HEALTHCARE
I am pleased to report that the Healthcare NKEA has shown encouraging progress, with several initiatives demonstrating positive results. We remain steadfastly committed to achieving the goal of this NKEA, which is to deliver high quality healthcare in a sustainable manner.

To this end, several EPPs have been reviewed and new ones introduced to better meet industry needs. From 13 EPPs last year, the number of projects has now increased to a total of 17 EPPs.

A new EPP focussing on Renal Products was added to the Medical Devices segment, increasing its original seven EPPs to eight. Through lab engagement sessions, we identified a gap in serving patients suffering from End-Stage Renal Disease (ESRD), through services as well as products.

In addition to this, Seniors Living, which was formerly a Business Opportunity, has now been expanded into three separate EPPs. This segment is therefore empowered to meet the needs of this important and growing target market.

The Healthcare NKEA has also made great efforts to attract various companies – both local and international – to participate as lead organisations in its various EPPs. I am pleased to report that 15 healthcare projects have been awarded EPP status this year. Each organisation has made a commitment to invest in the healthcare sector in Malaysia, either through product development or services.

Collectively, all 37 healthcare projects announced under Healthcare NKEA are projected to create 26,628 new jobs and generate an income of RM6.66 billion as well as RM4.86 billion in new investments. This is indeed an encouraging achievement and I sincerely believe that we will be able to meet the targets that have been set in Malaysia’s 2020 roadmap.

However, we cannot rest on our laurels and become complacent. By working together, I am confident that we will be able to deliver an effective and responsive healthcare system that will benefit all Malaysians. Indeed, I am confident that we can truly become “a nation working together for better health”!
This NKEA, led by the Ministry of Health (MOH), is focused on growing private investments in areas such as manufacturing of pharmaceutical products and medical devices, clinical research activities and aged-care services. It seeks to grow the healthcare industry and encourage collaboration between healthcare providers in the public and private sectors.

The Government will also continue to provide healthcare to all Malaysians through subsidies at public hospitals and clinics. The private sector, on the other hand, has been tasked with improving access to healthcare to those who can afford to pay to help lessen the Government’s burden. By working together, the public and private sectors will be able to offer a comprehensive range of health services and products to all in Malaysia.

A total of 17 Entry Point Projects (EPPs) were identified to help meet the goals of the Healthcare NKEA. To date, 37 project owners are expected to create 26,628 new jobs and generate an income of RM6.66 billion as well as RM4.86 billion worth of new investments. Of the 37 projects, 12 have already been completed and the rest in various stages of development, to bring the progress of Healthcare NKEA at 14.7 per cent against 181,000 jobs, 18.9 per cent against its target of 35.3 billion GNI, and 28.2 per cent against 17.2 billion investments according to the 2020 roadmap.

Some of the existing EPPs were reviewed to better meet industry needs. For example, a mini-lab co-sponsored by the Ministry of Health, The Malaysian Organisation of Pharmaceutical Industries (MOPI) and Pharmaceutical Association of Malaysia (PHAMA) was held to revisit and revise the goal and scope of EPP 3, which focuses on the pharmaceutical sector in Malaysia. After meeting for three days, the scope of this EPP was narrowed to three streams: Generics, Bio-Pharma (Biologics and Vaccines) and Over-the-Counter (OTC) drugs. In addition, a paper was also presented to the Cabinet in November 2013 on an outcome of the study by the International Centre of Law and Legal Studies (I-CELLs) on Patent Law and Regime in Malaysia. The Government has agreed to review some of the recommendations of the study and make the necessary adjustments by August 2014.

Meanwhile, a total of 15 projects were accorded EPP status by the NKEA Healthcare Steering Committee in 2013 through two NKEA Progress Update events, on 1 August 2013 and on 12 December 2013. The project owners are Karl Mueller Scientific, Sima Medical, Abio, Kotra Pharma (for two separate projects), RB Lifescience, BioCare, Impian Ekselutf, Chemical Company of Malaysia Bhd, AFT Pharmaceuticals, AJ Biologics, Servier, Fresenius Medical Care, Lucenxia and Pahang Medical Devices. Each new project will play an important role in meeting the overall goals for the Healthcare NKEA.

A new EPP was added to Medical Devices (EPP 7 – 13), thus increasing the total number of EPPs under this sector from seven to eight. This new EPP designated EPP 14 will focus on Renal Products.

Following the introduction of the Seniors Living Business Opportunity in 2012, it was expanded into three EPPs in 2013 based on recommendations made through a lab session. The three EPPs under Seniors Living are Mobile Home Care Services (EPP 15), Institutionalised Aged Care (EPP 16) and Retirement Villages (EPP 17).

A paper was also presented to the cabinet in December by Dato’ Sri Idris Jala on the outcome of the lab on Seniors Living. This includes a proposed new Aged Healthcare Act, the transformation of old folks’ and nursing homes, new planning guidelines for aged healthcare facilities, development of a new curriculum for caregivers, proposal for insurance coverage providers for home care and long-term care and reverse mortgages products.

The revisions made to these EPPs will help strengthen and transform the healthcare industry in Malaysia into a holistic and dynamic one. This is to ensure the highest quality of care is delivered to a large number of people in a sustainable way.

Malaysia’s healthcare industry has recorded strong growth over the last decade, driven primarily by local consumption of healthcare products and services.
### 2013 Key Performance Indicators

<table>
<thead>
<tr>
<th>No.</th>
<th>KPI</th>
<th>Target (FY)</th>
<th>Actual (YTD)</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Method 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>1</td>
<td>EPP #1: Percentage of foreign workers with health insurance (excluding domestic maids and plantation workers)</td>
<td>100%</td>
<td>156%</td>
<td>156</td>
</tr>
<tr>
<td>2</td>
<td>EPP #2: Number of clinical research conducted (Ongoing &amp; New)</td>
<td>460</td>
<td>467</td>
<td>102</td>
</tr>
<tr>
<td>3</td>
<td>EPP #3: Export growth of pharmaceutical products (RM mil)</td>
<td>549</td>
<td>561.02</td>
<td>102</td>
</tr>
<tr>
<td></td>
<td>EPP #4: Revenue generated from healthcare travel (RM mil)</td>
<td>630</td>
<td>683.92 (as of mid-December 2013)</td>
<td>109</td>
</tr>
<tr>
<td>5</td>
<td>EPP #5: New number of non-MOH hospitals that subscribe to this service</td>
<td>5</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Case studies of target countries (include go-to-market strategy) for international insourcing of DSN</td>
<td>3</td>
<td>4</td>
<td>133</td>
</tr>
<tr>
<td>6</td>
<td>EPP #6: Percentage of completion of the work progress for UM Health Metropolis</td>
<td>Targets not set due to delays in getting Planning Approval from MBPJ</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>7–14</td>
<td>EPP #7: Ready for Product Registration for Class A, B, C and D</td>
<td>100%</td>
<td>100%</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Ready for registration of Conformity Assessment Body (CAB)</td>
<td>100%</td>
<td>101%</td>
<td>101</td>
</tr>
</tbody>
</table>
Exhibit 12.1

### Method 1
Scoring is calculated by a simple comparison against set 2013 targets. The overall NKEA composite scoring is the average of all scores.

