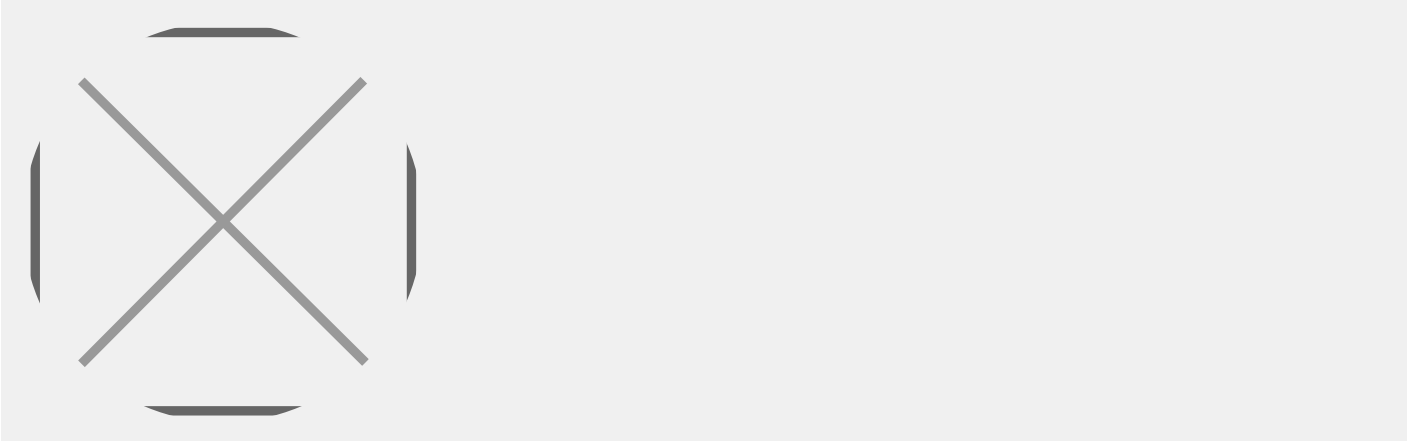
Interview with Tiong Lai, Liow, Minister of Health, Ministry of Health (MOH) of Malaysia



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Would you begin by giving our readers a brief overview of the recent changes in the Ministry of Health's focus?

After Prime Minister Najib changed Malaysia's economic policy from the 'New Economic Policy' to the 'Economic Transformation Programme' there has been a paradigm shift in the ministry's focus. The government is now examining how to make Malaysia's economy more competitive and this carries significant implications for the health sector in Malaysia. Globally the pharmaceutical industry has been a growth sector whereas this has not previously been the case in Malaysia. In the past, the remit of the Malaysian healthcare system was to simply provide services. Under the Economic Transformation Programme an economic focus has been introduced. As the Minister of Health, I am given key performance indicators based on economic targets and this permeates throughout subsidiary departments of the ministry.

The ministry has conducted a two-month brainstorming lab with participation from all the stakeholders, from pharmaceutical companies to hospitals and ministry officials. This group is tasked with the objective of identifying the achievable growth sectors within healthcare and it has outlined six Entry Point Projects (EPP). These EPP include: medical tourism, clinical research, insurance provision, diagnostic services, generic drug manufacture, and a number of health metropolises.

Three of the EPP are already coming to fruition. All foreign workers now have to buy hospitalisation insurance which will generate around 200 million MYR (U$D 66 million) a year. In the field of

clinical research Malaysia is generating a lot of interest with foreign drug companies, doctors and specialists and the ministry is already aiming to achieve over 100 clinical trials this year. Medical tourism is another sectors doing very well. These three would be the advanced sectors within the six EPP.

Of the remaining three EPP the most important is generic pharmaceutical production which can bring the country around U$D 5 billion. There are more than fifteen patented drugs due to expire over the next couple of years providing opportunities for Malaysia's generic industry. Malaysia will be able to produce its own drugs and export these overseas. In terms of the global contribution of the healthcare sector to Malaysia's economic development, including all six EPP, we are targeting U$D 11 billion by 2020.

