REMEDIUM GROUP OF COMPANIES

AIPM Association of International Pharmaceutical Manufacturers
Ассоциация международных фармацевтических производителей

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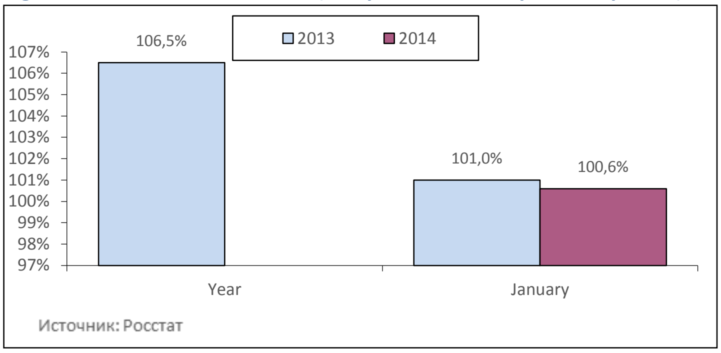
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, in January 2014 the Consumer Price Index was estimated as 100.6%, compared to the previous month, in January 2013 - 101%.

In January 2014, Industrial Producer Price Index was 100.4%, whereas in the month-earlier period it had amounted to 101%.

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



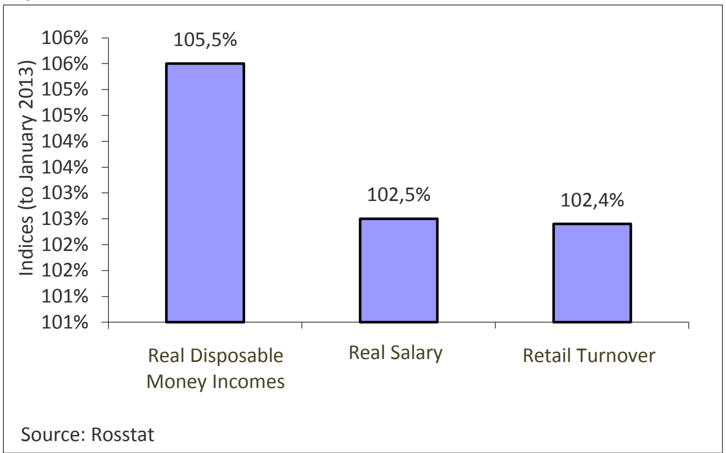
Living standard

According to preliminary Federal State Statistics Service's data, in January 2014 a gross monthly average salary per worker reached RUB 28,945 (USD 821.37) which accounted for 73.0% compared to the previous month and 108.7% compared to January 2013. The real salary in January 2014 accounted for 102.5% as compared with the same period in 2013. In January 2014, the real value of cash incomes accounted for 105.5% compared to the same period of 2013 (Fig. 2)

Retail turnover

In January 2014, the retail turnover was equal to RUB 1,840.7 bln, which in stock accounted for 102.4% as compared to January 2013 (Fig.2).

Figure 2. Real values of cash incomes, salary and retail turnover in January 2014



Manufacture of Industrial Products

According to Federal State Statistics Service's data, in January 2014 Industrial Production Index accounted for 99.8% compared to the same period a year ago, 81.2% to the previous period (to December 2013) .

Domestic production

The top 10 domestic pharmaceutical manufacturers by production volume at January-end 2014 are shown in Table 1. The total production volume of top ten manufacturers was estimated at USD 187.1 mln.

Table 1. Top ten chemical and pharmaceutical manufacturers by production volume in January 2014

Rank	Manufacturer	Production volume, $mln
1	Pharmstandart	55.9
2	Stada	29.1
3	Valenta	25.2
4	Sotex	14.0
5	Pharm-Center	12.5
6	KRKA-RUS	12.3
7	NEARMEDIC Plus	11.8
8	Akrihin	10.0
9	Microgen	8.7
10	Gedeon Richter -Rus	7.7

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In December 2013 compared to November, growth in pharmacy sales (in terms of roubles) was observed in all analysed regions. The highest performance was observed in Moscow and Tumen (+25%), the lowest one in Krasnoyarsky Krai (+12%).

Table 2. Pharmacy sales in the regions, 2013

Region	Pharmacy sales, $mln (wholesale prices)			Growth gain, % (roubles)		
	October 2013	November 2013	December 2013	October/ September 2013	November/ October 2013	December/ November 2013
Moscow	200.2	181.3	229.8	4%	-6%	25%
St Petersburg	58.3	55.2	65.6	8%	-2%	17%
Krasnodarsky Krai	38.8	36.9	43.9	-4%	-2%	17%
Novosibirskaya Oblast	25.6	24.6	29.2	1%	-1%	17%
Tatarstan	30.3	26.7	33.6	4%	-9%	24%
Krasnoyarsky Krai	21.0	20.2	23.0	6%	-0.3%	12%
Rostovskaya Oblast	31.6	27.5	33.9	11%	-10%	22%
Voronezhskaya Oblast	19.4	18.4	22.1	7%	-2%	18%
Perm	6.8	6.4	7.4	-9%	-2%	14%
Tyumen	8.1	7.3	9.2	4%	-7%	25%

Advertising

The largest advertisers and pharmaceutical brands 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 January 2014

Rank	Company*	Quantity of broadcasts
1	Novartis	13,192
2	Pharmstandart	8,112
3	Johnson & Johnson	6,654
4	Sanofi Aventis	6,216
5	Bayer AG	5,534

Source - Remedium according to TNS Russia's data

Table 4. Top five trade names in mass media in January, 2014

Rank	Brand name*	Quantity of broadcasts
1	Evalar	5,318
2	Nurofen	2,332
3	Essentiale	2,267
4	Filtrum	2,208
5	Arbidol	2,118

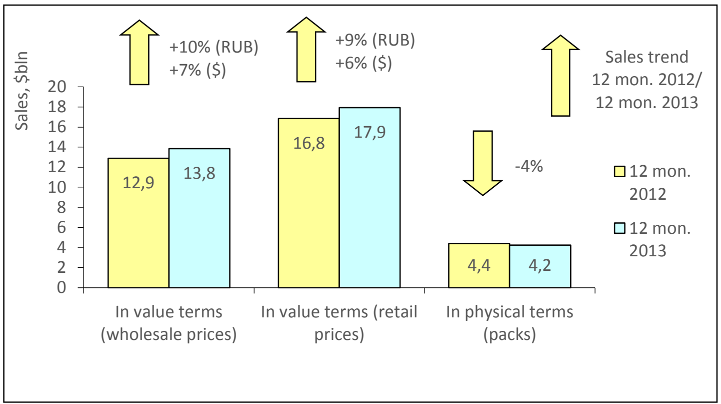
Source - Remedium according to TNS Russia's data

* Only products registered with State Register of Medicines were considered

RUSSIAN PHARMACY OTC DRUG MARKET: 2013 RESULTS

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at the end of 2013 the sales of OTC drugs in physical terms in pharmacies of Russia saw a 4% decrease to 4.234 bln packs. In value terms, the OTC drugs market increased by 10% in rouble terms and by 7% in dollar terms and reached 440.540 billion roubles (USD 13.845 billion) in wholesale prices (Fig. 1). The average cost of an OTC pack grew as compared to the previous year (USD 3.82) and reached USD 4.23 in retail prices. For 12 months of 2013, the average amount spent by residents of Russia for OTC drugs in pharmacies amounted to USD 125.08.

Figure 1. Russian pharmacy market for 12 months of 2012 – 12 months of 2013



In 2013, the top 10 pharmaceutical manufacturers ranking didn't change much and most of its representatives kept their previous positions (table 1). As before, the top 6 ranks are held by the same drug makers SANOFI-AVENTIS (+10%[1]), PHARMSTANDART (+7%), BAYER (+12%), SERVIER (+5%), SANDOZ (+15%) and NYCOMED/TAKEDA (+14%). NOVARTIS (+14%) kept its rank eight. Note that growth rates in three of the above drug manufacturers, BAYER, SANDOZ and NYCOMED/TAKEDA, exceeded the mid-market rates, which allowed them to expand their market shares. One more drug maker TEVA (+16%) showed high growth rates and moved up to rank seven from 9. The only newcomer of the top ten ABBOTT (+8%) also showed high growth rates, coming in at rank ten. On the contrary, MENARINI (+1%) moved down from rank 7 to nine. The cumulative share of the top 10 drug manufacturers didn't virtually change and accounted for 37.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	**SANOFI-AVENTIS**	5.5	5.5
2	2	PHARMSTANDART	4.4	4.5
3	3	**BAYER HEALTHCARE**	4.1	4.0
4	4	**SERVIER**	3.7	3.9
5	5	**SANDOZ GROUP**	3.7	3.5
6	6	**NYCOMED/TAKEDA**	3.6	3.5
7	9	**TEVA**	3.1	3.0
8	8	**NOVARTIS**	3.1	3.0
9	7	**MENARINI**	3.1	3.4
10	11	**ABBOTT**	2.8	2.9
Total			37.1	37.1

*AIPM members are in bold

The top ten brand names experienced more considerable transformations (table 2). Due to high sales rates, two newcomers broke into the ranks of the top ten brands - KAGOCEL (+62%) and EXODERIL (+60%) - moving up from ranks 14 and 26 to ranks four and ten, respectively. The other two brand names also rose in the ranks. ACTOVEGIN (+10%) and NISE (+16%) moved up one rank, to numbers two and eight. In contrast, three brands of the top ten fell in the ranks. Due to sales cut-off, ARBIDOL (-2%) and VIAGRA (-4%) as well as CONCOR (+8%) moved down to numbers 3, 7 and 9, respectively. ESSENTIALE N (+19%) kept and reinforce its leading position in the top ten. In addition, LINEX (+9%) and ALFLUTOP (+7%) held their previous ranks five and six. The total share of the top ten brand names increased by almost 0.3 p.p. and accounted for 7.3%.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	ESSENTIALE N	1.2	1.1
2	3	ACTOVEGIN	0.9	0.9
3	2	ARBIDOL	0.8	0.9
4	14	KAGOCEL	0.7	0.5
5	5	LINEX	0.7	0.7
6	6	ALFLUTOP	0.6	0.7
7	4	VIAGRA	0.6	0.7
8	9	NISE	0.6	0.5
9	7	CONCOR	0.6	0.6
10	26	EXODERIL	0.6	0.4
Total			7.3	7.0

