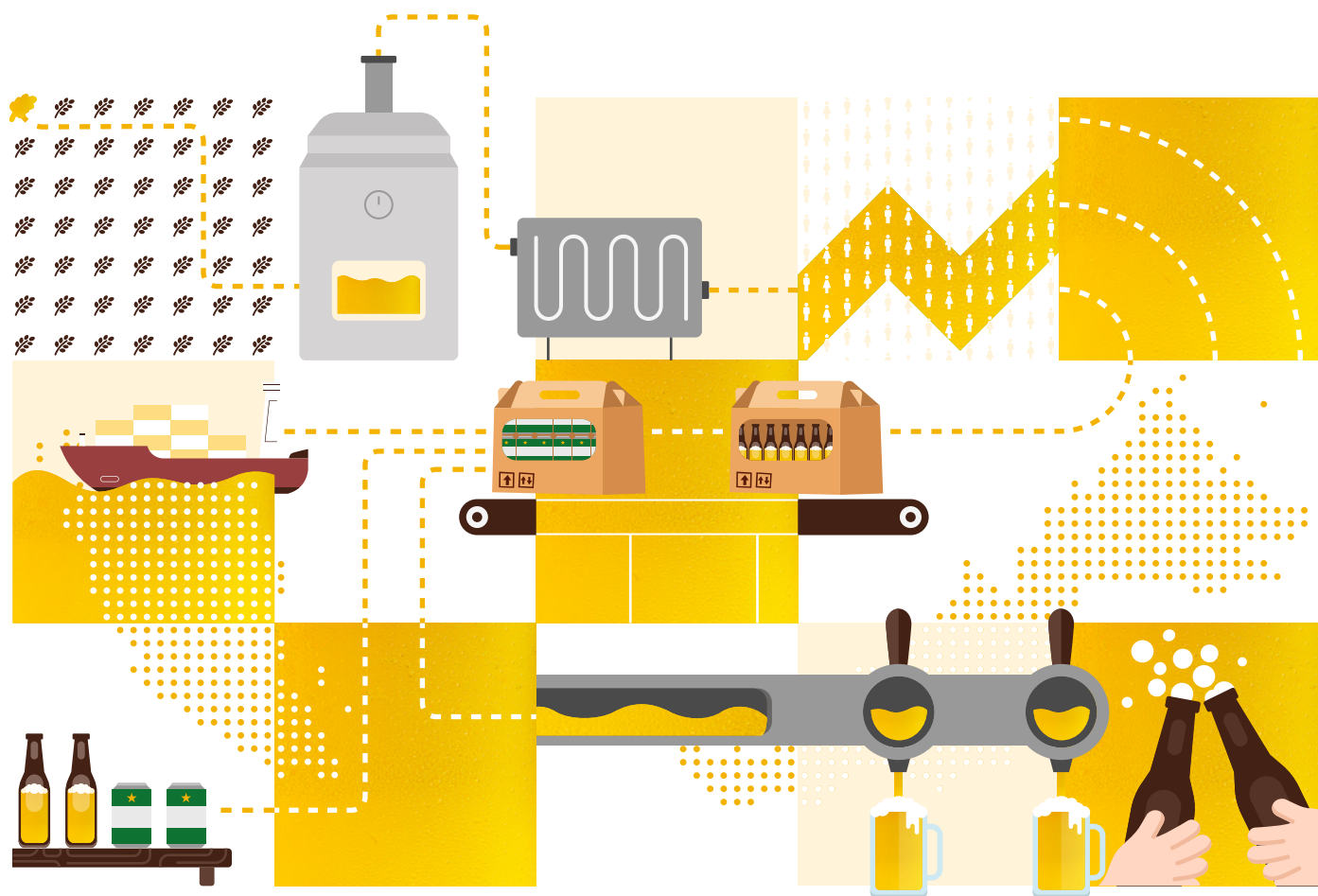


Economic Impact Assessment of Brewing Industry In Malaysia

2025



Commissioned by:



Developed by:



This study was developed by the Southeast Asia Public Policy Institute in collaboration with the University of Nottingham Malaysia, commissioned by the Confederation of Malaysian Brewers Berhad (CMBB) comprising of Carlsberg Brewery Malaysia Berhad and Heineken Malaysia Berhad.

