

# New initiatives to boost biotechnology sector

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**NILAI:** The biotechnology industry received another shot in the arm yesterday when the government announced new initiatives, including the introduction of privileges for biotechnology companies, and a venture capital fund to promote investments.

Biotechnology companies awarded the "Bionexus status" would be eligible for privileges contained within the nine-point "Bionexus Bill of Guarantees", Prime Minister Datuk Seri Abdullah Ahmad Badawi said.

Privileges include freedom of ownership, 10-year tax exemption on company profits, and access to shared laboratory and production facilities.

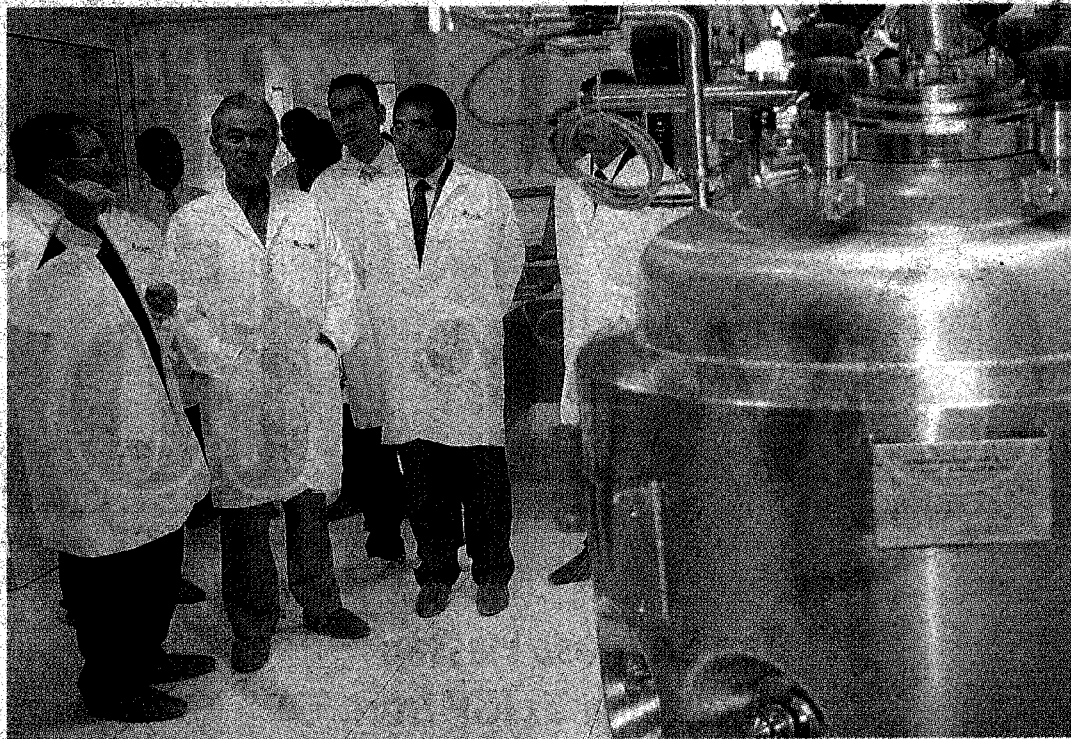
The Bionexus status will be evaluated by an inter-ministerial committee, and will be handled administratively by the Malaysian Biotechnology Corporation.

Abdullah said the Bionexus status was aimed at boosting industry development by facilitating investment in Malaysian biotechnology.

"It is also aimed at encouraging more Malaysian companies to invest in biotechnology subsidiaries, and the commercialisation of biotechnology intellectual property," he said at the inauguration ceremony of Inno Biologics Biopharmaceutical's manufacturing facility here yesterday.

He had earlier chaired the First Biotech Implementation Council meeting.

Another initiative was the launch of the Malaysian Life Sciences Capital Fund, a biotechnology venture capital fund that had been anticipated by industry players ever since it was announced in last year's Budget.



Abdullah being briefed by Inno Biologics Sdn Bhd chief executive officer Dr Mohd Nazlee Kamal (left) during his visit to the complex after launching the Malaysian Life Sciences Capital Fund. On the PM's left is Science, Technology and Innovation Minister Datuk Seri Jamaluddin Jarijs.

Describing the fund as a critical component of the industry's development, he said about US\$150 million (RM547 million) worth of funds had been collected. It was scheduled to close by mid-October. The fund, to be co-managed by the Malaysian Technology Development Corporation (MTDC) and San Francisco-based Burill & Co, was set to become one of Asia's premier sources for venture capital, Abdullah said.

As biotechnology investment is still in its infancy in Southeast Asia, the fund will provide investors with an opportunity to diversify and gain knowledge in the

biotechnology business.

He said the three major initiatives — Bionexus, the capital fund and the Inno Biologics manufacturing facility — are among the building blocks of Malaysia's biotechnology industry development.

Abdullah said RM543 million had been invested in the industry, with 25 projects undertaken.

On critics unhappy with Mara's suggestion that its education loan defaulters pay as little as RM20 a month to settle their debts, he said: "Pay up, even if it's RM20. It will be more embarrassing if you don't at all.

Mara chairman Brig-Jen (R) Datuk Seri Abdul Hamid Zaimal Abidin said recently that the agency would ask for a minimum of RM20 to enable those who took loans from the agency to repay.

He said up to today an estimated 40 per cent of the 121,000 Mara borrowers could not be traced, adding that as of July, the total loans taken by them stood at RM556 million.

However, Umno's Public Complaints and Consumer Affairs Bureau took exception to this proposal, saying that paying such a paltry sum was an embarrassment to Malays.