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Report Highlights:

The Malaysian food and beverage sector growth continues on a strong food processing sector and an increase in tourism fueling the HRI sector. While halal certification is mandatory or strongly required for most foods, there are ample prospects for market share growth in the halal product space. Malaysia's total agricultural and related product imports in 2024 reached \$25 billion USD, the United States has a market share of four percent.

Executive Summary:

Malaysia is an upper middle-income country and in 2023, Malaysia's GDP declined slightly to \$400 billion. Malaysia has a strong food processing sector and growing HRI sector as tourism continues to increase. In 2024, Malaysia's total agricultural related product imports reached over \$25 billion USD, roughly four percent of which was sourced from the United States.

Consumer-Oriented Agricultural Imports

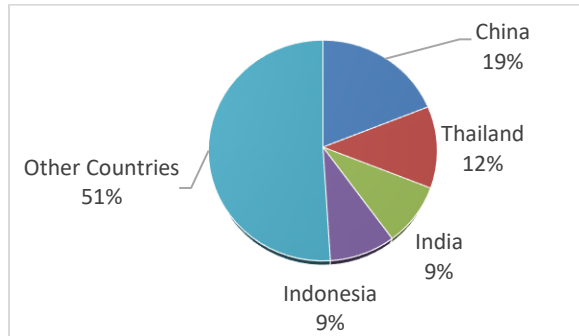


Chart 1: Top Exporting Countries to Malaysia; 2024

Food Retail Industry:

Malaysia's food retail sector is a well-established market space. Smaller format retail spaces in high-density residential areas are especially popular. Trends on the rise include health and wellness, organics, convenience foods, and demand for sustainable food and packaging. The use of delivery of food items and e-commerce are also on the rise through companies such as Grab.

Food Processing Industry:

The food processing industry accounts for about seven percent of the overall manufacturing sector in Malaysia. The industry is expected to see steady growth in 2025 and is noted as a strong food processing center for halal items. Several multi-nationals have regional production facilities in and around Kuala Lumpur.

Food Service Industry:

Malaysia has an extensive and wide variety of food service that has been growing. Increases in tourism are projected to continue, thus the HRI sector is projected to continue to grow. However, the sector is not without its challenges. Rising costs and finding workers for food service is often a challenge for businesses trying to compete

Quick Facts CY 2024

Imports of Consumer-Oriented Products (US \$10.8 billion)

List of Top 10 Growth Products in Host Country

- | | |
|-------------------------------|------------------------------------|
| 1) Dairy Products | 2) Soup and Other prep. |
| 3) Pork & pork prod. | 4) Tree Nuts |
| 5) Processed Vegetables | 6) Bakery goods, cereals and pasta |
| 7) Distilled Spirits | 8) Pet foods |
| 9) Chocolate & cocoa products | |
| 10) Condiments & sauces | |

Food Industry by Channels (U.S. billion)

Retail Food Industry	\$16.6
Food Service-HRI	\$13
Food Processing	\$8.63*
Food and Agriculture Exports	\$33.6

Top 10 Host Country Retailers

- | | |
|-------------------|--------------------|
| 1) AEON | 2) Jaya Grocer |
| 3) Village Grocer | 4) MaxValu |
| 5) Mydin | 6) Pasaraya FRESCO |
| 7) Billion | 8) Mercato |
| 9) Cold Storage | 10) Sam Groceria |

GDP/Population (CY 2023)

Population (millions): 34

GDP (billion USD): 399.7

GDP per capita (USD): 11,483

Sources: World Bank, Trade Data Monitor, OpenDOSM

*estimate from first-half 2024 values.

