



**GENERIC DRUGS  
SAME QUALITY  
BETTER PRICE**



CANADIAN GENERIC PHARMACEUTICAL ASSOCIATION

## THE **GENERIC PHARMACEUTICAL INDUSTRY'S CONTRIBUTION TO ONTARIO'S HEALTH-CARE SYSTEM AND ECONOMY**

Prescription drug savings are achieved through the launch of new generic drugs and the swift approval and listing on the provincial drug benefit plan. Between July 2008 and June 2010 the launch of new generic products resulted in total cost savings of **\$1.6-billion, \$504-million of which was saved in the Ontario Drug Benefit Plan.**

### SAVINGS ACHIEVED FROM GENERIC DRUG LAUNCHES

CHEMICAL NAME	HEALTH CANADA APPROVAL DATE	GOVERNMENT DRUG PLAN SAVINGS*	TOTAL SAVINGS TO ONTARIO*
atorvastatin	May 19, 2010	\$ 238,718,000	\$ 679,136,000
amlodipine besylate	July 9, 2009	\$ 117,249,000	\$ 289,945,000
lansoprazole	June 3, 2009	\$ 44,583,000	\$ 126,460,000

\* Annualized Savings

### HEALTH-CARE SAVINGS BEGIN WITH THE INTRODUCTION OF NEW GENERIC DRUGS

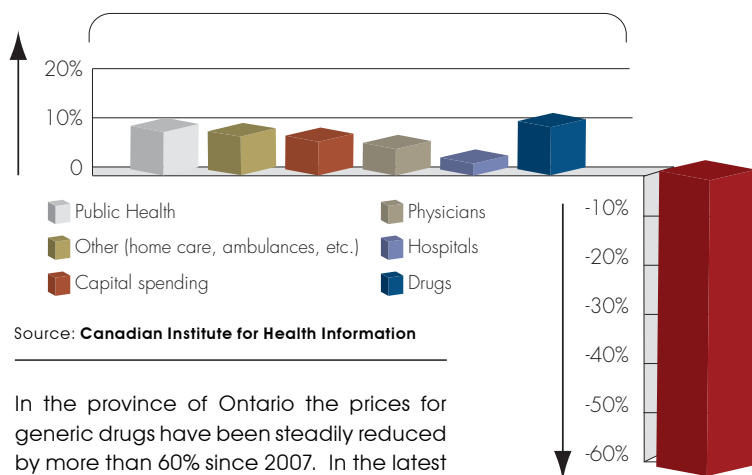
#### SAVINGS FROM EARLY GENERIC DRUG LAUNCHES RESULTING FROM GENERIC MANUFACTURER'S CHALLENGES OF INVALID OR NON-INFRINGEMENT PATENTS

CHEMICAL NAME	DATE OF LAST BRAND-NAME DRUG PATENT	ACTUAL HEALTH CANADA APPROVAL DATE OF GENERIC DRUG	# OF YEARS EARLY ENTRY INTO MARKET	TOTAL SAVINGS* FOR ONTARIO
olanzapine	Mar. 22, 2016	June 6, 2007	8.8	\$ 1,308,034,000
lansoprazole	May. 26, 2018	June 3, 2009	9.0	\$ 1,257,555,000
amlodipine besylate	Aug. 21, 2021	July 9, 2009	12.1	\$ 3,695,481,000
atorvastatin	May. 21, 2022	May 19, 2010	12.0	\$ 11,204,303,000

**BILLIONS OF DOLLARS IN SAVINGS ARE ACHIEVED THROUGH GENERIC LAUNCHES.**

\* Annualized Savings

### AVERAGE ANNUAL GROWTH IN ONTARIO GOVERNMENT HEALTH SPENDING - 1975 - 2009

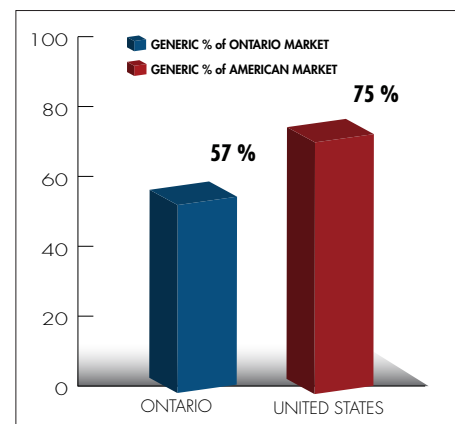


Source: Canadian Institute for Health Information

In the province of Ontario the prices for generic drugs have been steadily reduced by more than 60% since 2007. In the latest round of drug reforms, more than 90% of all generic prescription medicines that are covered by the government's drug plan were reduced even further. Private sector payers have also benefitted from these price reductions. It is estimated that **these reforms will save Ontario taxpayers, employers, unions and patients more than \$750-million in the first year alone.**

