

Import Rejections of Agricultural and Food Products from East Asia



Lei Lei

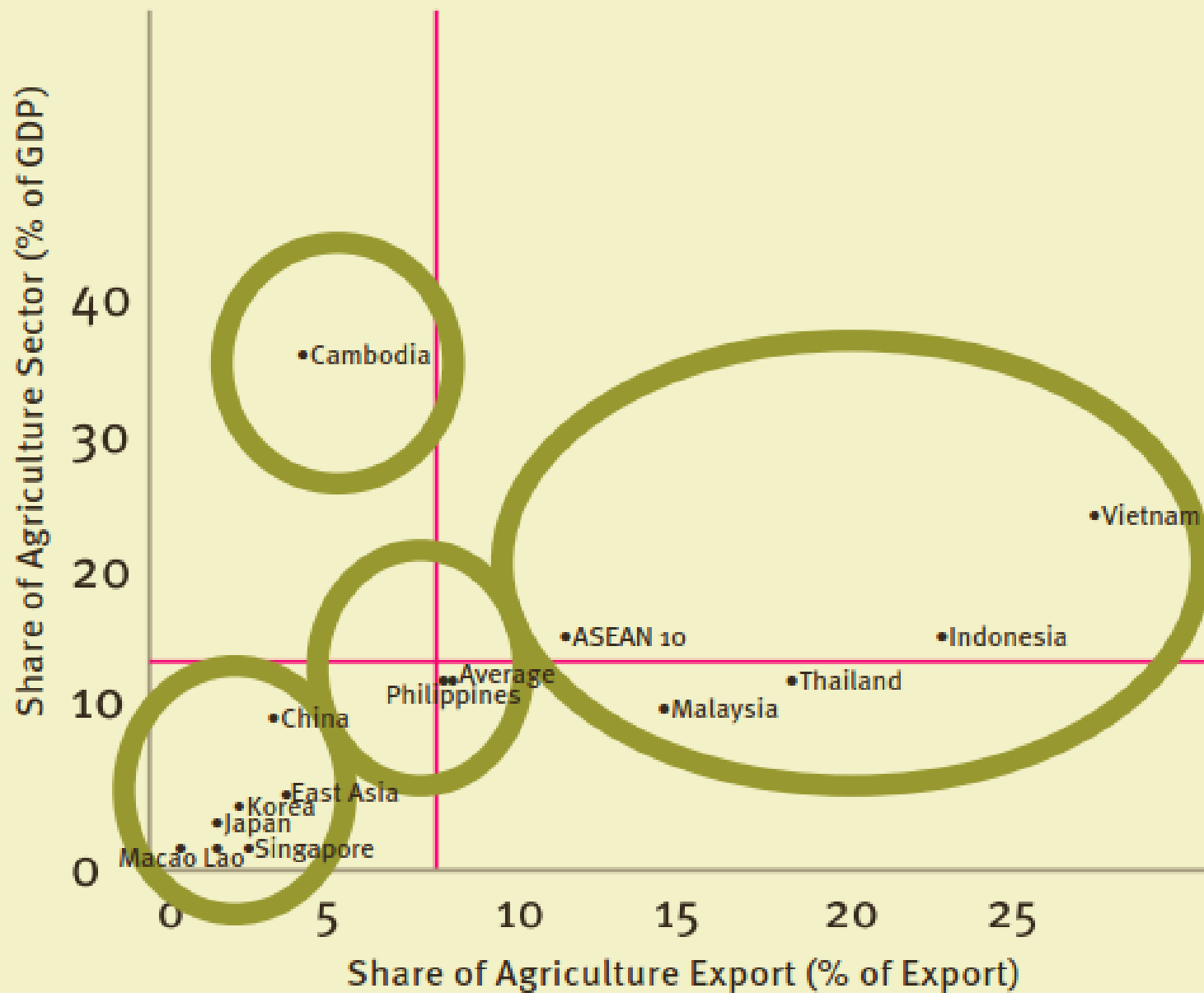
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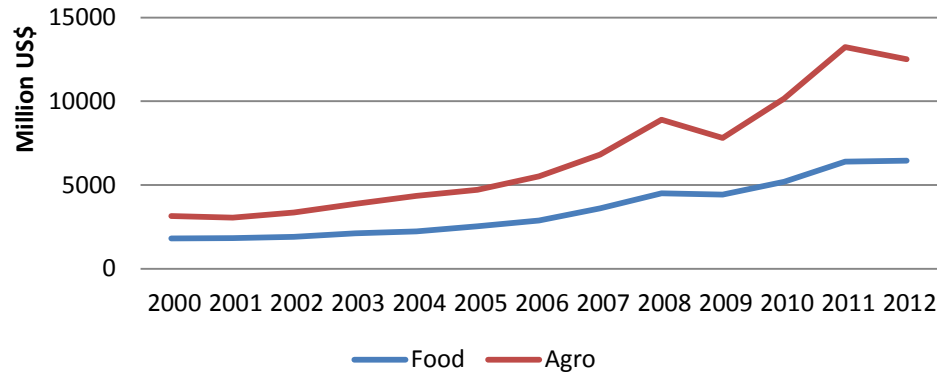
The Role of the Agricultural Sector

- ◆ East Asia (14 countries) - Brunei, Cambodia, Indonesia, Malaysia, Lao, Myanmar, Philippines, Singapore, Thailand, Viet Nam, China (SARs included), Japan, North and South Korea;
- ◆ In the low- and middle-income countries, agriculture still plays essential role in economic growth or poverty reduction with structural transformation.
- ◆ They have been (especially the transforming ones) actively exporting agricultural and food products on account of their technological capacity and traditional comparative advantage in agricultural sector.

