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Early Cancer Detection : The Next Growth Engine for the Billion Dollar Diagnostic Industry

EXECUTIVE SUMMARY

Recently, the Malaysian Minister of Health (MOH) announced that the annual cost for managing Non-Communicable Diseases (NCDs) is around RM64.3 billion (USD16.5 billion). The shift toward preventive strategies and empowering the public through health system reform will be crucial going forward.

The Malaysian diagnostic laboratories market stands at a critical inflection point, presenting a highly lucrative, multi-faceted opportunity for healthcare-focused venture capital and private equity. Historically characterized by routine pathology and fragmented hospital testing, the sector is undergoing a rapid technological evolution driven by an aging population, rising chronic disease burdens, and a national push toward preventive medicine. Valued at USD 1,552.27 million in 2024, the market is projected to reach USD 2,512.49 million by 2030, growing at a robust compound annual growth rate (CAGR) of 8.41%.

For investors, the most significant value creation over the next five years will occur at the intersection of scalable diagnostic chains and next-generation early cancer diagnostics. By shifting from a reactive care model to a proactive, technology-driven screening infrastructure, Malaysia can simultaneously reduce public healthcare burdens and generate new avenues of economic growth, particularly through medical tourism.



1. Market Sizing and Growth Dynamics

The expansion of the Malaysia diagnostic market is driven by rising demand for preventive healthcare, the increasing prevalence of chronic diseases, growing health awareness among urban populations, and rapid advancements in diagnostic technologies.

We break down the market by provider type to highlight the fastest-growing investment vehicles:



Pathology strictly leads the market, holding a 60.70% share in 2024, which is expected to marginally increase to 61.43% by 2030. Radiology accounts for the remaining share.

West Malaysia dominated the market with an 80.88% share in 2024, heavily driven by advanced healthcare infrastructure in urban centres like Selangor and Kuala Lumpur. However, we must not ignore East Malaysia, which is expanding and projected to capture a 20.35% market share by 2030.

Hospital-Based Diagnostic Labs:

Currently the largest segment, valued at USD 698.70 million in 2024, and projected to reach USD 1,140.45 million by 2030, registering an 8.58% CAGR. These labs benefit from direct integration with inpatient and outpatient hospital services.

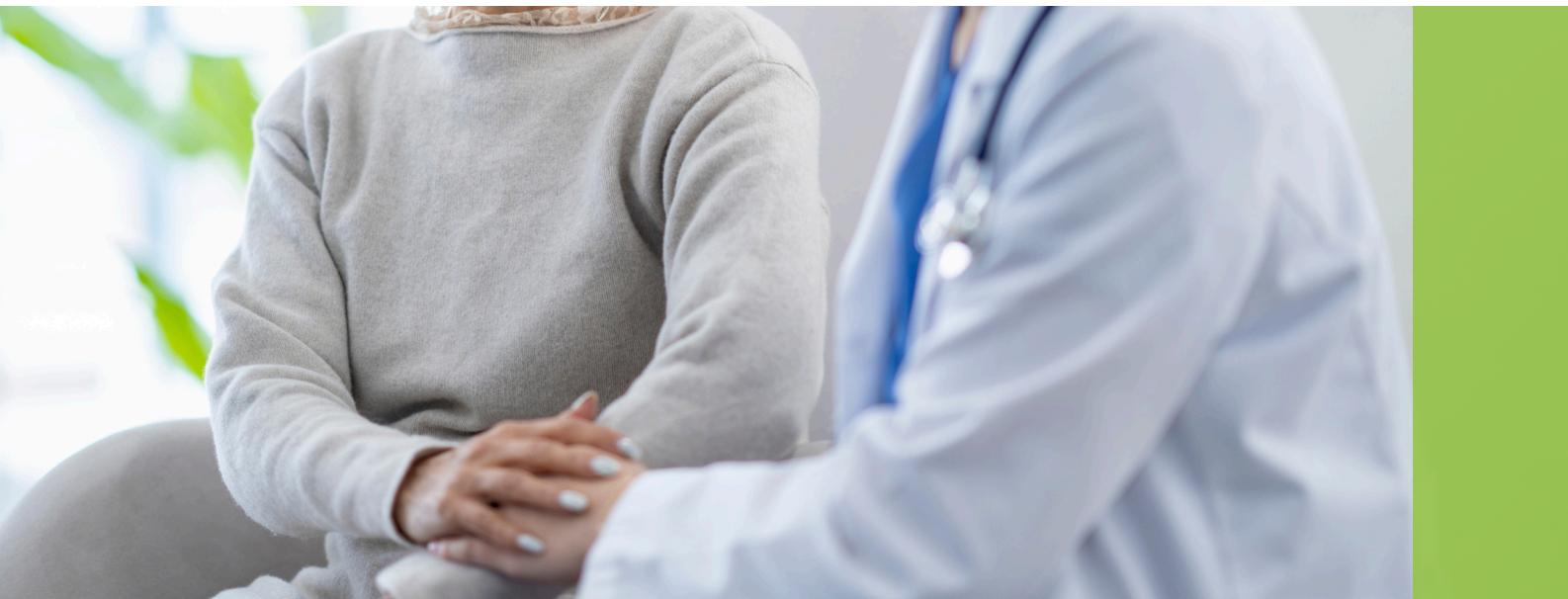
Diagnostic Chains:

