



## **Growing interest in plant-based protein products in Malaysia create export potential**

*Austrade*

Modern dietary trends are creating fresh demand for plant-based protein. Vegetarianism has deep cultural roots in Malaysia. However, younger generations are also developing a flexitarian approach to food.

This insight examines:

- emerging trends in food culture in Malaysia
- vegan and vegetarian foods that have recently launched
- opportunities for Australian exporters.

### **A growing meatless movement**

Malaysia is a multicultural nation with a growing middle class. This middle class is driving changes in food consumption habits. These changes include a preference for healthy eating and vegetarianism.

Flexitarians are also growing in number. These are people who consume less meat to improve health and wellbeing. Flexitarian trends are most common among millennials and Gen Zs in Malaysia.

Middle-class vegetarians are looking for new protein alternatives as income rises. The same applies to millennial and Gen Z Malaysians as their careers progress. Both groups are increasing consumption of plant-based protein products in food and beverages.

### **Middle class Malaysians are followers of global trends**

Middle-class vegetarians and millennials/Gen Zs are increasingly inspired by global trends in health consciousness.

Social media and television content convey these global trends to Malaysian audiences. 'Meatless Monday' is catching on. These trends are reaching a receptive audience.

Higher standards of living are not the only factor at play. Vegetarianism is part of Malaysia's religious heritage. Abstaining from meat is a prominent feature of Buddhism and Hinduism.

According to official data, in 2020, 6.9% of the population was ethnically Indian and 22.8% Chinese (Source: Department of Statistics Malaysia, Current Population Estimates, Malaysia 2020, Major Ethnic Group Composition; accessed August 2021).

### **Trends and Opportunities**

Supermarkets are responding to this growing trend. Aisles with vegetarian choices are expanding in size and sophistication. Supermarkets have begun to import more vegan-based food.

Brands such as Beyond Meat, Vegie Delights, OmniMeat and Uncut are present in higher price-point supermarkets. This is particularly true in the Klang Valley, around urban Kuala Lumpur.

### **Local plant-based food manufacturing takes off**

In April 2021, Nestle unveiled its first plant-based meals factory in Southeast Asia in Selangor. It will service vegetarian markets in the Southeast Asia region.

Nestle's meat-free products are made from wheat, beetroot, carrot, pomegranate and blackcurrant, and other ingredients. Most are high in protein.

Malaysian foodtech Phuture Foods launched its new vegan 'pork' mince product, Phuture Mince in mid-2020. The product is now available in Singapore. The startup plans to grow its business to other markets in Southeast Asia, including Indonesia and Thailand.

### **Plant-based beverages are going down well**

Beverage companies are also expanding their ranges to include popular plant-based alternatives. These include drinks made from almond milk, soy milk and oats.

For example, Coffee Bean now offers oat-milk-based coffee. Starbucks offers coconut milk coffee options.

Local beverage manufacturers have also been active. Holstein Milk Co. and Nestle have introduced products with milk alternatives.

### **Corporate partnerships in Malaysia**

Traditional meat-based companies are teaming up with vegetarian foodservice companies.

- Nestle's Malaysia division has partnered with Kyochon, a South Korean fried chicken chain, to launch a meat-free menu (announced in March 2021).
- KFC partnered with Quorn to launch the KFC Zero Chicken Burger in February 2021.
- Beyond Meat has partnered with La Juiceria and Super Saigon to introduce meatless products (announced in October 2020).
- Australian biotech Stemcell United has partnered with Universiti Malaysia Sabah to commercialise products made from sea grapes (announced in April 2021).

### **Market entry process**

Exporters must be familiar with the appropriate Malaysian sales channels for their products. Firms will also need contacts in manufacturing, foodservice and retail to explore potential partnerships.

Exporters will also have to navigate specific regulatory requirements. These include regulations related to labelling, halal certification, documentation and packaging, which may be updated frequently. Exporters should seek information from Austrade and the Department of Agriculture, Water and Environment (DAWE) before committing to export.

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