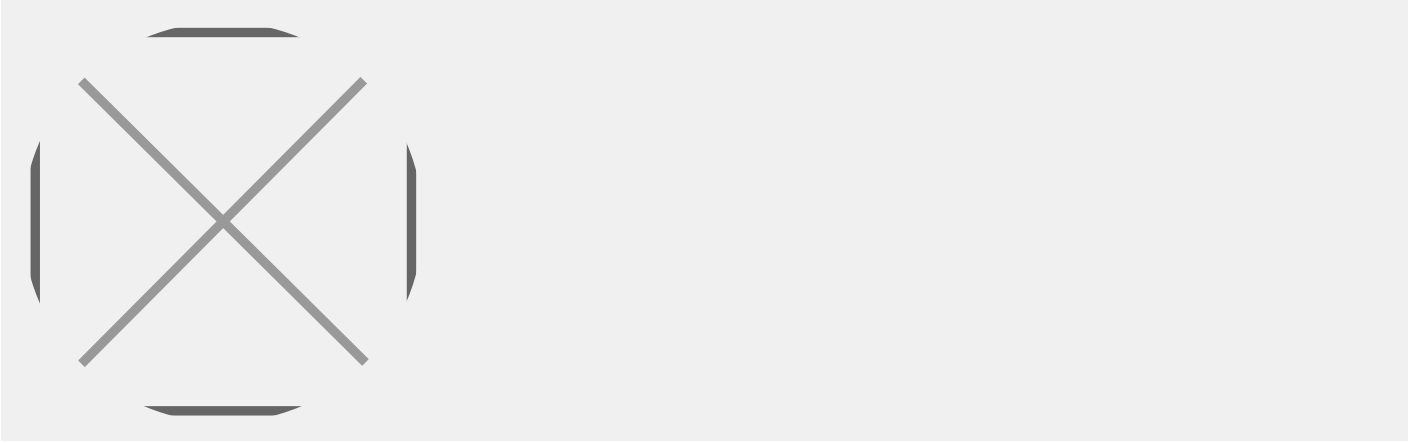
Interview with Albert Liou, Corporate Vice President & General Manager, Asia/ Pacific, PAREXEL Taiwan



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like many multinationals CROs, PAREXEL decided to base its Asia Pacific operations in Taipei instead of Singapore. To what extent was this decision a result of Taiwan's business environment and to what extent was it a result of previous business success?

Taiwan's business environment was an important factor. Taiwan produces a lot of good professional talent: many Taiwanese people have strong international educational credentials, especially from the United States. A lot of people choose to study overseas, and many of these people return to Taiwan once their studies are completed. The Taiwanese speak very good English, which connects us internationally. This was one of the reasons for establishing APEX in Taiwan in the first place, prior to PAREXEL's acquisition of APEX, a long-term alliance partner, in 2007 to further expand its capabilities throughout the Asia/Pacific region to serve expanding needs of its global client base. On a personal note, when I was a graduate student in the middle of the 1980s, the highest number of international graduate students in US came from Taiwan. Gradually however, China has become number one.

Many influential people in the life sciences industry in Taiwan today got their education overseas, and most of them from the US. There is a lot of U.S. influences here, even in the government. Dr. Yaung, the Minister of Health, Dr. Chang in charge of the Diamond Action Plan for Biotech Takeoff, and Dr. Kang in charge of the newly created TFDA all got their doctorates in the U.S., for instance. Business leaders have a lot of international influence. In the younger generation, a lot of people are also studying in Australia and Europe.

After I received my degree, I worked for eleven years at the Harvard Medical School, and several biotech companies including Amgen in the U.S. . When I started APEX here in Taiwan, I did not start from scratch: rather the work was a continuation of my training from the U.S. Many Taiwanese people today don't just have graduate degrees from the U.S., but also industry experience: this is very important but a fact that not many people in the international community are aware of, generally speaking.

Taiwan's healthcare system is strong. The top medical centres in the country are competitive at a global level. Investigators read and write well in English, and many also speak the language. In many medical fields, these investigators are the key opinion leaders not just in Taiwan, but on a global level, for example in hepatitis B and Hepatocellular carcinoma.

Furthermore, Taiwanese hospitals are modern and fully equipped. There are over 100 hospitals in Taiwan that are qualified by the government to conduct clinical trials: Taiwan hospitals have the most internationally recognized IRB accreditations in Asia such as Forum for Ethical Review Committees in the Asian and Western Pacific Region (FERCAP), and Taiwanese doctors have a great deal of international trial experience. Companies incorporate Taiwan into trials not just because of the potential of the end-market, but most importantly because of the experience and intelligence of the PIs, the hospitals, and a sophisticated regulatory agency. The CDE has a very close relationship with the U.S. FDA, which is a huge advantage over some neighboring Asian countries.

