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## **Detailed Key Findings and Messages From The Economic Footprint of Canada's Pharmacy Sector**

### **1. CANADA'S PHARMACIES ARE A LARGE AND GROWING COMMUNITY-BASED HEALTHCARE NETWORK**

**a) Canada's pharmacy sector included 12,558 locations in 2025, growing 1.7% year over year — broadly in line with population growth and rising healthcare demand.**

- The sector's scale and central role in medication access is reflected in the 877 million prescriptions dispensed and \$40.6 billion in prescription drug sales generated nationally in 2025.
- Canadians filled approximately 21 prescriptions per person in 2025, underscoring the essential role pharmacies play in ongoing patient care and chronic disease management.
- Ontario and Quebec account for nearly 60% of pharmacy locations and roughly two-thirds of prescription volume and value, reflecting the concentration of population and healthcare demand.
- Prescription volumes increased 2.6% year over year, indicating continued growth in demand for pharmacy services and medications.

#### **b) Community-Based Pharmacies Form the Foundation of the Sector**

- Independent and banner-affiliated pharmacies account for nearly two-thirds of all pharmacy locations nationally, highlighting the sector's strong community presence and local economic footprint.
- Independent pharmacies recorded the fastest prescription growth among major pharmacy formats in 2025.
- Banner and independent pharmacies are particularly prominent in Ontario and Western Canada, reinforcing the importance of locally operated pharmacies in delivering frontline care.
- The broad geographic distribution of community pharmacies supports healthcare access in urban, suburban, rural, and remote communities across Canada.

#### **c) Specialty Pharmacy Is Increasingly Important to Canada's Healthcare System**

- Specialty and clinic-based pharmacies are becoming a major driver of market value and complex patient care within the pharmacy sector.
- Specialty and clinic-based pharmacies generated \$13.4 billion in prescription drug sales in 2025, nearly one-third of total sector sales, despite representing only 4% of pharmacy locations.
- The growing role of specialty pharmacy reflects increasing demand for high-cost and complex therapies requiring specialized dispensing, patient support, and clinical oversight.

- Community pharmacies continue to dispense the majority of prescriptions nationally, serving as the primary access point for medication needs and frontline healthcare services.

*Key Messages For Governments and Policy Makers for these Key Findings*

**Pharmacies are essential healthcare infrastructure**

*Canada's pharmacies are a core part of the healthcare system, providing widespread access to medications and frontline care in communities across the country.*

**Community pharmacies strengthen local economies and healthcare access**

*With nearly two-thirds of locations operated as independent or banner-affiliated pharmacies, the sector combines healthcare delivery with strong local ownership, employment, and community investment.*

**Demand for pharmacy services continues to grow**

*Rising prescription volumes and continued expansion in pharmacy locations demonstrate increasing reliance on pharmacies to support an aging and growing population.*

**Pharmacies help improve healthcare system capacity**

*As highly accessible healthcare providers, pharmacies play an increasingly important role in supporting patients, managing chronic conditions, and reducing pressure on hospitals and primary care systems.*

**Specialty pharmacy is reshaping medication delivery and patient care**

*The rapid growth of specialty medicines highlights the need for policy frameworks that support evolving patient needs, medication complexity, and equitable access to advanced therapies.*

**Pharmacy policy decisions have broad economic and healthcare implications**

*Given the sector's scale, geographic reach, and role in medication access, pharmacy-related policies affect not only healthcare outcomes, but also employment, local economies, and healthcare system sustainability across Canada.*

## **2. CANADA'S PHARMACIES ARE ECONOMIC ENGINES NATIONALLY AND PROVINCIALLY**

### **a) The pharmacy sector is a major contributor to Canada's economy**

The pharmacy sector generated a total **\$22.9 billion in GDP** in 2024 including direct, indirect and induced effects, which is 0.8% of the country's total GDP.

Pharmacies themselves generated **\$12.0 billion in direct economic activity**.

The scale of pharmacy's direct GDP contribution is **comparable to or exceeds that of major Canadian industries such as:**

- Petroleum refineries
- Plastic manufacturing

- Aerospace manufacturing
- Paper manufacturing
- Pharmaceutical manufacturing

Pharmacy is not only a healthcare service, but a nationally significant economic sector.

