



**MEDICAL & SURGICAL DEVICES  
INDUSTRY**

**A New Business Prospective**

*Executive Summary*

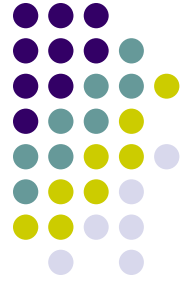
**SERI Presentation 08/12/2006**



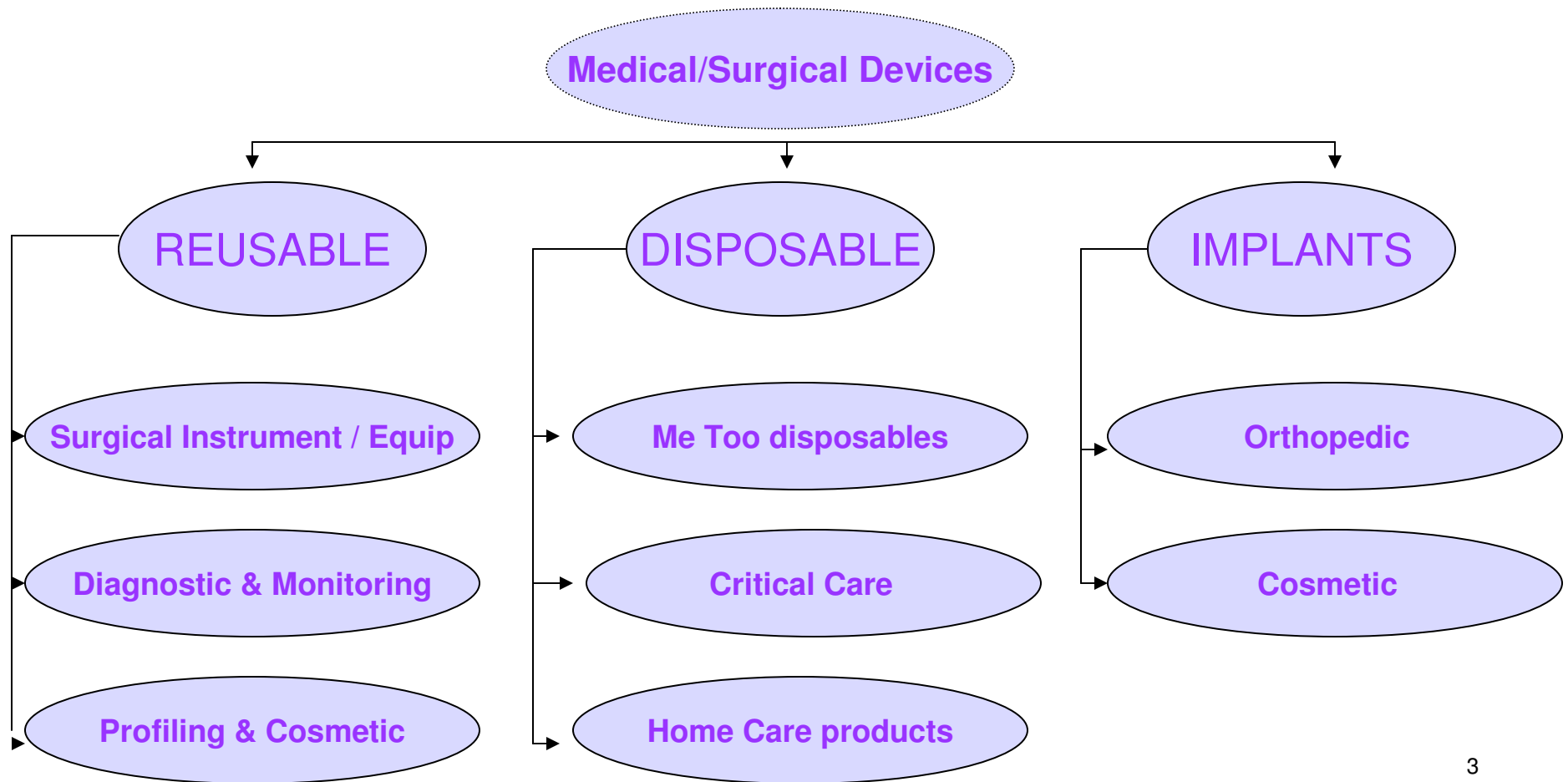
## Universal Definition of Medical & Surgical Devices

Medical Devices can range from the basic tongue depressor , gloves etc., to the sophisticated Lithotripter machines. A clear description to these devices is embodied in the WHO definition.

