СОВМЕСТНАЯ ПУБЛИКАЦИЯ
АССОЦИАЦИИ МЕЖДУНАРОДНЫХ
ФАРМАЦЕВТИЧЕСКИХ
ПРОИЗВОДИТЕЛЕЙ
И ГК РЕМЕДИУМ

РЕМЕДИУМ
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AIPM

Association of International Pharmaceutical Manufacturers

Ассоциация международных фармацевтических производителей

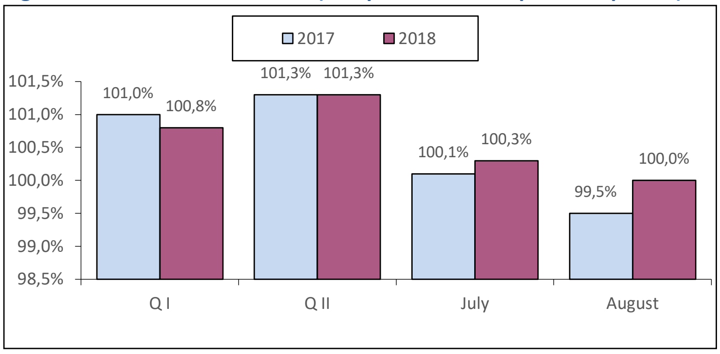
MACROECONOMIC INDICES

Inflation

According to Federal State Statistics Service's data, the Consumer Price Index was estimated at 100.0% in August 2018 as compared to the previous month, - 102.4% to December 2017.

In August this year, Industrial Producer Price Index (for goods intended for sale on the domestic market) was 100.2%, whereas in the month-earlier period it had amounted to 100.3%. The index accounted for 109.7% against December of the 2017.

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



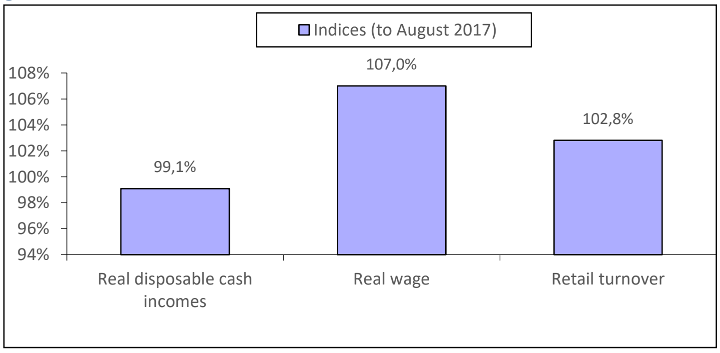
Living standard

According to preliminary Federal State Statistics Service's data, at the end of August 2018 a gross monthly average wage per worker reached RUB 41,140 (USD 622.48) which accounted for 97% compared to the previous month and 110.3% compared to August 2017. The real wage accounted for 107.0% in August 2018 compared to August 2017. In August 2018, the real value of disposable cash incomes accounted for 100.2% as compared with June 2017. *(without taking into account a lump sum payment to pensioners in January 2017 in the amount of 5 thousand rubles),* accounted for 99.1% as compared with June of 2017, and 99.3% compared with the previous period (Fig. 2).

Retail turnover

Retail turnover in August 2018 was equal to RUB 2748.0 bil. or 102.8% (at comparable prices) against the level of the corresponding period of the previous year, in August 2018 - RUB 20002.5 bil. or 102.7% (Fig. 2).

Figure 2. Real values of cash incomes, wages and retail turnover in August 2018



Industrial Production

According to Federal State Statistics Service's data, in August 2016 Industrial Production Index accounted for 102.7% compared to the same period of the previous year, and 103.1% in January-August 2018.

According to Federal State Statistics Service's data, Industrial Production Index of drugs and medical products in August 2018 accounted for 94.5% compared to the relevant period of the previous year, and – 96.7% to July 2018, - 106.5% in January-August 2018.

Domestic production

Table 1 provides the top 10 domestic pharmaceutical manufacturers ranked by sales in all segments of the market based on the results for August 2018.

Table 1. Top ten Russian chemical and pharmaceutical manufacturers by sales in August 2018

Rank	Manufacturer	RUB mil.
1	Microgen	1950.4
2	Biocad	1880.1
3	Otcpharm	1683.7
4	Generium	1475.4
5	Pharmasyntez	1099.6
6	Pharmstandart	956.8
7	Stada	928.9
8	Valenta	891.2
9	Veropharm	873.3
10	Marathon Pharma	872.9

Source - Remedium according to IQVIA data

Table 2 provides pharmacy sales data from 10 regions of the Russian Federation. In July 2018, sales (in terms of roubles) reduced almost in all regions compared to the previous month. The highest reduction was observed in Moscow (-20%), the lowest one in Rostov Region (-1%). Only Krasnodar Krai (+10%) showed a growth in sales.

Table 2. Pharmacy sales in the regions, 2018

Region	Pharmacy sales, $ mil. (wholesale prices)			Growth gain, % (roubles)		
	May 2018	June 2018	July 2018	May/ April 18	June/ May 18	July/ June 18
Moscow	158.1	156.4	124.6	-16%	-0.3%	-20%
St. Petersburg	49.9	50.0	40.6	-11%	1%	-18%
Krasnodar Krai	34.2	37.3	41.4	20%	10%	11%
Krasnoyarsk Krai	26.5	23.7	22.0	-7%	-10%	-7%
Tatarstan	18.1	17.5	15.5	-14%	-3%	-11%
Rostov Region	21.0	19.7	19.4	-6%	-5%	-1%
Novosibirsk Region	19.7	20.9	19.2	-7%	7%	-8%
Voronezh Region	13.7	13.7	12.2	-2%	0.4%	-10%
Perm	8.6	7.8	6.7	2%	-8%	-14%
Tyumen	6.1	6.1	5.8	-9%	2%	-6%

Advertising

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

Table 3. Top five advertisers in mass media in August 2018

Rank	Company*	Quantity of broadcasts
1	Otcpharm	19,791
2	Sandoz	13,085
3	Berlin-Chemie/Menarini	11,638
4	GSK Consumer Healthcare	10,901
5	Johnson & Johnson	10,176

Source - Remedium according to Mediascope's data

Table 4. Top five brand names in mass media in August, 2018

Rank	Brand*	Quantity of broadcasts
1	Exoderil	5,602
2	Linex	5,284
3	Nurofen	3,299
4	Trimedat	3,066
5	Cycloferon	2,831

Source - Remedium according to Mediascope's data

* Only products registered with State Register of Medicines were considered

STATE REIMBURSEMENT PROGRAM (DLO) IN THE RUSSIAN FEDERATION: 2018 FIRST SIX MONTHS RESULTS

According to DLO in RF™, the drugs supplies under the Federal Program amounted to RUB 55.094 bil. on the basis of the results for January-June of 2017, (USD 913.153 mil.) in contract prices[1]. The sector volume decreased by 20% in terms of roubles, and 24% - in terms of dollars as compared to 2017. The scope of supplies in pack terms reduced by 7% to 43.595 mil. packs. The average cost of a FPP pack through the DLO program was USD 20.95 in contractual prices (a year ago it was USD 25.59).

Numerous shifts took place in the top ten manufacturers ranking in the DLO segment based on the results for the first half of 2018 (table 1). Only one manufacturer of the top ten, NOVO NORDISK (+2%[2]), managed to hold its earlier rank eight.. The manufacturers CELGENE (-19%) and SANOFI (+7%) moved up to ranks one and two from 5 and 6, displacing SHIRE and BIOCAD (-35% each), and GENERIUM (-36%) two ranks down. Due to strong negative growth rates, NATIVA (-64%), which took the lead in the top ten ranking, moved down to rank seven. Apart from the above, another three manufacturers from the top ten rose in the ranks. JOHNSON & JOHNSON (+31%) moved two ranks up and the newcomer of the top ten and the manufacturer rounding out the top ten NOVARTIS (+41%) and ASTRAZENECA (-15%). The total share of the top 10 drug manufacturers under DLO Program reduced from 56.7% to 53.9%.

Table 1. The top 10 drug manufacturers for DLO

Rank		Manufacturer*	Share in total DLO volume, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	5	**CELGENE**	7.2	7.1
2	6	**SANOFI**	6.9	5.2
3	2	**SHIRE**	6.4	7.8
4	3	BIOCAD RF	6.3	7.7
5	4	GENERIUM ZAO RF	5.7	7.2
6	9	**JOHNSON & JOHNSON**	5.4	3.3
7	1	NATIVA	4.5	9.9
8	8	**NOVO NORDISK**	4.2	3.3
9	14	**NOVARTIS**	4.0	2.3
10	11	**ASTRAZENECA**	3.2	3.0
Total			53.9	56.7

*AIPM members are in bold

Just as in the previous ranking, the most brands of the top ten ranking reduced their purchase volumes (Table 2). Among them are the leaders of the top ten REVLIMIDE (-20%) and ACELLBIA (-53%). REBIF (-44%) held its previous rank six. Despite the negative growth rates, two brands of the ranking moved up to the higher ranks: OCTOFACTOR (-14%) and one of the newcomers FEIBA (-18%), moving up to rank seven. Another three newcomers of the top ten brands, TYSABRI (2.3-fold growth in purchases), TOUJEO SOLOSTAR (+20%) and SINNOVEX (+13%), moved up to ranks 5, 7 and 9 respectively. Two brands ADVATE (-53%) and COAGIL-VII (-54%) showed strong negative growth rates and moved down to ranks eight and ten, respectively. The total share of the top 10 decreased by almost 2 p.p. and accounted for 26.5%

Table 2. The top 10 Brands in DLO segment

Rank in the top ten		Brand	Share in total DLO volume, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	REVLIMIDE	6.9	6.9
2	2	ACELLBIA	3.1	5.3
3	19	TYSABRI	2.9	1.0
4	7	OCTOFACTOR	2.7	2.5
5	12	TOUJEO SOLOSTAR	2.3	1.5
6	6	REBIF	1.8	2.6
7	11	FEIBA	1.8	1.7
8	3	ADVATE	1.7	2.9
9	15	SINNOVEX	1.7	1.2
10	4	COAGIL-VII	1.6	2.8
Total			26.5	28.4

Following the previous ranking, almost all INNs of the top ten INNs and group names ranking reduced their volumes of sales in the analysed period (Table 3). The only exception was one of the newcomers of the top ten NATALIZUMAB, which showed a 2.3-fold growth in purchases. Another two newcomers, MOROCTOCOG ALFA (-14%) and FACTOR VIII INHIBITOR BYPASSING FRACTION (-18%) broke into the ranks of the top ten, coming in at numbers seven and nine. Apart from them, INTERFERON BETA-1A (-34%), INSULIN GLARGINE (-1%) and INTERFERON BETA-1B (-44%) moved up to the higher ranks two, five and 8. LENALIDOMIDE (-20%) held its previous rank number one, and FACTOR VIII (-41%) continued to keep rank four. Only RITUXIMAB (-44%) and EPTACOG ALFA (-56%) moved down to the lower ranks three and ten. In total, 10 INNs and group names accounted for 34.9%, and in the year-earlier period 38.7%.

