

## India, Taiwan set up funds to boost investments

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Countries in Asia are pushing policies to attract investments. India has taken many steps to encourage investments and tweaked regulations to meet international standards. Taiwan and China too are investing in bioscience and healthcare to boost industry growth. Recently, Malaysia's BioNexus program received a boost with Eppendorf announcing lab support for companies under the program. (Read [Hot investment destinations in Asia](#))

The Indian life sciences industry, which is the generics hub of Asia, is receiving a lot of support from its government. The country has taken significant initiatives in 2011. Supporting the companies to promote R&D of novel drugs, the government announced extension of a 200 percent weighted tax deduction by companies on R&D expenses for five more years. The government also set up the \$900 million 'India Opportunities Venture Fund' with the Small Industries Development Bank of India (SIDBI) for micro, small and medium enterprises (MSME). (Read [India continues to attract FDI in pharma](#))

According to market analyzer, Corporate Catalyst India, the Indian government plans to set up a \$639.56 million venture capital fund to give a boost to drug discovery and strengthen the pharma infrastructure in the country.

The Department of Industrial Policy and Promotion (DIPP) recognizes India's immense potential in the biotechnology sphere, and wants India to become a 'biotechnology hub' and a high potential investment destination. India is self reliant in technology and boasts of export promotion possibilities in Asia and the rest of the world. India received an investment of \$258 million (Rs12,000 crore) during 2007-12.

India has decided to continue with the 100 percent foreign direct investment (FDI) regime in the pharmaceuticals sector. Pharmaceuticals Export Promotion Council (PEPC) marked a new trend of investments from foreign players. It eliminated the need for overseas investors to get a no-objection from their joint venture partner before venturing out on their own or roping in another local firm in India. PEPC believed that this measure is set to promote the competitiveness of India market as an investment destination and be instrumental in attracting higher levels of FDI and technology inflows into the country.

Emerging life science hub Taiwan, a country that hopes to build a strong grip on medical technology sector in the future, established its first venture capital fund with both public and private involvement, called Taiwan Medtech Fund. The country's first biotechnology funds are aimed at stimulating future investment and support the start-ups.

In cooperation with US-based, The Vertical Group, Taiwan Medtech Fund has a capital target of \$172 million, with 20 percent being contributed by the National Development Fund and 80 percent by state-run enterprises.

Dr Ellson Chen, CEO, Vita Genomics, considers establishment of the TMF to be an important milestone, as it represents the first of such endeavour. Dr Chen, while talking about the Medtech fund, says, "Taiwan biotech industry has welcomed TMF for an obvious reason. It will bring a unique opportunity to upgrade local medical device calibre. In particular, many IT manufacturers are looking to expand their product application to medical devices and collaboration with TMF could potentially speed up the process," he believes.

Claiming to be the next super power in pharmaceutical industry, China has invested \$178.7 billion in medical and healthcare reform from 2009-11. Originally planned at \$134.4 billion, China restricted its investments and increased the priority for pharmaceutical sector. China has been reported to make large investments in innovative studies and encourage the upgrade of the industry.

Since the adoption of the National Biotechnology Policy (NBP), biotechnology has been a serious affair in Malaysia. Malaysia built a decent R&D base with the help of good government support, active private sector participation and high investments.

With inputs from Manasi Vaidya, Bangalore