



## COMMUNIQUÉ

### 2012 Annual Report of the PMPRB Released

**OTTAWA, October 17, 2013** – The Honourable Rona Ambrose, Minister of Health, tabled the 2012 Annual Report of the Patented Medicine Prices Review Board (PMPRB) with the Clerks of the House of Commons and the Senate on October 16, 2013.

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 declined slightly in 2012, by 0.3%, to \$12.8 billion.

Prices of patented drug products sold by patentees, as measured by the Patented Medicines Price Index, increased on average by 0.6% and the Consumer Price Index rose by 1.5%. Canadian prices remained the fourth highest among the seven comparator countries, lower than prices in Switzerland, Germany and the United States.

Patentees reported 82 new patented drug products to the PMPRB in 2012. A total of 1,328 patented drug products for human use were under the PMPRB's jurisdiction in 2012.

While the vast majority of prices remained within the Board's Guidelines, a total of 15 Voluntary Compliance Undertakings were approved in 2012 to the end of May 2013. The Board completed two price hearings. In addition to price reductions, excess revenues totaling \$39.8 million were offset by way of payments to the Government of Canada through VCUs and Board Orders in 2012 up to May 31, 2013.

The downward trend in R&D continued in 2012. Patentees reported total R&D expenditures of \$894.8 million, a decline of 9.8% over 2011, while members of Rx&D (Canada's Research-Based Pharmaceutical Companies) reported \$782.8 million, a decline of 13.1%. The R&D-to-sales ratios declined from 5.6% in 2011 to 5.3% for all patentees and from 6.7% to 6.6% 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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