



**Tradition Meets Innovation:**  
Advancing Regional Healthcare Access  
Through Traditional and  
Complementary Medicine

Recommendation for Establishing  
a Regional Hub for Traditional and  
Complementary Medicine in Asia

Project Report | Asia Young Leaders  
Programme 2024

# Table of Contents

Section	Page
Key Definitions	<a href="#">3</a>
Executive Summary	<a href="#">4</a>
Introduction	<a href="#">7</a>
Project Background & Scope	<a href="#">11</a>
Operating Model	<a href="#">19</a>
Key Services	<a href="#">31</a>
Policies & Standards	<a href="#">56</a>
Financial Model	<a href="#">66</a>
Development Plan	<a href="#">73</a>
Conclusion	<a href="#">76</a>

# Key Definitions

## Traditional Medicine

The total sum of knowledge, skills and practices based on the theories, beliefs and experiences indigenous to different cultures, whether explicable or not, used in the maintenance of health as well as in the prevention, diagnosis, improvement or treatment of physical and mental illness.

## Complementary Medicine

A broad set of healthcare practices that are not part of that country's own traditional or conventional medicine and are not fully integrated into the dominant health care system.

## Traditional & Complementary Medicine (T&CM)

Merges the terms traditional medicine and complementary medicine, encompassing products, practices and practitioners.

## Modern Medicine

Generally refers to it as evidence-based, scientifically validated practices and interventions used in the prevention, diagnosis, and treatment of diseases. Modern medicine typically encompasses the use of pharmaceuticals, surgical procedures, advanced medical technologies, and systematic research methods grounded in biomedicine.



# Executive Summary

**GIFT** GLOBAL  
INSTITUTE  
FOR TOMORROW.



# Executive Summary (1/2)

## Overview

Traditional and Complementary Medicine (T&CM) is deeply rooted in local cultures and widely embraced by communities. Despite its rich history, T&CM remains underutilised and undervalued in modern healthcare systems across the region, even as rising healthcare costs and overburdened systems create significant accessibility challenges. Several factors contribute to this disconnect:

- Limited integration
- Lack of standardisation
- Insufficient R&D
- Fragmented regulation
- Limited knowledge transfer
- Inadequate formal education

This report makes a recommendation for the establishment of a Regional Hub for Traditional and Complementary Medicine in Malaysia that not only addresses the challenges described above but also drives regional healthcare cooperation, promotes and scales T&CM practices, and thereby improves healthcare access to achieve universal health coverage.

## The Vision

The Regional Hub aims to become the global Centre of Excellence (CoE) for the preservation, promotion, and integration of T&CM in Asia, by bringing together different schools of knowledge and investing in innovation and advancing accessibility to primary health care for all.

The Regional Hub will offer  
5 Key Services to advance the  
development of T&CM in Asia :



Clinical Service



Accreditation &  
Certification



Research &  
Development



Knowledge Hub



Training & Education

# Executive Summary (2/2)

## Operating Model

Operating as a non-profit entity, the Regional Hub will have five founding member countries: Malaysia, Singapore, China, India and the ASEAN bloc, which will provide initial funding and establish the mandate for the Regional Hub. Through 5 key service offerings, the Regional Hub aims to service a range of stakeholders: patients, practitioners, research institutions and universities, pharmaceutical and medical device companies among others.

## Financials

The establishment of the Regional Hub will require an initial funding of MYR 400 million (approx. USD 90 mil), which will be provided by the founding member countries. Through its key services, the Regional Hub will generate a direct revenue of MYR 31 mil in Year 1 (approx. USD 6.95 mil) with an average annual growth rate of 19% in the first 5 years. Additional revenue will come from annual contribution from member countries and philanthropic organisations. The Regional Hub targets to break-even by Year 4 and to be profitable in the following years.

## Policy Recommendations

In order for the Regional Hub to achieve its vision and objectives, enabling policies will be required to facilitate the Regional Hub's activities. Five policy recommendations are proposed around the following:

- Product Quality Assurance
- Professional License Recognition
- Facility Accreditation
- Standardised Nomenclature
- Common Referral System

# Introduction

**GIFT** GLOBAL  
INSTITUTE  
FOR TOMORROW.





# Asia Young Leaders Programme

The **Global Institute For Tomorrow (GIFT)** is an independent pan-Asian think tank, committed to purposeful leadership learning and advancing societal sustainability and resilience through a deeper understanding of today's critical drivers of change.

The **Asia Young Leaders Programme (AYLP)** is GIFT's flagship annual experiential leadership programme, specially designed for future leaders from both the public and private sectors across Asia. The programme equips participants with knowledge, tools and frameworks to navigate the complexities in today's dynamic environment, rethink conventional approaches to leadership, development and sustainability and seize opportunities in the region.

**Redesigning Society, Inspiring Young Leaders Across Asia**



This year's cohort consists of 16 participants representing diverse professional and educational backgrounds from both the public and private sectors across seven countries: Malaysia, Singapore, India, China, Spain, Germany, and Portugal.

The group convened in Malaysia from 4 – 8 November 2024 for classroom sessions, followed by site visits and stakeholder engagements in China from 9 – 16 November 2024, as part of an immersive action-learning project.

# Project Team



# Project Stakeholders

To gain a holistic understanding of the Traditional and Complementary Medicine (T&CM) sector, participants engaged with a wide range of stakeholders from Malaysia, Indonesia, and China. This engagement provided exposure to a variety of T&CM systems, including Traditional Chinese Medicine (TCM) in China, Ayurvedic Medicine (AM) from India, traditional Malay medicine, and Indonesian Jamu.

These stakeholders represented various institutions across the T&CM value chain, including herb plantations, community medicinal markets, universities, research institutions, and pharmaceutical and technology companies pioneering advancements in medicine and medical equipment. Participants also visited healthcare providers and tertiary hospitals to explore the integration of T&CM with modern medical practices. This comprehensive approach ensured the inclusion of multiple perspectives, enabling robust data collection and grassroots-level insights.



# Project Background & Scope

**GIFT** GLOBAL  
INSTITUTE  
FOR TOMORROW.



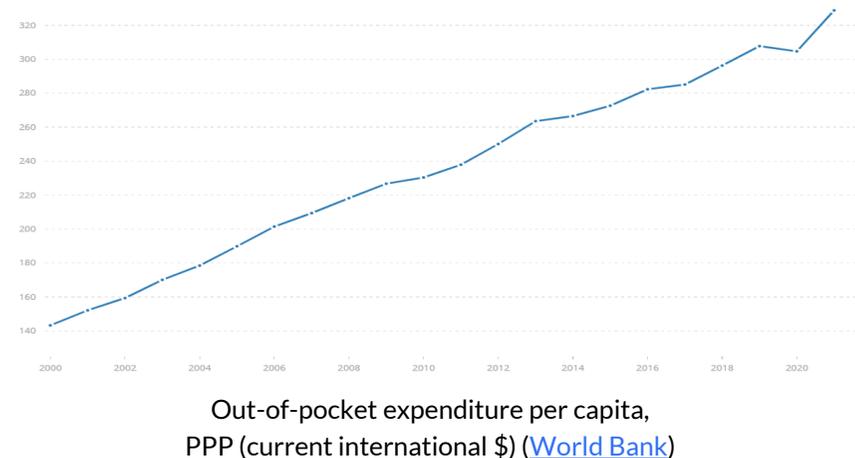
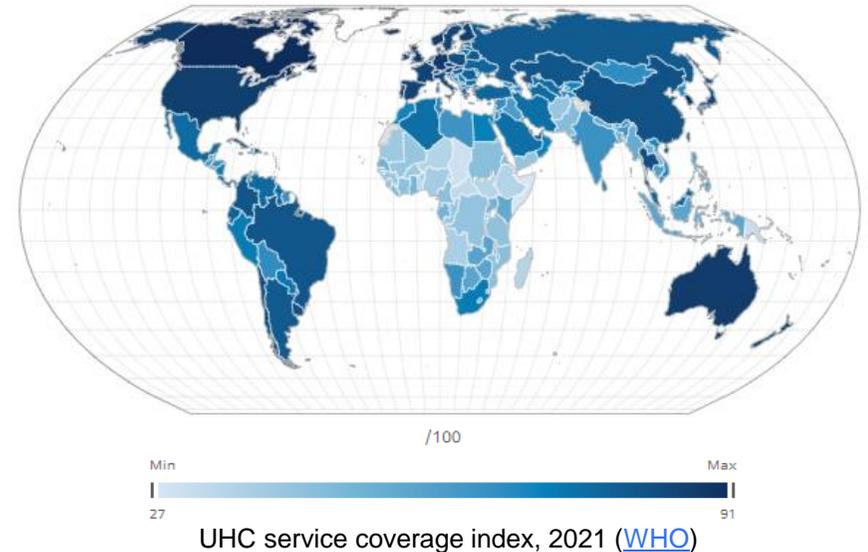
# Global Healthcare Challenge (1/2)

Access to essential healthcare remains a challenge for many people around the world. Despite consistent improvement in health service coverage in the past two decades, 4.5 billion people remain vulnerable to health shocks that could debilitate families. Public health gains in past two decades, especially in infectious disease management, was reversed almost overnight by the COVID-19 pandemic.

Universal health coverage (UHC), the principle that all individuals and communities should have access to quality essential health services throughout the entire spectrum of care without enduring financial hardships, remain a distant goal for majority of the world. Many countries, especially in Asia and Africa still struggle with insufficient healthcare professionals.

Access to healthcare is severely limited in remote regions due to the lack of clinics, health centres, or basic medical services, forcing residents to travel long distances for even the most basic care. The low doctor-to-patient ratio is especially acute in rural and remote areas where an outbreak or major disaster can strain local health system beyond breaking point.

Overburdened public health systems, strained infrastructure, and fragmented medical supply chains combined with escalating healthcare cost have made healthcare access increasingly unaffordable for large sections of Asia's population. Specialised treatments, such as cancer therapies or advanced surgeries, remain prohibitively expensive for the majority.



# Global Healthcare Challenge (2/2)



The quest to ensure adequate health access becomes even more urgent considering the growing and inevitable trend of population ageing.

The World Health Organisation (WHO) projects that by 2050, the population of those aged 60 and above is expected to double to 2.1 billion, and more than 60% of them will be in Asia. While studies vary in their findings on the direct impact of ageing on healthcare spending, the growing proportion of older adults will inevitably lead to increased healthcare costs, particularly in long-term care.

The COVID-19 pandemic exposed the inherent flaws in the modern healthcare system. While a few Asian countries demonstrated exemplary ability to adapt and respond, a short-term fix will not be adequate to mitigate the burgeoning healthcare challenge lying ahead for the region. A comprehensive public health solution is urgently required to address the diverse health needs of the region and ensure equitable health access for all people towards UHC.

T&CM, an integral resource for health and wellness in Asian households and communities for centuries, offers a promising solution to overcome these challenges.

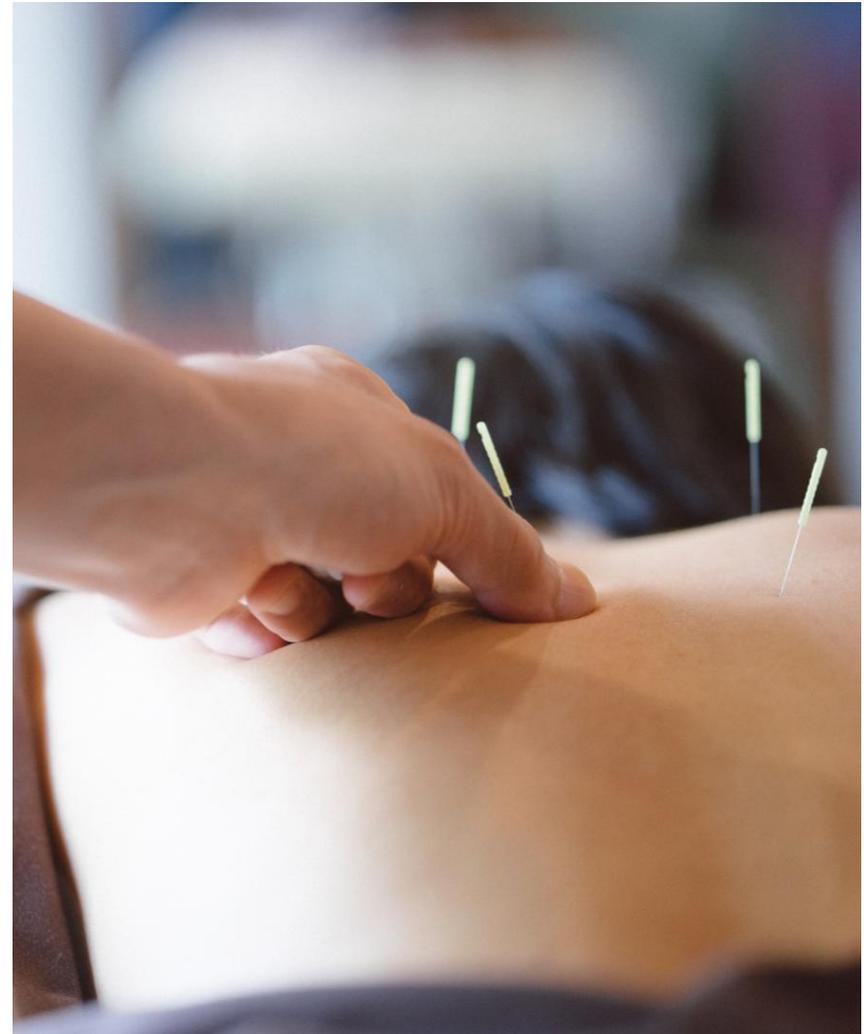
# T&CM's Potential in Addressing Healthcare Challenge

T&CM embodies the holistic wisdom of ancient healing traditions, emphasising the balance between mind, body, and spirit. Rooted in centuries of cultural practices, T&CM integrates nature-based remedies, lifestyle modifications, and therapeutic techniques to address health in its entirety. This approach moves beyond treating symptoms, focusing instead on the underlying causes of illness and fostering lifelong wellbeing.

People primarily turn to T&CM for general wellness, pain management, and palliative care, recognising its value in promoting holistic health and addressing chronic or lifestyle-related conditions. However, the COVID-19 pandemic highlighted its broader relevance in times of crisis, bridging crucial healthcare gaps when modern medicine is overstretched.

To harness the collective potential of T&CM across Asia in improving regional healthcare access, it is crucial to leverage people-to-people exchange as a cornerstone of health cooperation. T&CM practices and remedies can be enhanced and disseminated more effectively through cross-border interactions to benefit a broader population across the region.

The enduring practice of T&CM by diverse communities highlights its resilience and adaptability in addressing public health challenges, particularly in areas with limited access to conventional healthcare resources. It also highlights the need to re-evaluate the indispensable role of ancient wisdom in addressing modern healthcare problems.