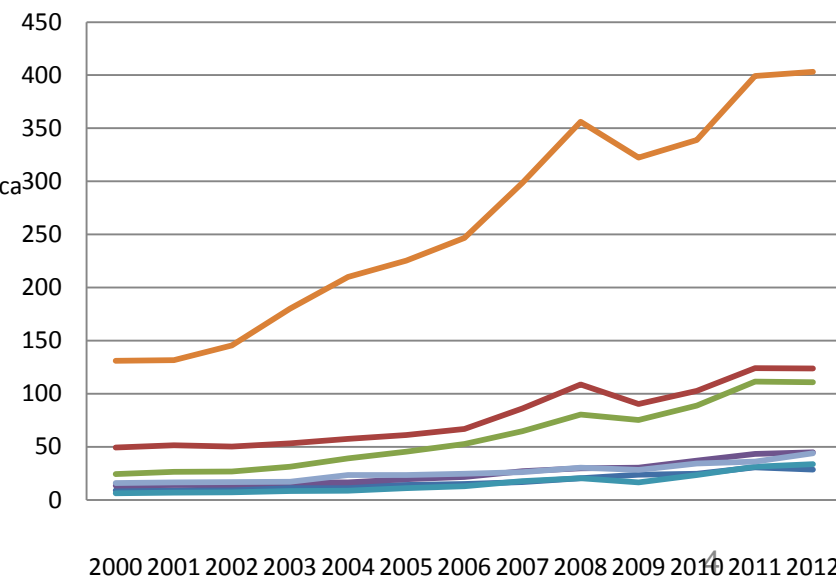
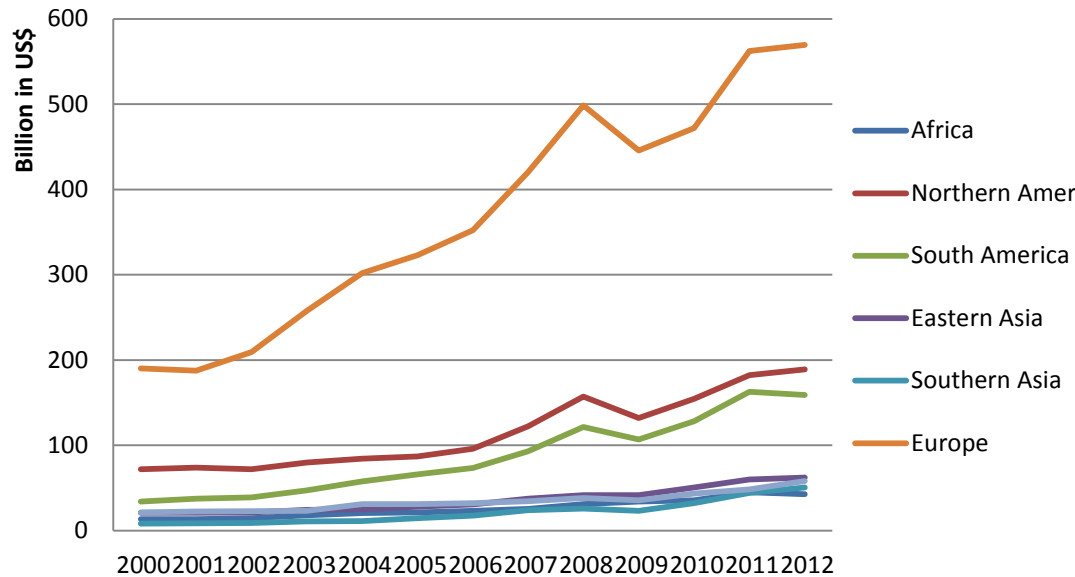
Agriculture position across countries in 2010



Agricultural and Food Exports from East Asia 2000-2012 (FAO data)



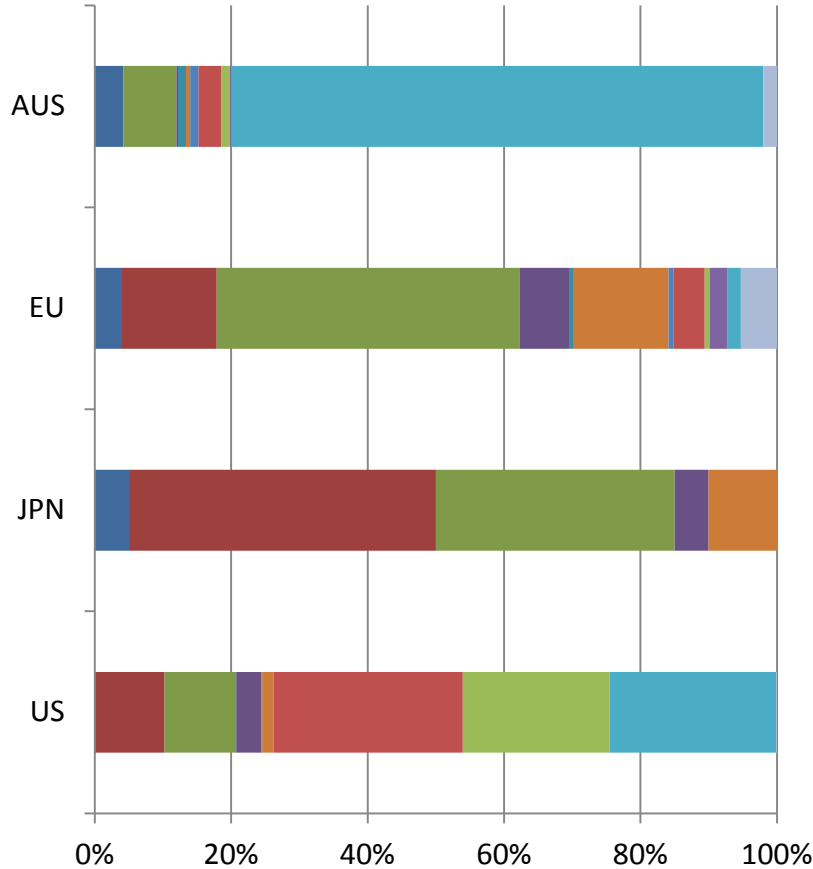
Agricultural and Food Exports by Region 2000-2012 (FAO data)



