 4th through 6th and 10th positions respectively. Ambrobene (+41%) and Lasolvan (+34%) which moved up from 16th to 7th position and from 19th to 9th position respectively showed the more pronounced progress.

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	Actovegin	1,7	1,5
2	3	Theraflu Flu and Cold	1,1	0,9
3	2	Essentiale N	1,0	1,0
4	7	Cefazolin	0,9	0,8
5	8	Sumamed	0,7	0,7
6	9	Viferon	0,7	0,6
7	16	Ambrobene	0,7	0,5
8	5	Linex	0,6	0,8
9	19	Lasolvan	0,6	0,5
10	13	No-Spa	0,6	0,6
Total			8,5	7,8

Only one newcomer appeared in the Top-10 INN and generic names rating - Ceftriaxone which sales increased 1.6 times moved up from 13th to 6th position (table 3). The markets of Ambroxol and Paracetamol+ Pheniramine+ Phenylephrine+ Ascorbic Acid also developed at a fast pace—the sales growth accounted for 1.4 times each. This allowed them to move up to 2nd and 5th positions respectively. On the contrary, Pancreatin (-12%), Diclofenac (+15%), Fluconazole (+13%) and Phospholipids (+12%) moved down two rows and occupied up 4th and 8th through 10th positions respectively. Three INNs – preparations of unidentified composition, Polyvitamin + Multimineral and INN Azithromycin - managed to maintain 1st, 3rd and 7th positions.

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	Unidentified	13,5	13,1
2	4	Ambroxol	1,7	1,4
3	3	Polyvitamin+Multimineral	1,5	1,7
4	2	Pancreatin	1,4	1,8
5	10	Paracetamol+ Pheniramine+ Phenylephrine+ Ascorbic Acid	1,2	1,0
6	13	Ceftriaxone	1,2	0,8
7	7	Azithromycin	1,1	1,1
8	6	Diclofenac	1,1	1,1
9	8	Fluconazole	1,0	1,0
10	9	Phospholipids	1,0	1,0
Total			24,7	23,9

The Top ten ATC groups rating didn't change compared to the previous Top-10 ratings (table 4). Apart from that, seven of the ATC groups managed to retain their positions unchanged: J01, R05, N02, A11 and M01 placed on the first five positions, as well as R01 and G04 which maintained their 7th and 8th positions. L03 Immunostimulants (+22%) and A05 Bile and liver therapy (+16%) occupied the higher positions by moving up to 6th and 9th positions respectively. G03 Sex hormones (-3%) which used to occupy the sixth position reduced their sales and moved down to the bottom position of the Top-10. The total share of the analyzed top ten as well as of the two previous ratings increased and reached 48.2%.

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	1	J01	ANTIBACTERIALS FOR SYSTEMIC USE	10,8	9,9
2	2	R05	COUGH AND COLD PREPARATIONS	6,5	5,5
3	3	N02	ANALGESICS	6,2	5,4
4	4	A11	VITAMINS	4,3	4,6
5	5	M01	ANTIINFLAMMATORY AND ANTIRHEUMAUTIC PRODUCTS	3,8	3,7
6	9	L03	IMMUNOSTIMULANTS	3,6	3,4
7	7	R01	NASAL PREPARATIONS	3,4	3,6
8	8	G04	UROLOGICALS	3,2	3,4
9	10	A05	BILE AND LIVER THERAPY	3,2	3,1
10	6	G03	SEX HORMONES	3,1	3,6
Total				48,2	46,1

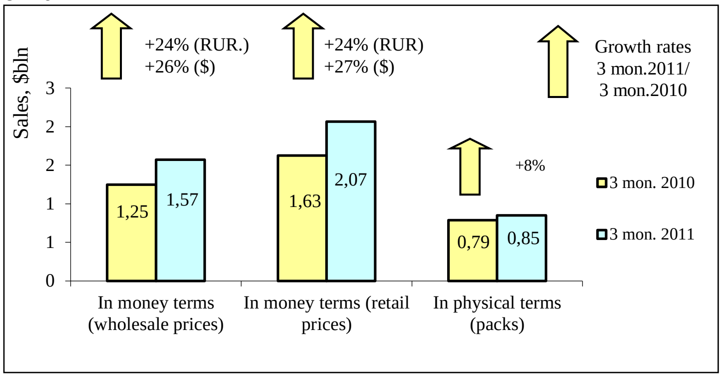
Conclusion. At the end of Q1, 2011, Kazakhstan retail market grew by 14% in national currency terms and by 15% in dollar terms and brought in USD 248.421 mln (Tenge 36.374 bln). In pack terms the market showed the positive growth rates as well (+8%). At the end of three months of 2011, both the average cost of a pack and the level of OTC drugs consumption by residents of the country have increased (USD 2.09 vs. USD 1.97 and USD 15.11 vs. USD 13.36).

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

PHARMACY OTC MARKET IN RUSSIA: 2011 FIRST 3 MONTHS RESULTS

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 sales of over-the-counter drugs in pharmacies of Russia in physical terms saw a 8% increase to 850.331 mln packs. In money terms, the regional OTC drugs market saw a 24% increase in rouble terms and 26% in dollar terms and reached RUR 45.990 bln (USD 1.572 bln) in wholesale prices (Fig.1). The over-the-counter drugs share accounts for 52% of all pharmacy sales in Russia. The average cost of an OTC pack grew as compared to the same period of the previous year (USD 2.06) and reached USD 2.43 in retail prices. The average Russian consumer spent USD 14.45 for over-the-counter drugs in the first three months of 2011, whereas in the same period of 2010 - USD 11.38).

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



On the basis of the results for three months period of 2011, the rating of the ten-top manufacturers ranked by OTC pharmaceutical sales was topped by PHARMSTANDART and SANOFI-AVENTIS (table 1). Due to a 37% sales increase, the Russian manufacturer managed to expand its market share by almost 1p.p. and seal the win. At the same time, the sales rates of the French company lagged behind the market average which resulted in the reduction of its share from 5.9% to 5.5%. BAYER (+21%) placed on 4th position also managed to maintain its position unchanged. It should be noted that apart from the leader another four manufacturers' markets developed at a fast pace. They were SANDOZ which increased its sales 1.5 times, as well as STADA (+36%), RECKITT BENCKISER (+30%) and the only newcomer of Top-10 NYCOMED (+36%). All these companies improved their rating positions by moving up to the seventh, eighth and tenth positions respectively. There manufacturers with relatively low sales rates (MENARINI, NOVARTIS and TEVA), on the contrary, moved down to the lower rating positions.

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	PHARMSTANDART	10,8	9,8
2	2	**SANOFI-AVENTIS**	5,5	5,9
3	6	**SANDOZ GROUP**	5,1	4,1
4	4	**BAYER HEALTHCARE**	4,4	4,4
5	3	**MENARINI**	4,2	4,6
6	5	**NOVARTIS**	3,8	4,4
7	8	**STADA**	3,0	2,8
8	9	**RECKITT BENCKISER**	2,8	2,6
9	7	**TEVA**	2,7	3,1
10	11	**NYCOMED**	2,6	2,3
Total			44,8	44,0

*AIPM members are in bold

Structural changes took place in the Top-ten trade names rating in the OTC market – two newcomers appeared and numerous shifts took place in the rating (table 2). However, ARBIDOL (+61%) and ESSENTIALE N (+13%) which topped the rating managed to maintain their positions and the former strengthened its leadership. Owing to low growth rates, LINEX (+10%) which used to occupy the third position moved down two rows allowing more dynamic drugs OCILLOCOCCINUM (+39%) and ANAFERON (+30%) to move up. Apart from that, the lower 7th and 9th positions were occupied by THERAFLU (+23%) and MEZYM FORTE (+3%). SILDENAFIL (+83%), on the contrary, moved up two positions to 6th position. The newcomers of the rating showed even more pronounced rating progress – ACC (2.1-fold increase in sales) and ANTIGRIPPIN MAXIMUS (5.5-fold increase in sales) - moved up from 14th to 8th and from 129th to 10th positions respectively.

