

## Abstract

Consumer awareness is on the rise for herbal medicines as the preventive health and alternative supplements and remedies.

The EPP1 project initiative, which emphasises on improving product quality and marketing efforts to tap the global demand in the dietary and herbal supplements as well as the botanical drugs, has contributed to the robust activities in the local herbal industry both in the upstream and downstream segments. To date, eight anchor companies have been appointed under EPP1.

Efforts have been channelled to improve the infrastructure and facilities to further develop the herbal industry. But regulatory plays an important role which can influence and shape the speed of industry growth and development.

# NATIONAL REGULATORY CONFERENCE

organised by National Pharmaceutical Control Bureau

7 May 2013



“HERBAL PRODUCT DEVELOPMENT IN MALAYSIA”

By

Mr. Ibrahim Saleh, Head DMO Secretariat NKEA AGRI



1 Malaysia

People First

Performance Now

# International Herbs & Botanical Trends

CONFIDENTIAL

- Naturally derived herbal and botanical extracts will experience some of the fastest growth among the major nutraceutical ingredient groups

World Nutraceutical Ingredients : Industry Study with Forecasts for 2015 & 2020  
(November, 2012) Freedonia Group, Cleveland, OH

## U.S.A

- Approximately 314 million Americans are serious about their health and 23% of them are using herb and botanicals.

2012 survey commissioned by the Council for Responsible Nutrition (CRN), Washington  
(March, 2012)

## CHINA

- 1.3 billion people in China are helping fuel the estimated \$11 billion dietary supplement market.
- China will evolve into the largest global producer and consumer of nutraceutical ingredients by 2020, surpassing the U.S. and Western Europe.

World Nutraceutical Ingredients : Industry Study with Forecasts for 2015 & 2020  
(November, 2012) Freedonia Group, Cleveland, OH

# International Herbs & Botanical Trends

CONFIDENTIAL

## INDIA

- India's tradition of herbal medicine is thousands of years old and modern research often supports traditional usage.
- Growing incomes in India are helping support the estimated \$2 billion Indian Ayurvedic market.

On The Hunt for Personalised Medicine (October, 2012)  
Nutrition Business Journal

## GLOBAL

- Growing Adoption of Healthy Lifestyle Drives the Global Nutraceuticals Market, According to New Report by Global Industry Analysts, Inc.
- The global market for Nutraceuticals is projected to reach US\$250 billion by 2018, driven primarily by the growing affinity among the general populace towards adopting a healthy lifestyle.

Global Industry Analysts, July  
2012

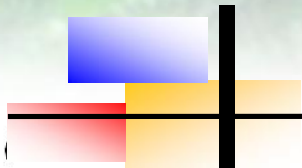
# MALAYSIA IS RICH WITH MEDICINAL PLANTS – “a jungle of pharmacy”



**“HUGE POTENTIAL” for new discoveries**



- **oldest rain forest in the world**
- **one of 12 countries with mega biodiversities**
- **estimated 1,200 medicinal plants**