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About the Study

The study evaluates the impact of CMBB on Malaysia across economic, social, and environmental dimensions. It also examines the brewing industry under different policy and market scenarios to assess potential effects on the industry and the wider economy.

Methodology

The analysis applies an Input-Output (IO) model to quantify inter-sectoral linkages and measure the impact of CMBB's activities on the economy, treasury, and employment across the value chain.

CMBB Governing Council Foreword

On behalf of the Confederation of Malaysian Brewers Berhad (CMBB), we are pleased to present this economic contribution paper (the report) as a reflection of our shared commitment to responsible brewing and delivering sustainable economic impact.

Founded in 2005, the CMBB made up of Carlsberg Brewery Malaysia Berhad and Heineken Malaysia Berhad represents the unified voice of the Malaysian beer and stout industry. CMBB has played a leading role in shaping a progressive and sustainable brewing industry together with government agencies, key industry players, and other relevant stakeholders.

As we reflect on CMBB's progress since the last report in 2016, the journey has been shaped by significant challenges — from the aftermath of the pandemic and ongoing geopolitical conflicts to global economic uncertainties. Despite these uncertainties, CMBB has continued to persevere and deliver sustained value in supporting nation-building through manufacturing, the food & beverage and tourism sectors.

Beer industry impact to Malaysian economy

Between 2022 and 2023, CMBB contributed an average of MYR 7.1 billion annually to the Malaysian economy through salaries, taxes, and profits (*see page 4, Contribution to Economy*) – equivalent to 0.4% of the national gross domestic product (GDP), up from MYR 3.7 billion in 2016.

In terms of fiscal contribution, CMBB contributed an average of MYR 3.3 billion in taxes per year, representing 1.5% of Malaysia's total tax revenue (*see page 4, Contribution to Treasury*) during the same period, up from MYR 2.0 billion in 2016.

CMBB also plays a significant role in employment, supporting an average of 52,400 jobs annually, equivalent to 0.3% of total employment in Malaysia (*see page 4, Contribution to Employment*). Each CMBB role generates 43 additional jobs nationwide, highlighting its strong multiplier effect.

Governing Council Member
Stefano Clini
 Managing Director
 Carlsberg Brewery Malaysia Berhad

Impact of illicit trade

Illicit alcohol, particularly smuggled beer, poses an ongoing threat to Malaysia's fiscal stability. Malaysia already has one of the highest excise duties in the world. Any increase would fuel the illicit alcohol trade and negatively impact legitimate businesses and thousands of Malaysian jobs. Further tax hikes will widen the price gap between legal and illegal alcohol, particularly in East Malaysia, driving more consumers toward unregulated and potentially unsafe products.

Enforcement against smuggling and trade in illicit beer not only helps prevent government revenue loss but also supports the brewing industry in GDP growth and the sustainability of employment in the industry.

Strategic enforcement action is key to protecting the interests of the nation, the brewing industry, and its entire value chain in Malaysia.

Our commitment to public – private collaboration

Brewers are significant contributors to Malaysia's economy— not only through taxes and excise duties but also driving employment and industrial activity across manufacturing, logistics, retail, and hospitality sectors. CMBB plays a strategic role in advancing national goals outlined in the Thirteenth Malaysia Plan (RMK 13), New Industrial Master Plan (NIMP 2030) and Circular Economy Blueprint for Solid Waste in Malaysia (2025-2035).

We applaud the Ministry of Finance for maintaining the excise duties for beer, the Ministry of Investment, Trade and Industry for continuous support for industry initiatives, the Royal Malaysia Customs Department for their steadfast enforcement against smuggling and illicit beers.

