



**DISCUSSION SESSION PAPER**

**Session 1: Achieving sustainable economic growth in the life sciences and biotechnology industries**

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**Achieving sustainable economic growth in the life sciences and biotechnology industries**

**Hosted by** *Fiona Hyslop MSP, Cabinet Secretary for Education and Lifelong Learning*  
**Chaired by** *John Brown, Chairman, Scottish Biomedical*

## **Background**

Scotland's life sciences sector is thriving, showing strong growth over the last decade and contributing significantly toward both the health and wealth of the nation. The Scottish sector is made up of biotechnology companies, pharmaceutical companies, medical device and diagnostic companies, contract research organisations and specialist supply and support companies in addition to key groups from academia and the NHS that contribute to the growth of life sciences in Scotland. There are nearly 600 such organisations in total, employing over 30,000 people directly, and many thousands indirectly.

Academia and the NHS make up approx 9% of the total organisational numbers and employ just under 11,000 people, while the remaining 547 companies employ approximately 20,000 people and generate annual revenues of nearly £3 billion each year. The company base is made up of a mix of locally produced entities alongside large international inward investors, such as GlaxoSmithKline, Organon (now Schering Plough), Charles River Laboratories, Invitrogen and Life Scan, to name but a few. However the vast majority are small entities with under 50 employees, which is a reflection of the sector's relatively young stage in its growth compared to other industries, although it is developing strongly.

With such a high percentage of small growing companies, it is crucial that Scotland continues to invest in creating the right environment to support this growth, through attending to the financial, human and physical resources necessary for its ongoing success.

This, in turn, requires a collaborative effort by all the key players involved in the sector, as listed above, in addition to the Scottish Government and Scottish Enterprise. This broad range of stakeholders meet on a regular basis as the Scottish Life Sciences Alliance (LSA), see [www.lifesciencesscotland.com](http://www.lifesciencesscotland.com), while industry CEO's meet quarterly as the Industry Advisory Group (IAG) to discuss with the Enterprise Minister issues of national significance for the industry in Scotland.

## **Strategy**

Both the IAG and LSA recently orchestrated an update of the Life Sciences Strategy for Scotland, in consultation with the wider life sciences community, and this was launched at the Scottish Enterprise Annual Life Sciences Dinner on the 7<sup>th</sup> of February. This follows the original Strategy of 2005, which set out the 2020 Vision for the sector and the initial route to be taken to achieve this. In 2008 Scotland moved into its next stage of the journey, with some clearly defined themes for intervention by all the partners. These are:

**People** – “Having the right skill mix, calibre and numbers to meet sectoral employment requirements, based on attracting, retaining and developing talent.”

**Technology** – “An environment conducive to developing the knowledge base and exploiting the transfer of technology between academia and business”

**Capital** – “the opportunity to access funding appropriate to organisational needs throughout their growth cycle”

**Infrastructure** – “Having the right facilities and assets to meet the needs of a growing sector”

**Collaboration** – “Working effectively to connect across organisational boundaries and align resources behind priority areas of strength”

The sector is building on a very strong base of collaboration already, as demonstrated by recent initiatives such as the Translational Medicines Research Collaboration, the Centre for Regenerative Medicine and the Edinburgh BioQuarter. Other initiatives that have contributed to the growth of the sector over the years are Proof of Concept, Scottish Health Innovations, the Life Sciences Business Advisory Service and the Intermediary Technology Institutes to name a few.

This collaborative mindset has supported the particularly strong growth in the sector over the last decade, running at nearly 8% annual GVA and 4 times the overall Scottish growth for the same period. It is anticipated that this will continue in the coming years, or even increase, as some of our more significant investments start to bear fruit.

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### **Key discussion questions to be discussed during the life sciences and biotechnology industries breakout session**

1. How can Scotland's life sciences companies remain competitive in an increasingly aggressive global marketplace, where regions such as India and China are closing in on the quality gap?
2. How can Scotland reinvigorate school pupils to take science subjects in school, as part of the *Curriculum for Excellence*, and then draw them into further education?
3. How can Scotland capitalise on its Universities and NHS's willingness to collaborate, in order to realise the true potential of its wide range of world class assets?
4. How can Scotland best support its companies and entrepreneurs to become “investor ready” in a highly competitive European marketplace?