

Indonesia, Australia agree to reactivate IA-CEPA



Australian Prime Minister Malcolm Turnbull (L) shakes hands with Indonesian President Joko Widodo at the presidential palace in Jakarta, Indonesia November 12, 2015. REUTERS/DARREN WHITESIDE

Jakarta (17/3/2016) - Indonesia and Australia have agreed to reactivate the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) to develop mutually beneficial cooperation that encourages creativity and innovation.

"Indonesia and Australia will ensure that IA-CEPA runs comprehensively and produces maximum results in the trading of goods and services, as well as investment and economic cooperation to balance benefits to the two parties," Indonesian Trade Minister Thomas Lembong said in a press release received here on Thursday.

Thomas said the agreement must also be built by paying attention to multilateral and regional agreements and negotiations that have been carried out by Indonesia and Australia.

He met with the Australian Minister of Trade and Investment Steven Ciobo and Australian special envoy for trade Andrew Robb at the Parliament House in Canberra, Australia, on Wednesday.

Thomas and Ciobo said bilateral trade and investment between Indonesia and Australia could be developed further because economically Indonesia and Australia are complementary in addition to geographical proximity between the two countries. *To the next page...*

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INDONESIA THIS WEEK

During the initial stage, the two countries agreed to exchange the results that have been gained from the free trade deals.

Thomas and Ciobo also expressed their satisfaction with the results of the initial identification carried out by the negotiating teams, including on meat and cattle, expertise, financial services, professional services, processed foods, food and drugs standards, agriculture, designs, infrastructure and education.

"The result of the initial identification reiterates the importance of IA-CEPA and other projects that may be made through future deals," Thomas remarked.

Thomas and Ciobo said they have instructed the officials concerned to work based on the initial identification so that a final understanding can be achieved immediately at the end of this year.

The success of this cooperation agreement would become a new platform that will result in Indonesia and Australia

having modern and dynamic trade relations and Thomas said it would also reflect the deeper relationship between the two countries.

"The two countries have resolved to create a conducive situation in the framework of developing trade and investment that would maximize the potential of economic relations between Indonesia and Australia," he said.

At the meeting, the two ministers also expressed appreciation for the level of success that has been achieved in the business sector between the two countries and announced the reactivation of the Indonesia-Australia Business Partnership Group (IA-BPG) to renew reports and recommendations.

Thomas and Ciobo have ordered their respective officials to immediately follow up the IA-CEPA progress, with a third round of talks scheduled for early May in Indonesia. (*ANTARA News*)

Indonesia 2016: Foreign Investment Opportunities & Trends

Jakarta (18/3/2016) - When discussing the type of foreign clients we are looking for, we find ourselves proud to serve a wide variety of clients with diverse business operations. But if we reflect purely on our government policy of accelerating foreign investment growth in Indonesia, we could say that the country has opened the door more widely for certain business sectors, especially within the manufacturing, agriculture, marine, infrastructure, and tourism industries.

As a consequence of our large population, which represents 40 percent of ASEAN's total and 38 percent of ASEAN's consumer market, Indonesia tends to prioritize labor intensive industries to develop its competitive advantage. For example, opportunities in the mining industry have declined in the last several years as it is no longer a profitable investment until China's consumption picks up again – likely to be some time away.

The Indonesia Investment Coordination Board (BKPM) currently conducts a number of road shows aimed at Chinese businessmen describing the investment opportunities in the five aforementioned industries. This initiative is poised to expand to target members of other

countries as well. Besides fulfilling the demand of Indonesia's domestic market, new investment is expected to expand the country's export market. By establishing their business operations in Indonesia, foreign investors can take advantage of Indonesia's tariff exemptions within ASEAN and further expand into the region.

Indonesia still relies on imports from abroad for several agricultural commodities, such as corn and meat. To fulfill our own domestic demand, Indonesia needs investors to develop and introduce agricultural technology to integrate and grow its agriculture industry.

In the infrastructure sector, the Indonesian government is focusing on accelerating development outside of Java Island and towards the eastern side of the country. The government aims to generate 35,000 megawatts of electricity, 24 seaports, and several highway roads in areas such as Sumatera, Sulawesi, and Papua.

Read more at : <http://www.asiabriefing.com/news/2016/03/indonesia-2016-foreign-investment-opportunities-trends/>

Indonesian fuel prices to come down in April: Minister

Jakarta (ANTARA News) - A drop in fuel prices will be announced in April following the dip in global oil prices, according to Minister of Energy and Mineral Resources Sudirman Said.

"We are calculating the price reduction and adjustment. The drop in fuel prices will be announced in April," Sudirman noted here on Friday.

The adjustment was assessed based on the drop in global oil prices and the condition of the rupiah against the US dollar. "Hence, we will take into account all aspects while determining the adjusted fuel prices," the minister stated.

However, Sudirman could not as yet explain the value of adjustments in fuel prices. "We are calculating the figure carefully as it is for the next quarter," the minister remarked.

Currently, the price of premium gasoline in the regions of Java and Bali stands at Rp7,050 per liter, while the price outside Java, Madura, and Bali is set at Rp6,950 per liter, and subsidized diesel at Rp 5,650 per liter.

Referring to Energy and Mineral Resources Ministerial Regulation No. 4 of 2015, the government evaluates fuel prices every three months based on the latest update on the benchmark price.

The government should exercise caution in setting the prices of premium gasoline and diesel oil for the April-June 2016 period due to a fluctuation in global oil prices, Executive Director of Energy Watch Indonesia Ferdinand Hutahaean stated earlier.

The fuel prices for the period will surely use the Mean of Platts Singapore (MOPS) for the January 25-March 24, 2016, period when the global oil price hits its record low, he noted in a press statement released on Thursday.

In such a situation, the fuel prices will fall short of expectations at the expense of the governments and state

oil and gas company Pertamina's interests, he emphasized.

He noted that the global oil prices currently show an upward trend after they fell in January and February.

As per the Minister of Energy and Mineral Resources Regulation Number 39 of 2014, the fuel prices are set based on the average market price index and the rupiahs exchange rate against the US dollar using Bank Indonesia's purchasing rate on the 24th of the previous month.