### Method 2
Scoring is calculated by dividing actual results against set 2013 targets with an added rule:
- If the scoring is less than 100%, score #2 is taken as the actual percentage.
- If the scoring is equal or more than 100%, score #2 is taken as 100%. The overall NKEA composite scoring is the average of all scores.

### Method 3
Scoring is calculated by dividing actual results against set 2013 targets with an added rule:
- If the scoring is equal and less than 50%, score #3 is indicated as 0.
- If the scoring is more than 50% and less than 100%, score #3 is indicated as 0.5.
- If the scoring is equal or more than 100%, score #3 is indicated as 1.

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### Healthcare NKEA

<table>
<thead>
<tr>
<th>No.</th>
<th>KPI</th>
<th>Target (FY)</th>
<th>Actual (YTD)</th>
<th>Achievement Method 1</th>
<th>Achievement Method 2</th>
<th>Achievement Method 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Complete processes for the purpose to begin registration of Integrated Residential Care Centre (IRCC) include amendment of related regulations</td>
<td>25% first draft of the Act to be completed and sent to AG</td>
<td>100% AGC has produced the bare draft for the Act</td>
<td>103%</td>
<td>91%</td>
</tr>
</tbody>
</table>

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(continued from previous page)

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ENTRY POINT

PROJECTS

EPP 1

Mandating Private Health Insurance for Foreign Workers

Most of the country’s 3.1 million foreign workers, employed primarily in low-technology, labour-intensive jobs, are uninsured or under-insured. This has resulted in a large amount of unpaid bills at Government hospitals. Through this EPP, private medical insurance has been made mandatory for all foreign workers (except domestic maids and plantation workers) to help relieve the strain on Malaysia’s healthcare system while providing better healthcare access for the foreign workers.

To this end, the foreign Hospitalisation and Surgical Scheme for Foreign Workers (SPIKPA) was introduced in January 2011 as a mandatory medical scheme for all foreign workers. For an annual premium of RM120, SPIKPA provides hospitalisation and medical coverage of up to RM10,000 per annum for all illnesses and injuries requiring admission into MOH hospitals.

Achievements and Challenges

Since its launch, over 1.6 million foreign workers have been insured under SPIKPA, surpassing the initial target of 1.2 million workers. Twenty-five insurance companies and two Third Party Claims Administrators (TPCA) also registered as participants of the scheme.

To date, three major states – Selangor, Johor and Penang – as well as Kuala Lumpur have recorded the highest number of foreign workers insured. Following the expansion of the scheme to Sabah last year, SPIKPA was extended to Sarawak in February 2013, thereby providing coverage throughout Malaysia.

Moving Forward

After three years of implementing SPIKPA, the programme will be reviewed in 2014 to determine its impact and benefits to MOH hospitals. Among the improvements mooted for SPIKPA include the possibility of extending coverage to private hospitals and improving other benefits that come with the scheme.

EPP 2

Creating Supportive Ecosystem to Grow Clinical Research

In 2009, the contract research industry for new drug development grew at an annual rate of 15 per cent to exceed US$20 billion, with growth in Asia outpacing the market at an annual rate of 30 per cent.

Malaysia has, however, lagged behind its regional peers in this sector. This EPP therefore, has taken measures to develop a supportive clinical research ecosystem to encourage more efficient and higher quality trials, targeting to conduct a minimum of 1,000 clinical trials by 2020. It also aims to establish Malaysia as a preferred destination for clinical contract research.

Achievements and Challenges

Clinical Research Malaysia (CRM) has targeted 460 clinical trials in 2013. These comprise 184 new and 276 ongoing trials.

CRM was also able to attract and convert feasibility studies to clinical trials. Supported by the establishment of a Feasibility Team, CRM recorded 195 new trials, which exceeds its annual KPI target of 184 new clinical trials in December 2013.

Management of clinical trials is also strengthened with the establishment of investigator databases for different therapeutic areas. In addition, CRM has established an effective and transparent fund management system for trial budgets and streamlined the payment mechanism to investigators and sites.

In undertaking these initiatives, CRM has received Clinical Trial Agreements (CTAs) from a growing number of sponsors/Clinical Research Organisations (CROs) for its review. From 1 January 2013 to 31 December 2013, CRM endorsed 174 CTAs for a total of 85 trials, with work in progress for another nine trials.
CRM is also developing a network of seven prime sites in Malaysia together with Clinical Research Centre (CRC) and Quintiles. These sites will possess improved research capabilities to enable them to conduct more Industry-Sponsored Research (ISR) and attract higher-value ISR to Malaysia. Furthermore, study coordinators have been placed at 17 MOH sites to assist investigators to conduct trials. Most of these coordinators possess medical or nursing backgrounds, which will enable these sites to conduct more ISR.

To raise the skill sets of study coordinators and investigators, CRM has implemented training programmes, including organising subsidised Good Clinical Practice (GCP) courses in various locations nationwide. To improve the management and conduct of ISR, CRM is developing a “CRMx” system, in addition to developing a matrix and analytic tool to boost the productivity of clinical trials.

In addition, CRM implemented its first Mentor-Mentee programme, comprising a six-and-a-half day workshop held in different regions to develop human capacity, particularly investigators. To date, the programme has been completed in the Central Region (Kuala Lumpur) with 14 Mentors and 41 Mentees. It was also extended to the Northern Region (Penang) with 10 Mentors and 28 Mentees. The next destinations will be in the East Coast and Southern regions, along with Sabah and Sarawak.

Some challenges seen in this EPP include in increasing the number of potential investors and improving the quality of investigators. This is as specialists are mainly focussed on conducting their clinical work, which is time-consuming, while many of them also lack expertise to conduct ISR.

CRM is working with Medical Research Ethics Committee (MREC) to improve the latter’s turnaround time and responsiveness to better suit the industry’s needs.

Other challenges are present in coordinating the development of a comprehensive training programme for clinical research associates (CRA). Generally, sponsors/CROs conduct in-house training. The challenges include getting a suitable training institution, development of an internationally recognised certification, attracting industry support and a sufficient number of students.

Moving Forward
To date, 20 per cent of all clinical trials in Malaysia are conducted by the MOH. As CRM approaches its third year of operations, it aims to improve the ratio of clinical studies in the MOH and universities. More efforts will also be made to grow the number of investigators in the MOH. Meanwhile, CRM will review the timing for “first patient in” studies and improve on this in 2014. It will also expand the number of its prime sites.