All these factors make the Taiwanese environment dynamic for clinical development growth. PAREXEL was one of the first leading global CROs to expand beyond the traditional clinical trial markets of the U.S. Europe, and Australia within the Asia/Pacific region to fully enter the Asian market Now, the worldwide biopharmaceutical industry is looking to Asia today as a key growth market.

We have heard that the good environment has taken around a decade to build up in Taiwan, in terms of infrastructure and convincing the government that clinical trials are a good idea in Taiwan. So today, what are the largest challenges for Taiwan that are keeping it from fully realizing its potential?

One challenge is that the Taiwanese pharmaceutical market is not that large in comparison to China. But now is the time for biopharmaceutical companies to work out the strategy of how to link the strengths of Taiwan to the China market, and that should be a key goal – to leverage both the size of the Chinese market and the good clinical trial infrastructure in Taiwan. PAREXEL assists its clients with this opportunity. This is an especially important opportunity to seize now since the signing of the Economic Cooperation Framework Agreement (ECFA) in July, 2010.

Another challenge is that the number of Taiwanese people studying abroad is decreasing. This has implications for Taiwan's legendary entrepreneurial spirit, which has benefited from Taiwanese studying and working abroad. China today reflects the opposite trend: Very few Chinese people from my generation worked abroad, but people younger than me are now coming back to China from studying abroad, and this will provide a challenge to Taiwan.

Yet another challenge is that although the clinical research environment has a good level of quality, Taiwan is still small in terms of size. Out of the 100 hospitals that are involved in clinical studies, only the top 20 are prominent enough to attract global clinical trials. The other 80 hospitals in the country are just beginning to become aware of or involved in clinical research, and so are less experienced. Another disadvantage is that generally, the hospitals are not networked in a collaborative way, which resulted in the inefficiency of logistic processings or IRB review.

What is PAREXEL's view on believe that multinationals performing clinical trials in Taiwan? What level of emphasis is on marketing and sales versus research and development?

Biopharmaceutical companies will come to a country to conduct clinical trials if they believe there is a large potential end-market for their products. Often Asian countries require local data for clinical trials because they want to see the data for their specific ethnic groups.
But when conducting clinical trials in Asia it is important that the data is at a similar or better level of quality to data collected in other key markets, including Japan, the U.S. and Europe. A key factor in attracting clinical trials to Taiwan is that quality data can be collected in the market, coupled with other benefits such asfast recruitment and overall efficiency.

When we interviewed you a year ago, you mentioned that it would be difficult for Korean businesses to do business in China because Chinese business would have priority and that this would be a big challenge for Korea to overcome. Why do you think these challenges are different for Taiwan?

The relations between Taiwan and China are different than they were before, and have become more formalized due to the work of the new Taiwanese government to bring forward positive changes that enable business productivity. For instance, with direct flights between Taipei and Shanghai, travellers can go between locations in less than three hours. Because of ECFA and much closer business relationships comparing to other neighbouring countries, Taiwan has an advantage in the Chinese market. Korea faces some difficulties because China regards them as a different country, and so is bound to be more protective of its interests. Taiwan has a distinct advantage in this regard.

In the past, clinical trials were a sensitive issue in Taiwan, but now the government is working hard to promote the industry. However, the government has also been promoting the biotech sector for close to two decades, and still no drug has been developed in Taiwan.

Will the same thing happen with regards to clinical trials?

The Taiwanese government has always been promoting clinical trials, however, this area was not at the top of the government's agenda before. The government's argument was that the country needed to encourage high quality clinical trials.There was definitely a need to regulate, and not open up hospitals to clinical trials too quickly, but now that quality and safety targets have been met the industry can now be allowed to develop more fully.

So far the world has not yet seen a new drug come out of Taiwan and the government seems keen to achieve this milestone. Do you think the government is promoting biotech with words more than with actions?

Aside from Japan and China, Korea is the only East Asian only country so far that has received U.S. FDA approval for a new biotech drug. Even the Korean company that developed that drug was assisted by a U.S.-based company. R&D is intensive in Taiwan however, the all the necessary infrastructure is not quite in place yet. In the past, Taiwan's main focus of investment community has been on OEM and components of IT industry, thus its expectation for financial return is much shorter comparing to that of new drug development. In addition, the infrastructure and resources for new drug development is not fully integrated for the maximum efficiency. The industry and academia overall lacked of complete experiences on dealing with innovative new drug approvals, Taiwan's been falling behind on developing its own new drugs.

How would you describe PAREXEL's growth in Asia right now?

PAREXEL currently has a high growth rate in the Asia-Pacific region, which reflects not only our leadership for providing a full range of clinical development capabilities in the geography as part of a global infrastructure, but also the continued demand from clients in conducting trials in Asia . We have brought a lot of new talent to Taiwan from around the world. We look forward to continuing to make valuable local contributions to the biopharmaceutical industry here in Taiwan, which is a very strong environment. I'm very excited.

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