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	4,8	3,7
2	2	ESSENTIALE N	1,8	2,0
3	4	OCILLOCOCCINUM	1,5	1,3
4	5	ANAFERON	1,4	1,3
5	3	LINEX	1,4	1,5
6	9	LASOLVAN	1,3	0,9
7	6	THERAFLU	1,3	1,2
8	14	ACC	1,2	0,7
9	7	MEZYM FORTE	1,0	1,2
10	129	ANTIGRIPPIN MAXIMU	1,0	0,2
Total			16,5	14,0

The composition of Top-ten INN and generic names rating didn't change (table 3). However, only two INNs of the Top-10 rating retained their earlier positions. They were the rating leader ARBIDOL (+61%) and the combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+35%) placed on 5th position. Five INNs improved their rating positions. PANCREATIN (+12%), IBUPROFEN (+29%), ANAS BARBARIAE (+40%) and INTERFERON GAMMA and NATURAL (+30%) that occupied 2nd and 7th through 9th positions respectively moved up the row. AMBROXOL, which sales increased 1.7 times, moved up considerably from 7th to 4th position. In contrast, reduction in sales was showed by XYLOMETAZOLINE (-8%) and LACTOBACILLUS ACIDOPHILUS (-7%) which moved down to the third and tenth positions.

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	4,8	3,7
2	3	PANCREATIN	2,2	2,5
3	2	XYLOMETAZOLINE	2,2	3,0
4	7	AMBROXOL	2,1	1,6
5	5	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	2,1	1,9
6	4	PHOSPHOLIPIDS	2,0	2,1
7	8	IBUPROFEN	1,5	1,5
8	9	ANAS BARBARIAE	1,5	1,3
9	10	INTERFERON GAMMA, NATURAL	1,4	1,3
10	6	LACTOBACILLUS ACIDOPHILUS	1,3	1,8
Total			21,1	20,6

N02 Analgesics (+23%) remains the best-selling over-the-counter drug in the Russian market (Table 4). The most dynamic group of the rating R05 Cough and cold preparations, which sales increased 1.8 times, moved up from to the second position from the fifth one. A11 Vitamins (+14%), which used to occupy that position earlier, moved down to 4th position allowing R01 Nasal preparations (+10%) to move down as well. Two more shifts took place in the Top-10 rating. More dynamic J05 Antivirals for systemic use (+75%) moved up from 7th to 6th position displacing A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+5%) down the row. The newcomer R02 Throat preparations (+34%) moved to the ninth position of the rating. M02 which used to occupy that position earlier moved down to the bottom position. Note that the summary shares of all ratings including the last one increased – the total share of Top ten pharmaceutical groups grew by 2 p.p. and achieved 57.5%.

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

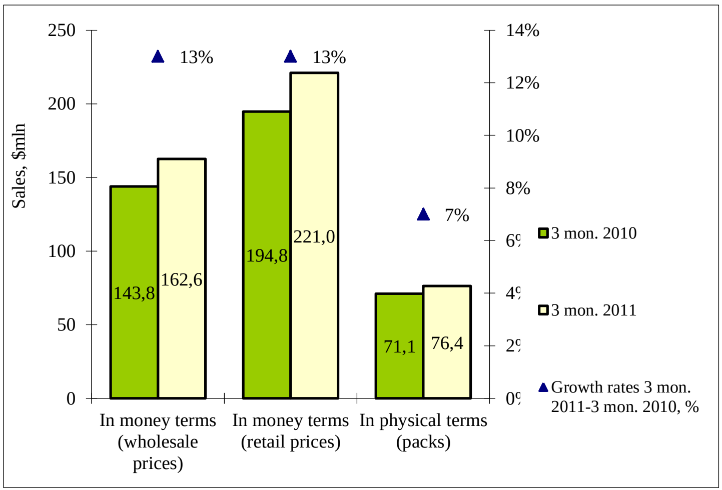
Rating position		ATC code	ATC Group	Share in total pharmacy sales, %	
3 mon 2011	3 mon 2010			3 mon 2011	3 mon 2010
1	1	N02	ANALGESICS	9,7	9,8
2	5	R05	COUGH AND COLD PREPARATIONS	9,5	6,5
3	3		Unidentified	6,7	6,8
4	2	A11	VITAMINS	6,5	7,1
5	4	R01	NASAL PREPARATIONS	6,1	6,8
6	7	J05	ANTIVIRALS FOR SYSTEMIC USE	5,7	4,0
7	6	A07	INTESTINAL ANTIINFECTIVES	4,4	5,2
8	8	A05	BILE AND LIVER THERAPY	3,3	3,5
9	13	R02	THROAT PREPARATIONS	2,9	2,7
10	9	M02	TOP PROD JOINT& MUSCULAR PAIN	2,7	3,0
Total				57,5	55,5

Conclusion. The OTC market at Q1-end 2011 brought in RUR 60.416 bln (USD 2.065 bln) in retail prices. The market saw a 24% increase in terms of roubles and 27% in terms of dollars. The country market in physical terms also showed the positive, but less pronounced growth rates (+8%) and reached 850.331 bln packs. The average cost of an OTC pack at the end of three months was notably more than the same indicator in the past year (USD 2.43 vs. USD 2.06). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 14.45 vs. USD 11.38).

RUSSIAN BIOLIGICALLY ACTIVE ADDITIVE (BAA) MARKET: 2011 FIRST 3 MONTHS RESULTS

According to the results of the Retail Audit of BAA in Russian Federation™, at the end of Q1, 2011, the BAA pharmacy sales in Russia brought in 4.749 billion roubles (USD 162.612 million) in wholesale prices and 6.454 bln roubles (USD 221.025 mln) in retail prices (Fig.1). As compared to the same period of past year, the market saw a 11% decrease in terms of roubles, and 13% increase in terms of dollars. In physical terms the BAA sales also increased (+7%) to 76.353 mln packs. In Q1, 2011, the average retail cost of a BAA pack was USD 2.89, whereas in a year-earlier period – USD 2.74. It should be noted that the average cost of an OTC pack (USD 3.39) is notably higher than that of a BAA pack. The average sum spent by residents of Russia for purchase of BAA amounted to USD 1.55 (in Q1, 2010 - USD 1.36).

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



At the end of three months of 2011, EVALAR continued to remain the leader of BAA market (Table 1). Despite the delay in growth rates (+4%) and reduction of share presence, the company continued to top the rating with a dramatic breakaway – its market share accounts for 23.5% of BAA sales, whereas AKVION (-2%) which maintained its second position accounts for only 6.2% of the market. VIS, which sales increased 1.6 times and the market share grew up to 4.6%, moved up to the third position from the fifth one. DIOD (-14%) and FERROSAN (+8%) moved down the row and occupied 4th and 5th positions respectively. The sixth and tenth positions of Top-10 were occupied by the newcomers - STI-MED-SORB (+78%) and NATUR PRODUCT (+23%). PHARMA-MED CANADA (+28%) and PHARMSTANDART (+24%) moved up the row to 7th and 9th positions respectively. The BAA manufacturer EKOMIR (+6%) which had low sales rates in the analyzed period moved down two rows in the rating and occupied 8th position. The total share accumulated by the Ten top BAA manufacturers increased from 54.1% to 53.3%.

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	EVALAR	23,5	25,1
2	2	AKVION,RF	6,2	7,0
3	5	VIS	4,6	3,3
4	3	DIOD	4,2	5,4
5	4	**FERROSAN**	4,1	4,2
6	13	STI-MED-SORB RF	2,5	1,6
7	8	PHARMA-MED CANADA	2,2	1,9
8	6	EKOMIR	2,0	2,1
9	10	PHARMSTANDART	2,0	1,8
10	12	NATUR PRODUCT	1,9	1,7
Total			53,3	54,1

*AIPM members are in bold

The rating of the Top-Ten trade names experienced considerable transformation (table 2). Due to sales growth 1.8 times SEALEX FORTE moved up from the third position to the first one and became its leader. FITOLAX (sales increased 1.7 times) moved up to the second position from the fourth one. The markets of the other two trade names developed at a fast pace: the sales of BAA LACTOFILTRUM increased 1.8 times, and those of CI-CLIM – 1.9 times, which allowed the trade names to move up to 3rd and 5th positions respectively. On top of that, the latter became one of the newcomers of the rating. Except for CI-CLIM, HAEMATOGEN RUSS (+10%) and TURBOSLIM CLEANING (+15%) entered the Top-10 for the first time and occupied the eighth and tenth positions. Four BAAs - OVESOL (-20%), LEONURI FORTE (-3%), ALFAVIT (-5%) and MYRTILLUS FORTE (-2%) – showed the negative sales rates. The former two moved down to the lower rating positions, the fourth and the sixth one, and the latter two maintained their 7th and 9th positions respectively. Note that the total share of Top-ten trade names increased by 2.6 p.p. and achieved 18.7%.

