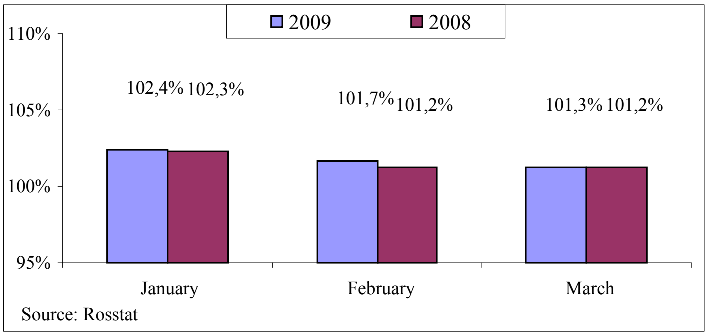
A Joint Publication of the Association of International Pharmaceutical Manufacturers in Russia and Group of Companies Remedium

MACROECONOMIC INDICATORS

Inflation

According to Rosstat, inflation rate on the consumer market in March 2009 amounted to 1.3%, what is lower than the same figure in February 2009 (1.7%). Consumer prices in January-March 2009 exceeded the respective index in the previous year: 105.4% against 104.8%. Growth of manufacturers' prices was registered in March: index equaled 104.1%, while in February of the current year this figure accounted for 102.8%. During the period of January – March the prices amounted to 105.1% (103.0% in 2008).

Diagram 1. Consumer prices (against the previous analyzed period)



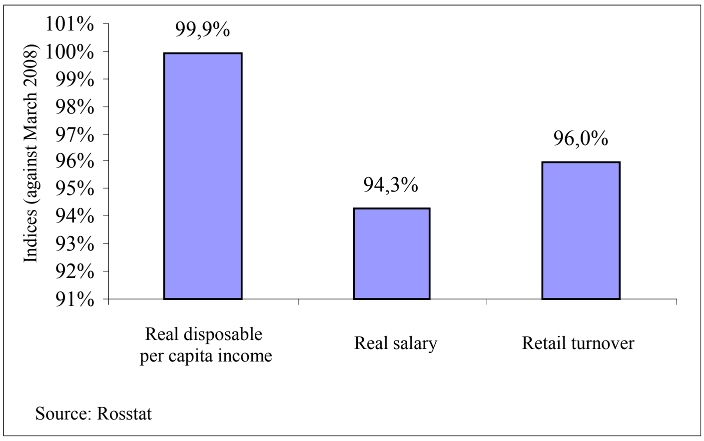
Living standards of the population

According to preliminary Rosstat data, in March 2009 the average salary for one worker equaled Rbl 17440 ($513). Real salary decreased by 5.7% compared to the previous year, real disposable per capita income – by 0.1% (Diagram 2).

Retail turnover

Retail turnover in February 2009 accounted for Rbl 1131,3 Bln, what is 4% below the same figure in 2008 (Diagram 2).

Diagram 2.Real disposable per capita income, real salary, retail turnover in March 2009



Industrial output

According to Rosstat, in March 2009 industrial output equaled 86.3% against the same period of the previous year, and 111.1% - compared to the previous month. In January – March 2009 the observed index reached 85.7% (January – March 2008 – 106.2%).

Domestic production

According to Rosstat, production value of the domestic pharmaceutical companies in March 2009 reached $151.2 Mln, what is 41% below the respective figure in 2008, and 9% above the index in February 2009. The top 10 list of the domestic drug manufacturers by the results of March 2009 is represented in Table 1. The cumulative industrial output of the ten leading producers is estimated at $105.2 Mln (69% of the total production value of pharmaceutical industry in the analyzed period).

Table 1. Top 10 domestic pharmaceutical manufacturers by production value in March 2009

Rank	Manufacturer	Production value, $Mln.
1	Pharmstandart	28.6
2	Nizhpharm	15.7
3	Veropharm	12.0
4	Microgen	11.6
5	Pharm-Centr	10.5
6	Biosintez	7.0
7	Akrikhin	6.1
8	Valenta	5.8
9	KRKA-Rus	5.0
10	Altayvitaminy	2.8

Table 2 contains data on pharmacy sales in 10 RF regions. In February 2009 in the most analyzed regions was registered pharmacy sales decrease compared to the previous month, the most considerable – in Rostov region (-8%). Positive dynamics was observed in three regions, the most significant growth was demonstrated by Tyumen (+20%).

Table 2. Pharmacy sales in regions in 2008-2009

Region	Pharmacy sales value, $Mln. (Wholesale prices)			Growth, % (in rubles)		
	December 2008	January 2009	February 2009	December/ November 2008	January09/ December 2008	February/ January 2009
Moscow	117.3	83.2	88.2	17%	-15%	6%
Saint Petersburg	41.6	28.8	28.2	10%	-17%	-2%
Krasnodar Territory	21.8	14.3	15.1	21%	-21%	6%
Novosibirsk region	20.1	14.4	13.8	19%	-13%	-4%
Tatarstan	16.8	12.2	11.9	16%	-12%	-2%
Krasnoyarsk Territory	14.7	9.9	9.6	23%	-19%	-3%
Rostov region	17.3	14.1	13.0	14%	-2%	-8%
Voronezh region	10.4	7.8	7.6	9%	-9%	-3%
Perm	6.3	5.1	5.1	16%	-2%	-1%
Tyumen	4.9	3.4	4.1	14%	-16%	20%

Advertisement

The largest Mass Media advertisers and the most frequently advertised trade names (TV, radio, press, outdoor advertisement) are listed in Table 3 and 4.

Table 3. The top 5 Mass Media advertisers in March 2009

Rank	Company*	Number of advertisements
1	Pharmstandart	3 220
2	Reckitt Benckiser	3 109
3	Bayer AG	2 767
4	Evalar	2 372
5	Berlin-Chemie Menarini Group	2 367

Source – TNS Gallup AdFact

Table 4. Top 5 trade names advertised in Mass Media in March 2009

Rank	Trade name*	Number of advertisements
1	Evalar	2 372
2	Nurofen	2 154
3	Kapilar	909
4	Aphobazolum	873
5	Supradyn	833

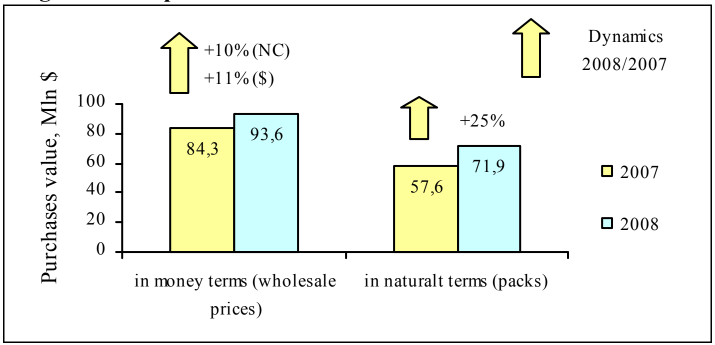
Source – TNS Gallup AdFact

* Only the drugs registered in Gosreestr are considered

HOSPITAL MARKET OF BELORUSSIA IN 2008

According to Analysis of Hospital purchases in Belorussia™, hospital market value of the country in 2008 grew by 10% compared to the previous year and accounted for $93.6 Mln at wholesale prices. The market volume in natural terms demonstrated more considerable growth of 25% and reached 71.9 Mln packs. Average price per drug pack equaled $1.3 ($1.47 in 2007).

Diagram 1. Hospital market of Belorussia in 2007 – 2008



Four Belorussian corporations are listed in the top 10 ranking of pharmaceutical manufacturers by hospital purchases value in 2008 (Table 1). The two of them - Belmedpreparaty (+89%) and Borisovskiy ZMP (+42%) demonstrated high positive dynamics and occupied 1st and 2nd positions, accordingly. Despite reduction of purchases value, Nesvizhskiy ZMP and Pharmland showed ranking progress and captured 6th and 8th places. Considerable improvement in the list was also registered by Nycomed (+89%) and Pfizer International (0%), which rose from 10th to 3rd place and from 6th to 4th position, respectively, as well as the newcomers of the raking GlaxoSmithKline (+7%) and Bayer Healthcare (-11%), which captured 7th and 9th places. Despite the fact that only three drug producers enlarged their shares in the hospital segment, this growth was significant and conditioned increase of the cumulative share from 47.9% to 51.6%.

Table 1. Top 10 manufacturers by hospital purchases value

Rank		Manufacturer*	Share in total hospital purchases value, %	
2008	2007		2008	2007
1	3	Belmedpreparaty	14.3	8.3
2	1	Borisovskiy ZMP	12.2	9.5
3	10	**Nycomed**	5.2	3.1
4	6	**Pfizer International Inc.**	4.3	4.7
5	7	**Merck Sharp& Dohme**	3.0	4.6
6	8	Nesvizhskiy ZMP	2.9	3.7
7	11	**GlaxoSmithKline**	2.8	2.9
8	9	Pharmland SP	2.7	3.3
9	12	**Bayer Healthcare (incl. Bayer Schering Pharma AG)**	2.3	2.8
10	5	**Sanofi-Aventis**	1.9	4.9
Total			**51.6**	**47.9**

* AIPM members are in bold

As in the previous list none of the participants retained the positions occupied earlier. Due to 2-fold growth of purchases value Emoxipine ranked from 6th to the leading position, Ceftriaxone (+65%) – from 5th to 2nd place, Cefazolin (+42%) from 8th to 3rd position. Considerable growth rates were also demonstrated by the newcomers of the list: Actovegin (+116%), Gamma-B.B. (+38%) and Painem (10-fold increase). The leader of the previous year Meronem as well as Neupogen and Glucose, due to considerable negative dynamics left the list of trade names. The cumulative share of the list participants substantially grew and accounted for 26%.

