



Statement from the Canadian Generic Pharmaceutical Association Regarding the 2010 Ontario Budget

Toronto, March 25, 2010 – *The following is a statement by Jim Keon, President of the Canadian Generic Pharmaceutical Association (CGPA), regarding the 2010 Ontario Budget:*

“The Canadian Generic Pharmaceutical Association has been working with its partners in the Ontario government and the pharmacy community to bring greater value to Ontario taxpayers while ensuring the sustainability of Ontario’s generic pharmaceutical industry, and the pharmacy services upon which Ontarians rely.

Generic pharmaceuticals provide excellent value for money. Currently, generic drugs are dispensed to fill fully 63 percent of all prescriptions paid for by the Government of Ontario yet account for only 26 percent of \$4-billion the Ontario government spends annually on prescription medicines. Prices for generic drugs also include significant support for the services provided to Ontarians by their community pharmacists.

CGPA has provided recommendations to the Ontario government that include price reductions and would save the health-care system hundreds of millions of dollars annually. We look forward to further discussions. We also caution the Government of Ontario that price cuts must not threaten the current and future availability of lower-cost generic drugs. Substantial investments are required to develop new generic medicines, obtain regulatory approval and challenge invalid or non-infringed patents in order to bring savings to Ontarians as early as possible.

The generic pharmaceutical industry employs approximately 9,000 Ontarians, primarily in R&D, scientific and highly skilled manufacturing jobs. Member companies of CGPA have 12 facilities in Ontario, eight of which are used for production and seven of which are focused on R&D. Generic pharmaceutical exports from Ontario are valued at more than \$1-billion annually. The Government of Ontario must ensure that, in seeking lower prices for medicines that already provide excellent value, it does not jeopardize the jobs and economic activity it aspires to promote.

Reductions to prices of generic prescription medicines must also be coupled with reinvestments in community pharmacies to ensure the ongoing availability of the important services they provide to Ontario patients.

More than 70 cents of every dollar spent by the Ontario government on prescription drugs is spent on brand-name drugs. Clearly, reducing generic drug prices and support for community pharmacies does not address the primary cost driver for the government’s drug plan.

Using more generic drugs is the most effective way to reduce prescription drug costs. For example, in the United States generic drugs are dispensed to fill 69 percent of all prescriptions. If the use of generic drugs in Ontario increased to levels in the United States, it would save all Ontarians who pay for prescription drugs an additional \$440-million in the first year alone.”

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