The fuel prices for the January-March 2016 period are based on MOPS and the average exchange rate in the September 25-December 24 period. As a result, the price of diesel oil was set at Rp5,650 per liter and non-subsidized premium gasoline price at Rp6,950 per liter for Java, Madura, and Bali and at Rp7,050 per liter for the rest of the country.

According to Ferdinand, if the government lowers the fuel prices according to the average MOPS for the January-March 2016 period, the decline will not automatically boost economic growth.

"The government has no instrument in the field when the fuel prices fall. As a result, the prices of basic commodities, including transportation costs, decline," he explained.

He proposed that the government should change its fuel price policy by setting fuel prices based on the market mechanism or adopting a flat fuel price system by outlining the upper and lower limits.

Since it is not allowed to decide the fuel prices based on the market mechanism, the government should adopt a flat fuel price system by setting the lower and upper limits, he added.

(ANTARA News)

Indonesia records 2.91 percent drop in imports

Jakarta (ANTARA News) - Indonesia's imports in February 2016 were recorded at US\$10.16 billion, down by 2.91 percent from US\$10.46 billion recorded in the previous month.

"Imports are down, but in the case of oil-gas imports, their volume is up," Suryamin, head of the National Statistics Agency, stated here on Tuesday.

He said the volume of imports in February 2016 reached 12.76 million tons, up 14.9 percent from 11.17 million tons in January. Read more at : <http://www.antaraneews.com/en/news/103682/indonesia-records-291-percent-drop-in-imports>

VIETNAM THIS WEEK

Vietnam a sweet spot for exports

Vietnam (18/3/2016) - WHEN it comes to Asian -opportunities for agriculture exports, Vietnam may be the sweet spot.

It has one of the fastest-growing economies in Asia, with a young population that is increasing its consumption of wheat, dairy and beef.

According to ANZ Bank Vietnam chief executive Dennis Hussey, the Asian -nation only “opened for business” in the mid 1990s when the US lifted trade sanctions after decades of war and -conflict.

But he said the nation had been making up for lost time.

Mr Hussey said Vietnam’s gross domestic product had grown by about 6.5 per cent a year in the past decade, and the bank predicted this to -increase to 6.9 per cent this year.

“But this is below what we think the Vietnam economy could achieve,” he said.

Ernst & Young Vietnam partner Vin Du Tran said the economy was growing fast, but agriculture had little room for expansion due to restrictions on selling farm land and population -pressures.

“The biggest weakness in Vietnam is we have very small farms, yet there is a big population to feed,” he said.

Vietnam has the fastest-growing middle and affluent class in the cluster of Asian nations known as ASEAN and the country’s middle class is predicted to rise from



Opportunity: A Women selling fresh meat in a wet market in Ho Chi Minh City, Vietnam. Pic : weeklytimesnow.com.au

12 million people in 2012 to 33 million in 2020.

Singapore-based ANZ Bank economist Weiwen Ng said household consumption would double from 2010 to 2025.

And by 2020, Vietnam’s average income would rise from \$1400 in 2012 to \$3400 a year.

According to Meat and Livestock Australia, Vietnam is already an important live animal export market for Australia, but demand has jumped in recent years.

“In the past decade the -demand for protein in Vietnam has been stuck, but from 2013 it has increased rapidly,” Mr Ng said.

Wheat consumption is also expected to increase currently Vietnamese on average consume 10kg a person annually, which is one of the lowest figures in the region. Indonesians consume 16kg a head and South Koreans 62kg a head -annually. (weeklytimesnow.com.au)

Agriculture Ministry asks for international help to combat drought

VietNamNet (17/3/2016) - Minister of Agriculture and Rural Development Cao Duc Phat said nearly 300,000 households (with approximately 1.5 million people) lost their income in recent months or were affected by drought and saltwater intrusion, the worst in the Mekong Delta in the last 100 years.

Speaking at a seminar held on March 15 with foreign donors in response to droughts and saltwater intrusion in the southern part of the central region, the central highlands and the Mekong Delta, Phat said this year

rice production in the Mekong Delta would seriously decline, affecting millions of farmers.

In many places, crops and fruits are damaged because of saltwater. Lack of grass, people had to sell their cattle. In many areas, seafood died because of high salinity. In the central provinces from Binh Thuan to Khanh Hoa, water storage of reservoirs is only about 50-60% of the capacity,...

See more at : <http://english.vietnamnet.vn/fms/society/152629/agriculture-ministry-asks-for-international-help-to-combat-drought.html>

Five Vietnamese firms among Nikkei's 300 most dynamic companies in Asia

VietNamNet (18/3/2016) - Included in the list of the most dynamic companies in Asia, or the Asia 300 of the Japanese news agency Nikkei, Vietnam has five businesses: Vingroup, Vietcombank, FPT Group, PetroVietnam Gas and Vinamilk.

The Asia300 is Nikkei's exclusive list of the continent's biggest and fastest-growing companies from 11 different economies. The magazine has picked the companies based on market capitalisation and then adjusted for growth potential and geographic balance, to give readers a broader view across ASEAN economies in particular.

This year, a total of 331 companies across Asia made the list. This included 83 Chinese enterprises, 44 enterprises of India, 42 Korean companies and 40 Taiwanese companies. Southeast Asian countries such as Singapore, Malaysia, Indonesia, the Philippines, and Thailand have at least 20 firms. Vietnam has only five qualified firms in the list.

Ranging from Indian computer services companies to Indonesian property developers, the Asia 300 offers readers a glimpse of the emerging global multinationals - the companies which aspire to dominate business in the 21st century and challenge the older, established US and European brands.

FPT is the largest information technology company in Vietnam it is engaged in a wide array of activities including software development, telecommunications, and the marketing of IT products. The company went public on the Ho Chi Minh Stock Exchange in 2006. Its market capitalization, at about \$800 million, is one of the largest among non-State entities.

The company founded a university in the hope of expanding the pool of capable engineers, setting a goal of more than tripling the number of engineers who speak Japanese to 10,000 by 2020.