Table 3. The top ten INN and group names in DLO segment

Rank in the top ten		INNs/Grouping Names	Share in total DLO volume, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	LENALIDOMIDE	6.9	6.9
2	3	INTERFERON BETA-1A	5.1	6.1
3	2	RITUXIMAB	4.5	6.3
4	4	FACTOR VIII	4.2	5.6
5	9	INSULIN GLARGINE	3.4	2.8
6	23	NATALIZUMAB	2.9	1.0
7	11	MOROCTOCOG ALFA	2.7	2.5
8	10	INTERFERON BETA-1B	1.8	2.6
9	13	FACTOR VIII INHIBITOR BYPASSING FRACTION	1.8	1.7
10	7	EPTACOG ALFA (ACTIVATED)	1.7	3.1
Total			34.9	38.7

The top ten ATC groups ranking sector showed high stability (Table 4). It didn't change in composition and its six ATC groups held their previous ranks. L01 Antineoplastic drugs (-30%) held rank two, and the groups placed at the lower part of the top ten ranking R03 Drugs for obstructive airway diseases (-17%), L02 Sex preparations and A16 Other alimentary tract and metabolism products (-10% each), B03 Antianemic preparations (-19%) and H01 Hypothalamic-Pituitary Hormones and their analogues (+5%) also held their own in the top ten ranking. Two shifts took place in the upper part of the top-10 ranking. L04 Immunosuppressants (+11%) moved up to rank one from three, and A10 Drugs used in diabetes (+0.1%) moved up to rank four from five. At the same time, B02 Antihemorrhagics (-36%) and L03 Immunostimulants (-48%) which had held those ranks earlier, in contrast, moved down to ranks three and 5, respectively. The total share of the top ten accounted for 85.6%, whereas in the year-earlier period it was 87.1%.

Table 4. The top ten ATC groups in DLO segment

Rank		ATC code	ATC group	Share in total DLO volume, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	3	L04	IMMUNOSUPPRESSANTS	18.6	13.3
2	2	L01	ANTINEOPLASTIC AGENTS	17.4	19.7
3	1	B02	ANTIHEMORRHAGICS	15.9	19.8
4	5	A10	DRUGS USED IN DIABETES	12.2	9.7
5	4	L03	IMMUNOSTIMULANTS	8.3	12.7
6	6	R03	DRUGS FOR OBSTRUCTIVE AIRWAY DISEASES	3.3	3.2
7	7	L02	ENDOCRINE THERAPY	2.8	2.5
8	8	A16	OTHER ALIMENTARY TRACT AND METABOLISM PRODUCTS	2.6	2.3
9	9	B03	ANTIANEMIC PREPARATIONS	2.3	2.3
10	10	H01	PITUITARY, HYPOTHALAMIC HORMONES AND ANALOGUES	2.1	1.6
Total				85.6	87.1

Data on supplies to the top ten regions of Russia under State Reimbursement Program (DLO) are shown in Table 5. Moscow, which share accounted for almost 24%, and Moscow region (6% of the market) continued to show the largest volumes of purchases. Saint Petersburg moved up to rank three. Note that almost all regions demonstrated the reduction in purchases under the program. The sole exception was the leader Moscow (+3%). The top ten regions accumulated 50.1% of the DLO market.

Table 5. The top ten regions by sales in DLO segment

Rank		Region	Share in total DLO volume, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	Moscow	23.9	18.5
2	2	Moscow Region	5.8	5.3
3	5	Saint Petersburg	4.0	3.4
4	3	Krasnodar Krai	2.8	3.5
5	4	Tatarstan Republic	2.6	3.5
6	7	Rostov Region	2.5	2.6
7	6	North Caucasian FD, Rest	2.4	2.6
8	10	Tyumen Region	2.1	2.4
9	12	Novosibirsk Region	2.1	2.0
10	13	Kemerovo Region	2.0	2.0
Total			50.1	45.9

Conclusion. Based on the results for the first half 2018, the DLO segment of Russia brought in RUB 55.094 bil. (USD 913.153 mil.) in contract prices, which is by 20% in terms of roubles and by 24% in terms of dollars less than in 2017. In physical terms, the supplies decreased by 7% to 43.595 mil. packs. The average cost of FPP included in the DLO Programme decreased as compared to the past year (USD 20.95 vs USD 25.59).

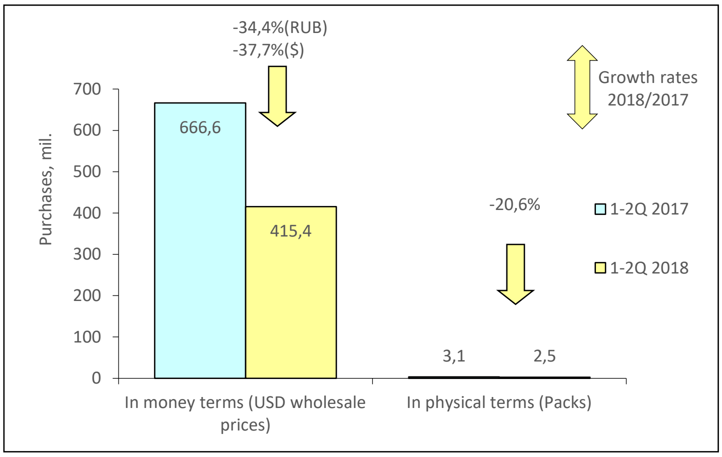
[1] From 2008 until now, data on DLO have been provided as shipments in contractual prices: which are prices at which the government will reimburse moneys to the distributor.

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

COST-INTENSIVE NOSOLOGIES (VZN) PROGRAM, Q 1-2, 2018

Based on the results for the first half of 2018, the purchases under VZN Program in physical terms (packs) reduced by 20.6% as compared with the same period of the previous year (Fig. 1). In terms of national currency, the purchases decreased by 34.4%, in terms of dollars by 37.7%. The purchase volume amounted to RUB 25,328.2 mil. or USD 415.4 mil.

Figure 1. Purchases trend under the VZN Program in 1-2 Q 2018 against 1-2 Q 2017



The oncohematological drugs (-44%), drugs for the treatment of pituitary dwarfism (-43%), and haemophilia (-36%) showed the highest decline in purchases in terms of roubles as compared to the same period of the previous year. The sales of these groups in terms of packs also decreased proportionally to the value parameters. The oncohematological drugs (by 5%) reduced their share; whereas the drugs used in transplantology and the drugs used to treat multiple sclerosis slightly increased their shares in the overall purchase pattern (Table 1). The group of drugs to treat haemophilia became the leader of the purchases rating, displacing the oncohematological drugs down to rank two. Only the group of drugs used in transplantology (+29% in money terms and +16% in physical terms) showed a growth in purchases, the other groups showed the negative growth rates.

Table 1. Supplies pattern under the VZN Program

Nosologies	INN	Share in total VZN supplies (RUB), %	
		1-2Q 2018	1-2Q 2017
Haemophilia		32.9	34.0
	FACTOR VIII	9.0	10.1
	MOROCTOCOG ALFA	5.9	4.5
	FACTOR VON WILLEBRAND*FACTOR VIII	4.1	2.7
	EPTACOG ALFA (ACTIVATED)	3.8	5.6
	OCTOCOG ALFA	3.7	5.2
	FACTOR VIII INHIBITOR BYPASSING FRACTION	3.7	3.0
	FACTOR IX	2.4	2.9
	NONACOG ALFA	0.3	0.0
Oncohematology		28.8	33.9
	LENALIDOMIDE	15.0	12.4
	RITUXIMAB	9.2	10.7
	BORTEZOMIB	2.4	7.2
	IMATINIB	1.5	3.1
	FLUDARABINE	0.7	0.5
Sclerosis Multiplex		25.4	24.1
	INTERFERON BETA-1A	11.1	11.0
	NATALIZUMAB	6.3	1.8
	INTERFERON BETA-1B	3.9	4.6
	GLATIRAMER ACETATE	2.4	6.7
	TERIFLUNOMIDE	1.7	0.0
Transplantology		5.8	3.0
	TACROLIMUS	3.1	1.7
	MYCOPHENOLIC ACID	2.3	0.8
	CICLOSPORIN	0.3	0.3
	MYCOPHENOLATE MOFETIL	0.1	0.2
Gaucher disease		4.0	2.7
	IMIGLUCERASE	3.0	2.4
	VELAGLUCERASE ALFA	1.0	0.3
Mucoviscidosis		2.5	2.1
	DORNASE ALFA	2.5	2.1
Pituitary dwarfism		0.0	0.0
	SOMATROPIN	0.0	0.0

At of the end of 2018, the original drug Revlimid (INN Lenalidomide) Celgene and biosimilar Acelbiya (INN Rituximab) Biocad were ranked first and second by purchases in terms of value among the top ten brand names ranking as in the previous year (Table 2). The sales of Revlimid in money terms reduced by 20%, whereas its sales in physical terms grew by 15%, which was due to the reduction of Volume-Weighted Average Price (VWAP) by 31% as compared to the same period of the last year. Acelbiya purchases reduced by 56% in money terms and by 52% in physical terms, whereas VWAP reduced insignificantly (-8%). The localized drug to treat multiple sclerosis Tizabri (INN Natalizumab), JOHNSON & JOHNSON, saw a growth in sales by 127% in physical terms and by 126% in money terms, moving up from rank 19 to 3 in the rating. The domestic drug Octofactor (INN Moroctocog alfa), Generium (-16% in physical terms and -14% in money terms) moved up from rank 8 to four. Despite the reduction in purchases (-29% in physical terms and -44% in money terms) Rebif (INN Interferon beta-1a) moved up to rank five from 7.

