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BIOTECANADA CALLS FOR GOVERNMENT TO LISTEN TO CANADIANS, SUPPORT INNOVATION INDUSTRIES

CANADIAN BIOTECH JOBS AND INNOVATION AT RISK AS 50 % OF FIRMS REPORT CASH SHORTAGE

Ottawa - (January 15 2009) – BIOTECCanada renewed its call for the federal government to support innovation in the upcoming federal budget, highlighting the strong contribution of life sciences to Canada’s research and discovery infrastructure.

“The failure of substantial numbers of Canadian biotech companies will mean the loss of thousands of high-value jobs, years of public investment in our research infrastructure and potentially hundreds of new discoveries,” said Peter Brenders, President and CEO of BIOTECCanada.

In third and fourth quarter 2008 alone, Canadians were responsible for 10 internationally published discoveries, including revitalizing immune cells in HIV patients, identifying the genes responsible for a deadly heart mutation and creating a test for the condition; and the discovery of the genetic key to Alzheimers. These firsts build on a twenty year legacy of innovation, discovery, and commercialization that has created the fifth largest global biotechnology market in Canada. Based on economic research published in the Journal of Industrial Biotechnology, biotechnology contributes 6.4 percent (\$78.3 billion dollars) to our GDP, and employs over 1 million people in a multitude of sectors. Canada’s biotechnology sector plays a vital role in our economic future.

The future of this innovation is at risk, as a new CEO survey indicates that 50 percent of emerging biotechnology firms lack the cash needed to stay open past the end of 2009. 25 percent lacked the resource to stay open past June 2009.

“These firms are not suffering from structural problems or bad business decisions, they simply need investment and Canadians are telling us they want to see government action to save the sector,” said Brenders.

Canadians indicated they support priority action to provide economic stimulus for the knowledge-based sector. Polling conducted by Nanos Research from January 3rd to the 7th 2009 found that 86 percent of Canadians identified biotechnology as important to Canada’s future economic prosperity, and viewed the knowledge-based sector as the priority for economic stimulus, with 81 percent supporting assistance for biotechnology firms, more than for any other industry sector.

“The message from Canadians is clear: they value our contribution, and they value federal investment in this sector,” said Brenders. “Our proposed action plan is revenue-generating and will facilitate investment and job retention to bridge companies through the downturn, building a strong innovation-driven economy for Canada’s future. We are optimistic that the government’s support for science and technology will translate into the upcoming federal budget.”

BIOTECCanada is proposing a revenue-generating, three point action plan of targeted measures that create incentives for greater investment in Canadian firms and generate long-term global competitiveness and job retention.

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The proposal is based on: providing small firms a one-time opportunity to monetize their tax losses, contingent on reinvestment in R&D; making all companies spending in Canada on research eligible for refundable tax credits under the SR&ED tax credit program, to support domestic jobs; and stimulating financing by exempting new biotech investments from future capital gains.

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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 230 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.

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