This is the fastest-growing segment, poised to scale from USD 503.37 million in 2024 to USD 855.00 million by 2030 at a 9.29% CAGR. Diagnostic chains are expected to demonstrate significant growth due to their extensive network coverage, advanced testing facilities, brand recognition, and highly efficient operations.

Stand-Alone Diagnostic Labs:

A smaller but steady segment valued at USD 350.19 million in 2024, expected to grow at a 6.72% CAGR to reach USD 517.03 million by 2030.

2. The Epidemiological Reality: Contextualizing the Total Addressable Market (TAM)



To truly understand the urgency and the commercial upside for diagnostic networks in Malaysia, investors must look at the raw epidemiological data. In 2022 alone, data from WHO showed that the country recorded 51,650 new cancer cases and a staggering 31,633 cancer-related deaths. The lifetime risk for a Malaysian developing cancer before the age of 75 stands at a concerning 14.4%, with an 8.8% risk of mortality. The burden is heavily concentrated in highly screenable areas: breast cancer dominates at 16.2% of all new cases, followed by colorectal (13.8%) and lung cancers (10.7%).

The gender breakdown further sharpens the investment focus; for women, breast cancer is overwhelmingly the primary threat, accounting for 31.3% of new cases, while lung (16.9%) and colorectal (15.6%) cancers lead for men. Because these top three cancers are prime candidates for the next-generation screening technologies (such as AI mammography, advanced stool DNA/blood tests, and low-dose CT), the commercial opportunity for diagnostic chains that deploy these specific, targeted tests is massive. Furthermore, the 5-year prevalence of 155,507 cancer cases guarantees a sustained, long-term demand for continuous disease monitoring and survivorship diagnostics.

3. The Primary Catalyst: A Paradigm Shift in Early Cancer Detection

A major structural flaw in the current healthcare system is that a majority of cancers are still detected at advanced stages. Treating late-stage cancer is far more expensive than early intervention, heavily straining public hospital budgets. Health economics data reveals a compelling ROI for diagnostic infrastructure: estimates suggest that every RM 1 invested in effective early screening can save RM 3–5 in downstream treatment costs.

We are already seeing early signs of a successful shift in "choice architecture" regarding screening:

Cervical Cancer

Malaysia recently pivoted from traditional cytology to primary HPV DNA testing with self-collection. This dramatically improved access; cervical screening coverage nearly doubled from 23% in 2019 to 43.2% in 2023.

Breast Cancer

Mammography uptake remains dangerously low, varying between 3.6% and 30.9%. To counter severe radiologist bottlenecks, AI-augmented mammography is emerging as a critical solution. Large randomized trials (e.g., the Swedish MASAI trial) show AI-supported workflows reduce reading workload by ~44% with maintained or higher cancer detection.

