6-1981

Development of South East Asian Economies and Implications for Potential Agricultural Markets

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DEVELOPMENT OF SOUTH EAST ASIAN ECONOMIES AND IMPLICATIONS FOR POTENTIAL AGRICULTURAL MARKETS

by

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WESTERN AUSTRALIAN DEPARTMENT OF AGRICULTURE

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ACKNOWLEDGEMENTS

This study was undertaken as part of a continuing programme to further develop trade in agricultural commodities between Asean nations (excluding Thailand) and Western Australia. This initiative, which has now been in operation for three years, is the first exercise of its type undertaken by a State Department in Australia. I am therefore grateful to the Department of Agriculture for the opportunity to participate in this activity and also particularly to staff within the Marketing and Economics Section for their encouragement.

Co-operation given by private industry - producers, merchants, carriers and exporters has been essential in providing me with a greater understanding of their particular industry and for that I am greatly indebted - quite apart from valuable contacts they provided during my visit.

SUMMARY

Singapore

The Singapore economy has achieved the highest per capita G.D.P. of all Asean nations, increasing by 35 per cent since 1978. The economy is dependent on the manufacturing and service industries which together contribute more than 90 per cent of their G.D.P. Being situated on the major international trade routes, Singapore's entrepot activities are an important part of its economy. However, these industries cannot earn sufficient foreign reserves to pay for an increasing import bill.

Singapore has made a conscious effort to re-industrialise into the capital intensive high technology industries. This, together with growing tertiary activities, including banking and tourism, should lead to increasing disposable incomes. Domestic agricultural production is limited to intensive livestock production, e.g. pig and poultry which means the small population of 2.5 million people (and 2.5 million tourists) must rely on imported food products.

As per capita incomes increase, not only does the total food requirement increase but also consumers become more selective preferring quality food lines. The rapid increase of vegetable exports from Western Australia to Singapore in the past few years is an expression of this trend.

Potential trading opportunities lie in fresh fruit, vegetables and premium meats. Also grains will continue to be a major import mainly for milling and subsequent re-export. Singapore's importance as a distribution centre will continue for all those agricultural products currently traded, with Malaysia becoming increasingly self-reliant. But the lack of direct freight services to surrounding islands from Western Australia plus ships stores and oil rig consumption will re-inforce Singapore's redistribution activities in fresh and semi-processed food items.

Malaysia

The rapidly developing Malaysian economy offers similar potential for increased trade in the short to medium term. It has the second highest growth rate in terms of per cent increase of G.D.P. and also the second highest average per capita income of the Asean nations. With an apparently more equitable distribution of wealth compared with that in Indonesia and the Philippines, a greater proportion of the population can purchase the more expensive imported products.

The Malaysian economy is based on agricultural crops such as rubber and oil palm. Whilst food crop production is important, significant amounts of food are imported to meet domestic demand. Other major industries are timber, tin and petroleum with the latter recently becoming Malaysia's major export revenue earner.

The surplus balance of trade reported for some years is a result of high international prices and also increased production - particularly of oil. Continued surpluses have enabled the build-up of Malaysia's foreign exchange reserves.

The country protects its domestic production usually by import licences where considered necessary e.g. cabbage. However, the general level of tariffs and surtaxes do not pose a serious barrier to trade.

Malaysian planners have adopted a development programme based on export expansion particularly in the manufacturing sector and import substitution. Malaysia is 90 per cent self sufficient in rice production - the staple diet, but far from self sufficient in animal products particularly dairy products and meat. Development of livestock industries particularly at small holder levels has received considerable impetus from Government programmes. There is a growing demand for fresh fruit and vegetables that cannot be met from domestic production - mainly because of unsuitable climatic conditions.

Opportunities to increase trade with Malaysia will come from two separate areas. Firstly, the recently experienced wealth will increase the demand for food in general. More people will be able to afford dairy products, temperate crops and meat that must be imported. Secondly, in pursuit of the import substitution policy, breeding stock will be required for the Government planned development of livestock industries.

Indonesia

The Indonesian economy has grown rapidly under the influence of high international prices for oil - the major export earner, and other agricultural export commodities. Indonesia's G.D.P. has shown a steady increase of 6.8 per cent in the five years ending 1978 but because of the large population growth rate, per capita incomes remain the lowest of all the Asean nations. However, population growth rates are thought to have decreased to 2.0 per cent per annum in response to the Family Planning Programme.

The country has more than adequate foreign reserves as a result of its strong trading position. The Government has undertaken an ambitious development programme under Repelita III - the 1981 budget having a 30 per cent increase over the previous year funded largely by Government Revenue (50 per cent of which is derived from oil industry royalties).

Whilst the Government is consciously attempting to create employment opportunities in the secondary sector under-employment remains a problem. Movement of labour from agriculture to urban areas is quite significant aggravating employment problems.

However, average per capita incomes and population have been increasing resulting in an increased demand for food that has out paced the increase in food supplies made possible by productivity increases. The National Procurement Authority (BULOG) has been increasingly active in the import of essential food items for the growing population. The Government has plans to increase Indonesia's productive capacity by establishment and development of irrigation facilities in an attempt to overcome the increasing food deficit. To rectify the food deficit, essential food items such as wheat and sugar are imported by BULOG with a nominal tarrif. However, non-essential food items such as fruit, vegetables and meat attract tariffs of up to 100 per cent of landed values restricting the market to hotels, restaurants and wealthy local expatriates. To date Australian suppliers in general have a poor reputation in this area.

Areas offering greatest potential for increased trade between Western Australia and Indonesia are restricted to imports for the Government agricultural development programs and secondly for the hotel/restaurant trade - although a large amount of promotion will be necessary to penetrate the latter.

Philippines

Superficial analysis of the Philippine economy suggests that there is scope for increased trade between Western Australia and the Philippines. The economy has achieved a reasonable growth rate in recent years and in spite of a population growth rate of 2.8 per cent per annum, average per capita income is also increasing. The country has extensive private and Government debts with heavy annual servicing requirements. The balance of payments situation is such that continued deficits in the balance of trade have depleted levels of foreign exchange. In an attempt to preserve these, severe controls by the Central Bank on the release of foreign currency for imports are in operation. Goods requiring further processing are viewed more favourably than those destined for immediate consumption. Imports are further categorised by the government as essential, semi essential, non essential and unclassified which influences the availability of foreign exchange for their import and also the tariff level.

The Philippines Development Plan cites self sufficiency in food production as a primary objective. It has achieved this in rice production but is still well short in the animal products - dairy products and meat for example. This situation is unlikely to be rectified in the immediate future and the short fall will be met by imports. The Government has changed its philosophy from one of import substitution to export promotion to obtain the foreign exchange required for the growing import bill. However, this policy is directed more at secondary industry.

The Philippines is similar to Indonesia in that personal contacts are an important part of any trading operation. Unofficial and Government established monopolies are not uncommon and control the import of various commodities such as meat and fruit, making trade virtually impossible unless the right people are involved.

Trading opportunities with the Philippines will be limited to those commodities requiring further processing within the Philippines such as meat for the canning industry as well as the very small trade with the armed forces bases where the currency and tariff controls are waived. These will only be possible if the right contacts are made and the required procedures are followed.

Table 1

Economic and Demographic Statistics - 1979/80

	Singapore	Malaysia	Indonesia	Philippines
Population (million)	2.4	13.6	145.0	48.0
Population growth rate (%)	1.5	2.7	2.0	2.8
Per capita Gross Domestic Product (at real prices) ($A)	3277	741	315	527
G.D.P. growth rate (%)	10.6	8.0	6.8	5.8
Balance of trade ($A) million	-3,031	2,749	7,122	-1,694
% Workforce in agriculture	0	43.0	60.0	53.0
% Agric of G.D.P.	1.5	24.0	34.0	27
% Food in total imports	5.6	N/A	N/A	6.7
Inflation rate	4.0	7.0	24.0	16.0
Exchange rate A$1 equivalent	S$2.440	M$2.511	Rp648	P8.681

RECOMMENDATIONS

1. In view of the complexities of trading with the Philippines and the problems with which their economy is confronted I do not recommend including the Philippines on routine visits to South East Asia. The additional cost of servicing that country would not pay dividends in the longer term. However, a desk watch, in co-operation with Department of Trade and Resources, should be maintained so that if unexpected changes take place, Western Australia will be in a position to capitalise on the change.

2. Routine visits should be continued to the other South East Asian countries - at least annually as Singapore and Malaysia in particular are undergoing rapid development during which their food requirements will not be met from domestic production. Regular visits to these markets have made the exchange of information a lot easier - particularly in Indonesia. The contacts made in that country were only made possible by introductions through a senior Government official who has come to accept my presence as a genuine and regular attempt to increase trade rather than a once off casual visit.

3. The time spent on each overseas visit should not exceed 4 weeks as there is too long a delay in getting back to people to provide information or pass on contacts. It is also desirable that more time be spent in the one place so that investigations may be made into other agricultural products currently not traded.

4. More promotional work is required at the retail level for Western Austalian products. The South East Asian consumers are very brand conscious which lends itself to promotional activities e.g. Sunkist oranges. It may be necessary to conduct consumer behaviour research to determine purchasing habits and trends to get the greatest benefit out of promotional work.

5. Singapore

a) Pigmeat. Whilst Western Australia cannot compete with the Singapore pig industry on a price basis for the fresh lean product, an attempt to supply certain pigmeat cuts in the chilled form through selected retail outlets could be a timely introduction of this State's product as the pig industry in Singapore cannot meet expected demands.

b) Vegetables. Greater retail promotion of Western Australian vegetables emphasising freshness and quality, should be undertaken to increase our share of the markets.

c) Fruits. There appears to be a developing market for premium exotic fruits - individually wrapped pieces for gifts - particularly at Chinese New Year in February. This market should be further investigated.

d) Beef. It would appear there is major resistance amongst catering officers of leading hotels to purchase Australian beef. (One admitted using Australian primals but requested to remain nameless as he considered if it should become common knowledge, his clientele would suffer).

The introduction of some formal classification for ordering beef should be investigated, aiming to overcome their reservations and at the same time prevent the tremendous variation of quality being supplied to these markets. The U.S. currently supply meat under this arrangement. The use of the Australian Meat and Livestock Corporation's handbook for ordering meat is apparently insufficient on its own.

A high priority should be given to this aspect of the trade as the potential growth in the short to medium term at attractive prices is significant.

e) Agricultural products for further processing. Given Singapore's wages policy, planned development of its industrial sector and key position on international trade routes, Western Australia could benefit through joint ventures with Singapore partners. Their Department of Trade has indicated an interest in activities such as fruit and vegetable processing and canning or similar activities where the processed product would be re-sold to international markets.

f) Rice. A trial shipment of approximately 50 tonnes of Ord River rice be sold in Singapore at the ruling market price so that its suitability for that market may be evaluated.

6. Malaysia

a) Beef. Whilst the growth potential is not immediately as large as Singapore, the same impressions are evident in Malaysian importers. A classification scheme could overcome this bias and at least give Western Australia better access to the hotel trade.

b) Live cattle. The situation with live cattle warrants continued monitoring as changes in the beef industry are imminent. These could have serious repercussions on both the live cattle trade and the frozen meat trade.

c) Fruit and Vegetables. The Australian Government should encourage the Asean Food Handling Bureau to run a technical educational course on the handling and storage of perishable fruit and vegetable products. This could not only be directed at their local products but also the imported products. Such a course would have obvious benefits for Western Australian produce landing in Malaysia in that it would be presented to the ultimate consumer in far better condition than is currently seen. Peninsula Malaysia supplies Singapore with in excess of 90,000 tonnes of vegetables each year. Imports of Australian fruit and vegetables have also shown a rapid increase in the last three years in Malaysia.

d) Live sheep

i) The feasibility of undergrazing sheep in rubber plantations by smallholders be further investigated.

ii) The availability of transport vessels suitable for supplying live sheep in small quantities direct to Port Kelang for slaughter at Shah Alam be further investigated. Currently this market is fully controlled by Singapore traders - in spite of an interest expressed by several Malaysian importers.

7. Indonesia

a))General Promotion. As Australia is only just beginning to supply a range of agricultural products other than wheat to Indonsia, I consider a promotional activity would achieve two objectives.

i) It would introduce the Western Australian product to the market.

ii) It would give the Indonesian traders more confidence in this State's position to supply.

A general hotel food promotion is suggested as the tariff charges restrict market access to this area of the food trade.

b) Livestock - cattle. The appropriate Australian authority approach the Indonesian Government to expand their list of eligible livestock suppliers to include at least one Western Australian company.

c) Poultry. The Department of Trade and Resources be approached to include day old chicks on their list of eligible items for the Export Expansion and Export market Development Schemes.

8. Philippines

a) Fruit and Vegetables. The possibility of supplying the U.S. Airforce bases container loads of mixed products be further investigated.

The recommendations detailed above will be taken up with the relevant State or Federal authorities, or private industry associations. Work toward the fulfilment of some of the recommendations contained herein have already commenced. Naturally close co-operation with the industry concerned is necessary from producers to the ultimate exporters.

SINGAPORE

General

Singapore's economy has out-performed that of any other Asean nation. In spite of its limited area and lack of resources and high population density, Singapore has the fastest growing economy in terms of GDP, one of the lowest rates of inflation and the second highest per capita income of all the Asean countries.

Singapore's development has taken place initially because of its key position on international trade routes, hence its extensive entrepot activities, together with the processing of imported raw products such as oil, rubber and the subsequent re-export of the processed product. It has also been made possible by Singapore's abundant cheap labour in the past. These factors, combined with the Government's attitude on foreign investment and free trade have enabled Singapore to industrialise to the extent where she must no longer be considered as a less developed nation.

