
II.3 THE CANADIAN PHARMACEUTICAL INDUSTRY

The Canadian pharmaceutical industry is characterized by an array of company sizes and types. The industry is composed of three main segments:

- ☐ **Brand-name** pharmaceutical manufacturers represented by the Pharmaceutical Manufacturers Association of Canada (PMAC);
- ☐ **Generic** drug manufacturers represented by the Canadian Drug Manufacturers Association (CDMA); and
- ☐ **Biopharmaceutical** companies represented by the Industrial Biotechnology Association of Canada (IBAC).

The commercial enterprises interact with a significant number of biomedical research institutions and networks located throughout Canada. The majority of the leading pharmaceutical firms engage in R&D in Canada, and most hold patents for their inventions.

In 1994, the pharmaceutical industry employed over **22 000 people**, of whom 19 300 were employed by manufacturing companies. Over 25 per cent of the employees in the pharmaceutical industry are university graduates.

In 1994, sales of pharmaceutical drug products in Canada totalled **\$5.94 billion**, an increase of 10 per cent over 1993. This figure includes shipments of \$4.45 billion, plus imports of \$2.06 billion, minus exports of \$0.57 billion. Over the past few years, imports and exports have remained at around 35 per cent and 11 per cent of total sales, respectively.

Forty per cent (\$2.39 billion) of the total sales were for patented drugs (including \$100 million for veterinary products) and sixty per cent (\$3.55 billion) were non-patented drugs (including generic products and brand-name products that are no longer, or never have been, subject to patent protection). Of the 22 054 drug products approved for sale, only 6 per cent are patented.

Between 1988 and 1993, the Canadian pharmaceutical retail market expanded from \$7.3 billion to \$11.8 billion. Of this figure, \$6.3 billion is for prescription medicines. Brand-name products account for approximately 90 per cent of this amount.