

Market brief Malaysia

Financial year 2022/23

Global exports to Malaysia

Rank #9 in the global dairy market (by volume).

Destination for over 409,000 tonnes of dairy product, worth almost US\$1,332 million (in 2022/23).

Exports to Malaysia have decreased by 7% over the past five years (2018/19 – 2022/23).

The biggest volume growth (product categories exceeding US\$20 million) has been in:

- Infant Powder (102%)
- Buttermilk powder (60%)
- Condensed milk (37%)

The biggest volume decline (products categories exceeding US\$20 million) has been in:

- SMP (-28%)
- WMP (-25%)
- Casein (-11%)

Australian market share

Rank at #5 in the share of Malaysia import volume.

Destination for close to 40,000 tonnes of Australian dairy product, worth US\$109 million (in 2022/23).

Exports to Malaysia have decreased by 38% over the past five years (2018/19 – 2022/23).

The biggest volume growth (product categories exceeding US\$1 million) has been in:

- Butter oil (1133%)
- Condensed milk (69%)
- Ice cream (52%)

The biggest volume decline (product categories exceeding US\$1 Million) has been in:

- SMP (-75%)
- Butter (-57%)
- Whey powder (-41%)

Tariff environment

Australia and Malaysia are both party to the multilateral ASEAN, Australia, New Zealand, Free Trade Agreement (AANZFTA), and the Malaysia Australia Free Trade Agreement. These agreements came into force on January 1, 2010, and January 15, 2013, and 30 September 2022, respectively. Under these agreements, tariffs on all Australian origin dairy imports to Malaysia have reached 0%, with the exception of Liquid Milk. Country Specific Quotas (CSQ's) for Australian origin Liquid Milk are included in both the AANZFTA and MAFTA agreements with In Quota Tariffs of 0% and Out of Quota Tariffs of 20% for Australian origin Liquid Milk (subject to Import Permits). Under CPTPP a Treaty-Wide Quota is available. A schedule of the Malaysia tariffs can be found in Table 2. For more information on Liquid Milk Quotas see the [Malaysia Export Market Dairy Tariff Guide](#).

Key international marketing programs and initiatives

Dairy Australia runs or is involved in a number of marketing programs and activities in Malaysia. These include the Southeast Asia Dairy Scholarship program, aimed at familiarising dairy and food industry professionals from the region, with aspects of the Australian dairy industry and the Southeast Asian Alumni Program from past scholars. Outside of COVID-19 travel restrictions, Dairy Australia regularly visits Malaysia and presents seminars to local industry players in key markets.