#### **b) Pharmacies deliver broad economic spillover benefits across the economy**

With a GDP multiplier of 1.2, every dollar generated directly by pharmacies creates **an additional \$0.20 in activity** elsewhere in the economy.

The sector's economic impact extends well beyond pharmacies themselves:

- \$5.7 billion in indirect GDP impacts through supply chains
- \$5.2 billion in induced impacts through employee and business spending

The pharmacy sector is deeply interconnected with Canada's broader economic ecosystem.

#### **c) Pharmacies support a wide network of Canadian industries**

The pharmacy sector drives activity across multiple sectors, including:

- Retail trade
- Commercial real estate
- Finance and insurance
- Technology and IT systems
- Professional services
- Transportation and manufacturing

The sector supports not only healthcare employment, but also high-value service industries and local businesses across Canada.

#### **d) Pharmacy is a major provincial economic engine**

Ontario and Quebec account for the largest economic impacts:

- Ontario: \$8.4 billion total GDP contribution
- Quebec: \$6.1 billion total GDP contribution

However, the economic benefits are distributed nationally, with meaningful impacts across every province and territory, including rural and smaller-market regions.

This makes pharmacy an important contributor to regional economic development and local economic resilience.

#### **e) Pharmacy combines economic impact with essential public service delivery**

Unlike many industries with comparable GDP contributions, pharmacies deliver both significant economic activity combined with essential frontline healthcare services

Pharmacies therefore create dual public value by supporting economic growth and employment while improving healthcare access and system capacity

This combination makes pharmacy uniquely valuable from a public policy perspective.

#### **f) Pharmacy creates new economic value while strengthening Canada's health system**

Unlike many health expenditures that are viewed primarily as public costs, community pharmacy generates measurable economic activity through employment, business investment, household spending, supply chains, and government revenues while simultaneously delivering essential healthcare services.

Pharmacy therefore represents an opportunity for governments to advance both economic and health policy objectives through the same sector

*Key Messages For Governments and Policy Makers for these Key Findings*

**1. Pharmacy is not just healthcare infrastructure - it is economic infrastructure**

The pharmacy sector should be recognized as a major contributor to Canada's economy, comparable in scale to some of the country's largest industrial sectors.

Policies affecting pharmacy have direct implications not only for healthcare delivery, but also for economic growth, employment, and regional prosperity.

**2. Investments in pharmacy generate economy-wide returns**

Every dollar generated by the pharmacy sector creates additional economic activity across supply chains, local businesses, professional services, and household spending.

Supporting pharmacy sustainability and modernization is an investment with many measurable economic multipliers.

**3. Pharmacies strengthen local economies in every region of Canada**

Pharmacies create stable employment, commercial activity, and local investment in urban, rural, and underserved communities alike.

For many communities - especially rural and smaller centres - pharmacies function as both healthcare anchors and economic anchors.

**4. Pharmacy is an investment in economic growth and not simply a healthcare expense**

Supporting sustainable community pharmacy creates new GDP, jobs, wages, and government revenues while expanding access to healthcare. Few sectors deliver both economic and health returns at the same time.

### **3. CANADA'S PHARMACIES CREATE JOBS**

**a) Pharmacy is a major national employer**

The pharmacy sector directly employed approximately **193,000 people in 2024**, placing it on par with major service-oriented sectors such as child day-care services and employment services.

**b) Pharmacy employment has a significant multiplier effect across the economy**

Each direct job in pharmacy supports approximately **0.4 additional jobs** elsewhere in the economy meaning the sector supported an even larger total of **273,000 jobs in 2024**.

Beyond pharmacy employees, the sector supports employment across supply chains and related industries, including professional services, finance, real estate, logistics, manufacturing, and administrative services

**c) Pharmacy is a highly labour-intensive sector driven by skilled workers**

A larger share of the sector's economic output is paid directly to workers as wages and benefits rather than profits, reflecting the sector's reliance on a skilled workforce and the value of that workforce to the Canadian economy.

The pharmacy sector supports professional, service-oriented employment that is rooted in communities across the country.

Retail trade accounts for 74.1% of total pharmacy-supported employment, reflecting the sector's strong role in local, service-based job creation.

