

FOOD INDUSTRY

Introduction

- The food processing industry in Malaysia is predominantly Malaysian-owned and dominated by small and medium scale companies. The food processing and beverages industry comprises:
 - cocoa and cocoa preparations;
 - prepared cereals and flour preparations;
 - processed seafood;
 - dairy products;
 - prepared and preserved vegetables and fruits;
 - processed meat;
 - sugar and sugar confectionery;
 - coffee;
 - tea;
 - spices; and
 - edible products and preparations.

Production Index of Selected Processed Food and Beverages (2014 – 2016)

Segment	2014	2015	2016
Total Processed Food and Beverages	122.7	128.2	139.0
<u>Processed Food</u>	123.1	126.2	136.4

Segment	2014	2015	2016
Manufacture of crude and refined vegetable oil	117.1	124.2	132.2
Manufacture of compound cooking fats	131.7	154.9	164.5
Manufacture of ice cream and other edible ice such as sorbet	141.6	157.7	167.4
Manufacture of condensed, powdered and evaporated milk	159.7	185.8	200.9
Rice milling	126.7	117.6	134.2
Flour milling	106.3	97.4	98.0
Manufacture of biscuits and cookies	132.5	162.8	193.3
Manufacture of bread, cakes and other bakery products	136.4	121.2	136.5
Manufacture of snack products	117.7	119.5	119.1
Manufacture of sugar	95.7	97.8	107.3
Manufacture of cocoa products	95.2	96.8	98.1

Segment	2014	2015	2016
Manufacture of chocolate and chocolate products	137.0	151.3	151.3
Manufacture of sugar confectionery	116.6	94.2	107.9
Manufacture of meehoon, noodles and other related products	111.1	107.5	121.9
Manufacture of prepared meals and dishes	129.1	125.7	145.1
Manufacture of coffee	121.4	116.6	112.2
Manufacture of sauces and condiments	101.3	104.9	112.8
Manufacture of spices and curry powder	130.2	128.3	148.1
Manufacture of other food products n.e.c.	102.9	94.4	95.7
<u>Beverages</u>	121.4	135.8	149.3

Source: Department of Statistics, Malaysia

Employment

Product	2014	2015	2016
Total	59,388	57,621	60,663
Processed food	55,284	53,215	56,012
Beverages	4,104	4,406	4,651

Sales of Selected Processed Food and Beverages

Segment	2014 (RM mil)	2015 (RM mil)	2016 (RM mil)
Total Processed Food and Beverages	34,643.3	35,396.4	39,604.8
<u>Processed Food</u>	32,438.1	32,783.6	36,660.7
Canning of fish, crustaceans and molluscs & Processing, curing and preserving of fish, crustacean and molluscs	1,652.3	1,848.9	2,190.4
Pineapple canning &	53.2	55.4	77.7

Manufacture of jams, marmalades and table jellies			
Manufacture of coconut oil	42,471	39,898	68,780
Manufacture of crude and refined vegetable oil & Manufacture of compound cooking fats	4,274,956	4,264,079	4,794,318
Manufacture of condensed, powdered and evaporated milk	6,107,656	5,550,498	5,576,999
Rice milling	1,586,889	2,145,634	1,820,600
Flour milling	2,040,558	2,073,613	2,095,574
Manufacture of biscuits and cookies	1,100,861	1,634,437	2,334,443
Manufacture of bread, cakes and other bakery products	1,963,089	1,603,531	1,959,693
Manufacture of	895,895	830,862	963,991

snack products			
Manufacture of sugar	3,917,247	3,758,558	3,609,523
Manufacture of cocoa products	4,657.3	5,163.7	6,568.6
Manufacture of chocolate and chocolate products & Manufacture of sugar confectionery	1,161.1	1,108.1	1,391.3
Manufacture of sauces and condiments	1,100.1	1,046.2	1,061.8
Manufacture of other food products n.e.c.	1,884.3	1,660.0	2,146.6
<u>Beverages</u>	2,205.2	2,612.8	2,944.1
Manufacture of soft drinks	1,745.2	2,163.8	2,489.1
Production of mineral waters	459.9	448.9	455.1

Source: Department of Statistics, Malaysia

Exports of Selected Processed Food and Beverages

Product	2014 (RM mil)	2015 (RM mil)	2016 (RM mil)
Total	19,358.30	21,141.20	23,361.50
<u>Processed food</u>	16,559.7	18,008.5	19,988.9
Cocoa & cocoa preparations	3,836.0	4,147.2	4,588.4
Dairy products	1,330.9	1,419.1	1,234.8
Edible products and preparations	5,470.4	5,582.2	5,977.5
Margarine and shortening	1,186.1	1,138.8	1,321.4
Meat, processed	284.7	348.4	428.4
Prepared cereals & flour preparations	2,291.5	2,799.9	3,304.7
Seafood, processed	605.1	707,542.9	807,737.5
Sugar & sugar confectionery	859.1	934.5	1,005.3
Tea and mate	115.6	127.6	171.6

Product	2014 (RM mil)	2015 (RM mil)	2016 (RM mil)
Vegetables & fruits, prepared/preserved	580.1	802.7	1,148.7
<u>Beverages</u>	2,798.6	3,132.7	3,372.6
Alcoholic beverages	1,523.2	1,766.0	1,871.2
Non-alcoholic beverages	1,275.4	1,366.7	1,501.4

Compiled by MITI

- Top 10 export destinations for Processed Food in 2016 were:
 - (i) Republic Of Singapore
 - (ii) People's Republic Of China
 - (iii) Republic Of Indonesia
 - (iv) Thailand
 - (v) Australia
 - (vi) Japan
 - (vii) Philippines
 - (viii) Socialist Rep. of Viet Nam
 - (ix) Hong Kong
 - (x) United States of America.

Import of Selected Processed Food and Beverages

Product	2014 (RM mil)	2015 (RM mil)	2016 (RM mil)
Total	19,267.60	20,353.30	21,524.50
Processed food	16,979.5	17,731.0	18,662.6
Cocoa & cocoa preparations	1,283.8	1,530.8	1,508.5
Dairy products	3,938.7	3,496.3	3,086.4
Edible products and preparations	4,624.6	5,247.1	5,516.8
Margarine and shortening	51.3	39.7	35.3
Meat, processed	45.7	86.2	85.3
Prepared cereals & flour preparations	1,203.6	1,184.6	1,389.1
Seafood, processed	575.6	752.7	847.3
Sugar & sugar confectionery	3,767.7	3,368.5	4,039.9
Tea and mate	229.2	249.7	306.4

Product	2014 (RM mil)	2015 (RM mil)	2016 (RM mil)
Vegetables & fruits, prepared/preserved	1,258.8	1,774.9	1,847.0
Beverages	2,288.1	2,622.3	2,861.9
Alcoholic beverages	1,951.1	2,298.4	2,569.4
Non-alcoholic beverages	336.9	323.9	292.4

Compiled by MITI

- 10 main import destination for processed food in 2016:
 - (i) Brazil
 - (ii) People's Republic Of China
 - (iii) Republic Of Indonesia
 - (iv) New Zealand
 - (v) Thailand
 - (vi) United States Of America
 - (vii) Republic Of Singapore
 - (viii) Australia
 - (ix) Netherlands
 - (x) Ireland

Investment

Details of Approved Projects for Food Manufacturing

Description	2015	2016
No. of project approved	44	49
Total Investment (RM mil)	2,503.4	2,433.2
Foreign Direct Investments (RM mil)	561.1	597.6
Domestic Investments (RM mil)	1,942.3	1,835.6

Source: MIDA