



Malaysia needs to revisit agriculture sector, invests in modernisation – DOSM

KUALA LUMPUR, Nov 29 -- There is a need for Malaysia to revisit the agriculture sector as a potential source of employment opportunities and increase capital investment in modernising this sector, said the **Department of Statistics Malaysia (DOSM)**.

Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said this was in cognisance of the significant impact brought by the COVID-19 pandemic on agriculture production and prices, which increases the importance of food security.

"Emphasis on ensuring the stability of food supply is necessary especially for agricultural items that have inadequate self-sufficiency ratio and high import dependency.

"In addition, emphasis should also take into account accessibility to food especially for the low-income group due to volatility of price factor," he said in a statement today.

He said Malaysia also has the potential to reduce its dependency on imports of agricultural products following the developments of this sector.

Total imports of the agriculture sector increased to RM98 billion in 2020 compared to RM93.5 billion in 2019.

"This shows that the country's dependence on agricultural imports is increasing to meet domestic demands as well as providing varieties to consumers and processing activities.

"Over a period of 28 years (1987-2015), Malaysia's dependency on imports for agricultural commodities increased to 13.7 per cent from 7.3 per cent," he said.

At the same time, the agriculture sector continued to contribute to the country through exports, especially by products produced from agricultural commodities such as palm oil, rubber and cocoa.

Total agricultural exports increased from RM115.5 billion in 2019 to RM118.6 billion in 2020.

The agriculture sector contributed 7.4 per cent to the national Gross Domestic Product (GDP) in 2020, with the sector's growth contracting 2.2 per cent last year from a growth of 2.0 per cent in 2019.

The decline was due to the commodity sub-sector, especially oil palm, which recorded a negative growth of 3.6 per cent compared to 1.5 per cent in 2019.

Mohd Uzir said although the growth rate of oil palm showed a decline, it was the main contributor to the value added of the agriculture sector accounting for RM36.9 billion or 37.1 per cent.

"Though the production of fresh fruit bunches (oil palm) was the highest among the agricultural commodities, its production decreased by 2.09 million tonnes or 2.1 per cent, followed by natural

rubber and pepper, which recorded a decrease of 125,100 tonnes and 3,100 tonnes respectively,” he said.

Mohd Uzir said the production of vegetables in Malaysia increased 0.9 per cent in 2020 with Pahang remaining the highest producer with a contribution of 35.1 per cent, followed by Johor (20.2 per cent) and Kelantan (12.5 per cent).

Meanwhile, fruit production decreased by 0.7 per cent during the same period, with Johor as the highest producing state in Malaysia with a contribution of 36.0 per cent, followed by Pahang (13 per cent) and Sarawak (11.2 per cent).

As for the livestock sub-sector, he said the number of livestock has increased except for buffaloes, sheep and swine.

Despite the increase in livestock population, production has decreased except for poultry meat, chicken/duck egg as well as fresh milk.

The decline in some commodities was also attributed to the lack of demand by restaurants, eateries, and hotels that were not operating or having restrictions in operations as a result of COVID-19.

Meanwhile, landing marine fish in 2020 amounted to 1.38 million tonnes, down 5.0 per cent from 1.45 million tonnes in 2019, due to the lack of vessel operations in deep sea as a result of restrictions on the re-entry of foreign labour.

Similarly, brackish water and freshwater aquaculture production decreased by 1.4 and 7.1 per cent respectively from the previous year.

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