CRM also aims to strengthen its cooperation with the Drug Information Association (DIA) and its involvement in the East Asia ISR Cooperation initiative. Furthermore, it will collaborate with organisations in the region across therapeutic areas, clinical study sites, training and development in ISR. Engagement with investigators will also be increased, while CRM will also continue collaborating with CRC on a broad range of activities and initiatives.

In addition, it will enhance its public outreach programmes to raise public awareness of ISR and intensify its Mentor-Mentee programme to increase the number of investigators. The frequency and scope of its training programmes will also be intensified to increase the number of skilled research staff and study coordinators.

With regard to the CTAs, CRM hopes to introduce a tripartite CTA template and develop it into the industry standard in Malaysia. Furthermore, it aims to facilitate the patient recruitment process and outcomes to allow for more ISR.
Malaysia is taking major steps to enhance its generic drug manufacturing capacity to capitalise the impending patent expiry of major drugs, which will bring about an estimated value of US$132 billion for the industry. To maximise this opportunity, the industry in Malaysia must take the following measures:

- Leverage Malaysia’s membership in the Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme (PIC/S) to export to developing nations and member countries of the Organisation of Islamic Cooperation (OIC), of which Malaysia is also a member.
- Push for manufacturing plants to be localised and upgraded to produce en masse.
- Facilitate strong partnerships between multinational corporations (MNCs) and local manufacturers to build capacity thereby developing strong Malaysian growth in this sector.

A mini lab co-sponsored by the MOH, MOPI and PhAMA was conducted in June 2013 to review the goals and scope of EPP 3. Attended by 120 participants from the pharmaceutical industry and relevant Government agencies, the three-day lab concluded with the decision to expand the scope of this EPP to include other pharmaceuticals product categories such as OTC drugs, supplements, biosimilars and vaccines.

Achievements and Challenges

On 28 June 2013, MOH signed a memorandum of understanding (MoU) with IMS Health Malaysia. This MoU enables MOH to share the pharmaceutical database for the public sector, while enabling MOH to tap into IMS’s pharmaceutical database on the private sector. This has given the Ministry access to a comprehensive national pharmaceutical market database.

Meanwhile, a paper on pharmaceutical patent issues was presented to the Cabinet on 1 November 2013. The paper recommended amendments to the Patent Act related to the pharmaceutical industry based on a study by the International Centre of Law and Legal Studies (I-CeLLs) on Patent Law and regime in Malaysia. The Government agreed to review the recommendations and subsequent amendments to the Patent Act are targeted for completion by August 2014.

This year, several multinational corporations (MNCs) have expressed interest in manufacturing their products either by their own or through local partners in Malaysia. On the other hand, the local industry is responding to the positive outlook of the industry, with more new companies foraying into pharmaceutical manufacturing, while the existing companies have started to invest to expand and increase their manufacturing capabilities and capacities.

To date 12 projects have been accorded the EPP status under EPP 3. These include projects announced by Hovid Bhd, Biocon Ltd, CCM, Kotra Pharma AJ Biologics, Impian Eksekutif Sdn Bhd, RB Lifesciences Sdn Bhd, Servier, Ranbaxy, AFT Pharmaceuticals and BioCare.

Positive growth has been observed by the companies participating in EPP 3 in 2013.

Hovid has seen its business grow more than 40 per cent in the last three years, despite the weakening US dollar, translating into a CAGR of 12 per cent. It currently possesses a product portfolio of more than 400 and currently exports to more than 50 countries, recording revenue of more than RM172 million, with a market potential of more than one billion customers including the Malaysian population. In addition to increasing its staple of products, Hovid will also continue widening and deepening its reach in export markets.

Among challenges faced by Hovid include the need to meet rising demand for generic products as the patent on numerous products expire in the next five years. Nonetheless, Hovid will position itself to take advantage of these changes by expanding its production facility.

The company also contends with a shortage of pharmacists with production experience, limited engineers with knowledge of pharmaceutical machines and lack of sales personnel that are familiar with the industry. Nevertheless, Hovid has, over the last 30 years, recruited and trained thousands of personnel on the job. It also works closely with various higher learning institutions in Malaysia, especially Universiti Sains Malaysia, to train and develop pharmaceutical product researchers.
Another company participating in this EPP, Biocon, has also recorded good progress in 2013. The construction of its biopharmaceutical manufacturing facility continued to progress as planned, and the company has hired more than 100 employees who are now being trained in biopharmaceutical manufacturing.

Among challenges faced by Biocon include increasing awareness on its biopharmaceutical manufacturing operations and attracting highly-skilled talent to Nusajaya, Johor, where it operates. The shortage of talent has also been compounded by the rising cost of living in Nusajaya.

In August, Ranbaxy Malaysia was allocated a six hectare site in Kulim, Kedah, to set up its US$35 million (RM114 million) Greenfield manufacturing facility. The new facility will be used to manufacture multiple dosage forms, including tablets and capsules, primarily in the cardiovascular, anti-diabetic, anti-infective and gastrointestinal segments. This will be Ranbaxy’s second manufacturing plant in Malaysia in addition to its first in Sungai Petani that was commissioned in 1987.

RB Lifescience Sdn Bhd’s (RBL) plan to manufacture respiratory and oncology drugs was endorsed as an EPP 3 project on 5 March 2013 and will focus on manufacturing generic versions of oncology medications and inhalers, with two separate manufacturing facilities built for this endeavour. In July, the company signed a distribution and technology transfer agreement on oncology generic medicines with India’s Emcure Pharmaceuticals Ltd. The distribution agreement also awarded RBL the rights to sell and export medicine produced from its plant to ASEAN countries.

Kotra Pharma (M) Sdn Bhd’s first initiative under the ETP was announced on 1 August 2013 with the intention to manufacture Sterile Injectable products. Since then, the company has completed the manufacturing of 50,000 vials of one of the products, Vaxcel Cefobactam 1g Injectable, with the intention to supply to the Government through an Off-take Agreement (OTA) with MOH. The company has also acquired sufficient raw materials to manufacture another 60,000 vials.
This year, this EPP saw strong interest from private sector players in the field of respiratory medicine. Four project owners have come forward with plans to manufacture respiratory products such as metered dose inhalers and dry powdered inhalers. These four projects was announced by Minister of Health Dato’ Seri Dr S Subramaniam at the NKEA Healthcare Progress Update on 12 December 2013. The project owners and projects comprise:

- Biocare, a local company planning to set up a manufacturing plant Metered Dose Inhalers with 3M technology from the United States
- A joint venture effort between the Chemical Company of Malaysia Bhd [CCM] and Cipla of India to set up a new facility to manufacture respiratory products
- Impian Eksekutif Sdn Bhd, which will set up a facility in Perak to manufacture a complete range of respiratory products such as Metered Dose Inhalers and Nasal Sprays for both domestic and overseas markets. Neutec of Turkey will be Impian Eksekutif’s technology partner in this endeavour
- Kotra Pharma will invest in an additional line to produce MDI in its current facility in Cheng, Malacca

In addition, three more projects were announced on 12 December 2013 under a plan to manufacture different classes of pharmaceutical products. These projects are:

- Servier Malaysia, through its contract manufacturing partner, Kotra Pharma – to manufacture Servier’s patented products, Diamicron MR 60mg and Vastarel MR 35mg, for supply in Malaysia and the regional markets
- AFT Pharmaceuticals SEA – to produce orphan drugs (for treatment of rare diseases) through its partner, Hovid
- AJ Biologics – to set up a vaccine formulations facility with the fill and finish capabilities to manufacture a range of vaccines for supply to local, regional and global markets

Overall, in addition to encouraging new investments in the pharmaceutical industry, this EPP also aspires to continue facilitating partnerships between MNCs and local pharmaceutical companies to achieve the goals of EPP 3.

