

Pharmaceuticals Russia

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Implemented by

giz Deutsche Gesellschaft
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Kingdom of the Netherlands

Market Macro-Overview

- Macroeconomic overview of Russia
- Political, economic and legal risks associated to the market
- Banking and currency restrictions associated the market
- Trade agreements with Jordan

Industry/Sector Demand Overview

- Current demand dynamics
- Future forecast for the sector

Product Overview/Demand Analysis

- Product description and application
- Demand 2013-2023 (volume and value)
- Key demand drivers
- Emerging trends and potential changes

Supply Analysis

- Supply 2013-2023 (production and imports)
- Supplier profiles/Market share of imports
- Market share of key suppliers
- Note on methodology

Route to Market Analysis

- Key channels
- Typical buyers
- Customer requirements
- Marketing activities
- Product pricing
- List of exhibitions and trade fairs

Competitive Landscape

- Key market international suppliers (companies)
- Breakdown by company supplying
- Existing value proposition offered by competitors

Import Procedure

- Tariff and non-tariff barriers
- Required documents
- Packaging requirements for shipment
- Labelling requirements
- Key transportation and logistics requirements, such as recommended port of entry and key distribution hubs
- Applied tariffs for the product in the country

Import Supply Chain

- Structure of the import supply chain (including planning, logistics and distribution)
- Recommendations on how to overcome challenges related to the import supply chain

Recommendations

- Market access strategy
- Key success factors for winning in the market
- Marketing mix



Market Overview

Macro-economic Overview

Despite a weak currency, Russian economy is on the brink of recovery

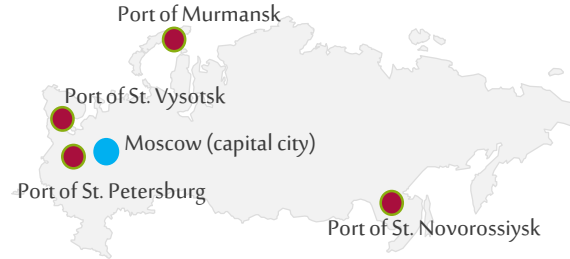
MARKET RISKS

Economic	The Russian economy continues with moderate growth from two-year recession. Household consumer demand is expected to slow down on the back of lower real wages growth. The manufacturing sector accounts for 13.7% of GDP and employs 14.2% of the workforce.
Political	The number of those in poverty has increased. Russia's population has been shrinking by more than 500,000 on average every year since 2000 partly due to an AIDS explosion, but it can also be traced back to declining fertility rates, an unexplained rise in the suicide rate and ethnic and regional tensions. This indicates the decline in average spending of consumers.
Legal	Implementation of anti-money laundering law is weak. Banks have become vulnerable to risks of illegal origin of money. This may affect credit facilities for importers and impact trade.
Trade	The Russian economy has never been especially reliant on exports. In 2018, exports were 27.1% of GDP. Exports (in dollars) rose by 25.5% in 2018 as Russia's WTO membership required Moscow to phase out most of its trade barriers in 2018. However, a drop of 5.8% is expected in 2019 as growth in Russia's major partners is expected to slow.
Banking restrictions & currency challenges	For payments related to the import of goods, there are no significant restrictions. However, the bank of the Russian importer is obliged to ensure compliance of payments with currency regulations. The Russian importer and its bank set up a "transaction passport" for each contract. The foreign exporter is not directly involved, but may be affected due to the need of the Russian importer to obtain documents and information from the exporter.

TRADE AGREEMENTS

- Russia does not hold any free trade agreement with Jordan. This impacts the applied tariffs for exports of pharmaceutical products from Jordan to Russia.
- Russia has free trade agreements with Uzbekistan, Turkmenistan, Serbia, Azerbaijan, Belarus, Kazakhstan, Ukraine, Vietnam, Armenia, Kyrgyz Republic, Moldova, and Tajikistan.