With the country's economic development, Malaysia's epidemiology is moving from communicable to non-communicable diseases. What are the resultant challenges for healthcare provision and how are you adapting?

Sadly, non-communicable diseases are developing fast in Malaysia and represent a real challenge for the country. People tend to react quickly to communicable diseases because these can kill quickly. Consequently, Malaysia is now able to control communicable diseases relatively well. With non-communicable diseases the impact is not immediately apparent and it takes a long time to change people's habits. A lot of education is needed and the primary care sector needs to be developed.

The obesity rate in Malaysia is very alarming. 30% of the population is overweight and an additional 30% of the population is obese. These figures are very high and place Malaysia at number six in Asia in terms of obesity. Obesity leads to other diseases such as heart failure and diabetes. The challenge of combating this problem is not being confronted by the Ministry of Health alone. A holistic approach, involving several ministries is required to address this problem adequately. There is now a cabinet committee which takes an inter-agency approach to reduce the incidence of obesity. For example housing is one key area for improvement with the intention that more space will be devoted to 'recreational areas' to promote a healthy lifestyle. We must also build a sports culture among the youth of Malaysia and education must be introduced to help the youth understand about diet and healthy living and this must start from a young age.

Unfortunately, Malaysia does not have a culture of sport. In Australia the family will devote at least some part of the weekend to sports and the whole family will participate. In Malaysia the family will go on outings but not to play sport. A Malaysian family might go to the cinema or go shopping instead. I would like to see sport playing an increasing role in family activities.

Given this increasing prevalence of chronic diseases what is the level of interest shown by pharmaceutical companies in the Malaysian market?

The incidence of chronic diseases is growing and as a result more companies are introducing patented drugs into the Malaysian market. The cost of drugs for hypertension and cholesterol is very high and the healthcare bill is rising as a result. Malaysia's drug bill for healthcare now amounts to 1.3billion MYR (U$D 428 million). This in itself will attract many companies to Malaysia.

However, the Malaysian market is only 28-million. Many companies see the potential of Malaysia in terms of growth. Many companies also wish to invest because of Malaysia's relations with its nearby neighbours: India, China as well as those countries with which Malaysia has built good relations such as those in the Middle East. Foreign companies can therefore use Malaysia as a networking point for entry into other markets.
I was recently in Egypt talking to the Egyptian Minister of Health and he told me that despite having good access to the Middle East and to North Africa, Egypt was extremely interested in Malaysia. This is because Malaysia has good access to R&D and research labs which are recognised by the WHO – the WHO having itself established six research centres in Malaysia. Egypt therefore wants to use Malaysia's facilities to then take products back to the Middle East and North Africa. China also wants to work with Malaysia so that their products can then penetrate into the Middle Eastern markets whilst the Middle East market wants to sell drugs to the Chinese market and Malaysia acts as the access gateway for both groups.

Malaysia shows strong potential to become a hub for Halal medicine. How do you seek to establish Malaysia as a national brand?

It is important to mention that Malaysia is already a national brand for Halal products. Chinese Muslims as well as Muslims in the Middle East look for halal certification from Malaysia. Malaysia is a modernised Islamic country with a strong certification system. Our products are consequently not just Halal certified but adhere to very high industry standards. The Ministry of Health will continue to use Halal branding to help Malaysian and foreign manufacturers penetrate into other markets.

Dr. Goh of the Clinical Research Centre said that the Ministry Of Health was targeting a ten-fold increase in the number of clinical trials conducted in Malaysia by 2020. What is the significance of this sector as a contributor to GDP and in terms of knowledge transfer to Malaysia?

