

An aerial photograph of Kuala Lumpur, Malaysia, at sunset. The Petronas Twin Towers are the central focus, illuminated against a sky of orange and pink. The foreground shows a dense residential area with many smaller buildings and houses. A dark, semi-transparent geometric shape is overlaid on the left side of the image, containing the text.

MALAYSIA: OPPORTUNITIES IN THE HEALTHCARE SECTOR

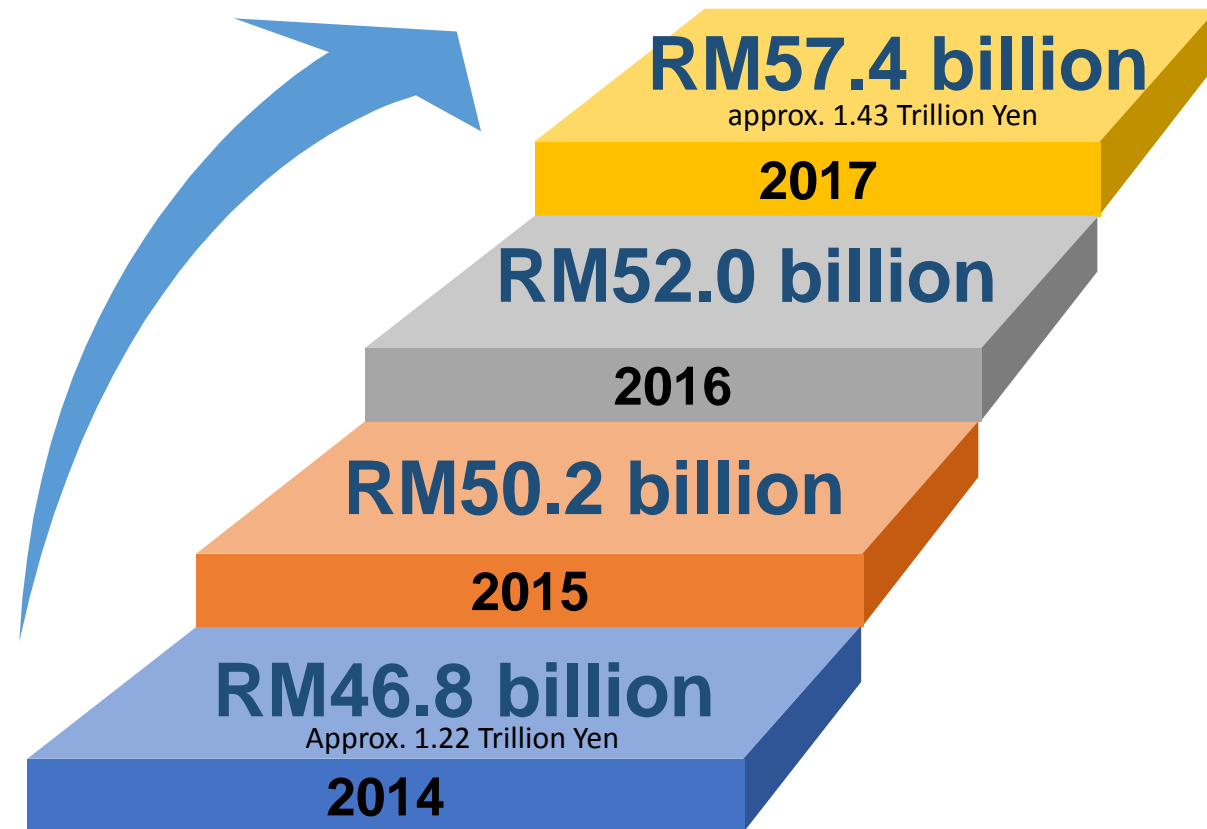
27th of November 2019, Tokyo

Malaysia has a two-tiered healthcare system.