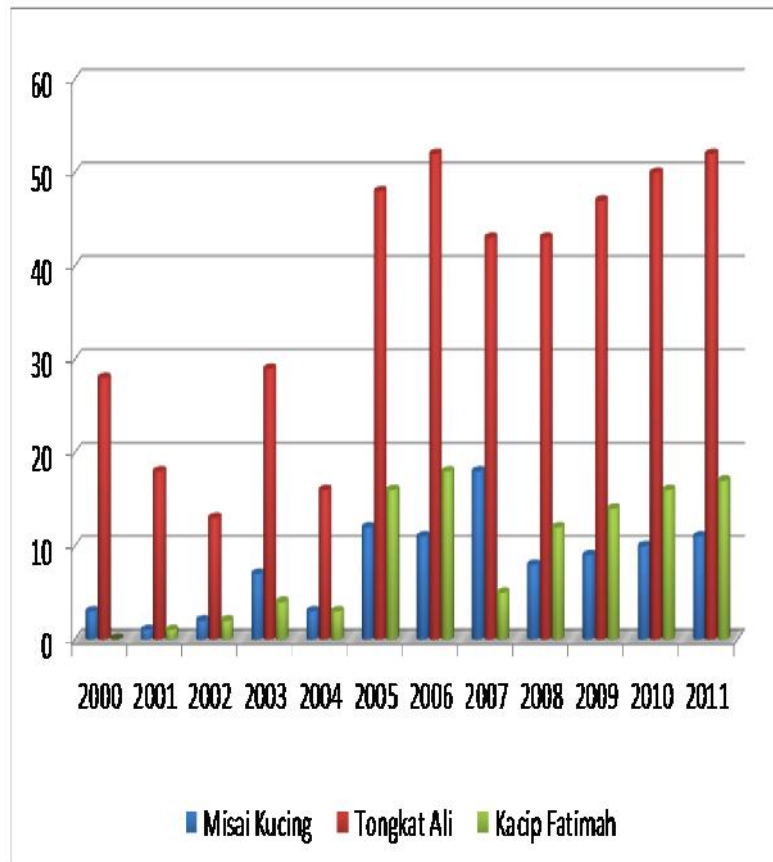
## HERBS INDUSTRY : IDENTIFIED AS POTENTIAL NEW SOURCE OF GROWTH FOR THE AGRICULTURE SECTOR

- ❑ INDUSTRY HAS LONG BEEN IN EXISTENT BUT IN SMALLER SCALE
- ❑ NOT KEEN IN RAW MATERIAL PLANTATION
- ❑ SOURCING FROM THE FOREST INSTEAD OF CULTIVATION
- ❑ UPSTREAM ACTIVITIES CAN GENERATE GOOD RETURNS IF MANAGED WELL



## INCREASE IN LOCAL PRODUCT REGISTRATION OVER THE PAST FEW YEARS REFLECTS GROWTH IN INDUSTRY

### *Traditional products registration*



#### Total cumulative registration

	<u>May 1998</u>	<u>Dec 2012</u>
Locals (cagr)	2,250	13,466 (16.5%)
Imported (cagr)	2,769	8,303 (10.0%)

#### Total GMP facilities (certified manufacturers)

	<u>2003</u>	<u>3/2013</u>
	64	170

# ECONOMIC TRANSFORMATION PROGRAM (ETP), JULY 2010





# OBJECTIVES

- To achieve GNI of RM2.2 billion by 2020
- To produce safe, high quality and efficacious high-end herbal products
- To strengthen the supplies across the value chain
- To enhance R&D in herbs and to secure the IPR from local herbs