Table 2. Top ten brand names by purchases under the VZN Program

Rank		Brand	Share in total VZN supplies, %	
1-2Q 2018	1-2Q 2017		1-2Q 2018	1-2Q 2017
1	1	REVLIMIDE	15.0	12.4
2	2	ACELLBIA	6.3	9.3
3	19	TYSABRI	6.3	1.8
4	8	OCTOFACTOR	5.9	4.5
5	7	REBIF	3.9	4.6
6	4	ADVATE	3.7	5.2
7	15	SINNOVEX	3.7	2.1
8	12	FEIBA	3.7	3.0
9	5	COAGIL-VII	3.5	5.0
10	9	GENFAXON	3.5	4.3
Total			55.4	60.4

The manufacturer Celgene, which sales reduced least of all (-20%) as compared to the first half of 2017 topped the manufacturer rating (Table 3). The manufacturer Shire (which bought Baxalta, a dedicated division of Baxter Int) (-36%) kept its previous rank 2 in the rating. Feybat made the main contribution to the sales dynamics (INN factor VIII inhibitor bypassing fraction), moving from rank 12 to 8 in the brands rating (Table 2). Generium held its previous rank three in the ranking, reducing its sales by 36% in total. Biocad, which sales reduced by 43% as compared to the first half of 2017, moved up from rank 5 to four in the ranking. Octapharma, a supplier of blood factors, improved its position in the ranking, moving up one rank, to number 5, while retaining its share in total sales (6.5%) (Table 3). The leading drug of this manufacturer Octanate (Factor YIII) (+42%) did not enter the top ten brands ranking, but moved up to rank 11.

In total, the drugs of foreign manufacturers prevailed in the top ten brand names ranking (7 from 10). However, the final manufacturing phases of all foreign drugs were localized at the facilities of the domestic manufacturers (Table 2). A total share of the top 10 brand names and the top ten manufacturers slightly reduced, as compared to the same period of the previous year (Table 2 and 3).

Table 3. Top ten manufacturers by purchases under the VZN Program

Rank in the top ten		Manufacturer*	Share in total VZN supplies, %	
1-2Q 2018	1-2Q 2017		1-2Q 2018	1-2Q 2017
1	4	**CELGENE**	15.0	12.4
2	2	**SHIRE**	13.0	13.4
3	3	GENERIUM ZAO RF	12.5	12.8
4	5	BIOCAD RF	9.2	10.6
5	6	OCTAPHARMA	6.5	6.8
6	9	**JOHNSON & JOHNSON***	6.4	3.3
7	11	**SANOFI-AVENTIS**	4.7	2.4
8	7	**MERCK**	3.9	4.6
9	13	CINNAGEN CO	3.7	2.1
10	8	LABORATORIO TUTEUR	3.6	4.4
Total			78.5	85.0

*AIPM members are in bold

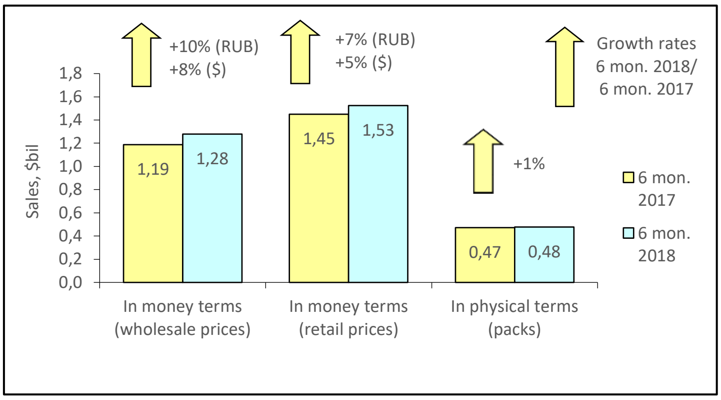
Conclusion. The purchases under the VZN program substantially reduced in the first half of 2018 in comparison with the same period of the previous year. The share of domestic drugs in value terms reduced in the purchases profile and accounted for 28%, the share of localized products (the final manufacturing stages) increased from 49% to 56%. The share of imported drugs increased from 11% to 15%.

CFD PHARMACY MARKET (WITHOUT MOSCOW): 2018 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Central Federal District (CFD) (without Moscow) was 26.805 mil., which accounted for 18.2% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for January- June 2018 the average wage in CFD (with Moscow) was RUB 53459 (USD 901.20), which was 26% higher than the average wage in Russia (RUB 42555).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first six months of 2018 of drugs in physical terms in the CFD (without Moscow) saw a 1% increase to 477.863 mil. packs. In money terms, the market saw a 10% increase in terms of roubles and 8% in terms of dollars. At the same time, the market volume reached RUB 75.689 bil. (USD 1.278 bil.) at wholesale prices (Fig.1). The region market share accounted for 20.1% of the Russian pharmacy retail sales. The average cost of a pack increased as compared to the same period of 2017: USD 3.19 vs. USD 3.07 in retail prices. At the end of January-June 2018, an average amount spent by the region residents for FPPs in the pharmacies amounted to USD 56.92.

Figure 1. The CFD (without Moscow) pharmacy market for 6 months of 2017 – 6 months 2018



The top ten manufacturers ranking in the pharmacy market of the Central Federal District (without Moscow) showed high stability at the end of the first half of 2018 (Table 1). Seven manufacturers of the top ten held their previous ranks. The manufacturers BAYER (+13%), SANOFI (+5%), TEVA (+8%), SERVIER (+10%), OTCPHARM (+11%), BERLIN-CHEMIE/MENARINI (+9%) and KRKA (+11%) held their previous top seven ranks. Some shifts took place in the bottom part of the top ten ranking. Due to low growth rates, GEDEON RICHTER (+2%) moved down to rank ten of the top ten, whereas SANDOZ (+15%) and GLAXOSMITHKLINE (+9%) moved up two ranks, to numbers eight and nine, respectively. On top of that, the latter became the only newcomer of the top 10 ranking. The total share of the top 10 decreased – from 35.3% to 35.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	**BAYER**	5.0	4.8
2	2	**SANOFI**	4.4	4.6
3	3	**TEVA**	4.2	4.3
4	4	**SERVIER**	3.8	3.8
5	5	OTCPHARM	3.3	3.3
6	6	**BERLIN-CHEMIE/MENARINI**	3.2	3.2
7	7	**KRKA**	3.0	2.9
8	10	**SANDOZ**	2.9	2.8
9	11	**GLAXOSMITHKLINE**	2.7	2.8
10	9	GEDEON RICHTER	2.6	2.8
Total			35.1	35.3

*AIPM members are in bold

One newcomer entered the top ten brands rating: KAGOCEL (+12%) moved up to rank 10 from 14 (Table 2). Apart from them, another three brands rose in the ranks. The most dynamic among leaders XARELTO (+55%) moved up to rank one from eight, DETRALEX (+11%) moved up from rank three to two and– INGAVIRIN +45%) moved up to rank seven from ten. At the same time, the brands MEXIDOL (+6%), CONCOR (+7%) and CARDIOMAGNYL (+3%) lost two ranks each, ACTOVEGIN (+0.4%) and NUROFEN (+1%) moved down one rank Only PENTALGIN (+17%) held its previous rank nine in the ranking. The total share of the top 10 brands increased from 7.0% to 7.3%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	8	XARELTO	0.9	0.7
2	3	DETRALEX	0.8	0.8
3	1	MEXIDOL	0.8	0.8
4	2	CONCOR	0.8	0.8
5	4	ACTOVEGIN	0.7	0.8
6	5	NUROFEN	0.7	0.8
7	10	INGAVIRIN	0.7	0.5
8	6	CARDIOMAGNYL	0.7	0.7
9	9	PENTALGIN	0.7	0.6
10	14	KAGOCEL	0.6	0.5
Total			7.3	7.0

Half of the top ten INNs and group names held their own in the top ten INN and generic names ranking (Table 3). Among them are the top ten leader XYLOMETAZOLINE (+3%), as well as IBUPROFEN (+12%), NIMESULIDE (+9%), PANCREATIN (+10%) and ETHYLMETHYLHYDROXYPYRIDINE (+5%). Most of the other INNs from the top ten rose in the ranks. The composition DIOSMIN*HESPERIDIN (+24%) moved up to rank two from four, displacing BISOPROLOL (+9%) down from that position to rank four. The newcomers RIVAROXABAN (+55%) and ROSUVASTATIN (+22%) broke into the ranks of the top ten, coming in at numbers eight and nine. INN BLOOD (+1%) moved down to the last rank. The cumulative share of the top 10 under review increased from 10.4% to 10.6%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	XYLOMETAZOLINE	1.7	1.8
2	4	DIOSMIN*HESPERIDIN	1.2	1.1
3	3	IBUPROFEN	1.1	1.1
4	2	BISOPROLOL	1.1	1.1
5	5	NIMESULIDE	1.0	1.0
6	6	PANCREATIN	1.0	1.0
7	7	ETHYLMETHYLHYDROXYPYRIDINE	0.9	1.0
8	14	RIVAROXABAN	0.9	0.7
9	11	ROSUVASTATIN	0.8	0.7
10	8	BLOOD	0.8	0.9
Total			10.6	10.4

C09 Agents acting on the renin-angiotensin system (+10%) moved up to rank one in the top ten ATC groups ranking on the regional market, displacing the last year leader M01 Anti-inflammatory and antirheumatic products (+4%) down one rank (Table 4). R01 Nasal preparations (+3%) held their previous rank three. The groups G03 Sex hormones (+12%) and C05 Vasoprotectives (+15%) held their previous ranks six and eight. Following the leader, another three ATC groups of the top ten managed to rise in the ranks. B01 Antithrombotic agents (+28%) moved up to rank four from seven, and R05 Cough and cold preparations (+15%) moved up to rank nine from ten. The only newcomers of the top ten J05 Antivirals for systemic use (+26%) moved up to rank ten. The less dynamic groups J01 Antibacterials for systemic use (+8%) and N02 Analgesics (+3%) moved down to the lower ranks five and seven, respectively. In total, the top ten ATC groups accumulated 36.9% of the regional market, whereas in the year-earlier period they accounted for 36.5%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.0	5.1
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.0	5.3
3	3	R01	NASAL PREPARATIONS	3.8	4.0
4	7	B01	ANTITHROMBOTIC AGENTS	3.6	3.1
5	4	J01	ANTIBACTERIALS FOR SYST USE	3.6	3.6
6	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.4	3.3
7	5	N02	ANALGESICS	3.3	3.6
8	8	C05	VASOPROTECTIVES	3.1	3.0
9	10	R05	COUGH AND COLD PREPARATIONS	3.1	2.9
10	14	J05	ANTIVIRALS FOR SYSTEMIC USE	3.0	2.6
Total				36.9	36.5

