

## No Glitches for Biotech in Bangalore

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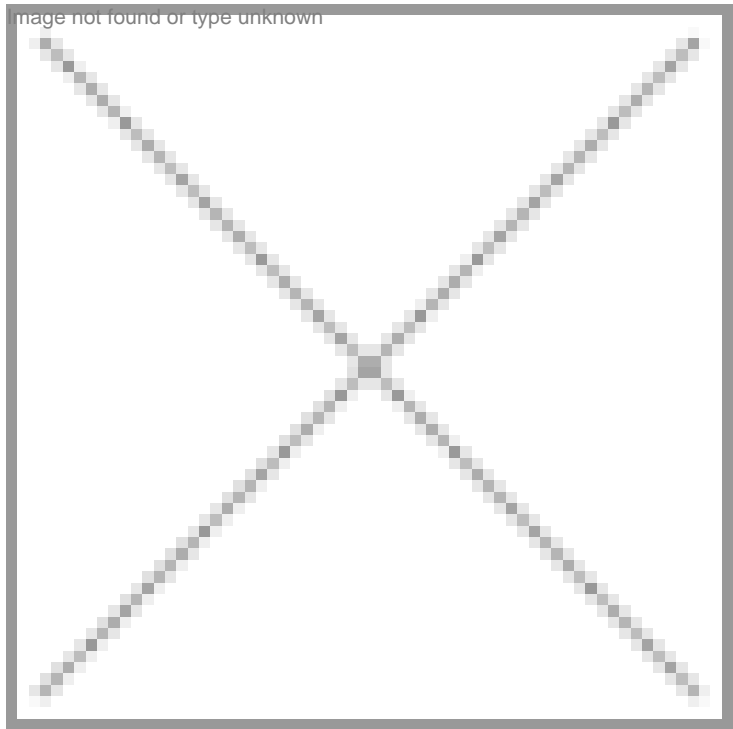
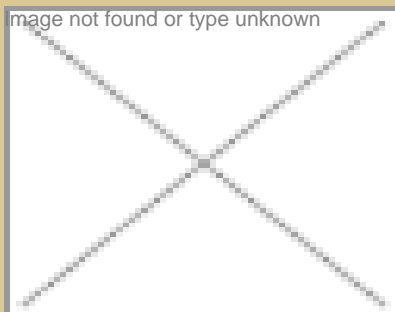


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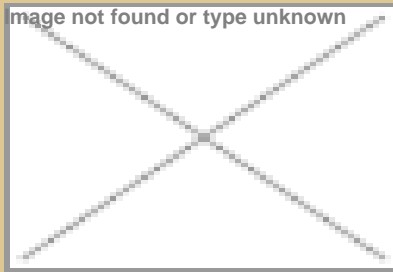
### No Glitches for Biotech in Bangalore

Americans are crying hoarse about being "Bangalored" in the global information technology (IT) sweepstakes. And IT honchos in Bangalore are also talking about being "Bangalored" out of Bangalore due to the intense pressure on the Silicon City's infrastructure.

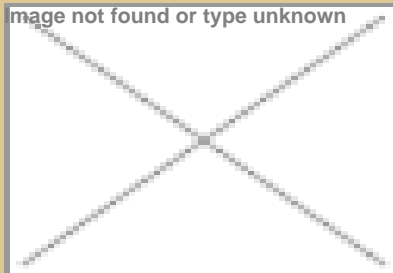
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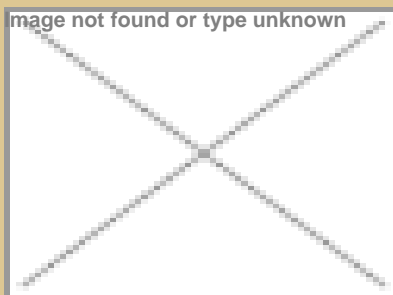
**Karnataka CM Dharam Singh kick starting the Bangalore Bio 2004**



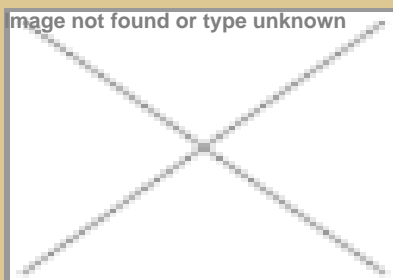
**Kiran Mazumdar-Shaw, Chairperson, Karnataka's Vision Group on Biotechnology elaborating the conference objectives**



**Biotech enthusiasts thronging the stalls in the exhibition at Palace Grounds**



**Dr MK Bhan, Secretary, DBT, announcing the intention to formulate the National Biotech Policy.**



**MK Shankaralinge Gowda, Secretary to Government, Dept IT, BT and S&T welcoming the guests to the event**

But the members of the country's fast growing "biotech hub" also located in the Garden City can breathe easy. The new, farmer-friendly Congress-Janata Dal coalition government is all eyes and ears to tap biotechnology to help their key supporters in rural Karnataka.

