



## Media Release

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### **Aussie biotechs making alliances with Japan**

Australian biotech companies are developing a reputation for quality and innovation in Japan - the second largest biotechnology market in the world - and with Japanese biotechnology and related industries expected to grow to \$260 billion by 2010, Austrade is seeking more businesses to take advantage of Australia's standing with its largest trading partner.

According to Austrade's Tokyo-based Business Development Manager for biotechnology Airi Sakaguchi, Australian biotech businesses have developed a strong reputation amongst Japanese businesses that have had exposure to the Australian industry, opening up more opportunities for Australian businesses.

"Japanese companies are increasingly putting Australia at the top of the list when looking abroad for biotechnology partners and services. Australians are developing a reputation for quality, reliability and innovation," she said.

Austrade's Team Leader of health, bioscience and wellbeing, Janelle Casey, said, "Traditionally Australian businesses have looked to the US and Europe for alliances, but Japan should not be overlooked."

"The top four Japanese pharmaceutical companies are cashed up and looking for partnership opportunities overseas, particularly in relation to technology and licensing agreements.

"The partnership between Australian company Biota Holdings and Japan's Daiichi-Sankyo illustrates the potential for larger alliances and reflects the willingness of Japanese businesses to do business with Australian companies.

"There's also steady growth in bioventure start-ups in Japan, opening up further opportunities for Australian businesses."

Japanese company Wako Pure Chemical Industries, which has alliances with several Australian businesses, is a firm believer in Australia's reliability and quality. Wako's Manager Business Development, Bio Medical Systems, Toshi Somehara said in particular, Australia had a strong reputation for delivering results.

"In the case of clinical trials, we have alliances with several Australian medical providers, including St Vincent's Hospital and Westmead Hospital in Sydney," he said.

"Australia has world-class clinical trial infrastructure and trials held in Australia are delivered on time and at a lower cost compared with the UK and the US."

Ms Sakaguchi said Australian companies looking for alliances in Japan would yield success if they were committed.

"It takes a lot of commitment and investment from Australian businesses to achieve success in the Japanese market, but the returns are high. The general rule is when you show commitment, success levels are high," Ms Sakaguchi said.

"And Australia's growing reputation is even more reason to explore opportunities in Japan."

#### **Queensland Clinical Trial Network (QId)**

Queensland Clinical Trial Network (QCTN) is a 60+ member network of Queensland businesses in the clinical research industry and a number of members are already at different stages in clinical and pre-clinical trial projects with Japanese customers.

QCTN CEO Mario Pennisi said Australia was an attractive option for Japanese businesses seeking partnerships.

"The Japanese are probably quite envious of the Australian marketplace. They see it as innovative, cost-effective and time-effective. Our regulatory environment is less complicated," he said

"Our long history of trading with Japan also means that Australians are well-versed in dealing with Japan, so the Japanese are quite relaxed about the concept of trading with Australian businesses."

QCTN is currently placing an employee in Japan, a move which has come after a lot of ground work.

"We've matured our market standing to a level where we need someone on the ground. We are in the process of employing an Australian with Japanese speaking skills in a business development capacity to be based at the Queensland Government Trade & Investment Office (QGTIO) in Tokyo," Mr Pennisi said.

"It has taken around three years to get past the social politeness, a time frame in line with our expectations.

"We started with Bio Japan a few years ago with Austrade's and QGTIO's assistance, we then started meeting with government agencies and potential customers directly as well as presenting at seminars and meetings.

"A delegation of members is spending the last week of January meeting with a number of customers and hosting another seminar for the pharmaceutical industry, this time in Osaka."

### **Maverick Biosciences (NSW)**

Dubbo-based Maverick Biosciences is a niche business exporting animal products for use in human medication and vaccines, as well as in the growing nutraceutical or 'functional food' market.

Japan was one of Maverick Biosciences' first export markets, and although the company now exports to more than 15 countries, co-founder Cameron Crowley said Japan was still a main focus.

"We're firm believers in the Japanese biotechnology sector. Australia alone is not a big enough marketplace, and while the Japanese market presents its own challenges, it's been a market we've seen as vital to our long-term success," he said.

"Japan has a significant economy and we have a strong trading history with them. Japan is also one of the best cultures to do business with."

With exporting accounting for 98 per cent of Maverick Biosciences' business, Mr Crowley said Austrade's assistance was a key factor in exporting success.

"Since inception we have used Austrade's services significantly. It's been extraordinarily valuable to have relationships with people in our target markets," he said.

### **BTF (NSW)**

BTF - a bioscience company which developed microbiological testing technology following the 1998 Sydney water crisis - has been working in Japan since 2003.

"Around 25 to 30 per cent of BTF's business now comes from Japan, following Austrade's assistance in 2002 to explore relationships with potential customers," according to BTF CEO Mark Gauci.

"We've released a number of products in the Japanese market, with two distributors serving the water testing market and the pharmaceutical and food testing market."

Mr Gauci said Japan was a favourable choice for exporting: "It's a market which we've found easier to do business with than some other markets for a number of reasons."

"Firstly, it's a compact market, so several customer visits can fit into a day, and it's only a nine-hour flight. And because of the limited difference in time zones, a lot can be achieved during a business day, which isn't always the case when you're dealing with the other side of the world.

"The Japanese market is also well-adapted to dealing with foreign companies so they understand what it takes to get a product from overseas into the Japanese market. Other markets are not so attuned to importing."

For information on exporting to Japan, contact Austrade on 13 28 78.

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