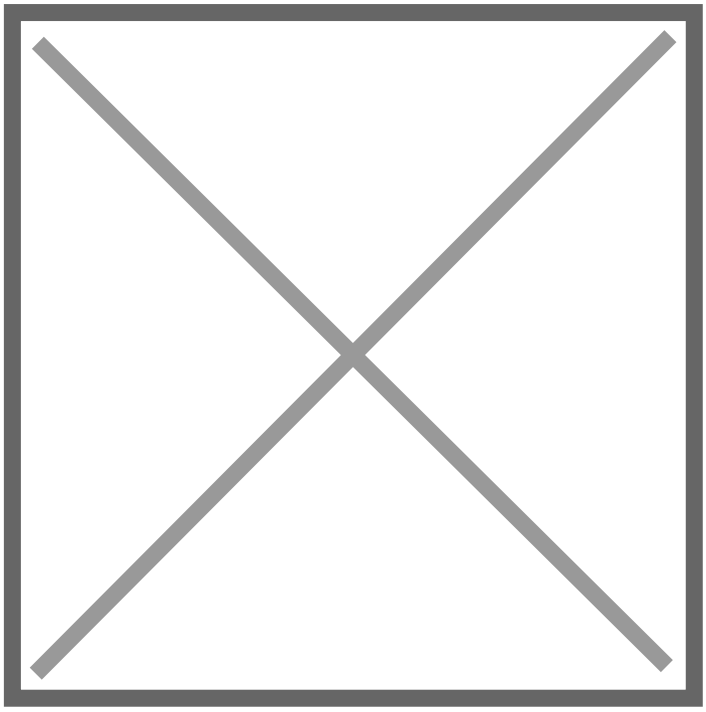
BioSpect
the business of Bi
24 years of leveraging the business of Bio
www.biospectrumindia.co

ASX to develop standards for biotech companies`

12 April 2004 | News



ASX to develop standards for biotech companies

The Australian Stock Exchange (ASX) has decided to develop new listing and reporting standards for biotech companies that are spread out mainly at New South Wales (Sydney), Queensland (Brisbane), Victoria (Melbourne), South Australia (Adelaide) and Western Australia (Perth).

The members of the AusBiotechÃ¢â?¬â?•Australia's Biotechnology Organization have consistently called for clear, consistent and effective reporting guidelines to assist companies in their communication with the stock exchange. "AusBiotech has and will continue to work closely with its members and the ASX to ensure that the standard for listing and reporting on the ASX is raised and guidelines implemented," said Dr Anthony Coulepis, executive director, AusBiotech.

It is essential that AusBiotech, as the industry body representing over 1700 members in the biotechnology sector plays a highly active role in the development of the proposed listing and reporting rules. Members consider that without consistent guidelines in place, companies will interpret reporting requirements in different ways. AusBiotech is working closely with biotech companies to further educate and improve the standards for quality reporting.

AusBiotech members encourage the introduction of any standards to be applied across the industry as a whole, rather than exempting specific areas, such as medical devices. AusBiotech members urge that any proposed new listing and reporting rules that the ASX might be considering need to be cognizant of the evolution and development of the industry.

The listing and reporting guidelines should also be realistic in requirements, enabling higher standards and consistency in compliance without disadvantage to Australian companies.

Five year plan to create jobs in RTR

The regional business and academic leaders launched a five-year, $5 million strategy to generate 100,000 new jobs and increase employment in all 13 counties of the Research Triangle Region (RTR) in the US.

Dozens of organizations in the region have agreed to collaborate on the strategy, called "Staying on Top: Winning the Job Wars of the Future." The strategy outlines 30 action items to nurture the growth of industry "clusters," interconnected business and support organizations. The goal is to spark business investment in high-growth industries that will create high-paying jobs for decades to come.

"In the 1950s, a group of innovative leaders conceived the idea of the Research Triangle Park, an idea that changed the economic course of the region," said former Gov. James B Hunt Jr., who chaired the 37-member CEO-level task force that

developed the action plan.

"Today, we face intense global competition for new jobs and investment," Hunt said. "There will be regions of the world that win where standards of living will rise and jobs will be plentiful and regions that lose. We intend to win. We believe we can improve our chance for economic success through collaboration, education, innovation and action."

The Staying on Top initiative grew from the findings of a 2001 study by Harvard University economist Dr Michael Porter, who conducted a comprehensive analysis of the Research Triangle Region. In his report, Clusters of Innovation, Porter concluded that the region required a 21st century economic vision to remain competitive. The task force of business and higher education leaders used Porter's study and new research to create a vision and action plan for the region. The action plan calls for institutional partners to pursue strategies in five different areas.