# T&CM in Asia

Asian societies present a rich diversity of T&CM systems, deeply influenced by their unique histories, culture, environment, and beliefs. These practices have evolved over generations to address the specific healthcare needs of their communities. Examples include:



Traditional Chinese Medicine



Traditional Malay Medicine



Ayurvedic Medicine



Kampo  
(Traditional Japanese Medicine)



Hanbang  
(Traditional Korean Medicine)



Jamu  
(Traditional Indonesian Medicine)

# Challenges in Expanding T&CM in Asia

Despite its vast potential, T&CM faces significant challenges. While deeply rooted in local cultures and widely embraced by communities, T&CM remains largely unrecognised in contemporary healthcare systems in the region. Several factors contribute to this disconnect:

## 1 Limited Integration

Lack of formal effort to integrate T&CM with modern medicine, especially in secondary and tertiary healthcare systems.

## 2 Lack of Standardisation

The absence of unified T&CM quality assurance standards leads to inconsistent medical products and devices.

## 3 Insufficient R&D

Lack of resources hinders the scientific validation and translational research of T&CM medicine and practices.

## 4 Limited Education

Inadequate formal education and training programmes hinder the continuity of developing skilled T&CM practitioners and affects trust.

## 5 Knowledge Transfer Gap

Limited collaboration and shared resources prevents the effective exchange of T&CM knowledge.

## 6 Fragmented Regulations

Inconsistent national regulations and lack of a central authority complicate quality control and cross-border trade.

At the regional level, the absence of a formal platform for collaboration hinders meaningful exchange between various T&CM systems. This fragmentation limits opportunities for innovation and prevents coordinated development in the region. To bridge gaps and unlock the full potential of T&CM in Asia, a cross-sectoral platform is urgently needed to convene resources and optimise development across all industries and T&CM institutes.

# Project Scope

## Objectives

- To develop a Regional Hub for T&CM that drives regional healthcare cooperation, promotes and scales T&CM practices, and thereby improve healthcare access to achieve universal health coverage.
- To produce recommendation that considers:
  - Existing initiatives and challenges faced by stakeholders across Asia.
  - Policies and regulations relevant to T&CM development.
  - The feasibility and scalability of proposed model and key activities of the Regional Hub.

## Methodology

- Desktop research and analysis.
- Site visits and meetings with a range of T&CM stakeholders across the supply chain (producer, manufacturer, retail), service providers, practitioners, researchers, universities, medical professionals, and pharmaceutical companies in Malaysia, Hong Kong, Indonesia, and China.
- Participants brainstorm sessions to generate innovative models and conduct the required analysis.

## Project Outcomes

- A proposal that outlines the creation of a T&CM Regional Hub with recommendations on the Operating Model, Service Portfolio, Standards & Policies, and Financial Model.
- A presentation of the proposal to representatives from government, university, healthcare industry, and other associated stakeholders in the ecosystem.



# Regional T&CM Hub

This report proposes the establishment of a **Regional Traditional and Complementary Medicine Hub** (hereafter referred to as the Regional Hub). The Regional Hub will be guided by clear vision and mission statements, offering five key services critical to the coordinated development of T&CM in Asia.

## Vision

To be a global Centre of Excellence (CoE) for the preservation, promotion, and integration of T&CM in Asia, while investing in innovation and advancing accessibility to primary healthcare for all.

## Mission

**Preservation:** Safeguard and nurture the rich heritage of major T&CM practices across Asian countries, ensuring their legacy to future generations.

**Accessibility:** Expand access to T&CM services and products by harmonising standards across the region.

**Collaboration:** Promote partnerships and knowledge exchange among T&CM community within Asia.

**Innovation:** Promote research and innovation in T&CM to enhance its efficacy, safety, and integration with modern healthcare systems.

**Education:** Provide comprehensive education and training programmes to practitioners, healthcare professionals, and the public on the benefits and applications of T&CM.

## 5 Key Services



Clinical Service



Accreditation & Certification



Research & Development



Knowledge Hub



Training & Education

# Operating Model

**GIFT** GLOBAL  
INSTITUTE  
FOR TOMORROW.





## Section Summary

- A proposal to establish Asia's first Regional Hub for T&CM, which aims to be a Centre of Excellence for the promotion and advancement of T&CM.
- The Regional Hub will be a non-profit organisation located in Malaysia, with support from China, India, Singapore, ASEAN, other Asian countries, and philanthropic organisations.
- The operating model outlines the services provided, the countries and stakeholders involved and their role in relation to the Regional Hub, including funding support, knowledge sharing, cultural exchange, and harmonising standards.
- The organisational structure provides an overview of the organisational governance, division of function, and management team required to support the operationalisation of the Regional Hub.

# Preamble to Regional Hub's Founding

While equitable health access is a common denominator in Asia's development agenda, the countries below, along with the ASEAN bloc, have demonstrated a commitment to championing T&CM as a healthcare solution by leveraging respective economic, geographical, and cultural endowments.

## Malaysia

- A variety of traditional medicines are widely practiced and accepted in Malaysia thanks to its multicultural heritage.
- Increasing government commitment to T&CM, established healthcare system, and rich herbal medicine resources position Malaysia as an emerging leader in T&CM health service provision and regulation.

## China

- As the birthplace of traditional Chinese medicine (TCM), China successfully integrated TCM in its modern health system through coordinated industry, education, and policy development.
- China seeks to export TCM globally as part of its health diplomacy agenda through Health Silk Road initiatives.

## India

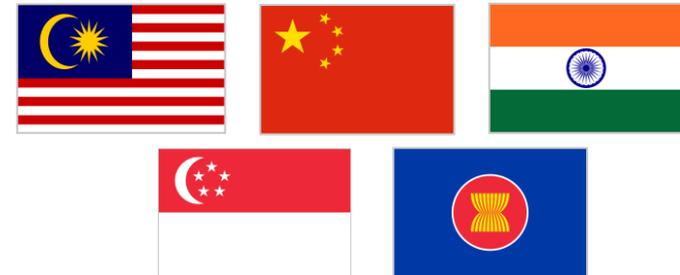
- As the birthplace of Ayurvedic medicine (AM), India undertakes consistent effort through Ministry of AYUSH to mainstream AM into its public health system.
- India's interest in T&CM development is evidenced in the promotion of AM and Yoga overseas via cultural diplomacy and product exports.

## ASEAN

- ASEAN's pioneering effort in harmonisation of traditional medicine and health supplements is a cornerstone of regional T&CM cooperation.
- Dialogue platforms such as Health Ministerial Meetings established by ASEAN are important avenues to engage the wider Asia in T&CM policy and trade development.

## Singapore

- Singapore is a regional leader in providing public universal healthcare, achieving top five life expectancy in the world.
- Its large private healthcare sector and world-class biomedical research ecosystem made Singapore an international hub for medical innovation.



# Location Selection

Malaysia has been identified as the ideal location to host the Regional Hub based on several strategic considerations as outlined below. Johor state is proposed as the preferred site, given its ample land availability, robust industrial base, affordable costs, and strategic proximity to international hubs like Singapore.

**Strategic Location and Accessibility:** Malaysia is situated at the heart of Southeast Asia, making it accessible to international practitioners, researchers and patients.

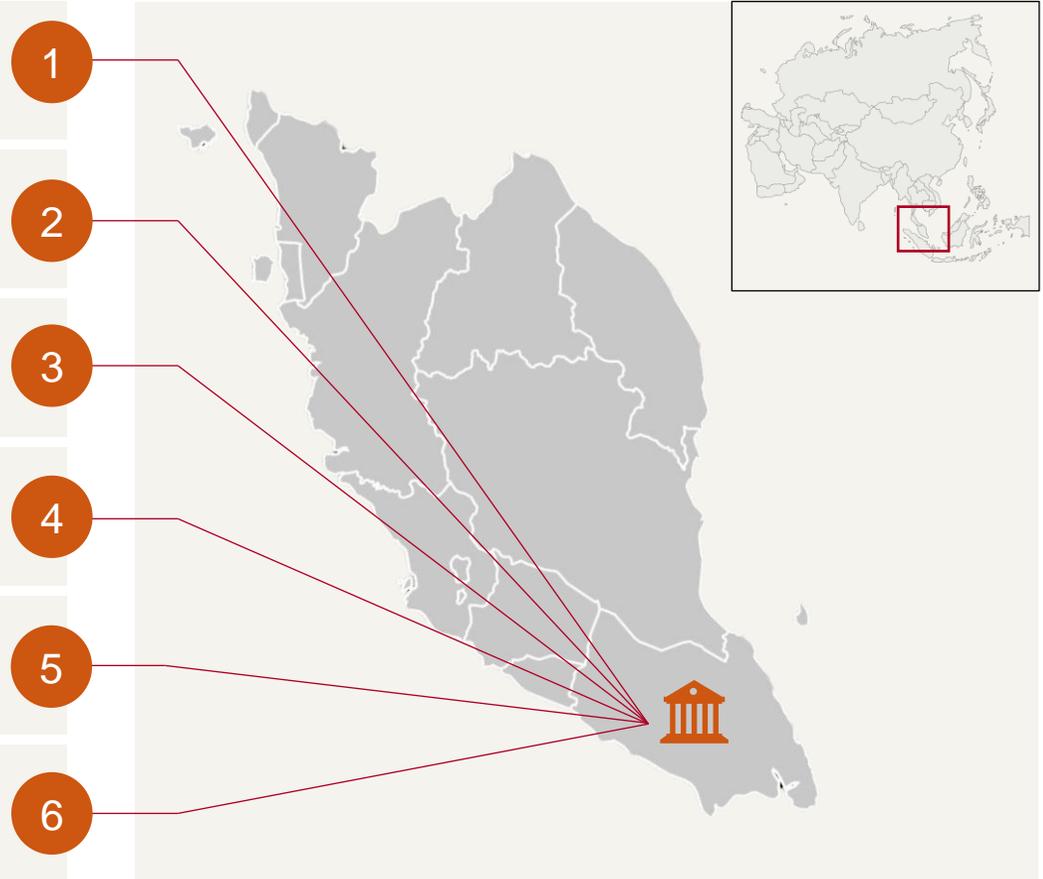
**2025 ASEAN Chair:** Malaysia's ASEAN chairmanship is an opportunity for health cooperation and T&CM to be included in the regional agenda.

**Supportive Government Policies:** The Malaysian government is committed to supporting T&CM and is a regional leader in T&CM regulation and policy initiatives.

**Human Resource:** Malaysia has a growing pool of qualified T&CM practitioners. It also hosts reputable education institutions dedicated to T&CM studies.

**Cost Effectiveness:** With Malaysia's mature industrial base and established supply chain, the material and operation costs can be kept affordable and productive.

**Cultural Acceptance:** Malaysia's rich multicultural society contributes to diverse T&CM practices, making Malaysia an ideal location for promoting integration.



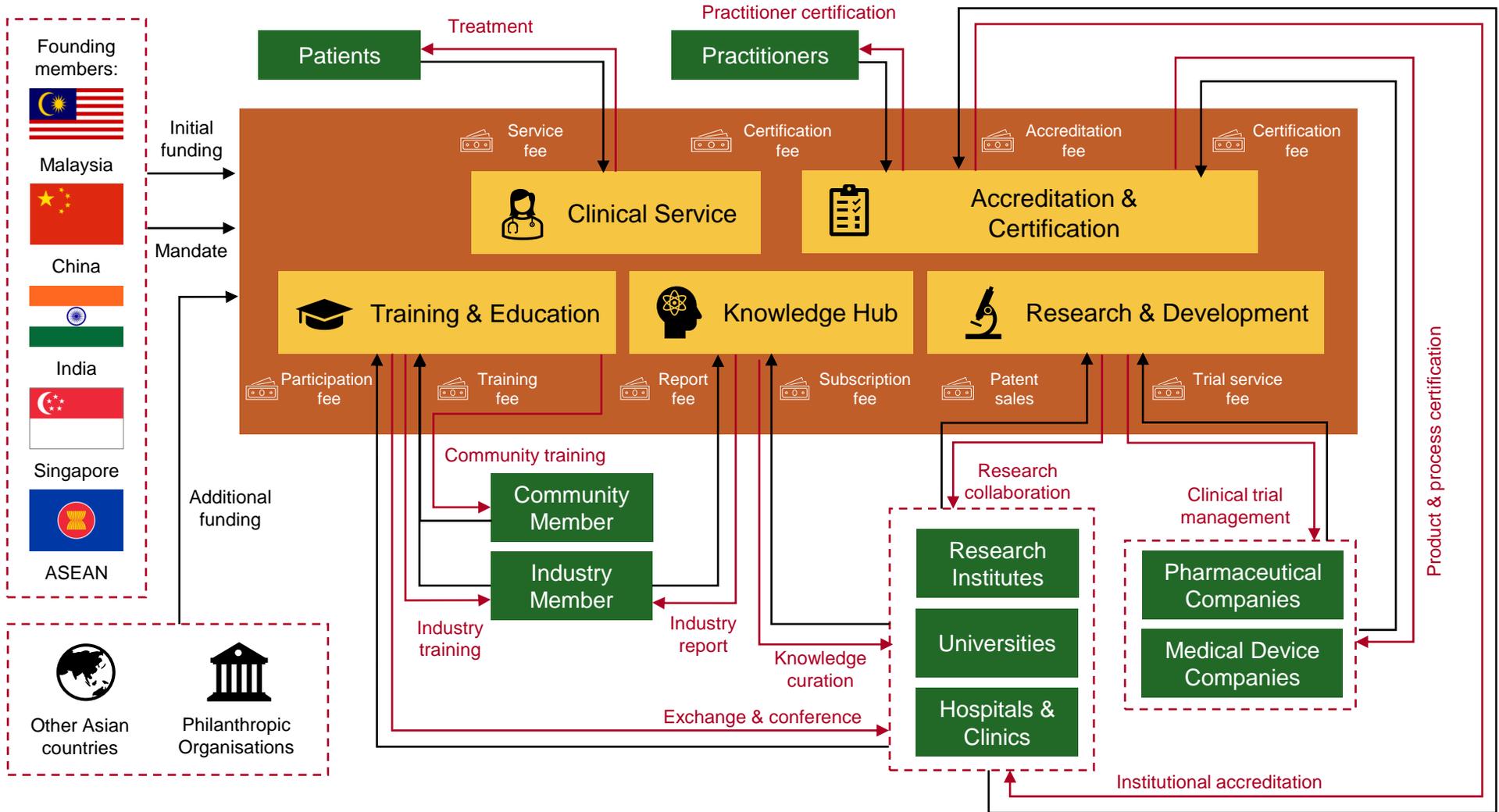
# The Setup of Regional Hub

- The Regional Hub aims to advance the development of T&CM in Asia by addressing key bottlenecks through five core services.
- As a CoE for T&CM, the Hub will convene and engage with diverse stakeholders across the T&CM ecosystem, including public institutions, private entities, and community representatives.
- Operating as a non-profit entity, the Regional Hub will ensure financial and operational sustainability by generating revenue through service charges for its offerings.
- Efforts will be made to maintain these charges at an affordable level to ensure accessibility for all stakeholders, particularly patients and community members.
- In addition to providing initial funding, the founding members will serve as key supporters, granting the mandate, and resources necessary for the Regional Hub's operations.
- Other Asian countries and philanthropic organisations will also be invited to contribute additional funding to the Regional Hub.



# Operating Model

Legend:



# Founding Members

The establishment of the Regional Hub will depend on the political will and strategic interest of its funding members to secure the required resources.

