

**SPEECH BY  
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI  
AT THE OFFICIAL LAUNCH OF BIOMALAYSIA 2006  
AT KUALA LUMPUR CONVENTION CENTRE  
6 DECEMBER 2006**

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BISMILLAHIR RAHMANIR RAHIM

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH AND GOOD AFTERNOON

YAB DATO' SRI MOHD. NAJIB TUN ABDUL RAZAK  
DEPUTY PRIME MINISTER OF MALAYSIA

YB DATO' SRI DR. JAMALUDDIN JARJIS  
MINISTER OF SCIENCE, TECHNOLOGY AND INNOVATION

CABINET MINISTERS AND CHIEF MINISTERS

TAN SRI ZAHARUDDIN IDRUS  
CHAIRMAN, MALAYSIAN BIOTECHNOLOGY CORPORATION

DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

1. I AM INDEED PLEASED TO BE ABLE TO JOIN YOU HERE TODAY. BIO-MALAYSIA 2006 REPRESENTS AN IMPORTANT MILESTONE IN MALAYSIA'S DEVELOPMENT, AND I WOULD LIKE TO COMMEND THE ORGANISERS FOR THEIR GOOD WORK AND TO THANK THEM FOR AFFORDING ME THE OPPORTUNITY TO ADDRESS THIS SIGNIFICANT GATHERING.

2. BIOTECHNOLOGY AND THE LIFE SCIENCES HAVE BEEN IDENTIFIED AS A KEY SECTOR FOR DEVELOPMENT, IN LINE WITH MALAYSIA'S AGENDA TO MOVE UP THE GLOBAL VALUE CHAIN. THIS FIELD OFFERS TREMENDOUS SCOPE FOR ECONOMIC PROSPERITY AND SOCIAL BENEFIT FOR ALL MALAYSIANS, PROVIDED THAT WE HARNESS OUR NATURAL ADVANTAGES WISELY AND EXPEDIENTLY.

3. THE NATIONAL BIOTECHNOLOGY POLICY, LAUNCHED IN MAY 2004, HAS IDENTIFIED THREE MAIN AREAS OF FOCUS BASED ON THE COUNTRY'S COMPETITIVE ADVANTAGES: ONE, AGRICULTURAL BIOTECHNOLOGY; TWO, HEALTHCARE BIOTECHNOLOGY; AND THREE, INDUSTRIAL BIOTECHNOLOGY. DUE TO THE INTRINSIC NATURE OF BIOTECHNOLOGY, DEVELOPMENT OF THESE AREAS CANNOT FALL BACK ONTO TRADITIONAL MODELS OF INDUSTRY DEVELOPMENT – WHICH FOCUS ON FOREIGN DIRECT INVESTMENT, BASIC TAX INCENTIVES AND LOW-COST LABOUR. DEVELOPMENT OF THE BIOTECHNOLOGY INDUSTRY REQUIRES ADEQUATE FUNDING FOR RESEARCH AND DEVELOPMENT (R&D), STRONG SUPPORT FOR COMMERCIALISATION, GENUINE ENTREPRENEURSHIP, AND A POOL OF HIGHLY-SKILLED HUMAN CAPITAL. THESE IN TURN REQUIRE SOLID FUNDAMENTALS SUCH AS A GOOD SCIENTIFIC AND ACADEMIC ENVIRONMENT, A SUPERIOR EDUCATION SYSTEM, AND SOUND FINANCIAL CAPACITY.

4. THEREFORE, THE WORK REQUIRED TO DEVELOP A HOME-GROWN BIOTECHNOLOGY INDUSTRY EXTENDS BEYOND MERELY A COUNTRY'S MARKETING EFFORTS; WE MUST ALSO PUT IN PLACE A CONDUCIVE ENVIRONMENT IN WHICH ENTREPRENEURS AND RESEARCHERS CAN THRIVE. IN THIS RESPECT, BIO-MALAYSIA 2006 PRESENTS A CULMINATION OF THIS YEAR'S EFFORTS. TODAY'S GATHERING OF ENTREPRENEURS, SCIENTISTS, INDUSTRY EXPERTS AND FINANCIERS REPRESENTS A FITTING CONCLUSION TO OUR COLLECTIVE EFFORTS IN 2006, AND GOES ON TO SET THE TONE FOR FURTHER EXPANSION IN 2007.