In the past few years, Singapore has become increasingly aware that its entrepot activities alone would be incapable of providing continued economic growth and sufficient foreign exchange to cover the rapidly expanding import bill. Furthermore, traditional suppliers of raw materials have curtailed exports in the unprocessed form in an attempt to increase the value added within the producing country, for example saw logs in Malaysia. This situation has forced Singapore to develop its manufacturing and service industries such as electronics, banking and insurance. The types of manufacturing being encouraged are not labour intensive industries. Singapore considers that its Asean partners are in a better position to supply the products from this type of industry - footwear, clothing and automobile industries. Singapore's future lies in the development of the high technology industries. Because such development requires capital and an educated labour force, Singapore's planners have outlined the following strategy:

1) A planned three year increase of wages at 20 per cent each year from 1979 to 1981.

This has no doubt been poorly received by those labour intensive industries that have been responsible for Singapore's growth in past years. But Singapore currently has a labour shortage and workers from Malaysia travel daily to fill unskilled vacancies. Such a move has also made foreign investment less attractive as profit margins will obviously have declined.

2) An increase in training facilities for Singaporeans at technical colleges and other tertiary institutions.

This should provide a better trained workforce for the high technology industries.

3. To attract capital the Government has selectively offered extremely liberal foreign investment conditions which include 100 per cent foreign ownership, a facility not allowed in any other Asean nation and also remittance of all profits. There are also attractive investment allowances on labour replacing equipment in several identified industries. These include computer soft ware, specialised chemicals and pharmaceuticals, electronic instruments, aircraft components and precision engineering.

These steps have been in operation since 1979 and to date there is no evidence that foreign investment has diminished overall. Some Japanese interests have reacted negatively to the programmed wage increases and consequently total foreign investment from that country has declined. By the end of 1981 wage levels in Singapore will be 1/7 of those in the United States of America and 1/6 of Japan's.

In real terms, Singapore's GDP growth rate has been increasing at an increasing rate since 1975. The growth rate in that year was 4.1 per cent and increased to 10.7 per cent in 1980. The per capita income in 1979 was US$3,844. As mentioned the major sector in the economy is the manufacturing sector which represents 24 per cent of the GDP. This sector is growing faster than other sectors with a reported rate of 14.5 per cent in 1979. The tertiary sector also has undergone rapid development. Foreign interests look favourably toward establishing offices in Singapore rather than Hong Kong as banking facilities and communications, are more than adequate. Real estate is also comparatively cheaper. The tertiary sector now contributes in excess of 70 per cent to Singapore's GDP.

International Trade

Singapore's major trading partners are the U.S.A., Japan, Malaysia and Saudi Arabia. The value of trade with these countries is shown in Table 2. As a group they took 34 per cent of Singapore's exports and provided 56 per cent of imports in 1980.

Table 2
Singapore's Trading Partners

	1979 (S$ million)		1980 (S$ million)	
	Imports	Exports	Imports	Exports
U.S.A.	5,489	4,266	7,237	5,272
Japan	6,531	2,968	9,162	3,338
Malaysia	4,606	3,403	6,179	4,739
Saudi Arabia	4,020	6,412	703	825
Australia	843	1,150	1,162	1,671
TOTAL	38,334	30,940	51,345	41,452

Saudi Arabia's inclusion in this list results from its supply of petroleum for refining in Singapore.

Total imports have been growing at a fairly rapid rate in recent years (see Table 3) well in excess of the rate of increase in the value of exports. The balance of trade - a negative S$9,893 million in 1980 has increased at an average rate of 26 per cent per year over the past four years.

Table 3
Singapore Balance of Trade
(S$ millions)

	Imports	Exports	Balance of Trade
1977	21,522	20,090	-1,432
1978	29,601	22,985	-6,616
1979	38,334	30,940	-7,394
1980	51,345	41,452	-9,893

Food items accounted for 5.7 per cent of total imports in 1980 compared with 6.7 per cent in 1979. Whilst smaller in comparison with the total, in money terms 1980 food imports were $363 million more than in 1979 - a 12 per cent growth. The increase was greatest in the cereal and cereal preparation group, reflecting Singapore's flour milling activities. However, significant increases were registered for fruit and vegetables and dairy produce from Australia. The balance of trade between Singapore and Australia is still in favour of Singapore.

Table 4
Imports by commodity group
(S$ million)

	1978	1979	1980
Live animals for food	24	23	25
Meat & meat preps.	143	183	209
Dairy prod. & eggs	120	140	196
Fish & fish preps.	196	205	259
Cereal & cereal preps.	438	573	694
Fruit & vegetables	547	599	674
Sugar & sugar preps.	86	100	121
Coffee etc & spices	385	440	389
Animal feeds	196	216	239

Table 5
Singapore's Imports by Area of Origin 1980
(S$ million)

	Food	Crude Materials	Mineral Fuels	Animal & Veg. Oil Fats	Manuf. Goods	Machine & Trans.	Total
EEC	173	28	131	10	864	2613	5539
N.E. Asia	573	245	191	26	4150	5838	13372
North America	278	143	281	10	668	4815	7510
Australia	470	57	145	5	234	97	1162
TOTAL	2915	3416	14889	1001	7237	15304	51345

Development Plans

Singapore's future lies in the expansion of its high technology manufacturing industries and the service facilities offerred for international financing, banking and insurance. Processing and refining of imported raw products are taking a secondary role as exporting countries seek to increase the value added before commodities are exported. Entrepot activities will continue to be an important activity because of Singapore's key position on international trade routes.

Agricultural pursuits are restricted to intensive production of pigs and poultry and there is evidence to suggest that these also have a limited future on the island. With the exception of the above two industries, the country is 100 per cent dependent for food from external supplies. The Singapore Government is keen to guarantee supplies at a reasonable price and have undertaken joint ventures with their Asean partners as a means of achieving this aim. In addition the Government is sensitive to being dependent on one source of supply and is active in promoting diversification of supplies.

Individual Industries

1) Rice

The greatest portion of rice imported by Singapore is 100 per cent whole rice supplied from Thailand. Total imports were 187,000 tonnes giving a per capita consumption of around 78 kg per head per year.

Table 6
Import of Rice by Singapore
1980 (tonnes)

Country	Paddy	De-husked Panboiled Glutin	Basmati	100%	5-10% Brokens	Other	Brokens
China	1000				3800	450	1300
Phillipines	1080			2000			
Thailand		9628		127552	2155	101	25565
India			388	25			
Pakistan			1077				
Australia				108	2214		
Italy				1320			
U.S.A.				194	315	20	
Burma					2982	4389	
Vietnam							118
	1040	9628	1465	131199	11466	4960	26983

There are a total of 19 licensed rice importers operating in Singapore. The Rice Growers' Co-operative Mills of New South Wales (R.C.M.) have appointed one agent in Singapore - Eng Huat (Pte) Ltd. The largest rice importer - NTUC Welcome Co-Operative control about 30 per cent of the market and maintain the largest stock pile in Singapore. They have 15 super market outlets in the housing estates and a total of 996 'fair price' stores. Trading profits are pooled to subsidize the price of rice when supplies are limited.

Samples of Ord River rice were taken to Singapore and given to NTUC Welcome for appraisal. They reported that Ord River rice lacked the aroma of Thai rice but was similar in most other respects. The only other criticism was the relatively high incidence of clouded grains which they interpreted as having been grown on heavy soils at excessively high temperatures. They expressed an interest in receiving a 50 tonne trial shipment to be distributed through their outlets in order to determine consumer reaction to the product.

Problems associated with this excercise are as follows

1) R.C.M. market all Ord River rice and have appointed agents (Eng Huat) who would probably object to NTUC having access to Australian rice.

2) To obtain consumer reaction, the product would need to be separately identified from other Australian rice - again not acceptable to the above.

3) Freight rates make the excercise marginal when compared to the landed price of Thai rice in Singapore. Current freight rates are:

   Wyndham - Darwin - Singapore A$160/t
   Wyndham - Fremantle - Singapore A$72/t
   Bangkok - Singapore A$15/t

4) When the excercise was contemplated the landed price of 100% whole grained Thai rice was S$440/tonne. R.C.M.'s price of N.S.W. rice at that time was S$475/tonne cnf Singapore. A similar price was offered to NTUC Welcome and negotiation ceased as the price Western Australia was prepared to offer was not competitive (even though it was similar to the R.C.M. price).

If Ord River rice can be sold on the domestic market; Singapore is not an attractive alternative. When sold to the Pacific Isles, transport costs to Sydney are such that the sale to Singapore will return the growers a higher price.

Beef

Meat from bovine animals is obtained from chilled and frozen imports as well as from slaughter animals.

Table 7
Singapore Beef Imports 1980

	Australia		New Zealand		Total
	Q (tonne)	V (S$000's)	Q (tonne)	V (S$000's)	
Fresh Bone in	18	159	8	88	27
Boneless	207	1956	318	4044	533
Frozen Bone in	752	3939	146	1709	1106
Boneless	5190	31543	1759	18309	7489
TOTAL	6167		2231		9155

Imports for 1980 are less than the previous 2 years when over 10,500 tonnes were imported. Australian deliveries to Singapore have declined from 8,300 tonnes in 1978 to 6167 tonnes in 1980. New Zealand's total deliveries have remained static at 2,200 tonnes whilst the value of their exports has increased from S$14.8 million in 1978 to S$24.0 million in 1980.

New Zealand has traditionally supplied hotels supermarkets and restaurants in Singapore but have recently started to compete in the frozen boneless cuts of poorer quality meat destined for the local butcher trade. New Zealand has been very active in hotel promotions in Singapore. The Australian Meat Board has directed their campaign at the average consumer emphasizing the nutritious value of beef.

Comments from importers in Singapore regarding Australian beef were again critical of the inconsistent quality. One importer reported that he received different cuts from those ordered, which does little to instill buying confidence in the Australian product. Not one importer contacted was aware of carcase classification. One specifically requested further information on the scheme and its potential use for purchasing meat. One importer claimed that quality control was carried out by the New Zealand equivalent of the Australian D.P.I. When ordering meat from the U.S.A., it is essential to use their form of classification which I was led to believe is far more detailed than the Australian Meat and Livestock Corporation buying guide. The other major criticism, again directed at the hotel trade, was that cuts from Australian suppliers were too small and, usually too variable.

Australia has a relatively good reputation and market share in the third quality frozen trade of chuck and blades. Meat purchased for this market was more price sensitive and it is thought that higher international prices operating during 1980 were responsible for the decreased imports of this product.

About 26 per cent of beef imports are used to supply ships stores, oil rigs and exported for consumption to third countries. Again the beef exported for consumption through traditional markets is price sensitive whereas the growing proportion for ships stores and drilling rigs is less price sensitive. In 1977, re exports of beef were 21 per cent of approximately 11,000 tonnes imported by Singapore.

Pig meat

At a meeting with a Singapore trade delegation in Western Australia during 1980, the Western Australian Department of Agriculture was encouraged to study the feasibility of supplying pig meat to Singapore as, in the long term, Singapore would be an importer of pig meat. Land utilisation pressure and effluent disposal problems has placed pressure on the pig industry to become more intensified and restructured.

It has also resulted in the undertaking of joint ventures with Thailand to supply live pigs produced in Thailand for transport to, and slaughter in Singapore.

Singapore is currently self sufficient in pig meat and has an apparent per capita consumption of about 31 kg per annum. If it is assumed the ethnic Chinese are the main pork eaters, the effective per capita consumption increases to about 40 kg per annum. It is one of the main sources of animal protein along with fish and poultry both of which are consumed at similar levels. Vegetables are the other major protein source with an estimated per capita consumption of 67 kg per annum.

The Singaporean consumer has a strong preference for 'warm' pork i.e. killed the previous night. Market shopping still remains the major retail outlet for pork although the younger Singaporeans are purchasing more food items through the many supermarket outlets.

Animals are booked in to the two abattoirs at Jurong and Kim Chaun for slaughter commencing at 9 p.m. through to 1 to 2 a.m. The animals range between 72 to 115 kg liveweight, the average being 80 kg. Such an animal would dress out at about 60 kg carcase with all the offals having a value to the butcher. Both abattoirs kill approximately 3000 pigs per day on two lines. The abattoir at Kim Chaun has the capacity to increase the daily throughput to 1800/line plus the option of an additional line.

Killing costs amount to A$3.30 per head plus an effluent charge of A$4.20 per pig (in excess of 7 kg). Farmers receive about A$88 for an 80 kg liveweight pig at the farm gate. The effective cost of the carcase is about A$1.60/kg ex abattoir but on top of this, the butcher buys all saleable offals. These carcases have approximately 19 mm of back fat.

There are some cuts taken from the carcase whilst the majority is boned out and sold as lean meat. Bellies with the skin on is sold for about A$2.50/kg whilst fillets and spare ribs are removed for separate sale. Every part of the pig is sold from the trotters at A$.08 each to heart, liver, kidneys, brains, head, paunch and intestines. A full set of viscera sells for about A$10.50.

The price of lean meat varies around A$2.75 per kg depending on the time of the year. During the festive season, prices increase (August to February). Fat is sold for about A55 cents per kilogram. Recently a small quantity of defatted lean pork loins was imported from the U.S.A. at a landed price of A$1.95/kg.

The future demand for pig meat is unlikely to increase other than that attributed to population growth (expected to reach 3.05 million by the year 2000). Domestic supplies on the other hand are likely to diminish because of the pressures of land utilization and the environmental diseconomies associated with intensive livestock farming. The Government of Singapore has expressed its intention to develop alternate suppliers of pig meat e.g. joint venture.

