Malaysian Biodiversity : From Traditional Use to Innovative & Halal Cosmetic Applications
## Cosmetic Ecosystem

### RAW MATERIALS
- Plantation & Refinery
  - Aromatic flowers, woods, minerals
  - Petrochemical / Oleochemical
- Process Technology
- Products
- Major Players
- Supporting Infrastructure
- Enablers

### PROCESS TECHNOLOGY
- Plantation & Refinery
  - Plant Extraction
- Plantation & Refinery
  - Plant Extraction
  - Fatty acid, Methanol, Bioactive Extract (phytochemicals)

### PRODUCTS
- Speciality
  - Essential Oils, Vitamin, Antioxidant Aroma-Chemicals, Ethyl Alcohol
  - Natural & Organic Products
    - Chemical-based Products

### MAJOR PLAYERS
- Cosmetic Ecosystem

### SUPPORTING INFRASTRUCTURE
- Machinery & Engineering Support
- Inspection, Verification, Testing & Certification
- Accreditation Bodies
- Logistics
- Research Institutes / Universities
- Industry Groups
  - FMM-MCTIG, CFTA
- Education & Training

### ENABLERS
- Research & Development
- Mixing and Blending, Packing, Branding

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<thead>
<tr>
<th>Raw Materials</th>
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**Table**

<table>
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<th>Plants &amp; Chemical</th>
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<tr>
<td>Active Ingredients</td>
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<tr>
<td>Speciality</td>
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<tr>
<td>Consumer Products</td>
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</table>

- Plantation & Refinery
- Plant Extraction
- Fatty acid, Methanol, Bioactive Extract (phytochemicals)

- Essential Oils, Vitamin, Antioxidant Aroma-Chemicals, Ethyl Alcohol

- Natural & Organic Products
  - Chemical-based Products

**Diagram**

- Cosmetic Ecosystem
- Major Players
- Supporting Infrastructure
- Enablers

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**Raw Text end**
Eurycoma longifolia (Tongkat Ali)  Labisia pumila (Kacip Fatimah)

Orthosiphon stamineus (Misai Kucing)  Andrographis paniculata (Hempedu bumi)  Phyllanthus niruri (Dukung Anak)

National Key Economic Area
18 High Value Herbal Ingredients selected under EPP 1

RAW MATERIALS

R&D/EXTRACTION FACILITIES

Supercritical Fluid Extraction  Spray Dryer for Herbal Extracts
MANUFACTURERS
OEM/Contract

EXCIPIENTS

Cosmetic GMP Manufacturing Facilities

Government Agencies & Industry Association

INDUSTRY SUPPORT

247
Malaysian Cosmetopoeia Focus

The 18 Focus Herbs

The traditional way of Malay Medicine using national herbs

Malaysia as the Halal distribution hub
Ginger extract, Seaweed extract which provide the skin caring property. We can offer the halal raw material or supply the halal finished product.

Orchid Life’s SKF3™ and SKF7™ are standardized extracts of Kacip Fatimah (Labisia pumila) produced utilizing their proprietary botanical extraction methods. The Malays have used Labisia pumila as a traditional medicine for over 400 years for multiple treatments.

Award winning speciality healthcare company with a focus in Private Labelling of natural supplements, nutraceuticals, OTC, pharmaceuticals and personal care products complying with comprehensive international quality standards, certifications and accreditations, innovative and Shariah compliant. Tongkat Ali, Dukung Anak, Misai kucing, Roselle
Halal Market

• The global halal market is expected to grow from **US$45.3 billion in 2016** to over **US$58.3 billion by 2022**.

