

# Import Rejections of Agricultural and Food Products from East Asia: Issues and Future Challenges



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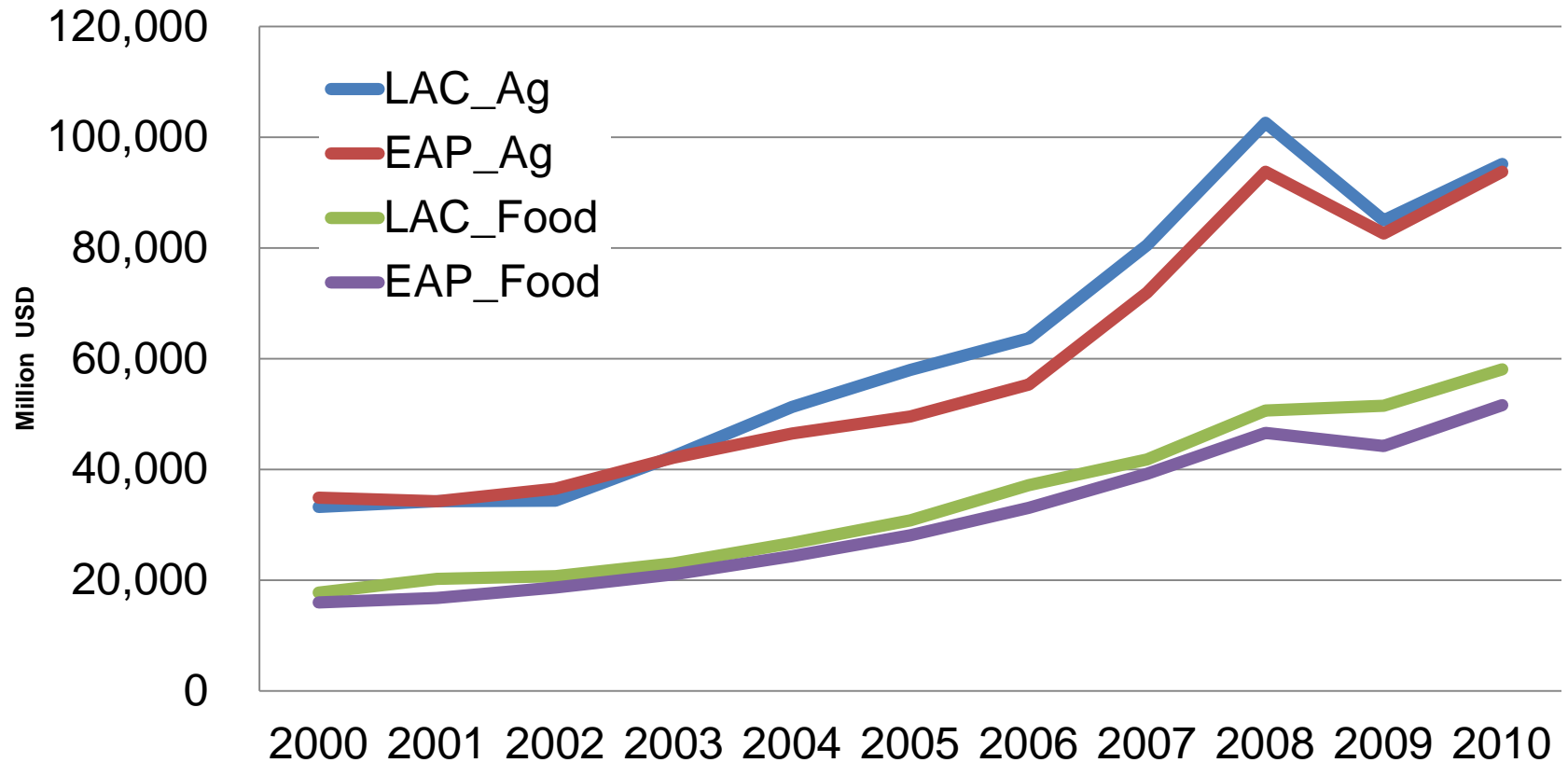
# Challenges of Import Rejections

- ◆ In 2010, an estimated US\$123 million worth of agriculture and food products (fish and fishery products, nuts and seeds, herbs and spices, and fruits and vegetables) were rejected at the borders of four markets (Australia, EU, Japan, and US).
- ◆ The reasons for these rejections are because these did not comply with the food safety regulations in these markets.
- ◆ The border rejections are just a tip of an iceberg.
  - A larger amount of potentially exportable goods are rejected within the supply chain
- ◆ Given that agriculture and food product exports are significant components of exports of developing countries, strengthening their compliance capacities is a critical issue for their development.