Moving Forward

Hovid plans to commence construction of a new plant in early 2014 to expand its tablet and capsule production capacity. This will allow Hovid to target the development and production of new Off-Patent drugs for supply to the MOH and its export markets. To further enhance the quality of Hovid’s products, the new plant is designed to meet the pharmaceutical production standards – Good Manufacturing Practice (GMP) of Australia, Europe and the United States Food and Drug Administration.

Biocon is expected to commence commercial operations of its biopharmaceutical manufacturing facility in 2014. It will also focus on developing the ecosystem to support its operations and nurture human capital by partnering with the academia.

With technology partners secured and all other project components such as land and building construction in place, RBL will continue to seek the finalisation of its OTA with the MOH.
Reinvigorating Healthcare Travel

The healthcare travel industry in Malaysia has grown at an average rate of 22 per cent per annum, contributing US$100 million to Malaysia’s economy in 2010. This has the potential to grow even more as ASEAN nations contributed at least US$3 billion to the US$75 billion in revenue generated by the global health travel market in that same year.

However, Malaysia’s regional neighbours, Singapore and Thailand, have demonstrated stronger growth and are currently perceived as leaders of this segment. To overcome this, Malaysia needs to broaden its patient base. This growth will take place in two phases:

- Phase one: Expand patient volume through extensive marketing, cross-border alliances and improved customer experience
- Phase two: Upgrade infrastructure and capacity in niche specialisations to move towards more profitable in-patient care

To these ends, the Malaysia Healthcare Travel Council (MHTC) was established to help develop and promote the country’s health travel industry. It also functions as a one-stop centre for all matters related to this sector.

Achievements and Challenges

To date, the number of MHTC-registered hospitals and other healthcare facilities has risen to 72.

The MHTC also launched its first MHTC Concierge and Lounge at the Kuala Lumpur International Airport’s international arrival hall on 29 April 2013. The facility will be used to disseminate information on private healthcare provisions in Malaysia. This initiative also acts as a platform to promote hospital services and medical packages to tourists.

Following the establishment of three offices in Jakarta and Dhaka in 2012, the MHTC has also identified Hong Kong as a good base to reach other countries in the region, such as China, Japan, Korea, Mongolia and Taiwan. The offices will be used to raise Malaysia’s profile as a leading healthcare destination in Asia.

Similar to last year, MHTC has also organised the Malaysian International Healthcare Travel Expo (MIHTE) for the second time on 20-22 October 2013 at Sunway Pyramid Convention Centre Malaysia. The Second MIHTE 2013 continued to promote business-to-business ventures between key industry stakeholders within the local and international healthcare travel value chain. The expo provided a unique platform for leading healthcare facilities, Government agencies, insurance companies, financial institutions, the wellness industry, hoteliers, travel and tour agencies and retirement village planners under one roof; providing an ideal stage to share new developments and explore business potential and strategic partnerships.

The expo comprised an exhibition, conference and mega familiarisation programme and applied a different approach this year for its conference programme with multilingual breakout sessions in English, Mandarin, Indonesia, Japanese and Arabic. Forty-four sessions were held during the conference, with international speakers and moderators from 12 countries, namely Australia, China, Hungary, Indonesia, Japan, the Kingdom of Saudi Arabia, Malaysia, Netherlands, Singapore, the United Arab Emirates, the United Kingdom and the United States. 1,300 delegates from 40 countries attended the conference.

Under this EPP, participating hospitals such as six KPJ Healthcare hospitals (Pasir Gudang Specialist Hospital, Klang Specialist Hospital, Kuantan Specialist Hospital, Perlis Specialist Hospital, Sabah Medical Centre and Bandar Dato Onn International Specialist Hospital), two Ramsay Sime Darby Health Care hospitals (ParkCity and Ara Damansara Medical Centre) and finally Amanjaya Specialist Centre recorded good progress over the year.
Among the notable progress recorded for this EPP include:

**Pasir Gudang Specialist Hospital (PGSH)**
PGSH was launched in April 2013 in Pasir Gudang, Johor. The hospital is equipped with state-of-the-art operating theatres, modern equipment, the latest technology and an excellent team of specialists and healthcare professionals. Aside from catering to the needs of patients in and around Pasir Gudang, PGSH is also tapping the Indonesian market, particularly Batam and Tanjung Pinang.

**Klang Specialist Hospital**
This hospital demonstrated good traction in 2013. As part of its effort to promote Malaysian healthcare globally, KPJ Klang continues to penetrate the Myanmar market through its collaboration with a local hospital, Pun Hlaing International Hospital Co Ltd (Pun Hlaing), which has major market share in Myanmar. KPJ Klang has been appointed by Pun Hlaing to provide highly trained healthcare professionals to perform the most advanced, minimally invasive surgical techniques in order to provide patients with much quicker recovery times and better outcomes through exceptional care.

**ParkCity Medical Centre [PMC]**
PMC, which opened its doors to the public on 12 December 2013, aims to be the regional centre of excellence for women and children’s health as well as elderly health. PMC is equipped with advanced medical technology to perform procedures such as mammograms with tomosynthesis and low dose CT scans, which are safe for children. Today, PMC is well known for delivering and managing premature babies after successfully delivering and managing a 25-week-old neonate weighing less than one kg in March 2013; three months after it commenced business.

PMC is the first hospital launched under the Ramsay Sime Darby Health Care (RSDHC) group, a joint venture between two prominent healthcare providers, Sime Darby and Ramsay Healthcare. To date, just 10 months into operation, PMC has treated approximately 1,800 foreigners/expatriates and the numbers are growing as PMC is strategically located within the Mont Kiara, Desa ParkCity and Hartamas communities.

**Ara Damansara Medical Centre**
Formerly known as Sime Darby Medical Centre Ara Damansara, Ara Damansara Medical Centre, which is situated along Jalan Lapangan Terbang Subang in Selangor, is a 220-bed hospital that offers a range of comprehensive medical services from a 24-hour primary and emergency care to interventional, diagnostics, curative and rehabilitative services. Ara Damansara Medical Centre is also equipped with centres of excellence dedicated to the diagnosis and treatment of heart, brain, spine and joints diseases.

