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FOR IMMEDIATE RELEASE

Canada Must Address Technology Policy Deficit – According to the CVCA

TORONTO: CVCA - Canada's Venture Capital & Private Equity Association today called upon the federal government to commit to a national technology strategy to address the current technology policy deficit.

In a speech to industry leaders in Toronto on September 22, 2009, Gregory Smith, President of the CVCA said, "The businesses launched by private capital have contributed nearly 270,000 jobs in the past several years and, together, our venture capital and buyout sectors account for about 3% of Canada's GDP."

The private equity industry clearly punches above its weight with industry-backed companies being more innovative and more competitive across a range of indicators from R & D intensity to export focus.

He added, "However, the state of emergency in Canada's venture capital sector has profound repercussions for our country's future. The lack of funding presents a very real risk that Canada will not be able to fully capitalize on its multi-billion dollar investment in R & D. It also means that the potential for future success stories - like RIM - is waning."

While Canada's ranking on global competitiveness stood in 9th place according to the recent World Economic Forum report, Canada was only 18th in terms of venture capital availability - which the World Economic Forum labelled a 'competitive disadvantage.'

"It is increasingly imperative", said Mr. Smith "that Canada act to stop the continuing erosion of its ability to compete in the new world business order of the 21st century."

The CVCA has proposed a five-point commercialization support program to help meet the global competitive challenges facing Canada. The program calls for the government of Canada and provincial governments to:

- establish and grow fund of funds structures
- make improvements to the SR&ED tax credit program
- improve the incentives for corporations to invest in venture capital funds
- actively promote investment in Canadian venture capital funds as part of the offset agreements that are negotiated with major government contractors
- improve measures be taken to improve the attractiveness of venture capital to retail investors

About CVCA

The CVCA - Canada's Venture Capital & Private Equity Association, was founded in 1974 and is the association that represents Canada's venture capital and private equity industry. Its over 1800 members are firms and organizations which manage the majority of Canada's pools of capital designated to be committed to venture capital and private equity investments. The CVCA fosters professional development, networking, communication, research and education within the venture capital and private equity sector and represents the industry in public policy matters.

To arrange for an interview with Gregory Smith, CVCA's President, please contact Lauren Linton, Director of Marketing, CVCA, 416 487- 4299 llinton@cvca.ca

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