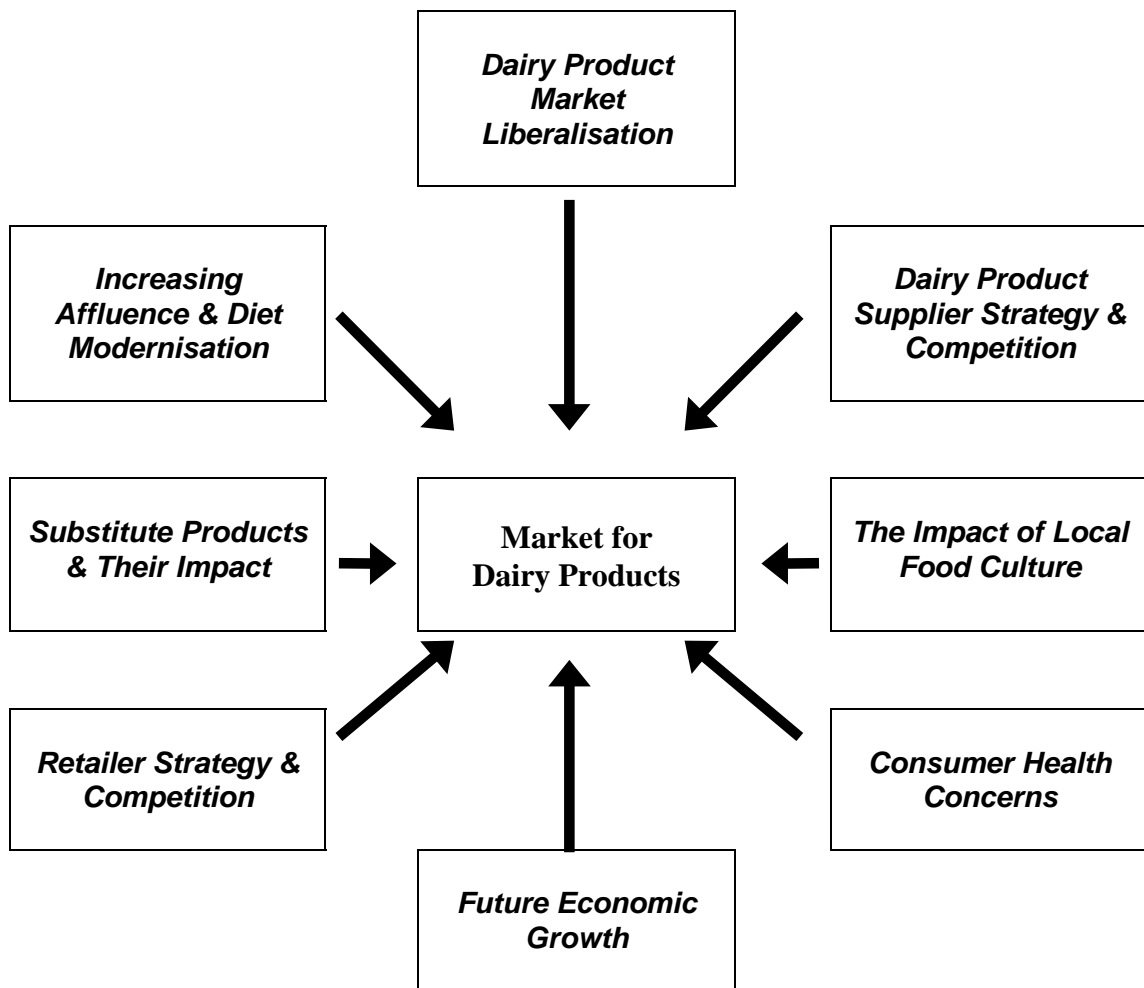


Opportunities for Dairy Products in Malaysia - 2000 to 2005

An Analysis of Today's Market & Tomorrow's Prospects



Prepared by:

Stanton, Emms & Sia
391A Orchard Road, #12-01,
Ngee Ann City Tower A,
Singapore 238873
Tel: (+65) 334 7030 Fax: (+65) 223 2010
E-mail: emmsia@pacific.net.sg
Affiliated website: www.asia-dairy.com

