

### CHINA BIOTECH BUSINESS MISSION '08

DN Venture Partners successfully conducted the China Biotech Business Mission from 21 July to 25 July 2008. During the 5 day mission, the delegation comprising of senior executives from international pharmaceutical and biotech companies, visited Shanghai, Suzhou and Beijing. Mission participants met with representatives from 28 biotech-related organisations, including CROs, research institutes and government agencies.



The delegation was warmly received by our hosts in China.

### Shanghai: Dynamic Front-runner

In Shanghai, the delegation met with major players in the local biotech industry, including representatives from the following:

- Zhangjiang Hi-tech Park
- Shanghai Foreign Investment Development Board
- Wuxi PharmaTech
- Shanghai Biochip



Zhangjiang Hi-tech Park is the key biotech cluster in Shanghai.

The visit to the Zhangjiang Hi-tech Park gave the delegation a good overview of the development of the local biotech industry in Shanghai. The group was impressed with the speed at which this biotech cluster had developed and grown. Established in 1992, the park is home to over 5,000 technology companies, including a large number of biotech organisations. These range from promising biotech startups to public research institutes to the operations of international pharmaceutical companies. The park provides comprehensive support to biotech companies setting up in China in terms of both “hardware” (e.g. infrastructure) and “software” (e.g. research talents). However, with the tremendous growth of the cluster in recent times and the intense competition among companies there for talents, future challenges like manpower cost escalation will become an issue.



Presentation by representatives from the Zhangjiang Hi-tech Park.

The delegation also met with a number of companies in Shanghai, including one of the leading CROs in China, Wuxi PharmaTech. Wuxi is a prime example of a fast growing Chinese company that has quickly built up its business and capabilities within the last few years. Our discussions with the senior management of Wuxi confirmed that one of the key factors driving the rapid development of the industry is the influx of talented and experienced returnees back to China from the biotech industries abroad.

At Shanghai Biochip, the delegation observed the efforts by public research institutes to spin-off potentially viable businesses. Building upon the technologies

and expertises acquired from its parent organisation, Shanghai Biochip is in the process of transforming itself into a preferred partner to pharmaceutical companies that are keen to tap into its genotyping capabilities.

### **Suzhou: Building on a Strong Foundation**

In Suzhou, the mission focused on the developments within the Suzhou Industrial Park (SIP). The SIP was set up more than a decade ago as a joint project between China and Singapore. The park has since successfully establish itself as a major base for technology companies, especially in manufacturing. As part of its long term strategy, SIP is now moving up the technology value chain and looking at boosting local R&D activities, especially through R&D investment by MNCs, including biotech companies.



Deputy Secretary and Chairman of the Suzhou Industrial Park (SIP), Mr Barry Yang, played host to the delegation.

The delegation was shown tremendous hospitality by the local government in Suzhou. The group met with government officials who were promoting the biotech industry at the SIP. During the discussions that followed, the delegation was given a briefing on the development plans that were relevant to the biotech industry. The strong commitment, efforts and resources invested by the local government have resulted in impressive projects such as the development of the “Bio-Bay” within the SIP.

To gain a balanced view of the business environment and industry development, the delegation also visited the local operations of MNCs like Eli Lilly and Johnson & Johnson. The group met with the senior

management of these companies who generously shared their rich experience.

The strengths of SIP are its superb infrastructure and business friendly environment. Come 2010, SIP will become even more accessible with the completion of rail systems that will effectively cut down traveling time between Suzhou and Shanghai to 18 minutes or less. This will no doubt encourage the movement of people and resources between the two regions, making SIP a more attractive investment destination.

### **Beijing: Robust R&D Base**

As the capital city of China, Beijing is a power base for the Chinese research and development. Here you will find a good number of universities and research institutes that specialise in the field of biotechnology. In Beijing, the delegation visited leading companies and research institutes including:

- MDS Pharma
- Pharmaron
- Beijing National Engineering Center
- Beijing Proteomics Research Center

The group also visited the Beijing Development Area where the local government is actively developing the biotech sector. Mission participants learnt about the various biotech companies already operating there and was briefed on the future biotech industry development plans for the region.



The delegation held discussions with a number of biotech players in China, including foreign companies like MDS Pharma (above).

The visit the Beijing National Engineering Center and the Beijing Proteomics Research

Center impressed the delegation. Both centers were well-equipped but more importantly, the delegation saw first hand, the scientific and technical capabilities of the Chinese scientists who work there. Our lively discussions with a few of the research talents from these key institutes during our visit as well as over an informal dinner gave us a good idea of their strong commitment and passion for their scientific work.



Mission participants visited a few state-of-the-art facilities in Beijing.

Our discussions with companies in Beijing also centered on the human resource issue. The senior executives of these local companies were consistent in their opinion that Beijing offered a good sized manpower pool for the biotech industry that is also very stable i.e. lower turnover, relative to places like Shanghai. The delegation noted that this is indeed a key consideration, especially when selecting sites for R&D operations.

### **Some Afterthoughts**

It is well known within the biotech industry that Shanghai offers an attractive environment for companies looking to set up in China. It is true that Shanghai is business friendly, is home to a major cluster of biotech organisations and has a good track record serving as the business and R&D base for both local and foreign biotech companies. However, with the rapid development in other cities like Beijing and Suzhou, companies will do well to compare Shanghai with these other locations, especially when it comes to the availability of human resource.

Author: Marvin Ng  
Director, DN Venture Partners LLP

### **About DN Venture Partners LLP**

DN Venture Partners is a Singapore-Germany based business development consulting firm. Our main focus is to help clients in life sciences industry with their business development needs in Europe and Asia. Since early 2000, we have been providing business support to life sciences companies ranging from startups to MNCs, helping them with their activities in Europe and Asia.

For more information about us, please visit our website at [www.dn-venture.com](http://www.dn-venture.com).

### **About DNVP Business Missions**

DN Venture Partners organises business missions to help our clients achieve defined business objectives e.g. gathering market information, linking up with specific contacts, assessing suitable setup sites, etc. The business missions can be organised either for a group of companies or in a highly customised manner for an individual company. Our business missions enable clients to achieve their business objectives in an effective, timely and cost-efficient manner.

### **Need Help in China?**

If you like to learn more about the biotech industry in China or require assistance with your organisation's expansion plans in China, please contact Mr Marvin Ng, Director (Asia), DN Venture Partners LLP at [marvin@dn-venture.com](mailto:marvin@dn-venture.com).