• Halal cosmetics industry is expected to grow **6% y-o-y** in the same period to reach **US$82 billion by 2022**.
What is Halal? + Halalan Toyyiban

- Does not intoxicate
- Does not contain najis/impurities
- Not prepared, processed or stored, with non halal materials
- Does not have any human parts not allowed by Shariah & Fatwa
- No parts of animal prohibited by Shariah law/not slaughtered according to Sharia
- Not poisonous/hazardous
Halal Ecosystem

Malaysia’s Halal ecosystem – various halal sectors co-exist and supported by proper certification system, infrastructure and human capital development program

- Advisory centre
- Data warehouse
- Knowledge dissemination tools
- Business and market intelligence

- Halal food & beverages
- Halal pharmaceutical
- Halal cosmetics, toiletries & personal care
- Halal Ingredients
- Halal services (logistic, banking, takaful, healthcare, F&B & tourism)

- Halal Talent Development Program
- Halal Knowledge Workers
- Halal Executives & Auditors
- Syllabus in universities & colleges

- Halal as the new source of economic growth

- Halal Industrial Parks
- Halal R&D – testing lab
- Traceability system
- Standard & certification

- Reference Centre
- Production & Services
- Human Capital
- Infrastructure
- Government Support
HALAL PARKS IN MALAYSIA

Total Parks 15

As at 31 Dec 2015

Total Investment RM 10.6 billion

Total MNCs 34

Employment 7,788

Total SMEs 131

MYR10.6 BILLION WORTH OF INVESTMENT
Taking advantage on Malaysia being the first mover in halal

Malaysia - Gateway to Muslim markets

Europe
750 million Muslim population
High purchasing power

Asia
1.4 billion Muslim population

South East Asia
250 million Muslim population

Potential products:
- Food and Beverage
- Cosmetic and Personal Care
- Pharmaceutical (especially vaccines), nutraceutical and over the counter (OTC) products
- Halal ingredients
Investments and Trade

Approved Investment from 2010-2017

- 22
- USD179.8 million
- 1,330

Source: MIDA

Malaysia’s Total Import by Country in 2017

- THAILAND: 2,8
- CHINA: 12,7
- FRANCE: 12,6
- USA: 9,3
- KOREA: 4,6
- JAPAN: 6,4
- SINGAPORE: 4,0
- INDONESIA: 3,0
- TAIWAN: 2,8
- INDIA: 12,2
- MALAYSIA: 12,2

Source: MATRADE

Trade of Cosmetic & Toiletries 2015- June 2018

- Export
- Import

Source: MATRADE
As at December 2017, NPRA had received 172,277 notifications of cosmetic products in Malaysia.

Source: National Pharmaceutical Regulatory Agency
Incentives and Policies

**Equity Ownership**
Foreigners are allowed to hold 100% equity ownership in the manufacturing and selected services sectors.

**Repatriation of Income**
Freedom to repatriate capital, interest, dividends and profits. No restrictions.

**Employment of Expatriates**
- Key posts (posts that are permanently filled by foreigners)
- Term posts (posts that are filled by foreigners for a period of 1-5 years)

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**Intellectual Property Protection**

Malaysia’s IP laws are in conformance with international standards:
- Member of the World Intellectual Property Protection Organisation (WIPO)
- Signatory of the Paris Convention and Berne Convention which govern IP rights
- Signatory of the Agreement on Trade-Related Aspects of IP Rights (TRIPS) under the WTO

**Business Friendly Policies**

**Investment Guarantee Agreements (IGAs)**
Malaysia has signed IGAs with more than 60 countries.
Incentives through Halal Parks

Halal Park Operators

i. **Pioneer Status** with income tax exemption of 100% of the statutory income for a period of 10 years

or

ii. **Investment Tax Allowance** of 100% of qualifying capital expenditure within a period of 5 years.

