

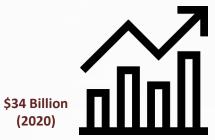
SOUTHEAST ASIA & CHINA MARKET TRENDS 2023: BAKERY



MARKET OVERVIEW: BAKERY

Bakery China Market

\$53 Billion (2025)

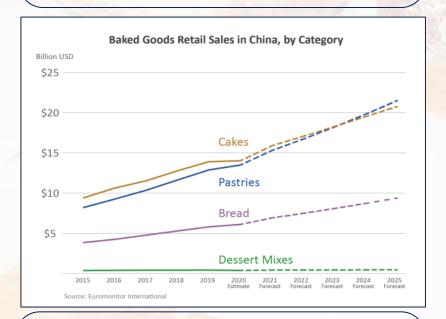


China's bakery sector has been rising middle class. convenient food options. 1

expanding rapidly in recent years, underpinned by the country's ongoing Westernization of lifestyles and diets, and increasing demand for

volume demand.²

Bakery products are food items which are made up of various ingredients like flour, salt, sugar, butter, water, etc. The major bakery products are cakes, bread, biscuits, pastries, etc.²



In China pies and rusks are also consumed as a baked product. Due to changing eating habits and food trends of people, market of baked goods is characterized by a downward trend in terms of Chinese consumers are highly exposed to western bakery product like sweet and buttery product which is consumed in western countries. Many Asian competitors have saturated and highly competitive market of baked product in Chinese market 1

Key Players in China



China is emerging as an attractive market for bakery products, as the demand among Chinese consumers grows. The busy lifestyles and increasing incomes of urban Chinese consumers have led them to choose bakery products as convenient snacks between meals. 2



www. China's Rising Bakery Sector. (2021, January 11). USDA Foreign Agricultural Service. https://www.fas.usda.gov/data/china-s-rising-bakery-sector

²Bakery market in China will reach US\$ 81B by 2025 - reogma.). https://www.reogma.com/industryreports/bakery-market-in-china-will-reach-us-81b-by-2025/

MARKET OVERVIEW: BAKERY

Bakery Southeast Asia Market

Bread consumption in Southeast Asia increased by an average of 5% annually with Indonesia, Vietnam, and Thailand in the lead 1

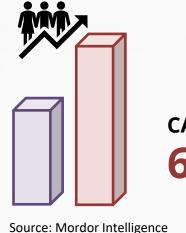




Southeast Asian consumer increasingly adopting Western-style diets with more wheat, highprotein, and energy dense food 1

Wheat import from Australia to Vietnam is expected to increase by 44% by 2030 1





PRODUCT TYPE²

CAGR:

6.60% (2018-2028)

higher incomes, urbanization, and westernization²

Demand for bakery products in Indonesia is growing steadily as

they are increasingly seen as meals rather than snacks,

driven by changing lifestyles,

Bread

Sweet Biscuit

Crackers and Savoury Biscuits

Cakes, Pastries, and **Sweet Pies**

Morning Goods







In Southeast Asia, consumers want value-added bakery products that offer health benefits, specific certifications, freshness, and innovative flavors. In response to this demand and the rising concern over obesity, the bakery industry in the region has increased the availability and variety of healthy baked goods.3



²Southeast Asia Bakery Products Market Size & Share Analysis - Industry Research Report - Growth Trends. (n.d.-b). https://www.mordorintelligence.com/industry-reports/southeast-asia-bakery-products-market

³Southeast Asia Bakery Products Market - Growth, Trends, and Forecasts (2023-2028). Research and Markets Ltd 2023.





KEY TRENDS

Key Trend 1: Specialty and Healthy Bakery Product

"The demand for natural and organic food products has risen significantly as consumers become more aware of the negative health effects associated with consuming synthetic food ingredients that do not meet government standards."



