Plant biotechnology

British venture plans mature

THE British Technology Group (BTG) is likely to announce "shortly" plans for a new agricultural genetics company. The company, which has not yet been named, will have first refusal options on ideas originating from some of the research funded by the Agricultural Research Council (ARC). It will thus play a similar role to that of Celltech with the Medical Research Council.

Financial backing for the new company is expected from Ultramar, the British-based international oil company, and Advent Capital Ltd. ARC has approved the idea in principle and an announcement is expected as soon as details of the research areas to be offered to the new company have been settled.

The new company was first mooted some 18 months ago, but a variety of financial and personnel problems hindered early development of the idea. Government aid which had been sought was apparently not forthcoming, and the private sponsors were originally looking for proposals which could be brought to profitability within five years. However, the scientists who were approached apparently felt this to be an unrealistic aim. It was thought that more basic research in plant genetics would be needed before this goal could be contemplated, and the "five years to profitability" requirement was dropped. Dr Richard Flavell, of ARC's Plant Breeding Research Institute at Cambridge, is now thought to have agreed to act as the new company's chief executive subject to details being finalized with ARC. An administrative director has also been found.

Mr Roger Hay and Dr Roger Cox of BTG last year set up a small holding company, New Plant Products Ltd, to carry out pilot studies for the proposed company. New Plant Products Ltd will be incorporated within the new company when this is formed. One research area currently

being investigated is the development of rape seed/jojoba hybrids produced from fused cells which have superior oil properties. Other ARC work which may form the basis of the new company's first products

International biotechnology

UN centre to be based in India?

INDIA is emerging as the most likely host for the international centre for genetic engineering and biotechnology, proposed last year by the United Nations Industrial Development Organization (UNIDO). Canada and Sweden, both at one time strong contenders, have withdrawn from the running.

The UNIDO proposal was discussed by representatives of thirty-five interested countries in Belgrade last December. (The United Kingdom sent only an observer, the United States not even that.) The centre is planned to have at least 50 scientists, 26 postdoctoral fellows, 100 visiting trainees and an annual budget of \$8.6 million.

Governments interested in accommodating the centre have been asked to submit a proposal to a UNIDO committee due to meet on 14 March to consider the proposals. After visits to the countries concerned, the committee will make a recommendation to a ministerial meeting this summer that should settle the future of the centre. Unless there are any last-minute applications, the list of contenders will be Belgium, Cuba, Italy, India, Pakistan and Thailand. The most likely outcome, at least according to some Swedish scientists involved with the project, is that the centre will end up in India, supported by Swedish foreign aid money and with a small affiliated centre in Uppsala.

Before the meeting in Belgrade, it was hoped in Sweden that the centre would be in Uppsala, where both the Biomedical Centre and the Wallenberg Laboratories are deeply involved in biotechnology. These hopes were based on the belief that it would be recognized that the centre needs to be located where top-class scientists are prepared to live — and that Sweden was one of the most acceptable of developed countries.

Faced, however, with proposals from India and other developing countries, Swedish politicians, led by the Prime Minister Olof Palme, have decided that Sweden should not compete. At least two problems are thereby avoided: that Swedish aid organizations would not support the centre in a developed country and that the high tax-free salaries of the centre would have been an attraction, an irritation or both to Swedish biotechnologists.

If Sweden is prepared to provide financial support for the centre in India, the package is likely to be the best on offer this

concerns the genetic engineering of *Rhizobium* and mycorrhizal inoculants for white clover, used to help add nitrogen to soil in upland reclamation schemes. New Plant Products Ltd is already manufacturing conventional *Rhizobium* inoculants at ARC's Rothamsted Field Station. Mr Hay is confident that the new company will generate significant revenues "within the next five years".

Tim Beardsley

summer. As proposed, the host country will have to provide the building for the centre but funds will depend on what UNIDO can arrange. Even if the location and financing can be settled in the summer, UNIDO may be faced with serious problems of staffing and policy making.

Peter Newmark

Bio-Japan in Bethesda?

Washington

OTSUKA Pharmaceutical Co. Ltd plans to become the first Japanese drug company to establish a research facility in the United States. Otsuka, which together with a sister company ranks second in drug sales in Japan, hopes to begin construction of the 30,000 square foot facility at a site in Maryland by late summer. Research would focus on genetic engineering.

The company's representative, William McHale, says that Otsuka is setting up in the United States to "take advantage of the personalities who are very active in this field" and because genetic engineering research had been "held back by political and legal impediments" in Japan.

Although the exact site has not been settled, the Montgomery County, Maryland, economic development office confirms that Otsuka has been negotiating a lease for a site at the county's Shady Grove Life Sciences Center, a biomedical industrial park in Gaithersburg, Maryland. McHale says Maryland was chosen among several other possible locations in the United States for its "scientific climate". "The large scientific community which is here because of the National Institute of Health (NIH) makes this area attractive", he said.

Rumours about Otsuka's plans have been circulating at NIH in recent weeks, leading to some speculation that the company was planning to poach on NIH's expertise through what will be largely an information-gathering office. The Gaithersburg site is about 10 miles from NIH. But McHale says the facility will be primarily a research centre, not directly involved in either information gathering or manufacture of products.

Otsuka has not yet chosen a director for the new laboratory.

Stephen Budiansky

Clouded future

It now seems to be understood that the British Technology Group will lose the right of first refusal on patentable inventions made with public funds when the results of the government's review are published some weeks from now. The intention seems instead to be that universities and other publicly supported institutions should be free either to exploit inventions on their own account or to offer them to the group.

The extent to which the organization will continue to function as a publicly-financed source of venture capital is, however, yet to be decided. The possibility, however remote, that it may cease to exist has nevertheless cast a cloud over negotiations such as those with ARC. □