



Participants at ICA-AP Training Program on Cooperative Branding & Storytelling, hosted by ANGKASA in Malaysia

COOPERATIVES IN MALAYSIA

Contribution of cooperatives to Malaysia's economy

- 16,009 - number of cooperatives in Malaysia
- 7,159,154 - members in cooperatives
- 255 cooperatives composed exclusively of women members
- Cummulative annual turnover of cooperatives - \$7.34 billion
- Value of assets by cooperatives - \$38.07 billion
- Cooperatives account for 3% of Malaysia's economy

Source: Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA)

Did you know?

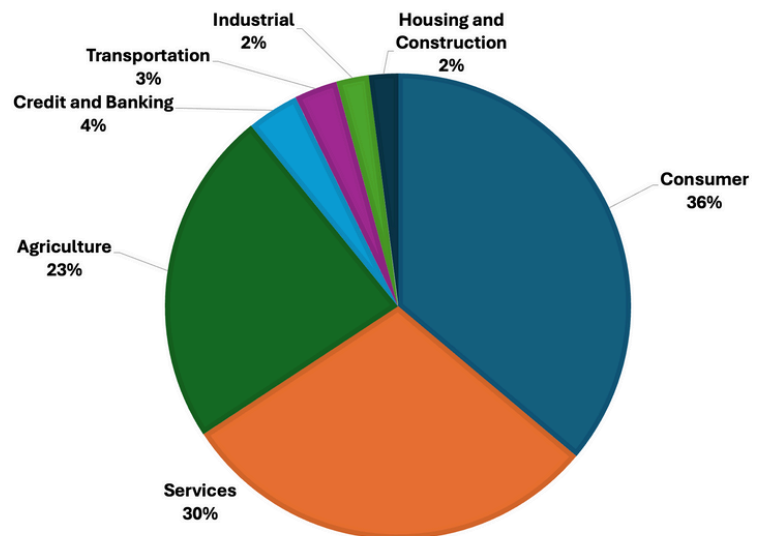
- ANGKASA or the Malaysian National Cooperative Movement is the apex organization, representing Malaysia's cooperatives nationally and internationally.
- The Malaysia Cooperative Societies Commission (MCSC) is a statutory body under the Ministry of Entrepreneur and Cooperatives Development (MECD) and acts as registrar and regulator of cooperatives.
- Royal Professor Ungku Aziz Ungku Abdul Hamid, the first President of ANGKASA, was awarded the Rochdale Pioneer Award in 2007.
- Malaysia is one of the few countries in the Asia-Pacific region that publishes a national ranking of cooperatives based on qualitative factors like governance and sustainability, and quantitative indicators such as financial performance. The top cooperatives for 2024 are Bank Rakyat, Koperasi Tentera, and Co-Opbank Pertama (CBP).
- Bank Rakyat is ranked among the top 300 cooperatives and mutuals globally in the World Cooperative Monitor 2023.
- The 2017 and 2021 Voluntary National Reviews (VNR) of Malaysia recognized the vital role of cooperatives in advancing SDG 2 (Zero Hunger) by strengthening the food supply chain and acting as responsible social and community enterprises.
- ICA has three members from Malaysia. The members with their years of affiliation are: ANGKASA (1972), National Land Finance Cooperative Society Ltd. (NLFCS, 1979) and Cooperative Institute of Malaysia (CIM, 2003).

The cooperative movement in Malaysia

The cooperative movement in Malaysia had its roots in addressing the problem of indebtedness in rural areas in the early twentieth century. Over time, they have become an important pillar in advancing economic growth in Malaysia. The government sees cooperatives as a crucial vehicle, along with the public and private sector, to drive and boost economic development and growth.

