

Regional Initiatives

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▼ Argentina gets serious about biotech

Veronica Guerrero¹

Veronica Guerrero is a freelancer in Mexico City

New law could provide the long underachieving Argentinean biotech industry the incentives and funding to finally test its potential.

Despite the fact that Argentina was one of the first countries to approve the research and planting of genetically modified crops, the country is known more for its beefsteak and wine industries than its biotech business. Likewise, although Argentina is arguably the most entrepreneurial of all Latin American nations, the country has produced few biotech startups of any consequence. New government initiatives aim to eliminate this paradox by boosting tax and investment incentives for biotech startups and lowering hurdles for bioscience research technology transfer from universities to startups.

Last May, the industry-savvy Minister of Economy, Roberto Lavagna, highly regarded in the scientific community, moved the plan forward with the launch of the Strategic Plan for the Development of Agricultural Biotechnology. Then just weeks ago, Argentina's President Nestor Kirchner sent to Congress a draft of the Law on the Promotion and Development of Biotechnology.

This new biotech law will augment Lavagna's crop-science initiative by placing the development of all biotech products at the center of Argentina's development efforts. In addition to creating incentives for large corporations to create partnerships with biotech startups, the law will provide seed capital and early-stage funding for young biotechs through the Fund of Economic Stimulus for New Business Enterprises. The law, which enjoys broad political support, is expected to pass without delay.

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Martin Lema, technical coordinator of the government's Biotechnology Department, a branch of Argentina's Ministry of Economy, states that the government will place a high priority on nurturing the most promising biotechs by ensuring that they have sufficient capital and management support. The unstated goal for the government here is, of course, to avoid the mistakes that have undermined other nations in recent years in their quest to stimulate not just biotech startup activity but also a viable biotech industry.

"We believe that this law will promote a generation of biotech firms and products in Argentina that are essential to reaching technological self-sufficiency with advanced crops and then in novel medicines," Lema said.

Creating a sustainable biotech industry that receives proper nurturing during its early stages of growth is a tall challenge. But, Argentina appears to be thinking long term. Among other things, the government views biotech as central to its long-range strategy of creating a more diversified and self-sufficient economy.

Indeed, among the factors identified as impediments to the growth of a viable biotech industry, few have loomed larger in Argentina than the country's longstanding reliance upon foreign firms to produce the nation's



Argentina Ministry of Economy

Martin Lema of the Ministry of Economy could be one of the change agents Argentina needs right now.

food and drug innovations. The government also appears to be serious about reversing the tendency of startups spun out of the national universities to fail for lack of capital, proper management and a sound business plan.

Marcelo Argüelles, president of Bio Sidus SA, one of Argentina's largest biotech firms, believes this new government emphasis on biotech has been a long time in coming. In 1990, Bio Sidus produced the country's first recombinant protein, erythropoietin, and later jumped to celebrity for its success in cloning transgenic cows for the first time in Latin America.

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"In Argentina, scientific research has been developed until now with a scarce connection to products," says Argüelles. Few demands have been placed upon government and academe to support biotech innovation and commercialization. "We have had no long-term policies for the sector and a gradual loss of government funding for research," he said. Government planning and funding, he said, are the key to building biotech in Argentina.

Existing biotech firms in Argentina like Biogenesis, Sintesis, BioExt and BioCeres are hoping that once the new biotech law passes they, too, will see some benefit from it.

The one benefit that comes from neglect is a well-developed set of survival skills. Lema says that the biotechs in Argentina that have endured the drought in government funding and private investment have been forced to survive within their means. As a result, he believes, these biotechs have become highly cost effective, disciplined and opportunistic. These and other factors give Argentinean biotech boosters reason to believe that Argentina can be a regional contender alongside Brazil in the coming years. Now it's up to the government to prove its new commitment to biotech.

Web links

Websites referenced:

- [BioSidus, S.A.](#)
- [National Council of Scientific and Technical Researching \(Consejo Nacional de Investigaciones Cientificas y Técnicas\)](#)
- [National Institute for Agricultural Technology \(Instituto Nacional de Tecnología Agropecuaria\)](#)