AIPM-RMBC MARKET BULLETIN

A Joint Publication of the Association of International Pharmaceutical Manufacturers in Russia and Research Marketing & Business Consulting Company

MACROECONOMIC INDICATORS

Monetary and financial indicators

According to Goskomstat, the inflation rate of the consumer market increased from 1.2% in March 2008 to 1.4% in April 2008 (Diagram 1). However, in January-April 2008 inflation rate on the consumer market exceeded the same figure in 2007. In total, the inflation rate for the first fourth months of 2008 was estimated at 6.3%, while the same indicator of the respective period in the previous year equaled 4.0%. The inflation rate at manufacturers' prices accounted for 107.7%, while the respective indicator in 2007 amounted to 106.1%.

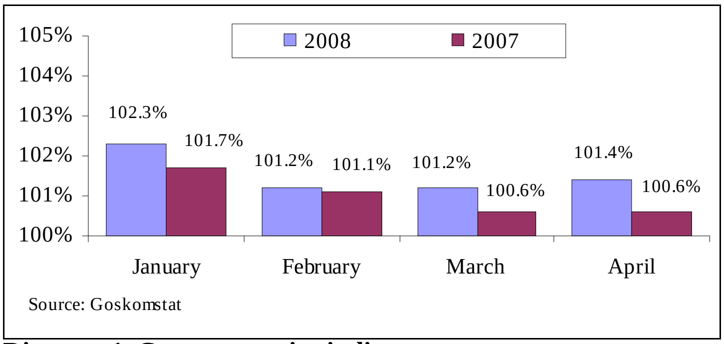

Diagram 1. Consumer price indices

Industrial output

According to Goskomstat, the industrial output growth equaled 9.2% in April 2008 as compared to the same month in 2007. Industrial production grew by 6.9% in the first fourth months of 2008 compared to the same period in 2007.

Population income and living standards

According to Goskomstat preliminary data, the average salary in April 2008 reached Rbl. 16,253 (approximately $691). The April 2008 real salaries increased by 12.1% compared to the respective figure in April 2007, while real disposable per capita income was 11.3% higher than in the previous year (Diagram 2). Retail turnover grew by 13.2% in April 2008 compared to the same period of previous year and accounted for about Rbl. 1,058 Bln.

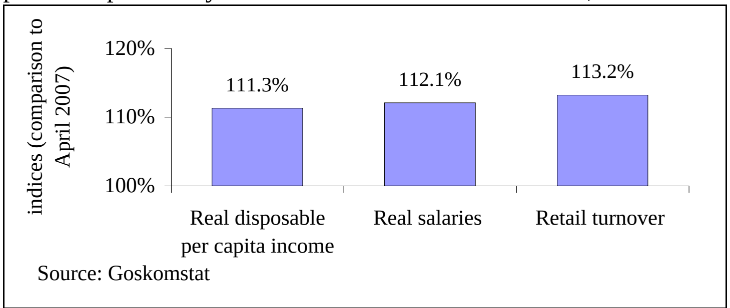

Diagram 2. Real disposable per capita income, real salaries and retail turnover in April 2008.

Domestic production

According to Goskomstat, in April 2008 the output of domestic pharmaceutical companies was estimated at $266 Mln. This is 35% above the same figure in the previous year. The value of drugs produced by domestic enterprises in April 2008 increased by 3% compared to the respective figure in March 2008. The top 10 producers by output value in April 2008 are listed in Table 1. The total output of these leaders accounted for $137 Mln., which is 52% of the total pharmaceutical production by value.

Table 1. Top 10 domestic producers in April 2008

Rank	Manufacturer	Output Value, $ Mln.
1	Valenta (Otechestvennye lekarstva)	27.6
2	Pharmstandart	25.1
3	Nizhpharm	18.4
4	Veropharm	13.3
5	PHARM-CENTR	13.1
6	Materia Medica	11.8
7	Akrikhin	10.2
8	Biosintez	8.5
9	Moskhimpharmpreparaty	5.3
10	Gedeon Richter	4.1

Pharmacy sales in 10 RF regions are presented in Table 2. In March 2008 in all the analyzed regions the multidirectional dynamics of pharmacy sales values against the previous month is registered. The most significant growth rates in terms of monthly pharmacy sales value were presented in Krasnoyarsk region (+8%), Tatarstan (+7%) and Perm (+7%).

Table 2. Pharmacy sales in 2008 by different region

Region	Pharmacy sales, $Mln. (wholesale prices)			Growth, %		
	January 2008	February 2008	March 2008	January 2008/ December 2007	February 2008/ January 2008	March 2008/ February 2007
Moscow	98.8	109.9	107.9	-13%	11%	-5%
Saint Petersburg	34.6	37.3	36.6	3%	8%	-5%
Novosibirsk region	16.9	19.1	20.6	-6%	13%	4%
Krasnodar region	15.5	17.0	16.8	-2%	10%	-4%
Rostov region	15.0	16.6	16.6	-13%	11%	-3%
Krasnoyarsk region	11.8	13.3	14.9	-14%	13%	8%
Tatarstan	13.0	13.4	14.8	-12%	3%	7%
Voronezh region	9.5	10.6	10.1	-6%	12%	-8%
Perm	6.4	6.5	7.2	0%	1%	7%
Tyumen	4.4	5.1	5.1	-32%	16%	-4%

Advertisement

The top 5 pharmaceutical manufacturers and top 5 brands by quantity of advertising blocks (TV, radio, press and outdoor advertisement) are listed in Table 3 and Table 4, respectively.

Table 3. Top 5 advertisers in April 2008

Rank	Company*	Quantity
1	Berlin-Chemie/Menarini Pharma GmbH.	2 593
2	Novartis	1 468
3	Polfa	1 228
4	Sanofi-Aventis	1 056
5	Materia Medica	1 055

Source – TNS Gallup AdFact

Table 4. Top 5 brands in April 2008.

Rank	Brand Name*	Quantity
1	Alka-Prim	1 375
2	Tavegyl	915
3	No-spa	781
4	Claritine	735
5	Bystrumgel	705

Source – TNS Gallup AdFact

* Both rankings in Tables 3 and 4 contain only products registered as drugs and only companies that advertise registered pharmaceuticals.

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PHARMACY MARKET OF RUSSIA IN Q1 OF 2008

According to Retail Audit of Drugs in RF ™, RMBC, retail market value of drugs in Russia grew by 25% in rubles as compared to the same figure in the previous year and reached $2.16 Bln (Rbl 52.39 Bln) at wholesale prices and $2.8 Bln (Rbl 67.85 Bln) at retail prices (DLO is not included). Drug turnover increased by 6.8% in natural terms and amounted to 1.04 Bln packs. Thus, average per drug pack price grew from $2.14 (Rbl 56.45) at retail prices in Q1 of 2007 to $2.69 (Rbl 65.19) in 2008. Average retail mark-up slightly reduced against the previous year figure and accounted for 29% in rubles (30% in dollars). In the first quarter of 2008 the Russian consumer spent $19.7 (approximately Rbl 477) on drugs in pharmacies.

Table 1. The leading manufacturers by pharmacy sales value in Q1 2008

Rank		Manufacturer	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	**Novartis (incl. Sandoz-Lek)**	6.9	6.6
2	3	Pharmstandart	5.9	4.6
3	4	**Servier/Egis**	4.4	4.5
4	2	**Sanofi-Aventis**	4.2	4.8
5	5	**Berlin-Chemie AG/ Menarini GmbH**	3.4	3.6
6	8	**Nycomed**	2.9	2.6
7	9	**Bayer Healthcare (incl. Schering AG)**	2.9	2.6
8	7	**Gedeon Richter Ltd**	2.8	2.7
9	6	**Pfizer International Inc**	2.8	2.9
10	10	**Solvay Pharmaceuticals**	2.3	2.3
Total			**38.5**	**37.2**

* AIPM members are in bold

Top 10 list of producers demonstrated stability in Q1 2008 (Table 1). The leading national manufacturer Pharmstandart significantly increased its retail sales value (+61% in rubles/+76% in dollars) due to the purchase of Arbidol and as a result occupied the second position of the ranking. Considerable growth rates were also registered by the two other participants of the list Bayer Healthcare (+38%/+50%) and Nycomed (+41%/+53%), which conditioned their improvement in the ranking of the top 10 manufacturer’s. Novartis (+31%/+43%) notably enlarged its share in total sales value and strengthened its leading position. Another participant of the list Sanofi-Aventis (+11%/+21%) on the contrary showed dynamics which was outstripped by an average market figure and ranked below the top 10 list.

Table 2. The leading trade names by pharmacy sales value in Q1 2008

Rank		Trade name	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	Arbidol	2.2	1.9
2	6	Linex	0.9	0.7
3	3	Essentiale N	0.9	0.8
4	5	Actovegin	0.9	0.8
5	4	Viagra	0.8	0.8
6	2	TeraFlu against cold and fever	0.8	0.9
7	10	Xenical	0.7	0.6
8	7	Mezym forte	0.6	0.7
9	17	Terpincod	0.6	0.5
10	11	Heptral	0.6	0.5
Total			**9.0**	**8.2**

The ranking of the leading trade names revealed more noticeable changes in the analyzed period. Two new participants joined the top 10 list – expectorant preparation Terpincod and hepatoprotector Heptral, which demonstrated increase by retail sales value in rubles by 64% and 44%, respectively. The national preparation Arbidol (+43%/+56%) consolidated its leadership on the market. Due to high growth rates, Linex (+53%+67%) and Xenical (+45%/+58%) notably improved their positions against the same figure in 2007 and ranked on 2nd and 7th positions, respectively. Meanwhile, against the background of significant positive dynamics of other participants, TeraFlu against cold and fever (+7%/+17%) and Mezym forte (+12%/+22%) demonstrated slowdown in growth rates, and as a result the former left the top 5 list and the latter lost one position in the ranking. No-spa and Preductal left the top 10 list in the observed reporting period.

