

Open Food Import Market Will Boost Malaysia's Economic Efficiency, Say Economists

The move to have free and open food import markets is set to boost the nation's economic efficiency, experts said.

Sunway University economics professor Prof Yeah Kim Leng said this would encourage import competition and business expansion that would result in lower costs for end-users as well as providing more choices for the rakyat.

"I believe this will uplift the attractiveness of the country's investment environment," he told Bernama today.

Bank Islam Malaysia Bhd chief economist Mohd Afzanizam Abdul Rashid said Malaysia relied heavily on imports of food products for local consumption, hence, any form of liberalisation that facilitated the trade of foodstuffs is welcome, particularly, if the move would open up business opportunities for local entrepreneurs.

"While we aspire to be fully self-sufficient in respect to food security, it would take some time to materialise.

"My take is that any measures that could facilitate the procurement of food in the most efficient and effective manner are most welcome," he said.

Mohd Afzanizam said the trade balance for agrofood has been in deficit trends.

He said last year, a deficit of RM25 billion was recorded as Malaysia's imports of agrofood stood at RM64 billion compared to exports of RM39 billion.

According to the **Department of Statistics Malaysia (DoSM)**, imports of food accumulated to RM482.8 billion for the last 10 years while exports amounted to RM296 billion.

In meeting the consumers' needs and demands in the country, it said food products must be imported from the rest of the world especially onion, dairy products, coffee, wheat flour, tea, shallots, potato and cooking oil.

Based on the Household Expenditure Survey Report, Malaysia, 2019, these items represented 14.1 per cent of the item that was frequently spent by the household.

It said Malaysia is also highly dependent on imports of mutton, mango, coconut and beef to meet domestic demand.

The report said more than 70 per cent of imported mutton was from Australia while mango, coconut and beef were mainly imported from Thailand, Indonesia and India respectively.

Meanwhile, DoSM said other sources of protein highly consumed by Malaysian households, particularly chicken, meat and fish and seafood, although easily obtained, continued to see an increase in prices.

It said in 2020, the price of ikan kembung was RM14.78 per kilogramme (kg) as compared with RM14.71 per kg in 2019 and local meat was RM32.19 per kg from RM31.99 per kg in 2019 while the price of eggs declined to RM3.58 per 10 pieces in 2020 against RM3.97 per 10 pieces in 2019.

Earlier, Prime Minister Datuk Seri Ismail Sabri Yaakob announced that the government has agreed not to impose the approved permit (AP) requirement to import foodstuffs into the country with immediate effect.

The decision was reached at the Cabinet meeting chaired by him on the same day towards ensuring sufficient food supply in the country.

“This will enable all parties to import any food items into the country,” he said.

Ismail Sabri said the Ministry of Agriculture and Food Industries (MAFI) would later announce the details on the AP matter. — BERNAMA

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