In 2013, Ara Damansara Medical Centre expanded to include a comprehensive facility for the care and management of stroke patients through a partnership with the National Stroke Association of Malaysia (NASAM), and a private-public partnership with Hospital Kuala Lumpur (HKL) in the management and treatment of epilepsy, especially among children. This partnership has come about in view of the increasing number of epileptic cases in Malaysia, especially amongst its paediatric patients. The hospital also holds joint activities with the Royal Children’s Hospital Melbourne to evaluate medical staff who are capable of identifying patients suitable to be considered for epileptic surgery.
A shortage of radiologists and uneven distribution of radiology workloads have created major challenges for all hospitals, especially in smaller towns. The Diagnostic Services Nexus (DSN) aims to reduce waiting times by coordinating and distributing the workload through a teleradiology system that connects both public and private hospitals. The DSN is also projected to help the domestic radiology sector increase in scale and scope, which can then be extended internationally.

To implement this project, Diagnostic Services Nexus Sdn Bhd, a private consortium comprising strategic technology, telecommunications and operations partners including General Electric Healthcare, was established. The consortium will continue to improve upon the DSN technology, link radiologists nationwide and build capacity to grow the talent pool and ensure its systems are sustainable.

Achievements and Challenges

DSN has conducted a case study to evaluate its long-term plan of insourcing teleradiology reporting services into Malaysia. This case study involved a market analysis, feasibility and recommendations on countries such as Singapore, Hong Kong, the United States, the United Kingdom, Indonesia and Myanmar. Following this, Singapore and the UK were identified as markets where the DSN possesses natural advantages, such as Commonwealth membership and precedence of outsourcing abroad.

However, the DSN is faced with a shortage of local radiologists and longer tenure full-time radiologists to come on board as reporting radiologists. It has also yet to receive longer-term commitments from its clients with enough volume to build economies of scale.

Moving Forward

The majority of visitors seeking treatment in Malaysia are still from Indonesia. Therefore, the MHTC intends to attract visitors from other regions, such as the Middle East. Efforts will also increase to explore new markets such as Russia, Ukraine, Kazakhstan, Maldives, Nepal, Bhutan and Uzbekistan.

To ensure sustainable growth and to cater for increasing patient needs, particularly tourist patients, hospitals will increase their number of beds, new wards and specialists. The hospitals and medical centres are also looking into expanding the service portfolio to include other specialty clinical services including haemodialysis services and orthopaedics traumatology, among others. In addition, aggressive marketing and penetration into new areas are essential keys to capture bigger market segments.

Creating a Diagnostic Services Nexus

A shortage of radiologists and uneven distribution of radiology workloads have created major challenges for all hospitals, especially in smaller towns. The Diagnostic Services Nexus (DSN) aims to reduce waiting times by coordinating and distributing the workload through a teleradiology system that connects both public and private hospitals. The DSN is also projected to help the domestic radiology sector increase in scale and scope, which can then be extended internationally.

To implement this project, Diagnostic Services Nexus Sdn Bhd, a private consortium comprising strategic technology, telecommunications and operations partners including General Electric Healthcare, was established. The consortium will continue to improve upon the DSN technology, link radiologists nationwide and build capacity to grow the talent pool and ensure its systems are sustainable.

Achievements and Challenges

DSN has conducted a case study to evaluate its long-term plan of insourcing teleradiology reporting services into Malaysia. This case study involved a market analysis, feasibility and recommendations on countries such as Singapore, Hong Kong, the United States, the United Kingdom, Indonesia and Myanmar. Following this, Singapore and the UK were identified as markets where the DSN possesses natural advantages, such as Commonwealth membership and precedence of outsourcing abroad.

However, the DSN is faced with a shortage of local radiologists and longer tenure full-time radiologists to come on board as reporting radiologists. It has also yet to receive longer-term commitments from its clients with enough volume to build economies of scale.

Moving Forward

The majority of visitors seeking treatment in Malaysia are still from Indonesia. Therefore, the MHTC intends to attract visitors from other regions, such as the Middle East. Efforts will also increase to explore new markets such as Russia, Ukraine, Kazakhstan, Maldives, Nepal, Bhutan and Uzbekistan.

To ensure sustainable growth and to cater for increasing patient needs, particularly tourist patients, hospitals will increase their number of beds, new wards and specialists. The hospitals and medical centres are also looking into expanding the service portfolio to include other specialty clinical services including haemodialysis services and orthopaedics traumatology, among others. In addition, aggressive marketing and penetration into new areas are essential keys to capture bigger market segments.
University of Malaya’s wholly-owned company, UM Holdings Sdn Bhd, has been tasked to develop and position the University of Malaya Health Metropolis (UMHM) as the country’s premier medical hub.

The metropolis will combine urban renewal efforts with expertise from the UM Specialist Centre and UM Medical Centre’s Faculty of Medicine to become Malaysia’s largest cluster for quality medical education, healthcare, medical and bioscience research.

UMHM will house a 320-bed hospital, a 338-room healthcare hotel, a medical research centre, convention and exhibition facilities, and other supporting retail facilities. The metropolis is expected to be fully operational in 2017 and will cater to both local and regional needs.

Achievements and Challenges

The construction of UMHM continued to face obstacles this year, which caused a delay to the project. The Petaling Jaya City Council (MBPJ) was not able to issue the Development Order for this project as the piece of land on which the project is situated was gazetted as “residential/limited commercial”. Therefore, a public hearing is needed to amend the local city plan before the development of UMHM can be approved.

Throughout the year, UM Holdings engaged MBPJ in numerous discussions and briefings on the detailed projects plans as well as plans to ensure proper traffic management around the development. Subsequently, with the assistance of the Menteri Besar’s Office, a public hearing was held on 7 September at MBPJ headquarters.

The affected residents from Section 11 and 12 of Petaling Jaya, strongly opposed the project citing traffic congestion concerns. MBPJ then advised UM Holdings to brief the Selangor Economic Action Council (MTES) and seek direction therefrom.

The MTES meeting on 26 September 2013 chaired by Tan Sri Abdul Khalid Ibrahim expressed support on the development, taking into account the social benefit from the project. However, the meeting requested for a Social Impact Survey to be conducted as well as a confirmation by the Federal Government on the MRT Circle Line serving the locality.

On 23 October 2013, the Land Public Transport Commission issued a letter to UM Holdings Sdn Bhd confirming the alignment of the MRT Circle Line as well as the location of the two proposed stations near the UMHM development.

A Social Impact Survey was conducted and its findings were submitted to MBPJ and the Selangor State Government on 6 November 2013. UM Holdings Sdn Bhd is taking further action to pursue Planning Approval for UMHM.

Moving Forward

The final decision on the construction of UMHM now rests with MTES and MBPJ.
On 1 July 2013, the MeDC@St (Medical Device Centralised Online Application System) was launched by the Medical Devices Authority (MDA) as an online-based tool to support MDA’s licensing and registration activities. This system was created in line with the gazettement of the Medical Device Act (Act 737) in 2012, which came into effect on 30 June 2013.