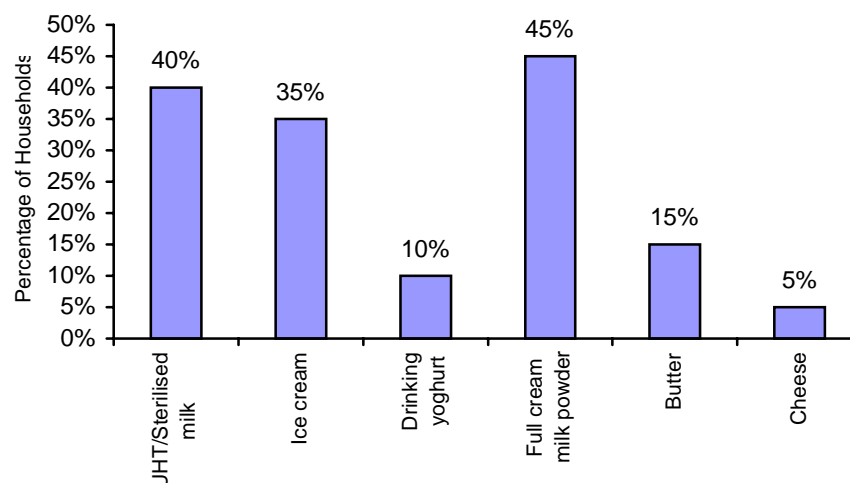
September 2000

Why Malaysia?

Malaysia (Population: 23.5 million) was one of the first Asian economies to return to growth after the onset of the Asian currency and economic crisis of 1997/98. It reported economic growth of 5.8% in 1999. Local analysts forecast that the economy should grow by between 7.5% and 8.5% in 2000. Today, it is the third wealthiest country in Southeast Asia after Singapore and Brunei.

Malaysia has one of the most sophisticated consumer markets in South East Asia. Unlike the other large Southeast Asian nations, e.g. Indonesia, Thailand and the Philippines, Malaysia has a nation-wide consumer base that encompasses both urban and provincial/rural areas. Middle to upper income group of consumers comprise about 61% of the population or 14 million persons in 2000. These persons are key targets for the full range of dairy products that are in the market today.

The Percentage of Malaysian Households That Regularly Purchase Dairy Products



Malaysia's imports of dairy products were valued at US\$ 321.6 million in 1999. Imports equated to about 1.45 million liquid milk equivalent (LME) tonnes in that year, up from 1.17 million LME tonnes in 1998, when Malaysia was in recession.

Prior to the economic downturn in 1997/98, most dairy market segments were growing at rates in excess of 5% per annum. Some segments in the liquid milk, yoghurt, ice cream, cheese and dairy ingredient markets achieved double-digit growth in the period just prior to 1997/98. Improved economic conditions and business and consumer confidence boosted demand such that imports rose by about 27% above the level seen in 1998 when Malaysia was adversely affected by the Asian currency crisis and economic downturn.

Malaysia's market is now amongst the freest in Asia for imported dairy products. Progressively liberalisation since the mid-1990s has brought about dramatic falls in import tariffs. Most imports now incur between 0% and 5% import duty. This, together with increasing consumer affluence and related diet modernisation, provides a strong base from which to develop the dairy product market in a proactive manner tomorrow.

Who is the study written for?

The report has been written for senior management and analysts with dairy processing companies and dairy product exporters requiring insight into the future opportunities available in Malaysia's dairy product market tomorrow. Government departments and marketing organisations involved in the promotion and development of export markets will also find this report very useful.

What does the report provide?

The study is highly focussed and provides essential information on:

- Market size and structure.
- Market growth patterns.
- The nature and source of supply.
- The performance of imported dairy products.
- The identity of major consumers and, as relevant, users.
- Sales and distribution channels.
- Retail pricing and, as relevant, margins.
- The marketing mix used to develop the market.
- Future opportunities, barriers to market development and best prospects.

The report is written by senior consultants with many years specialising in advising dairy companies about market development in Asia, including Malaysia. It provides a balanced view of opportunities and threats to assist dairy companies in the development of their business plans for involvement in, or with, Malaysia's market tomorrow.

