

“NEW R&D LAW WILL ENHANCE INVESTMENTS”

Secretary General of the Association of Research-Based Pharmaceutical Companies (AiFD) Engin Güner recorded that Turkey is taking the right steps in the field of healthcare and that the R&D Incentive Law issued this February constitutes a major and positive step for the innovative pharmaceutical sector.

March 26, 2008, Istanbul. Association of Research-Based Pharmaceutical Companies (AiFD) recorded that the law issued for the purpose of promoting research and development activities in Turkey, will foster the conduct of more R&D investments in our country and contribute to enhancement of the global competitive power of our innovative pharmaceutical sector.

Research-based pharmaceutical and biotech companies spend more than US\$ 70 billion annually on a global basis for the purpose of developing innovative drugs and vaccines. However, Turkey cannot grab a significant share from these investments. The amount flowing into Turkey on an annual basis as R&D investments is at US\$ 30 million on average.

AiFD's Secretary General Engin Güner reported that the new law introduces strong incentives for sectors where high-risk investments are made, such as the innovative pharmaceutical industry and that, along with other reforms, it will support Turkey in attracting significant international investments.

Güner stated, “We are conducting the work required for accelerating the reform process to enhance the global competitive power of our sector and conveying our views to the authorities”, and added:

“The new law has been a strong indicator demonstrating to international research-based pharmaceutical and biotech companies that Turkey continues to implement the reform process geared towards the development of our sector in Turkey. Turkey avails of many advantages for developing its innovative pharmaceutical sector and having a say on a global scale, starting with skilled human resources, sound infrastructure, the scales in the sector and the geographical position. The law issued is also important in terms of demonstrating that the reforms are ongoing and thus provides motivation.”

Engin Güner continued as follows:

“This law is very important, however, we should not forget that our sector needs other reforms as well. Transparency, consistent and long-term policies; reforms that may promote investments, employment and transfer of technology. We hope that these reforms which will

render the competitive environment equitable in our country will be implemented in 2008. AiFD members make large investments on a global scale. Turkey can attract a notable portion of these international investments amounting to US\$ 70 billion in total and in case this is achieved, this would mean that investments of billions of dollars will be made.

Currently, we, as AiFD, are conducting an extensive study and would like convert what needs to be done for enhancing R&D investments in the pharmaceutical industry in our country into concrete proposals and present them to our Ministry of Health and our Government.”

About the Association of Research-Based Pharmaceutical Companies (AiFD):

Operating since 2003, the Association of Research-Based Pharmaceutical Companies (AiFD) encompasses 37 research-based pharmaceutical companies. www.AiFD.org.tr