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**Country:** Malaysia

**Post:** Kuala Lumpur

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**Prepared By:** FAS Staff

**Approved By:** Timothy Harrison

**Report Highlights:**

After strong growth in 2023, the food retail sector is expected to see moderate but positive growth in the remainder of 2024. Expansion of convenience stores and small format retail outlets continues, while premium supermarkets have also expanded. Less favorable exchange rate and price competitiveness impacted U.S. market share in 2023, but prospects for U.S. food and related products at retail remain good.

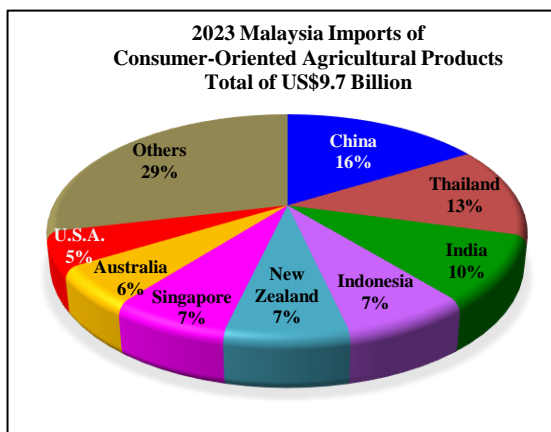
## Market Fact Sheet: Malaysia

### Executive Summary

Malaysia's multibillion-dollar food industry continues to see growth as the economy recovers and consumers regain confidence in spending. Although the country's halal requirements complicate trade for certain products, Malaysia's trade and regulatory policies are relatively open and provide opportunities for a broad range of imported foods and beverages. Malaysia's total agricultural related product imports in 2023 reached \$24.4 billion USD, roughly four percent of which was sourced from the United States.

### Imports of U.S. Consumer-Oriented Products

In 2023, the United States was Malaysia's eighth largest supplier of consumer-oriented food and beverage products, with total sales reaching \$488 million USD for the year. Top U.S. products in the market include dairy, tree nuts, fresh fruits, pork & pork products and pet food.



Source: Trade Data Monitor

### Retail Food

Malaysia's retail food sales rose by over six percent in 2023 to an estimated \$16.3 billion, with consumers focusing on proximity and price when deciding on the type of grocery format. Smaller concept stores developed by chain supermarket brands are gaining popularity and competing with convenience stores in high-density neighborhoods, towns, and cities.

E-commerce continues to be a dynamic channel in 2023. Third party delivery services have acquired equity in premium supermarkets, strengthening e-commerce partnerships.

### Food Processing

The Malaysian food processing industry is expected to have steady growth in 2023. There is an innovative landscape of shelf stable products from processed fruits,

vegetables, meat, seafood, and alternatives. Several multinationals have regional production facilities in and around Kuala Lumpur, and the Government of Malaysia has identified the food processing industry as a critical sector for future economic growth.

### Hotel, Restaurant and Institutional

The Malaysian hotel, restaurant and institutional (HRI) industry is benefiting from a steady increase in tourism, as well as strong domestic restaurant patronage. International hotel chains continue to invest in Malaysian properties.

### Malaysia Macroeconomics

**Population:** 34 million people in the fourth quarter of 2023 (has doubled since 1980) and increasingly urbanized.

**Per Capita Income:** \$11,648 by the end of 2023, with a growing middle class.

**Real GDP Growth:** 3.7 percent in 2023.

(Sources: Malaysia Department of Statistics, Central Bank of Malaysia and The World Bank)

### Opportunities and Challenges for U.S. Exporters

Opportunities	Challenges
U.S. food and agricultural products are trusted and perceived to be of high quality.	Many U.S. products need to be halal certified in the Malaysian market, which can be a lengthy process
The growing Malaysian HRI, Retail and Food Processing sectors require a wide range of imported food products and ingredients.	Food retail market landscape is getting more competitive as new players and larger supermarket brands begin to compete with convenience stores.
Demand of high-quality imported food and beverage products resulting from rising disposable income	Competitors have free trade agreements with Malaysia and have a strong presence in the country's consumer-oriented food and beverage market.

## SECTION I. MARKET SUMMARY

The Malaysian food retail industry is a booming and competitive market landscape that is comprised of various store formats, including large supermarket/hypermarkets, convenience stores, “mom and pop” traditional stores, and specialty retailers. Growth in premium supermarkets highlight the need for high-quality imported food and beverage products to meet the demands of consumers. According to industry analysts, retail grocery and food e-commerce sales are expected to moderate to about three percent in 2024.

