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Malaysia

Biotechnology - GE Plants and Animals

Annual

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Report Highlights:
The United States exported $267 million of soybean and corn products to Malaysia in 2009. In July 2010, Malaysian Ministry of Health posted amendments to their regulations that will require strict mandatory labeling of food and food ingredients obtained through modern biotechnology. It is uncertain when these requirements will be implemented.

Section I. Executive Summary:

Malaysia was the 26th largest agricultural export market for the U.S. in 2009 (up from 33rd in 2008). In 2009, the U.S. exported $722 million of agriculture, fish and forestry products to Malaysia, mainly bulk grains and oilseeds, feedstuffs, temperate fresh fruits, temperate hardwood lumber, cotton and other high valued consumer products. Almost all of the imported US soybean products and corn shipments, valued at $267 million in 2009, contain GMOs. Having access to this important market is vital to the exports of US biotechnology-related products.

On July 8 2010, Malaysian Ministry of Health posted food amendment regulations that require strict mandatory labeling of food and food ingredients obtained through modern biotechnology. It is expected that a grace period (probably up to 2 years) will be provided prior to enforcement.

Malaysia has an influential voice among the developing countries as well as in the Islamic world. With its ambition to becoming a global player in the biotechnology industry, Malaysia could be a strong partner with the U.S. in the development of agricultural biotechnology and be a powerful, vocal advocate of biotechnology in the international arena.

Section II. Plant Biotechnology Trade and Production:

Production

Malaysia has not yet produced a biotechnology crop commercially, although several genetically modified crops containing traits of value have been produced at the experimental stage (See details in MY6024).

The Malaysian Biotechnology Corporation (BiotechCorp) is the lead agency in developing the biotechnology industry. It continues to strengthen value creation in biotechnology to prepare for commercialization in 2011. It's National Biotechnology Policy has a three-phase program over 15 years to establish the country as a global leader in the field. During the first phase covering 2006-2010, BiotechCorp has been focusing on capacity- and infrastructure- building. BiotechCorp was able to facilitate both foreign and domestic investments in registering 173 BioNexus-status companies since 2006.

The second phase (2011-2015) is geared to create business out from science. According to its chief executive officer, measures will be put in place to launch local research and products on the global market place. Close partnership between companies and the academia is seen as crucial in the development of the local biotechnology industry. Most of the focus have been on the healthcare sector, with the ag biotechnology sector being at risk of lagging behind. To date, none of the biotechnology research involving the Malaysian oil palm sector (which is often considered to be the most advanced in the world) has gone beyond the experiment stage

Trade

The current approved list of GM products for imports into Malaysia is as follows:
Rounduo Ready™GTS 40-3-2 Soybean (Monsanto), MON 810 YieldGard™ Corn (Monsanto), NK603 Roundup Ready™Corn (Monsanto), MON 863 YieldGard™ Corn (Monsanto) and ISP type III HPLC 12 Glacein™-Ice-Structuring Protein (Unilever).

The new regulations on strict mandatory labeling of food and food ingredients obtained through modern biotechnology will have implications on US food exports to Malaysia. It is expected that a grace period (probably up to 2 years) will be provided prior to enforcement.

Malaysia is not a food aid recipient and does not produce any biotechnology crops that were developed outside the U.S. and have not passed through the U.S. regulatory system.

Section III. Plant Biotechnology Policy:

The Lower House of the Malaysia's Parliament passed the Biosafety Bill on June 27 2007, followed by the Upper House's approval on July 11, 2007. The Act has serious implications, not only to the trade of US ag biotechnology products but also to research & development in biotechnology and the manufacturing of processed products, using GM ingredients.

Major concerns include the undefined adherence to the "precautionary principle" as well as socio-economic, religious, and cultural "norms" that would be a part of the decision making process; the stringent penalty could hinder modern biotechnology development; and mandatory labeling would result in higher cost of production for various industries and encourage stigmatism towards GM products.

The Ministry of Natural Resources and Environment (NRE) is responsible for managing and coordinating implementation of the Act. In the past year, NRE and various government agencies enter the final stage of drawing regulations and setting up facilities and building the staff to fulfill the Act.

On July 8, 2010, the Malaysian Ministry of Health posted food amendment regulations that require strict mandatory labeling of food and food ingredients obtained through modern biotechnology. The amendments also include that no person shall import, prepare or advertise for sale or sell any food and food ingredients obtained through modern biotechnology without the prior written approval of the Director. It is expected that a grace period (probably up to 2 years) will be provided prior to enforcement. GOM did notify WTO on its then proposed regulations on Genetically Modified Foods in 2002

Section IV. Plant Biotechnology Marketing Issues:

The only profile of the Malaysian Consumers towards agricultural biotechnology and GM food was a survey done five years ago by the International Service for the Acquisition of Agri-biotech Applications (ISAAA). Please refer to MY6024.