The initiative will focus on developing industry clusters around eight technologiesÃ¢â?¬â? Pharmaceuticals, Biological agents and infectious diseases, Agricultural biotechnology, Pervasive computing, Advanced medical care, Analytical instrumentation, Nanoscale technologies, Informatics. These areas have been chosen because the region is a world leader in their research and development and for their potential to create significant numbers of new jobs.

RTRP is a public/private partnership that promotes economic development for the 13-county region of North Carolina comprising Chatham, Durham, Franklin, Granville, Harnett, Johnston, Lee, Moore, Orange, Person, Vance, etc.

YIC to boost French biotechnology industry

The French Parliament has adopted the status for the Young Innovative Company (YIC), which will make France the most fiscally attractive country in Europe for young biotech companies and their investors. The YIC status is expected to boost economic growth by making biotechnology companies more cost-effective and competitive, as well as better funded.

This new legislation will dramatically reduce the tax and operational costs for biotech small and medium-sized enterprises (SMEs). The status will apply, starting January 1st 2004, to all existing or new biotechnology SMEs that spend at least 15 percent of their total annual expenditures in research and development, for eight years after their inception. This YIC status is expected to be a key driver in the creation of new biotechnology companies and in stimulating growth of existing businesses.

Young biotech companies will benefit from: Full and uncapped social cost exemption for all employees involved in R&D projects for 8 years; Full and uncapped local business tax exemption for 8 years; Full income tax exemption for the first three profitable years and 50 percent relief for the following two years up to 100,000 euros ("de minimis" rule).

In addition to this the French 2004 budget bill also includes incentives to the biotech industry such as additional measures to encourage innovation with, among others, an attractive tax and corporate status for business angels and a boost of the research tax credit.

Canadian govt encourages biotech entrepreneurs

To encourage new entrepreneurs in biotechnology, the government of Canada has come out with major announcements in its federal budget which include $270 million for new investments to the Business Development Bank of Canada, increased funding to federal granting councils, support for commercialization within government, universities and hospitals, as well as incentives for small businesses. The BIOTECanada, Canada's National Biotechnology Association has hailed the federal budget announcements on research and innovation, which will pave Canada's road to the 21st century economy.

Janet Lambert, president of BIOTECanada stated, "The government clearly recognizes the importance of a partnership between the federal government and the Canadian biotechnology industry for the country to compete in the global innovation economy."

"Canada has developed a strong foundation in research and development. Let's not lose this opportunity to create a strong 'Made in Canada' industry," said Lambert.

BIOTECanada encourages initiatives that provide innovative industries with the critical capital they need to grow. However, quality of science alone will not provide the critical mass to ensure a sustainable self-sufficient industry. It represents the full spectrum of biotechnology in Canada, including the over 400 small, emerging companies and 12,000 researchers with more than 18,000 products and processes under development.

Better conditions for R&D companies in EU

The heads of states of the European Union, meeting at Brussels, are pushing to create better conditions for research-based companies like those based on biotechnology to flourish in Europe as over 50 percent of economic growth comes from innovation.

EuropaBio has welcomed the declaration by the heads of state to ensure that public sector investment in R&D attracts matching private funding and to improve the general conditions for R&D investment using targeted support and incentives to encourage greater investment by business. "We would like to see the French initiative on the Young Innovative Company status being installed in other Member States, which would help make Europe one of the best places to invest and grow a company," said Johan Vanhemelrijck.

"The Brussels summit conclusions will be really valuable if the Competitiveness Council in May takes them up and leads the way forward on biotechnology when Ministers will discuss the Commission's progress report," added Feike Sijbesma, chairman of EuropaBio. The EuropaBio hopes that the ministers will show political leadership both at EU level and in the member states to support an industry that matches economic growth, improves quality of life and a high level of environmental protection at the same time.

German biotech industry looks at funding agencies

Like India, the biotechnology industry in Germany has now entered a decisive phase. The industry needs venture capital, proceeds from contract research and investors who believe in the commercial idea of young entrepreneurs from the field of science. However, the market for venture capital is under particular pressure worldwide.

The German biotechnology sector is feeling the effects particularly severely in its current set-up phase. It is now especially important that investors should quickly regain confidence in this sector of the future. Many promising innovations in medicine and health, the environment, nutrition and agriculture depend on developments in biotechnology. The same is also true of innovations in industrial production.

As partners of research, many biotech companies have struggled to establish their own place in the market. In collaboration with other small and medium-sized enterprises, which have already gained experience on the market, or with large concerns, they have a realistic chance of surviving the consolidation phase. One must therefore expect an increase in the number of collaborations, mergers and take-overs. German biotechnology will emerge stronger from the current process of consolidation.

The news about the bioclusters was compiled from www.ausbiotech.org, www.rtp.org, www.swissbiotechassociation, www.france-biotech.org, www.europabio.org, www.biotech.ca, www.bioregio.com