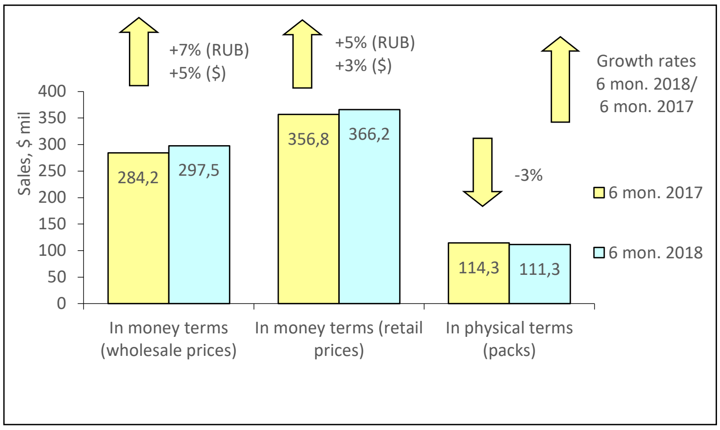
Conclusion. Based on the results for the first half of 2018, the retail pharmacy market of CFD (without Moscow) brought in RUB 90.331 mil. (USD 1.526 bil.), which was 7% in terms of roubles and 5% in terms of dollars more than in the same period of 2017. In natural terms, the market demonstrated slightly positive growth rates (+1%) and achieved 447.863 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results January- June of 2018 was USD 3.19, which was higher than in the year-earlier period (USD 3.07), and less than the national average (USD 3.42). However, the average medicine expenses of the CFD residents were higher than the national average expenses in Russia (USD 56.92 vs. USD 51.77).

NWFD (WITHOUT SAINT PETERSBURG) PHARMACY MARKET: 2018 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the North-Western Federal District (NWFD) (without St. Petersburg) was 8.600 mil., which accounted for 5.9% of the total Russian Federation population. According to Federal State Statistics Service's data, based on the results for January-June 2018 the average wage in NWFD (with St. Petersburg) was RUB 48619 (USD 819.61), which was 14% higher than the average wage in Russia (RUB 42555).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in the Russian Federation™, at the end of the first half of 2018 the sales of FPPs in physical terms in pharmacies of NWFD (without St. Petersburg) saw a 3% decrease to 111.299 mil. packs. In money terms, the market saw a 7% increase in terms of roubles and 5% in terms of dollars. At the same time, the volume of the market achieved RUB 17.590 bil (USD 297.518 mil.) 216 mil.) at wholesale prices (Fig. 1). The regional market share accounted for 4.8% of the retail pharmacy sales. The average cost of a pack increased as compared to a year earlier (USD 3.12) and reached USD 3.29 at retail prices. For the first six months 2018, the average amount spent on drugs by residents of the region in the pharmacies amounted to USD 42.58.

Figure 1. The NWFD (without St. Petersburg) pharmacy market for 6 months of 2017 – 6 months 2018



At the end of January-June of 2018, the top ten manufacturers rating in the NWFD OTC (without St Petersburg) market did not change in composition (Table 1). Its leaders BAYER (+8%), SANOFI (+1%), SERVIER (+7%) and TEVA (+3%) held their own in the top ten ranking. SANDOZ (+5%) held its previous rank seven. From the remaining five manufacturers of the top ten, three manufacturers rose in the ranks. OTCPHARM (+14%), KRKA (+13%) and GLAXOSMITHKLINE (+5%) moved up one rank, coming in at ranks five, eight and nine, respectively. The less dynamic GEDEON RICHTER (+3%) and STADA (-4%) which reduced its sales, in contrast, moved down to ranks six and ten of the topt ten ranking. The total share of the top 10 decreased from 38.2% to 37.8%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	**BAYER**	5.0	5.0
2	2	**SANOFI**	4.7	5.0
3	3	**SERVIER**	4.5	4.4
4	4	**TEVA**	4.1	4.2
5	6	OTCPHARM	3.9	3.6
6	5	GEDEON RICHTER	3.8	3.9
7	7	**SANDOZ**	3.5	3.5
8	9	**KRKA**	3.1	2.9
9	10	**GLAXOSMITHKLINE**	2.7	2.7
10	8	STADA	2.6	2.9
Total			37.8	38.2

*AIPM members are in bold

The leader of the top ten brands ranking did not change: though NUROFEN reduced its sales by 4%, it held its previous rank one (Table 2). DETRALEX (+15%) moved up to rank two from three, displacing CONCOR (-4%) down one rank. CARDIOMAGNYL (-1%), KAGOCEL (+13%), the newcomer XARELTO (+38%), and INGAVIRIN (+26%) and one more newcomer PENTALGIN (+30%) moved up to ranks four to eight respectively. At the same time, the brands LORISTA (+11%) and LOZAP (+5%) moved down and now rounded out the top ten ranking. The total share of the top 10 brands increased from 7.1% to 7.4%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	NUROFEN	1.0	1.1
2	3	DETRALEX	0.9	0.8
3	2	CONCOR	0.8	0.9
4	5	CARDIOMAGNYL	0.7	0.8
5	6	KAGOCEL	0.7	0.7
6	11	XARELTO	0.7	0.6
7	10	INGAVIRIN	0.7	0.6
8	17	PENTALGIN	0.6	0.5
9	8	LORISTA	0.6	0.6
10	7	LOZAP	0.6	0.6
Total			7.4	7.1

Four INNs from the top-ten INN and Group Names ranking held their own in the ranking (Table 3). They were the leader of top ten XYLOMETAZOLINE (-3%) and IBUPROFEN (+12%), as well as INNs NIMESULIDE (+2%) and PANCREATIN (+4%) placed at ranks five and six. The shift took place in the ranks three and four: the more dynamic combination DIOSMIN*HESPERIDIN (+29%) moved up to rank three, displacing BISOPROLOL (-1%) down to rank four. The newcomers moved up to the last four ranks of the top ten: LOSARTAN (+11%), DROSPIRENONE*ETHINYLESTRADIOL (+15%), AMOXICILLIN*CLAVULANIC ACID (+16%) and ROSUVASTATIN (+13%). The cumulative share of the top 10 did not virtually change and accounted for 10.2%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	XYLOMETAZOLINE	1.6	1.8
2	2	IBUPROFEN	1.4	1.3
3	4	DIOSMIN*HESPERIDIN	1.3	1.0
4	3	BISOPROLOL	1.1	1.2
5	5	NIMESULIDE	0.9	1.0
6	6	PANCREATIN	0.8	0.9
7	11	LOSARTAN	0.8	0.8
8	13	DROSPIRENONE*ETHINYLESTRADIOL	0.8	0.7
9	15	AMOXICILLIN*CLAVULANIC ACID	0.7	0.7
10	14	ROSUVASTATIN	0.7	0.7
Total			10.2	10.1

In contrast to the previous rankings, none of the top ten ATC groups managed to hold their own in the ranking (Table 4). The leader changed as well. C09 Agents acting on the renin-angiotensin system (+7%) moved up to rank one from two, displacing M01 Anti-inflammatory and antirheumatic products (+1%) down one rank. The other six drug manufacturers came in at yet higher ranks. G03 Sex hormones (+13%) and R05 Cough and cold preparations (+7%) moved up to rank three and four. J01 Antibacterials for systemic use (+9%) and B01 Antithrombotic agents (+12%) moved up one rank to numbers seven and eight, respectively. The newcomers C05 Vasoprotectives (+16%) and J05 Antivirals for systemic use (+14%) broke into the ranks of the top ten, coming in at the lower part of the top ten. Only groups R01 Nasal preparations (-1%) and N02 Analgesics (+3%) moved down to ranks five and six, respectively. In total, the top ten ATC groups accumulated 38.5% of the market, whereas in the year-earlier period they accounted for 38.2%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	5.3	5.3
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.1	5.4
3	4	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.0	3.7
4	6	R05	COUGH AND COLD PREPARATIONS	3.7	3.6
5	3	R01	NASAL PREPARATIONS	3.6	3.9
6	5	N02	ANALGESICS	3.6	3.7
7	8	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.4
8	9	B01	ANTITHROMBOTIC AGENTS	3.3	3.1
9	12	C05	VASOPROTECTIVES	3.2	3.0
10	11	J05	ANTIVIRALS FOR SYSTEMIC USE	3.2	3.0
Total				38.5	38.2

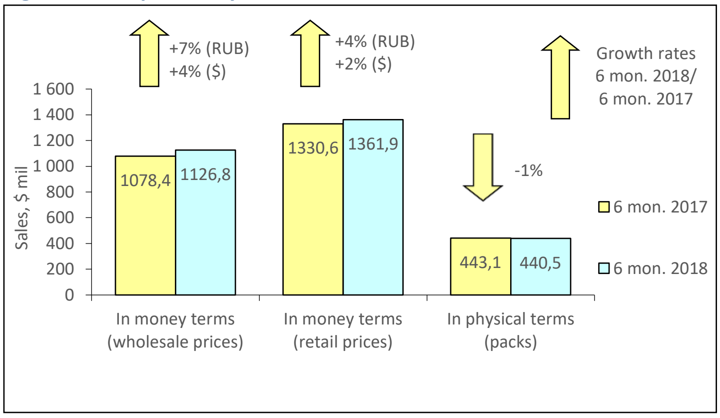
Conclusion. Based on the results for six months of 2018, the pharmacy market of the NWFD (without St Petersburg) brought in RUB 21.646 bil. (USD 366.163 mil.), which was 5% in terms of roubles and 3% in terms of dollars more than in the same period of 2017. In pack terms, the market reduced by 3% and amounted to 111.299 mil. packs. The average cost of an FPP pack in the regional pharmacies based on the results for the first half of 2018 was USD 3.29 which was more than in the year-earlier period (USD 3.12) and lower than the national average (USD 3.42). The average medicine expenses of the district residents in the pharmacies were less than the national average expenses in Russia (USD 42.58 vs. USD 51.77).

VFD PHARMACY MARKET: 2018 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Volga Federal District (VFD) was 29.543 mil., which accounted for 20.1% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-March 2018, the average salary in the PFD was RUB 30974 (USD 522.16), which was 27% lower than the national average wage (RUB 42,555).