Challenges of Import Rejections

- ◆ In 2013, an estimated US\$9328 million worth of agriculture and food products (all food and feeds) were rejected at the borders of four markets (Australia, EU, Japan, and US).
- ◆ The reasons for these rejections are because the products are not complied with the food safety regulations in these markets.
 - In particular, residual traces of agricultural chemicals and veterinary drugs
- ◆ The border rejections are just a tip of an iceberg.
 - A larger amount of potentially exportable goods are rejected within the supply chain

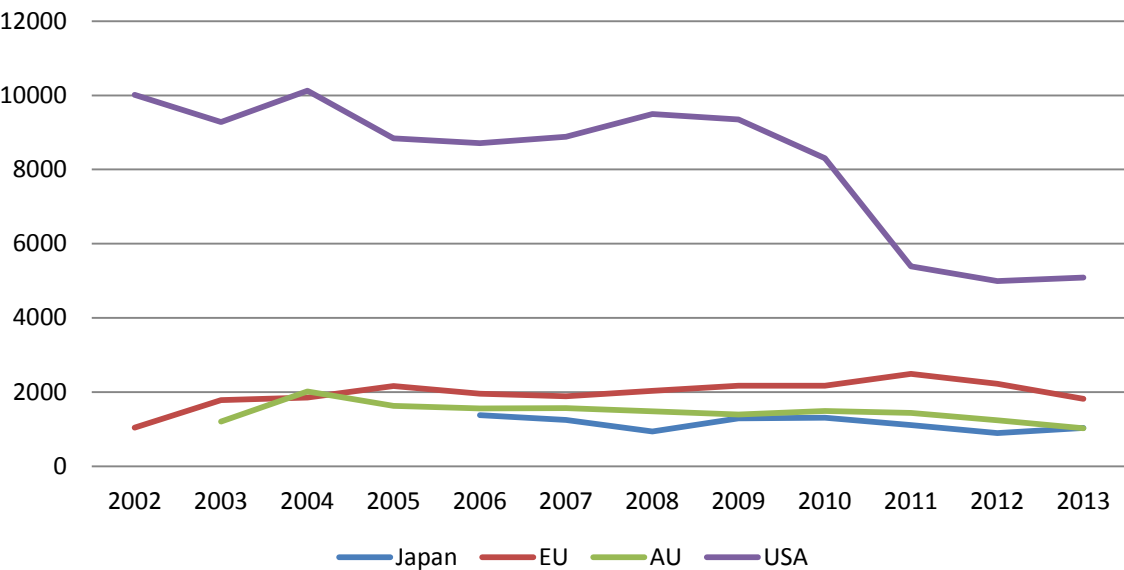
Reasons for Rejections



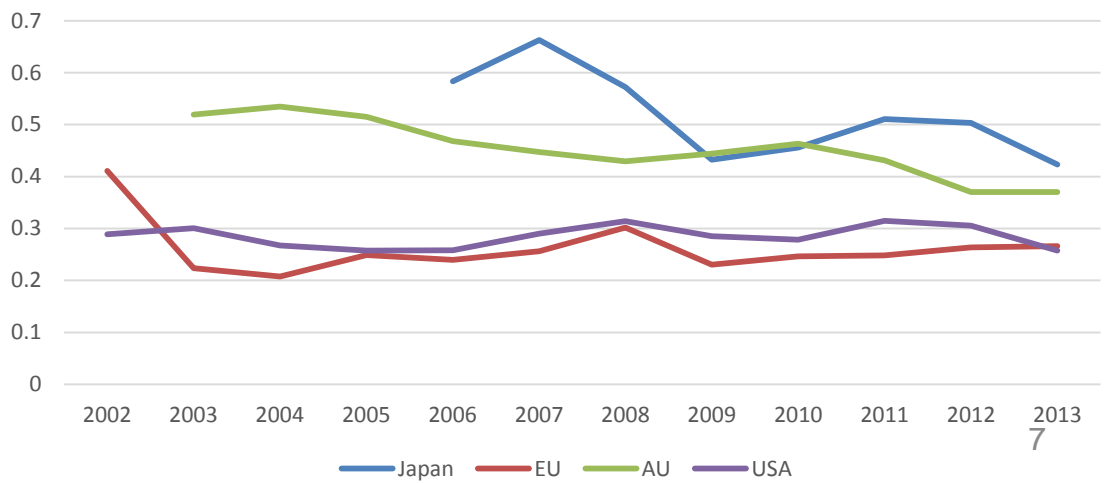
- ◆ In the Australian market
 - Labeling is most often cited
- ◆ In the EU market
 - Bacterial contamination and Additives
- ◆ In the Japanese market
 - Additives and Bacterial contamination
- ◆ In the US market
 - Labeling, Adulteration/ missing documents, and Hygienic control/conditions

