

## 7. COMMERCIAL DEVELOPMENT

About 20 biotechnological companies are in operation, employing close to one thousand people. The aggregated production is of the order of US\$ 50 million (1989).

The largest group of companies is involved in medical diagnostics (Orgenics, Savion, BioHyTech, Hylabs, Virolum, Diatech, EldanTech). Two companies are involved in pharmaceutical products (Interpharm and Biotechnology General), and two produce research materials (Makor and BioMakor). One company (Gadot) produces citric acid by fermentation. Four companies produce agricultural products (G.G. Animals, P.B. Industries, Gedera Seeds, F.R.M.). Some companies deal with aquaculture products, and other produce food additives and deoresins.

The origins of the companies vary. Most of them were initiated by scientists or have a strong links with a university or research institute. A number of companies originated in multinational corporations (Miles and Serono). Initial funding in some cases came from venture capital (Biotechnology General and Diatech) and in others from multinational companies (Interpharm, Gadot) or from private investors and operating companies (Orgenics, Savion). Two companies have raised significant funds from the public (OTC of New York), and (EldanTech) has raised funds on the Tel Aviv Stock Exchange.

Some of the companies were established as foreign holding companies with local subsidiaries, in order to enjoy greater financial flexibility.