According to the results of the Retail Audit of OTC drugs in Russian Federation™, in the first six months of 2018 the pharmacy market of VFD in pack terms expanded by 1% to 440.485 million packs as compared to the same period of the last year (Fig. 1) In wholesale prices, the market performance showed sales growth in terms of roubles (+7%) and in terms of dollars (+4%) and reached RUB 66.649 bil. (USD 1.127 bil.), A region's share in the total pharmacy sales in Russia accounted for 17.9%. At the end of the first half of 2018, the average cost of a finished pharma product (FPP) in the VFD pharmacies amounted to USD 3.09 vs. USD 3.00 in the year earlier period. At the end of January - June of 2018, the average per capita expenses for purchase of drugs in the pharmacies were estimated at USD 46.10.

Figure 1. VFD pharmacy market for 6 months of 2017 – 6 months 2018



At the end of January-June 2018, almost all top ten manufacturers of the retail market of Volga Federal District held their own in the ranking (Table 1). However, it should be noted that the growth rates of most of them legged behind the market average rates. Despite the reduction in sales by 1%, SANOFI continued to hold its rank number one. BAYER (+8%), OTCPHARM (+5%), TEVA (+4%), SERVIER (+5%), SANDOZ (+7%) and ABBOTT (+10%) held their previous ranks from two to seven respectively. The manufacturers BERLIN-CHEMIE/MENARINI (+3%) and NYCOMED/TAKEDA (+7%) continued to round out the top ten ranking. The only change affected rank eight, where the newcomer of the top ten ranking KRKA (+ 18%) moved up to for the first time. In total, the top ten manufacturers accumulated 32.3% of the market against 32.5% in the year-earlier period.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	**SANOFI**	4.3	4.6
2	2	**BAYER**	4.1	4.0
3	3	OTCPHARM	3.7	3.8
4	4	**TEVA**	3.6	3.6
5	5	**SERVIER**	3.1	3.1
6	6	**SANDOZ**	3.0	2.9
7	7	**ABBOTT**	2.8	2.7
8	12	**KRKA**	2.6	2.4
9	9	**BERLIN-CHEMIE/MENARINI**	2.6	2.7
10	10	**NYCOMED/TAKEDA**	2.6	2.6
Total			32.3	32.5

*AIPM members are in bold

The top ten brand ranking has changed its leader on the regional market (Table 2). ACTOVEGIN (+6%), MEXIDOL (+11%), INGAVIRIN (+17%) and NUROFEN (+11%) moved up to the top four ranks from the lower ones. At the same time, KAGOCEL reduced its sales by 10% and moved down from rank three to five, and the last year leader ESSENTIALE (-26%) showed more pronounced negative growth rates and moved down to rank nine. CONCOR (-3%) and CARDIOMAGNYL (-9%) also moved down to the lower ranks seven and eight. In contrast, brand PENTALGIN (+17%) moved up to rank six from nine. The newcomer DETRALEX (+10%) rounded out the top ten ranking. The total share of the top 10 brands reduced from 6.8% to 6.5%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	2	ACTOVEGIN	0.8	0.8
2	4	MEXIDOL	0.7	0.7
3	8	INGAVIRIN	0.7	0.6
4	7	NUROFEN	0.7	0.6
5	3	KAGOCEL	0.7	0.8
6	9	PENTALGIN	0.6	0.6
7	6	CONCOR	0.6	0.7
8	5	CARDIOMAGNYL	0.6	0.7
9	1	ESSENTIALE	0.6	0.8
10	12	DETRALEX	0.5	0.5
Total			6.5	6.8

One newcomer broke into the ranks of the top 10 INN and group names ranking: ROSUVASTATIN (+12%) moved up to the bottom rank of the top ten from 14 (Table 3). INNs IBUPROFEN (+18%) and the composition DIOSMIN + HESPERIDIN (+32%) moved up to the higher ranks two and five. At the same time, the former displaced INNs PANCREATIN (-8%) and BISOPROLOL (+3%) one rank down, and PHOSPHOLIPIDS that reduced sales by 23 %, moved down from rank four to nine. The leader of the ranking XYLOMETAZOLINE (+2%), as well as ACTOVEGIN (+7%) and ETHYLMETHYLHYDROXYPYRIDINE (+8%), BLOOD (+7%) and NIMESULIDE (+1%) held their own in the top ten ranking. The total share of the top 10 reduced from 9.8% to 9.6%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	XYLOMETAZOLINE	1.4	1.4
2	5	IBUPROFEN	1.1	1.0
3	2	PANCREATIN	1.0	1.2
4	3	BISOPROLOL	1.0	1.1
5	9	DIOSMIN*HESPERIDIN	1.0	0.8
6	6	ETHYLMETHYLHYDROXYPYRIDINE	0.9	0.9
7	7	BLOOD	0.9	0.9
8	8	NIMESULIDE	0.8	0.8
9	4	PHOSPHOLIPIDS	0.7	1.0
10	14	ROSUVASTATIN	0.7	0.6
Total			9.6	9.8

M01Anti-inflammatory and antirheumatic products (+4%), C09 Agents acting on the renin-angiotensin system (+10%), J01 Antibacterials for systemic use (+4%) and J05 Antivirals for systemic use (+5%) held their previous top four ranks in the top ten ranking (Table 4). In addition to them, R01 Nasal preparations (+2%) kept its previous rank seven. Three groups of the top ten rose in the ranks. G03 Sex hormones (+11%) and R05 Cough and cold preparations (+8%) moved up to ranks five and six, and the only newcomer B01 Antithrombotic agents (+15%) moved up to rank nine. At the same time, the groups N02 Analgesics (-1%) and N06 (+6%) moved down to ranks eight and ten, respectively. In total, the top ten ATC groups accumulated 36.6% of the regional sales, 36.7 % in the year-earlier period.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.0	5.2
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.7	4.6
3	3	J01	ANTIBACTERIALS FOR SYST USE	3.9	4.0
4	4	J05	ANTIVIRALS FOR SYSTEMIC USE	3.6	3.7
5	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.6	3.4
6	8	R05	COUGH AND COLD PREPARATIONS	3.3	3.2
7	7	R01	NASAL PREPARATIONS	3.2	3.4
8	5	N02	ANALGESICS	3.2	3.5
9	12	B01	ANTITHROMBOTIC AGENTS	3.0	2.8
10	9	N06	PSYCHOANALEPTICS	3.0	3.0
Total				36.6	36.7

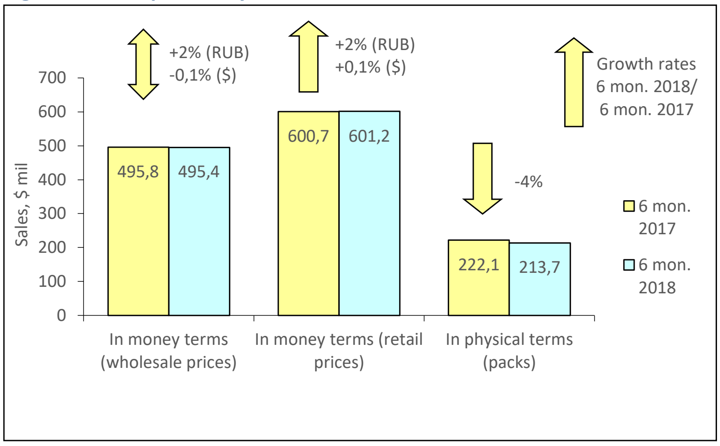
Conclusion. At the end of the period from January to June of 2018, the pharmacy market in VFD was estimated at RUB 80.555 bil. (USD 1.362 bil.) in retail prices. At the same time, the market behaviour was positive both in rouble (+4%) and dollar (+2%) terms. In physical terms, the sales reduced by 1% to 440.485 mil. packs. The average cost of an FPP pack in the first half of 2018 was USD 3.09, grew compared to the last year (USD 3.00), but continued to be lower than the national average across Russia (USD 3.42). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 46.10 vs. USD 51.77).

SoFD PHARMACY MARKET: 2018 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Southern Federal District (SoFD) was 16.442 mil., which accounted for 11.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-June 2018, the average salary in the SFD was RUB 30692 (USD 517.4), which was 28% lower than the national average wage (RUB 42,555).

According to the results of the Retail Audit of FPP (Finished Pharmaceutical Products) in Russian Federation™, at the end of January- June 2018 the sales of drugs in physical terms in the Southern Federal District saw a 4% decrease to 213.652 mil. packs. In money terms, the market showed positive growth rates in rouble terms (+2%), and nearly zero in dollar terms (-0.1%), and reached RUB 29.343 bil. (USD 495.387 mil.) in wholesale prices (Fig. 1). The city market share accounted for 7.9% of the pharmacy sales in Russia. The average cost of an OTC pack increased as compared to a year earlier period (USD 2.70) and reached USD 2.81 at retail prices. For six months of 2018, the average amount spent by residents of the SoFD for OTC drugs amounted to USD 36.56.