EPP1: High value herbal products



NKEA EPP#1 ANCHOR COMPANIES

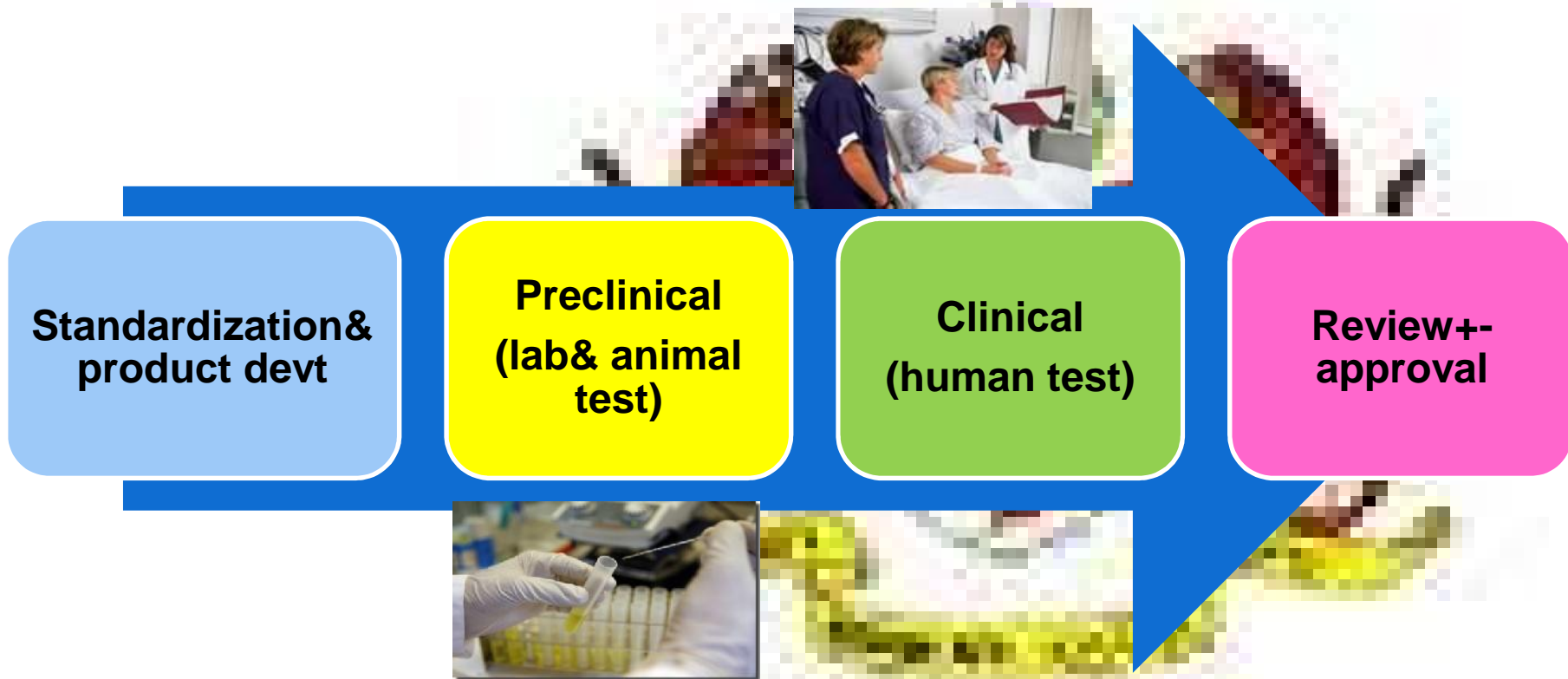


PHYTO BIZNET



## NKEA EPP# (High value Herbal products)

- initiative is aimed to complete up to the clinical trial stage
- need continuous support from the Ministry of Health



