
Seniors are one of the fastest growing demographic groups in Canada. In 1971, people aged 65 and over made up 8.2 per cent of the population. Twenty years later, the figure was 11.6 per cent, and by the year 2031, this group will make up an estimated 22 per cent of Canada's population. This has tremendous implications for health-care costs, since seniors today consume some 25 per cent of all prescription medications.

Brand-name Sector

This sector is dominated by multinationals, most of which have headquarters in the United States and Europe. In 1994, the 60-plus companies represented by PMAC accounted for 78 per cent of prescription drug sales, 70 per cent of unit volumes, and approximately 80 per cent of the industry's assets. The cumulative investment in R&D by Canada's brand-name pharmaceutical industry between 1988 and 1994 is over \$2 billion. PMAC members spent 13.8 per cent of total sales on R&D. The industry projects another \$3 billion in R&D spending by the end of the decade.

Generic Sector

The generic sector, whose sales grew by 47 per cent in 1994, held 10 per cent of the wholesale market and 21 per cent of unit volumes. This sector is dominated by two large Canadian-controlled companies, *Apotex* and *Novopharm*, both located in Ontario, which together account for 75 per cent of generic drug sales in Canada. These two firms are now among the top 50 R&D spenders in Canada across all sectors. Both of these companies own stand-alone biopharmaceutical ventures and have joint ventures with companies in the U.S. and Europe.

Biopharmaceutical Sector

Canada has over 100 companies active in health-care biotechnology. Many of these biopharmaceutical enterprises are still at the early growth stages, although about 20 have made the transition from R&D into various stages of the commercialization process. Biopharmaceutical companies in Canada are active in a wide range of product development, including vaccines, new drugs, gene therapy and diagnostics.