

Swiss woo Asian Biotechs

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Switzerland is making a strong pitch to life science companies in the Asian region to relocate to the country and grow their businesses the Swiss way

Switzerland generally conjures images of snow-laden Alps and gourmet Swiss chocolates but that is just one side of the story. The country also has an excellent research and development infrastructure, particularly in the area of biotechnology. It is among the top 10 countries worldwide having the largest number of biotech companies.

Switzerland's mature and stable biotechnology base comprises about 229 biotech companies. Nearly 60 percent of these are the "Core Biotechs" --innovation-oriented and research-based Small and Medium Enterprises (SMEs). While the other 40 percent function as "enablers", providing support by way of instruments, services and consulting etc. The biotech industry employs about 14,400 people. Importantly, R&D in Switzerland is multi-and trans-cultural, with more than 50 percent of the PhD students and post doctorates being of non-Swiss origin.

According to the Swiss Biotech Report 2006, out of a total of 523 biotech products under development in Europe by publicly listed companies, 109 are from Swiss companies. Switzerland stands second in the European ranking in innovative capabilities.

What makes Switzerland a good location for biotechs? "In a technology friendly environment, Switzerland has a qualified and

highly motivated workforce. Stable political and social conditions, a flexible job market as well as an effective infrastructure and attractive tax framework make the country a rewarding choice for any innovative company," said Switzerland's Minister for Economic Affairs, Joseph Deiss.

The country has seen a spurt in entrepreneurship during the last 10 years as the number of companies has doubled from 111 in 1995 to 229 in 2005. The annual turnover of the biotech industry in 2005 was approximately 6 billion CHF. And during the same year about CHF 295 million of venture capital found its way into the Swiss biotech firms, which makes Switzerland the third largest in Europe in terms of venture capital influx into the country.

Switzerland has a major thrust on "Red Biotech", the pharmaceutical research and development. Nearly half of the core biotech companies have a strong focus on therapeutics, while the rest concentrate on drug discovery technologies and services, genomics, proteomics and enabling technologies, drug delivery, tissue engineering and diagnostics. In terms of pharmaceutical product pipelines of public companies, Switzerland ranks second after the UK in Europe.

Optimal co-operation and co-ordination between the important stakeholders like the Universities, Federal Institutes of Technology, the biotech industry and the various government organizations has been the key to the exciting and rapid development of Swiss biotech sector during the past decade.

The country has a strong R&D funding and support system. The main state funded biotech R&D and structural support comes from the Swiss National Science Foundation and the Swiss Agency for Innovation Promotion. The Swiss National Science Foundation fully funds many basic research programs in the public sector, while the Swiss Innovation Promotion Agency (KTI/CTI) provides support to the start-up companies, and also funds applied research in the universities, federal institutes of technology and the universities of applied sciences.

Money matters

The Switzerland Stock Exchange (SWX) is a leading European exchange for life science companies to raise capital. It has two sector-specific index family that include SXI Life Sciences and SXI BIO+MEDTECH which increases both visibility and liquidity for domestic and foreign biotech companies.

There are also over 40 venture capital firms and private equity funds, various science parks and incubators to support innovative biotech companies.

For example, Speedel, a biotech company based in Basel raised nearly \$200 million in private risk capital through several rounds of financing. It listed on SWX in September 2005 with a valuation of \$700 million.

Among the leading companies listed on SWX are Actelion, Novartis, Roche and Serono, which SWX officials say create a global environment for entrepreneurs.

Promising companies

In recent years, many Swiss biotech companies have come up to do cutting edge research.

Molecular Partners, founded by Prof. Andreas Pluckthun at the University of Zurich is a well-known start up working on antibodies. His research team works on a new class of molecules similar to antibodies and are based on repeat proteins.

With the designed repeat protein (DRP) technology, it is now possible to produce designed ankyrin repeat proteins (DARPs) to combat any given cell structure.

"They behave just like antibodies but are much more stable and easier to produce than conventional antibodies," said Christian Zahnd, a company official. "An additional factor is that the DRP technology enables us to open doors that have long been closed to us in the antibody field where patents are so hard to come by."

DARPs can be used as reagents in the research market, in diagnostics or therapeutic applications.

Apoxis, a spinout from the University of Lausanne, is another notable company. Founded by two university professors, Lars E French and Jurg Tschopp, in 2002, along with serial entrepreneur, Jean-Pierre Rosat, Apoxis is working on developing therapeutic products using the principle of apoptosis or programmed cell death.

The company has already discovered two new molecules in the tumor necrosis factor (TNF) family which have been out-licensed to the US company, Biogen. One of these molecules has shown promising results in hard-to-treat cancers.

With excellent environment and infrastructure and the access to the vast European market, Switzerland is making a strong pitch to life science companies in the Asian region to relocate to the country and grow their businesses the Swiss way. Swiss delegations have been visiting India and other Asian countries to woo Asian entrepreneurs in a big way and one can expect more such visits from the land of Alps.

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