MARKET KEY PORTS



ECONOMY

Total GDP 2018:	US\$1,654.7 billion
Real GDP Growth: 2013-2018 (CAGR)	6.3%
Forecast GDP Growth: 2018-2023 (CAGR)	7.9%

DEMOGRAPHICS

Total Population 2018:	144.5 million
Population Growth: 2013-2018 (CAGR)	0.2%
Forecast Pop. Growth: 2018-2023	0.1%

PER HOUSEHOLD SPENDING

Average Spending 2018: (per household)	US\$13,630.2
Avg. Spending Growth: 2013-2018 (real terms)	8.1%
Forecast Spending Growth: 2018-2023 (real terms)	3.9%



Industry Overview

Overview of Pharmaceuticals

High extent of localization is expected to drive increased sale of locally manufactured generics

PHARMACEUTICALS OVERVIEW

- The commercial drugs market grew by 11% in volume terms driven mainly by the increase in domestic production of generic and cheaper drugs. The market grew by 51% in Russian Rouble terms but suffered a drop of 17% in USD Value terms owing to the heavy currency depreciation between 2014-18.
- The growth in volume terms can be attributed to increased focus on domestic production under the aegis of state-run sectoral development programs like “Pharma 2020”. However, the growth in value terms is due to the substantial growth in the sale of generics preferred as substitutes to prescribed medicines owing to lower personal incomes. State drug supply programs are also said to promote a switch to generics owing to budgetary reasons.
- Hospital procurement and state subsidized drug purchases focussing largely on promoting local medicines was estimated to contribute to around 32% of the market size as of 2017.
- Share of generic was estimated to contribute 83.2% to the total market size by volume and 61.6% in value terms as of 2018.

PHARMACEUTICALS SIZE

The size of the
sector in
2018
was estimated at

US\$26.5 billion

and by
2023
it is expected to
reach a total of

US\$31.5 billion

KEY TRENDS AFFECTING PHARMACEUTICALS

- Falling personal incomes and consumer expenditure is resulting in import substitution, localization and hence, growing share of locally manufactured generics. The Government has also put efforts by establishing state price controls and labelling requirements to reduce the penetration of other counterfeit products
- The health care system in Russia suffers from underfunding, red tape and corruption which results in reduced efficiency. This trend is unlikely to change in the coming years.
- Exchange rate volatility remains an issue given the volatility of oil and gas prices and the effect of sanctions
- As the country encourages local production, it is expected that exporters of large volumes could collaborate with local entities to establish manufacturing entities and achieve government subsidies
- The pharmaceutical sector will continue to integrate vertically among Russian firms with primary focus on production, distribution and retail
- Drug registration and participation in state pharmaceutical programs is likely to help grow awareness and hence drive sales for the company.

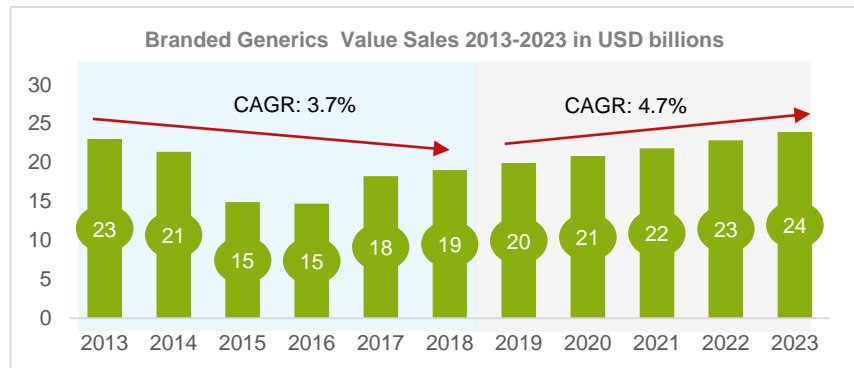


Demand

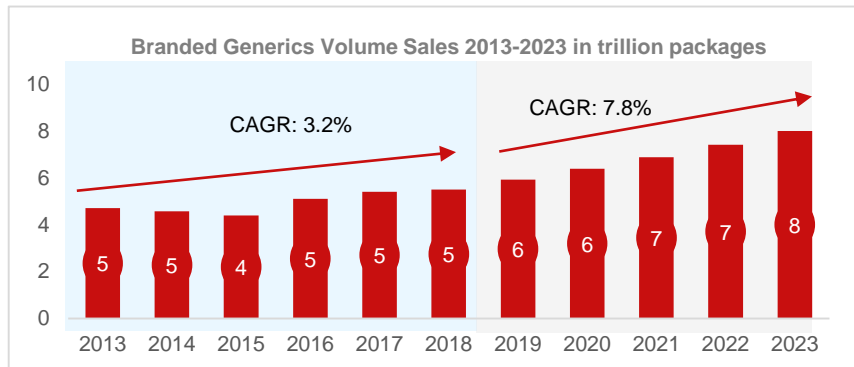
Product Overview and Demand Analysis

Market's shifting focus to domestic generics is likely to impact sector's value growth

DEMAND FOR THE PRODUCT (HISTORIC AND FORECAST)



Source: Euromonitor International from trade analysis, 2019



Source: Euromonitor International from trade analysis, 2019

BRANDED GENERICS DESCRIPTION AND APPLICATIONS

A generic drug is a medication created to be the same as an already marketed brand-name drug in dosage form, safety, strength, route of administration, quality, performance characteristics, and intended use. These similarities help to demonstrate bioequivalence, which means that a generic medicine works in the same way and provides the same clinical benefit as its brand-name version. When generic drugs are sold under a brand name, it is known as branded-generics. Branded generic drugs are used in therapeutic applications for cardiovascular, central nervous system, dermatology, oncology, respiratory, and other therapeutic applications.

