

Euro-Atlantic expands capacity with new operation

The specialist importer has moved into a new distribution centre to capitalise on the growth in the market for seasonal, high-value fruits

EURO-ATLANTIC, which specialises in importing so-called "exotic" fruit and vegetables such as berries and stonefruit, moved into a purpose-built new distribution centre on the outskirts of Kuala Lumpur towards the end of last year.

The facility comprises five coldroom units covering a total area of 3,000m² that are designed to store fruit at different temperature requirements as well as a packing area of 650m², according to managing director Ebby Loo.

"This new facility is double the size of our previous operation, which has been converted into our new seafood division," she says. "This operation gives us much greater storage capacity as well as better conditions for packaging product and maintaining the cold chain. In fact, it has been built to USDA specifications for the temperature-sensitive products that we handle such as strawberries, stonefruit and cherries."

The market for such exotic items has expanded significantly ever since major supermarket groups like Tesco and Carrefour began to enter the Malaysian market in the late 1990s – and Euro-Atlantic's business, which had been mainly focused on the hospitality trade up until that point – has grown in tandem.

"The new facility probably enables us to handle 30 per cent more product overall and it allows us to do more value-adding on our packing line for the retailers," says Ms Loo. "We're supplying most of the major retail chains here in Malaysia."

In addition to expanding its storage and packing capacity, Euro-Atlantic has also been introducing some exciting new items and supply origins to its product range over recent months, according to business manager Andre Loo.

"We handled Korean strawberries for the first time this year during their season of March/April and the response from the retail sector was very encouraging," he notes. "From late May/early June, we also plan to bring in several products from Taiwan, including guava, mangoes, wax apples and some exotic vegetables like white bitter gourd. This is a unique new range of products."

Euro-Atlantic is particularly keen to develop its sourcing from Korea, with plans to step up strawberry volumes next year from the 30,000 (300g) punnets handled in 2007. "The Korean strawberries are expensive compared with those from the US, Egypt or Australia, but then they're a different product," says Mr Loo. "They are Japanese varieties with a full-bodied aroma and sweet taste and each fruit is placed individually in the pack by hand, making the presentation more labour-intensive."

While retailing at a 20 per cent premium over strawberries from other sources, Korean product received a lot of repeat custom, which augurs well for next season,

according to Euro-Atlantic. "We did some sampling promotion work this year, but next year the Korean government is going to put its weight behind a campaign," he says.

Euro-Atlantic is also gearing up to import Korean grapes from Cheju Island in August. "We'll be handling the Campbell and Kyoho varieties, with all product airfreighted," says Mr Loo.

In addition to these new product lines, the company is enjoying double-digit year-on-year growth in sales of existing seasonal fruits such as stonefruit and cherries, he notes.



Euro-Atlantic is now handling Korean strawberries at its new DC (inset)

Indeed, Mr Loo is bullish about the market for high-value seasonal fruits in Malaysia, which is being driven by increased consumer awareness, strong purchasing power and above all the growth of the supermarket business. "The market is expanding all the time as new supermarket and hypermarket outlets open up, providing the opportunity to increase volumes," he says. "These stores are increasing their floor space for fresh produce and they have the refrigeration units to handle delicate fruits, so they're creating more shelf space." ■