



**New Study Identifies Sacramento Region's Economic Capacity and Potential
for its Emerging Life Sciences and Medical Devices Industry**

Report offers findings and recommendations for six-county region

November 30, 2004 -- According to a new study released from the Sacramento Regional Research Institute (SRRI), a joint venture of the Sacramento Area Commerce and Trade Organization and California State University, Sacramento, the Sacramento Region can be described as an “emerging” player in the life sciences and medical devices industry but in order to see greater growth, significant short- and long-term changes will be necessary.

The “Sacramento Region Life Sciences and Medical Devices Industry Study” report was commissioned to assess and provide an overview of the region’s environment, its capabilities of attracting economic activity, and the economic development potential within this industry.

A Mixed Bag of Strengths and Weaknesses

A key finding of the report established that the region’s current environment is just able to sustain the Life Sciences and Medical Devices industry in its current form and that in order to see greater growth, significant short- and long-term changes need to take place.

While the Sacramento Region has seen relatively strong employment growth compared to other established and emerging regions and contains a similar number of firms as seen in other emerging regions throughout the nation, measurements fall below the national average in areas such as economic composition/industry concentration, patent generation and venture capital activity. A highly-skilled labor market, company leadership and effective technology transfer are showing signs of progress, but other important aspects including access to capital and specialized facilities are essentially absent. However, the University of California, Davis and its associated medical and veterinary schools and life sciences-related organizations, as well as the stability of the region’s economy and relatively lower business costs, were found to be attractive factors for the industry.

Opportunity could lie in Sacramento’s proximity to one of the world’s largest life sciences and medical devices regions

The study suggests that the Sacramento Region’s proximity to the Bay Area, one of the world’s largest Life Sciences and Medical Devices regions could be used to develop a multi-regional “cluster” – including Solano County, the Bay Area and the Sacramento region - valuable in attracting business and investment and allows the locational advantages and resources of the other regions. By creating one of the most competitive industry “cluster” regions in the nation, the Sacramento Region could play to its regional strengths such as agricultural and food science, animal and veterinary science, cancer research, homeland security, and biophotonics, in addition to strengths of the other regions.

“The study clearly demonstrates there is work to be done,” said Ryan Sharp, Director of Research at SRRI. “It shows that the Sacramento region must take advantage of its opportunities and address some key issues in order to grow its Life Science and Medical Devices Industry.”

"We've long recognized that the academic talent and research infrastructure of our medical school and teaching hospital are an ideal foundation for more biomedical business and investment in the Sacramento area," said Robert E. Chason, chief executive officer of UC Davis Medical Center. "What this important study does is help everyone focus more sharply on those elements that can further enhance the region's terrific potential."

For more information or to request a copy of the report, please contact the Sacramento Regional Research Institute at (916) 491-0444 or srri@srri.net.

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About SRRI

SRRI is a joint venture of the Sacramento Area Commerce and Trade Organization (SACTO) and California State University, Sacramento (CSUS). SRRI provides a full range of economic and demographic research services to government entities, businesses and non-profit organizations.