

Company Name : Pharmaniaga Berhad
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Pharmaniaga rejects monopoly claim

Group is confident of government concession renewal — MD

BY ARJUNA CHANDRAN SHANKAR

PETALING JAYA: Pharmaniaga Bhd has dismissed claims that it is monopolising the supply of medicines to the health ministry, saying only 33% of the ministry's supplies come from the group.

However, supplies to the ministry account for 53% of the group's revenue, Pharmaniaga managing director (MD) Datuk Farshila Emran told reporters after the group's annual general meeting (AGM) yesterday.

Farshila said this when asked how the group is dealing with an investigation launched by a cabinet committee over claims that the group is a monopoly.

On April 3, Domestic Trade and Consumer Affairs Minister Datuk Seri Saifuddin Nasution Ismail said the government, through a cabinet committee, would investigate Pharmaniaga, alongside Puspakom Sdn Bhd, Padiberas Nasional Bhd and MyEG Services Bhd for monopolistic tendencies.

Farshila expressed confidence that Pharmaniaga's concession agreement with the health ministry will be renewed this year, based on the group's performance so far. "We are very confident [about the agreement being renewed], looking at our performance," she said.

She said the group has met all of the ministry's 21 key performance indicators such as product delivery within seven working days in Pen-



(From left) Norai'ni, Farshila, Pharmaniaga's senior independent non-executive director Mohd Suffian Haron, executive director Datuk Seri Ghazali Mohd Ali and non-executive director Fahmy Ismail at the group's AGM yesterday. Photo by Patrick Goh

insular Malaysia and 10 working days in Sabah and Sarawak. Pharmaniaga's current 10-year concession agreement with the ministry is set to expire in November.

Pharmaniaga is also looking to launch 250 products in Malaysia within five years. For this year, it is launching 20 products in Indonesia, as well as opening more branches there.

Chief financial officer Norai'ni Mohamed Ali said the group's over-the-counter products would be one of the key growth drivers in five years.

She said Pharmaniaga's private consumer healthcare is still in its infancy and that its revenue contribution would be some RM20 million

for the financial year ending Dec 31, 2019 (FY19).

"On our Indonesian operations, we are a generic player as well. We have manufacturing and distribution arms [in Bandung and Jakarta respectively]," she added.

Farshila said Pharmaniaga's capital expenditure for FY19 will be about RM174 million, against RM30 million in FY18, to be used for research and development and warehousing expansion, among others.

Norai'ni said the group is looking to pare down its gearing ratio this year — its gearing level for FY18 stood at 1.3 times compared with 0.8 times in FY17.