

Biotech fast forward

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Budget 2006 has given a boost for biotechnology which is likely to create 280,000 jobs by 2020.

THE biotechnology sector has never had it so good this year. The official "seal of approval", so to speak, was given in April, when the Government launched the National Biotechnology Policy at the inauguration of BioMalaysia 2005.

Under the policy, strategies and more initiatives to further develop the sector were outlined.

It was given another boost last week when the Prime Minister, in his Budget 2006 speech, announced the setting up of the Malaysian Life Sciences Capital Fund.

This fund would pool investments from various institutions, including government-linked companies.

With an initial RM100 million investment by the Government, the fund seeks to spur biotechnology in at least three strategic areas — agriculture, health (including pharmaceuticals and nutraceuticals) and industrial biotechnology.

For this to happen, it is important that a venture capital fund be made available not only to companies that have products to commercialise, but also for the starting up of new companies.

Lack of funding is said to be one of the obstacles reported to delay the local development of biotechnology today.

Unless agencies like the Malaysian Biotechnology Corporation and ministries work to attract greater investment involving collaborative efforts between the local and foreign partners, the progress of biotechnology is likely to be hindered.

Enhancing the process of pro-commercialisation and nurturing bio-technopreneurs would augur well for small- and medium-sized enterprises.

In many countries, it is the SMEs that are leading the biotechnology sector, being creative and entrepreneurial in their approaches to harness the technology and create new wealth.

An SME bank with a capital of RM1 billion to fund SME activities is bound to stimulate the formation of more biotech start-ups.

The Prime Minister also mentioned the setting up of a bio-product validation centre costing RM30 million.

This would complement and enhance the capacity of existing research institutions and universities, including the three centres of excellence in agriculture, health and genomics as announced during BioMalaysia 2005.

With a fresh total allocation of RM2.8 billion, the agriculture sector, in particular, seems set to leap into action in promoting biotechnology.

Among this is the establishment of a national agricultural and food corporation with a capital investment of RM500 million. This means there will be ample opportunity to increase the production capacity of fruit and vegetable farming, and the livestock and fishing industry as well.

The Fund for Food is being increased by RM3 million to ensure sufficient financing for the food production industry, namely processing, packaging and marketing.

With the push to develop a halal industry as another impetus to the economy, the emphasis on agro-based SMEs and the various aspects of biotechnology cannot be more appropriate as a high value-added strategy.

This is further helped by the planned streamlining of the food safety and quality laboratories under the Health Minister to provide more effective service for food product exporters, for example.

In the same way, natural resources from the rainforests, which are part of Malaysia's heritage and mega-diversity, could be enhanced as another valuable contribution to the advance of biotechnology.

In this respect, Budget 2006 recognises the importance of re-forestation and development of commercial forest plantations by establishing a new company with an initial funding of RM200 million.

For the first time, a substantial sum was allocated for the environment with RM1.9 billion (compared with less than RM150 million last year) put aside for the implementation of environmental preservation projects.

If all these can be implemented in concert, Malaysian biotechnology will have a significant impact on the country's development.

Despite its popularity worldwide, few local companies are "courageous" enough to enter the sector. Perhaps with Budget 2006, things may change for the better as Malaysia carves its own biotechnological niche.

This is an important signal for change in tandem with the commencement of the Ninth Malaysia Plan (2006-2010), a half-way mark towards achieving Vision 2020.

Towards this end, the Prime Minister indicated that he wanted Budget 2006 to be a powerful agent for change.

"We must promulgate a culture of high performance," he said.

He warned that Malaysia could not be isolated from global challenges and the need to look for new sources of growth, such as biotechnology.

Biotechnology requires a sophisticated research and development platform as a strong foundation for the economy to accelerate.

It is therefore heartening to see a relatively large slice of the Budget directed towards expanding training as well as education.

Budget 2006 has set the stage to launch biotechnology in a big way. Biotechnology is expected to generate RM270 million in revenue, create 280,000 jobs and establish 100 companies by 2020. Achievements (or the lack of it) will decide the nation's future, if not its survival.

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