

NEWS RELEASE

THE CHAREST GOVERNMENT MUST MAINTAIN PHARMACEUTICAL INNOVATION IN QUEBEC

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Quebec City, August 24, 2005 – Appearing before the National Assembly committee charged to consider the draft medications policy for Quebec, Canada's Research-Based Pharmaceutical Companies (Rx&D) applauded the action taken by the Minister of Health and Social Services to give Quebec its first medications policy. “We are very pleased that this draft policy is based on recognition of the key role played by new medications in our health care system, and on a desire to ensure the sustainability of the drug insurance plan,” said André Marcheterre, the current chair of the board of directors of Rx&D, and Jean-Michel Halfon, outgoing chair, and respectively presidents of two innovative research-based pharmaceutical companies, Merck Frosst Canada and Pfizer Canada.

In general, Rx&D's member companies subscribe to the principles underlying the four main points of the consultation document, and support from the outset many of the department's proposals. “The draft policy recognizes the importance of maintaining and developing in Quebec a progressive and innovative pharmaceutical industry, by such measures as BAP 15, which since its introduction has made a substantial contribution to Quebec's favourable positioning in relation to biopharmaceutical investments, both nationally and internationally,” said Mr. Marcheterre and Mr. Halfon.

“Pharmaceutical companies make a huge contribution to the health care system through initiatives designed for the optimal use of medications through partnerships, continuing education and therapeutic management programs. We are convinced that maintaining the presence on a large scale of a pharmaceutical industry that employs more than 10,000 people in Quebec alone and makes a tangible contribution to our collective wealth by generating major economic spin-offs and high calibre jobs serves very substantially to offset any move to lower prices,” they added.

“We are aware of the budget pressures the government has to deal with, and that is why we are anxious to continue working in partnership with the government to optimize the efficiency of the health care system, in particular through optimal use of medications to the greater benefit of patients, who must remain the central concern of all involved,” they added. “It is vital, however, to understand clearly the importance of maintaining a competitive environment conducive to innovation. Competition between R&D and production centres worldwide for investment in the development of new medications is intense. This is a reality we have no choice but to deal with,” concluded Rx&D's representatives.

While they generally support the proposed policy, Mr Marcheterre and Mr Halfon did express some concerns about such matters as the procedure for regular adjustments in prescription drug prices to reflect inflation, the recent reduction in the number of new medications for which reimbursement is available under the provincial insurance plan, and changes in Quebec tax credits for research and development of innovative drugs. They further stressed the importance of a government policy which recognizes that investment in new prescription medications makes a major contribution to limiting the overall cost of the health care system.

Canada's Research-Based Pharmaceutical Companies (Rx&D) is an association whose members are committed to improving the health of all Canadians. As a partner in the health care system, our discoveries make it possible to eliminate medical interventions (such as surgeries) that have a significant impact on the quality of patients' lives and on health care budgets. Rx&D represents nearly 22,000 women and men working for about 50 member companies in Canada, including over 10,000 in Quebec.

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The submission made by Rx&D can be found at: www.canadapharma.org

Information:

François Lessard
Communications
Canada's Research-Based Pharmaceutical Companies (Rx&D)
(613) 236-0455