KEY DRIVERS BEHIND MARKET GROWTH

- The Government is looking to substitute expensive imported drugs by locally manufactured and affordable alternatives
- The market is being driven by a significant preference in generics over the past few years as consumers prefer to save on healthcare costs
- Regional pharmacy retail chains and small independent pharmacies have been consolidating through mergers and acquisitions resulting in stable quality of service and product prices rendered to consumers.

EMERGING TRENDS AND POTENTIAL CHANGES

- New labelling and tracking regulations implemented for drugs is likely to have an adverse impact on costs
- On the contrary, consolidation of supply chain led by vertical integration of local firms, is likely to result in fewer intermediaries and thus, lower logistical costs
- As part of vertical integration, companies are rapidly localizing production to become eligible for participation in state-run health programs and achieve a multitude of cost benefits
- Introduction of new local drugs and sale of these drugs through online channels is likely to augment the growth of this segment
- Consolidation of retail pharmacies is expected to continue along with a significant drop in independent pharmacies.

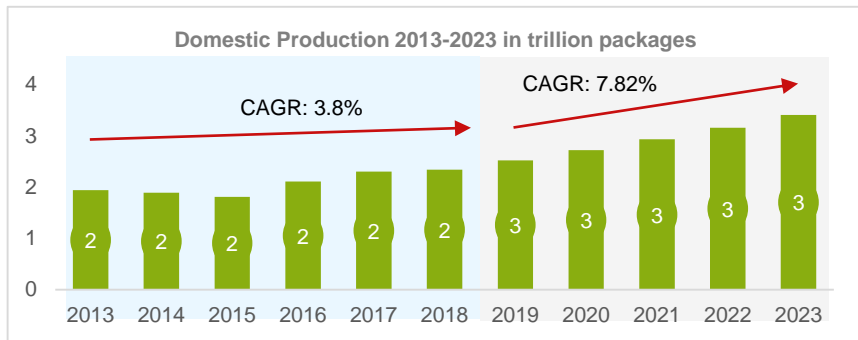


Supply

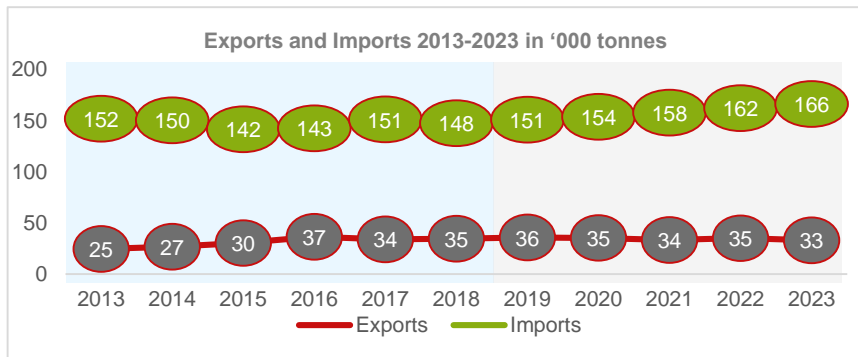
Supply Analysis

European nations form the major share in top five supplying countries

SUPPLY OF BRANDED GENERICS (HISTORIC AND FORECAST)



Source: Euromonitor International from trade analysis, 2019



Source: Euromonitor International from trade analysis, 2019

PROFILES OF TOP SUPPLYING COUNTRIES

#	Country	% Share of Imports	Competitive Advantages
1	Germany	21%	<ul style="list-style-type: none"> Home to several pharmaceutical brands, companies in Germany offer a wide portfolio of pharmaceutical products
2	France	9%	<ul style="list-style-type: none"> Well established logistics between the countries Developed financial services to support exporters Longstanding market presence of products helps brand recall
3	USA	6%	<ul style="list-style-type: none"> Well-developed and advanced technologies used in pharmaceutical products thereby helping companies achieve economies of scale. Innovative and premium drugs offered – Several western brands are also included in the state-run programs Longstanding market presence of products
4	India	5%	<ul style="list-style-type: none"> Known as the base for cheap and effective generics even for severe illnesses like Hepatitis and HIV driven mainly by low production costs Well-established trade ties between both countries
5	Switzerland	5%	<ul style="list-style-type: none"> Similar to other European countries, companies in Switzerland have a well-established and advanced pharmaceutical industry offering a wide range of innovative and expensive drugs. Longstanding market presence of products from Switzerland