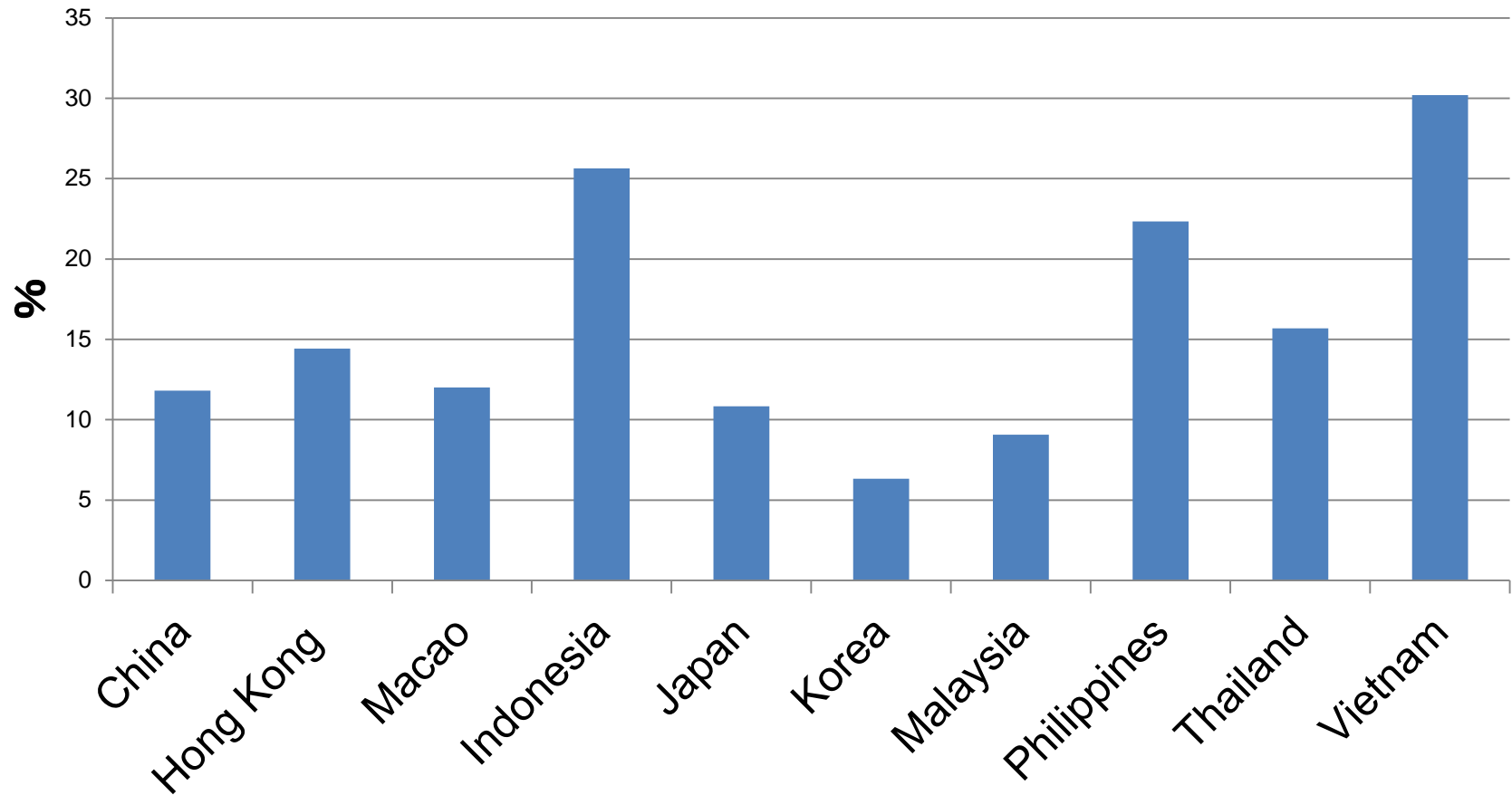
# Motivations for East Asian Report

- ◆ The aim to complement the overall global trend seen in the global report and provide East Asian perspectives
- ◆ The report covers the following countries
  - ASEAN, China, Japan, and Korea
- ◆ It analyzes the rejections of imports data from four important markets: Australia, EU, Japan, and US.