At present Western Australia cannot compete with locally produced pig meat. However, in view of the Government's attitude to reducing the industry on the island, and, recognising local consumers brand consciousness, it may well pay Western Australian pig meat exporters to introduce the Western Australian product into certain sections of the Singapore trade where a slightly less competitive price may be tolerated e.g. cryovac packed, boned out, lean loins into some supermarket outlets.

The only sea service operating from Fremantle to Singapore capable of transporting live pigs is the Blue Funnel Line's Centaur as the Kota Singapura and Kota Bali have terminated their service. Space is fully booked 6 months in advance by Singapore importers of live sheep and cattle for slaughter. The consortium controlling the space availability showed no interest in a trial shipment of live pigs for slaughter in Singapore.

Fruit and Vegetables

Australia, in particular Western Australia, supplies a large share of fresh fruit and vegetables imported by Singapore. There has been growing interest in this market by eastern Australian Suppliers - partly because of the increased use of air freight which negates in transit time advantages Western Australia may have by sea. Furthermore Eastern States exporters have been supplying from the market floor making the most of an oversupply on the domestic market but not offering continuity of service.

Spasmodic exports of this nature have had a serious effect on market conditions in Singapore disrupting deliveries that have been carefully calculated between Western Australian exporters and his group of buyers in Singapore. This was evident in lettuce, grape and cauliflower exports during the 1980 season.

Another feature of this trade in Singapore was the gradual slide of the Malaysian Ringgit through 1980 which has made the re-export of fresh fruit and vegetables less attractive to the Singapore trader. (Previously the Malyasian currency was 95 to 97 cents in the Singapore dollar. It has now slipped to approximately 90 cents in the dollar although negotiations still take place as though the currencies are approximately 1:1).

The other interesting feature is the growth that has taken place in the fresh vegetable trade. During 1980 Western Australia alone exported over A$1 million of cauliflowers to Singapore and carrots valued at $0.75 million in the same year. Record quantities of cauliflower, carrots, potatoes, lettuce, celery and onions were exported to Singapore as well as increasing quantities of a wide range of other fresh vegetables.

In the fruit lines Western Australia maintained its good reputation for green apples - with a small number of complaints received for those apples sent late in the season (i.e. November to December 1980). The quantity exported from Australia was down to 8000 tonnes compared with 9600 tonnes the year before. Western Australian share of apple exports to Singapore was about 2/3 of Australian exports in 1980 which was a record quantity from Western Australia.

One comment offered by most importers contacted was their insistance on an over packed carton. There has been some concern within Western Australia that exporters are overpacking cartons thereby damaging the product. This in turn can lead to infection by bacteria and fungi causing further breakdown.

Unfortunately the majority of fruit and vegetables are purchased on a per carton basis and sold on a per kilo basis. Naturally, heavier cartons are eagerly sort after by importers. Exporters consistently packing heavier cartons become known to wholesalers and retailers in the trade.

In the light of increased competition from not only Eastern Australia but also other temperate southern hemisphere countries, every attempt should be made to keep the Western Australian product as competitive as possible. Furthermore this overpacking issue must be viewed rationally from an industry point of view rather than from an individual exporter or producer. In the case of cauliflower, weights vary depending on variety, time of planting, fertilizer regime, to name a few. To specify fixed number of heads per carton makes no allowance for variation in the product. Western Australia would be severely restricting its market share if such a criteria were to be enforced even though the exporters may be able to obtain a premium price. This situation is

not dis-similar to the experience with Western Australian grapes sold in the South East Asian markets - one in which we have a very good reputation for top quality (of preferred varieties) and an associated price premium. The rigorous packaging requirements, enforced by the voluntary pool, automatically limits the size of the market and consequently importers now purchase the majority of grape supplies from the eastern states.

The decision to overpack should be a commercial decision as a means of obtaining increased and/or return sales. This should be qualified by degrees. Once overpacking results in a damaged product, then export regulations should force exporters to limit the quantity in each carton. I believe that overpacking is far less a problem than is thought by some local producers. Admittedly overpacking means that the producers receive less for their product but such behaviour is maintaining the competitiveness of the product and is therefore quite justified.

The 1980 season of supply for cauliflowers saw the largest quantity exported to Singapore ever with a total of 3054 tonnes of which Western Australia supplied 98 per cent. During this season there was concern that discounted air freight rates operating out of Eastern Australia would enable air freighted cauliflower from Victoria to compete on a price basis with sea freighted cauliflower from Western Australia. Approximately 3700 cartons originated from eastern Australia during the year. This relatively small quanitity had an insignificant effect on total size of the market.

Part of the reason why Western Australia maintained its high share of the market was because of continuity of supply. The market was fully supplied with large quantities on regular shipments. The proportion that went by air from Western Australia in 1980 was down to 7 per cent compared with 19 per cent in 1979 and 39 per cent in 1978. During July there was a glut in the supply of cauliflower which was caused by atypical seasonal conditions and industrial strife which brought the arrival of two heavily laden vessels close together. This depressed prices in the Singapore market which led to lengthy storing in sometimes unsuitable conditions which had a detrimental effect on quality. This situation of oversupply has made importers very wary about committing themselves for orders in the 1981 season. Singapore importers recorded trading profits during March and April of 1980 and later in the season October, November and December but would have lost on cauliflowers during the May to September period.

Singapore's total imports were 5263 tonnes of cauliflower of which 65 per cent originated from Australia. A total of 2233 tonnes were redistributed (42 per cent) to surrounding countries - mainly Peninsular Malaysia. Singapore's imports grew by 14 per cent over 1979 imports whilst their redistribution activities grew only 7 per cent. This is a reflection of the growing independence of the Malaysian market - taking more of their requirements direct through Pt Kelang and Penang as well as the introduction of a direct air service to Brunei. Brunei's cauliflower imports through Singapore in 1979 amounted to 220 tonnes which declined to 214 tonnes in 1980 whereas Sarawak's imports through Singapore increased from 108 tonnes in 1979 to 189 tonnes in 1980. Western Australia exported 1200 cartons or approximately 23 tonnes direct to Brunei in the same year on the Cathay Pacific flight Perth - Brunei - Hong Kong. The quantity of Taiwanese cauliflower imported by Singapore remained static from 1979 to 1980 at 1746 tonnes.

During the peak of the Australian supply season when Singapore cool stores were filled with cauliflower some traders despatched cauliflower to Peninsular Malaysia on consignment which had a depressing effect on the Kuala Lumpur market. It was also rumoured that local exporters embarked on similar activites from Western Australia to the Singapore market. Importers were generally concerned at the supply situation. Reports of poor quality were received but were most frequent during the period when the market was over supplied. There were instances of damage during shipment on several occasions but were relatively infrequent considering the total quantity moved.

MALAYSIA

General

In 1980 the Malaysian economy recorded an impressive real growth rate of 8 per cent over the 1979 figure which is slightly less than the 1979 figure of 8.9 per cent over the previous year. Per capital GDP at 1970 prices was M$1,926 (or A$741/head/year) compared with M$1529 in 1978.

Their performance on international markets led to a surplus in the balance of trade even though the surplus was reduced from M$7,058 million in 1979 to M$5,886 in 1980. The volume of total exports increased by (15 per cent) resulting from increased exports of rubber (7.1 per cent), petroleum (60.5 per cent), tin (7.9 per cent), palm oil (1.1 per cent) and manufactures (23 per cent). The only major export commodity to register a decline was saw logs which reflects Government restrictions on their export in the unprocessed form and the Government's conservation measures. Crude petroleum continued to be the major earner of foreign exchange as this was the second successive year in which its export growth rate exceeded 60 per cent.

Total imports grew by 28 per cent over the previous year's figure, major contributors being crude petroleum, machinery and transport equipment and manufactures. Food imports increased by 21.8 per cent compared to a 3.6 per cent increase between 1978 and 1979.

Rubber production continued the downward trend it commenced in 1977 with a further two per cent decrease on the previous year's level. Saw log production also declined by 6.5 per cent over the 1979 figure. These decreases were compensated for by an increase in the palm oil production of 18 per cent and padi - 3 per cent giving a small increase of 0.2 per cent in the total value of agricultural production.

Development Plans

The Malaysian Government continued to appreciate the need to create employment opportunities in the manufacturing sector to take up surplus labour that exists in rural areas. They are also aware that such labour, to be usefully employed in that sector, requires a certain level of education. The 1981 budget of M$22,277 million which represents a 30 per cent increase over 1980, is heavily committed to maintaining existing education programmes with an allocation of M$2,808 million, although only a moderate amount M$325 million of development expenditure has been allocated for education.

The largest single item in the budget is defence spending which occupies 16.6 per cent of the total. This represents an increase of 53 per cent on the previous year's figure.

Table 8

1981 Malaysian Budget

Item	Allocation Operating	Allocation Development	% of Total	% Increase on previous year
Defence	1,700	1,988	16.6	53
Internal Security	948	488	6.4	27
Education	2,808	425	14.5	26
Health	907	134	4.7	25
Housing		252	1.1	-44
Agriculture	339	1,733	9.3	70
Transport and Communications	361	1,212	7.1	30

Agriculture's allocation of the 1981 budget is 9.3 per cent which in money terms is a 70 per cent increase on the previous year's allocation. Because a large portion of total agricultural development expenditure is financed by international agencies - World Bank, Asian Development Bank (ADB) and the Islamic Development Bank, the budget figure does not represent total spending on agricultural development. Furthermore each of the 11 Malaysian States have their own budgets. In Sabah for example, there are plans for a 100,000 hectare agriculture/urban development using State funds.

Behind all developments and Government initiatives is the continued favouritism for the indigenous Malay in preference to the Chinese and Indian ethnic groups. The Malay Government requires that businesses operating in Malaysia must have an increasing proportion of Bumiputras in staff and management levels over a period of time. That these requirements may be unacceptable to some interests operating within Malaysia is evidenced by the supermarket food chain, Fitzpatricks, deciding to sell its interests in Malaysia.

Continuation of this preferential treatment by Government, whilst unlikely to cause political instability in view of the population structure, in the longer term could retard the economic growth potential of Malaysia.

Consumer Prices

In 1980, consumer prices increased markedly for the first time in the past five years. Prior to 1980 the inflation rate was running at about 4 per cent but increased to around 7 per cent in 1980. This resulted from increased oil prices and higher wages. The overall food price index increased by 3.6 per cent. This smaller increase results from 8 of the 19 controlled food items being included in the food index and account for 18.5 per cent weight of the C.P.I.

Table 9

Food Weightings and Price Movements in Malaysian C.P.I.

Item	% Weighting	C.P.I. Increase over 1979
Fruit and vegetables	6.9	0.8
Fish	6.9	2.0
Oils and fats	1.6	0.6
Meat	8.9	9.8
Milk and eggs	4.8	6.8
Rice and cereals	13.1	3.0

Meat and Livestock Industries

Two ministries are responsible for agriculture in Malaysia - that of Primary Industries and the other of Agriculture. The former is responsible for export oriented crops - rubber, oil palm, pineapples, whilst the latter is responsible for the remainder of agricultural production, which is oriented toward domestic consumption.

Livestock industries in Malaysia are still relatively small (10 per cent) in terms of value of agricultural productions and total agricultural area. Considerable emphasis is placed on the development of the livestock industries by the Malaysian Government as individual targets have been identified for the beef and dairy industries.

Livestock numbers are as follows (1975 figures):

Cattle	386,000
Buffalo	213,000
Goats	329,000
Sheep	45,000
Pigs	1,168,000

Most of the growth has been in the intensive pig and poultry industries, whilst beef and milk production account for only 10 per cent of the value of production of livestock industries.

Malaysia is 25 per cent self sufficient in sheepmeats, with a per capita consumption of 3.2 kg/hd/year. Beef consumption is similar to that of sheepmeats. Poultry and pigmeat consumption is approximately 11 kg per head per year and 16 kg per head per year, respectively.

There are two Government Departments with responsibilities for the meat and livestock industries in Malaysia. The first and most important is Majuternak - a Malay abbreviation of the English translated National Livestock Development Authority. Their function is to regulate the marketing of livestock and livestock products and promote the development of the industry so that Malaysia will be 80 per cent self sufficient in beef by 1980, 100 per cent by 1990 and 20 per cent self sufficient in dairy products by 1990. Majuternak have undertaken large scale developments and breeding programmes to achieve these objectives.

The second group with a direct interest in the meat and livestock industries is the Department of Veterinary Services under the Ministry of Agriculture. Their major responsibility is to improve productivity of the smallholder farming group. They administer the various credit and smallholder cattle multiplying schemes.

Majuternak attempted to achieve their first objective by establishing abattoirs throughout the country and supplying retailers with meat at a fixed wholesale price on the understanding that Majuternak meat would be sold at a fixed retail price allowing traders a fixed margin.

It is claimed that, whilst private operators are allowed to trade in meat, Majuternak have no control over meat prices nor in regulating supplies. Consequently there are instances when shortages exist and meat prices increase markedly. Consumers in Malaysia have interpreted this situation as Majuternak's inability to provide regular supplies at a low price.

Retailers are supposed to sell Majuternak beef at M$3.60/kati (having been supplied it at M$3.30/kati), however, when shortages exist there is a strong tendency for retailers to increase prices. Majuternak currently does not have the resources to police all meat sales. In October 1980, an Act was passed requiring all meat and livestock importers and exporters to obtain a licence. To date this has not been extended to the retailers. Majuternak, the administering body, will be able to revoke the licences of those traders selling beef at prices above Majuternak's. This limits Majuternak's effectiveness to areas in which they have abattoir facilities, e.g. Kelang Valley (which includes Kuala Lumpur), Johore and two or three others.

It has been suggested that Majuternak would become more effective in marketing if given the sole importing rights of beef into Malaysia - along the same line of operation as the National Rice Authority of Malaysia who appear to have been effective in maintaining supplies at a reasonable price.