Figure 1. SoFD pharmacy market for 6 months of 2017 – 6 months 2018



At the end of the first half of 2018, most manufacturers of the top ten manufacturers on the Southern Federal District market showed positive growth rates (Table 1). This allowed four of them to hold their previous ranks and two of them to rise in the ranks. The top ten ranking leader BAYER (+5%) held it own, and SERVIER (+6%), OTCPHARM (+2%) and SANDOZ (+4%) kept their previous ranks from four to six respectively. BERLIN-CHEMIE/MENARINI (+5%) and the newcomer of the top ten GEDEON RICHTER (+0.4%) moved up one rank. Another two drug manufacturers rose in the ranks, showing negative growth rates. TEVA (-2%) and ABBOTT (-4%) moved up to ranks two and eight. Two manufacturers with more pronounced reduction in sales, SANOFI (-9%) and STADA (-11%) moved down to rank three and nine respectively. The total share of the top 10 ATC groups reduced by 0.8 p.p. and accounted for 34.1%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	**BAYER**	5.2	5.1
2	3	**TEVA**	4.0	4.2
3	2	**SANOFI**	4.0	4.5
4	4	**SERVIER**	3.3	3.2
5	5	OTCPHARM	3.2	3.2
6	6	**SANDOZ**	3.1	3.1
7	8	**BERLIN-CHEMIE/MENARINI**	3.1	3.1
8	9	**ABBOTT**	2.7	2.9
9	7	STADA	2.7	3.1
10	11	GEDEON RICHTER	2.7	2.7
Total			34.1	34.9

*AIPM members are in bold

Three newcomers broke into the top 10 Brand ranking on the regional market (table 2). MEXIDOL (+14%), PENTALGIN(+13%) and XARELTO (+36%) moved up to ranks four , seven and eight. Another 2 brands, THERAFLEX (+5%) and DETRALEX (+13%) managed to move up to the higher ranks, coming in at numbers three and four, respectively. The other manufacturers of the top ten showed negative growth rates in sales, including its leaders ARBIDOL (-3%) and ACTOVEGIN (-1%). The brands CONCOR (-8%), CARDIOMAGNYL (-7%) and INGAVIRIN (-6%) moved down to ranks six and the last two brands. The total share of the top ten brands didn't virtually change - 6.1% vs 6,0% a year-earlier.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	NUROFEN	0.8	0.8
2	2	ACTOVEGIN	0.8	0.8
3	4	THERAFLEX	0.7	0.6
4	8	DETRALEX	0.6	0.6
5	12	MEXIDOL	0.6	0.5
6	5	CONCOR	0.6	0.6
7	14	PENTALGIN	0.6	0.5
8	22	XARELTO	0.5	0.4
9	6	CARDIOMAGNYL	0.5	0.6
10	7	INGAVIRIN	0.5	0.6
Total			6.1	6.0

ROSUVASTATIN (+22%) and ETHYLMETHYLHYDROXYPYRIDINE (+11%) broke into the ranks of the top ten INNs and group names ranking, coming in at ranks eight and ten respectively (Table 3). Apart from that, some shifts took place in the top-10 rating, due to which three INNs rose in the ranks and three INNs fell in the ranks. IBUPROFEN (+10%) and NIMESULIDE (+5%) moved up one rank, to numbers two and three, whereas the composition DIOSMIN*HESPERIDIN (+26%) moved up to rank five from nine. The less dynamic PANCREATIN (-3%), BISOPROLOL (+1%) and DICLOFENAC (-6%) reduced their sales and moved down to ranks four, six and nine, respectively. XYLOMETAZOLINE (-2%) and BLOOD (-0.2%) held their previous ranks one and seven. The total share of the top ten accounted for 9.8%, whereas in the year-earlier period it was 9.6%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	XYLOMETAZOLINE	1.8	1.9
2	3	IBUPROFEN	1.1	1.0
3	4	NIMESULIDE	1.1	1.0
4	2	PANCREATIN	1.1	1.1
5	9	DIOSMIN*HESPERIDIN	0.9	0.8
6	5	BISOPROLOL	0.9	0.9
7	7	BLOOD	0.8	0.9
8	12	ROSUVASTATIN	0.7	0.6
9	8	DICLOFENAC	0.7	0.8
10	11	ETHYLMETHYLHYDROXYPYRIDINE	0.7	0.6
Total			9.8	9.6

Most of the top-10 ATC groups showed negative growth rates (Table 4). Due to this fact, the groups J01 Antibacterials for systemic use and R01 Nasal preparations (-4% each), as well as N02 Analgesics (-6%), J05 Antivirals for systemic use (-11%) and R05 Cough and cold preparations (-5%) moved down one rank. Note that despite the reduction in sales by 1%, the group A07 Antidiarrheals, intestinal anti-inflammatory / antiinfective agents managed to move up two ranks, coming in at number seven. Due to outperformance sale rates, C09 Agents acting on the renin-angiotensin system (+5%), G03 Sex hormones (+4%) and the only newcomer of the top ten B01 Antithrombotic agents (+19%) rose in the ranks, coming in at numbers two, five and ten. M01 Aniinflammatory and antirheumatic products (+3%) held its earlier rank number one. At the end of January- June 2018, the total share of the top ten ATC groups reduced by almost 1 p.p. - from 36.1% to 35.3%. from 36.1% to 35.3% in terms of packs.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	5.3	5.2
2	4	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	3.9	3.8
3	2	J01	ANTIBACTERIALS FOR SYST USE	3.7	4.0
4	3	R01	NASAL PREPARATIONS	3.7	3.9
5	6	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	3.6	3.5
6	5	N02	ANALGESICS	3.4	3.7
7	9	A07	ANTIDIARR.,INTEST. ANTIINFL./ ANTIINFECT. AGENTS	3.0	3.0
8	7	J05	ANTIVIRALS FOR SYSTEMIC USE	2.9	3.4
9	8	R05	COUGH AND COLD PREPARATIONS	2.9	3.1
10	15	B01	ANTITHROMBOTIC AGENTS	2.9	2.5
Total				35.3	36.1

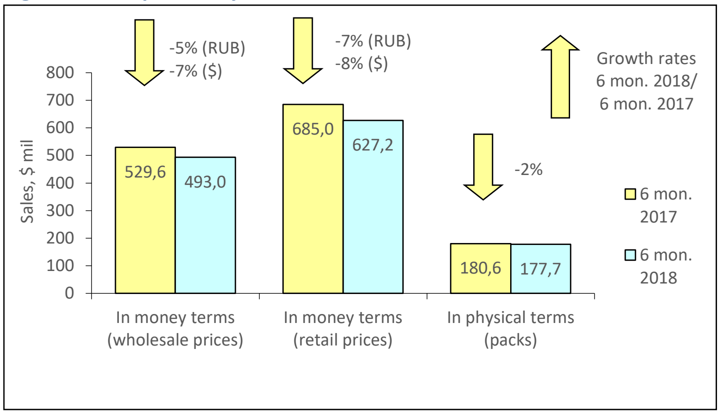
Conclusion. Based on the results for the first six months of 2018, the pharmacy market of SoFD reached RUB 35.610 bil. (USD 601.170 mil.) at retail prices. The sales saw a 2% increase in terms of roubles, whereas the growth rates (+0.1%) in terms of dollars was almost zero. In natural terms, the market showed negative growth rates (-4%) and amounted to 213.652 mil. packs. The average cost of an FPP pack in the district pharmacies was USD 2.81, which was higher than the previous year figures (USD 2.70), but lower than national average (USD 3.42). At the end of January- June 2018, the average expenses of the SoFD residents for drugs in the pharmacies were also lower than the national average (USD 36.56 vs. USD 51.77).

UFD PHARMACY MARKET: 2018 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Ural Federal District (UFD) was 12.356 mil., which accounted for 8.4% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first half of 2018 the average salary in the UFD was RUB 43.942 (USD 793.70), which was 11% higher than the average wage in Russia (RUB 42555).

According to the results of the Retail Audit of Finished Pharma Products (FPP) in Russian Federation™, at the end of the first six months of 2018 the sales of FPP drugs in physical terms in the pharmacies of UFD saw a 2% decrease to 177.730 mil. packs. In money terms, the market also showed positive growth rates both in rouble terms (-5%), and in dollar terms (-7%), and. 29.154 bil. (USD 493.024 mil.) in wholesale prices (Fig. 1). The regional market share accounted for 8.2% of the total pharmacy sales in Russia. The average retail cost of an FPP pack was USD 3.53, which was lower than in the year-earlier period (USD 3.79). In January- June of 2018, the average amount spent by the UFD residents on drugs amounted to USD 50.76.

Figure 1. UFD pharmacy market for 6 months of 2017 – 6 months 2018



At the end of the first half of 2018, the manufacturer BAYER took the lead by sales on the Ural Federal District market, moving up to rank one from two, despite the reduction in sales by 3% (Table1). The former leader SANOFI (-13%), which used to take this position earlier, showed more pronounced negative growth rates and moved down one rank. Most remaining manufacturers also showed reduction in sales. However, the manufacturers SANDOZ (-9%) and STADA (-10%) managed to move up to the higher ranks, six and eight respectively, whereas four, in contrast, fell in the ranks: TEVA (-7%), GEDEON RICHTER (-12%), SERVIER (-16%) and ABBOTT (-13%). The manufacturers which showed positive growth rates, OTCPHARM (+6%) and the newcomer of the top ten ASTELLAS PHARMA (+41%), in contrast, moved up to ranks three and ten. The total share of the top 10 drug manufacturers reduced by 0.4 p.p. to 34%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	2	**BAYER**	5.0	4.9
2	1	**SANOFI**	4.8	5.2
3	5	OTCPHARM	3.7	3.3
4	3	**TEVA**	3.5	3.5
5	4	GEDEON RICHTER	3.2	3.4
6	8	**SANDOZ**	2.9	3.0
7	6	**SERVIER**	2.9	3.3
8	9	STADA	2.8	2.9
9	7	**ABBOTT**	2.8	3.0
10	15	**ASTELLAS PHARMA**	2.5	1.7
Total			34.0	34.4

*AIPM members are in bold

Two newcomers broke into the top 10 brand ranking on the regional market (table 2). FLEMOXIN SOLUTAB (+79%) and CARDIOMAGNYL (+14%) moved up to ranks six and nine. The leaders of the top ten INGAVIRIN (+23%) ARTRA(+29%), and KAGOCEL (+30%), which moved up to rank five, also showed positive growth rates and rose in the ranks. Five brands, which reduced their sales: ESSENTIALE (-28%), NUROFEN (-1%), ACTOVEGIN (-14%), DETRALEX (-22%) and LOZAP (-8%), in contrast, fell in the ranks, moving down to numbers three, four, seven, eight and ten, respectively. The total share of the top 10 brands increased from 6.3% to 6.9%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	5	INGAVIRIN	0.8	0.6
2	7	ARTRA	0.8	0.6
3	1	ESSENTIALE	0.8	1.0
4	3	NUROFEN	0.7	0.7
5	10	KAGOCEL	0.7	0.5
6	31	FLEMOXIN SOLUTAB	0.7	0.4
7	4	ACTOVEGIN	0.6	0.7
8	2	DETRALEX	0.6	0.7
9	11	CARDIOMAGNYL	0.6	0.5
10	6	LOZAP	0.6	0.6
Total			6.9	6.3