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
-Well established market with modern distribution channels.	-Halal certification is required for many U.S. products
-Close proximity to other Southeast Asia growing markets	-Malaysia can be a very competitive market
Opportunities	Threats
-Increasing tourism activities, population, and disposable income	-Malaysia is a member of a variety of Free Trade Agreements, which can make U.S. products less competitive
-A growing Food Processing, HRI, and Retail sector require a wide range of imported food products and ingredients	

Section I: Market Overview

Malaysia is a politically and economically stable country with a population of slightly over 33 million people and is open to foreign trade. As one of Southeast Asia's most developed countries, over half of its population falls into the middle to high-income bracket contributing to its increasingly urbanized market with high demand for imported food and beverages. With a GDP per capita of \$11,483 and a growing population, Malaysian consumers possess growing purchasing power reflected in an affluent and modern lifestyle. This is especially true for younger generations who have also pushed Malaysia to be an early adopter of digital transactions and in-app purchases for a variety of platforms for food retail.

The Malaysian food and beverage market is well developed and is supplied by both local and imported products. While companies such as Starbucks have faced recent challenges in the region due to geopolitical situations, the café and bakery scene is growing with several chain and independent cafes opening over the past year. International coffee chains such as Indonesia's Kopi Kenangan, and Tanamera, South Korea's Paris Baguette, Singapore's Bacha Coffee, the UK's EL&N and US-based Ralph's penetrated the market in the past year signaling the rise of specialty and premium coffee trends.

Advantages and Challenges

ADVANTAGES	CHALLENGES
Malaysians are familiar with western foods, western menus and U.S. food service franchise operations.	The market and consumers are generally price sensitive.
Local manufacturers seek to expand exports using imports as raw material. High potential in food and beverage manufacturing sector	Neighboring supply countries enjoy logistic advantages.
The high-end segment maintains high standards and values of quality and hygiene, which is positive for U.S. food products.	Certain foods have mandatory halal requirements for market access (beef, lamb, poultry and dairy products). While not mandatory, halal certification for HRI and the food processing sector will likely be requested.
Restaurants and food service segment are offering more niche products to appeal to consumers with higher incomes by offering premium products.	The United States does not have a free trade agreement with Malaysia as many other countries do, including Australia and New Zealand.
	Discourse over eating locally produced products, especially fruits and vegetables, over imported ones to help the domestic economy and farmers is present. Additionally, the market can be reactive to geopolitical tensions which has created a negative reaction to U.S. branded products in the past.

Section II: Exporter Business Tips

Business Customs

Malaysian business customs have evolved significantly in recent years, blending traditional practices with modern approaches influenced by global trends. While in-person relationship building and long-standing business partnerships remain highly valued, younger generations are increasingly open to innovative products and are keen on developing new business relationships with foreign companies through remote and electronic communications.

Key Business Practices:

1. Initial Market Entry

Before entering the Malaysian market, conducting a thorough market survey is crucial. This helps in understanding the local demand, competition and regulatory requirements. Appointing a reputable local sales agent or importer can facilitate the distribution and clearance of goods at ports and aid in networking with wholesalers and retailers. Regular visits by U.S. exporters to Malaysia are important to nurture and enhance business relations to grow the business.

2. Cultural Sensitivity and Etiquette

Malaysia's multicultural and multiracial population is a key consideration in conducting business. While business customs are generally the same to those in the West, being considerate and mindful of local cultural nuances is essential. For example, Muslims avoid alcohol or pork at business functions, and it is polite to use your right hand or both hands when presenting or receiving business cards.

3. Marketing and Promotion

It is important to allocate a budget for in-market promotions strategy that includes and not limited to in-store promotions, published advertisements and a strong social media presence that can significantly boost U.S. exporters' market position. This is crucial to compete effectively against local and international competitors in the market.

4. Documentation and Compliance

Keeping up to date with Malaysian customs regulations of import regulations into Malaysia market is important to ensure that all products are in compliance to avoid unnecessary delay and additional cost at port of entry. This includes import declarations, invoices, packing lists, bill of lading, certificates of origin, and specific import permits for regulated goods.

5. Communication

Maintain strong communication with your local importers is important to ensure that all certifications and permits remain valid and up-to-date. Effective communication can help address and prevent trade disruptions and maintain smooth operations.

