



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

September 8, 2009

To the members of the Groupe-conseil
Ministère du Développement économique,
de l'Innovation et de l'Exportation
710 Place D'Youville, 3rd floor
Québec City, Quebec G1R 4Y4

Subject: Consultation of the *Groupe-conseil pour l'actualisation de la Stratégie québécoise de la recherche et de l'innovation*

Dear Sir or Madam,

It is with a great deal of interest that the Board of Trade of Metropolitan Montreal has provided answers to the three questions submitted as part of the consultation of the *Groupe-conseil pour l'actualisation de la Stratégie québécoise de la recherche et de l'innovation* for the period from 2010 to 2013.

What do you consider to be priorities in R&D and innovation to ensure the development of Quebec over the next three to five years?

Investing in research and innovation is a strategic and vital choice for the Montréal economy. The influence of organizations that are active in research, the large number of labs and the high concentration of large and small companies that operate in knowledge economy sectors justify the Board of Trade's keen interest in Quebec's research and innovation strategy.

This strategy must target a number of objectives at the same time, and the Board of Trade proposes three medium-term priorities among these.

The first priority should be to concentrate efforts to encourage the systematic adoption of innovations developed at home and elsewhere. Productivity statistics for the metropolitan and provincial economy are disappointing and have worsened over the past decade. The 2006-2009 strategy included a component for supporting industrial research and innovation in businesses. This component is essential, but should include new measures focused on increasing productivity through innovation. We recommend an approach that provides financial incentives for developing productivity improvement plans that involve adopting recent innovations, in particular in traditional sectors.

Furthermore, to optimize the use of our research and innovations, it is important to ensure that personnel can properly integrate new technologies, in particular within small businesses. To accomplish this, the strategy must also reinforce measures that support professional development among employees for integrating new processes and adopting innovative technologies.

The second priority involves targeting innovative technologies and sectors that would benefit from greater than proportional support. Quebec cannot excel in all areas of research, and its economic base cannot be at the cutting edge in all sectors. We should target innovation-intensive sectors where Quebec and Montréal have a clear advantage, such as aerospace, life sciences and information and communications technologies. However, the Board of Trade believes that we have to further define the target to maximize the impact of public policy in research and innovation. The strategy should therefore focus on centres of excellence within these high-performance sectors. For example, in life sciences, Quebec should build on the three Centres of Excellence for Commercialization and Research associated with the Montreal Heart Institute, the Institute for Research in Immunology and Cancer and the Montreal Neurological Institute and Hospital. In information technology, the video game and multimedia sectors should remain the priority.

The third priority is to strengthen the university system with regard to innovation and mechanisms that will better align academic research with corporate needs. The creation of the Québec Consortium for Drug Discovery is an extremely promising initiative, as was the creation of the Consortium for Research and Innovation in Aerospace in Quebec. Likewise, the PRIVAC program developed by Génome Québec encourages a closer alignment between academic and private research efforts. These initiatives must be maintained and reinforced as needed, and, above all, properly evaluated to draw lessons from them that can be applied in other sectors, for example, in the green technology sector.

With the current strategy, what measures do you think are the most effective and should be maintained?

Quebec and Montréal have an enviable position in research and development. We salute government initiatives that have helped make Greater Montréal the R&D capital of Canada and create an international reputation for excellence among its research centres. Aside from the abovementioned priorities, the Board of Trade encourages the government to strengthen two groups of measures that were included in the strategy and that will remain crucial in the coming years.

First, the strategy must maintain and reinforce provisions to encourage joint financing of public and private research partnerships. Greater compatibility between public research and corporate needs offers companies the chance to benefit quickly from scientific breakthroughs, cutting edge infrastructure and technologies, and public institutions to test and apply their research. This is the type of cooperation that created technology clusters over time and that allowed the city's economy to develop its competitive advantages.

The Board of Trade also believes that measures to support international partnerships are crucial. Shrinking product life cycles and strong global competition mean that we need to develop international partnerships not only to increase our international influence but also to keep us informed of new international calibre research and innovation we can benefit from. We must encourage the participation of our researchers, research institutions and companies in major international research projects.

Which measures should be thoroughly reviewed or done away with?

The Board of Trade believes that measures that scatter expenditures should be thoroughly reviewed. As we mentioned earlier, we believe that Quebec's research and innovation strategy must be targeted and oriented to maximize benefits in competitiveness, growth and exposure. This being said, the number of agencies supported by the government, whether at the research financing stage, through guidance for technology transfer or in terms of the research itself, seems high. A careful evaluation of the entire research and innovation support system would eliminate mistaken impressions and no doubt make it possible to consolidate certain budgets, if only administrative.

What other Government of Quebec measures could be put into place to help improve Quebec's system of innovation?

To improve and strengthen Quebec's system of innovation, the Board of Trade believes that the Government of Quebec should consider and support the following measures:

- Given the rapid evolution of technology and strong competition, the Board of Trade believes that it is important to encourage technology monitoring activities to remain competitive. Technology monitoring is needed not only to feed our knowledge of new technologies and external competition, but also to indicate research and innovation that could easily be integrated by our companies and will have a positive impact on our productivity.
- The government should extend its financial support to companies that want to acquire and integrate innovations that help increase productivity. Financial support is important because companies often lack cash and opportunities for external financing, in particular at the beginning of the process of integrating new technologies. Government support can make a big difference. And because government aid is part of a logic of investment and returns, it could take the form of a reimbursable contribution based on results achieved.
- Finally, from the point of view of carefully managing public spending, having a targeted innovation strategy and optimizing the performance of public policies, the Board of Trade calls for a better alignment between provincial and federal government strategies. The strategy should therefore identify federal research assets within Quebec, such as the NRC Biotechnology Research Institute, and propose measures that will improve the alignment of Government of Quebec assets. We think that a concerted, targeted, results-driven strategy will maximize public expenditures, both at the federal and provincial levels.

We hope that our thoughts make a positive contribution to these consultations.

Sincerely,



Michel Leblanc
President and CEO