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	3	SEALEX FORTE	3,2	1,9
2	4	FITOLAX	2,8	1,8
3	8	LACTOFILTRUM	2,5	1,5
4	1	OVESOL	1,8	2,5
5	19	CI-CLIM	1,6	0,9
6	5	LEONURI FORTE	1,5	1,7
7	7	ALFAVIT	1,4	1,6
8	12	HAEMATOGEN RUSS	1,3	1,3
9	9	MYRTILLUS FORTE	1,3	1,5
10	14	TURBOSLIM CLEANING	1,3	1,3
Total			18,7	16,1

Numerous changes took place in the Top 10 INN and generic names rating (table 3). Only one of INNs managed to maintain the position occupied earlier – as before BAAs of unidentified composition topped the Top-10 rating. The combination GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS which demonstrated the highest growth rates (1.8-fold increase in sales) showed the largest sales and moved up from 5th to 2nd position. On top of that, the less dynamic combination ASCORBIC ACID + BIOTIN + CALCIUM (+4%) moved down to the third position. Note that apart from it, two more INNs of Top-10 moved down to the lower positions. Those were AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA (-20%) and PYRIDOXINE + LEONURUS SIBIRICUS (-3%) placed on 7th and 9th positions. The other INNs showed a rating progress including the newcomers of Top-10 – the combination DEXPANTHENOL + DIOSCOREA VILLOSA + HYALURONIC ACID (+93%) and INDOLE-3-CARBINOL (+4%) that occupied 8th and 10th positions respectively. The total share of Top-ten rating increased by almost 3 p.p. and achieved 25.2%.

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	1	Unidentified	5,5	5,6
2	5	GLYCYRRHIZA GLABRA + PANAX GINSENG + SERENOA REPENS	3,2	1,9
3	2	ASCORBIC ACID + BIOTIN + CALCIUM	3,1	3,3
4	6	FOENICULUM VULGARE + LAMINARIA DIGITATA + PLANTAGO MAJOR	2,5	1,7
5	10	LACTULOSE + LIGNIN	2,5	1,5
6	9	ASCORBIC ACID	2,2	1,6
7	4	AVENA SATIVA + BUPLEURUM FALCATUM + CURCUMA LONGA	1,8	2,5
8	25	DEXPANTHENOL + DIOSCOREA VILLOSA + HYALURONIC ACID	1,6	0,9
9	7	PYRIDOXINE + LEONURUS SIBIRICUS	1,5	1,7
10	13	INDOLE-3-CARBINOL	1,3	1,4
Total			25,2	22,3

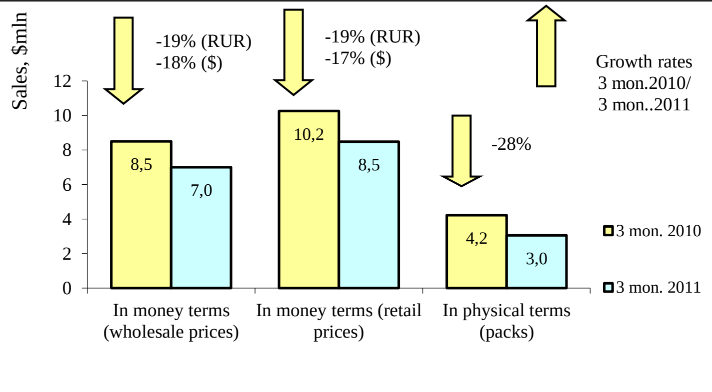
Conclusion. Following the results of three months of 2011, BAA sales in pharmacies increased by 7% in natural terms showing the positive sales rates in money terms: +11% in terms of roubles and +13% in terms of dollars. The BAA market brought in Roubles 6.454 bln (USD 221.025 mln) in final consumer prices and accounted for 76.353 mln packs. The average retail cost of a BAA pack (USD 2.89 vs. USD 2.74) and moneys spent by residents on the purchase thereof (USD 1.55 vs. USD 1.36) slightly increased as compared to the past year. As the analyzed ratings show, BAA market suffered considerable structural changes; however EVALAR continues to remain practically unreachable dominant company of the market.

TVER PHARMACY MARKET: 2011 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Tverskaya Oblast was estimated as 1.350 mln, which makes 0.9% of the total Russian Federation population and 3.5% of Central FO (CFO). According to Federal State Statistics Service's data, in January-March 2011 the average salary in the region was RUR 15,591.3 (USD 537.5), which is 27% lower 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 Tver pharmacy market volume reduced by 28% in physical terms and amounted to 3.048 million packs (Fig. 1) In wholesale prices the market also reduced: 19% in roubles and by 18% in dollars and reached 204.664 million roubles (USD 6.992 million). The Tver share in the total volume of all-Russia pharmacy market accounts for 0.2%. The average cost of OTC pack following the results of the analyzed period is USD 2.78 (in the same period of 2010 - USD 2.43). In Q1 of the current year, per capita expenses of Tver residents for purchase of medicines in pharmacies amounted to USD 20.64.

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



Following the results of three months of 2011, one newcomer appeared in the Top-ten manufacturers rating as compared to the same period of last year (table 1). SANDOZ (+5%), the only company in Top-10 which showed the positive growth rates, moved up from 11th to 8th position. The other manufacturers of the rating reduced their sales. SANOFI-AVENTIS (-29%), SERVIER (-28%), NOVARTIS (-25%) and KRKA (-39%) showed the most pronounced negative sales growth rates. That resulted in the loss of their positions – the manufacturers moved down to lower 3rd, 7th, 9th and 10th positions respectively. At the same time the higher positions were occupied by three (apart from a newcomer) manufacturers of Top-10: MENARINI (-23%), GEDEON RICHTER (-22%) and BAYER (-12%), which moved up to the second, sixth and seventh positions respectively. Two companies Russian PHARMSTANDART (-7%) and Swiss NYCOMED (-15%) managed to maintain their earlier the first and fourth positions respectively. The total share accumulated by the Top-10 manufacturers increased by 0.5 p.p. and accounted for 39.5%.

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	PHARMSTANDART	6,6	5,8
2	3	**MENARINI**	4,6	4,9
3	2	**SANOFI-AVENTIS**	4,6	5,2
4	4	**NYCOMED**	4,2	4,0
5	6	**GEDEON RICHTER**	3,6	3,8
6	9	**BAYER HEALTHCARE**	3,5	3,2
7	5	**SERVIER**	3,5	3,9
8	11	**SANDOZ GROUP**	3,2	2,5
9	8	**NOVARTIS**	3,1	3,3
10	7	**KRKA**	2,6	3,4
Total			39,5	40,0

*AIPM members are in bold

Three drug newcomers entered the rating of the Top-10 trade names (table 2). The newcomer of Top-10, Antiviral INGAVIRIN showed the 3-fold increase in sales and occupied the third position. The growth rates of two other newcomers of the rating, ACC (+54%) и ANAFERON (+11%), was less pronounced; however, they allowed it to move up to 8th and 9th positions respectively. NIMESIL (+10%) and MEXIDOL (-11%) also moved up to the higher 4th and 6th positions. Three preparations (THERAFLU, ESSENTIALE N and CONCOR) considerably reduced their sales and move down to 5th, 7th and 10th positions. ARBIDOL (+29%) and ACTOVEGIN (-2%) retained their leading positions in the rating. The total share of Top 10 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	2,6	1,6
2	2	ACTOVEGIN	1,2	1,0
3	66	INGAVIRIN	0,9	0,3
4	7	NIMESIL	0,9	0,7
5	4	THERAFLU	0,7	0,9
6	10	MEXIDOL	0,7	0,7
7	5	ESSENTIALE N	0,7	0,8
8	34	ACC	0,7	0,4
9	22	ANAFERON	0,7	0,5
10	3	CONCOR	0,7	0,9
Total			9,9	7,7

ARBIDOL (+29%) continues to remain the leader of the Top-10 INN and generic names rating (table 3). Apart from it, one more newcomer maintained its position – as before INN AZITHROMYCIN (-22%) keeps its eighth position. Three INNs of the rating (XYLOMETAZOLINE, BISOPROLOL and PANCREATIN) moved down to the lower positions, whereas the other five, on the contrary, showed a rating progress. NIMESULIDE (-0.3%) moved up from 4th position to 2nd one, BLOOD (-7%) moved up from 7th position to 3rd one and the combination PARACETAMOL + ASCOR-BIC ACID + PHENIRAMINE (-20%) – from 5th position to 4th one. The newcomers AMBROXOL (-5%) and IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID which sales grew 3.1 occupied two bottom positions in 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	1,6
2	4	NIMESULIDE	1,6	1,3
3	7	BLOOD	1,3	1,1
4	5	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,2	1,3
5	2	XYLOMETAZOLINE	1,2	1,6
6	3	BISOPROLOL	1,1	1,4
7	6	PANCREATIN	1,0	1,1
8	8	AZITHROMYCIN	1,0	1,1
9	11	AMBROXOL	1,0	0,9
10	98	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0,9	0,3
Total			13,0	11,6

Despite of 22% reduction of the market share, N02 Analgesics continues to remain the leader of the Ten-top ATC group rating (table 4) R05 Cough and cold preparations (+1%) moved up from the fourth position to the second one, and J01 Antibacterials for systemic use (-14%) which used to occupy that position moved down to 4th position. The third position was maintained by M01 Aniinflammatory and antirheumatic products (-10%). The fifth and tenth positions were occupied by the newcomers of the rating – J05 Antivirals for systemic use (+57%) and G03 Sex hormones (-12%). The preparations of unidentified pharmaceutical groups and A11 Vitamins (-13%) moved up the row to 6th and 7th positions respectively. Concurrently with this, two groups (R01 and C09) moved down to much lower 8th and 9th positions. The cumulative share of Top-ten increased by almost 3 p.p. and achieved 42.7%.

