

14/06/2003

Penang to have Asia's first human insulin plant by 2005

PENANG, Fri. - Asia's first human insulin plant here will start production by mid-2005, Chief Minister Tan Sri Dr Koh Tsu Koon said today.

This follows yesterday's signing of a letter of intent between London-based biogeneric pharmaceutical giant, GeneMedix Plc (GMX), with Penang Development Corporation (PDC) to set up a company for the development, manufacture and commercialisation of human insulin.

Koh said the investment was estimated at US\$34 million (RM129.2 million).

"This is a major breakthrough for Malaysia especially in its drive into biotechnology and biopharmaceutical development and production," he said in response to an announcement by GeneMedix in London yesterday.

Under the letter of intent, Gene-Medix announced that "it will outlicense its existing insulin know-how to a newly formed Malaysian company and use its expertise in the development of biopharmaceuticals and in the design, construction and operation of state-of-the-art manufacturing facilities, to construct a facility built to international standards.

"PDC will make industrial land available, assist in gaining access to development loans on attractive commercial terms and to grant funding.

"Both parties will work together in bringing in local investors to the project, a process that is already well under way."

Koh said GeneMedix's chief executive Paul Edwards informed him that the company wanted to set up a plant in Southeast Asia to provide insulin for the Asian markets where demand was expected to rise.

GeneMedix will retain a majority shareholding in the new company.

Koh said GeneMedix's chairman and biotech entrepreneur Dr Kim Tan, Edwards and their team had visited Penang several times in the past four months for discussions.

"I am glad that our efforts are beginning to bear fruit.

"While we feel greatly honoured to be chosen, there is still a lot of hard work ahead for us to ensure that the proper infrastructure, incentives, expertise and human resources are in place for this project.

"I have informed Prime Minister Datuk Seri Dr Mahathir Mohamad, his deputy Datuk Seri Abdullah Ahmad Badawi and other leaders about GeneMedix's decision, and they have expressed support," Koh said.

GeneMedix is involved in the development and manufacture of genetically engineered drugs.

Annual human insulin demand now exceeds US\$5 billion (RM19 billion) and the fastest demand growth is in Asia, where the increase in diabetic cases has been rapid.