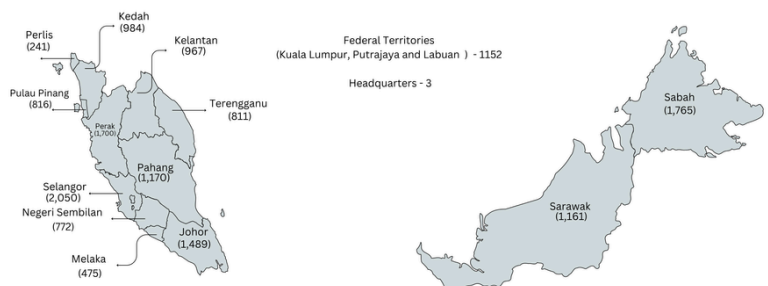
Types of cooperatives in Malaysia

Cooperatives in Malaysia are present in the following sectors:



Geographical presence of cooperatives

Cooperatives are present in all 13 states and 3 Federal territories of Malaysia



Evolution of the cooperative movement

→ 1900-1957

- Cooperatives in Malaysia were introduced by the British government in 1907 to combat the problem of chronic rural indebtedness and deficit spending among wage-earners in places of employment.
- In 1922, the Department of Co-operative Development (DCD) was established to promote the growth of cooperatives and ensure that cooperatives operate as per the Co-operatives Societies Act of 1922.
- The first cooperative- The Postal and Telecommunications Co-operative Thrift and Loan Society Ltd. was established in 1922; by 1957 there were 2,243 cooperatives in different sectors.

→ 1957-2000

- Post-independence in 1957, the cooperative movement in Malaysia became strong and active through the consolidation and rationalization programme undertaken by the DCD and the Bank Rakyat.
- By 1966, the need for interlinked markets prompted policies that encouraged existing and new cooperatives to develop into multi-purpose cooperatives.
- In 1966, the first Malaysian Co-operative Congress was convened with the aim to establish a national cooperative union to unite all cooperatives. This effort led to the formation of ANGKASA, which was officially approved during the second Malaysian Co-operative Congress in 1971.
- School cooperatives in Malaysia began in 1968 with the formation of nine pioneer cooperatives across six states, aiming to involve students in the management and operations of cooperatives.
- In 1972, the Farmers Organisation Authority (FOA) unified agro-based cooperatives and farmers' associations, integrating over 1,550 cooperatives under its framework for structured development and professional management.
- In 1982, the Ministry of National and Rural Development launched the New Co-operative Era to enhance cooperatives' role in economic growth, introducing four new types of cooperatives: KPD (District Development Cooperatives), KIK (Cottage Industry Cooperatives), KPP (Village Development Cooperatives), and KPN (Workers' Investment Cooperatives).
- In 1986, the cooperative movement suffered a dark period when the government froze the assets of 24 deposit-taking cooperatives due to a plunge in their assets, mismanagement, and corruption.
- In the 1990s, the DCD was placed under the Ministry of Land and Co-operative Development, which emphasized creating more worker investment cooperatives in factories and private companies. The first half of the 1990s witnessed a positive growth in the movement, from 2.57% during the Asian Financial crisis to 3.1% a year.

→ 2000-2019

- In 2004, the first National Cooperative Policy (2002 - 2010) was launched to enable the cooperative movement to play an active role in national development along with public and private sectors. All cooperatives were placed under the MECD with DCD as the sole authority.
- From 2005-2009, the cooperative movement registered a positive growth as the number of cooperatives increased at an average rate of 9%. By 2009, there were 7,215 cooperatives with 6.78 million members.
- In 2008, the DCD was incorporated as MCSC and was placed under the Ministry of Domestic Trade, Co-operatives and Consumerism.
- The second National Cooperative Policy (2011-2020) emphasized cooperative participation in high-value sectors, capacity building, human capital development, public confidence, and effective supervision.
- In 2013, the second National Cooperative policy was integrated with the Malaysian Economic Transformation Programme, the practice followed in future policies as well. ANGKASA is working to strengthen cooperatives across different sectors and to increase their contribution to the national Gross Domestic Product.
- In 2019, cooperatives were placed under the MECD.

→ 2020-present

- The Malaysian Cooperative Transformation Plan (TransKoM 2021-2025) aims to empower cooperatives for inclusive and sustainable growth through three phases: foundation (2021), growth (2022-2023), and excellence (2024-2025).
- MECD launched Malaysian Cooperative Policy 2030 (DaKoM 2030) in 2023 to empower cooperatives as catalysts for economic resilience, prosperity, and their emergence as preferred business model for socio-economic development.
- As of June 2024, Malaysia has 2,499 school cooperatives with 2,087,769 members, generating an annual turnover of approximately \$69 million.

