



# The Ingredient Gap

China · Malaysia · Restaurants · Gourmet Foods

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INSIGHT REPORT

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**Brandmine**



## TERRAIN

# The Ingredient Gap

*By 2017, a food writer described Bottega Mediterranea as a brand where "trading is the major business" — the restaurant was the shop window. In Shanghai, a freight forwarder had structured his entire empire identically: logistics first, dining second. Two Italians, two cities, zero coordination. One discovery.*

### QUICK FACTS

<b>Scale</b>	Alimentari: 16 locations across 6 Chinese cities · Bottega Mediterranea: 4 locations across Malaysia
<b>Competitive Edge</b>	Import infrastructure — licences, cold chain, supplier relationships — accumulated over 10–20 years; unreplicable without equivalent time
<b>Core Challenge</b>	Asian supply chains cannot source authentic European ingredients at artisanal quality; founders become their own importers
<b>COVID Proof</b>	Hybrid import-restaurant models survived while pure-play restaurant chains closed permanently in both KL and Shanghai

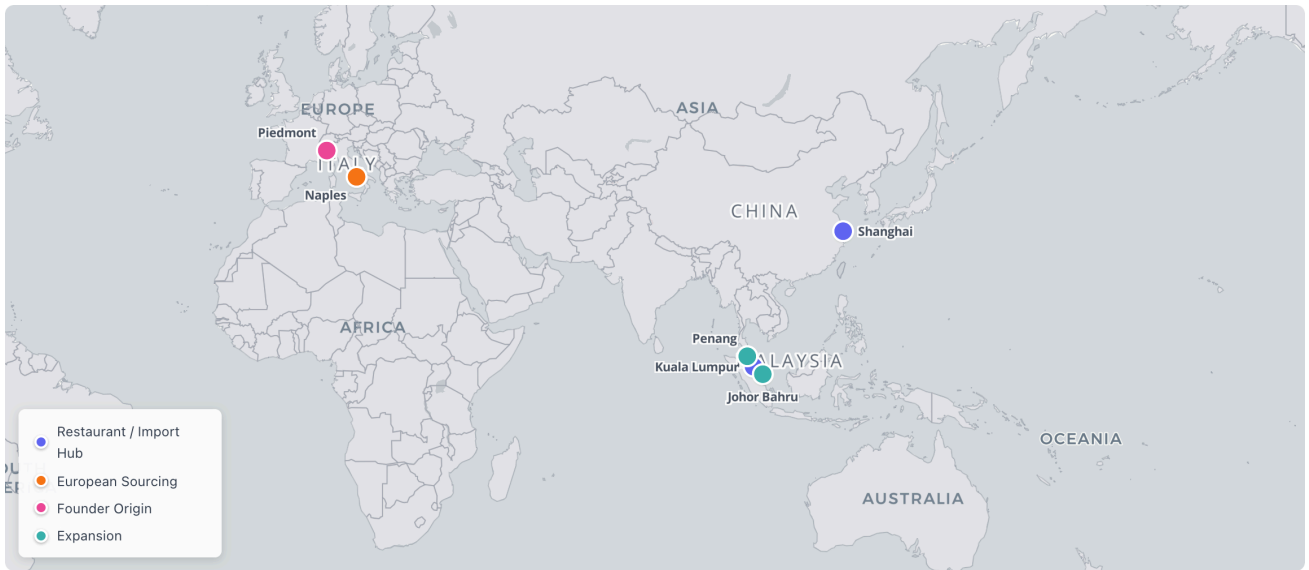
*"I could not find the produces that I was looking for. The local Malaysian suppliers could not match my request, therefore I decided to import it by myself, as simple as that."*

**Riccardo Ferrarotti**, Founder, Bottega Mediterranea

*Food For Thought, 2016*

<b>MARKETS:</b>	China · Malaysia
<b>SECTORS:</b>	Restaurants · Gourmet Foods
<b>BRANDS:</b>	Alimentari · Bottega Mediterranea
<b>FOUNDERS:</b>	Yuri Valazza · Riccardo Ferrarotti
<b>INSIGHTS:</b>	Vertical Integration: The Hidden Moat

# Geographic context



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Two Italian founders, two Pied countries, one structural discovery: the restaurant is the shop window; the import infrastructure is the business.

