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Food products to see higher exports

Shirene Shan

IN the first four months of the year, Malaysia's worldwide exports of food products reached RM1.17 billion. The figure for the entire year is set to increase beyond last year's figure of RM3.68 billion.

The government is encouraging the export of resource-based products, which include processed food. Towards this end, the Malaysia External Trade Development Corporation (Matrade) has planned several programmes to assist Malaysian exporters in expanding their global market share.

The national trade promotion agency has published a series of business handbooks on the rules and regulations for the export of food to countries like Japan, South Korea, China and the US.

The US, being one of the world's largest consumers of a wide range of food products, is a key market for Malaysian exporters in the food sector.

However, competition is intense, with the dominance of US partners in the North American Free Trade Agreement (Nafta) in many product categories while countries such as Thailand, Japan, Spain and Brazil are well entrenched.

Malaysia's exports of food products to the US are small compared to the nation's total imports of these products. The bulk of Malaysia's exports, valued at RM230 million of food products last year, comprise seafood, cocoa butter, fruit and cereals.

This relatively low export is attributed to the lack of awareness of the huge market, and the slow response of Malaysian exporters on the market and regulation needs such as the standard packaging for food product.

The business guidebook outlines the import regulations, standards requirements and useful contacts for Malaysian exporters.

For example, the US Food, Drug and Cosmetic Act (FD&C Act) governs food safety, labelling regulations and quality standards for imported food.

The FD&C Act requires all food manufacturers to implement good manufacturing practices for areas such as personnel, building, equipment and product process control.

The US Food Safety and Inspection Services (FSIS) is responsible for enforcing the Federal Meat Inspection Act and the Poultry Products Inspection Act.

According to Matrade's business guidebook on Rules and Regulations for the Export of Food to the US, the export of meat and meat products from Malaysia is presently not allowed into the US.

The Nutritional Labelling and Education Act requires nutrition labelling for most food products. Under the labels nutrition fact panel, it is mandatory for manufacturers to provide various information such as total calories, calories from fat, total fat, saturated fat and calcium.

The US has several laws to ensure the safety of imported food. In addition to these regulations, various authorities regulate the safety of food products exported to the US.

These authorities conduct a thorough pre-market clearance, mandatory production practices, plant inspection as well as random and on-going sampling of products.

To ensure that the Food and Drug Administration (FDA) is notified of all products (except meat and poultry, which is regulated by the US Department of Agriculture), the importer must file an entry notice and entry bond with the US Customs service. FDA will be notified by Customs of the food import. If FDA does not wish to examine the import, the product is allowed

to be distributed into the US.

Matrade also advises Malaysian exporters of food products who wish to export to the US market to develop relationship directly with food brokers, who act as sales agents for the companies.

Other avenues include meeting the companies' corporate buyers directly. Ideally, the most efficient method of meeting a large number of potential buyers would be to participate in a trade fair.

Prima Agri Sdn Bhd said its participation in international trade fairs coordinated by Matrade has been useful. The company plans to continue participating under Matrade's umbrella.

Among the international food fairs participated by Prima Agri are the Ethnic Foods 2000 in Birmingham, UK, HOFEX 2001 in Hong Kong, ANUGA in Cologne, and a trade fair in Japan organised by the Asean Centre in Tokyo.

Meanwhile, Alan Lim of Seiko Marine Products Sdn Bhd said he would attend the ANUGA Food Fair in October, which is under Matrade's coordination.

"Even before registering with Matrade, the agency has always kept our company informed of its activities. After registering with Matrade, we are periodically updated on the latest activities, food fairs around the world and their officers have also provided us with many overseas contacts which we find helpful.

"So far, Matrade's services have been enlightening. As for continuing to participate in Matrade coordinated trade fairs, we will have to see how ANUGA turns out for us, as this is our first food fair outside Malaysia," said Lim.

The company participated in the South Africa trade mission led by International Trade and Industry Minister Datuk Seri Rafidah Aziz in 1994 and a second South Africa trade mission led by Prime Minister Datuk Seri Dr Mahathir Mohamed in 1995. These events were organised by Matrade.

"It was worthwhile as it gave me insights about these countries and how to export my products to these markets. I made many contacts and since setting up my manufacturing company, I am now ready to renew my contacts with them with the hope of exporting my products to South Africa," added Lim.

Among the list of specialised international trade fairs on food products participated by Matrade in 2000 were the European Union (EU) Seafood Exposition in Brussels, Ethnic Food 2000 in Birmingham, SIAL 2000 in Beijing and Paris, and Fine Food Australia in Melbourne.

This year, Matrade organised missions to trade fairs such as HOFEX in Hong Kong in May. The ANUGA Food Fair in Frankfurt, Germany, will be held on Oct 13-17 and Fine Food Australia in November in Melbourne.

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