

## House brands proposed for infant formulas

**KUALA LUMPUR:** The government should introduce house brands for infant formula to widen choices for consumers and encourage competitive pricing.

The Malaysia Competition Commission (MyCC) made the recommendation in its Market Review on Food Sector report on infant formula for babies up to 12 months old (Stage 1) because the product was dominated by multinational brands.

MyCC chief executive officer Iskandar Ismail said this led to consumers showing strong loyalty towards those brands.

As such, MyCC said the government should encourage local companies to explore this sector to provide alternatives for parents, especially those in the low-income group.

"As infant formula manufacturers are prohibited from marketing or promoting their products, the government should ex-

plore the introduction of house brands with established retailers.

"There have been successful cases of the entry of private labels in South Korea and Italy, which alleviated the increase in the prices of formula milk.

"Industry players should be encouraged to set up innovation centres or production plants locally. At the same time, the government should identify local companies that have the capability or are keen to participate in the industry.

"There should be a proper plan, including provision of incentives by the government in ensuring participation of local players," he said.

The report also said parents

needed to be educated on the nutritional requirements of formula milk and the availability of infant formula products at different price points.

MyCC found most parents preferred to purchase premium brands with additional nutrients.

It was important for consumers to be aware of the price of mainstream and premium formulas as they have been steadily increasing between 15 and 20 per cent.

"The brands supplied by the manufacturers can be loosely classified into mainstream brands or premium brands based on pricing, which is dependent on the formulation, but all have adhered to food regulations," said Iskandar.

"Despite the availability of mainstream and premium brands, most products offered by manufacturers are the premium types. Only half of the manufacturers offered mainstream brands with their premium ones.

"Parents are generally unaware of this and perceive that additional nutrients are better and essential, which may have resulted in the increased preference towards premium brands."

Mainstream infant formula is priced at RM30 per kg while premium brands are based on additional nutrients.

"The industry is highly dependent on imports. Local manufacturers rely on imported raw materials, which may influence the prices of their infant formulas," Iskandar said. Healthcare professionals should take the lead in educating consumers in choosing the best product for their children.



Iskandar Ismail