



For immediate release

Statement from the Canadian Generic Pharmaceutical Association Re: Competition Bureau Report on Competition in Generic Drug Sector

Toronto, November 25, 2008 – The following is a statement from Jim Keon, President of the Canadian Generic Pharmaceutical Association (CGPA), regarding the report released today by the Competition Bureau of Canada on competition in the generic drug sector.

“The Competition Bureau report released today recognizes and highlights the fact that reimbursement prices paid for generic prescription medicines in Canada include significant support for community pharmacies.

This support has been essential in maintaining the services Canadian pharmacies provide to patients. If prices paid to pharmacies for generic prescription medicines are reduced, a key source of revenue for pharmacies will be removed and must be replaced if patient services are to be maintained.

Generic drugs already provide significant savings to Canadians. At current reimbursement prices, generic medicines are dispensed to fill half of all prescriptions in Canada yet account for only 22 percent of the nearly \$20-billion Canadians spend annually on prescription drugs.

The generic pharmaceutical industry is concerned about the consideration of tendering as an option in today’s report, as tendering actually inhibits competition by eliminating competitors from the market.

Tendering also removes the incentive for generic pharmaceutical manufacturers to challenge patents on brand-name drugs in order to bring lower-priced competition to the market. Under tendering, even if a company is successful in challenging a patent and is the first generic to market, it may not win the tender and be able to recoup its substantial legal and regulatory costs. This will mean delayed generic competition and longer periods of market monopoly for brand-name drugs. As a result, Canadians will pay higher prices for longer.”

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 50 per cent of all prescriptions but account for only 22 per cent of the \$20-billion Canadians spend annually on prescription medicines.

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