



Foodservice in Asia

2nd edition, 2001 – 2003

Malaysia

“... foodservice presents new exciting business opportunities”



FOOD & BEVERAGES

CONTENTS

INTRODUCTION	i
EXECUTIVE SUMMARY	ix-xvi
1. OVERVIEW	1
1.1 Malaysia at a glance.....	1
1.2 Total food market	6
<i>Local production</i>	6
<i>Imports</i>	13
<i>Exports</i>	17
1.3 Trends in food consumption.....	18
<i>Food and beverage expenditure</i>	18
<i>Food prices</i>	19
<i>Food consumption</i>	20
1.4 Foodservice market.....	21
2. TARGET MARKETS – OUTLETS	23
2.1 Institutional sector	26
<i>Hospitals/welfare institutions</i>	27
<i>Private company work canteens</i>	30
<i>Schools/education facilities</i>	31
<i>Tertiary institutions/universities</i>	32
<i>Government/military messes</i>	33
<i>Prisons</i>	35
2.2 Commercial sector.....	36
<i>Restaurants</i>	37
<i>Chain restaurants</i>	39
<i>Coffee bars Western style</i>	40
<i>Western fast food chains</i>	41
<i>Clubs</i>	43
<i>Bakeries</i>	44
<i>Hotels and resorts</i>	45
<i>Caterers</i>	47
<i>Hawker stalls</i>	49
2.3 Meals served.....	51
3. TARGET MARKETS – PRODUCTS	53
3.1 Market overview	55
3.2 Meat, poultry and fish	59
3.3 Fruit and vegetables.....	65
3.4 Bread, pasta and cereals	71
3.5 Prepared meals, snacks and soups.....	77
3.6 Dairy products	83
3.7 Beverages.....	91
3.8 Fats and oils	101
3.9 Sauces and condiments	107
3.10 Spreads and jams	115

CONTENTS

4. DISTRIBUTION	121
4.1 Distribution channels.....	122
5. COMPETITIVE INSIGHT	129
5.1 Supplier and brand awareness.....	129
5.2 Contractual arrangements.....	130
5.3 Rating of suppliers.....	131
6. STRATEGIC AND MARKETING ISSUES	133
6.1 Supplier selection criteria.....	134
6.2 Customer service.....	135
<i>Order placement</i>	135
<i>Websites</i>	137
<i>Delivery requirements</i>	139
<i>Promotional activities</i>	141
6.3 Malaysian versus foreign products.....	142
<i>Country of preference for foreign products</i>	144
6.4 Trends in costs.....	147
7. OUTLOOK TO 2004	149
7.1 Economic outlook.....	149
7.2 Foodservice outlook.....	155

Appendices

- Appendix 1: Survey questionnaire
- Appendix 2: List of respondents
- Appendix 3: Consultant interviews
- Appendix 4: Company profiles

INTRODUCTION

This is our second report of the Malaysian foodservice market. BIS Shrapnel conducted its first research study of this market in 1998. It is part of our Asian research series, which now covers six countries.

BIS Shrapnel has, over the last 18 years, produced biennial studies of the Australian foodservice market. Eight years ago similar studies of the New Zealand foodservice market were commenced. In conjunction with Arco Consulting – a London based consultancy specialised in foodservice markets – we have also started a foodservice research series in the Middle East and are planning research studies in Scandinavia. The following tables outline present and scheduled reports.

- *Fast Food in Australia, 2000-2002*
- *Eating out in Australia, 2000-2002*
- *The Australian Foodservice Market, 2001-2003*
- *Future of Liquor in Australia, 2001-2010*
- *Route Trade in Australia, 2001-2003*
- *Office beverages in Australia, 1999-2001*
- *Meal Solutions in Australia, 1998-2000*
- *The New Zealand Foodservice Market, 2000–2002*
- *Foodservice Market in Thailand, 2000-2002*
- *Foodservice Market in Hong Kong, 1999-2001*
- *Foodservice Market in Philippines, 1999-2001*
- *Foodservice Market in Singapore, 2002-2004*
- *Foodservice Market in Taiwan, 1998-2000*
- *Foodservice in Saudi Arabia, 2001-2003*
- *Foodservice in United Arab Emirates, 2001-2003*
- *Foodservice in Egypt, 2002-2004*
- *Foodservice in Bahrain, Kuwait, Oman and Qatar, 2002-2004*
- *Foodservice in Denmark, 2002-2004*

Other markets are added to our list of projects as interest is expressed by our clients.

