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OPINION

Canada's biotech boom won't matter if the growth happens somewhere else

Companies and investors need confidence that discoveries made in Canada can continue to be developed and commercialized here.

Health Minister Marjorie Michel. Canada already has a significant advantage in biotechnology and life sciences. The question is whether we are able to fully capitalize on it, writes Wendy Zatylny. *The Hill Times photograph by Andrew Meade*

BY WENDY ZATYLNY

Canada's next generation of economic growth may not come from the industries on which we have traditionally relied.

Instead, it may come from technologies such as artificial intelligence systems that help scientists identify promising new medicines faster, or living tissues created through 3D bioprinting to restore functions the body has lost. It may come from vaccines and diagnostics that protect patients while strengthening Canada's ability to respond, not if, but when the next health threat arrives.

Wendy Zatylny is president and CEO of BIOTECanada. *Handout photograph*

At a time of trade uncertainty and geopolitical tension, countries around the world are competing to secure the industries that will drive future growth. Canada already has a significant advantage in biotechnology and life sciences. The question is whether we are able to fully capitalize on it.

From scientific strength to economic strength

Across the country, Canadian researchers and companies are working at the edge of what is scientifically possible, with strengths in genomics, radiopharmaceuticals, regenerative medicine, and advanced biomanufacturing.

For patients, biotechnology can mean a better diagnosis, or access to a therapy that didn't exist before. For Canada, that science can become valuable intellectual property, investment, and highly skilled jobs.

That economic value is already visible. The sector has attracted more than $30-billion in investment in recent years, and Canadian Venture Capital and Private Equity Association reporting has ranked life sciences as Canada's second-highest investment sector after information and communications technology.

Government has recognized that potential. Recently expanded Scientific Research and Experimental Development eligibility (Canada's largest single source of federal government support for domestic research), and restored support for capital expenditures are important steps for research-intensive companies. Last year, Ottawa committed $1-billion to the Venture Capital Catalyst Initiative, which included a crucial carve-out for life sciences, while the Business Development Bank of Canada has announced a $150-million life sciences fund.

On the regulatory side, recent federal actions include regulatory red-tape reduction and greater reliance on trusted international regulators. These have been positive steps for the sector. The next step is connecting these pieces into an environment where more Canadian companies can move from discovery to commercialization, and build lasting economic value here. More still needs to be done.

What does Canada get?

When biotechnology companies succeed here, Canada gets more than scientific recognition. We get to keep more of the value created by Canadian research, and give promising companies a better chance to grow here. Most importantly, promising innovations also have a better chance of reaching patients.

At a time when Canada is focused on building more economic strength at home, we can't invest in world-class science only to lose promising companies when capital becomes harder to find.

Biotechnology companies require significant investment over long development timelines. Financing decisions can determine whether promising science advances far enough to become a product or whether a company can keep growing.

Regulatory performance shapes those decisions, too. Greater reliance on trusted international regulators is an important step toward reducing duplication, but companies are comparing Canada with other markets every day. A rigorous system that is also faster and easier to navigate makes Canada more competitive, and gives innovation a clearer path toward patients.

Strong intellectual property protections matter, too. Companies and investors need confidence that discoveries made in Canada can continue to be developed and commercialized here. In a less-predictable global economy, retaining more of that value is crucial to building economic sovereignty.

It takes an ecosystem

No part of the life sciences ecosystem can turn Canadian science into lasting economic value on its own. The ecosystem's strength comes from the connection between research institutions, emerging companies, investors, and multinational pharmaceutical companies across the path from discovery to commercialization.

That ecosystem also depends on a market environment that values innovation. Pricing, reimbursement, and access aren't downstream issues. They shape investment decisions and product launches, including whether new medicines reach Canadian patients.

When the ecosystem works, one success helps create the conditions for the next. Companies that grow here deepen the pool of experience, and attract more capital into the sector.

Canada cannot control every geopolitical or economic decision being made beyond our borders. But we can control whether this is one of the best places in the world to build, invest in, and commercialize biotechnology into anchor companies.

We must maintain the momentum already underway. The opportunity now is to make sure Canada is not simply where discoveries begin, but where more of their value is built and retained.

Wendy Zatylny is the president and CEO of BIOTECanada. As the head of the organization, she serves as the lead voice for Canada's biotechnology sector, advancing its interests with government, regulators, international stakeholders, media, and the public.

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