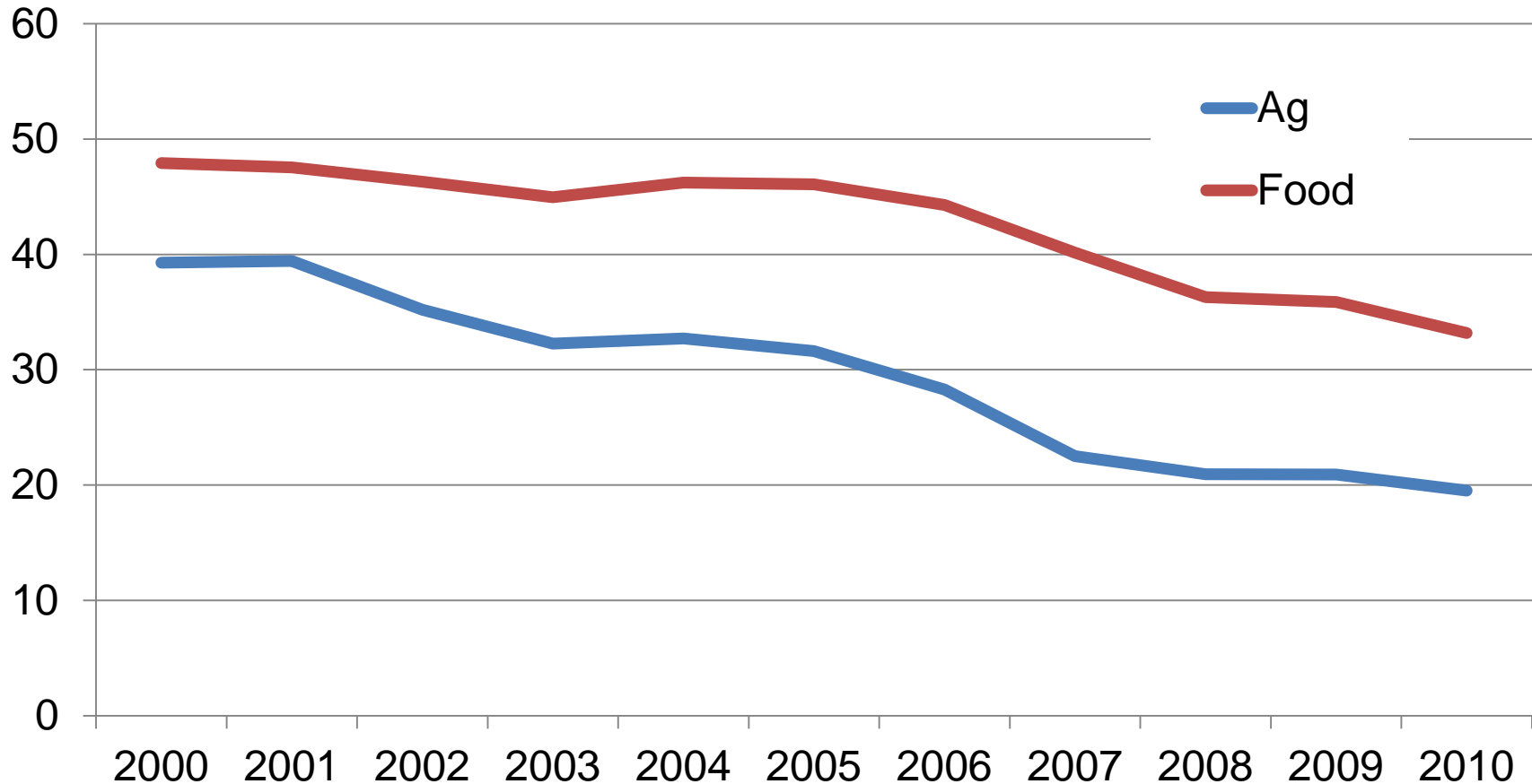
## Exports of agriculture and food products from East Asia are comparable to those from Latin American countries



