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Mahkota Medical poised for growth

By New Straits Times (by Vasantha Ganesan)



NEW FACILITY: Artist's impression of the lobby (right) and ward at the Regency Specialist Hospital

The Mahkota Medical Group, which has a hospital in Malacca and will soon open one in Johor, is eyeing Sabah and Sarawak next.

"We have our radar screen on other towns, especially those in Sabah and Sarawak. We would like to go where there is no heavy concentration of private hospitals," Mahkota Medical Centre Sdn Bhd chief executive officer Francis Lim told Business Times in an interview.

"We have taken a look at some sites, (but) nothing has been decided," he said.

"We have to look at our shareholders' interest. We do not want to rush into it."

Lim said that the group may consider accepting management contracts without an equity stake.

Given that Malaysia is pushing for medical tourism to bring in foreign exchange, Lim hopes that the tax incentives given to those in Nusajaya, Johor, and set-ups in the Port Dickson Wellness Zone in Negri Sembilan will be extended to all private hospitals.

"Healthcare requires heavy investment," he said.

The Mahkota Medical Centre in Malacca started operations in 1994 under the Lion Group.

Lion, which restructured and sold its non-core businesses during the 1997/98 financial crisis, sold the hospital in September 2001.

The Mahkota Medical Group is now owned by Health Management International Ltd of Singapore (48.95 per cent), Bumiputera group Maju Medik Sdn Bhd (38.42 per cent) and 12.36 per cent by doctors located all over Malaysia.

In the financial year ended June 30 2007, the Malacca hospital recorded RM98 million revenue, of which 30 per cent came from medical tourism.

"For the half-year ended December 31 2007, we have already exceeded RM50 million revenue. For the full year, we expect to hit RM100 million," Lim said.

"We are a leader in Malacca in terms of market share. We probably command 45 per cent of the private-hospital business here," he added.

The Mahkota Medical Centre in Malacca, which is big in medical tourism with 80 per cent share of the foreign-patient market in the state, treated 50,000 Indonesians last year.

"We plan to grow medical tourism further through accreditation from the Malaysian Society for Quality in Health (in August), and are preparing for the Joint Commission International (JCI) in two years for both the Malacca and Johor hospitals," said Lim.

JCI is a global leader in healthcare accreditation and, since 1999, has accredited more than 140 hospitals in 27 countries.

With the accreditations, the group hopes to penetrate new markets, including Bangladesh and Europe.