Unfortunately excessive price controls at the retail level has a detrimental effect on Malaysia's resource allocation. There is little inducement for producers - predominantly smallholders who supply 51 per cent of all beef consumed, to build up stock numbers - which is contrary to the Government's stated objective. From its own farms, Majuternak supplies about 3,500 head each year or about 3 per cent of the annual slaughter requirement. Majuternak's imports, however, amounted to approximately 26,000 head or 25 per cent of the number slaughtered. At that level of imports and the prices mentioned, the Government is subsidising beef consumption by about M$8 million each year which is another cause for criticism of Majuternak's operations.

The effect of these developments on the Australian/Malaysian trade is still unknown. It depends largely on the approach taken by the Malaysian Government - whether to tolerate deficits in order to provide cheap meat or to increase meat prices to encourage cattle production.

It was rumoured by some of the importers that Majuternak was contemplating taking over sole meat importing rights either on their own or through one or two licensed private importers.

Another alternative available to the Government would be to increase the price of meat which would reduce the losses incurred by Majuternak, provide a stimulus for expansion of the domestic beef herd and reduce total beef consumption. The question that obviously concerns Majuternak is by how much should the price be raised to better equate demand and supply.

Another rumour was that the functions of Majuternak would be taken over by the Veterinary Services group of the Ministry of Agriculture and the import of meat left to the private traders. It is considered this would be most unlikely as the tendency is for the industry to become more regulated rather than more open. Australia will still be the major supplier either as meat or livestock. Meat imports by Malaysia have remained static at around 4,500 to 5,000 tonnes per annum. Livestock imports have increased since the operation of Majuternak particularly from northern Australia (as disease outbreaks have been detected in Thailand.). If the subsidy being paid on Majuternak supplied fresh beef is removed, it is considered unlikely that meat imports by Malaysia will increase to compensate for the decrease of live animal imports.

Dairy Industry

The dairy industry of Malaysia continues to grow with the provision of 14 milk collection centres in some of the rural areas. Twenty-six are planned by the end of 1981, one of which is being financed by German foreign aid. The Government, through Majuternak, is importing crosses of Sahiwal bulls over Friesian cows produced under contract. These were initially being imported from eastern Australia but now are supplied by New Zealand. New Zealand has also agreed to establish a dairy training centre under New Zealand foreign aid to Asean. Majuternak also require stock for their six multiplication farms (3,600 head - of which 1,800 are lactating).

The supply of both breeding and slaughter cattle requires the utilisation of a local importing agent. There is no duty on these animals but a 5 per cent surtax on the c.n.f. value is charged.

Malaysia has also given consideration to the import of cattle for fattening in a feedlot situation. Already the Government has established one feedlotting operation in Malaysia with Majuternak and a private Dutch company utilising food wastes from pineapple canning. The Government is keen to utilise food wastes more productively than it has in the past, e.g. from oil palm fruit processing.

Fruit and Vegetable Trade

The same importers were visited as on previous visits with two exceptions Unidara and Evergreen Products. Ng Tuck Heng of Unidara has commenced trading in fruit and vegetables in Kuala Lumpur.

As he has no cool storage facilities he thus operates more as an indent agent for smaller wholesalers and retailers. Several of their customers have the potential for significant growth in that they supply the super market outlets e.g. Fitzpatricks Food Fair. Other importers visited were established with either access to or owning cold storage facilities.

1. Clearances

Most of the importers expressed concern at the time taken for customs clearances through Port Kelang. Lengthy delays were experienced at the end of 1980 as mechanical breakdowns were frequent on the poorly maintained container carrying vehicles. There was also industrial strife resulting from the Port Authority's decision to contract outside mechanics for their repair. Even though these are said to have been rectified, clearances still remain slow and are one of the reasons why Kuala Lumpur importers prefer to take delivery of a proportion of their cargo in Singapore and road freight to Kuala Lumpur.

2. Claims

Importers were quick to point out that the shipping companies were not only slow in meeting claims but sometimes unrealistically assessed the extent of damage. Furthermore they would not release in transit container temperature charts to enable the cause of breakdown to be identified, and also to establish liability. Such behaviour could have serious repercussions for the shipping companies as exporters could easily place their own temperature recording apparatus in a carton inside the container and monitor the temperature. Fortunately the incidence of breakdown of produce amongst Australian exporters still remain small in comparison with the total quantity being exported.

Regularity of Shipping

Opinion was expressed by each importer that Australia was becoming less attractive as a supplier of perishable commodities because of the irregularity of shipping. Whilst shipping schedules at the outset appear adequate, they are rarely adhered to because of hold ups on the wharf with industrial disputes. This delay in shipping aggravated an oversupply situation in the 1980 cauliflower season when two heavily cauliflower laden vessels arrived in Singapore within 2 days of each other. This contributed to the depressed prices of 1980 in South East Asia. The affect of this uncertainty is two fold. Firstly, when the importers of South East Asia are not restricted by seasonal supplies, they tend to look toward other sources for their suppliers. Secondly there is a increased interest in supplying by air from Australia.

The freight rate by air is still approximately 50 per cent higher than the sea freight rate. Whilst there is a gain, quality wise by air, it restricts the total size of the market because of the higher c.n.f. charge.

Independence

The Kuala Lumpur vegetable market is receiving more imported vegetables direct through Port Kelang than via Singapore. When the smaller quantities were being sent to Kuala Lumpur, importers found it convenient to purchase from the bigger Singapore importers. Also these larger importers offered credit and supplied a product of known quality. Furthermore, disputes could be more easily settled. It is becoming evident that Kuala Lumpur is the growth market in fresh vegetables and some of the Kuala Lumpur and Singapore importers have invested in cool storage facilities in Kuala Lumpur.

The proportion of supplies delivered direct to Kuala Lumpur have increased over the past 3 years.

The Malaysian market is still vulnerable to manipulation by Singapore traders. Several of the Singapore importers have offices in Kuala Lumpur or have appointed agents to handle their imported products. Kuala Lumpur based importers maintain that the Kuala Lumpur market is used as a clearing ground in times of over supply yet are not considered when the reverse situation applies. Comparison of Singapores unit import values and re-export values to Malaysia support this claim. This difference is also explained by private traders under-invoicing to reduce the tariff of M$10/tonne plus 5 per cent surtax on fresh vegetables imported into Malaysia.

INDONESIA

General

In 1979/80 Indonesia commenced its third, five year development plan, having satisfactorily met most objectives of the previous plan. The actual growth rate was 6.8 per cent in 1974-79 compared with a 7.5 per cent target. The economy is however very dependent upon natural resources. These were competitively priced, by international standards, partly because of a massive devaluation of 50 per cent in November of 1978. This enabled Indonesia to report a favourable balance of trade for the period. Consumer prices rose about 23 per cent in 1979 which still compares favourably with reported inflation rates of the early 1970s and was well below the rise of export and import prices.

The effect of the devaluation on production has, as yet, not been clearly evident. Growth in 1979 appears to have slowed to about 5 per cent - partly because of a poor rice crop and partly because of reduced oil output. Some of the export manufacturing industries have increased output - for example the textile and clothing industry reported a fourfold increase in 1979 over 1978.

The overall effect on Indonesia's balance of payments was to create a large surplus - mainly because of oil export revenue. But even in the non-oil export markets high international prices for Indonesian resources have assisted in lifting export earnings in 1979/80 by 40 per cent over the previous year. The surplus should continue with increasing oil prices even though production is likely to be down.

Indonesia's net reserves of foreign exchange are also increasing under the resource boom that has taken place. They are expected to reach A$3.9 billion by the end of 1980 compared with A$2.5 billion at the end of 1978/79.

The continued dominance of oil in the Indonesian economy will also affect Government spending as more than 50 per cent of Government revenue is derived from oil production. The 1980/81 budget is expansionary which is expected to be financed entirely from routine budget surpluses. This could have important implications for agriculture as it, together with the infrastructure, is where the greatest proportion of development revenue is spent.

In the budget allocations, the Government has attempted to follow Repelita III's objective of equity, growth and national stability. While development priorities favour agriculture, the emphasis on equitable development is evidenced by increased proportions of development spending on transmigration, education, housing, water supply and public health.

The situation faced by Indonesia is not particularly attractive as its economy is totally dependant on its oil export revenue. As the growth of export revenue from oil falls from the high rates evident during Repelita II - partly from decreasing production and also the possibility of falling prices, Indonesia's balance of trade will become negative. Furthermore with imports increasing at about 20 per cent per annum a deficit could occur as early as 1982/83.

The country has communications problems; it lacks the education standards and resources; it lacks adequate distribution networks as is evidenced by regional food shortages. The food gap is widening as agricultural development cannot keep pace with the population which is increasing at 2 per cent per annum. Food imports are increasing rapidly and for essential commodities (rice) are heavily subsidised. The great disparity in the distribution of wealth is still evident throughout Indonesia.

Economic Performance

Repelita II finished on March 31, 1979 recording a per capita growth rate of 6.8 per cent per annum. Employment increased by 5.5 million people from the start to the end of the 5 year plan led by increases in the contruction, transport and communication. These sectors out-performed target figures by as much as 4 per cent. Mining and industrial sectors fell far short of projected growth estimates whilst agriculture increased by 3.4 per cent compared with a planned 4.6 per cent for the period. In spite of the varied performances of the sectors, the change in each sectors' contribution to G.D.P. closely followed the planned targets, i.e. agriculture's share of GDP in 1973/74 was 41.0 per cent and estimated to reduce to 35 per cent by 1978/79 but actually declined to 34.1 per cent.

The share of G.D.P. occupied by the industrial and construction sectors at 12.3 and 5.3 per cent respectively was instrumental in easing the pressures on unemployment. There is some evidence to suggest that population increases are below the projected 2.3 per cent per annum because of the Family Planning Programme. The growth rate for 1971-1976 was 2.0 per cent per annum.

Table 10

Gross Domestic Product by Sector

% of GDP

Sector	1968	1973	1978
Agriculture	51.0	40.1	34.1
(Food Crops	34.1	23.3	20.2
(Non Food Crops	7.1	4.8	4.3
(Estate Crops	2.3	2.3	2.3
Mining	4.2	12.3	11.1
Exports	12.3	20.1	17.2
Imports	12.5	19.5	24.8

Source - Central Bureau of Statistics

Repelita III Development

Repelita continues the thrust of Repelita II in that the same sectors continue to have priority. The same overall goals exist in that it attempts to increase the living standards of its people and create a more equitable distribution of wealth. However, in addition, Repelita III calls also for greater national stability.

Table 11
Development Budget (Sectoral per cent)

TOTAL	Repelita II 9,148 Rp billion	Repelita III 21,849 Rp billion
Agric. and Irrigation	19.3	14.0
Industry and Mining	8.0	7.3
Electric Power	10.1	11.6
Transport and Tourism	17.8	15.5
Manpower and Transmigrations	2.1	5.7
Regional Development	11.1	9.8
Education	8.3	10.4
Health	2.8	3.8
Housing and Water Supply	2.1	2.4
General Public Services	6.4	10.4
Government Capital Participation	9.0	1.7
Others	3.0	6.8

Growth targets under this plan have been modified downwards from Repelita II because of difficulties experienced in that plan. Estimated average growth rates of 6.5 per cent and 2 per cent per annum for the GDP and population respectively will lead to a growth in per capita GDP of 4.4 per cent annually over the plan period. In this plan the manufacturing sector is expected to lead the development with an annual growth rate of 11.0 per cent compared with the agricultural sector's 3.5 per cent. The uneven sectoral growth rates should further reduce agriculture's share of GDP to 27.2 per cent by the end of Repelita III in 1983/84.

The Agricultural Sector

Agriculture is still the most important sector in terms of its proportion of GDP (34 per cent) and proportion of the workforce (60 per cent). Cropping is the most important agricultural pursuit - in particular food crops e.g. rice. In an attempt to achieve self sufficiency in this basic food the Government has operated farmer schemes supplying high yielding varieties, fertilizer, pest and disease control chemicals and credit. In the early stages, the schemes were quite effective - rice production increased by 4.5 per cent per annum between 1969-1974. However productivity gains were more difficult to achieve between 1974/1977 and rice production increased by only 1.7 per cent per annum. Realizing that emphasis should not be directed exclusively at rice these schemes were broadened to include five additional major food crops of copra, cassava, soya beans, ground nuts and sweet potatoes. Even so under Repelita II the production of these commodities grew only at 2.3 per cent per annum - insufficient to meet the increasing demands of the population and the increasing demand resulting from increased per capita incomes. Badan Urusan Logistik (Bulog), the National Rice Stock Authority, has become increasingly active in supplying imported foodstuffs to meet the deficit between supply and demand.

Table 12
BULOG Imports 1970-1979
('000s tons)

	Rice	Wheat	Sugar
1970	803.5	-	54.1
1971	771.3	-	-
1972	523.6	118.7	10.6
1973	1229.1	538.6	88.5
1974	1230.0	753.3	305.5
1975	1474.4	768.7	113.8
1976	670.2	834.4	150.0
1976	1508.9	987.9	168.1
1978	2308.4	1001.9	481.4
1979	1268.0	1238.7	488.9

Apart from any increases in productivity that are planned during Repelita III, there are ambitious plans to rehabilitate 536,000 ha of existing irrigation facilities and establish an additional 700,000 ha of irrigated land as well as develop 400,000 ha of tidal swamp. Transmigration is another major budget item a Repelita III. Under this plan 500,000 families will be resettled from Java into 250 settlements in the outer islands. Assuming an average family size of 5 the total number shifted will be 2.5 million people compared to Java's estimated population increase of 10 million people over the 5 years - a relatively insignificant proportion but still a mammoth task when it is compared with performances under Repelita II. During Repelita II, 62,364 families were moved compared to a target of 82,959.