Halal Park Players

i. **Investment Tax Allowance of 100%** of qualifying capital expenditure within a period of **10 years**. This allowance can be set off against 100% of statutory income in each year of assessment

or

ii. **Income tax exemption on export sales** for a period of **5 years**.

iii. **4 eligible sectors**:  
    • Specialty Processed Food  
    • Pharmaceuticals, cosmetics and personal care products  
    • Livestock and Meat Product  
    • Halal Ingredients
First point of contact for investors

The principal Malaysian Government agency responsible for the promotion of investments and coordination of industrial development and selected services sectors in the country.
MIDA IS A ONE STOP CENTRE

Based in MIDA

Immigration Department
Royal Malaysian Customs
Labour Department
Telekom Malaysia Berhad

Based outside MIDA

MIDF
CIDB MALAYSIA
TOURISM MALAYSIA
Department of Occupational Safety & Health
MDEC

MITI & AGENCIES

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MIDA
MATRADE
SMECORP MALAYSIA
SME BANK
MAI
EXIM BANK MALAYSIA
MALAYSIA IS CONNECTED TO THE WORLD THROUGH FTA’s

MALAYSIA IS THE STRATEGIC GATEWAY TO KEY MARKETS LEVERAGING ON FTAs

- Market size: **2.7 billion people**
- Tariff reduction and elimination: 2016

Malaysia has implemented 13 FTAs:

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<thead>
<tr>
<th>ASEAN</th>
<th>BILATERAL</th>
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<td>5. ASEAN-India (2009)</td>
<td>5. India (2011)</td>
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Malaysia is **still negotiating Regional Comprehensive Economic Partnership (RCEP)**, Malaysia-EU, Malaysia-EFTA and ASEAN-Hong Kong.
## Malaysia As A Hub For ASEAN

### 7\textsuperscript{th} Largest economy (4\textsuperscript{th} by 2050)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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<tbody>
<tr>
<td>Youth</td>
<td>60%</td>
</tr>
<tr>
<td>GDP $\text{trillion}$</td>
<td>2.43</td>
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<tr>
<td>GDP Growth: 4.5% (2016)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.7% (2017)</td>
</tr>
<tr>
<td>Per capita $\text{GDP/capita}$</td>
<td>3,867 (2015)</td>
</tr>
<tr>
<td>Total FDI $\text{billion}$</td>
<td>120.0 (2015)</td>
</tr>
<tr>
<td>Intra ASEAN $\text{billion}$</td>
<td>22.2 (18.4%)</td>
</tr>
<tr>
<td>Total Trade $\text{trillion}$</td>
<td>2.58 (2015)</td>
</tr>
<tr>
<td>Intra ASEAN 24%</td>
<td></td>
</tr>
<tr>
<td>Tourist Arrivals</td>
<td>108 million (2015)</td>
</tr>
<tr>
<td>Intra ASEAN 46 million</td>
<td></td>
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### ASEAN Dialogue Partners:

- Australia
- Canada
- China
- India
- Japan
- Korea
- New Zealand
- EU
- Russia
- USA
Why Malaysia?

- Political and Economic Stability
- Well Developed Infrastructure/Connectivity
- Pro Business Government
- Liberal Investment Policies/Environment
- Trainable and Educated Labour Force
- 50 years Strong Industry Base
- Quality of Life
- Stable Banking System
Business Information Centre (BIC)

Information on investing can also be obtained from MIDA’s website at www.mida.gov.my. Investors are also invited to visit MIDA’s Business Information Centre (BIC)

MIDA's BIC on the 2nd Floor of the MIDA Sentral

Opening hours:
Mon - Fri 8.30 a.m. - 5.00 p.m.

Contact Us

Email : investmalaysia@mida.gov.my

URL : www.mida.gov.my
URL : https://www.instagram.com/officialmida
URL : https://www.facebook.com/OfficialMIDAURL : https://twitter.com/OfficialMIDA
URL : https://www.youtube.com/officialmida
Terima Kasih
Malaysian companies @ Cosmetic 360, Paris
Natural Wellness

Natural Wellness is an award winning speciality healthcare company with a focus in Private Labelling of natural supplements, nutraceuticals, OTC, pharmaceuticals and personal care products complying with comprehensive international quality standards, certifications and accreditations. Innovative and Shariah compliant, we develop and commercialise an extensive portfolio of diversified high quality scientifically backed halal products for leading brands globally with the mission to ‘Make people health, naturally’.

