

**SPEECH BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE INAUGURATION CEREMONY OF THE INNO BIOLOGICS
BIOPHARMACEUTICAL MANUFACTURING FACILITY
AT NILAI, NEGERI SEMBILAN
7 SEPTEMBER 2006**

BISMILLAHIR RAHMANIR RAHIM

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH DAN SALAM SEJAHTERA

YAB DATO' SERI MOHAMAD BIN HASAN
MENTERI BESAR NEGERI SEMBILAN

YAB DATUK SERI MOHD. ALI BIN MOHD. RUSTAM
MENTERI BESAR MELAKA

YB DATO' DR. JAMALUDIN JARJIS
MENTERI SAINS, TEKNOLOGI DAN INOVASI

YB MENTERI-MENTERI KABINET

YBHG TAN SRI ZAHARUDIN IDRUS
PENGERUSI INNO BIOLOGICS SDN BHD

DR MOHD NAZLEE KAMAL
KETUA PEGAWAI EKSEKUTIF INNO BIOLOGICS SDN BHD

DIF-DIF JEMPUTAN, TUAN-TUAN DAN PUAN-PUAN SEKALIAN

1. ALHAMDULILLAH, BERSYUKUR KITA KEHADRAT ALLAH S.W.T. KERANA DENGAN LIMPAH, KURNIA DAN IZIN-NYA, KITA DAPAT BERSAMA HARI INI UNTUK MERAIKAN BEBERAPA INISIATIF BAGI MELONJAKKAN SEKTOR BIOTEKNOLOGI DAN INDUSTRI SAINS HAYAT NEGARA KE TAHAP YANG SETERUSNYA. SESUNGGUHNYA, HARI INI ADALAH HARI YANG SANGAT BERMAKNA. BERKAT USAHA YANG GIGIH DI SEBALIK INISIATIF-INISIATIF YANG AKAN DILANCAR SEBENTAR LAGI, SAYA BERHARAP HARI INI AKAN MENJADI TITIK TOLAK KEPADA PERTUMBUHAN PESAT SEKTOR BIOTEKNOLOGI KHUSUSNYA, DAN SEKTOR TEKNOLOGI TINGGI, AMNYA.

2. BERMULA DENGAN USAHA-USAHA TERDAHULU DAN PELANCARAN DASAR BIOTEKNOLOGI NEGARA PADA AKHIR BULAN APRIL TAHUN LALU, JENTERA KERAJAAN TELAH BERUSAHA UNTUK MENYEDIAKAN ASAS YANG KUKUH BAGI PEMBANGUNAN SEKTOR BIOTEKNOLOGI. 'MALAYSIAN BIOTECHNOLOGY CORPORATION' TELAH DITUBUHKAN SEBAGAI PUSAT SEHENTI ATAU 'ONE-STOP-CENTRE' UNTUK MEMBANTU SYARIKAT-SYARIKAT YANG INGIN BERKECIMPUNG DALAM BIOTEKNOLOGI DI MALAYSIA. USAHA DIMULAKAN UNTUK MENUBUH SEBUAH 'MALAYSIAN LIFE SCIENCES CAPITAL FUND', SEPERTI YANG SAYA UMUMKAN DALAM BAJET 2006 TAHUN LALU. DALAM PADA ITU, RANCANGAN

MALAYSIA KESEMBILAN YANG DILANCARKAN BARU-BARU INI, TELAH MENYEDIAKAN PERUNTUKAN SEBANYAK 2 BILION RINGGIT UNTUK PENYELIDIKAN SERTA USAHA MENGGOMERSILKAN HASIL BIOTEKNOLOGI. DALAM PADA ITU, SYARIKAT MILIK KEMENTERIAN KEWANGAN 'INNOBIOLOGICS' TELAH SIBUK BERSIAP DAN MEMBAWA KOMPONEN-KOMPONEN FASILITI MEREKA KE TAPAK INI UNTUK MENDIRIKAN KOMPLEKS PEMBUATAN BIOFARMASEUTIKAL, ATAU 'BIOPHARMACEUTICAL MANUFACTURING PLANT', KEPADA STANDARD YANG DIIKTIRAF ANTARABANGSA. BENIH-BENIH YANG DITANAM ITU TELAH MULA BERPUTIK; KITA KINI PERLU MENGURUS, MENYIRAM DAN MEMBAJA UNTUK MELIHAT KESELURUHAN HASIL TITIK PELUH KITA. SYABAS KEPADA SEMUA YANG TELAH BERSAMA-SAMA MENYEMAI; "THERE IS MUCH AHEAD OF US, BUT I BELIEVE THAT THE SEEDS OF SUCCESS HAVE BEEN SOWN IN MALAYSIA".