Vietcombank is one of Vietnam's four largest State-run commercial banks. It has been a major player in international trade payment settlement and is also boosting its retail lending.

Highly profitable in the domestic market, Vietcombank is now setting its sights on global markets, aiming to become one of the world's 300 largest banking institutions in terms of profitability and deposits by 2020.



PVGas is one of Vietnam's largest State-run companies. A member of PetroVietnam, PVGas is the largest natural gas company in the country. It runs integrated operations, from drilling for gas through to marketing, controls nearly 70 percent of the domestic market for liquefied petroleum gas, and has a market capitalization of about \$9 billion, making it one of the largest publicly traded Vietnamese companies.

The company is actively pursuing a policy of collaborating with foreign companies, and in June 2014 signed a liquefied natural gas trading contract with Royal Dutch Shell. In 2012 it teamed up with Tokyo Gas.

Vinamilk is Vietnam's largest food processor and deals in a wide variety of dairy products, including milk and yogurt. It is said to account for about 50 percent of Vietnam's dairy market. Its market capitalization is the second largest in Vietnam, at around \$5.5 billion.

Vingroup is Vietnam's largest real estate company and deals in a host of different properties, including houses, shopping malls, hotels, golf courses, and hospitals. The company has enhanced its brand cachet by targeting its Vincom shopping malls and Vincom Village residential areas at affluent customers.

One of the few entirely non-State concerns in Vietnam, Vingroup is about 30 percent owned by its largest shareholder and founder, Pham Nhat Vuong. Foreign investors have a combined interest of about 15 percent, and its market capitalization, at approximately \$3 billion, is the largest among non-State companies.

Among countries with enterprises listed in the Asia300, Vietnam recorded the lowest number. China and Hong Kong had 83, Taiwan 40, South Korea 42, Singapore, Thailand, and Indonesia 25, Malaysia 22, the Philippines 20, and India 44. (*english.vietnamnet.vn*)

VIETNAM Business In Brief

GreenFeed Vietnam inaugurates animal-feed factory in Ha Nam

GreenFeed Vietnam JSC on March 18 inaugurated a factory producing animal feed in the northern province of Ha Nam. The GreenFeed Ha Nam Factory, built on five hectares in the Dong Van 2 Industrial Park (IP) in Duy Tien district at a total cost of 37 million USD, has an annual capacity of 400,000 tonnes.

It is expected to meet the demand for animal feed in the province and surrounding areas, as well as creating jobs for locals. Addressing the inauguration ceremony, Chairman of the company's Management Board Ly Anh Dung pledged environmentally-friendly operations at the factory.

Vice Chairman of the provincial People's Committee Pham Sy Loi called on the firm to observe local regulations and take good care of its employees. He also urged the IP Management Board, relevant sectors and local authorities to ensure optimal conditions for the investor to operate in the locality.

In 2015, local industrial parks in the province attracted 39 projects, 28 of which were foreign invested, with a combined registered investment of 391 million USD. They are now home to 230 active projects, including 131 foreign invested ones with a total registered capital of 1.3 billion USD.

Currently, the province has eight industrial parks that cover an area of 2,000 ha. The industrial park Dong Van III, which is under construction and geared towards the supporting industry, will apply its own mechanisms and policies. The locality has approved plans for 18 industrial clusters on an area of nearly 500 ha.

Hai Ha IZ to host VND1 trillion multi function port project

The Quang Ninh Special Economic Zone Management Authority has recently green-lighted Quang Trung Mechanical Engineering Enterprise to conduct the first stage of a \$47.3 million multi-function port project on Hon Mieu Island, belonging to Hai Ha Port industrial zone (Hai Ha IZ).

This is the second large-scale port project at Hai Ha IZ. The first stage of the 24.5 hectare project consists of building a corner wall embankment, a storage yard and warehouse complex, and a weighing station, among others.

Construction is slated to kick-off within the year, and the project is due to be operational by the third quarter of 2018. At such a time it will have the capacity to welcome ships with a dead weight tonnage of between 1,000 and 3,000DWT, and barges between 300 and 600DWT. The port is expected to handle ships with total carrying capacity reaching 412,000DWT by 2020.

Hai Ha IZ has been approved for investment since January 23, 2008. The highlight of the IZ is the large-scale investment of Hong Kong's Texhong Corporation. The first-phase of Texhong-Hai Ha IZ project covers 660ha in Quang Dien ward, with the total investment capital exceeding VND4.52 trillion (\$207 million).

The project will encompass industrial factories, an administrative centre, industrial zone service facilities, technical infrastructure, landscaping, and will leave some space for future expansions. With a view to creating a centralised IZ to satisfy investors' growing demands, Texhong-Hai Ha IZ is the biggest wholly foreign-invested IZ in the province.

Texhong Corporation has also established Texhong Ngan Ha Technology and Science Ltd. to build modern industrial sewing facilities in Texhong-Hai Ha IZ, altogether valued at VND6.4 trillion (\$293 million). This project consists of three spinning factories with 300,000 spindles and a range of supporting facilities, as well as two dyeing factories with 1,200 sewing machines and dyeing devices. The project is expected to be completed by 2017.

Firms worry about possible poultry imports from China

Vietnam's Animal Health Department has recently worked with China over the possibility of importing meat products, including poultry, from the northern neighbor, sparking concerns among domestic firms. A meeting on veterinary cooperation and enhancement of animal disease control along the border between Vietnam and China was held in Hanoi on January 26-27. This is the fourth meeting between the animal health authorities of both sides.

Delegates at the meeting shared experiences and achievements in poultry disease control. The department said on its website that the meeting was also intended to promote trading of some animals and meat products, with China exporting chicken and one-day-old chicks to Vietnam and Vietnam exporting pigs and cows to China.

However, poultry trade cooperation with China is causing concerns as the domestic poultry sector is already grappling with cheap imported chicken, plus disease risks.

Between September 2015 and February 2016, 44 cases of avian influenza virus H7N9 infections were detected in China, ten of them reported dead.

Explaining why the department is working towards allowing poultry imports from China, the department said promoting trading of animals and animal products between the two countries would help control poultry imports.