DPO INTERNATIONAL

Key Trend 1: Specialty and Healthy bakery Product

of consumers in the local bakery store stated that they are somewhat or extremely likely to choose healthier option for baked goods 1

Until 2022 the market of baked product in China has continued to grow in a healthy way due to highly urbanization, rising income, youth who adopt western diets to their diet plans and embrace modern and premium lifestyle 1

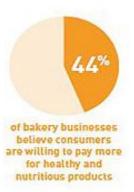
Chinese consumers are Health Oriented, so they want food product with quality like low sugar, high fiber, vitamin fortified so that the experts in China recognize the growth of bakery product in overall Chinese market ²

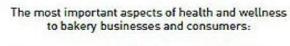
"82% are willing to spend more on healthier food" 3

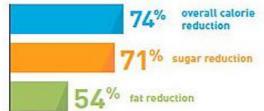




51%



















Whole wheat bread is also perceived to be a healthy product and is popular among the healthconscious elderly and young female consumers. Flavored varieties such as green tea or fruit breads are also performing well especially among children and teenagers ²

¹Bakery market in China will reach US\$ 81B by 2025 - reogma. https://www.reogma.com/industry

reports/bakery-market-in-china-will-reach-us-81b-by-2025/ USDA Foreign Agricultural Service.https:// www.fas.usda.gov/

data/commodities/baked-goods

Key Trend 1: Specialty and Healthy bakery Product

In Thailand, there is a growing preference for healthier baked goods, with bakeries offering low-fat, low-sugar, and whole grain options. This trend is fueled by a rising awareness of the significance of a balanced diet and the need to combat increasing rates of obesity and chronic diseases in the country.¹



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have specific dietary needs, and they will control or refuse to eat certain foods or ingredients²

"4 out of 5 Thai consumers were seeking a healthier diet- as a result gluten free baked goods have been on the rise²"

Key Drivers of Growth³:

- ✓ The increasing of convenience stores and supermarkets
- ✓ The rise of online shopping

Key challenges³



- The increasing cost of ingredients, particularly flour and sugar.
- Increasing competition from other snack options, such as street food and fast food

reterences:

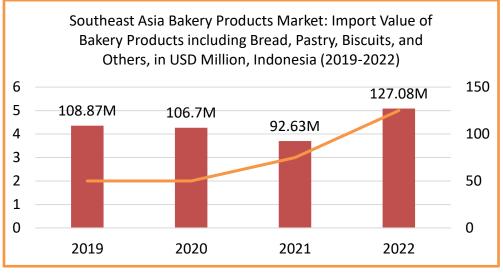
Bakery Products Market Size & Share Analysis - Industry Research Report - Growth Trends (2022)/bakery-products-market

²Goods. USDA Foreign Agricultural Service.https:// www.fas.usda.gov/ data/commodities/baked-goods Bake

3www. magazinebbm.com/blog/thailands

Thai bakeries not only prioritize health-conscious products but also showcase a diverse range of flavors and ingredients, including traditional Thai elements. By incorporating these local flavors, Thai bakeries distinguish themselves from international competitors and contribute to the promotion of Thai cuisine to a broader audience.¹

Key Trend 1: Specialty and Healthy bakery Product



Source: Research&Markets

The demand for bakery product in Indonesia is continuously increasing because people recognize them as a meal rather than a snack. This increased consumption is also augmented by the consumers' changing lifestyles, income improvement, urbanization, and westernization¹



References:

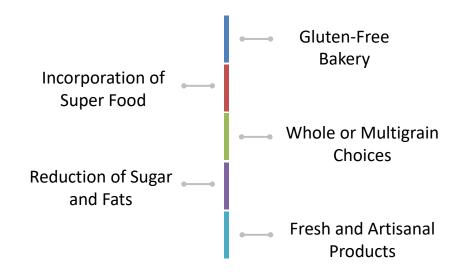
kedGoods. USDA Foreign Agricultural Service.https:// www.fas.usda.gov data/commodities/baked-goods Bake

Bakery Products Market. (n.d.). https://www.futuremarketinsights.com/reports/bakery products-market





PROSPECTS & OPPORTUNITIES1



- 2 Consumers in the country have different preferences for bakery products as per their income. For instance:
 - High-end consumers prefer western bread and pastries
 - Upper-middle-income group prefers Japanese and Asian
 - Lower-middle group prefers local sweetbreads and white bread

Key Trend 1: Specialty and Healthy bakery Product



Whole Grain Thin Sliced Breads-24oz

This High in Fibre bread with combinations of 15 types of grain will provide your day's worth of 100% whole grain & 32% dietary fiber.

