



Patented Medicine  
Prices  
Review Board

Since 1987

# PMPRB COMMUNIQUE

**OTTAWA, July 24, 2009:** The Honourable Leona Aglukkaq, Minister of Health, tabled the 2008 Annual Report of the Patented Medicine Prices Review Board (PMPRB) with the Clerks of the House of Commons and the Senate on July 22, 2009.

The report provides detailed information on sales and price trends of patented drugs sold in Canada, including international comparisons; patentees' compliance with the Board's Excessive Price Guidelines; enforcement activities and hearings; and patentees' R&D spending, to name a few.

The PMPRB reports that sales of patented drugs in Canada have increased by 5.0% to \$13.0 billion, representing 64.9% of total sales of drugs by companies under the Board's jurisdiction in 2008, a slight decrease from 2007. Prices of patented drugs, as measured by the Patented Medicine Price Index (PMPI), increased on average by 0.1%, while the Consumer Price Index was at 2.3% over the same period. Canadian prices ranked third highest of the seven comparator countries, after the U.S. and Germany.

Patentees reported 78 new patented drug products (DINs) for human use in 2008, including 19 new active substances (26 DINs). As of March 31, 2009, 14 new drug products are subject to ongoing investigations. A total of 1,260 new and existing patented drug products for human use were under the PMPRB's jurisdiction in 2008. There were nine Voluntary Compliance Undertakings approved by the Board; eight hearings are ongoing as are 125 investigations.

R&D expenditures declined slightly in 2008, by 1.1% from 2007. Patentees reported total R&D expenditures of \$1.3 billion. Members of Canada's Research-Based Pharmaceutical Companies (Rx&D) reported R&D expenditures of \$1.2 billion over the same period, a decrease of 1%. For all patentees, the R&D-to-sales ratio declined to 8.1% from 8.3% in 2007, while the R&D-to-sales ratio for members of Rx&D remained at 8.9%, as in the previous year.

In the context of its regulatory mandate, the Board completed the review of its Excessive Price Guidelines following extensive consultations with stakeholders. In his message, the Chairman stated that the Board "remains committed to continue to engage stakeholders' participation as needed, as their contribution to date has been invaluable."

The PMPRB remains committed to transparency and fairness in the fulfillment of its mandate.

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The mandate of the Patented Medicine Prices Review Board is to ensure that prices charged by patentees for patented medicines sold in Canada are not excessive; and, to report on pharmaceutical trends of all medicines, and on R&D spending by pharmaceutical patentees.

Canada