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S'PORE-BIOTECH

SEVERAL S'PORE BIOTECH COS CONSIDERING RELOCATING TO M'SIA

SINGAPORE, May 22 (Bernama) -- Malaysia's upcoming BioValley project could gain from the frustration that is mounting in some of the 30 biotech start-up companies in Singapore, the Today newspaper reported.

The Malaysian government project, to be ready by 2006, hopes to attract 150 biotech companies and pull in US\$10.5 billion in investments in the next decade.

Already, a number of companies in Singapore are considering moving out, some to Malaysia, where costs are lower, and some to the United States, where funding is more readily available, industry sources told the daily tabloid.

According to the newspaper in its front-page headline story, a major setback was the bureaucracy biotech companies here faced in getting funds.

This is despite the existence of various funds worth over S\$1 billion, allocated by the Singapore government, to help startups as well as entice international firms to set up base here.

"It's easy to complain but the reality is that it is difficult to get money from anyone, even your father," said the founder of Lynk Biotechnologies, Prof Lee Chee Wee.

The problem in Singapore, he said, was the lack of experience.

"You can't blame the EDB (the Economic Development Board), which has S\$1 billion in funds to invest) for being careful with funding. It's taxpayers' money."

Prof Lee, who is Malaysian, added: "Most of the EDB officers are young and inexperienced, many of them have never even borrowed S\$1 from anyone before, let alone a few million dollars. You have to convince them..so they can convince the directors when they present your case to the board."

For a start, said the newspaper owned by MediaCorp Press, these companies can take heart from the success of Port of Tanjung Pelepas in being able to lure away major customers from the more established Port of Singapore Authority.

More recently, moves to develop a S\$500 million major sea, air and transport logistics hub in Johor, speak volumes on a progressive Malaysian attitude, said Today.

The RM2 billion, 484-hectare BioValley project, a brainchild of Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad, with attractive lakeside housing, might well be able to attract top companies and scientists needed to make the project a success.

Singapore's Biopolis, a S\$500 million complex in North Buona Vista, expects to usher in tenants in the next two months, and be a home to 4,000 top-notch scientists and 15 world-class companies.

And if the problem of funding persists, an exodus of biotech companies from Singapore to Malaysia might well happen, especially those that are not big players, enjoying the backing of the Economic Development Board, said the newspaper.

Malaysia, which has less red tape in dispensing funds, has already attracted Singapore investors to set up a number of biotech companies, the tabloid said.

"Malaysia is more liberal..they don't put you under the microscope," said Paulus Tan, managing director of Bestar Laboratories, a diagnostics manufacturer whose industrial contacts received biotech funding from Malaysia.

Malaysia, said the newspaper, is already working with industry partners from boutique biotech companies to multinationals like Roche Diagnostics of Switzerland.

It is also the first country in Asia to provide Severe Acute Respiratory Syndrome (SARS) samples to Roche, which is now developing a SARS diagnostic kit, said the newspaper.

Singapore, on the other hand, is not very forthcoming in giving samples to non-government led efforts, said the newspaper. It is such red tape that fuelled unhappiness in private biotech companies here, said the Today daily.

Industry players say it costs about US\$10 million to run a biotech company over four years. -- BERNAMA

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