	Value Provided	Value Gained
 Malaysia	<ul style="list-style-type: none"> <li>• Land for hosting the Regional Hub and initial funding</li> <li>• Diverse cultural make-up and ready acceptance conducive to pilot initial services</li> </ul>	<ul style="list-style-type: none"> <li>• Immediate access to clinical services, training opportunities, and research collaboration</li> <li>• Improved standing as a leader in regional healthcare development</li> </ul>
 China	<ul style="list-style-type: none"> <li>• Initial funding support via government</li> <li>• TCM expertise, research, education, cultural exchange, technology transfer</li> <li>• Advice on T&amp;CM integration, especially TCM</li> </ul>	<ul style="list-style-type: none"> <li>• An avenue to globalise TCM through knowledge and expertise sharing</li> <li>• Opportunities to strengthen health diplomacy and leadership in global health governance</li> </ul>
 India	<ul style="list-style-type: none"> <li>• Initial funding support via government</li> <li>• AM expertise, research, education, cultural exchange, technology transfer</li> <li>• Advice on T&amp;CM development, especially AM</li> </ul>	<ul style="list-style-type: none"> <li>• An avenue to globalise AM through knowledge and expertise sharing</li> <li>• A platform to engage in cultural diplomacy and enhance export promotion</li> </ul>
 Singapore	<ul style="list-style-type: none"> <li>• Initial funding support via government</li> <li>• Advisory on healthcare management, governance, and financial management</li> </ul>	<ul style="list-style-type: none"> <li>• Proximal access to T&amp;CM clinical services, especially for ageing population</li> <li>• Strengthen cooperation with key regional partners such as Malaysia, China, and India</li> </ul>
 ASEAN	<ul style="list-style-type: none"> <li>• Initial funding support and advice on regional T&amp;CM standards harmonisation</li> <li>• Dialogue platform to foster government buy-in</li> <li>• Access to local indigenous medicine practices</li> </ul>	<ul style="list-style-type: none"> <li>• Accelerate traditional medicine regulatory harmonisation among ASEAN member states</li> <li>• Enhance regional trade and economic integration</li> </ul>

# Stakeholders

The Regional Hub will create a mutually beneficial ecosystem, where stakeholders in the T&CM sector can contribute their expertise while gaining value and addressing their challenges through the Hub's services, ultimately broadening healthcare access, improving service delivery, and benefiting patients.

Stakeholders	Value Provided	Value Gained
<b>Practitioner</b> 	<ul style="list-style-type: none"> <li>Provide T&amp;CM treatment and service</li> </ul>	<ul style="list-style-type: none"> <li>Facility and resource for practice</li> <li>Professional certification</li> </ul>
<b>Pharmaceutical &amp; Medical Device Company</b> 	<ul style="list-style-type: none"> <li>Develop, manufacture, and commercialise T&amp;CM medicine and medical equipment</li> </ul>	<ul style="list-style-type: none"> <li>Access to patient pool and clinical trial support</li> <li>Access to regional market and expert</li> </ul>
<b>Research Institute</b> 	<ul style="list-style-type: none"> <li>Conduct research on T&amp;CM medicine, procedure, and technology</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D infrastructure</li> <li>Business opportunity through joint research project</li> </ul>
<b>University</b> 	<ul style="list-style-type: none"> <li>Educate and train future T&amp;CM professionals</li> <li>Conduct basic research</li> </ul>	<ul style="list-style-type: none"> <li>Exchange and placement opportunity</li> <li>Degree programme accreditation</li> <li>Research collaboration</li> </ul>
<b>Hospital &amp; Clinic (Service Provider)</b> 	<ul style="list-style-type: none"> <li>Provide facilities for treatment</li> <li>Conduct clinical trials</li> </ul>	<ul style="list-style-type: none"> <li>Facility accreditation</li> <li>Clinical trial management support</li> </ul>
<b>Community Member</b> 	<ul style="list-style-type: none"> <li>Share local and traditional healing knowledge, experience, and practices</li> </ul>	<ul style="list-style-type: none"> <li>Access to T&amp;CM education and knowledge resource</li> </ul>
<b>Industry Member</b> 	<ul style="list-style-type: none"> <li>Provide expertise and insights from industry and academia.</li> </ul>	<ul style="list-style-type: none"> <li>Access to education resource and professional conference</li> </ul>

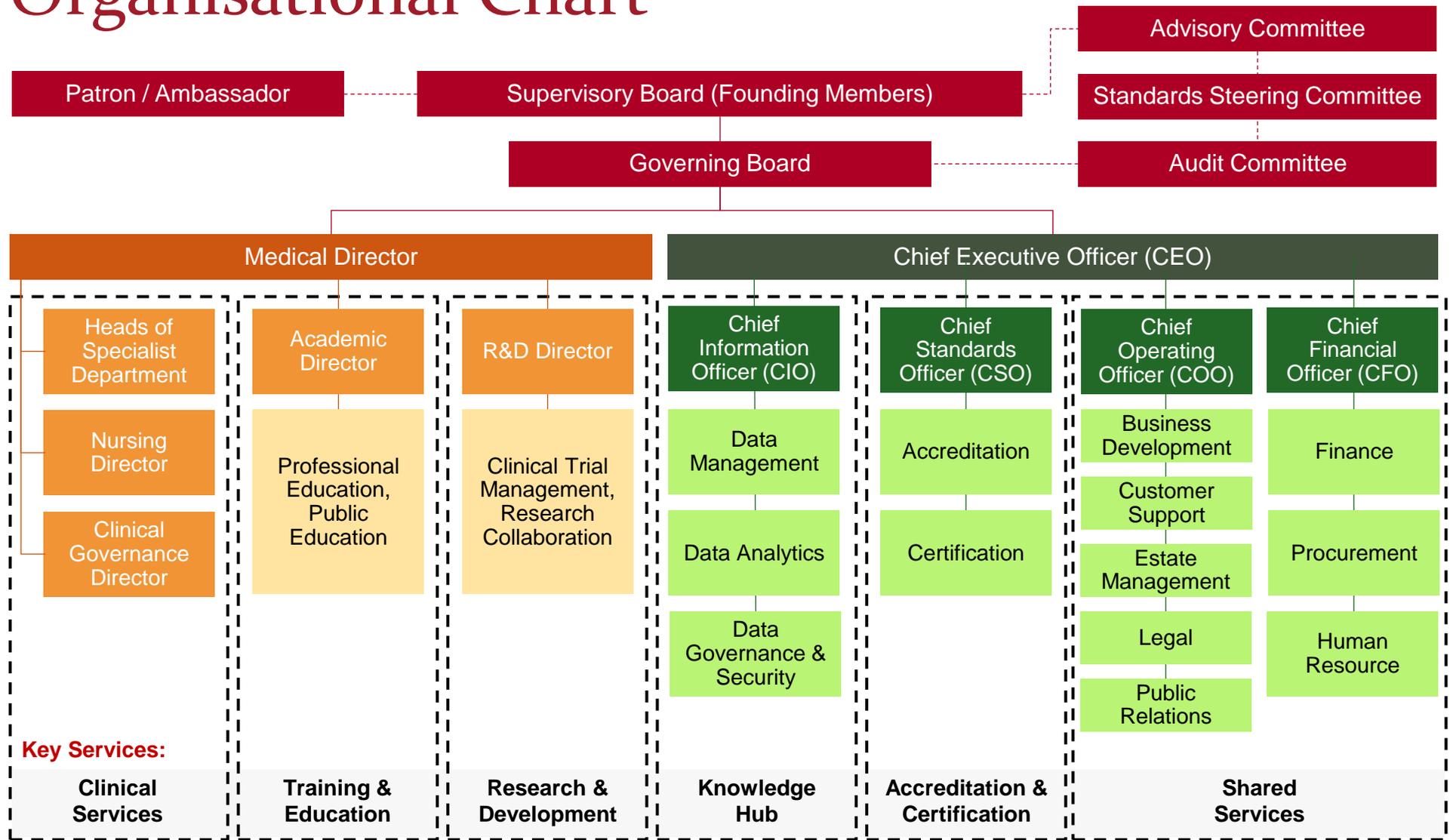


**Patient**

Improved access to innovative, safe, and affordable treatments

*\*Details of the services and revenue generation between stakeholders and the Regional Hub's function will be elaborated in Key Service section.*

# Organisational Chart



# Governance

The governance layer comprises of six groups of people, each playing complementary roles that collectively form a system of checks and balances to strengthen and support the decision-making processes of the Regional Hub:

Entity	Responsibility
<b>Supervisory Board</b>	<ul style="list-style-type: none"> <li>Comprises representatives of founding members.</li> <li>Provides strategic direction to the Regional Hub, protects the interest of the founders, and ensures mandate is adhered to.</li> </ul>
<b>Governing Board</b>	<ul style="list-style-type: none"> <li>Governing body of the Regional Hub and may exercise all the powers conferred on the Regional Hub, save in so far as they are by the Constitution conferred on some other Authority, body or officer of the Regional Hub.</li> </ul>
<b>Advisory Committee</b>	<ul style="list-style-type: none"> <li>Comprises T&amp;CM experts, policymakers and industry players, providing perspectives on various aspects of the T&amp;CM landscape.</li> </ul>
<b>Standards Steering Committee</b>	<ul style="list-style-type: none"> <li>An independent entity that underpin the Regional Hub's work in policies and standards. Further details are elaborated in Standards &amp; Policies section.</li> </ul>
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>Reviews financial integrity and internal control systems.</li> <li>Ensures the organisation operates within the legal and ethical framework, adhering to applicable regulations and industry guidelines.</li> </ul>
<b>Patron / Ambassador</b>	<ul style="list-style-type: none"> <li>A well-known or illustrious individual who lends their name and support to uplift the profile and generates more awareness of the Regional Hub.</li> </ul>



# Executive Branch (1/2)

There are two Executive Branches in the Regional Hub. This Executive Branch manages all non-hospital operations, including information management, standardisation, and back-office functions. It is led by the CEO.

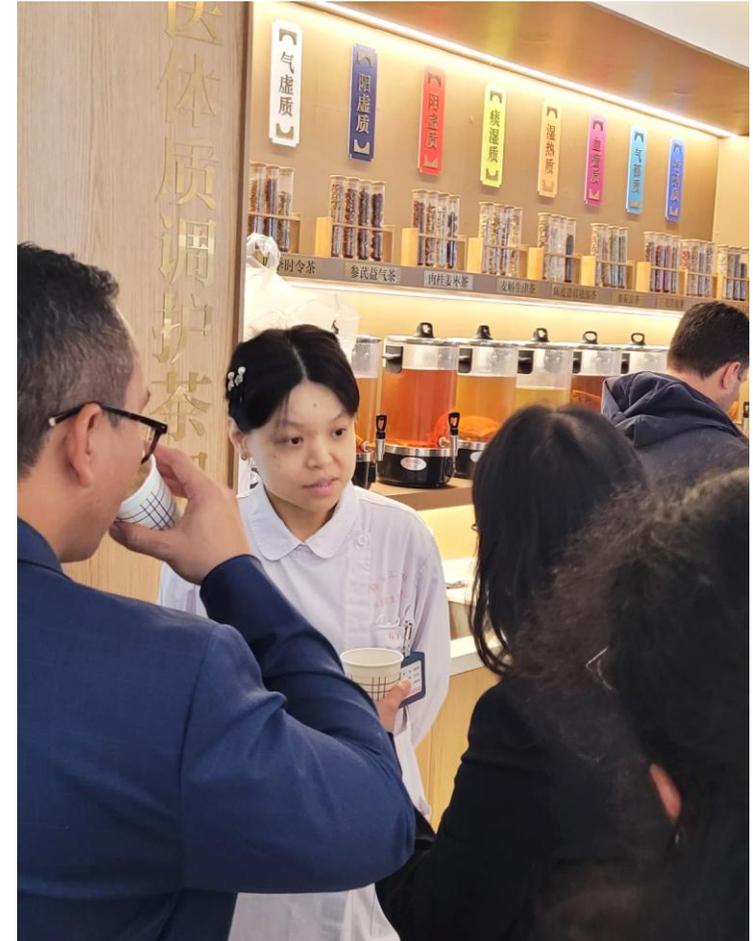
Position	Responsibility
<b>Chief Executive Officer (CEO)</b>	<ul style="list-style-type: none"><li>• Manages the establishment and strategic growth of Regional Hub in accordance with its mission.</li><li>• Exercises general supervision over all administrative, finance, and shared operation matters.</li><li>• Observe compliance of all laws and regulations.</li></ul>
<b>Chief Information Officer (CIO)</b>	<ul style="list-style-type: none"><li>• Manages IT infrastructure, providing technical support for daily operation, learning and research activities.</li><li>• Implements data management policies and ensures compliance with personal data protection laws.</li></ul>
<b>Chief Standards Officer (CSO)</b>	<ul style="list-style-type: none"><li>• Chairs the Standards Steering Committee to develop standards and policies for T&amp;CM harmonisation.</li><li>• Oversees the proper delivery of accreditation and certification services.</li></ul>
<b>Chief Operation Officer (COO)</b>	<ul style="list-style-type: none"><li>• Manages all business operations, ensuring effective operational procedures and the delivery of high-quality, cost-effective services.</li></ul>
<b>Chief Finance Officer (CFO)</b>	<ul style="list-style-type: none"><li>• Manages the Regional Hub's budget, financial practices, and reporting, maintaining healthy cash flow and financial sustainability.</li></ul>



# Executive Branch (2/2)

This branch oversees all activities conducted within the hospital or in collaboration with it, encompassing clinical services, education, and research. It is led by the Medical Director.

