

1. I am honoured to be here today with you for the launch of the Biotechnology Commercialisation Fund (BCF).
2. MOSTI has been entrusted to lead Malaysia's science, technology and innovation (STI) agenda, and we strongly support initiatives that propel the nation towards advancement, led by a knowledge- and innovation-based economy.
3. The launch of BCF today is another step towards realising this aspiration.
4. Availability of funds plays an important part in the success of a nation's STI agenda.
5. Thus, the BCF highlights our efforts towards establishing a feasible funding framework for the bio-based industry, one of the key elements of STI in Malaysia.

BIONEXUS COMPANIES AS MAIN PILLARS OF BIOECONOMY

Distinguished Guests, Ladies and Gentlemen,

6. The bio-based industry is a significant driver of Malaysia's socio-economic growth, whereby bio-based innovations are mobilised to increase the country's competitiveness, promote social inclusion and drive sustainability.
7. In this bioeconomy, bio-based companies serve as the main pillars for attracting strategic investments, generating revenue and creating employment.
8. As of the end of 2015, RM19.5 billion worth of investments were recorded from BioNexus Status companies, high impact FDI and other companies being nurtured by Bioeconomy Corporation.
9. Out of the investment figure, RM7.1 billion has been realised on the ground. I strongly believe that there is a huge potential for bioeconomy to grow exponentially in the immediate future, especially if we can capture and facilitate the large untapped pool of bio-based companies available in the market.
10. In this respect as well, BioNexus Status companies form the main crux of the bio-based players in Malaysia.
11. As of December 2016, 278 companies have received the BioNexus status, which is a special status awarded by the Malaysian Bioeconomy Development Corporation (Bioeconomy Corporation), to qualified international and Malaysian bio-based companies undertaking value-added biotechnology and life sciences activities.
12. Bio-based companies also play an important role as anchor companies in the Bioeconomy Transformation Programme (BTP), which currently boasts 61 trigger projects, as well as the Bioeconomy Community Development Programme (BCDP), with 28 projects already listed.

13. While these accomplishments are notably commendable, enhancing the existing funding ecosystem is crucial to further promote bio-based industry growth.
14. Today's launching of the BCF under the Eleventh Malaysia Plan (RMKe-11) will assist these bio-based companies by addressing the financing needs of SME and matured bio-based companies

BCF TO STRENGTHEN BIO-BASED INDUSTRY

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15. The BCF serves as continuation to the Biotechnology Commercialisation Grant (BCG) that was introduced under the Ninth Malaysia Plan (RMKe-9).
16. Following this, in the Tenth Malaysia Plan (RMKe-10), the first BCF, which was a hybrid scheme of grant and soft loan, as well as the Bioeconomy Transformation Programme (BTP) fund were introduced.
17. These funds served to support and accelerate commercialisation activities in the bio-based industry.
18. I am glad to note that these previous funding programmes have spurred the developmental achievements of bio-based companies.
19. A total sum of RM159.7 million under BCG was approved for 81 recipients, which resulted in approved investment of over RM1.0 billion and more than 1,000 jobs posted in 2010.
20. The progress of these recipients were further tracked down and by end of 2015, more than RM716 million investment were realised.
21. The fund was offered as hybrid loan and grant to BioNexus companies in growth stage to further expand their businesses, with 1:2 ratio of grant to loan and financing of up to RM3 million.
22. By end of 2015, 23 BioNexus companies were approved to receive this financing facility with total amount approved of RM65.7 million.
23. These companies recorded RM323.15 million of approved investments in 2010 alone and subsequently RM217.6 million investments were realised in 2015. Bioeconomy will continually facilitate these companies as mandated to them in order to ensure the development of the industry.
24. Meanwhile the BTP fund, a tipping financing to large bio-based companies, was offered at RM10 million of 10% of total project cost, has been approved to five BTP projects with total amount approved of RM22.8 million.

25. Thanks to the BTP fund, 4 bio-based companies, namely DNA Laboratories Sdn Bhd, Biofactlife Sdn Bhd, BioAlpha R&D Sdn Bhd and Green World Genetics Sdn Bhd, generated RM13.6 million of export revenues in 2015.