Retailers have continued to expand the number of convenience stores and small format grocers, continuing a pandemic-era trend. These smaller concept stores are located in strategic locations in densely populated neighborhoods, offering a quick and easy way for consumers to get the items they need. They offer a premium alternative to the convenience stores located in the same areas. However, there has been some expansion in the number of supermarket outlets in 2024 from established chains.

Key players in online applications in the e-commerce landscape such as Shopee, Grab and FoodPanda continue to grow through collaboration with most of the leading Malaysian supermarket chains. Growth in food e-commerce is faster than traditional grocery retail, though from a much smaller base. Consumers generally prefer to purchase certain products, such as fresh produce, from physical stores. However, willingness to purchase other items from online retailers is increasing. Many importers and distributors are able to directly sell their products to consumers by using popular e-commerce apps, bypassing traditional retail.

The food retail sector is dominated by the following players: [Dairy Farm Group](#), [Mydin Mohamed Holdings](#), [Trendcell](#), [Village Grocer Holdings](#), and [AEON Group](#).

Retailers	Retail Format	Total Outlets as of September 2024
<b>Trendcell Sdn Bhd</b>	<ul style="list-style-type: none"> <li>• Premium food retailer owned by e-commerce giant Grab</li> <li>• Retail Format: Jaya Grocer supermarkets</li> <li>• Procures from consolidators, distributors, local importers, and direct from exporters</li> </ul>	<ul style="list-style-type: none"> <li>• 40 Jaya Grocer Stores</li> </ul>
<b>CP Group</b>	<ul style="list-style-type: none"> <li>• Retail brands owned by CP Group in Thailand</li> <li>• Retail Format: Lotus’s Stores</li> <li>• Procures from consolidators, distributors, local importers, direct from exporters and has Lotus’s private labelling products</li> </ul>	<ul style="list-style-type: none"> <li>• 65 Lotus’s Stores</li> </ul>
<b>Village Grocer Holdings</b>	<ul style="list-style-type: none"> <li>• A popular premium retail chain in Malaysia (supermarkets)</li> <li>• Retail Format: Village Grocer and Ben's Independent Grocer supermarkets</li> </ul>	<ul style="list-style-type: none"> <li>• 30 Village Grocer</li> <li>• 5 Ben Independent Grocer (B.I.G) Stores</li> </ul>

	<ul style="list-style-type: none"> <li>• Procures from consolidators, distributors, local importers, and direct from exporters</li> </ul>	
<b>Mydin Mohamed Holdings</b>	<ul style="list-style-type: none"> <li>• Retail Format: Mydin supermarkets</li> <li>• Procures from consolidators, distributors, local importers, and direct from exporters</li> </ul>	<ul style="list-style-type: none"> <li>• 65 MYDIN Branches</li> <li>• 2 Sam's Groceria Stores</li> </ul>
<b>AEON Group</b>	<ul style="list-style-type: none"> <li>• One of the largest retail companies in Asia with headquarters in Japan</li> <li>• AEON operates chain of supermarkets, hypermarkets and shopping malls in Malaysia</li> <li>• Retail Format: AEON, AEON Big, and AEON MaxValu supermarkets/hypermarkets</li> <li>• Procures from distributors, local importers, and direct from exporters</li> </ul>	<ul style="list-style-type: none"> <li>• 35 AEON Stores</li> <li>• 28 AEON Malls</li> <li>• 21 AEON Big Outlets</li> <li>• 6 AEON MaxValu Prime</li> </ul>
<b>Qra Foods</b>	<ul style="list-style-type: none"> <li>• First store opened in 2021 by the co-founder of B.I.G David Tseng</li> <li>• Procures from distributors, local importers, and direct from exporters</li> </ul>	<ul style="list-style-type: none"> <li>• 3 Qra Stores</li> </ul>
<b>Everrise</b>	<ul style="list-style-type: none"> <li>• Established in 1993, stores are spread across Sabah and Sarawak in East Malaysia</li> <li>• Procures from distributors, local importers, and direct from exporters</li> </ul>	<ul style="list-style-type: none"> <li>• 19 Everrise Outlets</li> </ul>
<b>Hero Market</b>	<ul style="list-style-type: none"> <li>• Founded in 2005 by the Teng Family and sold to DFI in 2000</li> <li>• Procures from distributors, local importers, and direct from exporters</li> </ul>	<ul style="list-style-type: none"> <li>• 35 Hero Market Stores</li> </ul>
<b>Macrovalue</b>	<ul style="list-style-type: none"> <li>• Giant was founded by the Teng Family in 1982 and the group was acquired by Hong Kong's Dairy Farm International Holdings</li> <li>• In 2023 DFI, sold its grocery holdings in Malaysia to Macrovalue Sdn Bhd</li> <li>• Procures from consolidators, distributors, local importers, direct from exporters and has Giant's private labelling products</li> </ul>	<ul style="list-style-type: none"> <li>• 40 Giant Supermarkets</li> <li>• 8 Mercato Stores</li> <li>• 2 Cold Storages</li> <li>• 1 TMC</li> <li>• 40 Giant Mini</li> </ul>

