
Generic Drug Companies

Canada's generic pharmaceutical industry, consisting mainly of Canadian-controlled companies, is evolving into one of the most dynamic and fastest growing export-oriented industries in the country. Generic companies in Canada use competitive manufacturing technology to produce a broad range of lower-cost drug products.

Originally, these companies mainly focussed on manufacturing equivalents of pharmaceutical products, when these products had expired patents or were subject to compulsory licensing.

In 1993, Canada's patent legislation eliminated compulsory licensing to bring Canadian patent law into line with other G-7 countries. These companies then had to refocus their main activities. Despite this change, the Canadian generic industry has continued to expand. In 1994, according to **IMS Canada**, generic pharmaceutical sales reached \$720 million, which represents a 38-per cent increase over the previous year.

These results have been achieved partly as a result of cost-containment policies in health-care management programs, and partly through a commitment by the generic companies to focus on increased research and development, and export markets. The objectives of Canadian generic drug manufacturers are to become fully integrated pharmaceutical companies, including R&D in both generic and innovative products. The emphasis is on manufacturing and exporting for final dosage forms and fine chemicals. The success of these initiatives is reflected in the fact that, in the last year, generic drug firms have expanded their facilities and their areas of endeavour. There are recent examples.

- ❑ **Apotex** has expanded its facilities in Ontario and Manitoba. The company ranks 25th in terms of R&D spending for all companies in Canada and has seven new products under development in its Innovative Drug Development Program.
- ❑ **Genpharm** has expanded its staff by 50 per cent to conduct more R&D.
- ❑ **Novopharm** is undertaking a \$12.5-million expansion of its Ontario facilities.
- ❑ **Pharma-science** expanded its facilities in 1994 for increased R&D and production.

In 1995, the **CDMA** established the first Canadian Chair in Pharmacokinetics through a \$500 000 grant to the **Université de Montréal**. The creation of the Chair will allow the establishment of predictive models in pharmacokinetics, as a cornerstone of research into the bioequivalence of generic drugs. Another chair, endowed with the same amount, has also been established to study the effect of medicines on pregnancy.