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

The top four ranks in the leading INN and generic names ranking remained unchanged (table 3). They were XYLOMETAZOLINE and PHOSPHOLIPIDS (+18% each), as well as PANCREATIN (+1%) and BISOPROLOL (+11%). SILDENAFIL (+5%) held its previous rank ten. Three names of the top 10: BLOOD (+10%), NIMESULIDE (+18%) and IBUPROFEN (+15%) moved up to the higher ranks from 5 through 7. UMIFENOVIR (-2%) which reduced its sales and AMBROXOL (+4%) which showed low sales rates, moved down to ranks eight and nine. The cumulative share of the top 10 didn't change and accounted for 9.9%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	XYLOMETAZOLINE	1.5	1.4
2	2	PHOSPHOLIPIDS	1.3	1.2
3	3	PANCREATIN	1.0	1.1
4	4	BISOPROLOL	1.0	1.0
5	6	BLOOD	0.9	0.9
6	8	NIMESULIDE	0.9	0.8
7	9	IBUPROFEN	0.9	0.8
8	5	UMIFENOVIR	0.9	0.9
9	7	AMBROXOL	0.8	0.9
10	10	SILDENAFIL	0.7	0.8
Total			9.9	9.9

M01 Anti-inflammatory and antirheumatic products (+15%) which kept and reinforced its leading position in the top ten ATC groups remained the best selling ATC group in the Russia pharmacies (Table 4). Despite lagging behind growth rates, the J01 Antibacterials for systemic use (+4%) and R05 Cough and cold preparations (+9%) moved up to ranks two and three. N02 Analgesics, that had been placed at rank two, reduced their sales by 2% and moved down to rank 4. ATC groups C09 Agents acting on the rennin-angiotensin system and R01 Nasal preparations (+12% each) held their previous ranks five and six, and G03 Sex hormones (+11%) held their previous rank eight. The only newcomer of the top ten J05 Antivirals for systemic use (+35%) moved up to rank seven. At the same time, ATC groups A11 Vitamins (+10%) and A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+9%) moved down to ranks nine and ten in the top ten ATC groups ranking. The consolidated share of the top 10 increased from 37.0% to 37.2%.

Table 4. The top ten ATC Groups by pharmacy sales

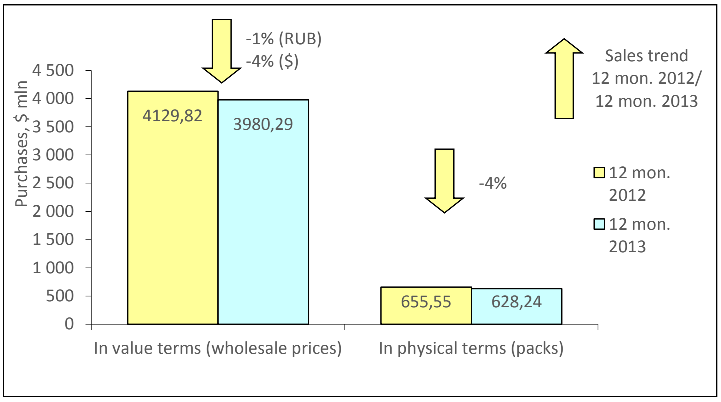
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012			12 mon. 2013	12 mon. 2012
1	1	M01	ANTIINFLAM & ANTIRHEUM PROD	4.8	4.6
2	3	J01	ANTIBACTERIALS FOR SYST USE	4.1	4.3
3	4	R05	COUGH AND COLD PREPARATIONS	4.0	4.0
4	2	N02	ANALGESICS	4.0	4.5
5	5	C09	AG ACT RENIN-ANGIOTENS SYST	3.7	3.7
6	6	R01	NASAL PREPARATIONS	3.6	3.6
7	11	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	2.8
8	8	G03	SEX HORM&MODULAT GENITAL SYS	3.3	3.3
9	7	A11	VITAMINS	3.3	3.3
10	9	A07	INTESTINAL ANTIINFECTIVES	3.0	3.0
Total				37.2	37.0

Conclusion. At year-end 2013, the retail pharmacy market of Russia brought in RUB 570.462 bln (USD 17.931 bln). This is 9% in terms of roubles and 6% in terms of dollars higher than in 2012. In pack terms, the market showed the negative growth rates (-4%) and brought in 4.234 bln packs. At year-end 2013, the average cost of OTC pack in the pharmacies of Russia amounted to USD 4.23 which was higher than 2012 figure (USD 3.82). The average expenses of Russia residents for purchase of OTC drugs in pharmacies also increased (USD 125.08 in 2013 vs. USD 117.71).

RUSSIAN FEDERATION HOSPITAL MARKET: 2013 RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, at year-end 2013 the Russian hospital market in physical terms reduced by 4% to 628.244 million packs. In value terms, the market also showed negative growth rates (-1% in terms of roubles and -4% in terms of dollars) and reached RUB 127.266 bln (USD 3.980 bln) in wholesale prices. Based on the results for 2013, the average cost of OTC pack in the hospital sector was USD 6.34, whereas in the year-earlier period its cost was USD 6.30.

Figure 1. Russian hospital market for 12 months of 2012 – 12 months of 2013



At year-end 2013, the Russian hospital market changed its leader (Table 1). The last year leader, a drug manufacturer GLAXOSMITHKLINE, showed a 23% decrease in hospital purchases and moved down to rank 4, giving the way to SANOFI-AVENTIS (+2%), ROCHE (-5%) and MERCK SHARP DOHME (+2%). As before, the drug makers ABBVIE (+15%) and JOHNSON & JOHNSON (+10%) held their previous ranks five and six. Some moves took place in the bottom part of the top 10 ranking as well. MICROGEN (+22%) showing high positive growth rates moved up from rank 11 to seven. At the same time, the drug makers NYCOMED/TAKEDA (-10%), ASTRAZENECA (-11%) and BAYER (-3%) moved down one rank, coming in at numbers eight, nine and ten. The total share accumulated by the top ten drug manufacturers reduced from 36% to 35.6%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	2	**SANOFI-AVENTIS**	5.4	5.3
2	3	**ROCHE**	4.8	4.9
3	4	**MERCK SHARP DOHME**	4.4	4.3
4	1	**GLAXOSMITHKLINE**	4.3	5.5
5	5	**ABBVIE**	3.9	3.3
6	6	**JOHNSON & JOHNSON**	3.4	3.1
7	11	MICROGEN	2.4	2.0
8	7	**NYCOMED/TAKEDA**	2.4	2.7
9	8	**ASTRAZENECA**	2.4	2.6
10	9	**BAYER HEALTHCARE**	2.2	2.2
Total			35.6	36.0

*AIPM members are in bold

Despite the negative growth rates, the traditional hospital preparation SODIUM CHLORIDE (-11%) remained the best-selling drug of the top ten brand names ranking (Table 2). As before, the medicinal product for the treatment of HIV-1 KALETRA (+6%) held and reinforced its previous rank two. Anticancer drug HERCEPTIN (+6%) placed at rank 6 also managed to maintain its position unchanged. The other names of the top ten rose in the ranks. PREZISTA (+11%), CLEXANE (+8%) and REYATAZ (+12%) moved up to ranks three through five, and CUROSURF (+25%) moved up from rank ten to seven. The newcomers ISENTRESS (+22%), PEGASYS (+9%) and AVASTIN (+20%) broke into the ranks of the top ten, coming in at ranks eight, nine and ten. The cumulative share of the top ten brand names increased by almost 1 p.p. and achieved 14.2%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand name	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	SODIUM CHLORIDE	3.0	3.3
2	2	KALETRA	2.7	2.5
3	4	PREZISTA	1.5	1.3
4	5	CLEXANE	1.4	1.3
5	7	REYATAZ	1.0	0.9
6	6	HERCEPTIN	1.0	0.9
7	10	CUROSURF	1.0	0.8
8	16	ISENTRESS	0.9	0.7
9	11	PEGASYS	0.9	0.8
10	18	AVASTIN	0.8	0.7
Total			14.2	13.3

Two newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). They were ATAZANAVIR (+12%) and DOCETAXEL (+14%) placed at ranks eight and nine. Apart from it, another three names showed growth in purchases. DARUNAVIR (+11%) moved up to rank four from seven, ENOXAPARIN SODIUM (+7%) - from rank 5 to 6 and MEROPENEM (-5%) - from rank eight to seven. At the same time, INN IMMUNOGLOBULIN BASE (-4%) moved down one rank, coming in at number six. SODIUM (-116%), LOPINAVIR + RITONAVIR (+6%) and CEFTRIAXONE (+2%) retained their leading positions in the top ten ranking. TRASTUZUMAB (+6%) closed the top ten ranking. The total share of the top 10 INNs increased by almost 0.3 p.p. and accounted for 16.3%.

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Names	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	SODIUM	3.0	3.3
2	2	LOPINAVIR + RITONAVIR	2.7	2.5
3	3	CEFTRIAXONE	2.0	1.9
4	7	DARUNAVIR	1.5	1.3
5	6	ENOXAPARIN SODIUM	1.5	1.4
6	5	IMMUNOGLOBULIN BASE	1.4	1.5
7	8	MEROPENEM	1.2	1.3
8	11	ATAZANAVIR	1.0	0.9
9	12	DOCETAXEL	1.0	0.9
10	10	TRASTUZUMAB	1.0	0.9
Total			16.3	16.0

ATC group J05 Antivirals for systemic use (-2%) moved up to the leading position in the top ten ATC groups ranking (Table 4). Due to high negative growth rates, the last year leader J01 Antibacterials for systemic use (-6%) moved down to rank two. Five drugs from the top ten held their own in the ranking. They were ATC groups L01 Antineoplastic agents (-1%), B05 Blood substitutes and perfusion solutions (-0.1%), B01 Antithrombotic agents (-2%) and J07 Vaccines (-14%) placed at ranks 3 through 6, as well as L03 Immunostimulants (-7%) as before placed at rank 9. The other three ATC groups of the top 10 ranking moved up to the higher positions: V08 Contrast media (-7%) moved up one rank, to number 7. The newcomers of the top ten N01 Anesthetics (+31%) and J06 Immune sera and immunoglobulins (+7%) broke into the ranks of the top ten, coming in at numbers eight and ten. The total share of the top 10 decreased by almost 1 p.p. and accounted for 62.2%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012			12 mon. 2013	12 mon. 2012
1	2	J05	ANTIVIRALS FOR SYSTEMIC USE	12.2	12.4
2	1	J01	ANTIBACTERIALS FOR SYST USE	12.0	12.6
3	3	L01	ANTINEOPLASTIC AGENTS	9.9	9.9
4	4	B05	BLOOD SUBSTITUTE & PERF SOLS	8.7	8.6
5	5	B01	ANTITHROMBOTIC AGENTS	5.5	5.5
6	6	J07	VACCINES	3.8	4.4
7	8	V08	CONTRAST MEDIA	2.7	2.9
8	12	N01	ANESTHETICS	2.6	2.0
9	9	L03	IMMUNOSTIMULANTS	2.5	2.7
10	11	J06	IMMUNE SERA & IMMUNOGLOBULIN	2.3	2.1
Total				62.2	63.0

Conclusion. At year-end 2013, the Russian hospital market reduced by 1% in rouble terms and by 4% in dollar terms and brought in RUB 127.266 bln (USD 3.980 mln). In pack terms, the market also showed negative growth rates (-4%) and achieved 628.244 mln packs. At year-end 2013, the average cost of OTC pack in the Russian hospital sector was slightly higher than in the year-earlier period (USD 6.34 vs. USD 6.30).

