

New BIOTECanada Survey Finds Almost 7,000 High Skilled Science Jobs to be Lost, *Canada losing role in future bio-economy*

(OTTAWA, July 15, 2009) The recession continues to take its toll on emerging companies seeking capital investments to commercialize science discoveries in biotechnology. In an updated survey of Canada's emerging biotechnology companies, BIOTECanada was alarmed to see an incredible 70 per cent of companies will be out of cash and unable to continue their current research operations within a year. Most disturbing for Canada's economy is these companies are managing existing cash by reducing staff and ending programs. The results build on the findings of BIOTECanada's December 2008 survey, which found that 50 percent of firms would be out of cash within twelve months.

"These worrying statistics point to further layoffs of highly educated scientists, researchers and entrepreneurs in the fields of agriculture, medical innovation, renewable energy production and industrial research. By potentially losing its international foothold, Canada may be going down a path where it is unable to provide the necessary environment a stable knowledge-based economy needs to retain this talent," said Brad Thompson, President and CEO of Calgary's Oncolytics, a cancer biotech drug developer, and Chairman, BIOTECanada Board of Directors. "The impact of these losses on Canada's long term economic well-being cannot be understated."

BIOTECanada calculates over 2,500 high skilled researchers and scientists have already been laid off. This number will increase to over 7,000 permanent cuts within a year if short-term financing cannot be obtained to bridge companies until the normal investment market reopens.

The industry contributed in excess of 12.3 per cent to Canada's private sector research and was the only industry to increase its R and D commitment in 2008. The OECD forecasts that biotech will be the main source of new medical treatments within the next 10 years, providing 1 new drug or treatment per year; and will be an increasingly important source for chemical, plastics and energy production.

Many developed nations including the US, UK, Israel, Australia, and even Norway, have announced multi-billion dollar loan or investment programmes directed to their biotechnology industries." explained Peter Brenders, President and CEO of BIOTECanada. "The loss of so many jobs and programs means Canada will effectively be giving its research to other countries to capitalize on."

"Other developed countries are demonstrating deep commitment to their biotechnology industries with immediate, multi-billion dollar loan and assistance programmes. Canada has developed a world-class biotechnology industry. This investment may be threatened if similar time-sensitive solutions are not implemented here," said Ross MacLachlan, President and CEO of Lignol Energy Corporation, a Burnaby BC biofuels and biochemicals company.

The industry remains in discussions with the federal government on a plan to ensure support for the sector. The plan is based on a temporary loan program to allow firms to sustain operations.

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“Firms in the sector are trying innovative ways beyond layoffs to extend their operations,” affirmed Yves Rosconi, President and CEO, Montreal’s Theratechnologies, a biotech drug developer. “I do see more companies than before seeking strategic partnerships, moving operations or engaging in co-development. Capital investor markets will return and the goal is to ensure we have viable Canadian companies and jobs to re-establish our place in the global bio-economy.”

“The government certainly recognises the value of private sector innovation, so we hope they will see the opportunity to help bridge the sector through this crisis as part of the short and long term economic recovery strategy,” stated Brenders. “But, the urgency to act is now.”

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ABOUT BIOTECCanada www.biotech.ca

BIOTECCanada is dedicated to the sustainable commercial development of biotechnology innovation in Canada. It is the national industry-funded association with over 250 member companies representing the broad spectrum of biotech constituents including emerging and established firms in the health, industrial, and agricultural sectors, as well as academic and research institutions and other related organizations.