Table 2. Top 10 trade names by hospital purchases value

Rank		Trade name	Share in total hospital purchases value, %	
2008	2007		2008	2007
1	6	Emoxipine	4.4	2.4
2	5	Ceftriaxone	3.9	2.6
3	8	Cefazolin	2.8	2.2
4	2	Tienam	2.5	4.3
5	7	Fraxiparine	2.4	2.3
6	4	Sodium chloride	2.3	2.8
7	17	Actovegin	2.2	1.1
8	9	Cefotaxime	2.2	1.9
9	96	Painem	1.7	0.2
10	13	Gamma-B.B	1.6	1.3
Total			**26.0**	**21.1**

The top 10 list of INNs and combinations also revealed noticeable changes, mainly conditioned by the shifts in the previous ranking. High growth rates of Emoxipine, Ceftriaxone and Cefazolin allowed the respective INNs - Methylethylpiridinol (+105%), Ceftriaxone (+55%) and Cefazolin (+37%) – to improved in the top 10 list in 2008 and capture 1st, 2nd and 3rd positions, accordingly. In spite of share reduction, the group Imipenem+Cilastatin (+1%) remained on the same place. The leader of the previous year Meropenem (-46%) dropped 5th place. Sodium chloride (-9%) lost three positions and occupied 7th place. Two new INNs Immunoglobulin human normal (+33%) and Octreotide (+107%) are located on 9th and 10th places in 2008. The cumulative share of the ten participants of the ranking grew to 27.8%.

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

Rank		INN/ Combination	Share in total hospital purchases value, %	
2008	2007		2008	2007
1	6	Methylethylpiridinol	4.4	2.4
2	2	Imipenem+Cilastatin	4.0	4.3
3	5	Ceftriaxone	3.9	2.8
4	8	Cefazolin	2.8	2.2
5	1	Meropenem	2.6	5.4
6	7	Nadroparin calcium	2.4	2.3
7	4	Sodium chloride	2.3	2.8
8	9	Cefotaxime	2.2	2.1
9	14	Immunoglobulin human normal	1.6	1.4
10	20	Octreotide	1.6	0.9
Total			**27.8**	**26.5**

The leadership in the top 10 list of ATC groups is occupied by J01 Antibacterials for systemic use (+17%) (Table 4). B05 Plasma substitutes and perfusion solutions (+11%) ranked from 3rd to 2nd place, B01 Antithrombotic agents (+7%) moved from 5th to 3rd position. Due to considerable negative dynamics (-68%), L01 Antineoplastic agents dropped from 2nd to 9th place. Other six participants demonstrated advanced growth rates, enlarged market share and strengthened in the top 10 ranking of ATC groups. The most considerable increase of hospital purchases value was observed by B06 Other hematological agents (+116%) which rose from 20th to 10th position in the list. The cumulative share of the ten leaders equaled 62.4%.

Table 4. Top 10 ATC groups by hospital purchases value

Rank		ATC code	ATC group	Share in total hospital purchases value, %	
2008	2007			2008	2007
1	1	J01	Antibacterials For Systemic Use	26.3	24.8
2	3	B05	Plasma Substitutes And Perfusion Solutions	7.8	7.8
3	5	B01	Antithrombotic Agents	5.3	5.5
4	7	C05	Vasoprotectives	4.7	2.5
5	6	B02	Antihemorrhagics	3.6	3.3
6	10	C01	Cardiac Therapy	3.5	2.1
7	8	N05	Psycholeptics	3.2	2.3
8	9	N01	Anesthetics	3.0	2.2
9	2	L01	Antineoplastic Agents	2.7	9.3
10	20	B06	Other Hematological Agents	2.2	1.1
Total				**62.4**	**60.9**

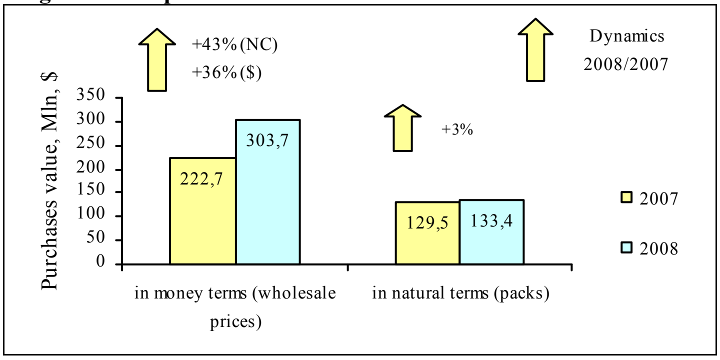
Conclusion

By the results of 2008 the Belorussian hospital market demonstrated reduction in money terms as compared to 2007 (+10% against +26% in national currency). At the same time the market volume in natural terms grew by one fourth what is explained by the leadership of the cheap Belorussian drugs on the market. It conditioned to share increase of the Belorussian manufacturers: the two leaders (Belmedpreparaty and Borisovskiy ZMP) accumulate more than one fourth of the total hospital purchases value. Hospital market concentration was high and still continued to grow.

HOSPITAL MARKET OF UKRAINE IN 2008

According to Hospital Audit of Drugs in Ukraine™, by the results of 2008 the hospital market value of Ukraine grew by 43% in national currency compared to 2007 and reached $303.7 Mln at wholesale prices (Diagram 1). Hospital purchases volume in natural terms increased by 3% and accounted for 133 Mln packs. Average price per drug pack purchased by hospitals in 2008 amounted to $2.28 while the same figure in the previous year equaled $1.72.

Diagram 1. Hospital market of Ukraine in 2007-2008



Presence of the foreign manufacturers in the Ukrainian hospital market in 2008 slightly enlarged compared to 2007 (from 58.1% to 59.2%). Drugs from Germany occupy the most considerable market share (10.8%). The share of the Russian products equals 1.6% (1.9% in the previous year).

The domestic producers still hold the leading positions in the top 10 list of pharmaceutical manufacturers by hospital purchases value in Ukraine in 2008 (Table 1). The leadership is occupied by Arterium (+36%)[1]. However it demonstrated below-the-market growth rates by hospital purchases value, what conditioned share decrease in the segment. Darnitsa (+46%) is still placed on 2nd position. Three more Ukrainian companies are listed in the top 10 ranking – Yuria-Pharm (+73%) improved by one position and captured 4th place, while less dynamic Pharmak (+28%) and Biopharma (+11%) lost ranking positions in the analyzed period (5th and 10th places). The list of the leading pharmaceutical corporations was joined by two new participants: due to 2.7-fold growth of purchases Novartis ranked from 13th to 3rd position, Berlin-Chemie (1.9-fold growth) – from 11th to 6th place. GlaxoSmithKline (+49%) improved in the list by two positions – from 10th to 8th place. Sanofi-Aventis and Nycomed, on the contrary, dropped to the lower positions: from 3rd to 7th place and from 8th to 9th place, accordingly.

Table 1. Top 10 manufacturers by hospital purchases value

Rank		Manufacturer*	Share in total hospital purchases value, %	
2008	2007		2008	2007
1	1	Arterium	5.8	6.1
2	2	Darnitsa	5.5	5.3
3	13	**Novartis (incl Sandoz-Lek)**	4.2	2.3
4	5	Yuria-Pharm	3.9	3.2
5	4	Pharmak	3.8	4.2
6	11	**Berlin-Chemie/ Menarini Pharma GmbH**	3.3	2.5
7	3	**Sanofi-Aventis**	3.0	4.6
8	10	**GlaxoSmithKline**	2.7	2.5
9	8	**Nycomed**	2.4	2.6
10	6	Biopharma	2.3	2.9
Total			**36.9**	**36.2**

* AIPM members are in bold

The top 10 ranking of trade names was joined by three new preparations (Table 2). The newcomers are: Glivec, Menopur and Cerezyme which showed more than 10-fold increase by hospital purchases value and occupied 7th, 8th and 10th positions in the list, respectively. At the same time Cefotaxime, Clexane and Fraxiparine demonstrated negative purchases dynamics and as a result left the observed ranking in the analyzed period. One more trade name showed purchases value reduction - Meronem (-19%) dropped from 4th to 9th place.

Table 2. Top 10 trade names by hospital purchases value

Rank		Trade name	Share in total hospital purchases value, %	
2008	2007		2008	2007
1	1	Sodium chloride	4.0	4.4
2	2	Ceftriaxone	2.6	2.9
3	3	Actovegin	1.6	2.1
4	5	Glucose	1.6	2.0
5	7	Reosorbilact	1.5	1.0
6	6	Mildronate	1.4	1.4
7	116	Glivec	1.3	0.2
8	165	Menopur	1.3	0.1
9	4	Meronem	1.2	2.0
10	3220	Cerezyme	0.9	0.0
Total			**17.5**	**16.1**

[1] Unless otherwise is stated hereinafter growth is specified in national currency.

Despite moderate dynamics and market share decrease, Sodium chloride (+32%), Ceftriaxone (+28%) and Actovegin (+11%) retained their positions in the top 10 list. Mildronate demonstrated stagnation in terms of share on the pharmaceutical market and ranking (+48%). Besides the newcomers two more products strengthened positions in the ranking – Glucose and Reosorbilact (only the latter enlarged its market share). The cumulative share of the 10 leaders increased from 16.1% to 17.5% compared to the previous year.

The upper part of the top 10 ranking of INNs and combinations demonstrated stability besides three new participants appeared in the list in the analyzed period (Table 3). Sodium chloride (+32%), Ceftriaxone (+41%) and Ethanol (+10%) retained their leading positions, though the observed participants showed below-the-market growth rates. This conditioned share reduction by the first and the third INNs, while the market share of Ceftriaxone remained the unchanged. Despite moderate hospital purchases dynamics and share decrease, Dextrose (+15%) also retained its 5th position in the top 10 list. The newcomers – Imatinib, Menotropins and Hydroxyethyl starch – ranked up to 6th, 8th and 10th places, respectively. Ranking progress was also registered by Insulin-isophan (human biosynthetic) (+52%) and Meldonium (+48%) which captured 4th and 7th positions in the analyzed period. Only one list participant – Meropenem – dropped to the lower 9th position due to negative dynamics. The cumulative share of the leaders accounted for 19.2%.

