

Northeast Ohio is above average for biomedical growth, but...

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CLEVELAND — Growth of biomedical business, research and development in Northeast Ohio grew faster than the national average in each of the last five years, according to the [latest Cleveland Plus Economic Review](#).

The region's drug, therapy, medical device and equipment makers, along with its biomedical research and development organizations, grew an average 7.4 percent a year from 2003 through 2008 — outpacing the U.S. average of 6.8 percent annual growth, according to the quarterly review issued Monday by company attraction and regional marketing organizations Team NEO and ClevelandPlus Business.

Biomedical business also is generating a larger portion of the region's "gross regional product" — the value of products and services created in the 16 counties that Team NEO calls home.

In 2003, the sector was responsible for 2.1 percent of regional output. By 2008, the industry's output had grown to 2.8 percent, to just over \$4 billion — a 33 percent increase in five years, said Jacob Duritsky, a research association for Team NEO.

The economic development organizations used data from Moody's Economy.com to make their conclusions.

However, venture capital investments in health care companies slowed significantly in Northeast Ohio and the state during the first quarter from a year ago, [mirroring national investment trends in sectors across the board](#), according to the [Midwest Health Care Venture Investment report released Monday](#) by BioEnterprise.

Only eight companies in Greater Cleveland received \$14.4 million in investments during the quarter, down 58 percent from the first quarter of 2008. Then, three companies received \$34.8 million.

In Ohio, 17 companies received \$16.9 million in the recent quarter, down 68 percent from a year ago when five companies received \$51.8 million.

Overall, 11 Midwestern states and one region bucked national venture investment trends, [which had investing down between 34 percent and 52 percent across a variety of sectors](#).

In the Midwest, 47 companies garnered \$155.6 million, up 14 percent from a year ago when 14 companies received \$136.5 million from investors, according to the BioEnterprise survey.

"The Midwest numbers were surprising, especially given the national venture capital situation," said Baiju Shah, president and chief executive of BioEnterprise, the health care company developer in Northeast Ohio, in a written statement.





“A few significant deals in Missouri and Minnesota account for these results coupled with numerous angel and internal financings,” Shah said. “While the data is certainly encouraging, it’s too limited to suggest that the Midwest is faring significantly better than the coasts so far.”

In February, CompuGROUP Holding AG in Koblenz, Germany, purchased 51.6 percent of [Noteworthy Medical Systems Inc.](#) in Mayfield Heights, Ohio. Though the investment amount was undisclosed, it likely was the largest investment in the region during the recent quarter.