5. FIRSTLY, 2006 SAW THE LAUNCH OF THE NINTH MALAYSIA PLAN. FOR BIOTECHNOLOGY AND THE LIFE SCIENCES, THE GOVERNMENT ALLOCATED JUST OVER TWO BILLION RINGGIT FOR BOTH R&D AND INDUSTRY DEVELOPMENT. GREATER EMPHASIS WAS PLACED ON COMMERCIALISATION, AS EVIDENCED BY THE REORGANISATION OF THE MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION'S R&D GRANT PROGRAMS, AS WELL AS THE ESTABLISHMENT OF 4 COMMERCIALISATION-FOCUSED R&D CENTRES OF EXCELLENCE – THE NATIONAL INSTITUTE OF NATURAL PRODUCTS, VACCINES AND BIOLOGICALS OR 9-BIO; THE NATIONAL INSTITUTE OF PHARMACEUTICALS AND NUTRACEUTICALS; THE NATIONAL INSTITUTE OF AGRO-BIOTECHNOLOGY; AND THE NATIONAL INSTITUTE OF GENOMICS.

6. THE INNOBIOLOGICS C.G.M.P. MANUFACTURING PLANT, THE FIRST SUCH FACILITY IN THE COUNTRY, WAS OFFICIALLY OPENED IN 2006. THE OPENING OF THE PLANT SERVES AS A CATALYST FOR THE DEVELOPMENT OF BIOTECHNOLOGY CONTRACT MANUFACTURING IN MALAYSIA, WHICH WILL NO DOUBT GENERATE GROWTH IN OTHER RELATED SERVICES. THE TOWNSHIP OF NILAI – WHERE INNOBIOLOGICS IS LOCATED – IS ALSO SET TO BECOME A NATURAL BIOTECHNOLOGY CLUSTER WITH THE CONCENTRATION OF MEDICAL AND RESEARCH INSTITUTES SITUATED THERE, AS WELL AS THE FUTURE DEVELOPMENT OF A DEDICATED BIOTECHNOLOGY PARK THERE.

7. 2006 ALSO SAW THE FULL ESTABLISHMENT OF THE MALAYSIAN LIFE SCIENCES CAPITAL FUND. WITH 150 MILLION U.S. DOLLARS IN COMMITTED FUNDS, THE MALAYSIA LIFE SCIENCES CAPITAL FUND IS READY TO BEGIN IDENTIFYING AND NURTURING PROMISING, VALUE-CREATING, HOME-GROWN BIOTECHNOLOGY COMPANIES. WITH THE CREATION OF THIS FUND, WE EXPECT TO CATALYSE THE GROWTH OF A NEW 'PIONEERING BATCH' OF MALAYSIAN BIOTECHNOLOGY COMPANIES. IT IS HOPED THAT THIS BATCH WILL PROVIDE THE CRITICAL MASS TO GENERATE FURTHER WAVES OF INDUSTRY CREATION IN THE NEAR FUTURE.

8. FINALLY, 2006 SAW THE ESTABLISHMENT OF THE BIONEXUS STATUS, A SPECIAL DESIGNATION FOR BIOTECH COMPANIES THAT QUALIFIES THEM TO RECEIVE SPECIAL TAX INCENTIVES, GRANTS AND OTHER FORMS OF SUPPORT UNDER A BILL OF 9 GUARANTEES. THE BIONEXUS STATUS WILL COMPLEMENT OTHER INDUSTRY DEVELOPMENT MEASURES IN GROWING MORE MALAYSIAN BIOTECHNOLOGY COMPANIES AS WELL AS IN ATTRACTING INTERNATIONAL BIOTECHNOLOGY AND LIFE SCIENCES COMPANIES TO SET UP BASE OR TO JOINT-VENTURE IN MALAYSIA.