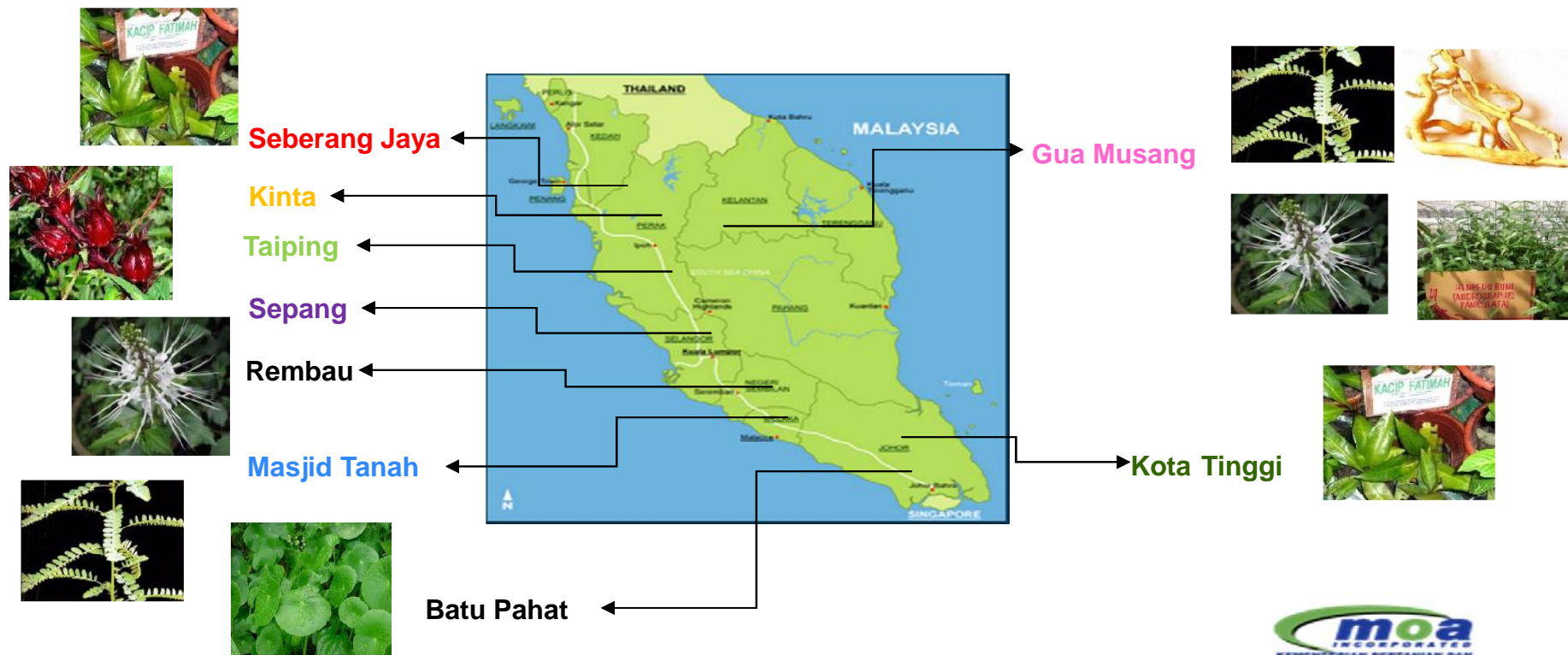
*Ministry of Health Malaysia*

# UPSTREAM INITIATIVES FOR SUPPLY OF RAW MATERIAL - HERBAL CLUSTER DEVT. PROGRAM UNDER DEPT. OF AGRICULTURE

Developed 9 Herbal Clusters For Satellite Farmers

Business Matching Program  
For Contract Farming  
Development of Herbal Agropreneurs

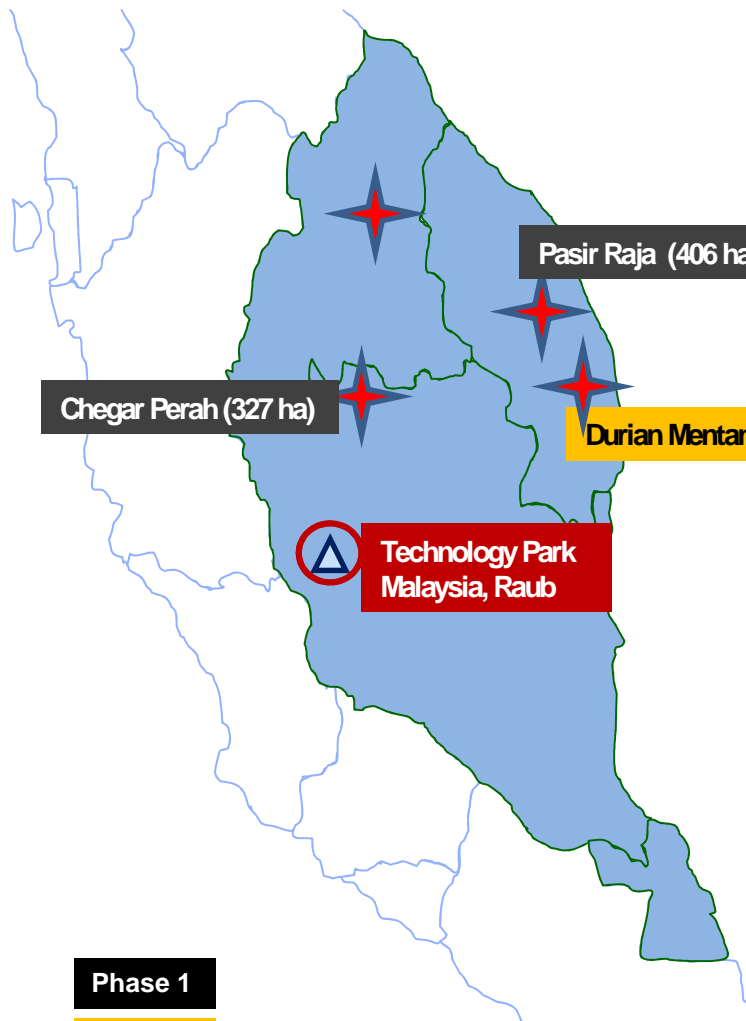
Technology Sharing Workshop  
on Cultivation and Seed  
Production