Section V. Plant Biotechnology Capacity Building and Outreach:

Past Activities

1. Over the last 6 years, Post has sent 2 journalists, 3 government officials, 3 science professors and two pro-biotech NGOs in the U.S. to participate in the Cochran-funded Biotech short-courses. Lately, BioTechCorp has started funding Malaysians to attend such courses.

2. EMO/USDA has fully funded 2 Malaysian officials each year to attend the APEC High Level Policy Dialogue on Biotechnology since the first meeting was held in Mexico City in 2002. There were three Malaysian representatives at the Singapore meeting in February 2009.

3. The Embassy's Public Affairs and USDA have sponsored eminent American experts (including CS Prakash, Bruce Chassy, Shetty Kalidas and Val Gaddings) to speak on biotechnology at conferences and seminars in Malaysia over the last seven years.

4. The USG was the platinum sponsor of the 'BioMalaysia 2002: Biotechnology Symposium, Exhibition, and Business Partnering' held in Kuala Lumpur at the beginning of October 2002. With funding from EMO/USDA and Public Affairs/State, the U.S. Embassy was able to fully sponsored Dr. Autar Mattoo (Research Leader, Plant Molecular Biology Laboratory, ARS Beltsville) as a speaker; as well as the international travel expenses of three other distinguished American speakers (Prof. Anthony Sinskey, MIT, Prof. C.C. Liew, Harvard and Dr. Hasnah Hamdan, Quest Diagnostics Inc.). To support the organizer's efforts to make the conference "truly international", Post sponsored six journalists and scientists from Romania, Indonesia, the Czech Republic and the Philippines, Vietnam and India. The numerous articles generated after the event, supporting ag biotechnology, were well worth the effort of identifying, sponsoring, and escorting this group throughout the conference.

5. Malaysia has increasingly welcomed international conferences on biotechnology and has shown a willingness to collaborate with the United States to present biotech events. In December 2004, Malaysia co-hosted the APEC "Building a Positive Environment for the Investment of Agricultural Biotechnology" Seminar that was presented in response to priorities identified at the U.S.-chaired APEC High Level Policy Dialogue on Agricultural Biotechnology. Malaysian Minister of Science, Technology and Innovation, Dr. Jamaludin Jarjis, opened the seminar that explored the need for efficient and predictable regulatory environments and development of intellectual property systems as a basis for attracting investment. A list of goals that are necessary for building a positive investment environment was formally presented to the 2005 APEC High Level Policy Dialogue on Agricultural Biotechnology in Seoul, Korea in March 2005.

6. On June 22, 2005, the Malaysian Minister of Science, Technology and Innovation, Dr. Jamaludin Jarjis and the USDA's Undersecretary Joseph Jen exchanged letters to embark on an exchange program involving 4 scientists from each country every year to do agricultural research (including biotechnology). The program may cover the areas of genomics, crop yield forecasting and feasibility studies for agriculture and agro-based projects. The first two Malaysian scientists were selected for joint research with their counterparts in the U.S. in the field of ag biotechnology.

7. Post selected two Malaysians to attend the short course on IPR at the University of Michigan in July 2005. Cochran funded the cost of the training.

8. Working with Post, OBCD selected the first Malaysian to participate in the 2010/2011 Norman Borlaug Program. Her area of research interest is in *mRNA* sequencing.

Challenges facing Malaysia

1. Giving confusing signals about biotechnology crops in the international arena – while the Malaysian Prime Minister and the Minister of Science are driving Malaysia to the Biotechnology age and courting foreign investors to develop the sector, the Environment Ministry is taking positions that could have serious negative impacts on biotechnology-related trade.

2. The Biosafety policy in its current form would discourage potential investors from investing into the ag biotechnology sector in Malaysia.

3. Lack of scientific human resources to form a critical mass – the GOM recognizes the need to build the scientific human resources through special programs and training. In addition, the GOM seeks to establish centers of excellence to bring together multidisciplinary research teams in coordinated research and commercialization initiatives.

4. In order to speed up the commercialization of biotechnology innovation from laboratory to the market place, Malaysia has to be willing to pay for the best brains from all over the world to come and set up world-class research and development centers in Malaysia.

Section VII. Author Defined:

Reference Material

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