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Emerging GCC Hotspots in APAC: Spotlight on Singapore, Malaysia, and the Philippines

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The Asia-Pacific (APAC) region is now a top choice for Life Sciences and Healthcare (LSHC) multinationals to establish their Global Capability Centres (GCCs). India leads with over 100 GCCs, while countries like Singapore, Malaysia, and the Philippines offer cost-effective advantages.

Asia-Pacific is emerging as a major centre for Global Capability Centres for the Life Sciences and Healthcare industry in recent years. As per a recent study, the global pharmaceutical and life sciences GCC market was valued at $23.5 billion in 2023 and is expected to reach $92.4 billion by 2032, with a CAGR of 14.9 per cent. Notably, APAC was observed as the fastest-growing region in the world, with a projected CAGR of 16.3 per cent over the same period.

The main reasons for this advancement are the rapid economic growth in the region and improvements in healthcare infrastructure, which are attracting global LSHC companies to establish their hubs in this region. Across APAC, the local governments are taking various steps and introducing initiatives to facilitate investments from the West. This includes tax exemptions, setting up MedTech and Biotech parks, and similar other initiatives.

Within APAC, India has been a dominant player in the LSHC GCC space, with more than 100 GCCs as of 2024 from prominent companies like Novartis, BMS, Sanofi, and others. However, new locations such as Singapore, Malaysia, the Philippines, Vietnam, Indonesia, and Australia are also emerging as GCC hubs in recent years and many LSHC MNCs have started setting up their GCCs in these countries.

In this article, we will deep dive into LSHC GCC scenario of three emerging countries - Singapore, Malaysia, and the Philippines - that are shaping APAC's future as a LSHC GCC hub, due to multiple reasons like low-cost labour, English-speaking workforce, great connectivity in the region, and R&D infrastructure.

Singapore: APAC HQ for LSHC Companies

In the last decade, Singapore has become a major location for life sciences and healthcare companies for establishing regional headquarters and hubs of innovation. In 2022, it was ranked among the top 5 locations for life sciences hubs in APAC and had more than 80 hubs from well-known global LSHC companies. Many top market players like Merck, GE Healthcare, Johnson & Johnson, GSK, and Pfizer have established their regional headquarters and R&D centers in Singapore.

For example, Johnson & Johnson’s APAC headquarters in Singapore employs over 1,400 employees and promotes innovation through its Leadership Lab, Design Lab, and Human Performance Institute. Moreover, Singapore houses 37.4 million sq. ft. of business parks and manufacturing space for life sciences industry, which includes 7.0 million sq. ft. of leasable space in multi-tenanted R&D and manufacturing buildings.

Key Drivers Supporting GCC Growth:

- Singapore has a well-developed R&D environment facilitated by innovation programmes like the Agency for Science, Technology & Research (A*STAR)
- Another advantage of Singapore is its strategic location which offers easy access to ASEAN markets
- Also, it has a skilled, bilingual workforce and a high standard of living which further attracts global companies

Government Support and Initiatives:

- With initiatives like RIE 2025 plan, the government has allocated $18.6 billion to boost research, innovation, and enterprises
- Various institutions like Economic Development Board (EDB) and Enterprise Singapore offer funding to facilitate establishment of GCCs for research purposes
- Major industry clusters include Biopolis, Singapore Science Park, and Tuas Biomedical Park

With all these factors and features in place, Singapore has become the first choice for global healthcare and life sciences companies looking to establish their presence in the APAC.

Malaysia: Medtech Manufacturing and Regulatory Gateway

In recent years, Malaysia is also emerging as a major manufacturing hub in the medical technology sector, competing against mature hubs such as Puerto Rico, Costa Rica and Ireland. Malaysia’s MedTech industry comprises over 200 MedTech companies, including 30 multinationals. Notably, 10 out of the top 20 global MedTech companies have established their manufacturing operations in Malaysia.

Moreover, the MedTech industry in Malaysia employs more than 70,000 people and comprises some very prominent companies such as GSK, Roche, Abbott, Toshiba Medical Systems, and B-Braun. For example, B. Braun’s manufacturing site in Penang is one of its largest facilities globally and spans 193,000+ sq. meters. This site employs over 7,600 people and serves as the APAC headquarters and is equipped with full R&D capabilities.

Key Drivers Supporting GCC Growth:

- Malaysia has a skilled, multilingual workforce available at low cost
- The country also has well-developed healthcare infrastructure, including industrial parks and MSC Malaysia SEC

- It also has a supportive business environment with strong financial sector and extensive trade links

Government Support and Initiatives:

- The government had recently introduced National Industrial Master Plan 2030 (NIMP 2030) which places the MedTech sector as a national priority
- The Malaysian government offers incentives like duty exemptions, a 10-year tax holiday, and easy access to ASEAN markets via free trade agreements for foreign drug companies
- Key industry clusters include Penang Science Park, Kulim Hi-Tech Park and Port Klang Free Zone

With strategic government push, Malaysia is emerging as a preferred choice for MNCs seeking high-quality, cost-effective GCC operations.

Philippines: A Growing Clinical and Shared Services Hub

Apart from Singapore and Malaysia, the Philippines is also slowly emerging as a strategic location for LSHC GCCs in the APAC region. Notably, 14 out of the world's top 20 pharmaceutical companies have their manufacturing facilities in the country. Over the last decade, the Philippine healthcare BPO sector has become a major employer, providing jobs to more than 100,000 people.

Many global LSHC companies have set up their regional hubs or manufacturing facilities in the country, including well-known names like AstraZeneca, BMS, GSK, Abbott, and Novartis. The major advantages which the country offers to these players are government support, thriving R&D efforts, and a strategic geographic location that allows for seamless access to the broader ASEAN region.

Key Drivers Supporting GCC Growth:

- Various government initiatives like "Make It Happen in the Philippines" campaign promotes investment in pharma and MedTech sectors
- Government also offers incentives like tax holidays and simplified registration processes for foreign investors
- Key industry clusters include Victoria Industrial Park and UP Manila Science and Technology Park

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With this, the Philippines is slowly emerging as a hub for manufacturing and clinical research for many global LSHC companies.

APAC's Expanding Innovation Frontier

The Asia-Pacific region has evolved to become more than just a market for LSHC MNCs. It has become the preferable location for LSHC companies to set up their GCCs for driving functions like manufacturing, clinical trials, operations and R&D. Countries like India, Singapore, Malaysia, and the Philippines have become front-runners in this movement, offering multiple advantages like cost-effectiveness, skilled workforce, and connectivity in the region.

Recently, following the footsteps of these countries, Vietnam, Indonesia, and Australia are also gaining significant traction and are emerging as new GCC locations for LSHC MNCs. Vietnam offers growing digital capabilities and major pharma investments; Indonesia offers highly skilled workforce and strong government support; and Australia offers strong research infrastructure and healthy economic conditions.

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