

INTERVIEW
—Euro-Atlantic

New fruits tantalise consumers

KUALA LUMPUR—Euro-Atlantic's procurement team, led by Ebby Loo, offers valuable insight into the latest trends and new fruits making headway in Malaysia's fresh produce market.

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How has the economy been performing in recent months, and how has this influenced demand for imported fruits?

Procurement team: The Malaysian economy has been rather stable lately with our currency being stronger since last year. Similar to previous years, the first quarter of this year has been steady and seen really good sales, as compared to the end of the year (October to December period) thanks to two main factors: first, customers just got their annual bonus, hence, having a higher spending power. Second, festivities help push sales. Generally, customers purchase more during the festivities. The nearly 7m Malaysians celebrating Chinese New Year this year is a major contributing factor to the good sales.

Several years ago the introduction of a new goods tax resulted in an austerity drive by Malaysian consumers that hit demand for imported goods. Has the situation improved?

PT: The Goods & Services Tax has been replaced with the Sales & Service Tax, but luckily for us, fresh produce items are not taxable under both, so this tax has no impact on our goods. It only applies to processed foods and selected seafood products.

However, this change in tax increases a small percentage of our cost when it comes to packaging, transportation, customs clearance, and other miscellaneous fees. For example, we will now have to pay a 6 per cent tax for the clearance of goods.

Which imported fruit products and suppliers have

been performing well on the import market and why?

PT: Korean strawberries, Italian kiwifruit, South African blueberries, US, Australian and New Zealand cherries, and US and Australian air-flown grapes have been performing well. Sales have increased 30 per cent from previous years, mainly in the retail sector because of the high demand and competitive price in the market.

A decade ago, these fruits were a rare sight in Malaysia, labelled as 'premium' with over-the-top prices. Over the years, Malaysians have slowly become accustomed to these fruits, causing an increase in demand. Production volume has increased while prices have decreased through the years. Now everyone can afford them.

Can you comment on Malaysia's imported cherry market and if this is a growth commodity?

PT: Yes, cherries are definitely a growth commodity as they have been doing very well in the Malaysian market. Cherries were slowly becoming popular ten years ago

and the demand has been increasing by leaps and bounds every year. Malaysians are being more exposed and educated to consume cherries because of its nutritional benefits and hype about the fruit. Every season, we continue to do promotional activities which helps to push for more sales. Additionally, consumers are now willing to spend on more expensive fruits like cherries.

On a side note, cherries are seasonal fruits (available only during December to March and May till September). We are looking out for exporters who are able to provide cherries from various origins all year round.





Have there been any imported produce market access issues or supply disruptions this year?

PT: Some issues we faced this season were shortages and inconsistent crops due to the volatile weather, namely for Korean strawberries and cherries. As a result, the fruits have a shorter shelf-life.

Besides that, we also face a delay in arrival for air-flown products. The Chinese New Year festivities caused flights to be packed, forcing some of our products to arrive later.

Are you seeing any new products and suppliers enter the import market? If so, which ones do you

feel hold the most potential?

PT: The South American pitahaya (yellow dragon fruit) is being introduced in the market lately and is starting to gain popularity. We have yet to import pitahaya as it still very new. Although it is popular, much awareness building and promotion still need to be done as its popularity is at an infant stage and production volume is also low as growers are still experimenting with the crops, causing its price to be high.

The Korean and Australian Dinosaur melon shows promise. In Korea, it is called 'Baekja' and it's sometimes labelled Dinosaur or Ivory Gaya melon in Australia and Malaysia.

We also see some Turkish and Spanish fresh figs, and those locally-grown in greenhouses are starting to bloom in Malaysia. While it is a rather common fruit in the Middle East and Western countries, this fruit is still not as popular locally yet, as these are mostly sold in higher-end stores. Most Malaysians have never eaten fresh figs while some have only tasted the dried ones.

We feel the Dinosaur melon will be the most popular for now. It is the perfect cream-coloured, sweet, soft, juicy and refreshing treat for the young and old alike. Its production volume is much higher than

pitahayas as it is grown in almost ten countries, while it is more widely available than fresh figs.

What are the big issues in the import market right now?

PT: There was a listeria outbreak linked to Queensland's rockmelons early last year which halted imports. Malaysians have not been able to enjoy the fruit for a few months. We only started importing them from November last year (eight months after the incident).

Numerous packets of strawberries grown in Queensland and Western Australia were found to be contaminated with needles late last year. Because of this, the Australian authorities started screening all shipments which has increased charges and challenges on the export process.

An e-coli infection linked to US Romaine lettuce affected sales of Romaine lettuces from other origins too. This led the Malaysian Ministry of Health to do more spot checks. However, this outbreak was over as of January 2019.

What is happening in the retail sector? Are there any major developments here?

PT: Many new stores are opening up, particularly Village Grocer and Jaya Grocer. These two retailers have been expanding at such a rapid pace the past year, mushrooming in strategic locations all over Malaysia. Village Grocer itself has opened up three new stores since January and is in the verge of opening up more.

OPPOSITE—Korean strawberries, a rare sight in Malaysia a decade ago, are now one of the most popular imported fruits on the market

CENTRE—Italian kiwifruit is a growth import commodity

ABOVE—US and Australian grapes are imported by air

BELOW—Dinosaur melons from Korea and Australia are new to the market and becoming increasingly popular

