



Reinforcing biotech companies through public-private partnerships

Daniel Vasmant MD, PhD

Head of Health, Biotech and Food Industry
Department

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direction générale de la compétitivité
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Need for innovation in health -> strategic sector

- Globalization of biopharmaceutical R&D
- Increasing cost of R&D, estimated \$800 million - \$1 billion for a new product
- High failure rate
- Externalization & acquisition of innovation

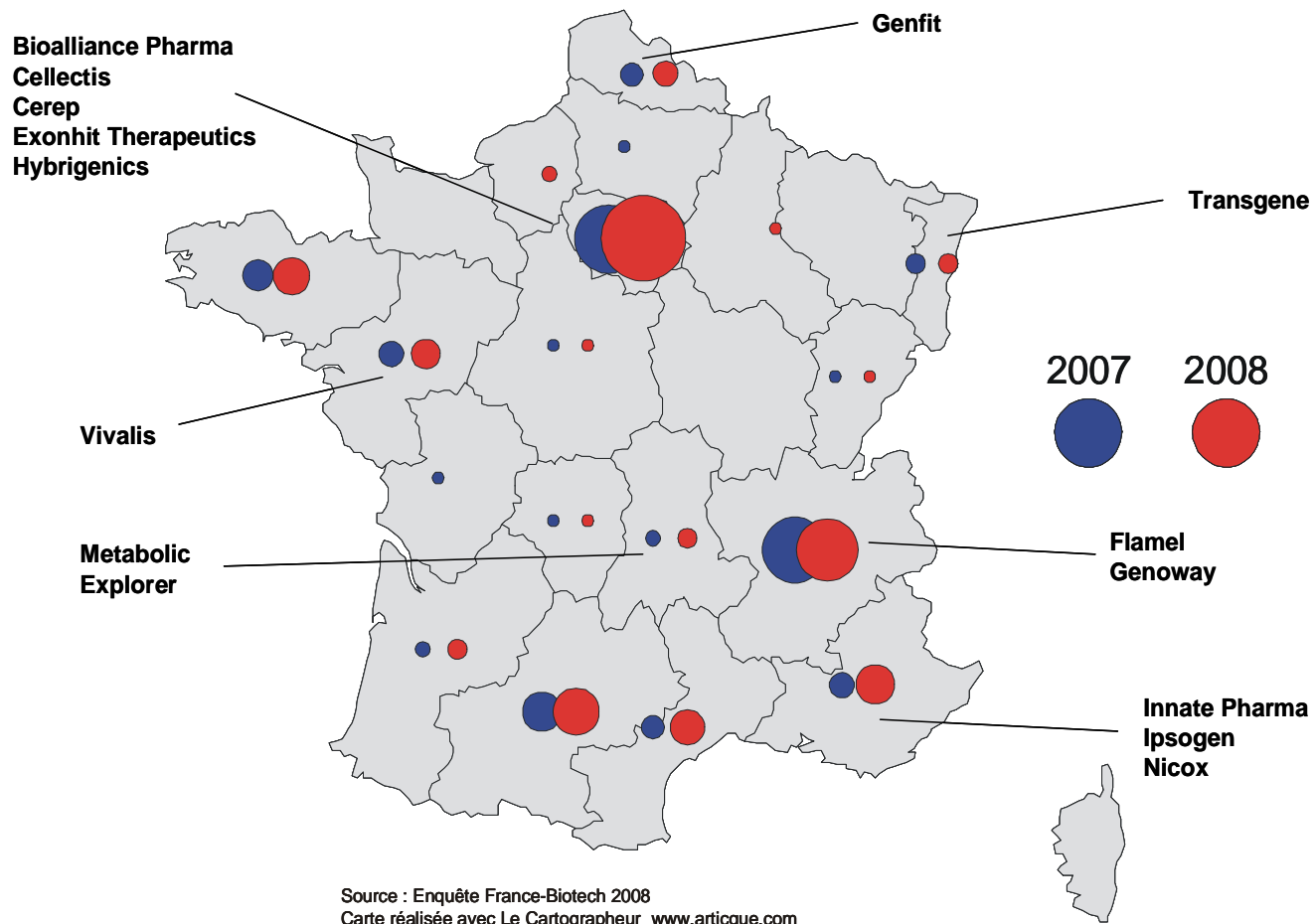
Relevance of partnerships

Cluster model

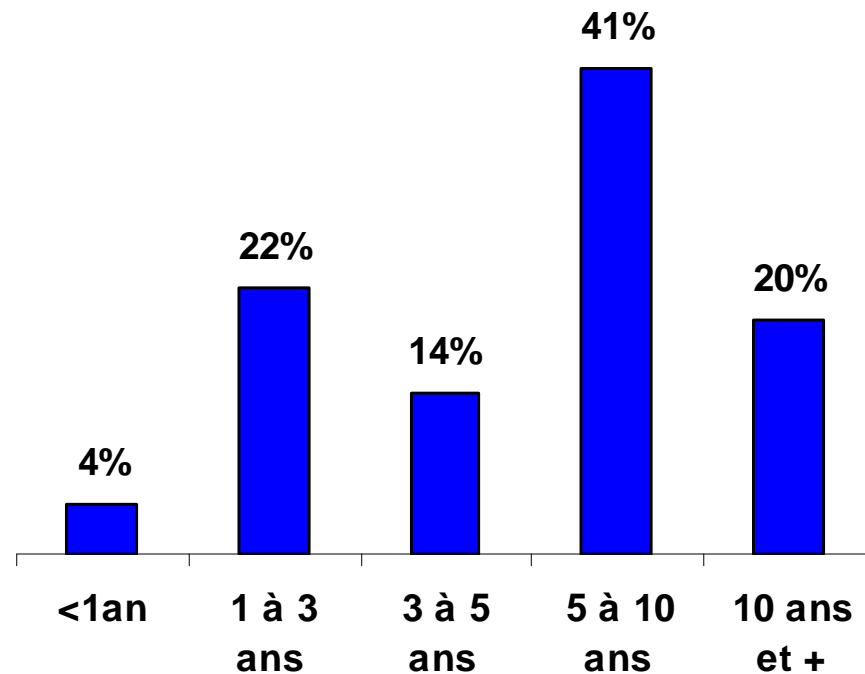
- Chemical drugs → Development of biotechnology & “biodrugs” & related services
- Promising new domains – innovative biotherapy, medical devices



Location of Private and Public Biotech Companies in France



Age and employees of the French Biotech Industry

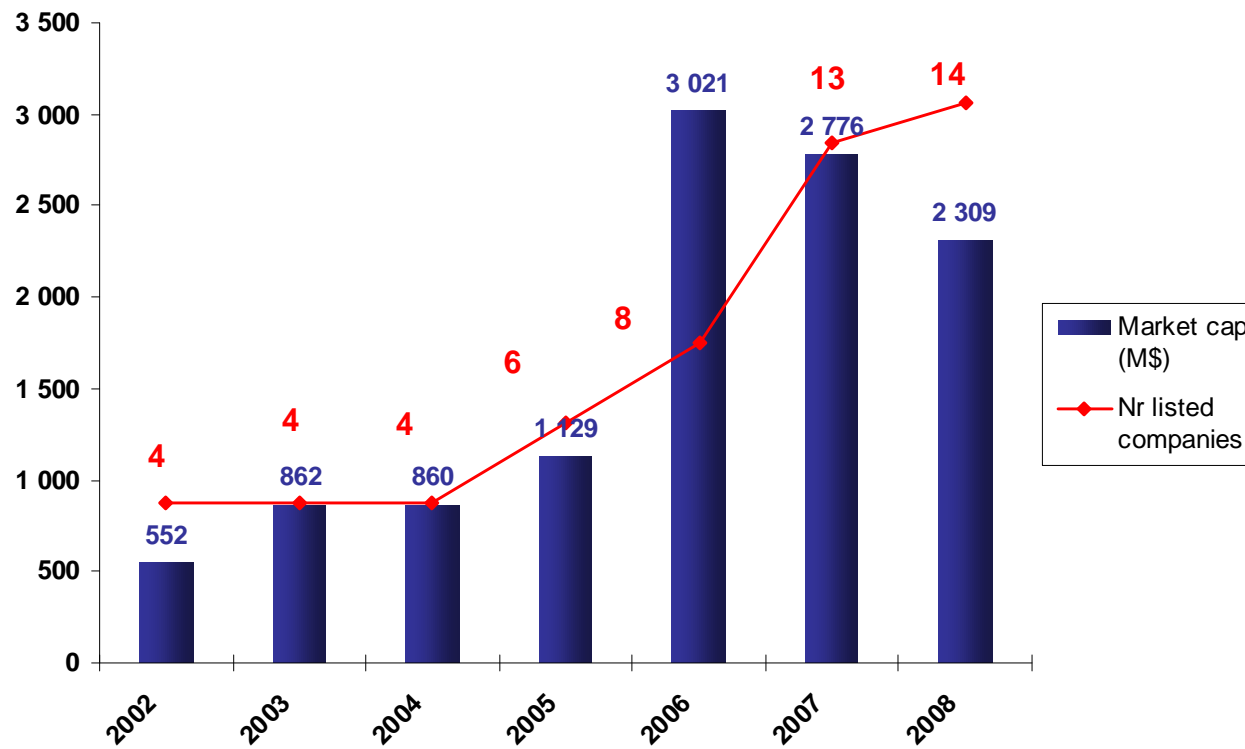


In 2007, Number of employees = 5400 (130 Companies)