Mainly due to Sumamed sales, azythromycin (+36%/+48%) entered top list of INNs. Combination multivitamin+multimineral (+30%/+42%) retains its leading position occupied in the previous year. Due to Arbidol sales value growth, methyl-phenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester (+43%/+56%) considerably increased its share in retail segment and as a result consolidated its 2nd position in the list. Advanced positive dynamics was registered by xylometazoline (+56%/+69%), which outstripped pancreatin (+20/+31%) and enalapril (+2%/+11%). As a result of notable growth in pharmacy sales value, phospholipides (+33%/+45%) ranked two positions up in the top 10 list of INNs and combinations.

Table 3. Top 10 INNs and combinations by pharmacy sales value

Rank		INN/Combination	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	Multivitamin+Multimineral	2.3	2.2
2	2	Methyl-phenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester	2.2	1.9
3	5	Xylometazoline	1.4	1.1
4	3	Pancreatin	1.1	1.2
5	4	Enalapril	0.9	1.1
6	6	Ambroxol	0.9	0.9
7	9	Phaospholipides	0.9	0.8
8	8	Fluconazole	0.8	0.9
9	12	Azythromycin	0.8	0.7
10	10	Sildenafil	0.8	0.8
Total			**12.1**	**11.6**

In the first quarter of 2008 the structure of the top 10 ATC list remained steady, however the inner changes are registered (Table 3). ATC group N02 Analgesics (+25%/36%) captured the leadership in the list leaving behind the leader of the previous analyzed period J01 Antibacterials for systemic use (+16%/+27%). Due to noticeable growth in share on the market, ATC group R01 Nasal preparations (+42/+54%) occupied 8th position. It should be noted that the three of ten participants retained their ranking positions, occupied in the previous year: L03 Immunomodulating agents (+29%/+40%), A11 Vitamins (+27%/+38%) and R05 Cough and cold preparations (+31%/+43%). N06 Psychoanaleptics (+19%/+30%), which slightly reduced its sales value in the observed period closes the top 10 ATC list.

Table 3. The leading ATC groups by pharmacy sales value in Q1 2008

Rank		ATC code	ATC group	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007			Q1 2008	Q1 2007
1	2	N02	Analgesics	1	2
2	1	J01	Antibacterials for Systemic Use	2	1
3	3	L03	Immunomodulating Agents	3	3
4	4	A11	Vitamins	4	4
5	5	R05	Cough and Cold Preparations	5	5
6	7	G03	Sex Hormones and Modulators of the Genital System	6	7
7	6	M01	Antiinflammatory and Antirheumatic Products	7	6
8	10	R01	Nasal Preparations	8	10
9	8	C09	Agents Acting on the Renin-Angiotensin System	9	8
10	9	N06	Psychoanaleptics	10	9
Total				**42.4**	**42.0**

Conclusion. Per capita drug consumption through pharmacy chain grew by 23% in rubles (by 35% in dollars) in the observed period. The pharmacy market structure of Russia remained relatively stable, which is confirmed by minor changes registered in the analyzed rankings.

HOSPITAL MARKET OF RUSSIA IN 1st QUARTER OF 2008

According to Hospital Audit of Drugs in Russia™, hospital market value in the 1st quarter of 2008 amounted to $422.4 Mln at wholesale prices. The growth of hospital segment equaled 6.8% in rubles (16.5% - in dollars) against the same period in 2007. Purchases shares of hospitals located in Moscow and Saint Petersburg slightly increased in total purchases value and accounted for 18% and 4%, accordingly. It should be noted that against the background of certain growth in money terms, purchases value in natural terms reduced by 27.5%.

The ranking of the leading corporations by hospital purchases value revealed considerable changes in the analyzed period (Table 1). Due to increase in value of the respective trade names in 3.2, 1.6 and 1.3 times, correspondingly, three companies entered the top 10 list: Microgen (Immunoglobulin human against encephalitis ixodium liquid), Bayer Healthcare (radiopaque contrast agent Ultravist-370) and GlaxoSmithKline (antiemetic agent Zofran). AstraZeneca (+24%) enlarged its share in total hospital market by 0.6 p.p. and joined the top 3 list. In spite of noticeable decline in share (-19%), Sanofi-Aventis retained its leadership captured in 2007. Not less significant negative dynamics was demonstrated by Gedeon Richter (-16%) and Nycomed (-25%) and as a result the observed producers left the top 5 list. Having decreased its purchases value almost by 1/4 against the respective figure of the previous reporting period, the national manufacturer Abolmed closes the top 10 ranking by the results of the 1st quarter of 2008.

Table 1. Top 10 manufacturers by hospital purchases value

Rank		Manufacturer*	Share in total hospital purchases value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	**Sanofi-Aventis**	5.2	6.9
2	2	**Novartis (incl. Sandoz-Lek)**	4.9	4.7
3	4	**AstraZeneca**	4.4	3.8
4	7	**F.Hoffmann-La Roche Ltd.**	3.9	2.5
5	19	Microgen NPO	3.7	1.1
6	3	**Nycomed**	2.9	4.2
7	5	**Gedeon Richter Ltd.**	2.8	3.5
8	11	**GlaxoSmithKline**	2.1	1.9
9	15	**Bayer Healthcare (Schering Pharma AG**	2.1	1.5
10	6	**Abolmed**	2.0	2.8
Total			**34**	**32.9**

* AIPM members are in bold

The list of the leading trade names registered notable changes in the 1st quarter of 2008: three new participants – EnceVir, Immunoglobulin human against encephalitis ixodium liquid and viral hepatitis B preventive vaccine Shanvac-B entered the top 10 list, increasing its shares in 15, 83 and 822 times, correspondingly. The ranking was also joined by cytostatic Glivec, which enlarged its purchases value on the market in 4.75 times. Sodium chloride (+13%) remains the leader of the ranking, leaving behind the market growth rates almost 2-fold. Meronem (+27%) ranked on 2nd position of the list, outstripping Actovegin (-34%), which more 1/3 decreased its share in total purchases value as compared to the same analyzed period in 2007. Clexane, Amoksiklav, Ceftriaxone and Mexidol ranked below the top 10 list of trade names.

Table 2. Top 10 trade names by hospital purchases value

Rank		Trade name	Share in total hospital purchases value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	Sodium chloride	3.1	2.9
2	3	Meronem	2.2	1.9
3	681	Immunoglobulin human against encephalitis ixodium liquid	1.7	0.02
4	4	Glucose	1.4	1.3
5	2	Actovegin	1.1	2.0
6	8	Tienam	1.1	1.0
7	1760	Shanvac-B	1.0	0.0
8	334	EnceVir	1.0	0.1
9	5	Cefazolin	0.9	1.3
10	109	Glivec	0.9	0.2
Total			**14.4**	**10.6**

Due to substantial enlargement in hospital purchases value, immunoglobulin human against encephalitis ixodium liquid (20.8-fold growth), viral hepatitis B preventive vaccine (7.7-fold growth) and albumin (1.8-fold growth) entered the ranking of the top INNs and combinations. Having showed advanced growth rates, ceftriaxone (+20%) occupied the leading position in the list, leaving behind the former leader sodium chloride (+13%). Against the background of the reduction in share of the two combinations cefotaxime and cefazolin, other participant dextrose (+24%) appeared in the top 5 list.

Table 3. Top 10 INNs and combinations by hospital purchases value

Rank		INN/Combination	Share in total hospital purchases value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	2	Ceftriaxone	3.1	2.8
2	1	Sodium chloride	3.1	2.9
3	3	Meropenem	2.2	1.9
4	230	Immunoglobulin human against encephalitis ixodium liquid	1.7	0.1
5	6	Dextrose	1.4	1.3
6	4	Cefotaxime	1.4	1.9
7	5	Cefazolin	1.2	1.8
8	26	Albumin	1.1	0.7
9	156	Viral hepatitis B preventive vaccine	1.1	0.2
10	10	Propofol	1.1	1.1
Total			**17.4**	**14.5**

By the results of the 1st quarter of 2008 two new participants entered the list of ATC groups: J06 Immune sera and immunoglobulins and J07 Vaccines, increasing purchases value in 2.6 and 5 times, respectively (Table 4). It is to note that the observed groups are included into the list of nosologies participating in the total immunization program. The first five ATC groups retained the ranking positions captured in the previous analyzed period, meanwhile the leader of the list J01 Antibacterials for systemic use reduced its share on the market (+4%) by 0.5 p.p. The cumulative share of the ten ATC groups increased in the observed period, which is against the background of total preventive immunization conditioned by 59%-growth of cytostatics (Glivec).

Table 4. Top 10 ATC groups by hospital purchases value

Rank		ATC code	ATC group	Share in total hospital purchases value, %	
Q1 2008	Q1 2007			Q1 2008	Q1 2007
1	1	J01	Antibacterials for Systemic Use	19.5	20.0
2	2	B05	Plasma Substitutes and Perfusion Solutions	10.0	9.3
3	3	L01	Cytostatics	7.9	5.3
4	4	N01	Anesthetics	3.9	3.6
5	5	N05	Psycholeptics	3.4	3.5
6	25	J06	Immune Sera and Immunoglobulins	3.4	1.3
7	8	C01	Cardiac Therapy	3.0	2.8
8	7	B01	Antitrombotis Agents	2.8	3.2
9	45	J07	Vaccines	2.3	0.5
10	9	L03	Immunomodulating Agents	2.2	2.2
Total				**58.4**	**51.7**

Conclusion. The Russian hospital market demonstrates stable growth over a long period. However, by the results of the 1st quarter of 2008 hospital market registered significant positive dynamics. More notable, in spite of forecasts, qualitative shift in the hospital market structure was conditioned by the beginning of the total immunization of the population.

