

SELECTED DEFINITIONS

Basic Research: The National Science Foundation defines basic research as "original investigations for the advancement of scientific knowledge... which do not have specific commercial objectives, although they may be in fields of present or potential interests to the reporting company." The National Science Foundation studies using this definition show the "drug industry" to be the leader among industries engaging in basic research.

Bulk: For use as a pharmaceutical or medicinal product in further manufacture or in packaging, or for processing in animal feeds (but not as nutritional ingredients), or in prescription compounding, etc.

Company Financed Research and Development Expenditures: The total cost (worldwide) incurred for all pharmaceutical, biological and medical research and development activity financed by PMA member firms. These figures include cost of salaries, other direct costs, service, routine supplies, and supporting costs, plus a fair share of overhead (administration, depreciation, space charges, rent, etc.).

Excluded are costs of drug or medical research and development conducted on grant or contract for other companies, government agencies, and so on. Conversely, total outlays for all research and development work contracted to others (manufacturers, independent research laboratories, academic institutions, etc.) are included.

Company or firm is defined to include the parent company and affiliated, subsidiary or other related organizations under the same parent ownership.

Domestic U.S. Sales to Governments: Sales or shipments made directly to federal, state or local government agencies, hospitals and clinics.

Domestic U.S. Sales to Private Sector: Sales through regular marketing channels other than government agency administration or distribution.

Employment: Total number of full-time employees and full-time equivalent of those working part-time in ethical drug facilities.