



THE PHARMACEUTICAL INDUSTRY IN ONTARIO

Twenty-seven member companies of *Canada's Research-Based Pharmaceutical Companies (Rx&D)* are located in Ontario. Together, they make a significant contribution to the economy of the province, making Ontario a major centre for pharmaceutical research and development (R&D)

As governments and stakeholders seek solutions to ensure the sustainability of our health care system, research and development of new innovative medicines is even more important today. Governments, working in partnership with all stakeholders, have the opportunity to enhance an economic base in which research and innovation can thrive, yielding significant and improved patient health outcomes, and fuelling economic growth.

Noted below are some examples of Rx&D member company economic contributions and investments to date in Ontario.

- 8,752 employees.
- Rx&D member companies injected \$1.77 billion into the economy in 2003 (Statistics Canada employment value-added contribution estimate).
- R&D has increased by 573.9% since 1988, to \$481.8 million in 2004.
- \$4.9 billion has been invested in R&D in the past 17 years, of which \$901.7 million has been spent in universities and hospitals
- Rx&D members have \$718.4 million invested in land, facilities and equipment.
- Rx&D members paid \$97.3 million in taxes in 2003.
- In January, 2006 AstraZeneca Canada Inc. announced a pledge of \$500,000 to the new Northern Ontario School of Medicine. AstraZeneca's donation will be matched by the Northern Ontario Heritage Fund Corporation (NOHFC). The one million dollar endowment, the interest from which will create ten \$5,000 yearly student bursaries in perpetuity, provides a solid beginning for the schools future.
- In September 2005, GlaxoSmithKline Inc. announced a \$23 million expansion of the company's Mississauga manufacturing facility resulting in more than 75 new high quality jobs in the province. GSK was also awarded 22 new manufacturing mandates by GSK plc. These new mandates are in addition to the current 75 GSK mandates to manufacture innovative medicines for patients in Canada and around the world. GSK also announced in September that it will make a multi-year financial commitment to

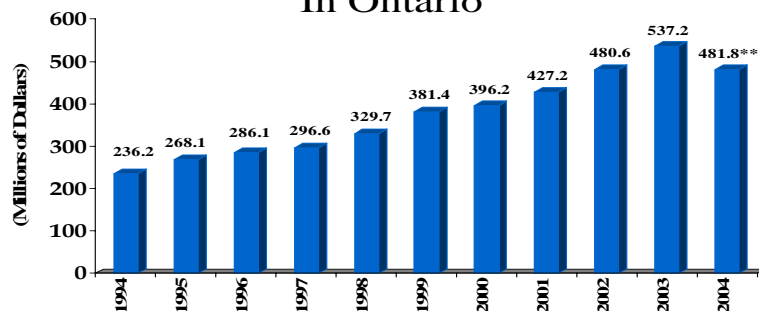
the MaRS Discovery District and locate research and corporate staff in the Banting Building.

- The Hazel McCallion Academic Learning Centre, located at the University of Toronto at Mississauga (UTM), is the beneficiary of a \$300,000 donation from Amgen Canada Inc. The investment, announced in February 2006, will fund the *Amgen Canada Inc. Smart Classroom*, which will provide access to networking, digital and audio-visual equipment.
- In June 2005, Merck Frosst Canada Ltd. announced that the company will be taking up residence at the MaRS Discovery Centre in Toronto. The MaRS initiative involves an initial commitment of \$3 million and emphasizes the Merck's pledge to a strong, competitive and vibrant biotechnology and life sciences sector in Ontario.
- The University of Ottawa Heart Institute made a significant announcement in hypertension research in October 2003: the creation of the *Pfizer Chair in Hypertension Research*. The Chair, spread over a five-year period, will advance the groundbreaking work of the Institute's Hypertension Research Group in new and unexplored areas, such as the impact of this disease on brain function. Pfizer Canada and the Heart Institute will each invest \$1 million in the Chair's creation, and the

Canadian Institutes of Health Research (CIHR) will contribute \$400,000.

- Eli Lilly Canada Inc. (\$1.275 million), Cancer Care Ontario (\$1.275 million) and the Canadian Institutes of Health Research (\$1.2 million) announced a \$3.75 million, five-year investment program in 2002: *the Eli Lilly Canada - Cancer Care Ontario Translational Research Program*. The *Program* is intended to significantly increase the level of translational cancer research carried out in Ontario by nurturing and retaining exemplary clinician scientists and enhancing research training for Canada's most talented medical residents and clinical fellows.
- McMaster University, in conjunction with St. Joseph's Healthcare Hamilton, are benefiting from a funding commitment of \$1 million from Pfizer Canada Inc. The investment, announced two years ago, will be given over five years and will provide for an innovative educational initiative called the *Arthritis Treatment Program*. The *Program* is designed to assist primary care physicians and other health professionals in providing optimal care for people with arthritis.
- ALTANA Pharma Inc. has launched an incentive program designed to address the severe shortage of family physicians in Ontario. The *ALTANA Pharma Family Medicine Scholarship*, a \$125,000 scholarship fund will give select medical students at Ontario's five medical schools \$5,000 a year for the next five years if they pursue family medicine as their specialty.

Pharmaceutical R&D Expenditures* In Ontario



R&D expenditures in Ontario for 1988: \$71.5 million (Source Patented Medicines Prices Review Board (PMPRB) *First Annual Report 1989*)

* Excludes capital R&D expenditures and allowable depreciation expenditures

** Of which Rx&D member companies invested \$369.8 million or 76.7% of the total

Source: Patented Medicines Prices Review Board (PMPRB), a quasi-judicial review body that regulates the prices of patented medicines marketed in Canada