## Share of food processing sector in manufacturing is sizeable across countries



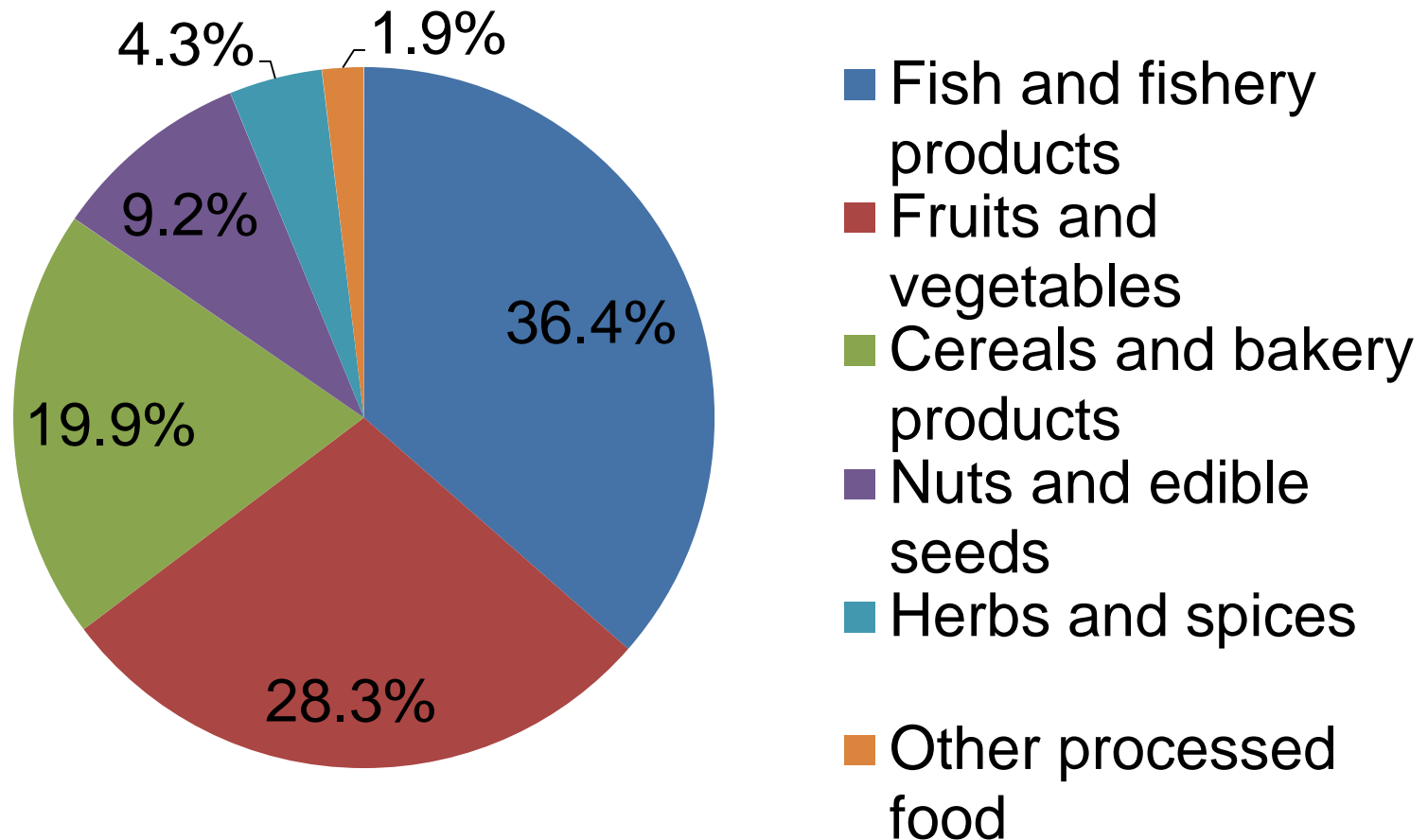
# While declining, Japanese market is still an important one for East Asian countries



During 2006-2010, 5 East Asian countries appear  
in Top 10 countries with reported cases of  
Japanese import rejections