Number of Agri-food Products Import Rejections in 4 Markets

AU: 2003-2013
 EU: 2002-2013
 JP: 2006-2013
 US: 2002-2013

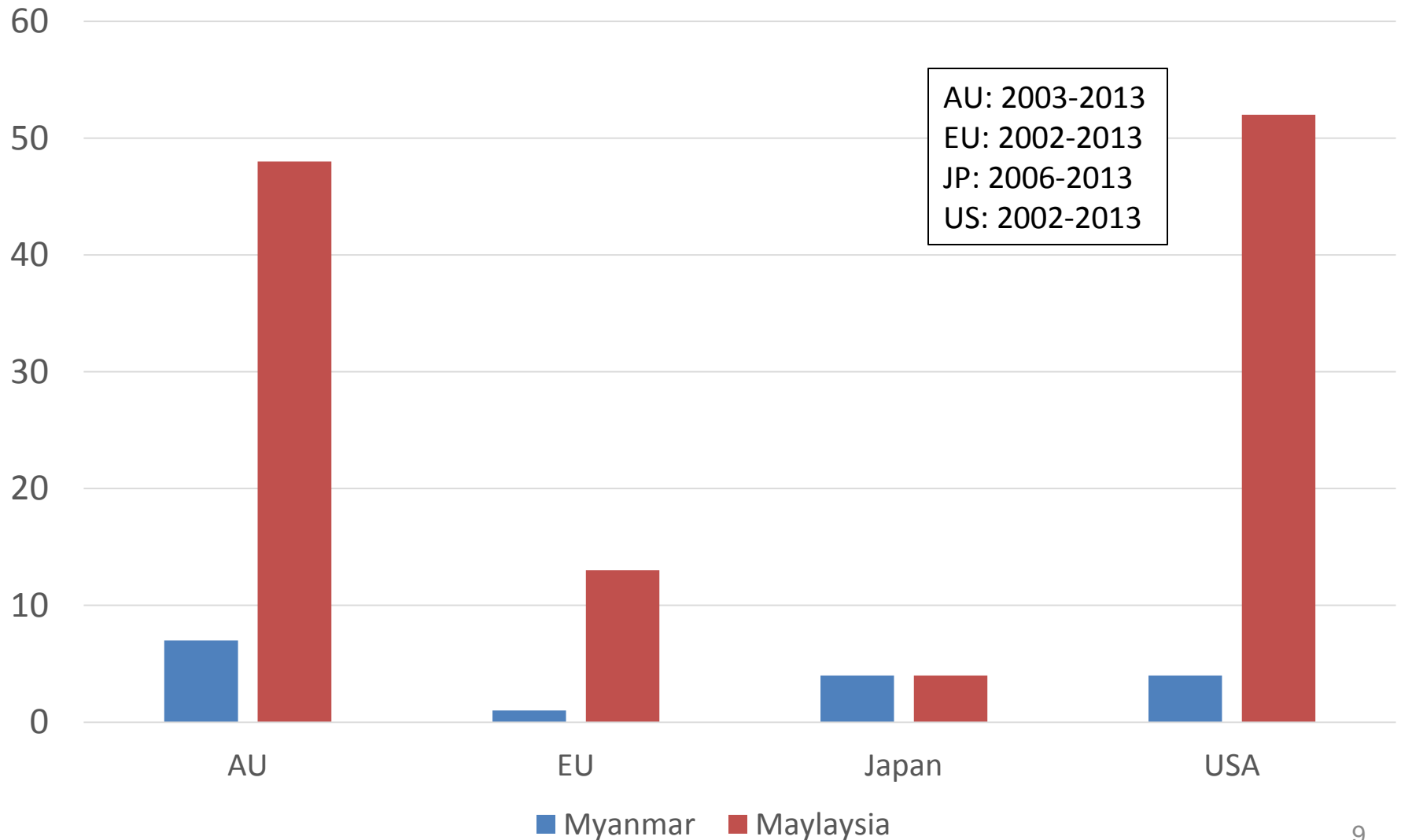


East Asia Percentage

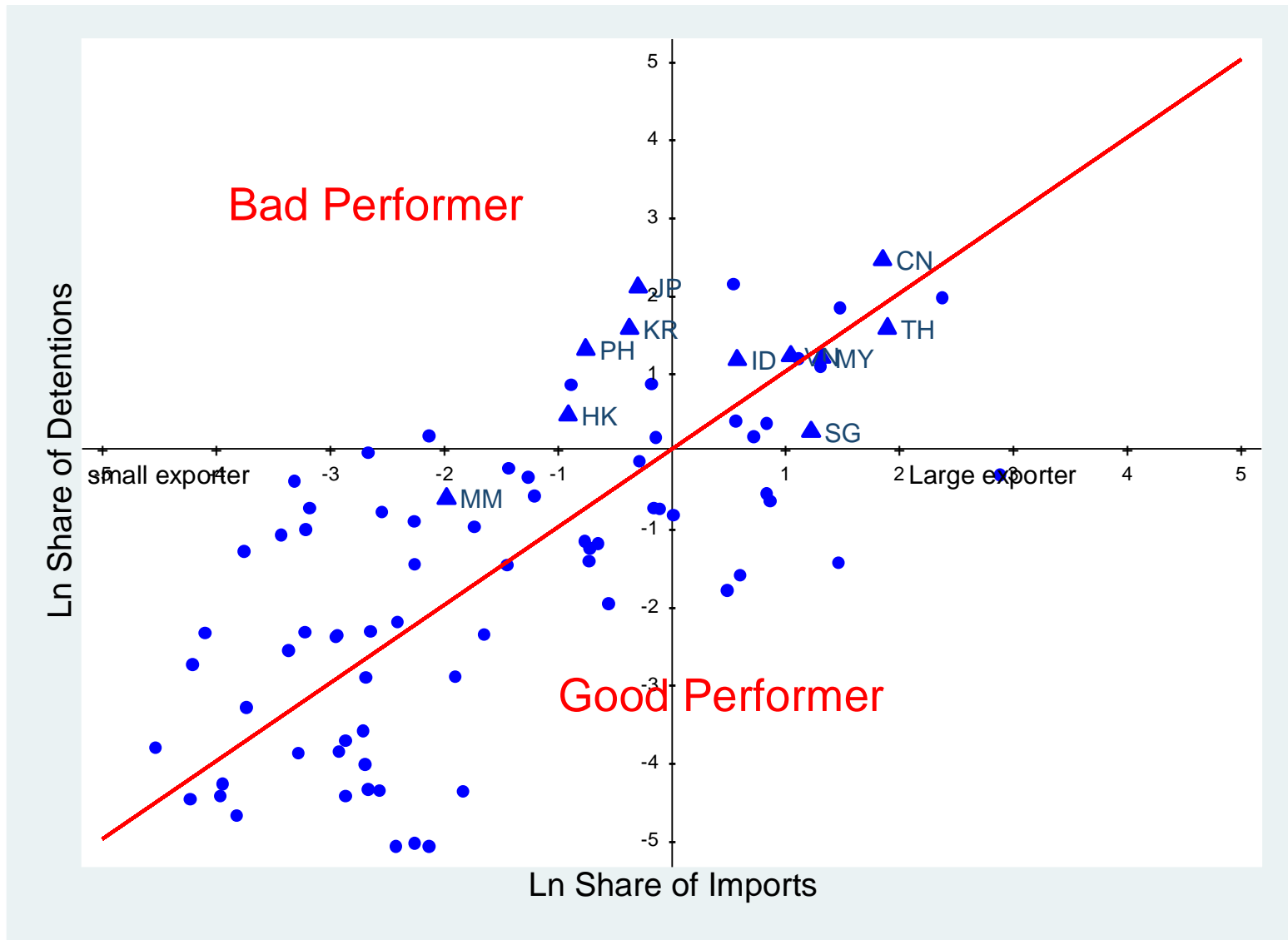


	AU		EU		Japan		USA	
Rank		Import share		Import share		Import share		Import share
1	China	6.4	China	4.6	China	14.3	Mexico	13.8
2	India	1.7	Turkey	3.4	US	24.3	India	2.3
3	Japan	0.7	Iran	0.4	Vietnam	1.7	China	5.7
4	US	10.8	India	2.3	Thailand	5.8	UK	2.3
5	Italy	4.4	US	8.1	Ghana	0.2	Canada	17.5
6	Thailand	6.6	Brazil	12.2	Italy	1.3	Vietnam	1.8
7	Korea, S	0.7	Thailand	2.4	Korea, S	2.7	Dominic	0.4
8	Philippines	0.5	Vietnam	1.8	India	1.5	Thailand	3.8
9	Vietnam	2.8	Argentina	6.6	Indonesia	1.8	Indonesia	2.2
10	Malaysia	3.7	Egypt	0.6	Ecuador	0.2	Japan	0.8
11	Indonesia	1.8	Morocco	2.1	Canada	6.5	Korea, S	0.5
12	France	3.1	Indonesia	2.9	France	2.8	Italy	3.9
13	UK	3.7	Ukraine	2.0	Philippines	2.0	France	4.2
14	South Africa	0.8	Bangladesh	0.3	Brazil	4.1	Philippines	1.3
15	Sri Lanka	0.4	Ghana	1.2	Spain	0.8	Pakistan	0.1

