

Biotech fund invests in Cape-based firm

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SA's sole biotechnology venture capital fund, Bioventures, said yesterday that it had invested R10m in a Cape-based company specialising in medical implants.

This is the fund's third biotech investment in the past year, bringing its total investment in the competitive sector to R28m.

Bioventures has this time thrown its weight behind the **Biomedical Engineering Corporation**, trading as Disa Vascular, a company that has made its mark with its innovative stent designs. Stents are tiny metallic devices designed to hold open blocked arteries, rather like scaffolding might be used to prop open a collapsing tunnel.

The R80m Bioventures fund is backed by Gensec Bank, Genbel Securities Limited, Real Africa Hold-

ings (RAH), the Industrial Development Corporation (IDC) and the International Finance Corporation, and is managed as a joint venture between Gensec Bank and RAH.

Bioventures manager, Heather Sherwin, said Disa had attracted the fund's attention because it was producing **high-tech**, high-margin products which it had registered with the European Union.

"The company is already generating revenue through local and export sales and licence **agreements**, and we believe it has the ability to increase those sales exponentially over the next couple of years," Sherwin said.

Disa makes coronary **stents**, used in heart surgery, as well as peripheral stents which are used in arteries such as those taking blood to the kidneys. The local coronary stent market is **small**, because the sophisticated surgery required to

insert the implants is not widely available outside the private sector.

According to Disa MD Greg **Starke** only about 6 000 **stents**, selling for R6 000 to R10 000 each, were sold in SA last year.

Disa is the only local stent manufacturer, competing with offshore multinationals such as Johnson & Johnson and Boston Scientific.

Sherwell said that one of Disa's key strengths compared to the global giants was the speed with which it could innovate.

Starke said the company had focused on local and European markets. He said Disa was not exploring the US market due to the hurdles presented by the US Food and Drug Administration for registering medical implants. He said Disa's new product development centred on stents that contained drugs to reduce the arterial scarring caused by the implants.