4. Global Technological Tailwinds Shaping the Future

To properly value the upside in the Malaysian market, we must look at global diagnostic breakthroughs that will soon penetrate the ASEAN healthcare corridor. Recent FDA approvals and massive clinical trials are setting the standard for next-generation screening:

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Colorectal Cancer (CRC) Screening:

In the US, Exact Sciences recently achieved FDA approval for Cologuard Plus, an advanced stool DNA test showcasing higher sensitivity and improved performance. Concurrently, Guardant Health secured FDA approval for its Shield blood test, the first primary blood-based CRC screening tool for average-risk adults. Offering a modern CRC choice architecture in Malaysia (FIT first-line; offer Cologuard Plus or Shield for refusers) is a highly investable policy priority actionable in the next 12–24 months. Abbott Laboratories recently announced the intention to acquire Exact Sciences for approximately USD21 billion.

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Next Gen microRNA Based Detection:

While US-based companies have historically dominated the genomic screening narrative, Southeast Asia possesses its own biotech powerhouse in Singapore-headquartered Mirxes, which is uniquely tailored to regional epidemiological profiles. Emerging as Southeast Asia's first biotech unicorn after its May 2025 HKEX listing, and September 2025 inclusion in the Hang Seng Composite Index, Mirxes has pioneered microRNA (miRNA) detection through its proprietary ID3EAL RT-qPCR platform. Its flagship innovation, GASTROClear™ - the world's first approved miRNA blood test for gastric cancer, achieved a monumental commercial milestone in October 2025 by securing China NMPA approval, unlocking an eligible screening market of over 500 million adults and building upon its 2023 US FDA Breakthrough Device Designation. To further address the severe oncological burden in Asia, the company's expanding pipeline includes LUNGClear™, a blood test detecting lung cancer-associated molecular signatures without the radiation risks of LDCT scans, alongside early-stage developments for breast cancer (BC-1) and Project CADENCE, a massive multi-cancer early detection initiative.



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Multi-Cancer Early Detection (MCED):

MCED blood tests, which use circulating tumour DNA to detect dozens of cancers from a single draw, represent the frontier of oncology. The UK's NHS will await final Galleri trial results in 2026 before considering rollout as recent studies showed high sensitivity and specificity for late stage cancer, MCED struggles to detect early-stage cancers. While MCEDs are not yet program-ready for general population screening in Malaysia due to its high cost, outcome-based procurement and sandboxes for MCED pilots in defined high-risk cohorts provide a massive first-mover advantage for local diagnostic chains.

5. Competitive Landscape in Malaysia

The Malaysia Diagnostic Labs Market is moderately fragmented, providing excellent opportunities for strategic roll-ups, M&A, and market consolidation.

Table 1: Top Diagnostic Players in Malaysia (2024 Market Share)

Company	Market Share (2024)	Strategic Profile & Strengths
Innoquest Pathology	13.34%	The market leader, backed by an extensive network of over 75 facilities. It holds prestigious CAP and MS ISO 15189 accreditations and recently launched Sabah's first digital histopathology lab.
Premier Integrated Labs	12.63%	A subsidiary of Pantai Holdings (IHH Healthcare), benefiting from deep hospital integration and high-end international quality standards.
PATHLAB Group	12.08%	Operates over 100 facilities across Southeast Asia (51 in Malaysia), maintaining a strong retail brand presence for affordable preventive check-ups.
B.P. Clinical Lab	9.72%	Aggressively expanding through specialized testing, health screening packages, and digital/telehealth integrations.
Others (Lablink, Sysmex, Sunway, etc.)	52.20%	Represents the long tail of the market. Smaller labs face high operational costs and intense competition among fragmented providers, making them ripe targets for acquisition.

CONCLUSION

Malaysia stands at a strategic crossroads where investing in current and next-generation early cancer diagnostics offers the potential for transformative benefits. With over 51,000 new cancer cases emerging annually, shifting from a reactive to a proactive cancer care model will vastly improve public health and solidify the nation's position as a high-value medical tourism hub in Southeast Asia. For investors, allocating capital to scalable diagnostic chains and the health-tech infrastructure that supports them presents a rare alignment of robust financial returns and profound societal impact.



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