This project involves the construction of roads, rural land development and house construction. On top of this, transmigrants are provided with seeds, pesticides, fertilisers, sprays and agricultural extension services. The cost per family for the World Bank Transmigration Project II are estimated to be US$4,250.

Price Levels

Indonesia has the highest rate of inflation of all the Asean nations. Inflation rates as measured by the cost of living index in Jakarta early in the 1970s were as high as 33 per cent but were better controlled toward the end of Repelita II (see Table 13).

Table 13
Cost of Living - Jakarta

	Index	% Charge
1971	101	2
1972	127	25.8
1973	162	27.6
1974	216	33.3
1975	251	19.9
1976	295	13.8
1977	330	11.8
1978 (Oct)	348	5.6

In November 1978 the Indonesian currency was devalued by 50 per cent in an attempt to make export commodities internationally more competitive. At the same time, measures were introduced to maintain the price of non-traded goods - particularly those such as rice, sugar, flour, cooking oil and petroleum products together with various utility services. These controls were not as effective as authorities would have liked and early in 1979, direct price control measures were introduced on 200 commodities together with export quotas to maintain domestic supplies. These controls were lifted by mid 1979 once domestic prices settled. Even so, an inflation rate of 24 percent was recorded in 1979.

Balance of payments

Whilst Indonesia's import bill is growing at a steady rate, export revenue has managed to keep pace to maintain a positive balance of trade. This has been made possible by high oil prices and buoyant non oil export prices together with unexpected production of liquid natural gas. This, together with a high level of foreign capital inflow in the form of both investment and aid has led to an increase of foreign reserves as high as US$4.5 billion by the end of 1979/80 compared with US$2.2 billion at the end of 1977/78.

However, the resource position which has been a major influence of the trading surplus could change in the immediate future. Oil export revenue increased solely because of international price increases in 1979 and 1980, while the volume of oil exported decreased between 1978 and 1979. Furthermore, domestic industry, has responded to the devaluation by utilising existing surplus capacity. Additional investment is not evident.

Apart from these two influences, it is uncertain whether attractive international prices for Indonesia's agricultural exports will continue throughout Repelita III.

Imports are likely to continue to grow at 20 per cent per annum which will lead to a deficit position by as early as 1982/83.

Livestock Industries

Indonesia's livestock populations are set out in Table 14 below.

Table 14
Livestock Numbers* Indonesia
(million)

Cattle	Java	5.5
	Outside Java	2.2
	TOTAL	7.7
Water Buffalo	Java	1.5
	Outside Java	1.3
	TOTAL	2.8
Pigs	Java	0.2
	Outside Java	2.4
	TOTAL	2.6
Sheep	Java	3.5
	Outside Java	.2
	TOTAL	3.7
Goats	Java	5.4
	Outside Java	1.7
	TOTAL	7.1
Chickens	Java	41.4
	Outside Java	23.7
	TOTAL	65.1
Ducks	Java	5.9
	Outside Java	5.1
	TOTAL	11.0

* 1980 estimate - Directorate General of Livestock

The large animal livestock industries are found almost entirely within the smallholder agricultural sector. The three main breeds are Bali cattle Madura cattle and the Ongole cattle. Beef cattle number 7.7 million and dairy cattle number about 100,000. Most of the dairy production is concentrated in Bandung in West Java and Malang in East Java from predominantly Friesian or animals of Friesian descent. Fertility is quite low as are production levels. Very few smallholders have the capital to own cows and thus contract rear them for 50 per cent of the milk revenue. Dairy cow numbers have been increasing at a very slow rate as has production.

Dairy Cattle

Milk consumption is expected to increase in coming years because of population increases and increasing per capita incomes (income elasticity of demand for milk has been estimated to be 2.0 - the highest for all animal products). Currently, Indonesia is only 10 per cent self sufficient, the remaining 90 per cent being imported with consequent reconstitution and packaging plants. The gap between production and consumption is expected to continue. Dairy product imports totalled US$55.4 million in 1979.

Under Repelita III five areas are identified for livestock development.

1) improvement of breeding stock
2) improvement of livestock nutrition
3) disease control
4) extension
5) improvement of marketing systems.

Specifically on the dairy industry the following programmes have been undertaken.

1) importation of breeders
2) improvement of small holder management
3) improvement of genetic quality by artificial insemination.

The integrated approach of providing smallholders with imported stock, improved livestock feeds, disease surveillance and control, farm management advice and establishing marketing outlets (co-operatives and milk collection centres) - all of which is being financed by concessional loans - is proving effective. Under this package and other Government schemes, the following numbers of dairy cattle were imported in 1979/80.

Dairy Smallholder Schemes	2395 head
Co-operatives	2275 head
Presidential aid	730 head
Private	780 head
TOTAL	6184 head

In that year all the dairy cattle were imported from eastern Australia. Table 15 details the number of dairy cattle required for the remainder of Repelita III

Table 15
Estimated Import Requirements of Dairy Breeding Stock

	1981	1982	1983
Friesian cows	4800	3200	1966

The total requirement for Repilita III is 25,000. The approximate cost per smallholder for this package deal is around A$2,000 for 2 cows and the sundry financial support.

Beef Cattle

Beef cattle again are predominantly run by the smallholder farming sector, the exception being in the outer islands where ranching activities take place. The cattle population continues to come under pressure as there is a strong demand for beef meat by local consumers. Cattle trading appears to be quite a lucrative activity between islands within Indonesia. The slaughter rate in recent years is so high that the domestic herd is becoming smaller. In spite of this trend, Indonesia still prevents the import of slaughter cattle. They do, however, encourage beef production by operating various breeding and fattening programmes, similar to the dairy schemes. In these schemes, requirements for imported breeding stock are as follows:

Table 16
Estimated Import Requirements of Beef Breeders

	1980/81	1981/82	1982/83	1983/84
Breeding cows	14,000	18,000	24,800	24,500

To date, the breed requirement for imported beef breeders has been for predominantly Brahman Cross, some purebred Brahmans and a small quantity of Drought Masters. All the cattle for these programmes so far have been purchased from eastern Australia where the selection is greater.

Several livestock importers expressed an interest in north west slaughter cattle as well as breeding stock but the Directorate General of Livestock Services (D.G.L.S.) will only allow the import of animals with Bos Indicus influence. The average price paid for imported cattle in 1979 was $A568/head.

An additional restriction which will prevent Western Australia from participating in either the dairy or beef breeding programmes is that the DGLS has identified three Australian firms they consider sufficiently reliable to supply their requirements. These are Dalgety Livestock Exports, Quality Livestock and Primaries McTaggerts Ass. Ltd. and are all based in eastern Australia. The DGLS has been satisfied with their performance to date and have specified that future contracts will be allocated only to this group.

The majority of beef imported by Indonesia is consumed in hotels and restaurants on company expense accounts. Total imports were 1,121 tonnes, half of which was supplied by New Zealand, 23 per cent by Australia and 12 per cent being supplied through Singapore. The quantity of sheep and goat meat imported was only 33 tones supplied in equal portions by Australia and New Zealand. P.T. L'Or Intoserve is the Indonesian agent for the New Zealand Dairy Board and apart from the dairy products, has a close affiliation with other New Zealand suppliers. He also has control of the hotel/restaurant trade in meats. It is their intention to open up a warehouse with distribution facilities in Balikpapan - on the south east coast of Kalimantan to service the oil exploration rigs. Much of this trade is currently supplied through Singapore.

During my visit I was advised of an Australian food display at a leading hotel in Jakarta. Unfortunately the display was very soon after my return to Australia and the catering had to be arranged well in advance, supplies being obtained from eastern Australia. One meat importer was very interested in obtaining samples of Western Australian primal cuts after learning of the direct air service from Perth to Jakarta. Furthermore the hotel was also interested in conducting an Australian food display later in 1981 when sufficient lead time would enable a more comprehensive presentation than the one intended for April 1981.

Consumption of beef in Indonesia is unlikely to change from its existing pattern in the immediate future. Whilst the high rates of import duties are maintained it is only possible to supply the more expensive cuts. Western Australia has the facility to supply this market with flights to Jakarta. This has only recently been utilised as 1980 saw the first quantity (4.8 tonnes) of primal chilled beef cuts exported to Indonesia from Western Australia. Domestic production will decline further because the demand for beef and buffalo meat encourages smallholders to reduce their herds' reproductive capacity.

Poultry

Prior to departure I was asked to investigate the export of day old chicks to Indonesia and to determine the likely future demand in this trade.

There are two power groups within the chicken industry in Indonesia - one the Indonesian Poultry Association the other the Breeders' Association. These two groups have conflicting interests in relation to the import of final stage broiler chickens. The Poultry Association is made up of small scale producers who obtain their supplies of day old chickens from members of the Breeders' Association. Some members of the Breeders Association are vertically integrated with feed milling facilities on the one end and fattening or growing facilities on the other e.g. Charoen Pokphand, Cipendawa.

At present there are about 21 strains available in the broiler industry in Indonesia. The Directorate General of Livestock Services (DGLS) advised that the import of a new strain to Indonesia, whilst not prohibited would be most unlikely unless the DGLS could be convinced of the new strain's superiority over those already available. This attitude reflects the lobbying by the Breeders Association. If one particular hybrid is available in Indonesia, the DGLS will prohibit the import of its parent stock.

The Government's attitude on the import of final stage day old broiler stock is a compromise between the two pressure groups. When the price to the small holders starts to increase, the Poultry Association puts pressure on the Government to allow the import of day old chicks. This was the situation in August 1980. At that stage the Government - through the D.G.L.S. estimated the likely shortages to be 5 million birds over the six months from August 1980 - January 1981 inclusive. Over that period only 3 million were imported from Singapore, Bangkok (Thailand), Hong Kong, and Australia. During the visit, the DGLS admitted that import of day old chicks was likely to be required until at least June of 1981 before domestic supplies were sufficient to meet local demand. However import permits were still being allocated during my visit.

When the Breeders Association considers they are in a position to supply the local market they will put pressure on the D.G.L.S. to restrict imports. It would appear that the Breeders Association have greater political influence than the larger number of members from the Smallholders Poultry Association. The Jakarta price of local birds and imported stock from August 1980 to January 1981 was Rp 400 per bird (A$0.63). In February the price decreased to Rp 380 per bird.

THE PHILIPPINES

General

Preliminary investigation of the Philippines suggested that Western Australia had a small share of Australian agricultural exports. This was not due to the lack of transport facilities as Western Australia has two lines on the Fremantle-Manila run - one a direct monthly service, the other a twice monthly trans-shipment service through Hong Kong.

In an attempt to ascertain the reason for the disparity and to determine the future trading potential, visits were arranged through the Australian Trade Office in Manila to meat importers, live cattle importers, fruit importers and Government Departments responsible for the animal and meat industries, food crops and foreign investment. Retail outlets were also visited along with various officers from the A.D.B.

Prospects for increasing trade between Western Australia and the Philippines at this stage are bleak. The country has severe restrictions on imports both through the release of foreign exchange and the categorisation of imports into 10 groups ranging from essential producer goods to unclassified goods. The category into which a product falls determines whether it can be imported or if any quotas are imposed on its import. This barrier to trade is established for the protection of scarce foreign reserves more so than as a means of protecting domestic production, although for some products the latter is definitely a consideration.

Apart from these official barriers to trade there exist unofficial barriers that will continue to limit Western Australian activity. In the meat industry, import of processing meat is carried out by one company PIMECO from whom all other processors must obtain their supplies. Furthermore any meat supplied from Australia must be supplied through Philbai - an Australian registered trading company whose name originates from the Philippines Bureau of Animal Industries. Such a monopoly restricts consumption as prices tend to be unnecessarily high.

Similarly in the fruit importing industry, there exists a consortium of importers who receive an annual allocation of foreign capital for import payments. I was led to believe that newcomers to the trade would find it very difficult to obtain import permits and release of foreign exchange. These and similar institutional restrictions will be a major factor in limiting Western Australian trade with the Philippines.

The Phillipine Government does not allow the import of the more non-essential goods and those competing with domestic production. Where Australian goods are allowed, there are well entrenched organisations that control the trade. The major possibility of exporting to the Philippines is through the United States armed forces bases where there are no restrictions on the products imported, nor any tariffs. Payments are quite independent of the Phillipine Central Monetary Authorities.

Philippine Economy

Agriculture is the dominant sector of the Philippine's economy - providing 26 per cent of GDP and employing 54 per cent of the population over 10 years old. The area suitable for agriculture is limited to the coastal strips of the 7,000 odd islands, plus an extensive plain area in the south of Luzon. The Philippines has abundant timber and mineral reserves. There has been a definite attempt in the manufacturing sector to increase the amount of domestic processing of primary products such as timber, copper and copra. Dominant manufacturing industries are food and beverages, textiles, chemicals, tobacco and footwear. The major agricultural products are rice for domestic consumption and sugar, coconuts, bananas and pineapples for export and domestic markets.

Growth of the Philippine economy has been hampered in recent years by excessive inflation, extremely high population growth rates, high levels of foreign borrowing and consequently debt servicing together with a lengthy and sizeable balance of payments deficit brought about by a requirement to import nearly 100 per cent of their energy requirements. In spite of these difficulties the Philippine economy has grown at a faster rate than some more developed economies of the Asean group. In 1975 the GDP grew, in real terms, at a rate of 6.6 per cent over the previous year. In 1976 the GDP grew at 7.4 per cent; in 1977 at 5.8 per cent in 1978 at 4.9 per cent and 5.8 per cent in 1979. Projected growth rate by National Economic and Development Authority (NEDA) to 1980 is 5.8 per cent although economic commentators in the Philippines have suggested 3.8 per cent in real terms is more realistic.