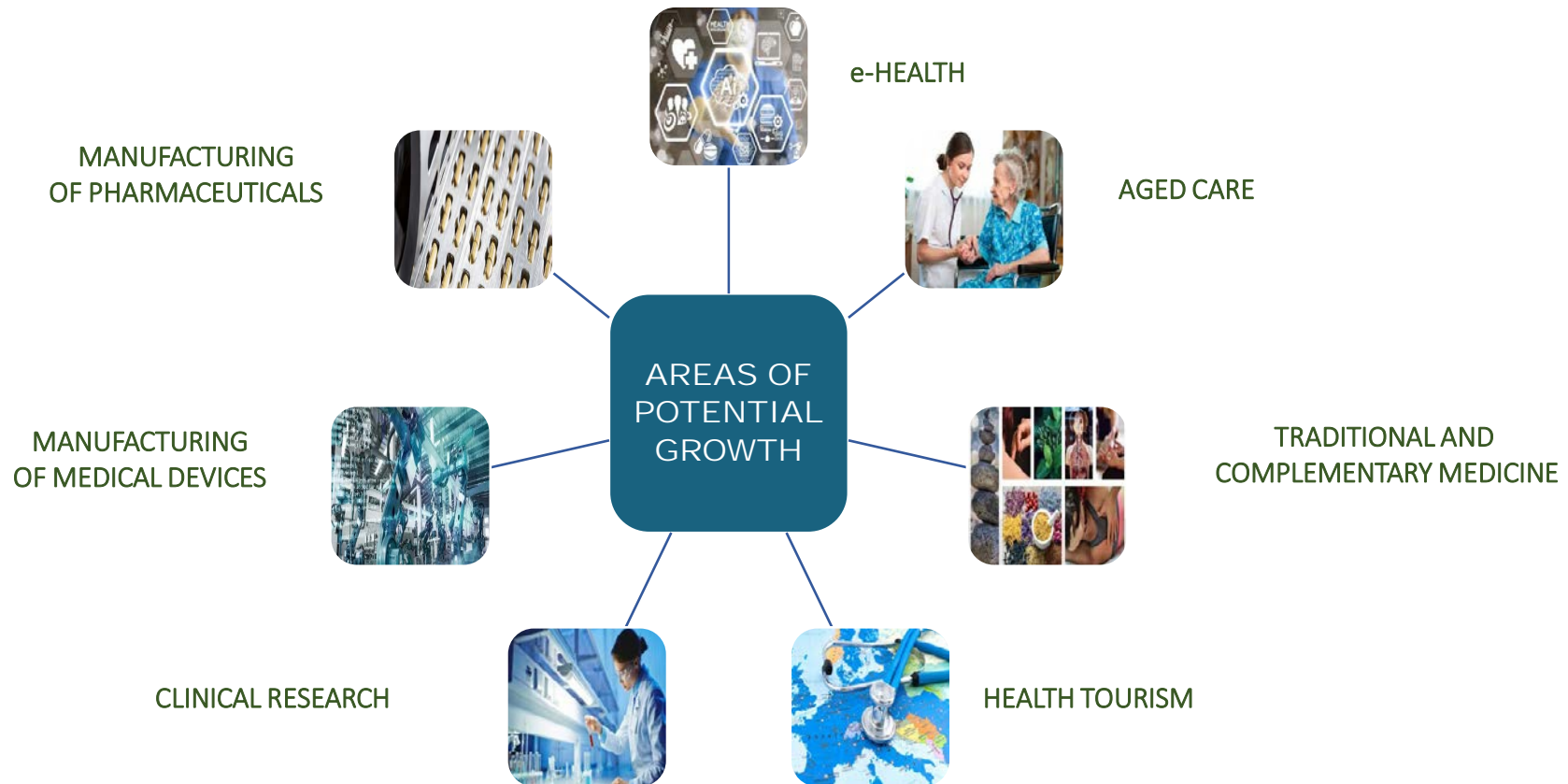


	BEDS	DOCTORS	NURSES	PHARMACISTS
MOH	43,302	40,230	65,709	6,409
NON MOH PUBLIC SECTOR	3,892	3,118	5,771	190
PRIVATE SECTOR	14,799	14,483	34,809	4,960

Total national expenditure on health (public & private sectors) has progressively increased 22.65% from 2014 to 2017.

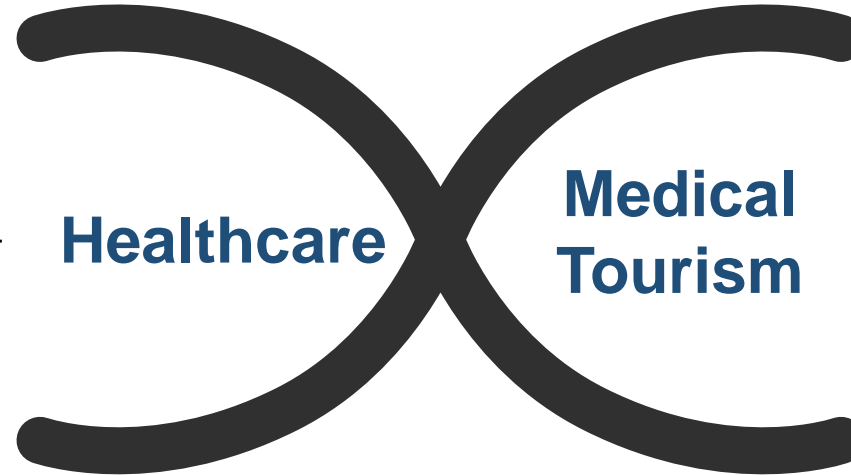


Healthcare is a growing business in Malaysia



Malaysia offers incentives to encouraging foreign investment in the healthcare industry.

