

Positive outlook for agriculture sector

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KUALA LUMPUR: The outlook for the agriculture sector in 2016 is positive and promising, with rising demands for local and export market, especially for the agro-food sector.

Agrobank president and CEO Datuk Wan Mohd Fadzmi Wan Othman said agriculture remained a key factor for economic growth.

"Under the 11th Malaysia Plan, the GDP for the sector is projected to achieve RM93.2 bil and the figure is estimated to reach RM110.7 bil by 2020.

"The Ministry of Agriculture and Agro-based Industry is very committed to address the trade balance deficit of RM17bil and lessen the country's dependency on food imports and is developing various plans to increase the country's Self Sufficiency Level (SSL) for food," he said.

Wan Mohd Fadzmi pointed out that Agrobank believed that technology was the solution towards increasing food and agriculture and would support businesses that did so.

He said the RM5.3bil allocated under Budget 2015 to modernise the agricultural sector demonstrated the government's strong commitment to transform it to operate commercially.

He added that it was vital for businesses to invest in technology and have access to financing.

"As a bank that understands agriculture better, Agrobank provides comprehensive financing solutions including funding for upstream activities such as supply of agricultural production needs to downstream demands like processing and selling of products to consumers,"

"Agrobank will support and finance any viable business and projects related to agriculture sector," he said.

As of Nov 2015, Agrobank covered 10.43% of financing in primary agriculture in Malaysia.

In the financing of the agrofood sector, Wan Mohd Fadzmi said that the bank's share amounted to a total value of RM2.73bil or 23.62% the total loans of RM11.57bil.

To support the government initiatives to increase food production, Agrobank also has introduced several financing initiatives aimed at assisting 'agropreneurs' expand their businesses, such as the Fund For Food (3F) programme.

He said that there were many opportunities in agriculture and the bank aimed to improve the country's SSL and reduce its import dependency for food.

"There is also a massive opportunity to export our food products to the Asean community and also global halal market.

"As of 2014, the Asean market was worth over US\$1.4 trillion in total consumer expenditure and it covered food and agro-products items.

"As for halal market, it is worth about \$US 632 bil or 16% of the global food industry and Malaysia is a trusted brand for halal food.

"There is indeed a lucrative export market for a wide range of agricultural products.

"With its huge potential and prospects, the outlook looks positive for business in agriculture," he added.