Analysing the Growing Importance of „Two-way Businesses“ and Intra-Asian Trade

- Introduction of Carrière
- Examining Asia’s key juice export products and the international markets they appeal to
- Identifying and analysing Asia’s import regions for juice
- Examining the range of products Asia imports from international regions: FCOJ and others
- Conclusions
Introduction of Carrière

- Based in Hamburg / Germany
- Trading mainly with citrus, tropical and exotic products
- Focused on 4 growth pillars: Conventional, Organic, Fairtrade, Derivates [water phases, natural aromas, oils, etc.]
- Specialised in product sourcing; global supplier network
- Strong customer base in Europe
- World Juice 2006 Innovation Award - Hero’s Fruit 2Day®, developed in conjunction with Carrière
- For more information: www.carriere.de
Examining Asia´s key juice export products and the international markets

- Key export products: Apple JC (AJC), Pineapple JC (PJC), Mango Puree and Concentrate (MGP)

Focus: (1) Chinese Apple Juice Concentrate (AJC)
       (2) Thai, Philippine and Indonesian Pineapple Juice Concentrate (PJC)
       (3) Indian Mango Pulp and Concentrate (MGP)

International Markets: Europe, US/Canada, Australia, Africa and Asia → Intra-Asian business
Examining Asia’s Key Juice Export Products

Focus (1): Chinese Apple Juice Concentrate (AJC)

Current key market features:
- Decreasing demand, especially in EU-27
- Large carry-overs, est. 300,000 MT [Foodnews, 9.4.13]
- Prices have been gradually falling since Nov 2011
- Competition arising from other countries, which also process low acid AJC (Turkey, Ukraine, Moldova) with lower duty tariffs
- High import duty in EU (25.5%)
EU-27 Imports of AJC in MT (Jan-Jun)

Source: Eurostat
Evolution of Chinese AJC prices
[in USD/MT FOB]

Source: Foodnews
Market Share of Chinese AJC Exports
[January-December 2012]

- US: 49.9%
- Japan: 10.7%
- Canada: 8.6%
- Russia: 9.3%
- S Africa: 3.4%
- Germany: 3.3%
- Australia: 4.5%
- N’lands: 1.3%
- Others: 7.8%

Source: China Customs
Analysis - Market Share of Chinese AJC Exports

- US and Canada account for more than 50% of Chinese total AJC exports => risk!?
- Japan and Russia are the major Intra-Asian destinations
- South Africa and Australia are important, too
- Germany is an AJC im-/exporter; low acid Chinese AJC used for blending with high acid product from Poland
- The category “Others” consists partially of Asian countries, like India, South Korea, Saudi Arabia, Thailand and Taiwan => Intra-Asian trade
Chinese Intra-Asian Exports of AJC in MT

Source: China Customs

Juice Asia 2013 – Bangkok
Identifying Asia’s Main Import Regions for Juice - AJC

AJC imports and Intra-Asian trade figures suggest that in 2012, Asia’s main import regions for AJC were:

- Japan: share of global Chinese AJC exports: 10.7%
- Russia: share of global Chinese AJC exports: 9.3%
- Turkey: share of global Chinese AJC exports: 1.2%
Examining Asia´s Key Juice Export Products

- Focus (2): Thai, Philippine and Indonesian Pineapple Juice Concentrate (PJC)

**Current key features:**
- Decreasing demand, especially in EU-27
- Prices have been gradually falling since Dec 2010, are considered to be too low, compared with AJC and FCOJ
- Oversupply in standard PJC – aseptic 60° Brix, stocks in Europe
EU-27 Imports of PJC [Jan-Jun] in MT

- Thailand
- Costa Rica
- Philippines
- Kenya
- Indonesia
- Israel
- South Africa
- Vietnam
- Brazil
- Swaziland
- China
- Honduras
- Others
- Total

Juice Asia 2013 - Bangkok
Evolution of Thai PJC prices
[in USD/MT FOB]

Source: Foodnews and own data

Juice Asia 2013 - Bangkok
Market Share of Thai PJC Exports 2012
[January – November 2012]

N'lands 37,8%
US 16,0%
Italy 8,6%
Australia 5,3%
Spain 3,4%
Iran 2,7%
Japan 2,7%
Taiwan 2,7%
UK 1,9%
Others 18,9%

SOURCE:Thai Customs Department
Intra-Asian exports of Thai PJC (2007-2012) in MT

Source: Informa UK, Jan-Jun
Intra-Asian exports of Thai Pineapple JC (2007-2012)

- According to Informa UK, the Intra-Asian exports of Thai PJC was 14.300 MT [without considering countries with imports below 200 MT] representing 11,5% of total Thai PJC exports in 2012.


