This report serves as a preliminary introduction that highlights key features and factors relevant to the Food & Beverage sector in Malaysia. Information included in this report is the original work and property of the British Malaysian Chamber of Commerce (BMCC) and its department the Overseas Business Network Initiative (OBNI) and is subject to copyright. No illustrations, photographs, graphics or text included in this report should be copied, reproduced or shared without prior written consent of its owner.

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THE F&B MARKET IN MALAYSIA

The Food and Beverage (F&B) sector is a relatively new sector to Malaysia. Yet with a market size of US$6 billion and a growth rate of 7%-10%, the sector is poised on becoming a relevant one.

Malaysia, over the last decade, has earned itself a reputation of becoming a food lover’s haven and this is due to the wide variety of exotic cuisine available which are derived from the country’s diverse ethnicities and its corresponding cultural composition.
OPPORTUNITIES

The current trend suggests that the Malaysian F&B sector is experiencing a paradigm shift. The integration of classical Asian style “food stalls” with more western style restaurants is producing a nuance of food and service in the industry that is uniquely Malaysian. Numerous aspects make Malaysia attractive for F&B exportations as illustrated below.

POSITIVE PROSPECT FOR F&B SECTOR GROWTH AS BRAND CONSCIOUS MIDDLE-CLASS YOUTHS INCREASES

Malaysia’s population is young with almost half of the population (45%) under 25 in 2015. Additionally, the Food and Beverage spending is expected to increase at a constant rate of 7% until 2020. This trend is a good investment opportunity for the country to increase its dynamism and to reach the 2020 objective of becoming a developed economy.

INCREASING NUMBER OF HYPER & SUPERMARKETS, SHOPPING CENTRES, CONVENIENCE STORES AND ON-TRADE CHANNELS

Importing around 70% if its food necessities, Malaysia gathers a wide range of trade channels making imported products available for a major part of the population. The leading retailers on the Malaysian grocery market are presented in the Table 2 below (page 5).

Additionally, based on the sophistication of the eating and drinking behaviours western menus are available through various on-trade channels such as bars, pubs and restaurants.

HALAL HUB - THE ENTRANCE AND RE-EXPORT STAGE TO THE MUSLIM WORLD

With around 60% of the Malaysian population being Muslim, Halal certified product sales are significant in Malaysia. In line with this, around 75% of F&B products are currently Halal certified.

The Department of Islamic Development Malaysia (JAKIM) aims to implement an efficient and effective Islamic Affairs management. JAKIM provides various services amongst which the Foreign Halal Certification necessary to apply the Halal status on relevant F&B products. The Halal Certification process is also feasible directly in the UK through the following recognised bodies: The Muslim Food Board (UK) and Halal Food Authority.

WESTERNISATION OF THE LIFESTYLE OPENS POSSIBILITIES FOR FOREIGN PRODUCTS & STRONG ATTRACTION FOR ATTRACTION FOR UK BRANDS

The increasingly globalised economy enhances western influences and inspires the consumers in terms of eating and drinking standards, with a steady attraction for UK brands. British F&B brands are going strong by increasing their exports by 41% to more £9 Billion since 2008 (2014 figures).
## MAIN ACTORS

### Table 1: Malaysian Government Bodies

<table>
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<tr>
<th>ORGANISATION</th>
<th>OVERVIEW</th>
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<tr>
<td>Ministry of Agriculture (MOA)</td>
<td>Spearhead the transformation process within the agriculture sector via a planned, integrated and holistic approach.</td>
<td>+60(0)3 8870 1000 <a href="http://www.moa.gov.my">www.moa.gov.my</a></td>
</tr>
<tr>
<td>Ministry of Health Malaysia (MOH)</td>
<td>The ministry also serves as a reference from neighbouring countries in a variety of medical technologies and methods such as Cardiology and Geriatric medicine. F&amp;B: Food Safety And Quality Division</td>
<td>+60(0)3 8883 3888 <a href="http://www.moh.gov.my">www.moh.gov.my</a></td>
</tr>
<tr>
<td>Royal Malaysian Customs Department</td>
<td>Collect revenue and provide trade facilitation through enforcement of and compliance with applicable law to spur economic growth, maintain national security and public welfare</td>
<td>+60(0)3 8882 2100 <a href="http://www.customs.gov.my">www.customs.gov.my</a></td>
</tr>
<tr>
<td>Department of Islamic Development Malaysia (JAKIM)</td>
<td>Jakim, Prime Minister’s Department will serve as the central agency in the planning and development of Islamic Affairs Community.</td>
<td>+60(0)3 8886 4000 <a href="http://www.islam.gov.my">www.islam.gov.my</a></td>
</tr>
<tr>
<td>Federal Agriculture &amp; Marketing Authority Malaysia (FAMA)</td>
<td>FAMA’s responsibility is to improve the marketing of agro food products such as vegetables, fruits and agro-based industry products.</td>
<td>+60(0)3 6126 2020 <a href="http://www.fama.gov.my">www.fama.gov.my</a></td>
</tr>
</tbody>
</table>
Cold Storage
Cold Storage is a subsidiary of Dairy Farm International of Hong Kong. It operates 17 Cold Storage Supermarkets and 131 Giant Hypermarkets across Malaysia.
+60(0)3 5544 8648
www.coldstorage.com.my