Annual Survey – France Biotech, 2008



Market capitalisation of public companies 2002-2008



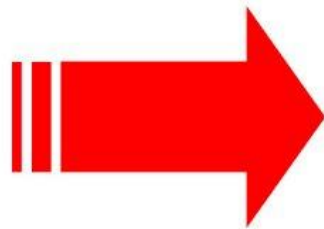
Biocentury, 2008





Innovation in healthcare requires partnerships
Multidisciplinary projects need

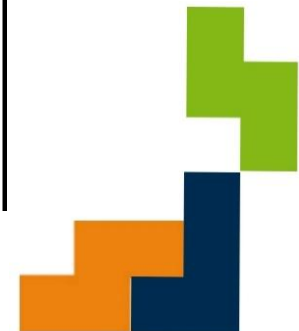
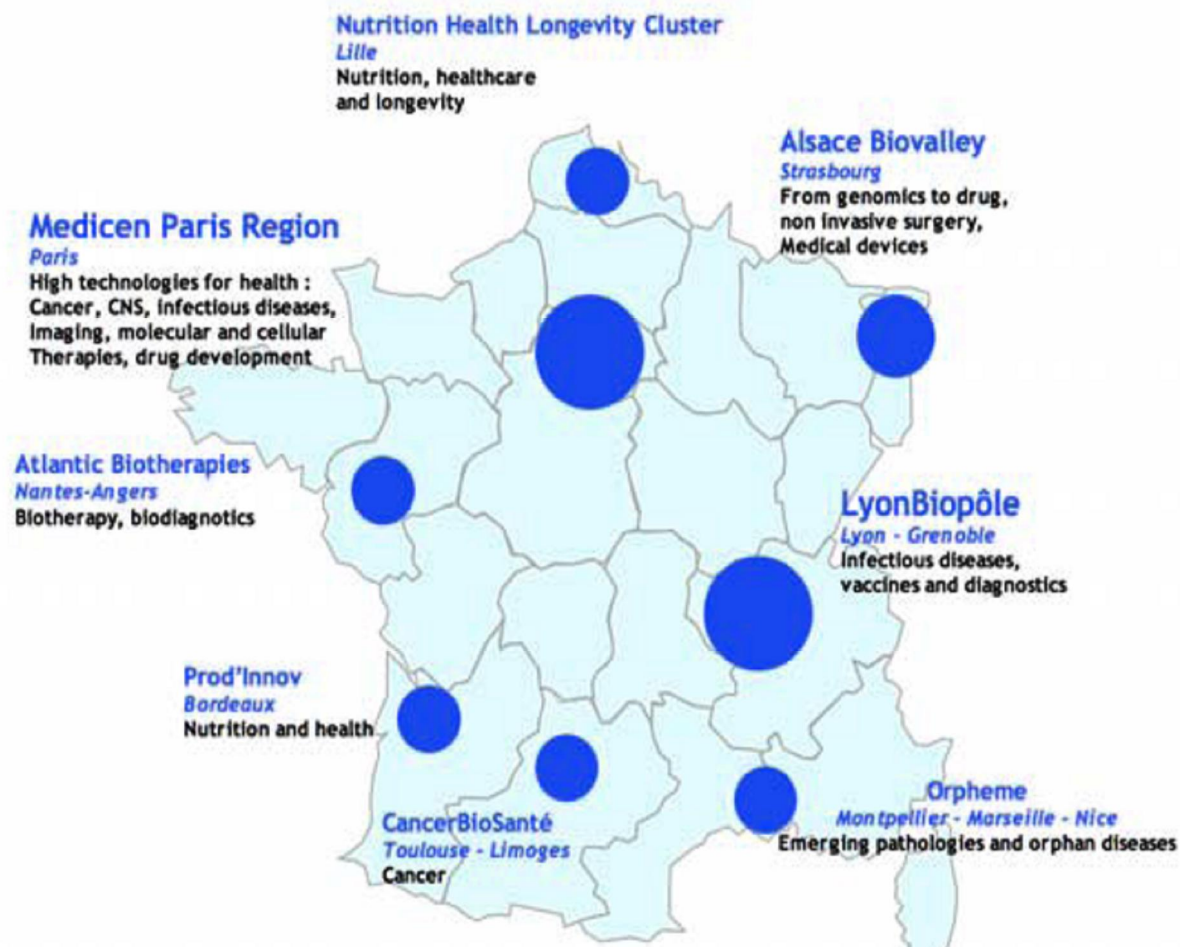
public ↔ private collaboration
private ↔ private collaboration