China — Alimentari operates twelve locations across five cities: Shanghai (headquarters and eight venues), Hangzhou (two locations since 2021), Beijing (Sanlitun T+ Mall, 2024), Nanjing (Grande format, 2025), and Shenzhen (Mulino at COCOPark, 2024). Its wholesale arm Finigate distributes imported Italian ingredients to institutional clients across fourteen Chinese cities — far beyond the five where Alimentari restaurants operate. Hong Kong is the next planned market entry.

Malaysia — Bottega Mediterranea expanded from a single Kuala Lumpur location (eleven years at 1A Jalan Ceylon) to four locations across four cities: KL, Penang (2022), Petaling Jaya (2023), and Johor Bahru (2024, ten minutes from the Singapore causeway). Weekly shipments from Italy, France, and Spain supply both its own kitchens and B2B clients across Malaysia's hospitality sector.

\* \* \*

*In October 2016, a Piedmontese chef gave a small Malaysian food blog an interview that contained a sentence no restaurant owner should need to say. "I could not find the produces that I was looking for. The local Malaysian suppliers could not match my request, therefore I decided to import it by myself, as simple as that."*

*The sentence is remarkable not for what it says about cooking but for what it reveals about business. Riccardo Ferrarotti was not describing a culinary decision. He was describing a logistics operation — one he had built because adapting his menu to inferior ingredients was not a concession he was prepared to make. What he did not know was that another Italian, operating out of Shanghai, had reached exactly the same conclusion eleven years earlier, and had structured an entire restaurant empire around it.*

# Why everyone adapts and almost no one builds

The problem both men encountered is structural, not personal. Authentic European cuisine — the kind built around specific regional ingredients, designated-origin olive oils, aged charcuterie from named producers, pasta made from particular wheat strains — requires a supply chain that most Asian markets simply do not have.

This is not a sourcing problem that money solves. A new restaurant operator in Shanghai or Kuala Lumpur cannot write a large cheque and receive Prosciutto di Parma from a specific Emilian producer, Parmigiano Reggiano aged to specification, or extra virgin olive oil from named estates in Puglia. The importers who handle these products in bulk deal in volume and speed, not provenance and quality. The cold chain infrastructure in many regional markets cannot maintain the temperature windows that premium European products require. The customs and labeling requirements in China alone — GACC facility registration, CFDA compliance, Chinese-language labeling, cold-chain certification — make casual importing economically irrational for anyone importing at small scale.

The rational response, and the one that almost every chef or restaurateur takes, is adaptation. Change the menu. Use what's available. Approximate the dish with local ingredients. Tell customers it's "Italian-inspired." This is not dishonesty — it is the pragmatic response to a structural constraint that cannot be wished away.

Yuri Valazza and Riccardo Ferrarotti both refused to adapt. They chose to build.

They did not know each other. They operated in different countries, different regulatory environments, different market contexts. One came from freight forwarding; the other from culinary training. They arrived at the same structural conclusion through entirely different routes and built different-looking businesses on top of identical foundations.

## The freight forwarder's gamble

Yuri Valazza arrived in Shanghai around 2005 with skills that had nothing to do with food. His professional background was in logistics: Atlantic Gate, his freight-forwarding operation, handled container booking, customs documentation, cold-chain management, and warehousing. He understood how goods moved across borders and what it actually cost to do it properly.

When he opened Feidan — a small imported food shop at 158 Anfu Lu (安福路) in Shanghai's former French Concession — the logic was not culinary but logistical. He could source Italian olive oil, cured meats, and cheeses directly from European producers and move them through Chinese customs at costs that local importers could not match. The margin advantage came not from any particular food expertise but from eliminating intermediaries who added cost without adding quality.

In 2007, Finigate launched as the dedicated import and distribution arm of what would become Popolo Group (波波洛集团). The restaurants came later, as demonstrations of what the supply chain could deliver. Gemma pizzeria opened in 2014 — nine years after Feidan. By then, Finigate already imported more than eight hundred European food products from over a hundred brands and distributed them across fourteen Chinese cities.