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

Rank		INN/ Combination	Share in total hospital purchases value, %	
2008	2007		2008	2007
1	1	Sodium chloride	4.0	4.4
2	2	Ceftriaxone	3.5	3.5
3	3	Ethanol	1.9	2.4
4	6	Insulin-isophan (human biosynthetic)	1.7	1.6
5	5	Dextrose	1.6	2.0
6	124	Imatinib	1.4	0.2
7	8	Meldonium	1.4	1.4
8	165	Menotropins	1.3	0.1
9	4	Meropenem	1.2	2.0
10	11	Hydroxyethyl starch	1.1	0.9
Total			**19.2**	**18.6**

Most participants of the top 10 ranking of ATC groups retained the positions occupied earlier (Table 4). J01 Antibacterials for systemic use, B05 Plasma substitutes and perfusion solutions, A10 Drugs used in diabetes and C01 Cardiac therapy, located on the four leading place, as well as B01 Antithrombotic agents and N01 Anesthetics, placed 7th and 8th remained on the same positions in the analyzed period. Other four ATC groups including the newcomers - L01 Antineoplastic agents and N06 Psychoanaleptics - which rose to 6th and 10th positions, demonstrated ranking improvement.

Table 4. Top 10 ATC groups by hospital purchases value

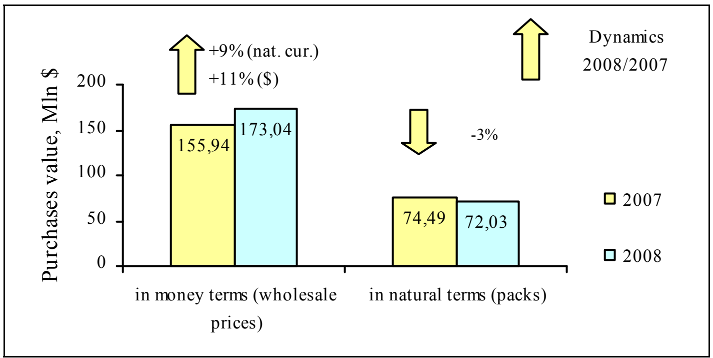
Rank		ATC code	ATC group	Share in total hospital purchases value, %	
2008	2007			2008	2007
1	1	J01	Antibacterials For Systemic Use	15.0	15.8
2	2	B05	Plasma Substitutes And Perfusion Solutions	12.6	12.1
3	3	A10	Drugs Used in Diabetes	6.1	6.6
4	4	C01	Cardiac Therapy	4.3	4.1
5	6	A16	Other Alimentary Tract And Metabolism Products	3.6	3.2
6	12	L01	Antineoplastic Agents	3.4	2.7
7	7	B01	Antithrombotic Agents	3.1	3.2
8	8	N01	Anesthetics	3.0	3.1
9	10	N05	Psycholeptics	2.9	2.7
10	11	N06	Psychoanaleptics	2.8	2.7
Total				**56.9**	**56.2**

Conclusion. By the results of 2008 the hospital market of Ukraine increased by 43% and reached $303.7 Mln. At that negative dynamics demonstrated in the previous year was changed by market growth in both money and natural terms (in 2007 this segment reduced by 6% in dollars and by 30% in natural terms). It should be noted that in 2008 growth rates of the hospital market of Ukraine in money terms equaled the pharmacy segment (+44% in national currency), while in natural terms they were still outstripped (+3 against +11%). The share of domestic manufacturers is still significant accumulating 41% of the total hospital purchases.

HOSPITAL MARKET OF KAZAKHSTAN IN 2008

According to Analysis of Hospital Purchases Kazakhstan™, in 2008 the value of drugs purchased by hospitals grew by 9% and amounted to $173 Mln (20.8Bln in tenge) at wholesale prices. The observed segment in natural terms reduced by 3% to 72 Mln packs. On average, drug pack purchased by hospitals cost $2.4 ($2.08 – in 2007).

Diagram 1. Hospital market of Kazakhstan in 2007- 2008



The top 10 list of drug manufacturers by hospital purchases value revealed significant changes in 2008 (Table 1). Only two corporations - the leading Nycomed (+18%) and Berlin-Chemie (+2%) located on 8th position – did not change their ranking places. Due to negative dynamics of purchases value, the tree companies: GlaxoSmithKline, Janssen-Cilag and Bayer Healthcare weakened in the top 10 list. Other ranking participants demonstrated improvement. The most considerable growth was demonstrated by the newcomer - Abbott Laboratories, which increased purchases value in 2.4 times and captured 7th against 12th position. The Kazakh manufacturer Khimpharm (+44%) strengthened its presence in the market and occupied 2nd position (4th place in 2007). The only Russian company Valenta (+25%) entered the top 10 list in the analyzed period and captured 10th position. At the same time Gedeon Richter (-23%) left the list. The cumulative share of the leaders considerably grew from 45.7% to 48.1%.

Table 1. Top 10 manufacturers by hospital purchases value

Rank		Manufacturer*	Share in total hospital purchases value, %	
2008	2007		2008	2007
1	1	**Nycomed**	9.6	8.8
2	4	Khimpharm	6.8	5.1
3	2	**GlaxoSmithKline**	5.9	8.4
4	5	**Sanofi-Aventis**	5.4	3.9
5	3	**Janssen-Cilag AG**	4.6	6.1
6	9	**Novartis (incl. Sandoz-Lek)**	4.1	3.1
7	12	**Abbott Laboratories**	3.8	1.7
8	8	**Berlin-Chemie/ Menarini Pharma GmbH**	2.9	3.1
9	7	**Bayer Healthcare (incl. Bayer Schering Pharma AG)**	2.5	3.3
10	11	Valenta (Otechestvennye lekarstva)	2.5	2.1
Total			**48.1**	**45.7**

* AIPM members are in bold

Only one participant of the top 10 list of trade names by hospital purchases value retained the position occupied earlier (Table 2). Though Actovegin (+6%) slightly reduced its share, it is still occupies the leading position in the ranking. Sodium chloride (+15%) ranked from 3rd to 2nd place, Cefazolin (+15%) – from 5th to 3rd position. The newcomer of the list Kurosurf (+85%) occupied 4th position, outstripping Rispolept (-12%) which reduced purchases value. Three other participants entered the ranking in 2008: Klacid SR demonstrated 95-fold growth and ranked up from 461st place to 7th position, as well as Cef III (+30%) and Heptral (+1%) (captured 9th and 10th place, respectively). Except the above-mentioned preparations, Glucose (+28%) also improved n the top 10 list and was located on 6th position in 2008. It is to note that the six trade names increased market shares what conditioned the growth of the cumulative share from 22.3% to 24%.

Table 2. Top 10 trade names by hospital purchases value

Rank		Trade name	Share in total hospital purchases value, %	
2008	2007		2008	2007
1	1	Actovegin	5.6	5.7
2	3	Sodium chloride	2.8	2.7
3	5	Cefazolin	2.4	2.2
4	13	Kurosurf	2.3	1.4
5	4	Rispolept	2.1	2.6
6	10	Glucose	2.1	1.8
7	461	Klacid SR	1.9	0.0
8	2	Fortum	1.8	3.0
9	15	Cef III	1.5	1.3
10	12	Heptral	1.5	1.6
Total			**24.0**	**22.3**

Noticeable changes took place in the ranking of INNs and combinations (Table 3). Due to 38-fold increase of hospital purchases value, Clarithromycin ranked to the leading position (140th place in 2007), outstripping the traditional hospital INNs - Ceftriaxone (+16%) and Sodium chloride (+15%), which captured to 2nd and 3rd positions, correspondingly (4th and 6th places in 2007). The leaders of the previous year Ceftazidim (-16%) and Risperidone (-6%) reduced hospital purchases value and ranked down to 6th and 4th positions in the analyzed period. Negative dynamics was also demonstrated by Cefuroxime (-24%), which dropped to 10th position (7th place in 2007) as well as Aprotinin (-43%) and Itraconazole (-44%) which left the top 10 list in 2008. At the same time, due to considerable growth of purchases value and share enlargement, the two new INNs appeared in the ranking - Poractant alfa (+85%) and Dextrose (+28%) and captured 7th and 8th positions against 14th and 11th places in the previous year. The cumulative share of the top 10 INNs and combinations substantially grew (almost by 3%) and equaled 25.6%.

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

Rank		INN/ Combination	Share in total hospital purchases value, %	
2008	2007		2008	2007
1	140	Clarithromycin	3.9	0.1
2	4	Ceftriaxone	3.1	2.9
3	6	Sodium chloride	2.8	2.7
4	2	Risperidone	2.8	3.2
5	5	Cefazolin	2.6	2.8
6	1	Ceftazidim	2.6	3.4
7	14	Poractant alfa	2.3	1.4
8	11	Dextrose	2.1	1.8
9	9	Hydroxyethyl starch	1.8	2.1
10	7	Cefuroxime	1.6	2.3
Total			**25.6**	**22.7**

The indisputable leaders of the top 10 list of ATC groups in Kazakhstan is J01 Antibacterials for systemic use (+18%) and B05 Plasma substitutes and perfusion solutions (-5%). B02 Antihemmorhagics decreased its purchases value by 21% and moved down to 6th position. As a result despite insignificant positive dynamics, B06 Other hematologic agents (+5%) and N05 Psycholeptics (+2%) improved by one position in the top 10 ranking and occupied 3rd and 4th places, respectively. Advanced growth rates were demonstrated by L01 Antineoplastic agents (+61%) located on 5th position (7th place in 2007) and the new list participant - M01 Antiinflammatory and antirheumatic agents (+76%) and R07 Other respiratory system products (+58%) placed on 9th and 10th positions (117th and 16th places in 2007). Te cumulative share of the leading ATC groups increased by 2% and equaled 64.1%.