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	1	N02	ANALGESICS	5,6	5,8
2	4	R05	COUGH AND COLD PREPARATIONS	5,5	4,3
3	3	M01	ANTIINFLAM & ANTIRHEUM PROD	5,2	4,7
4	2	J01	ANTIBACTERIALS FOR SYST USE	5,0	4,7
5	16	J05	ANTIVIRALS FOR SYSTEMIC USE	4,3	2,2
6	7		Unidentified	3,8	3,6
7	8	A11	VITAMINS	3,7	3,4
8	6	R01	NASAL PREPARATIONS	3,5	4,1
9	5	C09	AG ACT RENIN-ANGIOTENS SYST	3,2	4,3
10	11	G03	SEX HORM&MODULAT GENITAL SYS	3,0	2,7
Total				42,7	39,9

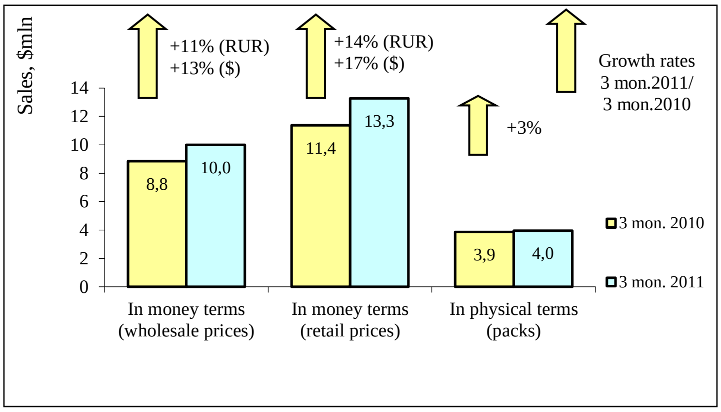
Conclusion. The Tver pharmacy market in the first three months to end March 2011 brought in 248.017 million roubles (USD 8.473 million) in final consumption prices, which is 19% in terms of roubles and 17% in terms of dollars less as compared to the past year. In pack terms the market also showed the pronounced negative growth rates (-28%). The average cost of an OTC pack in the pharmacies increased as compared to the previous year (USD 2.78 vs. USD 2.43).

SMOLENSK PHARMACY MARKET: 2011 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Smolenskaya Oblast was estimated as 982.8 mln, which makes 0.7% of the total Russian Federation population and 2.6% of Central FO (CFO). According to Federal State Statistics Service's data, in January-March 2011 the average salary in the region was RUR 14,776.4 (USD 509.36), which is 31% lower 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. Smolensk pharmacy market in physical terms increased by 3% and made up 3.962 million packs. In money terms, St Petersburg market increased by 11% in rouble terms and 13% in dollar terms and made up 292.054 million roubles (9.997 million dollars) in wholesale prices (exclusive of Additional Pharmacological Support). The city share in the total volume of Russian pharmacy market accounts for 0.3%. The average cost of a pack in Q I, 2011 was USD 3.35 (in the same period of 2010 - USD 2.95). The average per capita expenses of Smolensk residents for purchase of OTC drugs in the first quarter of 2011 were estimated as USD 42.19

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



Following the results of the first quarter of 2011, the Russian company PHARMSTANDART (+32%) demonstrating one of the highest growth rates in Top-10 retained the top position in the Smolensk pharmacy market due to +32% sales gains (Fig.1). The market of the French company SANDOZ (+34%) developed at yet faster pace which allowed the manufacturer to improve its rating position by two positions. and occupied 6th position. The other two companies also showed a rating progress. NYCOMED (+19%) moved up the row to 2nd position, whereas the less dynamic STADA (+28%) moved up from 13th position to 10th one. It should be noted that half of manufacturers from Top-10 including the above mentioned leader managed to maintain their positions intact. Only two companies - SERVIER (-4%) and BAYER (+1%) – moved down to 3rd and 8th positions.

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	PHARMSTANDART	6,8	5,6
2	3	**NYCOMED**	5,2	4,9
3	2	**SERVIER**	4,7	5,4
4	4	**SANOFI-AVENTIS**	4,6	4,8
5	5	**GEDEON RICHTER**	4,4	4,3
6	8	**SANDOZ GROUP**	4,2	3,5
7	7	**MENARINI**	3,9	4,0
8	6	**BAYER HEALTHCARE**	3,7	4,0
9	9	**TEVA**	2,7	3,0
10	13	**STADA**	2,6	2,2
Total			42,7	41,7

*AIPM members are in bold

The rating of the Top-Ten trade names experienced more considerable transformations (table 2). Only two preparations – the leaders of Top-10 ARBIDOL (+66%) and ACTOVEGIN (+15%) – maintained their positions unchanged. Another two names moved down to the lower positions: CONCOR (+3%) moved down from 3rd to 4th position and ESSENTIALE N (-17%) moved down from 5th to 10th position. The other trade names of the analyzed rating including three newcomers improved their rating positions: PANANGIN and ANAFERON (+43% each), as well as CARDIOMAGNYL (1.8-fold increase in sales) placed on 6th, 7th and 9th positions respectively.

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	1,7
2	2	ACTOVEGIN	1,4	1,4
3	4	VIAGRA	1,0	1,0
4	3	CONCOR	1,0	1,1
5	6	MEXIDOL	0,9	0,9
6	14	PANANGIN	0,8	0,6
7	15	ANAFERON	0,7	0,6
8	10	SUMAMED	0,7	0,6
9	26	CARDIOMAGNYL	0,7	0,4
10	5	ESSENTIALE N	0,7	0,9
Total			10,5	9,2

Only one newcomer appeared in the Top-10 INN and generic names rating – the combination AMOXICILLIN + CLAVULANIC ACID which sales increased one fourth – moved up from 14th to 10th position (table 3). However, another three INNs of Top-10 managed to improve their rating positions. Due to sales growth one third, AZITHROMYCIN moved up to 4th position from 7th one, EMOXIPIN (+15%) moved up the row to 5th position, whereas the combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (+14%) moved up from 10th to 6th position. At the same time, three INNs which reduced their sales in the analyzed period – TRIMETAZIDINE (-8%), XYLOMETAZOLINE (-10%) and PANCREATIN (-0.1%) – moved down to the lower positions as well. ARBIDOL (+66%), BISOPROLOL (+6%) and BLOOD (+12%) retained their leading positions in 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	1,7
2	2	BISOPROLOL	1,6	1,7
3	3	BLOOD	1,5	1,5
4	7	AZITHROMYCIN	1,3	1,1
5	6	EMOXIPIN	1,2	1,1
6	10	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,0	1,0
7	5	TRIMETAZIDINE	1,0	1,3
8	4	XYLOMETAZOLINE	1,0	1,3
9	8	PANCREATIN	1,0	1,1
10	14	AMOXICILLIN + CLAVULANIC ACID	1,0	0,9
Total			13,3	12,6

The Top-ten ATC groups rating changed its leader – following the results of the first quarter J01 Antibacterials for systemic use (+21%) became the leader moving C09 Agents acting on the renin-angiotensin system down to 2nd position (Table 4). N02 Analgesics (+11%) and M01 Anti-inflammatory and antirheumatic products (+12%) maintained the third and the fourth positions. The newcomers of Top-10 moved up to the fifth and sixth positions of the rating. They were Group R05 Cough and cold preparations (+62%) and J05 Antivirals for systemic use (+61%) which used to occupy 12th and 14th positions respectively. G03 Sex hormones (+9%) moved up the row to 7th position, whereas the three bottom positions of Top-10 were occupied by the groups which had had higher rating positions. However, it didn't prevent from the total share of Top-ten ATC groups to increase by 1.5 p.p. up to 38.7%.

