

Urgent and
necessary
decisions!



Board of Trade support for construction of
the university hospital centres (UHCs) for
Université de Montréal
and McGill University



Chambre de commerce
du Montréal métropolitain
Board of Trade
of Metropolitan Montreal



UHCs: meeting the economic challenges of Greater Montreal

Metropolitan Montreal in figures:

		Rank, North America
Population:	3.426 million	11 th
Gross domestic product	91.2 billion \$ US	19 th
Per capita GDP	26.629 \$ US	26 th
% University graduates, 25 years +	21%	20 th

Source: Metropolitan Montreal Community, October 2002





Necessary decisions...

*...announced more than
three years ago*

and waiting only to be truly
launched!



- The SICHUM, or Université de Montréal's «set-up company» was created almost three years ago
- Way back in 1998, the McGill MUHC was following a schedule targeting the opening of the new teaching hospital in 2004





Necessary decisions...
for economically necessary projects!

The Board of Trade's position:

Extensively analyzed and discussed

- Social Affairs Committee
- Board of Directors

Documented and announced

- Letter to Premier Bernard Landry – May 16, 2002
- Press release – August 28, 2002
- Consultation of Health Minister François Legault – November 2002





Support based on economic considerations
and specific conditions:

Fast action

- End delays
- Avoid demobilizing the health-care, education, and research sectors

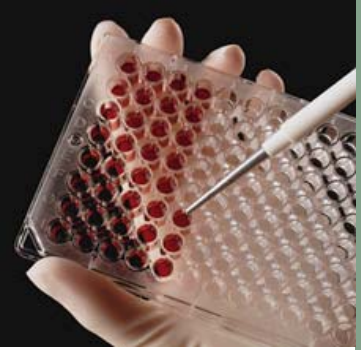
Transparency and realism

- Exemplary clarity regarding costs and funding sources

A proactive approach

- The UHCs must not be the only actions taken in the health-care sector





Demonstrate consistency

Montreal aspires to being a city of the new economy and has achieved international standing in three key sectors:

- *Aerospace (5th in North America)*
- *Information Technologies (9th in North America)*
- ***Biopharmaceuticals (8th in North America)***

Investing in the UHC projects means investing in a key sector of Montreal's economic development.

Source: Metropolitan Montreal Community, October 2002





Demonstrate consistency

Quality of life and quality of the labour force: Two key elements of Greater Montreal's competitiveness and ability to attract and retain talent

- Montreal is the only Canadian city with two faculties of medicine
- Montreal boasts the greatest concentration of medical research in Canada
- The accessibility and quality of its health care are two of Montreal's major drawing cards

Investing in the ability to provide state-of-the-art health-care services, and train and attract new researchers means investing in the competitiveness of the metropolitan region.





Demonstrate consistency

Think about the future of health care:

The aging of the population and new technologies mean that health-care needs are already significant in Quebec and are expected to grow (5.2% annually according to the Quebec government)

These growing needs are not just financial: we will also need to increase our **human resources**

The UHCs are the pillars of medical training in Quebec

Almost **50%** of doctors practising in Quebec were trained at CHUM



Montreal's leadership status is precarious:

- Existing teaching hospital facilities are often obsolete or in poor condition
- Competition for companies and researchers is intense:
59% of biotech jobs in Montreal depend on foreign companies
- Competitors are busy constructing new hospitals (Ottawa and Toronto, among others)
- Constant delays have a demoralizing effect on all employees at the two medical faculties and on investors





Demonstrate common sense

The high cost of inaction

- Pointlessly delay inevitable investments and be forced to pay more later
- Surrender Montreal's leadership position in biomedical research; promoting the brain drain
- Inescapably erode the attraction of Montreal in the field of biotechnology (around 1 billion \$ of investments in Montreal in recent years)
- Over the long-term, deprive Quebec of its ability to develop state-of-the-art health care





Demonstrate vision

Montreal must be a force in health sciences and biotechnologies...

State-of-the-art training, research, and health care facilities will help:

- Strengthen the position of the CHUM and MUHC in scientific research
- Improve the international positioning of Montreal as a centre of excellence in biotechnologies and medical research
- Attract and retain brains
- Ensure the development of Montreal and Quebec expertise in state-of-the-art health care for the future





Demonstrate rigor

UHCs are also a good investment!