The department said negotiations were still ongoing and that it would take time to strike an agreement.

But, Nguyen Thanh Phi Long, director of domestic livestock company Long Binh, has expressed concern over the news, saying diseases might recur and hit the fragile domestic industry.

Meanwhile, Tran Duy Khanh, vice chairman and general secretary of the Vietnam Poultry Association, said the local poultry industry is already in difficulty. According to the association, Vietnam's poultry industry can meet domestic needs.

Data of the General Statistics Office indicated domestic poultry production totaled 900,000 tons last year. But based on poultry feed consumption and production, experts have estimated the figure at more than two million tons.

Last year's poultry imports were reported at around 120,000 tons. The association said temporary poultry imports from China for ex-export might have amounted to two or three million tons, with legs, wings and byproducts making up a majority.

Khanh said how temporary imports of chicken for re-export is properly monitored and controlled proved to be a tough issue.

Vietnam's chicken can compete well with China's in terms of price, Khanh said. "Domestic poultry firms need nothing but policy transparency."

Former minister: TPP to help reduce dependence on China

The Trans-Pacific Partnership (TPP) trade pact will bring big opportunities for Vietnam to implement institutional and economic reforms and reduce its dependence on China, said former Minister of Trade Truong Dinh Tuyen. At a seminar on the TPP held in the northern province of Vinh Phuc last week, experts agreed that Vietnam is the biggest beneficiary of the TPP, which was signed in New Zealand in early February, saying the country stands a big chance of being less reliant on the Chinese market, VnExpress reports.

"The TPP will pave the way for Vietnam to expand export markets, instead of exporting farm produce and raw material to China," Tuyen told the seminar organized by the U.S. Agency for International Development (USAID) and the Vietnamese National Assembly Committee for External Relations.

According to Tuyen, the TPP will make it possible for Vietnam to effectively implement its policy of diversifying and multilateralizing ties with the rest of the world. "To reduce dependence on China, Vietnam will have no other choice but to carry out institutional reforms. Our institutions should be different from and better than China's," Tuyen said, adding the next step Vietnam should do is to focus on technological innovations and creativity. Tuyen played a pivotal role in Vietnam's signing a bilateral trade agreement with America in July 2000, and in Vietnam's accession to the World Trade Organization in November 2006.

Minister of Industry and Trade Vu Huy Hoang also agreed the TPP would offer opportunities for Vietnam to diversify export and import markets, thus avoiding dependence on a single market. "The TPP together with other free trade agreements that were already signed and will be signed will facilitate Vietnam's export market diversification," Hoang said.

Virginia Foote, chair of the American Chamber of Commerce in Vietnam (Amcham), said the TPP would create good conditions for enterprises and the Vietnamese economy as a whole to grow further and decrease reliance on the Chinese market. The high-standard TPP deal will create an impetus for Vietnam's economic development, bring in more international tourists and attract more foreign capital inflows, she added.

According to Deputy Minister of Industry and Trade Tran Quoc Khanh, the TPP will contribute to ensuring macroeconomic stability for the corporate sector to grow. US Ambassador to Vietnam Ted Osius told the seminar that implementing a trade agreement with high standards like the TPP will prove tough for Vietnam. He noted the US would be on hand to help Vietnam execute the deal.

According to the General Statistics Office, Vietnam had a trade deficit of US\$32.3 billion with China last year while the economy's total trade deficit with the world was a mere US\$3.2 billion. Last year Vietnam's imports from the northern neighbor, mostly machines, tools, phone parts, computers and electronic devices, amounted to US\$49.3 billion while Vietnam exported US\$17 billion worth of products to China last year.

MALAYSIA THIS WEEK

Ministry issues guidelines for farmers and fishermen

KUALA LUMPUR (20/3/2016) - The Agriculture and Agro-Based Industry Ministry has outlined 13 steps for the agro-food sector to mitigate the effects of the El Nino phenomenon, including for agro sub-sectors, such as crops, livestock and fisheries.

“The lack of water can hinder crop growth, reducing productivity and giving rise to diseases, such as brown spots and blast. As for padi cultivation, with the exception of Sabah and Sarawak, maintenance on 281 tube wells will be carried out, along with the construction of new ones,” it said in a statement.

The ministry said RM4 million out of the RM20 million allocated in the 2016 Budget would address water scarcity in the agro-food sector.

“In the fisheries sector, the measures taken were stopping

the export of fish, such as kembong, selayang, selar, cencaru and pelaling and, allowing pukot jerut from the east coast of the peninsula to operate in waters off Sarawak, where pelagic fish are less exploited.

“Marine catches showed rising sea temperatures as a result of El Nino were the cause of fish migrating, affecting the catch for fishermen.”

Among measures taken for the livestock sector included distributing food packs containing vitamins and energising liquids.

The ministry said the drought had caused a reduction in weight and reproductive efficiency in livestock and this could result in losses for farmers. *(nst.com.my)*

DVS monitors use of antibiotics in animal feed

PUTRAJAYA (17/3/2016) - The Department of Veterinary Services (DVS) is constantly monitoring and controlling the use of antibiotics in animal feed, as part of the national monitoring system.

DVS deputy director-general (veterinary service) Datuk Dr Quaza Nizamuddin Hassan Nizam since 2010, only 0.13 per cent of five out of 3,750 livestock food samples showed positive signs of permitted antibiotics.

“Samples of livestock products and feed to detect the presence of antibiotics on the use and misuse of antibiotics in livestock are monitored by DVS.

“Antibiotics are used in the treatment and cure of diseases. A low dosage is mixed in animal feed to prevent infection, help digestion and stomach absorption to improve growth performance and quality of livestock products.

“Antibiotics is used in rations during the early stages for

commercial and intensive livestock breeding and not used within a certain period before the product is marketed,” he said in a statement today. Dr Quaza said this in response to Consumers Association of Penang's (CAP) call to ban antibiotics use in animal feed.

CAP president S.M. Mohamed Idris said there was also evidence of antibiotic-resistant bacteria in the many food products sold in Malaysia, suggesting frozen burger patties showed the presence of listeria monocytogenes in nearly half of the samples.

