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### For Immediate Release

### **BUDGET: PHARMACEUTICAL INNOVATION, DEVELOPMENT TOOL OF COLLECTIVE WEALTH FOR PATIENTS AND QUEBEC**

**Ottawa, March 24, 2006** – On the occasion of the tabling of the 2006 budget on Thursday by Quebec Finance Minister Michel Audet, *Canada's Research-Based Pharmaceutical Companies* (Rx&D) noted the government's willingness to give priority to debt repayment and fiscal consolidation, both of which are inescapable imperatives for any responsible manager. They have nonetheless reiterated their desire to strengthen their partnership to promote new investment in Quebec's innovative industry.

According to Rx&D President Russell Williams: "Fiscal consolidation can only contribute to the improvement of Quebec's business environment." He emphasized, however, that other conditions must be in place to enable the innovative drug industry to meet further challenges and attract new investment in the face of fierce competition from the United States and emerging economies such as China and India.

Russell Williams welcomes the government's intention to build on innovation by retaining a pool of high-level researchers in Quebec and encouraging the private sector to increase its research activities. "The government must take advantage of these opportunities. The most effective way to keep researchers here and attract new investment is to create a favourable business environment in which the population has access to new discoveries instead of being deprived of them," said Mr. Williams. Mr. Williams also added that Quebec's biotechnology companies should also benefit from a climate that encourages innovation.

To achieve this, Rx&D considers that the government will need to lose no time in harmonizing its health policies, particularly its new drug policy, with Quebec's economic development strategy. "Our industry obviously accords tremendous importance to the new drug policy, but it is also a question of the business environment in which we are evolving, an environment that has deteriorated somewhat in recent years," continued Mr. Williams. In Quebec, patients covered by the *Régime général d'assurance médicaments* are deprived of close to half of our most recent discoveries. Furthermore, the proposed compensatory measures associated with the end of the "no price increase" policy are inconsistent with a strategy of innovation.

Innovative drugs play a determining role in a health system desirous of providing what is best for patients: they replace surgery, reduce waiting lists, improve quality of life and enable people to remain longer in their homes. "This represents considerable savings in time and money at a time when Quebec is devoting over 42 per cent of its annual budget to health care. We are part of the solution as a major partner in the health system since patented drugs represent less than seven cents of each dollar invested in health care. They also result in savings within the health care system itself," Mr. Williams declared.

The pharmaceutical research industry also plays a predominant role in economic matters with 50,000 jobs depending on it, and more than \$450 million invested annually in R&D in Quebec. Of this real chain of innovation, the industry, through its partnerships, strongly encourages the emergence of new sectors, such as biotechnology. Its activities generate more than \$2 billion annually for the Quebec economy.

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“Our partnership with Quebec brings collective wealth; it is unquestionably a winning partnership model for all concerned. All that remains for Quebec to continue as a front runner is to renew this partnership in light of the new world economic reality,” Mr. Williams concluded.

*Canada's Research-Based Pharmaceutical Companies (Rx&D)* is an association whose members are committed to improving the health of Canadians. As a partner in the health system, their discoveries help eliminate medical interventions such as surgery that have a significant impact on patients' quality of life and health budgets. The community represents over 22,000 men and women working in over 50 member companies in Canada, including more than 10,000 in Quebec.

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