**d) Pharmacy employment is relatively evenly distributed across Canada, but has a disproportionately higher share in rural communities**

The sector supports jobs in every province and territory, with Ontario and Quebec accounting for the largest shares. This demonstrates pharmacy's role as a national employment engine with strong local and regional economic impacts.

Rural pharmacies employ a disproportionately high share of local residents, with employment levels 16–40% higher than urban pharmacies

*Key Messages For Governments and Policy Makers for these Key Findings*

**1. Pharmacy is a major employment engine for Canada**

With nearly 273,000 jobs supported nationally, pharmacy is a significant contributor to Canada's labour market and should be recognized as core employment infrastructure.

**2. Pharmacy jobs create additional jobs across the economy**

Every pharmacy job supports approximately 0.4 additional jobs in other sectors. This means policies that strengthen pharmacy also support employment in supply chains, professional services, real estate, logistics, and local businesses.

**3. Pharmacy supports highly skilled, community-based employment**

Pharmacy is a highly labour-intensive sector that relies on skilled professional and service-oriented workers, with a large share of sector output flowing directly to wages and benefits that support Canadian workers and families.

**4. Pharmacy employment supports local economic resilience across Canada**

Because pharmacies operate in communities across the country, pharmacy employment is locally anchored and contributes to economic resilience in urban, rural, and regional markets nationwide.

**5. Pharmacies are important employers in rural communities**

Rural pharmacies employ a disproportionately high share of local residents relative to population size, reinforcing their role as both healthcare providers and key sources of stable local employment in rural Canada.

#### **6. Pharmacy employment generates broad economic impacts beyond healthcare**

The pharmacy sector supports jobs not only within pharmacies themselves, but across a wide network of related industries that contribute to Canada's broader economic activity and productivity.

## **4. CANADA'S PHARMACIES CONTRIBUTE BILLIONS TO PUBLIC REVENUES**

### **a) The pharmacy sector generated \$6.3 billion in tax revenues**

The pharmacy sector generated approximately \$6.3 billion in tax revenues in 2024 across all levels of government:

- \$3.3 billion federal
- \$2.3 billion provincial
- \$0.7 billion municipal

Ontario and Quebec accounted for the largest shares of total tax revenue generation.

### **b) Pharmacy generates strong fiscal returns for governments**

Every dollar of economic activity generated by the pharmacy sector produces approximately **\$0.28 in tax revenue**.

Income taxes account for the largest share of these revenues, reflecting the sector's labour-intensive structure and substantial employment base.

### **a) The pharmacy sector generated \$14 billion in labour income in 2024**

The pharmacy sector generated approximately **\$14.0 billion in labour income** in 2024 through wages, salaries, and employer contributions such as pensions and employment insurance, including

- \$8.3 billion came from direct pharmacy employment
- \$3.2 billion came from indirect supply-chain activity
- \$2.5 billion came from induced economic activity linked to household spending

Labour income accounts for 61.1% of the pharmacy sector's GDP contribution, well above the national all-industry average of 51%.

The sector is a significant contributor to household income and local economic activity across Canada.

### **c) Pharmacy generates substantial income benefits across all provinces, including 5.2 Billion in Ontario and \$3.8 Billion in QC**

Every province and territory benefits from pharmacy-related wages, salaries, and associated economic activity.

The largest labour income impacts occurred in:

- Ontario: \$5.2 billion
- Quebec: \$3.8 billion
- British Columbia: \$1.8 billion
- Alberta: \$1.5 billion

*Key Messages For Governments and Policy Makers for these Key Findings*

**1. Pharmacy is an important source of government revenues**

The sector contributes more than \$6 billion annually in tax revenues to federal, provincial, and municipal governments, supporting public services and fiscal capacity.

**2. Pharmacy helps grow the government's revenue base**

A strong pharmacy sector generates new tax revenues through employment, business activity, and household spending. Supporting pharmacy is not simply a public expenditure. It also strengthens governments' long-term fiscal capacity.

**3. Pharmacy creates broad-based economic value through people, not capital**

A larger share of pharmacy sector output flows directly to workers as wages and benefits compared to the Canadian economy overall.