PHARMACEUTICAL RETAIL MARKET OF NIZHNIY NOVGOROD IN THE 1st QUARTER OF 2008

The population of Nizhniy Novgorod is estimated at Mln 1.3 people, which is approximately 0.9% of the total population of Russian Federation and 4.2% of the population of Volga Federal District. According to Goskomstat, the average salary in Nizhniy Novgorod region in January-February 2008 reached Rbl 11,482 (approximately $468) which is 24% below the same figure throughout Russia amounting to Rbl 15,049 (nearly $614). The retail network of the city consists of approximately 410 pharmacies and 280 kiosks and outlets.

Table 1. Top 3 private pharmacy chains by number of retail outlets

Rank		Pharmacy chain	Head- office	Number of outlets	
May 2008	May 2007			May 2008	May 2007
1	1	36.6	Moscow	80	58
2	2	Apteka rayona	Nizhniy Novgorod	27	27
3	-	Apteka Evenius (Pik-NN)	Nizhniy Novgorod	20	-

The Moscow-based pharmacy chain “36,6”increased the number of retail outlets to 80 and as a result strengthened its leading position in Nizhniy Novgorod region. Meanwhile, “Apteka Evenius” (former Pik-NN) joined the top list of pharmacy chains with total number of outlets accounting for 20. Local pharmacy chain “Apteka rayona” demonstrated stability as by the number of pharmacies so by its ranking position.

According to “Retail Audit of Drugs in RF™”, the pharmacy market of Nizhniy Novgorod grew by 32% against the respective figure in the previous year and equaled $15.9 Mln at wholesale prices (DLO is not included), while the same index in natural terms registered comparatively low growth rates (+4%). Average retail mark-up reached 28%. Nizhniy Novgorod accumulates about 1.1% of the total Russian pharmacy market.

The list of the leading manufacturers revealed some changes: Solvay Pharmaceuticals and Gedeon Richter increased sales value in 1.5 and 1.4 times, accordingly. The eight of ten participants retained the ranking positions occupied in the previous reporting period: Novartis (+40%), Servier/Egis (+42%) and Pharmstandart (+43%) demonstrated growth rates which were above the retail market figure, while Pfizer (+22%) was outstripped by the average growth of Nizhniy Novgorod market. It is to note that Nycomed, Berlin-Chemie AG/Menarini, Bayer Healthcare (each +33%) and Sanofi-Aventis (+32%) showed growth rates equaling the average regional level.

Table 2. Top 10 manufacturers by pharmacy sales value

Rank		Manufacturer*	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	**Novartis (incl. Sandoz-Lek)**	7.9	7.4
2	2	**Servier/Egis**	4.9	4.6
3	3	**Sanofi-Aventis**	4.3	4.3
4	4	Pharmstandart	4.3	3.9
5	5	**Nycomed**	3.5	3.5
6	6	**Berlin-Chemie AG/ Menarini GmbH**	3.1	3.1
7	7	**Bayer Healthcare (incl. Schering Pharma AG)**	2.9	2.8
8	8	**Pfizer**	2.5	2.7
9	13	**Solvay Pharmaceuticals**	2.4	2.1
10	12	**Gedeon Richter Ltd**	2.3	2.1
Total			**38.1**	**36.4**

*AIPM members are in bold

The ranking of the leading trade names by pharmacy sales value (Table 3) was joined by the two new participants Linex and Amoksiklav, demonstrating increase in share by 49% and 59%, correspondingly. Having grown almost 2-fold, Arbidol captured the leading position in the list, leaving behind the former leader TeraFlu against cold and fever (+20%).

Table 3. Top 10 trade names by pharmacy sales value

Rank		Trade name	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	2	Arbidol	1.8	1.1
2	9	Essentiale N	1.2	0.8
3	1	TeraFlu against cold and fever	1.0	1.2
4	7	Actovegin	1.0	0.9
5	11	Linex	0.8	0.7
6	8	Concor	0.8	0.8
7	6	Flemoxin Solutab	0.8	1.0
8	13	Amoksiklav	0.7	0.6
9	5	Viagra	0.7	1.0
10	4	Antigrippin	0.7	1.0
Total			**10.7**	**12.4**

Not less considerable dynamics was registered by Essentiale N (1.9-fold growth), which conditioned its ranking from 9th to 2nd position in the list. Meanwhile, different dynamics by pharmacy sales value: slowdown of Flemoxin Solutab (+7%), significant reduction of Viagra (-5%) and Antigrippin (-10%) made the observed ranking participants weaken positions in the list. Pariet and Mezym forte reduced their shares in total sales value an as a result left the list in the analyzed period.

By the results of the 1st quarter of 2008 four participants entered the list of the top INNs and combinations: phospholipids, ketoprofen, amoxicillin+clavulanic acid and bisoprolol, which enlarged their sales values +90%, +63%, +47% and +30%, respectively. More substantial increase was showed by methylphenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester (Arbidol) (2-fold growth), which helped the participant to rank on 2nd position. In spite of slight slowdown in growth and considerable decline in total pharmacy sales value, combination multivitamin+multimineral (+19%) retained its leadership in the top 10 list. Meanwhile, paracetamol+pheniramine+ phenylephrine+ascorbic acid (+21%) and amoxicillin (+15%), which were outstripped by regional market growth rates, ranked below the top 5 list.

Table 4. Top 10 INNs and combinations by pharmacy sales value

Rank		INN/Combination	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	Multivitamin+Multimineral	2.1	2.3
2	7	Methylphenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester	1.8	1.1
3	6	Xylometazoline	1.3	1.2
4	4	Pancreatin	1.2	1.2
5	17	Phospholipides	1.2	0.8
6	14	Ketoprofen	1.1	0.9
7	5	Paracetamol+Pheniramine+ Phenylephrine+Ascorbic Acid	1.1	1.2
8	3	Amoxicillin	1.1	1.2
9	13	Amoxicillin +Clavulanic Acid	1.0	0.9
10	11	Bisoprolol	1.0	1.0
Total			**12.7**	**11.7**

One new participant entered the top 10 list of ATC groups – Psychoanaleptics – increasing its pharmacy sales value by 1.5 times against the 1st quarter of 2007. The most significant positive dynamics was registered by M01 Antiinflammatory and antirheumatic products (+51%), due to which the observed participant ranked on 7th position. The first four groups remained on the positions occupied in the previous reporting period; herewith the leader of the ranking N02 Analgesics (+21%) noticeably decreased its share on the pharmaceutical market.

Table 5. Top 10 ATC groups by pharmacy sales value

Rank		ATC code	ATC group	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007			Q1 2008	Q1 2007
1	1	N02	Analgesics	6.3	6.9
2	2	J01	Antibacterials for Systemic Use	6.0	5.9
3	3	L03	Immunomodulating Agents	4.8	4.4
4	4	A11	Vitamins	4.3	4.3
5	6	C09	Agents Acting on the Renin-Angiotensin System	3.9	4.1
6	5	R05	Cough and Cold Preparations	3.6	4.2
7	9	M01	Antiinflammatory and Antirheumatic Products	3.5	3.0
8	8	R01	Nasal Preparations	3.3	3.4
9	12	N06	Psychoanaleptics	3.3	2.9
10	7	G03	Sex Hormones and Modulators of the Genital System	3.2	3.7
Total				**42.2**	**42.8**

Conclusion. In the 1st quarter of 2008 drug sales value in Nizhniy Novgorod amounted to $29.3 Mln in final consumption prices; pharmacy market growth rates were above an average figure throughout RF (+25%). At the same time average per capita drug consumption through pharmacy chain equaled $22.2 at retail prices, which is 13% above the national consumption level ($19.7). Average per drug pack price reached $2.91 at retail prices, leaving behind the respective figure throughout Russia ($2.69).

PHARMACEUTICAL MARKET OF SAMARA IN THE 1ST QUARTER OF 2008

The population of Samara accounts for Mln 1.2 people, which is 3.8% of the total population of Russian Federation, 3.8% of the population of Volga Federal District and 36.3% of Samara region population. According to Goskomstat, the average salary in Samara region in January-February 2008 reached 12,800 Rbl (approximately $522) which is 15% below the same figure throughout Russia, equaling 15,049 Rbl (nearly $614).

Samara retail network consists of approximately 540 pharmacy kiosks and outlets.

Table 1. Top 3 private pharmacy chains by number of retail outlets

Rank		Pharmacy chain	Head-office	Number of outlets	
May 2008	May 2007			May 2008	May 2007
1	1	Vita	Samara	171	122
2	2	Implosia	Samara	116	105
3	-	Vitapharm	Samara	81	-

It is to note that the top 3 list of pharmacy chains demonstrates relative stability: as in the previous year the ranking includes only local pharmacies. "Vita" shows high growth in number of outlets as compared to the regional level (+49 outlets). "Implosia" increased the amount of drugstores by 11 and occupied 2nd position. "Vitapharm" (81 outlets) closes the top 3 list.

According to "Retail Audit of Drugs in RF™", pharmacy market of Samara grew by 42% as compared to the same period in the previous year and accounted for $30.5 Mln at wholesale prices (DLO is not included). Average retail mark-up equaled 19%. Share of Samara amounts to nearly 1.4% on the RF market.

The top 10 ranking of manufacturers by pharmacy sales value presented in Table 1 remained stable by the results of the analyzed period: Novartis (+57%), Servier/Egis (+56%) and Pharmastandart (+69%) enlarged their shares in the segment, while Sanofi-Aventis (+28%) was slightly outstripped by the average regional market growth rates. Solvay Pharmaceuticals (+65%), Bayer Healthcare and Nycomed (+69% each), demonstrated considerable positive dynamics and improved the result of the previous reporting period by one position, leaving behind Berlin-Chemie AG/Menarini (+47%), whose sales value was close to the average market figure. Top 10 drug-makers accumulate 40% of the total pharmacy retail sector.

