



Notes for Remarks by

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Building a Strong Life Sciences Sector in Atlantic Canada

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## INTRODUCTION

Thank you for that introduction.

First let me say I consider it a great honour to speak to you today. I always enjoy traveling to Atlantic Canada in general and Halifax in particular not only for the beauty of your geography but also for the hospitality of the people.

I must also congratulate all those involved in organizing this event. Truly, it shows your commitment to put Atlantic Canada on the map in terms of biotechnology.

I am very encouraged to see that Nova Scotia, Premier Rodney MacDonald has declared this week “*Biotechnology and Life Sciences Week in Nova Scotia.*” Clearly, this sends out a very positive signal that the provincial government is serious about creating a welcoming environment for life sciences research and investment.

Today, we have a tremendous opportunity to put science to work for not only the betterment of the human condition but also our planet as well. It also gives us an unprecedented opportunity to reap the rewards of innovation: a better health care system, more jobs, a stronger economy and a better quality of life.

## WHO WE ARE

Before I get to today’s theme, Going Glocal, let me first give you a bit of background on our community.

*Canada’s Research-Based Pharmaceutical Companies (Rx&D)* is comprised of more than 50 companies of all sizes. We employ 22 thousand people across Canada and are responsible for creating 100,000 jobs in the overall economy. Member companies also invest about one billion dollars in research in Canada on an annual basis. Our association is part of the global pharmaceutical industry that developed the majority of the medicines available today.

Our mission is to improve the quality of life of all Canadians and enhance our health care system by fostering the discovery, development and availability of new medicines and vaccines.

Our Association and our member companies are biopharma friendly. Almost 20 % of our members are part of our biopharmaceutical category. We are always interested in increasing our membership so let me use this opportunity to make a shameless pitch for those who qualify to join our ranks.

Together, we can be stronger and our industry more dynamic.

## OUR RELATIONSHIP WITH BIOPHARMA

Where will the next great discovery in medicine come from? Could it come from Atlantic Canada? Could it involve someone in this room? Or could it come from a lab in San Francisco or Singapore?

Clearly, the process of discovery is changing. Smaller, more flexible companies are often incubators of innovative ideas. That is why you are seeing more and more partnerships involving pharmaceutical companies and biopharma firms.

A few years ago, the association established the Biopharmaceutical Consultative Group as part of the Rx&D Renewal Process. The Group allows the association to keep abreast of the needs and key issues of the biopharmaceutical sector in order to foster a stronger human health biotechnology sector in Canada. This group can coordinate its action with other Rx&D Committees, build tools to facilitate bio-partnering and pursue synergies with external groups.

## MAPPING LIFE SCIENCES IN NOVA SCOTIA

It's difficult to move forward without knowing where you stand. That's why the asset map created by BioNova and its many partners in the private and public sector was an extremely valuable exercise. Life Sciences is an industry making an impact on the Nova Scotia economy with 11 hundred employees generating \$ 58 million in payroll for the economy and 500 products in the global marketplace.

The asset map report demonstrates that Nova Scotia has a well trained workforce, good transportation infrastructure, a medical school, teaching hospitals and companies that are exporting to markets all over the world.

It also identifies some challenges that need to be addressed. For example, the report calls for a more strategic focus, recruitment of political champions and recommends that we explore new ways to bring the public and the private sectors together for commercial success.

## SUPPORTING IMPROVEMENTS TO SR&ED

Obviously, the federal environment is important as well and we've been working with our partners on a number of important fronts.

Our Association and its member companies have worked hard for years to strengthen intellectual property rights that provide the cornerstone for innovation. This paid off last year, as the Government of Canada improved data protection regulations to provide eight years of protection for new discoveries. We've worked with Health Canada to streamline the drug approval process and eliminate the backlog for new drugs and biologics and we've made great progress. And we have been in agreement with the many patient and

professional groups advocating for reform of the Common Drug Review to open up access to patients.

Another priority is Canada's Science and Technology (S&T) strategy. As you know, the Scientific Research & Experimental Development (SR&ED) program is a key linchpin for the strategy and we have been working closely with BIOTECanada and others to strengthen and modernize SR&ED to boost access to capital and investment and leverage more private sector involvement in research and development.

Here in Atlantic Canada, the presence of research based pharmaceutical community companies is both significant and growing. We invest about 19.5 million dollars annually and support clinical trials which provide access to new discoveries for thousands of people.

There are many other examples of patient-focused and community-based initiatives which our member companies are proud to support.

We also take great pride in contributing to community based and patient focused initiatives in every province that utilize the great skills and brain power of our researchers.