In contrast to the above rankings, the leader of the top ten INNs and grouping names ranking did not change: due to outperformance rates, XYLOMETAZOLINE (+9%) held and consolidated its hold of its previous rank number one (Table 3). In addition to them, the composition DIOSMIN*HESPERIDIN (-14%) and INN PANCREATIN (-9%) and ROSUVASTATIN (-5%) kept their previous ranks three, four and six. Half of INNs of the top ten rose in the ranks. IBUPROFEN (+11%) and CHONDROITINSULFURIC ACID* GLUCOSAMINE (+5%) moved to ranks two and five, and the newcomers IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+23%), AMOXICILLIN (+58%) and NIMESULIDE (+4%) broke into the ranks of the top ten, coming in at ranks seven and the last two ranks in the top ten. INN PHOSPHOLIPIDS reduced its sales by 31% and moved down from rank two to eight. The cumulative share of the top10 increased from 9.1% to 9.7%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	XYLOMETAZOLINE	1.5	1.3
2	5	IBUPROFEN	1.1	0.9
3	3	DIOSMIN*HESPERIDIN	1.0	1.1
4	4	PANCREATIN	1.0	1.0
5	7	CHONDROITINSULFURIC ACID* GLUCOSAMINE	0.9	0.8
6	6	ROSUVASTATIN	0.9	0.9
7	14	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.6
8	2	PHOSPHOLIPIDS	0.8	1.1
9	32	AMOXICILLIN	0.8	0.5
10	11	NIMESULIDE	0.8	0.7
Total			9.7	9.1

The leader of the top-10 ATC groups ranking changed (Table 4). M01 Ani-inflammatory and antirheumatic products (-8%) held its earlier rank number one despite the negative growth rates. Note that another four brand names showed reduction in sales: one of them, C09 Agents acting on the renin-angiotensin system (-9%) moved up to rank two from three. G03 sex hormones that had been placed at rank two earlier reduced their sales by 15% and moved down to rank three. Another two groups that reduced their sales, A11 Vitamins (-1%) and B01 Antithrombotic agents fell in the ranks. Five ATC groups with positive sales dynamics, in contrast, moved up to the higher ranks. J05 Antivirals for systemic use (+11%), R01 Nasal preparations (+6%) and J01 Antibacterials for systemic use (+4%) moved up one rank, coming in at numbers five, six and seven. Two newcomers R05 Cough and cold preparations (+12%) and N02 Analgesics (+5%) moved down to ranks eight and nine. In total, the top ten ATC - groups accumulated 37.7% of the regional market against 36.4% in the same period of 2017.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.7	4.8
2	3	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.2	4.4
3	2	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.1	4.6
4	5	J05	ANTIVIRALS FOR SYSTEMIC USE	4.0	3.5
5	6	R01	NASAL PREPARATIONS	3.7	3.4
6	4	A11	VITAMINS	3.6	3.5
7	8	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.2
8	13	R05	COUGH AND COLD PREPARATIONS	3.4	2.9
9	12	N02	ANALGESICS	3.2	2.9
10	7	B01	ANTITHROMBOTIC AGENTS	3.1	3.3
Total				37.7	36.4

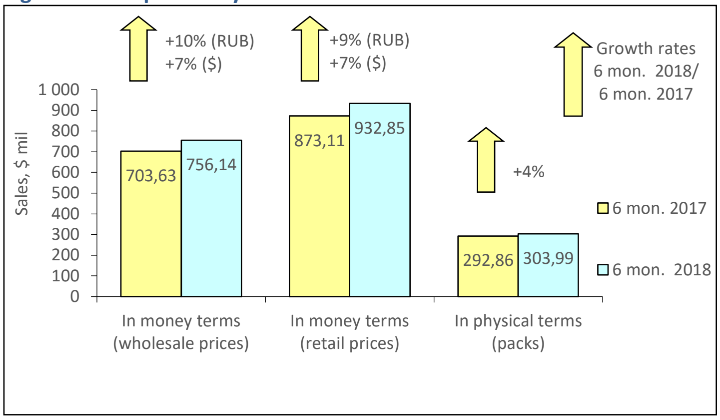
Conclusion. In January- June 2018, the retail pharmacy market of the Ural Federal District brought in RUB 37.088 bil. (USD 627.197 mil.) at retail prices. The sales reduced both in dollar (-8%) and rouble terms (-7%). In pack terms, the market also showed negative growth rates (-2%) and achieved 177.730 mil. packs. The average cost of FPP pack in the regional pharmacies based on the results for the first half of 2018 was USD 3.53, which was lower than the last year figures (USD 3.79), but higher than average figures in the country (USD 3.42). The average expenses of the UFD residents for medications in the pharmacies were slightly lower than the national average (USD 50.76 vs. USD 51.77).

SiFD PHARMACY MARKET: 2018 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Siberian Federal District (SiFD) was 19.287 mil., which accounted for 13.1% of the total Russian Federation population. According to Federal State Statistics Service's data, in January-June 2018, the average salary in the SiFD was RUB 36737 (USD 619.30), which was 14% lower than the national average wage (RUB 42,555).

According to the results of the Retail Audit of FPP drugs in Russian Federation™, in the first half of 2018 the SiFD pharmacy market volume in physical terms increased by 4% to 303.989 mil. packs (Fig. 1) In wholesale prices, the market showed the positive performance both in terms of roubles (+10%) and in terms of dollars (+7%) and reached RUB 44.738 bil. (USD 756.135 mil.), the district's share accounted for 12.3% of the total pharmacy sales in the Russian pharmacy market pattern. Based on the results for six months of 2018, the average cost of a FPP pack in the SiFD pharmacies was USD 3.07, whereas in the year-earlier period its cost was USD 2.98. In the January- June of 2018, per capita expenses of the SiFD residents for purchase of medicines in pharmacies amounted to USD 48.37.

Figure 1. SiFD pharmacy market for 6 months of 2017 – 6 months 2018



BAYER (+10%) became the leader of the top ten manufacturers ranking on the SiFD pharmacy market based on the results for the first six months of 2018 (Table 1). SANOFI, that used to be its leader before, reduced its sales by 1% and moved down to rank two. Note that similar shifts took place in the lower part of the ranking. The more dynamic SANDOZ and KRKA (+15% each) moved up to ranks five and seven, whereas OTCPHARM (+14%) and STADA (-3%) that used to hold these ranks earlier moved down to ranks six and nine. The only newcomer of the top ten ABBOTT (+14%) broke into the ranks of the top ten, coming in at number ten. The manufacturers TEVA (+5%), SERVIER (+10%) and GEDEON RICHTER (+9%) held their previous ranks three, four and eight. The total share of the top 10 drug manufacturers reduced by almost 0.5 p.p. and accounted for 34.5%.

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	2	**BAYER**	4.7	4.7
2	1	**SANOFI**	4.3	4.7
3	3	**TEVA**	4.3	4.5
4	4	**SERVIER**	3.6	3.6
5	6	**SANDOZ**	3.4	3.2
6	5	OTCPHARM	3.3	3.2
7	9	**KRKA**	2.9	2.7
8	8	GEDEON RICHTER	2.9	2.9
9	7	STADA	2.6	3.0
10	12	**ABBOTT**	2.6	2.5
Total			34.5	35.0

*AIPM members are in bold

CARDIOMAGNYL (+2%) held its rank number one in the top ten brand ranking (Table 2). On top of that, DETRALEX (+12%) and ACTOVEGIN (+3%) held their previous ranks five and eight. Five brand names of the top 10 managed to rise in the ranks. LOZAP (+7%), CONCOR (+6%) and LORISTA (+12%) moved up one rank, to numbers two, three and six. The more dynamic PENTALGIN (+18%) and MEXIDOL (+17%) moved up to ranks seven and nine, respectively. On top of that, the latter became the only newcomer of the top 10 ranking. The brands NUROFEN (-0.4%) and KAGOCEL (+2%) fell in the ranks, moving down to ranks four and ten. In total, the top ten brands accumulated 6.3% of sales, which was slightly less than in the year-earlier period (6.5%).

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	CARDIOMAGNYL	0.7	0.7
2	3	LOZAP	0.7	0.7
3	4	CONCOR	0.7	0.7
4	2	NUROFEN	0.7	0.7
5	5	DETRALEX	0.7	0.7
6	7	LORISTA	0.6	0.6
7	10	PENTALGIN	0.6	0.6
8	8	ACTOVEGIN	0.6	0.6
9	11	MEXIDOL	0.6	0.5
10	9	KAGOCEL	0.5	0.6
Total			6.3	6.5

The top three names in the leading INN and group names ranking remained unchanged: INNs XYLOMETAZOLINE (+10%), IBUPROFEN (+17%) and BISOPROLOL (+12%) held their previous ranks one, two and three (Table 3). In addition, NIMESULIDE (+9%) held its previous rank six. DIOSMIN*HESPERIDIN (+31%), LOSARTAN (+16%) which showed higher growth rate and the newcomer of the top ten SILDENAFIL (+13%) moved up to the higher ranks four, seven and ten. At the same time, the less dynamic INNs PANCREATIN (+8%), ROSUVASTATIN (+9%) and the composition ACETYLSALICYLIC ACID*MAGNESIUM (+5%), in contrast, lost one rank each and moved down to ranks five, eight and nine respectively. The total share of the top 10 reduced from 9.1% to 9.4%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	XYLOMETAZOLINE	1.6	1.6
2	2	IBUPROFEN	1.2	1.1
3	3	BISOPROLOL	1.1	1.0
4	5	DIOSMIN*HESPERIDIN	1.0	0.8
5	4	PANCREATIN	0.8	0.9
6	6	NIMESULIDE	0.8	0.8
7	10	LOSARTAN	0.8	0.7
8	7	ROSUVASTATIN	0.8	0.8
9	8	ACETYLSALICYLIC ACID*MAGNESIUM	0.7	0.7
10	14	SILDENAFIL	0.7	0.7
Total			9.4	9.1

C09 Agents acting on the rennin-angiotensin system (+14%) moved up to rank one in the top ten ATC groups, displacing M01 Anti-inflammatory and antirheumatic products (+6%) down one rank (Table 4). G03 Sex hormones (+15%), N02 Analgesics (+3%), R05 Cough and cold preparations (+5%) and G04 Urologicals (+12%) held their previous ranks three and four, and seven and ten respectively. Apart from the leader, another two INNs of the top ten managed to rise in the ranks. R01 Nasal preparations (+8%) moved up to rank five from six, and the only newcomer of the top ten B01 Antithrombotic agents (+12%) moved up to rank eight. At the same time, they displaced ATC-groups J01 Antibacterials for systemic use (+4%) and J05 Antivirals for systemic use (+3%) down one rank. The total share of the Top 10 reduced from 36.9% to 36.7%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.9	4.7
2	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.9	5.0
3	3	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.3	4.1
4	4	N02	ANALGESICS	3.6	3.9
5	6	R01	NASAL PREPARATIONS	3.5	3.6
6	5	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.7
7	7	R05	COUGH AND COLD PREPARATIONS	3.2	3.4
8	11	B01	ANTITHROMBOTIC AGENTS	3.0	2.7
9	8	J05	ANTIVIRALS FOR SYSTEMIC USE	2.9	3.1
10	10	G04	UROLOGICALS	2.8	2.8
Total				36.7	36.9