- 1** Exemption from corporate income tax for 10 years- statutory income derived from qualifying activity carried out within the approved node for customers
- 2** Exemption from compliance the withholding tax provisions- payment of royalty & services fee to non-residents for 10 years
- 3** Flexibilities under foreign exchange administration rules
- 4** Exemption from the Foreign Investment Committee rules
- 5** Unrestricted employment of foreign knowledge workers



- 1** Income Tax (Exemption)(N0.3) Order 203/2017 -tax incentives for private hospital & ambulatory care centre
- 2** Investment Tax Allowance for Private Healthcare Facilities -100% on qualifying capital expenditure incurred within 5 years
- 3** Double Deduction Tax Incentives Expenses Incur in Obtaining Recognised Accreditation Private Hospitals

Malaysia encourages joint-venture between Malaysian & foreign investors and liberalized private hospital, medical specialist & dental specialist services.



**Malaysian @
Malaysian-
controlled
corporation**



**Foreign
Investor**

WTO

- JV corporation NOT exceed 30%
- For private hospital services only
- Minimum of 100 beds

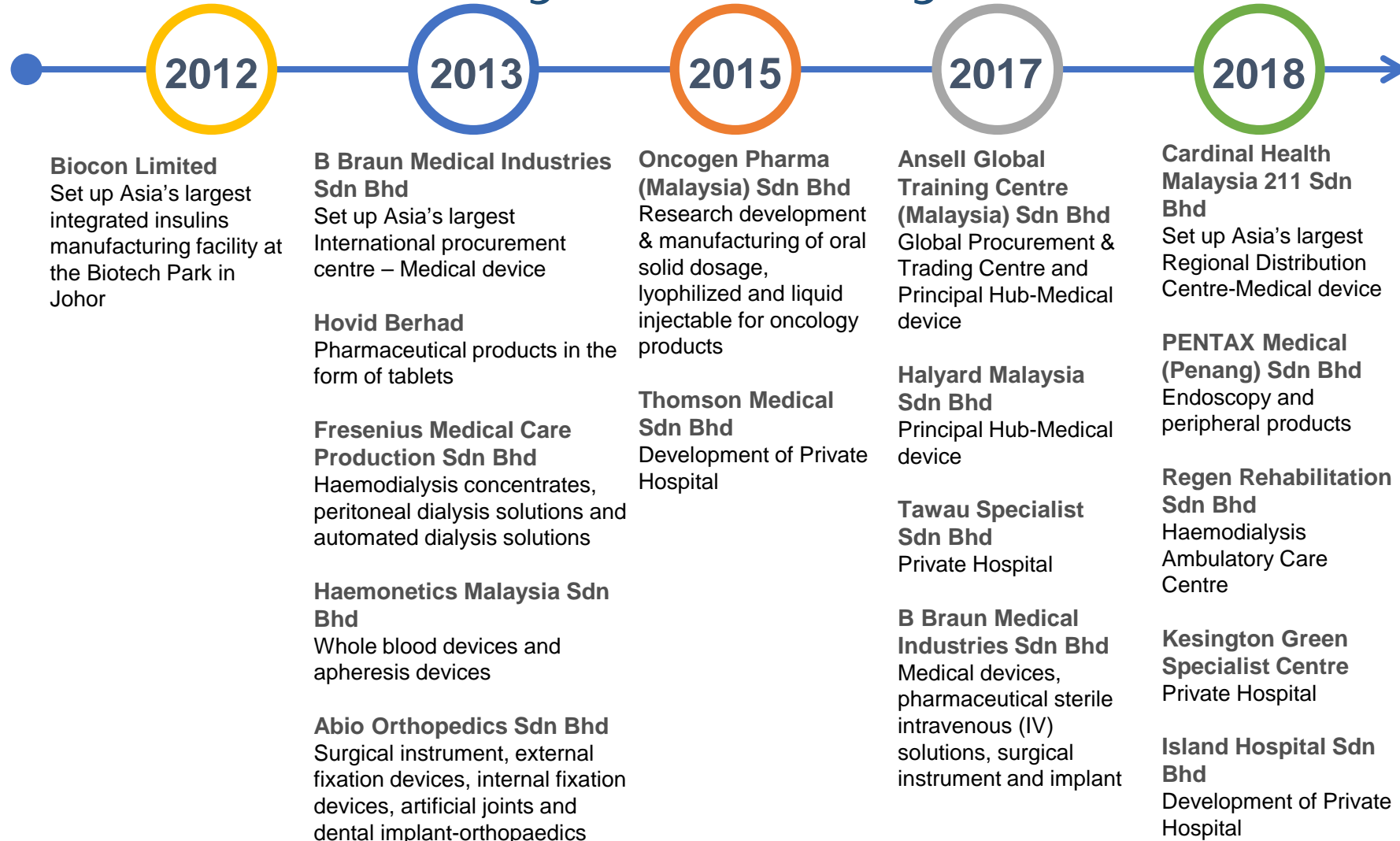
ASEAN Framework Agreement on Service (AFAS) 10

