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## UAE Company Invests RM400 Million In Biodegradable Packaging Factories In Kedah

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Free The Seed Sdn Bhd (Free The Seed), a Malaysian biotechnology company that manufactures biodegradable products from rice straw, has partnered with Hotpack Packaging Industries LLC (Hotpack) from United Arab Emirates to construct up to 10 new biodegradable packaging factories in Gurun, Kedah worth RM400 million (USD100 million) over a period of 10 years.

This is through the facilitation of Malaysian Bioeconomy Development Corporation (Bioeconomy Corporation)

Construction of the first 3,200 sq m production plant, which will be located next to Free the Seed's existing facility, will begin in May 2022 and is expected to complete in August 2022. This will be Hotpack's first-ever factory in Southeast Asia.

Through the collaboration, Free The Seed becomes technology and operational partner for Hotpack, providing raw materials, expertise, workforce, and technical know-how to the UAE company.

Hotpack will then manufacture and provide a new line of biodegradable products for its global markets, including Gulf Cooperation Council (GCC) countries. The first facility is anticipated to produce 70 million units of fast-moving consumer goods (FMCG) packaging products per year.

The partnership between Free The Seed and Hotpack is the result of a business matching initiated by Bioeconomy Corporation during the Ministry of Agriculture and Food Industries Malaysia (MAFI)'s Sustainable Agriculture week at the Malaysia Pavilion in EXPO 2020 Dubai from 20 to 26 February 2022.

During a ground-breaking ceremony at Free The Seed's facility here today, MAFI Minister YB Datuk Seri Dr Ronald Kiandee said, "MAFI is pleased that the efforts and commitment made during the expo have fostered this significant global cooperation, which will potentially transform Malaysia into a leading biodegradable hub in Southeast Asia.

This investment is expected to create 1,200 direct job opportunities among the skilled and semi-skilled workforce over a period of 10 years, as well as to produce biodegradable packaging using more diverse agricultural wastes like pineapple leaves and other agro-biomass materials.

Such a sustainable and circular model will only lead to better incomes for more farming communities in Malaysia, while attracting more foreign investors, protecting the environment, and adding value to sustainable agriculture in Malaysia and UAE."

Chairman of Bioeconomy Corporation, YB Senator Datuk Iskandar Dzulkarnain Abdul Khalid, commented, "Bioeconomy Corporation is glad to assist in bringing in this special investment, which will enable Free The Seed to scale up by tapping into Hotpack's vast network and market opportunities especially in GCC.

Furthermore, there is potential for both companies to co-develop a variety of biodegradable products for better market access, cost efficiency, and to satisfy the global market demand for biodegradable packaging, which is forecast to exceed RM713.6 billion (USD169 billion) by 2032."

Founder and Chief Executive Officer of Free The Seed, Mr Ramaness Parasuraman said, "This unique synergy based public-private partnership involving Free The Seed, Hotpack, and Bioeconomy Corporation is poised to revolutionise the multi-billion dollar circular economybased

biodegradable packaging business and will accelerate the vision and creation of Kedah state as the global production house of single-use biodegradable packaging products.”

Founder and Managing Director of Hotpack, Mr Abdul Jebbar P.B. stated, “The timing is perfect now for Hotpack to capitalise Free The Seed’s technology and Bioeconomy Corporation’s facilitation for the creation of Malaysia-to-global biodegradable products. Hotpack’s desire to help companies pursuing SDG targets and better manage environmental, social, and governance (ESG) portfolios in the FMCG sector will provide a sustainable and balanced business growth for these companies.”

Among the other dignitaries who attended the groundbreaking ceremony were Deputy Minister of Agriculture and Food Industries II, YB Datuk Dr. Nik Muhammad Zawawi Haji Salleh; Chairman of the Agriculture and Food Industry Committee, Kedah Exco, YB Encik Azman Bin Nasarudin; Chairman of the Industry and Investment Committee, Kedah Exco, YB Dato’ Wira Ku Abd Rahman bin Ku Ismail; Hotpack Packaging ING Group Technical Director. LLC, En Anvar P.B .; and Member of Parliament for Jerai, Y.B. Tuan Ustaz Sabri bin Azit.

Free The Seed is a BioNexus Status company that is involved in the manufacturing and R&D of biodegradable packaging products made from paddy straw waste, sourced from local farmers. Hotpack is one of the largest manufacturers and distributors of food packaging materials in the GCC with factories in UAE, Saudi Arabia, and the United Kingdom.