

## Cape Health Technology Park could add R10 billion to economy

During its 10-year operational phase, the proposed Cape Health Technology Park (CHTP) is set to contribute more than 13,000 jobs - and close to R10 billion - to the economy. Even in its construction, it will add R1.57 billion to the economy; 2,000 direct jobs and 4,165 indirect and induced jobs, based on a construction investment of R757 million.



From left: Craig Landsberg, Wesgro's CHTP Project Manager, Ryan Ravens, CEO of Accelerate Cape Town, Kelly Chibale, Founder and Director of the UCT Drug Discovery and Development Centre, and Paul Herrling, chairman of the board of the Novartis Institute for Tropical Diseases in Singapore at Accelerate Cape Town's recent forum on "Cape Town as Africa's Pharma R&D and Healthtech Hub".

With four universities and academic hospitals, sound infrastructure and an international airport offering easy access to Africa, Cape Town is ideally positioned for the CHTP. The next step is to realise this potential for the socio-economic benefit of the region and country.

These were the views of Ryan Ravens, CEO of Accelerate Cape Town, at the business leadership organisation's recent forum on 'Cape Town as Africa's pharma R&D and health tech hub'.

### African pharma growth at \$65 billion by 2020

The African continent's pharmaceutical market is expected to grow between \$40 billion and \$65 billion by 2020 - after having grown 342.5% in 10 years by 2013 - due to Africa's economic growth and expanding middle class. This, together with leading scientific research and the fact that 43% of medical technology start-ups are in the Western Cape, has led the Department of Science and Technology (DST) and the Western Cape Government, in partnership with Wesgro, to investigate the business case and viability of a CHTP. Its key objective would be to enable and support health technology innovation in the Western Cape.

Craig Landsberg, Wesgro's CHTP project manager, said, "The benefits to knowledge based, innovation focused companies in co-locating at a world-class facility, where there is access to value-adding technical and business support services as well as collaboration opportunities, has been proven in many parts of the world. Furthermore, such facilities attract other value chain players and professional services providers, which create an enabling ecosystem that benefits the sector and stimulates economic growth. If successful, it also acts as a catalyst to formalise or further augment nascent health sector clusters.

"Foreign investors are encouraged by structured public-private partnerships, which characterises the CHTP, and hence we anticipate that international healthcare players will take an interest in the CHTP and the region. The envisaged timelines for an operational 'greenfields' facility scoped to satisfy a 5-7 year demand is early to mid-2018. However, owing to the keen interest experienced in the CHTP and the need for certain players to locate to the CHTP as soon as they can possibly be accommodated, we are considering a phased approach where we might get going a lot sooner than the mid-2018 timeframe. In terms of location, the CHTP is ideally located in proximity to Biovac, the vaccines manufacturer, as the Biovac research and development (R&D) division is a potential key, sizeable anchor tenant of the CHTP."

## **International best practice**

In discussing international best practice, Prof Paul Herrling, chairman of the board of the Novartis Institute for Tropical Diseases in Singapore, considered the city's success and said, "Before 2000, the Singapore government launched the Singapore Biomedical Science Initiative which, by 2011, had attracted more than 30 of the world's leading biomedical sciences companies to grow the sector by 30%.

"For Cape Town to attract international pharma companies and establish a successful pharma research and development (R&D) hub as Singapore has done, it needs to offer:

- access to talent;
- superior research environment, which spans basic sciences, research hospitals, and biotech;
- proximity to patients and their doctors;
- acceptable animal experimentation laws;
- good Intellectual Property (IP) protection;
- a stable political environment, given the long term nature of the investments you seek to attract to the region"

## **Pharma investment**

Pharmaceutical firms, investing in drug discovery and R&D, do so by means of massive financial investments that are typically committed over extended periods of up to 15 years.

Prof. Kelly Chibale, founder and director of the University of Cape Town (UCT) Drug Discovery and Development Centre (H3D), explained, "Big pharma companies are commercial entities that serve shareholders, generate jobs, contribute to tax revenues, and make the critical long term investments necessary for successful pharmaceutical R&D. Their commercial success is integral to successful drug discovery and the associated socio-economic benefits that the Cape, South Africa, and Africa requires. Sound infrastructure and a business friendly environment are strategic imperatives for such firms, while a sustainable CHTP will also need adequate talent, capacity and support services. We are fortunate in that much of this already exists in the Cape and that so many key decision makers in the public and private sectors actively support this initiative."

Ravens concluded by saying: "The regional business community understands the need to foster long term, sustainable growth for socio-economic improvement. For this reason, we are also committed to building sustainable regional

competitiveness through innovation. Accelerate Cape Town looks forward to furthering the public and private sector collaboration that is necessary to help get this important project underway."

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