

Challenges and Opportunities in Preparing Life Sciences Businesses for Sustainable Capital Market Entry

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Abstract

This study explores the dynamics of preparing life sciences businesses for sustainable capital market entry, focusing on a two-year collaborative initiative led by the Thailand Center of Excellence for Life Sciences (TCELS) and Chulalongkorn University, supported by the Capital Market Development Fund. The research highlights critical factors influencing the success of such endeavors, including both challenges and potential solutions.

The findings underscore significant challenges stemming from negative perceptions among business founders regarding capital market entry. Many founders perceive entering the capital market as a trade-off involving the loss of ownership in exchange for increased funding. This reluctance is compounded by founders' strong focus on technology development over organizational management, leading to underdeveloped internal control systems—a key requirement for capital market compliance.

Additional hurdles include external uncertainties, such as global economic conditions, government policies, and the emergence of new diseases, which amplify market unpredictability. Strict regulatory requirements for life sciences products and services further constrain the competitiveness of small and medium-sized enterprises (SMEs) compared to larger entities. Moreover, the high capital intensity required in this sector presents financial challenges for SMEs striving to scale up.

Despite these challenges, the study identifies promising opportunities for fostering capital market integration. Initiatives like the LiVE Exchange, a specialized capital market platform, have shown potential to mitigate entry barriers, albeit with limited awareness among target stakeholders. Enhanced targeted promotion could amplify the positive impacts of such initiatives.

The paper concludes by emphasizing the need for integrated support systems, including tailored financial strategies and regulatory frameworks, to enable life sciences businesses to align with international standards. Addressing these challenges could unlock significant growth potential and sustainability for the sector, particularly in emerging markets like Thailand.