

# Cursor: analytical overview

## OF TENDER DRUG PURCHASES IN THE TERRITORY OF THE RUSSIAN FEDERATION AS A RESULT OF 2016

Public health institutions in 2016 declared 357 464 tenders (+ 7.35% to the 2015 values), of which 304 743, or 85%, were completed. In value terms, the market for public procurement of drugs amounted 365 579 mil. RUB, which by nearly 29 000 mil. RUB exceeded the 2015 value (Table 1, 2).

The general structure of the tendering status in 2016 remained stable (Table 3). The volume of public procurement of drugs in money terms amounted to 406 775 mil. RUB at the

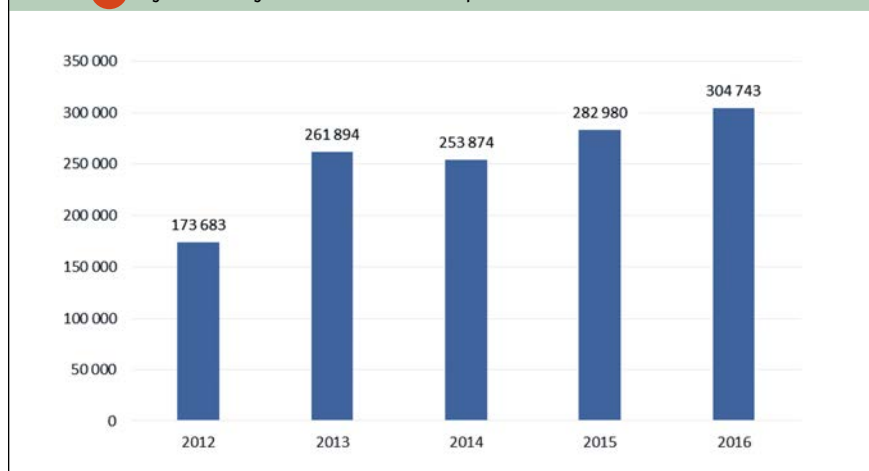
declared price, and at the price of the winner is 365 579 mil. RUB, that is the budget savings in 2016 amounted to 41 196 mil. RUB, or 10.1%, which is by 1.2% above the previous year figures (Table 2).



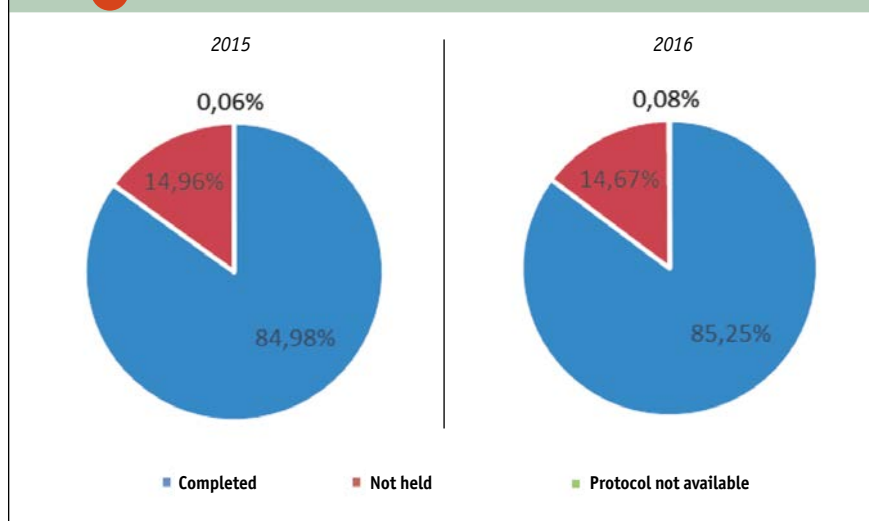
**Cursor Marketing** is a leading company in the segment of monitoring of tender purchases of drugs, medical devices, consumables and medical equipment carried out by public customers in the territory of Russia. Today, the users of the Cursor databases are more than 11 000 professionals representing leading pharmaceutical companies and public health institutions.