For seven years, the model served a narrow audience. Feidan's clientele was ninety percent expatriate — Europeans missing the groceries of home. Then China's food safety crisis reframed everything. Between 2012 and 2013, a cascade of scandals destroyed Chinese consumer trust in domestic food production — melamine-tainted milk powder had already killed infants and hospitalised thousands; reports of cadmium-contaminated rice, recycled cooking oil, and chemically manufactured food products created a sustained atmosphere of food anxiety that pushed the Chinese middle class toward imported products as a matter of safety, not luxury.

Yuri watched the transformation from his shop floor. Revenue at Feidan jumped thirty percent in a single year. The customer base shifted from ninety percent foreign to roughly fifty percent Chinese. What had been an expat grocery became a structural answer to a market-wide anxiety. His logistics infrastructure was already built to serve the demand that had just arrived.

The regulatory dimension deepened the moat over time rather than threatening it. Every new import requirement that China introduced — and it introduced them regularly — eliminated casual competitors before they could establish themselves. Finigate's accumulated clearance expertise, built across fifteen years of navigating regulatory change, constituted a barrier that no new entrant could purchase. The moat widened with each tightening of the rules.

## The chef who became his own importer

Riccardo Ferrarotti arrived in Kuala Lumpur in March 2008 not by strategic plan but through a business-partner referral after his Shanghai venture ended. He had trained in Piedmont, worked across Italy's regions, spent two years in Florida, won awards as head chef at Crowne Plaza Dubai's Al Fresco restaurant, and opened Frankie's Restaurant in Shanghai before the referral to Malaysia's Nero Group redirected his trajectory. His first impression of Kuala Lumpur was disorientation: "I was just out of Shanghai, with its skyscrapers, smog and traffic. So I touched down and my first thought was, 'where are all the buildings?'"

What kept him was something more specific than the food culture. It was a vacuum he could fill. As executive chef at Nerovivo and Neroteca — the city's most established Italian restaurants at the time — Ferrarotti rebuilt both kitchens within two years. But a fundamental problem persisted: Malaysian suppliers could not source the products his training demanded. The olive oils lacked regional character. The aged meats were industrial approximations. The cheeses were produced for volume, not flavour.

His solution was characteristically practical. He would import directly from Italy. What began as sourcing for his own professional requirements became Bottega Mediterranea, which opened in June 2011 at 1A Jalan Ceylon in Kuala Lumpur's Bukit Ceylon district. The concept was hybrid from the start: imported Mediterranean groceries and authentic Piedmontese dining in the same space. Weekly shipments from Italy, France, and Spain stocked shelves with products unavailable elsewhere in Malaysia.

The sourcing breadth became a competitive claim in its own right. By 2016, Ferrarotti was explicit about what he had built: "At Bottega Mediterranea we carry quite a few unique items such as Extra virgin olive oil from north to south: Garda, Trentino, Liguria, Veneto, Tuscany, Lazio, Apulia, and Sicily. No one — and I say no one — has a vast selection of EVOO like us." Eight Italian regions for olive oil alone. The full product range spanned virtually the entire peninsula — Piedmontese Toma cheese, Lombard bresaola, Emilian Prosciutto di Parma and Parmigiano Reggiano, Campanian pasta from Pastificio Liguori (established 1795), Sardinian Pecorino, Ligurian pesto from basil grown in Prà — alongside Spanish Ibérico and French foie gras.

By 2017, a visiting food writer captured what had happened in a single sentence: "trading is the major business for this brand, they do have a small counter that sells coffee and sandwiches for people working nearby." Ferrarotti had reached the same destination as Valazza — from the opposite direction, through kitchens rather than customs offices. The restaurant was the front door. The import business was the building behind it.

## Next door on the same street

Covid-19 proved the thesis in both markets simultaneously, and in the most concentrated way imaginable in Kuala Lumpur.

