



COMMUNIQUÉ

2013 Annual Report of the PMPRB Released

OTTAWA, September 15, 2014 – The Honourable Rona Ambrose, Minister of Health, tabled the 2013 Annual Report of the Patented Medicine Prices Review Board (PMPRB) with the Clerks of the House of Commons and the Senate on September 15, 2014.

The report provides detailed information on the PMPRB's regulatory activities, patentees' compliance with the Board's price Guidelines, sales and price trends of patented drugs in Canada, including international price comparisons, and spending on pharmaceutical R&D.

The PMPRB reports that sales of patented drug products increased in by 6.5% 2013 to \$13.6 billion.

Prices of patented drug products sold by patentees, as measured by the Patented Medicines Price Index, increased on average by 0.5% and the Consumer Price Index rose by 0.9%. Among the seven comparator countries, Canadian prices were higher than the prices in France, Italy, the United Kingdom, Sweden and Switzerland, but were lower than prices in Germany and the United States.

Patentees reported 115 new patented drug products to the PMPRB in 2013. A total of 1,343 patented drug products for human use were under the PMPRB's jurisdiction in 2013.

While the vast majority of prices remained within the Board's Guidelines, a total of six Voluntary Compliance Undertakings were approved in 2013 to the end of May 2014. The Board completed two price hearings. In addition to price reductions, excess revenues totaling \$10.5 million were offset by way of payments to the Government of Canada.

The downward trend in R&D continued in 2013. Patentees reported total R&D expenditures of \$752.8 million, a decline of 15.9% over 2012, while members of Rx&D (Canada's Research-Based Pharmaceutical Companies) reported \$652.0 million, a decline of 16.7%. The R&D-to-sales ratios declined from 5.3% in 2012 to 4.5% for all patentees and from 6.6% to 5.4% for Rx&D members.

The mandate of the PMPRB is to ensure that prices at which patentees sell their patented medicines in Canada to wholesalers, hospitals and pharmacies are not excessive; and to report on pharmaceutical trends and R&D expenditures by pharmaceutical patentees.

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