Table 4. Top 10 ATC groups by hospital purchases value

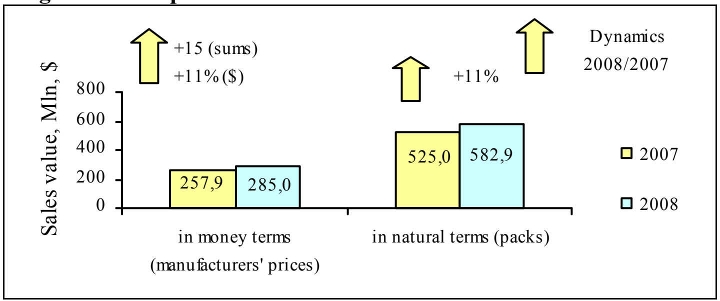
Rank		ATC code	ATC group	Share in total hospital purchases value, %	
2008	2007			2008	2007
1	1	J01	Antibacterials for Systemic Use	22.4	20.6
2	2	B05	Plasma Substitutes and Perfusion Solutions	10.1	11.3
3	4	B06	Other Hematologic Agents	5.7	5.9
4	5	N05	Psycholeptics	5.2	5.5
5	7	L01	Antineoplastic Agents	5.1	3.4
6	3	B02	Antihemmorhagics	4.3	5.9
7	6	B01	Antithrombotic Agents	3.9	3.5
8	8	N06	Psychoanaleptics	2.6	2.9
9	17	M01	Antiinflammatory and Antirheumatic Agents	2.5	1.6
10	16	R07	Other Respiratory System Products	2.3	1.6
Итого				**64.1**	**62.1**

Conclusion. The hospital market of Kazakhstan demonstrated slight reduction in natural terms and moderate positive dynamics in money terms, being outstripped by pharmacy segment growth (+9% against +17% at wholesale prices). The hospital market concentration is high and continues to grow what is confirmed by the analyzed rankings.

THE PHARMACEUTICAL MARKET OF UZBEKISTAN

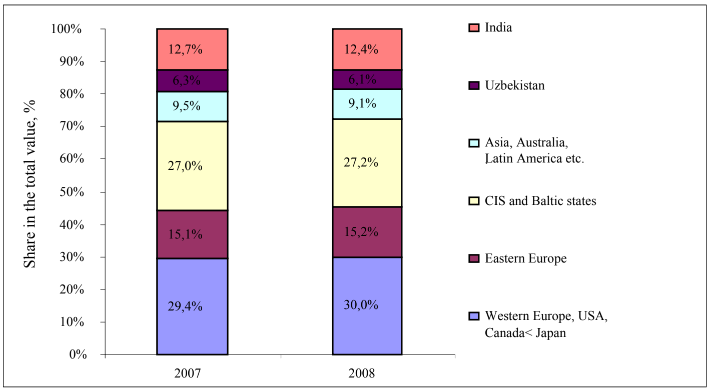
According to RMBC data, the value of the pharmaceutical market of Uzbekistan in 2008 reached 582.9 Mln packs and $285 Mln (377 Bln sums) at manufacturers' prices (Diagram 1). Average per capita drug consumption amounted to $10.5 at manufacturers' prices. Average price per drug pack did not change compared to 2007 ($0.49 at manufacturers' prices).

Diagram 1. The pharmaceutical market of Uzbekistan in 2007-2008



Drugs from Western Europe, USA, Canada and Japan prevail in the pharmacy market of Uzbekistan accumulating 30% of total sales (Diagram 2). The share of preparations from CIS and Baltic states is slightly lower (27%), Russian production accounts for 15.4%. The Ukrainian companies accumulate 6.7% of the market, while the share of the Belorussian manufacturers equals 2.4%. The domestic drug producers accumulate 6%. The share of the Indian production is considerable – 12.4%.

Diagram 2. The structure of Uzbekistan pharmaceutical market by the country of origin



By the results of 2008 the top 10 list of pharmaceutical manufacturers in Uzbekistan market demonstrated some changes: shifts took place in the middle part of the ranking besides one new participant appeared in the list (Table 1). The newcomer - Gedeon Richter (+35%) rose from 12th to 10th place. Changes related four companies, the two of which - Nycomed and Unique – improved by one position in the list and captured 5th and 7th places, while two other producers - KRKA and Solvay – weakened in the ranking and lost positions in the analyzed period. The top 4 list - Berlin-Chemie (+14%), Novartis (+15%), Valenta (+21%) and Sanofi-Aventis (+11%) – remained the same. However only one of the leaders – the Russian Valenta – demonstrated advanced dynamics and enlarged its market share.

Table 1. Top 10 manufacturers

Rank		Manufacturer*	Share in total value, %	
2008	2007		2008	2007
1	1	**Berlin-Chemie/ Menarini Pharma GmbH**	5.6	5.6
2	2	**Novartis (incl. Lek-Sandoz)**	4.0	4.0
3	3	Valenta	3.8	3.7
4	4	**Sanofi-Aventis**	3.4	3.5
5	6	**Nycomed**	2.9	2.9
6	5	KRKA D.D.	2.9	3.0
7	8	Unique Pharmaceutical Laboratories	2.7	2.6
8	7	**Solvay Pharmaceuticals**	2.6	2.8
9	9	Nobel Ilac San. ve Tic. A.S.	2.5	2.5
10	12	**Gedeon Richter**	2.3	2.0
Total			**32.6**	**32.6**

* AIPM members are in bold

The upper part of the ranking of the leading trade names remained unchanged as in the previous list (Table 2). Ampicillin (-0,5%), Cefazolin (-2%) and Novocaine (+25%) are the biggest-selling products in the Uzbekistan pharmaceutical market, though the first two preparations decreased sales value and share in the segment. Actovegin (+12%) rose from 5th to 4th place, Rinza (+42%) ranked from 8th to 5th position, demonstrating the most considerable dynamics among the leaders. The new participant of the list Sodium chloride (+14%) also showed ranking improvement and occupied 10th place instead of 12th position. Due to insignificant sales dynamics, Glucose (+8%) and Infesol (+2%) reduced market share and lost positions in the observed ranking. The cumulative share of the ten leaders also declined: from 14.4% to 14%.

Table 2. Top 10 trade names

Rank		Trade name	Share in total value, %	
2008	2007		2008	2007
1	1	Ampicillin	2.2	2.5
2	2	Cefazolin	1.8	2.1
3	3	Novocaine	1.8	1.6
4	5	Actovegin	1.3	1.4
5	8	Rinza	1.3	1.1
6	4	Glucose	1.3	1.4
7	7	Rheopolyglukin	1.2	1.1
8	6	Infesol 40	1.2	1.4
9	9	Cerebrolysin	1.0	0.9
10	12	Sodium chloride	0.8	0.8
Total			**14.0**	**14.4**

The list of the top INNs and combinations was joined by two new participants located in the lower part of the ranking (Table 4). The newcomers are: Dextran (average mw 30000-40000), which ranked from 12th to 9th position due to the advanced growth rates (+29%) and Cefotaxime (+8%), which despite not considerable dynamics and share decrease occupied 10 position instead of 11th place. Ceftriaxone (+8%) and Ampicillin+Oxacillin (-7%) left the ranking by the results of 2008. Despite insignificant growth and share reduction, Cefazolin (+5%) is still located on the leading position in the list. Ciprofloxacin (+26%) improved from 3rd to 2nd place, leaving behind Ampicillin. Two more INNs demonstrated ranking progress: Coffeine+Paracetamol+Phenylephrine+Chlorphenamine ranked up from 8th to 5th position while Metronidazole rose from 9th to 8th place.

Table 3. Top 10 INNs and combinations

Rank		INN/Combination	Share in total value, %	
2008	2007		2008	2007
1	1	Cefazolin	2.5	2.7
2	3	Ciprofloxacin	2.2	2.1
3	2	Ampicillin	2.2	2.6
4	4	Procaine	1.8	1.6
5	8	Coffeine+Paracetamol+ Phenylephrine+Chlorphenamine	1.5	1.2
6	6	Diclofenac	1.4	1.4
7	5	Dextrose	1.4	1.5
8	9	Metronidazole	1.3	1.2
9	12	Dextran (average mw 30000-40000)	1.2	1.1
10	11	Cefotaxime	1.1	1.2
Total			**16.6**	**16.6**

The structural shifts took place in the lower part of the list of ATC groups (Table 4). C01 Cardiac therapy (+23%) occupied 9th position instead of 10th place, while M02 Topical products for joint and muscular pain (+22%) ranked from 12th to 10th position in the list. ATC groups located from 1st to 8th positions retained their places. However it is to note that four groups of the top 8 list, including the leader J01 Antibacterials for systemic use (+11%) reduced their shares in the pharmaceutical market. The cumulative share the top ATC groups also decreased – from 50.6% to 50.2%.

Table 4. Top 10 ATC groups

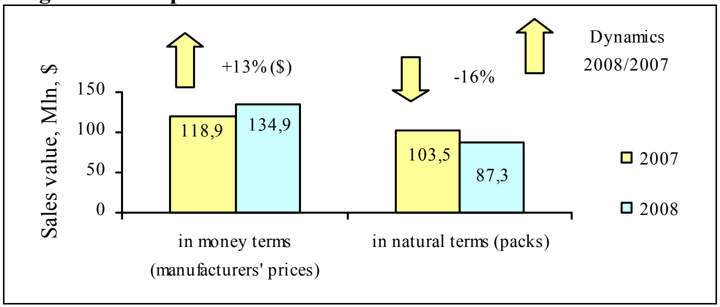
Rank		ATC code	ATC group	Share in total value, %	
2008	2007			2008	2007
1	1	J01	Antibacterials For Systemic Use	19.3	20.2
2	2	B05	Plasma Substitutes And Perfusion Solutions	6.5	6.7
3	3	N02	Analgesics	5.4	5.1
4	4	A11	Vitamins	4.1	4.2
5	5	M01	Antiinflammatory and Antirheumatic Products	2.9	2.9
6	6	N06	Psychoanaleptics	2.9	2.8
7	7	A05	Bile And Liver Therapy	2.5	2.5
8	8	B03	Antianemic Preparations	2.2	2.3
9	10	C01	Cardiac Therapy	2.1	2.0
10	12	M02	Topical Products For Joint And Muscular Pain	2.1	2.0
Total				**50.2**	**50.6**

Conclusion. By the results of 2008 the pharmaceutical market of Uzbekistan demonstrated positive dynamics in money and natural terms. The market grew by 11% and reached 583 Mln packs and $285 Mln at manufacturers' prices. One of the typical features of the observed market is the dominance of traditional hospital trade names.

THE PHARMACEUTICAL MARKET OF MOLDOVA

According to RMBC, the value of the pharmaceutical market of Moldova increased by 13% and amounted to $134.9 Mln at manufacturers' prices. At that, the market in natural terms demonstrated decrease (-16%) and reduced from 103.5 to 87.3 Mln packs (Diagram 1).

