

FEATURE-Singapore's biotech pipeline show promise

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By Mia Shanley

SINGAPORE, April 11 (Reuters) - Singapore is betting on a clutch of top international scientists to come up with new wonder drugs to combat diseases such as cancer, dengue and disorders including diabetes.

But the island of 4.4 million did not launch this scientific campaign for humanitarian reasons. It wants to create new money-spinners for an economy that is looking to reinvent itself.

For analysts it is still too early to say whether Singapore will succeed. But after several years of scientific toil, the first signs of progress are emerging as a slew of firms take new drugs to clinical trials, and new medical gadgets to the market.

Since 2000, Singapore has spent at least S\$2 billion (\$1.25 billion) on its biotech sector. Some of that has been to lure scientists such as Alan Colman, who famously cloned Dolly the sheep, and to provide big incentives for biotech firms.

"The funding here is superb," said Edison Liu, who was recruited from the U.S. National Cancer Institute to serve as executive director of the Genome Institute of Singapore.

"Singapore now has a pipeline that runs from the basic fundamental scientists all the way to the point of care," said Liu. "The more times you can walk it through that framework, the more products you can spin."

A blockbuster drug or an innovative device developed in Singapore could help boost exports, lift employment and increase spending by biotech firms that choose the city-state as a base.

Already, the country has attracted six of the world's biggest drug makers, including Pfizer <PFE.N> and GlaxoSmithKline <GSK.L>. The sector is a major exporter but big swings in output can make economic growth volatile.

REVENUE CHEQUE

In 2003, Liu helped design a test kit to detect the deadly Severe Acute Respiratory Syndrome (SARS).

Swiss drugmaker Roche Holding AG <ROG.VX> snapped up the licence for the test and still holds it today, even though the threat from SARS has faded.

"We still get a revenue cheque from Roche," said Liu.

ES Cell -- run by Colman, one of the world's best-known stem cell scientists -- is researching cures for diabetes and heart disease and is already conducting animal trials on some products. It hopes to conduct human trials by the end of next year.

"Singapore is gaining a lot of credibility as a good place to work," Colman told Reuters. "It has actually been easier for me to recruit researchers now than four years ago."

With its key electronics sector under threat from low-cost China, Singapore is turning to new industries for growth -- building casinos, new universities and research facilities to diversify its trade-dependent economy.

While the United States and Europe have already generated billions of dollars from developing and discovering drugs, Asia has had to kick-start its industry with grants and tax breaks.

ELUSIVE BLOCKBUSTER

South Korea had its own success story recently with the antibiotic Factive, the first Korean-developed compound to be approved for marketing in the United States.

Singapore has yet to develop a blockbuster drug, but analysts say the pipeline of products is promising.

Veredus -- set up with private funds by a Singaporean researcher and an economist -- is developing a microchip that can detect within an hour a human case of bird flu.

"There is a real demand for diagnostics, vaccines and anti-viral drugs," said managing director Chua Chee Min. It already has a four-hour test on the market and hopes to have the faster version ready in time for the influenza season towards the end of the year.

Veredus has also developed a \$7 malaria test kit, partially with government funds. It hopes to sell 500,000 of them this year to generate \$3.5 million in revenues.

Privately run S*Bio plans to take a treatment for blood cancer and solid tumours common in breast and colon cancer to clinical trials by the end of the year.

Another Singapore-based drug-discovery firm, MerLion Pharma, told Reuters that it would have two new antibiotics ready for trials soon.

The Singapore government plans to provide more than \$8 billion over the next five years for research projects, including for biomedical firms.

But while government money can help launch an industry, the sector needs to attract more private funding to prove itself viable, analysts say.

There are many private Asian funds, particularly focused on the high-tech sector. But interest in the biotech sector in Asia, let alone in Singapore, remains limited.

What Singapore needs is more breakthroughs, said Foo Fatt-Kah, chief executive of Maida Vale Consulting, a boutique investment firm that specialises in life sciences.

"If there were many success stories, then more money would be attracted to Asia," Foo said. "Money follows success." (\$1=S\$1.6)