Position	Responsibility
<b>Medical Director</b>	<ul style="list-style-type: none"> <li>Oversees all healthcare personnel, including practitioners, herbalists, and nurses.</li> <li>Acts in coordination with Academic and R&amp;D Directors on education and research activities within the hospital.</li> <li>Develops and implements policies to improve patient care standards.</li> </ul>
<b>Heads of Specialist Department</b>	<ul style="list-style-type: none"> <li>Lead department operations and staffing.</li> <li>Supervise patient care, treatment delivery, and departmental programme.</li> </ul>
<b>Nursing Director</b>	<ul style="list-style-type: none"> <li>Manages all nursing operations including personnel, policies, procedures, and budgets.</li> <li>Ensures compliance with standards and facilitates communication with other healthcare staff.</li> </ul>
<b>Clinical Governance Director</b>	<ul style="list-style-type: none"> <li>Oversees the safety and quality performance across all clinical systems and operations.</li> <li>Monitor patient care experience as part of quality improvement processes.</li> </ul>
<b>Academic Director</b>	<ul style="list-style-type: none"> <li>Manages, observes, supervises, and evaluates all internal and external academic activities.</li> </ul>
<b>R&amp;D Director</b>	<ul style="list-style-type: none"> <li>Controls, coordinates and carries out research and development of T&amp;CM services and goods.</li> </ul>



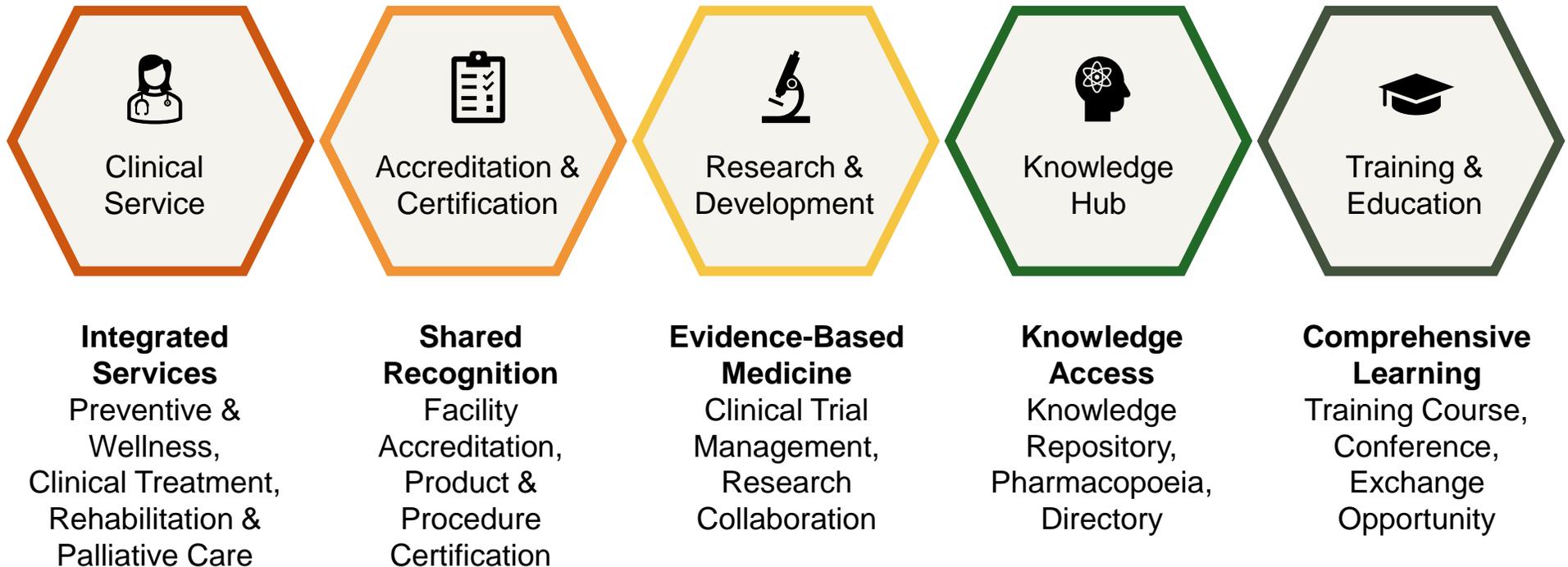
# Key Services

**GIFT** GLOBAL  
INSTITUTE  
FOR TOMORROW.



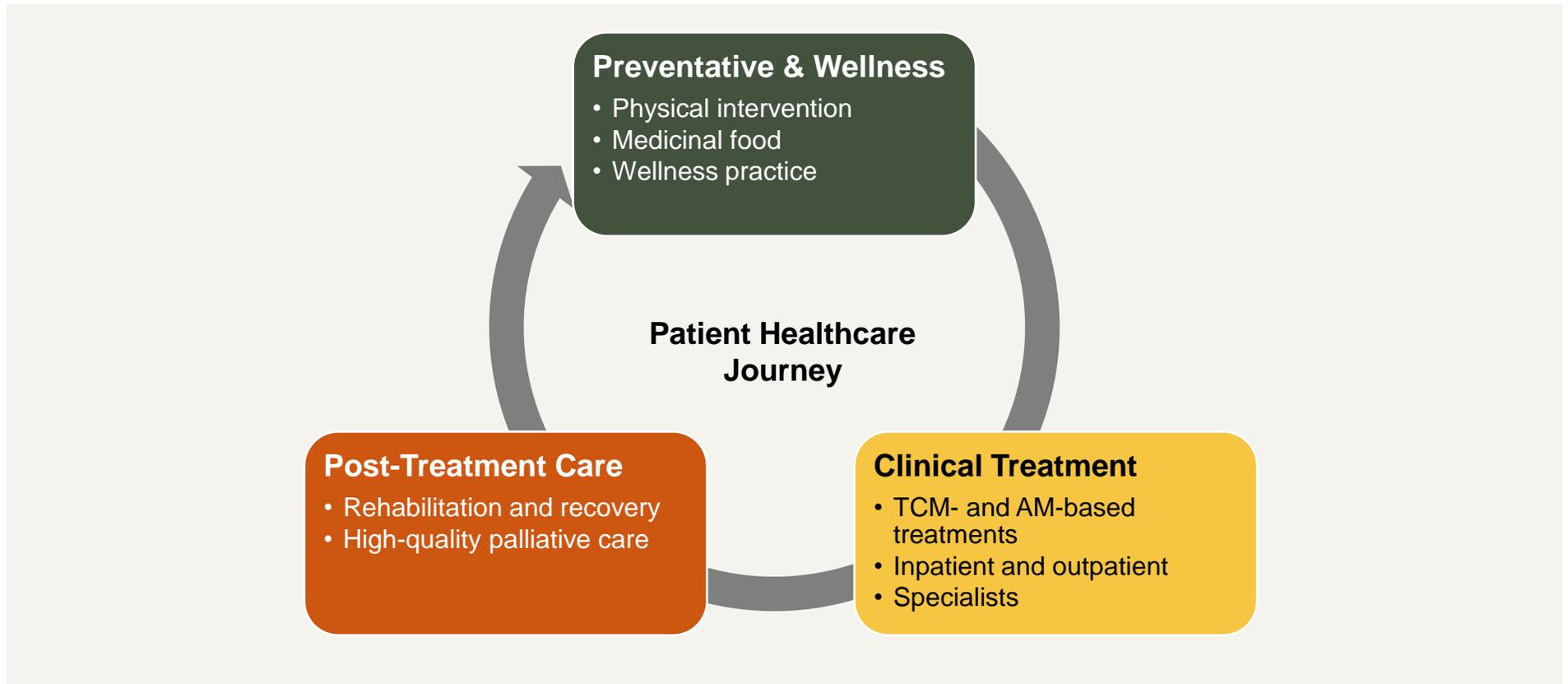
# Section Summary

The Regional Hub strives to be a global Centre of Excellence and will provide five key services that are inter-dependent to systemically improve the access to T&CM in the region. Each service will address specific challenge in T&CM development while generating revenue to sustain the operation of the Regional Hub.



# 1. Clinical Service

The Regional Hub will provide clinical services through a world-class T&CM Hospital, delivering integrated care across the three stages of disease management: preventative & wellness, clinical treatment, and post-treatment care. Guided by T&CM's holistic health philosophy, the primary offerings will include TCM and AM, complemented by modern medicine and other T&CM practices.



# 1. Clinical Service

## Preventive & Wellness

- The Preventive & Wellness service seek to offer holistic care through tailored combinations of herbal supplements, physical interventions, dietary recommendations, and wellness programmes, ensuring individuals maintain balance and harmony for long-term health and vitality.
- It will focus on cultivating healthy lifestyles through practices such as herbal oil massages, Baduanjin exercises, yoga classes, and other therapeutic practices aimed at promoting vitality and resilience.
- To complement these practices, medicinal foods will be served to support general health preservation and the recovery of patients undergoing clinical treatments.
- The services can be introduced as customisable packages to meet the diverse needs of target groups, including locals, expatriates, and international visitors, paving the way for health tourism.



# 1. Clinical Service



## Clinical Treatment

- A key mission of the Regional Hub is to deliver affordable, high-quality, and accessible T&CM services to the public. Central to this mission is a 200-bed hospital, designed as a fully equipped facility capable of addressing diverse healthcare needs.
- The hospital will primarily offer services in TCM and AM, offering treatments such as acupuncture, moxibustion, and herbal therapies. It will also be equipped with an accident and emergency unit, AI-enabled diagnostic tools, advanced treatment facilities, and specialists.
- Each treatment unit will be staffed by 1-2 full-time practitioners supported by 2-3 contract practitioners on rotation, ensuring an optimal doctor-to-patient ratio. Additionally, nurses and medical assistants will be stationed across wards, registration counters, dispensaries, and treatment rooms to provide seamless patient care.
- To ensure affordability, consultation and medication fees will be kept at accessible rates. The hospital will also prioritise collaboration with the policy department to advocate for the inclusion of T&CM in health insurance coverage, making these treatments more accessible.

# 1. Clinical Service

## Post-Treatment Care

- The hospital will offer comprehensive rehabilitation services tailored to patients in the recovery phase, providing a supportive environment that promotes physical, emotional, and holistic healing.
- T&CM therapies, such as acupuncture and massage will be delivered by skilled practitioners for conditions like stroke recovery, sports injuries, and soft tissue damage.
- For patients requiring palliative care, the Hospital will prioritise compassionate, patient-centered support to enhance their quality of life. Full-time nurses and medical assistants will provide attentive care, addressing each patient's unique physical and emotional needs.
- Traditional therapies such as acupuncture, herbal treatments, and other pain management techniques will be integrated to alleviate discomfort, reduce stress, and improve overall well-being.



# 1. Clinical Service

## Outcome

- **Convenience:** One-stop centre for T&CM services across the whole of patient health journey.
- **Collaboration:** Combine the expertise of practitioners from various T&CM and modern medicines for treatment and wellness.
- **Affordability:** Reduced financial pressure on public health spending and patient OOPE with affordable rates.

## Revenue Stream

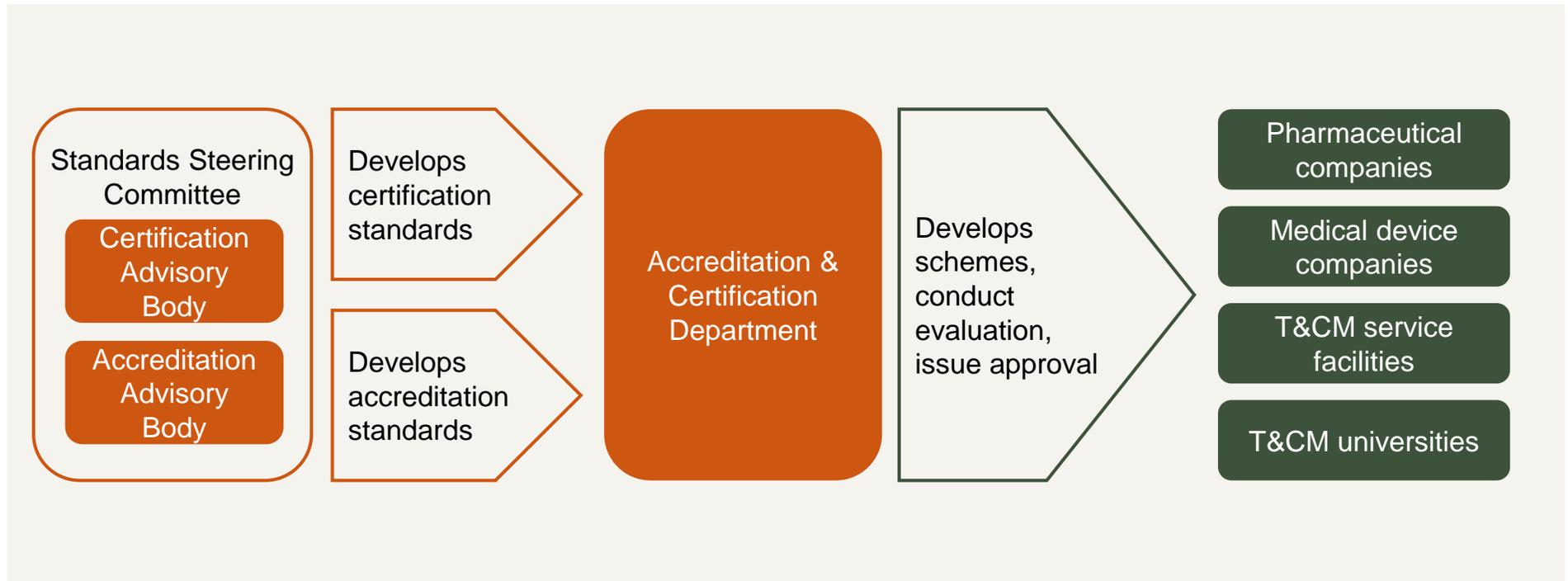
- **Wellness Package Fee** for wellness services (e.g. massage) and accommodation.
- **Consultation Fee** for consultation and diagnosis by T&CM practitioners.
- **Medicine Fee** for dispensary of herbal medications.
- **Procedure Fee** for treatment and rehabilitation (e.g. acupuncture, moxibustion).



## 2. Accreditation & Certification

Recognising the variability of regulation across countries, the Regional Hub will provide independent certification and accreditation for T&CM activities. Upon the establishment of accreditation and certification standards through the Standards Steering Committee (see Policy & Standards section for details), the Regional Hub will develop the schemes, conduct evaluation, and provide issue the approval through its Accreditation & Certification Department (A&C Department).

The figure below depicts the working relationship between the Committee and the A&C Department:



## 2. Accreditation & Certification

### Accreditation

- As an accreditation body, the Regional Hub will provide accreditation to service facilities such as T&CM hospitals and clinics, ensuring a basic fulfillment of safety requirements.
- Key aspects of such as healthcare management system, clinical procedures, and hygiene maintenance will be inspected as part of the accreditation process.
- In addition, accreditation will also be provided to T&CM degree programmes in university. This includes the quality of evidence-based teaching, clinical placement, and modern medicine integration.
- Accreditation renewal is available every three years which requires a follow-up inspection and evaluation to ensure standards are observed and maintained.
- The service fee and renewal fee are chargeable to the accredited organisation and represents one of the revenue source for Regional Hub.

### Certification

- The Regional Hub will provide certification to key pillars of T&CM ecosystem essential for the provision of quality service, which may include the following:
  - T&CM pharmaceutical products, including herbal supplements;
  - Medical devices such as therapeutic tools; and
  - Practitioners.
- The Regional Hub's certification will encourage the further development and adoption of harmonised T&CM standards, mutually recognised by all countries in the region.
- A service fee is chargeable to the owner of the certification and represents another revenue source.

## 2. Accreditation & Certification

### Outcome

- **Credibility:** Assurance to patients and industry that T&CM products, services, and facilities meets industry and regulatory standards.
- **Regulatory Harmonisation:** Reduce regulatory complication and improve regional trade of T&CM products with common quality assurance standards.
- **Coverage:** Regulated and standardised T&CM profession enable coverage by insurance and inclusion in public health system.

