

# Opening Speech at the Forum to Inaugurate the New ~ \$21 Million (US) Facility Nang Kuang Pharmaceutical Co. Ltd. Xinhua Town, Tainan County

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(SPEECH DELIVERED IN CHINESE)

**M**s. Wang Yu-Pei (王玉杯,) General Manager and Mr. Chen Li-Shien (陳立賢,) President, Ladies and gentlemen, you must be wondering why I am reversing the order in addressing Ms. Wang and Mr. Chen, which is obviously not the traditional way I should be doing in Taiwan's culture. Well, the reason is very simple, really. Since arriving on site half an hour ago, I learned that Ms. Wang and Mr. Chen are exquisitely related: they are husband and wife. We know well who is the real BOSS at home!



Magistrate Su Huan-jhih (蘇煥智縣長) and Vice Magistrate Yen Chun-Tzuo (顏純左副縣長) of Tainan County (台南縣,) Director General of the Bureau of Pharmaceutical Affairs, Dr. Chi-Chou Liao (廖繼洲處長,) Deputy Director General of the Industrial Development Bureau of the Ministry of Economic Development, Mr. Chou Neng-Chuan (周能傳副局長,) Dr. Chien Tai (戴謙校長,) President of Southern Taiwan University of Technology and a real champion of bio-economy of the region, and many other distinguished leaders of the Taiwan pharma-industrial complex, members of the media, ladies and gentlemen:

Today I am here representing my boss, President Michael Lai, to let you know how excited and enthusiastic we at National Cheng Kung University are about the robust growth of Nang Kuang Pharmaceutical Co. Ltd., which is one of the most successful “generic drugs” companies in Taiwan. This morning I learned from the leadership of the company that there are now over a hundred generic drug companies. Judging from this gorgeous new manufacturing facility and the enthusiastic and high level participation of today's Forum, Nang Kuang is unquestionably one of the most successful, if not the most successful, companies in this business in Taiwan.

Taiwan's first “economic love” since the 70's is undoubtedly silicon technology, which is a euphemism for semiconductor industry. The world knows that with this technology, Taiwan became one of the economic miracles of the 20<sup>th</sup> century.

However, as we move into the 21<sup>st</sup> century, with the world changing so rapidly, and Taiwan is surely no exception, there is a great desire for Taiwan to not only to continue its tremendous growth as a “silicon island,” there is also a crying need to find another “love.” That “love” could be rendering Taiwan moving into a separate economy, the so-called bio-economy. To this end, becoming a “pharma-island” is one such possibility.

Ladies and gentlemen, in this context, may I tell you a little personal experience which has relevance to today's Forum. Some thirty five years ago, when I was initiating my career as a naïve physics assistant professor in Philadelphia area, I quickly realized that that region was one of the hotbeds of “new drugs industries!” Indeed,

between Philadelphia and Northern New Jersey, the region was, and still is, dotted by world class and mega pharmaceutical companies, such as GlaxoSmithKline (or GSK. I think at that time it was known as SmithKline Beecham,) AstraZeneca, Johnson&Johnson, Bristol-Myers Squibb, and of course Merck, and many others. These mega companies were (and still are) multi-billion dollar companies and employ a very large number of super high-power bioscientists, or any scientists in general (even physicists, mathematicians, statisticians, engineers) working day and night, racing towards the next new, and hopefully wondrous, drug. Each drug would take a decade to mature and would cost on the average \$1 billion (US). Few companies or countries can compete with these companies, and probably few should.

I recall having dinner one night with a friend who was a well known scientist in one of those drug companies. I asked him whether once a drug was discovered, would the company be making money forever, i.e. an eternal gravy-train? He immediately said NO! Not knowing much about patents then (please remember and excuse me for being a theoretical nuclear physicist and nothing I have done, ever, could be patented or IPOed!) I asked the naïve question WHY NOT? The reason, he said, was because all patents have finite life time, like two decades. Once the time is up, its fair game for anyone to use the patent to manufacture drugs (I am not even sure that the term “generic drugs” was invented then.).

I then asked, wouldn't that not be a business if one could manufacture such open-patent drugs? My friend said PROBABLY but he did make the comment that he did not know why people would do that! It was the era of powerful new drugs company and no one thought that “generic drugs” would have a market.



Well, my friends, I think the world has changed totally. Since the days my friend and I had the conversation, thousands and thousands of drug patents are now “public knowledge.” Making drugs with such knowledge has become a new economy of the 21<sup>st</sup> century. For Taiwan, which has so much knowledge of careful manufacturing of products, it is not surprising that today, manufacturing generic drugs is one of its fast rising economies!

There is another important issue at hand and that is to keep the cost of drugs down would surely be one of the top priorities. Today in Taiwan, where there is universal medical coverage for ALL citizens and permanent residences, keeping the cost down would be critical. Indeed, if the cost of universal medical coverage cannot be lowered, I can imagine that someday, or maybe that someday maybe sooner than we like, Taiwan may not be able to hold on to this absolutely wonderful social service for its people.

Finally, let me say that as one of the most important research universities in Taiwan, President Lai has envisioned that NCKU must be a proactive and strong economic engine for the region. I am sure President Chen Li-Shien would agree with me that for his company to continue a rapid growth path, he would need collaborations from research universities, such as NCKU and Southern Taiwan University of Science and Technology. I am here to say that we at NCKU are ready and willing to work with you.

I can assure you that your success will be NCKU's success.

Thank you so much for your attention!

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