Laws on cooperatives

- 1922- The Co-operative Societies Enactment was passed as the first law on cooperatives.
- 1948- The Co-operative Societies Ordinance was passed replacing the previous Enactment.
- 1993- A new act was passed to create self-reliant and self-regulated cooperatives and to improve transparency.
- 1995- The Act was amended to enhance management, empower members, permit cooperatives to establish subsidiaries, and allocate profits for community development. It also defined the DCD's development role. Further amendments followed in 1996 and 2001.
- 2007- The 2007 amendment strengthened regulations and increased oversight, and promoted honesty, trust, and transparency to align with national socio-economic goals.

Key highlights of the 2007 Amendment

- Reduces the minimum number of persons required to register a cooperative from 100 to 50.
- Permits cooperatives to use the Statutory Reserved Fund to pay for shares or subscriptions and issue bonus shares to members, subject to MCSC approval.
- Allows cooperatives to utilize their net profits for the welfare of members and the community, whereas previously only ten percent of net profits could be used.
- Empowers MCSC to verify the appointment or reappointment of the Board of Directors and members of the internal audit committee.
- Imposes penalties on cooperatives in cases of non-compliance with the law.

Cooperative landscape of Malaysia

Malaysia's cooperative strategy emphasizes fostering a resilient and diversified ecosystem through digital innovation, ESG integration, and expanding into high-growth sectors like hospitality, healthcare, and agriculture, with notable success in financial services and social enterprise models.

Plantation Cooperative Ltd., Kuala Lumpur: Leading Agriculture Services Cooperative

Founded in 1970, Plantation Cooperative Ltd. (KLB) a leading agricultural cooperative in Malaysia, committed to economic growth and sustainability in the plantation sector. Over the years, it has expanded its operations to include plantation management, livestock farming, agricultural services, real estate investments, and asset management. The cooperative plays a key role in supplying fertilizers, pesticides, oil palm nurseries, and fresh fruit bunch trading, ensuring a sustainable agricultural ecosystem.

In 2024, it reported an annual profit of approximately \$22 million, with total assets exceeding \$28 million. As part of its asset management, it owns and rents out 29 condominium units named Fawina Court. Ranked among Malaysia's top 10 cooperatives for three consecutive years, it received the Best Cooperative Award of the Federal Territory in 2022 for its contributions to agriculture and agro-based industries.



PC: KLB

Koperasi Putri Terbilang Malaysia Berhad: A Model of Women-Led Cooperative Empowerment in Malaysia



PC: ICAAP Women's Committee

Established in 2006, Koperasi Putri Terbilang Malaysia Berhad (KOPUTRI) began with just 100 members and has since grown into a powerful platform for women's socio-economic advancement, now serving over 21,800 members across Malaysia. By 2022, KOPUTRI recorded an annual income of approximately \$3.7 million and managed total assets exceeding \$32.5 million, with its core strength rooted in credit services. The cooperative also operates kindergartens (Tadika Sri Wawasan), tuition centres, and offers property-related services such as leasing and ownership support. Recognized by the Cooperative Commission of Malaysia (SKM) as one of the Top 100 Cooperatives in both 2021 and 2022, KOPUTRI exemplifies how cooperatives can uplift communities by combining financial services with education, childcare, and housing—building lasting impact through inclusive, women-led governance.

PETRONAS Employees' Cooperative: A Legacy of Growth and Sustainable Success

Established on October 30, 1980, Petronas Employees' Cooperative locally known as Koperasi Kakitangan PETRONAS Berhad (KOPETRO) began with \$2,100 in capital to support the financial well-being of Permanent Employees of Petroleum Nasional Berhad (PETRONAS). It has since grown into one of Malaysia's top 10 cooperatives, serving 15,236 members globally and employing 690 staff. In 2024, the cooperative recorded an income of \$24.3 million. It operates across multiple sectors, including oil and gas services, food and beverages, travel and tours, property, hospitality, retail, and trading. Subsidiaries such as Kopetro Travel & Tours, Kopetro Trading & Services, and Kopetro Catering provide essential services.