- Good Source of Fibre
- Product of United States

Ingredients: *Whole Wheat Flour, Water, *Wheat Starch, Chicory Root Fiber, Sugarcane Fiber, Wheat Gluten, *Sugar, *Yeast, Contains 2 Percent or Less of: Soybean Oil, Unsulphured Molasses, Wheat Bran, Nonfat Milk (Adds a Trivial Amount of Cholesterol)

Key Trend 1: Specialty and Healthy bakery Product



Le'Natura: Oat Biscuit (Stevia, Low GI, Low Sugar, High Fiber) –ChocolateFlavor-

- Le'Natura Wholesome Fibre Biscuits with Chocolate is a Certified Low Glycemic Index (GI) biscuits which is made from Oat, Wheat Bran and Stevia Leaf extract to support good health. Delight your taste buds with rich, deep and bittersweet of dark chocolate powder.
- Product of Malaysia
- Halal Certified

KEY TRENDS

Key Trend 2: Frozen Bakery Products

Asian countries such as China are undergoing great social and economic changes with rapid urbanization and the growing middle-class consumers are influenced by the western culture and thus moving towards more of **Frozen foods option.**

In this topic, the trends will be covered for:





China

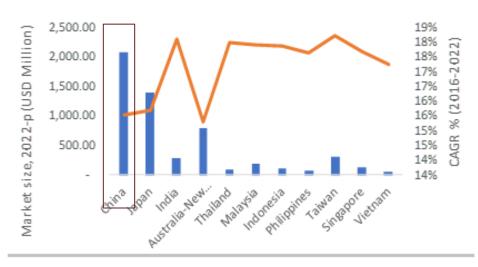
Vietnam

Key Trend 2: Frozen bakery Product



Emerging economies such as China, India and South America are expected to offer growth opportunities for the next 6 years in the market¹

Asia-Pacific: Frozen bakery products Market size, by Country:



The changing lifestyle, with an **increase** in the number of **working women**, is also driving the growth of the frozen food market²



Source: Company Press Releases, Annual Reports, Expert Interviews, and MarketsandMarkets Analysis

MARKET DYNAMICS¹

Drivers:

- ✓ Rise in Demands for Convenience Food Products
- ✓ Anytime availability of Seasonal & Regional food

Restraints:

 Rise in preferences for conventional, freshly baked product

Opportunities:

✓ Adoption of Individual Quick Freezing (IQF) technology to maintain freshness of frozen products

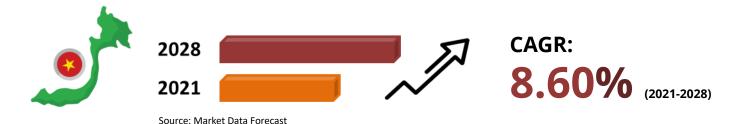




¹Malaysian Bakery Industry 2022-2026. (n.d.). https://www.r eportlinker.com/reportsummary/Cereal-Products/Malaysian-Bakery-Industry.html ²Frozen Food Market Size, Share, Analysis | Forecast 2032. (n.d.). Allied Market Research. https://www. Allied marketresearch.com/frozen-food-market



Key Trend: Frozen Bakery Product



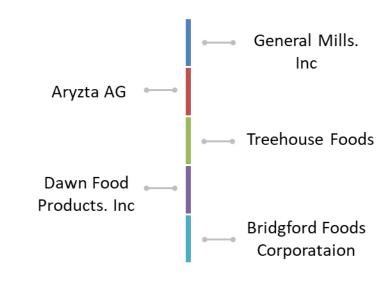
Frozen bakery product usually comprises pizza crust, types of breads, pastries, doughnuts and others that can be obtained from rice, wheat, bran, corn and else².





The frozen bakery market is experiencing significant growth due to busy schedules and increasing awareness of nutritional values among the Asian population. This growth is expected to continue in the foreseeable future²

KEY PLAYERS IN THE MARKET¹





References

Key Trend: Frozen Bakery Product



Lazat Curry Puff Frozen Chicken (10pcs)

Lazat Frozen Chicken Curry Puff are hand-rolled and hand-crimped in small batches from scratch, using only the freshest of herbs, spices and ingredients. Long lasting quality in ensured by products being blast-frozen immediately upon production.

- ✓ Halal Certified
- ✓ Frozen Product
- Product of Malaysia

Ingredients: Springroll Pastry, Chicken, Onion,

*Vegetable Oil, *Sugar, *Spices and Salt

Key Trend: Frozen Bakery Product



Bridor Frozen Croissants (60g x 6)

The iconic croissant: a beautiful golden colour, crisp, moist, and meltingly smooth, with a final note of caramel. The Eclat du Terroir croissant is one of a kind.