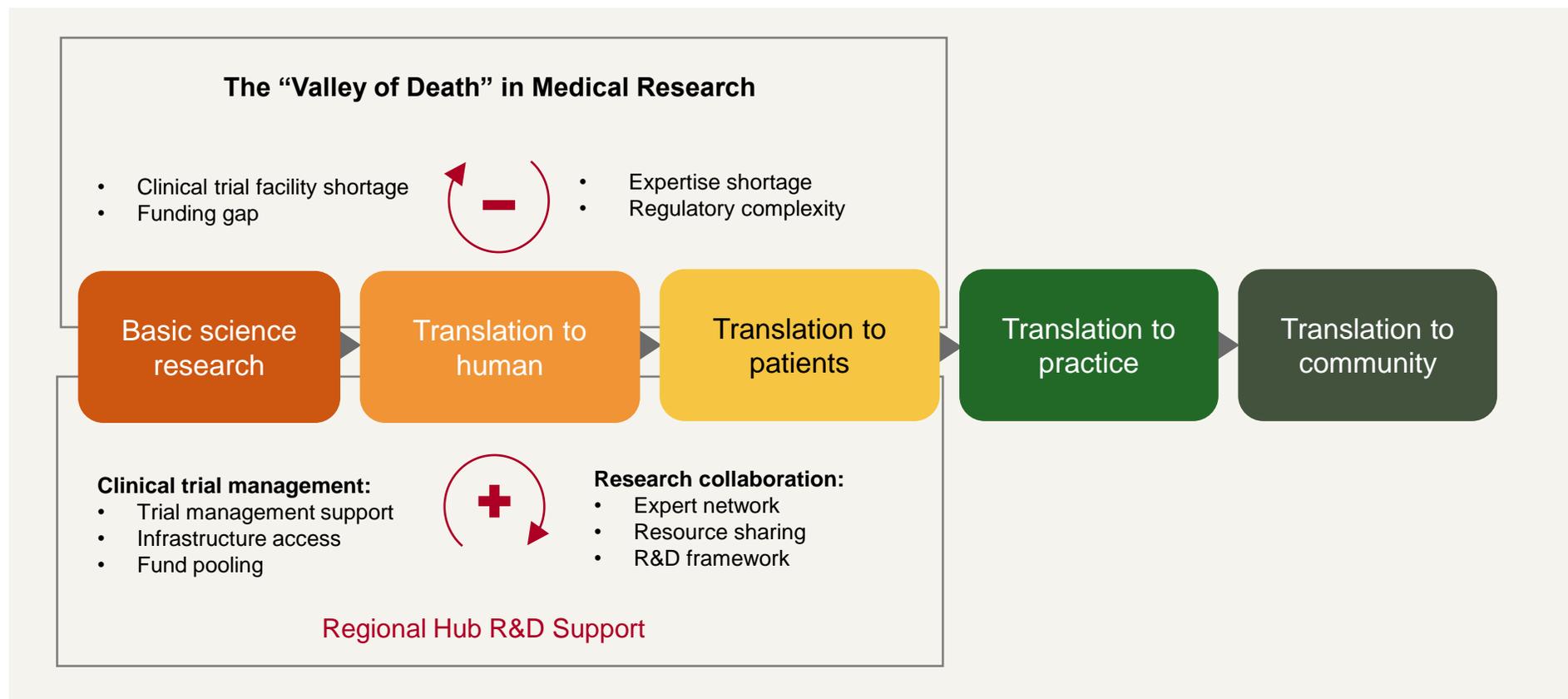
### Revenue Stream

- **Accreditation Fee** charged to facilities on evaluation and attainment of accreditation.
- **Certification Fee** charged to companies to certify products and processes and universities to certify programmes.
- **Review Charges** for additional inspection (if required).
- **Renewal Fee** for renewal of certification and accreditation.

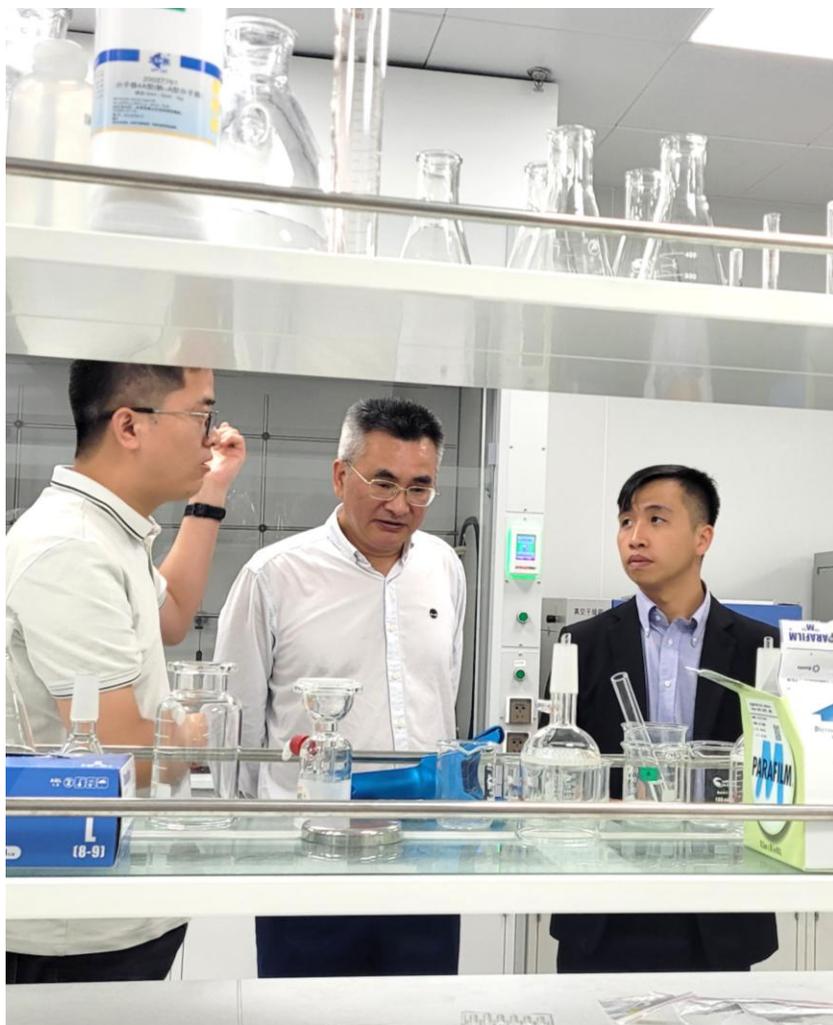


# 3. Research & Development

The Regional Hub will feature an R&D Department that functions to accelerate the conversion of ideas, insights, and discoveries generated from basic scientific inquiry into tangible solutions for improving human health. The R&D services provided by Regional Hub aim to overcome the critical barrier in medical science research, occurring from basic research to clinical application.



# 3. Research & Development



## Clinical Trial Management

- The R&D Department will function as a dedicated unit for designing, executing, and managing clinical trials especially on evaluating the efficacy, quality, and safety of T&CM products and procedures.
- The R&D Department will provide end-to-end support in trial management consisting protocol development, participant recruitment, data collection and analysis, and regulatory submissions for clinical investigation of herbal medicines and procedure-based therapies in line with international standards such as Good Clinical Practice (GCP).
- The R&D Department will also provide state-of-the-art laboratories complete with specialised equipment and facilities to support translational research.
- To effectively overcome the funding gap often faced in clinical studies, the Regional Hub will act as a convening body to encourage governments, universities, and industries to pool funding resource for T&CM research and encourage risk sharing.
- Revenue generation will come from trial management fees charged to research sponsors such as pharmaceutical companies, medical device companies, and international organisations.

# 3. Research & Development

## Research Collaboration

- The R&D Department will collaborate with universities and research institutions and establish a dedicated pathway to accelerate research project with a high-potential for commercialisation.
- As a resource facilitator, the Regional Hub will provide access to network of experts, in-house clinical trial management, patient recruitment from T&CM hospital, research infrastructure, and connection with private sector companies, thereby accelerating the bench-to-bedside process.
- This service will drive scientific discovery and enhance global competitiveness of T&CM industry, encouraging cross-disciplinary collaboration different T&CM practices, and generate evidence for policy development.
- A sustainable revenue stream will be created through patent licensing and spin-off revenue sharing. Through patent sharing, the Regional Hub will ensure that the products or procedures will remain affordable for all.



# 3. Research & Development

## Outcome

- **Scientific Validation:** Generate evidence to assess the safety and effectiveness of T&CM practices and herbal remedies.
- **Gap-bridging:** Accelerate the translation of basic discoveries into clinical research, then into life-saving treatments.
- **Innovation:** Encourage more scientific and technological breakthroughs in T&CM field.

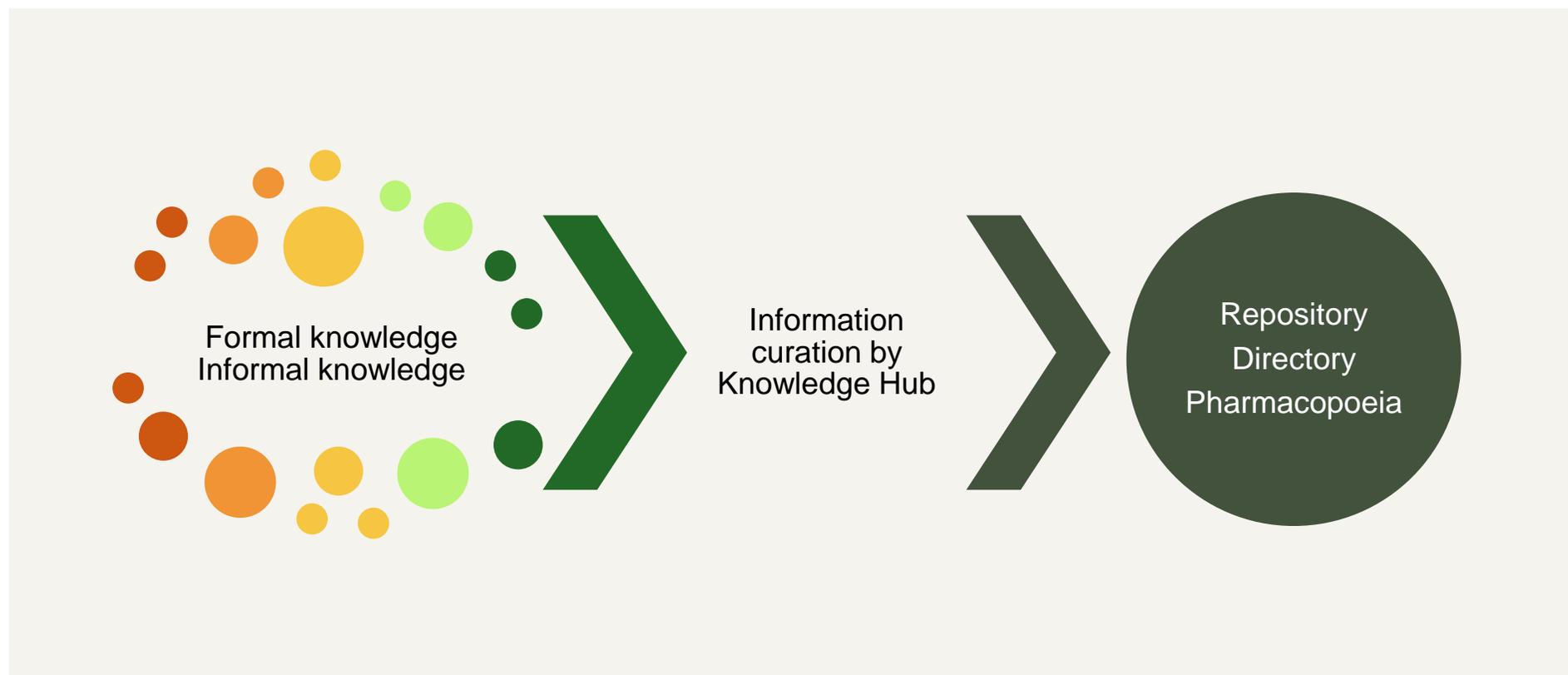
## Revenue Stream

- **Clinical Trial Fee** charged to pharmaceutical and medical device companies for clinical trial management, which includes laboratory usage.
- **Patent Sales** received from external entities who purchase the patent. It will be shared with research institutes and universities who collaborated on the research project.



## 4. Knowledge Hub

The Regional Hub will establish a Knowledge Hub that act as a central data library for T&CM information and practices for the purpose of resource sharing and knowledge preservation. The Knowledge Hub will curate formal and informal knowledge with knowledge partners from community, industry, and academia while spearheading the development of Regional T&CM Pharmacopoeia.



# 4. Knowledge Hub



## Knowledge Repository

- The knowledge repository, taking the form of a digital library, will consist of comprehensive formal information on T&CM. It will include formal content such as peer-reviewed research papers, clinical guidelines, regulatory frameworks, and academic publications, classified and organised for public access.
- The repository will also house informal knowledge such as ancient scripts, oral traditions, and practices often passed down through generations. A knowledge preservation strategy will be devised.
- In collaboration with R&D Department, the Knowledge Hub will curate and compile specialised reports providing industrial insights.
- By bringing together centuries-old wisdom and modern medical insights, the Knowledge Hub creates a rich, accessible resource that supports education, research, and the innovation healthcare practices.

# 4. Knowledge Hub

## Pharmacopeia

- As a steward of T&CM knowledge, the Knowledge Hub is well-positioned to spearhead the development of a Regional Pharmacopeia for T&CM, building on work such as China-ASEAN Traditional Medicine (2019). This initiative aims to standardise the documentation and use of medicinal substances, ensuring safety, efficacy, and consistency across each T&CM practices.
- Developed in close consultation with key stakeholders such as national drug control authorities, medical experts, pharmaceutical industry, the pharmacopeia will serve as the gold standard for the manufacturing and regulation of T&CM medicinal products in the region and a reference for cross-border regulatory harmonisation.
- The pharmacopoeia, available publicly and free-of-charge, will harmonise quality assurance standards, improve intelligibility between national regulations, and enhance cross-border medicinal products trade.



# 4. Knowledge Hub

## Directory

- The Knowledge Hub will also establish and maintain a comprehensive directory of T&CM practitioners and providers, featuring detailed profiles that highlight their qualifications, areas of expertise, and practice locations.
- This directory will serve as a valuable resource for connecting individuals and organisations with the right experts, facilitating referrals, and fostering collaboration across the T&CM community.
- By providing an accessible platform for practitioners to showcase their skills and for stakeholders to identify and engage with specialists, the Regional Hub can strengthen networks, improve access to quality care, and promote the growth and visibility of T&CM practices in the region.



# 4. Knowledge Hub

## Outcome

- **Preservation:** Ensuring the preservation of ancient healing knowledge and traditions for the benefit of future generation.
- **Accessibility:** Comprehensive resources for practitioners, community members, academia, and industries.
- **Reliability:** Quality information to support decision-making (e.g. patient seeking treatment, industry investing in business).

