

CALLING ALL OPINION LEADERS

Join California's leading business executives and policymakers for a day of insight and debate about California's future at the 8th Annual State of the State Conference, Oct. 30, 2006, in Los Angeles. This year's program includes sessions on immigration, infrastructure, innovation, government pension reform and the November elections – as well as a special panel speculating on the shape of California's economy and culture in the year 2020.

To ensure a seat, register today online at www.milkeninstitute.org.

MIND-TO-MARKET

According to a freshly minted study from the Milken Institute, America's universities remain the world's leaders in transferring intellectual property to the private sector – most notably, in the field of biotechnology. In this first-of-its kind study, the Institute examines the quantity and quality of biotechnology research generated by leading universities – everything from knowledge creation to technology transfer and early-stage commercialization – analyzing how well these institutions are able to turn research into commercially viable outcomes.

Among the findings:

- Harvard ranks first in knowledge creation (as measured by published papers and citations), followed by the University of Tokyo and the University of London.

- MIT ranks first, followed by the University of California system and the California Institute of Technology, on our University Technology Transfer and Commercialization Index, which measures successful commercial outcomes such as licensing income and startups.
- For every \$1 invested in offices of technology transfer, universities receive more than \$6 worth of licensing income.

For more information about the study, visit www.milkeninstitute.org.

GRIM REAPING

Each year, millions of Americans die or become disabled due to chronic illnesses, exacting an enormous financial and emotional toll on their families and friends. Less remarked upon, morbidity and premature death undermine the productivity of the economy.

The Milken Institute has begun work on a pathbreaking study of the costs to the economy of chronic diseases, as well as the flipside – how much could be gained in productivity if we reduced the incidence and severity of these diseases. The study will focus on major diseases, notably cancer and diabetes.

“The United States has made substantial progress over the past 50 years in reducing mortality rates from chronic disease, but millions of Americans still suffer from these illnesses,” said Ross DeVol, the director of Regional Economics and head of the Institute's Center for Health Economics. “We think this study will be of enormous benefit

to medical researchers, health care officials, governments, business executives and others to understand the value of prevention, early detection and cure.”

The initiative is being funded through a donation from the Pharmaceutical Research & Manufacturers of America, the industry’s trade association. The report is expected to be finished in spring 2007.

ASIA BOOK

Despite strong economic growth and increasing stability in many Asian countries, the region is still without what the authors of a new volume of essays argue is vital to sustainable prosperity: a diversified financial system that helps to reduce risk and makes it possible for businesses to gain access to a broader spectrum of capital sources.

Asia’s Debt Capital Markets: Prospects and Strategies for Development, published by Springer in conjunction with the Milken Institute, comprises studies by leading financial and legal scholars in the United States, Asia and Europe. They make the case that efficient, fully developed markets for debt capital reduce economic instability and help speed the adjustment to financial shocks.

“These essays suggest that major parts of Asia’s financial markets serve their constituents poorly, even though the region has enjoyed a commendable growth performance over two generations,” said Douglas Arner, director of the Asian Institute of International Financial Law at the University of Hong Kong and one of book’s four editors. “Welfare, resource allocation and macroeconomic risk management could all be enhanced by market-orientated reform.”

The essays stem from discussions at the first Asian Bond Market Forum, co-hosted in 2003 by the Milken Institute and the Univer-

sity of Hong Kong. The book is the sixth in the Milken Institute Series on Financial Innovation and Economic Growth, organized by Glenn Yago and James Barth of the Milken Institute.

Visit www.milkeninstitute.org for more information.

CHINA NUMBERS

This fall, Xinhua Finance Ltd. and the Milken Institute will release the first of eight new China Indicators that will provide both scholars and international investors with standardized measurements for gauging the performance of China’s markets.

One of the first, the Renminbi Pressure Indicator, will focus on market pressures on currency exchange rates.

The others in the proverbial pipeline are indicators for the banking sector, initial public offerings, market-adjusted debt, mergers and acquisitions, privatization and joint ventures, corporate governance and openness to trade. Four of these indicators will be updated quarterly by the Milken Institute. The exceptions: the banking sector and corporate governance indicators will be updated twice a year, while the renminbi and IPO indicators will be updated monthly.

The China Indicators – which combine the financial information and on-the-ground resources of Xinhua Finance, China’s leading financial information and media organization, with the capital-markets expertise of the Milken Institute – will distill valuable information about the Chinese financial markets. The goal is to help both investors and those doing business in China to better navigate the challenges of the country’s fast-track economic changes.

To view the indicators, please visit www.milkeninstitute.org. 