MeDC@St is divided into three modules:

- Establishing Licensing Applications
- Registration of Medical Devices (Class A, B, C, and D)
- Registration of Conformity Assessment Body (CAB) to enable export activities

This tool will enable faster and more effective approvals for licensing and implementation of activities pertaining to the medical devices regulations.

The EPPs for the medical devices sector have grown rapidly and gained much interest from MNCs and local manufacturing companies. Some EPPs have been refined to better meet industry needs. EPP 12, for example, was revised from creating a medical equipment refurbishment hub to the creation of a manufacturing hub for high-value medical devices. Additionally, a new EPP (EPP 14: Renal Products) was introduced to cater to the growing need for renal care products and services in Malaysia.

One of the major issues faced by local medical device manufacturers is local market access. The preference for imported products and the lack of awareness about the availability of quality local products needs to be addressed. Local manufacturers need to demonstrate that their products meet quality and safety standards and more efforts need to be put in place to promote quality locally-made medical devices. In view of this, SME Corp has in 2013 started an initiative to further develop the capacity of local medical device SMEs as well as to include the industry in their promotional programmes.

At the same, being the major supplier of health services in the country, the MOH has agreed on an Off-take Agreement (OTA) programme for local manufacturers under the ETP. The mechanism for the programme is still being designed by the Ministry. In addition, the existing policy favouring locally-made products in Government procurement exercises needs to be enforced strictly to ensure good local manufacturers can use this as a platform to grow before they start exporting overseas.

While not entirely true, Malaysian-Made medical devices and products are still regarded as of lower quality in some foreign markets. Hence, the support from the Government, especially MOH, in the form of OTAs or by strictly enforcing the locally-made products policy described above will be beneficial to demonstrate the quality of the medical devices and products are at par with international standards to the point that they are used in Malaysia. Furthermore, in most cases, foreign regulatory authorities have imposed the criterion that supply to the government of the country of origin is required for registration of products in overseas markets.
Upscale Malaysia’s IVD Industry

This EPP is driven by Medical Innovation Ventures Sdn Bhd (Mediven), a medical diagnostics company which will help upgrade Malaysia’s in-vitro diagnostic (IVD) industry through its IVD project.

With an investment of RM8.92 million, Mediven’s IVD project will focus on commercialising local technologies to prevent tropical infectious diseases. It is also responsible for elevating the country’s IVD profile globally, beginning with developing countries.

In 2013, Mediven signed an MoU with Apex Pharmaceuticals to collaborate in the area of molecular diagnostics. It also signed an MoU with National Institutes of Biotechnology Malaysia (NIBM) to establish collaborations in the area of molecular biological R&D, with emphasis on diagnostics of infectious diseases.

In undertaking this EPP, Mediven will have to ensure the timely completion of evaluation by MOH and finalise the set-up of the pilot plant for its IVD project.

Mediven’s future plans include entering collaborations with international biotech and analytical organisations, specifically in molecular diagnostics. It will also expand its development activities and the pipeline of products; and perform pilot testing at user sites to test and build its credentials. In tandem with the growing relevance of IUD in the developing world, the company will also sign an MoU for the development of rapid-test IUD kits for the African region.
In November 2012, the Prime Minister announced Vigilenz Medical Devices Sdn Bhd as one of the leading local medical devices manufacturers to position the country as a preferred supplier for high-quality contract manufacturing of SUDs.

Vigilenz intends to invest RM25.8 million under Project EXDEV to conduct R&D to expand its current product line, which includes the entire line of sutures (along with cardiovascular and ophthalmic) and hernia range of sutures with composite or bio-resorbable materials. It also plans to launch cardiovascular products and develop new wound management material and bio-material for tissue reconstruction. The target is to export 65 per cent of its products by 2017.

Vigilenz has spent RM300,000 in the last year to upgrade infrastructure at its existing plant. It has invested RM2.4 million to procure approximately 70,000 square feet of factory space for its new plant at Science Park Penang. The construction of the building will commence by July 2014 with completion expected in 1Q 2015.

The state-of-the-art facility will be built employing green technologies. In addition, the company has undertaken R&D in wound wash, requiring RM860,000 in investments in human capital, machinery, material and accreditation. It is also undertaking initiatives to develop wound gel and high-end critical dressing (based on stem cell technology).

Vigilenz has also designed new products to assist another EPP company, Karl Mueller Scientific Sdn Bhd (KMS), in order to commence its production of SUD. In addition, Vigilenz is working with MDC, another EPP company, to use their solution bags to pack wound wash for the international market.

Other initiatives under this EPP include plans by KMS to invest RM1.4 million to produce single or disposable medical devices and accessories. These generic items with niche optimisation potential can be easily produced by local talent and resources. With a projected GNI of RM7.4 million, the project is expected to create up to 146 new jobs by 2020.

The company has relocated its production from Taiwan, Pakistan and India to Malaysia. Its localised production includes OEM suppliers and factories in Bukit Minyak, Penang and Sungai Petani, Kedah. Its product list includes single use electro-surgical pencils, reusable electro-surgical pencils, diathermy pads, cannula fixation accessories and potentially, the spinal needle.

Similar to other EPP companies, KMS requires further support from MOH to ensure market penetration. KMS is working hand in hand with Vigilenz with the goal to emulate the latter’s success in obtaining accreditations and entering the export market.
Efforts under this EPP aim to grow Malaysia’s capabilities in high-value medical devices contract manufacturing while increasing entrepreneurial participation in the medical devices industry in the country.

Prior to the project announcement in 2012, Medical Devices Corporation Sdn Bhd (MDC) announced its plan to establish a Contract Manufacturing Hub for medical devices and pharmaceuticals. The company has commenced its activities since the announcement as an EPP and has acquired a manufacturing site in the state of Perak. In addition, the company has started its R&D activities and is in the process of setting up a regional contract manufacturing hub for medical devices and pharmaceutical products. The company will be starting stability studies on the peritoneal dialysis solution and is preparing to submit for license application in 3Q 2014.

Straits Orthopaedics (Mfg) Sdn Bhd, a contract manufacturing company that specialises in manufacturing, cleaning and packaging orthopaedic devices and accessories, announced its intention to include spinal implants and joint replacement products in its offerings. The new products require medical-grade forgings, castings and Titanium Type-2 coatings.

The company recorded promising progress in 2013 with the expansion of its product portfolio with existing customers and also new customers from the United States, Japan and China with estimated realised sales of US$10 million per year. It is also considering venturing into Arthroplasty products in addition to its existing product line for Trauma and Spine.

The combination of Straits Orthopaedics’ machining, forging, casting and all other surface finishing capabilities will make Malaysia a centralised hub for a comprehensive range of orthopaedic devices to meet the needs of multinational corporations in this sector. Straits Orthopaedics plans to invest RM76.38 million in this area by 2020.