Whilst the high debt servicing would appear to be a deterrant for additional foreign borrowing both public and private overseas borrowing has increased - partly because the International Monetary Fund (IMF) continue to support the Philippine economy and other international agencies follow suit. (The World Bank recently announced its first structural adjustment loan or programme loan totalling US$600 million for accelerating economic growth and improving export competitiveness). The outstanding foreign debt (private and public) in 1976 was US$5.517 billion and in June 1978 it was US$7.213 billion, whilst in September 1980 this figure was US$11.803 billion. This increase reflects the refinancing of shorter term loans as well as active development programmes undertaken by the Philippines Government.

Foreign reserves continue to be a major concern for the Philippines planners. Merchandise imports have increased steadily and have exceeded exports ever since 1973 resulting in a negative balance of trade. In the first 9 months of 1978 the trade deficit was US$0.858 billion which increased to US$1.1 billion for the same period in 1980.

In 1974, 1977 and 1978 capital inflows were sufficient to provide small surpluses in the balance of payments however, substantial deficits were recorded in 1975, 1976, 1979 and also 1980. Typical of a developing country, the balance of trade is highly sensitive to international commodity prices, particularly of sugar, coconut by-products, copper, gold and nickel. Foreign reserves have been maintained at about US$1.5 billion since 1974 but increased in 1979 and early in 1980 to a figure of US$2.7 billion. This recent increase was brought about by increased Central Bank foreign investments. Although levels of foreign reserves are considered satisfactory, the Government maintains a close control over the release of foreign exchange for the import of producer and consumer goods.

International Trade

Philippines' major trading partners are the U.S.A. and Japan who together accounted for more than half of the total value of trade in 1979. After these countries, the Philippines have a large number of trading partners with less than 5 per cent of the total trade. These include Germany, Holland, Saudi Arabia, United Kingdom, Hong Kong and Australia in descending share of total trade.

Imports

Australia supplied 3.35 per cent of the Philippine import bill and took 2.04 per cent of their exports (by value) in 1979. Australia's share of Philippine imports has been decreasing steadily from about 5 per cent in 1972 to the current level whereas Philippine exports to Australia have increased from less than 1 per cent in the early 1972 to the 2.04 per cent in 1979.

The major commodities imported in 1979 were machinery and transport equipment, crude oil and chemicals. Food and live animal imports account for 8 per cent of the total value of imports of which cereals and cereal preparations together with dairy products accounted for two-thirds of the food item.

Table 17

Value of imports for the Philippines (US $'000s)

	1978 FOB Value	1979 CIF Value
Food and Live Animals	296,837	412,303
Beverages and Tobacco	43,494	51,905
Crude Materials Exc. Fuel	219,210	305,546
Mineral Fuels, etc.	1,030,175	1,458,062
Animal and Veg Oils, etc.	13,466	20,455
Chemicals, etc.	522,229	731,643
Manufactured Goods	703,733	1,012,130
Machinery & Transport Equip.	1,329,587	1,797,571
Miscellaneous Manuf. Articles	128,292	150,411
Others	455,137	662,851
TOTAL	4,742,196	6,602,877

Exports

Major export items are crude materials excluding petroleum products such as the various primary products - sugar, coconut oil, copper concentrates, timber and copra.

Table 18

Value of Exports from the Philippines (US $'000s)

	1978 FOB Value	1979 FOB Value
Food and Live Animals	672,838	852,240
Beverages and Tobacco	32,194	35,302
Crude Materials Exc. Fuel	892,136	1,235,569
Mineral Fuels, etc.	9,695	11,028
Animal and Veg Oils, etc.	623,270	747,845
Chemicals, etc.	59,096	111,682
Manufactured Goods	305,746	419,228
Machinery and Transport Equip.	75,294	87,936
Miscellaneous Manuf. Articles	322,116	466,126
Others	410,651	605,214
TOTAL	3,403,036	4,572,170

Philippine Agriculture

Cultivated area of the Philippines is 9 million hectares 3.6 million of which produces rice and 3 million, maize. Tree crops - mainly coconuts occupy about 2.2 million hectares whilst about half a million hectares produce sugarcane. Other major crops are bananas and pineapple, for canning.

The first objective for development within the agricultural sector is to become self-sufficient in food production. There are Government subsidies on fertilisers, generous credit schemes for the puchase of new seeds, pesticides and fertilisers whilst significant portions of Goverment spending is being utilised on the development of capital items such as irrigation and transport facilities.

The entire country has been proclaimed a land reform area by Presidential Decree whereby the larger estates are purchased by the Government, subdivided into 5 hectare plots and the ownership transferred to the tennant farmers. This programme was estimated to affect about 915,000 farmers and 1.4 million hectares. More recent estimates, having the hindsight of how the scheme was being administered, suggest that only 400,000 tennant farmers will be affected and three-quarters of a million hectares will be involved.

The livestock industries of the Philippines have not developed to the stage of self sufficiency. The cattle and carabao populations are 1.8 and 2.8 million respectively and are run predominantly by backyard farmers. Their populations

have been steadily falling over the past five years which has encouraged the Philippine Government to announce harsh measures to halt their slaughter. The chicken population stands at about 50 million birds and provides sufficient meat and eggs to meet the nutritional standards established by the Food and Nutrition Research Institute, although there exists a demand in excess of this level which is met by the imported product. This industry continues to become more capital intensive. Production from these more sophisticated units accounted for 70 per cent of the national total in 1979.

Similarly the pig industry is becoming more capital intensive with 20 per cent of total pigmeat production originating from commercial farms. Pig numbers in the Philippines were 7.4 million head in 1979. Pigmeat production accounts for 50 to 60 per cent of red meat consumption. The country is virtually self sufficient in that product with small surpluses available for export.

Table 19

Value of Imports into the Philippines (US $'000s)

	Year	
	1978*	1979+
Live Animals	1,630	3,044
Meat and Meat Preparations	13,061	19,113
Dairy Products and Birds Eggs	60,059	109,406
Fish and Fish Preparations	23,774	21,144
Cereal and Cereal Preparations	121,357	172,695
Vegetables and Fruit	8,409	12,487
Sugar, Sugar Preparations and Honey	2,434	3,041
Coffee, Tea, Cocoa, Spices	15,940	18,355
Animal Feedstuffs	47,948	50,665
Misc. Edible Foodstuffs and Preparations	2,252	2,308
TOTAL	296,873	412,303

* FOB at country of origin

\+ CNF - Philippines

Philippine Development Plans

The Government of the Philippines has decided on priorities for economic development which is reflected in their allocation of Government spending and their attitude to foreign investment in the various sectors. The 1981 proposed budget has an expenditure of US$299 million which is 31 per cent more than the 1980 budget. The four areas receiving the largest proportions of the total budget are national defence - 12 per cent, energy - 11 per cent, public highways - 9 per cent and education - 8 per cent.

The stated objectives by NEDA for the current 5 year development plan:

1. Self sufficiency in food
2. Greater self reliance on energy
3. Improved living standards
4. Reduced income disparities

Under the first of these objectives, the following agricultural priorities have been identified:

1. Increase production of food to increase nutrition levels
2. Development of export crops
3. Development of indigenous potential crops
4. Replacement of imported products with domestic products

Meat Industries of the Philippines

Enquiries made during the Philippine visit were restricted to beef - both its supply in the meat form and on the hoof. The two areas in which I was most concerned were the supply for the manufacturing industry and secondly the top end of the market - the hotel/restaurant trade. There is no local production to compete with the latter, consequently the Bureau of Animal Industries (BAI) allow the import of primal cuts without any Government intervention, apart from the usual health requirements. Hotels may either import in their own right or if they choose, go through an indent agent.

Meat for consumption by the local population and for use in the canning industry receives much closer Government scrutiny (in the interests of maintaining a cheap product to the people of the Philippines,) more so than does their concern for the cattle producers' income.

This scrutiny offered the meat industry is relatively new. Previously, the Government's major concern was in the area of grains - rice, maize, wheat. In an attempt to reduce the possibility of exorbitant profit taking, the Philippine Government established a unit called the National Grains Authority whose task it was to control imports and prices of the various grains. Recently, that body has been changed to the National Food Authority and now encompasses all foods. The meat industry is the most recent to receive their attention. It would appear that other industries importing significant quantities of product will come under the influence of this body (e.g. dairy products).

In the Philippines there are 17 meat processors - mainly canneries about half of which are owned by Chinese. Throughout the Philippines there exists a feeling of mistrust for this ethnic group, which is evident also in Malaysia and Indonesia. It was thought by those in the Philippine Government that the meat importers were making excessive profits at the consumers' expense. The Philippine Integrated Meat Corporation (PIMECO) was formed in 1975 taking over the modern facilities built by a private organisation that ceased operating in 1973.

Pimeco is a close corporation with a limited (5 to 10) number of stockholders. It is the management's aim to distribute stock to employees but no date has been set for the transfer of shares. It is therefore a totally private entity.

At the time when Pimeco was being established as the sole importer of meats, three significant events were taking place. Firstly the price of meat on international markets was increasing. Secondly some Philippino interests purchased stations in northern Australia to secure their supplies of slaughter stock and thirdly a private company was established in Australia called Philbai which was the sole authorised exporter of beef from Oceana to the Phillipines.

The net effect of the international situation and the Government authorised monopolies was not to reduce meat prices in the Philippines but just the opposite. The higher prices caused an upsurge in the slaughter of local cattle and carabao in particular - at such an alarming rate that new laws were introduced by Presidential Decree placing firstly a lower age limit on stock to be slaughtered (7 for males and 11 for females) which alone proved ineffective requiring an additional law prohibiting the movement of all cattle and carabao. Again these were insufficient to stop the excessive slaughter rate which then led to a total ban on slaughter of these animals. Pimeco were the exception, however, as they were the works through which animals, confiscated under the Presidential Decrees, were slaughtered and processed.

Two firms that imported a considerable amount of meat from Australia prior to the establishment of Philbai in Australia were seriously affected in that they now had to obtain all meat through Pimeco.

The effect to the Australian meat industry was equally as dramatic. Philbai was refused an AMLC export licence and therefore Australian meat exports to the Philippines were dramatically curtailed - see Table 20. In 1979 the Philippines imported about 8,000 tonnes of beef which declined to 4,000 tonnes during Philbai's operation.

Staff of the BAI suggest that imports of Australian beef should resume at normal levels again this year (1981), about 12,000 tonnes a year.

Table 20

Imports of Bovine Meat to the Philippines
(tonnes)

Country	1978	1979	1980
Australia	12,704	7,790	3,923
New Zealand	251	339	n.a.
U.S.A.	165	252	n.a.
European countries	24	196	n.a.
TOTAL	13,241	8,578	n.a.

Live animals for breeding purposes are admitted duty free whilst those for slaughter attract a rate of 10 per cent and are classified as essential producer items. Red meats attract a duty rate of 10 per cent and are also categorised as essential producer items.

The Fruit and Vegetable Industry

There is an abundant supply of tropical fruit available in the Philippines, the two major ones being the banana and pineapple which are export oriented industries. Other varieties include rambutan, mangosteen, durian, pomelo, jack fruit, mango, watermelon, lanson, native orange, sugar apple, kalamansi and papaya.

Fresh fruits attract a duty of 100 per cent and, where used for consumption, are categorised as follows:

Unclassified - citrus, bananas, figs, berry fruit
- tropical fruits

Non-essential - pomme fruit, grapes, stone fruit

There are also abundant tropical and temperate vegetables available in the Philippines. Fresh vegetables attract a duty rate of 70 per cent on the cnf value. Apart from these large import duties, the release of foreign currency in order to open a letter of credit is very difficult to obtain. Fresh vegetables are generally in the 'unclassified consumer' group with the exception of beets, celery, lettuce, mushrooms and peas (not frozen) which fall into the 'non-essential consumer' category and as such foreign exchange for their purchase is somewhat easier.

Central Bank allocation of foreign currency for the import of fresh fruit and vegetables is minimal. The total for 1980 was US$2.15 million plus an additional US$0.3 million for 'Food Terminals Incorporated' (the latter allocated for the Xmas season only). The allocation is made to an unofficial consortium of 12 importers who disperse the allocation amongst the members thereby making entry difficult for any new importer. There are a few smaller operators that have managed to obtain a direct allocation from the Central Bank, e.g. Rustans, the supermarket chain being one such company with an allocation of $US250,000.

During the visit, Rustan's marketing manager expressed an interest in grapes from Western Australia - either red or white varieties as there was a shortage in the market. Rustans still had an unused allocation from the Central Bank for fruit imports. Unfortunately from the time I left Western Australia (when there was a surplus of 10,000 cases of Cannon Halls) to the time I spoke with Rustans, uncharacteristic rains on the Swan Valley resulted in excessive splitting of berries. The surplus was eliminated and the Western Australian Grape Pool advised Rustans accordingly.

Australia has supplied apples to the Philippines market on a spasmodic basis but only for the military bases. Imports to armed forces are allowed duty free and are not subject to the same stringent foreign currency controls. Military contracts are used by the group of 12 importers to take fruit in excess to their official quota, but it still represents a fairly small quantity.

Dairy Products

The other agricultural product of which substantial quantities are imported are the dairy products. Whey is imported from Canada, U.S.A. and Australia - 6,700 tonnes in 1979 and 2,235 tonnes in 1978 (Australian cnf price 1979 - US38.65 cents per kg). Skim milk powder in 1979 was supplied from New Zealand (US66.94 cents/kg cnf Manila), Holland (US62.36 cents/kg cnf Manila) and Australia (US 57.43 cents/kg cnf Manila).

