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Korea to nurture pharma sector with capital assistance

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Singapore: The Korean Ministry of health and welfare have announced the start of second phase of Global Pharmaceutical Industry Development Fund worth 135 billion won (US$123 million) to nurture the pharma sector in the country and strengthen its competitiveness.

The first such fund was launched in 2013 with 100 billion won. The funding aims at accelerating and fostering new drug research and creating an ecosystem for business growth.

The ministry has disbursed 20 billion, while the remaining 115 billion won was raised from the Korean Development Bank, Korea Investment Partners (KIP), Korea Investment and Securities, the Industrial Bank of Korea and others. KIP will be responsible for managing the fund.

The ministry explained in a statement that the fund aims to develop small and medium sized pharma enterprises with promising product pipelines. Reflecting the long-term investment characteristics of the pharmaceutical industry, the fund will supply capital for eight years, with an additional two years as an option.

An official at the health ministry said to a news agency, "The pharmaceutical industry is a highly value-added industry with a large global market volume. Korean companies are capable of competing in the market. As the drug industry is expanding overseas, the fund will help Korean companies stand as world leaders in the industry."