

Peter Hadekel: Montreal's medical revolution

BY PETER HADEKEL, SPECIAL TO THE GAZETTE APRIL 25, 2012



AstraZeneca's layoffs in Montreal are part of a larger announcement by the London-headquartered pharmaceutical company to cut 7,300 employees from its global workforce in a bid to streamline its research and development

Photograph by: Christopher Furlong/Getty Images, x

Montreal's life-science industry has suffered some well-documented setbacks in recent years, including the closing of research operations by drug makers Merck & Co. and AstraZeneca.

Big Pharma companies are going through a major consolidation worldwide and the restructuring inevitably affects operations here.

But pharmaceutical firms are only a part of the city's life-science industry. One segment where the outlook is considerably brighter is the market for health-care technology, such as the manufacture of medical devices.

A big international player in that field is undertaking a significant expansion in the Montreal area. Medtronic, based in Minneapolis and employing 43,000 people worldwide, will grow its operations in the West Island with a \$50-million investment that includes a \$15-million contribution by the provincial agency Investissement Québec.

Its Medtronic CryoCath division operates facilities in Pointe Claire and Kirkland, with a

combined employment of around 300. That total will grow by another 205 over the next few years as new money is invested in research, training and manufacturing, the company said Tuesday.

Medtronic CryoCath sells an innovative catheter system first developed by researchers at the Montreal Heart Institute to treat atrial fibrillation – one of the most common disorders of heart rhythm.

The so-called Arctic Front system uses cold technology to block the spread of atrial fibrillation in cardiac tissue. The freezing technology allows the catheter to adhere to the cardiac tissue for greater stability.

This is a relatively new market with global sales of about \$1 billion worldwide but Neil Fraser, president of Medtronic Canada, says sales have been doubling every year since 2009 as the market develops.

The conventional way to treat the disorder, through drug therapy, is not effective for many patients, failing in about half of all diagnosed cases.

If left untreated, the condition can lead to much higher risk of heart failure and stroke, especially among those over the age of 65.

Tuesday's announcement featured an appearance by Premier Jean Charest, who pledged that the government will develop a new strategy to help grow the medical device industry in Quebec.

There are some 115 companies employing 5,000 people in the province and the government wants to create an "ecosystem" to help them lower costs, improve access to skilled workers and market products worldwide, Charest said.

Consulting firms have identified the Montreal area as a prime location for medical-technology companies, as this column reported last year, quoting a study by The Boyd Company of Princeton, N.J.

It noted that medical technology is one of the hottest sectors in the global economy and one of the most competitive in terms of site selection. Montreal stacks up well because of its ability to provide knowledge workers trained at local universities.

Fraser of Medtronic said the company spent three years deciding where to locate its CryoAblation Catheter centre and looked at other locations where it is active, including Puerto Rico, Ireland, Switzerland and China, before giving Montreal the world product mandate.

The decision to locate here was not based solely on the \$15-million government investment or the R&D tax credits available in Quebec but was also because of the proximity to universities and research centres, Fraser said.

Medtronic purchased CryoCath Technologies of Kirkland in 2008 for \$400 million U.S. in order to obtain the technology and it continues close links with the Montreal Heart Institute where the therapy was first researched.

Historically, the growth of such technology had been limited because of the inability to deliver it in a minimally invasive manner. However, the Montreal Heart Institute developed a breakthrough innovation.

“By growing a team of highly skilled engineers, researchers and technical specialists, Medtronic will be better able to serve the growing market around the globe with pioneering cryo-technology products,” Fraser said.

The company wants to ensure that its technology is up-to-date and leading edge because “the Cryocath division is one of our most competitive and fastest growing.”

The ablation catheter system has already been used to treat more than 30,000 patients worldwide and Fraser called it “a great advancement in the field of cardiology.”

phadekel@videotron.ca

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