- ✓ Halal Certified
- ✓ Frozen Product
- Product of France

Ingredients: *Wheatflour (contains Gluten), Water, Butter (Milk) (24%), *Sugar, *Dried Wheat Gluten, *Yeast, Dried Whole Milk, Pasteurised Egg, *Salt

Key Trend: Frozen Bakery Product



M&S 12 Mini All Butter Pastries Ready to Bake Frozen

- Ready to Bake & Enjoy, Bring the bakery home with these mini croissants, pains au chocolat and pains aux raisins, Cooks in 18 Minutes.
- Cook Straight from the Freezer, suitable for vegetarians.
- Frozen product
- Product of France
- **Ingredients: ***Wheatflour (contains Gluten), Water, Butter (Milk) (24%), *Sugar, *Dried Wheat Gluten, *Yeast, Dried Whole Milk, Pasteurised Egg, *Salt, Dried Fermented Wheatflour (contains Gluten), *Flour

Treatment Agent: Ascorbic Acid

Key Trend 3: Halal Bakery Products

"Experts have identified Indonesia and China as key markets for halal food and beverage (F&B) brands seeking to expand their products internationally after the COVID-19 pandemic."

In this topic, the trends will be covered for:







Key Trend 3: Halal Bakery Product



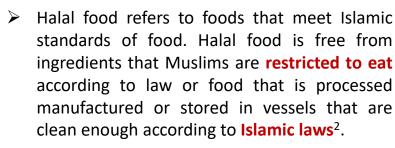


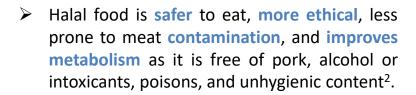
China's halal food industry is in a stage of rapid growth with promising development prospects¹



China Market Size of Halal Food Industry

US\$103 Billion







Muslim population only eat halal food and prefer buying products with halal certification. non-Muslim consumers are not excluded from halal products. For certain products, such as milk, is accepted throughout China that those certification with halal represent a higher quality standard¹



References:

¹Briefing, C. (2022, August 26). How Halal Products Are Certified and Labeled in China. China Briefing News. https://www.china-briefing.com/news/halal-certification-procedures-in-china/
²WhatsHalal. (2018, September 7). How Halal Food Benefits You - WhatsHalal - Medium.

Medium. https://m edium.com/@wha tshalal/how-halal-food-benefits-you-db12991c1500

Key Trend 3: Halal Bakery Product

"The internationalization opportunity for foreign brands in Indonesia is very prominent as the country is already seeing **US\$16.9billion** of Halal foods being imported, a number expected to grow **2.2%** to hit **US\$19.2billion** in 2024³.



The Southeast Asian bakery products market is seeing an **increasing demand** for value-added products, particularly those that offer health benefits, specific certifications such as **halal and kosher**, freshness, and innovative flavors².

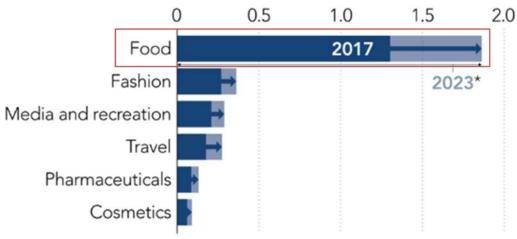
In 2021, the German-Indonesian Chamber of Industry and Commerce reported over 640 registered bakery product companies in Indonesia, encompassing both small and large enterprises. This indicates substantial growth in the Indonesian bakery industry and heightened market competition.



References:

¹WhatsHalal. (2018, September 7). How Halal Food Benefits You - WhatsHalal - Medium. Medium. https://medium.com/@whatshalal/how-halal-food-benefits-you-db12991c1500 ²WhatsHalal. (2018, September 7). How Halal Food Benefits You - WhatsHalal - Medium. Medium. https://medium.com/@whatshalal/how-halal-food-benefits-you-db12991c1500

Growth of the halal economy (in trillions of dollars)