**GENERIC DRUG PRICES DROPPED 60% (2007 - 2010)**

In 2009, generic drugs were dispensed to fill 57 percent of all prescriptions in Ontario. In the United States, IMS Health reports that generic drugs were dispensed to fill fully 75 percent of all prescriptions. If Ontario's utilization of generic drugs increased to the same levels as in the United States, it would **save Ontario's health-care system approximately 640-million dollars in the first year alone.**



ONTARIO VS. AMERICAN GENERIC MARKET SHARE - 2009

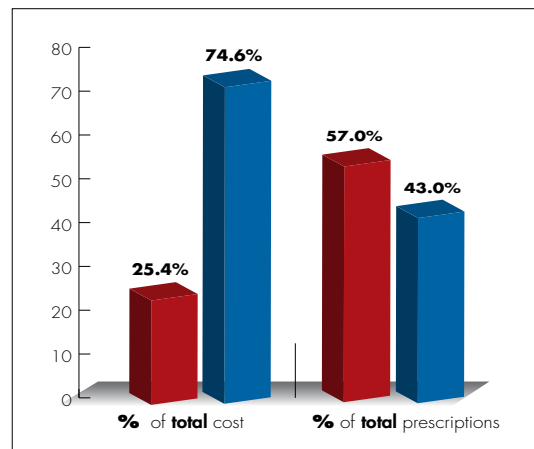
Source: IMS

[www.canadiangenerics.ca](http://www.canadiangenerics.ca)

## FURTHER HEALTH-CARE SAVINGS

According to data from IMS Brogan Health Canada generic drugs are dispensed to fill 57 percent (89 million) prescriptions in Ontario, yet account for only 25 percent (\$2.2-billion) of the \$8.8 billion Ontarians spend annually on prescription medicines. Based on data from IMS Health Canada, CGPA estimates that the use of generic prescription drugs **saves** Ontario's health-care system approximately **\$1.6-billion annually**.

Data from IMS Brogan Inc. shows that generic prescription medicines were dispensed for 63 percent of claims (66 million) paid for by Ontario Public Drug Programs (OPDP) yet account for only 26.2 percent (\$1 billion) of OPDP's \$3.8 billion annual expenditure on prescription medicines.



## GOOD FOR YOUR HEALTH AND THE ONTARIO ECONOMY

The province of Ontario is home to one of the world's largest concentrations of generic pharmaceutical research, development and manufacturing operations. Based largely in the Greater Toronto Area, CGPA members account for more than **90 percent of Ontario's pharmaceutical industry revenue**.

## THE CONTRIBUTION BY NUMBERS

- Ontario's generic pharmaceutical industry consists of **twelve** provincial facilities, **eight** of which are used for production purposes and **seven** of which are focused on highly sophisticated research and development.
- The generic pharmaceutical industry employs approximately **14,000** Canadians - **more than 9,000 employees**, representing 75 percent of the total number of Canadian employees work in the province of Ontario.
- **Eighty-two percent** of Canada's production workers, **86 percent** of the administrative staff and **75 percent** of the generic industry's national research and development staff are in southern Ontario.
- CGPA member companies pay out more than **400-million dollars annually in salaries** and benefits in Ontario.
- Generic companies reinvest approximately **15 percent** of domestic sales in Canadian R&D activities each year. According to the Patented Medicines Prices Review Board (PMPRB) brand-name companies invest just 7.5 percent of domestic sales in R&D.
- The Canadian generic industry generates **40 percent** of its sales volume from exporting high quality, made-in-Canada generics to more than 115 countries around the globe. Generic pharmaceutical companies export more than **\$1 billion annually from Ontario**.
- Most of the generic drugs sold in Canada are manufactured in Canada, primarily in Ontario. Most of the brand-name drugs sold in Canada are imported from other countries. Even setting aside the significant savings that generic pharmaceuticals bring to Canada's health-care system from purely an employment and investment perspective, it is an indisputable fact that a dollar spent on a generic drug results in more jobs, more investment in R&D, and more investment in pharmaceutical manufacturing capacity in Ontario and Canada than a dollar spent on a brand-name drug.
- Having domestic pharmaceutical manufacturing capacity in Canada is also important in times of health crisis, such as a possible flu pandemic, in order to ensure that Canadians have access to needed medications.

### TRADE BALANCES: PHARMACEUTICAL AND MEDICINE MANUFACTURING

	EXPORT	IMPORT	BALANCE
<b>2000</b>	1,853	5,962	<b>(4,109)</b>
<b>2001</b>	2,307	7,044	<b>(4,737)</b>
<b>2002</b>	2,552	8,071	<b>(5,519)</b>
<b>2003</b>	3,401	9,044	<b>(5,643)</b>
<b>2004</b>	4,011	9,563	<b>(5,551)</b>
<b>2005</b>	4,337	10,030	<b>(5,693)</b>
<b>2006</b>	5,443	11,370	<b>(5,927)</b>
<b>2007</b>	6,802	12,334	<b>(5,533)</b>
<b>2008</b>	6,768	12,661	<b>(5,893)</b>
<b>2009</b>	7,569	14,511	<b>(6,942)</b>

Source: Statistics Canada. Value in Millions of Canadian Dollars