

# Consider letting others provide supplies to govt hospitals, says MMA

The Malaysian Medical Association says suppliers may reduce or stop their products to Pharmaniaga if the GLC's financial woes continue.

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Pharmaniaga, the concession holder for the provision of medicines and medical supplies to government hospitals and clinics, has slipped into PN17 classification for financially distressed companies.

PETALING JAYA: The Malaysian Medical Association (MMA) says Putrajaya should consider allowing other companies to provide and distribute medical supplies to public healthcare facilities.

MMA president Dr Muruga Raj Rajathurai said Pharmaniaga Bhd's financial issues had proven that it was too risky for the government to depend on a sole provider for medical supplies.

“Of course, this will take time to implement. In the meantime, urgent steps are needed to secure an ample supply of medicines for public healthcare,” he said in a statement today.

Pharmaniaga is the concession holder for the provision of medicines and medical supplies to government hospitals and clinics.

It is responsible for obtaining more than a third, or over 700 of the government's branded and generic drug supply, as well as for the logistics and distribution of these medicines.

On Feb 27, Pharmaniaga announced that it had fallen under the PN17 classification after it recorded its largest quarterly net loss of RM664.39 million in the fourth quarter ending Dec 31, 2022.

The pharmaceutical group also said it had taken a RM552.3 million impairment on unsold Covid-19 vaccines and written down the goodwill of its Indonesian manufacturing cash-generating units of RM50.3 million.

Muruga said the government needed to take a more serious view of Pharmaniaga's financial woes as it could have a major impact on the country's medicine supply in the public healthcare sector.

He said suppliers may reduce or stop their supplies of medicines to Pharmaniaga if the issue prolonged, as they would also be seeing losses if outstanding payments remained unsettled.

He said the supply of essential medicines such as those to treat emergency and acute cases would be affected if such a scenario were to happen.

Last week, the main association representing pharmaceutical companies in Malaysia sounded the alarm over Pharmaniaga's financial woes, saying it could affect patients' access to medicines if not quickly resolved.

Pharmaceutical Association of Malaysia (PhAMA) executive director Chan Li Jin said Pharmaniaga's PN17 classification for financially distressed companies had led to "uncertainty and anxiety" among medicine suppliers.

Health minister Dr Zaliha Mustafa had said the ministry was holding engagements with the pharmaceutical company, but pointed out that Pharmaniaga was not under the ministry's purview.

So, she said, further discussions to resolve the issue were needed.