Interview: Filipe Assoreira – President and José Albuquerque – Secretary-General, P-Bio, Portugal



"In this small sector, and in comparison to our neighboring countries, there is a message of hope!"

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Filipe Assoreira and José Albuquerque, president and secretary general respectively of P-Bio – Portugal's bioindustry association – discuss the importance of innovation to the biopharmaceutical industry and the importance of collaboration between global companies and Portuguese start-up projects. They also highlight why investment in Portugal should not be overlooked and that now is the best time for global companies to invest.

What have been the main aims and milestones of P-Bio in the past years?

Filipe Assoreira (FA): P-Bio is the Portuguese biotech association established almost 20 years ago and since then our goal has been to encourage companies to make the transition into the private sector and into the market. We see ourselves as the liaison of a project, as we are there right at the beginning of the development process. One of our key missions is to provide full access to information such as financing and initial ideas to build a strong company, working as the facilitator between the company and the external world.

Jose Albuquerque (JA): These companies need help in the early stages and can be helped by an association like P-Bio. They do not know how to showcase their work, so our aim is to provide opportunities for them to do so, such as Biotech Week or our Biomeet, which gives them the opportunity to attract interest from bigger organizations and players in the ecosystem. We can also help them establish an infrastructure and kickstart their ideas.

FA: Part of our role is to be the communicator between companies and investors, so we invited companies to our Open Innovation Day, giving them the chance to present to key people on all different levels in the sector and to receive comments and feedback. This was an interesting day as we saw these companies at different stages within their ideas, some having really good ideas but needing more time for development. This leads back to our other role, to liaise the financing of the idea, because time is money.

JA: Most companies fail and go bankrupt within the first stages of development, not because their ideas or projects are bad, but because they do not have the guidance on financing and where to receive new local or global investment from. We are constantly battling with the government to invest more in this sector and I say we also fight the liability of origin, and that our past in Portugal can block our future.

FA: From a study we did at the end of 2016, we gained an excellent insight into the characteristics of the Portuguese biotechnology market, which was fruitful for our companies to check how they are performing. What we found was that in this small sector, and in comparison to our neighboring countries, there is a message of hope! Despite the financial crisis we have had all over Europe, we continue to have the same positive pattern showing that this sector is moving forward. Something else that is also interesting is the quality and qualification of human resources working in this industry, with 80 percent having a degree or higher, which is extremely impressive. We do not know how this will translate for the future, but it is showing how this sector in Portugal is immune to crisis and we want to see the pursuit of investment in the biotechnology sector in Portugal and the support for our kind of initiative. Another important aspect that came out of the study is the relative high weight on the number of biotech patents that are registered in Portugal (ranked in top 4)

We see in Portugal that it is difficult for small biotech firms to move beyond the initial stages of development. What do you believe Portugal needs to do to overcome this financial challenge?

FA: There are three options for funding available to an innovative start-up company, all of which are extremely competitive. The majority will have access to small financial funding, because the science and the team behind the project is good. However, to scale up and attract attention becomes more difficult. The Portuguese are competing with European companies for investor’s funds who see lower benefit of putting money anywhere other than their region, as they feel the risk is much higher. We must break this cycle, so we want to make connections with these foreign investors and bring investment into our country, because we feel the risk is acceptable, the science

and the people are too good. Portugal is probably recognized for its technology which is putting a lot of companies on the market. However, people are afraid of the unknown and so we must break this mindset and work on these connections with investors in places like the Nordics, as they are advanced in this sector, however like us they are small in terms of population, so this is a good step forward as they understand what is belonging to a small country.

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We do not have yet a massive success story, but like other countries we feel we do need one. Alternatively, we can work with companies to divide the process into small steps and individualize the small successes and bring clusters of small successes as a country. This could work! As such this could help worth the vision for the biotech sector move on with their vision as there is no reliance on one but on many. In the past, there were extremely high expectations of what we could deliver based on a few good companies.

How would you comment on the strategic innovations of the government in relation to the needs of biotech companies?