### Convenience Stores Format in Malaysia

Big Chain Stores	Total Outlets	Specialty Stores	Total Outlets
<ul style="list-style-type: none"> <li>• 7-Eleven</li> <li>• 99 Speedmart</li> <li>• KK Super Mart</li> <li>• myNEWS</li> </ul>	2400+ 2400+ 690 530 (as of 2020)	<ul style="list-style-type: none"> <li>• FamilyMart</li> <li>• CU</li> <li>• Emart24</li> <li>• MiX Store</li> <li>• PotboyMart</li> <li>• BilaBila Mart</li> </ul>	434 130 67 103 77 58
Supermarket Mini Stores	Total Outlets	Convenience @ Petrol Stations	Total Outlets
<ul style="list-style-type: none"> <li>• Giant Mini</li> <li>• MyMydin</li> </ul>	40 71	<ul style="list-style-type: none"> <li>• Petronas Mesra</li> <li>• Shell Select</li> <li>• BHPetromart</li> </ul>	760 950 400

Sources: Euromonitor, The Edge Markets, Company Websites and FAS/Malaysia

### Sector Trends

- Many larger chains are focusing on expansion of small format stores. Premium supermarkets are doing well in the Kuala Lumpur metro area, but remain heavily focused there.
- Health foods and smaller packaging continue to be popular. Health priorities influence supermarket purchases and in-store campaigns and promotions.
- Strong e-commerce marketplace growth includes a wide range of supermarkets offering online services as a convenience to their customers.
- Mobile phone payment utilization in the food retail sector is widely available and continues to expand.
- Secondary cities in Malaysia have seen growth in demand for imported food and beverage products, though slower than in Kuala Lumpur.
- Frozen ready-meals have seen a steady increase in sales. Consumers especially enjoy the Chinese, Italian and Thai cuisines.

## SECTION II. ROAD MAP FOR MARKET ENTRY

U.S. exporters of food and agricultural products should consider the following when planning to enter the Malaysian market:

- Analyze Malaysian food laws, packaging and labeling requirements, and importer criteria for entry into the market. Detailed information on Malaysian regulations and requirements can be found by accessing the latest [FAS/Malaysia Food and Agricultural Import Regulations & Standards Country Report](#).


- Review the types of U.S. food products that can be readily targeted in the retail market. Consider the price competitiveness of U.S. products compared to similar products available in Malaysia.
- Participate in regional trade shows and trade missions by tapping into the resources offered by [State and Regional Trade Associations](#).
- Develop links with local importers that target the major retailers. U.S. exporters are advised to appoint local distributors or at least a local representative to help guide them through the requirements of Malaysian food regulations and local trading practices.
- After establishing links with importers, strive to educate them (in person if possible) on the qualities of your product/s and supply chain.
- After establishing agreements with local importers, conduct market visits, product promotional activities and provide technical assistance (e.g. handling techniques and product formulations) to end-users.
- Maintain strong communication with your local importer to ensure all certificates and import permits are valid and up to date.

**Food Standards and Regulations**

[Malaysia’s Food Act 1983](#) and the [Food Regulations of 1985](#) govern food import and export regulations/procedures. The Food Safety and Quality Division (FSQD) of the Malaysian Ministry of Health (MOH) along with several other government agencies are charged with implementing and enforcing these laws, including routine compliance, sampling, inspection, import control and regulation. Among the many regulations and required procedures related to shipping food and agricultural products to the country, of particular note are Malaysia’s halal certification and dairy facility registration requirements.

**Halal Certification**

Beef, poultry, and dairy products require halal certification in order to enter the country. Malaysian customers may require that other imported products also obtain halal certification for commercial reasons. The Islamic Development Foundation of Malaysia (JAKIM) is the halal authority in Malaysia. In the United States, JAKIM has appointed three Islamic institutions to inspect and halal certify food and beverage products for export to Malaysia: the Islamic Food and Nutrition Council of America (IFANCA), Islamic Services of America (ISA), and the American Halal Foundation (AHF).