- JV corporation for private hospital services up to **70%**

7 October 2011

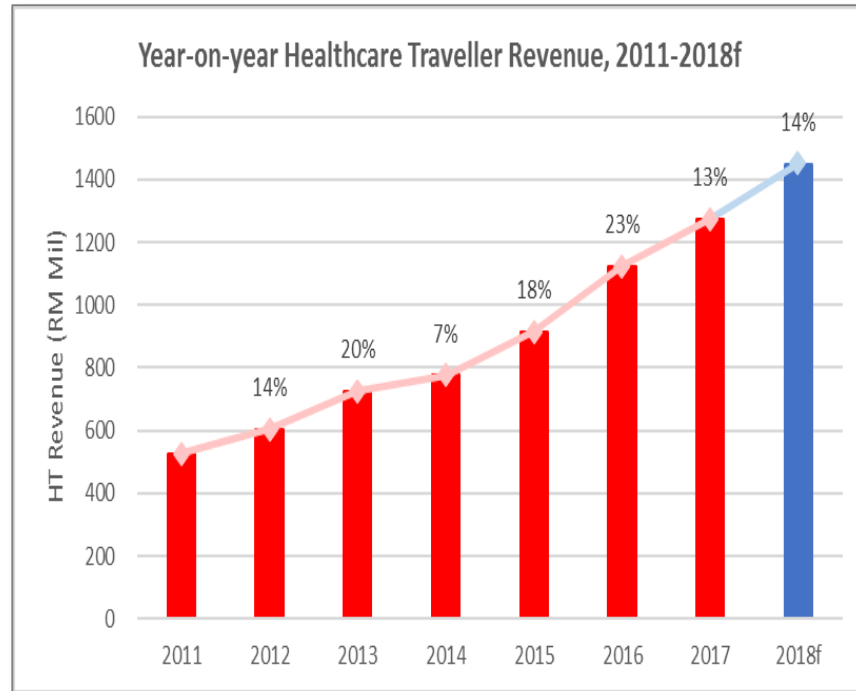
Government of Malaysia liberalized the private hospital services, medical specialist services & dental specialist services

There is significant FDI in Malaysian healthcare industry over the years.



Source: Malaysia Investment Development Authority (MIDA)

Malaysia is set to become the preferred destination for medical tourism in the region.



Source : Malaysia Healthcare Travel Council

Note :

- 2018f data is forecast figures based on data collection as of 9 May 2019 at 83% CARR

