

Russian Pharmaceutical Market in 2011 at a Glance.

Russia's pharmaceutical market ranks among Top 10 largest pharmaceutical markets of the world. At the end of 2011, Russia ranked 8th. The volume of the Russian pharmaceutical market in 2011 amounted to 824 billion roubles or 28.2 billion USD (including VAT) in end user prices that was 12% more than the 2010 index.

Russian pharmaceutical market is geared towards imports. In monetary terms, 76% of drugs consumed by the public are manufactured abroad.

The importance of a wholesale segment remains very high due to Russia's geographical peculiarities. Major distributors maintain a vast network of branches and representations. A combined market share of Top 5 distributors is about 60%.

A commercial segment of the Russian market in 2011 demonstrated a high rate of growth (+1%). In 2011, the volume of sales in a commercial segment amounted to nearly 468 billion roubles (16.0 billion USD). The market growth was driven by inflation (+8,8%) and switching to more expensive drugs.

A druggists' parapharmaceuticals segment in 2011 amounted to 130 billion roubles that was 10% more than the 2010 volume.

A government sector displayed a 7% increase in 2011. It is one of the most stable segments in the pharmaceutical market. Its development is determined by government grants. In 2011, 84.7 billion roubles were spent on the purchases of drugs for welfare recipients. The growth amounted to 4.7% as against the 2010 index.

Hospital purchasing amounted to 142 billion roubles in 2011 that was 9% more than the 2010 index. In natural units, the volume of drugs purchased totaled about 1 billion packs that were 3% more than the 2010 results.

The volume of FPP imports in Russia in 2011 amounted to 13.2 billion USD that was 11% more than a respective index in 2010.

According to a forecast by DSM Group, the Russian pharmaceutical market will rise by 10% in rouble terms in 2012, and amount to a total of 910 billion roubles or 29 billion USD (including VAT) in end user prices.

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Source: 1. DSM Group: Russian Pharmaceutical Market in 2011 Report

2. Pharmexpert Market Research Center: Cumulative Rating of Russian Pharmaceutical Distributors, 2011