

Huge market for halal products in China

By Chok Sim Yee



Yong Ted Phen (third left) of See Hua Daily News and Datin Foo Choon Pang (second left) of Asia Times represented the media delegation in presenting a souvenir to Yang after the briefing while Cui (left), Hu Yunling (second right), deputy director of the Foreign Affairs Office of the People's Government of Ningxia, and Liu Jian (right), division director of Construct and Coordinate Division for Ningxia Inland Opening-up Pilot Economic Zone under the Ningxia Development and Reform Commission look on. –Photo by James Tseu.

NINGXIA Hui Autonomous Region, located at northwest of China, is a huge market for halal products. Ningxia is

home to 6.68 million population, of which 4.2 million or 63.1 per cent are the Han Chinese, 2.4 million or 36.1 per

cent are Hui ethnic minority while the remaining 56,000 population or 0.8 per cent comprise the other 47 ethnic minorities such as Manchu, Mongolian and Zhang.

In fact, halal food products are gaining popularity in China even among non-Muslims because the certification assures them of cleanliness and hygiene.

Realizing China's market potential a decade ago, Malaysian entrepreneur Cindy Chong has since shifted her focus from the Middle East to China.

"I have spent over 10 years visiting 24 cities in China and studying how to do business here," said the managing director of NCL Group.

Today, Chong has successfully penetrated the Chinese market with Malaysian halal food products, such as

Sarawak laksa paste, sambal sauce, sweets, condiments and beverages. She did so by displaying the Malaysian goods at product showrooms in Yinchuan, the capital of Ningxia, Lanzhou, Chongqing and Zhejiang. Her business model is based on the business-to-business (B2B) e-commerce concept, whereby retailers view the products at the showrooms and place their orders online.

In Yinchuan City, Chong has partnered up with Salimy Huiping Na, the board chairman cum general manager of Ningxia Salimy Muslim Commodity Trading Co. Ltd, to shelve Malaysian halal food products in a showroom at the Ningxia Tax-Free International Products Exhibition Centre in Yue Hai Wan Central Business District (CBD).

Chong and Salimy's partnership is one of the instances of increasing trade cooperation between China and Malaysia.

To date, she has secured more than



Chong (second left) establishes partnership with Salimy (second right) to display and market Malaysian Halal products to China. –Photo by James Tseu.

30 suppliers in Malaysia who provide her with over 1,000 products to be displayed and sold in the Chinese market.

At the same time, Chong and Salimy have also received orders to supply 20 tonnes of laundry powder, potatoes, garlics and brooms to a hypermarket in Malaysia and Singapore.

“We are currently exploring ways to

import Malay costumes from Malaysia to Ningxia,” she added.

Chong encouraged Malaysians to tap into opportunities in rapidly-developing China.

“There are many Malaysian products that are not seen in China.

“Many Malaysians wish to do business in China but find it difficult to penetrate the Chinese market.

“We can facilitate the process and help Malaysian enterprises to enter the market here.”

Chong pointed out that China is a huge market for halal food products because the certification assures consumers of cleanliness.

“China is very keen on halal (products) and does not treat it as a religion.

“The people here like halal (certification) because they have heard so much negative publicity (on non-halal food).

“So even the non-Muslims here like halal,” she said. Malaysia-Ningxia trade



The Hui ethnic minority in Ningxia practise the Islamic faith in their daily lives. –Photo by James Tseu.

cooperation

In recent years, Malaysia and Ningxia have been actively pursuing trade cooperation through platforms like the Malaysia International Halal Showcase (Mihas) and business matching programmes.

In 2015, the bilateral trade between Ningxia and Malaysia stood at USD 130 million, comprising USD 103 million of trade export to Malaysia and USD 28.94 million of import to Ningxia. The export products to Malaysia are mainly vegeta-

bles, natural honey, Chinese herbs, medicines, laundry powder, rubber tyres, paper, yarn, carpets and stone slabs.

In the first five months this year, Malaysia and Ningxia has achieved USD 21.16 million in bilateral trade – USD 8.64 million from export to Malaysia and USD 12.52 million from import to Ningxia.

