



# Expert Panel describes path to bring critical antibiotics to Canadian market

## News Release

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The global pipeline for new antimicrobials isn't keeping pace with the rise of antimicrobial resistance, and countries around the world are looking for ways to make better use of existing drugs while encouraging the development and availability of new ones. Canada is lagging behind peer countries on access to existing drugs, and a new expert panel report describes a pathway to a more stable supply of antimicrobials in the future. According to the report, *Overcoming Resistance*, a new compensation structure — subscription pull incentives — offers an alternative model to help drive research, development, and commercialization of novel antimicrobials by providing drug manufacturers with a predictable return on investment where traditional market mechanisms have failed.

"The consequences of antimicrobial resistance are real and growing, while at the same time, companies are leaving the commercial space," said Andrew M. Morris, M.D., Chair of the Expert Panel. "New and accessible treatments are critical to preserve the life-saving effectiveness of antimicrobials for everyone in Canada, and particularly the most vulnerable."

In its 2019 report, *When Antibiotics Fail*, the CCA determined that more than 14,000 deaths in Canada in 2018 were associated with resistant infections, which cost healthcare systems about \$1.4 billion, and the Canadian economy \$2 billion. The cumulative costs to Canadian healthcare systems could reach \$120 billion by 2050 as resistance rates increase. Without a robust supply of effective novel antimicrobials, surgeries, transplants, cancer treatments, and even routine procedures will become increasingly risky to undertake. Despite the urgency of the situation, development of new antimicrobials has been sluggish, and of the 18 antibiotics that have launched commercially since 2010, only 3 are marketed in Canada.

Unlike other drugs, antimicrobials are often prescribed for short courses, and stewardship limits their use, restraining the revenue-generating potential for companies that invest in developing them. As with pharmaceutical development in general, considerable upstream costs and a high risk of failure add to the challenges. A subscription pull incentive, which provides a fixed annual payment to manufacturers, regardless of sales, holds the greatest promise for revitalizing the market for antimicrobials in Canada.

The global cost of incentivizing the development and commercialization of novel antimicrobials is estimated at US\$2–\$4 billion per drug, which could be funded with joint action across high-income countries. The Panel determined that a fair contribution from Canada would be in the range of CDN \$14.5–18 million per year per drug over 10 years, with payment levels varying significantly based on a drug's unique potential value to the health of people in Canada.



"The development of antimicrobials changed the face of medicine, but the numerous benefits they provide to individuals, healthcare systems, and society are increasingly under threat," said Eric M. Meslin, PhD, FRSC, FCAHS, President and CEO of the CCA. "This report details an approach that would maintain these myriad benefits by finding new mechanisms to motivate the development and commercialization of novel antimicrobials."

The Public Health Agency of Canada asked the CCA to examine what economic pull incentives have the greatest potential for success in encouraging the market entry and sustained market availability of high-value antimicrobials for use in humans in Canada.

*Overcoming Resistance* describes the challenges Canada faces when accessing high-value antimicrobials and describes pull incentives that could help bring existing antimicrobials to market and encourage the development of new ones. The report also analyzes the role of complementary policies relating to research and development, regulatory review, surveillance, and diagnostics, which all have the potential to enhance the impact of a pull incentive.

Visit [www.cca-reports.ca](http://www.cca-reports.ca) to download the report.

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