

Genetically advanced children? No wonder it's the best investment in the world...

by Aiden Sookdin, Contributing Editor, Real Wealth, 20 September 2016



What you are about to read, may sound like science fiction...

But I assure you it is fact.

Think about Hollywood blockbuster movies like *Gattaca* and *Splice*, where healthy, genetically modified children are a standard feature in everyday life. Now imagine a new technology that can help you decide if your child has black hair, hazel eyes or tanned skin. Not only does this new technology allow you to genetically enhance your children it has exceptional health benefits too.

With the help of personal medical information gathered at a cellular level, doctors and patients can identify and prevent certain illnesses from ever occurring. This means that patients won't have to spend thousands on diagnostic procedures. This is changing the face of medicine as we know it, reducing the cost and speeding up treatment.

I'm talking about biotechnology - A \$157 billion global industry that holds unlimited investment potential.

I caught up with one of South Africa's leading biotechnology experts and one of South Africa's most respected economists to find out about the potential for investment growth in South Africa and the rest of the continent.

Biotechnology – The new gold rush investors have been waiting for

The performance of the biotech sector over the past five years has been nothing short of phenomenal. It's been the top-performing sector in the US for the last three years. Figures from *Statista – The Statistics Portal*, indicate that globally, around US\$170 billion was spent on biopharmaceuticals in 2015. This figure is expected to exceed US\$220 billion by 2017.

Biotechnology in Africa is gaining traction too...

Magnus Heystek investment strategist at Brenthurst Wealth compares the fast-growing biotech industry to the gold rush. He says, *"This 'new' gold rush is playing itself out in the hushed and sterilised atmosphere of biotechnology companies, spearheaded by thousands of very smart and highly trained biotechnology engineers."*

Magnus explains, *“For a South African investor, who received the added benefit of a weakening rand, the returns over the past three years have been nothing short of stupendous: a return of 303% versus the JSE at a measly 69%. It has also beaten all the other ‘hot’ sectors in the world, including healthcare and technology over the same period of time.”*

While biotechnology in Africa is still in its infancy, the potential for growth is great.

For example, stem cell banking (a major contributor to biotechnology developments) storage volumes have increased 200% in the last five years and 60% in January this year. This is because more people are starting to understand the benefits of stem cell storage. Stem cells can repair tissues, organs and blood vessels and can be used to treat a wide range of illnesses.

Louis Rehrl, head of Ecsponent Biotech says, *“There are more than 8 million people in Africa that suffer from sickle cell anaemia. This is perfectly treatable with stem cells. We have to build a central hub to develop and introduce cost-effective treatments to illnesses like this to the people in Africa.”*

Ecsponent Biotech is expanding into biopharmaceuticals with the introduction of personalised medical products such as OcuDrops. These eye drops are made from the patient’s blood. It’s proving extremely effective in treating severe ocular surface disorders.

Clearly the investment potential in Africa is huge! But before you rush out and find the first biotechnology company you can find to invest in, you need to do your research into the company first.

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