Ladies and Gentlemen,

26. Many BioNexus Status companies have benefitted through the funding assistance provided by MOSTI and Bioeconomy Corporation, as demonstrated by the companies' commercial success of their R&D innovations.
27. For instance, I was proud to witness the achievements of 2 BioNexus Status companies during the Malaysia Commercialisation Year 2016 held in December last year.
28. Ligno Biotech won the consolation prize in MCY's Commercial Deal Award for their product TIGERUS® TIGGY Cocoa Chewable Tablets, while Furley Bioextracts won the consolation prize for their product FemMist in the Researcher Entrepreneur Award category.
29. Besides that, other notable BioNexus Status companies such as Green & Smart Holdings and BioAlpha Holdings have been successfully listed on AIM London and ACE Market, respectively.
30. Two of bio-based companies is also present during this Karnival Kewangan for pitching session and success story sharing session.
31. The companies are Green & Smart, who produces electricity from biogas and Furley Bioextracts, who produces healthcare products.
32. As such, to continue catalysing the achievements for the bio-based companies, the BCF in RMKe-11 demonstrates the Government's continual focus and commitment in developing the bio-based sector.
33. The BCF under RMKe-11 is a RM100 million fund specially allocated by the Government. The financing is made available in the form of soft loans to assist bio-based companies with its capital requirements.
34. The Government has also taken into consideration that bio-based companies require longer gestation period in its businesses. As such, the fund considers possible ways of easing the servicing of loan by borrowers.
35. The BCF offers an attractive rate of up to 5% interest, and up to 18 months grace period on repayment to ease the burden of repayment by companies.
36. Overall, the BCF will contribute towards strengthening the financial and funding infrastructure for the bio-based industry, and to empower more bio-based companies.

37. A robust funding mechanism will help bio-based companies to grow and sustain its businesses and to leapfrog from local to global status companies.
38. Priority of the BCF will naturally be given to BioNexus status companies as well as companies involved in the Bioeconomy Transformation Programme (BTP) and Bioeconomy Community Development Programme (BCDP). It is expected that at least 35 companies will receive this soft loan assistance by the end of 2020.

OTHER FUNDING PLATFORMS FOR BIO-BASED COMPANIES

Distinguished Guests, Ladies and Gentlemen,

39. The infusion of financial support for technology and product development, innovation and commercialisation is not only limited to BCF. There are many other sources of funding, from banks to angel networks and venture capitals.
40. In this matter, I would like to highlight that Bioeconomy Corporation also offers funding and financing facilitation services leveraging on their extensive network all over the country.
41. This include facilitation to public funds under other MOSTI's agencies such as Malaysian Technology Development Corporation (MTDC), Malaysian Debt Venture (MDV) and Malaysia Venture Capital Management Berhad (MAVCAP).
42. It is equally encouraging to note that the current funding ecosystem also include an extensive list of private funders, such as A-Bio, Malaysian Business Angels Network (MBAN), XERAYA and many more.
43. Recently, newly introduced funding platforms such as Equity Crowdfunding and P2P Lending serve to ease and to promote capital raising activities, targeting technology-based businesses.
44. This development will eventually lead to greater share of private funds participation in the bio-based and technology sectors.

IMPORTANCE OF FUNDING INFRASTRUCTURE

Distinguished Guests, Ladies and Gentlemen,

45. The need for a dedicated funding infrastructure for the bioeconomy is greater than ever.
46. An effective funding mechanism helps to narrow the commercialisation gap faced by bio-based companies, which stand to be the biggest beneficiary from today's platform.
47. It is also my hope that fund managers and fund companies will take advantage from this event to understand the innovation potential of bio-based businesses, and subsequently to invest in biotech ventures.

48. Under my leadership, MOSTI, through the Bioeconomy Corporation will continuously facilitate and to support industry stakeholders, as well as directing its resources towards realising an environment that is conducive for spurring bio-based innovations and fueling commercialisation.
49. I am positive that the BCF will push more companies to further intensify their commercialisation efforts in the bio-based industry, ultimately advancing towards a new economy.
50. This will be a significant contribution to the second wave of Malaysia Commercialisation Year (MCY) in 2017 called MCY 2.0, as announced by the Honourable Prime Minister last year.
51. I am delighted to say that MOSTI will once again champion this year's MCY 2.0, which seeks to facilitate innovative and new tech-based solutions from public research institutions, the private sector and the industry.
52. With Bioeconomy Corporation and Malaysian Industrial Development Finance Berhad (MIDF) as the strategic partner in managing the BCF, I believe the funds allocated will be utilised effectively, creating a significant impact to Malaysia's bioeconomy.
53. I look forward to the successful outcomes of the BCF, which will fuel a sustainable, innovative and prosperous future for Malaysia. **With that, I now declare the Biotechnology Commercialisation Fund officially launched.** Thank you.