Unlike other reports, this report is not just a catalogue of statistics. Being specifically written for busy senior management and their analysts, it analyses the statistics, facts and underlying market drivers to provide the reader with real insights into market opportunities tomorrow.

What products are covered by this study ?

This study covers all forms of dairy products, including:

- Liquid milk.
- Ice cream.
- Yoghurt.
- Retail packed milk powders.
- Infant formula.
- Butter and ghee.
- Cheese in all forms.
- Cream.
- Condensed and evaporated milk.
- Dairy ingredients, including skim milk powder, whole milk powder, sweetened milk powders, buttermilk, whey, anhydrous milk powder, lactose and casein/caseinates.

Why do you need this report?

This report has been developed to provide you with:

- a first hand knowledge and insight into the market for dairy products.
- an understanding of local eating habits and their effect on dairy products.
- an appreciation of the risks associated with the market for dairy products.
- a practical and realistic assessment of prospects for dairy products.

How to order this report

This report will be published and available for delivery to you in November 2000 at a cost of US\$ 2,500 (US Dollars). To order the study, simply complete the order form on the following page and fax/mail it to us at the following fax number/address detailed in the order form. On receipt of your order, a copy of the report will be sent to you securely wrapped and by courier.

Should you have any queries about the report, please do not hesitate to contact either Mr Anthony L. Emms or Ms Cindy Sia at the telephone, fax number or e-mail address listed on the front page of this brochure.

For customers who do not require all sections of the report, individual market segment reports are also available on the following topics:

- Ice cream.
- Yoghurt.
- Cheese.
- Butter and ghee.
- Infant formula.
- Retail packed powdered milks.
- Liquid milk.
- Dairy ingredients.

For more details about the contents of these market segment reports and their cost, contact either Mr Anthony L. Emms or Ms Cindy Sia at the telephone, fax number or e-mail address listed on the front page of this brochure.

ORDER FORM

To: **Stanton, Emms & Sia**
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TABLE OF CONTENTS

Table of contents

	Page No.
1. Introduction	1
1.1 Scope of study and this report	1
1.2 Malaysia in profile	2
1.2.1 Malaysia's population	2
1.2.2 Malaysia's economy	2
1.2.3 Malaysia's consumer market	3
1.3 Malaysia's regulation of the dairy product market	4
1.3.1 Overview of market access issues for imported dairy products	4
1.3.2 Licensing procedures for the import of dairy products	4
1.3.3 Duties on imported dairy products	5
1.3.4 Food regulations	5
1.3.5 Other regulations affecting the dairy product market	6
2. Dairy product supply in overview	8
2.1 Dairy product supply today	8
2.2 Imported dairy products in overview	9
2.3 Local milk supply and trends in overview	12
2.4 Malaysia's retail market for dairy products and development trends since 1995	13
3. The liquid milk market	15
3.1 Market size and structure in overview	15
3.2 Market growth patterns	15
3.3 Nature and source of supply	16
3.3.1 Overview of liquid milk supply and packaging types	16
3.3.2 Recombined milk supply from local dairy processors	16
3.3.3 Liquid milk from local farms	17
3.3.4 Imported liquid milk supplies	18
3.3.5 Low fat liquid milk - Key import market facts	19
3.3.6 Low fat liquid milk - Review of average market entry prices and market shares	20
3.3.7 Liquid milk (Standard fat content) - Key import market facts	22
Liquid milk (Standard fat content) - Review of average market entry prices and market shares	23
3.3.8 Liquid milk brands and their status in the market	26
3.4 Major consumers	27
3.5 Sales and distribution channels	28
3.6 Retail pricing and margins	29
3.7 The marketing mix used to develop the market for liquid milk	32
3.7.1 Trends that have affected the market over the past 5 years	32
3.7.2 The marketing mix for liquid milk	33