*Projection Source: State of the Global Islamic Economy Report 2018/19

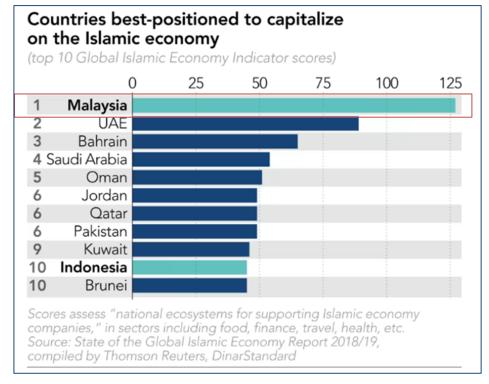


The demand for bakery products is rising in Indonesia as consumers view them as meals rather than just snacks. This increase in consumption can be attributed to changing lifestyles, higher incomes, urbanization, and western influences.



Consumers are now seeking unique offerings that fulfill halal requirements and offer authentic Indonesian flavors¹.

Key Trend 3: Halal Bakery Product





Malaysia ranks first among countries best-positioned to seize opportunities in the Islamic economy, according to a 2018-2019 report by Thomson Reuters and DinarStandard that makes the \$3 trillion projection¹

Halal Malaysia Logo





Growth Factor²:

✓ The <u>rising Muslim population</u> across the world is significantly contributing to the growth of the halal food market.



- The <u>increasing demand</u> for halal-certified food among Muslims is due to the assurance of food safety and hygiene.
- ✓ <u>Technological advancements</u> in halal food items, such as the use of halal laboratories for food safety analysis and quality standards, along with the implementation of blockchain and Internet of Things (IoT), are key trends driving the growth of the Halal market.

References:

¹Writer, S. (2022, April 9). Malaysia ranks as top Islamic economy for 9th straight year. Nikkei Asia. https://asia.nikkei.com/Economy/Malaysia-ranks-as-top-Islamic-economy-for-9th-straight-year ²Rahman, R. A. (2021, April 30). Halal Principles as one of Food Safety Measurements. FFTC Agricultural Policy Platform (FFTC-AP). https://ap.fftc.org.tw/article/2731

Key Trend 3: Halal Bakery Product



Kjeldsens Butter Cookies (454g) HALAL Biscuits

- Superbly crunchy and yet it packed sensational rich butter aroma. The cookies offer irresistible taste and textures and symbolize the highest quality of butter cookies.
- A dazzling assortment of rich gourmet butter cookies. They're a classy addition to your afternoon tea or as part of a spread for guests of family
- Product of Indonesia
- Halal Certified

Ingredients: *Wheat Flour, Palm Olein, *Sugar, *Butter, *Egg, *Full Cream Milk Powder, Raisins, Permitted Flavouring and *Raising Agent [Sodium Bicarbonate (E500ii)

Key Trend 3: Halal Bakery Product



Kawan Puff Pastry Square 40g x 10

- Originally from France, puff pastries are light, leavened pastry made in layers that expand when cooked, leaving large air pockets inside for sweet or savory fillings. The delicate flaky texture of Kawan puff pastry, when paired with its scrumptious buttery aroma, is more than enough to make it a crowd favorite.
- Frozen product
- Product of Malaysia
- Ingredients: *Wheat flour (47%), Water, *Margerine, *Soy Lecithin (E322), and Polyglycerol Polyricinoleatte (E476), Permitted Flavouring, Permitted Preservatives, *Citric Acid, Permitted Colouring (Craotenes [E160a]) and *Salt.

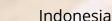
Key Trend 4: Savoury Bakery Products

"Flavour innovation plays a vital role in the global snack industry, and consumers in Asia are increasingly embracing the concept of sweet and salty flavored snacks."

In this topic, the trends will be covered for:

