

## PRESS RELEASE

### **Rx&D ENCOURAGES CANADA TO RENEW THE CONDITIONS THAT FOSTER ITS SUCCESS IN PHARMACEUTICAL INNOVATION IN A CHANGING WORLD**

**Quebec City, October 25, 2006** – In an appearance today before the House of Commons Standing Committee on Finance as part of the federal government's pre-budget consultations, *Canada's Research-Based Pharmaceutical Companies* (Rx&D) confirmed that it fully endorses the Committee's belief that the decisions we take today will have a major impact on our world tomorrow. Rx&D also stressed that Canada must adapt its government policies to meet today's new conditions in order to preserve its gains and increase its ability to attract pharmaceutical investment.

“In the past, Canada has displayed vision and succeeded—by taking tax measures and establishing attractive programs—in creating a business environment conducive to investment in the pharmaceutical industry. Indeed, this has contributed to Canada's status as a true world leader in innovation,” stated Gilles Gagnon, Rx&D board member and president and CEO of *Æterna Zentaris*, a biopharmaceutical company. Nevertheless, given a global environment where competition is fierce, the research-based pharmaceutical community recommended that the federal government focus its efforts on fostering initiatives of interest to life sciences research and development. This would springboard Canada to a more competitive level, enabling it to equal or surpass other nations.

Consequently, Rx&D President Russell Williams is pleased with the recent federal government decision to enact regulations that will provide eight years of data protection for clinical test data generated to approve a new medicine in Canada. “We were eagerly awaiting this initiative, which will enable Canada to become more competitive internationally. Data protection will also benefit patients, since more new medications will be available in Canada. We strongly believe that Canadians will benefit once all levels of government adopt policies that attract investment and new jobs while encouraging the development of innovative medicines here at home,” added Williams.

Other Rx&D recommendations to the Standing Committee concerned the need to improve the tax credit system for Canadian experimental research and development activities. As a first step, it should be aligned with the OECD definition, which is standard everywhere else in the world. The Canadian definition is more restrictive and excludes entire avenues of research, such as the social science aspects of health. Moreover, Rx&D reminded the Standing Committee that in global-scale projects conducted by a single company, research is often parcelled out. It urged the federal government to consider, in its tax credit eligibility criteria, how international partnerships for research and development conducted in Canada could be covered.

In closing, Rx&D pointed out to the Standing Committee that the federal government must ensure all of its policies and regulations are harmonized and consistent. It noted certain contradictions between the National Pharmaceuticals Strategy and the Patented Medicine Prices Review Board could undermine Canada's support for biomedical research and development.

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The complete text of Rx&D's presentation to the Standing Committee on Finance is available at the following address: [www.canadapharma.org](http://www.canadapharma.org).

*Canada's Research-Based Pharmaceutical Companies* (Rx&D) is an association of members dedicated to improving the health of all Canadians. As a partner of the health-care system, our discoveries 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 over 22,000 men and women working for more than 50 member companies in Canada.

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