

Malaysia's Healthcare Sector Poised for Robust Growth

According to Minister of Health, Dato' Sri Liow Tiong Lai, the healthcare sector could become a major contributor to the country's bottom line. "We could see growth in the healthcare sector hitting the RM40 billion mark by 2020," he said.



Under the Economic Transformation Programme, the Healthcare NKEA Entry Point Project 3 (EPP3) is expected to help drive Malaysia's healthcare sector over the next few years.

EPP3 focuses on major drugs with expiring patents. Once the patents expire, they are known as generic drugs. Over the next 10 years, patents for a wide array of drugs will expire, presenting an opportunity for local companies to enter a global market worth RM435 billion. For consumers, this results in a steep price drop for drugs that treat a variety of ailments and diseases.

With the right regulations and strong private sector involvement, EPP3 will be able to provide an economic contribution of RM13.9 billion in gross national income and 12,400 new jobs by 2020.

To date, some companies have already begun constructing state-of-the-art facilities with dedicated production lines for specific therapeutic areas. These facilities will focus on large-volume production of major generic drugs that generate over RM3.2 billion in revenue each year.



“Generics can lead the way”
Dato' Sri Liow Tiong Lai
Minister of Health

At the outset, Malaysian generic drugs are not cost-competitive relative to India and China. However the differentiating factor could be an export-oriented strategy geared towards Organisation of Islamic Cooperation (OIC) countries, as Malaysia is the only OIC country with the highly regarded PIC/S (Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme) membership and a credible halal platform. "Generics can lead the way," said Dato' Sri Liow Tiong Lai.

“I hope the success of Hovid will encourage other local companies to compete or cooperate with multinationals”

Chris Phang, 51 Avenue Pharmacy
Managing Director

One such company identified to develop Malaysian generics is Hovid – a homegrown, leading pharmaceutical company driven by quality and innovation. With an established capability in research and development and manufacturing high-quality generics with bioequivalence studies, Hovid is ready to partner Winthrop Pharmaceuticals (a subsidiary of Sanofi-Aventis) to expand regionally and globally.

In January 2011, Hovid and Winthrop Pharmaceuticals entered an agreement to develop dossiers, and manufacture and supply generics. The initial phase focuses on the manufacture and supply of diabetes treatment Metformin 850mg and painkiller Tramadol 100mg SR, two major

drugs that the public can soon purchase at a low cost. Hovid is also looking into the development of some 30 molecules for regional and global expansion over the next five years.

Chris Phang, Managing Director of 51 Avenue Pharmacy Sdn. Bhd., has been doing business with Hovid for 15 years. His positive experience makes

him keen to see the sector grow through other companies following suit. "I hope the success of Hovid will encourage local companies to compete or cooperate with multinationals to produce international-standard products and services that benefit consumers," he said.

With the participation of similar companies, the EPP3 will create significant social impact. These include the creation of high-value jobs, upgraded infrastructure, the harnessing of specialist skill sets and technology to improve the quality of care for patients, and greater availability of generics for consumers.

**ECONOMIC
TRANSFORMATION
PROGRAMME**

