

**DELIVERED BY COURIER**

February 23, 2010

The Honorable Dwight Duncan  
Minister of Finance and  
Chair of Management Board/Treasury Board of Cabinet  
Frost Bldg. South, 7<sup>th</sup> Floor  
7 Queen's Park  
Toronto, ON M7A 1Y7

Dear Minister Duncan:

I am writing to you on behalf of The Biotechnology Initiative (TBI), the voice of bioscience in Ontario, to contribute the views of our organization to your preparations for the 2010 budget of the Government of Ontario.

Ontario is a major North American bioscience hub that employs more than 50,000 Ontarians at more than 800 companies and generates more than \$11 billion in revenues annually. The sector includes drug manufacturers, firms developing biopharmaceutical products, firms undertaking research or manufacturing on a contract basis, agricultural biotech organizations, clean tech entities and firms that offer consulting services to the sector, including lawyers, accountants, engineering firms, IT firms and health consultants. Universities, hospitals and research centres across Ontario also play a pivotal role in the research and development activities of this sector.

TBI, the largest and most successful community based bioscience organization in Canada, with a membership base that is drawn from each of the above-noted elements of the bioscience community, has a unique perspective of the importance of the sector to Ontario.

The members of TBI acknowledge the unprecedented challenge faced by the Government in seeking the return of the province to economic health. At the same time, we believe that the Ontario bioscience community has an important role to play in helping the Government to achieve this objective.

**Critical Need For Capital**

In earlier submissions to you, the Minister of Research and Innovation and the Premier, we have highlighted the critical shortage of capital in Ontario available for early stage and emerging



bioscience companies, and we have proposed a number of technical changes to a number of such programs. Notwithstanding the best intentions of the Government, there continues to be an unacceptable shortage of capital available for emerging life sciences companies in Ontario. The recent announcement of Canada's Venture Capital and Private Equity Association (CVCA) that venture capital investment in 2009 is the lowest in 13 years and that from a regional perspective, 2009 saw a significant shift of the regional ordering in favour of Quebec relative to Ontario, underlies how critical this issue is to our sector. The CVCA announcement noted that the Quebec venture capital market has benefited from concerted efforts by the Quebec provincial government, institutional investors and an ongoing robust retail environment.

In last year's budget, your government created the Ontario Emerging Technologies Fund that promised \$50 million per year over a 5-year period, in a number of technologies including life sciences. In the year since the announcement, to our knowledge, not one investment has been made into a life science company under this program. With all due respect, this is not an acceptable result given the critical capital shortage in this province that is well documented.

We urge the Government of Ontario, without further delay, to undertake, in consultation with the community, a comprehensive review of its programs supporting Ontario's research and innovation activities. We need to understand why so many of the existing programs have achieved so little, how the programs and activities of the Government compare to similar efforts being undertaken by other governments in Canada and in other jurisdictions, and what can be done to improve the performance of the Government of Ontario in this essential governmental role. It is simply unacceptable for the Government to allow Ontario's emerging bioscience community to fall further behind our provincial and international competitors that has occurred in recent years.

### **An Ontario Biopharmaceutical Strategy**

We have also reviewed the Pre-Budget Submission of Canada's Research-Based Pharmaceutical Companies (Rx&D). The Rx&D submission contains a number of sensible and well-conceived recommendations that have the potential to improve the climate for the commercialization of innovative medicines in Ontario. The Government of Ontario needs to embrace the potential for the biopharmaceutical sector to make an important contribution to economic health of the Province and implementing the Rx&D recommendations would be an important step in the right direction.

Last Fall, the Government of Quebec announced a new biopharmaceutical strategy for the province. Ontario desperately needs a similar initiative. We have previously recommended such



an initiative to the Minister of Health in the context of the ongoing drug program review. It would be tragic if the Government were to miss this important opportunity to capture the economic development potential for all residents of Ontario that it possesses in its reimbursement role under various programs within the mandate of the Ministry of Health and Long Term Care.

All of us have an important role to play in working together in the best interests of the residents of Ontario. TBI and its members are committed to working cooperatively with the Government at this time of historic challenges, and we sincerely hope that you and your colleagues will accept our offer and recognize that our advice is timely and in the public interest, before the budget is finalized.

Yours truly,

THE BIOTECHNOLOGY INITIATIVE



Lorne Meikle  
Chair and President

Copy:           The Honourable Dalton McGuinty  
                  The Honourable Deb Matthews  
                  The Honourable John Milloy  
                  TBI Board of Directors