Both the economic factor and the knowledge transfer factor are very important. Clinical research is clearly able to provide economic growth and develop human capital. As I said earlier, as one of the EPP, clinical research is a key contributor to Malaysia's ambition to become a high-income economy. Clinical Research Centres are now being established in a large number of Malaysian hospitals and we are trying to attract talent to return to Malaysia to conduct clinical research.

Malaysia has many strengths in terms of conducting clinical research. Malaysia's hospitals are well equipped with strong facilities. Malaysia has a multi-ethinic background offering the ability to

conduct trials on a variety of racial groups. Malaysia also has strong talent, whilst the cost of conducting trials is relatively low.

The reason that Malaysia's hospitals are only just being promoted, whether for clinical trials or medical tourism, is that in the past Malaysia was still struggling with shortages of manpower including trained doctors and nurses and the country lacked facilities such as clinics and hospitals. Since 2000 Malaysia has built more government hospitals and opened up the hospital market. There are currently around two-hundred private hospitals in Malaysia. The capacity is now sufficient for Malaysia to adopt a more global view towards healthcare. If we had tried to promote the economic side of healthcare in the past, opposition leaders would have rebuked the government for opening up our facilities to foreigners when we could not even provide for our domestic population. Malaysia is now at a stage where government hospitals adequately treat Malaysia's domestic population, whilst private hospitals offer treatment to foreign patients. The timing is right now for the economic development of our hospitals.

You were also the health minister under the former prime minister and we are discussing long-term projects in healthcare. How do you achieve continuity in your long-term ambitions with changes in government?

We are fortunate in Malaysia to have a stable political system so that whilst the prime minister will change periodically the system continues and policy continues. Prime ministers add a different emphasis to policy but they do not change the policy completely. The long-term plan for 2020 was actually launched in 1990 and the overall objective to achieve developed nation status by 2020 remains constant whoever is in charge of the government. Malaysian politics can be colourful but ultimately it is very stable and strong. Under prime minister Najib everyone is aware of what the government is trying to achieve over the next decade and what is expected of the people. If the country unites in these objectives then it will achieve its 2020 target.

Regarding medical tourism, one of the surprising figures of last year was that six months following the creation of the MHTC the numbers of medical tourists coming to Malaysia fell sharply in the first half of 2010. How do you explain this and how well is the industry performing today?

Initially, I was also concerned when I received this figure. However on closer examination it became apparent that the figure was misleading. It all depends on your definition. When the Malaysian Healthcare Tourism Council (MHTC) took over from the Association of Private Hospitals Malaysia (APHM) they established their own definition of medical tourism. Definitions can vary significantly from country to country with question marks placed over whether to include: foreign students, expatriates, and foreign workers. Malaysia does not include foreign workers but does include expatriates. The definition is now clear and we found that from 2009 to 2010 profit

increased by 25%. This year Malaysia is looking for a 30% growth in medical tourism so the industry is performing well.

According to the AKPK we know that 26% of private debt arises as a result of private healthcare. What is the solution to reducing private debt?

Today, people are spending more out-of-pocket on medicine. Malaysia has a dual-system of healthcare and one of the benefits of this system is that people can choose between public and private healthcare and there is nobody in Malaysia who does not have access to healthcare in some form. The unfortunate side of this system is that the government takes on most of the burden of healthcare spending. The more government gives to the public system the more people will use this system. At the same time, private healthcare costs continue to rise and more people are switching to public healthcare as a result. The government is aware that it cannot afford to keep increasing funds going into public healthcare and that is why I am looking into healthcare reform. We will eventually integrate private and public resources starting with primary care. This will mean that patients choosing to go private will be subsidised by the government. We are looking to implement these reforms over the next five years.

What would be your final message on behalf of the Ministry of Health to the global pharmaceutical industry?

Malaysia is a very good place to invest. The country has a ‘one-stop-agency’ under the Ministry of Health to facilitate investment and help investors to prosper in Malaysia. We will ensure that approvals are expedited and that investors will see good returns on their investment.

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