

**Written Submission for the Pre-Budget
Consultations in Advance of the 2019 Budget
By: The Danish Life Sciences Forum**

List of recommendations:

Recommendation 1: That the government creates a Life Sciences Growth Team, composed of public and private sector stakeholders, to examine how to use Canada's life sciences industry to fuel future growth, job creation and Canada's Innovation Agenda. Such a growth team could build on the work already done by the Health and Biosciences Economic Strategy Table or represent the next stage in its evolution.

Recommendation 2: That the government expands the Innovation Superclusters Initiative to include more health and life sciences projects.

Recommendation 3: That the government takes steps to reduce red tape and improve the ease of doing business by removing unnecessary barriers across the entire value chain of the industry, including research, regulatory approval and pricing, evaluations, and funding decisions.

Dear Sir or Madam,

On behalf of the Danish Life Sciences Forum, thank you for the opportunity to provide input on the federal government's 2019 budget.

The Danish Life Sciences Forum was created earlier this year as a way for Danish life sciences companies to collaborate around shared opportunities and challenges in the Canadian marketplace, and build on our foundations in Denmark and our experience globally. With the support of the Danish Trade Council, which acts as the forum secretariat, the group currently consists of Novo Nordisk Canada Inc., Leo Pharma Inc., and Lundbeck Canada – all foundation owned companies that are beholden to all societal stakeholders, and with a long-term mission to find cures in their therapeutic areas. Ultimately, we hope to work with government partners to increase trade in life sciences services, R&D and ensure everyone has equitable access to medicines.

In the 2019 budget, the government has decided to focus on the dual objectives of growing the economy and ensuring Canada's competitiveness. In our view, and based on our experiences in Denmark, innovation is an important economic and trade driver that can serve as a catalyst for growth and high-quality jobs across the country. To that end, we would like to offer you a Danish perspective on how the federal government can use innovation in the life sciences industry as a way to diversify the economy, increase productivity and competitiveness, and attract and retain the jobs of tomorrow.

Building the knowledge-based economy through life sciences

In Denmark, a country of just under 6 million people, the life sciences industry has developed into one of the strongest clusters in Europe. Denmark is number two in the world for developing biotechnology and number one in Europe in the number of clinical trials per capita, owing to a strong life sciences industry employing more than 40,000 people.¹ The reasons for Denmark's success in this area include a recognition of the country's comparative strengths in life sciences, a long-standing tradition for efficient public-private partnerships, as well as a keen political focus on creating framework conditions conducive to research and business development in healthcare and welfare.

Like Denmark, Canada has a robust life sciences industry, with significant growth potential. It already supports over 30,000 jobs, drives over \$19 billion in annual economic activity, and ranks 3rd in the country in terms of combined total research and development (R&D) spending.² Canada is already one of the best places in the world to conduct medical research, due to its research talent and infrastructure, proximity to the U.S., demographics, cultural diversity and

¹ <http://www.copcap.com/set-up-a-business/key-sectors/life-sciences>

² Ernst & Young, Innovative Medicines Canada Data Analytics and Members' Economic Footprint and Impact in Canada, 2017: http://innovativemedicines.ca/wp-content/uploads/2017/10/20171030_EY-REPORT_IMC_FINAL.pdf.

mix of urban and rural environments. When combined with its emergence as a world leader in artificial intelligence (AI) and other advanced technologies, Canada has an important opportunity to become a world leading ecosystem for research and innovation in health and life sciences, and leading in the transition to outcomes-based healthcare.

The potential for technological innovation in healthcare is vast. New technologies deliver more precise, efficient, and effective interventions at the right time in a patient's care. From earlier diagnosis and risk assessment to better treatment, AI, nanotechnology, data collection and analytics, IT solutions, and other advanced technologies are poised to be the engine that drives improvements across the healthcare continuum, while fueling Canada's growth and competitiveness. Examples of our members' innovative projects are included in the call-out box below.

