

Estonian re-orientation of focus

The Estonian biotech sector share the same need for financing as their international colleagues do. The international financial crisis is however not altogether bad news, there is a silver lining.

BIOTECH During the last ten years the amount of pre-seed financing for Estonian biotech ventures has been very scarce. The financing that has occurred has been done by individual business angels. The interest from the government and financial institutions has been conspicuously absent.

“In that sense the financial crisis does not affect the Estonian biotech sector, we couldn’t get bank loans prior to the crisis either due to the comparatively long-term and high-risk investments that biotech commercialisation entails,” says Jaanus Pikani founding partner of biotech companies Steri AS, Asper Biotech and member of the Estonian Biotechnology Association.

With Swedish banks pouring money into the Estonian market, the needs of the biotech companies drowned in the wake of the financial bonanza of the real estate market.

“The attitude has been: ‘why should we bother with such risky investments when there are surer ways of making a short-term profit?’” says Jaanus Pikani.

The positive signs that he now sees are

the changing attitudes in Estonia, primarily in the government. A realisation that the competitive edge built on expertise in population genomics, cancer drug development and gene therapy, can, and should be, refined into a platform for the future, knowledge-based, economy.

“This new attitude can be seen in funding programmes that help skilled people

“The needs of the biotech companies drowned in the wake of the financial bonanza of the real estate market”

get international training that they can bring back to Estonia and also that a significant part of the structural funds from the EU are allocated to create a working infrastructure around the universities of Tallinn and Tartu,” Jaanus Pikani says.

Governmental enthusiasm

Proposals from the Estonian Biotechnol-

ogy Association concerning programmes to broaden the base of skilled individuals in life science, has finally been addressed with enthusiasm by government officials.

“The parliament has passed two bills in the last six years ordering the government to produce specific programmes for transforming our country to a knowledge-based economy. The current situation has finally made this issue a priority,” Jaanus Pikani says.

Tartu University, with its medical and biomedical expertise and Tallinn University, with its engineering and business approach, are equal partners in the Estonian Life science development, something that Jaanus Pikani finds promising for the future:

“It’s good that Tartu and Tallinn now are almost at level as this broadens the knowledgebase for Estonian life sciences. If we can continue to be among the most successful in turning knowledge into business ventures, I see the current circumstances as an opportunity for Estonian life science, not a problem,” he concludes.

By **Johan Falk**

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