

Code: HR01F1WCS005

# **Newsletter**

Government Interventions in Kenaf (*Hibiscus* cannabinus L., *Malvaceae*) Industry in Malaysia

#### The Situation



(i) The price of tobacco produced in Malaysia dropped due to increasing competition from imported tobacco



(ii) Approximately 5,000 tobacco farmers have to consider replacing tobacco with alternative crops



(iii) Some experts opine that kenaf could be a potential crop for this purpose

## **Research Objectives**



(i) To identify government interventions in the kenaf industry in Malaysia



(ii) To discuss business policies to further improve its market position

#### **Our Approaches**



- (i) Secondary data collection (desktop research)
- (ii) Qualitative analysis
- (iii) Descriptive analysis

### Some Interesting Findings

- ★ The Malaysian government is actively promoting the kenaf industry as the next major industrial crop for the nation
- The kenaf crop is included as one of the potential crops to be developed under the East Coast Economic Region
- The National Kenaf and Tobacco Board (NKTB) provides financial incentives:-
  - to attract farmers to plant kenaf
  - for the industry to use kenaf as a raw material
  - to carry out R&D activities on kenaf cultivation and utilisation
- The governments in China, India, Indonesia, Vietnam, Myanmar, Bangladesh, and Thailand are expecting to expand the planting area for kenaf
- Inadequate harvesting machinery is one of the obstacles holding back the development of the kenaf industry

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