



NEWS RELEASE

NEW PMPRB R&D FIGURES CONFIRM NEED FOR AN INVIGORATING INNOVATION AGENDA

Ottawa, July 28, 2004 - Today, the Patented Medicine Prices Review Board (PMPRB) released figures on research and development (R&D) by the member companies of *Canada's Research-Based Pharmaceutical Companies* (Rx&D). They underline even more strongly what Rx&D proposed in 2002: the need by the federal government to move forward with its innovation agenda and actively encourage and concretely support a new era of research and development in Canada.

PMPRB figures show that R&D by Rx&D member companies decreased for a second year in a row. In 2003, 9.1% of sales was invested in R&D, down from 10% in 2002.

“Unfortunately, Canadian intellectual property regime falls short of global standards in many areas. The industry is at a crossroad and we must secure a partnership with the Federal Government in order to reverse this trend,” said Rx&D President Russell Williams.

Patent and data protection, rapid approval times and better access to the newest therapies are all factors in determining the attractiveness of the investment potential in a given country. Canada does not have the global levels of protection, approval times (almost twice as long than in the U.S.) and there are more and more restrictions for patient access to medicines.

A win-win situation

“If Canada is to fully benefit from sustainable increases in pharmaceutical R&D, a new innovation policy by the federal government is essential. A better environment for pharmaceutical and industrial R&D means a better Canada for all Canadians. This will be a win-win situation,” stated Rx&D President Russell Williams.

In September 2002, Rx&D responded to the federal government's proposed innovation agenda. At that time, Rx&D unveiled its proposals to assist the federal government's goal of advancing Canada into the top five of global innovative economies by 2010. It is now time for the government to implement the new deal on innovation.

The value of medicines

New medicines save the health care system money and improve quality of life, especially when you consider the alternatives: surgery, hospitalization, and time away from work. Only 6.5 cents of every health care dollar are related to patented medicines. Furthermore, a recent study conducted by Columbia University found that every dollar invested in new medicines relieves the health care system from expenses seven times greater in other medical areas.



As an integral partner in Canada's health care system, Rx&D will continue to work with our health care stakeholders and federal and provincial governments to achieve a secure and stable investment climate for new R&D, all the while ensuring Canadians benefit from this attainable endeavor.

“Innovation drives health care and our economy. Now is the time to secure a long term partnership based on innovation and excellence which will help to sustain our health care system and develop a knowledge-based economy” said Mr. Williams.

Canada's Research-Based Pharmaceutical Companies (Rx&D) is an association of members dedicated to improving the health of all Canadians. As partner of the health care system, our discoveries help eliminate the need for medical procedures such as surgery, which have a significant impact on patient quality of life and health care budgets. Our community represents more than 24,000 men and women working for some 54 member companies in Canada.

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