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	J01	ANTIBACTERIALS FOR SYST USE	5,1	4,6
2	1	C09	AG ACT RENIN-ANGIOTENS SYST	4,6	5,0
3	3	N02	ANALGESICS	4,4	4,4
4	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4,0	3,9
5	12	R05	COUGH AND COLD PREPARATIONS	3,9	2,7
6	14	J05	ANTIVIRALS FOR SYSTEMIC USE	3,5	2,4
7	8	G03	SEX HORM&MODULAT GENITAL SYS	3,5	3,5
8	5		Unidentified	3,4	3,6
9	7	A11	VITAMINS	3,4	3,5
10	6	R01	NASAL PREPARATIONS	3,0	3,6
Total				38,7	37,2

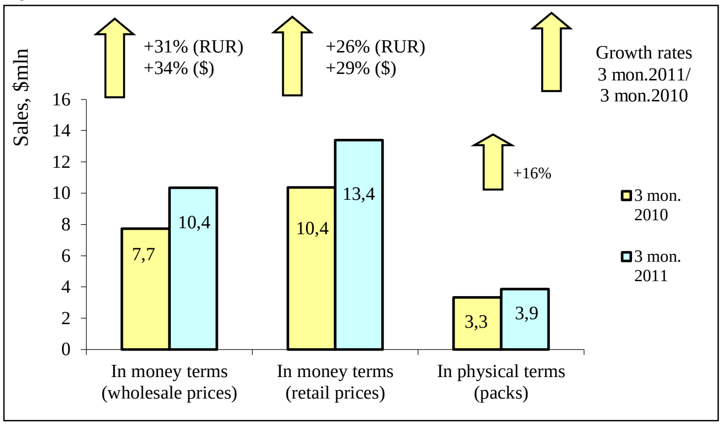
Conclusion. On the basis of the results of Q1, 2011, the pharmacy market of Smolensk brought in RUR 387.644 bln (USD 13,269 mln) in final consumer prices. The market performance was profoundly positive both in rouble terms (+14%) and in dollar terms (+17%). The growth gain was observed in physical terms as well (+3%). The average cost of a pack which used to be USD 3.35 increased as compared to the same period of last year – USD 2.95. The average sum spent by residents of the region for purchase of OTC drugs (USD 42.19) was higher than the average sum throughout Russia (USD 27.95).

KIROV PHARMACY MARKET: 2011 FIRST 3 MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2011 the population of Kirovskaya Oblast was estimated as 1.339 mln, which accounts for 0.9% of the total Russian Federation population and 4.5% of Povolzhskiy FO (PFO). According to Federal State Statistics Service's data, in January-March 2011 the average salary in the region was RUR 13,434.7 (USD 463.11), which is 37% lower than the average salary in Russia (RUR 21,353.9).

According to the results of the Retail Audit of Over-the-Counter (OVC) drugs in Russian Federation™, in three months of 2011, the sales of over-the-counter drugs in pharmacies of Kirov in physical terms saw a 16% decrease to 3.865 mln packs. In money terms, the regional OTC drugs market increased by 31% in rouble terms and 34% in dollar terms to RUR 302.725 mln (USD 10.352 mln) in wholesale prices (Fig.1). The average cost of OTC pack based on the results of three months of 2011 was USD 3.46 (in the same period of 2010 - USD 3.11). The average expenses of Kirov residents for purchase of drugs in the first quarter of 2011 were estimated as USD 28.86.

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



On the basis of the results for Q1, 2011, the Russian company PHARMSTANDART topped the regional market due to 1.5-fold increase in sales (Table 1). At the same time, the French SERVIER (+10%) and Swiss NYCOMED (+6%) moved down the row – their sales rates lagged behind the market average which resulted in the reduction of companies' market shares. Another shift took place in the bottom part of the rating. Due to 36% sales growth, BAYER moved up to 6th position of the rating, whereas GEDEON RICHTER (+9%) which used to occupy that position earlier moved down to 8th position of the rating. The other five manufacturers of Top-10 maintained their earlier positions. On top of that, four of them reduced their market shares and only one, SANDOZ (+58%), expanded it. The total share of Top-ten reduced by 3 p.p. and accounted for 43.4%.

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	3	PHARMSTANDART	6,6	5,9
2	1	SERVIER	6,3	7,5
3	2	NYCOMED	5,1	6,3
4	4	MENARINI	4,3	4,9
5	5	KRKA	4,2	4,4
6	8	BAYER HEALTHCARE	4,0	3,8
7	7	SANOFI-AVENTIS	3,9	4,1
8	6	GEDEON RICHTER	3,6	4,4
9	9	SANDOZ GROUP	3,1	2,5
10	10	STADA	2,2	2,5
Total			43,4	46,4

*AIPM members are in bold

More significant shifts took place in the Top-ten trade names rating – neither of the drugs of the rating managed to keep their earlier positions (table 2). As well as in the previous rating, the Top-10 changed its leader into the antiviral drug ARBIDOL (+63%). Apart from that, some newcomers came up in the Top-10 rating. There were four of them - LASOLVAN (2.4-fold increase in sales), FLEMOXIN SOLUTAB and VIAGRA (1.7-fold increase in sales each), as well as ANTIGRIPPIN MAXIMUS (6.2-fold increase). These preparations occupied 5th, 7th, 9th and 10th positions respectively. ANAFERON (+37%) also moved up two rows to the third position. Three trade names of Top-10 showed low and even negative growth rates: ACTOVEGIN (-20%), CONCOR (+4%) and DETRALEX (-2%), which resulted in the loss of their rating positions. YARINA (+12%) also moved down from 6th 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	2	ARBIDOL	2,7	2,2
2	1	ACTOVEGIN	1,8	3,0
3	5	ANAFERON	0,9	0,8
4	3	CONCOR	0,9	1,1
5	40	LASOLVAN	0,7	0,4
6	4	DETRALEX	0,7	1,0
7	16	FLEMOXIN SOLUTAB	0,7	0,5
8	6	YARINA	0,6	0,8
9	23	VIAGRA	0,6	0,5
10	158	ANTIGRIPPIN MAXIMU	0,6	0,1
Total			10,2	10,3

ARBIDOL (+63%) topped the rating of Top-10 INN and Generic Names, whereas the past year leader BLOOD (-20%) reduced its sales and moved down to 2nd position (table 3). METOPROLOL (-4%) maintained its third position. Apart from the leader, another five INNs showed a rating progress. Among them there were newcomers of the Top-10 – AMBROXOL which sales increased 2.1 times, NIMESULIDE (+37%) and AMOXICILLIN (+59%). Due to high growth rates, these INNs expanded their market shares and moved up to 4th, 8th and 9th positions respectively. BISOPROLOL moved up the row to 5th position and the composition of PARACETAMOL + ASCORBIC ACID + PHENIRAMINE moved up from 10th to 7th position.

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	2,7	2,2
2	1	BLOOD	1,9	3,0
3	3	METOPROLOL	1,2	1,7
4	24	AMBROXOL	1,1	0,7
5	6	BISOPROLOL	1,1	1,4
6	4	INDAPAMIDE	1,1	1,5
7	10	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,1	0,9
8	12	NIMESULIDE	0,9	0,9
9	17	AMOXICILLIN	0,9	0,8
10	7	KETOPROFEN	0,9	1,1
Total			13,1	14,3

Noticeable shifts took place in the Top-ten ATC groups rating as well (table 4). Due to two-fold sales growth, R05 Cough and cold preparations (+1%) moved up from the ninth position to the first one, and J01 Antibacterials for systemic use (+60%) moved up to 2nd position from 4th one. On top of that, they displaced the less dynamic groups of the rating down the row – C09, preparations of unidentified pharmaceutical groups, M01 and G03 which occupied 3rd through 6th positions respectively. The seventh position in the rating was occupied up by the newcomer J05 Antivirals for systemic use - the sales of this group increased 2 times, and the rating position improved from 14th to 7th position. The newcomer forced N02 Analgesics (+33%) and A11 Vitamins (+30%) down the row. C07 Beta blocking agents (+2%) moved down to the bottom position from the sixth one. The total share of the analyzed rating, in contrast to the above ratings, increased and reached 41.9%.

