

# PhAMA's Yew Wei Tarng, President of Malaysia

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*“We believe the future lies with Universal health coverage and the formulation of one and only healthcare, with the merger of public and private sector under one reimbursement system” says the President of PhAMA.*

**With the introduction of healthcare as one of the 12 National Key Economic Areas (NKEA) for Malaysia, great developments have come forward in the last four years. Could you share with us the strong points of this implementation?**

The NKEA has transformed the Malaysian healthcare sector, bringing a set of opportunities for many stakeholders. Through the NKEA were developed a multitude of specialized programs called EPP Entry Point Projects. Two of them, EPP 2 and EPP 3 have set new ambitions for clinical research and local manufacturing in Malaysia; both fundamental to the development of healthcare in Malaysia.

PhAMA is very active in EPP 2, representing innovative companies investing in clinical research. EPP 2 clinical research has been expanding rapidly as a key program under the healthcare NKEA. In fact, it has been outperforming and exceeding initial targets. At the moment we can count over 300 clinical trials in Malaysia.

In order to boost EPP 2 and 3 we need to have the right incentives in place, which have not been present so far. This means better tax incentives, faster regulatory approval and innovative medicine funding.

The NKEA programs are well aligned with the government's 11<sup>th</sup> Malaysian plan (2016-2020) to boost various industries and grow the economy.

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## **What do you believe to be the current challenges and opportunities for pharmaceutical CEOs in the Malaysian pharma market?**

One of the main challenges is market access or the timely access of innovative drugs to patients. In Malaysia, 60 to 70 percent of patients go to public hospitals; so if the drug is not listed in public hospitals, the patient does not get access to these innovative drugs.

Intellectual property is also a key issue for pharma companies and needs attention as it encourages innovation. The government needs to emphasize this for more and better innovative drugs to become available.

In terms of opportunities, the pharma market is growing at a fast rate and medical tourism is becoming a real asset for Malaysia. The government has an EPP dedicated to medical tourism and such program will attract more patients to Malaysia. If we want to promote medical tourism, it also ties in well with getting access to innovative medicines, as foreign patients demand the best drugs available.

In order to attract medical tourism, the government is giving tax incentives which should allow more private hospitals to advertise and attract overseas patients.

## **How does an increasing national income, shifting disease profiles, and ageing population affect pharma companies?**

We believe that companies in Malaysia are facing similar challenges to the most developed western countries. Obesity, diabetes, heart disease, neurodegenerative diseases and cancer are common here, but are expanding fast.

The government has set up a network of Clinical Research Centres (CRC) under the National Institutes of Health (NIH) and Ministry of Health where investigators and companies can perform their clinical trials. With over 27 branches at major hospitals, clinical trials facilities and infrastructure is still available to attract more international companies to Malaysia.

In the end, with the government's will to achieve a higher level of clinical trials, we shall see many positive outcomes.

## **What are the main competitive advantages of Malaysia among Southeast Asian countries?**

Malaysia is attractive because we have different ethnic groups: Malay, Indians and Chinese. We also boast excellent infrastructure, healthcare institutes and hospitals where clinical trials are carried out, with high level medical and clinical trial investigators.

The government is also aiming for a more competitive edge of Malaysia's industry base. With the advantage of having a wide range of ethnicities, skilled labour and English speakers, Malaysia is an attractive place to conduct business. With a strong base of local manufacturers the government is encouraging foreign companies to work with local companies and develop contract manufacturing. The government will offer incentives to foreign companies partnering with local manufacturers using Malaysia as a regional hub.

Also, with NCDs increasing at a fast pace, especially diabetes, foreign companies can provide their innovative products knowing there will be a high demand. Currently, for the public sector, innovative drugs in terms of value represent 60 percent and 40 percent in volume, while generics represent 40 percent in value and 60 percent in volume. This is encouraging, but we believe there is still room to grow for innovative drugs.

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## **What can we expect for the development of the Malaysian pharmaceutical and healthcare sector in the next five years? What role will PhAMA play?**

The government is looking at healthcare transformation with many ambitions. The government through its National health finance scheme is looking at how they can better subsidize or bring better health coverage. We believe the future lies with Universal health coverage and the formulation of one and only healthcare, with the merger of public and private sector under one reimbursement system.

From the industry's side, at PhAMA we are eager to help companies embrace this transformation and lead them to even more prosperity in a sector which is already experiencing double digit growth year after year. Of course, we see generic companies at the moment gaining more momentum than innovative ones, but with the recent EPP implementations, we shall see new opportunities for innovative companies, especially with improved market access.

PhAMA is actively engaged in discussions about NKEA and national health policies. These include discussions on medicine governance, market access, regulatory approval, rational drug utilisation and industrial partnerships. We hope the government will not engage in cost containment measures in the coming years as this will limit the innovative development of the sector.

We also want to empower consumers and raise the level of self-medication. This is supported through initiatives from our member companies.

The Industry is actively working with the MOH to support the liberalisation of provincial registration of pharmacist (PRP) program. This will take place by providing an appropriate training to local pharmacist graduates. Therefore we are developing a new professional training system for pharmacy graduates with a 1+1 year program.

PhAMA is also committed to the highest ethics and compliance standards. Others like MOPI and some local manufacturers are also under way to adopt the same standards and this is encouraging for Malaysia.

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