



Patented Medicine
Prices
Review Board

Since 1987

PMPRB COMMUNIQUE

OTTAWA, June 18, 2008: Mr. Steven Fletcher, Parliamentary Secretary to the Minister of Health, tabled the 2007 Annual Report of the Patented Medicine Prices Review Board (PMPRB) in the House of Commons today.

The report provides detailed information on sales and price trends of medicines in Canada, including international comparisons; patentees' compliance with the Board's Excessive Price Guidelines; enforcement activities and hearings; and patentees' R&D spending, to name a few.

The PMPRB reports that sales of patented drugs in Canada have increased by 3.0% to \$12.3 billion, representing 66.0% of total sales of drugs in 2007, a slight decrease from 2006. Patentees' prices of patented drugs, as measured by the Patented Medicine Price Index (PMPI), decreased on average by 0.1%, while the Consumer Price Index was at 2.1% over the same period. Canadian prices ranked second highest of the seven comparator countries, second highest only to the U.S. This is based on currency conversion using market exchange rates and likely reflects the impact of the recent appreciation of the Canadian dollar.

Patentees reported sixty-four new patented drug products for human use in 2007 of which 20 medicines, representing 34 drug products, were new active substances. As of March 31, 2008, 53 new patented drug products had been reviewed. Of those, 47 were considered to be within the Guidelines, while 6 are subject to ongoing investigations. A total of 1178 patented drug products for human use were under the PMPRB's jurisdiction in 2007. There were nine Voluntary Compliance Undertakings approved by the Board, seven hearings are ongoing as are 103 investigations.

R&D expenditures rose in 2007. Patentees reported total R&D expenditures of \$1,325 million, while members of Canada's Research-Based Pharmaceutical Companies (Rx&D) reported R&D expenditures of \$1,184 million over the same period. For all patentees, the R&D-to-sales ratio increased slightly to 8.3% from 8.1% in 2006, as did the R&D-to-sales ratio for members of Rx&D to 8.9% compared to 8.5% in the previous year.

In the context of its regulatory mandate, the Board pushed forward with the review of its Excessive Price Guidelines through extensive consultations with stakeholders. In his message, the Chairperson stated that the Board will "continue to provide stakeholders with the opportunity to participate in the ongoing consultation activities, which is a critically important part of the Board's efforts to reach decisions that are balanced and fair, and which will serve all Canadians effectively."

The PMPRB remains committed to transparency and fairness in the fulfillment of its mandate to protect consumer interests and to contribute to health care.

Reference: Sylvie Dupont, Secretary of the Board
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The mission of the Patented Medicine Prices Review Board (PMPRB) is to protect consumer interests and contribute to Canadian health care by ensuring that prices of patented medicines are not excessive and by analyzing and reporting to Canadians on price trends of all medicines and on research and development conducted by patentees.

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