

Biotech cluster Bay Area and Switzerland – a comparison

Zurich, January 2012. Again the biotech industry gained steam at this year's annual JPMorgan conference and BiotechShowcase in San Francisco early this month. Venture Valuation took the opportunity to make a comparison between the Bay Area Biotech cluster and the Swiss Biotech cluster. The results were presented at Swissnex during the JPMorgan/BiotechShowcase. Did you know that the Bay Area and Switzerland have almost the same GDP and population? To read more about the similarities and differences in Biotech and finance [click here](#).

Switzerland and the Bay Area are quite similar in many ways. In terms of GDP or population the two locales are almost the same. Also, both clusters have the advantage of being centrally located globally, for instance both are equidistant from Shanghai. Also, in terms of being a central location and the distance from Asia, both clusters can be compares (see table below)

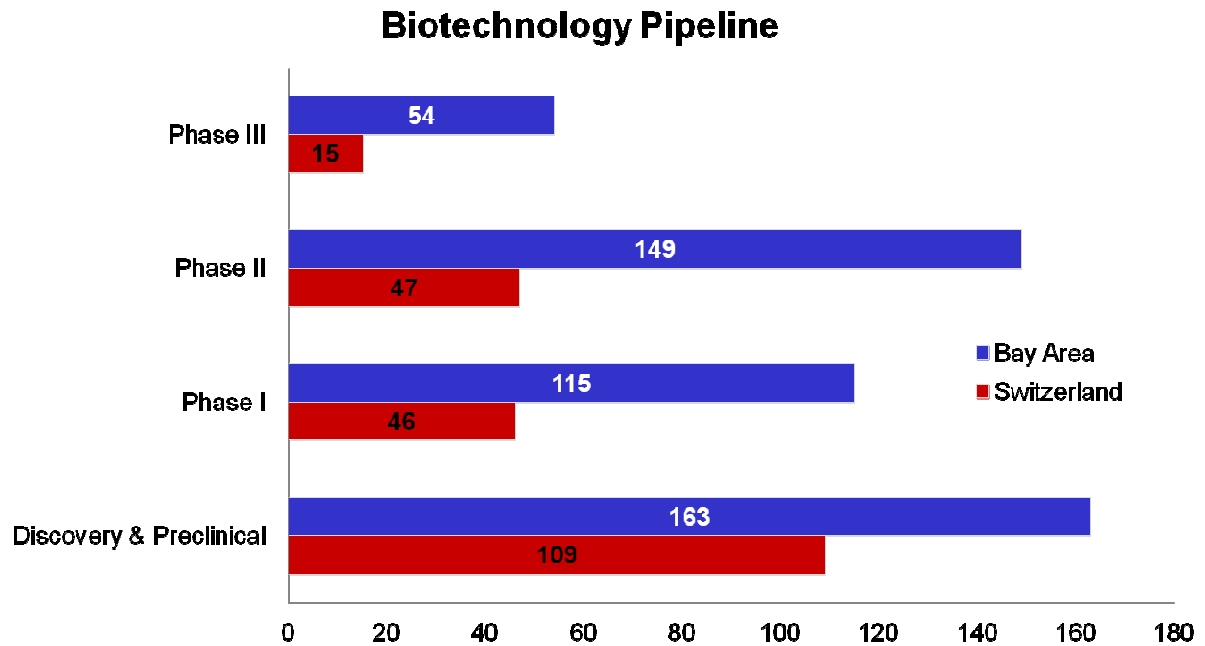
Switzerland		Bay Area
491	GDP in bn USD (2009)	483
7.8	Population in m (2009)	7.4
15'940 mi ²	Land area	6'923 mi ²
41'285 km ²		17'930 km ²
12 h	Flight to Shanghai	12 h
8 h	Flight to New York	6 h
12 h	Flight from Zurich to SFO	12 h

With respect to Biotech companies, there are some similarities, but also some key differences between these two clusters. Based on the Biotechgate database (www.biotechgate.com), there are more general Biotech companies in Switzerland compared to the Bay Area. However, the Bay Area has more dedicated Biotech – Therapeutics companies with over 170 compared with Switzerland's 91. In terms of the amounts of financing raised by all life sciences companies, the Bay Area has raised just about USD 1 bn in 2011, where as Swiss companies have raised only around USD 200 m.

Switzerland		Bay Area
315	Total Biotechnology Companies	277
91	Biotech - Therapeutics	172
165	Biotech – R&D Services	85
2	Big Pharma Top 20	1
89%	Percentage of SME's	88%
5%	Percentage of Publicly Owned	22%
USD 201 m	Financing / Capital Raised in 2011	USD 1.07 bn
100	Licensing Opportunities	158

Source: Biotechgate.com by Venture Valuation

Also, with regard to the maturity of their pipeline, the Bay Area has a more mature pipeline with more products in later stage of development compared to their Swiss counterparts. This also seems to be one of the reasons why the funding rounds and the total amount raised in the Bay Area are bigger. The VC scene is certainly unrivaled in and around San Francisco in a worldwide basis, whereas Switzerland is known as a financial center, but more for institutional investors.



Switzerland benefits from the Pharma presents of Novartis, Roche and also MerckSerono. Furthermore, many global players have set-up a major subsidiary in Switzerland. This is especially helpful as we see a shift in financing toward more corporate investors (almost all big Pharma companies have their own venture funds) and also toward earlier licensing.

In conclusion, one can see many similarities between Switzerland and the Bay Area, but also specific differences. Both clusters are very international, where as Switzerland has four local languages and being in 1.5 hour driving distance to Germany, France, Italy and Austria, San Francisco thus has a Chinatown as well as a rich demographic mix. Both are internationally strong Biotech hubs (in the top 3 in Europe and the US) and both have world class academic institutions. The Bay Area has a strong local VC community, easier access to VC capital and a more mature biotech scene. Switzerland, on the other hand, has corporate Ventures and Pharma playing a big role in financing. As Biotech is a global industry, both clusters are very well positioned for the future: strong local basis with an international reach.

If you would like to view the full presentation given in San Francisco in January 2012, please click [here](#) .

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About Venture Valuation (www.venturevaluation.com)

Venture Valuation specializes in independent, third party assessment, valuation and monitoring of emerging high growth companies in industries such as biotechnology, med-tech and high-tech. Services are provided in the form of independent Valuation Reports to entrepreneurs (seed to pre-IPO) and investors. With offices in Switzerland, Germany, Canada and Asia, Venture Valuation has an experienced team of scientists and business professionals with expertise in finance, biotechnology and pharmaceutical.

About Biotechgate (www.biotechgate.com)

The Biotechgate Database is property of Venture Valuation AG, Switzerland. Biotechgate is a global Life Sciences Database containing over 20'000 company profiles and providing the user with information on available licensing products, financing rounds, key management, technology platforms. It also contains a licensing deals database, all with financial information on the specific deal. The database supports its user by identifying companies matching certain criteria (development face, financing rounds, valuation, available product for out-licensing and many more).

About Swissnex (www.swissnexsanfrancisco.org)

A public-private venture, Swissnext San Francisco is part of a network of outposts in Bangalore, Boston, Shanghai, and Singapore. Along with individual science and technology counselors around the world, Swissnex works on behalf of Switzerland to expand education, research, and innovation. Vital financial support is provided by donors and sponsors sharing swissnex San Francisco's commitment to connecting the dots.

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