

# Sarkozy's great biotech loan

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President Nicolas Sarkozy has approved the national 'Grand Emprunt', French for 'big loan', a €35 (\$73.7 billion) economic stimulus package to fund French industry and infrastructure. The borrowing scheme unveiled December 16 is heavily focused on education, research and innovation, with at least €5.5 billion (\$7.9 billion) flowing into the life sciences, biotech, clean-tech and academic research. The Grand Emprunt is by far the biggest, though not the first, government-driven plan to benefit the biotech sector. In November, the Kurma Biofund was launched, as a joint partnership between the public financing body Caisse des Depots et Consignations (CDC) Entreprises, Paris, and venture capital group Natexis Private Equity, Paris. The €50 million (\$71.5 million) fund, which will increase to €100 million (\$143 million) next year, is open to newly-created biotech companies spinning off European academic centers. InnoBio, announced in October, is a €139 million (\$199 million) fund aimed at boosting the development of small-to-medium enterprises working in drug discovery and related technology platforms such as imaging, diagnostics and bioproduction. This dedicated biotech fund was created by the government's Strategic Fund for Innovation (FSI), which will contribute €52 million (\$74.4 million), with the rest provided by nine corporate pharma partners, including €25 million (\$35.8 million) pledged by Paris-based Sanofi Aventis and London-based GlaxoSmithKline. That the national CDC deposit fund is part of these financial investment instruments shows the French government's resolve to push biotech onto its agenda. But André Choulika, France Biotech President, laments the small sums invested. "InnoBio represents the cost of ten days of R&D in big pharma," he says, "nevertheless it could act as a catalyst to attract additional private funding." Existing schemes coupled with the 'Grand Emprunt' could signal a turning point for the biotech industry. According to presidential advisors Arnold Munnich, head of pediatrics, Necker Hospital, Paris, and economist Bernard Belloc, University of Toulouse, the French government understands that long-term growth depends on bridging the gap between academia and industry and is putting its muscle behind public-private partnerships to ensure university tech transfer and research evaluation are upgraded and professionalized. Ramin Chaybani from Novoptim, a Paris-based business development consultancy for European biotechs, points out, "The diagnosis is correct. Now we need to wait and see whether these measures have a catalytic effect."



*AP Photo/Christophe Ena* Sarkozy reveals the spending plans