To this, Dr Quaza said contamination of listeria monocytogenes in frozen burger products as reported recently could be caused by water or soil pollution and not from livestock. *(nst.com.my)*

Sudan invites Malaysian investors to top livestock sector

KUALA LUMPUR (18/3/2016) - The Sudanese government, looking to enhance and expand bilateral relations with Malaysia, is inviting Malaysian investors to look at the business potential in the country especially in the livestock and tourism industry.

Read more at : <http://www.thestar.com.my/business/business-news/2016/03/18/sudan-invites-malaysian-investors-to-top-livestock-sector/>

CHINA THIS WEEK

WA meat processor makes historic move to enter Chinese chilled lamb market



PHOTO: Chilled lamb carcase in a processor. (Laurissa Smith)

Australia (18/3/2016) - A Western Australian meat processor has sent the first ever shipment of chilled lamb to China.

The historic shipment of 15,000 chilled lamb carcasses departed from Fremantle Port, south of Perth, last week.

V&V Walsh signed a deal with Chinese company Grand Farm in August 2014 for the long term supply of beef and sheep meat into China, which has never before accepted chilled lamb imports.

But the processor was forced to wait years for its Chinese export licence, which was granted mid-December last year.

The licence granted to V&V Walsh is one of its kind in Australia and allows the processor to export chilled and frozen beef, lamb and goat meat into China.

Company director Peter Walsh said it was an honour to be the first processor to enter the Chinese chilled lamb market.

"The biggest thing is we're the first abattoir in the world to be able to do fresh or chilled meat into China," he said.

"So it's a good, positive response from the Chinese that they can now get [these products]."

Mr Walsh said the export licence was six months overdue.

But he said he was pleased the process was now underway and expected to arrive in early April.

"It's on the water now," Mr Walsh said.

"It will be there in about another 20-odd days and from then on we'll just follow up from there."

Mr Walsh has previously told the ABC the business deal was the culmination of a 16-year relationship between he and his brother, fellow V&V Walsh director Greg Walsh, and Grand Farm president Chen Xibin.

V&V Walsh is the largest red meat processor in Western Australia.

Grand Farm is the largest sheep meat importer and third largest beef importer in China.

The long term deal between Grand Farm and V&V Walsh is expected to increase the processor production capacity to 500,000 lambs and 30,000 beef carcasses each year, with scope for further growth. (*abc.net.au*)

China Seizes Contaminated Meat Smuggled from Brazil and the USA

Beijing (15/3/2016) - Five hundred and thirty tons of meat smuggled from Brazil and the United States, including contaminated chicken wings and sick birds, were seized at a port in Zhangzhou, Fujian Province, local police reported today.

Authorities said the confiscated merchandise was destroyed by the electric generation of biomass, a much more environment friendly procedure than the traditional incineration.

In February, security agents seized 2,219 tons of smuggled beef, chicken wings and pig's feet worth 200 million yuan (31 million dollars) from a foreign cargo ship, in a raid considered the largest in Chinese history.

The police emphasized how harmful these illegal operations are, as they pose a serious threat to food security and constitute tax evasion. (*plenglish.com*)

ASIA PACIFIC THIS WEEK

Brazil beef exports show early-year muscle

Brazil (16/3/016) - Exports of Brazilian beef jumped by more than a quarter in February year-over-year, which bodes well for the country's exporters who have already been forecasting a bumper year ahead because of the weak national currency and the lifting of export bans.

The Brazilian Association of Beef Exporters, or Abiec, has just released figures showing that 127,000 tonnes (139.9 tons) of beef were exported last month, compared to 98,000 tonnes in February of 2015. The removal of export bans to the United States and to Iran has been among the key factors leading to Brazil's strong beef exports. Weaker domestic demand is also playing a role as the country's worst recession in decades causes unemployment to rise and consumers to choose cheaper meat, like chicken, rather than beef. The U.S. lifting a 15-year ban on Brazilian beef in September should lead to at least an extra 9,000 TEUs of beef exports, according to Abiec.

U.S. beef imports in 2015 have already taken the country to number eight in terms of value — \$23.4 million — and ninth in volume, with 2,617 tonnes. The U.S. is ninth in both categories for the first two months of this year with \$33 million and 4,235 tonnes.

Although the container trade between China and Brazil is struggling in many sectors, beef exports remained strong, Antonio Jorge Camardelli, Abiec president, said. China was the fourth-largest importer of Brazilian beef in February, importing 11,119 tonnes valued at \$47.6 million.

Hong Kong was the top destination for these exports.

for mainland China — imported 33,000 tonnes of beef, generating revenues worth \$119 million in January and February.

Three container ports that are benefitting from the increased beef sales are Santos — the traditional export gateway for Brazilian beef — and Paranagua and Porto Itapoa, the new kid on the block that has been rapidly increasing its reefer capacity and beef and chicken exports since opening in 2012.

Porto Itapoa handled around 158,000 twenty-foot-equivalent units of reefer cargo, around 50 percent of which was beef, according to a terminal manager. The port had a total throughput of 548,463 TEUs in 2015.

Paranagua told JOC.com it handled 9,146 forty-foot-equivalent units of beef in 2015 and that its leading beef exporters were JBS S.A., Cotriguacu and BRF. Paranagua handled 80,000 FEUs of reefer cargo as a whole.

The EU is still the second-largest importer of Brazilian beef, with 10,000 tonnes valued at \$62 million imported in February, Camardelli said. So far this year, exports of beef to the EU are up 12 percent to 226,000 tonnes, but revenue from those exports fell 2 percent to \$866 million because of the weakness of Brazil's currency, the real.

"The outlook for this year remains high. We already see a recovery in these first two months, compared to 2015, which should be maintained throughout this year," said Camardelli, who added that Abiec was expecting at least a 15 percent increase in volumes and "let us see with the revenues." (*joc.com*)

Live export prices ease

By James Nason, 15 March 2016

Live export cattle prices have eased in recent weeks as drier conditions have prompted an earlier start to the mustering season and brought a strong supply of cattle forward relative to demand. Tight trading conditions for cattle importers in Indonesia and a 4c rise in the Australian dollar in just two weeks are adding further downward pressure on prices.

