

Rising healthcare expenses

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Sector's expenditure projected to comprise 7% of GDP by 2020

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PUTRAJAYA: The country's healthcare expenditure is projected to rise about three percentage points to 7% of gross domestic product (GDP) by the year 2020, said Health Minister Datuk Seri S Subramaniam Sathiasivam.

"The healthcare sector is expected to generate RM35.5bil in gross national incomes and create 181,000 jobs by the year 2020," he said at the National Key Economic Area (NKEA) healthcare progress update yesterday.

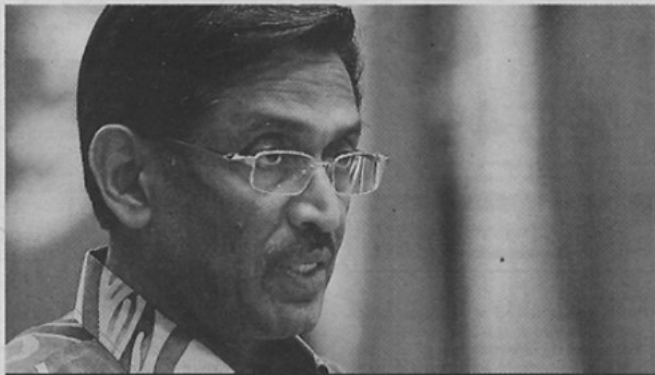
Subramaniam said the healthcare sector is fast becoming a crucial segment in the overall economy and wants the private sector players involved in this vital industry to drive growth moving forward including to improve citizens' accessibility to quality healthcare.

"It is mandatory that we set in place industry-friendly policies to sustain high growth momentum in the coming years. We will support collaborative efforts between public and public healthcare providers," Subramaniam said.

He noted that to date, 15 out of 17 sub-sectors had been completely liberalised and including dental specialists, private hospitals, medical specialists sub-sectors where 100% foreign equity participation is allowed.

Subramaniam also announced five new projects under the healthcare NKEA with a total investment value of RM388.1mil and a projected gross national income of RM445.2mil.

This initiative could potentially reduce reliance on imports of these healthcare products by manufacturing them locally instead through



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locally incorporated companies and multinational ones.

"Currently Malaysia relies on imported infusion products which are costly. It is timely to have a manufacturing capability on our home ground," he said in his speech.

Five locally incorporated companies will expand their investments through this initiative. They are: ABio Orthopaedics that will invest RM224.5mil for the expansion of ortho-

paedic devices contract manufacturing in Penang, Karl Mueller Scientific Sdn Bhd that will invest RM1.4mil to produce single and disposable medical devices and accessories, Kotra Pharma that will invest RM60mil to produce sterile injectables or infusion products, RB Lifescience Sdn Bhd investing RM94.5mil for the construction of a new pharmaceutical plant and Sima Medical to invest RM7.7mil for the development of orthopaedic clinical devices.