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	9	R05	COUGH AND COLD PREPARATIONS	5,1	3,2
2	4	J01	ANTIBACTERIALS FOR SYST USE	5,0	4,1
3	1	C09	AG ACT RENIN-ANGIOTENS SYST	4,8	6,0
4	3		Unidentified	4,7	4,5
5	2	M01	ANTIINFLAM & ANTIRHEUM PROD	4,4	4,8
6	5	G03	SEX HORM&MODULAT GENITAL SYS	4,1	4,0
7	14	J05	ANTIVIRALS FOR SYSTEMIC USE	3,9	2,6
8	7	N02	ANALGESICS	3,7	3,7
9	8	A11	VITAMINS	3,5	3,5
10	6	C07	BETA BLOCKING AGENTS	2,9	3,7
Total				41,9	40,1

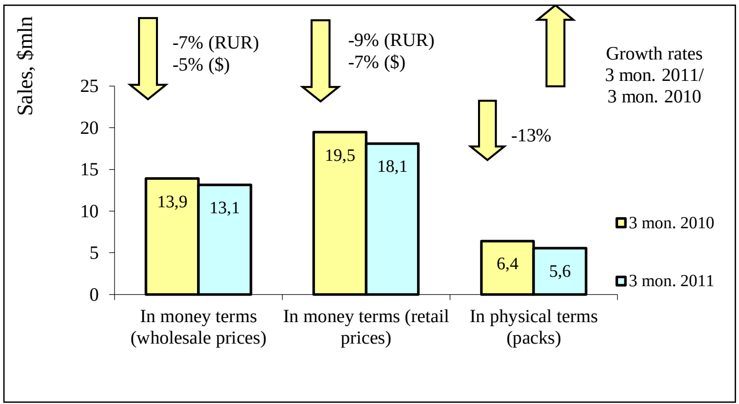
Conclusion. On the basis of the results of three months of 2011, the retail pharmacy market of Kirov brought in RUR 391.401 mln (USD 13.385 mln), which is by 26% in terms of roubles and 29% in terms of dollars more than in the same period of 2010. In physical terms the regional market also showed the pronounced positive growth rates (+16%). The average cost of a OTC pack in the first quarter 2011 accounted for USD 3.46 (in a year-earlier period – USD 3.11) and the average expenses of the regional population amounted to USD 28.86, which is a bit higher than the average indicators in the country (USD 3.39 vs. USD 27.95).

ORENBURG PHARMACY MARKET: 2011 FIRST 3 MONTHS RESULTS

As of January 1, 2011, Orenburg population amounted to 2.031 million people, which accounts for 1.4% of the total Russian Federation population and 6.8% of the Privolzhsky FO (PFO). According to Federal State Statistics Service's data, in Q1, 2011 the average salary in the Orenburgskaya Oblast amounted to RUR 15,601.8 (USD 537.81) which is 27% less than the average salary in Russia.

According to the results of the Retail Audit of Over-the-Counter (OTC) drugs in Russian Federation™, at the end of Q1, 2011 the pharmacy market of the city in physical terms saw a 13% increase to 5.534 million packs. The market performance in money terms showed the negative growth rates both in roubles (-7%) and in terms of dollars (-5%) and brought in RUR 384.450 mln roubles (USD 13.148 million) in wholesale prices (exclusive of Additional Pharmacological Support). The city share in the total Russian pharmacy market accounted for 0.5%. The average cost of an OTC pack in Orenburg pharmacies was USD 3.26 (in the year earlier period USD 3.03). The average per capita expenses for the purchase of OTC drugs amounted to USD 34.43.

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



Russia-based PHARMSTANDART continues to top the rating of the Top-10 manufacturers by pharmacy sales in the region based on the results of three months of 2011 (table 1). The company showed low (+7%), but positive growth rates and reinforced its leading position by expanding the market share over 1 p.p. Apart from that, one more manufacturer showed the sales growth - the newcomer of the rating SANDOZ (+15%) which occupied 10th position. The other manufacturers in the Top-10 rating as well as the market as a whole showed the negative sales growth. The sales of BAYER, ABBOTT and GEDEON RICHTER reduced most significantly – by 14%. Furthermore, the latter lost one rating position and moved down to 7th place allowing MENARINI (-12%) to move up.

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	PHARMSTANDART	7,5	6,4
2	2	**SANOFI-AVENTIS**	5,0	4,7
3	3	**SERVIER**	4,1	4,3
4	4	**BAYER HEALTHCARE**	3,9	4,2
5	5	**ABBOTT**	3,8	4,1
6	7	**MENARINI**	3,8	4,0
7	6	**GEDEON RICHTER**	3,8	4,0
8	8	**TEVA**	3,3	3,3
9	9	**NYCOMED**	2,9	2,8
10	14	**SANDOZ GROUP**	2,6	2,1
Total			40,8	40,0

*AIPM members are in bold

Half of the Top-10 trade names rating showed positive growth rates (table 2). They were the leader of the rating ARBIDOL (+29%), ESSENTIALE N (+20%) placed on 2nd position, as well as the newcomers of Top-10 LASOLVAN (+56%), SUMAMED (+19%) and ANAFERON (+0,2%), which moved up to 5th, 6th and 8th positions respectively. Apart from the newcomers, VIAGRA (-11%), HEPTRAL and ACTOVEGIN (-1% each) also moved to the higher positions: to 3rd, 4th and 7th positions respectively. Only one preparation, YARINA (-11%) moved down to the lower 9th position. ALFLUTOP (-13%) maintained the bottom position of the rating.

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	3	ESSENTIALE N	1,5	1,2
3	4	VIAGRA	0,9	1,0
4	5	HEPTRAL	0,9	0,8
5	20	LASOLVAN	0,8	0,5
6	17	SUMAMED	0,7	0,6
7	9	ACTOVEGIN	0,7	0,7
8	11	ANAFERON	0,7	0,7
9	7	YARINA	0,7	0,7
10	10	ALFLUTOP	0,6	0,7
Total			10,2	8,6

Two INNs of the Top-ten INN and Generic Names Rating managed to keep their previous positions (table 3). Those were the leader of the rating ARBIDOL (+29%) and SILDENAFIL (-13%) placed on 8th position. Six INNs of Top-10 showed a rating progress. INN PHOSPHOLIPIDS (+23%) occupied the second position instead of the fifth one, and PANCREATIN (-10%) occupied the third one instead of the fourth and AZITHROMYCIN (+15%) – 4th position instead of 6th one. The newcomers of the rating - AMBROXOL (+39%) and AMOXICILLIN (+3%) moved up to the fifth and tenth positions of the Top-10. Apart from that, ADEMETIONINE (+0.2%) moved up two rows. Two INNs with the pronounced negative growth rates moved down to the lower positions – INN XYLOMETAZOLINE (-35%) moved down from 3rd to 6th position, and the combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE (-16%) – from 7th to 9th position.

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	2,5	1,8
2	5	PHOSPHOLIPIDS	1,6	1,2
3	4	PANCREATIN	1,4	1,4
4	6	AZITHROMYCIN	1,3	1,0
5	16	AMBROXOL	1,1	0,8
6	3	XYLOMETAZOLINE	1,0	1,5
7	9	ADEMETIONINE	0,9	0,9
8	8	SILDENAFIL	0,9	1,0
9	7	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	0,9	1,0
10	15	AMOXICILLIN	0,8	0,8
Total			12,5	11,3

Two newcomers entered the Top-ten ATC groups rating (table 4). J05 Antivirals for systemic use (+29%) moved up from 13th position to 8th one and A05 Bile and liver therapy (+1%) moved up from 12th position to 10th one. Apart from them, R05 Cough and cold preparations (+30%) and preparations of unidentified pharmaceutical groups also moved up to the higher positions. Three groups (G03, M01 and C09) moved down to the lower rating positions. Three groups of Top-10 managed to maintain their previous positions. Those were the leaders of Top-10 N02 Analgesics (-21%) and J01 Antibacterials for systemic use (+3%), as well as A11 Vitamins (-16%) placed on 4th positions. The total shares of all analyzed ratings increased. The total share of the Top-10 ATC Groups also increased – from 40.8% to 42.3%.