- Within this period, the share of Intra-Asian exports grew moderately from approx. 9% in 2007 and 11,5 % in 2012.

- Main destinations: Iran, Japan and Taiwan.
Intra-Asian exports of Indonesian PJC in MT (2007-2012)

Source: Statistics Indonesia, Jan-Oct
Intra-Asian exports of Indonesian PJC (2007-2012)

- According to *Statistics Indonesia*, the Intra-Asian exports of Indonesian PJC was 4.277 MT [without considering countries with imports below 150 MT] representing approx. 23% of total Indonesian PJC exports in 2012
- Within this period, the share of Intra-Asian exports rose from a mere 12.5% in 2007 to 23% in 2012
- Main destinations: Saudi Arabia, Singapore and Pakistan
Intra-Asian Exports of Philippine PJC in MT (2007-2012)

Source: Philippine National Statistics Office, Jan-Oct
Intra-Asian exports of Philippine PJC (2007-2012)

- According to *Philippine National Statistics Office*, the Intra-Asian exports of Philippine PJC was 8.099 MT [without considering countries with imports below 450 MT] representing approx. 7% of total Philippine PJC exports in 2012.

- Intra-Asian exports grew from 5.287 MT in 2007 to 8.099 MT in 2012, an average of growth of approx. 9% p.a.

- Within this period, the share of Intra-Asian exports remained rather stable, approx. 5% in 2007 and 7% in 2012.

- Main destinations: Hongkong, Japan and UAE.
Intra-Asian exports of Thai, Indonesian and Philippine PJC in MT

Juice Asia 2013 - Bangkok
Identifying Asia’s Main Import Regions for Juice - PJC

PJC imports and Intra-Asian trade figures for 2012 indicated that Asia’s main import regions for PJC were:

- **Japan**: share of total Intra-Asian imports (IAI): 16.7%
- **Saudi Arabia**: share of total IAI: 13.2%
- **Iran**: share of total IAI: 11.3%
- **Taiwan**: share of total IAI: 11.1%
- **Hongkong**: share of total IAI: 10.9%
- **Singapore**: share of total IAI: 9.2%

Estimated figure for 2012, based on Foodnews and national export statistics.
Examining Asia´s Key Juice Export Products

Focus (3): Indian Mango Pulp and Concentrate (MGP)

Current key features:

- In 2012, Intra-Asian trades accounted for more than 60% of Indian global MGP exports, compared with 56% in 2011 and 65% in 2010 => stable

- Main varieties Alphonso, Totapuri and Kesar

- Different applications: Alphonso and Kesar for premium mango nectars, ice cream, catering; Totapuri mainly for multi-vitamin juices/nectars
Indian Mango Exports of MGP [in MT]

Source: DGCIS Annual Export, APEDA

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Indian Exports of Mango Pulp Share in % [2012]
Identifying Asia’s Main Import Regions for Juice - MGP

Intra-Asian trade figures suggest that Asia’s main import regions for MGP are according to APEDA:

- Saudi Arabia: share of global Indian MGP exports: 30%
- Yemen: share of global Indian MGP exports: 12%
- UAE: share of global Indian MGP exports: approx. 8%
- Kuwait: share of global Indian MGP exports: 6%

Arab countries > 50%

source: APEDA, 2012
Chinese FCOJ Imports in MT

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Market Share of Brazilian FCOJ Exports
[January – October 2012]

Source: SECEX

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Conclusions

- In the selected areas analysed, the Intra-Asian business is growing. Asian juice exporters are confronted with stagnant markets in Europe and US.

- However, size and structure of individual markets differ significantly one from each other.

AJC: export ex China – main imports in Asia: Japan and Russia with 62896 and 54702 MT [Jan-Jun 2012]

PJC: exports ex Thailand/Philippine/Indonesia – main imports in Asia Japan, Saudi Arabia and Iran with 5022, 3973 and 3397 MT respectively [2012]

MGP: exports ex India – main imports in Asia: Saudi Arabia, Yemen and UAE with 45686, 18290 and 11297 MT respectively [2012]
Conclusions

- Import of FCOJ has been highlighted as one of the major products. Japan and China are the most important Asian importers.

- “Real” two-way businesses between countries are still at early stages. Examples:
  - China imports FCOJ from US and exports AJC to this destination (=> larger volumes of AJC)
  - India imports AJC from China and exports MGP to this country (=> on a relatively small scale)
Thank You!