LADIES AND GENTLEMEN,

3. I AM VERY PLEASED TO BE HERE THIS AFTERNOON, TO CELEBRATE THE LAUNCHING OF SEVERAL STRATEGIC INITIATIVES WHICH WILL CATALYSE THE DEVELOPMENT OF MALAYSIA'S BIOTECHNOLOGY INDUSTRY. THE SEEDS OF SUCCESS HAVE INDEED BEEN SOWN, AND I LOOK FORWARD TO THE FUTURE GROWTH OF MALAYSIAN BIOTECHNOLOGY WITH GREAT OPTIMISM AND EXPECTATION.

4. OUR PUSH IN BIOTECHNOLOGY, COUPLED WITH OTHER EFFORTS IN THE MANUFACTURING, SERVICES AND AGRICULTURE SECTORS, CLEARLY DEMONSTRATE THAT THE COUNTRY IS TAKING DETERMINED STEPS TO MOVE UP THE VALUE CHAIN AND TO TRANSITION TO BECOME A KNOWLEDGE-BASED ECONOMY. AS ARTICULATED IN THE FIVE THRUSTS OF THE NATIONAL MISSION, THIS MEANS THAT THERE IS GREATER EMPHASIS ON HUMAN CAPITAL DEVELOPMENT, ON CREATING MORE VALUE-ADDED PRODUCTS AND JOBS, ON RESEARCH & DEVELOPMENT AND ON ATTAINING A HIGHER QUALITY OF LIFE. THIS TRANSITION PROCESS IS EXTREMELY CHALLENGING AS IT REQUIRES A TOTAL CHANGE FROM THE BASIS OF THE OLD ECONOMY TO ONE BASED ON MORE INTANGIBLE ASSETS, SUCH AS CREATIVITY, ENTREPRENEURSHIP AND INNOVATION. NEVERTHELESS, MALAYSIA IS READY TO MAKE THE TRANSITION, AND WILL TAKE THE NECESSARY STEPS TO REACH OUR GOAL OF VISION 2020.

5. WITHIN THIS CONTEXT, TODAY WE MARK THE REALISATION OF INNO BIOLOGICS'S EFFORTS AND UNVEIL TWO MORE IMPORTANT MEASURES TO FURTHER STRENGTHEN THE COUNTRY'S BIOTECHNOLOGY FOUNDATIONS. FIRSTLY, THE GOVERNMENT IS LAUNCHING 'THE BIONEXUS STATUS', WHICH IS A DESIGNATION AWARDED TO QUALIFYING BIOTECHNOLOGY COMPANIES, MAKING THEM ELIGIBLE FOR PRIVILEGES CONTAINED WITHIN THE 'BIONEXUS BILL OF GUARANTEES'. THE NINE POINTS IN THE BILL OF GUARANTEES INCLUDE FREEDOM OF OWNERSHIP; FREEDOM TO BRING IN KNOWLEDGE WORKERS; ELIGIBILITY TO RECEIVE ASSISTANCE FOR INTERNATIONAL ACCREDITATION; ACCESS TO AN INFORMATION NETWORK LINKING RESEARCH CENTRES OF EXCELLENCE; AND ACCESS TO SHARED LABORATORY AND PRODUCTION FACILITIES. THE BILL OF GUARANTEES ALSO INCLUDES ELIGIBILITY FOR BIONEXUS-STATUS FISCAL INCENTIVES, WHICH I RECENTLY ANNOUNCED IN THE 2007 BUDGET, THAT

INCLUDED AMONG MANY OTHERS, 10-YEARS OF TAX EXEMPTION ON COMPANY PROFITS AS WELL AS TAX DEDUCTION ON EARLY-STAGE INVESTMENTS IN BIONEXUS COMPANIES. THE BIONEXUS STATUS WILL BE AWARDED BY AN INTER-MINISTERIAL COMMITTEE, AND WILL BE HANDLED ADMINISTRATIVELY BY THE MALAYSIAN BIOTECHNOLOGY CORPORATION.