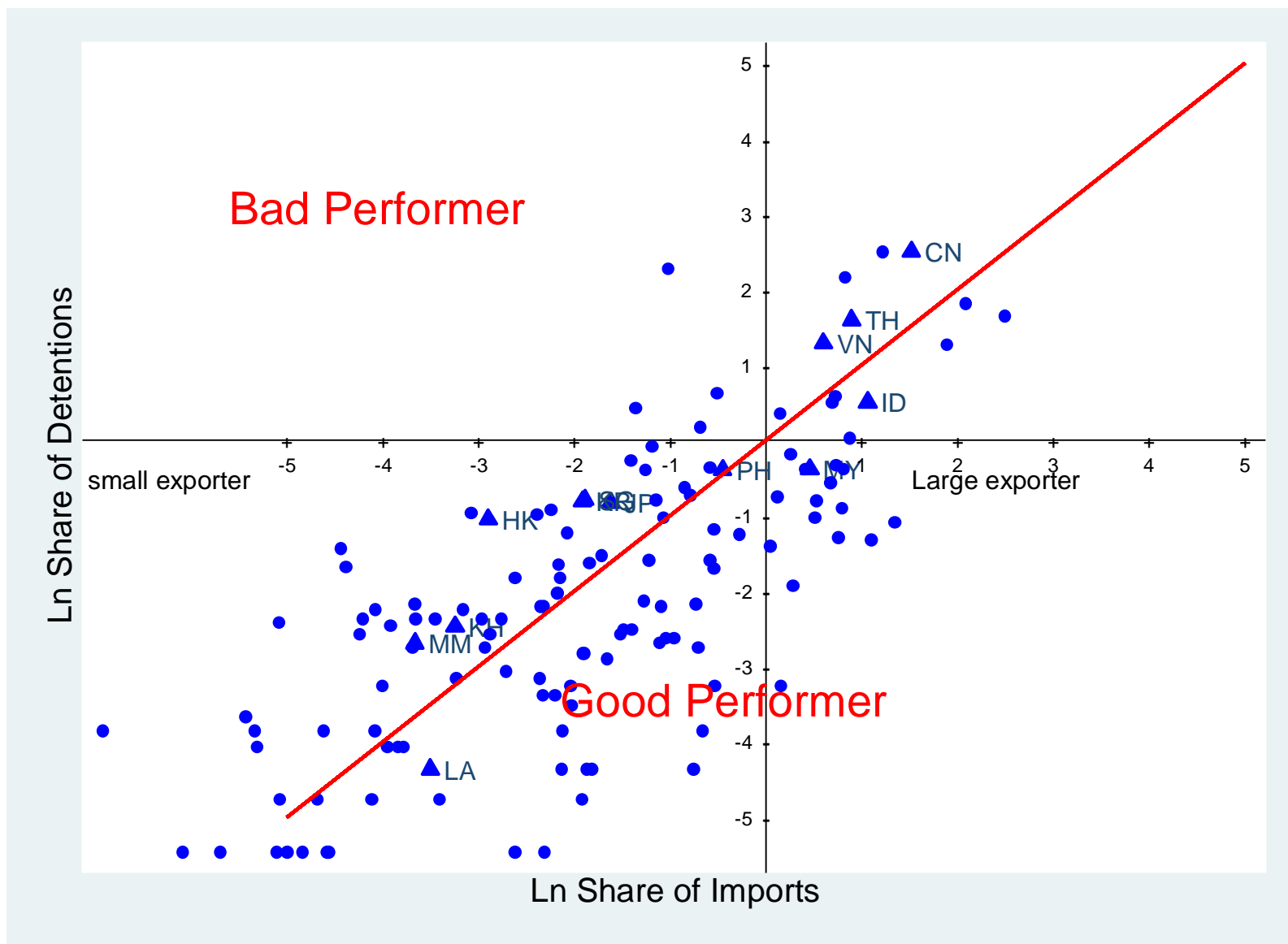
Average Number of Detentions in 4 Markets (Myanmar & Malaysia)



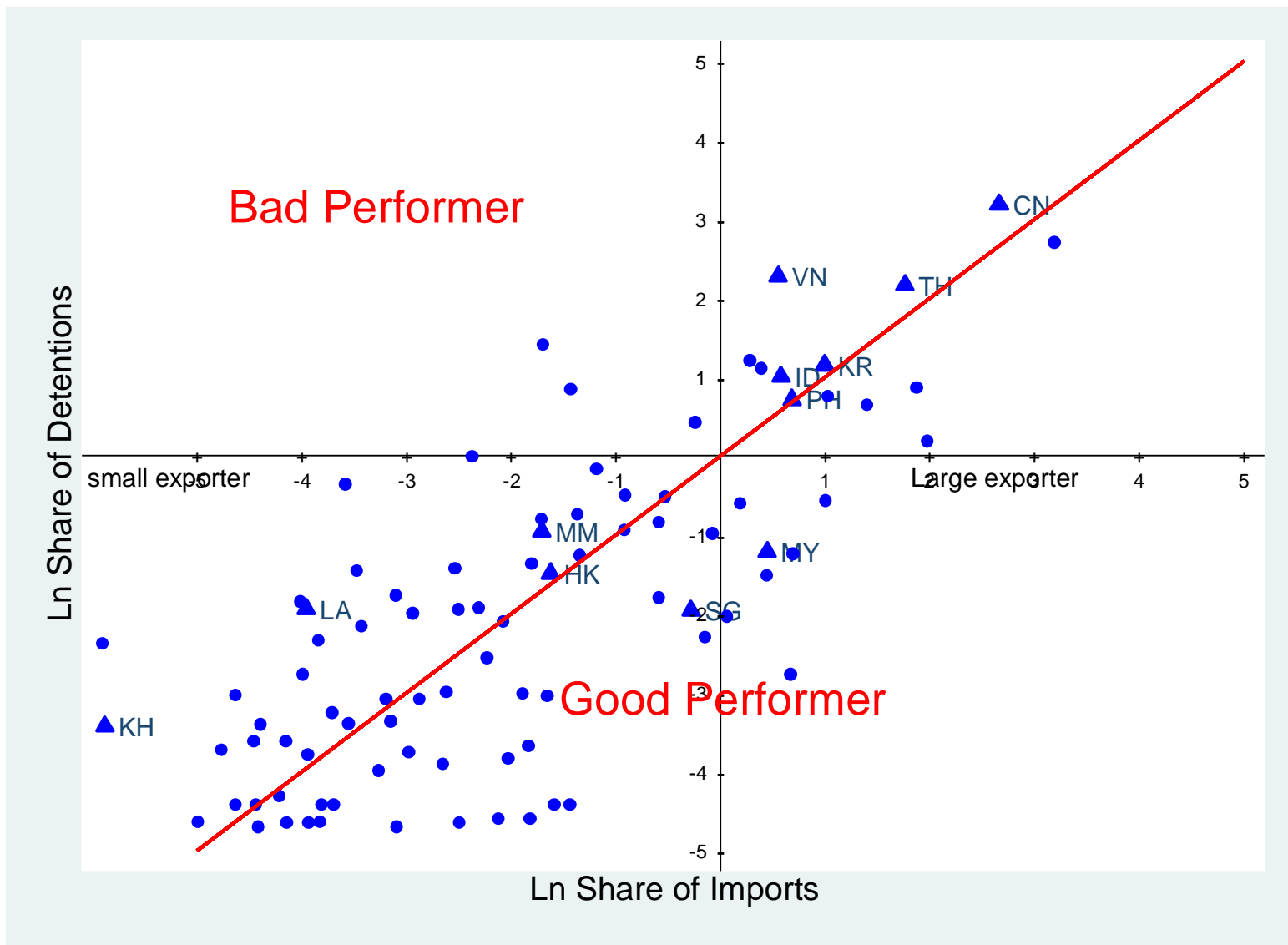
Malaysia and Myanmar's relative performance in Australia