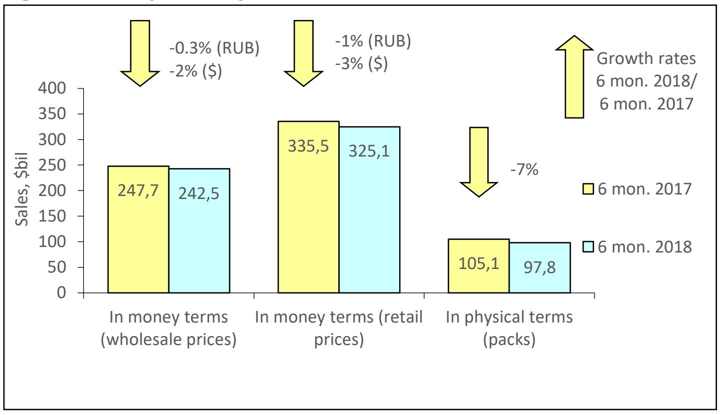
Conclusion. At the end of the first half 2018, the pharmacy market in the Siberian Federal District was estimated at RUB 55.186 mil. (USD 932.847 bil.) in final consumer prices. At the same time, the market behaviour was positive both in rouble (+9%), and in dollar (+7%) terms. In pack terms, the sales increased by 4% and reached 303.989 mil. packs. The average cost of an FPP pack (USD 3.07) increased as compared to a year earlier (USD 2.98), but continued to be lower than the national FPP price average in Russia (USD 3.42). Per capita expenses of the district residents for purchase of medicines in the pharmacies were also lower than the national average figures (USD 48.37 vs. USD 51.77).

FEFD PHARMACY MARKET: 2018 FIRST SIX MONTHS RESULTS

According to Federal State Statistics Service, as of January 1, 2018 estimated population of the Far Eastern Federal District (FEFD) was 6.165 mil., which accounted for 4.2% of the total Russian Federation population. According to Federal State Statistics Service's data, in the first half of 2018 the average salary in the FEFD was RUB 52714 (USD 888.64), which was 24% higher than the average wage in Russia (RUB 42555).

According to the results of the Retail Audit of Finished Pharma Products in Russian Federation™, in January- June 2018 the volume of drugs in pack terms in the pharmacies of the FEFD saw a 7% decrease to 97.846 mil. packs. In value terms, the OTC drugs market decreased by 0.3% in rouble terms, and by 2% in dollar terms and reached RUB 14.341 bil. (USD 242.529 mil.) in wholesale prices (Fig. 1). The district's share reached 4.3% of the all-Russia sales in retail prices. The average cost of a pack increased as compared to the previous year and escalated to USD 3.32 (vs. USD 3.19). At the end of the first half of 2018, the average amount spent by the residents of the FEFD for FPPs in pharmacies amounted to USD 52.72.

Figure 1. FEFD pharmacy market for 6 months of 2017 – 6 months 2018



The rating of leading manufacturers in the retail market of the Far Eastern Federal District for the first six months of 2018 demonstrated high stability: half of the drug manufacturers from the top ten held their own in the ranking (Table 1). Among them are the leaders of the top ten BAYER (+9%) and SANOFI (-10%). The manufacturers SANDOZ (+2%), GLAXOSMITHKLINE (-6%) and STADA (-10%) held their previous ranks six and the last two ranks in the top ten. Among the remaining manufacturers there were two manufacturers with negative growth rates TEVA (-6%) and KRKA (-2%), moving down to ranks five and eight. This allowed the manufacturers SERVIER (+2%), GEDEON RICHTER (+3%) and OTCPHARM (0%) to move up one rank. The total share of the top 10 drug manufacturers reduced from 34.6% to 34.2%

Table 1. The top ten drug manufacturers by pharmacy sales

Rank in the top ten		Manufacturer*	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	**BAYER**	5.1	4.6
2	2	**SANOFI**	3.8	4.2
3	4	**SERVIER**	3.7	3.7
4	5	GEDEON RICHTER	3.6	3.5
5	3	**TEVA**	3.5	3.7
6	6	**SANDOZ**	3.4	3.4
7	8	OTCPHARM	2.9	2.9
8	7	**KRKA**	2.9	2.9
9	9	**GLAXOSMITHKLINE**	2.7	2.9
10	10	STADA	2.5	2.8
Total			34.2	34.6

*AIPM members are in bold

The leader of the top ten brands did not change: NUROFEN (+5%) held and strengthened its position (Table 2). On top of that, MEXIDOL (+1%) held its previous rank six (+1%). The remaining brands of the top 10 shifted their ranks; moreover- five of them improved them. Two newcomers INGAVIRIN (+8%) and XARELTO (+34%) moved up to ranks eight and ten. Two more newcomers of the top ten KAGOCEL (+12%) and MIRAMISTIN (+3%) moved up to ranks eight and ten. The brand DETRALEX (+6%) moved up two ranks, to number seven. Three brands with the negative sales rates CONCOR (-6%), CARDIOMAGNYL (-3%) and LORISTA (-5%) moved down to ranks four, five and nine, respectively. The aggregate share of the top-10 expended from 6.6% to 6.9%.

Table 2. The top ten brands by pharmacy sales

Rank in the top ten		Brand	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	NUROFEN	0.9	0.8
2	3	INGAVIRIN	0.8	0.7
3	14	XARELTO	0.7	0.5
4	2	CONCOR	0.7	0.7
5	4	CARDIOMAGNYL	0.7	0.7
6	6	MEXIDOL	0.7	0.7
7	9	DETRALEX	0.6	0.6
8	12	KAGOCEL	0.6	0.6
9	7	LORISTA	0.6	0.6
10	11	MIRAMISTIN	0.6	0.6
Total			6.9	6.6

XYLOMETAZOLINE (-4%), IBUPROFEN (+12%) and BISOPROLOL (-4%) held their previous top three ranks in the top ten INN and grouping names ranking (Table 3). The composition DIOSMIN*HESPERIDIN (+14%) moved up to rank four from six, displacing PANCREATIN (-1%) and NIMESULIDE (+4%) down one rank. INN IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID (+8%) moved up to rank seven from eight, whereas the newcomers composition AMOXICILLIN*CLAVULANIC ACID (+2%) and INN RIVAROXABAN (+34%) broke into the ranks of the top ten, coming in at numbers eight and ten. ETHYLMETHYLHYDROXYPYRIDINE, which reduced its sales by 2%, lost two ranks and moved down to rank nine. The cumulative share of the top10 increased from 9.3% to 9.7%.

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

Rank		INNs/Grouping Names	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017		6 mon. 2018	6 mon. 2017
1	1	XYLOMETAZOLINE	1.7	1.8
2	2	IBUPROFEN	1.4	1.2
3	3	BISOPROLOL	1.0	1.0
4	6	DIOSMIN*HESPERIDIN	0.9	0.8
5	4	PANCREATIN	0.9	0.9
6	5	NIMESULIDE	0.9	0.8
7	8	IMIDAZOLYL ETHANAMIDE PENTANDIOIC ACID	0.8	0.7
8	11	AMOXICILLIN*CLAVULANIC ACID	0.7	0.7
9	7	ETHYLMETHYLHYDROXYPYRIDINE	0.7	0.7
10	25	RIVAROXABAN	0.7	0.5
Total			9.7	9.3

M01 Anti-inflammatory and antirheumatic products (+1%) and C09 Agents acting on the rennin-angiotensin system (-1%) held their previous two top ranks in the top ten ATC group ranking (Table 4). Another two ATC groups R05 Cough and cold preparations (-2%) and A11 Vitamins (-1%) held their previous ranks eight and nine in the top ten ranking. Three of the remaining ATC groups rose in the ranks. G03 Sex hormones (+15%) moved up to rank three from five, and J05 Antivirals for systemic use (-1%) moved up to rank six from seven. At the same time, they displaced R01 Nasal preparations (-1%), J01 Antibacterials for systemic use (-9%) и N02 Analgesics (-8%) one rank down. The newcomer B01 Antithrombotic agents (+9%) broke into the ranks of the top ten, coming in at number ten. The consolidated share of the top 10 ranking under review increased from 36.1% to 36.3%.

Table 4. The top ten ATC Groups by pharmacy sales

Rank		ATC code	ATC group	Share in total pharmacy sales, %	
6 mon. 2018	6 mon. 2017			6 mon. 2018	6 mon. 2017
1	1	M01	ANTIINFLAMMATORY AND ANTIRHEUMATIC PRODUCTS	4.8	4.8
2	2	C09	AGENTS ACTING ON THE RENIN-ANGIOTENSIN SYSTEM	4.2	4.3
3	5	G03	SEX HORMONES AND MODULATORS OF THE GENITAL SYSTEM	4.1	3.5
4	3	R01	NASAL PREPARATIONS	3.9	3.9
5	4	J01	ANTIBACTERIALS FOR SYST USE	3.5	3.9
6	7	J05	ANTIVIRALS FOR SYSTEMIC USE	3.4	3.4
7	6	N02	ANALGESICS	3.2	3.5
8	8	R05	COUGH AND COLD PREPARATIONS	3.2	3.2
9	9	A11	VITAMINS	3.1	3.0
10	12	B01	ANTITHROMBOTIC AGENTS	2.9	2.7
Total				36.3	36.1

Conclusion. Based on the results for the first six months of 2018, the retail market of the Far Eastern Federal District brought in RUB 19.218 bil. (USD 325.052 mil.), which was 1% in terms of roubles and 3% in terms of dollars more than in the same period of 2017. In pack terms, the market also showed negative growth rates (-7%) and achieved 97.846 mil packs. The average cost of a pack in the FEFD pharmacies based on the results for January- June of 2018 was USD 3.32 (in a year-earlier period - USD 3.19), which was lower than the national average (USD 3.42). The average medicine expenses of the district residents were higher than the national average expenses in Russia (52.72 USD vs. 51.77 USD).