



For immediate release

Generic Drug Makers Propose 60% Solution to Rising Rx Drug Costs

Increasing use of generic drugs to U.S. levels would save \$700-million

Toronto, March 21, 2007 – Canadians could save \$700-million on the cost of prescription medicines in the first year alone if the use of generic drugs increased to levels in the United States, the Canadian Generic Pharmaceutical Association (CGPA) said today following the release of 2006 Canadian prescription drug sales information by IMS Health Canada.

“We are encouraging governments, employers that sponsor drug plans for their employees, and all Canadians to increase their use of lower-cost generic medicines to match levels in the United States where generic drugs are dispensed to fill 63 percent of all prescriptions,” said Jim Keon, President of CGPA.

Data from by IMS Health, the world leader in prescription drug sales information, shows that in 2006 generic drugs were dispensed to fill 45 percent of all prescriptions in Canada yet accounted for only 18 percent of the \$18-billion spent on prescription medicines. “This data demonstrates that generic drugs provide excellent value for money in Canada, but we can do more,” said Keon.

The sales figures released today from IMS Health also show that sales of generic pharmaceutical products increased by 13.6 percent in 2006.

With provincial governments and employers struggling to pay for their drug benefit plans, the 60 percent solution is an attractive solution for those who sponsor drug plans and for patients. “Increasing the use of lower-cost generic equivalents is a far better way to save money on prescription drugs than cutting benefits or asking patients, particularly seniors and those on fixed incomes, to pay more for the medicines they need,” Keon said.

Keon said that increasing the use of lower-cost generic medicines is not only good for the health-care system, it is also good for Canada’s economy. “Unlike most brand-name drugs, which are shipped into Canada, the vast majority of the generic drugs sold in Canada are made right here.”

About the Canadian Generic Pharmaceutical Association

The Canadian Generic Pharmaceutical Association (CGPA) represents Canada’s generic drug industry – a dynamic group of companies that specialize in the production of high quality, affordable generic drugs and fine chemicals and in conducting the clinical trials required for government approval of generic drugs. The industry plays an important role in controlling health-care costs in Canada. Generic drugs are dispensed to fill 45 per cent of all prescriptions but account for less than 18 per cent of the \$18-billion Canadians spend annually on prescription medicines.

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For more information, please contact:

Jeff Connell
Director of Public Affairs
Canadian Generic Pharmaceutical Association
(416) 223-2333
Email: jeff@canadiangenerics.ca