<i>Organization &amp; Address</i>	<i>Contacts</i>	<i>Halal Logo</i>
Islamic Food and Nutrition Council of America (IFANCA) 5901 N. Cicero Ave, Suite 309 Chicago, Illinois 60646  IFANCA Halal Research Center 777 Busse Highway Park Ridge, Illinois 60068	Dr. Muhammad Munir Chaudry President Tel: +17732833708 Fax: +17732833973  Tel: +1 847 993 0034 EX 203 Fax: +1 847 993 0038 Mobile: +1 773 447 3415	

<p>Islamic Services of America (ISA) P.O Box 521 Cedar Rapids, IOWA 52406 USA</p>	<p>Mr. Timothy Abu Mounir Hyatt Managing Director Tel: (319) 362-0480 Fax: (319) 366-4369</p> <p>Email: thyatt@isahalal.org islamicservices@isahalal.org Website: www.isahalal.org</p>	
<p>American Halal Foundation (AHF) 10347-C Heritage Isles Golf &amp; Country Club Plantation Bay Dr Tampa, Florida-33647 USA</p>	<p>Mr. Mohammad Mazhar Hussaini (President) Tel: (+630) 759-4981 Fax:(+603) 310-8532</p> <p>Email: <a href="mailto:mmhussaini@halafoundation.org">mmhussaini@halafoundation.org</a> Website: <a href="http://www.halalfoundation.org">www.halalfoundation.org</a></p>	

Source: JAKIM - The Recognized Foreign Halal Certification Bodies & Authorities

For further details on halal requirements in Malaysia market, please refer to [Malaysia: Halal Country Report](#)

### Dairy Facility Registration

Malaysia requires foreign producers and exporters of dairy products to apply for registration with the Malaysian Government. The Malaysian Government implemented this facility registration measure to improve the traceability of imported dairy products and to ensure imported dairy products were certified halal. To register, dairy product producers must submit documentation to Malaysia’s Department of Veterinary Services (DVS). For further details on the dairy product registration process, please see FAS Malaysia’s [related GAIN report](#).

### SECTION III. COMPETITION

Product Category (2023)	Major Supply Sources (2023)	Foreign Supplier Situation	Local Supplier Situation
<p><b>Beef and Beef Products</b> <b>Net Imports:</b> <b>USD \$717 million</b></p>	<p><b>India: 75%</b> <b>Australia: 11%</b> <b>Brazil: 6%</b> <b>New Zealand: 2%</b> <b>U.S.A: 0.1%</b></p>	<p>Major foreign suppliers have a significant portion of their beef industry halal certified for export to Malaysia.</p> <p>Beef from India is very</p>	<p>Inadequate supply of local beef.</p>

		cheap and serves the low-end outlets.  Australia dominates higher-end market.	
<b>Pork and Pork Products</b> <b>Net Imports:</b> <b>USD \$204 million</b>	<b>Spain: 45%</b> <b>Denmark: 23%</b> <b>U.S.A.: 7%</b> <b>Belgium: 7%</b>	The European Union is a historical competitor in the pork market, though Malaysia imports from a variety of suppliers depending on price.	Domestic demand for pork has grown significantly over the past several years, in part due to a decline in local production caused by disease challenges.
<b>Potatoes - Fresh or Chilled</b> <b>Net Imports:</b> <b>USD \$103 million</b>	<b>China: 52%</b> <b>Pakistan: 21%</b> <b>India: 6%</b> <b>U.S.A.: 6%</b> <b>Bangladesh: 5%</b>	Chinese potatoes are very price competitive.  High-quality potatoes from other sources are for high-end retail and HRI markets.	Little domestic production.
<b>Vegetables - Frozen</b> <b>Net Imports:</b> <b>USD \$25 million</b>	<b>China: 42%</b> <b>U.S.A.: 14%</b> <b>Netherlands: 7%</b> <b>New Zealand: 6%</b>	U.S. frozen potatoes are in strong demand for the retail and HRI sectors.	There is a large market for chilled and frozen processed vegetables, particularly potatoes.
<b>Fresh Fruits</b> <b>Net Imports:</b> <b>USD \$663million</b>	<b>China: 31%</b> <b>South Africa: 21%</b> <b>Thailand: 10%</b> <b>Egypt: 9%</b> <b>Australia: 7%</b> <b>U.S.A.: 4%</b>	Highly competitive market.	Malaysia does not grow non-tropical fruits.
<b>Dried Fruits</b> <b>Net Imports:</b> <b>USD \$35 million</b>	<b>China: 28%</b> <b>U.S.A.: 16%</b> <b>Thailand: 15%</b> <b>India: 11%</b>	U.S. dried fruits are in strong demand for the retail and bakery industries.	Limited local production.
<b>Tree Nuts</b> <b>Net Imports:</b> <b>USD \$191 million</b>	<b>Indonesia: 34%</b> <b>U.S.A.: 20%</b> <b>China: 14%</b> <b>Vietnam: 8%</b> <b>India.: 6%</b>	Imported nuts are in strong demand for use in the retail and bakery industries.	Limited local production.