The markets so far selected for our research series have a total population in excess of 240 million. Our estimates value the overall foodservice market for these countries at around US\$ 60 billion.

The countries covered by our research series vary greatly in economic development. Some are in the early stages of economic expansion while others, like Australia, are highly industrialised economies. This is naturally reflected in their foodservice markets, in terms of marketing, distribution, manufacturing, imports and industry structure. The foodservice industry is usually one of the first industries to be hit by a general economic downturn but also benefits early

from economic growth and prosperity. A population's eating habits and social interaction determine the structure and size of the foodservice market both considering the type and number of commercial foodservice operators and business volume in different parts of the market.

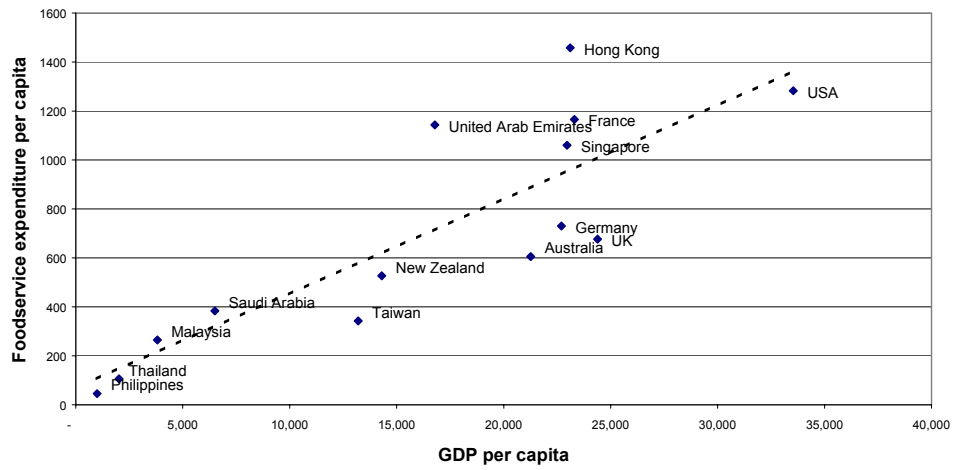
Selected foodservice markets, 2000 (values in US\$)

<i>Country</i>	<i>Population (million)</i>	<i>GDP per head</i>	<i>Foodservice retail market</i>	
			<i>Total (billion)</i>	<i>Per head</i>
Philippines	76.8	1,000	3.5	45.6
Thailand	61.7	2,020	6.5	105.3
Malaysia	22.2	3,813	6.3	283.8
Taiwan	21.9	13,200	7.5	342.5
Saudi Arabia	21.4	6,500	8.2	383.2
Australia	19.0	21,270	11.5	605.3
Hong Kong	7.2	23,110	10.5	1,458.3
New Zealand	3.8	14,300	2.0	526.3
Singapore	4.1	22,960	4.3	1,060.0
United Arab Emirates	2.8	16,780	3.2	1,142.9
Subtotal*	240.9	12,495	63.5	263.6
USA	272.9	33,540	350.0	1,282.5
Germany	82.2	22,700	60.0	729.9
France	59.2	23,300	69.0	1,165.5
United Kingdom	59.1	24,390	40.0	676.8
Total	714.3	16,349	582.5	815.5