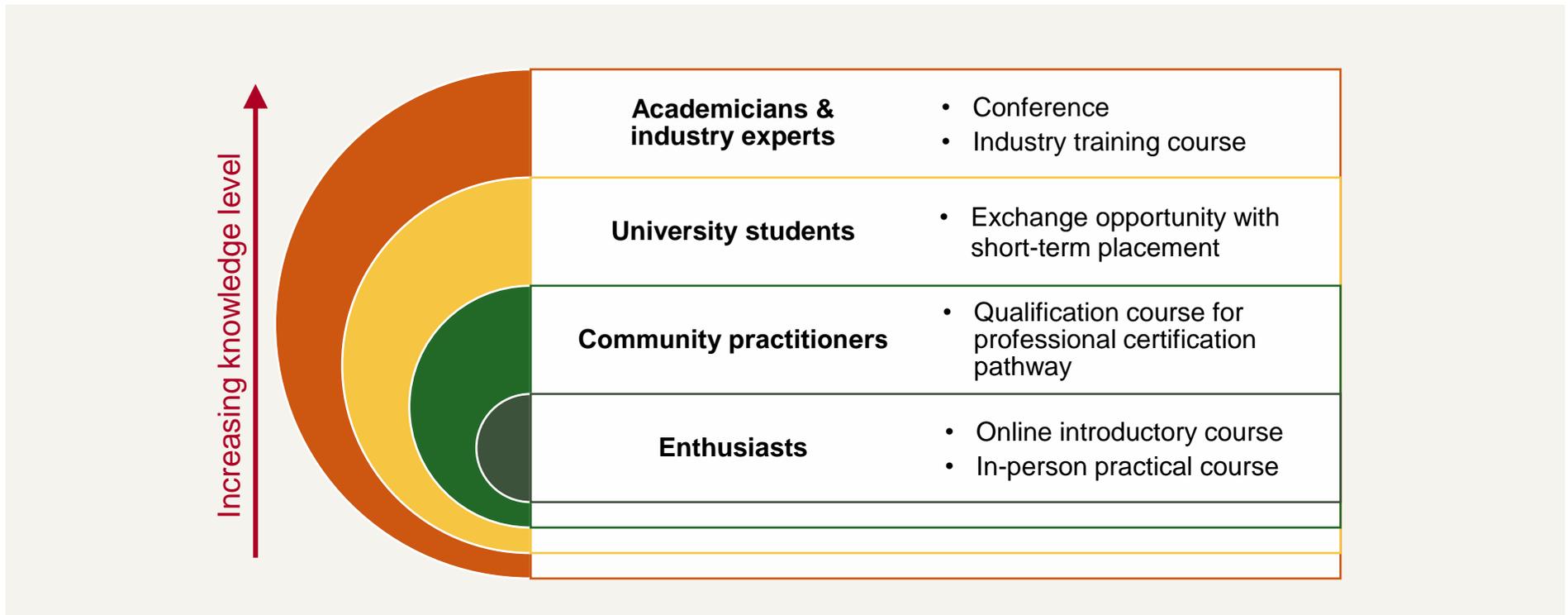
## Revenue Stream

- **Subscription Fee** to access online journal, database, and associated information repository.
- **Report Fee** charged to private businesses to obtain industry-specific data and insight reports.



# 5. Training & Education

Training and education service will be provided by the Academic Department of the Regional Hub, which acts as a Centre of Excellence for T&CM education. It represents a nexus that connects leading academic institutions, industries, and subject matter experts to complement existing education pathways by providing capacity building, exchange opportunities, and conference platform. As shown in diagram below, the services are mapped against the needs of four target groups of increasing knowledge level: enthusiasts, community practitioners, university students, and academicians and industry experts.



# 5. Training & Education



## Training Course

- The Academic Department will organise short-term introductory courses for T&CM enthusiasts and laypeople with minimal knowledge on T&CM. The course will include basic knowledge about various T&CM medicine systems and key concepts, serving as a key platform to promote cultural understanding at the community level. It ranges from concise 2-hour virtual sessions to immersive in-person programmes spanning up to three months.
- As for the unlicensed community practitioners with extensive experience in delivering T&CM services, the Academic Department will facilitate their attempt in acquiring practicing licenses via qualifying courses developed in collaboration with academic institutions and accredited by relevant authorities.
- Apart from periodic training on latest industry techniques and procedures, the Academic Department will also provide training for pharmaceutical companies, medical device companies, and other business entities in meeting the requirements for regional GMP and certification standards.

# 5. Training & Education

## Conference

- With its extensive connection with academic institutions, the Academic Department will be strategically positioned to host conferences and convene T&CM professionals from diverse fields—academics, educators, researchers, industry experts—to facilitate exchange of ideas, encourage cross-disciplinary collaboration, and inspire healthcare innovation.
- The Academic Department will organise five on-site conferences annually to explore the frontlines of T&CM development such as T&CM digitisation and AI, T&CM in global public health, and community-based health practices.
- In addition to academic exchange, conferences also serve as an avenue to allow researchers and industry representatives to contribute to inter-governmental dialogues on regional T&CM and health policies.
- By initiating a multistakeholder dialogue platform, the Regional Hub can promote the inclusive and integrative approach in health collaboration, encouraging the sharing of resources for collective wellbeing of the region.



# 5. Training & Education

## Exchange Opportunity

- The Academic Department will actively pursue regional partnerships and global collaborations with public and private tertiary education institutions, as well as local T&CM practitioners and providers.
- Leveraging this extensive network, the Academic Department aims to support final-year students and fresh graduates through international exchange opportunities, consisting two key components – a professional placement at overseas healthcare institutions and an immersive cultural exchange.
- These exchanges enable young professionals to broaden their horizons professionally and personally by immersing themselves in diverse cultures and practices, fostering a deeper understanding of global healthcare landscapes.
- Simultaneously, host countries and institutions benefit from fresh perspectives and innovative contributions from the students, creating a mutually enriching exchange that advances the T&CM field on a global scale.



# 5. Training & Education

## Outcome

- **Talent Development:** Comprehensive learning experience for students and continuous upskilling for professionals.
- **Promotion:** Improved public's understanding and perception in the rich culture and philosophy associated with diverse T&CM.
- **Platform:** An avenue for knowledge exchange, academic discourse, policy dialogues, and public engagement on T&CM.

## Revenue Stream

- **Training Fee** charged to community or industry members for online or in-person training.
- **Exchange Programme Participation Fee** charged to universities for students' exchange and placement programmes.
- **Conference Participation Fee** charged to professionals for participating in conferences.



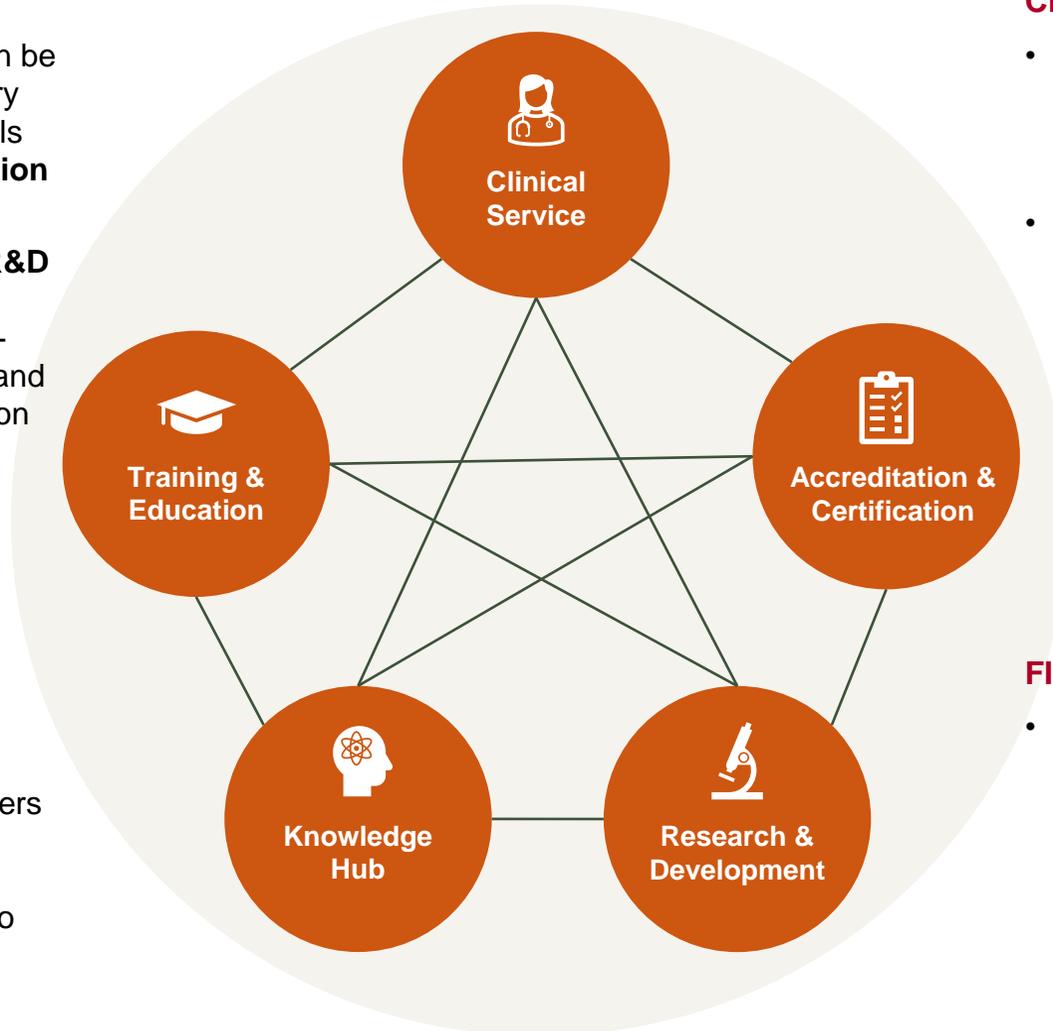
# Synergy of Services

## RESOURCE SHARING

- **Training & Education** can be provided directly to industry members and professionals when attaining **Accreditation & Certification**.
- Research outcome from **R&D** can contribute to regional pharmacopoeia, evidence-based policy formulation, and international standardisation effort of T&CM.

## KNOWLEDGE EXCHANGE

- Insights gathered from **Knowledge Hub** and experience from practitioners in **Clinical Service** can increase people-to-people exchange and contribute to **Training & Education** curriculum enhancement.



## CLINICAL APPLICATION

- Information collated in the **Knowledge Hub** can inspire new **R&D** direction and innovative treatment approach.
- Traditional practices upon rigorous scientific validation by **R&D** can be applied in **Clinical Service** to improve patient outcomes.

## FINANCIAL SUSTAINABILITY

- Confidence created through standardised products and facilities **Accreditation & Certification** will increase inflow of patients, participants and students for **Clinical Service** and **Training & Education**.

# Policies & Standards

**GIFT** GLOBAL  
INSTITUTE  
FOR TOMORROW.



# Section Summary



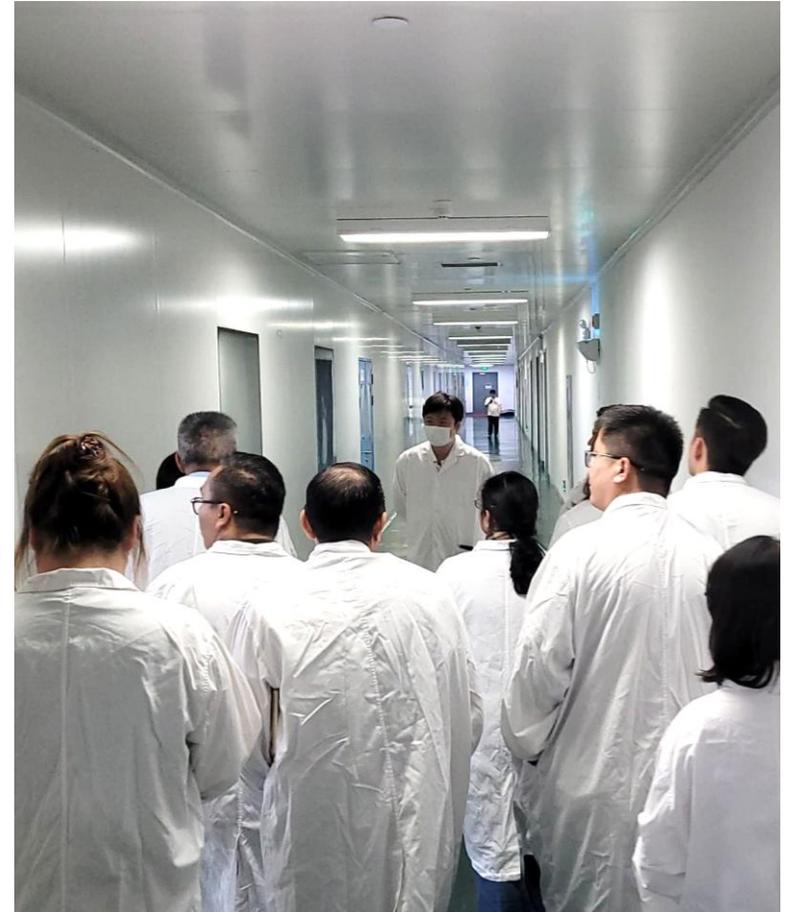
- Currently, T&CM in Asia faces challenges due to the lack of standardisation. Though the guidelines from ASEAN’s Working Group for “Harmonisation of Traditional Medicines and Health Supplements” are steps in the right direction, gaps are still present before the benefits of harmonisation can be fully realised.
- The Regional Hub will establish strategic partnerships with intergovernmental organisations, such as ASEAN, and initiate a Standards Steering Committee to undertake standards development work which underpins the policy recommendations.
- Five policy recommendations are proposed, addressing various aspects of T&CM standards and policies harmonisation:
  - Product quality assurance
  - Professional license recognition
  - Facility accreditation
  - Standardised nomenclature
  - Common Referral System
- Harmonised policies and enhanced regulation will lead to a coordinated approach in regional T&CM development, enabling initiatives such as T&CM insurance coverage, UHC scheme expansion, and modern medicine integration.

# Challenges from Standardisation Gaps

Due to the lack of standardisation, T&CM faces challenges in scaling up product and service availability and ensuring wider access. These challenges include:

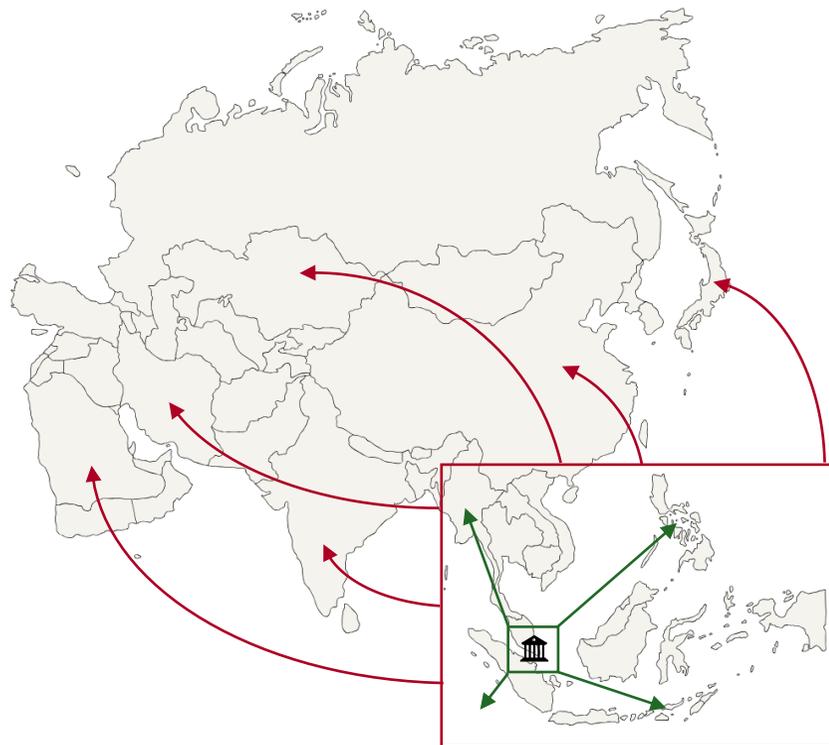
- 1 Inconsistent service delivery** which affected patient care outcome and overall confidence in T&CM.
- 2 Lack of uniform quality assurance** for T&CM pharmaceutical products and manufacturing practices, impeding quality assurance and cross-border trade.
- 3 Inconsistent standards** for training and certification for T&CM certification, affecting credibility of graduate.
- 4 Lack of R&D framework** to guide scientific investigation and reporting in line with T&CM-specific conceptual framework.
- 5 Lack of accrediting bodies** to maintain standards for T&CM facilities. Most international accrediting bodies are modern medicine-oriented e.g., Joint Commission International (JCI).