ABio Orthopaedics will invest RM224.5 million to expand its facility for the contract manufacturing of orthopaedic devices in Penang. Through the company’s ability to offer manufacturing solutions at internationally competitive prices, Malaysia is poised to become an attractive outsourcing location for orthopaedic OEMs from other markets, such as the US, Europe, Japan and China. The facility is expected to be completed by 2015 in four phases, and is projected to create 1,102 new jobs with a GNI of RM161.1 million by 2020.

Moving forward, with the consolidated efforts to bring orthopaedic manufacturing activities to Malaysia, more companies and joint venture companies will be enticed to come forward and realise the vision to make Malaysia an orthopaedic hub.
New industry player Sima Medical will be developing orthopaedic clinical devices in Malaysia through its research and development division in Petaling Jaya, Selangor. Sima Medical is a joint venture company between the Naton Medical Group of China (Naton) and its Malaysian partners, OSA Niaga Sdn Bhd (OSA) and Portal Capacity Sdn Bhd. The introduction of its activities in Malaysia is expected to draw an investment of RM7.7 million with a projected GNI of RM131.81 million by 2020.

The two existing medical equipment manufacturing facilities of UWC Holdings in Bukit Minyak, Penang, are currently manufacturing medical equipment including hospital beds, trolleys, stretchers, immobilisers and prefilled humidifiers. UWC is also planning to buy a new 16 acre land in Batu Kawan Penang, which is estimated to begin construction by 2Q 2014.

The facility, which will be UWC’s fourth, has been planned as a medical devices and pharmaceutical products assembly site. By 2020, UWC is expected to invest RM40.14 million in this project.
The scope of this revised EPP has been expanded to explore the manufacture of high-value medical equipment, such as Ultrasound Machines, CT Scanners, MRI equipment and other complex medical devices. There has been a strong interest from the private sector to participate in this EPP especially from MNCs.

LKL Advance Metaltech Sdn Bhd, a medical furniture manufacturer of hospital beds, patient transport trolleys, birthcare tables, medical treatment carts, peripheral support equipment and the fabrication of steel or wooden products, recently completed the construction of a new industrial building in line with the company’s expansion plan.

In the last year, LKL has met the majority of its goals and objectives including to secure projects and sizeable orders to equip hospitals and medical facilities within Malaysia as well as in Vietnam, Sri Lanka and the Middle East. It has also received positive response from previously untapped African and European countries as well as Asian neighbours including Singapore.

LKL is facing competition in marketing its product line, especially from countries that can produce the same product at much cheaper prices. However, end-users and customers are more than satisfied with the quality, pricing and durability of LKL’s products, as evidenced by repeat orders observed by LKL.

Moving forward, LKL is seeking market penetration in other countries, especially in emerging markets that will require more hospitals. LKL will now consider tapping into the home care market which has a lot of potential in Malaysia and other countries in the region.
End-state renal disease (ESRD) is a growing public health problem worldwide, including in Malaysia. As of 31 December 2012, the number of treated ESRD patients is 30,484, with the number of patients growing at an average rate of 15.1 per cent annually since 1993 and expected to double by 2020.

However, the treatment of ESRD remains costly regardless of the modality, either haemodialysis (HD), peritoneal dialysis (PD) or kidney transplant. On average, HD or PD costs at least RM4,000 a month. Although there is no accurate estimate for the total cost of ESRD treatment in Malaysia, the total expenditure incurred for HD treatment was estimated at around RM1 billion in 2012.

EPP 14 – Renal Products therefore covers both the provision of services as well as the manufacturing of medical products involved in the treatment of ESRD. These services include innovative treatment methods such as home treatment modality with integrated telemedicine systems. Products to be manufactured include items such as Automated PD cyclers, HD machines, dialysis solutions, as well as bags and filters for HD machines.

Objectives of EPP 14:
- to make Malaysia a regional base for renal therapy solutions
- to lower the cost of treatment and improve accessibility of renal treatments in Malaysia via import substitution as well as the provision of innovative homegrown treatment solutions

Fresenius Medical Care, a global supplier of renal solutions and a major player in both HD and PD products, is looking into establishing a manufacturing facility to produce quality HD and PD fluids in Bandar Enstek, Nilai, Negeri Sembilan. This project is estimated to generate RM60.8 million of GNI, create 439 jobs and investments of RM174.5 million up to 2020.

Lucenxia (M) Sdn Bhd, a homegrown company, plans to manufacture INTELLIS; an Intelligent Automated Peritoneal Dialysis (APD) cycler designed for Chronic Kidney Disease (CKD) patients, which will be packaged together with the accompanying subscription service as a home treatment programme. This programme adopts the APD home treatment modality whereby patients are treated during their sleep. Lucenxia is estimated to generate RM197.5 million of GNI, create 113 jobs and invest RM494.4 million up to 2020.

Proligen Sdn Bhd together with Pahang Technology Resources Sdn Bhd, will invest in a manufacturing facility in Kuantan, Pahang, to produce dialysis filters with a long-term plan to expand into manufacturing dialysers. With their technology partner Suisse Med Technologies, the new setup will be known as Pahang Medical Devices, and is estimated to generate RM84.7 million of GNI, create 174 jobs and investments of RM130 million up to 2020.

The promising potential of this sector bodes well for attracting companies to Malaysia to make the country their renal products manufacturing hub. It is also hoped that more companies will come forward to participate in EPP 14 in 2014 to realise the potential it has to contribute to the healthcare industry.
By 2020, 10 per cent of Malaysia’s population will be above the age of 60 and by 2030, 15 per cent will be above 60, which will put Malaysia as an ageing population. This shift in demographics will undoubtedly raise new concerns for the healthcare sector, including issues such as capacity and access, funding for long-term care and the provision of adequate facilities and services for the aged.

The Healthcare NKEA has identified potential projects to grow and transform the industry into a recognised part of the healthcare sector.

A paper on recommendations from the Seniors Living lab for this sector was presented to Cabinet members on December 2013 and one of the recommendations includes the drafting of the Aged Healthcare Act as a guideline for the provisions of services and facilities for the aged care industry.

SENIORENS LIVING EPPs (EPP 15 – 17)

Love On Wheels Healthcare Services Sdn Bhd (LOWHS) was the first company to be announced as an EPP project owner to provide mobile services to senior citizens above the age of 60 in Malaysia. Through its K.A.S.I.H. (Kasih Atas Sumbangan Ikhlas dan Hemat) project, the elderly are able to recover in the comfort of their own homes and now have access to nursing and rehabilitation services. LOWHS is expected to expand its services nationwide in 2014.

Achievements and Challenges

LOWHS achieved significant progress in 2013, receiving interest from a United Kingdom-based group to explore collaboration with the company in mobile dental care. LOWHS was also featured on the BBC’s Asia Business Report on 15 October 2013.