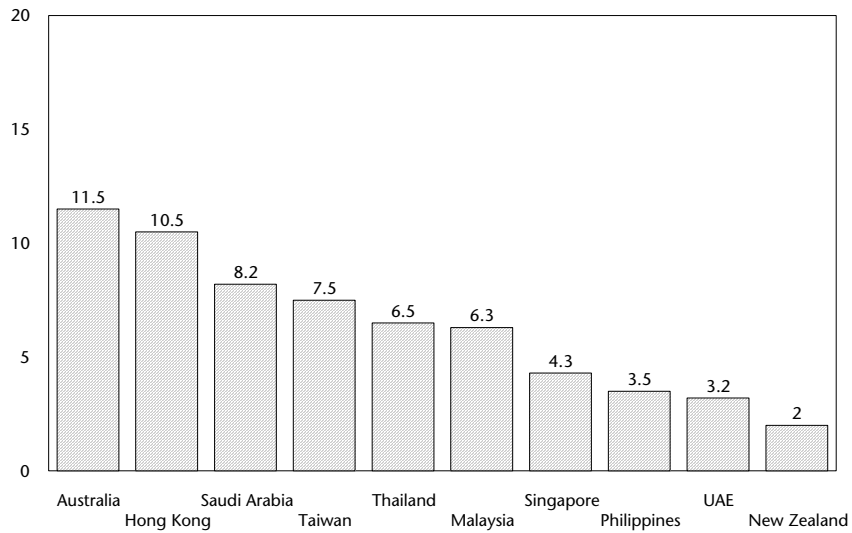
* Countries researched by BIS Shrapnel

Source: Population and GDP- Economist Intelligence Unit
Foodservice – BIS Shrapnel

Per capita GDP and foodservice expenditure in selected markets (US\$)



Selected foodservice retail markets (US\$ billion)



In this volume, we cover the Malaysian foodservice market.

Our study and report reflect typical business plan modules, so that the information and analysis can be easily combined with internal company data in order to prepare individual marketing assessments and plans.

After a **summary of key findings and analysis**, we provide an **overview of Malaysia's economy** followed by an **overview of the foodservice market** in the context of the total food and beverage consumption.

Under the heading **Target markets – outlets**, we review the main types of foodservice outlets both institutional (ie. hospitals, schools etc.) and commercial (ie. restaurants, fast food chains etc.).

The section on **Target markets – products**, provides a detailed analysis of more than 100 food and beverage products grouped into nine different product categories. This chapter includes a ranking of major brands/suppliers. The full product list is provided in the table overleaf.

Under the heading of **Distribution**, we identify the relative importance of wholesalers, distributors, importers, manufacturers and retailers as suppliers to the foodservice industry. We point out any changes in the relative importance of the various distribution channels from two to three years ago. The chapter also contains company profiles of all the major distributors operating in the Malaysian foodservice market.

The chapter **competitive insight** outlines how key suppliers are rated by foodservice operators on the issues of price, quality and product availability. Company and brand awareness is also covered in this report section.

Some of the **Strategic and marketing issues** investigated include the effectiveness of promotional activities, factors affecting the choice of suppliers and the attitude towards local and imported products.

Outlook to 2004 identifies the likely future developments of the Malaysian foodservice industry, in light of our assessment of economic, social and political conditions and trends.

The consultant interviews for this research study were conducted during September 2001, and the fieldwork was carried out during October 2001 by a local reputable field agency. The questionnaire was prepared by BIS Shrapnel in consultation with our subscribers. BIS Shrapnel decided upon the final sample after deliberations with the field company. The local interviewers were briefed by BIS Shrapnel's field and operations manager. All data analysis was conducted in Australia.

A copy of the questionnaire used is attached, together with the list of respondents in Appendix 1.

Sample details are provided in the following pages.