7-Eleven
7-Eleven is Malaysia’s single largest convenience store, with over 1,497 stores nationwide. Its unique franchising program has provided abundant opportunities to local entrepreneurs.
+60(0)3 2142 1136
www.7eleven.com.my

Jaya Grocer
Since their first store at Jaya 33 in Petaling Jaya, Jaya Grocer has become one of Malaysia’s widest-range supermarkets for import-ed products on shelf, fresh produce and groceries.
+60(0)3 7734 3244
www.jayagrocer.com.my

Tesco
Tesco operates 46 outlets in Malaysia with the Tesco Hypermarkets and Tesco Extra Store format, which is similar to a Convenience Store.
+60(0)3 6287 6000
www.tesco.com.my

Isetan
Isetan is a leading corporate group in Japan’s retailing industry. Isetan’s departmental stores are domestically and internationally renowned for top ranked high quality products.
+60(0)3 2382 7777
www.isetankl.com.my

KK Freshmart
By the end of 2010, KK FreshMart has established 62 outlets, centered mainly in Kuala Lumpur and Klang Valley, whilst continuing to expand rapidly to other states like Malacca.
+60(0)16 330 8129
www.kkgroup.my/FreshMart/

Aeon Big
Formerly known as Carrefour, Aeon Big was acquired by the Japanese company Aeon. It has 27 Hypermarkets across major cities in Malaysia.
+60(0)3 5631 2000
www.aeonbig.com.my

Main actors Table 2: Leading Retailers In The Malaysian Grocery Market

Giant
Giant is one of the largest players of the retail industry in Malaysia, having over 65 branches spread throughout the country.
+60(0)3 5544 8648
www.giant.com.my

Village Grocer
Village Grocer is a premium supermarket chain, rooting from a small, family-run sundry shop in Gombak that started in the 1950s.
+60(0)3 2282 0633
www.villagegrocer.com.my

Lulu Hypermarket
Lulu Hypermarket is the largest Middle Eastern chain and retail venture in Asia with 121 outlets in the Gulf Cooperation Council (GCC) countries.
+60(0)3 2078 1173
www.eikprima.my (Malaysia partner)

Sam’s Groceria
SAM’s Groceria is Malaysia’s premium grocery store, providing over 18,000 products in its selection, of which, 60% are fully-imported brands.
+60(0)4 226 3564
www.samsgroceria.com

Cold Storage
The fresh food people

Giant
Giant is one of the largest players of the retail industry in Malaysia, having over 65 branches spread throughout the country.
+60(0)3 5544 8648
www.giant.com.my
RULES, REGULATIONS & MARKET ENTRY

The information below accrues an overview of the rules, regulations and market entry details for first-time exporters to Malaysia.

The text of reference for Food and Beverages regulations in Malaysia is The Food Act 1983 & Food Regulations 1985.

Documents required by Malaysian Customs:
• Custom Entry form
• Evidence of right to make entry (e.g. bill of lading)
• Commercial Invoice (or Pro-forma invoice if a commercial invoice can’t be produced)
• Packing List
• Other: certificate of origin, analysis etc

Halal certification process:
Application for the Halal Confirmation Certificate for national and international markets should be submitted to the JAKIM Halal Hub, as an on-line application. Additionally, at least two UK Halal Certifications are recognised by JAKIM: Halal Food Authority and The Muslim Food Board (UK).