Ensuring that Canada is able to take advantage of these opportunities will require, among other things:

- **Collaboration with the private sector:** The importance of collaboration between the public and private sectors in developing the right framework for growth and job creation in the life sciences sector cannot be understated. In fact, recognizing the importance of the life sciences industry to the Danish economy, in 2016, the Danish government created the Growth Team for Life Science, a group composed of industry, academia, government, and others. The Growth Team was tasked with making recommendations on how to use the life sciences industry to fuel future growth and job creation in Denmark. In 2018, the group released a growth strategy with 36 initiatives that aim to provide more opportunities for Danish life sciences companies across the sector: from research to commercialization, approval and delivery to international export markets.³ We believe that a similar strategy could be applied in Canada with great success. Such a growth team could build on the work already done by the Health and Biosciences Economic Strategy Table or represent the next stage in its evolution.⁴
- **Investment:** Building a supportive ecosystem will require continued investment from the public and private sectors. Within this context, recent investments in the development of AI infrastructures through the federal government's Innovation Superclusters Initiative should be viewed as a positive step. However, this initiative should be expanded to include more health and life sciences projects. This will help enhance the growth and competitiveness of Canada's research ecosystem, while maximizing economic benefits, including good, well-paying jobs in the sector.
- **Removing unnecessary barriers to innovation:** Canada has all the right ingredients to create a world leading ecosystem for innovation in life sciences. It will take collaboration and continued investment from the biopharmaceutical industry, governments and health systems, but it will also take a good regulatory environment that supports and

³ <https://em.dk/~media/files/2018/marts/03-15-2018-factsheet-for-the-danish-governments-growth-plan-for-life-science.ashx?la=da>

⁴ <https://www.ic.gc.ca/eic/site/098.nsf/eng/00016.html>

fuels the innovation pipeline. It is therefore critical to avoid and address unnecessary barriers to the introduction and adoption of new health technologies in the Canadian health system. For instance, the federal government's current efforts to reform the Patented Medicine Prices Review Board will affect Canada's ability to attract pharmaceutical industry investment, in terms of R&D and clinical trials, as well as impact Canada's attractiveness as a viable location to introduce new drugs.⁵ To ensure Canada remains a premier location for R&D and clinical trials investment, the federal government should consider taking steps to improve the ease of doing business by removing unnecessary barriers across the entire value chain of the industry, including research, regulatory approval, pricing, evaluations, and funding decisions. It should also work with industry to find the best solutions to addressing its dual objectives of improving drug affordability while growing the life sciences industry.

On behalf of the Danish Life Sciences Forum, thank you once again for considering our input on the federal government's 2019 budget. We would welcome the opportunity to provide oral testimony and expand on our recommendations to the House of Commons Standing Committee on Finance in the coming months.

Sincerely,

Kerry



KERRY ALLERTON

SENIOR ADVISOR, HEALTHCARE AND LIFE SCIENCES

MOBILE +1 (647) 631 6947

EMAIL: kerall@um.dk

MINISTRY OF FOREIGN AFFAIRS OF DENMARK

ROYAL DANISH CONSULATE GENERAL

2 BLOOR STREET WEST, SUITE 2120

TORONTO, ON M4W 3E2, CANADA

[HOME PAGE: CANADA.UM.DK](http://CANADA.UM.DK)

⁵ <http://innovativemedicines.ca/pmprb-submission-executive-summary/>

About our activities in Canada

Beyond traditional R&D activities (e.g. investments in clinical trials, research chairs, university partnerships, etc.) our forum members invest in new innovation models, such as through the following examples:

- **LEO Innovation Lab:** LEO Pharma has invested \$100 million in Canada to open the first North American LEO Innovation Lab in Toronto in 2016. LEO Innovation Lab develops digital solutions for patients living with skin conditions, with an aim to go beyond medicinal interventions, and instead explore holistic answers to prevention and management. LEO Innovation Lab partners with startups to foster innovation and creativity in apps, web platforms, wearables, virtual reality, artificial intelligence, tele-medicine and other advanced technologies. For more info: <https://leoinnovationlab.com/>
- **WEF diabetes pilot project:** Novo Nordisk is involved in, and was an early driver of, a World Economic Forum (WEF) pilot project that aims to develop a value-based health care system in Canada. The project aims at reducing the prevalence of diabetes and rates of complications by 2021, while significantly improving quality of life and reducing the average cost per patient, through a focus on outcomes delivery and data integration. For more info: <https://www.weforum.org/press/2018/02/world-economic-forum-and-ontario-launch-pilot-project-to-tackle-rampant-diabetes/>
- **Bell Let's Talk Campaign:** Lundbeck Canada is an active partner and sponsor of the annual Bell Let's Talk awareness campaign and Day, which helps drive the national conversation around mental illness. The campaign aims to help reduce this stigma of mental illness and promote awareness and understanding of the disease. For more info: <https://letstalk.bell.ca/en/>