



**GENERIC DRUGS
SAME QUALITY
BETTER PRICE**



CANADIAN GENERIC PHARMACEUTICAL ASSOCIATION

THE ROLE OF THE **GENERIC PHARMACEUTICAL INDUSTRY** IN CANADA'S **ECONOMY**

For more than 50 years, Canada's generic pharmaceutical industry has played a vital role in the country's health-care system and economy by providing safe, effective, proven alternatives to more expensive brand-name medicines.

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.

MANUFACTURING

- In terms of who is doing what in Canada, most brand-name drugs sold in Canada are shipped into the country. **The vast majority of generic drugs sold in Canada are made right here.** In fact, the majority of the pharmaceutical manufacturing capacity that exists in Canada is generic.
- A dollar spent on a generic drug supports more jobs, more R&D investment, and more investment in pharmaceutical manufacturing capacity in Canada than a dollar spent on a brand-name drug.

JOBS

- The generic pharmaceutical industry employs more than **10,000 Canadians** in well-paid, highly skilled jobs in research and development, manufacturing and other operations.

INNOVATION

- Generic pharmaceutical companies in Canada invest approximately **15% of sales in research and development**, which compares to just 7.5% for brand-name companies. Brand companies in Canada invest just 1.8% of domestic sales into domestic R&D that could lead to the discovery of a new therapy.

EXPORTS

- Canada's generic drug industry generates **40% of its sales volume from exporting** made-in-Canada pharmaceuticals, primarily to the United States.
- Canada's trade deficit in pharmaceutical and medicine manufacturing has **grown from \$2.6-billion in 1998 to \$7.1-billion** in 2010.

TRADE BALANCES: PHARMACEUTICAL AND MEDICINE MANUFACTURING

YEAR	EXPORT	IMPORT	BALANCE
1998	1,562	4,196	(2,634)
1999	1,681	5,086	(3,405)
2000	1,853	5,962	(4,109)
2001	2,307	7,044	(4,737)
2002	2,552	8,071	(5,519)
2003	3,401	9,044	(5,643)
2004	4,011	9,563	(5,551)
2005	4,337	10,030	(5,693)
2006	5,442	11,369	(5,926)
2007	6,802	12,336	(5,534)
2008	6,768	12,687	(5,919)
2009	7,569	14,537	(6,968)
2010	6,170	13,320	(7,149)

Source: Statistics Canada. Value in Millions of Canadian Dollars

KEY ECONOMIC NUMBERS: BRAND-NAME VS. GENERIC

	BRAND-NAME	GENERIC
SALES IN CANADA	\$16.6-billion/74.4% <small>(IMS HEALTH)</small>	\$5.7-billion/25.6% <small>(IMS HEALTH)</small>
JOBS IN CANADA	15 000 <small>(RX&D)</small>	10 000 <small>(CGPA)</small>
R&D SPENDING	\$1.3 BILLION <small>(PMPR B)</small> (7.5% OF SALES)	\$615 MILLION <small>(CGPA)</small> (15% OF SALES)