

CONFIDENCE IN THE COUNTRY

Boston Scientific invests in Malaysia to grow its business in the region



From left: Dato' Azman Mahmud, CEO of Malaysian Investment Development Authority (MIDA), His Excellency Joseph Y. Yun, Ambassador of the United States to Malaysia, Ed Mackey, Executive Vice President, Operations, Boston Scientific, Dato' Lee Chee Leong, Deputy Minister of International Trade and Industry (MITI), Lim Guan Eng, Chief Minister of Penang, Brad Sorenson, Senior Vice President, Manufacturing and Supply Chain, Boston Scientific, Dave Mitchell, Vice President and General Manager, Manufacturing and Distribution, Boston Scientific, officiating the groundbreaking ceremony of Boston Scientific's first manufacturing facility in Asia.

While some manufacturing companies might have wind up and moved on to cheaper production sites in other parts of the region, Malaysia still hasn't lost its allure and continues to draw different types of investments into the country. One such company is the Boston Scientific.

As a global medical technology leader for more than 35 years, Boston Scientific has a presence in over 100 countries. It has been a leading player in each of its six major businesses worldwide, with nearly US\$7.5 billion (bn) in sales in 2015.

Sometime mid this year, Boston Scientific held its ground-breaking ceremony in Penang and is well on its way with building its new state-of-the-art

manufacturing facility, which is due for completion in the last quarter of 2017.

This leading player worldwide, with a market cap of more than US\$26 billion, is poised to make its mark with the first manufacturing facility in Asia. While the medical devices is a hundred billion dollar industry, Boston Scientific believes that its success comes from a commitment to healthcare. For the global team of 23,000 colleagues in 40 countries across six continents, it is not just job, but a calling.

In an exclusive email interview with Business Today, we chat with Dave Mitchell, Vice President of Operations, Boston Scientific, who shares his insights with us about the healthcare industry, the company's plans for setting up its R&D in its upcoming facility in Penang, as well as its

growth strategy and outlook for the industry in Malaysia and the Asia Pacific region.

BUSINESS TODAY: COULD YOU TELL US A LITTLE BIT ABOUT WHAT BOSTON SCIENTIFIC IS ABOUT AND THE INDUSTRY YOU ARE INVOLVED IN?

Mitchell: At Boston Scientific, we are advancing science with innovative medical technologies used to diagnose or treat a wide range of medical conditions including (but not limited to) heart and vascular, digestive, pulmonary, gynaecologic and urologic and chronic pain conditions.

As a company, we have pioneered many types of new therapies, and

unlike traditional surgical options, our medical device therapies involve minimally invasive procedures. These procedures tend to be less traumatic with faster recovery times for patients. Essentially, Boston Scientific helps patients to live healthier and longer lives.

Currently, we have more than 10 existing high-tech manufacturing facilities globally with our headquarters in Marlborough, Massachusetts, USA. We have strategically chosen Penang, Malaysia to be our latest global manufacturing facility and meet the growing demand for our devices in the Asian market.

Q: COULD YOU SHARE WITH US THE CURRENT OUTLOOK OF THE MEDICAL DEVICES IN THE MALAYSIAN MARKET THIS YEAR?

Mitchell: The medical device industry is one of the critical and growing industries in healthcare driven by innovation and new technologies. The last decade has seen rapid growth in innovative and improved technologies, which has led to the development of state-of-the-art medical devices and catalysed the growth and advancement in the healthcare industry.

In 2016, the medical device industry is expected to record strong growth of almost 6% to reach US\$315bn according to research firm, Euromonitor. The Asia Pacific medical device market is projected to provide significant opportunities for growth in the near and long term.

Our investment in Malaysia is driven by the country's good business environment, a well-established manufacturing infrastructure and a growing medical sector. Under the 11th Malaysia Plan for national development (2016-20), the medical device industry was identified as key to rapid growth alongside the aerospace, chemical, electronics and machinery sectors.

Q: THE IMPORTANCE OF QUALITY HEALTHCARE IS GETTING HIGHER AND HIGHER AS THE YEARS GO BY. WHAT ARE SOME OF THE STRATEGIES THAT WOULD ALLOW BOSTON SCIENTIFIC TO FURTHER BOOST THE HEALTHCARE INDUSTRY IN MALAYSIA?

Mitchell: For almost two decades, Boston Scientific had and continues to have an active presence in Malaysia – first with our commercial organisation in Kuala Lumpur, which is currently led by Boey Charn Hong, and now with the manufacturing plant in Penang. We believe that it is not just about manufacturing devices; the company has been investing in top talent, superior technology and training of physicians and our people.

As such, we have been continuously conducting numerous physician training and education initiatives through our close working ties with the Ministry of Health, National Heart Centre

and various Malaysian hospitals. We have also built programmes aimed at training endoscopy nurses endorsed by the European Society of Gastro Nursing Association (ESCGNA). These programmes have become an industry benchmark.

The Malaysia healthcare industry continues to grow, as people continue to live longer and invest in their health through advanced care. The company's extensive portfolio of medical solutions is well positioned to improve the health and well-being of patients in Malaysia.

We are confident that the new facility in Penang will enable us to expand our global presence in the AMEA (Asia Pacific, Middle East and Africa) region, as well as to provide support for local R&D and new business development. As we look to the future, the products and programmes we have brought to market through organic development and acquisitions, complemented by our innovative pipeline and continued global expansion will benefit even more patients. **BT**

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-Mitchell



Dave Mitchell, Vice President and General Manager, Manufacturing and Distribution, Boston Scientific giving his closing remarks at the groundbreaking ceremony of Boston Scientific's first manufacturing facility in Asia.

Look out for the following issues, where Boston Scientific's Mitchell talks more about its R&D investments in the country; the innovations and programme that it runs; talent creation; and growth strategy for the region.