

# Canadian online pharmacies face problems

April 6 2006

---

The Canadian online pharmacy industry, on which many U.S. customers depend, may have run into problems caused by its own growth.

The industry, which grew phenomenally as a cheaper alternative to soaring drug prices in the United States, faces falling sales caused by many smaller online pharmacies going out of business.

One estimate is that monthly drug sales from Canada to the United States have declined 20 percent to 30 percent since last June, reports The New York Times.

The report notes with the growth of the industry, surviving Canadian pharmacies are forced to either buy or become partners with pharmacies in Europe and Asia to find scarce drugs and improve profit margins.

Other challenges include a strengthening Canadian dollar that makes their drugs more expensive, and advertising costs to answer questions about product safety.

The industry also has been hit by the recent large seizures of shipments by U.S. officials, the Times reported.

These steps have scared off some of the industry's 2 million U.S. customers. These same customers also are beginning to see the U.S. Medicare prescription drug plan may not be as cumbersome as previously thought.

*Copyright 2006 by United Press International*

Citation: Canadian online pharmacies face problems (2006, April 6) retrieved 25 April 2024 from <https://phys.org/news/2006-04-canadian-online-pharmacies-problems.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.