Figure 1 Dairy imports

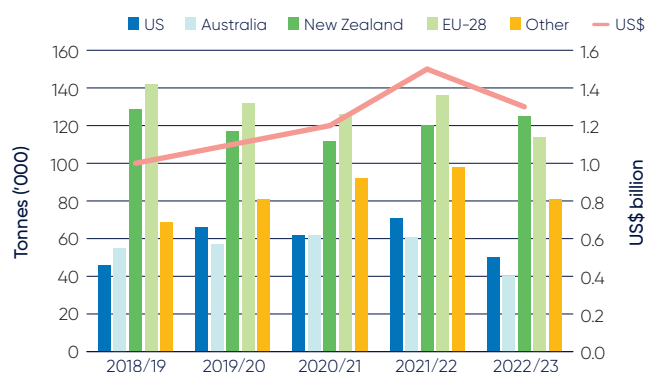


Figure 2 Top dairy exports to Malaysia by volume

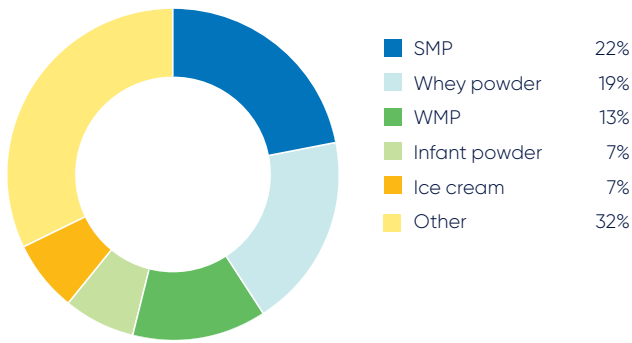


Figure 4 Top Australian dairy exports by volume

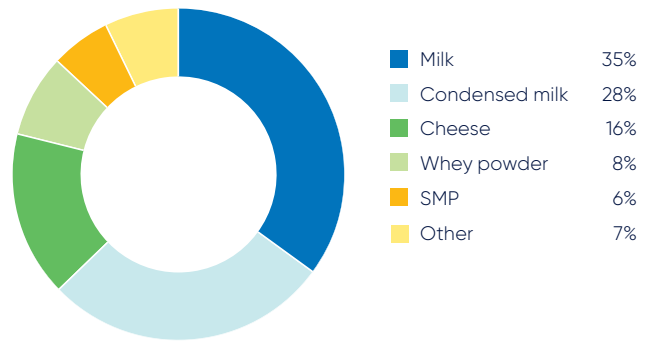


Figure 3 Top dairy exports to Malaysia by US\$ value

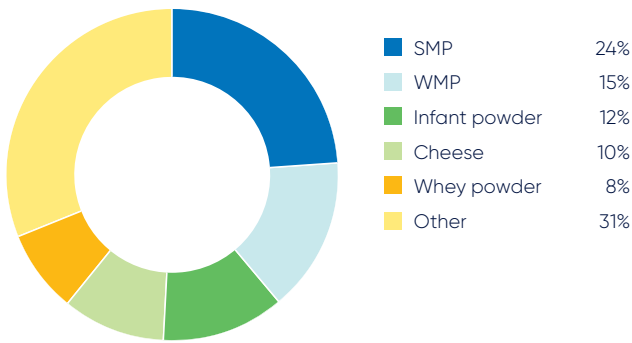


Figure 5 Top Australian dairy exports by US\$ value

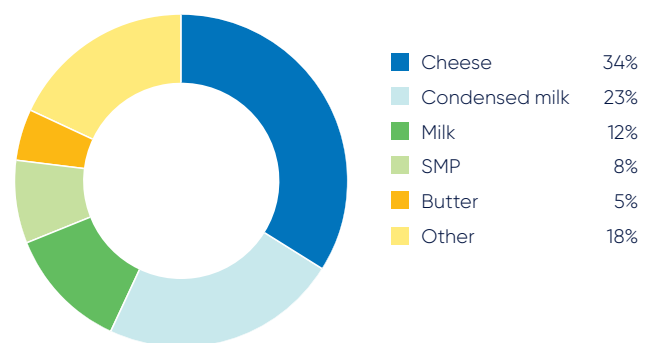


Table 1 Australia exports

Product group	Market share (US\$ %)		Volume ('000)		Value (million US\$)	
	2018/2019	2022/23	2018/2019	2022/23	2018/2019	2022/23
Milk	68.5	46.2	22.4	13.8	16.5	12.7
Condensed Milk	57.2	62.8	6.6	11.1	13.1	25.5
Cheese	27.4	22.1	7.7	6.3	35.7	37.6
Whey Powder	3.8	2.6	5.2	3.1	5.8	4.5
SMP	5.1	2.1	9.1	2.3	18.0	8.5
Total Imports	8.3	6.5	55.4	39.7	111.9	109.4

Table 2 Dairy tariffs

Tariff category	Product category	Applied tariff %
0401	Milk and cream, not concentrated nor containing added sugar or other sweetening matter.	0.0%
0402	In powder, granules or other solid forms, of a fat content, by weight, exceeding 1.5%.	0.0%
0405	Butter and other fats and oils derived from milk; dairy spreads.	0.0%
0406	Cheese and curd.	0.0%

Applied tariffs are drawn from Integration Point. Where Australia does not have a specific tariff agreement in place, the applied rate for qualifying product is the MFN rate. Where a specific tariff agreement exists, the applied rate for qualifying product is as per that agreement. The countries with specific agreements in place are: China (ChAFTA), Indonesia (AANZFTA), Japan (JAEPA), The Republic of Korea (KAFTA), Malaysia (MAFTA), Philippines (AANZFTA), Singapore (SAFTA), Philippines (TAFTA), and the USA (AUSFTA).

Further information

Email isabel.dando@dairyaustralia.com.au or call 03 9694 3876.

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Dairy Australia Limited ABN 60 105 227 987
 E enquiries@dairyaustralia.com.au
 T +61 3 9694 3777
 F +61 3 9694 3701
dairyaustralia.com.au