



**UNIVERSITI TEKNOLOGI MARA**

**FACTORS THAT AFFECTING HEALTHCARE SECTOR IN  
MALAYSIA**

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## **ABSTRACT**

Malaysia has a widespread system of health care. It implements a universal healthcare system, which exists alongside the private healthcare system. Currently, the healthcare industry in Malaysia is more dominant because of demand and supply of people for medical supplies and in recent years, the demand for care has increased considerably, and continues to grow year after year as the population increases because of medical supplies are in need and healthcare companies are having much more profit on by this year compares to previous year. Therefore, it is important to investigate what factors that can affecting healthcare sector in Malaysia. The purpose of the study will be to analyze the profitability in exposure of the healthcare sector in Bursa Malaysia, which included ten healthcare firms in Malaysia, which will use panel details. This research is using dependent variable from Return on Asset (ROA) towards four independent variable such as firm size, efficiency, working capital and population. This study is using ten healthcare firms in Malaysia between the year 2015 to 2020. This study uses panel data to examine the collected data and regressed using the Pooled Ordinary Least Square Model. The results of this study are focused on descriptive analysis, correlation analysis, regression analysis, and test on assumptions. In fact, the evaluation system of our data will be used in this analysis, using all relevant information pertaining to this research from secondary data such as the annual report of each of the healthcare firms year by year, DataStream and E-views. Thus, this study concluded that there is a relationship between the variables with healthcare performance.

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## **CHAPTER ONE: INTRODUCTION**

### **1.1 Introduction**

The research focuses on the factors affecting on the healthcare sector competitiveness in Malaysia. The purpose of the study to analyze the profitability in exposure of the healthcare sector in Bursa Malaysia, which included ten healthcare firms in Malaysia, which will use panel details. In fact, the system of our data will be used in this analysis, using all relevant information pertaining to this research as the annual report of each of the healthcare firms year by year, DataStream and E-views.

### **1.2 Background of study**

Malaysia faces the challenge of rising public expectations and increasing health expenditure, as do most middle and upper-income countries, prompting the government to consider options for future sustainable financing.

Currently, Malaysia are in a front for pharmaceutical firms because of Malaysia has a substantial pharmaceutical industry and the government offers tax incentives for research and development (R&D) and for the production of pharmaceuticals, related products and biotechnology. The acts (and their regulations) that control products and practices include the Poisons Act 1952, Dangerous Drugs Act 1952, Sale of Drugs Act 1952, Registration of Pharmacist Act 1951 and the Medicines (Advertisement and Sale) Act 1956. The legislation covers the following areas: the handling of pharmaceuticals (manufacturing, storage, sale, distribution, use and clinical trials); the licensing of manufacturers, importers and wholesalers; registration of professional pharmacists; the licensing of premises; and the advertising and sale of medical and health care products and medicines.

In healthcare equipment and services, most firms are contributed and get highest revenue because of producing gloves, band, and others. The dependent variable that might be focused on in this research is profitability in terms of return on asset while the independent variable is firm size, efficiency, working capital and population. Malaysia is an upper-center pay economy with the third most noteworthy buying power per capita in the 10-part ASEAN district. Malaysia's medical services consumptions are relied upon to twofold to \$2.8 billion by 2028.