Saravanan G. – Group Managing Director, BioCare Group, Malaysia



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Saravanan G., group managing director of Biocare Group, details the opportunities he identified to create the first MDI (

Metered Dose Inhalers) manufacturing plant in Malaysia. He also explains further the support received by the government for his initiatives and how the company will continue its efforts to bring more innovative and affordable drugs in the Malaysian market.

You founded the company back in 2003 and now, it is a well-developed group with seven subsidiaries. What was the main opportunity that you identified at that time that pushed you to create the company?

I spent more than 28 years of my career in the pharmaceutical industry. I started working at a local manufacturing generic company before joining bigger multinational organisations. After undergoing several jobs changes due to acquirements and mergers, I decided to create Biocare in 2003 and left the big pharma industry in 2005 to fully operate Biocare. Initially, Biocare was a marketing company for a couple of Indian multinationals as their presence was very limited in Malaysia, but after some years, we also started a distribution line which is currently our biggest operation.

As a distributor, we are involved in the entire healthcare industry, including pharmaceutical, nutraceutical, traditional, raw material and medical device. Biocare diversified its activities but

remains focused on working in niche segments. In Pharmaceuticals, the focus is on anti-infective, anaesthetics and respiratory treatments, while in medical devices, we are specialized in orthopaedics. The different entities existing within the Biocare Group can be explained by the fact that Malaysia has a multi-racial culture and a very diverse population that has different needs and beliefs. Therefore, a single company cannot represent all the different products categories and therapeutic areas that need to be covered in Malaysia, hence different subsidiaries are needed.

The company has a special focus in the portfolio of MDI (Metered Dose Inhalers) products. Throughout my years of experience, notably being in charge of hospital business, I identified innovation gaps, especially in the respiratory segment that was on the rise at the time. Malaysia is 100 percent dependent on imports, so Biocare saw the opportunity and high potential to make MDI manufacturing its driving force, considering that about eight to ten percent of the population of Malaysia is affected by asthma. Currently, the respiratory segment is the leading growth driver of our company.

We have seen that the government is supporting local manufacturers and restricting imports of products. How can Biocare leverage its knowledge in MDI?

The previous government created the ETP initiative (Economic Transformation Program) to further develop Malaysia’s economy. In 2010, after attending one of these dialogues, I started thinking of establishing a first one of its kind manufacturing plant in the country, as the government was very supportive and encouraging these types of initiatives. At the time, many Malaysians could not afford imported generics as a single molecule for one-month treatment was worth more than 15 dollars. Today, the price has been brought down to one-fifth of that thanks to local manufacturing.

Manufacturing MDIs is very different from other manufacturing as the process is more complex. Therefore, Biocare needed partners with experience and great technology that would allow us to keep our manufacturing costs low and enable Malaysians to afford products. Beximco, one of the largest conglomerate and top ten holdings groups in Bangladesh, turned out to be a very good partner option with good technology capacities and certified by TG Australia. After two years of negotiation, we started a partnership and they transferred their technology leading to the plant implementation and the recognition of Biocare in the country by winning the ETP3 project award.

What are the main trends and opportunities you identify in the Malaysian industry?

On the regulation side, the NPRA gives very clear instructions and strictly follows the law. Nonetheless, having an NPRA registered product does not allow a company to market and commercialize it due to patent laws. Indeed, there are many different patents such as the molecule patent or process patent that multinational companies are very protective about it. We also have to bear in mind that Malaysia is one of the toughest countries among the PICS members, making its products well received internationally. The regulators are also more stringent to local than foreign companies. While MNCs get audited every five years, Malaysian companies are audited every year so there is no compromise made on quality.

In this regard, the stringent regulation can provide more opportunities for local companies to export to the 54 PICS member countries. Malaysia also has the opportunity to enter more therapeutically segments. Indeed, the country does not have any oncology manufacturing plant or transplant drugs plant yet as all is being imported. I see a strong potential in the manufacturing of such products as we need to improve the access to critical care medicine (HIV, cancer…) for patients by making these products more available and affordable in Malaysia. The market is growing of around eight percent and is expected to grow by two million dollars within the next two years so we definitely have room for growth and improvement.

What are your strategic expansion plans?

Biocare is planning to give a new proposal for a phase two manufacturing plant to the government. The first MDI manufacturing plant was unique in Malaysia and our upcoming project will also be the first manufacturing niche ophthalmic products in the country. However, as only a hundred days have passed with the new government, it is still too early for us to see any industry changes or new forms of support or policies being introduced. We do believe the government will still be supportive of our project as our ambition is for Biocare to be a manufacturer of affordable generic products for the Malaysian and international markets that will support the local population and participate in the country’s economy.

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Moreover, as the new government is promoting exports, we want to work in line with the government initiatives to turn Malaysia into a technology-driven manufacturing base. Therefore, as

we are specialized in segments with high potential, we are looking at an expansion to other South East Asian countries. Most of these markets still rely on imports considering that they are missing the technology to manufacture such products. In the long term, Biocare wants to be a global player, more focused on its export markets as it will be the main growth driver of the company. Of course, we are aiming to attract more technology partnerships and smart collaborations. This will remain our focus in the growth strategy for the next four to five years.

What image would you like to establish for Biocare in the Malaysia industry?

Biocare is a new player in the pharmaceutical manufacturing sector, and we understand that potential partners need some time to analyse the company profile and background before deciding to collaborate with us. However, our difference is definitely our team. Biocare went from a single employee team to more than a hundred and we are proud to say that we have developed local talents with great knowledge of MDI manufacturing and products. It is what makes the difference between other potential manufacturers in Malaysia and us. We are also very proud to have brought to Malaysia new technologies and to have developed the first MDI manufacturing plant.

We are now looking toward the future and bringing more partners in our journey as our final goal is to achieve global recognition of being a technology-driven, high-quality and affordable generic manufacturer. Moreover, we are aiming to increase our presence in Malaysia by improving our plant capacity in order to produce technology-driven treatments in five different therapeutic areas so we can position ourselves as one of the key partners for the Malaysian population.

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