By understanding and adapting to these business customs and practices, U.S. exporters can navigate the Malaysian market to build successful and long-lasting business relationships.

General Consumer Tastes and Preferences

Malaysia's population, which includes various ethnic groups and a sizeable expatriate community, contributes to its rich culinary landscape. The increasing affluence and education levels of the younger generation have influenced consumer habits, particularly in urban areas where modern retail outlets offering one-stop shopping convenience are preferred. Chain convenience stores and premium retail formats have seen significant growth in recent years replacing hypermarkets and supermarkets.

The Malaysian demographics are adventurous food lovers and are open to try new cuisines. Dining out is common and affordable, with a wide range of options from street stalls to fine dining, featuring various international cuisine options to choose from.

With over 65 percent of the population being Muslim, there is a strong demand for halal foods. Certain products like beef, lamb, poultry and dairy have mandatory halal certification requirements. Even when not mandatory, halal certification significantly broadens market access, particularly in the food manufacturing sector as Malaysia is geared to be the regional halal hub for exports globally.

Section III: Import Food Standards, Regulations and Procedures

[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 the law under these statutes, 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 note are Malaysia's halal certification and dairy facility registration requirements.

Customs Clearance

For exports from United States to Malaysia, it is important to ensure that your products comply to the Malaysian good import and export regulations/procedures. The common documentation that is required for customs clearance in all port of entry into the country includes/not limited to import declaration, bill of lading, invoice, airway bill and packing list. For specific products, it may be necessary to apply for an import license/permit and additional supporting documents such as certificates of origin and health certificates. Engaging a forwarding agent or working with a local importer to ensure compliance in local regulations can ensure a successful export clearance in any of the port of entry.

Documents Generally Required by the Country Authority for Imported Products

For most U.S. exports products, proper documentation such as import declarations, invoices, packing list, bills of lading, certificates of origin, and specific import permits for regulated goods such as meat and dairy exports are required. It is important to be updated with the Malaysian customs regulations in ensuring all necessary documents are correctly filed to prevent delays and additional costs.

Country Language Labelling Requirements

For importer foods, all labels must be in either Bahasa Malaysia or English and it is important to take into consideration of labelling requirements that includes and not limited to description of the products, special indications, ingredient labelling, food additive labelling, ingredients derived from animals or modern biotechnology, minimum net weight of the package content, name and address of manufacturers, importer as well as country of origin.

Duties and Taxes

In Malaysia, shipments can only be fully cleared for release once all the taxes and duties have been paid and checked by the proper authorities. Taxes and duties that are required to be paid for specific products are subject and categorized through Harmonized System (HS) code. Malaysian import tax usually ranges between 5 to 30 percent. For general queries regarding Malaysian custom clearance, please refer to the web portal: [Royal Malaysian Customs Department](#)

HS Code Classification




For composite products other than raw food ingredients it is important to comply with import requirements under Food Act 1983 and its regulations before exporting to Malaysia. Please work with a local importer to ensure that the product is accurately classified with the Royal Malaysian Customs Department to avoid detainment and delay at the port of entry. For further details on food export activities into Malaysia, please refer to Ministry of Health – [Food Safety and Quality Section](#).

Trademarks and Patents Market Research

In Malaysia, trademark registration is regulated by the [Trademarks Act 2019](#). The Ministry of Trade and Affairs incorporated the Intellectual Property Corporation of Malaysia (MyIPO) to develop and manage the IP system in Malaysia. According to the MyIPO portal, 45 distinct classifications of goods and services may be trademarked. Registration of a trademark in a specific class confers the exclusive rights and protection only with that class. Therefore, trademark owners must register their marks in all applicable classes to protect their rights. Before applying your goods and services, it is essential to note that the goods or services to be trademarked must be distinguishable, distinctive, and publicly recognized.