Source: Euromonitor International from trade analysis, 2019

FORECASTING METHODOLOGY

- Historical data has been obtained from local and international statistics and validated through trade interviews with multiple supply chain segments (such as manufacturers, distributors and retailers)
- These inputs have been used alongside relevant exogenous variables in order to develop a forecast based on the analysis of variance approach, while also taking into account the expected effect of market, regulatory and policy developments on forecast variables



Route To Market

Bringing The Product To The Market

Maximum mark-up in pricing from distributor to end customer is around 14%

PRODUCT PLACEMENT (TOP CHANNELS)

CHANNEL	TYPICAL BUYER	BUYER EXPECTATIONS/ REQUIREMENTS	MARKETING ACTIVITIES
Distributors	<ul style="list-style-type: none"> Buyers in this category mainly distribute products purchased either from manufacturers, importers, other large distributors or even from large retail channels Depending on the product source, buyers handle quality control and/or customs, with re-packaging also sometimes in scope Distributor market share has been dropping owing to increasing vertical integration 	<ul style="list-style-type: none"> Distributors require registration/ certification and proper labelling of all products. Buyers generally negotiate on cheaper prices for bulk purchases Other features discussed individually with sellers. 	<ul style="list-style-type: none"> Marketing through local media, trade shows and by distributing samples
Representative Offices	<ul style="list-style-type: none"> Local manufacturer's representative offices represent over 77% of the total imports. The offices procure both imported and local manufactured products The offices are responsible for ensuring quality compliance, customs clearance and address packaging and labelling requirements 	<ul style="list-style-type: none"> The offices require registration/ certification and proper labelling of all products. These offices are allowed to import unlabelled stock 	<ul style="list-style-type: none"> Wide range of marketing activities including media, advertising, trade shows and samples
Importers	<ul style="list-style-type: none"> Currently the fastest growing segment of buyers Importers should ensure compliance to quality control, customs and packaging 	<ul style="list-style-type: none"> Imports are responsible either directly or through agents to ensure Registration and certification besides compliance to regulations 	<ul style="list-style-type: none"> Marketing through local media, advertising and trade shows
Domestic Producers	<ul style="list-style-type: none"> With increasing vertical integration, local manufacturers are also into distribution business and tend to import products for local distribution. 	<ul style="list-style-type: none"> The offices require registration/ certification and proper labelling of all products. 	<ul style="list-style-type: none"> Marketing through industry channels, advertising, trade shows and sample distribution

PRODUCT PRICING

Pricing is different for commercial drugs and the list of vitally important drugs (32% of total volume), for which prices are regulated. Exchange rate fluctuations for imported products are passed on directly to the end consumer. Average package in the commercial market costed 199.4RUB (\$3.18), +7.2% year-on-year.

Product price range in US\$/Pack	Min	Avg.	Max
Distributor buying prices	0.07	4.91	9.75
Selling price to retailers/end customer prices	0.18	5.62	11.07

PRODUCT PROMOTION (TRADE SHOWS)

- Pharmtech & Ingredients Expo** scheduled for November 2019 in Moscow, is an annual expo promoted by ministries and associations that gives opportunity to Russia and EEU countries to showcase equipment, raw materials and technologies for manufacturing pharmaceutical products
- Apteka Expo**, scheduled for December 2019 is an annual 3-day exhibition involving all stakeholders from the pharmaceutical industry. It is usually a part of the Russian Healthcare Week International Scientific and Practical Forum.
- PharmMedProm**, an expo also scheduled for December is an annual event operating under the aegis of Ministry of Industry and Trade to review the imported products along with local manufacturers and explore feasibility for import substitution



Competitive Landscape

Active promotion of the product offering is key to penetrate across all major channels

TOP MARKET SUPPLIERS

BAYER (Germany)
Manufacturer, importer

Value Proposition
A German company operating in Russia for over a century, Bayer has well-established operations across all its major divisions, Pharmaceuticals, Consumer Health and Crop Science. The company's thrives on it's longstanding market presence and invested technology registering a 10% year-on-year growth in sales driven mainly by its 3 major brands, Xarelto, Teraflex and Clair.

