

Sector briefing

Waste & Resource Management Opportunities in Malaysia

Why Malaysia?

Malaysia is currently producing more than 23,000 tonnes of solid waste each day and this figure is estimated to increase dramatically to more than 30,000 tonnes by 2020. Less than 5% of waste is recycled and original plans to increase this to 22% by 2020 have been accelerated under the new 10th Malaysia Plan to 40% by 2015. The opportunities arise from the mis-match between this aspiration and availability of adequate treatment, recovery and disposal facilities.

The Solid Waste and Public Cleansing Management Act, gazetted in 2007, is a major breakthrough to reorganise the sector. A very interesting change brought by the new approach is the adoption of 22 year concessions through privatising the waste collection companies, giving them long-term visibility and encouraging them to proceed to strong investments.

Find general information on the Malaysia market conditions on [UKTI's website](#). [The Doing Business Guide for Malaysia](#) gives an overview of Malaysia's economy, business culture, potential opportunities and an introduction to other relevant issues.

UK Trade & Investment Sector briefing: Waste & Resource Management opportunities in Malaysia



'Contract negotiations are expected to be completed by end 2010'.

'What the public needs now is proper implementation by having the appropriate infrastructure in place quickly'

Opportunities

The federalisation of solid waste management and the privatisation of the concession companies for the collection of municipal solid waste will present the following opportunities for UK organisations:

Modernisation of Sanitary handling methods

Bins – Over 5 million bins need replacing around the country. Around 3.5 million 120 litre bins and the remaining made up of 240 litre, ~600 litre and ~1000 litre. The market is relatively concentrated and the federal government are using this large requirement to replace bins as an opportunity to set industry standards.

Trucks – In a similar move towards standardisation but the approach is more flexible, especially considering the costs involved in replacing a large proportion of the fleet. The concessions are looking at a range of rear and toploading vehicles and compactors.

Landfill rehabilitation

Malaysia does not have a landfill tax in the same sense as in the UK and the capital costs for new landfills will have to be burdened by the federal government. Many of the landfills are un-sanitary dumpsites and there are now plans to close 112 sites. Concerns are that the waste will still need to be managed and site closure does not help. Recent announcements have been that 9 new confined/sanitary sites will be developed over the 2010-2015 period, contractors are still to be determined and the government are open to new ideas/approaches. Leachate capture and treatment are a central part of the solution, requests have been made by the ministry to look specifically at the small scale treatment of leachate at landfills managing 50-100 tonnes/day. Transport of waste is also costly and in-situ treatment is being looked at with preference.

Development of waste to energy plants

As part of ensuring that waste is managed in a sustainable manner and with support for the development of Green technologies being introduced by a new Ministry last year, all industry stakeholders are now looking at ways of incorporating technologies that can treat

waste and generate energy that can either feed back into the treatment process or be delivered to local communities. This can provide an opportunity to develop CDM revenues, but also capture government capital incentives. Landfill gas capture is currently a focal point for the ministry.

Optimising logistics of collection and transfer

Increased coverage and frequency of services will be needed for the concession companies to meet new KPI's from the end of 2010. This will have a number of repercussions on the cost burden to the companies. The move will demand greater efficiencies for both the collection scheduling, vehicle routing and the placement + design of transfer stations. Difficulties that are providing a barrier to entry for companies to date are a result of the lack in comprehensive GPS mapping that is good in the cities but poor in rural areas.

Significant Improvements in outcomes for the public and the environment*

- Residential and commercial premises
- Sanitary handling with modern trucks and standardised bins for collection
 - Frequent pickups from 2 to 7 times a week depending on type of premise
 - Wider coverage with 3.7 million premises. 0.6 million non-residential premises and 5,600 shared facilities covered by 2015.
 - Improved environment for shared infrastructures such as drains, roads, markets and beaches.

- Safeguarding the environment
- Closure of unsanitary dumpsites with 112 closed by 2015
 - Separation at source by households to facilitate recycling
 - Increased household recovery of waste from 15% to 25% by 2015
 - New technology from improved disposal and treatment for maximising resource and energy recovery

*Taken from Chart 6-16 10th Malaysia Plan

Recycling/waste recovery

About 45% of municipal waste is organic, of the remain 55% and including industrial/commercial waste about 2-5% is

currently recycled. The original target of 15% by 2020 has now been accelerated under the 10th Malaysia Plan to 50% by 2015. This is an ambitious target but even with the original goals a step change is needed. This will present a number of opportunities throughout the supply chain, initially plans are to increase costs to industry for non-compliance and make it compulsory for homeowners to separate waste at source.

If you have any questions on the opportunities above, contact the UKTI contacts named in this report. Business opportunities aimed specifically at UK companies are added daily to UKTI's website. These leads are sourced by our staff overseas in British Embassies, High Commissions and Consulates, across all sectors and in over 100 markets.

You can be alerted to business opportunities on a regular basis by registering on the UKTI website. [Find out more on UKTI's business opportunities service on the UKTI website.](#)

Major events and activities to December 2010

Waste & Recycling Trade Mission to Malaysia and the Philippines.

[Environment Team Website](#)

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Time: December 2010

IGEM – International Green Tech and Eco Products Exhibition & Conference Malaysia

<http://www.igem.com.my/>

Contact: Oliver Harrison or Suzidah Baharun

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Time: October 2010

Find full details of all events in this country and sector on the UKTI website. New export events are added daily to the site and [you can register to be alerted to them](#) on a daily, weekly or monthly basis

UKTI's Tradeshow Access Programme (TAP) provides grant support for eligible Small & Medium Sized Enterprises (SME's) to attend trade shows overseas. Find out more about [UKTI support](#) for attendance at overseas events

UKTI contacts

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Next steps - How UKTI can help

British companies wishing to develop their business in the Malaysian market are advised to undertake as much market research and planning as possible in the UK. UKTI's team in Malaysia, with its wide local knowledge and experience, can provide a range of services to British-based companies wishing to grow their business in global markets.

This can include:

- Provision of market information
- Validated lists of agents/distributors
- Key market players or potential customers in the Malaysian market
- Establishment of interest of such contacts in working with you

- Arranging appointments
- Organise seminars or other events for you to meet contacts and promote your company in the Malaysian market

This work is available via our [Overseas Market Introduction Service \(OMIS\)](#) a chargeable service which assists British-based companies wishing to enter or expand their business in overseas markets.

To find out more about commissioning this work, or accessing other UKTI services and specialist advice, please visit the UKTI website to find [contact details for your local UKTI office](#).

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