9. TODAY, I AM HAPPY TO ANNOUNCE THE VERY FIRST BATCH OF BIONEXUS STATUS COMPANIES. THEY ARE: MALAYSIAN BIO-DIAGNOSTIC RESEARCH SDN BHD, A COMPANY SPECIALISING IN DEVELOPING MEDICAL DIAGNOSTIC KITS; K.L. BIOTECH MANUFACTURING SDN BHD, WHICH IS INVOLVED IN THE DEVELOPMENT

OF SUPPLEMENTS AND PHARMACEUTICALS DERIVED FROM MALAYSIAN HERBS; VIVANTIS TECHNOLOGIES SDN BHD, A COMPANY INVOLVED IN THE R&D AND PRODUCTION OF ENZYMES AND RELATED BIOLOGICAL PRODUCTS; NOVA LABORATORIES SDN BHD, WHICH IS INVOLVED IN THE DEVELOPMENT OF PLANT-BASED PHARMACEUTICALS; I.P.T. KOSMO SDN BHD, WHICH IS INVOLVED IN THE APPLICATION OF AN ADVANCED AND PATENTED TECHNOLOGY FOR WASTEWATER TREATMENT; THE ASIATIC CENTRE FOR GENOME TECHNOLOGY SDN BHD, WHICH SPECIALISES IN GENOME SEQUENCING AND THE DISCOVERY OF BIOMARKERS; AND INNOBIOLOGICS SDN BHD, WHICH SPECIALISES IN CONTRACT MANUFACTURING OF BIOPHARMACEUTICALS. THESE 7 COMPANIES REPRESENT THE BEGINNING OF MANY MORE BIOTECH ENTERPRISES IN THE FUTURE, INSYA-ALLAH. I UNDERSTAND THAT ANOTHER 100 APPLICATIONS ARE CURRENTLY BEING EVALUATED, AND I HOPE THAT THESE COMPANIES WILL ALSO YIELD REAL VALUE-GENERATING PROSPECTS.

10. WE ARE STILL VERY MUCH IN THE INITIAL STAGES OF BIOTECHNOLOGY DEVELOPMENT, BUT WITH THE CONVERGENCE OF THESE MEASURES, I TRUST AND BELIEVE THAT WE WILL SOON SEE THE FRUITS OF OUR LABOUR. MUCH MORE REMAINS TO BE DONE AS AN ON-GOING MISSION, SUCH AS THE DEVELOPMENT OF HUMAN CAPITAL AND THE STRENGTHENING OF OUR CAPACITY FOR INNOVATION; THESE AREAS CONTINUE TO RECEIVE CLOSE ATTENTION.

11. TWO DAYS AGO, I CHAIRED THE FIRST MEETING OF THE NATIONAL INNOVATION COUNCIL. THIS HIGH-LEVEL COUNCIL, COMPRISING SENIOR FIGURES IN RESEARCH, BUSINESS AND FINANCE, IS RESPONSIBLE FOR SPEARHEADING MALAYSIA'S INNOVATION AGENDA. THE COUNCIL WILL PROVIDE THE STRATEGIC DIRECTION FOR INNOVATION POLICIES THAT WILL HELP RAISE THE CAPACITY FOR INNOVATION IN OUR HUMAN CAPITAL, ENTERPRISES AND INSTITUTIONS. AMONG OTHER ISSUES, I HAVE ASKED THE COUNCIL TO LOOK INTO THE FUNDING OF INNOVATION WITH THE VIEW OF ADDRESSING VARIOUS GAPS THAT CURRENTLY EXIST. SPECIFICALLY, I HAVE ASKED FOR A STUDY TO BE CARRIED OUT ON THE VENTURE CAPITAL INDUSTRY IN MALAYSIA SO THAT IT CAN BE MADE MORE SUPPORTIVE OF INNOVATIVE VENTURES. BESIDES FUNDING, CATALYSING INNOVATION ALSO DEPENDS ON THE QUALITY OF HUMAN CAPITAL. IN ORDER TO FAST-TRACK THE FORMATION OF A CRITICAL MASS OF RESEARCHERS AND SCIENTISTS, I HAVE ALSO LAUNCHED A NATIONAL BRAIN GAIN PROGRAMME. THIS PROGRAMME SEEKS TO ENCOURAGE COLLABORATION BETWEEN LOCAL AND FOREIGN RESEARCHERS THROUGH R&D AND COMMERCIALISATION PROJECTS. TO BEGIN WITH, FIVE FOCUS AREAS HAVE BEEN IDENTIFIED, NAMELY AGRICULTURE; BIOTECHNOLOGY; I.C.T.; MANUFACTURING; AND SEA-TO-SPACE. I AM CONFIDENT THAT THROUGH SUCH CONCERTED EFFORTS, INNOVATION WILL BEGIN TO PLAY A MUCH LARGER AND MORE IMPORTANT ROLE IN MALAYSIA'S DEVELOPMENT.