The Cursor databases allow you to track all phases of a procurement activity, including the procurement plan (Cursor Database. Procurement Plans), publication of bid notifications and bid results (Cursor Database. Monitoring of Tenders), conclusion of contracts (Cursor Database. Contracts). Users are given online access to all relevant information. In addition, Cursor databases are a high quality basis for analysis and prediction. The company analysts carry out a wide range of marketing and analytical studies of various degrees of complexity, as well as prepare analytical papers for the RF health authorities.

**FIGURE 1** Dynamics by the number of completed tenders in 2012—2016



**FIGURE 2** Share distribution of bid status in 2015 and 2016



The structure of the quarterly distribution of tender volumes by segments — hospital, ONLS (essential drug coverage) and 7 Nosologies — shows an increase in the volume of drug purchases in the second quarter of 2016 and an increase in the cost of their financing in general, including LLO (subsidized drug coverage), by almost 14 per cent (*Table 3*). Customers for procurement in 2016 were using traditional forms of tendering: an open auction in electronic form, purchases from a single vendor, procurement at FZ-223, including their electronic forms, etc. Their distribution is shown in *Table 4*, which demonstrates almost 1.5 per cent increase in purchases from a single supplier. Share of tenders in the form of an open auction remained at the previous level: in 2015 it made 85.05% in 2015 and in 2016 —

**TABLE 1** Number of tenders for the period 2012—2016

Years	Completed	Failed	Protocol not available	Total amount
2012	173 683	20 663	4 881	199 227
2013	261 894	29 074	17 451	308 419
2014	253 874	40 856	2 577	297 307
2015	282 980	49 810	189	332 979
2016	304 743	52 447	274	357 464

**TABLE 2** Procurement volumes in the period 2012—2016

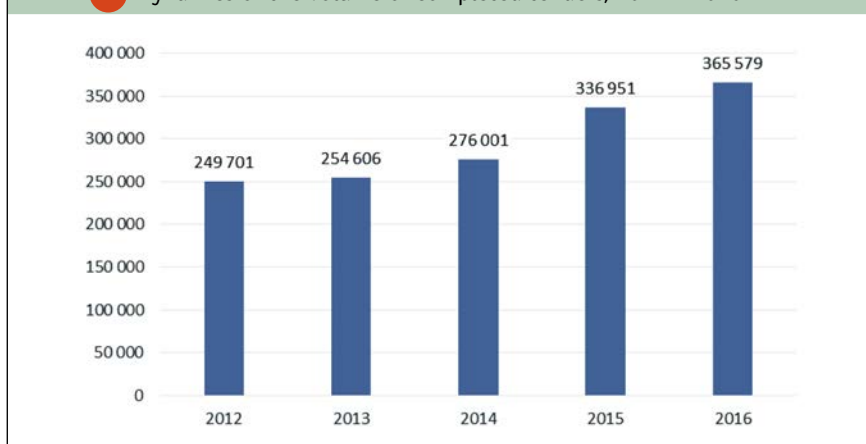
Year	Initial price, mil. RUB	Delivery price, mil. RUB	Savings, mil. RUB	Savings, %
2012	275 580	249 701	25 879	9.4%
2013	282 755	254 606	28 149	10.0%
2014	298 932	276 001	22 931	7.7%
2015	370 006	336 951	33 055	8.9%
2016	406 775	365 579	41 196	10.1%

**TABLE 3** Distribution of the tendering volume in 2014—2016 (in mil. RUB)

			Quarter I	Quarter II	Quarter III	Quarter IV	Total
LLO (separately)	Hospital segment	2015	18 751	25 443	22 608	11 289	80 106
		2016	26 228	34 290	26 654	13 792	102 980
	ONLS	2015	9 607	12 394	15 982	8 692	48 690
		2016	10 594	16 962	14 325	9 231	53 128
	7 Nosologies	2015	26046	5 011	1 549	-	34621
		2016	-	30 139	9 115	-	41 270
	LLO (total)	2015	35 653	17 405	17 531	8 692	81 296
		2016	10 594	47 101	23 440	9 231	92 382

85.50%. The ranking of customers who used the Single Vendor purchase form is shown in *Table 5*. The first place is taken by the Ministry of Health of the RF with more than 5.5 bil. RUB, which accounted for more than 30% of the total purchases in this form. The leader of 2015 rating National Immunobiological Company in 2016 ranked 4<sup>th</sup> with the volume of purchases from a single vendor for 1088.9 mil. RUB, which is by 2287.5 3 mil. RUB less than the previous year value. Procurement of the Federal Punishment Service from the single supplier was 1002.0 mil. RUB, as a result of which it moved from rank 3 to rank 5.

