

Nine Pakistani companies participated in Foodex Saudi 2018 exhibition

Nine Pakistani companies including the top exporters dealing in rice, fruits and vegetables, processed food, ready to eat, beverages, spices, bakery, and confectioneries were participating in the Foodex Saudi 2018 exhibition held in Jeddah from November 12 to 15.

Trade Development Authority of Pakistan (TDAP), in collaboration with Commercial Section Consulate General of Pakistan, had selected nine well-established companies to offer their range of quality products for the Saudi market.

This was the 6th edition of Foodex Saudi Exhibition Jeddah organized by Reed Sunaidi Company at Jeddah Center for Events & Forums. The Exhibition was inaugurated by Prince Abdulaziz bin Nawaf bin Abdulaziz Al-Saud Head of Tourism & Entertainment Committee at Jeddah Chamber of Commerce.

On this occasion, Commercial Counselor Shahzad Ahmad Khan said that promoting bilateral trade between Pakistan and Saudi Arabia was one of the foremost responsibilities of Pakistan Consulate. He said that Saudi Arabia imports more than \$25 billion worth of food and beverage products each year to meet its growing consumption demands due to growing population and increasing annual pilgrimage. He added that these developments offered a huge opportunity to Pakistani companies to further penetrate the Saudi market and increase their market share.



However, given the fact that Pakistan was an agricultural country, and more than 50 percent of its exports were agro and textile-based it had enormous potential to increase its exports by tapping Halal food market of Saudi Arabia, which currently imported more than 80 percent of its total food and beverages requirement.

Press Counselor Muhammad Arshad Munir said that Pakistan Consulate was extending full cooperation to Pakistani businessmen match-making for their products in Saudi Arabia and to tap enormous opportunities emerging out of Saudi Vision 2030 to promote bilateral trade and investment.

The participating companies include M/s Pearl Confectionery Pvt Ltd, Karachi, M/s Roomi Foods Pvt Ltd Multan, M/s

K&N's Food Pvt Ltd, Karachi, M/s Amir Rice Traders Gujranwala, M/s Bismillah Sehla Processing Plant Pvt Ltd Nankana Sahib, M/s Quick Food Industries Ltd. Karachi, M/s Kafi Kitchen, Karachi, M/s Ismail Industries Ltd Karachi and M/s K.M Food Industries Pvt. Ltd Lahore.

Pakistan encourages China export

The country's produce association patron in chief sees opportunity under the Belt and Road initiative.

Pakistan's fruit industry association, the All Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA) has extended recommendations to the government, claiming the country's horticulture sector has the potential to grow export.

PFVA's patron in chief, Waheed Ahmed, said the sector has the potential to reach US\$1bn worth of goods to China.

Ahmed is also vice president at the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) and mentioned that the Pakistani government, through an adviser, expressed interest in promoting Pakistan's fruit and vegetables.

"During his visit to the FPCCI, he informed that the prime minister will be visiting China and requested for input and



market access of fruits and vegetables to China," said Ahmed.

A proposal for trading goods in the Chinese currency, to relieve dependence on the US dollar, was also extended.

Ahmed is confident that there will be an opportunity to enhance Pakistan's horticulture export through China's Belt and Road Initiative. However, he emphasized the need for collaboration within private sectors for managing agriculture-related diseases.

"An opinion has also surfaced to inculcate awareness about Chinese quarantine regulations and export model among Pakistani exporters," said Ahmed. "To ensure speedy clearance of trade cargo at Pakistani seaports, assistance from the Chinese authorities has been sought so that the perishable cargo can effectively be transferred with minimal delay from seaports to the vessels and go-downs."

Additional infrastructure could help widen Pakistan's access to new markets, and The Express Tribune reported the sector has estimated export value could increase up to US\$2.5bn from its current US\$608m, within five years.

Kinnow export target has been set, 325,000 tonnes this year

All Pakistan Fruit & Vegetable Exporters and Importers Association has set current year export target of Kinnow to 325,000 tons by reducing 50,000 tons compared to the previous year. The

export of Kinnow will begin from 1st December 2018. Production of Kinnow during this year is expected to be around 2 million tonnes, however due to limited availability of best quality of exportable Kinnow, the export target has been reduced this year.

According to Chief of Pakistan Fruit & Vegetable Exporters and Importers Association and Vice President FPCCI, Waheed Ahmed, a record of export volume of 375000 tonnes was attained during previous year and earned 200 million dollars foreign exchange while with the current export volume of 325,000 tonnes, the country is expected to earn foreign exchange of 180 million dollars. Due to the high cost for the production of citrus fruit and tough competition with big the exporters such as Turkey, Morocco and other largest exporters of citrus fruits, Pakistan is facing a tough competition.

Chinese wooed to invest in Pak Food Industry

Fauji Foods Limited (FFL) had announced its appointment of Lazard Saudi Arabia as its foremost financial advisor, Riaz Ahmad & Company as Chartered Accountants and Cheema & Ibrahim as their legal advisor on the Expression of Interest (Eoi) they received from Inner Mongolia Yili Industrial Group

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Co. Ltd for purchasing 51 percent of the company shares.

Inner Mongolia Yili Industrial Group Co. Ltd., a state-owned company in China, is principally involved in the processing, production, and distribution of dairy products and mixed foodstuffs in both China and the world, according to Reuters. The company sells powdered milk, liquid milk ice cream and yogurt alongside dairy tablets; milk tea powder and soybean milk powder.

Inner Mongolia Yili Industrial Group outsourced its operations first in New Zealand by setting up a processing plant in 2014.

Fauji Foods Limited on the other hand processes and offers milk powder, fruit shakes, toned milk, and other food products in Pakistan. Among its more notable products are buttermilk, pasteurized milk, flavored milk, UHT milk, butter, and various refined dairy products, including skimmed and cheeses, UHT cream, and full cream milk powder.