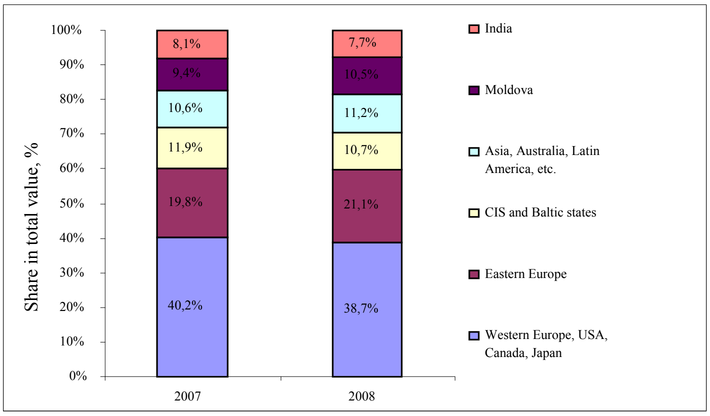
Diagram 1. The pharmaceutical market of Moldovan in 2007-2008



Average price per drug pack in Moldova amounted to $1.55 (at wholesale prices) against $1.15 in 2007. Average per capita drug consumption increased to $34.6 at manufacturers' prices against $30.5 in the previous year.

The structure of the pharmaceutical market of Moldova by country of origin is represented in Diagram 2. By the results of 2008 the shares of manufacturers from Eastern Europe and Asia as well as domestic producers increased. The Moldovan companies accumulated 11% of the market. The share of the Russian manufacturers accounted for 3.6% (in 2007 – 4.5%), the share of the Ukrainian producers amounted to – 5% (in 2007 – 5.6%), the share of the Belorussian corporations remained unchanged – 1%. As in 2007 preparations from Western Europe, USA, Canada and Japan prevail on the market, though their share slightly declined compared to the previous year.

Diagram 2. The structure of Moldovan pharmaceutical market by the country of origin



The top 10 list of manufacturers in the pharmaceutical market of Moldova revealed noticeable changes in 2008 (Table 1). Gedeon Richter (+46%) improved by one ranking position and captured leadership in the observed list, while the former leader Berlin-Chemie reduced its sales value (-8%) and dropped down to 2nd position. Two other companies (F. Hoffmann-La Roche and KRKA) also lost ranking positions, while other four participants, including the newcomer Beijing Double-Crane Pharmaceutical, which showed 17-fold sales value growth and ranked from 115th to 9th position, on the contrary, demonstrated ranking progress. The only Moldovan manufacturer Pharmako (+18%) improved by two ranking positions and occupied 5th place instead of 7th position. The cumulative share of leaders grew from 32.3% to 35.2%.

Table 1. Top 10 manufacturers

Rank		Manufacturer*	Share in total value, %	
2008	2007		2008	2007
1	2	**Gedeon Richter**	6.3	4.9
2	1	**Berlin-Chemie/ Menarini Pharma GmbH**	4.9	6.0
3	5	**GlaxoSmithKline**	4.2	3.1
4	3	**F. Hoffmann-La Roche Ltd**	3.4	4.0
5	7	Pharmako	3.0	2.9
6	6	**Bayer Healthcare (incl. Bayer Schering Pharma AG)**	2.9	3.0
7	9	**Sanofi-Aventis**	2.9	2.6
8	4	KRKA D.D.	2.7	3.1
9	115	Beijing Double-Crane Pharmaceutical	2.5	0.2
10	10	**Novartis (incl. Lek-Sandoz)**	2.4	2.6
Total			**35.2**	**32.3**

* AIPM members are in bold

The ranking of the leading trade names experienced considerable changes: none of the participants retained its position (Table 2). Besides, the list was joined by three new preparations. Due to 5-fold sales value increase Ampicillin ranked from 11th to the leading position, Augmentin (1.7-fold growth) occupied 9th place instead of 25th position, Ethanol (3.4-fold growth) – from 108th to 10th position. Ranking progress was also demonstrated by Diroton (+31%) and Nimesil (+2%), which occupied 5th and 7th position, accordingly. Five list participants enlarged their market shares, at that, Ampicillin increase its share more than 4-fold, what conditioned growth of cumulative share of the leaders – from 8.7% to 10.9%.

Table 2. Top 10 trade names

Rank		Trade name	Share in total value, %	
2008	2007		2008	2007
1	11	Ampicillin	3.0	0.7
2	2	Pegasys	1.5	1.3
3	1	Sodium chloride	1.1	1.3
4	3	Cefazolin	1.1	1.2
5	10	Diroton	0.8	0.7
6	4	Hippophaes oleum	0.8	1.1
7	8	Nimesil	0.7	0.8
8	6	Mezym forte	0.7	1.0
9	25	Augmentin	0.6	0.4
10	108	Ethanol	0.6	0.2
Total			**10.9**	**8.7**

Notable positive dynamics demonstrated by Ampicillin propelled to the top the respective INN, which earlier occupied 18th position (Table 3). Ampicillin left behind the leaders of the previous year – Fluconazole (+25%) and Pancreatin (+14%), though these INNs showed advanced growth rates. Two other INNs – Peginterferon alfa-2b (+34%) and the newcomer – Lisinopril (+31%) – showed increase by sales value, what conditioned their improvement in the top 10 list. Nimesulide (+15%) became the third new participant and captured the last ranking place. The cumulative share of the top INNs and combinations considerably enlarged – from 12.6% to 14.8%.

Table 3. Top 10 INNs and combinations

Rank		INN/Combination	Share in total value, %	
2008	2007		2008	2007
1	18	Ampicillin	3.0	0.7
2	1	Fluconazole	2.3	2.1
3	2	Pancreatin	1.6	1.6
4	8	Peginterferon alfa-2b	1.5	1.3
5	3	Sodium chloride	1.2	1.3
6	4	Diclofenac	1.2	1.3
7	6	Cefazolin	1.1	1.3
8	11	Lisinopril	1.0	0.9
9	7	Enalapril	1.0	1.3
10	13	Nimesulide	0.9	0.9
Total			**14.8**	**12.6**

The leading position in the pharmaceutical market of Moldova is still occupied by ATC J01 Antibacterials for systemic use which due to significant growth rates of Ampicillin consolidated its leadership (Table 4). M01 Antiinflammatory and antirheumatic products (11%), N02 Analgesics (+8%) and A11 Vitamins (+10%) occupying places from 2nd to 4th retained their positions, though the shares of the two last-mentioned groups decreased. Ranking improvement by one position was registered by L03 Immunomodulating agents (+29%) and C09 Agents acting on the renin-angiotensin system (+18%) as well as the newcomers - G04 Urologicals (+55%), J02 Antimycotics for systemic use (+20%) and N06 Psychoanaleptics (+28%). As in the previous ranking the cumulative share of the top ATC groups increased and amounted to 42.4%.

Table 4. Top 10 ATC groups

Rank		ATC code	ATC group	Share in total value, %	
2008	2007			2008	2007
1	1	J01	Antibacterials For Systemic Use	12.5	11.5
2	2	M01	Antiinflammatory and Antirheumatic Products	4.3	4.3
3	3	N02	Analgesics	4.0	4.2
4	4	A11	Vitamins	3.8	3.9
5	6	L03	Immunomodulating Agents	3.6	3.2
6	5	R05	Cough and Cold Preparations	3.3	3.6
7	8	C09	Agents Acting on the Renin-Angiotensin System	2.8	2.7
8	16	G04	Urologicals	2.7	2.0
9	11	J02	Antimycotics For Systemic Use	2.7	2.5
10	13	N06	Psychoanaleptics	2.7	2.4
Total				**42.4**	**40.4**

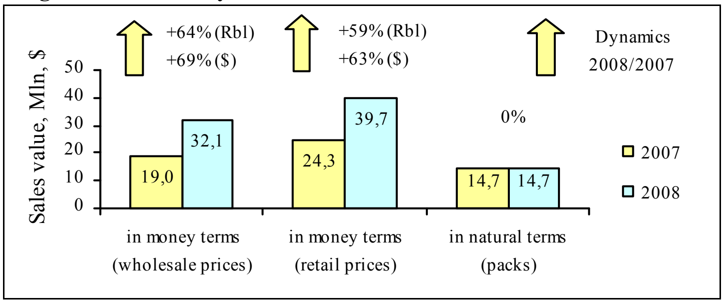
Conclusion. By the results of 2008 the pharmaceutical market of Moldova grew by 13% in money terms, but reduced by 16% in natural terms. These changes conditioned growth of average price per drug pack. Per capita drug consumption also increased but only in money terms. Structural shifts accompanied by growth of concentration are observed in the pharmaceutical market of Moldova.

PHARMACY MARKET OF KIROV IN 2008

The population of Kirov on 01.01.2008 was estimated at 464.6 thousand people, what is 1.5% of the population of the Volga Federal District and 0.3% of the total population of Russian Federation. According to Rosstat, average salary in Kirov region in 2008 accounted for Rbl 10910,9 ($436.8), what is 37% below the national average.

According to Retail Audit of Drugs in RF™, by the results of the 2008 pharmacy market value in rubles grew by 64% as compared to the respective period in 2007 and reached Rbl 795 Mln ($32.1) at wholesale prices (DLO is not included). The pharmacy market in natural terms did not change: sales dynamics equals 0%. As a result average price per drug pack compared to the previous year grew from $1.65 to$2.7, while retail markup decreased from 28% to 24%). The share of the city in the pharmacy segment amounted to 0.4%.

Diagram 1. Pharmacy market of Kirov in 2007-2008



Servier/Egis, Nycomed and Berlin-Chemie still occupy the leading positions in the list of the top manufacturers by pharmacy sales value in 2008 (Table 1). At that, only the leader enlarged its share due to advanced dynamics of retail sales value (+82%). Though two other corporations increased their sales value 1.5-fold, but against the background of considerable market growth rates they reduced shares in the segment. Due to 2-fold sales growth Novartis improved from 8th to 4th place, leaving behind Pharmstandart (+65%) to 5th position. More significant enlargement (2.5-fold growth) was registered by Bayer Healthcare, what conditioned ranking progress by four positions. Three list participants - Gedeon Richter, Sanofi-Aventis and Dr.Reddy's showed negative sales value dynamics, decreased market share and lost positions in the observed list. By the results of 2008 the top 10 manufacturers accumulated 44% of the total sales value, what is 1% above the previous year figure.