Globally there are more than 19,000 categories of medical devices with more than 600,000 types of such devices. These includes some novelty devices as well

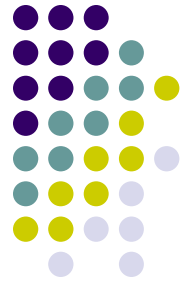


## Medical /Surgical Devices Categories

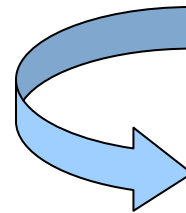


# VIGILENZ

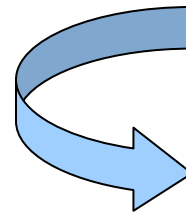
## GLOBAL MARKET SIZE



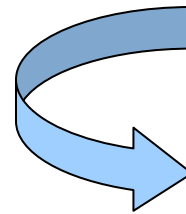
- One of the most dynamic and fastest growing industries
- 40 to 45 % of global market is in the US followed by Europe around 30% and rest of the world at 22-25%.
- Emerging markets like China & India are closing the gap with Japan at a fast pace.
- Singapore though small is growing due to health tourism, while Malaysia, Thailand, Vietnam the growth is compounded by inherent growth



FY 2004 = USD230 billion



FY 2006\* = USD 265 Billion

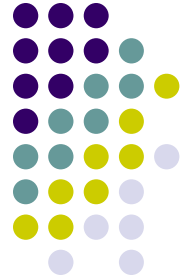


FY 2008\* = USD 304 Billion

*Source WHO Report 2005/2006  
(\* = Forecast)*

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## Malaysian Medical/Surgical Market



IMP 3 {2006 – 2020}

“The Medical Devices industry has emerged as one of the new areas for development and promotion”

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## Malaysian Medical/Surgical Market

### Malaysian Scenario



Malaysian Medical Devices export for 2005 amounted to RM 4.5 billion (0.5% of global business), mainly in Rubber gloves, Condoms and Catheters which was 85% of total sales.



The domestic market for Medical/Surgical Devices in Malaysia is around RM 2 billion. Growth rate of 15 to 20% annually.



90% of domestic market is imports

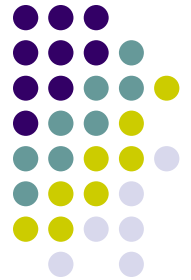


This scenario exposes the vast potential for both local or regional opportunities

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## Malaysian Medical/Surgical Market

### Prospects



By 2010, Malaysia is estimated to have a population of approximately 29 million. In this 60% – 65% will be in the bracket of 15 – 64 years

Life expectancy for men will be around 71 years while for women it will be around 77 years

Healthcare allocation overall from 2006 – 2010 is expected to touch RM 10 over billion



Developed markets like USA, Europe, Japan and Korea are looking for cost effective alternatives

Emerging markets like China and India will be increasing healthcare spending with newer infrastructure build up

Under developed or untapped markets like Africa, Mid-East and Latin America will also show tremendous growth in the next few years as healthcare becomes a priority sector

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Malaysia as a Manufacturing hub

## SWOT Analysis



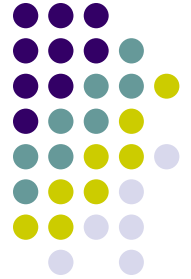
### STRENGTHS

- ⇒ Good infrastructure
- ⇒ Medical R&D centers with MNC's already exist ( although the spending is only 1.4% of total sales)
- ⇒ Due to the electronic era, there is a sizable tooling, die and fabrication network
- ⇒ Skilled and semi-skilled work force
- ⇒ Sterilization facilities available

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## SWOT Analysis



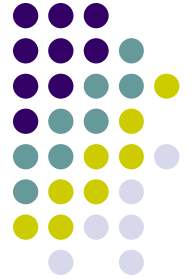
### WEAKNESS

- ⇒ Open Market to all and sundry
- ⇒ So far no regulatory requirement, will only be ready to regulate by end 2008 (???)
- ⇒ Very little exposure to high end medical/surgical devices
- ⇒ Still a bias to everything foreign

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SWOT Analysis



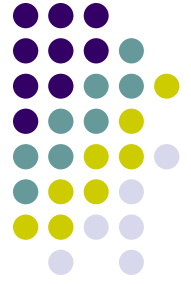
## OPPORTUNITIES

- ⇒ For SMI/SME's the home market itself is sizable
- ⇒ With the advent of a Global Quality Standardization Malaysia already has a name through the MNCs' here
- ⇒ SMI/SME schemes for support is probably the best in the world
- ⇒ The Medical business itself !!

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Malaysia as a Manufacturing hub

## SWOT Analysis



### THREATS

- ⇒ Highly regulated business
- ⇒ Low cost manufacturers from China, India, Taiwan, Turkey, etc.,
- ⇒ Absence of cluster type manufacturing hubs for medical devices.
- ⇒ Yet to be implemented , the Malaysian Medical Devices Regulatory Act. This allows all and sundry to play the market

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## The Vigilenz Medical Devices Story



- ➡ Located at Bukit Minyak Industrial Park, (48 employees)
- ➡ Started operation in 2003, manufacturing Surgical suture & implants
- ➡ Currently exporting to 6 markets
- ➡ Attained ISO 13485 : 2003 MDD in 02/2004
- ➡ Attained CE Mark Class II in 09/2004
- ➡ Attained CE Mark Class III (Design & Development company) in 11/2006

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**Thank You  
& Have a Good Day**