Malaysia wins Best Medical Travel award for third consecutive year

NATION

Thursday, 27 Apr 2017

5:08 PM MYT

MALAYSIA

Best in Medical Tourism
Destinations of the Year

IMTJ
MEDICAL TRAVEL
AWARDS 2017-2018

WINNER

HOME / MALAYSIA

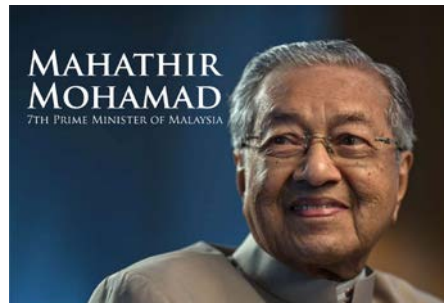


Malaysia ranks first in 'World's Best Healthcare' category

INTERNATIONAL
LIVING
Since 1979

Global Health
AWARDS

Published 4 months ago on 06 February 2019



Telegraph

MasterCard CRESCENT
HOSPITALITY & TRAVEL

WORLD'S BEST
HOSPITALS
2017

ews

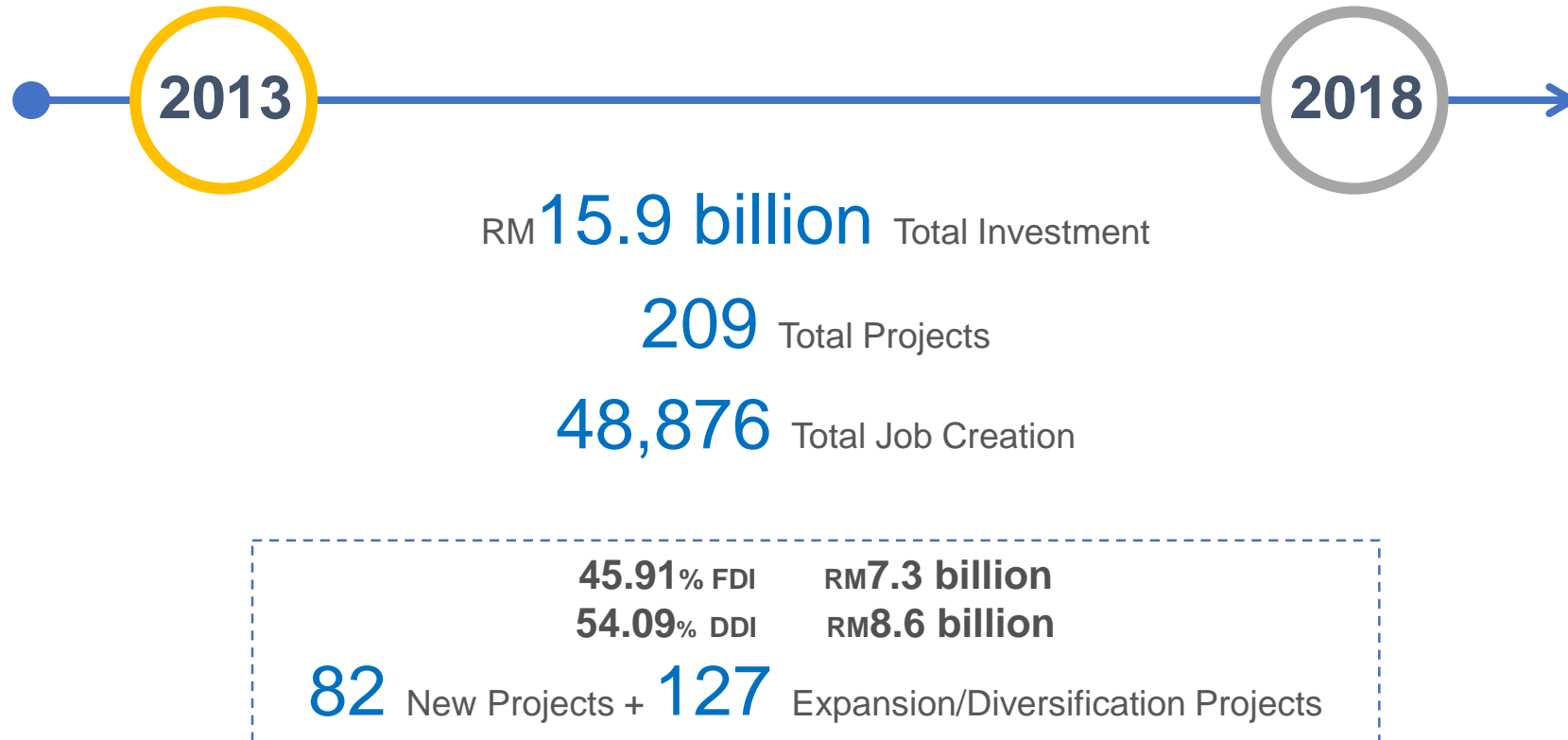
Global Muslim Travel Index (GMTI)

World | Politics | Science | Education | Health | Brexit | Royals | Inv

News

Mahathir Mohamad, 92, sworn in as world's oldest elected leader after sh win in Malaysia

Total investment in medical device industry for the last 6 years is RM15.9 billion.



The medical device industry in Malaysia comprises of both MNCs and local medical device companies.

