



Food Innovation in Malaysia

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Southeast Asia is booming. The Netherlands is a major investment partner for Malaysia. Besides a large market and well-developed manufacturing, the economic department of the Netherlands Embassy in Kuala Lumpur sees good opportunities for R&D in the region.

Opportunities for Dutch companies in Malaysia's vibrant agrofood sector

Malaysia is an upper-middle income economy with a gross national income of USD 8,770 per capita (2011). It is a highly open economy and a leading exporter of electrical appliances, electronic parts and components, palm oil, and natural gas. Malaysia is also externally competitive and ranking 12th out of 135 economies in the World Bank 2013 Doing Business survey. Malaysia's GDP growth was 5.1 percent in 2012 and is projected at 5.0 percent in 2013. Malaysia's unique selling point of exposure to the three cultures of Malay, Indian and Chinese, as well as its geographically strategic location to serve the ASEAN market, make it an attractive place for trade, manufacturing, research and development.

Malaysia's agrofood sector is a vibrant industry, as the country is looking to strengthen its agricultural production, with emphasis placed on food production and trading. However, Malaysia remains a net importer of food products, which provides many trade and investment opportunities. Foreign MNCs have chosen to set up their manufacturing facilities in Malaysia, as it offers them lower overhead costs and economies of scale. Under the Third Industrial Master Plan (2006-2020), the Malaysian government has plans to encourage investments in the processed food sector and to encourage the establishments of regional production and distribution facilities within the country.

The Halal food industry is identified as a priority sector and Malaysia is looking to develop itself into a leading supplier of Halal products. The country presents a new avenue of Halal expertise and manufacturing facilities. The government has also introduced schemes for the development and production of Halal products, which include grants and tax incentives.

The BioMalaysia Conference and Exhibition is taking place in October 2013. This conference is organised in the upcoming region of Iskandar in South-Malaysia. One of Iskandar's ambitions is to become the Food Valley of South East Asia, which is supported by strong logistic connections and nearby presence to the science & technology hubs in the rest of Malaysia and Singapore.

Ambitious Food Industry Innovation Platform

Agriculture is one of Malaysia's National Key Economic Areas, and the counterpart of the AgroFood topsector in the Netherlands. Bioeconomy Transformation Programme (BTP) is a platform provided by the government for the private sector to channel and maximise commercial opportunities based on biotechnology. It is introduced based on biotechnology's ability to cut across various different industries and potential to transform Malaysia into a high income, inclusive and sustainable economy. The BTP enables the government and leading industry players to work in tandem to set national goals for the application of biotechnology in agriculture production, industrial manufacturing and human health, put in place the structural conditions required and develop necessary mechanisms to ensure that policy can flexibly adapt to new opportunities.

The Agensi Inovasi Malaysia, under the Prime minister's office, has developed a Food Industry Innovation Platform (see figure), which connects Malaysian and foreign companies and research institutes to catalyse innovations in the sector. One of the goals is to establish a consumer sensory laboratory to conduct research on consumer behaviour.



Food Industry Innovation Platform of Agensi Inovasi Malaysia



Possible business and R&D partners in Malaysia's agrofood sector are: (I) **Malaysian Institute of Food Technology (MIFT)**. MIFT is a non-profit, non-governmental professional body of food technologists and educators in the field of food science and technology, and other individuals involved in areas of work closely related to food technology; (II) **Biotechnology Cluster**. The Biotechnology Clusters was setup under the National Biotechnology Policy by the Ministry of Science Technology and innovation to spearhead Malaysia's biotechnology sector.

The members of Malaysia's Biotechnology Cluster are:

- (a) **Genome Malaysia**: a network-based not-for-profit organization for basic and translational research with large-scale collaborative projects in Comparative Genomics and Genetics, Structural and Synthetic Biology, Computational and Systems Biology, and Metabolic Engineering;
- (b) **IPHARM**: a multidisciplinary research institute in the field of pharmaceuticals and nutraceuticals with interest in strategic alliances with world-class research institutions;
- (c) **Agro-Biotechnology Institute Malaysia (ABI)**: an institute for research, development and commercialization projects related to agro-biotechnology in cooperation with various universities, research institutions and industry players;
- (d) **BiotechCorp**: a one-stop-centre which nurtures and accelerates growth of Malaysian biotechnology companies and actively promotes foreign direct investments in biotechnology; and
- (e) **Inno Biologics Sdn. Bhd. (InnoBio)**: a cGMP contract manufacturer for the production of biopharmaceutical API, including DNA recombination in mammalian cells and bioprocess development.



Sources and more information

- Agensi Inovasi Malaysia: innovation.my
- Malaysian Institute of Food Technology: www.mift.org.my
- Ministry of Science Technology and Innovation: www.mosti.gov.my
- Genome Malaysia: www.genomemalaysia.gov.my
- Malaysian Institute of Pharmaceuticals and Nutraceuticals: www.ipharm.gov.my
- Agro-Biotechnology Institute Malaysia: www.abi-nibm.my
- Inno Biologics: www.innobiologics.com
- BiotechCorp: www.biotechcorp.com.my
- Iskandar Regional Development Authority: www.irda.com.my
- BioMalaysia, Conference & Exhibition: www.biomalaysia.com.my

Contact the economic department at the Netherlands Embassy in Kuala Lumpur for more information on opportunities for Trade and Science & Technology in Malaysia:

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