

## Upcoming Biotech Parks

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The Central and State governments are keen to replicate the success of IT in biotechnology. As a result of this, India will have at least 20 biotech parks in the next few years.

Four cities, Chennai, Hyderabad, Lucknow and Pune have taken the lead to develop biotechnology through a concerted and cohesive approach, setting up dedicated parks. These parks have reached a certain level of maturity and their success has driven many other state governments to launch their own biotech parks. Several of these states had earlier encouraged setting up Software Technology Parks of India (STPI) to promote Information Technology in their respective regions and now wish to replicate that success in biotechnology with some financial support from the Center. About 15 states have announced their intention to develop biotech parks. Those who have firmed up their plans include: Andhra Pradesh, Karnataka, Kerala, and Tamil Nadu in the South; Gujarat and Maharashtra in the West; Chandigarh, Haryana, Himachal Pradesh, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh and Uttaranchal in the North; and Orissa and West Bengal in the East.

#### Status of the biotech parks in different states

| State          | Park/<br>Location                             | Area<br>(in Acres) | Project Cost<br>(Rs crore) | Focus       | Policy<br>(Year) |
|----------------|---|--------------------|----------------------------|-------------|------------------|
| <b>South</b>   |   |                    |                            |             |                  |
| Andhra Pradesh | Shapoorji Pallonji Biotech Park,<br>Hyderabad | 140*               | 400                        | Biopharma   | 2001             |
|                | Marine Biotech Park,<br>Visakhapatnam         | 218                |                            | Marine      | 2001             |
|                | Agri Biotech Park                             | 200                |                            | Agriculture | 2001             |

Several states have more than one biotech parks in their areas. Kerala is considering setting up two parks. Utilizing the rich natural marine resources, Tamil Nadu and Andhra Pradesh are setting up marine biotech parks besides biotech parks at Konark, Chandrabaga. The first phase work completed, state allotted 160 acres for second and 120 - for third phase. It is planned to have another park for agriculture at Aurangabad, the seed capital of India.

Karnataka is looking at establishing a biotech park in Bangalore. Gujarat, a base for pharmaceutical companies, is developing a park at Vadodara. States like Haryana,

Himachal Pradesh, Madhya Pradesh, Orissa, Punjab, Rajasthan, Uttar Pradesh, Uttaranchal, and West Bengal are eager to leverage on agriculture, horticulture and their biodiversities. All these states are interested in establishing biotechnology parks for the development of the state and also for creating more job opportunities. In the next two-three years, India will have close to 23 parks.

Why the sudden rush? A place for Kiran Mazumdar-Shaw, chairman and managing director, Biocon Ltd, in the 10-member team of Indian CEOs, which was part of the delegation to the US led by Indian Prime Minister Dr Manmohan Singh explains the Central government's concern and commitment towards the sunrise biotechnology industry. The government is eager to replicate the success of IT in biotechnology too by providing all possible support.

The Government of India through the Department of Biotechnology (DBT) has been supporting this technology-driven industry. During 9th and 10th Plan period, the DBT supported various projects for development of Biovillage and establishment of an all-women Biotech Park in the country to sensitize the industry as well as to bring the proven technologies to the grassroot level. As a result, many state governments are now formulating proposals particularly for establishing biotechnology parks/knowledge parks, biotechnology incubators and pilot plant facilities.

The DBT has been extending financial and logistic support for the establishment of biotechnology parks, biotechnology incubators, training and pilot projects in various states. Besides, it is offering the technical support for identification, implementation and review of the projects announced by various states. The DBT has announced a 25 percent increase in its budgetary allocation towards assistance for technology incubators, pilot projects, biotechnology parks and biotech development fund for the year 2005-06, earmarking Rs 25 crore for the same.

Considering these factors, the state governments have announced state biotechnology policies. Some of them have also hired private companies like Ernst & Young, Panacea International, Yes Bank, Rabo India and Biotech Consortium India Ltd to support them in identifying suitable developers and promoters for the park and devise a marketing strategy.

In addition to the state governments approach for creating conducive environment for early biotech players, the DBT in its National Biotechnology Development Strategy report also noted its intention to promote and support at least 10 biotech parks by 2010. Each park will necessarily meet the qualifying criteria related to the characteristics of the location, a viable business plan, management strategy and a clear definition of the partners and their roles. The DBT will support creation of incubators in biotech parks promoted by a private industry or through public-private partnership in the form of grant up to 30 percent of the total cost or up to 49 percent in the form of equity.

It is also proposed to set up a central body, Biotechnology Parks Society of India (BPSI) for the promotion of biotechnology parks in the country on the lines of the Software technology Parks of India (STPI). The BPSI should be run by professionals having experience in the areas of biotechnology, knowledge in Acts and Rules relevant to biotechnology and management skills. The existing parks can become members of these new biotech parks. The BPSI would be responsible for evaluating the project proposals and advising the DBT on the funding pattern; facilitating industries in obtaining industrial, environmental and other relevant approvals from the Central government; making recommendation regarding fiscal incentives to be granted to the biotechnology parks; providing guidance to the venture capital institutions on investment in biotech parks; providing accreditation to the parks etc. Concessions to biotech companies located in biotech parks include benefits as per the recent changes in the Foreign Trade Policy: Duty free import of equipment, instruments and consumables and Tax holiday under Section 10A/ 10B of the Income Tax Act.

The DBT is looking at a scheme for operationalizing the incentives to biotech units located in the parks. As part of this scheme, biotech companies located in biotech parks to be allowed a five-year time frame to meet the export obligation norms under the SEZ scheme. This measure helps to address the long and unpredictable gestational time lines that are inherent to biotech product development. With all these proposed initiatives from both the Central and state governments and public-private partnership, the biotechnology industry in India will reach new heights.