Harmonised T&CM policies and standards will remove regulatory barriers and cultivate fertile environment for T&CM growth.



# Strategic Partnership with ASEAN

As a non-profit organisation upholding impartiality and neutrality in advancing regional health, the Regional Hub is uniquely positioned to propose and coordinate the implementation of enabling policies for T&CM. The Regional Hub will establish strategic partnership with intergovernmental organisations that have a strong presence in Asia for policy advocacy and development. One of the key partners will be ASEAN – its existing initiatives on T&CM harmonisation, under ASEAN Health Sector workplan, will serve as a crucial entry point and provides the basis for Asia-wide policy development. The Regional Hub will play the following roles:



## Policy Coordination

Serve as a liaison between national T&CM bodies and the ASEAN Secretariat, facilitating consensus-building on regional standards.

## Regulatory Harmonisation

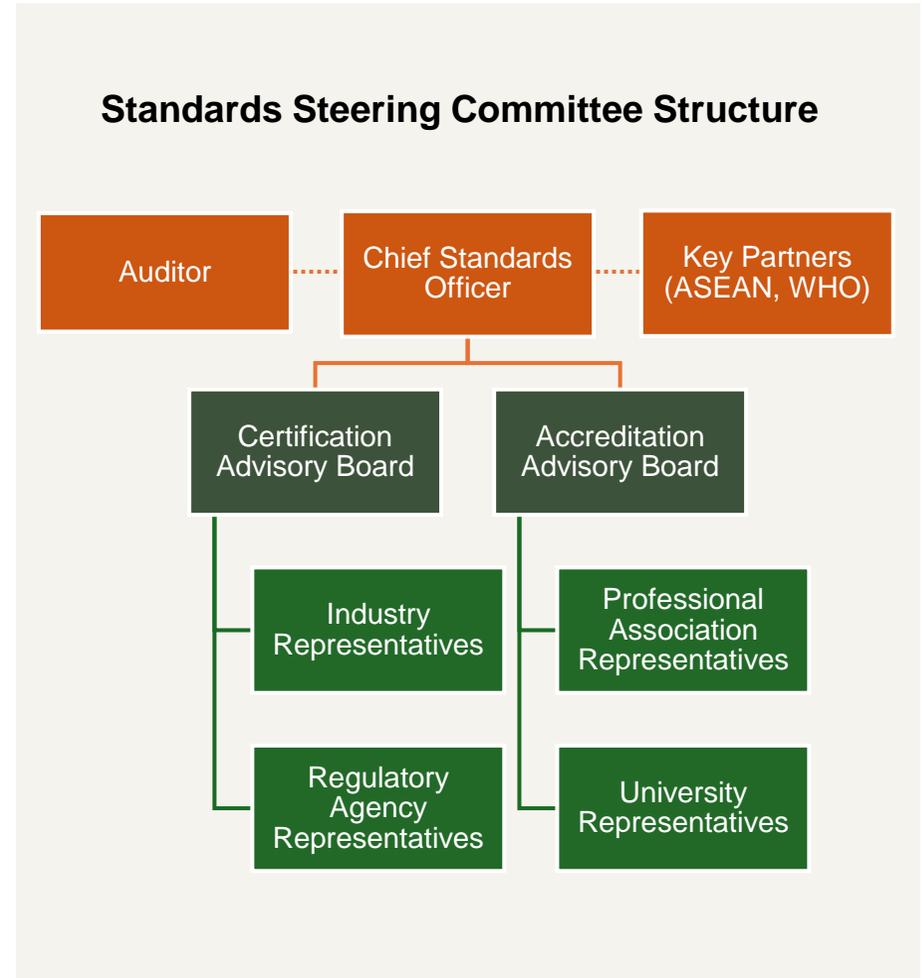
Assist in drafting model regulations or guidelines that could be adapted by Member States, streamlining the regulatory landscape across the region.

## Capacity Building

Develop training programmes for regulators, practitioners, and policymakers across ASEAN to build capacity for implementing harmonised standards.

# Standards Steering Committee

- Established as an independent entity with secretariat sitting in the Regional Hub, the Standards Steering Committee will underpin the Regional Hub's work in policies and standards. It will serve as a crucial liaison between key partners, such as ASEAN and WHO and various actors.
- The Committee's primary role is to develop and propose relevant standards for the region. This includes certification and accreditation standards for T&CM pharmaceuticals and herbal products, service facilities, practitioners, education programmes.
- In addition, the Committee will provide strategic guidance and oversight for harmonisation effort and coordinate standardisation policies across the region.
- The Committee shall be chaired by Chief Standards Officer and assisted by auditors providing technical expertise and advise on the regulatory and ethical considerations.
- Members shall comprise of representatives from industry, professional association, and regulatory bodies from member countries, constituting the Certification and Accreditation Advisory Boards.



# Current vs Desired State

Enabling policies aim to bridge the current state with the desired state. Each policy recommendation, as elaborated in the next page, involves the Regional Hub playing the standard-setting role, through Standards Steering Committee, and relevant stakeholders in the landscape.

Current State	Enabling Policy	Desired State
Regulations for the import and safety of T&CM products (pharmaceuticals, herbs, devices) vary across countries affected patients' confidence and cross-border trade.	Product Quality Assurance	T&CM products are safe, effective, of high quality, and can be traded freely across the region.
Services delivered by hospitals and clinics vary by quality and outcome which impacts patient experience and confidence.	Facility Accreditation	Patient care quality of hospitals and clinics are consistent and quality.
Discrepancies in practitioner quality which results in practitioners not being recognised within and across countries.	Professional License Recognition	Practitioners are qualified through a formal process that are recognised across the region.
Unsystemic terminology and classification methods used in research which leads to barriers in communicating and exchanging T&CM research results.	Standardised Nomenclature	In addition to knowledge preservation, more T&CM research is enabled, and researchers have a common guideline for exchange of discoveries.
Different standards and methodology adopted by healthcare providers may lead to variation in results which hinders local and oversea patient transfers.	Common Referral System	Improved patient mobility for seeking T&CM services, especially when specialised treatment is not available locally.

# Policy Recommendations (1/3)

## Product Quality Assurance

### Policy

Harmonise quality assurance process and standards for T&CM products in the region. This includes labelling, GMP processes, and certification criteria.

### Key Stakeholders

**Regional Hub:** Establish region-wide guidelines for T&CM pharmaceutical and herbal products. ASEAN Traditional Medicine Regulatory Framework can serve as the basis and be expanded to other T&CMs in Asia.

**T&CM product manufacturers:** Incorporate GMP processes and quality assurance standards from the standardisation framework into manufacturing processes.

**National regulatory agencies:** Update national T&CM product certification criteria to reflect the quality assurance standards.

## Facility Accreditation

### Policy

Evaluate and accredit service facilities for service safety and quality with consideration of unique equipment and service provided by each T&CM.

### Key Stakeholders

**Regional Hub:** Develop facility accreditation framework for T&CM hospitals and clinics, with Joint Commission International's framework as reference.

**Hospitals & Clinics:** Maintain facility quality in accordance to the criteria in the accreditation framework.

**Ministries of Health:** Recognise accreditation framework for T&CM hospitals and clinics to preserve service quality and consistency across the region.

# Policy Recommendations (2/3)

## Professional License Recognition

### Policy

Establish mutual license recognition and streamline pathways from T&CM programmes to national licensing, making it easier for practitioners to work across the region.

### Key Stakeholders

**Regional Hub:** Develop Regional Criteria for Professional Licensing for each T&CM professionals and embed them into education programme accreditation.

**Academic Institutes:** Observe and maintain accreditation criteria in education programme. Graduates from accredited programmes are automatically eligible to sit for national T&CM medical license examination.

**Ministries of Health:** Ensure national medical license examination is aligned with Regional Criteria; additional criteria may be added by respective country. Recognise T&CM medical license from other countries who meet the Regional Criteria.

## Standardised Nomenclature

### Policy

Implement standardised nomenclature system for herbs, materials, products, and procedures for each T&CM in the region. The system should account for the conceptual framework unique to each T&CM.

### Key Stakeholders

**Regional Hub:** Develop common nomenclature system in consultation with various stakeholder. The work and processes of ISO Technical Committee 249 (ISO/TC249) on TCM can be a reference.

**National Regulatory Bodies:** Adopt and implement the standard nomenclature in all regulatory processes, in harmony with other countries.

**Academic Institutes:** Update and align academic activities, for example education and research, with the standardised nomenclature.

**T&CM companies:** Adopt the nomenclature into business and manufacturing processes of products, devices, and technologies.

# Policy Recommendations (3/3)

## Common Referral System

### Policy

Establish and streamline patient referral system that enable horizontal transfers across T&CM service providers within and outside of the country.

### Key Stakeholders

**Regional Hub:** Define a common healthcare information management (HIM) framework for each T&CM that accounts for their respective diagnostic and treatment methods.

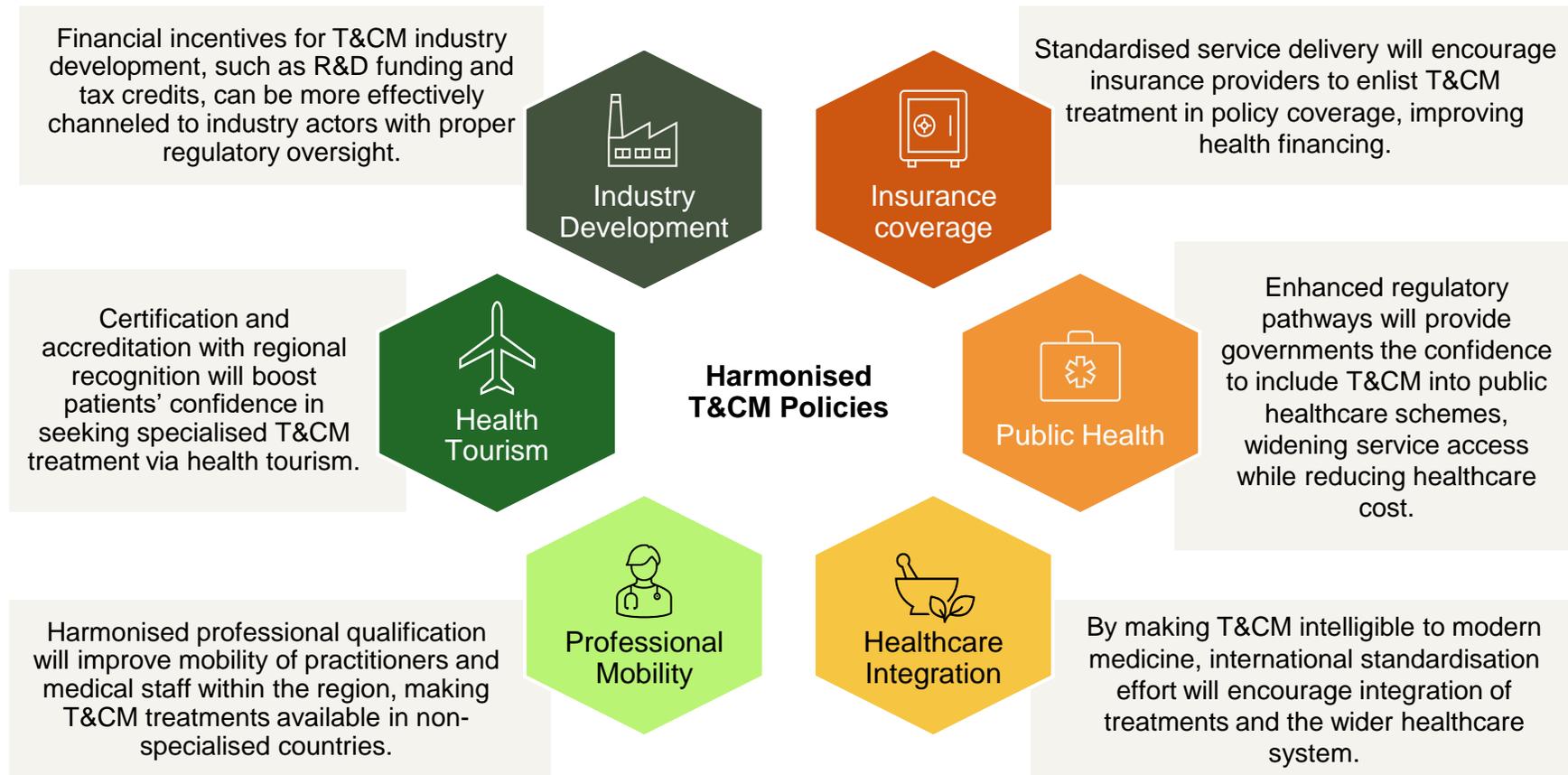
**Hospitals & Clinics:** Adopt and implement the HIM framework in referral system across all hospitals and clinics. This will streamline transfers across healthcare providers in the country.

**Ministries of Health:** Establish a mechanism for cross-border patient referral. Monitor the implementation of common HIM in the country, especially on data protection, and ensure harmonisation with the regional framework.



# Benefits of Harmonised T&CM Policies

Harmonised T&CM policies and standards will not only remove regulatory barriers but also cultivate fertile environments for T&CM growth in the region. The impacts of harmonised policies will influence many facets of T&CM development.