The analysis showed that in 2016 the proportion of tenders to which only one participant was admitted continued to increase: in comparison with the previous year, the figure increased by 6 per cent in value terms and by 1 per cent in numeri-

**FIGURE 3** Dynamics of the volume of completed tenders, 2012—2016

cal numbers (*Table 6*). In the supplier ranking 2016, the same three companies took the lead in 2015: R-Pharm JSC consolidated its positions on rank 1, the second place was taken by Pharmstandart PJSC and the third one — by Pharmimex

PJSC. However, in value terms, the share of the R-Pharm JSC decreased by 8.5 per cent and Pharmimex PJSC — by 19 per cent, while the share of Pharmstandart PJSC increased by 33 per cent (volumes and the ratio of the shares are shown in *Table 7*).

**TABLE 4** Distribution structure of tenders by types of placement by volume of tenders

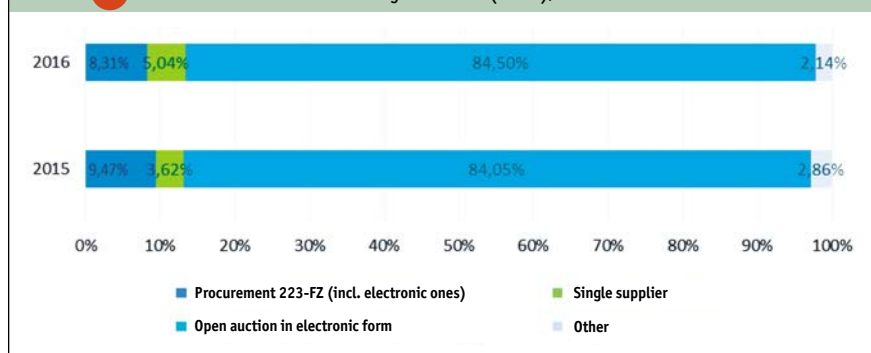
Years	Purchases 223-FZ (including electronic)	Single supplier	Open tender in electronic form	Other
2012	0,01%	3,07%	-	92,20%
2013	0,20%	3,83%	-	95,97%
2014	4,52%	1,46%	90,10%	3,92%
2015	9,47%	3,62%	84,05%	2,86%
2016	8,31%	5,04%	84,50%	2,14%

**TABLE 5** Top 10 Customers from a single supplier (at the winner price)

Rating	Single Supplier Customer	Tendring volumes (mil. RUB)	Share of total trades with SS
1	Ministry of Health of Russia	5,561.4	30.16%
2	GUP Oblastnoy Aptekny Sklad	1,444.1	7.83%
3	Oblastnoy Aptekny Sklad JSC	1,209.3	6.56%
4	National Immunobiological Company OJSC	1,088.9	5.90%
5	FSIN Federal Penal Enforcement Service of Russia	1,002.0	5.43%
6	Public Company of the Krasnodar Kray Gubersniye Apteki	916.4	4.97%
7	GSUE Moscow Endocrine Factory	712.6	3.86%
8	MUP Flora Pharmacy	701.3	3.80%
9	Open Joint Stock Company All Regional Association Isotope	515.4	2.80%
10	GUP Aptekhnaya Baza	402.9	2.19%

**TABLE 6** Distribution of bidding by number of participants

Years	Share in tender with the sole participant		Share in tenders with multiple participants	
	in value terms	total number of bids completed	in value terms	total number of bids completed
2012	57%	32%	43%	68%
2013	58%	35%	42%	65%
2014	61%	47%	39%	53%
2015	72%	51%	28%	49%
2016	78%	52%	22%	48%