Table 2. Top 10 manufacturer by pharmacy sales value

Rank		Manufacturer*	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	**Novartis (incl. Sandoz-Lek)**	7.1	6.4
2	2	**Servier/Egis**	5.7	5.2
3	3	Pharmstandart	5.5	4.6
4	4	**Sanofi-Aventis**	3.8	4.3
5	6	**Solvay Pharmaceuticals**	3.4	2.9
6	5	**Pfizer**	3.1	3.7
7	8	**Nycomed**	3.1	2.6
8	9	**Bayer Healthcare (incl. Schering Pharma AG)**	3.1	2.6
9	7	**Berlin-Chemie AG/Menarini GmbH**	2.9	2.8
10	10	**GlaxoSmithkline**	2.3	2.1
Total			**40.0**	**37.3**

*AIPM members are in bold

In spite of the stability of top manufacturers' list, the ranking of the leading trade names registered notable changes (Table 3). Heptral, Mezym forte, Essentiale N and Lasolvan increased their sales values through pharmacies in 2.1, 1.6, 1.7 and 1.6 times, correspondingly, and as a result entered the list.

Table 3. Top 10 trade names by pharmacy sales value

Rank		Trade name	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	Arbidol	2.1	2.1
2	11	Heptral	1.0	0.7
3	4	Actovegin	0.9	0.9
4	3	TeraFlu against cold and fever	0.9	1.0
5	5	Predocal	0.9	0.9
6	8	Linex	0.9	0.7
7	2	Viagra	0.8	1.1
8	12	Mezym forte	0.8	0.7
9	15	Essentiale N	0.7	0.6
10	14	Lasolvan	0.7	0.7
Total			**9.8**	**9.2**

Not less significant dynamics was showed by Linex (+77%), which conditioned improvement of its ranking positions. Arbidol (+42%) as in the previous year remains the indisputable leader of the list, in spite of the fact that its growth rates were equal to the growth of the regional pharmacy market. However, by the reason of considerable underrun by growth rates of pharmacy sales value, the trade name Viagra (+5%) ranked below the top 5 list. In the 1st quarter of 2008 Antigrippin, Flemoxin Solutab, Hylak forte and Meridia left the ranking.

Due to advanced positive dynamics, the INNs and combinations' list was joined by the new participant: ademetionine (Heptral) appeared in the top 10 ranking with 2.1-fold growth of sales value. Multivitamin-multimineral (+54%) and methylphenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester (+42%) remained their leading positions captured in the previous year. Xylometazoline increased its share in the retail segment in 2.1 times leaving behind the former holder of the 3rd place pancreatin (+54%). Paracetamol+pheniramine+ phenylephrine+ascorbic acid as well as enalapril were outstripped by the pharmacy market growth rates but remained in the top 10 list of INNs and combinations by pharmacy sales value.

Table 4. Top 10 INNs and combinations by pharmacy sales value

Rank		INN/Combination	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	Multivitamin+Multimineral	2.5	2.3
2	2	Methylphenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester	2.1	2.1
3	5	Xylometazoline	1.5	1.0
4	3	Pancreatin	1.4	1.3
5	15	Ademeteonine	1.0	0.7
6	9	Trimetazidine	1.0	0.9
7	6	Ambroxol	1.0	1.0
8	8	Fluconasole	1.0	1.0
9	7	Paracetamol+Pheniramine+Phenylephrine+Ascorbic Acid	0.9	1.0
10	10	Enalapril	0.8	0.9
Total			**13.2**	**12.2**

The list of the leading ATC groups slightly changed by the results of the 1st quarter of 2008: two groups R01 Nasal preparations (+79%) and C09 Agents acting on the renin-angiotensin system occupied 7th and 10th positions, accordingly. The first five participants of the ranking demonstrated stability remaining each on the same position: slight reduction in shares of N02 and J01 was conditioned by the fact that these participants were left behind by the same figure of the regional retail market (+39% and +35%, respectively). It is to note noticeable positive dynamics of ATC group Sex hormones and modulators of the genital system (+63%), which led to its improvement by 2 positions in the ranking.

Table 5. Top 10 ATC groups by pharmacy sales value

Rank		ATC code	ATC group	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007			Q1 2008	Q1 2007
1	1	N02	Analgesics	6.0	6.2
2	2	J01	Antibacterials for Systemic Use	5.6	5.9
3	3	L03	Immunomodulating Agents	5.3	5.2
4	4	A11	Vitamins	4.8	4.6
5	5	R05	Cough and Cold Preparations	4.1	4.0
6	8	G03	Sex Hormones and Modulators of the Genital System	3.6	3.2
7	12	R01	Nasal Preparations	3.4	2.7
8	6	M01	Antiinflammatory and Antirheumatic Products	3.3	3.5
9	7	A07	Antidiarreals, Intestinal Antiinflammatory / Antiinfective Agents	3.3	3.2
10	11	C09	Agents Acting on the Renin-Angiotensin System	3.0	2.7
Total				**42.4**	**41.3**

Conclusion. By the results of the reporting period drug sales in Samara amounted to $38.2 Mln at retail prices. Pharmacy market growth rates left behind the respective figure of RF market (+25%). Per capita drug consumption reached $32.4 at retail prices, which is above the national consumption level ($19.7) as well as the same index in Nizhniy Novgorod ($22.2). Average per pack price accounted for $3.13 at retail prices, which is more than the same figure of Nizhniy Novgorod market as well as the RF index.

PHARMACY MARKET OF TOLYATTI IN THE 1ST QAURTER OF 2008

The population of Tolyatti is estimated at 715 thousand people which is 0.5% of the total population of Russian Federation, more than 2.3% of the population of Volga Federal District and 22.1% of the population of Samara region. According to Goskomstat, the average salary in Samara region in January-February 2008 reached 12800 rubles (approximately $522), which is 15% below the same figure throughout Russia, accounting for 15049 rubles (approximately $614).

Pharmaceutical retail network of Tolyatti consists of about 315 pharmacy outlets and points.

Table 1. Top 3 pharmacy chains by number of retail outlets

Rank		Pharmacy chain	Head-office	Number of outlets	
May 2008	May 2007			May 2008	May 2007
1	1	Vitapharm	Tolyatti	52	46
2	2	Implosia	Samara	50	21
3	-	Biomed	Samara	26	-

By the results of the analyzed period the top 3 list of pharmacy chains by number of outlets in Tolyatti is formed by: the local chain “Vitapharm”, which slightly increased the amount of pharmacies (+6 outlets), “Implosia” based in Samara, more than 2-fold enlarging the number of points. Samara pharmacy chain “Biomed” (26 outlets) closes the top 3 ranking.

According to “Retail Audit of Drugs in RF™”, in Q1 of 2008 the Tolyatti pharmacy market value grew by 44% as compared to the respective period in 2007 and amounted to $14.6 Mln at wholesale prices (VAT is not included). Average pharmacy mark-up reached 38%. The share of the city in the total value of the Russian pharmaceutical market equals approximately 0.7%.

The ranking of the leading corporations by retail sales value revealed noticeable changes in the first quarter of 2008 (Table 2). Due to considerable growth of pharmacy sales value, the two new participants Bayer Healthcare (1.6-fold) and GlaxoSmithkline (1.8-fold) entered the list. Novartis Corporation (+59%), which significantly enlarged its share in the analyzed period strengthened its leadership. The national producer Pharmstandart (Arbidol) demonstrated 2-fold increase in sale value and as a result occupied 2nd position in the top 10 list. Meanwhile, the three manufacturers Sanofi-Aventis (+33%), Berlin-Chemie AG/Menarini (+28%) and Pfizer(+25%), slightly weakened their presence in the list, being outstripped by the market growth rates. The top 10 producers accumulate 39.3% of the total retail segment.

Table 2. Top 10 manufacturers by pharmacy sales value

Rank		Manufacturer*	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	**Novartis (incl. Sandoz-Lek)**	5.6	5.1
2	5	Pharmstandart	5.5	4.0
3	3	**Servier/Egis**	4.6	4.5
4	2	**Sanofi-Aventis**	4.4	4.8
5	7	**Nycomed**	4.0	3.8
6	4	**Pfizer**	3.7	4.2
7	6	**Berlin-Chemie AG/ Menarini GmbH**	3.5	3.9
8	11	**Bayer Healthcare (incl. Schering Pharma AG)**	2.8	2.5
9	9	**Solvay Pharmaceuticals**	2.7	2.6
10	12	**GlaxoSmithkline**	2.5	2.0
Total			**39.3**	**37.3**

*AIPM members are in bold

During the reporting period the ranking of the top trade names also shows some changes (Table 3). The trade name Concor increasing its sale value in 1.7 times in the first three months of 2008 placed on 7th position.

Table 3. Top 10 trade names by pharmacy sales value

Rank		Trade name	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	3	Arbidol	1.8	1.1
2	2	Actovegin	1.3	1.2
3	4	Terpincod	1.2	0.8
4	1	Viagra	1.1	1.5
5	7	TeraFlu against cold and fever	0.9	0.7
6	5	Essentiale N	0.9	0.8
7	11	Concor	0.7	0.6
8	10	Linex	0.7	0.6
9	6	Mezym forte	0.6	0.7
10	8	No-spa	0.6	0.7
Total			**9.8**	**8.7**

More noticeable growth was demonstrated by Arbidol (2.3-fold) and Terpincod (2.2-fold), which allowed the former to become the leader of the ranking and the latter – to rank one position up. Advanced positive dynamics was registered by TeraFlu against cold and fever (+96%), which left behind Essentiale N (+54%), demonstrating lower growth rates. At the same time against the background of growing trade names, including Actovegin (+51%), Linex (+50%), other participants of the ranking Mezym forte (+21%), Viagra (+2%) and NO-spa (+21%), which reduced their shares in the pharmacy segment, remained in the list. By the results of the analyzed period Enap ranked below the top 10 list of trade names.