Source: Trade Data Monitor



## SECTION IV: BEST PRODUCTS PROSPECTS CATEGORIES

U.S. Products	2022 Import Value (January - December) (million USD)	2023 Import Value (January - December) (million USD)	Growth
Dairy	\$219.26	\$125.71	-43%
Fresh Fruit	\$24.03	\$20.32	-15%
Pork and Pork Products	\$1.00	\$16.29	1529%
Bakery Goods, Cereals and Pasta	\$13.17	\$15.46	17%
Non-Alcoholic Beverage	\$1.81	\$3.91	116%
Beef and Beef Products	\$1.89	\$0.84	-56%

Source: U.S. Census Bureau Trade Data

Notes: U.S. dairy products continue to be in high demand, despite a decline in 2023 due to pricing and exchange rates. Excellent opportunities for U.S. beef exist in the market, though exporters must first obtain required halal certification and other plant approvals.

## SECTION V. KEY CONTACTS AND FURTHER INFORMATION

### A) USDA Foreign Agricultural Service Malaysia

Office of the Agricultural Affairs  
Embassy of the United States of America  
376, Jalan Tun Razak  
Kuala Lumpur, Malaysia 50400  
Tel: (011-60-3) 2168-5082  
E-mail: [AgKualaLumpur@state.gov](mailto:AgKualaLumpur@state.gov)

### B) U.S. Dairy Export Council

U.S. Centre for Dairy Excellence  
20 Martin Road  
Seng Kee Building, #08-01  
Singapore 239070  
Tel: (65) 6230 8550  
Fax: (65) 6235 5142  
Contacts: Dalilah Ghazalay, Regional Director, SEA Marketing & Operations  
Email: [dali@dairyconnect.biz](mailto:dali@dairyconnect.biz)

### C) U.S. Grains Council

50 Jalan Dungun Damansara Heights  
Kuala Lumpur, Malaysia  
Tel: (60) 3 2093 6826

Fax: (60) 3 2273 2052  
Contact: Caleb Wurth, Regional Director, South & Southeast Asia  
Email: [sea@grains.org](mailto:sea@grains.org)

D) U.S. Meat Export Federation

627 A Aljunied Road  
#04-04 Biztech Centre  
Singapore  
Tel: (65) 6733 4255  
Fax: (65) 6732 1977  
Contact: Sabrina Yin, Regional Director  
Email: [singapore@usmef.com.sg](mailto:singapore@usmef.com.sg)

E) USA Poultry and Egg Export Council

541 Orchard Road  
#15-04 Liat Towers  
Singapore  
Tel: (65) 6737 1726  
Fax: (65) 6737 1727  
Contact: Margaret Say, Regional Director  
Email: [usapeec\\_sing@pacific.net.sg](mailto:usapeec_sing@pacific.net.sg)

F) Raisin Administrative Committee, Food Export-Midwest, Food Export-Northeast and the Western United States Agricultural Trade Association

48 Toh Guan Road East  
#02-129 Enterprise Hub  
Singapore  
Tel: (65) 6515 6113  
Fax: (65) 6278 4372  
Contact: Richard Lieu and Chuah Siew Keat  
Emails: [richardlieu@lieumktg.com.sg](mailto:richardlieu@lieumktg.com.sg); [siewkeat@lieumktg.com.sg](mailto:siewkeat@lieumktg.com.sg)

G) U.S. Soybean Export Council

541 Orchard Road  
#11-03 Liat Towers  
Singapore  
Tel: (65) 6737 6233  
Fax: (65) 67375849  
Contact: Timothy Loh, Director  
Email: [TLoh@ct.ussec.org](mailto:TLoh@ct.ussec.org)

H) U.S. Wheat Associates

541 Orchard Road  
#15-02 Liat Towers  
Singapore  
Tel: (65) 6737 4311  
Fax: (65) 6733 9359  
Contact: Joe Sowers, Regional Vice President for South Asia  
Email: [InfoSingapore@uswheat.org](mailto:InfoSingapore@uswheat.org)

I) Malaysia Government Websites:

Ministry of Health Food Safety and Quality Division: <http://fsq.moh.gov.my/v6/xs/index.php>

Ministry of Agriculture Department of Veterinary Services: [www.dvs.gov.my](http://www.dvs.gov.my)

Ministry of Finance Customs Headquarters: <http://www.customs.gov.my>

**Attachments:**

No Attachments