Table 1. Top 10 manufacturers by pharmacy sales value

Rank		Manufacturer*	Share in total pharmacy sales value, %	
2008	2007		2008	2007
1	1	**Servier/Egis**	7.0	6.3
2	2	**Nycomed**	5.2	5.5
3	3	**Berlin-Chemie/ Menarini Pharma GmbH**	4.7	5.1
4	8	**Novartis (incl. Lek-Sandoz)**	4.6	3.5
5	4	Pharmstandart	4.5	4.5
6	10	**Bayer Healthcare (incl. Bayer Schering Pharma AG)**	4.4	2.9
7	7	KRKA D.D.	4.4	3.8
8	5	**Gedeon Richter**	3.9	4.5
9	6	**Sanofi-Aventis**	3.2	4.2
10	9	**Dr.Reddy's Laboratories Ltd**	2.4	3.1
Total			**44.4**	**43.4**

* AIPM members are in bold

Despite share decline, Actovegin (+26%) retained its leadership in the top 10 list of trade names by pharmacy sales value (Table 2). Arbidol demonstrated more than 2-fold growth and as a result ranked up from 7th to 2nd place. The three of five new participants of the list demonstrated more considerable dynamics - Yarina (almost 3-fold growth) captured 3rd place instead of 16th position, Noliprel (2.6-fold growth) and Arifon (2.4-fold growth) rose from 22nd to 5th and from 20th to 7th position, respectively. Due to sales increase in 1.6 and 1.8 times, two other new trade names – Vasilip and Milgamma occupied 8th and 9th places. Cavinton, Diroton, Essentiale N, Crataegi tincture and Nise left the top 10 ranking in 2008.

Table 2. Top 10 trade names by pharmacy sales value

Rank		Trade names	Share in total pharmacy sales value, %	
2008	2007		2008	2007
1	1	Actovegin	2.0	2.6
2	7	Arbidol	1.1	0.8
3	16	Yarina	1.0	0.6
4	6	Concor	0.8	0.8
5	22	Noliprel	0.8	0.5
6	5	Detralex	0.8	0.8
7	20	Arifon	0.8	0.5
8	12	Vasilip	0.7	0.7
9	17	Milgamma	0.7	0.6
10	3	Indap	0.6	0.9
Total			**9.1**	**8.8**

Due to noticeable growth of retail sales value of such preparations as Arbidol, Yarina and Vasilip, the respective INNs also appeared in the top 10 list of INNs and combinations: Methylphenylthiomethyl-dimethylaminomethyl-hydroxybromindol carbonic acid ethyl ester occupied 5th position, Ethinylestradiol+Drosperinone captured 6th place and Simvastatin rose to 10th position (Table 3). Multivitamins and other media became the fourth newcomer in the observed ranking and moved from 24th o 9th place. Multivitamin+Multimineral (2.4-fold growth) improved from 5th to the leading position in the list. Indapamide (+57%) rose from 3rd to 2nd position, while less dynamic Metoprolol (+49%) and Enalapril (+23%), on the contrary, dropped to 3rd and 4th places, accordingly. The cumulative share of the top 10 list participants enlarged and reached 12%.

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

Rank		INN/ Combination	Share in total pharmacy sales value, %	
2008	2007		2008	2007
1	5	Multivitamin+Multimineral	1.7	1.2
2	3	Indapamide	1.6	1.6
3	2	Metoprolol	1.5	1.7
4	1	Enalapril	1.4	1.9
5	14	Methylphenylthiomethyl-dimethylaminomethyl-hydroxybromindol carbonic acid ethyl ester	1.1	0.8
6	27	Ethinylestradiol+Drosperinone	1.0	0.6
7	10	Bisoprolol	0.9	0.9
8	6	Ketoprofen	0.9	1.1
9	24	Multivitamins and other media	0.9	0.7
10	11	Simvastatin	0.9	0.9
Total			**12.0**	**11.4**

The top 10 list of ATC groups also revealed noticeable changes (Table 4). Three participants retained their positions – the leader of the top 10 ranking J01 Antibacterials for systemic use (+72%), as well as M01 Antiinflammatory and antirheumatic products (+48%) and N02 Analgesics (+44%). The new ATC groups are: L03 Immunomodulating agents (+111%) located on 7th place and C07 Beta blocking agents (+58%) placed 9th. Among other participants only G03 Sex hormones and modulators of the genital system and A11 Vitamins improved their ranking positions and captured 2nd and 5th places, correspondingly. The cumulative share of ten ATC groups grew and equaled 41.3%.

Table 4. Top 10 ATC groups by pharmacy sales value

Rank		ATC code	ATC group	Share in total pharmacy sales value, %	
2008	2007			2008	2007
1	1	J01	Antibacterials for Systemic Use	5.8	5.5
2	10	G03	Sex Hormones and Modulators of the Genital System	4.9	3.3
3	2	C09	Agents Acting on the Renin-Angiotensin System	4.8	5.0
4	4	M01	Antiinflammatory and Antirheumatic Products	4.2	4.7
5	7	A11	Vitamins	4.2	3.6
6	6	N02	Analgesics	3.9	4.5
7	13	L03	Immunomodulating Agents	3.9	3.1
8	5	N06	Psychoanaleptics	3.5	4.5
9	11	C07	Beta Blocking Agents	3.1	3.2
10	8	R05	Cough and Cold Preparations	3.0	3.6
Total				**41.3**	**40.9**

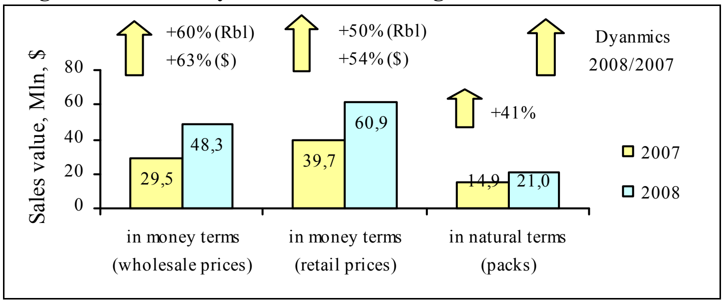
Conclusion. By the results of 2008 the pharmacy market of Kirov is estimated at $39.7 Mln at final consumption prices, considerably leaving behind the Russian market by growth rates (+59% against +25%). However in natural terms the Kirov market remained on the level of 2007. Average price per drug pack as well as retail mark up were lover than the same indices in the Russian market ($2.7 against $2.85 and 24% against 29%). At the same time expenditures of the population on drugs in pharmacies, accounting for $85.4, outstripped the national average ($78.2).

PHARMACY MARKET OF ORENBURG IN 2008

The population of Orenburg on 01.01.2008 was estimated at 526.4 thousand people, what is 1.7% of the population of the Volga Federal District and 0.4% of the total population of Russian Federation. According to Rosstat, average salary in the city in 2008 accounted for Rbl 12571,4 ($503.2), what is 27% below the national average.

According to Retail Audit of Drugs in RF™, by the results of the 2008 pharmacy market value of Orenburg in rubles grew by 60% as compared to the respective period in 2007 and reached Rbl 1.2 Bln ($48.3 Mln) at wholesale prices (DLO is not included). The pharmacy market in natural terms increased by 41% and amounted to 21.3 Mln packs. The share of the city in the RF pharmacy segment amounted to 0.6%. Average retail markup declined to 26% against 34% in 2007 while the average price per drug pack accounted for $2.9 against $2.67.

Diagram 1. Pharmacy market of Orenburg in 2007-2008



By the results of 2008 Novartis remained the leader of the market in Orenburg by pharmacy sales value (Table 1). At that, the corporation not only retained its leadership but also consolidated its presence due to considerable growth rates (more than 2-fold growth). More significant positive dynamics was demonstrated only by Pharmstandart (2.2-fold growth) which ranked from 7th to 2nd place and by the new participant of the list Nycomed (1.8-fold growth) which occupied 10th instead of 13th position. It is to note that all ten leaders showed positive and comparatively considerable dynamics. However half of the manufacturers reduced their market shares. In case with Servier/Egis (+53%) and Sanofi-Aventis (+64%) it conditioned los of ranking positions. At that, the cumulative share of the top producers increased from 38.8% to 39.5%.

Table 1. Top 10 manufacturers by pharmacy sales value

Rank		Manufacturer*	Share in total pharmacy sales value, %	
2008	2007		2008	2007
1	1	**Novartis (incl. Lek-Sandoz)**	5.8	5.5
2	7	Pharmstandart	4.9	3.6
3	2	**Servier/Egis**	4.5	4.6
4	4	**Bayer Healthcare (incl. Bayer Schering Pharma AG)**	4.1	4.5
5	5	**Gedeon Richter**	4.1	4.0
6	3	**Berlin-Chemie/ Menarini Pharma GmbH**	4.1	4.5
7	6	**Sanofi-Aventis**	3.7	3.6
8	8	**Teva**	3.2	3.3
9	10	**Solvay Pharmaceuticals**	2.7	3.0
10	13	**Nycomed**	2.5	2.3
Total			**39.5**	**38.8**

* AIPM members are in bold

The top 10 list of trade names revealed noticeable changes (Table 2). The ranking was joined by four new preparations and none of the participants retained its position. The newcomers are: Essentiale N, Mezym forte, Linex and Yarina, occupying 4th, 6th, 7th and 9th places, respectively. The most significant growth rates were registered by antiviral Arbidol (2.3-fold growth), as e result the observed trade name rose from 5th to the leading position. The leader of the previous year Heptral demonstrated negative dynamics, considerably decreased its market share and lost one ranking position. Ranking weakening was also showed by Viagra (+11%), Sumamed (+42%) and Xenical (+2%), which dropped to 3rd, 5th and 10th places. These preparations as well as the above-mentioned Heptral reduced their shares in retail segment, what conditioned decline of the cumulative share from 9.6% to 8.7%.