The two new participants joined the ranking of the leading INNs and combinations: paracetamol+pheniramine+phenylephrine+ascorbic acid (TeraFlu against cold and fever) and codeine+sodium gydrocarbonate+ therpingydrate (Terpincod) entered the list, increasing their pharmacy sales values in 2.2 and 2 times, accordingly. During Q1 of 2008 the leader of the ranking multivitamin+multimineral demonstrated slowdown in grow (+35%), which conditioned the reduction in share on the market. Methyl-phenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester (Arbidol) (2.2-fold growth) went up to 2nd position, having enlarged its share by 0.7 p.p. Due to weakening of Viagra and Mezym forte, sildenafil forte (+2%) and pancreatin (+35%) left the top 3 list of INNs and combinations.

Table 4. Top 10 INNs and combinations by pharmacy sales value

Rank		INN/combination	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007		Q1 2008	Q1 2007
1	1	Multivitamin+Multimineral	2.5	2.6
2	5	Methyl-phenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester	1.8	1.1
3	8	Xylometazoline	1.3	0.9
4	12	Codeine-sodium gydrocarbonate-therpingydrate	1.2	0.8
5	3	Pancreatin	1.1	1.2
6	2	Sildenafil	1.1	1.5
7	7	Multivitamin	1.0	1.0
8	4	Enalapril	1.0	1.2
9	18	Paracetamol-pheniramine-phenylephrine-ascorbic acid	0.9	0.7
10	6	Fluconazole	0.9	1.0
Total			**12.8**	**12.0**

The ranking of the leading ATC groups was joined by the new participant R01 Nasal preparations (sales value growth accounted for +79%) in the first quarter of 2008 (Table 5). The leader of the previous reporting period J01 Antibacterials for systemic use (+30%), demonstrating slight underrun against the growth rates of the regional market, was outstripped by N02 Analgesics (+43%). In spite of the different dynamics of retail sales values, the ATC groups A11 (+42%), L03 (+62%), G03 (+39%) and M01 (+27%) retained the ranking positions occupied in the previous analyzed period. Due to slight decline in share in total value of the market retail, ATC group G04 Urologicals ranked below the top 10 list.

Table 5. Top 10 ATC groups by pharmacy sales value

Rank		ATC code	ATC group	Share in total pharmacy sales value, %	
Q1 2008	Q1 2007			Q1 2008	Q1 2007
1	2	N02	Analgesics	6.0	6.0
2	1	J01	Antibacterials For Systemic Use	5.7	6.3
3	3	A11	Vitamins	5.0	5.1
4	4	L03	Immunomodulating Agents	4.8	4.3
5	5	R05	Cough and Cold Preparations	4.2	4.1
6	6	G03	Sex Hormones and Modulators of the Genital System	3.9	4.0
7	7	M01	Antiinflammatory and Antirheumatic Products	3.5	4.0
8	12	R01	Nasal Prepartions	3.3	2.7
9	10	N06	Psychoanaleptics	3.1	3.0
10	9	C09	Agents Acting On the Renin-Angiotensin System	3.1	3.0
Total				**42.6**	**42.4**

Conclusion. By the result of the first three months of 2008 drug sales in Tolyatti exceeded $20 Mln at retail prices; pharmacy market growth rates are notable higher than average figure throughout Russia (+25%), and also exceeded the respective index of the regional centre (+42%). Per capita drug consumption through pharmacy chain reached $28.11 at retail prices, which is 43% above the national consumption level, equaling $19.7. Average price per drug pack accounted for $2.82 at retail prices, which is more than the average figure throughout Russia ($2.62), but at the same time below the respective index registered in Samara ($3.13).

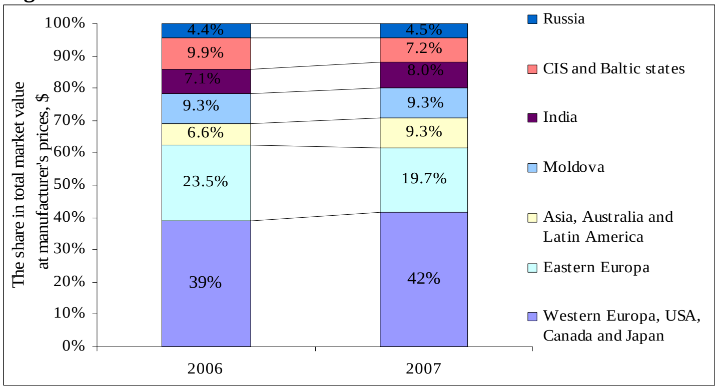
PHARMACEUTICAL MARKET OF MOLDOVA IN 2007

According to RMBC data on drug import in Moldova, pharmaceutical market value of the country in 2007 grew by 48% in money terms and reached $119 Mln at manufacturers' prices. Meanwhile the market volume in natural terms increased almost by one third and amounted to 103.5 Mln packs. Average per pack price equaled $1.15 at manufacturers' prices, which is 12% above the respective figure in the previous year.

Drug consumption level in Moldova reached $27.89 at manufacturers' prices in 2007, exceeding the same index in the previous analyzed period by 36%.

Proportion of Rx and OTC segments changed insignificantly: the drugs dispensed only by the doctor's prescription accumulated 64% of the total sales value in 2007 against 66% in 2006; the share of OTC drugs is estimated at 34%, correspondingly. Meanwhile, the figures of the two segments in natural terms in 2007 and in the previous year are considerably close (44% and 56%, accordingly). However, by the results of the analyzed period, significant gap between Rx and OTC preparations in value terms remained: average price per Rx drug pack equaled $1.69 at manufacturers' prices, while an average per OTC drug pack accounted for $0.73, respectively.

Diagram 1. Pharmaceutical market structure of Moldova by country of origin in 2007/2006.



In the pharmaceutical market structure of Moldova the national producers demonstrated growth rates close to the market figure (sales value rose 1.5-fold in money terms and 1.6-fold – in natural terms), in consequence of which their share remained the same. At the same time, slight slowdown by sales value conditioned reduction in share of CIS and Baltic states. The drug-makers from the Western Europe, the USA, Canada and Japan accumulating 42% of the total market, strengthened their leadership in 2007. At that, it is to mention India as well as the group of Asian countries, Australia and the states of Latin America, which enlarged their shares in the analyzed period.

By the results of the observed period the top 10 ranking of manufacturers revealed noticeable changes. The list was joined by two new corporations: SEDICO, South Egypt Drug Industries Co and the national producer Pharmprim, which showed growth by sales value in 1.7 and 2.6 times, accordingly. High growth rates were demonstrated by Berlin-Chemie/Menarini Pharma (+59%), leaving behind the former leader Gedeon Richter (+25%), which on the contrary reduced its share on the market. Due to notable underrun by growth rates, GlaxoSmithKline Corporation (+2%) ranked below the top 3 list, being outstripped by F.Hoffmann-La Roche and KRKA (+44% and +25%, correspondingly).

Table 1. Top 10 manufacturers by the results of 2007/2006

Rank 2007	Rank 2006	Manufacturer	Share in total market value,% 2007	Share in total market value,% 2006
1	2	**Berlin-Chemie/ Menarini Pharma GmbH**	1	2
2	1	**Gedeon Richter**	2	1
3	5	**F.Hoffmann-La Roche Ltd**	3	5
4	6	KRKA D.D.	4	6
5	3	**GlaxoSmithKline**	5	3
6	4	Pharmako	6	4
7	17	SEDICO, South Egypt Drug Industries Co	7	17
8	9	**Sanofi-Aventis**	8	9
9	7	**Novartis (incl. Sandoz-Lek)**	9	7
10	24	Pharmaprim	10	24
Total			**34.4**	**35.4**

*AIPM members are in bold

More considerable negative dynamics was registered by Pharmako (-2%) (Moldova), which conditioned notable weakening of the company's presence in the segment. In spite of the fact that sales value growth of Novartis (+75%) significantly exceeded an average market figure, the observed participant ranked two positions down in the list. The 10 leading manufacturers accumulate more than one third of the total pharmaceutical market of Moldova. Thus, ZDOROVYE NARODU (Ukraine) and Novo Nordisk left the ranking in 2007.

Table 2. Top 10 trade names by the results of 2007/2006

Rank 2007	Rank 2006	Trade name	Share in total market value,% 2007	Share in total market value,% 2006
1	3	Sodium chloride	1	3
2	4	Pegasys	2	4
3	1	Cefazolin	3	1
4	71	Hippophaes oleum	4	71
5	5	Copegus	5	5
6	9	Mezym forte	6	9
7	54	Fluzak	7	54
8	11	Nimesil	8	11
9	253	Humulin NPH	9	253
10	7	Diroton	10	7
Total			**9.9**	**7.9**

By the results of the analyzed period the ranking of the leading trade names experienced noticeable changes. Due to advanced growth by retail sales value, Hippophaes oleum (6.3-fold), Fluzak (4.1-fold) and Nimesil (1.2-fold) became the new participants of the list. The fourth new preparation of insulin group Humulin NPH, produced by Eli Lilly, which occupied 11th position in the ranking of top manufacturers, as a result of 10-fold growth in sales value ranked from top 300 list to 9th opposition. The top 3 list is formed by the traditional hospital trade names Cefazolin and Sodium chloride: due to notable growth rates, Sodium chloride (+72%) occupied the leading position in the ranking, leaving behind the former leader Cefazolin (-2%). More substantial increase was demonstrated by preparation for treatment chronic viral hepatitis Pegasys (+82%) which allowed this participant to enter the top 3 list of trade names. Mezym forte (+89%) enlarged its share in total sales value and ranked three positions up. The only trade name showing stability by the results of 2006/2007 is antihepatitis agent Copegus (+65%) significantly exceeding average market figure by growth rates. It is also to note that some trade names, which considerably increased their shares on the market, reached the top 20 list in 2007: insulin Humulin Regular, Ampicillin-Oxacillin-KMP, Ascorbic acid (vitamin C), Capastat, Coxerin and Cardiac drops. In the analyzed period the share of the top 10 trade names by sales value grew and equaled 9.9%.