STATE REIMBURSEMENT PROGRAM IN THE RUSSIAN FEDERATION: 2013 RESULTS

According to DLO in RF™, on the basis of the results for 2013, the OTC drugs supplies under the Federal Program amounted to RUB 86.494 bln (USD 2.767 bln) in contractual prices[2]. The segment volume increased 8% in terms of roubles, and 7% in terms of dollars as compared to 2012. Scope of supplies in pack terms reduced by 2% to 91.972 mln packs. The average cost of OTC pack through the program was USD 30.07 in contractual prices (USD 27.62 in the year-earlier period).

Based on the results for 2013, ROCHE (+19%), JOHNSON & JOHNSON (+13%) and TEVA (+10%) continued to show the largest volumes of supplies under DLO Programme. Due to outperformance rates, they held and reinforced their leading positions in the top ten DLO drug manufacturers ranking (Table 1). Note that the markets of the most drug manufacturers of the top ten developed by priority rates. Only ASTRAZENECA (-2%) reduced its purchases rates under DLO Program which resulted in the loss of one rank in the top ten - the drug maker moved down from rank 9 to ten. In contrast, the other drug makers showed high growth rates, except for NOVO NORDISK (+11%) which held its previous rank 7. SANOFI-AVENTIS (+12%) and LABORATORIO TUTEUR (+35%) moved up one rank to number 4 and 5, and BAXTER (+28%) moved up to rank six from eight. The newcomers of the top ten PHARMSTANDART (+31%) and F-SYNTEZ (+46%) moved up to ranks 8 and 9. The total share of the top ten drug manufacturers under DLO Programme expanded by almost 6 p.p. and reached 63.6%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	**ROCHE**	17.4	15.8
2	2	**JOHNSON & JOHNSON**	8.4	8.0
3	3	**TEVA**	7.7	7.6
4	5	**SANOFI-AVENTIS**	6.5	6.3
5	6	LABORATORIO TUTEUR	5.8	4.6
6	8	**BAXTER INT**	4.3	3.5
7	7	**NOVO NORDISK**	3.7	3.7
8	11	PHARMSTANDART	3.6	3.0
9	12	F-SYNTEZ	3.1	2.2
10	9	**ASTRAZENECA**	3.1	3.4
Total			63.6	58.1

*AIPM members are in bold

Immunosuppressant drug MABTHERA (+26%) and antineoplastic drug VELCADE (+18%) held and reinforced their leading positions in the top ten brand names in the DLO segment (Table 2). The brand name COPAXONE-TEVA (+5%) held its previous rank three, despite lagging behind the growth rates and reduction in its share of the market. The brand names with high growth rates moved up to numbers four through eight. They were GENFAXON (+4%), HERCEPTIN (+24%) and REMICADE (+16%), as well as newcomers of the top ten PHILACHROMIN FS (+83%) and GENFATINIB (+143%). LANTUS SOLOSTAR (+7%) and COAGIL-VII (+42%) moved down to ranks nine and ten from the higher ranks. The cumulative share of the top ten increased by 5 p.p. and achieved 38.9%.

Table 2. The top ten trade names for SRP.

Rank in the top ten		Brand name	Share in total DLO volume, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	MABTHERA	9.4	8.1
2	2	VELCADE	7.0	6.3
3	3	COPAXONE-TEVA	5.7	5.9
4	5	GENFAXON	2.8	3.0
5	6	HERCEPTIN	2.7	2.4
6	12	PHILACHROMIN FS	2.4	1.3
7	8	REMICADE	2.3	2.1
8	19	GENFATINIB	2.3	0.9
9	7	LANTUS SOLOSTAR	2.2	2.2
10	9	COAGIL-VII	2.2	1.7
Total			38.9	33.9

The only newcomer EPTACOG ALFA (ACTIVATED) (+42%) broke into the ranks of the top ten INN and generic names ranking, moving up to number 10 from 11 (table 3). Most names of the top 10 managed to hold their own in the ranking. Among them was a ranking leader - RITUXIMAB (+26%). On top of that, as before GLATIRAMER ACETATE (+5%) held rank four, and INTERFERON BETA-1A (+2%), INSULIN GLARGINE (+9%), TRASTUZUMAB (+24%) and INFLIXIMAB (+16%) - ranks from 6 through 9 respectively. INNs BORTEZOMIB (+18%) and FACTOR VIII (+16%) moved up to ranks two and three, whereas IMATINIB (-12%) placed at rank 2 reduced purchases and moved down to rank 5.

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

Rank in the top ten		Brand name	Share in total DLO volume, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	RITUXIMAB	9.4	8.1
2	3	BORTEZOMIB	7.0	6.3
3	5	FACTOR VIII	6.0	5.5
4	4	GLATIRAMER ACETATE	5.7	5.9
5	2	IMATINIB	5.5	6.6
6	6	INTERFERON BETA-1A	3.4	3.6
7	7	INSULIN GLARGINE	3.0	3.0
8	8	TRASTUZUMAB	2.7	2.4
9	9	INFLIXIMAB	2.3	2.1
10	11	EPTACOG ALFA (ACTIVATED)	2.2	1.7
Total			47.1	45.1

Most of the top 10 ATC groups in DLO segment held their own in the ranking (table 4). They were ATC groups L01 Antineoplastic agents (+11%), L03 Immunostimulants (+4%), A10 Drugs Used in Diabetes (+14%), B02 Antihemorrhagics (+21%), L04 Immunosuppressants (+14%) and R03 Drugs for obstructive airway diseases (+12%) placed at ranks from one through six, respectively. H01 Hypothalamic-Pituitary Hormones and Analogues (+10%) held its previous rank ten in the top ten ranking. Due to high negative growth rates, ATC group L02 Endocrine therapy (-15%) placed at rank 7 moved down to rank 9. B03 Antianemic preparations (-3%) and A16 Other alimentary tract and metabolism products (+19%) moved up one rank. The cumulative share of the top-ten increased by almost 2 p.p. and achieved 82.8%.

Table 4. The top ten ATC groups for DLO

Rank		ATC code	ATC group	Share in total DLO volume, %	
12 mon. 2013	12 mon. 2012			12 mon. 2013	12 mon. 2012
1	1	L01	ANTINEOPLASTIC AGENTS	30.1	29.1
2	2	L03	IMMUNOSTIMULANTS	11.4	11.9
3	3	A10	DRUGS USED IN DIABETES	11.3	10.8
4	4	B02	ANTIHEMORRHAGICS	11.1	9.8
5	5	L04	IMMUNOSUPPRESSANTS	5.2	5.0
6	6	R03	DRUG FOR OBSTRUCT AIRWAY DIS	4.4	4.3
7	8	B03	ANTIANEMIC PREPARATIONS	2.6	2.9
8	9	A16	OTH ALIMENT TRACT&METAB PROD	2.6	2.3
9	7	L02	ENDOCRINE THERAPY	2.3	2.9
10	10	H01	PITUIT&HYPOTHAL HORM&ANALOG	1.8	1.8
Total				82.8	80.9

Data on supplies to the top ten regions of Russia under DLO Program are shown in Table 5. Moscow (+15%) held and reinforced its leadership in the top ten ranking. St. Petersburg (+37%) moved up to rank two, displacing Moskovskaya Oblast (+3%). Sverdlovskaya Oblast (+34%) moved up to rank four from 6. The Republic of Bashkortostan showed almost 1.5-fold growth in purchases under the DLO Programme, thanks to which it moved up to rank five. The cumulative share of the top ten regions accounted for 46.8%, which is almost 3 p.p. more than in 2012.

Table 5. The top ten regions by sales for DLO

Rank		Region	Share in total DLO volume, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	Moscow city	18.1	17.2
2	3	St. Petersburg city	5.0	4.0
3	2	Moscovskaya oblast	4.9	5.2
4	6	Sverdlovskaya oblast	3.7	3.0
5	10	Republic of Bashkortostan	3.0	2.2
6	4	Rest of South FO	2.9	3.1
7	7	Krasnodarsky kray	2.6	2.9
8	5	Republic of Tatarstan	2.4	3.0
9	13	Rostovskaya oblast	2.1	2.1
10	25	Orenburgskaya oblast	2.1	1.2
Total			46.8	43.8

Conclusion. On the basis of the results for 2013, the DLO segment of Russia brought in RUB 86.494 bln. (USD 2.767 bln). in wholesale prices. This is 8% in terms of roubles and 7% in terms of dollars higher than in 2012. In pack terms, the supplies reduced by 2% and amounted to 91.972 mln packs. The average cost of OTC pack participating in the DLO Programme increased as compared to the figures of the past year (USD 30.07 vs USD 27.62).

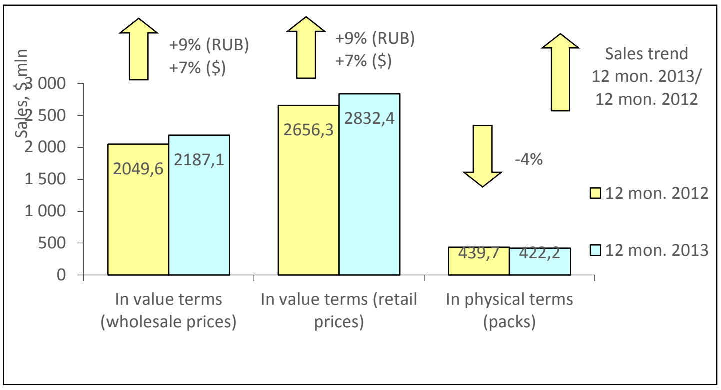
[2] From 2008 data on APS constitute information of shipments in contractual prices: prices at which the government will reimburse moneys to the distributor.

