



Patented Medicine
Prices
Review Board

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PMPRB COMMUNIQUE

OTTAWA, June 17, 2010: The Honourable Leona Aglukkaq, Minister of Health, tabled the 2009 Annual Report of the Patented Medicine Prices Review Board (PMPRB) with the Clerks of the House of Commons and the Senate on June 16, 2010.

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

The PMPRB reports that sales of patented drugs in Canada grew by 2.8% to \$13.3 billion in 2009, representing 62.4% of all drug sales, a slight decrease from 2008.

Prices of patented drugs (as measured by the Patented Medicines Price Index) rose on average by 0.3% in 2009, while the Consumer Price Index was also 0.3% during the same period. Canadian prices ranked third of the seven comparator countries, lower than the U.S. and Germany.

Patentees reported 81 new patented drug products to the PMPRB in 2009, including 22 new active substances. A total of 1,177 patented drug products for human use were under the PMPRB's jurisdiction in 2009. As of the date of this release, investigations were ongoing into the prices of 90 patented drugs.

While the vast majority of prices remained within the Board's Guidelines, the Board approved, to the end of May 2010, 17 Voluntary Compliance Undertakings worth more than \$43 million in order to reduce prices and reimburse excess revenues. The Board also completed five price hearings and issued two Notices of Hearing. Decisions are pending in three matters, and four proceedings are ongoing.

Spending on pharmaceutical R&D continued to decline in 2009. Patentees reported spending \$1.2 billion on R&D, a drop of 2.9% over 2008. Members of Rx&D (Canada's Research-Based Pharmaceutical Companies) accounted for 89.1% of all reported R&D expenditures. The ratio of R&D investment to sales also declined to 7.5% from 8.1% in 2008, while the R&D-to-sales ratio for members of Rx&D was 8.2%, down from 8.9% in 2008.

The Board's new Compendium of Policies, Guidelines and Procedures came into effect on January 1, 2010, marking the culmination of an extensive consultation process with stakeholders. This comprehensive review, which spanned nearly five years, will ensure that the Guidelines remain relevant and appropriate in an ever-evolving pharmaceutical environment.

The PMPRB remains committed to transparency and fairness in the fulfillment of its mandate.

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The mandate of the Patented Medicine Prices Review Board is to ensure that prices at which patentees sell their patented medicines in Canada are not excessive, and to report on pharmaceutical trends of all medicines and on R&D spending by patentees.

Canada