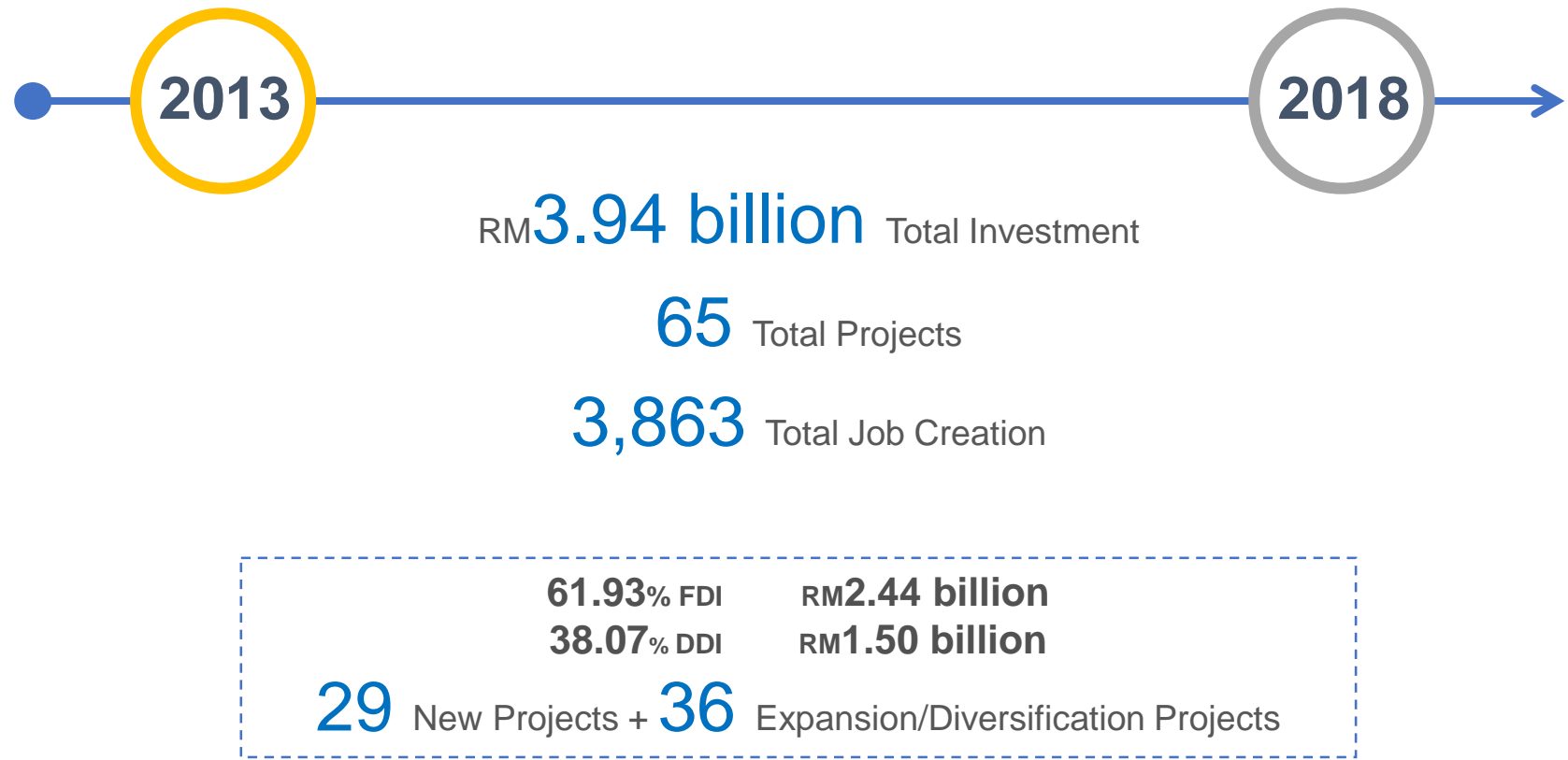
Major Multinational Companies



Top Local Medical Device Companies



Total investment in pharmaceutical industry for the last 6 years is RM3.94 billion.



The pharmaceutical industry in Malaysia comprises of both MNCs and local medical device companies.