The consensus from exporters, stock agents and northern cattle producers contacted by Beef Central this week has been that prices for feeder steers have fallen by about 10c to 20c/kg in the past few weeks and about 20c to 30c/lg for cows. See more at : <http://www.beefcentral.com/live-export/live-export-prices-ease/>

INDONESIA

Sierad confident of exporting processed chicken products to Japan

[18 March 2016] Indonesia's poultry integrator PT Sierad Produce is confident of exporting its processed chicken products to Japan soon. Eko Putro Sandjojo, President Director, said the company has fulfilled all requirements made by the Japanese authorities. The company's farming and processing facilities have also been audited. "We are now waiting for their approval," Mr Sandjojo said. Chicken nuggets, yakitori and special cuts are some products planned for the export. Previously Sierad had exported chicken meat to Japan. The Japanese government halted imports of chicken meat from Indonesia in 2014 after H5N1 outbreaks in the country.

Indonesia's President signs new meat import regulation

[16 March 2016] Indonesia's President Joko Widodo recently signed a Government Regulation (PP) under the Animal Husbandry and Animal Health to allow the import of meat and livestock products from zones within countries. The PP will open Indonesian market to beef, other meat and possibly cattle from alternative new sources like India and Mexico. Previously, Darmin Nasution, Economic Coordinating Minister, said more imports are needed to drive down the price of beef, which is currently around USD 8.40 per kg. Meanwhile Amran Sulaiman, Agriculture Minister, said the country needs 675,000 tonnes of beef or roughly 3.6 million of cattle.

Indonesia's chicken cartel case enters court trial stage

[16 March 2016] Chairman of Indonesia's Business Competition Watchdog Commission (KPPU), M Syarkawi Rauf, said the case of chicken cartel practices in the country has entered the court trial stage. He said 12 poultry companies are suspected to be involved in the case. They allegedly controlled chicken prices in the market. They are also suspected to have planned to cull their broiler PS. According to KPPU data, the 12 companies are Charoen Pokphand Indonesia, Japfa Comfeed Indonesia, Malindo Feedmill, CJ-PIA, Taat Indah Bersinar, Cibadak Indah Sari Farm, Hybro Indonesia, Expravet Nasuba, Wonokoyo Jaya Corporindo, Missouri, Reza Perkasa and Satwa Borneo Jaya.

Duta Technovet to establish chicken shop in Yogyakarta

[14 March 2016] One of the main problems in the broiler business in Yogyakarta, Indonesia is the long supply chain and the many brokers involved. Duta Technovet plans to set up clean and hygienic outlets selling fresh chilled chicken, close to traditional markets and residential areas in Yogyakarta. "This will shorten the supply chain. Profits will improve and consumers will enjoy better quality at a lower price," Hari Wibowo, owner of Duta Technovet, told Asian Agribiz. The outlets will not only sell dressed birds and portioned cuts, but also marinated, ready-to-cook products. "I also plan to set up a semi-modern mini slaughterhouse," said Mr Hari.

McDonald's Indonesia to add 15 new outlets

[14 March 2016] Rekso Nasional Food, the operator of McDonald's in Indonesia, will continue its outlet expansion. Michael Hartono, Marketing Director, said the company plans to add 15 new outlets this year. Besides big cities, the expansion will also target second and third tier cities, following the success of its outlet in Cibinong, a second tier city in Bogor regency. Rekso plans to add new items to its menu in mid-2016 and expects its sales to increase by 15% this year.

MALAYSIA

Malaysia hopes to produce antibiotics-free chicken by 2020

[16 March 2016] Malaysia's Domestic Trade, Cooperatives and Consumerism Ministry wants the poultry and livestock sectors to produce antibiotics-free chicken by 2020. Currently all poultry farms must observe a seven-day withdrawal period before slaughter to protect consumers. "We do not want antibiotics in our food," its Minister Hamzah Zainudin said after launching World Consumer Rights Day 2016. This year's theme, Antibiotics Off the Menu aims to prevent the use of antibiotics and drugs in livestock, including for disease prevention. Earlier, Mr Hamzah spent about an hour visiting the feed processing centre of Dindings Poultry Sdn Bhd in Perak. The company is conducting research with a university in the US on the use of antibiotics on chicken.

Petersime launches Operational Excellence program

[14 March 2016] Incubator maker Petersime launched the Operational Excellence package in Kuala Lumpur, Malaysia recently among its dealers. The program was initially presented to the industry at the IPPE in Atlanta early this year. Rudy Verhelst, Marketing Manager, said it helps hatcheries apply best practices at every level from the person who does the cleaning to the hatchery manager, veterinary and maintenance technician. "This is important because people forget procedures and there are rotation of operators. The program is designed to keep everyone sharp and to strive for excellence," he said.

INDIA

Kuwait bans import of Indian poultry products

[15 March 2016] Kuwait has banned the imports of poultry products from India in the wake of breakouts of avian influenza in some states. The import ban includes live birds, hatching eggs and day-old chicks. According to experts, as India mainly exports poultry products to the Middle East, this decision may impact export prospects in the coming days. In 2014-15, Kuwait imported 24.2 tonnes of poultry products, valued at USD 120,000.

THAILAND

More organic selenium needed in poultry nutrition

[18 March 2016] Poultry diets have to be supplemented with various forms of selenium as the ingredient is not sufficiently present in feeds. Professor Peter Surai, Technical Director for Feed-Food Ltd told Asian Agribiz, that organic selenium is the best form of selenium for animals, and hydroxyl-selenomethionine (selisseo), which is a new form of organic selenium, combines advantages of selenium yeast (for stability) and selenium methionine. Speaking at conference organised by Adisseo in Bangkok, Thailand, he said hydroxyl-selenomethionine is considered the next level of selenium additive for animal production especially for poultry. Mr Surai also said hydroxyl-selenomethionine helps maintain high hatchability and has positive effect on growth of broilers. Selisseo can also improve meat quality during storage..