6. THE IMPLEMENTATION OF THE 'BIONEXUS STATUS' AIMS TO CATALYSE INDUSTRY DEVELOPMENT BY FACILITATING INVESTMENT IN MALAYSIAN BIOTECHNOLOGY AS WELL AS BY ENCOURAGING MORE MALAYSIAN COMPANIES TO INVEST IN BIOTECHNOLOGY SUBSIDIARIES AS WELL AS THE COMMERCIALISATION OF BIOTECHNOLOGY INTELLECTUAL PROPERTY. JUMP-START COMMERCIALISATION AND ENHANCING INDUSTRY DEVELOPMENT ARE ABSOLUTELY CRUCIAL TO GAIN A Foothold IN THE GLOBAL BIOTECHNOLOGY INDUSTRY. GIVEN THIS FACT, THE CREATION OF VIABLE, HIGH-VALUE BUSINESSES AND JOBS MUST BE A CORE OBJECTIVE OF MALAYSIA'S BIOTECHNOLOGY STAKEHOLDERS. WE MUST AT LEAST DOUBLE THE NUMBER OF BIOTECHNOLOGY AND BIOTECH-RELATED COMPANIES TO OVER 200 COMPANIES BY 2010, AND HAVE GLOBAL MALAYSIAN COMPANIES BY THE YEAR 2020. AT THE SAME TIME, ORGANIC GROWTH THROUGH THE NURTURING OF MALAYSIAN RESEARCH AND DEVELOPMENT WILL CONTINUE TO BE UNDERTAKEN IN EARNEST.

7. SECONDLY TODAY, WE SEE THE OFFICIAL LAUNCHING OF THE MALAYSIAN LIFE SCIENCES CAPITAL FUND. A CRITICAL COMPONENT OF INDUSTRY DEVELOPMENT, THIS BIOTECHNOLOGY VENTURE CAPITAL FUND HAS BEEN HIGHLY ANTICIPATED BY INDUSTRY PLAYERS SINCE ITS APPEARANCE IN LAST YEAR'S BUDGET SPEECH. I AM PLEASED TO ANNOUNCE TODAY THAT THIS FUND HAS AMASSED 150 MILLION U.S. DOLLARS OF COMMITTED FUNDS, AND IS SCHEDULED TO CLOSE BY MID OCTOBER THIS YEAR. UNDER THE CO-MANAGEMENT OF THE MALAYSIAN TECHNOLOGY DEVELOPMENT CORPORATION (M.T.D.C.) AND BURRILL & CO. OF SAN FRANCISCO, THIS FUND IS SET TO BECOME ONE OF ASIA'S PREMIER SOURCES FOR VENTURE CAPITAL. FURTHERMORE, AS INVESTING IN BIOTECHNOLOGY IS STILL IN ITS INFANCY IN SOUTHEAST ASIA; THIS FUND WILL PROVIDE INVESTORS WITH AN OPPORTUNITY TO DIVERSIFY AND GAIN KNOWLEDGE IN THE BIOTECHNOLOGY BUSINESS. INDEED, THE PARTICIPATION OF INVESTORS, BOTH FROM THE PUBLIC AND PRIVATE SECTORS, IS VITAL TO THE COUNTRY'S BIOTECHNOLOGY PROSPECTS. WITHOUT INVESTMENT, BIOTECHNOLOGY DEVELOPMENT WILL SOLELY DEPEND ON GOVERNMENT FUNDS, WHICH IS CLEARLY UNSUSTAINABLE. HENCE, I URGE ALL INVESTORS TO INCREASE THEIR UNDERSTANDING OF BIOTECHNOLOGY AND BIOTECHNOLOGY INVESTING. THERE IS MUCH VALUE THAT CAN BE CREATED, BUT THE HURDLES POSED BY IGNORANCE MUST BE OVERCOME QUICKLY.

8. THESE THREE MAJOR GOVERNMENT INITIATIVES – THE BIONEXUS STATUS, THE MALAYSIAN LIFE SCIENCES CAPITAL FUND AND INNO BIOLOGICS' BIOPHARMACEUTICAL PLANT – ARE AMONG THE FUNDAMENTAL BUILDING BLOCKS OF MALAYSIA'S BIOTECHNOLOGY INDUSTRY DEVELOPMENT. THESE MEASURES, AMONGST OTHERS, WILL PROVIDE THE IMPETUS FOR THE CREATION OF COMPANIES, THE CREATION OF JOBS AND THE CREATION OF VALUE FOR MALAYSIA.

