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Research Study for Bio 2002

July 2002

July, 2002

Research Summary

To: IPC

From: Earncliffe

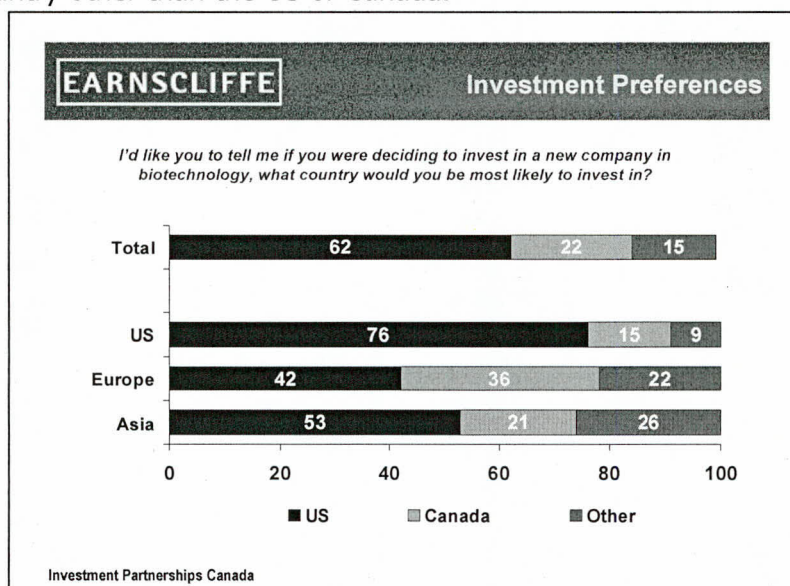
Re: Research Study for Bio 2002

Earncliffe Research and Communications conducted a research study of international biotechnology investors at the Bio 2002 conference in Toronto, June 3-4, 2002. In total, interviews were conducted with 170 individuals, 89 from the United States, 55 from Europe, and 26 from Asia. The primary objective of the research was to survey international biotechnology investors on three main issues:

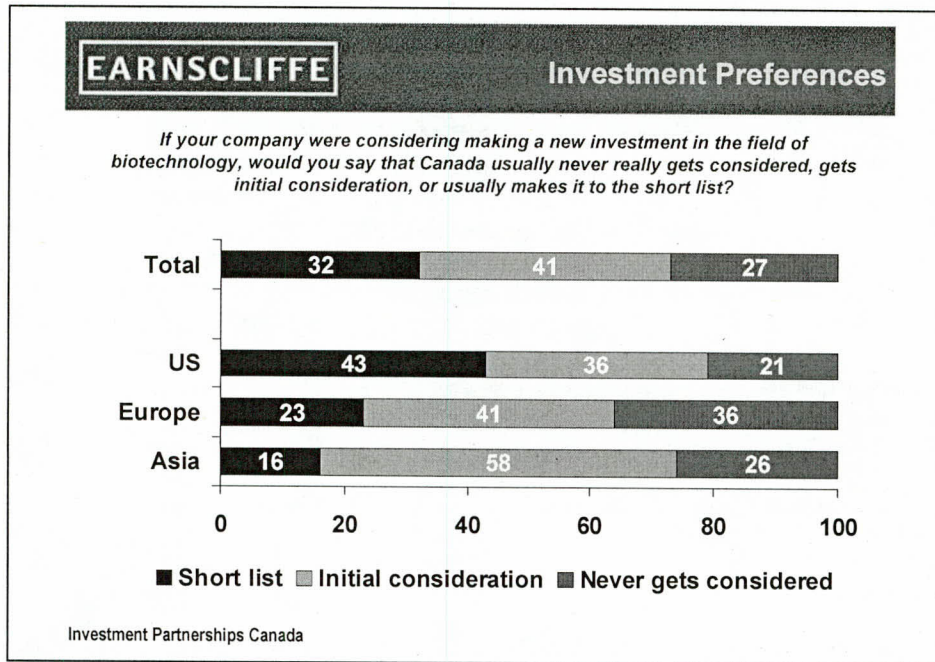
- Ideal locations for investment in biotechnology, including Canada
- Evaluation of Canada versus other top investment locations on 14 attributes
- Strengths and weaknesses of Canada as a location for biotechnology investment

Key findings from this survey are as follows:

1. **North America is perceived to be the ideal place to invest in biotechnology.** 62% of respondents suggested that the United States would be the country they would most likely make a biotechnology investment in, while another one in five respondents (22%) suggested that Canada would be the ideal location. Only 15% of the sample chose a country other than the US or Canada.