Additionally, on 17 September 2013, the company was appointed by University Malaya Specialist Centre (USMC) to run an in-house rehabilitation clinic, working closely with the hospital’s orthopaedics and neurology departments. The company has introduced transition care in USMC to ensure coordination and continuity of healthcare as patients transfer between different locations and different levels of care requirements.

LOWHS has also extended its services to Bank Negara Malaysia (BNM), the Iskandar Regional Development Authority (IRDA) as a strategic partner to develop a Smart Healthy Living City, and also to Maybank.

Due to a lack of awareness on mobile healthcare, LOWHS is facing challenges from insurance companies in introducing home healthcare-related products and services. The industry, in general, will require the Government’s active role in creating public awareness among the general public on the mobile healthcare industry.

For example, the K.A.S.I.H. Project, which aims to include mobile healthcare services to JPA pensioners, is still pending due to lack of understanding on the need for the services, particularly post-hospitalisation care. A further challenge seen in the mobile healthcare service industry is a lack of regulation in terms of standard of care and enforcement to eliminate dubious operators.

Moving Forward

LOWHS plans to roll out its services to major cities in Malaysia, specifically Johor Baru and Penang under the first phase and also expand its provision of services to include dental care. The company will continue with its aggressive recruitment efforts and continue working with the MOH to provide its non-acute clinical care services to MOH hospitals and retrain employable nursing graduates. This effort is also to overcome the shortage of nurses and senior physiotherapists, and at the same time, educate and create awareness among the public on the availability and benefits of mobile healthcare services.
With the rise in the number of aged population in Malaysia, the provision of healthcare services for the aged must encompass every spectrum of ageing, from those requiring minimal care (independent/assisted care) to aged population requiring permanent care.

In order to ensure the quality and standards of care for the aged is consistent and sufficient across all spectrum of ageing, a new law, the Aged Healthcare Act, has been proposed to transform elderly and nursing homes as well as upgrade skills requirements for caregivers under Integrated Residential Care Centres (IRCCs). The new standard will be regulated by the MOH to provide varying levels of care across the different segments of ageing.

Achievements and Challenges
Business communities, including both local and foreign companies, have expressed their interest in establishing IRCCs in Malaysia. The strong showing of interest is due to the realisation of the potential of Institutional Aged Care in tandem with the changing demographics of the Malaysian population.

To ensure the quality and standards of the Institutional Aged Care is at par with the best practice currently observed by contemporaries in other countries such as Australia, Japan and the UK, MOH has engaged all related stakeholders who are or will be involved in the provision of facilities and services for the aged. These discussions will then form the foundation for the draft of the Aged Healthcare Act in December 2013.

Moving Forward
The Aged Healthcare Act is targeted to be passed by Parliament by end of 2014.

EPP 16 Institutional Aged Care

EPP 17 Retirement Villages

This EPP will see the development of communities for seniors based on the concept of active ageing in custom-built venues. Opportunities include the development of retirement villages, high-density residences and even retirement resorts. Properties that integrate age-friendly designs and support services will help senior citizens to maintain their quality of life in their own homes with only minimal aid.

Achievements and Challenges
The private sector has demonstrated strong interest in the provision of Retirement Villages, and a few companies have officially applied to partake in EPP 17. The Healthcare Steering Committee is currently evaluating the applications for this EPP.

Moving Forward
With high participation from the private sector gauged this year, the Healthcare Steering Committee is expecting more companies to come forward in 2014 with projects for EPP 17.
## Summary of Healthcare NKEA

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<th>2020 Target</th>
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<td>Incremental GNI Impact</td>
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<tr>
<td>Additional Jobs</td>
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### Critical targets for 2014
- The Aged Healthcare Act passed in Parliament by end-2014
- Off-take Agreement Incentive of Medical Devices to be ready for implementation by mid-2014
- Hovid’s new plant to start construction in 1Q 2014
- Biocon to be operational by end-2014
- Vigilenz’s construction of a new manufacturing plant in July 2014
- UWC’s construction of a new manufacturing plant in Batu Kawan in 2Q 2014
- Love on Wheels to start providing services nationwide by end-2014
As the lead Ministry implementing the Healthcare NKEA, the Ministry of Health (MoH) works closely with relevant agencies to address coordination and implementation issues, while engaging with private sector stakeholders to better understand their needs.

“In facilitating the implementation of the various initiatives under the NKEA, the civil service provides support to the private sector by providing relevant information on policy and regulatory matters required by the industries and expediting the registration and licencing processes.

“Efforts are also being taken to review the adequacy of current policies in supporting the initiatives under the NKEA. However, the Ministry has to ensure that it is in line with existing Government policies,” says Datuk Farida Mohd Ali, Secretary-General of the MoH.

Through the NKEA, the Ministry has also been instrumental in strengthening Malaysia’s healthcare ecosystem. This includes providing foreign workers with access to insurance through the Private Health Insurance for Foreign Workers scheme, with health insurance made compulsory for all foreign workers in the country, except plantation workers and domestic helpers, in 2013. Since its launch in 2011, the scheme has provided insurance to over 1.6 million foreign workers in Malaysia.

The Ministry has also achieved great strides in promoting Malaysia’s healthcare offerings to the rest of the world, with revenue generated from healthcare travel growing to RM683 million in 2013 from RM557 million in 2012.

“The healthcare travel market has now extended far beyond patients from Indonesia and nearby countries. We also receive substantial numbers of patients from the UK, Australia, Japan and China as well as the Indian sub-continent. This is due to the vigorous marketing and promotion efforts by Malaysia Healthcare Travel Council. This year, the Chief Secretary to the Government also officiated the opening of MHTC Lounge and Concierge established at the Kuala Lumpur International Airport. This is one of the many measures taken to facilitate the entry of medical tourists into the country,” says Datuk Farida.
Much headway has also been made in developing clinical research in the country, with Clinical Research Malaysia established as a unit under the MoH’s Clinical Research Centre in 2011. The unit aims to develop a supportive clinical research ecosystem that will allow for more efficient, higher quality clinical trials. In 2013, it saw 195 new clinical trials registered, surpassing the target of 184 trials set for the year.

Datuk Farida notes, however, that some projects under the NKEA face technical challenges. “However, nothing is insurmountable and with hard work and commitment as well as closer coordination and collaboration with relevant agencies, these issues were able to be resolved.”

“Proposals do look good on paper but execution needs to be well planned,” she says, adding that proposals must be studied thoroughly. “This is to avoid unnecessary delay and hassle that may not reflect well in the project’s overall performance,” she adds.

On the overall implementation of the Healthcare NKEA, she notes that to ensure future success, there must be strong and continued commitment from all parties involved. The state of the world economy is another important factor as the growth and export performance of the healthcare industry is also very much dependent on external demand.

“Meanwhile the MoH will continue to facilitate the various stakeholders to improve the implementation of the NKEA and we will make sure that things are not done in the ‘business as usual’ manner,” says Datuk Farida.