Table 2. Top 10 trade names by pharmacy sales value

Rank		Trade name	Share in total pharmacy sales value, %	
2008	2007		2008	2007
1	5	Arbidol	1.3	0.9
2	1	Heptral	1.1	2.0
3	2	Viagra	1.0	1.4
4	12	Essentiale N	1.0	0.7
5	3	Sumamed	0.9	1.1
6	14	Mezym forte	0.7	0.7
7	21	Linex	0.7	0.6
8	10	Diroton	0.7	0.7
9	20	Yarina	0.7	0.6
10	4	Xenical	0.7	1.0
Total			**8.7**	**9.6**

Despite underrun by growth rates (+41%) and share reduction the combination Multivitamin+Multimineral still holds leadership in the top 10 list of INNs and combinations (Table 3). Pancreatin (+77%) ranked from 6th to 2nd position, Methylphenylthiomethyl-dimethylaminomethyl-hydroxybromindol carbonic acid ethyl ester (+129%) rose from 12th to 3rd place. Except this INN the ranking was joined by two other participants - Xylometazoline (+112%) and Phospholipides (+119%) which moved from 14th and 17th places to 5th and 9th positions, accordingly. Ranking improvement was also registered by Azithromycin which rose from 5th to 4th place in the analyzed period. At the same time, Ademetionine, Fluconazole, Sildenafil and Ethinylestradiol+Desogestrel reduced their shares and weakened in the top 10 list. The cumulative share slightly decreased.

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

Rank		INN/Combination	Share in total pharmacy sales value, %	
2008	2007		2008	2007
1	1	Multivitamin+Multimineral	1.9	2.2
2	6	Pancreatin	1.4	1.3
3	12	Methylphenylthiomethyl-dimethylaminomethyl-hydroxybromindol carbonic acid ethyl ester	1.3	0.9
4	5	Azithromycin	1.3	1.3
5	14	Xylometazoline	1.2	0.9
6	2	Ademetionine	1.1	2.0
7	3	Fluconazole	1.1	1.5
8	4	Sildenafil	1.0	1.4
9	17	Phospholipides	1.0	0.7
10	7	Ethinylestradiol+Desogestrel	0.9	1.0
Total			**12.0**	**13.1**

Against the background of considerable changes which took place in the previous rankings the top 10 list of ATC groups demonstrates relative stability: three participants including the leader retained their positions and only one new group appeared in the ranking in the analyzed period (Table 4). The newcomer - A07 Antidiarreals, intestinal antiin-flammatory / antiinfective agents (+68%) – ranked from 11th to 10th place. Due to advanced sales value dynamics and increase of market share four groups showed ranking progress: N02 Analgesics, M01 Antiinflammatory and antirheumatic products, R05 Cough and cold preparations and C09 Agents acting on the renin-angiotensin system also demonstrated ranking improvement. Despite comparatively high growth rates (however being outstripped by the pharmaceutical market dynamics) G03 Sex hormones and modulators of the genital system (+36%) and A11 Vitamins (+44%) dropped down.

Table 4. Top 10 ATC groups by pharmacy sales value

Rank		ATC code	ATC group	Share in total pharmacy sales value, %	
2008	2007			2008	2007
1	1	J01	Antibacterials for Systemic Use	6.6	6.7
2	3	N02	Analgesics	5.6	5.4
3	2	G03	Sex Hormones and Modulators of the Genital System	5.0	5.8
4	4	L03	Immunomodulating Agents	4.1	4.2
5	7	M01	Antiinflammatory and Antirheumatic Products	4.0	3.3
6	5	A11	Vitamins	3.8	4.2
7	9	R05	Cough and Cold Preparations	3.4	3.0
8	8	N06	Psychoanaleptics	3.1	3.1
9	10	C09	Agents Acting on the Renin-Angiotensin System	3.0	3.0
10	11	A07	Antidiarreals, Intestinal Antiin-flammatory / Antiinfective Agents	3.0	2.8
Total				**41.5**	**41.8**

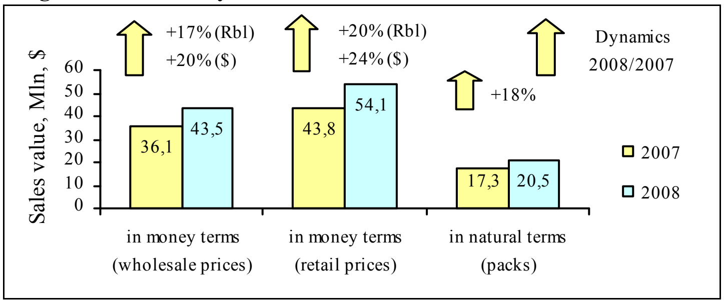
Conclusion. By the results of 2008 the pharmacy market of Orenburg is estimated at $60.94 Mln at retail prices. The city outstripped the national market by growth dynamics in money and natural terms (+50% against +25% in rubles and +41% against +4% in packs). Average price per drug pack almost equals the same figure throughout Russia ($2.9 against $2.85), while the retail mark-up is slightly lower (+26% against +29%). At that expenditures of the population on drugs in pharmacies are notably above the national average: $115.8 against $78.2.

PHARMACY MARKET OF PENZA IN 2008

The population of the Penza is estimated at 507.8 thousand people, what is 1.7% of the population of VFD and 0.4% of the total RF population. According to Rosstat, average salary in Penza region in 2008 reached Rbl 11721,8 ($469), what is by 32% lower than the national average.

According to Retail Audit of Drugs in RF™, by the results of 2008 pharmacy market value of the city increased by 17% and accounted for Rbl 1.08 Bln ($43 Mln) at wholesale prices (DLO is not included). Pharmaceutical market of the city in natural terms equals 20.5 Mln packs, what is 18% above the figure of the previous year. On average drug pack price remained the same equaling $2.64 ($2.53 in 2007). Average retail mark-up accounted for 24% exceeding the figure in the previous year (21%). On average a citizen of Penza spent $106.5 on drugs in 2008. The share of the city in the Russian pharmacy market structure amounted to 0.5%.

Diagram 1. Pharmacy market of Penza in 2007-2008



The top 10 list of pharmaceutical manufacturers did not reveal any changes in the analyzed period but inner changes took place (Table 1). The Russian producer Pharmstandart demonstrated the highest growth rates in the region (+40%) and rose from 7th to 3rd place leaving behind Sanofi-Aventis (0%) to 4th position. Gedeon Richter (+19%) ranked to 5th place, while less dynamic Berlin-Chemie (+3%) and Bayer Healthcare (+11%) dropped down from 4th to 6th place and from 5th to 7th position, accordingly. Ranking weakening was also registered by Solvay Pharmaceuticals (+9%), while Nycomed (+36%), on the contrary, moved from 9th to 8th place in the top 10 list. The leaders - Novartis (+24%) and Servier/Egis (+17%), as well as the company closing the top 10 ranking - KRKA (+14%) - retained their positions.

Table 1. Top 10 manufacturers by pharmacy sales value

Rank		Manufacturer*	Share in total pharmacy sales value, %	
2008	2007		2008	2007
1	1	**Novartis (incl. Lek-Sandoz)**	6.6	6.3
2	2	**Servier/Egis**	4.9	4.9
3	7	Pharmstandart	4.2	3.6
4	3	**Sanofi-Aventis**	3.9	4.6
5	6	**Gedeon Richter**	3.7	3.7
6	4	**Berlin-Chemie/ Menarini Pharma GmbH**	3.7	4.2
7	5	**Bayer Healthcare (incl. Bayer Schering Pharma AG)**	3.5	3.7
8	9	**Nycomed**	3.1	2.7
9	8	**Solvay Pharmaceuticals**	2.8	3.0
10	10	KRKA D.D.	2.4	2.4
Total			**38.9**	**39.1**

*AIPM members are in bold

The top 10 list of trade names by pharmacy sales value was joined by four new participants (Table 2). The newcomers are – Arbidol (+61%) which ranked from 14th to 6th position, Linex (+40%), Pentalgin-N (+58%) and Flemoxin Solutab (+34%), occupying from 8th to 10th place. The leadership was captured by Pyralgin which enlarged its sales value in 2 times, Actovegin (+22%) rose to 2nd place. Viagra (-25%) and Preductal (+9%) which were located on 1st and 2nd positions in 2007 and which dropped to 3rd and 4th places in the analyzed period. TeraFlu against cold and fever (-6%) ranked down to 7th place. The cumulative share of ten leaders slightly grew and reached 9.3%.

Table 2. Top 10 trade names by pharmacy sales value

Rank		Trade name	Share in total pharmacy sales value, %	
2008	2007		2008	2007
1	4	Pyralgin	1.8	1.0
2	3	Actovegin	1.1	1.1
3	2	Preductal	1.0	1.1
4	1	Viagra	1.0	1.6
5	5	Essentiale N	0.8	0.9
6	14	Arbidol	0.8	0.6
7	6	TeraFlu against cold and fever	0.7	0.9
8	13	Linex	0.7	0.6
9	18	Pentalgin-N	0.6	0.5
10	15	Flemoxin Solutab	0.6	0.5
Total			**9.3**	**8.9**

The top 10 list of INNs and combinations by pharmacy sales value was joined by two new participants (Table 3). The new INNs are: Diclofenac (+38%) and Methylphenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester (+61%) which rose from 13th and 24th to 7th and 10th positions, correspondingly. The combination Caffeine+Codeine+Naproxen+Metamizole sodium+Phenobarbital (almost 2-fold growth) became the leader of the observed list. The leader of the previous year Multivitamin+Multimineral (+12%) demonstrated insignificant dynamics, reduced market share and dropped to 2nd position. Except it three more participants occupied lower positions in the ranking: Sildenafil (-25%) moved from 2nd to 6th place, Fluconazole (0%) – from 6th to 8th place and Phospholipides (+5%) – from 7th to 9th position. Weakening of Sildenafil allowed Pancreatin (+12%) and Trimetazidine (+13%) to improve by one position in the top 10 list and capture 3rd and 4th places despite underran by growth rates.

