IN brief

Peruvian GM advocate faces criminal charges

RPP

Ernesto Bustamante on Peruvian RPP radio.

A molecular biologist could face a prison sentence for criticizing a report on transgenic gene spread. Ernesto Bustamante Donayre, vice president of the Peruvian College of Biologists, a professional organization, stands accused of defamation, a criminal offense, which in Peru can carry a prison term or fine. What triggered the suit was his public criticism of a report prepared by Antonietta Ornella Gutiérrez Rosati, a biologist at the La Molina National Agricultural University in Lima, identifying a *P34S* promoter and *NK603* and *BT11* transgenes in 14 of 42 maize samples from the Barranca region. Gutiérrez sent summaries of her findings to both the National Agricultural Research Institute and El Comercio newspaper in 2007 calling for a moratorium on transgenic crops until biosafety regulations are in place to prevent the spread to human food. Bustamante, a frequent contributor to radio and print, with no financial links to crop companies, described the alleged detection of three simultaneous transgenic events from two firms as "absurdly improbable" in his newspaper column and called for her claims to be peer reviewed. "The main point of my criticism," Bustamante says, "was her going to the press instead of to her peers." After Bustamante refused to retract his statements, Gutiérrez filed a suit for defamation. She later presented her findings to the Peruvian Genetic Society of which she is president, but would not comment on the case, except to say that "you must use respect" in scientific discussion and that her critics have "polarized" the debate. Although Peruvian farmers already import transgenic products for animal feed, several interest groups oppose their widespread introduction, which they label a foreign intrusion and threat to Peruvian biodiversity. An ongoing investigation is seeking to replicate Gutiérrez's findings, but the government lacks the regulations to enforce its biosafety laws even if it does find transgenic crop outcrossing. The criminal case, however, threatens to stifle all scientific discussion. "Regardless of whether he gets sentenced or not I don't think anyone is going to criticize anything," says plant scientist Wayne Parrott, from the University of Georgia, a regular visitor to Peru. Bustamante's colleague and supporter Luis Destefano Beltrán of the Cayetano Heredia Peruvian University agrees that "many people have tried to avoid taking sides." Peru retains criminal defamation laws, which the Inter-American Commission on Human Rights concluded in 1995 are incompatible with the American Convention on Human Rights. Bustamante, who expects a ruling early this year, says, "The point is not whether I'm right or wrong. It's the fact that for criticizing somebody on scientific grounds I'm being tried in criminal court."

Lucas Laursen

EC convenes crisis talks on European biotech sector

Last December, officials of the European Commission (EC), together with Emmanuel Chantelot, executive director of the industry trade association European Biopharmaceutical Enterprises, convened a closed meeting to discuss the plight of the European biotech sector. Held at the EC headquarters in Brussels, the meeting was attended by policymakers, CEOs from small-to-medium-sized (SME) companies, national biotech associations, venture capitalists (VCs) and big pharma representatives. The working group discussed the findings of an EC-commissioned survey carried out by the Danish Technological Institute (DTI) in Taastrup on the problems of access to finance faced by the biopharma industry. According to this study, lack of access to capital is threatening innovation and competitiveness in the sector, with 40% of companies facing extinction by the end of the year without a further cash injection. On the basis of the group's discussions, several policy recommendations were put forward with the potential to increase sustainability of the European sector (**Box 1**).

The DTI's findings portray European biotech as a rapidly deteriorating sector: 7% of the region's biotech SMEs need capital immediately, 40% must raise capital within a year and nearly 75% over the next 2 years. "Some SMEs are going to go out of business, and many are stretching resources and cutting back on programs" says Thomas Saylor, chair of the SME platform of the European Association for Bioindustries (EuropaBio). The data were gathered through a survey of 87 biopharma companies in Europe throughout May and June 2009, desk research of reports and interviews with experts. The survey is deemed to be representative of the state of European biopharma, although there is an intentional bias toward smaller and younger companies, following the EC's requested sampling criterion.

"The core of the problem is that there is less venture capital money for small biotechs," says Chantelot, and lack of cash creates funding gaps in the chain from startup to initial public offering. The most severe gaps are at the early, high-risk stages, making it hard for fledgling companies to get off the ground or even stay afloat. The key reason for this gap in Europe, says Ivica Cerina, a partner at NGN Capital in Heidelberg, Germany, is pressure over the past five years to "de-risk," pushing investors to focus on later stages and avoid risky startups. Private sources of equity account, on average, for some 60% of all SME funding.

To address this problem, the DTI report recommends increasing public co-investments in micro-fund and business angels to provide the seed money needed to get an SME rolling, while simultaneously creating tax incentives for doing so. As the former type of funding tends to operate on different timescales from venture funding, and with different skill sets and strategic views, several of the VCs at the meeting also pushed for additional money. As such, Cerina would prefer to see more funds go into, or side-by-side with, existing venture capital funds "either as dedicated early stage vehicles or directly into specialized, early stage–savvy VCs".

Enhancing access to existing pools of money could also support the recovery process, says Saylor, citing the European Union's 7th Research Framework (FP7). "Funding has been cumbersome to apply for, and for small companies, in particular, it can be a huge administrative burden to take on the reporting requirements under the framework," Saylor says. He would also like to see follow-on funding of the sort established by the UK's Technology Strategy Board, which makes a

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Flying the biotech flag. Policymakers, investors and companies gathered at the Commission's headquarters in Brussels to discuss how to overcome funding shortages faced by European biotechs.