2. **Most say Canada gets at least initial consideration when their companies are making investment decisions, including 32% said that Canada usually makes the "short list".** Respondents from the US were most likely to give Canada consideration (79%), and most likely to have Canada on their short lists (43%).



3. **On many attributes, these respondents perceive Canada to be more attractive than other potential investment locations.** Specifically, these individuals perceive that Canada's strongest attributes are:

- Political culture supportive of biotechnology
- Political culture supportive of business
- Good educational institutions
- Good regulatory system
- Supply of qualified researchers/scientist

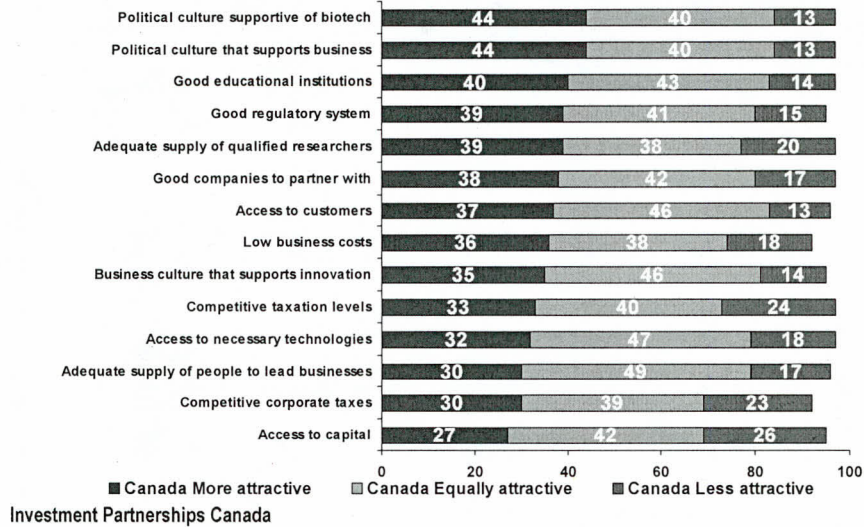
These respondents perceive that Canada's weakest attributes compared to other countries are:

- Competitive corporate taxation levels
- Access to capital

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Comparing Canada to Best (Total)

I'd like you to tell me how Canada rates in each of the following areas. In each case, please tell me if you think Canada is a lot more attractive, a little more attractive, about equally attractive, a little less attractive, or a lot less attractive compared to the the most attractive country to invest in

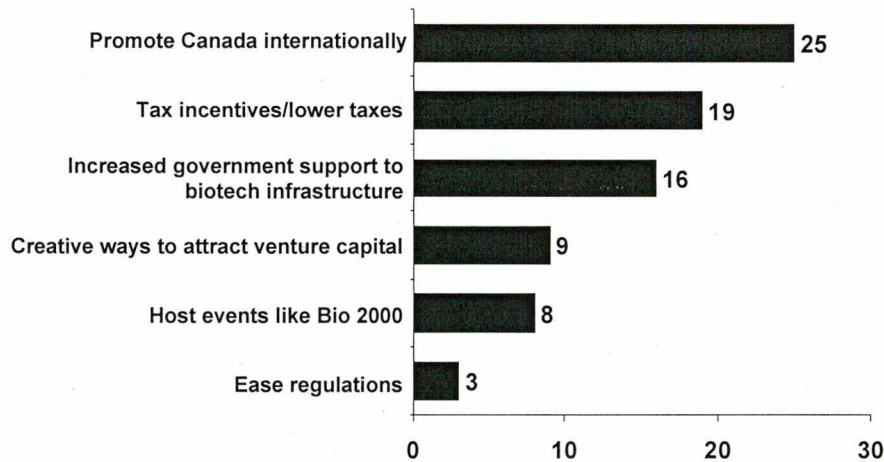


4. Respondents were asked to provide a piece of advice on how Canada might attract more biotechnology investment. Three suggestions topped the list: more promotion of Canada as a potential investment location, improved tax incentives for biotech investment and more government investment in biotechnology infrastructure.

