

# The facts about generic medicines

06

Generic medicines are expert copies of medicines made by companies that didn't develop the drug themselves. Although a generic medicine costs less, it will still work as well as the more expensive medicine. All generic medicines have to be approved by Medsafe and go through bioequivalence testing to make sure that they work the same way as the original brand of that medicine.

## What are generic medicines?

When a pharmaceutical company first develops a medicine, it takes out a patent to make sure it has the exclusive right to produce and market the medicine with a particular active ingredient. The active ingredient is the chemical in the medicine that makes the medicine work. These original medicines are often marketed under the pharmaceutical company's trade-marked name and can be called the 'originator brand' or the 'branded' medicine.

When the patent for the medicine expires, other manufacturers can also make the medicine with the same active ingredient. These are generic medicines. Generic medicines are usually sold under the name of the active ingredient.

Some branded products are made using a patented production process, rather than a patented active ingredient. In such cases, generic products can be made but must use different production processes that do not infringe the patent.

## Do generic medicines work the same as brand-name medicines?

Yes. Generic medicines have to be 'bioequivalent'. This means that they have to have the same active ingredient delivered to the body in the same way and have the same effect on the body as the original medicine. They don't have to be manufactured using the same process.

## Are generic medicines safe?

Yes. Medsafe, a unit of the Ministry of Health that regulates medicines used in New Zealand, makes sure that all medicines available in New Zealand go through the same quality and safety checks before they can become available. Because generic medicines have to have the same active ingredient in them as the original medicine, they have the same risks and benefits as the original brand medicines.

PHARMAC only funds generic medicines that Medsafe has assessed as being safe, effective and of good quality. PHARMAC gets advice from clinical advisory committees before it considers tendering for a generic medicine. For more information about the tender process, see the Information Sheet Purchasing Medicines.

## Why do generic medicines sometimes look different if they have the same active ingredients?

In all medicines, there are both active and inactive ingredients. The inactive ingredients in the medicine are called excipients. These inactive ingredients hold the medicine together, give the medicine its colour or make it easier to swallow. Generic medicines can look different because the inactive ingredients in the generic medicine may be different to the inactive ingredients in the original medicine.

Sometimes people can be allergic to excipients, both in brand name and generic medicines. If you are allergic to something it is important to check what your medicine contains, regardless of whether you are taking a branded or a generic medicine.

## Why are generic medicines less expensive?

It costs pharmaceutical companies a lot of money to develop and market a new medicine, and these costs are then passed on to the people who buy the medicines. The company that makes the original medicine takes out a patent so they are the only ones who can make this medicine, or make it using a particular process. This helps the company recover some of the costs associated with developing and marketing their new medicine.

Since generic companies do not have to make the medicine from scratch or, in most cases, pay for the research, development and marketing of a new medicine, and do not have to carry out the same range of clinical trials that the original medicine has to go through, it costs less for them to put the medicine on the market.

Generic medicines are also cheaper because of competition. When different makers of a medicine are competing against each other prices come down.

## Do generic medicines take longer to work in the body?

No. Because they have the same active ingredient and are delivered to the body in the same manner, generic medicines work in the same way and in the same amount of time as the original brand medicine.

>>

## Where are generic medicines produced?

Generic medicines are produced in factories all over the world. These factories must be approved by international regulators, including Medsafe, before they can provide medicines to New Zealand. Often, the factories that produce generic medicines are also producing the active ingredient for brand-name medicines.

It doesn't matter where in the world the factory producing the generic medicine is, the approval process and the standards for the medicines are the same.

Generic medicines are often produced by major pharmaceutical companies that also develop original brand-name medicines.

Many brand-name companies are now buying or going into partnership with generic medicines companies to expand the range of products they produce and broaden their revenue base.



New Zealand Government

Medicines can  
look different.  
It's what's inside  
that's important.

You can trust generic medicine to have the same active ingredients, same effectiveness and the same safety standards as the branded one it replaces. Find out more – go to [www.genericswork.org.nz](http://www.genericswork.org.nz) or call us on 0800 66 00 50.

**PHARMAC**  
Pharmaceutical Management Agency

### Contacting Us

Call us on **0800 66 00 50** (between 9am and 5pm, Monday to Friday),  
Write to us at: **PHARMAC, PO Box 10 254, Wellington** – we respond to all letters  
Email us at [enquiry@pharmac.govt.nz](mailto:enquiry@pharmac.govt.nz) – we respond to all emails

Information Sheets on various PHARMAC topics are available from our website: [www.pharmac.govt.nz/patients/infosheets](http://www.pharmac.govt.nz/patients/infosheets)  
If you have specific areas of interest (such as consultations, committees or vacancies), visit our website and subscribe to news feeds in the area(s) of interest to you: <http://pharmac.govt.nz/feeds>

**PHARMAC**  
Pharmaceutical Management Agency

New Zealand Government