

Malaysia can become leading regional biodegradable hub through RM400 mil UAE investment, says MAFI

Bernama / Bernama

April 21, 2022 21:23 pm +08



Datuk Seri Dr Ronald Kiandee

GURUN (April 21): The Agriculture and Food Industries Ministry (MAFI) is optimistic that Malaysia can potentially transform into a leading biodegradable hub in Southeast Asia through the partnership between local biotechnology firm Free The Seed Sdn Bhd and Hotpack Packaging Industries LLC (Hotpack) of the United Arab Emirates (UAE).

Minister Datuk Seri Dr Ronald Kiandee said the collaboration involves the setting up of up to 10 new biodegradable packaging factories in Gurun, Kedah, worth RM400 million in the next 10 years.

"The investment will be RM100 million for the first three to five years, and Hotpack plans to increase its investment to RM400 million within 10 years.

"The construction of the first 3,200-square metre plant will begin next month (May) and is expected to be completed in August 2022," he said during the groundbreaking ceremony at Free The Seed's facility here on Thursday (April 21).

Free The Seed, which makes biodegradable products from rice straws, will be Hotpack's technology and operational partner, providing raw materials, expertise, workforce and technical know-how to the UAE company.

Hotpack will then manufacture and provide a new line of biodegradable products for its markets globally, including the Gulf Cooperation Council countries.

The first facility — also Hotpack's first-ever factory in Southeast Asia — is expected to produce 70 million units of fast-moving consumer goods packaging products annually.

The partnership between Free The Seed and Hotpack came about through business matching initiated by the Malaysian Bioeconomy Development Corporation at the Expo 2022 Dubai in February this year.

Ronald said Hotpack's investment is expected to create 300 direct job opportunities in the next three to five years, and the number will rise to 1,200 job opportunities among the skilled and semi-skilled workforce over 10 years.

According to him, the partnership will also see biodegradable packaging produced using more diverse agricultural wastes such as pineapple leaves and other agro-biomass materials.

"Such a sustainable and circular model will lead to better incomes for more farming communities in Malaysia, while attracting foreign investors, protecting the environment and adding value to sustainable agriculture in Malaysia and UAE," he said.

The partnership between Hotpack and BioNexus-status firm Free The Seed will further strengthen economic relations between the two countries, the minister said, adding that the trust and confidence shown by the UAE company towards local firms like Free The Seed is a testament to the innovativeness and high value offered by Malaysian agriculture.