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

Rank		INN/Combination	Share in total pharmacy sales value, %	
2008	2007		2008	2007
1	3	Caffeine+Codeine+ Naproxen+Metamizole sodium+Phenobarbital	2.5	1.5
2	1	Multivitamin+Multimineral	1.5	1.6
3	4	Pancreatin	1.2	1.3
4	5	Trimetazidine	1.1	1.1
5	8	Xylometazoline	1.1	0.9
6	2	Sildenafil	1.0	1.6
7	13	Diclofenac	1.0	0.8
8	6	Fluconazole	0.9	1.0
9	7	Phospholipides	0.8	0.9
10	24	Methylphenylthiomethyl-dimethylaminomethyl-hydroxy-bromindol carbonic acid ethyl ester	0.8	0.6
Total			**11.9**	**11.4**

The leading positions in the pharmacy market of Penza are still occupied by N02 Analgesics (+39%) and J01 Antibacterials for systemic use (+14%) (Table 4). M01 Antiinflammatory and antirheumatic products (+25%) rose from 5th to 3rd place, while G03 Sex hormones and modulators of the genital system (0%) and N06 Psychoanaleptics (-2%) moved from 3rd and 4th position in the list of the leading ATC groups, dropped to 4th and 6th places in the analyzed period. Ranking progress was demonstrated by L03 Immunomodulating agents (+22%) and the newcomers of the ranking - C09 Agents acting on the renin-angiotensin system (+36%) and R05 Cough and cold preparations (+33%) which ranked from 12th and 11th places to 8th and 9th positions. The cumulative share increased and amounted to 41.1%.

Table 4. Top 10 ATC groups by pharmacy sales value

Rank		ATC code	ATC group	Share in total pharmacy sales value, %	
2008	2007			2008	2007
1	1	N02	Analgesics	7.3	6.2
2	2	J01	Antibacterials for Systemic Use	5.5	5.7
3	5	M01	Antiinflammatory and Antirheumatic Products	4.2	4.0
4	3	G03	Sex Hormones and Modulators of the Genital System	4.0	4.7
5	6	L03	Immunomodulating Agents	3.7	3.6
6	4	N06	Psychoanaleptics	3.5	4.2
7	7	A11	Vitamins	3.5	3.6
8	12	C09	Agents Acting on the Renin-Angiotensin System	3.2	2.7
9	11	R05	Cough and Cold Preparations	3.1	2.8
10	9	A07	Antidiarreals, Intestinal Antiin-flammatory / Antiinfective Agents	3.0	2.9
Total				**41.1**	**40.4**

Conclusion. By the results of 2008 pharmacy sales value in Penza reached $54.1 Mln at retail prices. Penza market growth rates were outstripped by the dynamics of the RF market (+20% against +25%). However the market in natural terms demonstrated considerably higher growth rates compared to Russia (+18% against +4%). Average price per drug pack as well as retail mark-up were left behind by the figures throughout Russia. At the same time expenditures of the population on drugs in pharmacies were notably lower: $106.5 against $78.2.

REGIONAL DIGEST

DLO/ONLC, State regulation

1.04.2009 IA Regnum

The Prime Minister Vladimir Putin requested to correct the situation in the Russian pharmaceutical market

During the meeting with the RF Prime Minister Vladimir Putin on March 31 the Minister of Health and Social Development T. Golikova stated that in the near future bidding registration of prices on essential drugs will be replaced by the obligatory registration. According to Golikova only 20% of necessary and essential drugs go through registration procedure. She added that the Ministry takes measures for 100% of drugs to be registered, notably it is equally related to domestic and foreign manufacturers.

As a result the Ministry will get the representative data on prices for which drugs are delivered. Therefore, the Ministry of Health and Social Development will be able to analyze growth dynamics of prices.

03.04.2009, Vzglyad

Igor Sechin was appointed the head of board of pharmaceutical and medical industry of the RF government

The new coordination and deliberative body consists of the representatives of concerned departments and state corporations, heads of the largest industrial manufacturers and distributors as well as several governors.

The board initiated by the Ministry of Industry and Trade will be responsible for investment problem, pharmaceutical segment modernization and competitive growth of its production as well as state support of export activity.

Moreover, the board will be engaged in the development of integrated structures of inventors and producers, advance of public private partnership, industry education and training.

07.04.2009, Vedomosti

Subsidiaries of the six world pharmaceutical companies are considered to occupy a dominant market position

The Head of the Federal Antimonopoly Service (FAS) Igor Artemyev signed an order on inclusion of 10 pharmaceutical companies into the list of corporations dominating in the market. Among them are – ZAO "Roche Moscow", OOO "Novartis pharma", ZAO "AO Schering", OOO "Nycomed distribution center", OOO "Johnson & Johnson" and OOO "Novo Nordix". This information was confirmed by the Head of the Department for Control over Social Sphere and Trade Federal Antimonopoly Service Timofey Nizhegorodtsev. As he explained, the register contains the pharmaceutical manufacturers which produce innovative drugs being under patent protection and have no analogues in Russia.

According to Nizhegorodtsev, after the company is included into the register, FAS is entitled to control its activity including price setting. Violation for inclusion the company into the register will be establishment of monopolistic high price (i.e. higher than in comparable markets), excluding exclusive contracts with distributors and imposing of disadvantageous contract conditions to them. FAS will compare prices for pharmaceuticals in Russia with prices of drugs in the European markets.

07.04.2009, Remedium.ru

Roszdravnadzor has approved a list of drugs dynamics of prices for which is to be monitored

Roszdravnadzor has sent the letter of information №01I-189/09 of 06.04.2009 "On measures of monitoring of the provision of the population with affordable drugs" and the order №2701-Pr/09 of 06.04.2009 "On measures of monitoring of provision of the population with affordable drugs" to the heads of healthcare regulatory bodies of RF federal subjects. Roszdravnazor reports that in order to implement the anti-crisis program of the Government of Russian Federation for 2009 in terms of situation with provision of the population with affordable drugs, the Ministry has approved the list of drugs dynamics of prices for which is to be monitored (hospital and ambulatory segments of the pharmaceutical market).

20.04.2009, Vremya novostey

Roszdravnadzor strives for standby authorities

The administrators intend to use extreme vigilance of the Russian authorities to the pharmaceutical market for getting new leverage over businessmen. Roszdravnadzor indicated its willingness to enlarge its power partially borrowing it from law enforcement bodies. According to the licensing and legal director of Roszdravnadzor Sergey Maksimov, the Ministry initiated the development of the draft law by State Duma which will admit the inspectors of this federal service to file reports on administrative violations.

The pharmaceutical market players suppose that Roszdravnadzor sets up claims for the new powers only for the reason that the service fails to perform its functions within the current legislation as well as to seek punishment for offenders through legal procedures.

NEWS OF COMPANIES

01.04.2009, Vedomosti

The pharmaceutical manufacturer "Valenta" may sell one more facility – "Novosibkhimpharm"

Director General of "Valenta" (former "Otechestvennye lekarstva") Laslo Shugar confirmed that the company considers a possibility to sell its facility where at the moment audit is conducted. He refused to discuss potential purchasers. According to experts' esteems, the company costs $5-6 Mln. "Otechestvennye lekarstva" owns 97.2% of OAO "Novosibkhimpharm".

The officer of the Russian drug manufacturer reported that "the structures of the former Deputy Healthcare Minister Anton Katlinskiy" (since 2004 is the head of the state pharmaceutical producer "Microgen") are interested in "Novosibkhimpharm". He did not specify whether he meant "Microgen" or personally A. Katlinskiy. The source close to "Valenta" stockholders confirmed that A. Katlinskiy is one of the main claimants to the plant; however the final decision is not made yet.

09.04.2009, Vedomosti

"Rostekhnologii" purchased 26% of "Irvin-2"

The officer of the state corporation confirmed that "Prominvest", an investment arm of "Rostekhnologii", has purchased a share in "Irvin" and intends to help this company in accomplishing several investment projects. According to research director of "Pharmexpert" David Melik-Guseynov, 26% of shares might cost $60 Mln.

"Rostekhnologii" is interested in investment into pharmaceutical production, while "Irvin-2" is going to set up a facility in Moscow region and is searching for the site. According to the Director General of "Irvin-2" Lyudmila Melnik, the company intends to produce engineered and high-technology preparations. In particular, two products – anticlotting drug and anticancer agent – are at the stage of preclinical studies. Melnik confirmed that "Irvin" will invest the facility building together with "Rostekhnologii".

21.04.2009, Kommersant

"36.6" and Alliance Boots did not extend the contract on exclusive supplies of the British manufacture's production to pharmacies

Products of Boots are excluded from "36.6" assortment. The source close to "36.6" informed that the contract with Alliance Boots expired and was not extended. From the part of Alliance Boots the contract was effective before April 1. In the context of crisis demand for Boots considerably decreased. According to the director for corporate communications and public relations of "36.6" pharmacy chain Irina Lavrova, from the end of the previous year "36.6" started the assortment optimization: by the end of the first quarter assortment of the average pharmacy has reduced from 25 thousand to approximately 7 thousand in 2008. Price for the production of "36.6" house brand (6.1% of the total rescue of the pharmacy chain) is by 20% lower than for the analogous import products.

30.04.2009, Kommersant

"Natur Produkt" Group has sold OOO "Zdorovye lyudi"

According to the information from the retailer, 100% of OOO "Zdorovye lyudi" was purchased by "the group of financial investors". The terms of the deal are not disclosed. The partner of "Svarog Capital Advisors" (former "Renova Capital"; since 2004 owns almost 61% of the Luxemburg company "Natur Produkt Holdings") O Tsarkov confirmed the disposal of the pharmacy chain. The source in the fund informed that the chain was purchased by the former managers of "Natur Produkt" – the founder of the group S. Nizovtsev and Director General of ZAO "Natur Produkt Retail" A. Batulin. Jointly they possessed nearly 25-30% of Natur Produkt Holdings – this share was delivered in payment for the chain "Zdorovye lyudi". EBRD (3-5%) and some other portfolio investors are the part-owners of "Natur Produkt". According to the results of the deal, "Svarog Capital" consolidated about 90% of "Natur Produkt".

After the deal which is estimated at $80 Mln the pharmaceutical facility is the only asset of"Natur Produkt Holdings". The source close to the fund reported that "Renova Capital" enlarged its asset in this company. According to the source close to "Renova" the fund is more interested in production than in retail.

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