Major Multinational Companies



GlaxoSmithKline



Top Local Pharmaceutical Companies



CHEMICAL COMPANY OF MALAYSIA



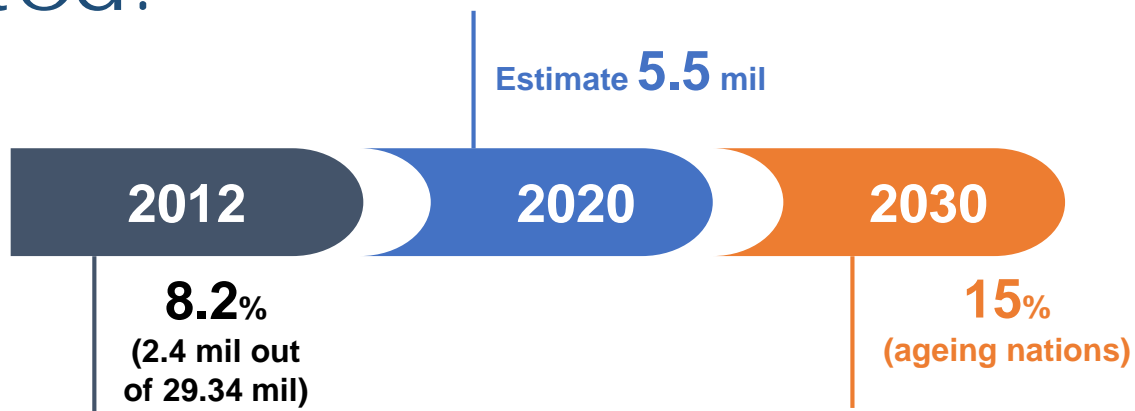
Continuous Innovation & Quality



As Malaysia is facing the prospect of having an ageing population, aged care become important sector to be promoted.



Older person
≥ 60 years



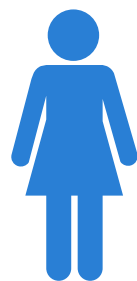
Total Population of Older Persons in Malaysia

Average Life Expectancy



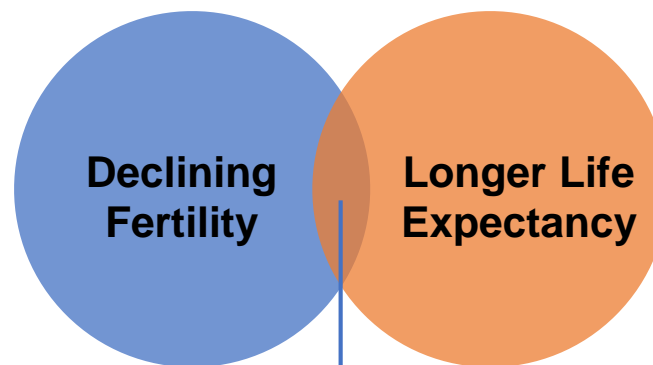
Male

72.3 years



Female

77.2 years



Malaysia's population is
AGEING

The Malaysian government has introduced laws to regulate standards of care for the elderly.

2016

22 nursing homes with 700 beds licensed by Ministry of Health

31st Dec 2017

1,627 senior citizen's guardian with 8,025 residents registered with Department of Social Welfare

INSUFFICIENT

Government Acts

01

Private Aged Healthcare Facilities and Service Act 2018 to improve standard of care among nursing home operators

Care Centre Act 1993 (Act 506) which regulate the care centres

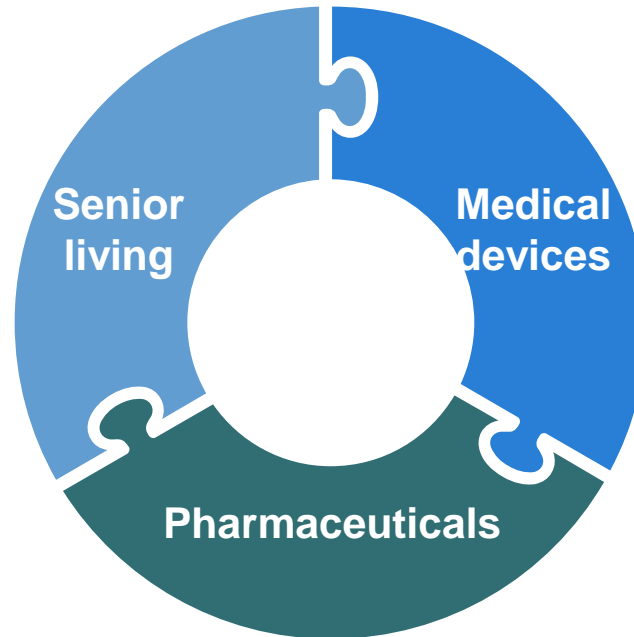
02

03

Private Healthcare Facilities and Services Act 2006 (Act 586) which regulates the private nursing homes

Medical device, pharmaceutical & senior living are the main prospects for FDI & domestic investment of healthcare industry in Malaysia.

- Need to be given due attention & development to meet the needs of the demographic change.
- The incentives would be imperative to stimulate the interest in the development of this industry.