Halal Certification

Many food products (e.g. beef and poultry) require halal certification in order to enter the country. Currently, the Islamic Development Foundation of Malaysia (JAKIM) is the only authorized entity allowed to issue halal certification. In the United States, JAKIM has appointed three Islamic institutions to inspect, and halal certify food and beverage products for export to Malaysia: Islamic Food and Nutrition Council of America (IFANCA), Islamic Services of America (ISA), and the American Halal Foundation (AHF). For further details on halal requirements in Malaysia market, please refer to [Malaysia: Halal Country Report](#) and the [GAIN Malaysia- Updates to Plant Registration Process for Animal Products](#) report.

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

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

Dairy Facility Registration

In March 2018, Malaysia implemented a measure that requires foreign producers and exporters of dairy products to apply for registration with the Malaysian Government. New to market suppliers must undergo a standard review process lasting three to six months and this is a one-time registration for the plant and its intended dairy products for export to Malaysia.

Duplicative Registration Requirements in East Malaysia

The states of Sabah and Sarawak in East Malaysia may have separate and/or additional facility registration requirements for certain products, especially livestock and meat/poultry products. It is best to work with your local importer to ensure all products exported comply with local regulations.

Please refer to the [USDA Food Safety and Inspection Service Export Library](#) and [Malaysia: FAIRS Annual Country Report](#).

Section IV: Market Sector Structure and Trends

Food Industry Breakdown

Modern retail outlets dominate the urban retail landscape as high-income consumers spur the growth of premium retail outlets. Convenience stores are widespread, catering to the demand for quick and accessible shopping options. Both local and international chains operate extensively across urban areas. Despite the rise of modern retail, traditional grocery stores and wet markets still play a crucial role, in rural and semi-urban regions. They are important distribution channel for daily fresh product and staple goods. Please refer to the most recent [FAS Malaysia Retail Foods annual report](#) for more details on the sector.

The food and beverage (F&B) market sector in Malaysia is varied and dynamic, reflecting the country's multicultural population and its growing economic development. Restaurants range from fast food and quick-service restaurants (QSRs) to fine dining. Cafes and specialty shops are a growing are gaining popularity among urban consumers while street food and hawkers remains an integral part of Malaysian food culture, offering affordable and authentic local dishes. Please refer to the most recent [FAS Malaysia Hotel, Restaurant, and Institutional GAIN report](#) for more details on the sector.

Several multi-nationals 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 and recovery. Please refer to the most recent [FAS Malaysia Food Processing Ingredients annual report](#) for more details on the sector.

Best High-Value, Consumer-Oriented Product Prospects

Dairy Products

Dairy products have high potential growth all around. Dairy is especially well suited as a food ingredient product in the expanding food manufacturing sector. Sampling and technical support will provide better understanding of U.S. dairy products in various format as a key food processing ingredient. All dairy export products are mandatory required to have halal certification.

Pork and Pork Products

Malaysia is a pork producer and has generally met pork import needs buying from European sources. However, due to local African Swine Fever issues, Malaysia is looking for new pork suppliers and U.S. pork is gaining market share. Malaysian pork imports have increased 1,530 percent from 2022 to 2023.

