



PMPRB COMMUNIQUE

OTTAWA, June 17, 2011: The Honourable Leona Aglukkaq, Minister of Health, tabled the 2010 Annual Report of the Patented Medicine Prices Review Board (PMPRB) with the Clerks of the House of Commons and the Senate on June 16, 2011.

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 drug products declined to \$12.9 billion in 2010, a decrease of 3.4% from \$13.3 billion in 2009.

Prices of patented drugs (as measured by the Patented Medicines Price Index) fell, on average, by 0.4% between 2009 and 2010, while the Consumer Price Index rose to 1.8% during the same period. Canadian prices ranked fourth of the seven comparator countries, lower than Switzerland, the U.S. and Germany.

Patentees reported 68 new patented drug products to the PMPRB in 2010; a total of 1,196 patented drug products for human use were under the PMPRB's jurisdiction in 2010. As of the date of this release, investigations were ongoing into the prices of 85 patented drugs.

While the vast majority of prices remained within the Board's Guidelines, the Board approved, to the end of May 2011, 16 Voluntary Compliance Undertakings and an amendment to an existing VCU. The Board also completed five price hearings and issued one Notice of Hearing. Decisions are pending in three matters, and two proceedings are ongoing. In addition to price reductions, excess revenues totalling \$24.6 million were offset by way of payments to the Government of Canada through VCUs and Board Orders from January 2010 to May 31, 2011.

Patentees reported spending \$1.18 billion on R&D, a drop of 7.4% over 2009. Members of Rx&D (Canada's Research-Based Pharmaceutical Companies) accounted for 84.8% of all reported R&D expenditures. The ratio of R&D investment to sales also declined to 6.9% from 7.5% in 2009, while the R&D-to-sales ratio for members of Rx&D stayed at 8.2% in 2010 as it was in 2009.

The Board's new Guidelines came into effect on January 1, 2010. The Board will ensure that the Guidelines remain relevant and appropriate in an ever-evolving pharmaceutical environment.

The PMPRB remains committed to transparency, fairness and predictability 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.