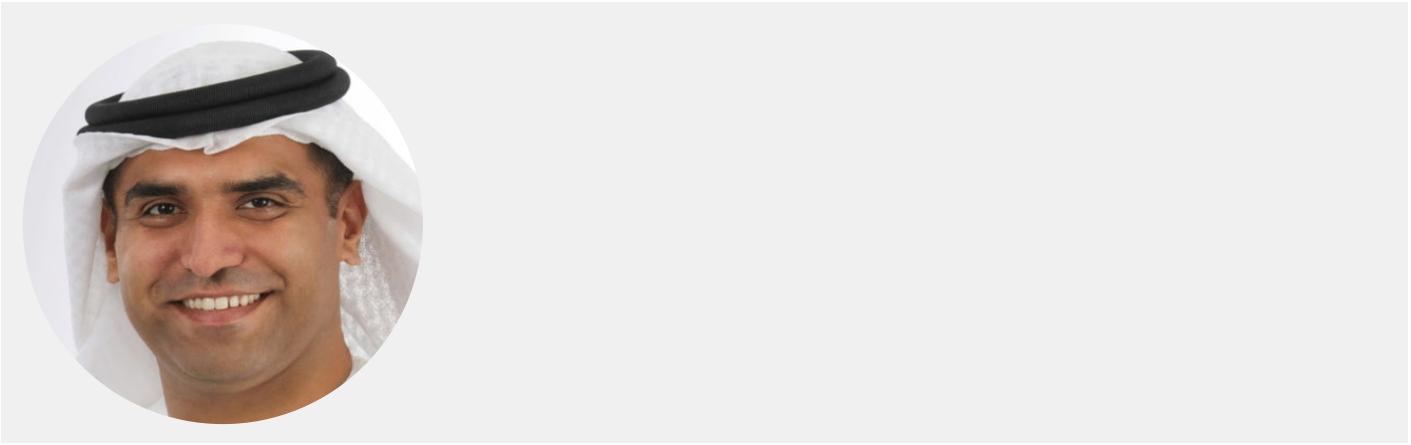
Marwan Abdulaziz – Executive Director, Dubiotech, UAE



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Marwan Abdulaziz, Executive Director of Dubiotech, talks about the growing Life Sciences industry in the UAE, why it is important for the government to encourage biotech studies in universities, and what the major industry challenges will look like over the next several years.

Dubiotech is the first free zone business park in the UAE. It was created in 2005 to foster research and boost investments in the pharmaceutical and healthcare sectors. How did the idea of this venture originate and what have been its major challenges?

Dubiotech was launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum and created by TECOM investments, Dubai's most respected real estate developer in response to the high growth of the healthcare industry and the opportunities for investment that were identified for that sector. Aligned with the government's vision of promoting this sector, Dubiotech was set up as a free zone to attract foreign companies and investors by providing access to peer companies and world-class infrastructure. Our aim is to be close to the companies that set up their operations here by trying to understand their needs and accommodating that as much as possible. Whether they are setting up a laboratory, or a business center or a logistics warehouse, it is up to us to make their needs a reality.

There have been a number of challenges since the outset, beginning with the fact that none of us on the management team are professors in this field. We are business people, not scientists but

the knowledge we have built since 2005 and our different backgrounds provide us with a solid understanding of the lifescience sector. In a certain way we see ourselves as facilitators for the industry, because we work very closely with the government. Often, we will address an industry challenge and take the matter to the authorities on behalf of the industry. Our discussions with the government of Dubai and the related entities have always been very positive and they are extremely supportive of our strategy and activities. This has helped Dubiotech grow rapidly in the last few years.

What services does Dubiotech offer these companies that are opening up their offices in your premises?

In addition to the infrastructure we provide, we also offer a number of unique services to our business partner companies. For example, we pride ourselves in connecting relevant partners to aid their growth and success. This entails connecting companies that would benefit from collaboration or partners outside of the park, such as distributors, investors, bankers, etc. The second service we offer is providing regulatory advice for all types of companies, in order to facilitate the initial stages of their operations. We keep up-to-date knowledge on regulations that concern all our companies, so that at any point in time if they wish to reach out to another company or initiate a new activity, then we can provide them with the necessary guidance. For our companies, it has been very helpful because as a business they are able to focus on their work rather than dealing with all the regulatory issues.

The growth of the life sciences industry is more than evident in the UAE. Given your comprehensive understanding of each sector, what are the main opportunities that you identify for the industry as a whole?

The lifescience industry is currently going through a massive shift as the result of two major trends being picked up by investors. One is the generic manufacturing opportunity that emerges with many patents approaching their expiry date, which consequently opens up the market for manufacturers. This has led to companies such as Pharmax moving into this segment. Such companies reinforce local manufacturing capabilities and also work very closely with the Ministry Of Health to assist in the reduction of pharmaceutical prices given that today 80% of products are imported. Imports are obviously subject to currency fluctuations, shortages and political instabilities in other parts of the world and this is why there is a lot of support for generic

manufacturing.