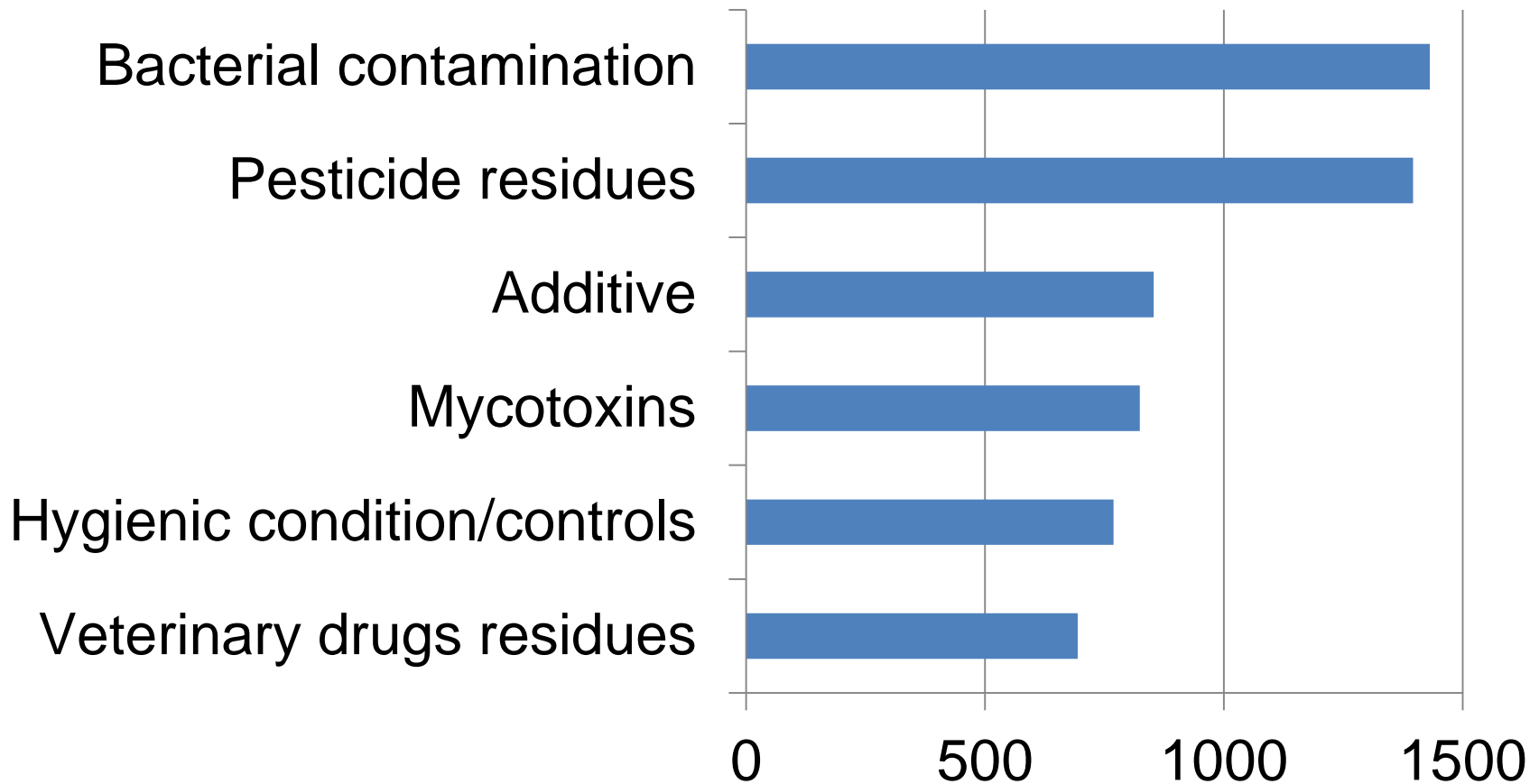
Rank	Country	Cases
1	<b>China</b>	1,646
2	US	804
3	<b>Vietnam</b>	563
4	<b>Thailand</b>	548
5	Ghana	338
6	Ecuador	202
7	<b>Indonesia</b>	188
8	Italy	184
9	<b>South Korea</b>	180
10	Canada	138

# More than 1/3 of rejections are fish and fishery products





## Bacterial contamination and pesticide residues top the causes for rejections during 2006 and 2010 in the Japanese Market



# We focused on the following supply chain for detail analysis

- ◆ Case studies of frozen vegetables and eels exports from China conducted by Nanae Yamada (IDE) and Romio Mori (JETRO) in the summer of 2012
- ◆ Case studies of pangasius and shrimp industries in Vietnam conducted by Aya Suzuki (Tokyo University) and Vu Hoang Nam (Foreign Trade University) with assistance from VASEP and other local researchers in the summer of 2012

# Summary of findings

- ◆ Largest knowledge gap exists at the farmer's level, making the supply chain management difficult
- ◆ Increasingly vertically integrating to ensure traceability
  - The implication is bifurcation of the sectors into export and domestic markets.
- ◆ More strict food safety standards in China and Vietnam are adopted/considered
- ◆ Some producers find it difficult to
  - Keep up with changing requirements in importing countries
  - Obtain multiple certificates
- ◆ Some countries find it beneficial to have MNCs in food processing sectors for technology transfer.

Thank You