	Page No.
4. The ice cream market	35
4.1 Market size and structure	35
4.2 Market growth patterns	35
4.2.1 Whole market overview	35
4.2.2 Overview of the performance of imported ice creams	36
4.3 Major consumers	39
4.4 Nature and source of supply	40
4.5 Sales and distribution channels	41
4.6 Retail pricing and margins	41
4.7 Key marketing mix factors used to develop the market	43
4.7.1 Trends that have affected the market over the past 5 years	43
4.7.2 The marketing mix for ice cream	44
5. The yoghurt market	45
5.1 Market size and structure in overview	45
5.2 Market growth patterns	45
5.2.1 Whole market overview	45
5.2.2 Overview of the performance of imported yoghurt	47
5.3 Major consumers and users	49
5.4 Nature and source of supply	50
5.5 Sales and distribution channels	51
5.6 Retail pricing and margins	52
5.7 Key marketing mix factors used to develop the market	54
5.7.1 Trends that have affected the market over the past 5 years	54
5.7.2 The marketing mix for yoghurt	54
6. Other retail packed milk powders	56
6.1 Category definition	56
6.2 Market size, structure and trends	56
6.3 Sources of other retail packed milk powder	57
6.4 Major consumers	58
6.5 Sales and distribution channels	59
6.6 Retail pricing	59
6.7 The marketing mix used to develop this market	61
6.7.1 Trends that have affected the market over the past 5 years	61
6.7.2 The marketing mix for retail packed milk powders	61
7. Infant and follow-on milk market	63
7.1 Category definition	63
7.2 Market size and trends in overview	63
7.3 Sources of infant formula	63
7.4 Imports of infant formula	65
7.4.1 Import trends in overview	65
7.4.2 Review of market shares	65
7.5 Major consumers	68

	Page No.	
7.6	Sales and distribution channels	69
7.7	Retail pricing	69
7.8	The marketing mix factors used to develop the market	70
7.8.1	Trends that have affected the market over the past 5 years	70
7.8.2	The marketing mix for infant formula	71
8.	The butter and ghee market	72
8.1	Market size and structure in overview	72
8.2	Butter, including dairy blends	73
8.2.1	Market size and structure	73
8.2.2	Market growth patterns for butter imports	74
8.2.3	Overview of the performance of imported butter	75
8.2.4	Major consumers and users	76
8.2.5	Nature and sources of butter supply	77
8.2.6	Supplies of imported dairy blends	78
8.2.7	Sales and distribution channels	78
8.2.8	Retail pricing and margins	80
8.2.9	Key marketing mix factors used to develop the market	82
8.2.9.1	Trends that have affected the butter market over the past 5 years	82
8.2.9.2	The marketing mix for butter	82
8.3	Ghee	83
8.3.1	Market size and structure	83
8.3.2	Major consumers and users	84
8.3.3	Sales and distribution channels	85
8.3.4	Ghee - Key import market facts	86
8.3.5	Ghee - Review of average market entry prices and market shares	86
8.3.6	Retail pricing and margins	87
8.3.7	The marketing mix for ghee	87
9.	The cheese market	88
9.1	Market size and structure	88
9.2	Market growth patterns	89
9.2.1	Whole market overview	89
9.2.2	Processed cheese - Key import market facts	90
9.2.3	Processed cheese - Review of average market entry prices and market shares	91
9.2.4	Other cheese (Natural) - Key import market facts	92
9.2.5	Other cheese (Natural) - Review of average market entry prices and market shares	93
9.2.6	Grated/powdered cheese - Key import market facts	94
9.2.7	Grated/powdered cheese - Review of average market entry prices and market shares	95

