

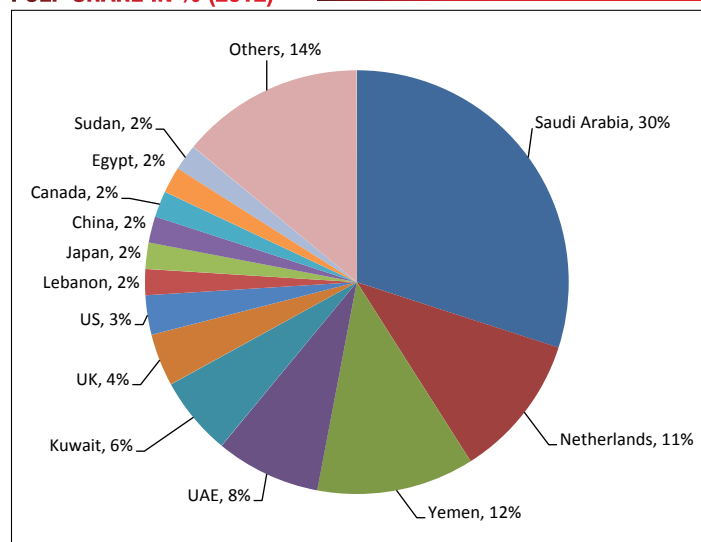
In Asia, there is a surprising amount of secondary trade. Major fruit juice producers are no longer relying on Europe and the US.

BY ULRICH VON DER LINDEN

CHINESE apple juice concentrate (AJC), Thai, Indonesian and Philippine pineapple juice concentrate (PJC) and Indian mango purée and concentrate three key juice products which form the basis for trade between Asian countries.

Looking at the market share of Chinese AJC Exports and EU-27 imports of AJC (see chart), one can see the effect of prohibitively high duties in EU (25.5%) on Chinese product in combination with a strong competition arising from other countries, such as Turkey, Moldova and Ukraine). In 2012, for the very first time, Turkey sold more AJC to EU-27 than China.

INDIAN EXPORTS OF MANGO PULP SHARE IN % (2012)



Analysing the pie chart, we see that the US and Canada account for more than 50% of Chinese total AJC exports. Japan and Russia are the major Intra-Asian destinations with a joint share of 20% of total exports.

China's dilemma involves experiencing a downturn in exports to Europe on one hand and depending on the US and Canadian markets on the other. Due to emerging competition from eastern Europe, namely Moldova and Ukraine, exports in general will probably suffer in the future.

When will these countries start to export significant volumes to the US? It is purely a matter of time.

The market for pineapple juice concentrate (PJC) is more fragmented than AJC. The intra-Asian exports of the three main

PJC processing countries in Asia (Thailand, Philippines and Indonesia) have been steadily growing, as you can see in the charts here.

In 2012, intra-Asian PJC imports, added up to a total of 30 000 tonnes and trade figures indicated that Asia's main import regions 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%; Hong Kong: share of total IAI: 10.9%; Singapore: share of total IAI: 9.2%

Last but certainly not least, intra-Asian trades of Indian mango purée and concentrate (MGP) play a decisive role, given the fact that in 2012 they accounted for more than 60% of Indian global mango purée

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

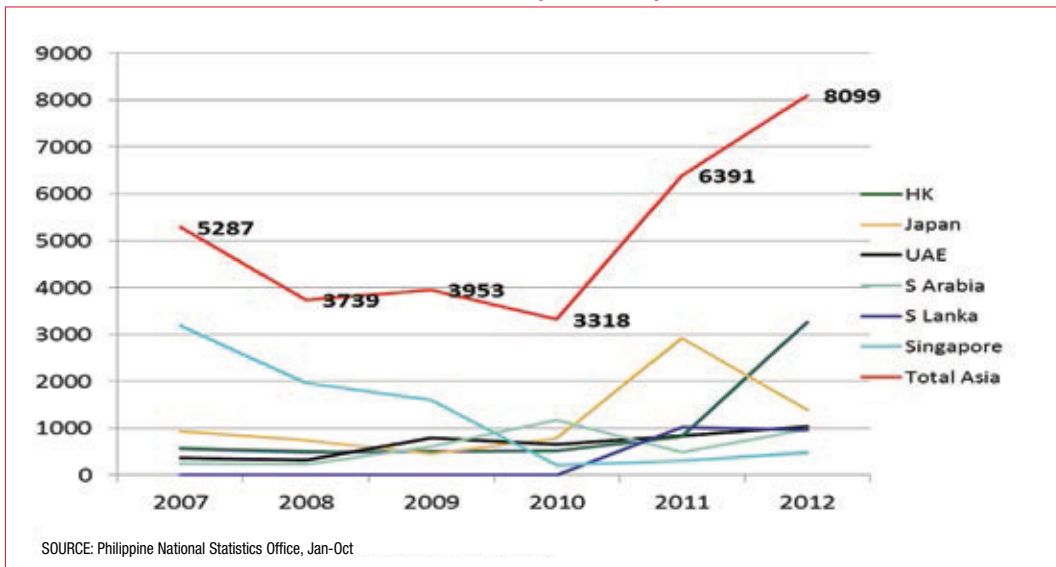
exports. Unsurprisingly, Arab countries take more than 50% of total Indian MGP exports.

Changing the perspective from exports to imports, the most important juice being imported into Asia is Brazilian FCOJ.

Japan and China were the major Asian destinations. In 2012, China imported more than 56 000 tonnes of FCOJ, out of which approximately 45 000 tonnes came from Brazil, 10 000 tonnes from Israel and a very small quantity from the US.

To sum up, the charts demonstrate the growth of intra-Asian business in the selected areas. Confronted with stagnant markets in Europe and US, Asian juice exporters are looking for alternatives within their region. However, the sizes and structures of individual markets differ

INTRA-ASIAN EXPORTS OF PHILIPPINE PJC IN MT (2007-2012)



significantly one from each other.

Imports of FCOJ have 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 an embryonic stage.

For example, China imports FCOJ from the US and exports AJC to this destination. India imports AJC from China and exports mango purée and concentrate to Japan.

The future will tell us whether the development seen for AJC, PJC and purée and concentrate in 2007-12 is really going to establish a basis for a solid, long-term trend.

Such an evolution would be absolutely desirable, not just for individual countries and markets but for the global market *in toto*.

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