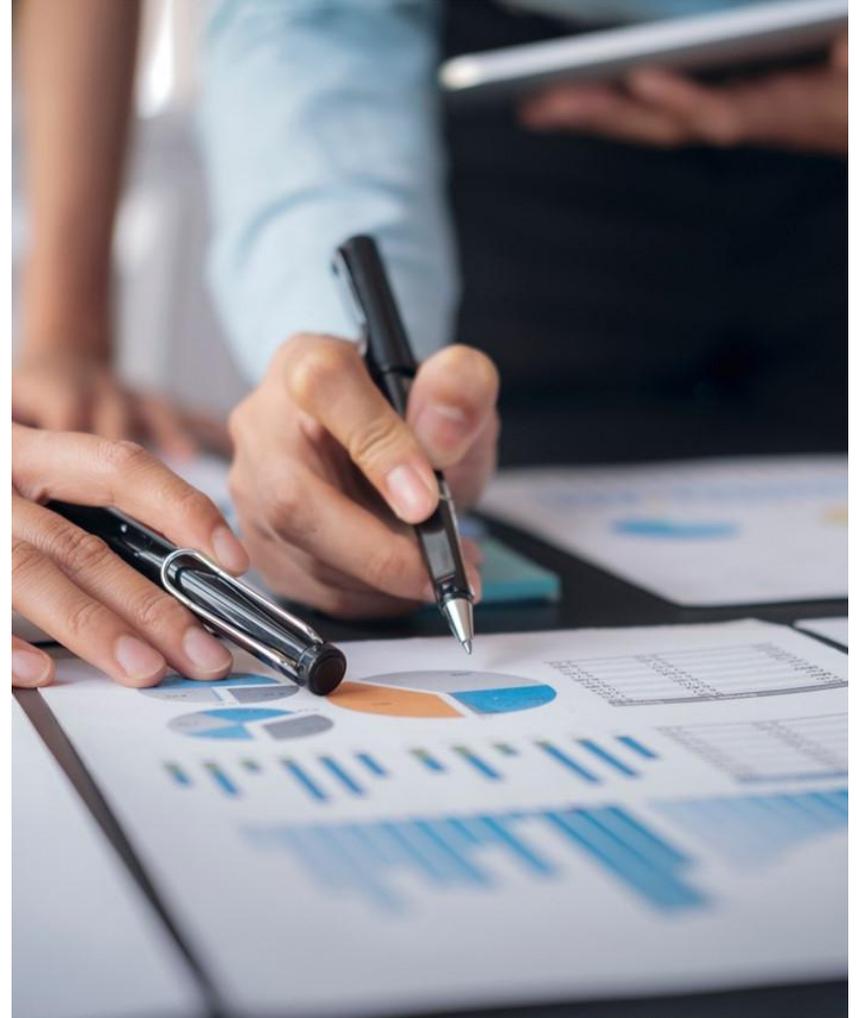
# Financial Model

**GIFT** GLOBAL  
INSTITUTE  
FOR TOMORROW.



# Section Summary

- The Regional Hub will operate as a **self-sustaining non-profit organisation**. Its profit will be reinvested to expand the scale and service coverage of the Regional Hub.
- **Initial funding of MYR 400 million** (approx. USD 90 mil) for the Regional Hub will come from Malaysia, China, India, Singapore, ASEAN, other Asian governments, and philanthropic organisations to be utilised for infrastructure development.
- Through its key services, the Regional Hub is expected to generate direct revenue to reduce reliance on donor funding and improve financial sustainability. Clinical Service, Certification & Accreditation, and Training & Education constitute **95% of the direct revenue**.
- The Regional Hub is estimated to achieve **MYR 31 mil** of direct revenue in Year 1 (approx. USD 6.95 mil) and an average annual growth rate of 19% in the first 5 years. Additional revenue will come from annual contribution from member countries.
- The total direct operating cost in Year 1 is **MYR 13 mil** (approx. USD 2.91 mil) and is expected to increase at a rate of 20% year-on-year with expanding scale of service.
- With that, the Regional Hub targets to **break-even by Year 4** and to be profitable in the following years.



# Income Assumptions (1/2)

## Investment & Membership

- Founding members (Malaysia, China, India, Singapore, and the ASEAN bloc), other Asian governments, and philanthropic organisations will collectively contribute the initial funding totaling MYR 400 million (approx. USD 89.69 mil).
- This funding will be channeled either bilaterally to Malaysia as the host country or through established cooperation funds such as the China-ASEAN Investment Cooperation Fund (CAF) and the ASEAN-India Cooperation Fund (AIF).
- Countries in Asia will join as members of the Regional Hub and will be required to make a collective annual contribution totaling MYR 8 mil (approx. USD 1.79 mil), which amounts to approximately 20% of the Regional Hub's total operating budget. The amount of contribution will be proportionate to the population size and health burden of each country.
- After Year 5, the Regional Hub is projected to expand and with more member countries, the collective annual contribution will increase.
- Land for building the infrastructure will be provided by the government of Malaysia at no cost.
- Profits generated by the Regional Hub will be channeled into the expansion of its operations in Malaysia and the region.



# Income Assumptions (2/2)

Key Services		Revenue Assumptions
	<b>Clinical Services</b>	<ul style="list-style-type: none"> <li>200-bed hospital which aims to serve 60,000 outpatients and 800 inpatients. It is expected to start generating revenue of MYR 25.6 mil (approx. USD 5.7 mil) within the first year with an average profit margin of 45% over five years.</li> </ul>
	<b>Accreditation &amp; Certification</b>	<ul style="list-style-type: none"> <li>Accreditation &amp; Certification activities will commence in the first year, focusing primarily on establishing and formalising the required standards by the Standards Steering Committee.</li> <li>Accreditation &amp; Certification are expected to generate a revenue of MYR 2.4 mil (approx. USD 538k), from Year 2 with an average profit margin of 68% over four years.</li> </ul>
	<b>Research &amp; Development</b>	<ul style="list-style-type: none"> <li>The clinical trial management service is expected to generate revenue starting Year 1. Patent revenue is expected to occur from Year 3 onwards as R&amp;D yields result.</li> <li>The projected revenue is MYR 377k (approx. USD 85k) in Year 1 with an annual growth of 15%, progressively covering a larger proportion of R&amp;D expenditure.</li> </ul>
	<b>Knowledge Hub</b>	<ul style="list-style-type: none"> <li>The Knowledge Hub will start to receive subscription in the first year and grow as it gains traction in the following years. It is projected to achieve a revenue of MYR 500k (approx. USD 112k) in the first year and increase to MYR 2.16 mil (approx. USD 484k) in the fifth year.</li> </ul>
	<b>Training &amp; Education</b>	<ul style="list-style-type: none"> <li>5 on-site conferences and workshops to be organised annually, generating MYR 4 mil (approx. USD 897,000) in revenue annually.</li> <li>Monthly online trainings and on-site trainings will contribute MYR 1.25 mil (approx. USD 278,000) to the revenue in the first year and increase to MYR 8.24 mil (approx. USD 1.85 mil) in the fifth year.</li> </ul>

# Cost Assumptions

## Cost Assumptions

The assumptions covers all costs include construction, purchase of equipment, furniture and fittings, materials cost for the hospital, salaries, and utilities.

- **Depreciation assumption:**
  - Building - 20 years is assumed
  - R&D equipment - 10 years is assumed
  - IT equipment - 5 years is assumed
- **Marketing cost** in the first year is MYR 200,000 (approx. USD 44,800) and is expected to increase by 10% year-on-year.
- **Administration cost** comprising the salaries of management team and shared service. It also includes travel allowance especially for members of the Standards Steering Committee, to meet with regional stakeholders. This amounts to an annual average of MYR 4.7 mil (approx. USD 980,000).

## Staffing

- The Regional Hub, will operate with a lean organisation structure, with 40 staff members in management and operations.
- The hospital will operate a 200-bed facility, serving over 800 inpatients and 60,000 outpatients in its first year of operations. It will offer TCM , Ayurvedic medicine, and other T&CM with 164 staff, including doctors, nurses, patient care assistants, administrative and support staffs.
- The Academic Department will operate with a total of 15 staffs, teaching and administrative staff, in the first four years and 17 staffs in the fifth year.
- The Accreditation and Certification service will operate with 3 staffs in the first two years, after which the headcount will increase to 5 in year three and remain so up to year five.
- The R&D Department will have 8 staffs in the first year and gradually increase to 13 in the fifth year.
- The Knowledge Hub will consist of 3 staffs in the first year and this will double in the fifth year of operations.
- In total, the Regional Hub will have a headcount of 235 in the first year and have 292 in the fifth year.

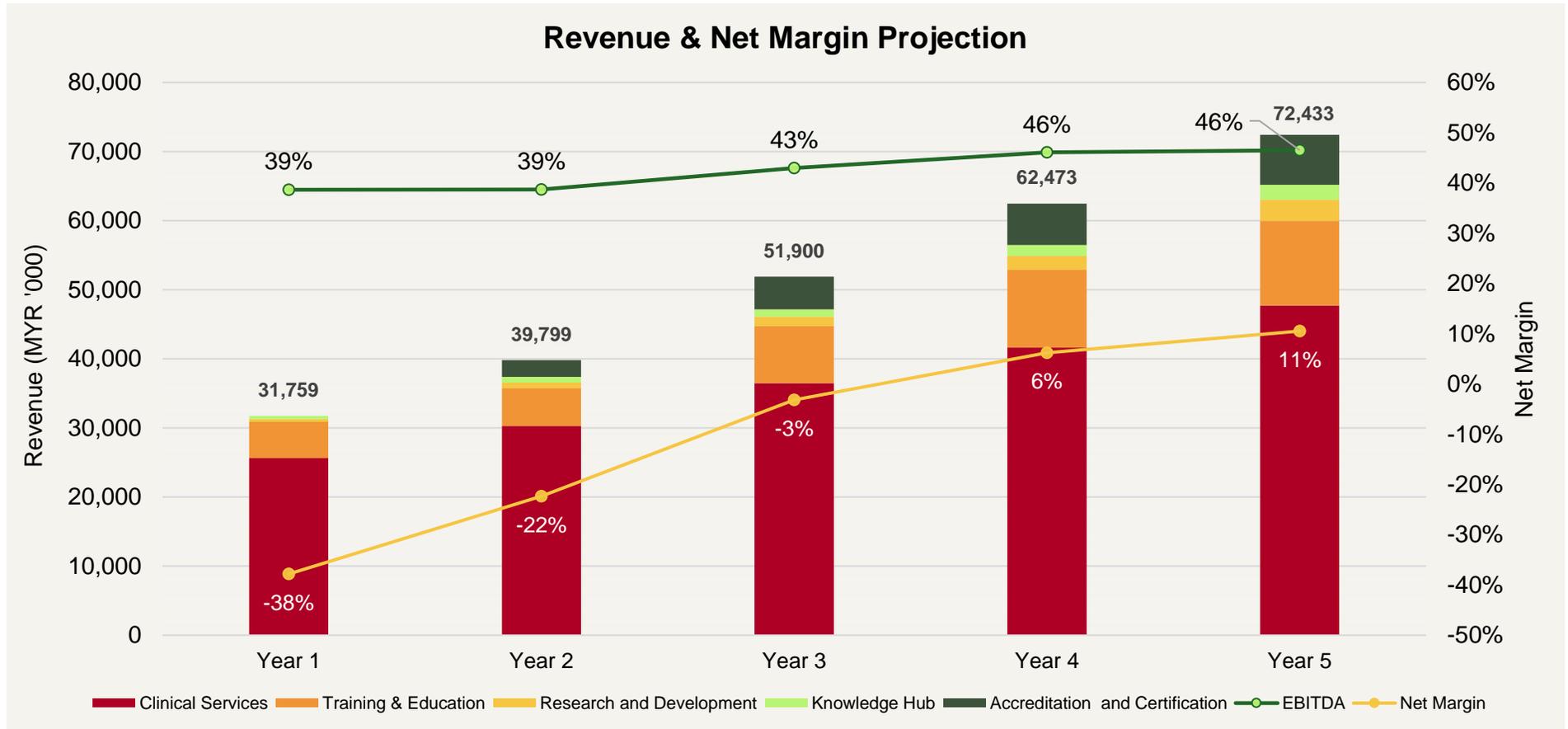
# CAPEX Summary

The initial funding will from founding members will constitute the capital for the establishment of the Regional Hub. The table below outlines the allocation of capital expenditure:

Items	Investment (MYR)	Category
<b><u>Building construction</u></b> Specialist clinics, hospital wards, treatment rooms, R&D labs, classroom and auditoriums, library, server rooms	250,000,000	Building cost (62.5%)
<b><u>Technical Equipment</u></b> <b>Medical equipment:</b> Diagnostic tools, therapeutic equipment, hospital management system <b>Research and Development facilities:</b> Lab equipment, research software, testing and quality control systems <b>Training and Education:</b> Audio-visual system, smart boards <b>Knowledge Hub:</b> Books, print and digital resources, servers and digital platforms	100,000,000	Equipment cost (25%)
<b><u>Furniture and Fixtures</u></b> Hospital beds, office furniture for administrative and research staff, classroom and lab furniture	25,000,000	Operating cost (12.5%)
<b><u>Utilities and Services</u></b> Power and backup systems, water supply and treatment, HVAC systems, fire safety and security systems	10,000,000	
<b><u>Permits and Regulatory Compliance</u></b> Design and construction permits, licenses, assessment	10,000,000	
<b><u>Inventory</u></b> Consumables, herbs, office supplies	5,000,000	
<b>Total</b>	<b>400,000,000</b>	<b>100%</b>

# Income Statement

The Regional Hub is expected to break-even by Year 4 with increasingly mature service portfolio and achieve self-sufficiency in the following years. Profit generated will be reinvested into expanding the Regional Hub's operation in Malaysia and Asia.



# Development Plan

**GIFT** GLOBAL  
INSTITUTE  
FOR TOMORROW.



# Development Phases

The Regional Hub will be developed in phases. Phase 1 will focus on obtaining consensus and approval from founding members. Phase 2 will focus on structural setup of the Regional Hub. Phase 3 is the full-service commencement.

Phase 1	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Government-to-government alignment	■	■	■				
Proposal approval and endorsement		■	■	■			
Obtaining operation license and compliance			■	■	■		
Planning, design, and construction of building			■	■	■	■	■
<b>Phase 2</b>							
Management team recruitment			■				
Basic operation process setup (finance, HR, legal)			■				
Staffing and training			■	■			
Key service structural setup			■	■	■		
Infrastructure acquisition			■	■	■	■	■
<b>Phase 3</b>							
Accreditation & Certification commence					■	■	■
Knowledge Hub service commence					■	■	■
Training & Education service commence					■	■	■
R&D service commence					■	■	■
Clinical Service commence					■	■	■

# Expansion Recommendation

To ensure the long-term sustainability and expansion of the Regional Hub, the following proposed expansion recommendations shall be considered after the Regional Hub has reached steady state operations.

1

Enhance partnerships with international organisations such as WHO and ISO

2

Expand clinical services beyond Regional Hub location to other Asian countries

3

Continuous standards update and improvement to ensure harmonisation

4

Develop culturally suitable promotional strategy for the various T&CM

5

Establish dedicated T&CM fund to support translational research and frontline innovations

6

Conduct periodic monitoring and evaluation for performance improvement



# Conclusion



# Conclusion

Access, availability and affordability to primary healthcare remains a challenge for many people. T&CM has the potential to bridge healthcare gaps and improve health accessibility.

Establishing the Regional Hub is an important first step in overcoming resource fragmentation in T&CM landscape. It will convene countries and stakeholders through an innovative operating model that enable self-sufficiency.

The five key services provided by the Regional Hub will facilitate coordinated development of all T&CM pillars across Asia. Meanwhile, the recommended standards and policies will elevate the safety and quality of T&CM and enable integration with modern medicine.

By uniting culture heritage with modern development approaches, T&CM opens new doors to healthcare innovation, advancing universal health access across Asia.





The Global Institute For Tomorrow (GIFT) is an independent pan-Asian think tank. We are dedicated to advancing a deeper understanding of today's most critical drivers of change—from the emergence of a post-Western world to the reshaping of global capitalism and the dynamic relationship between business, society, and the state. With offices in Hong Kong and Kuala Lumpur, our practical insights, internationally acclaimed leadership learning curriculum, and outcome-driven facilitation help our clients anticipate and navigate a turbulent 21st century.

[global-inst.com](http://global-inst.com)

- Leadership Development
- Management & Organisational Development
- Sustainability Advisory
- Policy Advisory
- Understanding Global Shifts & The Rise of Asia