SANOFI (France)
Manufacturer, importer

Value Proposition
Sanofi, a global leader in vaccines and animal health, has been present in Russia since 1970. With the acquisition of a modern insulin facility, Sanofi-Aventis Vostok is currently a leader in local insulin production. The company differentiates itself in the insulin and vaccine category and provides attractive credit facilities

NOVARTIS (Switzerland)
Manufacturer, importer

Value Proposition
A company well established in the Russian region for over 130 years is a deemed market leader leading the way with innovative OTC and generic drugs. The company is known for its high-quality and premium product offering in the region. The company is working closely with state-run authorities for organizing local production and investing in specialized research

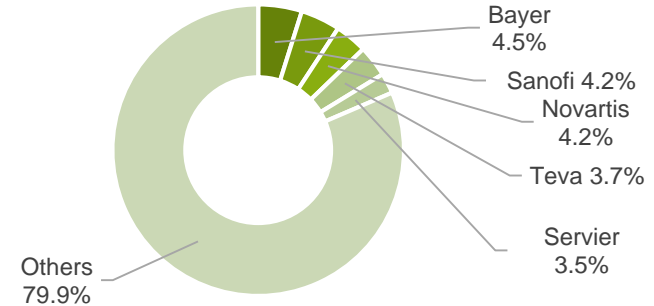
TEVA (Israel)
Manufacturer, importer

Value Proposition
Invested in Russia since 1995, the company opened its manufacturing facility in Yaroslavl with a capacity to produce 2 billion tablets per year. The company is known to invest continuously in developing specialized drugs for complex health issues like multiple sclerosis and other nervous disorders.

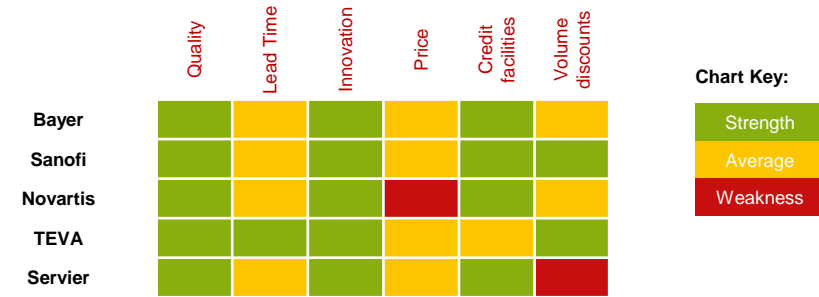
SERVIER (France)
Manufacturer, importer

Value Proposition
Established in 2007 in Moscow, Russia, Servier operates a manufacturing facility that products pharmaceutical products used across all the stages of development and packaging. The company is known to offer contract manufacturing facilities for brands looking to penetrate the market.

MARKET SHARE OF KEY SUPPLIERS, BY VALUE, 2018



COMPETITIVE POSITIONING





Imports

Import Process

Lack of stringent regulations poses a threat for entry of counterfeit products

IMPORT REQUIREMENTS

<p>PACKAGING REQUIREMENTS</p>	<ul style="list-style-type: none"> There are no specific packaging requirements for branded generics. Depending on the product, packaging specifications are discussed individually with each buyer.
<p>LABELLING REQUIREMENTS</p>	<ul style="list-style-type: none"> All drugs should be properly labelled to pass through customs verifications, there may be additional client specific requirements. All labelling must be in Russian. It is recommended to use local, professional support for labelling. Pharmaceutical companies with representative offices in Russia can import unlabelled stock, repackage the products, label and then sell to end consumers
<p>TRANSPORTATION REQUIREMENTS AND LEAD TIME</p>	<ul style="list-style-type: none"> All means of transportation (sea, land, air) are available depending on the final destination and specific requirements prescribed by the client Lead time depends on contractual terms and varies depending on storage time, mode of transportation,, etc. Incidents of delays are possible due to administrative issues or red tape at various points on receipt of the product. It is advised to work with a local broker, or importer.
<p>DOCUMENT REQUIREMENTS / CUSTOMS' PROCESSES</p>	<ul style="list-style-type: none"> Registration with the Health Ministry and certification with the local regulator are required. The registration process can be time-consuming Work with a customs broker or an importer to avoid delays.

TRADE BARRIERS

The Government's agenda of substituting imported drugs with locally manufactured alternatives is likely to be the largest trade barrier for exporting companies. The registration process is also time consuming and may take up to a year to register a new drug.