Thailand's DLD defends its poultry industry's drug compliance

[18 March 2016] Thailand's Department of Livestock Development (DLD) said it has banned the use of antibiotics as growth promoters in the livestock sector a long time ago. The therapeutic use of antibiotics is strictly monitored, Dr Sorravis Thaneto, Deputy Director General of the DLD told Asian Agribiz. He was responding to demands made by consumer rights groups for antibiotics-free meats at fast-food chains. He said farms administering antibiotics to livestock must follow withdrawal periods. For the export market "EU and Japan regularly monitor antibiotic residue in chicken. If we fail these standards, we cannot export chicken meat to these countries", Dr Sorravis said. Thailand is the fourth largest chicken meat exporter in the world.

Thailand's CPF eyes overseas acquisitions amid weak domestic demand

[17 March 2016] Thailand's Charoen Pokphand Foods is eyeing acquisition opportunities overseas as it faces weak domestic demand amid Thailand's slowing economy. Adirek Sripratak, President and CEO, said growth from its overseas operations, which account for two-thirds of its sales, is expected to be higher than domestic market, especially in Vietnam. Mr Adirek is confident about the firm's outlook this year, despite a global economic slowdown, including in China. He expects sales and profit to increase 10-15% this year, driven by rising demand and food prices. "Lower raw material prices will help boost margins and profit this year," he said. The firm plans to invest USD 425.52 million this year, excluding mergers and acquisitions.

Thai Union explains code of conduct to suppliers

[16 March 2016] Thailand's Thai Union (TU) informed its suppliers about the firm's labour code of conduct and business ethics. The company stressed the importance of compliance and highlighted that suppliers who did not work to meet the standards established would be unable to continue working with TU. "Thai Union's policy is clear. We do not tolerate human rights violations," said Dr Darian McBain, TU's Global Director of Sustainable Development. The code of conduct is an important part of TU's wider sustainability strategy. Meanwhile, in the last 18 months, TU has terminated relationships with 16 suppliers due to forced labour or human trafficking violations. TU has also reduced the number of vessels it conducts business with from over 2000 to just 400 for better visibility and control of labour conditions.

Thailand reasserts its commitment to sustainable seafood supply chain

[15 March 2016] Comprehensive reforms are taking place in Thailand to make Thai seafood supply chain free from illegal fishing, illegal labour practices and human trafficking, said Pisan Manawapat, Ambassador of Thailand to the US, at the Seafood Expo North America in Boston recently. He said laws and enforcement have been beefed up, victims are being protected and rehabilitated, and criminals have been brought to justice. The Thai Government said there is still room for improvement and believes that partnership with all relevant stakeholders is the way forward. With stringent punishments as well as a growing call for corporate social responsibility, Mr Manawapat said human trafficking and labour abuse problems in the fisheries sector will be effectively addressed.

Thai Union eyes Middle East, China, Southeast Asian markets

[14 March 2016] Thailand's Thai Union (TU) will diversify its target markets by focusing more on the Middle East, China and Southeast Asia, Post Today reported last week. In its 5-year plan, TU will increase sales channels in these markets, said Wai Yat Paco Lee, Deputy General Manager in charge of investor relations and corporate investment. The US and the European Union are TU's major export markets. TU expects sales to increase 15-20% to USD 4-5 billion this year. TU recently set up its new subsidiary, Thai Union Online Shop, for online sales.

VIETNAM

Masan, Korea's CJ vie for 14% in Vietnam's food company Vissan

[17 March 2016] Vietnamese conglomerate Masan Group will be competing with South Korea's CJ Cheiljedang Corp (CJ) to acquire a 14% stake in food company Vissan. Vissan General Director Van Duc Muoi said Proconco and Anco, subsidiaries of Masan, have each submitted bids. CJ has also done the same, said Mr Muoi. The auction for the stakes will be organised on March 24. Vissan raised USD 41 million during its IPO recently. In an earlier report, Jay Hyun Lee, Chairman of CJ, said Vietnam played an important role in the South Korean group's global expansion strategy, a connecting point with the Cambodian, Lao and Myanmar markets. Masan, meanwhile, is diversifying its protein platform and value chain after taking over 70% of Anco and 52% of Proconco.

Duties on Vietnam shrimp sent to US increased

[16 March 2016] The US has levied higher anti-dumping duties on Vietnamese warm-water shrimp exports during the period of review from February 1, 2014 to January 31, 2015. This decision was taken at the 10th administrative review (POR 10), according to the International Trade Administration (ITA). The POR10 was requested on 51 Vietnamese shrimp exporters, including two mandatory respondents, Minh Phu Group and Soc Tráng Seafood JSC (Stapimex). Mandatory respondents are exporters selected for individual investigation as part of its countervailing duty review. According to the preliminary results of the POR10, sales by Minh Phu Group and Stapimex to the US, were made below normal value and as a result are subject to anti-dumping duties. The duty on Minh Phu Group was initially set at 2.86%, higher than the rate 1.39% in POR9, while Stapimex was subject to a tariff at 4.78%.

CHINA

China's New Hope launches fund raising channels for future acquisitions

[17 March 2016] China's top feed producer New Hope Liuhe Co plans to speed up its acquisitions overseas. According to Chairman Liu Yonghao the company wants to become a top supplier of high-end meat. "We're accelerating and expanding our overseas acquisitions... launching new fund raising channels to make our sources of financing more diversified," said Mr Liu. The group launched a USD 460 million fund with the Zhejiang provincial government and the Harvest Fund to lead overseas agriculture acquisitions. It is also raising USD 450 million through the Hosen Capital, which counts Singapore's Temasek and Japan's Mitsui as founding investors, as another pool to acquire overseas businesses. Mr Liu did not specify future acquisition targets.

China reports 12 new H7N9 cases

[16 March 2016] Chinese health officials reported two more H7N9 avian flu infections in adults from China's mainland. The country's monthly infectious disease report lists a total of 29 H7N9 cases and 15 deaths that occurred in February. Some 10 of these cases had not been previously reported. Xinhua reported a case of H7N9 in a patient, poultry trader from Hubei province in central China. The individual is a being treated for severe pneumonia, sepsis, and multiple organ failure. The Shanghai Health and Family Planning Commission reported an imported H7N9 case in a 79-year-old woman from Anhui, who is currently being treated for the disease. The new cases lift the overall global total from the disease to 764, according to a case list maintained by FluTrackers, an infectious disease news message board.

