

1.0 MARKET CHARACTERISTICS

1.1 Size and Canadian Share

Malaysia is a net importer of food. In 1987 food imports amounted to M\$3.0 billion, while exports came to M\$2.5 billion.¹

1987 imports in the categories covered in this study - i.e all food and beverage items except for live animals; unmilled grains and cereals; and feeding stuff for animals - were valued at M\$2.2 billion - see Table 1 below.

As can be seen from the Table, the 1987 Canadian share overall was M\$5.5m or 0.25 per cent. This increased to 0.52 per cent in 1988 due to expanded sales of Canadian powdered milk. However these sales declined in the first half of 1989, probably due to the preferential treatment given to Australian and New Zealand powdered milk (see Appendix B) and the overall Canadian share declined to 0.24 per cent - similar to the share of 1986 and 1987. By way of comparison, Canada's 1988 share of all imports into Malaysia was 1.24 per cent (M\$537.6 million out of a total of M\$43.4 billion).

The low level of Canadian representation in Malaysian food and beverage imports is spread across all categories. In only one category in one year (fresh and powdered milk and cream in 1988) did the Canadian share exceed two per cent. The category is largely - over 90 per cent by value - made up of powdered milk, the bulk of which comes from New Zealand and Australia.

1. These figures cover all the categories under SITC codes 001 to 099. Thus they do not include animal and vegetable fats and oils.