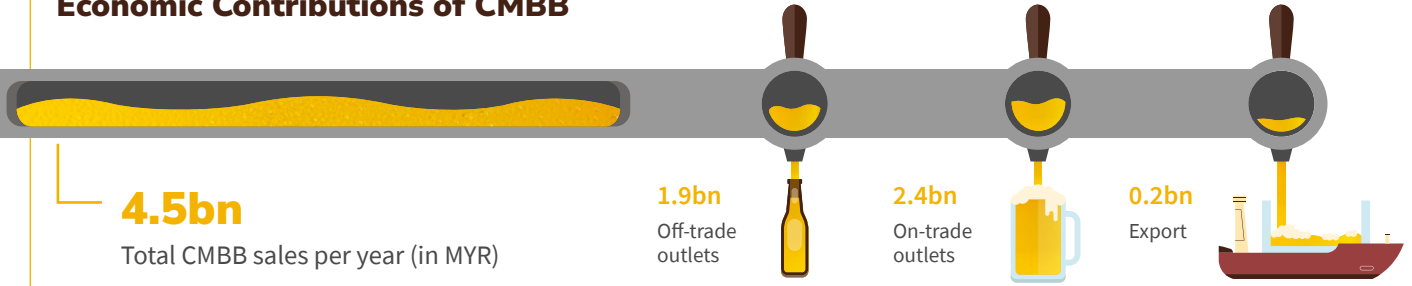
We look forward to further collaboration with the government to reinforce the brewers' economic contribution.

Governing Council Member
Martijn Rene van Keulen
 Managing Director
 Heineken Malaysia Berhad

Executive Summary

The Confederation of Malaysian Brewers Berhad (CMBB), consisting of two leading breweries—Carlsberg Brewery Malaysia Berhad and Heineken Malaysia Berhad have made significant contribution to Malaysia’s economy, environment, and community. This report highlights the **average annual impacts** of these contributions for the period 2022–2023.

Economic Contributions of CMBB



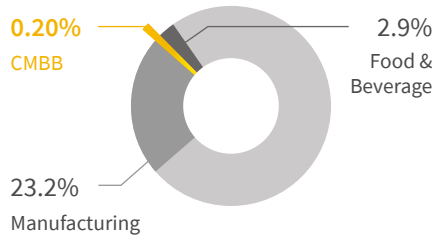
CMBB Direct GDP’s Comparison to Other Key Sectors

CMBB has achieved an annual growth rate of approximately **4.6%**

62 % of the beverage-sector GDP is represented by CMBB

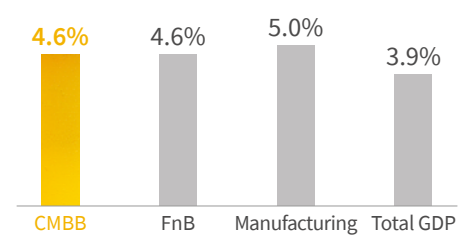
Contribution to GDP

Direct GDP impact from CMBB to overall GDP



Annual Growth Rate

Annual real growth rate between 2016 and 2022-2023



Source: Computed using CMBB data and data from Department of Statistics Malaysia

Contribution to Economy

Share to total Malaysia’s GDP (in MYR)



- **3.6bn** from direct activities
- **3.5bn** from indirect activities
 - └ 3.1 downstream
 - └ 0.4 upstream

Value added to the Economy (of total GDP)

2016:	0.3%	2022-23:	0.4%
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Contribution to Treasury

Share to total Malaysia’s tax revenue (in MYR)



- Per litre of beverage produced and sold
- **7.7 MYR** in taxes from CMBB
 - **2.9 MYR** in taxes from supply chain
 - └ 0.3 downstream
 - └ 2.6 upstream

Taxes revenue created (of total tax)

2016:	1.1%	2022-23:	1.5%
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Contribution to Employment

Jobs created along the supply chain



- **51.2k** indirect job along supply chain
- **1.2k** CMBB employee
- 1 CMBB job support 43 other jobs

*Due to the use of different calculation methods, the employment figure from 2016 is not comparable to the figures from 2022–2023.

Share to Malaysia’s Employment

2022-23: 0.3% of total labour force

Environmental Contributions



- Reduced water usage in brewery by **12%** in 2024
- Managed **4,386 tCO₂e** emissions from natural gas and biogas in 2024



- **209%** water balanced via water stewardship projects
- **100%** renewable electricity since March 2022
- **36%** reduction in emissions in production in FY2024 vs FY2022

Social Contributions



Created platforms to raise **940 mil MYR** for education institutions



12 mil MYR spent to educate public on responsible drinking behaviours

Confederation of Malaysian Brewers Berhad

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