Interview: Ion Arocena – CEO, ASEBIO, Spain



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Ion Arocena, CEO of ASEBIO, Spain's biotech association, discusses the significant efforts that Spain has made in turning cutting-edge research into successful companies and products and provides an insight into the level of collaboration and interaction between all stakeholders across the whole healthcare ecosystem.

Can you provide us a with a full picture of the biotech sector in Spain in terms of growth dynamics, strengths and weaknesses of the sector?

In my opinion, Spanish biotech companies have done a phenomenal job in transforming basic science into products over the past years. The scientific production of Spain is highly competitive in terms of both quantity and quality, particularly in the life sciences sector. We rank 10th worldwide in the area of biochemistry, genetics, molecular biology, neuroscience and pharmacology and 5th in Europe, behind Germany, the UK, France and Italy. As mentioned, as a country, Spain has made significant efforts in improving the transformation of our research into successful companies and products. The country has a lot of expertise in personalized medicine, and in the development of innovative drugs for the treatment of cancer and infectious diseases.

In fact, according to a report by the American Society of Gene and Cell Therapy, Spain is the European country with the highest concentration of scientifically advanced projects currently being developed. Despite being an emergent industry in Spain, with a short track-record in comparison to other countries, Spain's innovative research and technological development is a key driving force for the biotechnology industry. Also, the biotech industry accounted for 0.8 percent of Spanish GDP

in 2015. Thanks to our integrated healthcare system, the high quality of our hospitals and clinicians, and our progressive and highly favourable legal framework, Spain is a very competitive site for conducting clinical trials.

We participate in more than 20 percent of the almost 4,000 studies carried out each year in Europe; furthermore, Spain and the UK are competing for the second position in number of trials in the EU27 after Germany. However, some of our weaknesses are the expected consequences of our young biotech industry leading to expertise gaps, lack of maturity of projects and smaller-size companies.

Can you give us an insight into the level of collaboration and interaction between all stakeholders across the whole ecosystem?

ASEBIO maintains a permanent channel of communication with the European Commission, the Spanish Presidency, the Ministries of Health, Industry, Economy, Agriculture and their corresponding department in all the autonomous communities. We have a high level of promotion of 'Brand Spain' in over 60 countries through various initiatives and institutional relationships with a large number of diplomatic missions and we provide support to our members for the European Framework Program.

Vis-à-vis other trade associations, such as Farmaindustria for instance, we also have a collaborative approach and we join forces whenever we want to influence the government on the same issues, which most of the time concerns research and development because both Farmaindustria and ASEBIO have innovation as common goal. It is above all our spirit of collaboration with the public sector, our support during the formulation of all policy affecting the sector, an ethic of constant self-improvement and a positive, forward-looking attitude that have led us to reap success in most of the activities and projects in which we take part.

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What policy changes would you like to see and are currently advocating for, in order to attract capital and innovation to Spain?

The Spanish biotech industry did not become a thriving sector overnight. Ten years ago, the right policies were put in place, there was money being invested into research and that started to create the right conditions for the industry to develop. We believe that, after all the efforts the biotech industry managed, even in the tough times of the financial crisis, to survive and as a result the fundamentals of the biotech industry in Spain are strong today. We have good science, good start-

ups and outstanding talent. In my view, what is missing is long-term stable policies. Spain has identified certain incentives for R&D activities, but the structure of such incentives can be definitely improved because most of the money that companies receive are simply soft loans in the guise of ‘grants’. Government has to manage high loan default rates during the crisis and they decided to increase the stringency of the requirements to access those loans. When such increase in default rates was the logic consequence of the crisis as well as of the risky nature of R&D. It’s precisely in those high-risk R&D projects where Government support is more needed, not by the companies which could meet the access criteria.

What are some of the most pressing issues your members face – and are these unique to the life sciences industry?

The most pressing issue for big companies that already have some products in the market or are preparing for launching some is market access challenges because getting a product through the different approval bodies and control levels to reach the patient can be a long and difficult process. The other group of companies that, conversely, does not yet have products in the market is facing the issue of raising capital. Our key priorities and the mandate we receive from our members and Board is fully aligned with the main challenges the biotech industry faces. We are focused on changing the structural inefficiencies of the Spanish framework of incentives with a long-term view and ambitious proposals.

In 2017, more than 15 percent of the total investments were in the life sciences sector in Spain. To what extent do you believe the government appreciates the value that the life sciences industry contributes to innovation?

I think ASEBIO, as an association, representing 270 members, has been very successful at communicating the value of the sector to the government and I am confident the message reached the administration. Even though there is strong willingness to change the current policy, we are still expecting a direction to be taken. The biotech industry is an industry with long development timelines, high investment needs and high development risks and, last but not least, a highly regulated industry. It is our absolute priority to play a key role in creating a more favourable operating environment for our members.

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What are some of your flagship projects or initiatives that you would like to highlight?

A project we are currently developing is BIOVOICES. It is expected to increase the quality, the relevance, the social acceptability and the sustainability of research and innovation outcomes in bio-economy. Specifically, the BIOVOICES' strategic objectives are to promote multi-actor dialogue and multi-stakeholder co-creation of research, innovation, development and political context in bio-based economy and increase the quality, relevance and social acceptability and sustainability of research and innovation outcomes in the bio-based domain, thus minimizing the technology mismatches.

But our most important project is BIOSPAIN, the largest biotech event organized by a national bioindustry association in Europe and one of the largest in the world in the number of one-to-one meetings (+3,000) and companies participating (+800). 34 percent of our delegates came from outside of Spain. Biospain is organized by ASEBIO, the Spanish Bioindustry Association, and each edition is co-organized by a local institution from the host city/region. For this 2018 edition, Biospain is co-organized by the Government of Andalusia through the Agencia IDEA Agency. From the 25th to the 27th of September 2018 the Fibes Exhibition & Congress Centre in Seville (Spain) will be the stage for BioSpain, a forum for all the actors in the biotechnology sector to share knowledge, ideas and experiences.

What is on your agenda at the moment and what are your strategic priorities for the future?

As I mentioned already, Spain has very good science, a highly skilled workforce, good research infrastructure and an emerging, yet thriving, biotech industry. The fundamentals on which we can strengthen the competitiveness of the Spanish biotech industry are solid. The Spanish biotech industry has shown that we can compete in the global arena. Our main focus will be on how to tackle the weakness of the industry and face challenges such as the R&D incentives framework – e.g. grants – and access to capital which ultimately enables companies to grow.

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