# COMMERCIAL INTEGRATED HERBAL PLANTATIONS (CIHP)



CONFIDENTIAL



Phase 1

Phase 2

## PROGRESS UPDATE

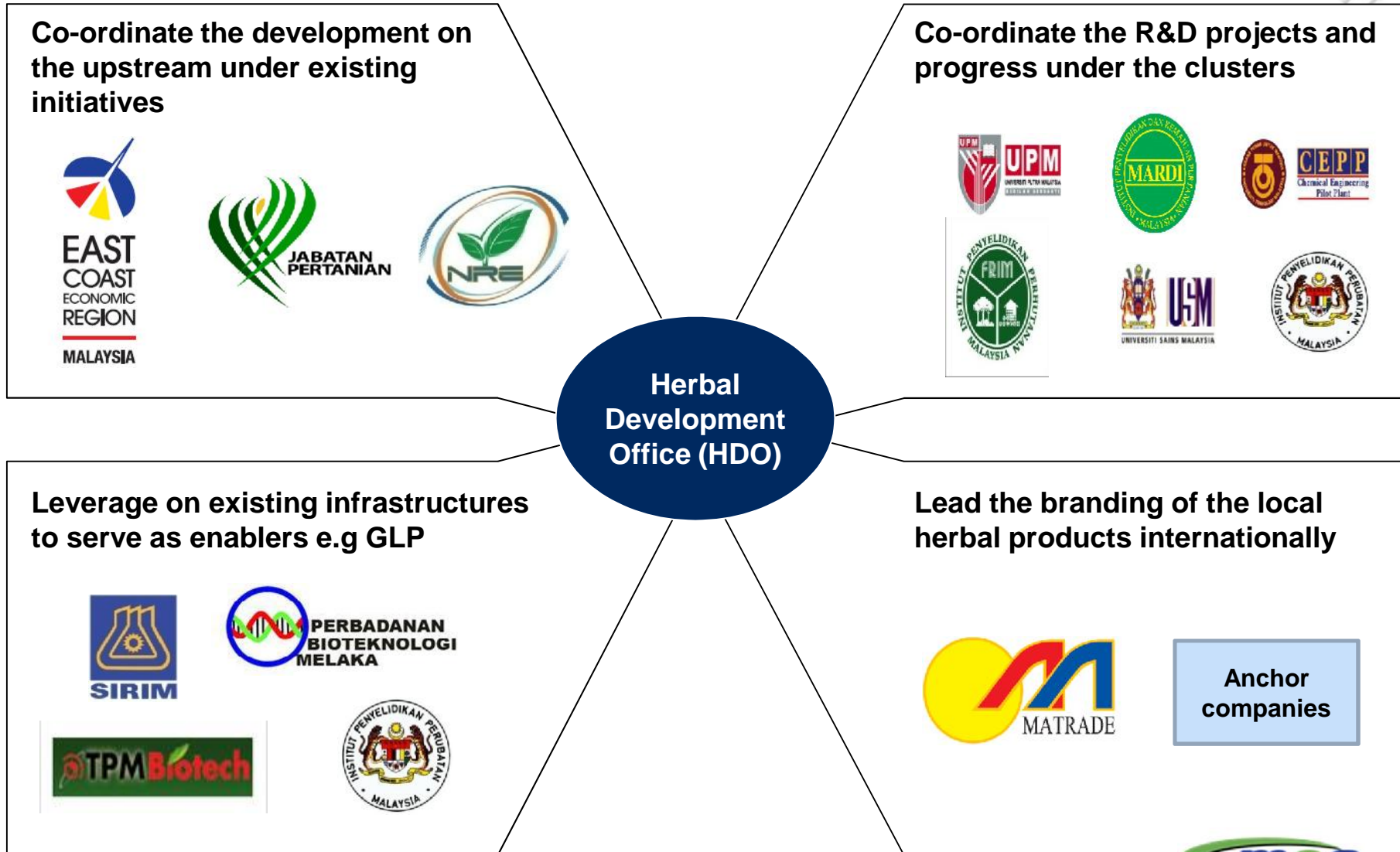
- Detailed design has been finalized on Oct 2011
- Anchor Company for construction of infrastructure has been appointed in Dec 2011
- Projects are more than 50% completion stage
- Anchor company for cultivation will be appointed by June 2013

