



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. **Almost all 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.

Key Economic Numbers: Brand vs. Generic

	Sales in Canada	Jobs	R&D Spending
Brand	\$16.3-billion/76% (source: IMS Health)	20,000 (source: Rx&D)	8.1% of sales (source: PMPRB)
Generic	\$5.2-billion/24% (source: IMS Health)	14,000 (source: CGPA)	15% of sales (source: CGPA)

Jobs

- The generic pharmaceutical industry employs more than **14,000 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 8.1% for brand-name companies.

Exports

- Canada's generic drug industry generates **40% of its sales volume from exporting** made-in-Canada pharmaceuticals, primarily to the United States.

Trade Balances: Pharmaceutical and Medicine Manufacturing

Source: Statistics Canada
Value in Millions of Canadian Dollars

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Exports	1,853	2,307	2,552	3,401	4,011	4,337	5,443	6,802	6,768	7,569
Total Imports	5,962	7,044	8,071	9,044	9,563	10,030	11,370	12,334	12,661	14,511
Trade Balance	(4,109)	(4,737)	(5,519)	(5,643)	(5,551)	(5,693)	(5,927)	(5,533)	(5,893)	(6,942)

- Canada's trade deficit in pharmaceutical and medicine manufacturing has grown from \$4.1-billion in 2000 to \$6.9-billion in 2009.