Support partnerships



8 competitive biotechnology & healthcare clusters in France





Public aid for R&D partnerships in France

Inter-ministries founding

- **Industry – defense – equipment – agriculture – healthcare – management of territory**
- **R&D projects accepted by a cluster with at least 2 companies and a laboratory or research center**
- **Compliments financing by local collectives**





80 projects are currently running

Budget

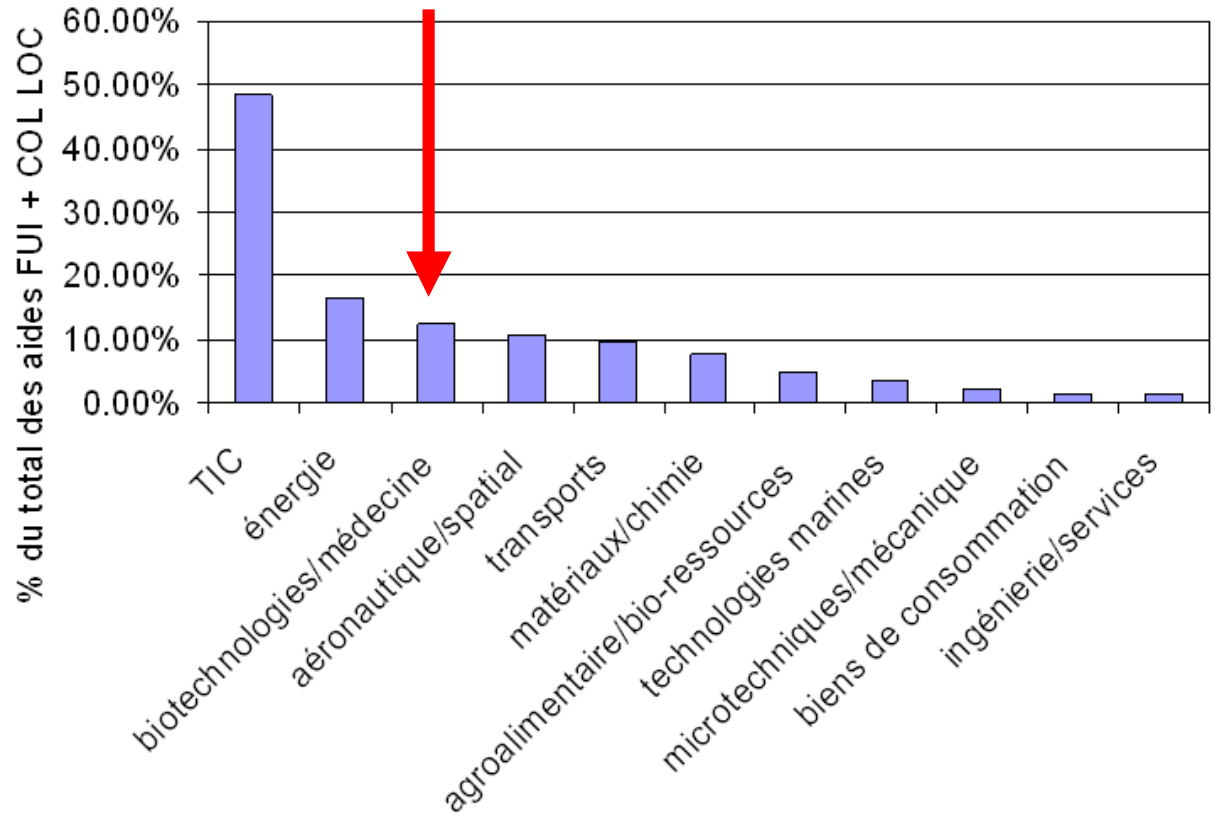
• AAP 0-4 (2005-7)	85 787 246 €
• AAP 5 (2006)	24 119 480 €
• AAP 6 (2008)	20 045 698 €
• Total subvention*	129 952 425 €
• Overall budget	194 928 600 €