Recognized for excellence, Kopetro has received awards including the Anugerah Koperasi Negara and the Prime Minister Quality Award, reinforcing its position as a leader in cooperative-driven business growth.



PC: KOPETRO

MRSM Kepala Batas Cooperative: Instilling Cooperative Values in Young Minds



PC: MRSM Koperasi

Established in 2007, MRSM Kepala Batas Cooperative in Pulau Pinang has grown into a benchmark for school-based cooperative excellence. With a membership of around 900 students and staff, it made history in 2014 as the first school cooperative in Malaysia to achieve RM1 million in business income, showcasing strong student engagement and diversified enterprise management.

The cooperative operates seven business ventures, including a Coop Mart that supplies essentials such as stationery, self-care items, food, and printing services. It also runs a laundry service, the Mat'am Sakeena Café with catering and event space rental, graduation robe rentals (for internal and external clients), van rental, and event management for school functions.



- Malaysia has played an important role in strengthening the regional cooperative movement. ANGKASA was one of the founding members of the ASEAN Co-operative Organization (ACO), which was established in 1977 to create an integrated network amongst cooperatives in ASEAN. ANGKASA was elected as the Chair of ACO in 2014.
- The Malaysia Carnival of Cooperatives' Products and Services (MACCOPS) is organized by ANGKASA to connect cooperative businesses and promote inter-cooperative trade. MACCOPS provide a platform for cooperatives to exhibit their products and services, conduct business matching sessions, and learn from local and international speakers through seminars and business talks.
- In May 2024, the Cooperative Institute of Malaysia (CIM) organized the International Cooperative Conference 2024, focusing on "Shaping Cooperative's Potential Growth in the Era of Disruptive Technology for Inclusive Sustainable Development," underscoring Malaysia's commitment to integrating disruptive technologies within cooperatives.

Engagement with ICA-AP

- The Malaysia Business Office (MBO) was established in 2013 to facilitate trade linkages among cooperatives in the region. The MBO hosts staff from China, Japan and Korea.
- Malaysia has played host to many ICA conferences and meetings. Among the notable ones are - the International Consultation Conference in 1958 which was convened to consult with regional cooperatives and governments the establishment of ICA's Regional Office in Asia and Pacific; regional seminar on the 'Role of Women in Co-operative Development' in 1975; Regional Assembly in 1996; regional consultation between cooperative leaders and government representatives on 'Co-operative Government Dialogue' in 2005; Eighth Cooperative Ministers' Conference in 2007; First Registrar's Conference in 2013; and ICA's Global Assembly in 2017.
- Cooperatives in Malaysia have benefited from the trainings organized by ICA-AP and the Ministry of Agriculture, Forestry and Fisheries, Government of Japan on 'Fostering Leaders to Reinforce Business Development of Agricultural Cooperatives' and 'Improving Capacity of Rural Women'.
- ANGKASA hosted the International Credit & Banking Conference 2024 on June 5-6 in Kuala Lumpur, organized by the ICA-AP Committee on Credit and Banking (ICCB) and ACO, focusing on Shariah-based finance, digital transformation, and cooperative financial inclusion.
- Malaysia, represented by ANGKASA, participated in the ICA-AP Trade Dialogue on "Empowering Cooperatives through Digital Transformation: E-commerce and Big Data" held on September 2-3, 2024, in Kunming, China.
- ANGKASA hosted the ICA-AP regional training under the ICA-EU Financial Framework Partnership Agreement Phase 2 (FFPA2) titled "Telling Our Stories, Building Strong Cooperative Brands in the Digital Era" on February 5-6, 2025, in Kuala Lumpur, Malaysia.

What are cooperatives?

Cooperatives are autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

Cooperative values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Cooperative principles

The seven cooperative principles are guidelines by which cooperatives put their values into practice.

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation among Cooperatives
7. Concern for Community

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About International Cooperative Alliance Asia and Pacific

ICA-AP is one of four regional offices of the ICA. Established in 1960 in New Delhi, India, it unites, promotes, and develops cooperatives in the region. ICA-AP's 114 members from 29 countries span a variety of sectors, including agriculture, credit and banking, consumer, education, fisheries, forestry, housing, and insurance.

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