Points of entry (POI) in Malaysia:
• Central city: headquarters in Klang Valley (Kuala Lumpur and parts of Selangor)
• Second tier cities: Penang, Ipoh, Melaka and Johor Bahru
• Duty Free islands: Langkawi, Tioman and Labuan

Non exhaustive list of potential importers to entering Malaysian market:
• Importers and distributors
• Retailers (hypermarkets, convenience stores etc.)
• Hoteliers, restaurateurs and resorts
MAJOR EVENTS

Malaysian business efficacy is known for its conferences and exhibitions with many events taking place across the country throughout the year. Three of the main F&B related events in Malaysia are:

**Malaysia International Halal Showcase (MIHAS)**
MIHAS 2017, 5-8 April 2017, Kuala Lumpur Convention Centre

**Malaysia International Food & Beverage Trade Fair (MIFB)**
MIFB 2017, 9-11 August 2017, Putra World Trade Centre (PWTC), Kuala Lumpur

**Food & Hotel Malaysia (FHM)**
FHM 2017, 26-29 September 2017, Kuala Lumpur
USEFUL CONTACTS

Federal Agriculture and Marketing Authority Malaysia (FAMA)
Tel: +60(0)3 6126 2020
Email: fama@fama.gov.my
Website: www.fama.gov.my

Ministry of Agriculture (MOA)
Tel: +60(0)3 8870 1373 / 1375 / 1790 / 1791
Email: pro@moa.gov.my
Website: www.moa.gov.my/home

Malaysian External Trade Development Corporation (MATRADE)
Tel: +60(0)3 6207 7077
Email: info@matrade.gov.my
Website: www.matrade.gov.my

Malaysian Investment Development Authority (MIDA)
Tel: +60(0)3 2267 3633
Email: investmalaysia@mida.gov.my
Website: www.mida.gov.my

Ministry of Health Malaysia (MOH)
Tel: +60(0)3 8000 8000
Email: kkm@moh.gov.my
Website: www.moh.gov.my/english.php

Food Safety and Quality Program (Department of MOH)
Tel: +60(0)3 8885 0797
Website: www.fsq.moh.gov.my

Ministry of Internal Trade and Industry (MITI)
Tel: +60(0)3 8000 8000
Email: webmiti@miti.gov.my
Website: www.miti.gov.my

Royal Malaysian Customs Department
Tel: +60(0)3 8882 2100
Email: kastam@customs.gov.my
Website: www.customs.gov.my/en

Malaysian Quarantine and Inspection Services (MAQIS)
Tel: +60(0)3 8870 1619
Website: www.maqis.gov.my
ARE YOU A BRITISH COMPANY LOOKING TO ESTABLISH A PHYSICAL PRESENCE IN MALAYSIA?

The British Business Centre in Malaysia (BBCiM) is a newly developed facility managed by the BMCC which offers incubation services and 24 hours secure access to co-working space for British companies seeking to launch physical operations in Malaysia. The business centre has fully furnished private offices, open desk units rented out on an hourly, daily, weekly, monthly or annual basis. Virtual office services are also available for UK companies who require a registered address in Malaysia.

The BBCiM is located on the same floor as the BMCC Executive Office at Wisma Selangor Dredging along Jalan Ampang, strategically across from the world famous Petronas Twin Towers in the heart of Kuala Lumpur.

For more info about the BBCiM, visit www bmcc org my bbcim or email info@bmcc org my

BMCC CONTACT

For any inquiries please contact:

Sulita Levaux
OBNI Project Manager
British Malaysian Chamber of Commerce (BMCC)
Tel: +60(0)3 2163 1784 (Ext 105)
Email: sulita@bmcc.org.my
Are you a Malaysian-based company looking to import British goods or services?

WE CAN HELP YOU IMPORT ANYTHING FROM THE UK!

From the best of UK’s food & beverage products or supplies, automotive and construction parts, tools, machinery, laboratory equipment, oil & gas solutions, pharmaceutics, clothes & accessories, cosmetic, techware & gadgets, books, education services, furniture, kitchenware, household or electrical appliances...

If You Want to Source It, We’ll Make It Happen!

Find out how we can help you import

Reach us at info@bmcc.org.my or +603 2163 1784
The British Malaysian Chamber of Commerce (BMCC) works with UK exporters under the Overseas Business Network Initiative (OBNI) focusing primarily on SMEs. The chamber offers bilateral trade assistance and is principally a one-stop shop providing a soft landing for UK firms in Malaysia, offering market research and knowledge exchange, guiding through legal and regulatory systems, facilitating business matching with local partners, clients or distributors, and managing risk.