

The sales of hyaluronic acid products for intra-articular injections hit a recession and go online

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According to analytical agencies, the import of synovial fluid prostheses for intra-articular injections has doubled in physical terms over six years, reaching 709,000 packages in 2016. A similar trend is also evident in value terms. Despite exchange rate fluctuations in 2015, analysts forecast sales growth in the next ten years. An upward trend is associated with the aging of the population and the number of patients with arthritis that doubled over the past 12 years.

A stiff joint

Despite the high cost of injecting hyaluronic acid derivatives to restore synovial fluid in arthritic joints, the segment of these medical products shows stable growth. In the first 7 months of 2017, 529,000 packages were imported (excluding the share of Russian production accounting for 8 to 10%). For comparison: in the whole period of 2010, only 281,000 packages were imported. If we compare the supplies in 2017 to the same period in 2016, the increase amounted to 53% in packages and 59% in rubles.

As the RNC Pharma Agency's development manager Nikolai Bepalov pointed out, the almost equal growth rates in value and in volume indicate a stabilization of prices in the segment and an increase in demand. According to the agency's information, in the first half of 2017, 13 brands of synovial fluid prostheses were imported. The company Hyaltech's Fermatron, which accounts for 64.5% in rubles, is traditionally leading. The second position is held by Rompharm's Hyalurom (20.5%), the third one, by Synvisc from the company Sanofi (3.3%). Rompharm outperformed competitors in terms of growth in supply, increasing the supply by 3.5 times in 2016. Sanofi is the second in terms of growth, having increased the volumes by 2.6 times. In pharmacy sales, the key players are distributed in a similar manner (see Table).

A disease that affects all ages

According to experts, this upward trend is caused by several phenomena. In addition to the population aging, companies are expanding the product lines of synovial liquid prostheses for marketing purposes. The purchasing power, which is not strong after the crisis, is compensated by the number of patients that grows every year. According to the statistical bulletin of the Federal State Statistics Service *Health Care in Russia*, the diseases of the musculoskeletal system are among the most frequent, affecting almost all age groups. The proportion of chronization, progression and early disability increases. The prevalence of this group of diseases increased from 2002 to 2014 by 2.1 times. Such growth is mainly due to an increase in the incidence of arthrosis.



TOP10 brands among synovial liquid prostheses, in value, first half of 2017

Rating	Brand	Corporation	Share, %
By sales volume in Russian Federation pharmaceutical market ¹			
1	Fermatron	Hyaltech	59.8
2	Hyalurom	Rompharm	19.1
3	Synocrom	Protek	10.2
4	Ostenil	TRB Chemedica	2.9
5	Rusvisc	Rusvisc	1.7
6	Haimovis	Fidia Farmaceutici	1.5
7	Hyalubrics	Fidia Farmaceutici	0.9
8	Hyalrepair-10 chondroreparant	Laboratory Toscani	0.9
9	Go-on	Rottapharm	0.8
10	Duralan	Smith and Nephew	0.7
Source: AlphaRM			
By volume of import in Russian Federation ²			
1	Fermatron	Hyaltech	64.5
2	Hyalurom	Rompharm	20.5
3	Sinvisc	Sanofi	3.3
4	Hyuran	LG Life Sciences	2.6
5	Hyalubrics	Fidia Farmaceutici	2.1
6	Haimovis	Fidia Farmaceutici	1.7
7	Synocrom	Protek	1.5
8	Go-on	Rottapharm	1.0
9	Versan	Valentis	1.0
10	Ost-Tendon	TRB Chemedica	0.7

Source: RNC Pharma

¹ In the prices of sales to the final consumer (sell-out).

² In the prices of the supply to the Russian Federation, including the cost of customs clearance

Table

The declining quality of food products, which increasingly contain chemical additives, plays a significant role in this process. For example, the nitrites in the body, under the influence of enzymes, are converted into nitrosyl ions that adversely affect hemoglobin and prevent the transfer of oxygen. Its deficiency leads to inflammation of the joints and other complications. Patients are getting younger: more and more people of active working age become ill, which increases the demand for effective remedies, including injected products.

Past the pharmacy

Liquid prostheses based on hyaluronic acid for intra-articular injections appeared relatively recently. They entered the Russian market since the beginning of the 2000s. These products are considered as medical products and devices, and this market segment is far from saturation. The volume of imports reached 2 billion rubles during the first seven months of 2017, showing recovery after the crisis. While in 2015 the import of liquid prosthesis amounted to 1.2 billion rubles (at prices taking into account the cost of customs clearance), this amount reached the total of 2.6 billion rubles in 2016.

The market outlets for these products are diverse, the pharmacy segment accounting for about 40% of sales in packages (see Fig.). As medical devices, they are sold through the Internet and private clinics. Given the high cost of these products that need to be used in courses of treatment, an increase in the share of online sales should be expected, because such sales make it possible to significantly reduce costs while maintaining the margin.

The general trend calls for optimistic forecasts. "If the stable situation in the economy continues, the synovial fluid prosthesis market will be able to surpass the pre-crisis results by the end of this year. At the same time, there is a certain unsatisfied demand for this product on the Russian market, so the natural dynamics will most likely be at the level of at least 10 to 15% in the coming years, with a probability of growth. In the terms of value, the growth will be in the range of 15 to 20%. The Russian market has not yet reached the saturation stage, and the demand for these products can grow significantly more than abroad," Nikolai Bespalov believes.

However, nitrites and online sales can bring further developments.