

PM: Country has potential to be leader in processed food

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KUALA LUMPUR: Malaysia has the potential to become a market leader in the export of processed food and beverage in the Asia Pacific region, Datuk Seri Abdullah Ahmad Badawi said.

For this to happen, the Prime Minister outlined five things industry players needed to do.

Firstly, he said industry players should perceive the global supply chain as being filled with threats and opportunities.

"Competition will be intense, and

Malaysian industry players need to be prepared to take the heat, so to speak, if they are to succeed," Abdullah said.

Secondly, he said, industry players needed to know the market like the back of their hands.

"We must be willing to understand consumer preferences as well as the strengths and weaknesses of our competitors," he said adding that industry players must understand the current perception of Malaysia and its food in targeted markets.

Thirdly, he said industry players needed to build up the supply chain capability of food producers. He said

the food industry should find a way of addressing the issue of adding value without adding excessive costs.

Fourthly, industry players should focus on areas that they were already good at and aim to derive as much value out of the niche areas as possible.

"Lastly, they need to build their competitiveness based on a spirit of partnership," he said in his keynote address at the 8th Malaysia International Agro-Bio Business Conference 2007 here yesterday.

His speech was read out by Agriculture and Agro-Based Industry Minister Tan Sri Muhyiddin Yassin.

Abdullah pointed out that the Asia Pacific region, with a population base of 3.6 billion, was the third largest frozen processed food market in the world and imported 85% of its processed food requirements.

He said food manufacturers must realise that the global industry's structural and operational landscape was changing.

He noted a number of trends sweeping the industry, including increasing demand for healthier foods, a decrease in the consumption of meat in Japan, Hong Kong, Singapore and Malaysia and greater demand for organic foods.

He urged investors looking for a destination to set up new biotechnology ventures to look at what Malaysia has to offer.

"I believe that the incentives that are now offered through the Malaysian Biotechnology Corporation (Biotechcorp), together with the strong value proposition that Malaysia offers as an investment destination, will result in strong growth for the biotechnology industry in Malaysia," he said.

Biotechcorp acts as a one-stop centre as well as developmental agency for the biotechnology industry.

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