- Electromedical equipment
- Cardiovascular devices
- Orthopaedic devices
- In-vitro diagnostic products
- Wound care management products
- Products from convergence of technology

- Biopharmaceuticals/ biosimilars such as vaccine
- Generic / non-ethical drugs
- Health/ food supplement/ traditional medicines
- Veterinary product
- Sterile preparations i.e. injectables, eye drops
- Active Pharmaceutical Ingredients (APIs)
- Halal pharmaceutical industry – global halal hub

The emerging subsectors in the Malaysian healthcare industry are

Traditional & Complementary Medicine (TCM)

- Working to transform TCM into a professionalized industry
- Malaysia's vision for TCM to become a RM20 billion economy by 2028
- 11th MP (2016-2020) identifies TCM as a sub-sector of growth
- In line with recommendations by WHO
- TCM deliver greatest possible value to Malaysia in 3 areas; Economic, Healthcare & Socio-cultural

Home Care Services

- Mainly provided by private sector – expensive
- Encouraged private sector & NGOs set up more social services – especially for low & middle income household who require long-term nursing care.
- Government services – Domiciliary Healthcare Services and Home Help Services

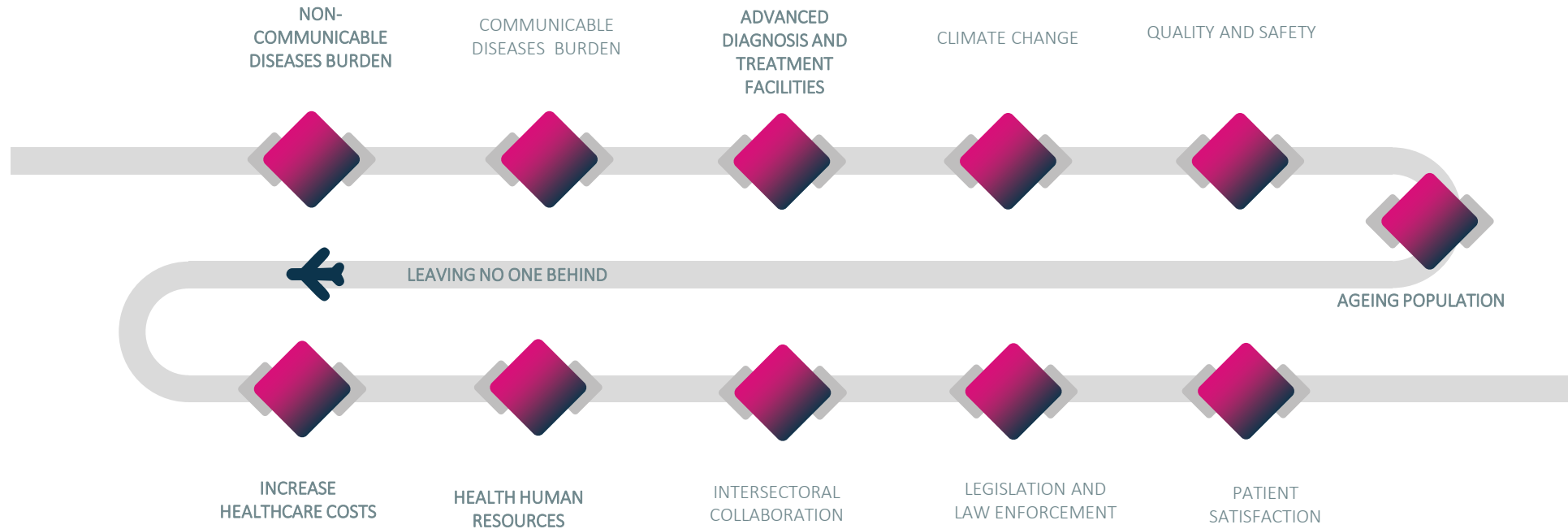
Online Healthcare Products & Services

- Proliferated sold online in recent years.
- Not monitored or regulated in terms of safety, quality, effectiveness & ethics.
- New policies & regulations to govern will be formulated:
 - i. to safeguard consumers
 - ii. to ensure safety, quality & compliance of standards among industry players
 - iii. take into account emerging technology and services such as digital healthcare services, big data analytics, blockchain & artificial intelligence

eHealth

- Key area is ICT transformation for health within MOH Malaysia.
- 5 main focus areas:
 - i. to develop the appropriate enterprise architecture, integration & a health data warehouse
 - ii. strengthening the current health system with robust ICT
 - iii. Infrastructure & systems
 - iv. a lifetime health record (1 person, 1 record)
 - v. capacity building of the health IT workforce
 - vi. collaboration & smart partnership
- Plan to implement Electronic Medical Record system at hospital & clinics throughout the country within the next 3 years.

We see challenges but they may be opportunities for the industry.....



ありがとう

Thank You

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