**FIGURE 4** Distribution of tenders by volume (RUB), %

The ranking of Customers (*Table 8*) is the Ministry of Health of the RF with the volume of purchases of 52,374.2 mil. RUB, and its share in total tenders has increased by 14.33 per cent in value terms. GUK of Moscow Agencies on Purchases (Contract Service) of Healthcare Department of Moscow and the Moscow Healthcare Department rank second and third, with the volume of purchases 26,951.1 mil. RUB and 20,736.0 mil. RUB, respectively. Multiple customers (joint purchases) were moved from place 3 to place 4 with the volume of purchases of 10,839.6 mil. RUB. The ranking of federal districts has traditionally been taken by central FO, which in 2016 accounted for almost 48% of total contracts, which is higher than the value of 2015 by 23.45%. Privolzhsky FO takes the second place, which accounted for 10.59%, this indicates a 14.52% decrease. There was a significant drop in the volume of purchases and in the Uralsky FO — by 13.4 per cent. In the North-Western FO, on the other hand, procurement increased by 11.38 per cent (*Table 9*). The budget savings for the federal districts of the Russian Federation averaged about 10 per cent, which is 1 per cent higher than the value of 2015. The maximum savings were in Crimea — 19.78% of the initial price, the minimum one — in Southern FO: 7.83% from the initial price (*Table 10*). The ranking of suppliers in the 7 Nosologies in 2016 has changed significantly. The first place was taken by R-Pharm having replaced the previous year's leader Irvin-2 LLC. The share of R-Pharm in the total supplies was 35 per cent. Please note that Irvin-2 in the previous year rating topped with a share of 21.2%. JSC Biocad (13.9%) ranked 2<sup>nd</sup>, Katren rose to rank 3 from the seventh position (12%) (*Table 12*). The «Cursor Marketing» Company since 2015 monitors purchase plans placed by government-owned customers. The legislative requirements for the processing of this information have been tightened each year and its placement has become obligatory. At the end of Quarter of 2016, customers published schedules for the amount of 163,403.44 mil. RUB (*Table 13*). During the year the customers continued to post procurement plans and to make changes to the already published ones and the year-to-date amount of the planned purchases amounted to

**TABLE 7** Top 20 tender winners in 2016

Ranking Place	Winner	Volume of supplies, mil. RUB	Share in total supply volume	Change versus 2015 (in value terms)
1	R-Pharm JSC	32,558.96	8.9%	-8.5%
2	Pharmstandart PJSC	26,405.62	7.2%	33.2%
3	Pharmaceutical Import, Export OJSC	15,149.57	4.1%	-19.0%
4	CJSC Lancet	10,249.25	2.8%	24.0%
5	PROTEK Implementation Center OJSC	8,704.11	2.4%	58.7%
6	Euroservice Company CJSC	8,479.58	2.3%	-8.8%
7	Medipal-Onco LLC	7,505.95	2.1%	138.7%
8	Irvin 2 LLC	7,166.85	2.0%	-35.2%
9	Pharmstore Company LLC	7,065.73	1.9%	74.2%
10	Katren JSC	6,768.20	1.9%	14.5%
11	BSS LLC	6,501.43	1.8%	34.1%
12	National Immunobiological Company OJSC	6,211.64	1.7%	-3.9%
13	Biotec LLC	6,193.63	1.7%	-15.1%
14	NPO Petrovax Pharm Limited Liability Company	4,945.16	1.4%	12.8%
15	Albatros LLC	4,229.44	1.2%	4.7%
16	Cordis Line LLC	3,915.49	1.1%	328.4%
17	Spacepharm LLC	3,646.15	1.0%	27,297.9%
18	Farmriva JSC	3,226.84	0.9%	348.4%
19	Cosmopharm LLC	3,002.42	0.8%	44.9%
20	Biocad JSC	2,951.54	0.8%	893.9%
	Total	365,578.65		

387,133.63 mil. RUB, the amount of the completed tenders was 355,863.01 mil. RUB. According to the data from the Cursor Database. «Procurement plans at the end of Quarter I of 2017, the customers scheduled to purchase medicines for the amount 196,687.53 mil. RUB. Thus, in 2016, the public procurement market had a positive trend, and in value terms it grew by 8% relative to 2015. Procurement for the hospital sector increased by 28.55 per cent, amounting to 103 bil. RUB versus 80 bil. RUB in 2015. The state's cost for subsidized drug coverage also increased to 92 bil. RUB, which is almost 14 per cent higher than the previous year.