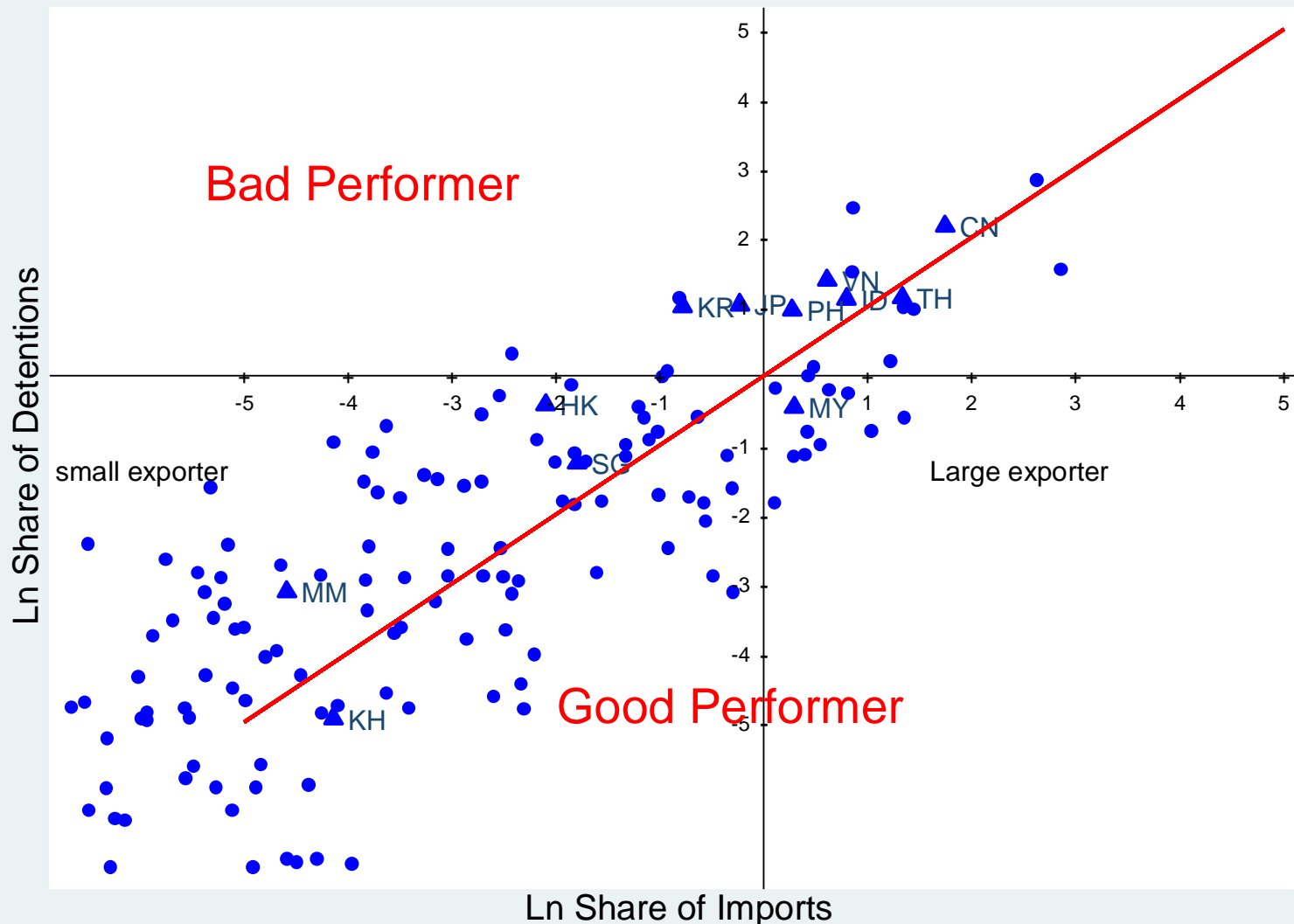
Malaysia and Myanmar's relative performance in EU