MOSCOW CITY PHARMACY MARKET: 2013 RESULTS

According to Federal State Statistics Service, as of January 1, 2013 Moscow's estimated population was 11.980 mln, which accounted for 8.4% of the total Russian Federation population and 31.0% of Central FO (CFO). According to Federal State Statistics Service's data, based on the results for 12 months of 2013 the average salary in the city was RUB 56,262.1 (USD 1,759.29), which is 88% higher than the average salary in Russia (RUB 29,960.1).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in twelve months of 2013 the Moscow pharmacy market volume reduced by 4% in physical terms and amounted to 422.203 million packs (Fig. 1) In wholesale prices, the market showed the positive performance both in terms of roubles (+9%) and in terms of dollars (+7%) and reached 69.602 bln roubles (USD 2.187 bln). The region's share accounted for 15.8% of the total volume of all-Russia pharmacy market. The average cost of OTC pack in the city pharmacies according to the results for 2013 was USD 6.71 (in 2012 - USD 6.04). In the analysed period, per capita expenses for purchase of medicines in pharmacies amounted to USD 236.44.

Figure 1. Moscow city pharmacy market for 12 months of 2012 – 12 months of 2013



At year-end 2013, the composition of the top ten ranking in the Moscow market didn't change (Table 1). As before, the top three drug manufacturers - SANOFI-AVENTIS (+6%), BAYER (+18%) and PHARMSTANDART (+8%) - held their leading positions in the ranking. Due to high growth rates, NOVARTIS and SANDOZ (+16%) as well as PFIZER (+17%) and TEVA (+14%) rose in the ranks, coming in at numbers 4, 5, 7 and 9, respectively. On the contrary, the less dynamic drug manufacturers SERVIER (+4%), ABBOTT (+6%) and NYCOMED/TAKEDA (+9%) moved down to the lower ranks 6, 8 and 10, respectively. The total share of the top ten drug manufacturers increased by 0.6 p.p. and achieved 38.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	**SANOFI-AVENTIS**	6.0	6.2
2	2	**BAYER HEALTHCARE**	4.7	4.3
3	3	PHARMSTANDART	4.0	4.0
4	5	**NOVARTIS**	3.9	3.7
5	6	**SANDOZ GROUP**	3.7	3.5
6	4	**SERVIER**	3.6	3.8
7	8	**PFIZER**	3.5	3.3
8	7	**ABBOTT**	3.3	3.5
9	10	**TEVA**	3.1	3.0
10	9	**NYCOMED/TAKEDA**	3.0	3.0
Total			38.8	38.2

*AIPM members are in bold

Hepatoprotector ESSENTIALE N (+14%) kept and reinforced its leading position in the top ten brand names ranking (Table 2). On top of that, VIAGRA (+7%) also managed to hold its previous rank four. Five brand names of the top 10 rose in the ranks. LINEX (+10%) and CIALIS (+15%) moved up one rank, to numbers 2 and 5, whereas AMIXIN (+27%) moved up two ranks, to number eight. The newcomers of the top ten KAGOCEL (+33%) and CRESTOR (+25%) came in at ranks seven and ten, respectively. At the same time, ARBIDOL (-8%) reduced its sales and moved down to rank three. DETRALEX (+8%) and ACTOVEGIN (+13%) also moved down one rank. In total, the top ten brand names accumulated 7.7% of sales, which is slightly more than in the year-earlier period (7.5%).

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	ESSENTIALE N	1.1	1.1
2	3	LINEX	0.9	0.9
3	2	ARBIDOL	0.8	0.9
4	4	VIAGRA	0.7	0.8
5	6	CIALIS	0.7	0.7
6	5	DETRALEX	0.7	0.7
7	11	KAGOCEL	0.7	0.6
8	10	AMIXIN	0.7	0.6
9	8	ACTOVEGIN	0.6	0.6
10	13	CRESTOR	0.6	0.5
Total			7.7	7.5

The top 10 INN and generic names ranking kept its three leading names unchanged (table 3). XYLOMETAZOLINE (+21%), PHOSPHOLIPIDS (+13%) and PANCREATIN (+4%) held their first three positions in the ranking. One more name of the top ten SILDENAFIL (+14%) placed at rank 7 didn't change its position. The other names of the top ten,except for UMIFENOVIR (-8%), showed high sales rates, and four of them rose in the ranks. The composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+10%) moved up from rank five to four. The newcomers of the top ten HYALURONIC ACID (+51%), IBUPROFEN (+30%) and TILORONE (+24%) moved up to ranks five, seven and nine. In this connection, the latter forced the composition DIOSMIN + HESPERIDIN (+11%) down one rank. The cumulative share of the top ten increased by 0.5 p.p. and achieved 9.6%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	XYLOMETAZOLINE	1.7	1.5
2	2	PHOSPHOLIPIDS	1.2	1.2
3	3	PANCREATIN	1.0	1.0
4	5	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.9
5	18	HYALURONIC ACID	0.9	0.6
6	6	SILDENAFIL	0.8	0.8
7	15	IBUPROFEN	0.8	0.7
8	4	UMIFENOVIR	0.8	0.9
9	13	TILORONE	0.8	0.7
10	8	DIOSMIN + HESPERIDIN	0.8	0.8
Total			9.6	9.1

The top-10 ATC groups ranking changed its leader (table 4). Due to one-fourth growth in sales, J05 Antivirals for systemic use moved up to rank one from four. Due to low sales rates, the last year leaders J01 Antibacterials for systemic use (+1%) lost two ranks and moved down to rank three. R01 Nasal preparations (+12%) held their previous rank two. One more group held its previous rank in the top ten - as before, A11 Vitamins (+12%) kept its rank six. Five of the other ATC groups of the top 10 ranking showed high growth rates. A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+12%), G03 Sex hormones (+18%) and C09 Agents acting on the rennin-angiotensin system (+12%) moved up one rank, coming in at numbers 4, 7 and 9 respectively. M01 Anti-inflammatory and antirheumatic products (+23%) moved up from rank seven to five. The only newcomer of the top 10, ATC group G04 Urologicals (+12%) moved up to rank ten. Due to 5%-reduction in sales, N02 Analgesics moved down from rank three to eight. The consolidated share of the top 10 increased from 35% to 35.8%.

Table 4. The top ten ATC Groups by pharmacy sales

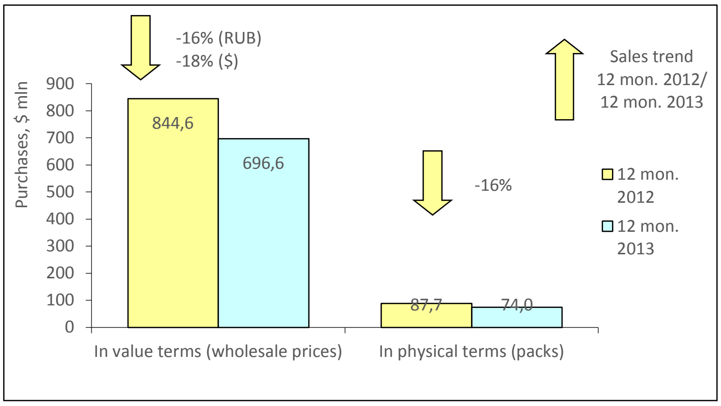
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012			12 mon. 2013	12 mon. 2012
1	4	J05	ANTIVIRALS FOR SYSTEMIC USE	4.3	3.8
2	2	R01	NASAL PREPARATIONS	4.0	3.9
3	1	J01	ANTIBACTERIALS FOR SYST USE	3.9	4.2
4	5	A07	INTESTINAL ANTIINFECTIVES	3.6	3.5
5	7	M01	ANTIINFLAM & ANTIRHEUM PROD	3.6	3.2
6	6	A11	VITAMINS	3.4	3.3
7	8	G03	SEX HORM&MODULAT GENITAL SYS	3.4	3.1
8	3	N02	ANALGESICS	3.3	3.8
9	10	C09	AG ACT RENIN-ANGIOTENS SYST	3.2	3.1
10	13	G04	UROLOGICALS	3.1	3.0
Total				35.8	35.0

Conclusion. At year-end 2013, the pharmacy market in Moscow was estimated at RUB 60.129 bln (USD 2.832 bln) in final consumer prices. Note that the market performance was positive both in rouble terms and in dollar terms (+9% and +7%, respectively). In pack terms, the market reduced by 4% and amounted to 422.203 mln packs. The average cost of an OTC pack (USD 6.71) in the pharmacies increased as compared to a year earlier (USD 6.04) and was higher than the average value in Russia (USD 4.23). Per capita expenses of Moscow residents for purchase of medicines in the city pharmacies were also higher than the national average figures (USD 236.44 vs. USD 125.08).

MOSCOW CITY HOSPITAL MARKET: 2013 RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in 2013 the Moscow hospital market in physical terms reduced by 16% compared to the previous year and amounted to 73.978 million packs. In value terms, the market also showed negative growth rates (-16% in terms of roubles and -18% in terms of dollars) and reached RUB 22.198 bln (USD 696.641 mln) in wholesale prices. In the analysed period, the average cost of OTC pack in the hospital sector of Moscow was USD 9.42, whereas in the year-earlier period its cost was USD 9.63. The metropolitan market share accounted for 12% of the Russian hospital market in physical terms and 17.4% in value terms.

