

## **Access to Venture Capital in Alberta Edmonton Centre PC Association**

### **Key Messages:**

- The absence of early stage venture capital in Alberta constrains the development of new and emerging industries. It reinforces the belief that Alberta is only focused on the “traditional” industries of natural resources.
- Biotech and other high-tech industries are important to the diversification of Alberta’s economy away from natural resource and an energy economy
- There is a severe lack of policy in Alberta to address the lack of locally available venture capital for investment proposals.
- Other jurisdictions in Canada use targeted tax incentives and other programming initiatives to address this issue. The result is that while Alberta has 10% of the population in Canada, and is a significant economic driver in the country, we are only able to attract around 3% of available investment.
- The introduction of targeted tax incentives and other programming initiatives can improve Alberta’s ability to compete more directly with other jurisdictions (ie. BC, Ontario and Quebec)
- While the traditional motto of Alberta has been “we are not in the business of being in business” is a laudable mantra, and has served Alberta well, it is important to realize that while the government is not needed to get involved directly with business, it is imperative that the government help to foster an environment that is more conducive to business, particularly in areas that we lack – ie. Bio-technology, high-tech sector.
- Access to equity capital is important for economic growth and is an essential building block of a knowledge-based economy, something that Alberta claims to be.
- a systemic and systematic approach is required, often a single measure does not work because it is not supported by the environment (e.g. venture capital will not thrive if a sufficient quality deal flow does not exist).
- There is a significant body of national and international experience on various government interventions to stimulate venture capital. It may serve as a source of ideas and models for developing venture capital industry in Alberta.