This was amply demonstrated at the fourth edition of India's largest biotech industry show, Bangalore Bio 2004 in Bangalore from July 11 to 13. Chief Minister Dharam Singh was at hand to launch the event and pep talk the biotech community. "Our coalition is a pro-poor government. And we will give top priority to IT and biotechnology," he declared at the inaugural function. "I am there to help with anything to develop biotechnology in Karnataka."

His predecessor SM Krishna had announced the state government's intention to set up a Biotech Park to provide all the infrastructure facilities. And the SM Krishna lighting the lamp at the inaugural function. And Singh put this dream on concrete footing by announcing Rs 10 crore outlay to kick off the biotech park near the Electronic City in South Bangalore. The 100-acre park will become a reality in a few years. Singh was not averse to tapping the resources of the world for this venture. He made a specific request to the Central government to fund an Incubation Center at the proposed biotech park to stimulate the growth of the industry.

The Bangalore cluster may be growing well on its own. But the government's help will come in handy to the budding biotech entrepreneurs. Bangalore has already become a brand for biotech in the state and the country, informed the state's Vision Group on Biotechnology head Kiran Mazumdar-Shaw. She cited the example of the Bangalore Bio event which has become bigger and bigger with each edition. This year, it was a record breaker, in spite of the postponement from the regular mid-April schedule to July due to the long-stretched national elections.

**MK Shankaralinge Gowda, Dr Gurdev S Khush, KK Misra, Korn Thapparansi, Dr MK Bhan, Kiran Mazumdar-Shaw and Jawaid Akhtar at the inaugural session of Bangalore Bio 2004.**

Last year saw the entry of 25 new biotech companies in to the country. Seventeen of them chose to be located in Bangalore," said Mazumdar-Shaw. There are some 240 registered biotech companies in the country. At least 110 of them are located in Bangalore. She reeled out other statistics: \$ 8 million in VC investments happened in the city in 2003 and there are over 9000 people working in the city's biotech sector.

"The biotech industry's aim is to create a million jobs by the year 2010. We are on course to achieve this target. The next years will see fresh investments of Rs 1,000 crore in Karnataka," Mazumdar-Shaw added.

Praise came from foreign shores too. The German Ambassador to India Heimo Richter said, "Bangalorebio event has gained excellent reputation. The German biotech industry is in the consolidation phase and we are looking towards India to keep the costs down and tap the skill sets available here." The presence of a large talent pool, institutions like the Indian Institute of Science and the National Center for Biological Sciences were the added attractions for German companies", he informed.

Support to Bangalore came from the country's top biotech policy maker Dr MK Bhan, secretary, Department of Biotechnology (DBT). "We should make investments in places which already have a strong presence of biotech sector to maximize the value. We should concentrate on the states where all the essential ingredients are already there," he said. He implied that bioactive cities like Bangalore, Hyderabad, Chennai, Pune, Chandigarh and Ahmedabad-Vadodara were the ideal places for biotech.

Dr Bhan said the government would soon set up a group of experts to formulate a National Biotechnology Policy (the need for which was highlighted by BioSpectrum in its inaugural March 2003 issue itself) and enable the growing industry to have a secure, favorable environment for growth.

What importance do governments in some other countries do? It was very clear from a Japanese delegate's presentation that the country has a highly evolved national biotechnology strategy. It has four distinct elements, according to Prof Toru Yao from the Genomic Sciences Center at the TOIN Yokohama University.

The national biotech strategy envisaged doubling of the research budgets for this sector in five years and tripling of researchers. The country also aimed to fuse biotech research with nanotech and IT. Commercialization of the research developments were being given strong foundation and the Japanese government planned to make systemic changes to foster clinical research and initiate deregulation along with fiscal incentives to spur the growth of the biotech sector.