* government au local public founding



Comparison by sector

Health sector -> 13 %



Research tax credit reformed in 2008

- **From 2008, conditions are enlarged**
the 40% increase in R&D expenditure & the 16 million euro ceiling are suppressed
- **CIR is calculated only on R&D volume declared by companies**
30% of R&D expenditure up to 100 million euros
5% of R&D expenditure over 100 million euros
- **For companies who want to benefit for the first time, the rate is 50% for the first year & 40% for the second year**
- **The budget - 1.4 billion euros in 2007 – has been increased up to 3 billion euros in 2008**



National Research Agency



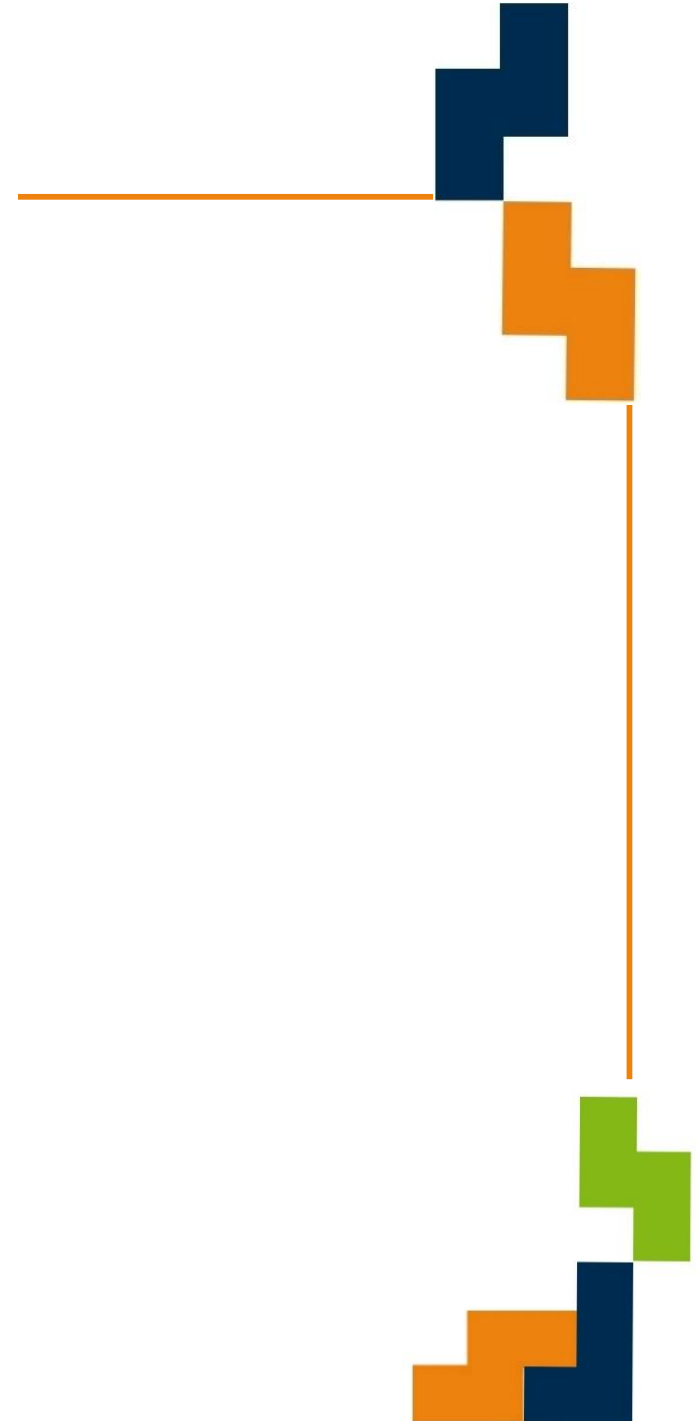
- *Partnership projects (at least one company & one laboratory)*
- *Programs **BiotecS, White, TecSan**, extended by Article 169 AAL*
- *Strong R&D component (**applied research, CNRS, Inserm, CEA...**)*
- *Calls for projects (**Selection Committee**)*
- *Aid for companies : **35 - 75 % (subvention)***
- *Aid for laboratories : **100 % of marginal costs***





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New challenges



- Economic weight in a healthcare system in deficit
- Challenge of
 - New medicines**
 - medical devices**
 - Patients involvement**
 - Practices of health care professionals**
- Bring together medicine and delivery devices
- Rationalization of research on new biomarkers
- Development of targeted therapies (e.g. in oncology)