Bottega Mediterranea operates at 1A Jalan Ceylon. Nerovivo — the prestigious Italian restaurant where Ferrarotti had built his Malaysian reputation, the business that had been his professional anchor in the country — operated at 3A Jalan Ceylon. Same street, adjacent addresses. When Malaysia's Movement Control Order shut restaurants across the city from March 2020, both faced the same conditions.

Nerovivo closed permanently. It was a pure-play restaurant operation. There was no import buffer, no grocery hybrid, no B2B supply contracts generating revenue when the dining room went dark. The Nero Group, which had operated five venues across Kuala Lumpur at its peak, was finished. Neroteca had already closed in early January 2020, before the pandemic; Nerovivo followed during the MCO. The business that had defined Italian dining in Kuala Lumpur for over a decade did not survive the shutdown.

Bottega's dual model sustained it. The grocery and import arm continued operating when the restaurant tables were empty. The B2B wholesale business — supplying hotels and other restaurants across Malaysia with Italian products unavailable through standard distributors — provided revenue that a pure restaurant could not generate. The supply chain, built over nine years of single-location operation, was the shock absorber.

When restrictions lifted, Ferrarotti expanded. Penang opened in April 2022 at 76 Lebuhraya Muntri, a heritage shophouse in Georgetown. Petaling Jaya followed in 2023. Johor Bahru opened in 2024 — ten minutes from the causeway to Singapore, drawing Singaporean diners across the border. Three cities in three years, after eleven years of a single location. The patience had not been stubbornness. It had been infrastructure accumulation.

In Shanghai, the sixty-five-day lockdown of March to May 2022 applied the same pressure at greater scale. Element Fresh, an American casual dining chain with twenty years of Shanghai history, closed permanently. Sherpa's, the city's first foreign food delivery service and a fixture for twenty-three years, folded. Both were restaurant-first businesses. Finigate's institutional clients — other restaurants, retailers, and hotels across fourteen cities — continued generating revenue even when all eleven Popolo Group venues were simultaneously dark. Yuri stayed in Shanghai when eighty-five percent of the foreign business community was reconsidering its future in China. His logistics background, one colleague later observed, made disruption look cyclical rather than terminal. When lockdown ended, he did not recover to his pre-pandemic footprint. He expanded beyond it: twelve locations across five Chinese cities by 2025.

#### THE TRANSFORMATION

COVID confirmed the thesis. In KL, Bottega survived while Nerovivo — operating next door on the same street — closed permanently. In Shanghai, Finigate's B2B arm held revenue while veteran chains folded. Supply chain ownership determined who survived.

## The building behind the front door

The two businesses look different from the outside. Alimentari's scale is larger — twelve locations across two core restaurant formats (Grande and Mulino), Finigate distributing eight hundred-plus products across fourteen Chinese cities, a craft spirits importer (CIS), a coffee brand bearing Valazza's own name. Bottega is leaner — four locations, nineteen product categories, B2B supply to KL's hospitality sector, an own-label product line, e-commerce delivery across peninsular Malaysia.

Both men now supply competitors. This is the least intuitive aspect of what they have built. Bottega's weekly shipments from Italy, France, and Spain stock shelves in restaurants across Kuala Lumpur that compete directly with Bottega's own dining rooms. Finigate's distribution reaches institutional clients across fourteen Chinese cities, many of whom are competing restaurateurs. Both founders have built themselves into the supply chain that their competitors depend on.

This is not an accident of growth. It is the logical conclusion of owning the infrastructure rather than renting it. Once you have the import licence, the cold chain, the supplier relationships, and the volume, your marginal cost of serving one more B2B client is lower than a competitor's cost of building their own infrastructure from scratch. You become the market's importer, not just your own.

Neither man has disclosed B2B client names or revenue splits. Both guard the commercial specifics of the import arm — because the import arm is where the real value lives, and named clients would tell a competitor exactly what to target.

## The number investors get wrong

Any investor or distributor evaluating either business is likely looking at the wrong asset. Restaurant portfolio valuations — location count, revenue per seat, brand equity — describe the shop window. The supply chain underneath is what determines long-term defensibility.

