

IMS Health – TK Koh, General Manager, Malaysia & Singapore



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IMS in Malaysia is possibly the first company to have signed a Memorandum of Understanding with the government for data provision. IMS Health's general manager introduces this landmark and also shares the opportunities present for pharma companies to invest in Malaysia.

IMS is now providing data for the Malaysian government. How does this partnership work?

Malaysia's Ministry of Health wanted a robust data set, so IMS was commissioned to integrate the data they needed. Our work as laid out in the partnership agreement is to make reports the ministry can use for monitoring and tracking information, as well as helping it to size up the Malaysian market in the most accurate way possible. IMS has been working with the ministry for three years now: they share with us the data, and we process it for them.

The Malaysian pharma sector has been growing at a rate of 10 percent per year, faster than the country's GDP. What opportunities you see for pharma companies at the moment in Malaysia as a result of this growth?

Growth is driven by two factors: population growth and increasing income. Malaysia is a country where everybody has access to healthcare: even in the most remote villages, you will find health centers and polyclinics, which are the result of a new government initiative that has seen over 200 clinics open across the country, with more to come.

How successful has Malaysia been at attracting innovation?

Although Singapore is doing much better at creating attractive hubs for innovative companies, Malaysia is trying hard to spur innovation through its economic transformation program (ETP). The

healthcare NKEA National Key Economic Area, under the ETP, has been implemented to create a platform between the local and foreign companies, combining the innovative approach of MNCs and the manufacturing capabilities of local players. Therefore, we have seen technology transfers and knowledge exchange in the sector. Many of these joint ventures today, under the healthcare NKEA, have proven to be mutually beneficial. The idea now is to have more of these partnerships to foster innovation in Malaysia.

While the government tries to attract MNCs to invest in manufacturing, very few have come forward and therefore building more joint ventures is an easy option. What still needs to be done to create these partnerships and further investments in Malaysia?

The government is trying to encourage foreign players to invest locally but this is not an easy task. If you come from abroad and invest locally, you are almost considered as a local and do get preferential treatment.

Most of the multinational companies already have their manufacturing facilities set up in Asia. The Malaysian market is relatively very small in comparison to Indonesia or India for instance. Of course, foreign companies are aware of the various EPPs and incentives but it takes more than this to create a real commitment from them. However, there are promising signs and the Off Take initiative is certainly a great way to incentivize manufacturing in Malaysia.

Could you tell us why the Off Take initiative can finally create this interest to manufacture locally?

The Off Take initiative states that if you set up manufacturing in Malaysia, you are given a three-year contract to sell your manufactured products to the government. In case this product is registered and can be sold to other markets, the government adds another two years to the contract. Selling outside of Malaysia is challenging, as ASEAN countries are very protective of their own local production. However, with MNCs manufacturing locally or transferring their technologies to well-established local manufacturers, manufacturing will move to a higher level of quality and export barriers will disappear as all these countries need high-quality medicines.

Local generic companies have been doing well locally but also exporting, as last year exports grew by 11 percent. How do you see the competition scaling between local and international generic exporters?

MNCs develop new products, molecules and patents are granted for these innovation. Of course, given their investments in R&D and the difficulty of creating new molecules, it is important to have this type of protection to ensure safe returns. MNCs are pushing for data exclusivity, better IP protection, and want to be recognized for developing high-quality clinical trials in Malaysia. The Patent Act, which is in the process of being reformed, should raise the level of drug protection and help companies be confident in the long-term. We still have to see what changes and improvements will be made.

On the other hand, given that registration of new products is still challenging, many MNCs have moved to branded generics, as registration is much faster and easier. Local manufacturers are gaining from the patent cliffs of the last few years.

Could you share with us the type of quality services IMS has been offering to the Malaysian pharma industry?

As a company we collect, analyze and transform large quantities of data into valuable information through a unique platform where companies can have access. We also offer consulting services,

advise them on market entry, commercial effectiveness and so on

IMS has now moved on to more technology-based systems. The idea is to implement the latest technology to facilitate faster access to information, gained insights and help companies resolve any type of questions they may have.

How do you see the role of IMS evolving in the next five years?

We are a partner to the industry and government and we shall strive to be an equal partner in the future. Finding the right strategy for companies is already challenging but having access to the most accurate information is also a challenge in our highly connected world of free information. We guarantee our clients to bring them the best information, to help them take the right decisions and to follow them in their long-term plan. With new technologies and new solutions, companies will always find the solution to their needs and we are of course open for new collaborations.

Before joining IMS, you worked at AstraZeneca. How did your previous experience make you the right candidate for the job in Malaysia?

At IMS we use data from companies in the healthcare sector to gain a better understanding of the market; this is combined with our own resources in order to fully meet the needs of our clients. In this regard, my previous experience has provided me with a solid perspective of IMS's activities in terms of providing and integrating useful data insights for our clients, conducting macro research and offering made-to-measure consulting services.

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