Table 21

Import of dairy products to the Philippines

	1978		1979	
	tonnes	fob value $ US m	tonnes	fob value $ US m
Milk - cream	77,149	47.9	109,365	90.9
Butter	6,038	8.1	8,258	12.0
Cheese - curd	3,762	4.0	5,059	6.6

Fresh milk and cream products including skimmed milk, buttermilk, sour milk, sour cream, whey and yoghurt attract a duty of 30 per cent calculated on the landed value and are categorised as unclassified consumer products. Unprocessed dairy products such as skim milk powder, powdered milk, whey (concentrated or sweetened) are categorised as essential producer or consumer products and attract a duty of 10 per cent. Butterfat attracts a duty of 10 per cent and is considered an essential producer product whereas butter - both fresh and in airtight containers is considered a non-essential consumer product and attracts a rate of duty of 70 per cent. Cheese attracts a duty rate of 70 per cent. It is obvious from these preferential rates that the Government offers some protection to those dairy products which undergo further processing within the Philippines.

U.S. Bases

The U.S.A. airforce have two large bases in the Philippines - Clarke and Subic airbases manned by approximately 60,000 Americans. Apart from providing food for those employed in the force, the U.S. Government have undertaken to make fresh, western fruits and vegetables available for their families. These outlets exist on the various bases and do not operate on a commercial trading basis in that they price merely to cover landed costs plus packaging at the base. Supplies are currently obtained by weekly flights from the U.S.A. in military aircraft. The quality of the produce is excellent. Some supplies are also purchased locally. Some of the major fruit and vegetable products imported include green beans, Chinese cabbage, cucumber, spring leeks, rock melons, carrots, apples, onions, tomatoes, stone fruit and pears. The purchasing officer expressed an interest in obtaining quotes from Western Australian exporters.

APPENDIX A TO SOUTH EAST ASIAN MARKET REPORT

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Appendix B to Development of South East Asian Economies and Potential Markets for Agricultural Commodities

SINGAPORE IMPORTS

Commodity	Country of Origin	1978 Quantity	1978 Value*	1979 Quantity	1979 Value*	1980 Quantity	1980 Value*
Live Cattle (No)	Australia	3950	4550	1739	2589	1648	2937
	TOTAL	3950	4550	1739	2589	1648	2937
Live Sheep (No)	Australia	109978	9498	96398	8666	88132	9093
	TOTAL	109978	9498	96398	8666	88132	9093
Beef and Veal (tonnes)	Australia	8257	25927	8025	38959	6167	37597
	New Zealand	2212	14798	2021	16353	2267	23936
	Netherlands	99	1427	69	988	109	1660
	USA	335	3932	367	5110	546	7924
	TOTAL	10903	46093	10775	64457	9155	71415
Mutton (tonnes)	Australia	3059	8479	3483	10516	3408	11458
	New Zealand	1062	3753	1158	5286	919	4454
	UK	1	11	4	16	3	28
	USA	2	10				
	TOTAL	4124	12253	4645	15817	4336	16042
Edible Offals (tonnes)	Australia	2522	4288	2400	5334	1809	4649
	Denmark	257	282	61	124	4 (b)	70
	New Zealand	173	367	142	414	77	272
	USA	65	104	1875	4259	3	33
	TONNES	3028	5371	2727	6119	1892	5025

* S$000's

( ) See key at end of table.

SINGAPORE IMPORTS

Commodity	Country of origin	1978 Quantity	1978 Value *	1979 Quantity	1979 Value *	1980 Quantity	1980 Value *
Full cream milk solid (Kg)	Australia	1447269	4052	695301	726	435918	482
	Malaysia	1743068	8242	2640	4	53080	52
	Netherlands	921033	4824	290975	292	16068	27
	New Zealand	4934400	9828	540 (c)	3	218824 (d)	254
	TOTAL	10998856	32236	990110	1030	724146	796
Skimmed milk for human consumption (Kg)	Australia	982875	1299	853532	1233	274433	552
	New Zealand	5101500	6873	4333342	6447	5404505	11106
	Poland	2619732	3024	3153528	3171	4458016	8174
	U.K.	2484011	305	5698000	7577	4774982	10336
	TOTAL	13764725	17694372	17359042	23881	19907374	40208
Butter (not canned) (Kg)	Australia	1021677	3842	1163553	4223	1492119	6135
	Denmark	125096	454	260118	714	203879	1051
	New Zealand	1166445	3712	813609	2645	733053	2769
	U.K.	70910	212	31004 (e)	104	81520 (e)	283
	TOTAL	2412287	8322	2236961	7799	2547720	10381
Skimmed milk for animal feed solid (Kg)	Australia	592120	804	762675	1036		
	Canada	625583	725	149973	155		
	Germany	200000	225	1547 (f)	19	18637 (o)	25
	New Zealand	1762500	2570	2190000	2651	2853000	4273
	TOTAL	3421233	4619	3104731	3865369	2871637	4298
Cheese (Kg)	Australia	384730	1970	413224	2124	609573	3154
	Netherlands	159735	682	170831	757	155457	795
	New Zealand	264907	979	348456	1404	296627	1443
	Switzerland	115726	855	84361 (a)	552	91969 (g)	689
	TOTAL	1204883	673	1282444	7296	1470605	9160
Wheat (tonnes)	Australia	159400	49230	237522	82179	307354	125145
	Canada	14918	3851	4105	1180		
	Mozambique	27235	8399	15400	4813		
	U.S.A.	45315	15592	78039	23266	1660	3434
	TOTAL	247677	77245	335067	111439	314535	128579

* S$000's
( ) See key at end of table

SINGAPORE IMPORTS

Commodity	Country of origin	1978 Quantity	1978 Value *	1979 Quantity	1979 Value *	1980 Quantity	1980 Value *
Barley (tonnes)	Australia		1	72334	25003	180988	63777
	China	50	86	27600 (h)	9139	54	49
	Netherlands	1104	737	91	54	36	27
	Thailand	58	45	200 (i)	37	21708 (c)	8046
	TOTAL	1215	879	100294	34282	202822	71921
Oats (tonnes)	Australia	951	0.5	1133	386	1002	456
	TOTAL	951	0.5	1133	386	1002	456
Rice (tonnes)	Australia	108		401 (k)	287	108	90
	Italy	1320	2	40 (c)	54	1326	1801
	Philippines	2000	2	1 (l)	5	2000	1730
	Thailand	123031	119	159228	127041	127552	123615
	TOTAL	126661	123	159670	127386	131199	127553
Apples (tonnes)	Australia	5154	7997	9590	13862	7997	13773
	China	13435	7513	13138	9158	9505	7319
	New Zealand	4932	8031	4778	9899	5591	9098
	U.S.A.	5206	9763	5515	10820	7329	15516
	TOTAL	30755	36325	35946	45998	32654	49631
Pears & Quinces (tonnes)	Australia	7659	11217	13445	3942	6677	11373
	China	12998	9874	16106	13327	15080	14607
	Korea	1761	2096	935	1432	902	1761
	U.S.A.	538	987	671	989	587	1274
	TOTAL	22957	24175	31355	30125	24006	31186
Fresh grapes (tonnes)	Australia	837	2201	799	2999	1072	3715
	Chile	297	644	305	867	182	590
	Thailand	259	782	216	720	93	309
	U.K.	2406	7320	3333 (c)	10756	3632 (c)	13304
	TOTAL	3916	11295	4689	15444	4984	17932

* S$000's
( ) See key at end of table

SINGAPORE IMPORTS

Commodity	Country of origin	1978 Quantity	1978 Value *	1979 Quantity	1979 Value *	1980 Quantity	1980 Value *
	Australia	1,245	584	2,582	1,107	3,198	1,625
Potatoes	China	20,935	8,305	27,266	10,904	28,376	12,982
	Netherlands	9,853	5,145	5,959	4,060	6,687	4,470
	Taiwan	6,068	2,039	6,196	2,409	7,463	2,875
(tonnes)	TOTAL	39,564	16,940	43,699	19,320	46,652	22,599
	Australia	22	94	17	53	28	124
Tomatoes	China	969	361	773	232	228	88
Fresh	Malaysia	6,130	2,515	5,957	2,328	7,015	2,733
	New Zealand	20	13	4 (c)	25	41(o)	28
(tonnes)	TOTAL	7,147	3,007	6,751	2,638	7,321	3,021
	Australia	2,960	1,751	55	39	3,675	2,352
Onions	China	6,396	2,170	1,698(m)	1,443	8,219	3,137
	India	6,790	4,797	3,337	2,722	3,930(c)	3,122
	Netherlands	9,488	5,638	2,810(n)	2,185	2,494	2,000
(tonnes)	TOTAL	34,308	22,312	11,769	8,718	24,741	14,397
	Australia	380	620	302	533	259	464
Leafy or Stem	Taiwan	223	218	187	137	103	176
Vegetables	Malaysia	16,994	6,206	5,648	1,895	4,246	1,445
	U.S.A.	574	1.021	611	937	733	1.099
(tonnes)	TOTAL	18,349	8,370	6,913	3,835	5,560	3,519

* S$000's
( ) See key at end of table

KEY

*	S$000s
a.	Denmark
b.	Netherlands
c.	U.S.A.
d.	Belgium
e.	Ireland
f.	United Kingdom
g.	France
h.	New Zealand
i.	Pakistan
k.	China
l.	Japan
m.	Malaysia
n.	Philippines
o.	Other countries

IMPORTS BY PENINSULAR MALAYSIA

(*Ringgit 000's)

Commodity	Country of Origin	1978 Quantity	1978 Value*	1979 Quantity	1979 Value*	1980 Quantity	1980 Value*
Meat of bovine	Australia	3,969	10,920	4,162	14,776	3,572	15,944
animals fresh	New Zealand	110	1,250				
chilled frozen	U.S.A.	12	162				
(tonnes)	TOTAL	4,128	12,448	5,093	18,447	4,557	19,343
Meat of sheep	Australia	2,099	4,076	1,423	6,421	4,310	9,856
or goats fresh	New Zealand	201	683				
chilled or frozen	United Kingdom	6	19				
(tonnes)	TOTAL	2,308	4,791	1,627	7,314	4,582	10,783
Wheat	Australia	401,429	136,122	20,578	9,214	134,876	60,227
	U.S.A.	50,370	17,150				
	Canada	30,313	9,029				
(tonnes)	TOTAL	484,527	163,035	20,602	9,222	136,780	71,411
Barley	Australia	14	7	21	12	18	7
	Netherlands	289	139				
(tonnes)	Thailand	92	70				
	TOTAL	417	224	412	216	240	99
Oats	Australia	8,427	2,807	5,049	1,477	4,347	1,729
(tonnes)	TOTAL	8,427	2,807	5,049	1,477	4,347	1,729

IMPORTS BY PENINSULAR MALAYSIA

(*Ringgit 000's)

COMMODITY	COUNTRY OF ORIGIN	1978 Quantity	1978 Value	1979 Quantity	1979 Value	1980 Quantity	1980 Value
Grapes	Australia	181	481	198	555	134	454
	USA	577	1531				
	Chile	37	97				
(tonnes)	TOTAL	854	2235	1422	3818	1641	4506
Apples							
	Australia	2510	3988	6196	9161	6227	10594
	China	3958	2840				
(tonnes)	USA	2308	4280				
	TOTAL	10209	13360	17530	23400	19846	45127
Pears	Australia	637	964	2098	3412	1521	2788
&	China	3759	3262				
Quinces	Korea	384	376				
(tonnes)	TOTAL	4883	4789	9072	8538	9726	9865
Plums	Australia	235	458	562	1250	690	1734
	Korea	29	47				
	USA	11	37				
(tonnes)	TOTAL	276	544	703	1528	784	1951
Oranges	Australia	2316	2859	4541	5787	4306	5876
	USA	4331	5984				
	China	468	560				
(tonnes)	TOTAL	8033	10340	12284	16536	15488	20354
Potatoes	Australia	845	350	1119	457	1521	602
	China	11787	4543				
	Netherlands	11094	5512				
(tonnes)	TONNES	33001	13906	36721	15650	43945	18364

IMPORTS BY PENINSULAR MALAYSIA

(*Ringgit 000's)

Commodity	Country of origin	1978 Quantity	1978 Value	1979 Quantity	1979 Value	1980 Quantity	1980 Value
Tomatoes (tonnes)	Australia	3	1	18	7		
	China	139	41				
	Indonesia	70	15				
	TOTAL	217	59	447	100		
Onions (tonnes)	Australia	1783	922	662	272	3489	2199
	India	35849	23433				
	Netherlands	8282	3881				
	TOTAL	55522	32920	63284	28511	57230	33359
Live sheep (No.)	Australia	20074	1966	14168	1454	8626	1080
	Indonesia	40	4				
	TOTAL	20114	1970	14168	1454	8666	1085
Live cattle (breeding) (No.)	Australia	2685	1397	14030	16035	24710	33792
	New Zealand	778	1236				
	Thailand	344	164				
	TOTAL	3938	2844	14203	16380	26270	35291
Live cattle (slaughter) (No.)	Australia	5055	3118	10040	8695	4465	4931
	New Zealand	3145	2528				
	Thailand	120	57				
	TOTAL	8363	5712	13626	11677	5360	5436

INDONESIAN IMPORTS - 1979

Commodity	Country of origin	Quantity (tonnes)	Value ($US)
Pure bred breeding cows (No.)	Australia	4988	2834
	TOTAL	4988	2834
Pure bred breeding fowles (No.)	Australia	7560	13
	U.S.A.	378342	400
	Thailand	126580	65
	TOTAL	732892	1131
Meat from bovine animals (tonnes)	Australia	255	612
	New Zealand	533	676
	U.S.A.	164	160
	TOTAL	1121	1938
Meat from sheep and goats (tonnes)	Australia	15	42
	New Zealand	15	41
	Singapore	4	11
	TOTAL	33	94
Meat of swine (tonnes)	Australia	3	10
	Singapore	13	35
	China	3	2
	TOTAL	25	60
Non-fat powdered milk (tonnes)	Australia	7809	4937
	New Zealand	16737	11098
	Belgium & Luxemburg	2550	1713
	TOTAL	32296	22123
Whole milk powder (tonnes)	Australia	892	780
	New Zealand	2505	2418
	TOTAL	3397	3199
Other powdered milk (tonnes)	Australia	1330	3149
	U.S.A.	1801	1674