Beef and Beef Products

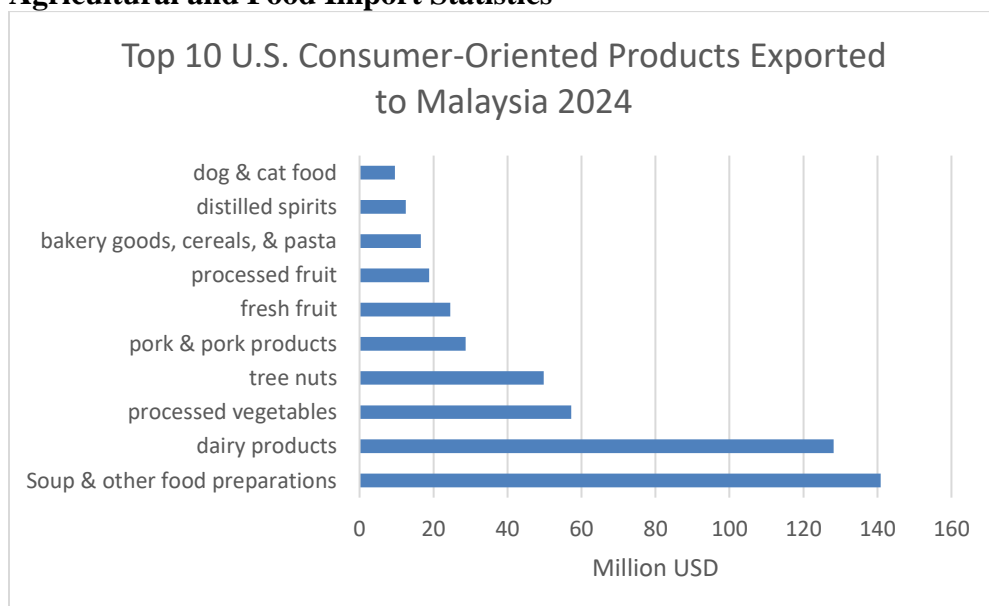
U.S. beef and beef products are in high demand across food service and hotel institutions. However, there are no current U.S. beef plants that are approved for export to Malaysia. Malaysia has primarily bought prime meat in the past, however, there is potential in exporting U.S. whole carcass for further processing in Malaysia for distribution. Halal certification is mandatory for beef and beef products.

Section V: Agricultural and Food Imports

High growth-trend products in Malaysia

Product	2024 Market Value	5-year market value increase	Major supply sources	Further notes
Fresh Vegetables	\$1.135 billion	73 percent	1. China- 71% 2. India- 7% 3. Thailand-6% 7. U.S. <1%	Growth especially seen in garlic, onion, and kale.
Beef and Beef Products	\$802.6 million	65 percent	1. India 76% 2. Australia 11 % 3. Brazil 6 %	Currently there are no approved halal beef plants by JAKIM in the U.S.
Chocolate and cocoa products	\$517.8 million	73 percent	1.Indonesia- 31% 2.Singapore- 20% 3.Netherlands- 8% 9. U.S. - <1%	
Dairy products	\$1.7191 billion	23 percent	1. New Zealand- 35% 2. Thailand- 10% 3. Australia- 10% 4. United States- 7%	
Fresh Fruit	\$721.5 million	30 percent	1. China- 41% 2. South Africa- 18% 3. Thailand- 7 % 6. U.S. 3%	Growth especially seen in mandarins and grapes.

Agricultural and Food Import Statistics



Section VI: Key Contacts and Further Information

1) U.S. Dairy Export Council

20 Martin Road
Seng Kee Building #08-00
Singapore 239070
Tel: (65) 6230 8550
Fax: (65) 6235 5142
Contacts: Dalilah Ghazalay, Regional Director, SEA Marketing & Operations
Email: dali@dairyconnect.biz

2) U.S. Grains Council

Wisma UOA Damansara II, Suite 14-1, Level 14
No. 6, Changkat Semantan
Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: (60) 3 2789 3288
Contact: Caleb Wurth, Regional Director—Southeast Asia
Email: sea@grains.org

3) 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

4) USA Poultry and Egg Export Council
3, Ang Mo Kio Street 62, #07-05 Link@AMK
Singapore 569139
Tel: (65) 6586 0940
Contact: Thomas Tan, ASEAN Consultant
Email: thomas_tan@usapecasean.sg

5) 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; siewkeat@lieumktg.com.sg

6) 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

7) 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

8) Malaysia Government Websites:

Ministry of Health Food Safety and Quality Division: <http://fsq.moh.gov.my/fsq/ms/>
Ministry of Agriculture Department of Veterinary Services: www.dvs.gov.my
Ministry of Finance Customs Headquarters: <http://www.customs.gov.my>
Attachment: Appendix 1- U.S. Exports to Malaysia

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Appendix I

U.S. Exports to Malaysia_BICO

Attachments:

[Appendix 1 U.S. Exports to Malaysia.docx](#)