CANADA ARIZONA BUSINESS COUNCIL

RESEARCH GROUP

How Canadian Companies and Investors are Involved in Arizona's Biotechnology, Medical, and Life Sciences Industry

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Canadians and Canadian-based companies participate in Arizona's biotechnology, medical, and life-sciences ecosystem, though much of this engagement occurs in adjacent sectors or through cross-border investment rather than deep biotech R&D partnerships. Arizona highlights its economic ties with Canada, noting that Canadians own approximately 500 businesses in the state, employing nearly 46,000 people. Trade between the regions includes multi-billion-dollar flows of goods such as optical, medical, and precision instruments, providing a strong foundation for Canadian firms to expand into Arizona, in addition to 10's of Billions of direct investment dollars.

Arizona's biotechnology and life sciences industry is a rapidly expanding economic powerhouse, generating an estimated $43.64 billion economic impact in 2023. The sector supports 40,399 jobs across 3,652 companies, reflecting a 24.6% increase in

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employment since 2019. With an average annual wage of $102,161 - about 53% higher than the state's private-sector average - the industry offers high-value career opportunities in biotechnology, medical devices, diagnostics, and pharmaceutical research.

Investment and innovation continue to accelerate. In 2023, Arizona attracted $281.8 million in venture capital, contributing to $1.1 billion raised since 2019, while academic research and development expenditures reached $683.3 million in 2022. Concentrated in the Greater Phoenix and Tucson regions, Arizona's bioscience ecosystem benefits from strong medtech manufacturing, expanding biotech research capacity, and close collaboration among universities, healthcare systems, and private enterprises.

Recognized as the second fastest-growing bioscience job market in the United States over the past decade, Arizona is solidifying its position as a national leader in biotechnology and life sciences growth.

Canada's biotechnology and life sciences industry is a major driver of economic growth, valued at approximately US$61.5 billion in 2024 and projected to reach US$206.8 billion by 2030 at a 12.5% CAGR. The broader life sciences market is expected to hit US$87.5 billion in 2025, encompassing over 3,800 companies, including more than 2,000 biotechnology firms, many of them SMEs. The sector supports tens of thousands of high-skilled jobs—over 110,000 in the innovative pharmaceutical segment alone, contributing C$18.4 billion to the national economy. With US$40.3 billion in cumulative venture and private equity investment and US$12 billion raised across 65 deals in 2023, Canada's biotech ecosystem demonstrates strong investor confidence. Annual R&D investment of about US$3.2 billion underpins advances in biopharmaceuticals, genomics, and digital health, concentrated in key innovation hubs such as Toronto, Montreal, and Vancouver.

The Canadian pharmaceutical market, valued at US $52.54 billion in 2024 and projected to reach US $95.70 billion by 2033 at a CAGR of 6.89%, is dominated by conventional small-molecule drugs, branded prescription medications, cancer therapies, oral formulations, and tablets, with hospitals as the primary end-use segment. Growth is driven by an aging population, rising chronic disease prevalence, and robust biopharmaceutical research, alongside increasing adoption of AI, personalized medicine, and real-world evidence platforms. Emerging trends include the rapid expansion of biologics and biosimilars, particularly for oncology, autoimmune, and rare diseases, supported by provincial policies that promote cost savings. While complex pricing regulations and fragmented provincial formularies pose challenges, demand for mental health therapies, virtual healthcare, and geriatric-focused treatments continues to fuel innovation, positioning Canada as a key hub for pharmaceutical development and advanced therapeutics.

The brand name pharmaceutical manufacturing industry in Arizona is estimated to have a market size of $1.9 billion in 2025. This sector is composed of 53 businesses that together employ around 3,518 people. The industry has shown consistent expansion over recent years, with an average annual growth rate of 5.9% observed from 2020 to 2025. This growth highlights the state's expanding footprint in the high-tech manufacturing sector.

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Beyond just brand name pharmaceuticals, the broader Arizona health innovation ecosystem plays a significant role in the state's economy, generating an estimated $43.64 billion in economic impact in 2023. This wider life science sector saw an increase in the number of companies from 2,912 in 2021 to 3,652 in 2023, with jobs also growing from 36,410 to 40,399 during the same period. The overall manufacturing industry in Arizona is also thriving, with the state's manufacturing GDP reaching $39.2 billion in 2024, indicating a robust and diverse manufacturing landscape.