Figure 1. Moscow city hospital market for 12 months of 2012 – 12 months of 2013



Due to 36% growth in purchases, at year-end 2013 drug manufacturer SANOFI-AVENTIS moved up to rank one in the top ten drug manufacturers ranking in the Moscow hospital market (Table 1). On the contrary, the leader of the previous year ROCHE reduced its sales by one-fourth and moved down to rank two. Apart from the leader, another five drug manufacturers of the top ten showed negative growth rates. On top of that, only two of them: MERCK SHARP DOHME (-22%) and GLAXOSMITHKLINE (-54%) moved down to the lower ranks 4 and 9, respectively. Despite reduction in purchases, the drug manufacturers PFIZER (-4%), NOVARTIS (-6%) and ABBVIE (-4%) rose in the ranks, coming in at numbers 5, 7 and 8. MICROGEN (+44%), BAXTER (+121%) and ASTRAZENECA (+9%) also rose in the ranks, coming in at numbers three, six and ten, respectively. On top of that, the latter two drug manufacturers broke into the ranks of the top 10 ranking for the first time. The total share of the top ten trade names increased by over 5 p.p. and accounted for 41.5%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	4	**SANOFI-AVENTIS**	6.6	4.1
2	1	**ROCHE**	5.6	6.3
3	8	MICROGEN	5.5	3.2
4	3	**MERCK SHARP DOHME**	4.2	4.5
5	7	**PFIZER**	4.0	3.5
6	18	**BAXTER INT**	3.4	1.3
7	9	**NOVARTIS**	3.3	3.0
8	10	**ABBVIE**	3.1	2.7
9	2	**GLAXOSMITHKLINE**	2.9	5.4
10	12	**ASTRAZENECA**	2.8	2.2
Total			41.5	36.2

*AIPM members are in bold

Almost all top ten brand names in the hospital metropolitan market has been updated (Table 2). The 2013 top ten ranking kept only one brand name from the previous year, SODIUM CHLORIDE (-9%), which moved up from rank three to two. Due to five-fold growth in purchases, the newcomer HEPATITIS B VACCINE broke into the ranks of the top ten, coming in at number one. The other newcomers of the top ten ranking also moved up to ranks three through ten. They were anaesthetic drug SEVORAN (+76%), antineoplastic drug AVASTIN (+38%), anticoagulant CLEXANE (+44%), ophtalmological agent LUCENTIS (+30%), antibiotic drug MEROPENEM and antineoplastic drug TAXOTERE which purchases increased 3.1 times, as well as preparation for parenteral nutrition ALBUMIN (+23%) and antibacterial drug ZYVOX (+17%). The total share of the top ten brand names increased by 7.6 p.p. and accounted for 14.7%.

Table 2. The top 10 brand names by hospital purchases

Rank in the top ten		Brand name	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	24	HEPATITIS B VACCINE	3.7	0.6
2	3	SODIUM CHLORIDE	1.6	1.5
3	22	SEVORAN	1.4	0.7
4	11	AVASTIN	1.3	0.8
5	13	CLEXANE	1.3	0.8
6	14	LUCENTIS	1.1	0.8
7	45	MEROPENEM	1.1	0.3
8	49	TAXOTERE	1.1	0.3
9	18	ALBUMINE	1.0	0.7
10	19	ZYVOX	1.0	0.7
Total			14.7	7.1

The top ten INNs and generic names ranking has been updated significantly. Seven newcomers broke into the ranks of the top ten INN and generic names ranking (Table 3). They were top three names VACCINE, HEPATITIS B + VACCINE, HEP.A INACTIV. VIRUS (5-fold growth in purchases), as well as names DOCETAXEL (2.4-fold growth), SEVOFLURANE (+76%), BEVACIZUMAB (+38%), ENOXAPARIN SODIUM (+44%), PROPOFOL (2.9-fold growth) and ALBUMIN (+37%), coming in at numbers five through ten, respectively. INN IMMUNOGLOBULIN BASE (-17%) held its previous rank two, and MEROPENEM (+65%) and SODIUM (-8%) moved up to ranks three and four. The total share of the top ten INN and generic names increased by over 8 p.p. and achieved 17.8%.

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Names	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	29	VACCINE, HEPATITIS B + VACCINE, HEP.A INACTIV. VIRUS	3.7	0.6
2	2	IMMUNOGLOBULIN BASE	2.5	2.5
3	8	MEROPENEM	1.9	1.0
4	5	SODIUM	1.7	1.5
5	37	DOCETAXEL	1.5	0.5
6	27	SEVOFLURANE	1.4	0.7
7	14	BEVACIZUMAB	1.3	0.8
8	17	ENOXAPARIN SODIUM	1.3	0.8
9	54	PROPOFOL	1.3	0.4
10	18	ALBUMIN	1.2	0.8
Total			17.8	9.5

The top ten ATC groups ranking changed its leader (table 4). J01 Antibacterials for systemic use (+6%) moved up from rank two to one. The other six ATC groups came in at yet higher ranks. L01 Antineoplastic drugs (-10%), B05 Blood substitutes and perfusion solutions (+23%) and B01Antithrombotic agents (-16%) moved up two ranks, coming in at numbers two, three and five, respectively. J06 Immune sera and immunoglobulins (+3%) moved up from rank nine to six, the newcomers of the top ten N01 Anesthetics (+48%) and J02 Antimycotics for systemic use (+19%) moved up to ranks eight and nine. Due to significant reduction in purchases, ATC groups J07 Vaccines (-24%), J05 Antivirals for systemic use (-66%) and V08 Contrast media (-41%) shrank considerably its shares and moved down to ranks 4, 7 and 10, respectively. The cumulative share of the top ten didn't increase so significantly, as in the previous rankings, it grew from 61.2% to 61.9%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012			12 mon. 2013	12 mon. 2012
1	2	J01	ANTIBACTERIALS FOR SYST USE	12.6	10.0
2	4	L01	ANTINEOPLASTIC AGENTS	9.1	8.6
3	5	B05	BLOOD SUBSTITUTE & PERF SOLS	8.5	5.9
4	3	J07	VACCINES	7.9	8.8
5	7	B01	ANTITHROMBOTIC AGENTS	4.6	4.6
6	9	J06	IMMUNE SERA & IMMUNOGLOBULIN	4.3	3.5
7	1	J05	ANTIVIRALS FOR SYSTEMIC USE	4.3	10.5
8	13	N01	ANESTHETICS	3.9	2.2
9	12	J02	ANTIMYCOTICS FOR SYSTEM USE	3.4	2.4
10	6	V08	CONTRAST MEDIA	3.3	4.7
Total				61.9	61.2

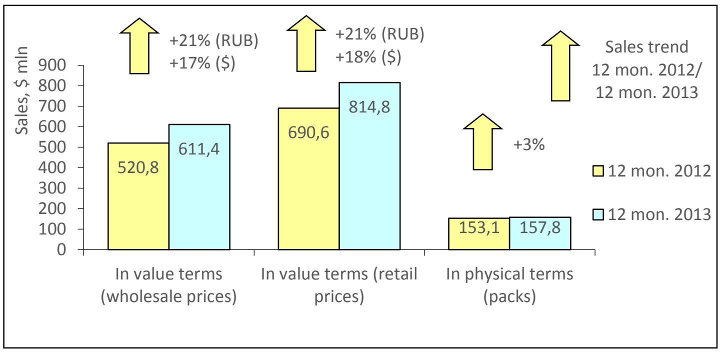
Conclusion. At year-end 2013, the Moscow hospital market reduced by 16% in rouble terms and by 18% in dollar terms and brought in RUB 22.198 bln (USD 696.641 mln). In pack terms, the market also showed negative growth rates (-16%) and achieved 73.978 mln packs. The average cost of an OTC pack in the hospital market reduced as compared to the previous year (USD 9.42 vs. USD 9.63), however it was much higher than the average national in Russia (USD 6.34).

SAINT PETERSBURG PHARMACY MARKET: 2013 RESULTS

According to Federal State Statistics Service, as of January 1, 2013 St. Petersburg's estimated population was 5.028 mln, which accounted for 3.5% of the total Russian Federation population and 36.7% of North West FO (NWFO). According to Federal State Statistics Service's data, based on the results for 12 months of 2013 the average salary in the city was RUB 37594.1 (USD 1175.55), which is 25% higher than the average salary in Russia (RUB 29,960.1).

According to the results of the Retail Audit of Over-the-Counter Drugs (OTC) in Russian Federation™, at year-end 2013 the sales of OTC drugs in physical terms in the pharmacies of St. Petersburg saw a 3% increase to 157.754 mln packs. In value terms, the OTC drugs market increased by 21% in rouble terms and by 17% in dollar terms and reached RUB 19.461 billion (USD 611.397 million) in wholesale prices (Fig. 1). The city share in the total volume of all-Russia retail market accounted for 4.5%. The average cost of an OTC pack increased as compared to the previous year (USD 4.51) and reached USD 5.16 in retail prices. For 12 months of 2013, the average amount spent by residents of St.Petersburg for drugs amounted to USD 162.05.

Figure 1. St. Petersburg pharmacy market for 12 months of 2012 – 12 months of 2013



SANOFI-AVENTIS (+27%), BAYER (+22%) and SANDOZ (+21%) held and reinforced their leading positions in the St. Petersburg retail market (Table 1). In addition, another four drug manufacturers held their own in the ranking. They were NOVARTIS (+19%), ABBOTT (+24%), PFIZER (+25%) and TEVA (+19%) placed at ranks six through nine, respectively. Some moves took place in the middle part of the top 10 ranking as well. The drug manufacturer SERVIER (+21%) moved up one rank to number 4, displacing the less dynamic Russia-based PHARMSTANDART (+6%) down one rank. The only newcomer NYCOMED/TAKEDA (+30%) broke into the ranks of the top ten, coming in at number ten. The cumulative share of the top ten drug manufacturers increased from 39.1% to 39.3%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	**SANOFI-AVENTIS**	6.2	5.9
2	2	**BAYER HEALTHCARE**	4.6	4.5
3	3	**SANDOZ GROUP**	4.5	4.5
4	5	**SERVIER**	4.1	4.1
5	4	PHARMSTANDART	3.9	4.4
6	6	**NOVARTIS**	3.7	3.7
7	7	**ABBOTT**	3.3	3.3
8	8	**PFIZER**	3.3	3.2
9	9	**TEVA**	3.1	3.1
10	12	**NYCOMED/TAKEDA**	2.7	2.5
Total			39.3	39.1