	Page No.
9.2.8 Soft cheese - Key import market facts	96
9.2.9 Soft cheese - Review of average market entry prices and market shares	97
9.2.10 Blue vein cheese	98
9.3 Major consumers and users	98
9.4 Nature and source of supply	100
9.5 Sales and distribution channels	101
9.5.1 Food service and cheese ingredient market	101
9.5.2 Retail cheese market	101
9.6 Market entry pricing and retail pricing	103
9.7 Key marketing mix factors used to develop the market	106
9.7.1 Trends that have affected the market over the past 5 years	106
9.7.2 The marketing mix for cheese	107
9.7.2.1 Retail market	107
9.7.2.2 Food service and other markets	108
10. Retail packed liquid cream	110
10.1 Market size and trends in overview	110
10.1.1 Market size	110
10.1.2 Market growth patterns	110
10.2 Sources of retail packed dairy cream	110
10.3 Major consumers and users	111
10.4 Sales and distribution channels	111
10.5 Retail pricing and margins	112
10.6 The marketing mix for retail packed dairy cream	112
11. Retail packed condensed milks	113
11.1 Market size	113
11.2 Market trends	113
11.2 Source of condensed and evaporated milk	115
11.3 Major consumers and users	114
11.4 Sales and distribution channels	116
11.5 Retail pricing	116
11.6 The marketing mix for condensed and evaporated milks	117
12. The dairy ingredient market	118
12.1 Scope of chapter	118
12.2 Market size, structure and growth patterns	118
12.3 Skim milk powder - Key import market facts	119
12.4 Skim milk powder - Review of average market entry prices and market shares	120
12.5 Whole milk powder - Key import market facts	121
12.6 Whole milk powder - Review of average market entry prices and market shares	122

	Page No.	
12.7	Sweetened milk powder - Key import market facts	123
12.8	Sweetened milk powder - Review of average market entry prices and market shares	124
12.9	Buttermilk and other fermented/acidified milk - Key import market facts	125
12.10	Buttermilk and other fermented/acidified milk - Review of average market entry prices and market shares	126
12.11	Whey and modified whey - Key import market facts	128
12.12	Whey and modified whey - Review of average market entry prices and market shares	129
12.13	Anhydrous butter fat (For reconstituted milk) - Key import market facts	130
12.14	Anhydrous butter fat (For reconstituted milk) - Review of average market entry prices and market shares	131
12.15	Other anhydrous butter fat	132
12.16	Other dairy fats and oils - Key import market facts	133
12.17	Other dairy fats and oils - Review of average market entry prices and market shares	134
12.18	Lactose and lactose syrup - Key import market facts	135
12.19	Lactose and lactose syrup - Review of average market entry prices and market shares	136
12.20	Casein and caseinates - Key import market facts	137
12.21	Casein and caseinates - Review of average market entry prices and market shares	138
12.22	Users of dairy ingredients in Malaysia	140
12.23	The dairy processing industry in overview	140
12.24	Other important users of dairy ingredients	142
12.25	Developing and minor users of dairy ingredients	143
12.26	Key points to consider when exporting dairy ingredients to Malaysia	144
13	Assessment of future prospects	146
13.1	Malaysia and its food and beverage markets tomorrow	146
13.2	The competitive situation of Malaysia's markets for finished dairy products	147
13.2.1	Market maturity and future direction	147
13.2.2	Opportunities, threats and challenges for future development of the market	148
13.3	Assessment of best prospects for retail packed products	149
13.3.1	Overview assessment of the key retail market segments	149
13.3.2	Retail packed products with the most attractive future prospects	149
13.3.3	Other retail packed products exhibiting future opportunities	150

	Page No.
13.3.4 Other retail packed products and their future attractiveness	150
13.3.5 Strategic implications for exporters of finished dairy products	151
13.4 Assessment of best prospects for imported dairy ingredients	152
Appendix A: Department of Veterinary Services Regulations for Milk and Milk Products	i

Stanton, Emms & Sia - Capability Statement

Who we are

Stanton, Emms & Sia (SES) is a specialist food and beverage market research and consultancy business. The firm is based in Singapore with research and consultancy resources in all South East Asian countries, China, Australia, New Zealand, Hong Kong, India, Japan, South Korea and Taiwan.

Our mission

Our mission is to help our clients to build strong positions in their target markets by:

- Assisting them to develop a commercially focused and coherent "big picture" of their customers and markets, including the basis of competition and forces and barriers affecting the markets.
- Providing them with clear and concise insight into their markets, especially their customers wants and needs.
- Assisting them to:
 - ❑ Identify profitable opportunities in their target markets in the East Asian region.
 - ❑ Develop strategies to:
 - Fully exploit the opportunities that have been identified in their target markets; and
 - Minimise their threats and weaknesses in their target markets.
 - ❑ Successfully build a sustainable long-term presence for their brands or products in their target markets.