Lack of access to the right importing agents could result in administrative delays and red tape across various import stages resulting not only in delays but also monetary losses

The country's depreciating currency against the US Dollar is likely to impact import prices which may not always be passed on to end-consumers. Hence, importers might be sceptical in venturing into new brands.

APPLIED TARIFFS (from Jordan)

HS CODE	PRODUCT DESCRIPTION	APPLIED TARIFFS
3003	Medicaments consisting of two or more constituents mixed together for therapeutic or prophylactic uses not in measured doses or put up for retail sale.	0%
3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses "incl. those in the form of transdermal administration" or in forms or packings for retail sale.	3.48%



Imports

Registration Process

Recent change in Federal law relaxes foreign drug registration process

Registration of drugs, both imported and domestically produced, is administered by the Health Ministry of the Russian Federation. The procedure normally takes 160 business days to complete for all types of drugs, except orphan drugs, first three recreated drugs for use exclusively by children (under 18 years of age), for which the registration period is 80 business days.

Registration documents should be formatted as a common technical document (CTD). The following documents are required for registration:

- Application registering the drug.
- State fee payment (see below).
- Power of attorney for a person submitting the application.
- Copy of the production license or a GMP certificate (applicable for both local and foreign manufacturers).
- Draft of the instructions for medical use.
- Medical use instruction used in the country of origin.
- Draft layout for the primary and secondary package.
- Draft of the normative documentation for the drug or a reference to a specific pharmacopoeia article (only if such article is presented in Russian pharmacopoeia).
- Registration status.
- Proof of registration as an orphan drug abroad.
- Risks management plan for biological drugs.
- Information about pharmacovigilance.
- Certificates of ready drug's analysis for 3 series.

Depending on the drug, the following information should also be provided:

Chemical, pharmaceutical and biological information

- Information about substance.
- Information about the drug.

Pharmacological and toxicological information

- Report on pharmacological research.
- Report on pharmacokinetic research.
- Report on toxicological research.

Clinical information

- Report on bioavailability and bioequivalence research, research on correlation of in vitro and in vivo results.
- Report on pharmacokinetic research.
- Report on pharmacodynamic research.
- Reports about clinical efficiency and safety research.
- Report on post-registration history of use (if available).

The state fee for registration is 330,000 rubles (USD5,270).

Registration of foreign medicines have been simplified starting June 2018. Amendments to the governing Federal law, simplifies the registration of foreign medicines, enhances the opportunities for contract manufacturing in Russia and introduces new grounds for suspending the use of medicines. Earlier to the amendment, it was not possible to submit documents for registration before the completion of inspections for GMP compliance. However, currently, the processes of registration and inspection of production can happen in parallel. As a result, launching medicines into the Russian market will be quicker than in the past.