*AIPM members are in bold

Only one name held its own in the top ten brand names ranking - as before, DETRALEX (+32%) continued to keep rank eight. Due to 38% growth in sales, hepatoprotector ESSENTIALE N moved up to rank one, whereas ARBIDOL (-15%) which had been placed at that rank earlier, showed negative growth rates and moved down to rank 2. LINEX (+9%) and VIAGRA (+4%) placed at ranks 3 and 4 also switched places with each other: the more dynamic LINEX moved up one rank, displacing VIAGRA down to rank 4. The markets of the other four brand names also developed at a fast pace. They were drugs KAGOCEL (+52%), EXODERIL (+91%) and ACTOVEGIN (+36%) which rose in the ranks, coming in at numbers 5, 6 and 10 respectively. At the same time, the latter two became the newcomers of the top ten. The market of HEPTRAL (+23%) also developed at a fast pace, however, the brand name moved down one rank, being displaced by the more dynamic name EXODERIL. The sales of OSCILLOCOCCINUM reduced by 16% which resulted in the reduction of its market share and the brand name moved down four ranks to number 9.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	2	ESSENTIALE N	1.4	1.2
2	1	ARBIDOL	0.9	1.3
3	4	LINEX	0.8	0.9
4	3	VIAGRA	0.8	1.0
5	7	KAGOCEL	0.8	0.6
6	19	EXODERIL	0.7	0.5
7	6	HEPTRAL	0.7	0.7
8	8	DETRALEX	0.7	0.6
9	5	OSCILLOCOCCINUM	0.6	0.9
10	14	ACTOVEGIN	0.6	0.5
Total			7.9	8.0

XYLOMETAZOLINE (+8%) remained the leader of the top ten INN and generic names ranking (Table 3). UMIFENOVIR (-16%) which had been placed at rank 2 before showed negative growth rates and moved down to rank five, giving way to PHOSPHOLIPIDS (+38%), SILDENAFIL (+10%) and PANCREATIN (+13%). The composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+9%) held its previous rank six. The brand names IBUPROFEN (+19%), ATORVASTATIN (+48%) and KAGOCEL (+52%) moved up to ranks seven through nine, respectively. Note that the latter two INNs broke into ranks of the top 10 for the first time. The composition AMOXICILLIN + CLAVULANIC ACID (+13%) moved down to rank ten. The cumulative share of the top 10 under review decreased by 0.4 p.p. to 9.7%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	XYLOMETAZOLINE	1.6	1.8
2	3	PHOSPHOLIPIDS	1.4	1.2
3	4	SILDENAFIL	0.9	1.0
4	5	PANCREATIN	0.9	1.0
5	2	UMIFENOVIR	0.9	1.3
6	6	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.8	0.9
7	10	IBUPROFEN	0.8	0.8
8	16	ATORVASTATIN	0.8	0.6
9	19	KAGOCEL	0.8	0.6
10	9	AMOXICILLIN + CLAVULANIC ACID	0.8	0.8
Total			9.7	10.1

Despite the lagging behind the growth rates and reduction in its market share, R01 Nasal preparations (+8%) held their previous rank one in the top ten brand names ranking (Table 4). Another three ATC groups of the top ten also showed the low growth rates. R05 Cough and cold preparations (+5%) held their previous rank three, and N02 Analgesics (+1%) and J01 Antibacterials for systemic use (+9%) also moved down to ranks 5 and 8. Almost all other ATC groups of the top 10 rose in the ranks. ATC group M01 Anti-inflammatory and antirheumatic products (+29%) moved up to rank two from 6, and A11 Vitamins (+14%) moved up to rank 4 from 5, and C09 Agents acting on the rennin-angiotensin system (+37%) and J05 Antivirals for systemic use (+31%) moved up to ranks six and seven from 10 and 8, respectively. The only newcomer of the top 10 ranking G03 Sex hormones (+19%) moved up to rank ten. At the same time, ATC group A07 Antidiarrheals, intestinal anti-inflammatory/ antiinfective agents (+16%) moved down from rank four to eight. The total share of the top 10 decreased by almost 1.5 p.p. and accounted for 37%.

Table 4. The top ten ATC Groups by pharmacy sales

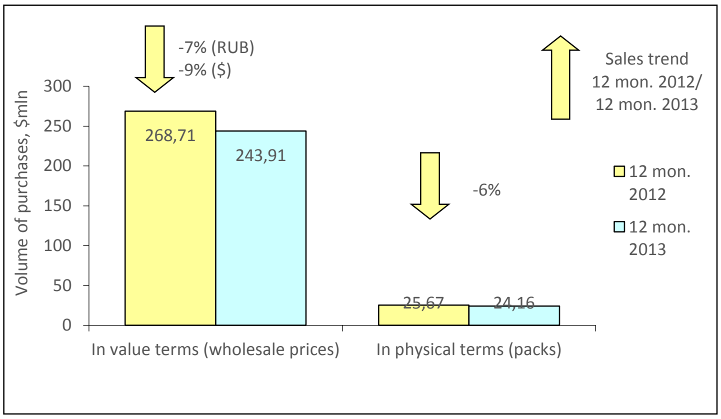
Rank		ATC code	ATC group	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012			12 mon. 2013	12 mon. 2012
1	1	R01	NASAL PREPARATIONS	4.1	4.5
2	6	M01	ANTIINFLAM & ANTIRHEUM PROD	4.0	3.7
3	3	R05	COUGH AND COLD PREPARATIONS	3.9	4.4
4	5	A11	VITAMINS	3.7	3.9
5	2	N02	ANALGESICS	3.7	4.4
6	10	C09	AG ACT RENIN-ANGIOTENS SYST	3.7	3.3
7	8	J05	ANTIVIRALS FOR SYSTEMIC USE	3.7	3.4
8	4	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.1
9	7	A07	INTESTINAL ANTIINFECTIVES	3.4	3.5
10	11	G03	SEX HORM&MODULAT GENITAL SYS	3.1	3.2
Total				37.0	38.4

Conclusion. On the basis of the results for 2013, the retail pharmacy market of St. Petersburg brought in RUB 25.931 bln (USD 814.796 mln). At the same time, the market increased 21% in terms of roubles and 18% in terms of dollars. In pack terms, the market grew by 3% and achieved 157.754 mln packs. At year-end 2013, the average cost of an OTC pack in the city pharmacies was higher than in the year-earlier period (USD 5.16 vs. USD 4.51) and exceeded the national average (USD 4.23). Per capita expenses for purchase of medicines in the city pharmacies amounted to USD 162.05 which is higher than on the average in the country (USD 125.08).

SAINT PETERSBURG HOSPITAL MARKET: 2013 RESULTS

According to the results of the Retail Audit of Hospital Purchases in Russia™, in 2013 the St. Petersburg hospital market in physical terms reduced by 6% to 24.158 million packs. In value terms, the purchases movement was negative both in rouble (-7%) and in dollar terms (-9%), and the volume amounted to RUB 7.805 bln (USD 243.915 mln) in wholesale prices. In 2013, the average cost of OTC pack in the city pharmacies was USD 10.10, whereas in the year-earlier period its cost was USD 10.47. The St. Petersburg market share accounted for 3.8% of the Russian hospital market in physical terms and 6.1% in value terms.

Figure 1. St. Petersburg hospital market for 12 months of 2012 – 12 months of 2013



Based on the results for 2013, most of the top ten drug manufacturers in the St.Petersburg hospital market held their own in the ranking (Table 1). The leaders of the top ten MERCK SHARP DOHME (+10%) and GLAXOSMITHKLINE (+2%), as well as the drug makers ROCHE (-9%), SANOFI-AVENTIS (-8%), BRISTOL MYERS (+9%), NOVARTIS (-3%) and ASTRAZENECA (-9%) held their previous ranks 4, 5, 7, 8 and 10, respectively. The drug manufacturers ABBVIE (+3%) and PFIZER (+14%) with positive growth rates rose in the ranks, coming in at numbers three and nine, whereas the corporation JOHNSON & JOHNSON, on the contrary, reduced its purchases by one-third and moved down from rank three to six. The total share accumulated by the top 10 manufacturers increased by 1.4 p.p. to 46%.

Table 1. The top 10 drug manufacturers by hospital purchases

Rank in the top ten		Manufacturer*	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	**MERCK SHARP DOHME**	8.0	6.8
2	2	**GLAXOSMITHKLINE**	6.8	6.2
3	6	**ABBVIE**	5.4	4.9
4	4	**ROCHE**	5.0	5.1
5	5	**SANOFI-AVENTIS**	4.8	4.9
6	3	**JOHNSON & JOHNSON**	4.2	5.8
7	7	**BRISTOL MYERS SQU**	3.4	2.9
8	8	**NOVARTIS**	3.0	2.9
9	11	**PFIZER**	2.9	2.4
10	10	**ASTRAZENECA**	2.6	2.7
Total			46.0	44.6

*AIPM members are in bold

Four newcomers broke into the ranks of the top ten brand names ranking (table 2). The medicinal product for the treatment of HIV KIVEXA (+76%) and ZIAGEN (+22%), the ophthalmological agent LUCENTIS (+14%) and antineoplastic agent HERCEPTIN (+14%) moved up to rank 6, and from ranks 8 through 10. The brand names REYATAZ(+40%) and PREZISTA (+3%) also moved up to the higher ranks three and four, displacing PUREGON (-12%) down one rank, to number 5. The medicinal product for the treatment of HIV KALETRA (+4%) and regulator of water-electrolyte balance SODIUM CHLORIDE (-9%) held their leading positions in the top ten ranking. In addition, pegylated interferon PEGASYS (-4%) held its previous rank 7 in the top ten. The total share accumulated by the Top-10 trade names increased 2.6 p.p. and reached 17.2%.

Table 2. The top 10 brand names by hospital purchases

Rank		Brand name	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	KALETRA	4.1	3.7
2	2	SODIUM CHLORIDE	2.1	2.2
3	6	REYATAZ	2.0	1.3
4	5	PREZISTA	1.8	1.6
5	4	PUREGON	1.6	1.7
6	24	KIVEXA	1.4	0.7
7	7	PEGASYS	1.3	1.2
8	15	ZIAGEN	1.1	0.9
9	30	LUCENTIS	0.9	0.6
10	20	HERCEPTIN	0.9	0.8
Total			17.2	14.7

Three of the top-ten INN and Generic Names held their own in the ranking (table 3). As before, the composition LOPINAVIR + RITONAVIR (+4%) and INN SODIUM (-9%) topped the ranking, IMMUNOGLOBULIN BASE (-8%) retained its six rank. Apart from the leader, the other five INNs of the top 10 showed positive growth rates. It allowed them to expand their market positions and move to the higher ranks. For example, ATAZANAVIR (+40%) moved up from rank seven to three, and DARUNAVIR (+3%) from rank 5 to 4. The composition ABACAVIR + LAMIVUDINE (+76%), as well as INN LAMIVUDINE (+2%) and ABACAVIR (+22%) broke into the ranks of the top ten, coming in at numbers seven, nine and ten. In contrast, INNs FOLLITROPIN BETA (-12%) and PEGINTERFERON ALFA-2A (-4%) reduced purchases. As a result, the former moved down from rank four to five, and the latter moved up one rank, to number 8. The total share of Top-ten increased by over 2 p.p. and accounted for 18.0%.