Survey sample profile

<i>Outlet</i>	<i>Number</i>	<i>% of total</i>
<i>Institutional</i>		
Nursing homes/retirement	2	1
Hospitals/welfare facilities	3	2
Private company work canteens	8	6
Schools	5	3
Tertiary institutions	2	1
Government/military messes	5	3
Prisons	1	1
<i>Commercial</i>		
Caterers	5	3
Airline caterers	1	1
Western style restaurants	10	7
Western style coffee bars	3	2
Western quick service chains	7	5
Local 4/5 star restaurants	10	7
Local cheaper restaurants	6	4
Local fast food chains	15	10
Hawker stalls	30	20
Clubs	2	1
Discos/karaoke	4	3
Bakeries	2	1
Ship providores	2	1
Major 4/5 star hotels/resorts	8	6
Motels/hotels for locals	14	9
Convenience stores	5	3
<i>By position of respondent</i>		
Owner/manager	70	47
Purchasing manager	17	11
Administration manager	12	8
Chef/cook	9	6
Supervisor	8	5
Assistant purchasing manager	5	3
Catering manager	3	2
Captain	3	2
Food and beverage manager	2	1
Other	21	15
Total	150	100

The fast food chains included in the survey were Burger King, Domino's, Kenny Rogers, KFC, Nandos, Pizza Hut and Shakeys, with one interview conducted for each of these chains.

The following tables provide details of the food and beverage products purchased by respondents covered in our survey.

Meat, poultry and fish	
Beef – fresh/frozen	Other meat types
Pork – fresh/frozen	Fish/seafood – fresh/frozen
Lamb – fresh/frozen	Fully prepared beef products
Poultry – fresh/frozen	Fully prepared chicken products
Fruit and vegetables	
Fresh fruit and vegetables	Potatoes – frozen
Canned fruit	Mashed potato – powder mix
Canned tomatoes	Other frozen vegetables
Canned beans	Dried fruit
Other canned vegetables	
Breads, pasta, cereals and biscuits	
Bread – fresh/frozen	Rice
Biscuits	Pasta
Breakfast cereals	Pastries
Noodles	Pre – mixes for cakes
Flour	
Prepared meals, snacks and soups	
Soup - canned/liquid	Baked beans
Soup - powder/dehydrated	Canned meals - other
Frozen soups	Frozen complete meals
Canned spaghetti	
Dairy products	
Milk – fresh, regular	Cream
Milk – fresh, low fat	Cheese
Milk – fresh, flavoured	Butter
Milk – UHT, regular	Ice cream
Milk – UHT, low fat	Yoghurt
Milk – UHT, flavoured	Creamer
Milk – powder	Sweetened condensed milk
Beverages (hot and cold)	
Carbonated drinks (excl mineral water)	Tea bags – Chinese (all types)
Coffee – instant	Tea leaves
Coffee – ground/beans	Tea – powder dust
Coffee – ready to drink	Tea – ready to drink
Fresh fruit juices (packaged)	Milo
Juice from concentrates	Hot chocolate (powdered)
Mineral water	Iced tea
Tea bags - black	Rose syrup

Fats and oils

Frying oils/fats	Margarine
Salad oils	Ghee
Sesame oil	Olive oil

Sauces and condiments

Clear salad dressing	Tomato sauce/ketchup
Other salad dressing	Tomato paste/puree
Vinegar	BBQ sauces
Cooking chocolate/blocks	Other sauces
Chilli – sauce	Other condiments
Chilli – paste	Spaghetti/pasta sauces
Fish sauce	Other prepared sauces
Mayonnaise	Stock powder – chicken/beef
Mustard	Stock powder – anchovy/ikan bilis
Oyster sauce	Liquid stock – chicken/beef
Sugar	Liquid stock – anchovy/ikan bilis
Soy sauce	Stock paste – Tom Yum

Spreads and jams

Jams – any type	Peanut butter
Marmalade	Chocolate spread
Honey	Cheese spread



Foodservice in Asia

- Malaysia
 - Singapore
- 2nd edition, 2001–2003



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Tel (61 2) 9959 5924

e-mail: srosengren@bis.com.au

or post to: BIS Shrapnel Pty Limited
Level 8, 181 Miller Street
North Sydney NSW 2060
Australia