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	1	N02	ANALGESICS	6,2	7,2
2	2	J01	ANTIBACTERIALS FOR SYST USE	5,6	5,1
3	5	R05	COUGH AND COLD PREPARATIONS	5,4	3,8
4	4		A11 VITAMINS	3,9	4,3
5	3	G03	SEX HORM&MODULAT GENITAL SYS	3,9	4,4
6	8		Unidentified	3,7	3,3
7	6	M01	ANTIINFLAM & ANTIRHEUM PROD	3,7	3,7
8	13	J05	ANTIVIRALS FOR SYSTEMIC USE	3,6	2,6
9	7	C09	AG ACT RENIN-ANGIOTENS SYST	3,4	3,5
10	12	A05	BILE AND LIVER THERAPY	3,1	2,8
Total				42,3	40,8

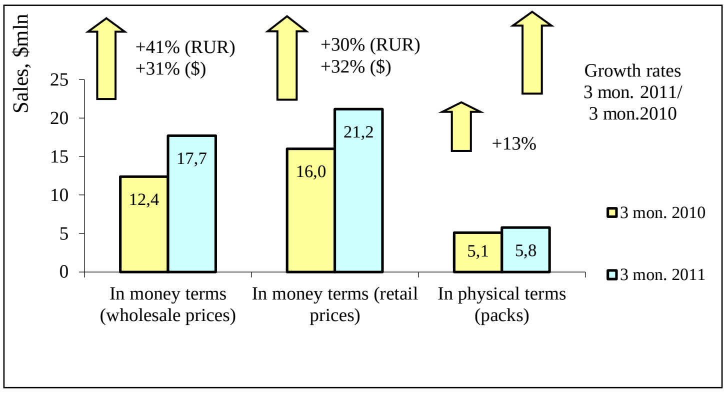
Conclusion. The Orenburg pharmacy market in the first three months to end March 2011 brought in 529.114 million roubles (USD 18.096 million) in final consumption prices. As compared with the same period of 2010, the market saw sales decrease of 9% in terms of roubles, and 7% in terms of dollars. In pack terms the market also showed the negative growth rates (-13%). In the first three months of 2011, the average cost of an OTC pack in the regional pharmacies was higher than in the year-earlier period (USD 3.26 vs. USD 3.03). Per capita expenses for the purchase of medicines in the city amounted to USD 34.43, which is more than on the average in the country (USD 27.95).

PENZA PHARMACY MARKET: 2011 FIRST 3 MONTHS RESULTS

As of January 1, 2011, Penza population amounted to 1.384 million people, which accounts for 1.0% of the total Russian Federation population and 4.6% of the Privolzhsky FO (PFO). According to Federal State Statistics Service's data, in Q1, 2011 the average salary in the Penzenskaya Oblast amounted to RUR 14,604.1 (USD 503.42), which is 32% lower than the average salary in Russia.

According to the results of the Retail Audit of Over-the-Counter (OTC) drugs in Russian Federation™, in three months of 2011 the volume of regional pharmacy market in terms of roubles increased by 41% and 43% in terms of dollars to 520.409 million roubles (USD 17.720 million) in wholesale prices, as compared to the same period of 2010 (exclusive of Additional Pharmacological Support). In pack terms the market also increased 13% and amounted to 5.761 mln packs. Thus, the market share of the region accounted for 0.5% of Russian pharmacy market. The average cost of an OTC pack increased to USD 3.67 vs. USD 3.13 in 2010. The average per capita expenses for purchase of OTC drugs in the pharmacies in the first quarter of 2011 were estimated as USD 41.78.

Figure 1. Penza pharmacy market for 3 months of 2010 – 3 months of 2010



On the basis of the results for the first quarter of 2011, the rating of the Ten-top manufacturers ranked by pharmaceutical sales in Penza was topped by PHARMSTANDART – due to 2-fold sales growth, it moved up from 4th position to 1st one (Table 1). At the same time, it displaced the past year leader SANOFI-AVENTIS (+38%) and SERVIER (+20%) placed on 2nd position down the row to 2nd and 3rd positions respectively. Apart from the leader, the other three companies showed yet higher growth rates. They were BAYER and MENARINI (+39% each), as well as SANDOZ (+61%) which occupied the higher 4th, 5th and 8th positions respectively. At the same time, three manufacturers (ABBOTT, GEDEON RICHTER and NOVARTIS), on the contrary, moved down to the lower positions. The cumulative share of the Top-10 companies reduced from 41.7% to 40.3%.

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	4	PHARMSTANDART	5,9	4,2
2	1	**SANOFI-AVENTIS**	5,7	5,8
3	2	**SERVIER**	4,2	5,0
4	5	**BAYER HEALTHCARE**	4,1	4,2
5	7	**MENARINI**	4,0	4,1
6	6	**NYCOMED**	3,8	4,1
7	3	**ABBOTT**	3,5	4,4
8	10	**SANDOZ GROUP**	3,2	2,8
9	8	**GEDEON RICHTER**	3,1	3,8
10	9	**NOVARTIS**	2,8	3,3
Total			40,3	41,7

*AIPM members are in bold

The leader of Top-10 trade names rating changed as well (table 2). Due to sales growth 2.8 times, antiviral ARBIDOL occupied the first position. The homeopathic OCILLOCOCCINUM moved up to the second position from 11th one due to even higher growth rates among Top-ten trade names – its sales grew 4 times. The last year leader, hepatoprotector ESSENTIALE (+34%) only occupied 3rd position. Note that apart from OCILLOCOCCINUM, two more newcomers appeared in the rating - LASOLVAN (2.5-fold increase in sales) moved up from 24th position to 6th one and FLEMOXIN SOLUTAB (+63%) - from 19th position to 7th one. VIAGRA placed on 4th position also showed the two-fold growth of sales and a rating progress. The trade names ACTOVEGIN (-5%), PREDUCTAL MV (-7%), LINEX (+25%) and CONCOR (+21%) moved to 5th, 8th, 9th and 10th 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	3	ARBIDOL	2,5	1,2
2	11	OCILLOCOCCINUM	2,0	0,7
3	1	ESSENTIALE N	1,4	1,5
4	6	VIAGRA	1,3	0,9
5	2	ACTOVEGIN	0,9	1,4
6	24	LASOLVAN	0,9	0,5
7	19	FLEMOXIN SOLUTAB	0,7	0,6
8	5	PREDUCTAL MV	0,7	1,0
9	8	LINEX	0,7	0,7
10	9	CONCOR	0,6	0,7
Total			11,6	9,2

Some newcomers entered the Top-ten INN and generic names rating as well (table 3). ANAS BARBARIAE which saw a sales jump in the region pharmacies following the respective OTC drug OCILLOCOCCINUM almost 4 times moved up from 18th position to 2nd one. Due to sales growth 2.4 times, INN AMBROXOL was able to move up to 6th position from 16th one. Apart from them, the other three INN names improved their rating positions. One of them, due to sales growth 2.8 times, ARBIDOL moved up from 5th position and topped the rating. SILDENAFIL occupied the fifth position instead of the ninth one, and the combination PARACETAMOL + ASCORBIC ACID + PHENIRAMINE XYLOMETAZOLINE moved up to the fifth position instead of the ninth one. Two INNs BLOOD (-3%) and XYLOMETAZOLINE (-6%) showed the negative growth rates and moved down to two bottom positions 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	5	ARBIDOL	2,5	1,2
2	18	ANAS BARBARIAE	2,0	0,7
3	1	PHOSPHOLIPIDS	1,5	1,6
4	2	PANCREATIN	1,3	1,5
5	9	SILDENAFIL	1,3	0,9
6	16	AMBROXOL	1,2	0,7
7	10	PARACETAMOL + ASCORBIC ACID + PHENIRAMINE	1,2	0,9
8	8	BISOPROLOL	1,0	1,1
9	4	BLOOD	1,0	1,4
10	3	XYLOMETAZOLINE	1,0	1,5
Total			13,9	11,6

Due to 2.4-fold increase in sales, R05 Cough and cold preparations moved up from the tenth position to the first one in the Top-10 ATC groups rating (table 4). Preparations of unidentified pharmaceutical groups occupied the second position. In this connection the three leaders of past year - N02, J01 and M01 groups – lost two positions each and moved down to 3rd through 5th positions. On the contrary, R01 Nasal preparations (+48%) and A11 Vitamins (+57%) moved up the row. Due to 2.5-fold sales growth, J05 Antivirals for systemic use moved up from 17th to 8th position and became the only newcomer of Top-10. Two bottom lines of the rating were occupied up by G03 Sex hormones (+24%) and C09 Agents acting on the rennin-angiotensin system (+17%) which moved down from the higher positions. The total share of the Top-10 increased from 37.4% to 41.5%.

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	10	R05	COUGH AND COLD PREPARATIONS	5,3	3,1
2	4		Unidentified	5,1	4,0
3	1	N02	ANALGESICS	5,0	4,8
4	2	J01	ANTIBACTERIALS FOR SYST USE	4,3	4,6
5	3	M01	ANTIINFLAM & ANTIRHEUM PROD	4,3	4,4
6	7	R01	NASAL PREPARATIONS	3,7	3,5
7	8	A11	VITAMINS	3,7	3,3
8	17	J05	ANTIVIRALS FOR SYSTEMIC USE	3,5	1,9
9	6	G03	SEX HORM&MODULAT GENITAL SYS	3,4	3,9
10	5	C09	AG ACT RENIN-ANGIOTENS SYST	3,3	3,9
Total				41,5	37,4

Conclusion. On the basis of the results of Q1, 2011, the pharmacy market of Penza brought in RUR 621.093 mln (USD 21.151 mln) in final consumer prices, which is 30% (in terms of roubles) and 32% (in terms of dollars) more as compared to the past year. In physical terms, the market saw 13% sales increase to 5.761 mn packs. The average retail cost of an OTC pack increased as compared to the same year of the past year (USD 3.67 vs. USD 3.13). Per capita expense amounted to USD 41.78 which is notably more than on the average in Russia (USD 27.95).