12. THE ISSUE OF INNOVATION AND HUMAN CAPITAL DEVELOPMENT WAS ALSO HIGHLIGHTED IN THE BIOTECHNOLOGY INTERNATIONAL ADVISORY PANEL MEETING WHICH I CHAIRED YESTERDAY. MORE NEEDS TO BE DONE IN PRODUCING HIGH-QUALITY HUMAN CAPITAL AT THE POST-GRADUATE AND POST-DOCTORAL LEVELS. THE BIOTECHNOLOGY INTERNATIONAL ADVISORY PANEL ALSO DISCUSSED THE IMPORTANCE OF NURTURING AN ENTREPRENEURSHIP CULTURE IN THE COUNTRY, IN ORDER TO BRING INNOVATION TO THE MARKET. THESE ARE SOCIETAL AND STRUCTURAL ISSUES WHICH WILL REQUIRE A LONG-TERM SHIFT IN OUR CULTURE AND MINDSETS.

13. THEREFORE, AT ITS SIMPLEST, WE CAN SURMISE THAT WHAT IS REQUIRED FOR THE DEVELOPMENT OF BIOTECHNOLOGY AND OTHER KNOWLEDGE-BASED INDUSTRIES, IN ANY DEVELOPING COUNTRY, IS PERSISTENCE AND PATIENCE. THERE ARE OBSTACLES AND CHALLENGES TO BE SURE, BUT IF WE FACE THEM WITH PERSISTENCE AND PATIENCE, WE WILL OVERCOME THEM TO CLAIM SUCCESS. MALAYSIA'S POTENTIAL IS STILL SOMEWHAT BELOW THE INTERNATIONAL RADAR SCREEN, BUT JUDGING BY THE VOLUME AND QUALITY OF PARTICIPATION IN THIS YEAR'S BIO-MALAYSIA, I AM CONFIDENT THAT THIS WILL NOT BE THE CASE FOR LONG.

14. MY GOVERNMENT STANDS COMMITTED TO DEVELOP THE BIOTECHNOLOGY INDUSTRY. IN ORDER TO BUILD ON THE CURRENT MOMENTUM, WE WILL CONCENTRATE ON AREAS IN WHICH WE HAVE A VERY STRONG COMPETITIVE ADVANTAGE, SUCH AS IN NATURAL RESOURCE-BASED BIOTECHNOLOGY, PARTICULARLY PALM OIL, AND INTEGRATIVE MEDICINE BASED ON OUR LOCAL BIODIVERSITY AND TRADITIONAL KNOWLEDGE. WE WILL ALSO CONTINUE TO PUT IN PLACE ALL THE STRUCTURAL BUILDING BLOCKS REQUIRED TO CREATE A CONDUCIVE ENVIRONMENT FOR INDUSTRY DEVELOPMENT. ALL PARTIES, PARTICULARLY THE GOVERNMENT MACHINERY, WILL HAVE TO WORK THAT MUCH HARDER AND FASTER TO ENSURE THAT OUR EFFORTS MEET WITH SUCCESS IN THIS EXTREMELY COMPETITIVE FIELD.

15. BEFORE I END, I WOULD LIKE TO CONGRATULATE ALL RELEVANT MINISTRIES, GOVERNMENT AGENCIES AND PRIVATE SECTOR ORGANISATIONS WHO HAVE WORKED TIRELESSLY TO IMPLEMENT THE NATIONAL BIOTECHNOLOGY POLICY. INDEED, WITH EFFORT AND DEDICATION, THE MALAYSIAN BIOTECHNOLOGY AND LIFE SCIENCES SECTOR WILL SOON COME INTO ITS OWN. I INVITE ALL WHO ARE PARTICIPATING IN THIS CONFERENCE TO JOIN US ON THIS JOURNEY.

16. ON THAT NOTE, WITH THE RECITATION OF BISMILLAHIR RAHMANIR RAHIM, IT IS NOW MY HONOUR AND PRIVILEGE TO DECLARE THE 2006 BIO-MALAYSIA CONFERENCE AND EXHIBITION OFFICIALLY OPEN.

THANK YOU