The second major opportunity is more scientific in nature and is related to the personalization of medicine. Companies are looking to truly understand people's DNA and develop medicinal capabilities accordingly, tailored to an individual's specific needs. There are many exciting developments in this field, including innovative diagnostics that can be applied to determine everything from genetic predisposition to certain diseases, vitamin and nutrient deficiencies. With such tests, one can then also begin exploring the food supplement industry to provide tailor-made solutions for people with specific deficiencies.

Dubai so far has very little heritage of scientific research and scientific education. How does Dubiotech address this talent shortage and the fact that Dubai needs to invest in scientific education?

We perceive our role in improving the level of scientific research and developing our own scientific community through education as a facilitator and moderator that can bring all three relevant parties—government, business and universities—together. It is only by combining each of these areas that scientific research can surge. We have noticed over the years that the universities don't really talk to the industry. There's a large gap between what happens in the market and what's talked about in the university, and therefore there is a disconnect between both sectors. To address this, we organized an event last year that brought together both of those sectors so that they could sit down and have fruitful discussions to understand each other better with the aim of working together in the future.

Such initiatives allow students to realize what kinds of opportunities exist in the market and understand that we are encouraging the study of science. There needs to be a shift in the mindset of students so that it is clear that with a science degree there are still many exciting opportunities for them in the future and they will not necessarily be stuck in a lab their entire lives.

What we are now seeing is a lot of universities offering biotechnology courses for the first time, including PhD programs. Universities are also seeing that there is potential; there are opportunities and this time it has to grow not only in dialogue but also in terms of concrete actions.

Given the tripartite dynamic needed to boost scientific research, has the government realized that they must invest in the sector in order for it to flourish?

Yes. If you look at other parts of world like the US and Europe, you see a lot of funding, a lot of grants but if you look at it closely, you will see that they do have a great number of graduates coming out from their universities. The reality here in the UAE is the number of graduates is very small. I'm sure that the government sees this opportunity and this need, but this is probably not the right time for them to do that. This is why we have started this dialogue between industry and universities to encourage more students and at the same time encourage the industry because you need both. I think we are catering to some of the challenges, but there are still other elements that must be addressed and strengthened, such as IP protection. Currently there are no clear guidelines for the protection of patents, even though there have been very few violations in the past. So these legal frameworks must also be developed in order to strengthen the foundations of the industry and everyone is more confident to move forward.

Would you say that Dubiotech is perhaps ahead of its time?

I'm actually very glad that we started in 2005, and wish we had done it earlier because every organization goes through a learning curve. We had the opportunity to learn so much about the industry and understand the challenges, which has allowed us to become an integral part of the industry rather than simply a spectator. Our role has been instrumental throughout the entire process, and even though the growth might have been slower than expected, we've learned over time that there have been other benefits due to Dubiotech.

Have you experienced any difficulties in attracting talent to Dubai given that life sciences are such a new concept here?

We've been very fortunate that we are based here in Dubai. A lot of people want to live here, that hasn't been a problem. Even though our number of graduates from universities is not that large compared to other countries in the GCC or even Egypt, foreigners are still happy to live here and work. So far it has been manageable for us, and we expect that it will only become easier once the industry has cemented itself here.

What's next for Dubiotech? What are you looking to accomplish in the next two to three years?

The way we see it is that the industry moves in specific phases. The first phase is the establishment of sales and marketing offices by the major pharmaceutical companies. We have accomplished this by attracting 14 companies and hosting their commercial operations here.

After this has been accomplished, companies then begin to realize that they need to be closer to their customers, which brings us to the second phase of development that involves the localization of supply chains. We already have a couple of companies that have set up logistics and storage facilities here in Dubiotech. So far, the advantages of this have been clear as companies can be much more responsive to the local market.

The third phase is then the manufacturing of pharmaceutical products. This can include repackaging, primary packaging and secondary packaging, and blistering. We are currently talking to at least five or six companies exploring this possibility, and already have Pharmax well into its construction plans of their manufacturing plant. This is the phase where we see ourselves now.

The final and fourth phase will be the scientific research and I think that will be the toughest one to crack because it involves coordinating numerous other parties. I think this phase will be longer term and very gradual to achieve, but we might start seeing a move into this over the next five years. The industry-specific infrastructure we have built at DuBiotech has enabled growth of vibrant industry hubs under the umbrella of life sciences industry, underpinning Dubai’s drive to lead a knowledge-based economy.

At the same time Dubiotech wants to make sure that whatever our shareholders have invested will provide interesting returns for them. We have realized that the growth of the industry really brings the results and not vice versa, so we are all in this for the long run. If we try to address the challenges now and help the industry grow, we know that the payoffs will come.

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