

Regional Initiatives

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▼ North Carolina fires salvo in state's battle for biotechs

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The state is planning to build a biomanufacturing plant to train its biotech workforce.

In a battle to see which state can lure more biotech companies to within its borders, North Carolina has launched a new campaign to train biomanufacturing workers. In August, the North Carolina Biotechnology Center (Research Triangle Park, NC, USA) announced a three-year, \$64.5 million program, which includes building a manufacturing plant to be used for training. Yet North Carolina will still face stiff competition from more established biotechnology regions.

The principal source of funding—a pledge for approximately \$60 million—will come from state tobacco settlement money by way of the Golden Leaf Foundation (Rocky Mount, NC, USA), the organization that doles out settlement monies. The North Carolina Biosciences Organization (Raleigh, NC, USA) has pledged up to \$4.5 million for in-kind contributions of equipment and professional services.

Although North Carolina already has a significant biotechnology presence in its Research Triangle Park area, it is trying to expand the industry's presence throughout the state, says Jim Fain, North Carolina's secretary of commerce (Raleigh, NC, USA). Fain says the state's goal is to double in ten years the number of biotechnology workers, which he pegs currently at approximately 18,500 people.

The plans call for North Carolina State University (Raleigh, NC, USA) to receive \$36 million to construct a 91,000 square-foot biomanufacturing plant to offer hands-on training to workers. Another \$19.1 million will go to North Carolina Central University (Durham, NC, USA) to establish undergraduate and graduate degree programs in applied process research, and \$9.4 million to community colleges to train local students as plant workers.

Such initiative represents a long-term investment in human capital for North Carolina. Sources contacted by Nature Biotechnology say that most trainees are likely to stay in the state as, unlike white collar workers and PhDs, manufacturing workers are less likely to relocate for a job.

And North Carolina can prove attractive for biotech workers and businesses. Fain says the beaches, mountains and quality of life make it an attractive place to live. It is also a relatively cheap place to do business, according to a recent survey of 48 North American cities or counties¹.

But are trained workers enough for North Carolina to build up biotech? Not necessarily as North Carolina faces competition from other states. "States are definitely competing with one another," says Patrick Kelly, vice president of state government relations for the Biotechnology Industry Organization (Washington, DC, USA), citing Michigan's pledge to use tobacco settlement money to establish a life sciences corridor, and Pennsylvania's investment of tobacco funds in a life sciences business incubator.

According to Kelly, most states have an uphill battle if they lack an established network of venture capitalists. "By and large, the biotech endeavor is almost entirely dependent on private capital," says Kelly. As a result, he says, biotech powerhouses California, Massachusetts and Maryland "have a distinct advantage." In addition to the money, traditional biotech states also have the law firms, specialty laboratory manufacturing,



Research Triangle Park

The North Carolina Biotechnology Center at the Research Triangle Park is building a manufacturing plant for training.

architects and biotechnology-focused accountants.

Even if states manage to establish a manufacturing infrastructure and provide a trained workforce, they may still face stiff competition for biotech business. "Hollywood is still the center for the movie business, and London and New York for the financial business," points out David Gollaher, president of the California Healthcare Institute (La Jolla, CA, USA), a nonprofit, public policy research organization. "People still stay and pay a premium for [an established] community."

References

1. Basu, P. New biotech hubs may emerge as industry matures. *BioEntrepreneur*, 28 August 2003, DOI:10.1038/bioent764.

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