

Bio-XCell to focus on partnerships for resource optimization

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Bio-XCell, a custom-built biotechnology park in Malaysia, has been set up in order to strengthen the country's infrastructure, ecosystem, and to draw global attention. The park aims to promote industrial and healthcare biotechnology manufacturing and research and development activities in the country. Jointly developed by the Malaysian Biotechnology Corporation and UEM Land Holdings, Bio-XCell is enabling development of a supportive biotechnology ecosystem around strategic anchor tenants.

Mr Rizatuddin Ramli, who was appointed as the CEO of Bio-XCell in October 2011, has taken the charge of delivering the objectives of phase II of the National Biotechnology Policy. The policy is aimed to bring science closer to business and would enable the biotechnology ecosystem to attract global investments.

In an interview with *BioSpectrum*, Mr Ramli talks about the growth strategies he will employ how Bio-XCell can contribute to the Malaysian biotechnology industry.

What changes and improvements are you implementing in Bio-XCell?

Mr Ramli: We have clear targets. We must focus on efficient delivery. We will be strengthening collaboration with agencies, build partnerships with both public and private sectors in optimizing resources that will help us have an edge in this biotechnology ecosystem that we are building.

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What strategies will you adopt to bring success to Bio-XCell?

Mr Ramli: Bio-XCell has a three-phase development strategy that spans over six years. We must optimize value in each phase, in promoting the national biotechnology agenda and in enhancing the ecosystem at Bio-XCell. In phase I, we will focus on biomanufacturing and bioprocessing. Construction and development will support the needs of MNCs for manufacturing and related services.

In phase II, we will focus on R&D. We will emphasize on local industry participation to undertake research projects for future product pipeline. We also hope to develop local capabilities through technology transfer and technology licensing in this phase.

Phase III is where R&D projects from phase II would be scaled up for commercialization. The production of new products and technologies will open opportunities for collaboration with resident tenant manufacturers. This will complete the R&D and commercialization cycle, creating a sustainable biotechnology ecosystem at Bio-XCell. During this time, we hope to cultivate global brands in biotechnology, in line with phase III of the National Biotechnology Policy.

The micro strategies for each phase will be refined as we go along, in line with global and regional market trends in optimizing value creation for the local biotechnology sector and the economy.

How long will it take for Malaysia to emerge as the latest biotechnology hub in the world?

Mr Ramli: Bio-XCell is seen as a biotechnology accelerator for the Malaysian biotechnology industry. We fast track growth for the industry with our focus on high value biomanufacturing and bioprocessing. Bio-XCell also acts as a partner for global MNCs facilitating their expansion into Malaysia. We develop and manage infrastructure and space, we provide value-added services, which include shared utilities such as industrial steam, chilled water and waste water management, shared services such as ICT network, security, park management and R&D facilities. We also manage the process equipment, either through direct purchase or lease arrangements. Our breadth and depth of services will facilitate foreign and local companies.

How will the domestic companies of Malaysia get help in order to strengthen their potential and achieve global acclaim?

Mr Ramli: This agenda is in our phase II and phase III development strategies. As I mentioned earlier, we will see greater participation from local companies in R&D projects in phase II. We will encourage partnerships between local companies and resident foreign MNCs or other foreign companies in commercializing the R&D.

MNCs will create spin-off businesses in biotechnology and related services for the local participants such as equipment and instrumentation and logistics. We can also expect a fair amount of knowledge transfer and specialized skill enhancement in strengthening our pool of human capital for the industry.

What is the current state of investments by international clients at BioXCell?

Mr Ramli: We have four MNCs of prominence and 10 more in the pipeline, in various stages of discussion. We have tied up with Biocon, India's leading player in insulin production, and we will host their first manufacturing plant outside India. The facility should be operational by 2014 and their investment is worth \$158 million (RM500 million).

Another company, Agila Specialities, a subsidiary of India's Strides Arcolab is the latest entrant into Bio-XCell. They are a manufacturer of sterile injectables. Agila should be operational by late 2013 and their investment is valued between \$20 and \$25 million (RM60 million-RM80 million). Another company called Metabolic Explorer from France will be operational by the end of 2012 and will be the first in the world to produce 1:3 Propanediol from crude glycerine. Metex's investment is approximately \$31 million (RM100 million). Also, GlycosBio, US, will use their proprietary technology to produce technical grade ethanol using crude glycerine. Their facility should be operational by end 2012. Glycos's investment is approximately

\$14 million (RM45 million) for phase I.

What are the prime sources of funding for Bio-XCell and how much has been invested so far?

Mr Ramli: Our main source of funds comes from our shareholders, BiotechCorp and UEM Land. In March 2011, we entered into an agreement with Malayan Banking Berhad (Maybank) for \$79 million (RM250 million). Commodity Murabahah Term Financing - Islamic Facility (CMTF-i) will also partly fund the completion of phase I development of Bio-XCell.

The phase I development entails an investment cost of \$301 million (RM950 million), funded by foreign direct investments, Islamic debts and shareholders' equity. This reflects strong market acceptance and confidence in the project, including its value propositions. Bio-XCell is the first dedicated and managed biotechnology park for Malaysia.

How is Bio-XCell creating an impact on Malaysia's economy?

Mr Ramli: Simply put, we contribute towards creating value for the economy, significant FDIs, new technology, innovation and R&D in biotechnology, job creation for Malaysians and opportunities for Malaysian companies to participate and grow in the sector. The activities of Bio-XCell will create spin-offs and new business opportunities for local companies in supporting resident MNCs.

Furthermore, I believe, we will be an early player in promoting bio-economy in Malaysia. For example, apart from the products and activities of our clients at Bio-XCell, we are providing a central utilities facility to clients in our park. The facility will be fuelled by biomass, which is a waste from the palm oil industry. This supports the country's green initiatives.