9. UNDOUBTEDLY, MUCH MORE REMAINS TO BE DONE. THE LONG-TERM SUCCESS OF BIOTECHNOLOGY IN MALAYSIA DEPENDS ON THE AVAILABILITY OF QUALITY HUMAN CAPITAL. MALAYSIAN UNIVERSITIES AND RESEARCH INSTITUTIONS MUST IMMEDIATELY RESPOND TO THE CHALLENGE OF RAPIDLY PRODUCING FIRST-CLASS HUMAN RESOURCE REQUIRED BY INDUSTRY. IN ADDITION, EFFORTS MUST BE MADE TO ENHANCE TRAINING OF DIFFERENT TYPES OF BIOTECHNOLOGY PROFESSIONALS, INCLUDING SCIENTISTS AND RESEARCHERS, TO BE UP TO DATE WITH TODAY'S BEST PRACTICES IN THE GLOBAL BIOTECHNOLOGY SECTOR.

10. IN THIS REGARD, I AM PLEASED TO NOTE THAT A PARTNERSHIP IS BEING FINALISED BETWEEN MOSTI, MALAYSIAN BIOTECHNOLOGY CORPORATION AND Q.B.3 INSTITUTE OF THE UNIVERSITY OF CALIFORNIA IN SAN FRANCISCO, TO COLLABORATE ON RESEARCH PROJECTS AND TO TRAIN MALAYSIAN RESEARCHERS IN THE LATEST MULTI-DISCIPLINARY SCIENTIFIC TECHNIQUES AND IN BIOTECHNOLOGY ENTREPRENEURSHIP. THIS COLLABORATION WILL BE AN IMPORTANT CONTRIBUTION TO MALAYSIA'S POOL OF TALENT, AND WILL HELP ADVANCE MALAYSIA'S RESEARCH TO MARKET.

11. PARTNERSHIPS SUCH AS THIS AND MANY OTHERS WILL BE A KEY FEATURE OF THE DEVELOPMENT OF MALAYSIA'S BIOTECHNOLOGY INDUSTRY. WE MUST BE WISE AND DISCERNING IN LEVERAGING THE STRENGTH OF BIOTECHNOLOGY IN MORE DEVELOPED ECONOMIES. THE MAJORITY OF BIOTECHNOLOGY ACTIVITY AND OPPORTUNITY STILL RESIDES IN NORTH AMERICA AND EUROPE. THE CHALLENGE AND UNDERTAKING OF ASIAN COUNTRIES, THEREFORE, IS TO WORK TOGETHER WITH THE RIGHT PARTNERS, MATCHING OUR OBJECTIVES AND LEVERAGING OUR RESPECTIVE STRENGTHS, TO BRING MORE BIOTECHNOLOGY VALUE CREATION TO ASIA.

12. CONGRATULATIONS TO THE TEAM AT INNO BIOLOGICS ON ALL YOUR HARD WORK AND DEDICATION THAT HAVE RESULTED IN THE ESTABLISHMENT OF THIS WORLD-CLASS BIOPHARMACEUTICAL FACILITY. CONGRATULATIONS TO MOSTI AND OTHER GOVERNMENT MINISTRIES AND AGENCIES, TO THE MALAYSIAN BIOTECHNOLOGY CORPORATION, THE M.T.D.C. AND BURRILL & CO. ON YOUR WORK TO IMPROVE THE OPERATING ENVIRONMENT FOR MALAYSIAN BIOTECHNOLOGY. I LOOK FORWARD TO THE FUTURE DEVELOPMENT OF THIS SECTOR WITH GREAT HOPE AND ENTHUSIASM.

13. ON THAT NOTE, WITH THE RECITATION OF BISMILLAHIR RAHMANIR RAHIM, IT IS NOW MY HONOUR AND PRIVILEGE TO OFFICIALLY LAUNCH THE INNO BIOLOGICS BIOPHARMACEUTICAL FACILITY, THE BIONEXUS STATUS AND THE MALAYSIAN LIFE SCIENCES CAPITAL FUND.

THANK YOU.