INDONESIAN IMPORTS - (CONT'D)

Commodity	Country of origin	Quantity (tonnes)	Value ($US)
	Japan	799	806
	TOTAL	5809	6900
Milk fat (tonnes)	Australia	3371	4918
	New Zealand	5155	7302
	France	1101	1531
	TOTAL	10491	14984
Natural honey (tonnes)	Australia	57	61
	China	31	28
	U.S.A.	2	5
	TOTAL	93	132
Potatoes (tonnes)	Australia	29	15
	U.S.A.	41	20
	Singapore	8	5
	TOTAL	86	44
Tomatoes (tonnes)	Australia	15	30
	Singapore	17	13
	Malaysia	20	27
	TOTAL	61	76
Cabbages (tonnes)	Australia	12	7
	Malaysia	5	3
	Singapore	3	1
	TOTAL	21	12
Vegetables (tonnes)	Australia	88	122
	Singapore	31	29
	U.S.A.	29	31
	TOTAL	180	220
Oranges (tonnes)	Australia	962	336
	China	1982	789
	U.S.A.	3119	1614
	TOTAL	6677	2976

INDONESIAN IMPORTS (CONT'D)

Commodity	Country of origin	Quantity (tonnes)	Value ($US)
Grapes (fresh) (tonnes)	Australia	241	180
	U.S.A.	750	532
	Chile	70	6
	TOTAL	1080	788
Apples (fresh) (tonnes)	Australia	1077	574
	U.S.A.	2611	2
	Canada	637	388
	TOTAL	5088	2970
Pears and quinces (tonnes)	Australia	661	399
	China	910	427
	South Korea	548	245
	TOTAL	2233	1133
Wheat (tonnes)	Australia	401091	46947
	U.S.A.	363304	43355
	France	7500	754
	TOTAL	771895	91056
Oats (tonnes)	Australia	261	84
	U.S.A.	3	1
	Singapore	1	2
	TOTAL	265	88
Rice (tonnes)	Australia	31784	9299
	Thailand	582814	185314
	China	386215	108176
	TOTAL	1921995	596278

Appendix E to Development of South East Asian Economies and Potential Markets for Agricultural Commodities

SINGAPORE RE-EXPORTS

Commodity	Country of Destination	1978 Quantity	1978 Value *	1979 Quantity	1979 Value *	1980 Quantity	1980 Value*
Live cattle (No.)	Malaysia	2060	1487	793	654	649	523
	TOTAL	2060	1487	793	654	651	529
Live sheep (No.)	Malaysia	15933	1585	12983	1367	8891	1099
	TOTAL	15933	1585	12983	1367	8891	1099
Beef and veal (tonnes)	Malaysia	800	2351	704	2835	746	3855
	Thailand	209	1711	201 (a)	1245	212	2833
	Sarawak	844	3232	754	3700	611	3820
	Brunei	312	1900	468	2015	305	2492
	TOTAL	2603	11540	986	4280	2349	17070
Mutton (tonnes)	Malaysia	514	1246	325	921	482	1237
	Brunei	96	401	73	431	78	475
	Sabah	37	165	80 (b)	392	37	241
	Thailand	43	415	39	262	36	208
	TOTAL	745	2285	602	2447	730	2770
Edible offals (tonnes)	Sarawak	249	667	83	216	87	259
	Malaysia	163	238	120	207	137	256
	Brunei	40	114	23	66	66 (b)	277
	Sabah	37	95	35 (b)	124	26	93
	TOTAL	500	1147	307	732	345	1023

* S$000's
( ) See key at end of table

SINGAPORE RE-EXPORTS

Commodity	Country of Destination	1978 Quantity	1978 Value*	1979 Quantity	1979 Value*	1980 Quanity	1980 Value*
Barley (tonnes)	Malaysia	129	49	246	91	164	71
	Sabah	5	4	26921(b)	11791	188956(b)	82923
	Sarawak			302	84	31(o)	24
	Qatar			1050	367		
	TOTAL	135	53	28522	12337	189151	83018
Oats (tonnes)	Brunei	235	155	17	36	76	42
	Malaysia	212	21	30(p)	60	65	34
	Sabah	4	2	201(b)	413	-	-
	Sarawak	1		153(f)	283	80	49
	TOTAL	282	179	433	854	252	144
Rice (tonnes)	Nigeria	7415	4650	31(q)	26	9986(r)	9107
	Oman	875	516	1071(m)	826	453(s)	442
	United Arab Emirates	220	87	30(k)	29	100(o)	87
	South Asia	173	98	52	40	120(o)	108
	TOTAL	8787	5445	1192	929	10892	9998
Pears & Quinces (tonnes)	Malaysia	4472	3768	6763	5539	5523	4991
	Brunei	403	586	507	798	666	1147
	Sabah	185	278	405	542	441	815
	Sarawak	197	269	295	433	458	712
	TOTAL	544	5116	8176	7620	7525	8328
Apples (tonnes)	Malaysia	.6478	6355	11106	10704	9206	10036
	Brunei	1012	1404	1053	1647	1100	1969
	Sabah	683	1093	1245	1655	1304	2406
	Sarawak	-	-	1073	1071	951	1487
	TOTAL	8852	9783	14600	15258	12675	162
Fresh Grapes (tonnes)	Malaysia			1.218	3162	1385	3762
	Brunei			83	159	132	470
	Sabah			121	431	238	720
	Sarawak			41	137	48	162
	TOTAL			1483	3915	1805	5127

( ) see key at end of table
* S$000's

SINGAPORE RE-EXPORTS

Commodity	Country of Destination	1978 Quantity	1978 Value *	1979 Quantity	1979 Value *	1980 Quantity	1980 Value *
Potatoes (tonnes)	Malaysia	13830	5525	19921	5547	21348	6116
	Sabah	1106	633	1237	698	1384	869
	Sarawak	1052	602	954	597	1089	712
	Brunei	819	492	1188	566	1070	714
	TOTAL	21917	7321	23420	7520	24989	8482
Tomatoes (fresh) (tonnes)	Brunei	204	232	234	262	264	302
	Malaysia	150	45	96	27	224(c)	212
	Sabah	187	166	230 (c)	184	40(d)	78
	Hong Kong	72	60	11	7	-	-
	TOTAL	635	532	619	562	584	611
Onions (tonnes)	Malaysia	11311	4804	2549	1105	1029	426
	Sabah	2436	2232	1407	1556	1939	1778
	Sarawak	2867	2108	1417	979	1177	1308
	Brunei	889	892	405	506	429	518
	TOTAL	18016	10411	5868	4179902	4623	4082
Other leafy or stem vegetables (tonnes)	Malaysia	859	654	334	256	390	316
	Brunei	207	194	11	24	19(o)	38
	Sabah	31	53	36	55	48	92
	Sarawak	94	137	24	27	21	28
	TOTAL	1215	1080	411	384	478	475

( ) see key at end of table
* S$000's

SINGAPORE RE-EXPORTS

Commodity	Country of Destination	1978 Quantity	1978 Value*	1979 Quantity	1979 Value*	1980 Quantity	1980 Value*
Full Cream Milk Solid (kg)	Srilanka	1.108309	5505	226(e)	1	736095(f)	2703
	Pakistan	83.7192	1890	226(a)	1	579484(g)	2858
	India	180959	579	77(c)	-	242940(h)	819
	Malaysia	133807	719			239070(b)	869
	TOTAL	3086706	11243	609	2	2730283	11393
Skimmed Milk for Human Consump.	Japan	62500	162	217693(i)	335	400000	781
	Sarawak	54558	84	114000(j)	139	450000(m)	1105
	Thailand	51000	70	284263	284	231005(n)	399
	Bangladesh	38425	.62	2174629	3215	5711643	11611
	TOTAL	296665	549	3078980	4525	7287795	14919
Butter not Canned (kg)	Brunei	74477	331	69747	320	79355	404
	Sarawak	69350	276	67627	261	75063	309
	Malaysia	55800	223	47851	186	64881	278
	Sabah	53740	220	51497(k)	168	46746	242
	TOTAL	383769	1542	414312	1650	330071	1581
Skimmed Milk for Animal Consump.	Brunei	1.500	2	998475(l)	726		
	Malaysia	410000	466	100025	120	336060	619
	Sabah	7350	9	24010	40	231080	442
	Sarawak	117770	158	159460	216	211491	391
	TOTAL	536620	634	1287050	1110	780631	1456
Cheese (kg)	Malaysia	60222	271	69476	334	65306	379
	Brunei	49061	315	51948	348	48457	351
	Other Africa	26583	143	29588	136	28686(a)	196
	Thailand	2.749	.56	27897(a)	1617	54921(o)	290
	TOTAL	124343	1278	268630	1628	297932	1889
Wheat (tonnes)	Malaysia	1.0688	2922	.376	471	278	97
	Oman	1800	587	1109(a)	480	74(a)	46
	Sarawak	1201	437	2000(b)	920	138	78
	Thailand	630	249	9228(k)	4224		
	TOTAL	14803	4393	13883	6185933	501	227

( ) see key at end of table

* S$000's

KEY

(a) Sabah
(b) Saudi Arabia
(c) Sarawak
(d) Thailand
(e) Brunei
(f) United Arab Emirates
(g) Hong Kong
(h) Bangladesh
(i) Malaysia (Pen)
(j) Pakistan
(k) Sri Lanka
(l) Taiwan
(m) Kampuchea
(n) Nepal
(o) Other countries
(p) Oman
(q) Australia
(r) Iran
(s) Mauritius

EXPORTS OF SELECTED HORTICULTURAL PRODUCTS

1977 - 1980

UNITS (x 10 kg portions except where indicated)

Commodity	1977		1978		1979		1980	
	W.Aust.	Australia	W.Aust.	Australia	W.Aust.	Australia	W.Aust.	Australia
Grapes -								
Singapore	10746	31805	14802	59476	20904	81093	18310	91074
Malaysia	1050	1053	4455	4641	2678	2678	804	2107
Indonesia	12606	27485	6527	12255	16595	19729	20895	26435
Philippines	-	1	-	1904	-	1320	-	2098
Apples (tonnes) -								
Singapore	3537.2	6345.3	3613.8	5321.7	4264.7	9582.2	5271.6	7930.3
Malaysia	1015.3	1017.2	1905.6	1923.4	3045.8	3883.7	3560.6	4451.3
Indonesia	176.0	977.6	219.2	795.7	470.2	1104.2	209.8	652.6
Philippines	0.3	10.2	-	12.7	16.6	104.6	11.3	262.8
Pears (tonnes) -								
Singapore	1179.2	4985.6	698.2	6877.2	919.4	8587.7	1081.2	5877.5
Malaysia	43.9	43.9	36.9	306.2	137.8	1359.3	281.9	1172.9
Indonesia	-	404.2	-	572.0	-	597.5	-	444.6
Philippines	-	1.3	-	12.5	-	25.5	-	24.3
Plums -								
Singapore	61974	62120	93539	95285	144287 (94)	152948	119328	137152
Malaysia	7233	7235	10021	10028	27722	27722	36461	36488
Indonesia	720	771	-	19	-	87	-	91
Philippines	-	-	-	1	-	-	-	-

EXPORTS OF SELECTED HORTICULTURAL PRODUCTS

1977 - 1980

UNITS (x 10 kg portions except where indicated)

Commodity	1977		1978		1979		1980	
	W.Aust.	Australia	W.Aust.	Australia	W.Aust.	Australia	W.Aust.	Australia
Cauliflower -								
Singapore	123047	123645	162422	173130	249738	266648	298392	305486
Malaysia	24554	25179	34425	39013	76649	78956	133987	134837
Indonesia	-	144	-	276	-	322	-	719
Philippines	-	-	-	-	-	20	-	-
Carrots -								
Singapore	196535	196598	254448	265326	413244	415062	479381	484642
Malaysia	20671	20671	30926	30926	62869	62869	164803	165651
Indonesia	-	1162	-	1084	-	2198	-	2444
Philippines	-	-	-	-	-	19	-	280
Celery -								
Singapore	3023	3176	9926	12470	20445	21864	18360	18758
Malaysia	274	274	313	422	8799	8799	12371	12969
Indonesia	-	987	-	699	-	1564	-	2233
Philippines	-	311	-	1069	23	936	-	1178
Lettuce -								
Singapore	14717	18084	16229	20873	39755	42250	34236	46054
Malaysia	-	-	133	133	949	952	1597	1597
Indonesia	-	2167	-	1271	130	649	-	1224
Philippines	-	2854	-	5717	-	8415	-	5061
Onions (tonnes) -								
Singapore	1205.2	1409.6	1299.0	2915.2	964.8	1888.6	1951.7	3865.2
Malaysia	94.2	108.7	262.2	778.1	207.5	343.7	551.2	1893.2
Indonesia	46.0	281.6	-	101.6	-	285.8	-	574.8
Philippines	-	-	-	-	-	0.2	-	-
Potatoes (tonnes) -								
Singapore	3740.6	3797.5	315.9	1211.2	2407.2	2686.9	2703.8	3048.8
Malaysia	298.6	332.8	194.3	194.3	573.3	598.1	310.4	380.3
Indonesia	10.1	59.7	-	167.2	16.7	104.5	-	110
Philippines	-	-	-	-	-	0.3	-	-