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Saturday October 27, 2012

KLK urges players to develop tocotrienol market

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PETALING JAYA: Although making up only a fraction of its oleochemicals business, [Kuala Lumpur Kepong Bhd \(KLK\)](#) sees a good future in the tocotrienol market as its wholly-owned subsidiary, [Davos Life Science Pte Ltd](#), is set to raise productivity and revenue target.

Davos recently moved its nutraceutical plant to Westport, Klang, and targets to run it at full capacity of 100 tonnes per year within five years. It was previously operating in Singapore in a smaller plant.

The company did not disclose its current production rate but noted that it had invested RM65mil for the construction of the plant. Davos also set a revenue target of RM20mil for 2013.

Chief executive officer [Arthur Ling](#) said the two-acre plant, which has been running for two months, was currently in at start-up phase. Further investments will go into acquiring new technology.

It also aimed to be the largest manufacturer in the country but the

focus at the moment was mostly on increasing the demand for tocotrienol. Tocotrienol, a form of vitamin E sourced from palm oil, could also be key in promoting palm oil as a beneficial oil given the negative reception by the Western world.

Ling said the challenge currently was in educating the public about the benefits of tocotrienol.

“Capacity is not the issue, the market is.

“Market development is still in its infancy as the health benefits are relatively unknown by the general public,” he said of tocotrienol, which was discovered about three decades ago.

He said to make this product successful, the tocotrienol players in Malaysia must develop the market. There are less than 10 local players at the moment.

To compete with the prevalent and cheaper soybean oil, vitamin E, tocopherol and tocotrienol producers had to come up with high-purity products, with 90% and above tocotrienol content, Ling said, adding that if the market was more aware of tocotrienol, it could move the vitamin E market from the soya source to palm source, lending business to Malaysia as palm oil is a natural commodity here.

To that, he believed the research and development of the product needed to be strengthened for more proof about this vitamin E derivative.

“All our current customers are foreign because there is no market here,” Ling pointed out. Davos supplies tocotrienol in various forms to the United States, Europe and Asia for high-end health supplements, cosmetics and pharmaceuticals.

Ling said the tocotrienol market was currently worth around US\$50mil globally. The whole vitamin E market is valued at more than US\$1bil.

Ling believed that Malaysia would need to be more competitive in the downstream segment, as the country did not have the resources to compete with the world's largest palm oil producer, Indonesia, in the upstream activities.

Tocotrienol has been proven in researches local and overseas to be better antioxidants and neuro-protection supplements compared with tocopherol.

Davos is currently collaborating with Malaysian Palm Oil Board in researches on tocotrienol.