## BUILDING COMPONENTS

- Admin & Management Building
- CPPC
- Main Road and drainage
- Worker quarters & facilities
- Surau
- Recreational facilities

# The Herbal Development Office (HDO) has been established in MoA and will collaborate and coordinate with the key stakeholders in the industry

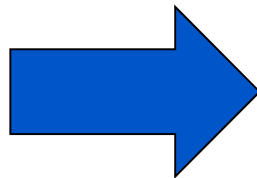
CONFIDENTIAL



CONFIDENTIAL

**BESIDES THE EPP#1  
PROJECT ON HIGH  
VALUE HERBAL  
PRODUCTS.....**

**EFFORTS CAN BE  
CHANNELED FOR 2  
MORE BUSINESS  
OPPORTUNITIES ....**



**HERBAL PRODUCTS  
'FIRST AID BOX'**



**APPLICATION OF TK IN  
HOSPITALS**



# GOING FORWARD.....

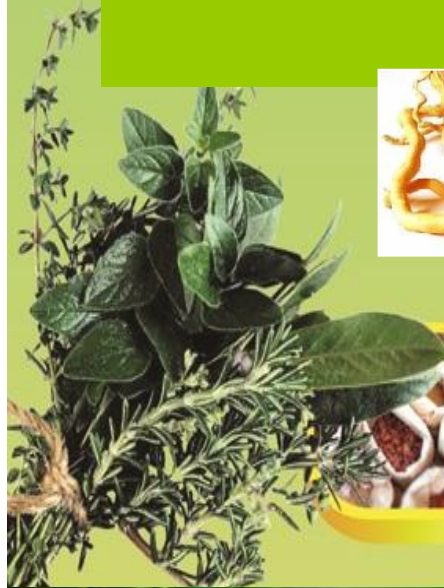


- ***Under NKEA EPP#1 initiatives, efforts have been channelled to improve the infrastructure and facilities to further develop the herbal industry***
- ***But regulatory plays an important role which can influence and shape the speed of industry growth and development***





# LOOK FORWARD TO A CLOSER COOPERATION BETWEEN MOA AND MOH & OTHER RELEVANT AGENCIES FOR THE DEVELOPMENT OF THE HERBAL INDUSTRY IN THE COUNTRY



CONFIDENTIAL



# TERIMA KASIH