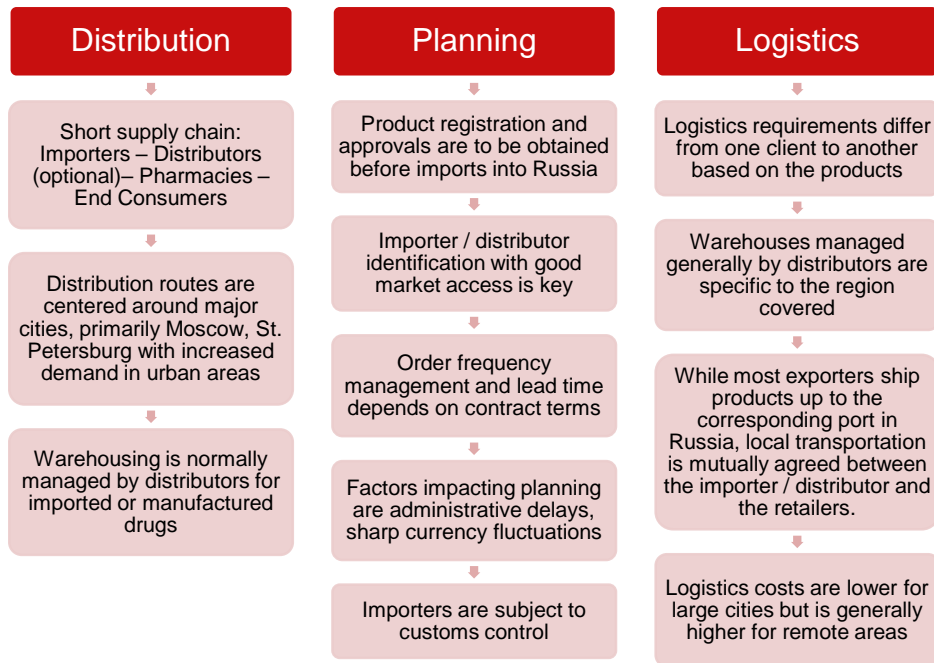


Supply Chain

Imports Supply Chain

Export via land from Jordan to Russia is the most cost-effective solution

SUPPLY CHAIN OUTLINE



RECOMMENDATIONS TO INCREASE MARKET ACCESS EFFICIENCY

- Exporters should consider connecting with both importers and distributors to understand the retailer coverage and then choose accordingly
- Identifying a suitable partner who is well integrated in the supply chain could help reduce intermediaries and improve margins.
- Once the product is well-established in the market, the company could consider partnering with a local partner for manufacturing and minimizing costs.

LOGISTICS COSTS VS KEY COMPETITORS

Costs of shipping to Russia	Land	Air	Sea
Jordan	\$1,970	2,888	3,974
Germany	\$940	2,524	2,442
France	\$1,485	2,560	2,420
USA	-	2,500	11,364

Note: Shipping costs are calculated based on a standard 40 ft container.



Recommendations

Product differentiation backed by strong direct and media-based marketing is critical to penetrate the established market

WHO TO TARGET FOR SALES



- Potential types of buyers include importers and/or distributors who further sell into retailers (pharmacies), wholesalers, online retailers
- Identification of multiple distributors might be required for penetrating different states in the country
- Operating in a well established market, identification of distributors willing to expand a new brand is key

RECOMMENDED TRADE ROUTE



- The best trade routes are either through Moscow or St. Petersburg due to infrastructure, developed retail and solid consumer base.
- Lower logistics costs and faster lead time along with banking facilities also suggest Moscow and St. Petersburg as prime trade routes.
- Subsequent expansion plans should include other major cities in the order of Novosibirsk, Nizhny Novgorod, Rostov, Krasnodar

KEY CHALLENGES RELATED TO THE COMPETITION



- Detailed drug registration process and administrative delays due to high level of red tape in the system, lack of product knowledge among buyers and logistics issues are likely to be major challenges to be tackled by exporters
- Similar local and international branded generics are already well established in the market at cheaper prices

SUCCESSFUL MARKETING MIX



- **Product** marketed as an affordable alternative to original brands.
- **Pricing** should allow for attractive profit margins for intermediaries down the supply chain. Pricing should ideally allow the product to be included in the list of vital drugs and be included in government drug programs.
- **Promotion:** New products should be promoted at trade shows and backed by aggressive media campaign aimed at industry professionals and the business community
- **Place:** Establishing a representative office or partnering with local distributor is the best route to penetrate the market

APPENDIX I

DATA SOURCES USED IN THIS REPORT

DATA SOURCES	Slide 3 / Market Macro-Overview	Euromonitor International's analysis based on data from Passport (internal database) Euromonitor International's analysis based on data from secondary sources
	Slide 4 / Industry/Sector Demand Overview	Euromonitor International research and analysis from trade interviews Euromonitor International's analysis based on data from secondary sources
	Slide 5 / Product Overview/Demand Analysis	Euromonitor International research and analysis from trade interviews Euromonitor International's analysis based on data from secondary sources
	Slide 6 / Supply Analysis	Euromonitor International research and analysis from trade interviews Euromonitor International's analysis based on data from secondary sources
	Slide 7 / Route to Market Analysis	Euromonitor International research and analysis from trade interviews Euromonitor International's analysis based on data from secondary sources
	Slide 8 / Competitive Landscape	Euromonitor International research and analysis from trade interviews Euromonitor International's analysis based on data from secondary sources
	Slide 9 / Import Procedure	Euromonitor International research and analysis from trade interviews Euromonitor International's analysis based on data from secondary sources
	Slide 10 / Import Supply Chain	Euromonitor International research and analysis from trade interviews Euromonitor International's analysis based on data from secondary sources
Slide 11 / Recommendations	Euromonitor International research and analysis from trade interviews Euromonitor International's analysis based on data from secondary sources	

List of Interviews Conducted with Manufacturers, importers and logistics players:

- Vademec
- Santence Logistics
- Biotek
- Farmkomplekt
- Farmland
- Grand Kapital
- RNC
- Farmimex

Important secondary sources referred

- ROSSSTAT
- Economic Data from World Bank
- Annual reports of leading market players in Russia
- Russian Pharmaceutical market trends by Deloitte
- Websites of local manufacturing companies like Bayer, Sanofi, Novartis, DSM Group among others
- <http://fbr.info>
- <http://regmed.ru/> — Official site of the body that certifies drugs for registration.
- <http://www.roszdravnadzor.ru/> — Importing regulator, customs
- <https://regulation.gov.ru/> — Laws and regulations pertaining to drug imports and trade.