It markets its products under the Nurpur brand. The company was formerly known as Noon Pakistan Limited and changed its name to Fauji Foods Limited in June 2016. Fauji Foods came into ownership of the majority of Noon Pakistan's shares and invested Rs7 billion in expanding its production capacity from 100,000 liters a day to 600,000 liters a day, according to Bloomberg.



By late July this year, Inner Mongolia Yili Industrial Group Co (Yili) had already come forth with a willingness to acquire a 51 percent stake in the Fauji Foods. CitiBank had also been appointed as the broker for the acquisition offer submitted by Inner Mongolia Yili Industrial Group.

Yili's delegation of senior level management—while visiting the head office of FFL—appreciated the state of the art plant of the company and conducted market research on setting up an ice cream and milk powder plant in Pakistan in collaboration with FFL.

Yili had begun as a small dairy-product processing company in Inner Mongolia in 1993.

This transaction between Yili and FFL will be the second major acquisition by a foreign firm in Pakistan's food sector. Earlier, a Dutch company 'Royal Friesland Campina NV' had gained an acquisition of 51% in Engro Foods shares during December of 2016 with an investment of around \$460million; the largest private sector takeover by a foreign firm in the country's history.

Inner Mongolia Yili Industrial Group outsourced its operations first in New Zealand by setting up a processing plant in 2014. It remains one of the largest dairy products manufacturers in Asia and ranks as the eighth largest globally.

Yili had begun as a small dairy-product processing company in Inner Mongolia in 1993. Now a dairy giant, Yili has worked with Italian dairy baron; Sterilgarda Alimenti as well as with the European Research and Development



Centre in the Netherlands, the first time an overseas entity entertained a Chinese firm.

Pakistan's share in the global Halal trade just 0.25%

Despite being a Muslim country, Pakistan's share in the global Halal trade stands at a mere 0.25% which could be increased with the upgrading of Halal certification and provision of the Halal storage facility.

This was stated by Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Senior Vice President Syed Mazhar Ali Nasir while speaking at a seminar at the Federation House.

The aim of the seminar was to discuss the potential and opportunities for Pakistan in the global Halal market. The government was urged to establish the Pakistan Halal Development Authority (PHDA) at the national level for Halal certification and administration of the industry in order to promote Halal products in national and international markets. Nasir emphasized the need for spreading awareness of Halal products in Pakistan as they were not confined to food and beverages only.

Punjab Food Authority threatens action against unlicensed eateries

"These include pharmaceutical products, cosmetics and a lot more and Pakistanis are not aware of this," he said. "Hence, educating them about the importance of Halal commodities is necessary to promote such products in our country and at the global level." He was of the view that the formation of PHDA was the need of the hour for monitoring exports and imports of Halal products.

Moreover, organizations like the Pakistan Standards and Quality Control Authority (PSQCA), Pakistan Council of Scientific and Industrial Research (PCSIR) and Trade Development Authority of Pakistan should also extend their support



for the promotion and development of the Halal industry.

Former FPCCI president SM Munir stressed that such events should be organized more frequently to create much-needed awareness among local manufacturers and the general public.

The chairman of the Standing Committee on Halal Food regretted that no Muslim country was among top 10 Halal food exporters and Pakistan had failed to grab its due share in the global Halal market which had a size of more than \$3 trillion.

"Halal food has gained a larger presence in major European and American fast food chains in recent years; supermarkets and food companies are jumping on the bandwagon to gain a competitive advantage," he said. "This is just because they are now aware of the fact that Halal food is healthier."

The seminar was attended by the diplomats of Russia, Japan, Malaysia, Iran, Thailand and representatives of various government organizations.

Pakistan, China sign \$200m agreements for seafood, steel and agricultural trade

China will invest \$200 million in Pakistan's seafood, steel, and agriculture sector to boost bilateral business between the two Asian neighbors.

Pakistani officials signed the memorandums of understanding (MoUs) on a total of 11 agreements with Chinese investors during their visit to Islamabad on Tuesday, according to commercial attaché at the Chinese Embassy.

By investing in Pakistan, the Chinese companies can promote exports to South Asia, Middle East, Africa, and many other destinations.

China is the world's largest importer of agricultural products. In 2015, China imported \$160 billion worth of agricultural products.

With a population of 1.3 billion people, China consumes almost \$1 trillion worth of food every year. The domestic consumption is expected to grow by another \$500 billion in the next 10 years.



83 breakfast points fined for poor hygiene

In a province-wide operation against unhygienic and substandard breakfast food points, the Punjab Food Authority (PFA) enforcement teams visited as many as 269 eateries and penalized 83 Food Business Operators (FBOs) with heavy fine tickets here on Sunday.

Fine tickets were issued over failure to maintain the hygiene working environment and violation of the PFA act rules. This was informed by PFA Director General Captain (R) Muhammad Usman.

He said that the authority raided 99 breakfast points in Lahore and as many as 23 FBOs were punished due to poor sanitation condition. Also, 85 food points were checked in the North Zone and 32 shopkeepers were issued fine tickets.

Food safety teams visited 35 premises in the South Zone for the inspection of the quality of food and safety measures.

Usman said that the PFA has sealed one food point in North Zone for selling a stale food to their customers and poor cleanliness arrangements. DG said that overall condition at fast food points was found satisfactory which credit goes to our team and FBOs who are abiding by the PFA's regulations.

He said that the PFA has constituted special teams for breakfast food points checking on the weekend. He also appreciated teams for ensuring the provision of standard food in Punjab added that, the purpose of this drive was not to disturb the business but our ulterior motive is to reform the food industry. ♦