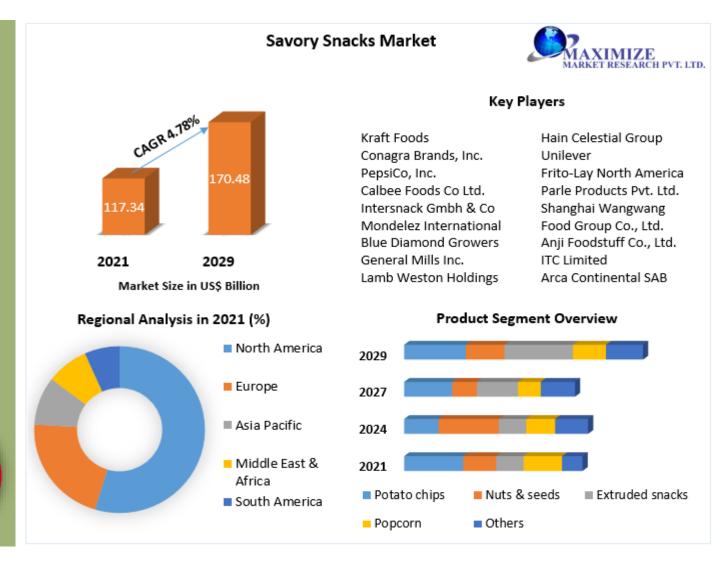


China





Key Trend 4: Savoury Bakery Product



The growing popularity of baked foods among consumers and increasing consumption of low-calorie snack items are the key drivers driving the growth of the global savory snacks market.



The food processors offering savory snacks that are generally baked or fried. snack Savory items, example, chips, nuts & seeds, salted biscuits, cookies are popular among consumers globally.



References:

¹Maximize Market Research Pvt Ltd. (2023, April 28). Savory Snacks Market: Global Industry Analysis and Forecast (2022-2029). MAXIMIZE MARKET RESEARCH. https://www.maximizemarketresearch.com/market-report/global-savory-snacks-market/54498/

Key Trend 4: Savoury Bakery Product

Asia is home for 4/5 of the world's top innovators in Salty Snacks¹



China leads in salty snacks innovation, accounting for 11% of the world's salty snacks product launches in 2018*. The US follows with 8%, India with 7%, and **Indonesia** and Japan both with 5% each—rounding up the world's top five salty snacks innovators¹.



- The presence of numerous manufacturers in the region is expected to fuel the growth of the savory snacks market¹.
- One area of growth for the global snack industry lies in Flavor Migration¹

For example:

chocolate-flavored salty snacks that were originally popularised in the US are now proving to be more popular in Asia²

Mintel² research reveals that twofifths **(40%)** of urban Indonesians would like to try dishes with a combination of sweet and savoury flavours



References:

¹www. Maximize Market Research Pvt Ltd. (2023, April 28). Savory Snacks Market: Global Industry Analysis and Forecast (2022-2029)

 2 Ingredients to watch in bakery, snacks and cereals. (n.d.). Mintel. https://www.mintel.com/food-and-drink-market-news/ingredients-to-watch-in-bakery-

snacks-and-cerea

Key Trend 4: Savoury Bakery Product



Munchy's Lexus Sandwich Biscuit 190-200g

- LEXUS, the calcium vegetable cracker sandwich-packed with smooth and creamy indulgent fillings, is the perfect blend of sweet and savory. Frozen product
- Packed in small and convenient packets, it allows you to snack any time, be it at work or at home.
- Find delight in everyday routine. Delight in life's smaller pleasures with LEXUS.
- Product of Malaysia
- Ingredients: *Wheat Flour, *Vegetable Fat (Palm Oil), *Sugar, *Maltodextrin, *Cocoa Powder, Lactose, Starch, Whey Powder, Raising Agents {Ammonium Bicarbonate [E503 (ii)], *Sodium Bicarbonate [E500 (ii)], Disodium Diphosphate [E450 (i)]}, Calcium Carbonate, *Salt, *Milk Powder, Flavourings Permitted Flavour Enhancer, Emulsifer-Lecithin (E322), Butter (Milk Fat) and Dehydrated Vegetable.

Key Trend 4: Savoury Bakery Product



Gardenia Bun Sambal Bilis 60g, RM1.50

- Spicy Traditionsl galore, a delicious combination with the soft & fluffy bun for the spicy and savoury lover out there.
- Imagine biting into clouds! Gardenia's super soft Fluffy Buns are exactly that! Perfect for sharing with your loved ones or even enjoying it all by yourself!
- Product of Malaysia

Ingredients: Unbleached Flour, Water, Red Onion, Vegetable Fat, *Sugar, Wheat Protein, Anchovies, Dough Conditioner, *Yeast, Dried Chilies, *Salt, *Milk Powder, Tamarind.





To know more about the featured ingredients in this market trends report as well as how you can create better food products for your consumers, contact our

Food & Beverage Intelligence (FBi) team.

Email: info@dpointernational.com

Web: <u>www.dpointernational.com</u>



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GLOBAL MARKET TRENDS 2023: BAKERY

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THANK YOU