APPENDIX II

COMPETITORS' PRODUCT MARKET PRICES

Antibacterial drugs for treating infections – Third and fourth generation Cephalosporins

Market Prices	Drug (Generic Name of the product)	Branded generics (Names) available in Russia	Brand/Company	Prices at Distributor Level (USD/unit)			Prices at Retail Level (USD/unit)		
				Min	Max	Avg	Min	Max	Avg
	Cefixime	Suprax	Hikma Pharma (Jordan)	7.4	8.3	8.9	9.6	13.8	18.0
	Cefixime	Pancef	Alcaloida (Hungary)	4.9	5.7	6.3	6.8	7.0	7.3
	Cefotaxime	Cefotaxime	Kraspharma, Biokhimik, Deko	10.0	11.3	12.5	12.2	13.1	14.0
	Cefotaxime	Cefotaxime	Biosintez, Biolhimik	0.3	0.4	0.4	0.3	0.8	1.4
	Ceftazidime	Ceftazidime-akos	Oao Sintez, Deko	0.5	1.5	2.5	1.2	4.3	47.3
	Ceftriaxone Sodium	Ceftriaxon-lexvm	Sintez, Ruzpharma	0.3	8.6	16.8	0.2	4.0	28.8
	Cefditoren(as Pivoxil) Tablet	Spektracef	Glaxosmithkline	19.8	19.8	19.8	19.8	23.4	27.0
	Cefepime	Maxicef	Biosintez, Kraspharma	1.0	1.2	1.3	1.2	10.2	206.6

APPENDIX II

COMPETITORS' PRODUCT MARKET PRICES

Antidepressant drugs for treating central nervous system – Selective Serotonin Reuptake Inhibitors

Market Prices	Drug (Generic Name of the product)	Branded generics (Names) available in Russia	Brand/Company	Prices at Distributor Level (USD/unit)			Prices at Retail Level (USD/unit)		
				Min	Max	Avg	Min	Max	Avg
				Citalopram	Siozam	Veropharm	3.2	3.2	3.2
Fluoxetine	Fluoxetine	Ozon	0.6	0.8	0.9	0.7	0.9	1.0	
Paroxetine	Adepress	Veropharm	6.2	7.4	8.5	7.5	8.8	10.2	

Lipid regulating drugs for cardio-vascular system – Statins Group

Market Prices	Drug (Generic Name of the product)	Branded generics (Names) available in Russia	Brand/Company	Prices at Distributor Level (USD/unit)			Prices at Retail Level (USD/unit)		
				Min	Max	Avg	Min	Max	Avg
				Atorvastatin	Novostat	Ozon	5.7	6.8	7.9
Fluvastatin	Lescol	Novartis Consumer Health	43.9	43.9	43.9	43.9	46.9	51.3	
Rosuvastatin	Crestor	IPR Pharama/ ZIO Zdorovyе/ Astrazeneka	21.9	24.2	26.5	24.8	28.3	31.7	
Simvastatin	Simvastatin-sz	Ozon	0.8	1.2	1.6	0.5	2.4	5.2	

APPENDIX II

COMPETITORS' PRODUCT MARKET PRICES

Drugs for Osteoarthritis for musculoskeletal system – COX-1 and COX-2 Inhibitors (continued)

Market Prices	Drug (Generic Name of the product)	Branded generics (Names) available in Russia	Brand/Company	Prices at Distributor Level (USD/unit)			Prices at Retail Level (USD/unit)		
				Min	Max	Avg	Min	Max	Avg
	Diclofenac Gel	Voltaren	Novartis Consumer Health	6.1	7.2	8.2	6.6	9.1	11.6
	Ibuprofen	Next	Pharmstandart (Russia)	1.3	2.4	3.4	1.2	3.0	5.3
	Indomethacin	Indomethacin Sopharma	Balkanpharma (Bulgaria)	0.5	1.1	1.7	0.6	1.2	1.8
	Mefenamic Acid	Mefenamic Acid	Sandos	3.6	3.6	3.6	3.6	15	26.4

**Deutsche Gesellschaft für
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