REGIONAL DIGEST

Additional Pharmacological Support/Procurement of Necessary Drugs, Government Control

31 May 2011, RBC

State Duma has passed the governmental draft federal law On Fundamentals of the Russian Federation Legislation on Citizens' Health Protection in its first reading

The draft law details the constitutional citizens' rights to health protection and medical care, as well as settles the capacity to exercise such rights. In particular, for the first time the document defines the medical care procedure and its standard which shall be subject to compulsory implementation over the whole territory of the Russian Federation by health care facilities including private ones. The draft law details the requirements to the Programmes on State Guarantees to Deliver Free Medical Care to the Citizens of the Russian Federation to be approved by the RF Government each three years, as well as to the free health services delivery procedure. Thus, the draft law enforces a ban on charging fees for the rendering of emergency medical services, as well as for forensic medical examinations and forensic psychiatric expert examinations.

The draft law shall tighten requirements to the health care workers and applicants for positions in the medical and pharmaceutical field. For example, the entered restrictions will apply to prescriptions written in violation of the fairness doctrine as well as to presents, moneys, payments for entertainments, recreation, travelling to the venue of recreation, etc. received from patients. The special attention is paid to the fact that a practitioner cannot refuse medical assistance to a patient whose life is in danger, the provision regarding professional error of health care workers shall be entered in the law, etc.

The draft law obliges the private practitioners to underwrite civil liability to their patients. The draft law also establishes that from 2015 the certification of medical and pharmaceutical activity shall be replaced into the accreditation procedure. Except for the separate provisions, the law is requested to be brought into force from January 1, 2012.

14 June 2011, RBC Daily

FAS proposes to write prescriptions without using brand names of medicines

Federal Antimonopoly Service (FAS) believes that prescriptions should not use brand names of medicines. For example, when writing a prescription, your doctor should use the international non-proprietary name Drotaverine instead of No-Spa. According to FAS experts, it will allow the patients to choose less expensive drugs in the pharmacies: prices for replaceable drugs may vary up to ten times. Antimonopoly Service experts believe that government procurement services should elect not to use brand names as well. If the separate lots are created for each international non-proprietary name of drugs, all manufacturers producing identical preparations will have equal opportunities.

If the preparations are of identical quality, the replacement of original preparations into generics ones will make it possible to build up more effective relations with all companies which offer such preparations for government procurement programmes, agrees Mr. Nikolai Bespalov, Head of Analytical Researches and Consulting Department, Pharmexpert. As a result, this will allow them to reduce prices for original products as well, added the expert.

15 June 2011, The Kommersant

According to the various forecasts, 10-50% of pharmacies in Russia will close in the near year

This year even the largest pharmacy chains in Russia operate at a loss, said the spokespersons for Pharmacy Associations. According to expert estimates, in the middle of summer when the dead season begins in the pharmacies, ruin stares in the face of one in three of them. By the end of the year, the same fate may befall at half of the drugs retail outlets. According to Academician of the Russian Academy of Medical Sciences Sergey Kolesnikov, Deputy Chairman of State Duma Committee on Public Health Protection, last year the country lost 10 thousand pharmacies.

Seeking for survival ways, some pharmacies had to raise prices for the range of medicines that are not included in the lifesaving and essential drugs list. Selling cheap medicines up to RUB 100 is now especially unprofitable (today such medicines account for not more than 7% of pharmacy stock).

16 June 2011, The Rossiyskaya Gazeta

AIPM shall seek permission for collaboration between physicians and medical representatives

Vladimir Shipkov, Head of AIPM, believes that the provisions absolutely prohibiting collaboration between pharmaceutical companies and physicians in the health care facilities within working hours detailed in the draft law On Fundamentals of the Russian Federation Legislation on Citizens' Health Protection will be replaced into the less severe wording permitting collaboration both in individual and corporate forms.

According to the Head of Association, AIMP took a principled stand over the legislative intention to force this segment into the shadows and in such a way to make it more corrupt than it already is. On the contrary, the civilized forms of such collaboration should be proposed in the health care facilities, but without causing damage to patients. "The collaboration process should be open and voluntary. If a physician doesn't want to collaborate, he/she will break an appointment", explained Mr. Vladimir Shipkov. After all, not only a physician is interested in getting new information of preparations, but after launching the new drug on the market any reputable pharmaceutical company continues to study its reactions and collect information on its adverse effects. AIPM hopes to lift one more prohibition, i.e. providing physicians' offices with free samples of advanced drugs. When a company launches a new product (I mean an original preparation, not a generic one), the world practice established that samples benefit physicians by exposing them to new treatment options, clarified the Head of Association.

24 June 2011, The Izvestia

From 1 June 2012 codeine containing drugs shall be available by prescription only

Tatyana Golikova, Head of Ministry of Public Health and Social Development of the Russian Federation said that from 1 June 2012 the codeine containing drugs shall be available by prescription only. "The decision has already been taken, the debate on the issue is stopped", pointed out the Minister. The free sale of such popular preparations as Pentalgin-N, Codelac, Solpadein, Nurofen Plus, Caffetin would get banned. The reason for such strict constrains was the criminal production of dangerous drugs like Desomorphine from ordinary over-the-counter medicines for cough and headache.

NEWS FROM COMPANIES

02 June 2011, The Vedomosti

SIA International and Rostechnologies signed a partnership agreement

Pharmaceutical Distributor SIA International and Rostechnologies shall develop, produce and sell innovative drugs and hi tech devices, reported the State Corporation. The spokesman for Mr. Peter Kanygin, Director General, RT-Biotechprom (Rostechnologies), said that the companies may have various variants of cooperation – from the amalgamation of scientific potentials to joint financing, but the specific variants are being worked through. In Russia there are national pharmaceutical distributors, but there is no national distributor of medical devices, consumable products and health products, but this is one of the problems which RT-Biotechprom is to solve with SIA.

07 June 2011, The Kommersant

R-Pharm to produce Herceptine

R-Pharm Company entered into a contract with F.Hoffman-La Roche LTD (according to IMS Health, it occupies the seventh place worldwide in volume of pharmaceutical sales with a turnover of USD 32.6 in 2010) for localization of Herceptine (treatment of aggressive types of breast, stomach cancer) at the Ortat Plant in Kostroma, said Mr. Milosh Petrovich, Head of Russian Representative Office for F.Hoffman-La Roche LTD, and Aleksey Repik, Chairman of Board of Directors, R-Pharm. According to them, the plant shall manage the packaging stage of the production process and the first lot of drugs shall be available in two-three weeks. Mr. Aleksey Repik said that the Project Investments shall amount to RUR 100 mln. The precise volume of Herceptine production (price in pharmacies is RUR 26-28 thousand per 150ml) has not been defined yet, as everything depends on the state purchasing budget, explained Mr. Milosh Petrovich. According to Roche's data, in Russia there are about 10-11 thousand patients who need Herceptine treatment. According to Rospatent web-site, Roche granted to R-Pharm the right to transfer non-exclusive rights to Herceptine brand for the period of three years.

18 June 2011, The Rossiyskaya Gazeta

St. Petersburg authorities signed three agreements of intent with the world's largest pharmaceutical companies

America-based Pfizer in partnership with Russia-based Biocad which is already a resident in the pharmaceutical cluster, intend to launch a special program of pharmaceutical industry "More Than Training" in St. Petersburg. Cooperation between St.Petersburg and Pfizer provides for launch of special professional development and carrer progression programs for students and specialists of the industry, probation in Pfizer laboratories and participation in the joint programmes for the best of them.

Swede-British pharmaceutical company AstraZeneca, which also signed an agreement of intent with St. Petersburg, is in a more serious mood. Within the near five years it intends to invest in Russia USD 1.2 mln. The cooperation shall focus on R&D in the biomedical field. The leading research and development centres as well as education centres of the city are proposed to participate in the implementation of the project.

MSD Pharmaceuticals has become the third partner of St. Petersburg in the pharmaceutical industry during the forum. Early in this year the American company Merck granted to the St. Petersburg State University the right to use the training programme on development of pharmacological drugs for training of students and employees. Now the memorandum suggested to expand the number of institutions which have access to this programme, to introduce two accredited programmes of ongoing medical training, as well as to develop the fellowship programme for specialists in the pharmaceutics field.

Information source: IMS Health

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