- Scenario of UHCs costing \$1 billion each

Cost	Jobs/year maintained	Added value	Quebec government revenues
2 billion	Direct: 19 244	Direct: 1,064 million	Including perifiscal revenues 294 million
	Total: 25 810	Total: 1,470 million	

- A contribution of at least 3.5 billion to Montreal's economy, only for construction work
- A conservative estimate that does not take into account additional investments from private fund-raising campaigns

Source: Study by Daniel Arbour et Associés for SICHUM, October 2002





Investments with a multiplying effect:

Estimated economic impact of each **\$100 million** invested in construction on industrial and research activities in the health care sector

	Jobs/year maintained	Added value	Quebec government revenues
100 million	Direct: 910 Total: 1,320	Direct: 41 million Total: 66 million	Including perifiscal revenues 16 million
1 billion	Direct: 9,100 Total: 13,200	Direct: 410 million Total: 660 million	Including perifiscal revenues 160 million

Source: Study by Daniel Arbour et Associés for SICHUM, October 2002



Investments with a multiplying effect: for illustration purposes only

... and investments in biotechnology are major investments:

Recent examples of private investments **previously announced or under study** and not related to HUCs for Montreal:

BioChem Pharma	600 million (under study)
Merck Frosst	250 million
Services Pharma MDS	56 million
Caprion Pharmaceuticals	52 million
Pharmascience	50 million
Total:	1 billion



The project costs will not be paid out in a single year!

Hypothetical private funding for two projects, amortized over 40 years:

Annual payments: **less than \$200 million**, representing:

- less than 1.15% of Quebec's annual health care budget
- about 0.4% of Quebec's total annual budget



An investment comparable to others:

Tax credits for the "new economy " (in millions of \$):

Tax credits	1998 to 2001	2002	Annual estimates * 2003-2010	total
CDTI	83	41	35	404
Multimedia city	85	63	45	508
CNNTQ	20	23	21,5	215
New economy centre	26	42	34	340
E-Commerce Place	40	51	41,5	423
Annual total	-	220	177	1,890

CDTI : Centre de développement des technologies de l'information (Information technology development centre)

CNNTQ : Centre national des nouvelles technologies de Québec

* Estimates based on the average amounts released by Government over the past 2 or 3 years, depending on the programs.



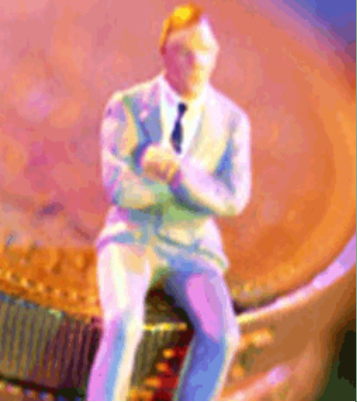


Demonstrate rigor

Comparison tax credits for the "new economy " and UHCs

	Tax credits (5 projects)	UHCs
Annual cost	177 million (average until 2010)	Less than 200 million (over 40 years)
Jobs	10 000 jobs	25, 810 jobs/year (for construction) + all the jobs maintained or created by related companies
Major benefits	<ul style="list-style-type: none">▪ Labour subsidies▪ <i>Physical</i> consolidation of sectors	<ul style="list-style-type: none">▪ Major economic spinoffs (\$1.5 billion)▪ Significantly increased competitiveness (research and training)▪ Attraction of investments and creation of <i>additional</i> jobs▪ Better public health care





Demonstrate maturity

UHCs: not another Olympic Stadium!

A major investment, yes, but a necessary investment in Montreal's ability to develop even further:

- Training the next generation
- Attracting and retaining brains
- Quality of care and advanced research
- Montreal's competitiveness on the international stage
- Collective enrichment and quality of life

The UHCs will never be empty or unused!



Proving ourselves

Moving forward – right now – with the construction of the university hospital centres would demonstrate:

Consistency – with the need for Greater Montreal to stay in the frontlines of "new economy " cities;

Clarity – taking into account the daunting economic challenges and stiff competition facing Montreal;

Good sense – basing our decision on a realistic analysis of possible alternatives;

Vision – part of a long-term integration of the various components of Greater Montreal's economic development;

Rigor – the subject of numerous studies by credible stakeholders;

And sufficient **development**. It is time to act!