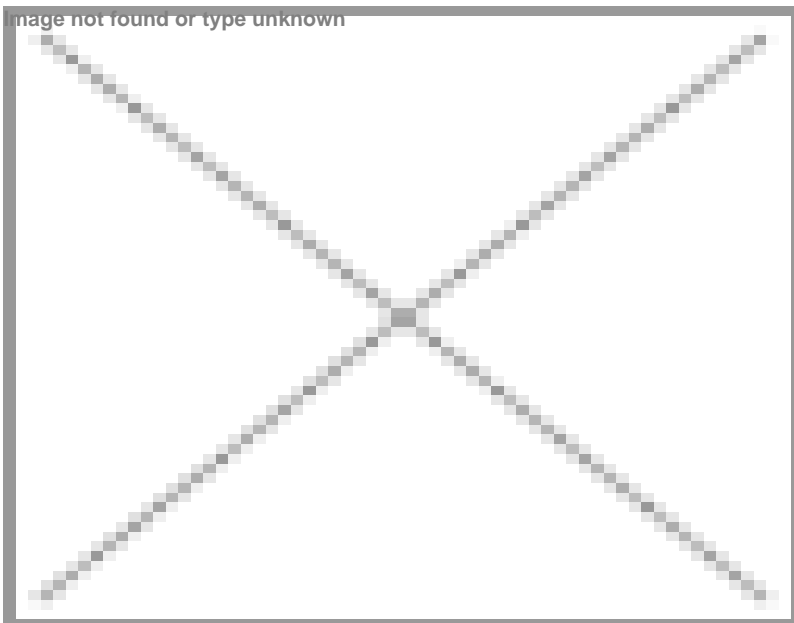
Ensuring public acceptance of biotech was a key element of the strategy. This was to be achieved through education, communication and risk management strategies.

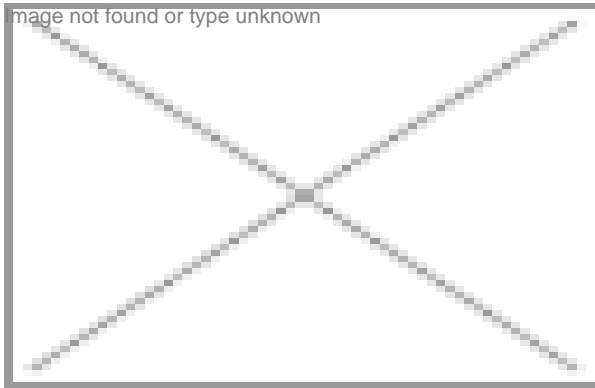
Stiff targets had been set: increase biotech employee numbers to one million in 2010 from just 30,000 in 2002 and target a 25 times higher market size in six years. Certainly, Yao said Japan was looking for collaborations with Indian companies to achieve many of these goals.

The conference had a good number of speakers like the famous rice breeder, Dr Gurdev Khush, Genomics expert, Samir Brahmachari, DNA fingerprinting leader Syed Hasnain, bio agri expert, Shanthu Shantharam and a host of national and international speakers.

The CEO Conclave had a scintillating talk by serial entrepreneur Bala S Manian on the pitfalls to watch out for during entrepreneurship. There were plenty of business networking sideshows. The exhibition at the palace grounds drew a lot of avid biotech enthusiasts on all the three days. Many thronged the venue braving the heavy monsoon showers. It is time to move on to the next edition, which may come too soon on schedule in April 2005.

### **Karnataka CM becomes BioSpectrum subscriber**





BioSpectrum gained an enthusiastic subscriber in Karnataka Chief Minister Dharam Singh. He inaugurated the exhibition, which was held as part of the Bangalorebio 2004 and visited almost all the stalls.

When explained about the publishing of Bangalore's and South India's first exclusive national business magazine, BioSpectrum, devoted to the biotechnology sector, the Chief Minister enthusiastically became a subscriber of the magazine at the BioSpectrum stall itself.

## **Biotech Outsourcing**

Outsourcing of IT services has become an opportunity for Indian companies. Can the success story be repeated in biotech too? Yes, it was possible, argued Julia Llyod-Parks, associate director of London-based Technomark.

She said typically the big pharma companies were clearly not in favor of embracing the idea of outsourcing. However, the mindset has started to change in response to slowing of drug development time and increasing costs of development. A huge annual market of \$ 10 billion existed for outsourcing in the pharma drug development sector. This sector is growing at 12 percent per year and there are some 1,600 specialized Contract Research Organizations (CROs) worldwide. These are in the areas of pre-clinical and clinical segments.

The big pharma companies have been looking at using biotech firms as "surrogate CROs" through alliances. However, there are very few integrated groups for outsourcing, which have expertise covering clinical, pharmacology and toxicology sectors.

India is well positioned to take advantage of the opportunities in drug development. Outsourcing is the mantra, advised Sumanth Venugopal, a US-based expert. Studies indicate that by 2007 at least 18 to 20 percent of the drug development work is likely to be outsourced. By 2007, the global outsourcing market is expected to double to \$ 48 billion.