Table 3. The top 10 INN and Generic Names by hospital purchases

Rank		INN/Generic Names	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	LOPINAVIR + RITONAVIR	4.1	3.7
2	2	SODIUM	2.1	2.2
3	7	ATAZANAVIR	2.0	1.3
4	5	DARUNAVIR	1.8	1.6
5	4	FOLLITROPIN BETA	1.6	1.7
6	6	IMMUNOGLOBULIN BASE	1.5	1.5
7	27	ABACAVIR + LAMIVUDINE	1.4	0.7
8	9	PEGINTERFERON ALFA-2A	1.3	1.2
9	13	LAMIVUDINE	1.2	1.1
10	20	ABACAVIR	1.1	0.9
Total			18.0	15.9

The top four of the top ten ATC groups ranking remained unchanged (Table 4). As before, ATC groups J05 Antivirals for systemic use (+3%), L01 Antineoplastic agents (-15%), J01 Antibacterials for systemic use (-11%) and B05 Blood substitutes and perfusion solutions (-5%) held their top four ranks in the top ten. However, only the former succeeded in reinforcing its position due to increase in purchases. Another three of the top ten ATC groups showed the positive growth rates. L04 Immunosuppressants (+40%) and V08 Contrast media (+6%) moved up to ranks 5 and 6, and the newcomer of the top ten J07 Vaccines (+23%) moved up to rank 9. In contrast, the other three ATC groups from the top 10 moved down to the lower ranks. ATC groups B01 Antithrombotic agents (-15%) and L03 Immunostimulants (-8%) moved down one rank to numbers 7 and 10, whereas G03 Sex hormones (-32%) moved down from rank five to eight. The total share of the top ten ATC groups increased by 1 p.p. and accounted for 67.5%.

Table 4. The top ten ATC groups by hospital purchases

Rank		ATC code	ATC group	Share in total hospital purchases, %	
12 mon. 2013	12 mon. 2012			12 mon. 2013	12 mon. 2012
1	1	J05	ANTIVIRALS FOR SYSTEMIC USE	18.2	16.5
2	2	L01	ANTINEOPLASTIC AGENTS	14.1	15.4
3	3	J01	ANTIBACTERIALS FOR SYST USE	8.3	8.7
4	4	B05	BLOOD SUBSTITUTE & PERF SOLS	6.9	6.9
5	10	L04	IMMUNOSUPPRESSANTS	3.8	2.5
6	8	V08	CONTRAST MEDIA	3.7	3.2
7	6	B01	ANTITHROMBOTIC AGENTS	3.5	3.8
8	5	G03	SEX HORM&MODULAT GENITAL SYS	3.1	4.3
9	11	J07	VACCINES	3.0	2.3
10	9	L03	IMMUNOSTIMULANTS	2.8	2.8
Total				67.5	66.5

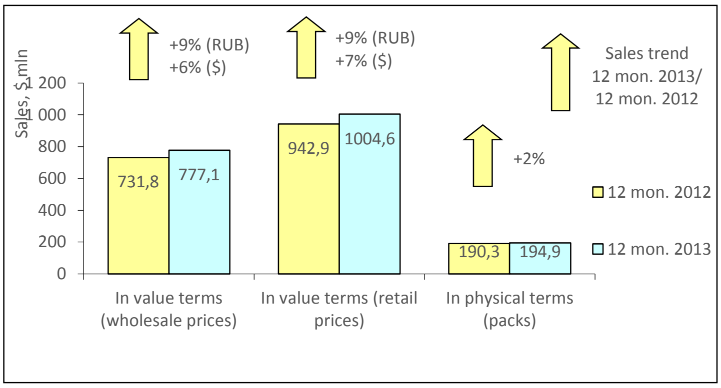
Conclusion. At year-end 2013, the St. Petersburg hospital market shrank by 7% in rouble terms and by 9% in dollar terms and brought in RUB 7.805 bln (USD 243.915mln). In pack terms, the market also showed negative growth rates (-6%) and achieved 24.158 mln packs. In 2013, the average cost of an OTC pack in the city hospital sector was higher than in the year-earlier period (USD 10.10 vs. USD 10.47), but visibly exceeded the national average figures (USD 6.34).

MOSCOW OBLAST PHARMACY MARKET: 2013 RESULTS

According to Federal State Statistics Service, as of January 1, 2013 the population of Moscow region was estimated as 7.048 mln, which made 5% of the total Russian Federation population and 18.2% of Central FO (CFO). According to Federal State Statistics Service's data, in 2013 the average salary in the region was RUB 35,941.1 (USD 1,123.86), which is 20% higher than the average salary in Russia (RUB 29,960.1).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in 2013 the pharmacy market of Moscow Oblast in physical terms increased by 2% and amounted to 194.882 million packs (Fig. 1) In wholesale prices, the market showed the positive performance both in terms of roubles (+9%) and in terms of dollars (+6%) and reached 24.766 million roubles (USD 777.099 mln). The region's share accounted for 5.6% of the total volume of all-Russia pharmacy market. The average cost of OTC pack in the city pharmacies according to the results for 2013 was USD 5.15 (in 2012 - USD 4.96). In the analysed period, per capita expenses for purchase of medicines in pharmacies of Moscow Oblast amounted to USD 142.53.

Figure 1. Moscow Oblast pharmacy market for 12 months of 2012 – 12 months of 2013



At year-end 2013, the composition of the top ten drug manufacturers in the Moscow Oblast market didn't change (Table 1). The top three drug manufacturers also held their own in the ranking: As before, SANOFI-AVENTIS (+10%), PHARMSTANDART (+12%) and BAYER (+8%) were placed at ranks one, two and three. NOVART (+11%) also managed to hold its previous rank six. The drug manufacturers with high growth rates SANDOZ (+18%), NYCOMED/TAKEDA (+13%) and TEVA (+15%) rose in the ranks, coming in at numbers four, seven and nine. At the same time, the drug manufacturers with low and negative growth rates: SERVIER, MENARINI (+3% each) and ABBOTT (-1%) , on the contrary, move down to the lower ranks 5, 8 and 10, respectively. The total share of the analysed top 10 manufacturers didn't virtually change and accounted for 38.6%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank		Manufacturer*	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	**SANOFI-AVENTIS**	6.1	6.0
2	2	PHARMSTANDART	4.6	4.4
3	3	**BAYER HEALTHCARE**	4.3	4.3
4	5	**SANDOZ GROUP**	4.0	3.7
5	4	**SERVIER**	3.7	3.9
6	6	**NOVARTIS**	3.5	3.4
7	9	**NYCOMED/TAKEDA**	3.2	3.1
8	7	**MENARINI**	3.2	3.3
9	10	**TEVA**	3.1	2.9
10	8	**ABBOTT**	3.0	3.3
Total			38.6	38.5

*AIPM members are in bold

Hepatoprotector ESSENTIALE N (+19%) which held and reinforced its leadership in the top ten remained the best selling drug in the regional pharmacies (Table 2). LINEX (+7%) moved up to rank two, whereas ARBIDOL (-10%) which had been placed at that rank before, moved down to rank three due to reduction in sales. The brand name VIAGRA (-1%) and DETRALEX (-0.2%) also showed negative growth rates and moved down to the lower ranks 7 and 8, respectively. The other names of top 10 brands showed the positive growth rates. On top of that, three of them: KAGOCEL (+36%), ACTOVEGIN (+12%) and a newcomer of the top ten EXODERIL (+58%) rose in the ranks, coming in at numbers 4 through 6. On the contrary, ALFLUTOP (+2%) with low growth rates moved down one rank to number 9. MEXIDOL (+12%) held its previous rank ten. In total, the top ten brand names accumulated 7.3% of all sales.

Table 2. The top ten brand names by pharmacy sales

Rank		Brand name	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	ESSENTIALE N	1.2	1.1
2	3	LINEX	0.9	0.9
3	2	ARBIDOL	0.8	1.0
4	9	KAGOCEL	0.8	0.6
5	6	ACTOVEGIN	0.7	0.7
6	22	EXODERIL	0.6	0.4
7	4	VIAGRA	0.6	0.7
8	7	DETRALEX	0.6	0.6
9	8	ALFLUTOP	0.6	0.6
10	10	MEXIDOL	0.6	0.6
Total			7.3	7.2

Two newcomers broke into the ranks of the top ten INN and generic names ranking (table 3). The brand names NIMESULIDE (+26%) and KAGOCEL (+36%) moved up to ranks 7 and 9, respectively. Another three INNs of the top ten succeeded in improving their ranks. PHOSPHOLIPIDS (+16%) and BLOOD (+13%) moved up one rank, to numbers two and eight, and INN IBUPROFEN (+26%) moved up from rank six to four. Another three INNs held their own in the ranking. XYLOMETAZOLINE (+18%) kept its rank one, and the composition BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS (+7%) and BISOPROLOL (+14%) kept their ranks five and ten. Two INNs PANCREATIN (-3%) and UMIFENOVIR (-10%) moved down to ranks three and six, respectively. The cumulative share of the top ten INNs escalated to 9.8%.

