



**GENERIC DRUGS  
SAME QUALITY  
BETTER PRICE**



CANADIAN GENERIC PHARMACEUTICAL ASSOCIATION

## OVERVIEW OF ONTARIO'S GENERIC PHARMACEUTICAL INDUSTRY

Based largely in the Greater Toronto Area, Ontario is home to one of the world's largest concentrations of generic pharmaceutical research, development and manufacturing. The CGPA members have 12 provincial facilities, 8 of which are used for and 7 are highly focused on research and development.

### EMPLOYMENT BY THE NUMBERS

- Approximately 8,000 employees; 82% of Canadian production workers; 86% of administrative staff; and 75% of R&D staff are in Ontario
- 40% of sales volume is in exports
- More than **\$1 billion dollars of product exported** annually

### INNOVATION

- CGPA member companies spend approximately \$300-million on research and development in Ontario
- CGPA member companies invest 15% of sales in research and development
- Ontario-based Apotex is the largest R&D spender among all pharmaceutical companies in Canada
- According to Research Infosource's 2006 annual list of the top 100 corporate R&D spenders in Canada, Apotex spent \$183-million on R&D, which is 18.3% of sales

### EXPORTS

- Canada's generic drug industry generates 40% of its sales volume from exporting made-in-Canada pharmaceuticals, primarily to the United States
- Generic pharmaceutical companies export more than \$1-billion annually from Ontario
- At its Toronto R&D and production facilities, Apotex has developed a triple-combination HIV/AIDS drug for export to developing countries under Canada's Access to Medicines Regime (CAMR) and offered to sell it at cost

### KEY ECONOMIC NUMBERS: BRAND VS. GENERIC

**Sales in Ontario (total = \$7.5-billion - public and private sector)**

**Brand = \$5.9-billion**

**Generic = \$1.6-billion**

**Jobs in Ontario**

**Brand = 9,000**

**Generic = 8,000**

**R&D Spending in Ontario**

**Brand = \$360M**

**Generic = \$300M**

As the numbers above clearly show, a dollar spent on a generic drug supports more jobs, more investment in R&D, and more investment in pharmaceutical manufacturing capacity in Ontario than a dollar spent on a brand-name drug.

### MANUFACTURING

In terms of who is doing what in Ontario, most brand-name drugs sold in Ontario and Canada are shipped into the country. Almost all generic drugs sold in Canada are made in the GTA or Montreal area.

The majority of the pharmaceutical manufacturing capacity that exists in Canada is generic, and the majority of that is in Ontario.

An October 2007 report by the Competition Bureau confirms Canada's generic pharmaceutical industry is highly competitive and plays an important role in controlling prescription drug costs.

As the chart illustrates, data from Statistics Canada shows that Canada's trade deficit in pharmaceutical and medicine manufacturing has grown from \$4.1-billion in 2000 to nearly \$6.9-billion in 2009. In its 2004 Annual Report, the Patented Medicine Prices Review Board (PMPRB) points out that, "most generic drugs sold in Canada are produced domestically."

The PMPRB report confirms that Canada's large trade deficit in pharmaceutical and medicine manufacturing is due to the brand-name pharmaceutical industry.

### TRADE BALANCES: PHARMACEUTICAL AND MEDICINE MANUFACTURING

TOTAL TRADE	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