

SIAM BIOSCIENCE COMPANY, LTD.

The first domestic producer of
bio-pharmaceutical drugs in Thailand



Founded in 2009 as a partnership between CPB Equity Co., Ltd. and Mahidol University, with an initial investment of about 2,000 million baht, it was established for the twin purposes of conducting bio-pharmaceutical product research, and developing local manufacturing expertise to help reduce Thailand's reliance on imported drugs. Siam Bioscience is the first and only domestic Thai firm to enter into the bio-pharmaceutical business. Construction of their present manufacturing plant began in 2011 at Bangyai, Nonthaburi. Completed in 2013, it achieved full PIC/S GMP, ISO 9001 and ISO/IEC 17025 certifications for fill finish production by 2016 and began commercial operations producing two bio-pharmaceuticals, one for treating anaemia in patients with kidney failure, and the other for reducing the risk of infection among cancer patients receiving chemotherapy. Subsequently, in 2017, Siam Bioscience Company entered into a 70/30 joint venture with CIMAB S.A., a Cuban biotech enterprise set up by Abinis Co., Ltd, and licensed six of their biopharmaceutical products for sale to the domestic Thai market, as well as export to the region. The launch of these new products is expected to occur in 2020, after construction of their latest plant is complete.

● Why Thailand

Already one of the largest and most developed in Southeast Asia, Thailand's pharmaceutical market is projected to soon achieve the rank of the eighth largest market in the entire Asia-Pacific region. At the same time, Thailand's export of pharmaceutical products has grown more than 6% annually over the past five years, with most exports going to other countries in the ASEAN region. This provides a lucrative opportunity for a state-of-the-art pharmaceutical manufacturing facility. Another important factor is the ongoing research collaboration between Siam Bioscience and Mahidol University, which resulted in the development and launch of their first two commercial products.

Siam Bioscience has set a target of providing bio-pharmaceutical to the Thai market at 50% below the price of imported drugs. This will enable a much greater number of people to enjoy the benefits of these important new medicines as well as reduce public sector health expenditures. Another area of focus for the company is the sales of medical supplies, as well as the expanding market for health beneficial cosmetics, for which the company has developed a unique product featuring anti-aging technology utilizing EGF (Epidermal Growth Factor), sold under the under "Ardermis" brand. This brand primarily targets health conscious Thai consumers with higher disposable incomes and purchasing power.

Support from the Thai government has been and continues to be a significant factor. According to Mr. Apiporn Pasawat, CEO of Siam Bioscience, “Our existing plant that was set up in 2009 got eight years of tax breaks from the BOI, while our new plant will apply under the innovative-industry strategy following the ‘Thailand 4.0’ policy, which may win tax incentives for up to 15 years.”

He added “Our company is a manufacturer that has been using innovations in its operation throughout its supply chain, which is relevant to Thailand's development approach under the Thailand 4.0 concept. We expect that we will apply for BOI's promotion for our new medical supplies and cosmetics business as well”.

“Our philosophy is to produce medicine for the people as a social benefit.”

Mr. Apiporn Pasawat
CEO of Siam Bioscience Company, LTD.

● **Supporting Policies from the Government**

The foundation of Thailand's biotechnology industry was laid in 1983 with the creation of the National Center for Genetic Engineering and Biotechnology (BIOTEC). Secondly, the National Science and Technology Development Agency (NSTDA) provides resources to develop the critical mass of researchers necessary to achieve Thailand's national research and development (R&D) goals for “Our philosophy is to produce medicine for the people as a social benefit.” Mr. Apiporn Pasawat CEO of Siam Bioscience Company, LTD. biotechnology. Additionally, the Thailand Center of Excellence for Life Sciences (TCELS) and the Board of Investment (BOI) support the industry to facilitate its continued growth. Numerous local universities are available to provide support for advanced research and development activities.

● **Attractive BOI Incentives**

The Thailand Board of Investment (BOI) offers a wide range of tax and non-tax incentives for projects that meet national development objectives.

Tax-based incentives include an exemption or reduction of import duties on machinery and raw materials, as well as corporate income tax exemptions of up to eight years. Non-tax incentives include permission to bring in expatriates, own land and take or remit foreign currency abroad.

Recognizing the importance of the biotechnology sector, tax incentives are granted to approved projects in numerous activities, such as the use of biotechnology to improve food and agricultural product yields and quality, pharmaceutical development for emerging and tropical diseases, bio-energy production such as bio-gas and bio-diesel, and other bio industries such as bio-plastics. Projects in biotechnology that use modern biotechnology approved by the National Science and Technology Development Agency (NSTDA) or the Thailand Center of Excellence for Life Sciences (TCELS) are granted an eight-year corporate income tax exemption regardless of location and are not subject to the corporate income tax exemption cap.

Additional information about specific activities relating to biotechnology investments can be found by clicking [here](#) or contacting the BOI's Investment Promotion Division 1.