Table 3. Top 10 INNs and combinations by the results of 2007/2006

Rank 2007	Rank 2006	INN/Combination	Share in total market value,% 2007	Share in total market value,% 2006
1	1	Fluconazole	1	1
2	4	Pancreatin	2	4
3	5	Diclofenac	3	5
4	7	Sodium chloride	4	7
5	2	Cefazolin	5	2
6	3	Enalapril	6	3
7	11	Peginterferon alfa-2a	7	11
8	10	Ceftriaxone	8	10
9	15	Ribavirin	9	15
10	88	Hippophaes oleum	10	88
Total			**13.9**	**12.8**

Due to substantial growth in sales value the ranking of the leading INNs was joined by three new participants: peginterferon alfa-2a (Pegasys), ribavirin (Copegus) and hippophaes oleum (Hippophaes oleum) which enlarged their shares in 1.8, 1.9 and 6.3 times, accordingly. In 2007 fluconazole (+41%) retains its leadership; however it was outstripped by the market growth rates. The top 3 list of INNs and combinations was joined by pancreatin (+67%), mainly due to the growth of Mezym forte, and diclofenac (Diclofenac). Advanced positive dynamics of the cognominal trade names allowed ceftriaxone (+76%) and sodium chloride (+73%) to improve their positions in the ranking. Meanwhile, due to the reduction in share in total sales value by 0.7 p.p., cefazolin (-4%) left the top 3 list but remained in the top 10 ranking of INNs. By the results of 2007 the combinations nimesulide, cefuroxime and insulin-isophan (human engineered) ranked below the top 10 list.

Table 4. Top 10 ATC groups by the results of 2007/2006

Rank 2007	Rank 2006	ATC code	ATC group	Share in total market value,% 2007	Share in total market value,% 2006
1	1	J01	Antibacterials For Systemic Use	1	1
2	2	N02	Analgesics	2	2
3	3	M01	Antiinflammatory and Antirheumatic Products	3	3
4	4	A11	Vitamins	4	4
5	6	R05	Cough and Cold Preparations	5	6
6	12	L03	Immunomodulationg Agents	6	12
7	8	B05	Plasma Substitutes and Perfusion Solutions	7	8
8	7	C09	Agents Acting on the Rennin-Angeotensin System	8	7
9	10	A10	Drugs Used in Diabetes	9	10
10	13	A02	Drugs for Acid Related Disorders	10	13
Total				**40.4**	**41.6**

The ranking of the leading ATC groups demonstrates some changes in 2007. The top 10 list was joined by the new participants: L03 Immunomodulationg agents and A02 Drugs for acid related disorders entered the ranking demonstrating growth rates +88% and +55%, respectively. The first four ATC groups retained the positions occupied in 2006, showing underrun - J01 Antibacterials for systemic use (+33%) and N02 Analgesics (+22%) and at the same time – advancing - M01 Antiinflammatory and antirheumatic products (+59%) and A11 Vitamins (+56%) – against the growth of the pharmaceutical market of Moldova. It is to note that ATC group J01, is the indisputable leader on the market in 2007, accumulating 11.2% of the total sales value. Positive dynamics of R05 Cough and cold preparations (+62%), B05 Plasma substitutes and perfusion solutions (+53%) and A10 Drugs used in diabetes (+47%) conditioned the improvement of these ATC groups in the ranking. So, C09 Agents acting on the rennin-angeotensin system (+26%) ranked one position down. The cumulative share of the top 10 ATC groups accounts for 40% of the total market, which is slightly lower than the respective figure in the previous analyzed period.

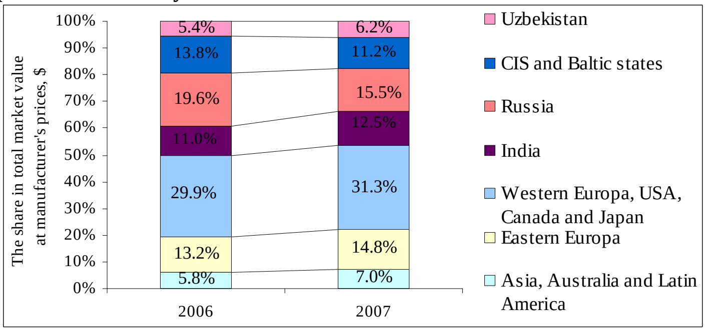
Conclusion. The pharmaceutical market of Moldova grew by 48% and reached $119 Mln in 2007. At that, it should be mentioned that the market value growth in money terms exceeded the same figure in the previous reporting period, which conditioned a slight increase of an average per drug pack price. Nevertheless, drug consumption in Moldova demonstrates common features of the most pharmaceutical markets of CIS countries: comparatively low average price for drug pack, dominance of foreign manufacturers by value against the background of relatively small share of the national producers, presence of INNs with long history of usage in top 10 ranking. The national corporations slightly cut their share on the retail market of Moldova.

PHARMACEUTICAL MARKET OF UZBEKISTAN IN 2007

According to RMBC data on drug import in Uzbekistan, the pharmaceutical market value of the observed country grew by 28% in money terms in 2007 and accounted for $257.8 Mln at manufacturers' prices. At that, the market volume in natural terms increased by 17% and amounted to 525 Mln packs. Average per pack price equaled $0.49 at manufacturers' prices, which is 10% above the level of the previous year. Per capita drug consumption in Uzbekistan was estimated at $9.55 at manufacturers' prices in 2007, which is 66% below the respective figure in Moldova in the same analyzed period.

By the results of 2007 the proportion between Rx and OTC segments slightly changed. Preparations dispensed only by the doctor's prescription accumulate 73.5% of sales value in 2007 against 72.7% in the previous year. The share of OTC drugs accounted for 27.3%, correspondingly. At the same time, the OTC segment volume in natural terms reduced by 2 p.p. and amounted to 58%. The share of OTC drugs reached 42% of the total pharmaceutical market value. It is to note that the price indicators of Rx and OTC preparations experienced slight changes. Having increased by 11% in the analyzed period, average per pack price for Rx drugs equaled $0.61 at manufacturers' prices and almost 2-fold exceeded average per OTC pack price (in 2007 price for OTC drug pack reached $0.32, which is 10% above the same figure in 2006).

Diagram 1. Structure of Uzbekistan pharmaceutical market by production country in 2007/2006



The structure of Uzbekistan pharmacy market experienced some changes by the results of 2007 (Diagram 1). Considerable growth was demonstrated by pharmaproducers from India, the Western Europe, the USA, Canada, Japan, the Eastern Europe, Asia, Australia and Latin America, as well as national manufacturers. At the same time, due to decrease of presence of preparations manufactured by Belorussia, Kazakhstan, Ukraine and Georgia, group of CIS countries and Baltic states reduced their shares by 2 p.p. on the pharmamarket of Uzbekistan. Stagnation of the Russian drugs' pharmacy sales value conditioned the decrease of their share on the market.

By the results of 2007 the top 10 list of manufacturers revealed some changes (Table 1). Three new entrants joined the ranking: Teva Pharmaceutical Industries, KRKA, and Solvay Pharmaceuticals, which showed enlargement in sale value in 1.8, 1.9 and 1.8 times, accordingly. Sanofi-Aventis (+57%) and Nycomed (+52%), demonstrated increase in sales value each in 1.5 times, considerably improved their positions in the ranking. Advanced growth rates of Novartis (+49%) allowed this participant to place on 2nd position in the list. Nobel Ilac Sanayii ve Ticaret A.S (+48%) (Turkey), which enlarged its share by 0.3 p.p. in 2007, consolidated its presence on the market. It is to note that the observed corporation was represented in the top 10 list of drug producers on the pharmaceutical markets of Russia, Ukraine, Belorussia, Kazakhstan and Moldova.

Table 1. Top 10 manufacturers in 2007/2006

Rank		Manufacturer	Share in total market value, %	
2007	2006		2007	2006
1	1	**Berlin-Chemie/ Menarini Pharma GmbH**	1	1
2	4	**Novartis (incl. Sandoz-Lek)**	2	4
3	2	Valenta (Otechestvennye lekarstva)	3	2
4	6	**Sanofi-Aventis**	4	6
5	13	KRKA D.D.	5	13
6	7	**Nycomed**	6	7
7	15	**Solvay Pharmaceuticals**	7	15
8	3	Unique Pharmaceutical Laboratories	8	3
9	10	Nobel Ilac Sanayii ve Ticaret A.S.	9	10
10	16	**Teva Pharmaceutical Industries Ltd**	10	16
Total			**32.8**	**31.6**

At the same time the Russian holding Valenta (Otechestvennye lekarstva (-12%) and Unique Pharmaceutical Laboratories (-10%) demonstrated negative dynamics in sales, and as a result the former lost one ranking position, and the latterleft the top 3 list. By the results of the analyzed period the leading producer in Uzbekistan Zhurabek Laboratories increased its share in 2.3 times and ranked from the top 30 list to 13th position.

The top 10 list of trade names remained stable in 2007. The only new participant was Ceftriaxone (+38%). Due to significant positive dynamics, Cefazolin (+50%), Actovegin (+49%) and Novocaine (+34%) improved their positions in the list. In spite significant underrun by growth rates against the average market figure, Glucose (+23%), plasma substitute agent Rheopolyglukin (+10%) and nootropic agent Cerebrolysin (+19%) also strengthened their presence in the ranking. Antibiotic Ampicillin (+20%) retains its leadership in 2006-2007. Meanwhile, having demonstrated the lowest positive dynamics (+8%), Infesol 40 ranked below the top 5 list. Due to more than 2-fold reduction in pharmacy sales value, Rinza (-4%) ranked from 2nd to 8th position. Thus, the cumulative share of top 10 trade names equaled 14.4%, which is considerably lower than the same figure in 2006. Antibiotic Benzylpenicillin left the ranking of the leading trade names in 2007.