The sector's economic contribution is driven by a highly skilled workforce delivering community-based services across the country.

**4. Pharmacy is a major contributor to household income and economic stability**

The sector generates \$14 billion annually in wages, salaries, and employment-related income, supporting workers, families, and local economies in every region of Canada.

**5. Pharmacy generates economic activity well beyond pharmacy operations**

Labour income generated by the sector supports additional economic activity through supply chains, household spending, and service industries across the broader economy.

**5. RURAL PHARMACIES ARE MAJOR ECONOMIC AND COMMUNITY HEALTHCARE ANCHORS**

**a) Pharmacies are major economic and community anchors in rural Canada**

More than one in every 100 rural residents are employed in pharmacy

Rural pharmacies employ a disproportionately high share of local residents, with employment levels 16–40% higher typically seen in urban communities

Beyond healthcare delivery, pharmacies contribute to local economic stability and community resilience.

According to the Coalition for a Better Future, rural communities themselves contribute disproportionately to Canada's economy — representing just 13% of the population while

generating more than 27% of GDP — and underpin industries critical to Canada’s economic resilience and trade competitiveness.

Given pharmacies’ enhanced economic and healthcare role in rural communities, sustaining pharmacies’ ability to keep these communities healthy is directly tied to Canada’s broader economic prosperity and resilience.

#### **b) Pharmacies are filling critical rural healthcare gaps**

Pharmacists are increasingly delivering frontline services such as chronic disease management and prescribing for minor ailments.

These services help reduce pressure on emergency departments and strengthen rural healthcare systems.

#### **c) Pharmacies improve healthcare accessibility in rural communities**

Pharmacies offer convenient locations, extended hours, and walk-in access.

These accessibility advantages are especially important in rural areas where primary care providers are often more than 35 km away.

#### **e) Pharmacies provide stronger continuity of care in rural communities**

Rural physician shortages often require temporary physicians, limiting long-term patient-provider relationships.

Community pharmacies and their teams are stable, locally embedded providers whom patients see regularly.

Pharmacies see patients up to 10 times more frequently than family physicians

Pharmacists remain in rural practice longer on average than family physicians (15 years vs. 11 years).

#### **f) Rural pharmacy workforce shortages are worsening**

Pharmacy is the only healthcare profession in Canada where the rural supply-demand gap is projected to widen significantly (14% growth from 2022–2029).

At the same time, the projected gap for family physicians is expected to narrow.

#### *Key Messages For Governments and Policy Makers for these Key Findings*

##### **1. Rural pharmacies are essential community infrastructure**

Pharmacies are not only healthcare providers but also key economic and social anchors that support thriving rural communities and the industries critical to Canada’s economic resilience and trade competitiveness

##### **2. Sustaining rural pharmacy access supports Canada’s broader economic resilience**

Rural communities contribute disproportionately to Canada’s economy, and pharmacies play an essential role in keeping the workers, families, and communities behind those industries healthy, productive, and resilient

**3. Pharmacies are increasingly central to rural healthcare delivery**

As healthcare access challenges grow, pharmacies are becoming indispensable frontline access points for chronic disease management, minor ailments, and ongoing patient care.

**4. Pharmacies improve access where rural healthcare gaps are greatest**

Convenient access, extended hours, and walk-in availability make pharmacies one of the most accessible healthcare touchpoints in rural Canada, particularly in communities with limited access to primary care providers.

**5. Pharmacies help strengthen healthcare system capacity in rural Canada**

By delivering more frontline care services locally, pharmacies help reduce pressure on emergency departments and strengthen the overall resilience of rural healthcare systems.

**6. Pharmacy teams provide continuity and trusted long-term relationships**

Unlike temporary physician staffing models, rural pharmacies and their teams offer stable, long-term care relationships that strengthen patient outcomes and community trust.

**7. Rural pharmacy workforce shortages pose a growing risk**

Demand for rural pharmacy services is rising while workforce shortages are worsening, creating an urgent need for targeted workforce planning, recruitment, retention, and rural practice support policies.

**Overarching Message:** Governments increasingly pursue policies that strengthen Canada's productivity, workforce participation, economic competitiveness, and healthcare sustainability. Community pharmacy is one of the few sectors that advances all four objectives simultaneously.