'Syngenta will remain Syngenta' despite ChemChina takeover

[15 March 2016] China National Chemical Equipment Corporation (ChemChina) has agreed to buy Switzerland-based agrochemicals giant Syngenta for USD 43 billion. Syngenta said the transaction will help the company with its expansion plans in emerging markets, notably in China. Syngenta has also been building its seed business, especially genetically-modified varieties, and now owns the rights to thousands of seed varieties. Syngenta said existing management will continue to run the company, and that it will continue to keep its headquarters in Switzerland. "Syngenta will remain Syngenta," Michel Demaré, Chairman, Syngenta, said. "The transaction minimises operational disruption; it is focused on growth globally, specifically in China and other emerging markets, and enables long-term investment in innovation."

China signals an openness to GM technology via Syngenta deal

[14 March 2016] China National Chemical Equipment Corporation (ChemChina) has agreed to buy Switzerland-based agrochemicals giant Syngenta for USD 43 billion, a move that suggests China is softening its stance towards genetically-modified (GM) technology. Slated as the biggest overseas acquisition by a Chinese state-owned company, the transaction is expected to be concluded by the end of the year. Davor Pisk, CEO overseeing Asia Pacific and North America, said Chinese ownership of GM technology would make mainland consumers, who have so far been sceptical, more comfortable with the technology.

ASIA PACIFIC

Abandoned meat in the Philippines to be destroyed

[18 March 2016] The Philippines will destroy and bury some 3900 tonnes of meat in 158 refrigerated vans that has been abandoned at Manila's international port since it arrived in December 2014. The meat is reportedly part of shipments totalling 5000 tonnes that arrived in 203 refrigerated vans but was not released due to lack of required permit from the National Meat Inspection Service. Agriculture Undersecretary for Livestock Jose Reaño said the meat will be first thawed and allowed to decompose before being buried in a landfill to prevent potential diggers from salvaging the meat.

Restructuring of Japanese feed industry could boost efficiency

[18 March 2016] Relevant Japanese agencies will push for restructuring in the local feed industry. Chihiro Shikama, Chairman of Japan Feed Manufacturers Association, however, said resistance to a shakeout is likely as the industry has many small and mid-sized businesses. Japan has 65 feed producers with 115 production facilities. If these plants run 16 hours a day on a two-shift system, capacity is an estimated 50% higher than needed to meet demand that is contracting amid a decline in domestic dairy and livestock farmers, reported Nikkei Asian Review. This inefficiency hits farmers in the form of higher prices. Feed prices are 10-20% higher on average in Japan than in South Korea. Feed accounts for an estimated 70% of costs for hog raising and 50% for dairy farming.

Japan sees lower shrimp imports

[18 March 2016] Japan's frozen shrimp imports continue to decline. Industry sources said persistent poor demand for shrimp along with high prices have kept traders from buying. Unlike in the US, demand in Japan has not recovered from the high prices for shrimp caused by the EMS crisis. A weaker Japanese yen has meant that fewer retailers have reduced prices, while in the US, the strong dollar has led to shrimp price reductions being passed on at retail. Also complicating the shrimp picture in Japan, many food service operations took shrimp off the menu when it became expensive, and it has not been put back on. Import volume in FY2015 (April 2015-March 2016) is predicted to dwindle 6% from the previous year, while consumption volume was reduced only by 2%. This contributed to the liquidating of domestic demand by way of restrained imports.

Singapore poultry distributors accused of price fixing share ownership links

[17 March 2016] Most of the 13 chicken distributors in Singapore accused of colluding on prices share similar directors, shareholders or secretaries. For example, several directors of Lee Say Group sit in three other firms, while Ban Hong Poultry and Tong Huat Poultry Processing Factory have the same five individuals on both management teams, and share a secretary with Sinmah Poultry Processing (S). Both Gold Chic Poultry Supply and Hua Kun Food Industry have similar management figures. While this is not prohibited under the Competition Act, lawyers interviewed by local daily Today said these companies should not be holding discussions on prices. Daniel Chia, partner at Morgan Lewis Stamford, said this effectively "forms a cartel". Andrew Riseley, a competition law expert at Wong Partnership said it is difficult to avoid flouting competition laws if competitors share senior management.

Japan aims for leaner, more efficient feed industry

[17 March 2016] Japan's government plans to root out inefficiencies in the agricultural sector, encouraging realignment in areas such as animal feed to control excessive production costs and bring down elevated prices, reported Nikkei Asian Review. "There's a supply glut and excessive competition in the compound feed industry," Agriculture, Forestry and Fisheries Minister Hiroshi Moriyama said. The ministry plans to launch a survey of the feed market. If investigations point towards oversupply the government may use tax incentives to encourage industry realignment, an unusual step for the agriculture industry as the law falls under the jurisdiction of the Ministry of Economy, Trade and Industry.

13 Singaporean chicken distributors face price-fixing accusation

[15 March 2016] Thirteen fresh chicken distributors, making up more than 90% of the market in Singapore, have been issued a proposed infringement decision for price-fixing by the Competition Commission of Singapore (CCS), said the Straits Times. The companies are Gold Chic Poultry Supply, Hua Kun Food Industry, Hock Chuan Heng Farm and its sole-proprietor, Hy-fresh Industries (S), Kee Song Brothers Poultry Industries, Lee Say Poultry Industrial and its sole-proprietor, Lee Say Group, Hup Heng Poultry Industries, KSB Distribution, Prestige Fortune (S), Ng Ai Muslim Poultry Industries, Sinmah Poultry Processing (S), Toh Thye San Farm, Tong Huat Poultry Processing Factory and Ban Hong Poultry. CCS claims the companies engaged in anti-competitive agreements to coordinate the amount and timing of price rises. The distributors have six weeks to submit a defence and could face fines if found to have infringed anti-competition rules.