

Italy beckons Asian biotechs

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Italy is known for its fashion, design and engineering industries, besides the mouth-watering pizzas, pastas and olive oil. The country also has a vibrant biotech sector, with 222 companies and annual revenues of \$6 billion and annual investments to the tune of \$2 billion. To take it to the next stage, Italy's biotech sector, mainly made up of small and medium-sized companies, is on the lookout for global partners. A special report on Italy's outreach efforts.

There is no doubt Italy's industrial sector is aggressively wooing Asian companies. In fact, various chambers of commerce in the country, along with industry organizations, wooed Indian industrialists by organizing a "Namaste India 2007" (Welcome India) event in the last week of September to showcase Italy's capabilities in different segments. Pharma and biotech had a prominent share in the showcase.

"Despite our different historical and economic backgrounds, there are many similarities and complementarities between Indian and Italian economies. Namaste India 2007 is an attempt to focus on the sectors in which one country's know how and expertise can bring a more evident 'added value' to the other: from infrastructure development to environment and food processing to ICT and biotech," said Italian ambassador to India, Antonio Armellini.

Canavese: A unique bioindustry park

There are over 100 bioscience parks around the world and many more are under development. Among them, the BioIndustry Park, at Canavese, just 50 km outside Turin, nestling in the foothills of the picturesque Alps mountain range, stands out for its uniqueness.

Developed in 1998, the Park is an example of public private partnership with a number of regional institutions involved in its founding. Its uniqueness comes from the facilities it provides to entrepreneurs.

"A potential entrepreneur has to just walk with a good business idea. Everything else required to make it a commercial success is provided by the park," said Kevin Roman, a technology transfer manager of the Park. In fact, what is on offer is a lot more than the conventional incubator.

The researcher can straightaway get into the well-equipped lab, and start working. Just incorporate the company and the park's venture fund will take care of finances. The Park will also take care of all the administrative and other logistics of the company. The Park also assists in the spin-off and growth of innovative companies.

Over 35 organizations and research centers are hosted in the park. The prominent ones are Bracco (Italian R&D center), Creabilis Therapeutics, Merck-Serono's preclinical facility, Eporgen Venture (Italy's first seed capitalist specializing in biotech), LIMA (a lab hosting scientists from various universities) and eight new drug discovery startups. So far it has supported 40 organizations and 18 startups. More than 500 scientists are working in 1 sq km area, making the Park the venue of the biggest concentration of biotech professionals in northern Italy.

Eporgen, the Park's VC company, has supported seven startups so far. "It is a big opportunity for India's biotech researchers to start their entrepreneurial ventures from here," invited Simone Zanole, a business development manager at the park.

Biotech powerhouse

The 222 Italian biotech companies employ over 14,000 people with a strong emphasis on research and development (R&D). According to a report by the Italian Chamber of Commerce, over 35 percent of biotech sector employees in small companies are researchers. Nearly 80 percent of the industry's \$6 billion revenues come from a few large companies like Roche, Novartis and Syngenta.

The Lombardy region has the highest concentration of R&D activities, relying primarily on innovation. "This region leads Italy in scientific research and ranks 11th amongst 25 European locations for R&D expenditure," said Lionella Bertazzo, a senior official at the Milan Chamber of Commerce. Milan is in the Lombardy province. "Attracting investments is becoming more and more important. Nearly 43 percent of the exports from the region are in high-tech areas," she added.

Accounting for 45 percent of Italy's biotech industry market cap, Lombardy has a fast growing presence of science and technology parks such as "Parco Tecnologico Padano", which has companies in the green biotech, bioinformatics and bioagri sectors. The Park Science Raf specializes in biomedical research. Milan accounted for 23.58 percent of European patents filed from Italy in 2005 and 12 percent of the national patent applications filed in the chemical and biotech sectors.

Some of the promising companies located in the Milan region are Nerviano Medical Sciences, a spin-off from Pfizer and working on anti-cancer drugs, TOP (Transgenic Operative Products), a spin-off company of University of Milan working on novel animal models, LEABiotech, another University of Milan spin-off, specializing in genomic technologies; and Dialectica, which is developing neural stem cell-based systems and assays for neurogenerative diseases.

Biotech in Tuscany

Tuscany region, which has the prominent city of Florence, is another biotech powerhouse accounting for 10 percent of the country's biotech investments with 23 well known companies. Companies such as Abogen Pharma and Menarini are located here. Officials at the Chamber of Commerce in Florence said scientific parks such as the Toscana Life Sciences and TIs Science Park, which has over 350 researchers and a modern biotech incubator to house eight companies is strong point of the region. The University of Florence, several clinical research institutes and institutional investors were also great

supporters of biotech industry.

Said Prof. Claudio Luchinat, scientific advisor to a biotech hothouse start-up Protera, "Earlier, there the academic culture was not very supportive of the transfer of scientific developments to the industry. Things have started to change rapidly in the last 10 years. Though investment-friendly laws were not there to translate academic research into successful products, things are changing very fast."

Prof. Claudio's company was promoted with strong support from the Chamber of Commerce of Florence, University of Florence, some local banks and the researchers at the Magentic Resonance Center (CERM) of the University of Florence. Incubated at CERM, Protera intends to build aggressively on its technological platform and to apply it to selected protein targets.

Turin: Not just aerospace

The Piemonte region, which includes Turin, is known for the aerospace and automobile (FIAT is based here) industries. Biotech too has strong roots in this northern Italian state bordering the Swiss Alps. "Piemont accounts for 14 percent of the country's biotech companies and six percent of researchers," said the Turin Chamber of Commerce and Industry Secretary General, Guido Bolatto.

The University of Torino, founded in 1404, is an active supporter of biotech research. A Molecular Biology Center was set up in 2006 to integrate all the research efforts in the biomedical field within the university.

The Piemonte region has around 150 life science companies and another 350 are engaged in the biomedical sector. More than 800 students graduate in life sciences in the region annually and investments top the \$100 million mark every year.

This is just the beginning of the exploratory process for partnerships with companies and institutions outside the region. Sergio Sgambato, Secretary General of the Indo-Italian Chamber of Commerce, based in Mumbai, India, said a big biotech industry delegation may visit the country during the Bangalore Bio event in April 2008 to take forward the discussions between the business leaders of both the countries.

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