

Report finds Ohio bioscience economic impact near \$150M

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More than 800 bioscience-related entities are calling Ohio home, according to a report by BioOhio (Columbus) released this week.

In 2006, the overall economic impact of Ohio-based bioscience was \$146 billion, representing 17.6% of Ohio's total economic output. Bioscience also directly and indirectly sustained 1.2 million jobs in Ohio as of 2006. BioOhio said it teamed with consulting firm Tripp Umbach and employed the IMPLAN input-output model to estimate the impact of bioscience economic events in the state.

In the report, BioOhio's definition of the bioscience industry includes three integrated sectors: commercial bioscience entities, hospitals and healthcare providers, and medical colleges. The commercial bioscience sector alone accounted for a \$27.3 billion overall economic impact and

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48,485 direct jobs in 2006. When indirect and induced jobs are factored, the commercial bioscience employment figure jumps to 128,206, the organization said.

Tony Dennis, president/CEO of BioOhio, told Medical Device Daily that several factors are driving bioscience growth in Ohio.

"At the top of the list is we have finally realized as a state that we have tremendous assets in bioscience, and are now fueling and leveraging those assets," Dennis said.

In February 2002 the state initiated a \$1.6 billion program, dubbed the Third Frontier Initiative Project, to expand its high-tech research capabilities, promote innovation and create high-paying jobs.

"Biosciences is getting the lion's share of those dollars," Dennis said.

One example of that is the Wright Center of Innovation in Biomedical Imaging at Ohio State University (Columbus), which Dennis called a "world-class center in terms of imaging at Ohio State."

The Third Frontier Initiative is designed to continue until 2012, however Dennis said the organization is in discussions with state leaders to continue the program beyond that.

"One of the hallmarks of it is that the state asked for a two-to-one match from private industry and in fact has gotten almost a nine-to-one match in terms of dollars," Dennis said.

Public-private partnerships that leverage assets of Ohio's academic institutions and also engage industry have also driven much of the state's bioscience growth, he added.

For example, Dennis said one of the latest and the largest grants awarded through the program was to the Cleveland Clinic Foundation to create the Global Cardiovascular Innovation Center (GCIC), a \$240 million center.

Last December the Cleveland Clinic reported landing \$60 million from the state to develop the GCIC (Medical Device Daily, Dec. 20, 2006).

The Cleveland Clinic is also involved in several smaller programs funded by the Third Frontier Initiative, Dennis said, including a program in deep brain stimulation and one in macular degeneration.

Cleveland, Cincinnati, and Columbus anchor the three Ohio regions that collectively account for 89% of the state's commercial bioscience industry economic impact and 90% of the state's commercial bioscience employment impact in 2006, BioOhio reported. In northeast Ohio, commercial bioscience was responsible for an \$8.6 billion overall economic impact and 39,247 total jobs (direct, indirect, and induced). The commercial bioscience sector in southwest Ohio boasted an \$8.3 billion economic impact and 36,700

total jobs. In central Ohio, commercial bioscience had an economic impact of \$6.5 billion and contributed 30,152 total jobs.

Also, BioOhio noted, analysis of commercial bioscience industry segments revealed medical device and equipment manufacturers as the top employer (12,392), while agricultural biotechnology contributed the largest direct economic impact (\$6.1 billion) in 2006.

"Interestingly, one of the reasons why medical device companies are such a natural slam dunk for us in terms of formation, is because it leverages the manufacturing nature of the state," Dennis told MDD.

Ohio has been a "very fine state" in terms of fine tools development, he said, which easily lends itself to medical devices. Also, he added, it is among the top states in the nation in terms of polymers and unique materials which tend to find their way into devices as well.

Bioscience, medical technology, and research organizations continue to thrive in Ohio, the organization noted. In 2006, 818 bioscience-related entities were operating in the state, a 6% increase since 2005. Bioscience-related entities include those involved in research, development, and marketing of pharmaceuticals, diagnostics, bioinformatics, medical devices, medical equipment, biotechnology products, and health-related products.

The distribution of Ohio's 818 bioscience organizations remains consistent with previous years. northeast Ohio continues its strong performance, as more than half (425) of the bioscience entities are located in the metropolitan Cleveland area, Akron, or Canton. southwest Ohio, anchored by metropolitan Cincinnati and Dayton, is home to about one-quarter (195) of the bioscience-related entities, followed closely by Columbus and central Ohio (146).

From 2004 to 2006, an average of 58 new companies began operation in Ohio each year. In 2006, Ohio welcomed 47 new bioscience organizations by way of new company launches or companies establishing their first facility in the state, including Activaero America (Columbus), Bexion Pharmaceuticals (Cincinnati), and Telerad Express (Beachwood).

Funding for research, company formation, and company expansion also continued to rise in Ohio. Overall, more than \$1.3 billion were invested across Ohio to accelerate Ohio's bioscience growth in 2006, an increase of nearly \$100 million (8%) as compared to 2005. The sources of funding include venture capital, angel funds, IPOs, SBIR/STTR, state biomedical grants, and National Science Foundation and National Institutes of Health grants. The largest portion of this funding came from the NIH (\$721 million), which constitutes 60% of total investment.

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