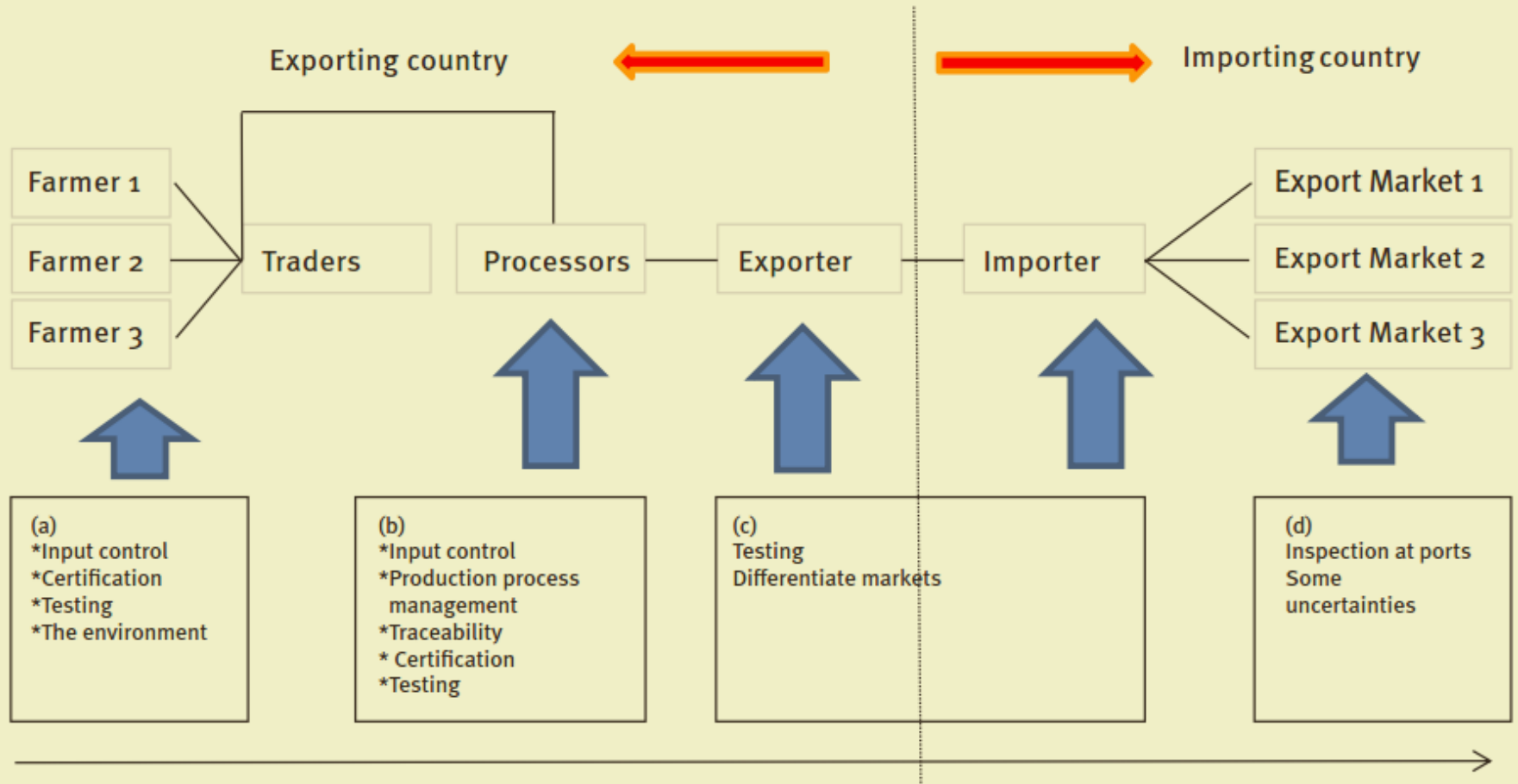
Malaysia and Myanmar's relative performance in Japan



Malaysia and Myanmar's relative performance in USA



Non-compliance along the Global Supply Chain



(e) Hygienic control: necessary throughout value chains including transportation and storage

Let Trade Work Better

-- for developing countries in East Asia

- ◆ Promoting agri-food exports to access to the global value chain is important for their economic development.
- ◆ Meeting standards, winning markets
- ◆ Strengthening their compliance capacities along the value chain is a critical issue for their development.

Thank you!

- ◆ Port rejection data - UNIDO dataset and analysis based on EU RASFF, US OASIS, AQIS, and Japanese MHLW data
- ◆ Trade data – FAO
- ◆ Trade Standards Compliance Report 2015
 - <http://www.unido.org/tradestandardscompliance.html>
- ◆ Regional Trade Standards Compliance Report (TSCR) – East Asia 2013
 - http://www.ide.go.jp/Japanese/Publish/Download/Collabo/UNIDO_2013.html
- ◆ Regional Trade Standards Compliance Report (TSCR) – East Asia 2015- coming soon~