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How Canada Can Attract Investment

If you could offer one piece of advice to Canada in terms of how to attract a greater share of investment in the biotechnology or life sciences field, what would it be?



Conclusions

Canada compares favourably to other potential investment locations on a range of investment attributes, particularly those that relate to its political culture and its biotech labour pool. The latter finding is quite important in the light of previous IPC research among U.S. investors that suggests that a pool of highly skilled researchers is a critical bottom-line attribute. While it receives a moderate level of consideration for biotech investment from potential international investors, there appears to be a significant percentage of instances where Canada does not make the "short list" for investment.

Means of improving this situation appear to lie chiefly in the realm of information dissemination to potential investors worldwide, information which should focus on highlighting some of Canada's strongest attributes and that illustrate Canada's competitiveness with other potential investment locations in the areas of taxation and biotech infrastructure.

Final Questionnaire for Bio 2002 Site Survey

Hello, my name is _____, from Earncliffe Research and Communications. I'd like to ask you a short series of questions about your perceptions of Canada in relation to biotechnology and life sciences, if you would be kind enough to spare a couple of minutes. (If they ask who is the sponsor, tell them that the sponsor will be identified at the end of the survey)

First of all, I just want to ask you a couple of questions about you:

1. What country are you from?

(Quotas: At least half of the 400 respondents will be from countries other than Canada: We would like to get at least 100 from the US, 50 from Europe, and 50 from Asia)

2. In what country (or countries) does your company have operations?

3. What is your position title?

4. I'd like you to tell me if you were deciding to invest in a new company in the biotechnology or life sciences field, what country do you think would be the most attractive place to make that investment in?

5. **(If respondent did NOT name Canada in Q4)** And compared to that country, I'd like you to tell me how Canada rates in each of the following areas. In each case, please tell me if you think Canada is a lot more attractive, a little more attractive, about equally attractive, a little less attractive, or a lot less attractive. How about in terms of

5a → m

- 5a Having good educational institutions
- 5b Having an adequate supply of qualified scientists and researchers
- 5c Having an adequate supply of people who are qualified to lead businesses
- 5d Having competitive levels of taxation
- 5e Having a political culture that supports the field of biotechnology and life sciences
- 5f Having low business costs
- 5g Having good companies to partner with
- 5h Having access to capital and debt at reasonable costs
- 5i Having good access to necessary technologies
- 5j Having good access to customers for your products and services
- 5k Having a good regulatory system
- 5l Having a political culture that supports business and entrepreneurship
- 5m Having a competitive corporate tax regime

Having a business culture that emphasizes innovation, research and development

- 6a → n
6. (If respondent did name Canada in Q4) Compared to most other countries where you might consider making an investment in the biotechnology or life sciences field, could you tell me in each of the following areas if you think Canada is a lot more attractive, a little more attractive, about equally attractive, a little less attractive, or a lot less attractive. How about in terms of ...

- 6a Having good educational institutions
- 6b Having an adequate supply of qualified scientists and researchers
- 6c Having an adequate supply of people who are qualified to lead businesses
- 6d Having competitive levels of taxation
- 6e Having a political culture that supports the field of biotechnology and life sciences
- 6f Having low business costs
- 6g Having good companies to partner with
- 6h Having access to capital and debt at reasonable costs
- 6i Having good access to necessary technologies
- 6j Having good access to customers for your products and services
- 6k Having a good regulatory system
- 6l Having a political culture that supports business and entrepreneurship
- 6m Having a competitive corporate tax regime
- 6n Having a business culture that emphasizes innovation, research and development

7. If your company were considering making a new investment in the field of biotechnology, would you say that Canada never really gets considered, gets initial consideration, makes it to a short list?
8. If Canada has one major strength in terms of attractiveness for investment, what would you say that it is?
9. What would you say are the two or three weaknesses that might prevent an investor from investing in Canada?
10. If you could offer one piece of advice to Canada in terms of how to attract a greater share of investment in the biotechnology or life sciences field, what would it be?

Thank you very much for your time and for your thoughts.