

# THE EMERGING EXPORT MARKETS OF MALAYSIAN TROPICAL FRUITS: A PRELIMINARY OUTLOOK

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## ABSTRACT

Despite a long-standing policy strategy of the national fruit development plan for boosting exports on tropical fruits, Malaysia's trade balance on tropical fruit remains in deficit. The country's market share of the world tropical fruit exports is relatively marginal added with export performance deteriorating for many years. Instead, the global trade of major tropical fruits reached a new record of 7.8 million tons in 2019, expanding 9.6% from the previous year, mainly due to ample growth in demand. Yet, the competitive landscape of tropical fruits is rather concentrated, with only a few countries engaging in large-scale global trade for decades. Previous studies revealed that engaging more in trade on tropical fruits contributed to rural employment, income, and thus becomes a significant factor to the national economy. In addition, global demand for tropical fruits is shaped by high elasticity in price and income. Historical data showed a strong relationship between changes in income and demand for tropical fruits. Therefore, deciding whether to engage in international trade and which markets would significantly benefit the country's economy is a crucial policy. Subsequently, comprehensive market intelligent research is pertinent to evaluate and analyze trade indicators across supply and demand sides. This paper provides an initial trade overview of selected tropical fruits in emerging export markets – Egypt and Turkey. The import trends of tropical fruits are increasing in both markets, mainly pineapple, implying that tropical fruits consumption continues growing. Malaysia remains the most significant share and has been one of the major exporters for pineapple to Egypt; however, its share remains below 5% in Turkey with the country's recent export performance dropping significantly in both markets. Durian is relatively new in Egypt, with erratic records, leaving Thailand as the sole durian supplier to the market. Watermelon is growing in Turkey with fragmented markets, whereas it showed a very volatile trend in Egypt. Papaya showed inconsistent imports with a highly concentrated market in Egypt, while Turkey's trend is declining significantly. Further research will involve in-depth study utilizing primary data across stakeholders, industry players and consumers.

Keywords: Emerging markets, trade indicators, tropical fruits, Egypt, Turkey