We specialise in servicing clients in the food, drink and agrifood industries

SES focuses on the international industry and markets for food and beverages in Asia, our region. We offer our clients a full "food chain" consultancy service ranging from analysis of farm input usage to the strategic planning of business strategies in the international agricultural, food and drinks sector. Our experience covers the complete spectrum of food types from commodity to highly value added, generic to branded, fresh to processed.

SES maintains an on-going research programme, analysing and assessing key markets and underlying food, beverage and agribusiness issues that affect the Asia Pacific region now and in the future. Much of our work for clients is forward looking and interpretative. Our management team has been monitoring the region's food, beverage and agrifood markets since the late 1980s.

The real value delivered to our clients is in the interpretation of what the research is telling us. The lack of skilled synthesis, analysis and interpretation is often the aspect which undercuts good market research performed by our competitors who operate without having a tangible presence in our region. Having researchers who are based in the country and aware of the trends and tone of the market is therefore invaluable. We believe our team has this proven track record.

What we offer

Our services to clients include:

- ❑ Business and marketing consultancy.
- ❑ Brainstorming, analysis and interpretation.
- ❑ Brand research.
- ❑ Business to business research.
- ❑ Consumer research.
- ❑ Cultural analysis in the food and drinks markets.
- ❑ Data collection in the field.
- ❑ Depth interviews.
- ❑ Desk research.
- ❑ E-mail interviews.
- ❑ Evaluations of marketing programs.
- ❑ Evaluations of advertising and promotional activities.
- ❑ Executive interviews.
- ❑ Face to face interviews.
- ❑ Fax-back interviews.
- ❑ Focus groups and other discussion groups.
- ❑ Hall tests.
- ❑ Industrial interviews.
- ❑ International research.
- ❑ Interactive research, including research workshops.
- ❑ Intercept interviews of consumers.
- ❑ Market observations.
- ❑ New product development support research.
- ❑ Strategic planning support research and brainstorming.
- ❑ Panels, ad-hoc research, including sensitivity panels.
- ❑ Positioning research.
- ❑ Postal surveys.
- ❑ Product testing.
- ❑ Qualitative research.
- ❑ Questionnaire design.
- ❑ Report writing and presentation development.
- ❑ Surveys, consumer and industrial.
- ❑ Syndicated research, including multi-client studies and surveys.
- ❑ Tactical research.
- ❑ Telephone interviews.

Our multi-client report program

We actively produce a number of multi-client studies each year as part of this research work. As a result, we regularly interview food manufacturers and processors, food importers and wholesalers as well as key decision-makers in some of the main retail groups. SES' advantage is that our research consultants actually know and understand how the local food industry actually operates and thinks.

Past multi-client studies have included:

- Beyond the Asian Economic Crisis: Marketing Processed Foods Under New Food Supply Chain and Distribution Scenarios in Developing East Asia.
- The Food Chain in South East Asia: Strategic Directions & Opportunities for Food Businesses.
- Our *Asian Dairy Series* of reports, which includes forward looking opportunity identification studies on the markets in Indonesia, Malaysia, Singapore, South Korea and Vietnam.
- Beer in Developing East Asia and China: Strategic Directions & Opportunities for Brewers.

Our clients

We undertake assignments for a wide range of clients, drawn from both the public and private sectors. Our client base includes some of the world's largest food, drink and agrifood businesses and includes the following entities:

- Multinational companies located in Asia, Australia, Europe and North America.
- Large national companies from Australia, UK, USA, South Africa, Japan and the Philippines.

- Smaller companies based in countries such as Australia, Malaysia and Singapore.
- Governments, government organisations and embassies of European and North American countries and Australia located in Asia and their home countries.
- Other entities, including co-operatives and societies, operating in Australia, Netherlands, Denmark, the USA and France.
- Food and agricultural research organisations located in Australia and the UK.

Contacting us

Our contact details are as follows:

Stanton, Emms & Sia
391A Orchard Road, #12-01,
Ngee Ann City Tower A,
Singapore 238873

Tel: (+65) 6334 7030

Fax: (+65) 6223 2010

E-mail: emmsia@pacific.net.sg

Key contacts: Mr Anthony L. Emms or Ms Cindy S.N. Sia