Several Canadian companies have established U.S. operations in Arizona as a strategic entry point into the broader American market in spite of tariffs.

Canadian involvement in Arizona's medical and regulated life-science sectors also extends to the cannabis industry. Toronto-based Canadian Bioceutical Corporation acquired and managed medical marijuana dispensaries and production licenses in the state, including Health for Life locations in Phoenix. Although cannabis is adjacent to biotechnology rather than part of its core, this activity illustrates Canadian investment in life-science–related regulated markets within Arizona.

Some Canadian life-science firms possess the capacity to collaborate with Arizona's biotech ecosystem, even if they are not yet operating in the state. STEMCELL Technologies, based in Vancouver, develops cell culture media and reagents for stem-cell, immunology, and cancer research. Similarly, Cedarlane Laboratories provides expertise in life-science manufacturing. These companies highlight Canada's broader biotech and medtech capabilities and indicate potential avenues for future partnerships with Arizona research institutions and universities.

Despite these examples, publicly documented evidence of Canadian companies deeply embedded in Arizona's core biotech R&D - such as genomics, cancer therapeutics, or medical devices - is limited. Much of the Canada-Arizona linkage occurs through trade, general investment, or adjacent sectors rather than integration into Arizona's precision medicine and biotech clusters to date. This gap represents a clear opportunity for more direct collaborations between Canadian firms and Arizona research institutions.

Strategic entry points for Canadian companies in Arizona include leveraging innovation hubs, such as the Phoenix Bioscience Core and university incubators, to establish U.S. subsidiaries or proofs-of-concept. Expanding on the existing cohort of partnerships with University of Arizona & Arizona State University, both long time CABC members, and TGen will enable co-development of therapeutics, diagnostics, and medical devices. Arizona's favorable business climate and the presence of the Canada Arizona Business Council further support manufacturing, supply-chain, or contract-research operation connections.

Several Canadian companies illustrate different modes of engagement. NeuroCatch, a Canadian medical-device company, has chosen Arizona for U.S. headquarters, commercialization, manufacturing, and clinical trials. AGAT Laboratories operates in adjacent life-science service sectors, broadening the definition of Canadian engagement. Longan Vision's use of university-based startup infrastructure demonstrates how

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Canadian firms can enter Arizona's innovation ecosystem outside core biotech and medtech. We also see a significant exchange of Canadian and Arizonan scientists working on new Life sciences projects in Canada and Arizona.

Arizona's biotech ecosystem is supported by several key organizations. The Arizona Bioindustry Association (AZBio) is a statewide trade association supporting businesses, research, and education in the biosciences. The Arizona Biosafety Alliance (AZBA) focuses on biosafety and biosecurity through education and collaboration. InnovATEBIO connects biotechnology education programs across the state, while the Biodesign Institute at the University of Arizona and the Phoenix Bioscience Core provide research, incubation, and collaboration opportunities.
The Flinn Foundation supports the biosciences in Arizona through research, entrepreneurship, grants, and stewardship of the Arizona Bioscience Roadmap.

The presence of Canadian firms highlights the international dimension of Arizona's biotech ecosystem. Canadian life-science companies contribute expertise in cell technology, reagents, and diagnostics that Arizona-based biotech firms could leverage. Strengthening these connections could enhance Arizona's competitiveness and expand its pool of potential global collaborators, creating a mutually beneficial environment for innovation.

Expanding the Canadian-Arizona collaboration in biotech and medical industries requires strategic initiatives on multiple fronts. Formalized partnership programs connecting Canadian startups with Arizona incubators, university labs, and hospitals could facilitate joint research and co-development agreements. Cross-border clinical trials, co-investment funds, and targeted trade missions focused on biotech and medtech would accelerate translation of Canadian innovations into the Arizona market. With these measures, the Canada-Arizona relationship could evolve into a robust, collaborative biotech corridor. The specific markets talked about above are key to the Canada Arizona Council overall activities on behalf of our members.

It is important to note in this research paper we have omitted the relationship between the large amount of Canadians that come to Arizona specifically for the hospitals and clinics, as well as diagnostic centers to get quick health care evaluations and operations that may take significantly longer in Canada. CABC members like Dignity Health and Redirect Health are all part of this solution. This becomes very important with close to a million Canadians visiting Arizona for up to 30 days as tourists, and another 100,000 Canadian Snowbirds spending up to 6 months In Arizona.