

The Minister noted that investment by the brand-name pharmaceutical industry has increased substantially since patent protection was improved in 1987, consistent with the commitment made by them at that time. In response to this legislative change, the innovative pharmaceutical sector made a public commitment to increase research and development expenditures to 8 per cent as a percentage of sales by the end of 1991. For all patent holders, the R & D to sales ratio has risen from 6.1 per cent to 8.8 per cent between 1988 and 1990. Total R & D expenditures have gone from \$165.7 million to \$281.3 million in this period.

Mr. Blais pointed out that since the Patent Act was amended, R & D has gone up and the Patented Medicine Prices Review Board has kept price increases for patented drugs below the increase in the Consumer Price Index.

Mr. Blais said "Canadians will continue to have access to reasonably priced medicines and the benefits that increased medical research bring to our health care system." He added that the Patented Medicine Prices Review Board will have enhanced powers to continue to do the job it has done since 1987.

Moreover, the Ministers noted that the Honourable Benoit Bouchard, Minister of National Health and Welfare, will meet provincial and territorial health ministers on January 27 to discuss ways to work together to ensure that drug costs remain reasonable.

Canada's generic drug industry will continue to play an important role in providing medicines to Canadians. These manufacturers can continue to produce drugs under their existing compulsory licences. Under the proposed changes they will still be able to market drugs once patents have expired. Currently, a drug typically enters the market 10 years after its patent is filed and the generic can enter seven years later. The new proposals would add another three years to this period, meaning that generic products would come on the market after 20 years rather than 17. The government considers this will prove a reasonable transition to the new system from the existing one.

The Ministers stated that Canada has a lot to gain from a successful GATT outcome. "These patent protection provisions represent just one way this trade agreement can help Canada strengthen its position in world markets that put a steadily rising premium on research and innovation."

-30-

For further information, media representatives may contact:

Media Relations Office
External Affairs and International Trade Canada
(613) 995-1874

or

Jim Keon
Consumer and Corporate Affairs Canada
(613) 953-7845