



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY



Media Release

For Immediate Release

EXPORT OF MADE-IN-MALAYSIA MEDICAL DEVICES EXPECTED TO CROSS RM23 BILLION IN 2019

6 December 2018, *Kuala Lumpur* – The Association of Malaysian Medical Industries (AMMI) today announced its Medical Device Industry Status and Outlook Report 2018/2019 which is based on a survey completed by 46 AMMI members, constituting a 69% response rate. The report contains comprehensive analysis of export overview, sourcing of raw materials and components, growth in cumulative investments and challenges faced by the industry as well as the medical device industry's outlook for 2019.

According to the report, AMMI members recorded an outstanding value-added ratio of 52% in the medical device industry in Malaysia. Equally impressive is the fact that some RM3.43 billion or 59% worth of raw materials and services were locally sourced from within the country. This reflects AMMI's commitment in supporting government initiatives to develop local small and medium-sized enterprises (SMEs).

The report also highlighted that 74% of the AMMI members surveyed indicated that they have future expansion plans in the pipeline, involving buildings, machinery, equipment, facilities and product lines. The combined projected value of these foreseeable future expansion plans is about RM1.5 billion (USD361 million).

The total value of cumulative investments reported by respondents to the association's survey stood at RM7.0 billion, as at December 2017 – more than doubling 2013's total of RM3.4 billion. Collective yearly investments for 2017 jumped four-fold to RM967.9 million from just RM215.2 million in 2013.

AMMI Chairman, Mr Christophe Marque noted that, "AMMI members reported that combined export sales rose to RM11.4 billion, up from RM9.7 billion the previous year. This outpaces most global indices, with a healthy 16.3% compound annual growth rate (CAGR) between 2013 and 2017. Significantly AMMI members accounted for 58% of Malaysia's total export value of all *Made in Malaysia* medical devices, including medical gloves."

"Medical devices remain among the high potential growth subsectors that are prioritised under the mid-term review of the 11 Malaysia Plan. In January-September 2018, a total of 15 manufacturing projects in this industry were approved by MIDA with investments of RM641.2 million. These projects involving implantable hearing devices, orthopaedic, endoscopy and peripheral products will contribute significantly in terms of business and job opportunities to the country," said YB Dr. Ong Kian Ming, Deputy Minister of International Trade and Industry (MITI).

"As the industry is increasingly being driven by emerging technology, we encourage the local industry players to tap into the growing opportunities available and forge ahead with new strategies to stay competitive. Companies also need to focus on upskilling their talents, prioritise productivity, accelerate automation and innovation, and implement industry best practices," added the Deputy MITI Minister.

In commending AMMI's latest industry report, Dato' Azman Mahmud, Chief Executive Officer of the Malaysian Investment Development Authority (MIDA) said, "Malaysia continues to evolve as a manufacturing hub for medical devices in Asia, with a big majority of the medical devices manufactured in the country are meant for exports. The industry has also grown in terms of sophistication of the type of products manufactured in the medical consumables, diagnostic imaging, orthopedics and prosthetics, patient aids and other medical devices sub-sectors. Companies, especially local players, must leverage on our competitive and comparative advantages particularly in our comprehensive electrical and electronic, and machinery and equipment base in addition to the strong network of local suppliers. The medical devices industry has seen continuous new investments and expansion by domestic and foreign industry players and this trend is expected to remain in the upcoming years with investors showing strong confidence in the industry outlook."

AMMI highlighted that the US-China trade war will have a positive impact on Malaysia. 50% of AMMI members surveyed are optimistic of double digit growth in export sales. Malaysia continues to evolve as a hub for medical device manufacturing, with over 200 medical device manufacturing companies thriving within a well-connected industry ecosystem. Based on AMMI analysis, the export of medical devices from Malaysia is expected to cross RM23 billion (USD5.5 billion) in 2019 with projected 8% on year on year growth.

About AMMI

Formed in 1989, the Association of Malaysian Medical Industries (AMMI), represents leading medical device manufacturing companies in the medical technology industry in Malaysia. AMMI currently has 71 member companies and collectively, they account for more than half of the total export revenue for "Made-in-Malaysia" medical devices.

AMMI members share a common commitment to quality and are reputable international and local firms that strictly adhere to the quality management system codes laid down by governmental agencies. AMMI companies continue to be the growth base of the medical device industry in Malaysia and consist of three main types of industry players: manufacturers; suppliers of raw materials and services to the medical devices manufacturing companies; and importers and exporters of medical devices, all of whom employ a sizable workforce in their production facilities.

Press contact:

Association of Malaysian Medical Industries
Email : secretariat@ammi.com.my

Ms. Melissa Khoo
Head of Marketing and Communications
Tel : 016 4224 818

Mr. Ching Choon Siong
Executive Director
Tel : 012 4766 558

About MIDA

MIDA is the government's principal promotion agency under the Ministry of International Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Starting operations in 1967 with a relatively small set up of 37 staff, MIDA has grown to become a strong and dynamic organisation of over 700 employees. Headquartered in Kuala Lumpur Sentral, MIDA today has 12 regional and 20 overseas offices. For more information, please visit www.mida.gov.my and follow us on Twitter, Instagram and Facebook, @OfficialMIDA.

For more information, please contact:

Puan Balkish Mohd Yasin,
Director of Life Sciences & Medical Technology Division, MIDA
Tel: 03-22673458
Email: balkish@mida.gov.my