Overall savings in the country increased by about 1 per cent and amounted to 10.13 per cent. The maximum savings rate was in the Crimean FO (19.78%), the lowest — in the Southern FO (7.83%). In the customer ratings in 2016, the three leadership positions were retained by the Ministry of Health of the RF and Moscow Healthcare Department, whose combined share in total bid was about 27.5%. The first five in the rating of suppliers has changed a bit. R-Pharm traditionally remained the leader, Pharmstandart and Pharmmex took positions 2 and 3 as in 2015. Four position was taken by Lancet that pushed back Irvin-2, and the fifth place previously occupied by Euro-Service, was taken by Protek company. Despite strict savings in the country's budget, public procurement of drugs in 2016 increased by almost all indicators.

**TABLE 8** Top ten customers (by completed bidding, at the winner price)

Ranking Place	Bidder	Bid amount, mil. RUB	Share in the bidding volume
1	Ministry of Health of Russia	52,374.2	14.33%
2	GKU of the city of Moscow Procurement Agency (contract service), Moscow Healthcare Department	26,951.1	7.37%
3	Moscow Public Health Department	20,736.0	5.67%
4	Multiple customers	10,839.6	2.97%
5	Ministry of Health of the Moscow Region	9,364.3	2.56%
6	National Immunobiological Company OJSC	6,646.8	1.82%
7	GBU Centre for Drug Provision of the Moscow Healthcare Department	5,112.6	1.40%
8	St. Petersburg Health Committee	4,277.6	1.17%
9	GUP Aptekhnaya Baza	4,058.6	1.11%
10	Public Company of the Krasnodar Kray Gubersniye Apteki	3,274.5	0.90%

**TABLE 9** Structure of procurement volume by FO

Federal District of RF	Winner price (mil. RUB)	Percentage, %	Change versus 2015
Central FO	175,312.85	47.95%	23.45%
Privolzhsky FO	38,382.39	10.50%	-14.52%
Siberian FO	37,208.58	10.18%	4.71%
North-Western FO	33,116.31	9.06%	11.38%
Southern FO	27,602.30	7.55%	-2.38%
Uralsky FO	24,925.86	6.82%	-13.40%
Far-Eastern FO	13,109.65	3.59%	3.26%
North-Caucasian FO	12,835.41	3.51%	6.52%
Crimean FO	3,036.60	0.83%	4.22%
Baikonur	48.69	0.01%	-9.22%
Total	365,578.65	100.00%	8.50%

**TABLE 10** Distribution of tender volumes by FO

Federal District of RF	Initial Price (mil. RUB)	Winner price (mil. RUB)	Savings (mil. RUB)	% savings
Privolzhsky FO	45,790.19	38,382.39	7,407.80	16.18%
Siberian FO	41,714.22	37,208.58	4,505.64	10.80%
North-Western FO	36,915.66	33,116.31	3,799.35	10.29%
Southern FO	29,946.79	27,602.30	2,344.49	7.83%
Uralsky FO	27,700.87	24,925.86	2,775.01	10.02%
Far-Eastern FO	14,813.36	13,109.65	1,703.71	11.50%
North-Caucasian FO	14,180.97	12,835.41	1,345.56	9.49%
Crimean FO	3,785.36	3,036.60	748.76	19.78%
Baikonur	53.00	48.69	4.32	8.15%
Total	406,774.97	365,578.65	41,196.32	10.13%