Table 2. Top 10 trade names in 2006/2007

Rank		Trade name	Share in total market value, %	
2007	2006		2007	2006
1	1	Ampicillin	1	1
2	3	Cefazolin	2	3
3	5	Novocaine	3	5
4	6	Glucose	4	6
5	9	Actovegin	5	9
6	4	Infesol 40	6	4
7	8	Rheopolyglukin	7	8
8	2	Rinza	8	2
9	10	Cerebrolysin	9	10
10	13	Ceftriaxone	10	13
Total			**14.4**	**16.1**

Considerable growth of sales value of the respective trade names conditioned appearance of two participants in INNs list: ampicillin+oxacillin (Oxamp-sodium) and ceftriaxone (Ceftriaxone), which enlarged their shares by 64% and 35%, respectively. Ampicillin (+14%) demonstrated slowdown in growth, which conditioned the change of the leader: cefazolin occupied the leading ranking position, having increased its share on the market by 0.4 p.p. Advanced growth rates of ciprofloxacin (+34%), procaine (+34%), Dextrose (+29%) as well as diclofenac (+35%) allowed the first two participants to rank one position up and the second ones – two positions up in the list. Caffeine+paracetamol+phenylephrin+chlorphenamine demonstrated substantial drop down, which was reasoned by Rinza sale value reduction. In spite of a slight underrun by growth rates metronidazole (+19%) remained in the list of the leading INNs and combinations.

Table 3. Top 10 INNs and combinations in 2007/2006

Rank		INN/Combination	Share in total market value, %	
2007	2006		2007	2006
1	3	Cefazolin	1	3
2	1	Amoicillin	2	1
3	4	Ciprofloxacin	3	4
4	5	Procaine	4	5
5	7	Dextriose	5	7
6	8	Diclofenac	6	8
7	13	Ampicillin + Oxacillin	7	13
8	2	Caffeine+Paracetamol+Phenylephrin+Chlorphenamine	8	2
9	9	Metronidazole	9	9
10	11	Ceftriaxone	10	11
Total			**16.9**	**17.8**

Drug consumption structure demonstrates relative stability by the results of 2007 (Table 4). ATC group R05 Cough and cold preparations (+45%) joined the top 10 list in the analyzed period. The leader of the market J01 Antibacterials for systemic use (+28%) as well as A05 Bile and liver therapy (+26%) demonstrated growth rates close to the Uzbekistan market figure, which reasoned the stability in the ranking. However, the groups B05 (+11%), A11 (+23%) and N02 stagnated their pharmacy sales value, notably decreased their shares in total market value, but remained in the top 5 list. Insignificant growth of C01 Cardiac therapy (+10%) led to the loss of two ranking positions.

Table 4. Top 10 ATC groups in 2007/2006

Rank		ATC code	ATC group	Share in total market value, %	
2007	2006			2007	2006
1	1	J01	Antibacterials For Systemic Use	20.2	20.2
2	2	B05	Plasma Substitutes and Perfusion Solutions	6.7	7.8
3	3	N02	Analgesics	5.1	6.5
4	4	A11	Vitamins	4.2	4.4
5	6	M01	Antiinflammatory and Antirheumatic Products	2.8	2.8
6	5	N06	Psychoanaleptics	2.8	2.9
7	7	A05	Bile and Liver Therapy	2.4	2.5
8	9	B03	Antianemic Preparations	2.3	2.1
9	12	R05	Cough and Cold Preparations	2.0	1.8
10	8	C01	Cardiac Therapy	2.0	2.3
Total				**40.4**	**41.6**

Conclusion. Uzbekistan pharmaceutical market value grew by 28% and accounted for $257.8 Mln in 2007. Market growth rates either in natural terms or in money terms were lower than in Moldova. Average per drug pack price in Uzbekistan was 2.3-fold below the same figure in Moldova. In general average per pack price demonstrates almost the same growth in both "former soviet" republics. Drug consumption in Uzbekistan as well as in Moldova shows common features for most pharmaceutical markets of CIS countries: comparatively low price per drug pack, dominance of foreign manufacturers against the background of relatively small share of national producers, presence of preparations with long history of usage in the INNs ranking.

DLO IN RUSSIA IN THE 1ST QUARTER OF 2008

According to RMBC analysis of DLO in RF, by the results of the first three months of 2008 drug supplies within DLO program accounted for Rbl 22.4 Bln or $924.8 Mln at contract prices. Number of drug packs delivered within the framework of DLO program in the 1st quarter of 2008 reached 35.8 Mln. Thus, average per pack price amounted to Rbl 626.3 at contract prices ($25.83).

232 producers participated in DLO program in the analyzed period. The top 3 list is presented by the constant DLO program participants: Janssen-Cilag (Velcade), accumulating 17.1% of the total supply value, Novartis Comapany (Glivec, Zometa, Sandimmun Neoral) and F.Hoffmann-La Roche (Mabthera, Pulmozyme), exceeding 10%-level by share (10.8% and 10.5%, accordingly) are placed on 2nd and 3rd ranking positions. Due to high supply values of insulin NovoRapid FlexPen and Levemir FlexPen, as well as NovoSeven, Novo Nordisk (7.7%) occupied 4th position in the list, slightly outstripping another participant Octapharma (Octanate). Bayer (Betaferon, Fludara, etc.), Teva (Copaxone-Teva), Biotest Pharma (Haemoctin SDH) and Eli Lilly (mainly due to wide range of insulin Humulin NPH, Humulin Regular and Humalog) joined the top 10 ranking of corporations. The nine of ten DLO participants are AIPM members, accumulating 96% of the supply value of the top 10 list.

Table 1. Top 10 manufacturers in DLO

Rank	Manufacturer*	DLO value, Mln.$	DLO value, Bln. Rbl	Share in total DLO value, %
1	**Janssen-Cilag AG**	157.9	3.8	17.1
2	**Novartis (incl. Lek-Sandoz)**	99.6	2.4	10.8
3	**F.Hoffmann-La Roche Ltd.**	96.8	2.3	10.5
4	**Novo Nordisk**	71.4	1.7	7.7
5	**Octapharma AG**	58.7	1.4	6.4
6	**Bayer Healthcare (incl. Schering AG)**	52.6	1.3	5.7
7	**Teva**	45.3	1.1	4.9
8	Biotest Pharma GmbH	24.6	0.6	2.7
9	**Eli Lilly**	24.6	0.6	2.7
10	**AstraZeneca**	24.1	0.6	2.6
Total		**655.6**	**15.8**	**71.1**

*AIPM members are in bold

By the results of the analyzed period the list of drugs dispensed to beneficiaries includes 1089 trade names. Trade name Velcade, supply value of which accounted for $124.4 Mln at contract prices (the share in total supply value amounted to 13.4%) became the leader of the ranking. It is to note large shares of the following participants: preparation of myelosis Glivec (6.7%), as well as blood coagulation factor VIII Octanate (5.3%). At that, the first three trade names accumulate more than of the total drug supplies within DLO program. Mabthera with the share of 4.7% left behind Copaxone-Teva used by multiocular sclerosis (4.2%). Meanwhile, Cerezyme (1.8%) produced by Genzyme Corporation, which is not presented in the top 10 list of manufacturers, occupies 9th position. Eprex (1.6%) which is the second preparation of the leading supplier Janssen-Cilag, closes the ranking of the top trade names. By the results of the analyzed period the cumulative share of the leading corporations within DLO program accounts for 46%.

Table 2. Top 10 trade names in DLO

Rank	Trade name*	DLO value, Mln.$	DLO value, Bln. Rbl	Share in total DLO value, %
1	Velcade	124.1	3.0	13.4
2	Glivec	62.2	1.5	6.7
3	Octanate	49.2	1.2	5.3
4	Mabthera	43.2	1.0	4.7
5	Copaxone-Teva	38.8	0.9	4.2
6	Betaferon	36.0	0.9	3.9
7	Haemoctin SDH	24.4	0.6	2.6
8	NovoSeven	19.4	0.5	2.1
9	Cerezyme	16.9	0.4	1.8
10	Eprex	14.5	0.4	1.6
Total		**428.7**	**10.4**	**46.4**

In the analyzed period mainly due to the leadership of Velcade (13.4%) in the top 10 ranking of trade names, bortezomib occupies the 1st position in the list. Owing to Haemoctin SDH and Octanate supplies, blood coagulation factor VIII is placed on 2nd ranking position. In spite of the high 2nd ranking position of Glivec in the list of the leading trade names, imatinib (6.7%) occupies 3rd place. Positions of most ranking participants coincide with the location of the respective trade names in the list. However, in general, top 10 INNs accumulate approximately 50% of total supplies, which is slightly lower than the top 10 preparations.

Table 3. Top 10 INNs in DLO

Rank	INN/Combination*	DLO value, Mln.$	DLO value, Bln. Rbl	Share in total DLO value, %
1	Bortezomib	124.1	3.01	13.4
2	Blood coagulation factor VIII	87.7	2.13	9.5
3	Imatinib	62.2	1.51	6.7
4	Rituximab	43.2	1.05	4.7
5	Glatiramer acetate	38.8	0.94	4.2
6	Interferon beta-1b	36.0	0.87	3.9
7	Eptacog alfa (activated)	19.4	0.47	2.1
8	Imiglucerase	16.9	0.41	1.8
9	Insulin isophan (human engineered)	15.9	0.39	1.7
10	Epoetin alfa	15.9	0.39	1.7
Total		**460.1**	**2.74**	**49.7**

Due to considerable supply values of Velcade, Glivec and Mabthra, ATC group L01 Cytostatics (30%) is the leader of the ranking of the top ATC groups. The group B02 Antihemorrhagics, which also contains three trade names participating in the ranking presented in Table 2 NovoSeven, Octanate and Haemoctin SDT, were outstripped by the leading ATC group more than 2-fold and is placed on 2nd position. The supplies of A10 (The leading trade name Lantus) and L03 (Copaxone-Teva) amounted for 10.8% and 10.2%, correspondingly. The cumulative share of the top 10 ATC groups by DLO sales value equaled 81% by the results of Q1 of 2008.