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

Rank		INN/Generic Names	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012		12 mon. 2013	12 mon. 2012
1	1	XYLOMETAZOLINE	1.8	1.7
2	3	PHOSPHOLIPIDS	1.3	1.2
3	2	PANCREATIN	1.1	1.2
4	6	IBUPROFEN	0.9	0.8
5	5	BIFIDOBACTERIUM INFANTIS + ENTEROCOCCUS FAECIUM + LACTOBACILLUS ACIDOPHILUS	0.9	0.9
6	4	UMIFENOVIR	0.8	1.0
7	14	NIMESULIDE	0.8	0.7
8	9	BLOOD	0.8	0.7
9	20	KAGOCEL	0.8	0.6
10	10	BISOPROLOL	0.8	0.7
Total			9.8	9.5

In contrast to the previous top tens, the top ten ATC groups ranking changed its leader. ATC group M01 Anti-inflammatory and antirheumatic products (+19%) moved up to rank one from four (Table 4). R01 Nasal preparations (+10%) moved to rank two from three. The last year leaders - J01 Antibacterials for systemic use (+4%) and N02 Analgesics (+3%) moved to ranks three and four. The groups R05 Cough and cold preparations (+10%) and G03 Sex hormones (+4%) succeeded in holding their previous ranks 5 and 10. ATC group J05 Antivirals for systemic use (+20%) with the highest growth rates among the top ten groups moved up from rank nine to six. At the same time, it displaced the less dynamic group A07 Antidiarrheals, intestinal anti-inflammatory/ anti-infective agents (+10%), C09 Agents acting on the rennin-angiotensin system (+9%) and A11 Vitamins (+10%) down one rank. The consolidated share of the top 10 increased from 36.9% to 37.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
12 mon. 2013	12 mon. 2012			12 mon. 2013	12 mon. 2012
1	4	M01	ANTIINFLAM & ANTIRHEUM PROD	4.4	4.0
2	3	R01	NASAL PREPARATIONS	4.2	4.2
3	1	J01	ANTIBACTERIALS FOR SYST USE	4.1	4.3
4	2	N02	ANALGESICS	4.0	4.2
5	5	R05	COUGH AND COLD PREPARATIONS	3.8	3.7
6	9	J05	ANTIVIRALS FOR SYSTEMIC USE	3.6	3.3
7	6	A07	INTESTINAL ANTIINFECTIVES	3.5	3.5
8	7	C09	AG ACT RENIN-ANGIOTENS SYST	3.4	3.4
9	8	A11	VITAMINS	3.3	3.3
10	10	G03	SEX HORM&MODULAT GENITAL SYS	3.0	3.1
Total				37.2	36.9

Conclusion. At year-end 2013, the pharmacy market in Moscow Oblast was estimated at RUB 32.012 bln (USD 1.005 bln) at final consumer prices. Note that the market performance was positive both in rouble terms and in dollar terms (+9% and +7%, respectively). In pack terms, the market increased by 2% and amounted to 194.882 mln packs. The average cost of an OTC pack (USD 5.15) in the pharmacies increased as compared to a year earlier (USD 4.96) and was higher than the average value in Russia (USD 4.23). Per capita expenses of residents for purchase of medicines in the pharmacies were also higher than the national average figures (USD 142.53 vs. USD 125.08).

REGIONAL DIGEST

Additional Pharmacological Support (DLO)/Essential Drug Reimbursement Program (ONLS), Government Control

February 5, 2014, RIA-AMI

Ministry of Public Health has developed the Regulations governing the provision of public services related to the licensing of pharmaceutical activities

The Ministry of Public Health has prepared a draft order to approve the administrative regulations of the Federal Service of Surveillance in Healthcare and Social Development (RosZdravNadzor) governing the provision of public services related to the licensing of pharmaceutical activities to be carried out by trading organizations who wholesale deal any medicinal product for human use, and pharmacies within the jurisdiction of federal executive authorities, state academies of sciences. It will define the procedure and standard of rendering public services, deadlines and sequence of administrative procedures related to the licensing of pharmaceutical activities by RosZdravNadzor and its local subsidiaries.

February 7, 2014, Izvestia

Ministry of Public Health discusses possibility of increasing budget spending on HIV /AIDS treatment and prevention

The Ministry of Public Healths discusses the possibility of increasing budget spending on treatment of HIV and AIDS, as well as taking measures to prevent such diseases. According to the Director of the Federal Centre for Prevention and Control of AIDS Vadim Pokrovsky, the government should allocate another 9 bln roubles for the treatment. The public awareness campaign involves teaching safety drug administration and Improving the implementation of condom availability programs, which is the matter of direct and indirect state regulation of prices. The Ministry of Public Health proposed to introduce tax preferences for Russian condom manufacturers. The Ministry of Economic Development is ready to address matters related to the increase of import duties.

February 6, 2014 Remedium

RosZdravNadzor provided the list of pharmaceutical manufacturers which received the most complaints in 2013

The Federal Service of Surveillance in Healthcare and Social Development (RosZdravNadzor) made up a ranking of pharmaceutical manufacturers which received the most complaints for their products in 2013. Among the Russia-based companies, Biohimic OJS, Asfarma LLC and Ekolab JSC are placed at the top three ranks in the anti-ranking. These drug manufacturers most commonly received complaints related to discrepancies or differences created in the instructions of medicinal products, defects in packaging. Some products of Biohimic OJS and Asfarma LLC didn't comply with MKB quality standard and weight standard for medicinal products.

February 11. 2014, Vedomosti

Patient organisations fear deficiency of drugs to treat HIV due to overshooting of medicines prices when holding auctions in regions

The Ministry of Public Health has been centrally purchased drugs to treat HIV/AIDS until 2013. Now, the regions purchase drugs using federal budget funds. The federal budget spending on drugs to treat HIV and hepatitis B and C escalated to about RUB 18.2 bln in 2012. In 2013, the federal budget allocated for the same purposes RUB 14.06 bln and the regional budgets allocated about RUB 3 bln. The self-regulatory organization Pharmaceutical Market Standards stated that the first purchases of drugs to treat HIV/AIDS at auctions held in the regions cost 20-30% more than purchases in 2012.

February 12, 2014, Vedomosti

IMS Health analysts registered the minimal growth of Russian pharmaceutical market in the last 10 years

According to IMS Health and largest distributors' data, in 2013 the growth of pharmaceutical market in Russia was the lowest in the past decade. In 2013, the market grew by only 7%, which is the lowest growth figure for the last 10 years, said Director of IMS Health Russia and CIS Nikolai Demidov. During the first quarter the market grew by 18-19%, which was mainly due to a flu epidemic in Russia, however during the second and the beginning of third quarters of last year the growth was insignificant: at year-end the retail segment saw a 10% increase, and the hospital segment remained at the level of 2012.

February 14, 2014, Kommersant

Only 24 of 83 constituent entities of the Russian Federation adopted regional programmes of treating patients with orphan diseases

Patients quite often win a lawsuit, but the court decisions cannot be enforced because the federal laws are not often embodied in the regional legislation and execution of such decisions is not funded from the regional budgets. Law No 323-FZ on the Fundamentals of Public Health Protection in the Russian Federation was updated two years ago, in January 2012. In accordance with Article 44 of the updated law, the government shall finance the treatment of 24 orphan (rare) diseases at the regional level. However, this is by no means always the case. Only 24 of 83 constituent entities of the Russian Federation adopted regional programmes of treating patients with such diseases.

February 18, 2014, RIA News

Draft law facilitating the prescribing and dispensing of painkillers has been submitted to the State Duma

The first vice-president of Committee of the State Duma on Health Protection Nikolai Gerasimenko submitted to the lower house of Parliament a draft law to improve access to palliative care services for patients who require pain management using narcotic and psychotropic medications. In particular, the draft law proposes to enlarge the term of prescription from 5 to 30 days, and facilitate the procedure for safe disposal of narcotic and psychotropic medications used for medical purposes.

February 19, 2014, Izvestia

In 2013 pharmaceutical market players spent on advertising 22% more than in 2012

According to Media First's data, in 2013 the most active advertisers were drug and BAA manufacturers and distributors. The advertising budget in this segment increased by 22% to RUB 34 bln. The drug manufacturer Novartis remains the top spender among manufacturers in the advertising segment. Last year the manufacturer spent on advertising almost RUB 4 bln which is 25.4% more than in 2012. RIA Panda Pharmholding showed high growth in this segment. RIA Panda increased its spending on advertising by 43.6% to almost RUB 1.2 bln.

February 20, 2014, Vedomosti

According to FAS, drug prices in Russia are often higher than in other countries

By instruction of the First Deputy Prime Minister Igor Shuvalov, FAS investigated prices and formation of prices for drugs in Russia, CIS countries, European Union and BRICS. The Federal Anti-monopoly Service compared prices for high-end drugs (21) which have no analogues and are purchased using budget funds (analysts compared wholesale prices exclusive of VAT in other countries to ceiling manufacturers' prices registered by the Ministry of Public Health inclusive of VAT) and the most popular prescription drugs (44) which population buy at its own expense (the list of the best-selling drugs and prices for them was provided by IMS Health; drug prices in other countries were provided by Russian trade representations in such countries). According to FAS, the prices for 17 OTC drugs under review exceeded the average level of prices in the countries of interest. And the prices for 10 drugs are the highest ones.

NEWS FROM COMPANIES

February 14, 2014, ITAR-TASS

Federal Anti-monopoly Service cleared Interros Group's purchase of 100% stake in Petrovax

RF FAS has granted a request of Cyprus-based Vaccine Ltd, which is part of Interros Groups, for acquisition of 100% in the pharmaceutical manufacturer NPO Petrovax Pharm. In November 2013, it was reported that Interros Group is acquiring a controlling stake in Petrovax Pharm. At the same time, the founders of the company Arkadi Nekrasov and Natalia Puchkova were expected to remain shareholders and continue to participate in the business management. Before, the USA-based Abbott and Russia-based Pharmstandart also applied for the acquisition of the drug manufacturer.

February, 2014, Medlinks.ru

Janssen has handed over the complete manufacturing process of Velcade in the territory of Russia to Pharmstandart JSC

Janssen declared that the complete manufacturing process of Velcade (Bortezomib) in the territory of Russia had been handed over to Pharmstandart. Janssen handed over to the Russia-based drug manufacturer the patented manufacturing process of lyophile formulation to produce medicinal products to treat multiple myeloma, and Pharmstandart JSC set up a new high technology manufacturing site in accordance with GMP-standards. The local production of Velcade will satisfy Russian patients' needs in high quality advanced therapy of multiple myeloma.

February 24. 2014, Vedomosti

Raduga and Pervaya Pomosch pharmacy chains merge business

Raduga pharmacy chain which is part of the Rosta Group and Pervaya Pomosch pharmacy chain have agreed to merge. The merged chain will be ranked fourth by revenue in Russia, said Director of IMS Health Russian and CIS Nikolai Demidov. He estimated their consolidated revenues at RUB 15 bln annually.

February 25, 2014, Vedomosti

Fresenius Kabi have filed an application to FAS for acquisition of 100% stake in Binnofarm Group

Fresenius Kabi Deutschland and Fresenius Kabi Binnofarm have filed to the Federal Anti-Monopoly Service (FAS) an application for acquisition of 100% stakes in two companies Binnopharm and PFK Alium These two companies make up Binnofarm Group. According to Deputy Director General of Stada CIS Ivan Glushkov, Fresenius intention to acquire Binnofarm Group means that the company places serious stakes on the Russian market.

Source of information – IMS Health

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