**TABLE 11** Procurement volumes under the 7 Nosologies programme

INN	Initial Price (mil. RUB)	Winner price (mil. RUB)	% savings	Change versus 2015 (at the winner price)	Cost according to contract (mil. RUB)
Lenalidomide	9,420.06	9,382.54	0.40%	34.72%	9,585.04
Bortezomib	5,434.95	5,434.95	0.00%	33.02%	5,434.94
Glatiramer acetate	5,822.14	4,213.34	27.63%	61.69%	4,212.51
Interferon beta-1a	3,650.37	3,632.25	0.50%	4.92%	3,632.24
Rituximab	2,559.65	2,516.11	1.70%	-66.87%	2,516.08
Imatinib	1,943.59	1,917.48	1.34%	4,633.01%	1,910.42
Octocog alpha	1,797.09	1,797.09	0.00%	264.68%	1,797.09
Blood clotting factor VIII	1,614.32	1,614.32	0.00%	-65.98%	1,614.32
Interferon beta-1b	1,514.66	1,514.66	0.00%	-14.26%	1,514.66

**TABLE 11** Procurement volumes under the 7 Nosologies programme

INN	Initial Price (mil. RUB)	Winner price (mil. RUB)	% savings	Change versus 2015 (at the winner price)	Cost according to contract (mil. RUB)
Eptacog alpha [activated]	1,420.83	1,420.83	0.00%	-34.86%	1,420.83
Dornaza Alpha	,1,190.83	,1,190.83	0.00%	4.84%	1,190.83
Antiinhibitor conglulant complex	636.21	636.21	0.00%	-45.87%	636.21
Willebrand Factor + Blood clotting factor VIII	626.39	626.39	0.00%	-47.46%	626.39
Natalizumab	623.78	623.78	0.00%	Included in the list of from 2016	623.78
Moroctokog Alpha	580.54	580.54	0.00%	-57.90%	580.54
Imilglucose	556.43	556.43	0.00%	-32.58%	556.43
Tacrolimus	451.45	451.45	0.00%	-52.97%	451.45
Blood clotting factor IX	414.77	414.77	0.00%	-66.29%	414.77
Mycophenolic acid	238.86	238.86	0.00%	-73.95%	238.86
Fludarabine	90.11	90.11	0.00%	-55.76%	90.11
Velaglucose Alpha	77.36	77.36	0.00%	-53.70%	77.36
Cyclosporin	58.06	58.01	0.09%	-53.97%	57.97
Somatropin	46.34	46.34	0.00%	-67.61%	46.34
Mycophenolate mofetil	24.82	24.82	0.00%	-72.98%	24.82
Grand total	40,793.6	39,059.48	4.25%	-15.59%	39,253.98

**TABLE 12** Bid winners under the 7 nosologies programme

	Initial Price (mil. RUB)	Winner price (mil. RUB)	% savings	Percentage, %	Delivery price (mil. RUB)
R-Pharm JSC	13,693.69	13,656.18	0.3%	35.0%	13,858.67
Biocad JSC	5,434.95	5,434.95	0.0%	13.9%	5,434.94
Katren JSC	6,134.85	4,678.18	23.7%	12.0%	4,672.38
Implementation Center PROTEK CJSC	3,369.05	3,369.05	0.0%	8.6%	3,369.05
Coral-Med CJSC	2,893.71	2,879.20	0.5%	7.4%	2,879.20
Rosta CJSC	2,559.65	2,516.11	1.7%	6.4%	2,516.08
Pharmaceutical Import, Export PJSC	1,942.20	1,942.20	0.0%	5.0%	1,942.20
Irvin 2 LLC	1,699.46	1,534.57	9.7%	3.9%	1,534.57
Biotec LLC	1,514.66	1,514.66	0.0%	3.9%	1,514.66
Pharmstore Company LLC	721.18	717.57	0.5%	1.8%	717.56
Medipal-Onco LLC	667.03	653.69	2.0%	1.7%	651.59
Proparm LLC	126.97	126.92	0.0%	0.3%	126.88
Pharmstandart PJSC	36.20	36.20	0.0%	0.1%	36.20
Total	40,793.60	39,059.48	4.3%	100.0%	39,253.98

**TABLE 13** Statistics of published procurement plans in a structured form by 44 FZ

Year	Published schedules at the end of Quarter I in the amount, mil. RUB	Published schedules by results of the year in the amount, mil. RUB	Published notifications versus schedules In the amount, mil. RUB (by completed tenders)
2016	163,403.44	387,133.63	355,863.01
2017	196,687.53		

