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China's Largest Science Park Aims To Double Pharma Output In Three Years; Launches New Partnering Platform

SHANGHAI - The pharmaceutical output of Shanghai Pudong area, where the Zhangjiang Hi-tech park is located, achieved RMB 12.7 billion (\$1.85 billion) in 2008 and increased 13.1 percent compared to 2007, said Lin Benchun, the deputy chief of Shanghai Pudong Science and Technology Commission, during the China Pharmaceutical R&D Summit preconference April 6.

The deputy chief said his goal is to double that number to RMB 25 billion (\$3.65 billion) in 2011.

"The government will implement a series of measures to promote the life science sector in Shanghai, which includes more financial support and preferential tax policy" said Lin.

To achieve that goal a fund called Shanghai Biopharmaceutical Industry Fund will be established, which aims to develop three to five companies with annual output over RMB 1 billion (\$146 million) in Shanghai in the next 10 years. The first batch of investment is about RMB 500 million to RMB 1 billion (\$73 million to \$146 million), and Lin hopes final total investment will reach RMB 5 billion (\$730 million).

The fund will support companies focusing on antibody diagnosis reagents, vaccine, gene therapies, modern traditional Chinese medicine and medical devices.

At the same time, the government will also guide the leaders from local companies on acquiring good foreign projects and technologies.

The policies will ensure investment goes directly to R&D, since R&D expenses transfer to a tax savings of 150 percent, which means that for every \$1 companies invest in R&D, they save \$1.50 in taxes, according to Lin.

To encourage biotech companies, Zhangjiang group, which co-organized the summit, also launched a new business model in the park, called VC-IPC-CRO.

"Getting new funds for biotech is getting harder and harder," said contract research organization Sundia CEO Wang XiaoChuan, and VC-IPC-CRO is a creative platform that will [help companies] partner up for drug discovery and drug development," he said.

Companies with core IP, the "IPC", will offshore their projects to a platform called ZJIP, and the platform will provide research services, project management logistics and other resources to the IPC, according to the CEO.

The platform will integrate different CRO resources in the park, and Sundia will take a leading role, Wang said.

ZJIP will also help companies reduce R&D expenses. So far, 20 applications for the new platform have been received, he said.

Leading local CROs, such as Wuxi AppTec, Shang Pharm, ChemPartner, Medicilon and HD Biosciences are located in the Zhangjiang park.

In 2007, three CROs in the park formed a CRO alliance, including Sundia and HDB. In 2008, U.K.-based NovaSector joined the alliance, which enabled local CROs to access the European market ([PharmAsia News, Mar. 5, 2008](#)).

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