Our take on their natural products is one that originates from nature, backed by science. With currently there are more than 200 products under Natural Wellness’ portfolio and at least another 100 new products are “in the pipeline”, primarily available to business customers like Amway, VitaHealth, Blackmores, Nixoderm, Pureen and others. Natural Wellness products can be found in the MENA, ASEAN and Australian markets under our clients’ well loved brands.
Sama Sama Spa is a Social Enterprise headquartered in Bukit Jelutong area in Selangor, Malaysia aims to empower underprivileged young women. We are also unique because we are a ladies only spa that is shariah compliant. We offer a choice to the discerning muslim woman to pamper themselves with our full range of services and offer to them to the largest collection of wudu-friendly, water-permeable nail polishes.

We offer spa services and also spa products for consumers and other spa businesses.
POLISHED by Sama Sama

Developed to offer discerning customers a healthier option that would also widen the option for Muslim women to express themselves, POLISHED by Sama Sama is a range of quality nail polish that is water permeable, breathable & toxic free. Our products are a healthier option of nail polish for women to express themselves in every shade they can imagine.

Vegan friendly
Cruelty free
Toxic free
10-free
Infused with Olive Oil
Free of animal derivatives
Breathable formula
Water permeable
Wudhu friendly
Shariah compliant nail polish
HALAL CERTIFICATION
Issued by International Halal Integrity Alliance Ltd (LG05848)

Sama Sama Spa
A02, Plaza Jelutong, SC Persiaran Gerbang Utama
Bukit Jelutong, 40150 Shah Alam
Selangor Darul Ehsan, Malaysia.
Has complied with the Halal & Hygiene Guidelines
According to
ICCI-IHI ALLIANCE HALAL STANDARD
IHIA S 0800:2011
Scope of Activities:
“Polished by Sama Sama”
range of products including formulation, development, manufacturing,
testing and commercialization of water permeable and Syariah compliant.
Reference No. : MHCT/IHIA 027c/1440
Date of Issue : 02nd October 2018
Valid Until : 01st October 2020

Issued by:
International Halal Integrity Alliance Ltd (LG05848)
A partner of the Islamic Chamber of Commerce & Industry (ICCI)
P.O. Box 540, Jeddah 35441, Kingdom of Saudi Arabia

Prof. Dr. Hj. Abdul Rafek Saleh
Executive Director (Shariah)
Dr. Mohamed Shah Ibrahim
Technical / Lead Auditor
Leading Malaysian Innovator of Natural-Based Products & Technologies.

ORCHID LIFE is an innovative producer and marketer of highly functional medicinal herbs of Malaysian origin. Orchid Life’s mission is to produce sustainable and novel botanical ingredients for the Nutraceuticals & Cosmeceutical markets. As a megadiverse country, there are more than 2000 tropical plant species in Malaysia that have medicinal and aromatic qualities.

Orchid Life’s SKF3™ and SKF7™ are standardized extracts of Kacip Fatimah (Labisia pumila) produced utilizing their proprietary botanical extraction methods. The Malays have used Labisia pumila as a traditional medicine for over 400 years for multiple treatments.

SKF3™ is a water soluble, high in antioxidants standardised herbal extract that can be part of cosmetic and skincare formulas for anti-ageing, photoprotection and collagen synthesis enhancement. SKF7™ is a clinically tested standardised active ingredient with high content of polyphenols and flavonoids that has passed regulatory screenings by Malaysian and Singaporean authorities for marketing and is currently undergoing USFDA’s GRAS/NDIN, EFSA (European Food Safety Authority) Novel Food approval for dietary supplements.

Orchid Life is scaling up in Asia and moving into the US and EU with a diversified ingredient & product pipeline. Orchid Life is committed to scientific research and tests of global standard and continuously developing innovations that make things that matter, better.