FA: There is a call for efficiency in the government due to bureaucracy of the system, as it is extremely difficult to acquire funding from them. For example, a company having successfully applied for funding from the European Horizon 2020, would still need to apply for government funds, despite having been evaluated by experts in the sector and thus received European seal of approval. Their structure of evaluation has no room for subjectivity, and so it would be a good initiative for the government to accept the European boards judgement and immediately grant funding to the company. Otherwise the whole application process must begin again, increasing the workload unnecessarily.

JA: The question of what is the key to sustaining economic growth arose and the answer from the Ministry of Economy was ‘innovation’. Our mission is to keep this momentum going and put biotechnology at the top of the innovation agenda. In Portugal, from the sea to the forest, there is plenty of room for innovation. Also, now that we have an economic environment more favorable than before, we should not waste the opportunity to support different institutions, with the result of this generating funds to reinforce the biotech industry.

P-Bio represents local and international companies. What do you see as the role of the global players and what opportunities for collaboration do you see?

FA: There is no biotechnology sector in any country without strong players in the field, it would not succeed on start-ups alone. Having international companies in Portugal means we have key drivers for the start-ups, as there are companies that are absorbing this R&D and sending positive feedback abroad or even investing in these companies to take the idea further and since the beginning. They are researching our development patterns and seeing how we can be much stronger. For example, Novo Nordisk which one of the key shareholders is Novo Nordisk Foundation is pushing the R&D from the Nordics Ecosystem and beyond with grants, which is undiluted capital. So, when a company or project needs a strong investment to translate or grow, you still have a strong company with the founder and cofounders attached to the continuation the project.

Can you share any example of International collaborations with local companies in Portugal?

FA: A good example is SilicoLife, ranked as one of the hottest emerging companies in the advanced Economy, was founded by an excellent team spun-off university. They work on the industrial side of the biotech sector and are now collaborating with major industries in Europe and their projects are being pushed for by big companies.

Another successful company is Bluepharma, which is a well-established Portuguese Pharmaceutical company that has been doing the way to develop their own Biotechnology R&D. Since their beginnings, they have pulled from internal and academic research and launched projects into the market. They have also collaborated with key scientific players developing the first oncology treatment, which is part of the Spin-off Luzitin. Their technology is awarded and properly financed. This example could give confidence to other companies to take the lead and do their own spin-off of research in the biotech sector and become strong financing players in this sector.

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JA: We also have an agenda with Apifarma and the main companies represented there to raise the issue of smaller companies and be aware of their opportunities and to give their support. Thus, these companies will have a longer life leading to incredible potential.

In 2013, we spoke to your predecessor, Nuno Arantes, who said “specialising in certain areas increases the success rate for product development and resistance to global competition for Portugal”. What areas do you feel that Portugal can specialise in to become one of the leaders on a global level?

FA: I share his vision; one size does not fit all. I think the sector is now realizing this also. Before, there were very high expectations on the sector, however now the drug R&D is burnt. There are always long periods of R&D and many cycles needed so not enough time to wait for the desirable result. So, with this it is difficult for us to be competitive. We have massive players, in the traditional hubs like Boston or Central Europe, where they are extremely developed and have a strong industry. If Portugal can reduce the cycles of development, then we can become eventually successful. We have very good researchers and on the side of medtech and nanodiagnostics where the R&D cycles are small, our findings show there is the capacity for the investment.

JA: Our vision at P-Bio mirrors that of Nuno, but this is a challenging question as Portugal has huge potential for specialization. If we look at what we have and what we can deliver, to develop resource for say the industrial sector, we have the sea as a main resource, making Portugal strategically strong.

Moving on to our final question, why should companies invest in this sector in Portugal?

JA: Some centers are recognized as centers of excellence in life science research and biotech, most recognized around the world. We have good practices and world-class talent; the infrastructure is there, and the government knows the importance of innovation, and the link between this and to sustaining economic growth. Investors need to take a good look at Portugal in terms of what we have now and what we have the potential for, mainly economic growth through innovation.

FA: We have world class science, world class infrastructure and very well-prepared talent. Companies need to look at the Portuguese system and explore the fact that they will get the best value for money here with a plus on the very nice people and a beautiful country.

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