Interview with Xianhong Bai, President, Biotech Pharmaceutical Co Ltd

05.04.2012

Tags: Biotech Pharmaceutical Co Ltd

Could you please introduce the history and main characteristics of Biotech Pharmaceutical?

Biotech Pharmaceutical was established in the year 2000, so we are a relatively young company for biopharmaceutical products by Chinese standards. However, we were the first company in China to discover, develop, manufacture and market monoclonal antibodies. Before our products, the monoclonal antibodies present in the Chinese market were produced by multinational companies such as Roche, etc. because the manufacturing process is very complex. After going through development for 8 years, Nimotuzumab, our monoclonal antibody, received approval from the SFDA in 2005. Last year, we received GMP certification and started the marketing of the product. Also, we have established the first large scale mammalian cellculture system in China. So far, the system is working perfectly.Lastly, we have a research academy carrying out research and new product development in-house, and our pipeline is very promising: we will soon have some new products to release on the market. We have now more than 240 employees. Of course, some more established companies are much bigger in terms of staff, but all biotech companies start small!

Many young biotech companies tend to focus more on the research side. What led Biotech Pharmaceutical to establish a fully integrated company all the way to market launch?

Indeed, we do both R&D,commercial production and marketing. We have about 80 sales people doing a remarkable job. Our country started doing R&D in antibody only 20 or 30 years ago, and

most of the results stayed in research institutes, with no one going on to develop the products. Today still, many people focus on research but are not successful in business because they don't have products on the market. But if you don't have a product to sell, you don't have money to support your research. The reason we are successful is because we combined research and development with manufacturing and marketing.

In line with China's shift from a manufacturing-driven economy to an innovation-driven economy by 2020, biotechnologies are among the 10 selected industries in the program for innovation. How would you assess governmental support to the biotech sector in China?

Biopharmaceuticals can be defined as a high-technology and high-risk sector. Research takes a long time and requires a lot of investment, and unfortunately, sometimes you fail to discover a product. Therefore, governmental support is necessary. The problem in China is that since it is a very big country, with many universities and companies involved in the biotech sector, the resources are very spread out. Everybody claims that they are discovering great products and should get support. Therefore, once you divide the cake and give a grant to everyone, the financial support to individual players is often very little. Our company received some support from a governmental high tech program, which was very good for our reputation, but financially, it was mostly symbolic.

You are now marketing your own product. In the coming years, do you expect to depend less on government grants and more on your own revenues?

Indeed, since we launched our product last year have a greater ability to generate our own revenues from the market. Last year, the distribution of our product was focused in big cities like Beijing or Shanghai, but this year it is distributed in almost every province in China. Furthermore, thanks to the healthcare reform, the government will expand massively healthcare in more remote areas. However, for the moment, our products are not included in the program, but we still see it as a good opportunity to expand our distribution. Moreover, companies from the United States have shown interest and identified Biotech Pharmaceutical as a company with good potential.Besides the successful production of antibody, another strength of Biotech Pharmaceutical is it's strong projects pipeline. Biotech Pharmaceutical have more than 10 products in our pipeline, including antibodies, and vaccines including H1N1 on which we are doing research and developing. We have already started to expension new production facility.

What kind of partnerships would you like to establish with other companies or institutes?

Many companies have expressed an interest in investing or taking a share of our company, which is possible given our structure. Other companies are looking for opportunities to collaborate in terms of R&D. We have already established cooperation with universities and research institutes in order to boost our pipeline.

In your view, what does Biotech Pharmaceutical represent for China’s blossoming but young biopharma sector?

Biotech Pharmaceutical is a good example in China for young biopharmaceutical companies because we combine R&D, production and commercialization. In the past 20 or 30 years, most organizations related to biotech were research institutes owned by the government, focused on R&D, publishing papers, but not focused on production. Biotech companies are fragile because they require heavy upfront investment, so many have to license out or sell their company. Our company has been through hard times, but we survived, and today I’m very confident in the future of this company. Our projects are not only on paper but also in design, conception and planning. We have state of the art technologies, and a very strong pipeline – we will be sending applications for clinical trials for a new product in mid-June. We are not feeling the crisis, and indeed our company has been growing between 20 and 30% every year.

See more interviews