

# Malaysia a leader in medical device industry

KUALA LUMPUR

**M**ALAYSIA is fast becoming a worldwide leader in the medical device industry, thanks to conducive policies supporting research and development (R&D), proximity to emerging markets and the rapid expansion of companies.

Medical devices include a wide range of high-tech, high-value products like cardiac pacemakers, stents, orthopaedic implantable devices, and electro-medical, therapeutic and monitoring devices.

The nation's medical technology (medtech) industry has demonstrated resilience despite the challenges brought about by the Covid-19 pandemic.

In 2021, 38 projects with investments worth RM7.68 billion in the medical device industry were approved.

Exports in 2021 touched RM41.3 billion, an increment of 36.3 per cent from 2020. The Malaysian medtech market is projected to expand by a compound annual growth rate (CAGR) of 7.3 per cent between 2021 and 2026.

According to the Medical Device Industry Status and Outlook 2021/2022 by Association of Malaysian Medical Industries (AMMI), in just 15 years, Malaysia's medtech market has more than tripled, jumping from RM2.4 billion in 2005 to RM7.8 billion in 2020.

The success of this industry stems from a mature manufacturing legacy and ecosystem, multilingual and strong talent pool, ease of doing business and well-connected local supply chains, complemented by enabling policies and institutional support.

Ten out of the top 30 global medtech companies have set up manufacturing footprints in Malaysia.



*Malaysian Investment Development Authority chief executive officer Datuk Wira Arham Abdul Rahman*

Malaysia is now considered as one of the world's top offshore manufacturing hubs for medical devices, alongside other medtech giants like Puerto Rico, Ireland and Costa Rica.

## FDI CATALYST TO MEDICAL DEVICE INDUSTRY GROWTH

Malaysia continues to be a location of choice for medical device companies to launch and manufacture high-value products.

To date, there are more than 290 medical device manufacturing companies in Malaysia, from serving as regional headquarters, manufacturing facilities to research and development.

For example, Cochlear, which began with a small information technology team in Malaysia in 2010, has been marked as one of the successful investments in the medical device industry, complementing the country's medical device ecosystem.

Other major foreign direct investment (FDI) players are



*The Malaysian Investment Development Authority, as the country's principal investment promotion agency and strategic partner to investors, has witnessed an increase in the entry of FDI related to medical devices and the keen interest shown by domestic investors to grow this segment. PIX COURTESY OF MIDA*



Smith+Nephew, Boston Scientific, Mölnlycke, Insulet, B. Braun, Steri-Pack Asia, Menicon, Dexcom, Hoya Lens, Resmed, Ciba Vision (Alcon), Becton Dickinson (BD), Tecomet, Haemonetics, St Jude Medical (Abbott), Lake Region, Teleflex and Ambu.

Their continuous expansion will not only benefit these players but also the domestic and regional healthcare sectors.

Malaysia has been actively developing its medical R&D sector in order to stay competitive, as its neighbours are also rapidly developing their capabilities.

## HOMEGROWN MEDICAL DEVICE ECOSYSTEM

The country's homegrown medical device manufacturers play a pivotal role in the overall growth of the medtech ecosystem, either by producing their own brands of products or by supplying critical components to major players.

Starting off as a simple producer of medical gloves in the 1980s, Malaysia has seen an increasing number of domestic players successfully developing cutting-edge solutions that involve extensive R&D, technology transfers and the adoption of smart manufacturing elements.

Successful local players that have developed a name for themselves include Ain Medicare, Straits Orthopaedics, Ideal Health Care, UWHM, Epsilon, OSA Technology, Mediven and Comcorde.

Among the types of medical de-



vices produced in Malaysia are implantable devices, those used in diagnostics, vascular access, surgical instruments, surgical and wound care, medical solutions and airway management, just to name a few.

According to AMMI, the medtech industry has potential to scale further and capitalise on the global medtech market which is expected to reach a value of US\$745 billion by 2030.

## REMAINING COMPETITIVE AND CONNECTED

The Malaysian Investment Development Authority (Mida), as the country's principal investment promotion agency and strategic partner to investors, has witnessed an increase in the entry of FDI related to medical devices and the keen interest shown by domestic investors to grow this segment.

While the global economic and investment climate remains uncertain in 2023, Mida will continue to focus on high-growth and high value-added sectors to offer

Malaysians "exciting" job opportunities.

The aim is to intensify the industry's presence higher on the value chain.

The industry has expanded into a wide array of manufacturing devices like pacemakers, defibrillators, orthopaedic products, patient monitors, surgical instruments, medical electrodes, endoscopes, dialysis solutions, diagnostic radiographic equipment, ultrasound diagnostic systems, intraocular lenses and in-vitro diagnostic devices.

Mida recognises that Malaysia's competitiveness and scalability is exponential.

The presence of strong supporting industries, leadership position in the field, continued expansion by foreign and domestic investors and the focus on building the nation's capabilities further through identified clusters and medical R&D will help achieve the vision of positioning medical devices as a core healthcare sub-sector for Malaysia.