

## Moving Towards Consolidation

11 March 2004 | News



"the intention of the Government of Andhra Pradesh is to facilitate the development of biotechnology in the State by creating high quality infrastructure encouraging research activities, ... and establishing links between research institutions, academia and industry."

Chief Minister

N Chandrababu Naidu (18-04-2001)

Within a span of just three years most of these thoughts have taken shape and transcended into reality. The over Rs 200 crore biotech industry of Andhra Pradesh (BioSpectrum estimates) is thriving and multiplying. A stream of Indian and multinational companies are flocking to AP and setting their bases there. Some highlights:

- Sigma-Aldrich Corporation, the US-based \$ 1.2-billion leading life sciences and high technology company and German pharmaceuticals and chemicals giant Altana AG are planning to set up facilities at SP Biotech Park, Hyderabad.
- Biological E Pvt Ltd has acquired 50 acres of land for setting up a Rs 100 crore vaccine manufacturing plant.
- Ranbaxy Laboratories Ltd plans to invest about Rs 120 crore in its proposed R&D centre in phase II of the SP Biotech

Park.

- Aktiva Biotech, a Hyderabad-based biopharmaceutical firm, has begun construction of its production plant at the SP Biotech Park.
- Work has also commenced on setting up an R&D center for US-based Genotech and KCP Biotech.

According to SP Biotech Park chief executive officer, S Dhawan, over 80 per cent of the 142 acres area in the first phase of the park has already been booked. Several others like Astra Zeneca, Pfizer and Chemical Diversity, Genoexpression, Transzyme have agreed to start their biochemical R&D operations and contract research in ICICI Knowledge Park and SP Biotech Park. Some of these deals are expected to complete soon.

### **And Why Not?**

This flurry of activity is a proof that the AP government not only has a long term vision and fancy plans but that it can walk its talk too. On every count it has played the role of a facilitator and a catalyst. For example the first of its kind in the nation, "APIDC venture capital fund" for providing seed capital to biotech start-ups, a unique IPR facilitating cell at ICICI Knowledge Park to cater to the growing demands of the industries in the state for patent search and analysis, patentability advisory services, IPR awareness and training. The state has a technology incubation center, pilot plant for scale-up, analytical and quality control centre and a business enterprise zone in the SP Biotech Park to develop a product right from the "lab to the market" in a streamlined fashion.

These are just glimpses of the infrastructure at Genome Valley near Hyderabad—a state-of-the-art biotech cluster providing world-class facilities to over 100 biotech companies. Spread over 600 sq. kms, covering the mandals of Shamirpet, Medchal, Keesra and Uppal in Ranga Reddy District, the Genome Valley has developed as a natural cluster for biotech research, training and manufacturing activities. It has many national research institutions located nearby like CCMB, CDFD, NIN etc, which have proved to be strong partners for Andhra's biotech sector.

To extend the line of argument further for companies setting up units in AP, the state has a biotechnology policy in place, an advisory board having members from diverse fields: Dr Manju Sharma, Dr D Balasubramanian, head of research, LV Prasad Eye Institute, Dr MV Rao, former VC, Andhra Pradesh Agriculture University, Dr Lalji Singh, director, CCMB, Dr Syed Hasnain, director, Center for DNA Fingerprinting and Diagnostics, S Dhawan, representative, Biotech Park Joint Venture Company and Utkarsh Palnitkar, consultant, Ernst & Young, who collectively enrich the biotech vision of the state.

### **Genome Valley BioCluster**

- Biotech Park, Knowledge Park and Bharat Biotech in Turkapalli village, Shamirpet mandal,
- Medi Citi, Shanta Biotechnics, Godrej Plant Biotech and Metchinikoff Biosystems near Medchal town,
- Satyam, Forest Research Centre near Doolapalli,
- Nuziveedu Seed Co. at Kompally in Medchal Mandal,
- Indian Institute of Chemical Technology (IICT), National Institute for Nutrition (NIN), Centre for Cellular and Molecular Biology (CCMB), the Centre for DNA Fingerprinting and Diagnostics (CDFD), Osmania University in Uppal.

Strategic alliances form an important tool of the government's multi-pronged strategy to woo companies and investors alike. It has signed MoUs with leading biotech companies and institutes world over keeping in mind the promotion of all biotech branches. For instance, an agreement with Thailand benefiting marine biotechnology and biotech applications for aquaculture and tropical medicine, a MoU with Iowa State of USA to leverage agribiotech and bio-medical research, an alliance with Province of Saskatchewan of Canada for collaboration in agri-biotechnology, with focus on crop, animal and environmental biotechnology, a technical collaboration with world's largest biotech park - the North Carolina Research Park among others. Nearer home, agreement with Apollo Hospitals for clinical research and a host of alliances for setting centers of excellence in agri, marine, pharma, bioinformatics are in the offering.

In this way Andhra is having the best of both worlds—on one hand venturing into new modern areas of biotech with able partners and on the other leveraging its traditional strengths to consolidate its biotech business. For example with nearly one-third of the country's bulk drugs being produced in and around Hyderabad, the state has utilized its existing base to shape up

a strong biopharma cluster focused on vaccines and biologicals, synchronizing with the city's strong pharma profile. Similarly taking advantage of its 974 kms long coastline and a continental shelf of 33,227 sq.kms Andhra is setting a marine biotech park in Visakhapatnam. The government has allocated 25 acres of land for the park, which will be developed, on the lines of SP park.

### **The Future**

So what's next on the agenda of the AP government? After getting a clear head start the state is focusing on reinforcing its strong base and diversifying further into biotech and related areas. By striving to become a global vaccines supplier—discovering, manufacturing and distributing vaccines. By developing centers of excellence in branches of biotechnology viz. for agri and veterinary biotechnology in Acharya NG Ranga University, an agribiotech incubator in ICRISAT, a marine resource development center in association with AP University and a pharma biotech hub in SP Biotech Park and ICICI Knowledge Park. It has already set the ball rolling for setting the National Institute of Life Sciences in Hyderabad, involving the leading biotech and life sciences industries in the State. A science incubator and science park in being planned in the adjoining area for research in new frontiers of sciences, such as, nanotechnology, bio-medical engineering etc

The state has initiated setting of a marine park near Visakhapatnam and the government visualizes a series of industrial parks spread in and around Hyderabad, where biotech companies can establish R&D and manufacturing units. A National Animal Resource Testing facility at Genome Valley, a National resource center, Umbilical Cord Stem Cell Bank, Bio-medical Research Centre & State-of-the art Maternity/ Neo-natal Hospital are all in the pipeline. In addition, Andhra Pradesh is seeking marketing alliance with biotech firms across the world for establishing their R&D and manufacturing facilities there.

All these will take time to shape up but Andhra Pradesh will rise to the challenge thanks its innovative policies, a supportive facilitator and proactive industry.