

by David Morrill

Posted: 01/12/2010 08:23:16 PM PST

SAN FRANCISCO — As other industries try to stay afloat, a report released Tuesday shows that the Bay Area life science industry is on an upswing in both productivity and job creation.

In 2009, California companies were responsible for 1,754 treatments, up from 1,294 last year according to the study, Impact: 2010, released by life science trade association BayBio. The annual report also showed that Northern California currently has 1,190 new drugs and medical devices either in the final two stages of development or on the market.

"I'm just happy to report that in the biotech and health care industry we continue to do extremely well" said Gail Madera, acting chief executive of Bay Bio. "And given the state of this economy, this was a remarkable achievement."

The most growth by therapy was in the area of cancer, followed by dermatology, HIV/AIDS, diabetes and cardiovascular disease.

For the fourth-consecutive year, employment in the life science sector has increased in both the state and this region. In Northern California, employment was at 129,410 compared with 127,241 a year ago.

Although employment and innovation improved, the one area that saw a decline was the venture capital market. In 2009, \$510 million was invested in biotechnology in California compared with \$911 million a year before. To make up for the void, more companies sought funding through merger and acquisitions or grants, Madera said.

"The companies that have big data breakthroughs next year and important clinical advances will have the best chance at attracting life science investors," said Tony Coles, chief executive officer of Emeryville-based Onyx Pharmaceuticals.

WHERE THE JOBS ARE

While California and the Silicon Valley struggle with growing unemployment, the life sciences industry has seen growth. Here are the number of employees in the sector in Northern California:

2006	116,769
2007	122,485
2008	127,241
2009	129,410

Source: Impact: 2010

A block from where the BayBio report was released Tuesday, the top brass from more than 300 companies were at the JP Morgan Health Care Conference through Thursday. There the goal was to entice investors to spend money on them.

Paul Hastings, CEO of Redwood City-based Onco-Med Pharmaceuticals, who spoke at the conference, says that already he's had numerous meetings with other executives in side meetings about collaborations.

"I'm incredibly surprised in the amount of buzz going on this week by both investors and companies wanting to help each other out," said Hastings, who is also the chairman of BayBio's board of directors. "There is still a big appetite for success and excitement out there."

Contact David Morrill at 925-977-8534.