Yuri Valazza has twenty years of GACC facility registration, CFDA compliance, cold-chain certification, and Chinese customs relationships. Each new import regulation that China introduces — and it introduces them regularly — benefits the operator who already clears them and eliminates the competitor who does not yet. Riccardo Ferrarotti has eighteen years of import licences, supplier relationships with producers stretching from Pastificio Liguori (established 1795) to Nonino in Friuli, and distribution reach from Kuala Lumpur to the Singapore border. In December 2024, he was still personally hand-carrying truffle ham on flights back from Italy — not because he had to, but because hands-on sourcing is how the relationships stay warm.

Neither moat can be purchased. Both require time — and time is the one input capital cannot compress.

New entrants to either market cannot acquire that position. They can hire logistics consultants, engage import agents, and establish supplier contacts. What they cannot do is compress the years of regulatory navigation, product knowledge, and B2B relationship-building into a startup timeline. The moat deepens every year it exists.

## What two founders proved

Two men. Two Asian cities. Two different professional backgrounds — one who had never worked in a kitchen, one who had spent his career in one. One discovery, made independently, that neither had planned to make when they arrived.

The restaurant was never the point. The supply chain was always the business. The founders who stay long enough to solve the ingredient gap for their own kitchen inevitably end up solving it for everyone else in the market — and collecting the margin for doing so.

### KEY TAKEAWAY

**The moat isn't the menu. It's the import licence, the cold chain, and two decades of supplier relationships.**

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## Transformation timeline

Two founders, two cities, twenty years apart — the supply chain that was never the plan but always became the empire.

● Setup ● Catalyst ● Struggle ● Crisis ● Breakthrough ● Triumph

**SETUP** 2005

### Valazza opens Feidan in Shanghai

Italian freight forwarder opens imported food shop at 158 Anfu Lu. Clientele is 90% expat. The import infrastructure, not the shop, is already the real product.

**CATALYST** 2007

### Finigate import arm launches

Dedicated import and distribution entity formalises what was always the core business. 800+ European products from 100+ brands — years before the first Popolo restaurant opens.

**CATALYST** 2011

### Bottega opens at 1A Jalan Ceylon

Piedmontese chef opens a hybrid grocery-restaurant after three years at Nero Group. Weekly Italian shipments fill shelves no Malaysian supplier could. The import corridor is built from day one.

**BREAKTHROUGH** 2012

### China food safety crisis reshapes the market

Melamine, cadmium, recycled oil: Chinese consumers lose trust in domestic food. Feidan's base shifts from 90% expat to ~50% Chinese. Revenue jumps 30%. The infrastructure was already in place.

**BREAKTHROUGH** 2017

### "Trading is the major business"

A food writer captures the thesis in one sentence: the restaurant is the shop window, the import business is the building behind it. Ferrarotti and Valazza have reached identical conclusions.

**CRISIS** 2020

### MCO: Nervivo closes, Bottega survives

Malaysia's Movement Control Order shuts dining rooms city-wide. Nervivo — at 3A Jalan Ceylon, next door — closes permanently. Bottega's grocery and B2B wholesale arm holds revenue while the restaurant is dark.

**CRISIS** 2022

### 65-day Shanghai lockdown tests the model

Element Fresh and Sherpa's close permanently. Finigate's B2B arm — serving restaurants and retailers across 14 cities — generates revenue while all 11 Popolo venues are simultaneously dark.

**TRIUMPH** 2022

### Expansion: Penang opens after 11 years at one location

Patience was infrastructure accumulation. Penang in April 2022, Petaling Jaya in 2023, Johor Bahru in 2024. Three cities in three years — one decade of supply-chain compounding now deployed.

**TRIUMPH** 2025

### Alimentari: 12 locations across 5 Chinese cities

Yuri stayed in Shanghai when 85% of the foreign business community reconsidered. Post-lockdown expansion beyond the pre-pandemic footprint: twelve locations, five cities, twenty years of regulatory moat.



# About this research

This report draws on 12 verified sources across 1 language. Each brand is assessed against Brandmine's six-phase story arc framework — from Setup through Crisis to Triumph. All dimension assessments are cross-validated against independent references.

*Full methodology at [brandmine.ai](https://brandmine.ai).*

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