Cui Yanxiang, an official from the Foreign Trade Division of Economic and Technological Cooperation Bureau under the Department of Commerce of Ningxia, said this during a briefing to Sabahan journalists during the inaugural media trip to China that was organized by the Consulate General of the People’s Republic of China in Kota Kinabalu.

Cui said five Malaysian enterprises had been established in Ningxia since 2011, with a total investment value of USD 35.27 million.

“These enterprises are primarily in-



Yang

volved in the research and development (R&D) and production of halal food and products, R&D in biotechnology, import and export of goods and marketing agency business.”

He said efforts in promoting bilateral trade between Ningxia and Malaysia is beginning to yield results. In MIHAS 2016, Malaysia’s DCCT International

Food Group Sdn Bhd signed an agreement with Ningxia’s Qi Le Halal Food Co. Ltd, making it the main distributor in Malaysia and exclusive dealer of Qi Le products in London.

Furthermore, both parties have also signed a joint venture agreement to research and develop Tongkat Ali Eight Treasure Tea (Ba Bao Cha).

“Meanwhile, Ningxia Salimy Muslim Commodity Trading Co. Ltd and Port Klang have signed an agreement pertaining to the establishment of a sales centre, the first Chinese e-commerce base in Malaysia, to display and sell Ningxia’s products.”

Looking forward, Cui said the region would continue to explore and expand its collaboration with Malaysia to achieve a win-win situation for both parties.

“We shall also explore collaboration in R&D and production of halal food, logistics base and mutual recognition of standards.”



Malaysia’s DCCT International Food Group Sdn Bhd has signed an agreement with Ningxia’s Qi Le Halal Food Co. Ltd to research and develop Tongkat Ali Eight Treasure Tea. The Eight Treasure Tea, a favourite among the locals in Ningxia, is a hot beverage made from infusing red dates, wolfberry, tea and any other ingredients of one’s choice, such as dried fruits.

In addition, he said Ningxia was also studying the feasibility of investing in a halal beef and mutton processing plant at Kuantan Industrial Park.

“We hope our Malaysian counterparts will support Ningxia’s investment

and market expansion in their country.”

Cui said Ningxia would further seek to enhance trade discussions and business matching through chambers of commerce and intermediaries, as well as take part in major expositions and trade-related activities.

“We will be forming a delegation comprising importers and exporters to attend the Second Malaysia Klang International Expo at the end of this year.

“At the same time, we wish to invite the Malaysian media, enterprises, trade associations and other trade organizations to join our China-Arab States Expo 2017.”

Besides that, Cui welcomed Malaysian tourism players and financial institutions to invest in Ningxia’s tourism development. The Hui ethnic minority in Ningxia

The Hui people are descendants of Arab and Persian traders who settled in China and married local Chinese women. Despite being in a country



Cui

deeply rooted in Chinese culture, the Hui people's practice of the Islamic faith, such as not consuming pork, fasting during the Ramadan month or celebration of religious festivals, are respected by other ethnic groups.

The Hui ethnic minority only constitutes slightly more than one-third of the total population in Ningxia, but the region was granted autonomous powers in

legislation, administration, economy, finance, education, culture, science and technology, healthcare and sports under the national system to nurture future leaders and enhance the representation of Hui people in the local administration.

Yang Shengrui, from the Ethnic Affairs Committee under the Religious Affairs Bureau of Ningxia, said the Ningxia Hui Autonomous Regional Committee of the Chinese People's Political Consultative Conference (CPPCC) was chaired by a Hui, while many governmental departments and bureaus were headed by leaders from the Hui and other ethnic minorities as well.

He said the Hui ethnic minority also received support in economic development and education in efforts to bring them on par with China's development.

On another note, Yang said there were 12,144 halal businesses in Ningxia, comprising 8,929 food and beverage (F&B) outlets, 3,162 production and

processing plants and retail enterprises, as well as 53 large-scale Halal slaughter houses.

Yang added that people of different religious beliefs lived in unity and harmony in the region where Islam, Buddhism, Christianity and Taoism coexist.

"All the religions in Ningxia are united. There has been no major disputes.

"All these factors contribute to the economic growth, racial amity and stability of Ningxia," he said.

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