For example, here in Nova Scotia, one of our member companies Wyeth Pharmaceuticals is a partner in the creation of a Clinical Research Chair in Vaccines at Dalhousie University. This partnership with the Canadian Institute for Health Research and the university is aimed at broadening our knowledge of infectious diseases and the vaccines used to treat them.

Another Rx&D member company, Pfizer is involved in a community based study known as ANCHOR at the Queen Elizabeth II Health Sciences Centre. This collaboration between the private and public sectors is aimed at reducing the risk of heart disease.

Our efforts are also directed toward expanding access to the latest treatments and in its last budget, the Government of Nova Scotia took a positive step in extending pharmacare coverage to working families. Our position has always been that no family should have to choose between buying groceries and having access to life saving and life-enhancing medicines.

#### A HEALTHY PARTNERSHIP

Clearly, we do our best work when it's done in partnership. I see great promise in the joint working group that has been formed involving Nova Scotia's health and economic development ministries and the innovative pharmaceutical industry. When we invest in health we also invest in a healthy economy.

We've seen this happen in Quebec where the government recently implemented a new pharmaceutical policy which accepts our industry as a partner in health-care rather than as a mere supplier of a commodity. This innovative approach integrates health and

economic policy and the result has been more jobs, more investment and better health outcomes.

#### GOING GLOCAL- PROMOTING INNOVATION AT ALL LEVELS

I believe that everyone here today is aware of the huge potential that biotechnology has to change our lives. It's not just about the potential to produce products that create wealth and improve our quality of life. But also, biotech holds out possibilities for tackling some of the larger problems that plague our world.

For example: What if we could grow nutritious foods in areas that are now barren? We could feed the world's hungry.

What if we could put biotechnology to work to combat pollution? We could potentially have cleaner air and water, slow the pace of climate change and create a sustainable environment for our children.

And of course, what if we could put biotechnology to work to find a way to prevent Alzheimer's disease or a vaccine for HIV/AIDS? We know that the potential to use biologics to prevent, fight and treat disease extends as far as our imaginations. Today, there are two thousand medicines and vaccines in the development pipeline. 400 of them are biopharmaceuticals. .

In less than 20 years, the biopharma industry has brought to market 300 new medicines to treat 150 conditions.

Again, we know the power and potential of this industry. But what about our neighbours? What about the decision makers and the political leaders who set the priorities for our people?

Part of our job is to explain the huge potential that exists to improve our lives and our standard of living and to advocate for policies to create the conditions for successful development and commercialization of the products we can create.

But first we need to put conditions in place to make that happen. BIOTECanada recently released a survey which highlights the dynamic facing the Canadian biotech industry. The majority of companies surveyed seeks to raise more than \$10 million in their next round of financing.

More than 40% of companies are seeking more than \$20 million. Access to capital was ranked as the number one barrier to successful commercialization of intellectual property by 78% of those surveyed.

The stakes are very high here as BIOTECanada's figures show. With more than 500 companies spending \$1.8 billion annually, the industry contributes more than 12% of the total business research and development spending in Canada.

The other conditions we must address include a strong intellectual property regime, a regulatory system that is efficient and effective. And perhaps, most importantly, patients and their health providers must have access to the new treatments that we produce. If patients cannot have access to the power and benefits of innovation, the rewards of innovation will go elsewhere. And as everyone in this room knows, the global competition is fierce.

Ours is a business that carries huge risks. It requires almost a billion dollars in investment to develop a new drug and it takes around 14 years for approval. Only one in five to ten thousand of those that start out in the lab will actually make it to the pharmacists' shelf.

Collaborations and partnerships can overcome some of those hurdles, help manage the risks and allow us to share the potential rewards.

#### THE WISE WORDS OF HENRY FRIESEN

As I mentioned, if the life sciences industry is to grow and prosper in this region, it needs to have champions....leaders in both government and industry who can speak forcefully about the benefits of innovation. One such leader in Canada is Henry Friesen who is not only a great scientist, administrator and innovator but also a great communicator.

Dr. Friesen said and I quote: "It's time to see our health system not simply as a provider of health for Canadians, but as a generator of wealth for Canada. The Healthcare sector should be viewed not as a cost to be borne, but as an opportunity to be explored."

Dr Friesen also urged us to look beyond the horizon and set clear goals for ourselves to become experts in specialized areas of life sciences. In that way we can harness our hidden potential to develop products and expertise that "not only benefits Canadians, but which can be exported around the world."

Again, I congratulate everyone who worked so hard to organize this conference and all those who are involved in building the biotechnology industry here in Atlantic Canada.

I urge everyone in this room to take up the challenge and make us world leaders in health sciences innovation.

I thank you for your time and I would be happy to answer any of your questions.