Table 4. Top 10 ATC groups in DLO

Rank	ATC code	ATC group	DLO value, Mln.$	DLO value, Bln. Rbl	Share in total DLO value, %
1	L01	Cytostatics	278.4	6.75	30.1
2	B02	Antihemorrhagics	124.1	3.01	13.4
3	A10	Antihemorrhagics	99.5	2.41	10.8
4	L03	Immunomodulating Agents	94.5	2.29	10.2
5	R03	Drugs For Obstructive Airway Diseases	33.4	0.81	3.6
6	B03	Antianemic Preparations	27.7	0.67	3.0
7	L04	Immunosuppressive Agents	25.5	0.62	2.8
8	L02	Endocrine Therapy	25.2	0.61	2.7
9	H01	Systemic Hormonal Preparations, excl. Sex Hormones	21.7	0.53	2.3
10	C09	Agents Acting On The Renin-Angiotensin System	19.4	0.47	2.1
Total			**749.4**	**18.1**	**81.0**

Average price per drug pack figures in RF regions are presented in Table 5. Average per pack price within DLO program in Bashkortostan almost 3-fold exceeded the respective figure throughout Russia. It is note that the lowest price per drug pack is registered in Moscow, which is the leader by DLO sales value, while Saint Petersburg on the contrary demonstrates increase in price per drug pack on the market.

Table 5. Top 10 regions by DLO sales value

Rank	Region	Average per drug pack price, at contract prices , $
1	Moscow	14.2
2	Saint Petersburg	48.1
3	Sverdlovsk region	24.6
4	Nizhniy Novgorod region	37.0
5	Rostov region	18.4
6	Bashkortostan	73.1
7	Tatarstan	30.0
8	Novosibirsk region	37.6
9	Krasnodar Territory	27.4
10	Samara region	27.7

Conclusion. By the results of the analyzed period the value of drugs supplied within DLO program exceeded $924 Mln. AIPM members are the indisputable leaders of the observed segment. The leading position in the ranking of top trade names is occupied by expensive drugs – insulins, anticancer agents. Average per drug pack price varies in RF regions: only fout of ten regions registered the figure equaled the respective index throughout Russia.

REGIONAL DIGEST

29.05.2008, Kommersant Daily:

The DLO regional budget was enchased by one third

On May 28 Budget Commission of the Government approved unprecedented growth of the DLO program financing. The Government intends to allocate 10 Bln rubles for drug reimbursement realization on the federal level. Thus, the regional budget of the DLO program will be increase by 37% - to 33 BLn rubles. The regional financing will be realized in the form of subventions on drug reimbursement.

29.05.2008, Pharmvestnik.ru:

By 2017 the national pharmaceutical industry will provide the Russian market with drugs by 70%

On the 2nd Russian national conference of the medical industry officials on May 27 the strategy and a set of measures for innovative pharmaceutical industry development in 2009-2020 was discussed. The main strategic objectives are: to work out clear governmental policy concerning the national medical production; to make favorable investment and legislative environment in order to instigate the pharmaceutical industry breakthrough; to elaborate the new competitive high-technology medical preparations manufactured in RF; to considerably enlarge the assortment and to improve qualitative characteristics; to increase export supplies.

21.05.2008, Politicheskaya zhizn Severo-Zapadnogo regiona:

Kaliningrad authorities decided to freeze prices for drugs

The Kaliningrad region authorities prompted pharmacists to reduce prices for 90 essential drugs. This decision was adopted after the price monitoring, conducted by the Ministry of Health and Social Development in pharmacies located in Moscow, Saint Petersburg, Vologda and Ryazan. The research showed that the residents of Kaliningrad pay for a number of drugs more than people living in other RF cities.

20.05.2008, Vechernyaya Moskva:

Roszdravnadzor detected distribution of drugs of unknown origin

According to Roszdravnadzor Press Service, the materials on non-license functioning of “Pharmamedservis ltd” and “03 Apteka ltd” were referred to the Economic Security Department of the Interior Ministry of Russian Federation. In the near future the Investigative Committee intends to initiate a criminal case upon illegal enterprise.

20.05.2008, Gazeta (Moskva):

The authorities summarized the pilot project on the introduction of single-channel funding of hospitals in the Leningrad region

The new scheme is based on the idea that the hospitals within the project receive funds not from different sources (municipal, departmental, federal), but through the Federal Fund of the Obligatory Medical Insurance (FFOMI). 18 hospitals in the Leningrad region operated by the new scheme of single-channel funding. The territorial OMI program in the regions accounted for 6.5 Bln rubles in 2007 and 8.3 Bln rubles in 2008. The project allowed adding 25% of the annual budget to the usual financing of hospitals.

20.05.2008, Advis.ru:

Roszdravnadzor intends to conduct the total inspection of the regional pharmacies

Roszdravnadzor charges the public authorities of RF subjects to conduct the target inspection of pharmacies of all forms of property on maintenance of license requirements and conditions in the exercise of the pharmaceutical activities as soon as possible. The report on the conducted control and supervisory measures shall be delivered to Roszdravnadzor by July 1, 2008.

19.05.2008,Interfaks:

Roszdravnadzor detected violations in additional drug reimbursement of beneficiaries in Astrakhan region

According to Roszdravnadzor officials, 41 pharmacies and hospitals were checked. In accordance with the results of control, the inspectors compiled 1 administrative offence report, disciplined 14 people, registered 11 orders on elimination of violations by additional drug supply.

12.05.2008, Itogi:

The Russian pharmaceutical market demonstrates unprecedented growth though mainly by means of expensive foreign drugs

According to experts, the growth in the first quarter of 2008 amounted to 23%. Besides by the results of the quarter increase in prices for drugs equaled only 2.3%, which is more than 2-fold lower than an average figure throughout Russia. The analysts explain this jump in prices by the increasing purchasing capacity of the population, people search for more effective and therefore more expensive drugs. At that, people are sure that the price is the reflection of quality.

08.05.2008, Rossiyskaya gazeta:

The Primorski Territory authorities will allocate extra 132.2 Mln rubles on drugs for patients suffering from diabetes and oncological diseases

The Members of Legislative Assembly introduced the amendments to the territorial target program “Prevention and control the diseases of social character”. As a result the amount of funds allocated for the purchase of the expensive preparations intended for diabetes and oncology patients will be considerably enlarged. At that the Primorski Territory authorities will add 132.2 Mln rubles in 2008.

NEWS OF COMPANIES

30.05.2008, RBK daily:

On May 29 the Polish company Bioton put into operation the first priority of the Orel-based facility manufacturing insulin “Bioton Vostok”

The investment into the construction is estimated at $60 Mln. Meanwhile, the matter concerns only packing line, however eventually Bioton intends to organize the complete cycle of insulin production in Russia, for which purpose the company starts the construction of the factory second priority for the substance manufacture in 2010.

30.05.2008, Rossiyskaya gazeta (Severny Kavkaz):

The Stavropol pharmacy chain “Stavropolpharmacia” is on the verge of bankruptcy

The regional members of parliament asked the Ministry of Property Relations to repair the situation with the pharmacy chain. The Minister of Property Relations V. Tsukanov assured the deputies that the situation with “Stavropolpharmacia” is under careful attention of the government and that the enterprise will not be closed. Meanwhile, the structural reforms were launched within the pharmacy chain.

13.05.2008, Kommersant Daily, Vedomosti, RBK daily:

“Aptechnaya set 36,6” OJSC sold the private clinic chain European Medical Centre (EMC) for $106.5 Mln

“36,6” reported that Goldencorp Enterprises Ltd located on the British Virgin Islands purchased 100% of the European Medical Centre for $106.5 Mln. The new owner will obtain polyclinic, multi-field hospital, stomatological clinic and clinical laboratory.

13.05.2008, Vechernyaya Moskva:

According to the Press Secretary of the Property Department of Moscow N. Bykova, Moscow authorities will not sell the state unitary enterprise “Stolichnye apteki”

The Press Secretary of the Property Department of Moscow N. Bykova assured “VM” correspondents that neither privatization nor reprofiling will take place. According to Bykova, the transformation of “Stolichnye apteki” into federal budget supported-enterprise or joint-stock company with 100%-share of the city in nominal capital is discussed. As Bykova reports, even after the corporatization of the state unitary enterprise its objects may be registered only as pharmacies and nothing else.

12.05.2008, Sekret Firmy:

Under the threat of a trial “Aptechnaya set 36,6” started to pay off one of its distributors

In December 2007 the pharmaceutical distributor “Moron” petitioned the arbitration court of Moscow against “Aptechnaya set 36,6”, which owed 128.4 Mln rubles to its supplier. The hearing was planned on May 2008, but it did not come down to the trial as the companies signed the settlement agreement on May 5. Half of the debt is already paid, but the repayment period of the remaining portion is not disclosed.

06.05.2008, Akado.com:

Novartis Corporation brought an action against “Pharm-sintez” which attempts to output the cheap analogue of the preparation against cancer “Glivec” on the market

The legal action of the Swiss pharmaceutical company Novartis AG against “Pharm-sintez” was registered in the Arbitration Court of Moscow. According to the source, “Pharm-sintez” Company sent the documents on registration of the anticancer agent to Roszdravnadzor, but the structure of the preparation infringes Novartis patent on “Glivec”, as the patent term is not expired and the generic production is impossible. The officials of Novartis and “Pharm-sintez” companies refused to comment on the situation.

PERSONNEL CHANGES

29.05.2008, Pharmvestnik.ru:

The Head of Federal Agency for Provision of High Technology Medical Aid I. Dedov took the lead of the Endocrinology Research Centre

Ivan Dedov was relieved from his post of the Head of Federal Agency of High Technology Medical Aid by the RF Government instruction from May 26, 2008 due to transfer to another appointment.

13.05.2008, Kommersant Daily:

The new Cabinet of Ministers was formed in Russia

The staff was not changed in the new Government of Russian Federation, but the powers were shuffled. Thus, for example, the Ministry of Health and Social Development received the functions of Roszdravnadzor and Federal Agency of High Technology Aid, but it will share them with lesser-known Federal Medical and Biological Agency.