

# FDI NEWSLETTER



# Officially Export Frozen Prawns to Korea



On **July 6th**, we dispatched a significant shipment of frozen prawns to **Korea**, which successfully cleared customs on **July 31st**. This shipment was composed of three meticulously organized orders to cater to the varying needs of our clients. Specifically, it included **556 cartons, each containing 10 pieces of prawns, 200 cartons with 12 pieces each, and 309 cartons containing 15 pieces each**. This careful packaging ensured that the products were delivered in optimal condition and met the specific requirements of our customers.

This substantial shipment underscores our capability to handle large-scale orders while maintaining the highest standards of quality and compliance. The successful customs clearance also highlights our thorough understanding of international trade regulations and our commitment to seamless logistics.

Each step, from the initial dispatch on **July 6th** to the final customs clearance on **July 31st**, was handled with precision and professionalism, ensuring that our clients in **Korea** received their orders without any delays or issues. This operation not only demonstrates our efficiency and reliability but also reinforces our dedication to providing top-quality seafood products to the global market.

# Officially Export Chilled Vannamei to Singapore

On **July 24, 2024**, we exported **150 cartons of chilled vannamei prawns to Singapore**. Upon arrival, the customer rigorously tested the shipment for various factors such as **weight, size, and overall quality**. We are delighted to report that the prawns met all their specifications and standards, resulting in highly positive feedback.



The successful fulfillment of this order has encouraged the customer to consider placing additional orders in the near future. This positive outcome not only strengthens our relationship with this key customer but also opens the door to further business opportunities.

In response to the anticipated increase in order volume, we are taking proactive steps to scale up our operations. We are enhancing our production capabilities to handle larger quantities, improving inventory management to ensure a steady supply, and optimizing our logistics to maintain efficiency and reliability. These preparations are crucial as we aim to meet the growing demands of our current customers and attract new ones, thereby expanding our market presence and driving continued business growth.

**GOOD NEWS**



## A WORD FROM SALES EXECUTIVE - EUGENE LAU

In the **Singapore market**, our **chilled vannamei prawns** have garnered exceptional feedback, consistently meeting the required **size and weight** standards. This positive reception highlights a strong and growing demand for our products. With **three key customers**—**two** preferring **chilled vannamei prawns** and **one** requiring **frozen prawns**—our operations have proven crucial in delivering top-quality products. Collectively, these customers have a daily demand of **5 tons** of prawns, emphasizing the significance of our consistent supply.

If we can fully meet this demand, we anticipate a revenue potential of approximately **RM 5-6 million**. This presents a promising opportunity for substantial business growth and increased market presence. However, our chilled vannamei prawns are still in the initial stages of distribution, leading to a limited inventory that impacts our ability to fully capitalize on the market potential.

Tiger prawn prices have experienced a dramatic decline, plummeting from **RM 29.5 to RM 20 per kilogram** within just **one month**. This sharp decrease is even more pronounced than the fluctuations seen in **2023** and is primarily driven by the uncontrolled dumping of prawns from **Thailand and Indonesia** into the **Malaysian market**.

The core issue lies in the significantly lower production costs in **Thailand and Indonesia**, which are over **RM 5 per kilogram cheaper than in Malaysia**. This cost advantage allows producers in these countries to sell their prawns at much lower prices, leading to a flood of inexpensive prawns entering the Malaysian market. This oversupply situation has overwhelmed the market, causing prices to drop substantially.

The excessive influx of cheaper prawns has created a challenging environment for Malaysian producers. The oversupply has not only driven down prices but has also affected the profitability and financial stability of local producers. They are now facing a situation where maintaining competitive pricing while covering production costs is becoming increasingly difficult.

To navigate these challenges, Malaysian producers may need to implement several strategic measures. Exploring new and emerging markets could provide alternative revenue streams and reduce dependency on the affected market. Enhancing cost efficiencies through improved production techniques or supply chain optimizations can help mitigate the impact of lower prices. Additionally, advocating for fairer trade practices and policies to regulate the dumping of prawns could help stabilize the market and create a more level playing field. These steps are crucial for Malaysian producers to adapt to the current market conditions and sustain their operations amidst the intense competition from lower-cost producers.

## **CHALLENGE :**

# **PRAWN PRICE DROP**



# SOLUTION: FREEZE THE TIGER PRAWN



Last year, **FDI** confronted similar issues with plummeting prawn prices and has since taken proactive steps to address the challenges. Recognizing the need for strategic adjustments, we have invested in advanced freezing and storage capabilities for our prawns. This preparation allows us to stock up to **150 Metric Tonnes** of processed prawns, including both live frozen and cooked varieties, with a total value of approximately **RM 6,000,000**. By doing so, we can better manage our inventory and mitigate the impact of fluctuating market conditions.

We anticipate a market recovery for **cooked prawns in November**, driven by increased demand during the **December** festive season. Similarly, we expect the market for live frozen prawns to rebound in **January**, aligning with the **New Year and Chinese New Year celebrations**. These seasonal peaks are expected to restore more favorable pricing and market stability.

In parallel with our internal strategies, we are actively collaborating with prawn farmers across Malaysia to address the broader market issues. We have escalated the matter to the **Malaysia Department of Fisheries**, advocating for the implementation of policies to curb uncontrolled dumping of prawns into the country. Our objective is to create a more balanced market environment that supports local producers and ensures fair competition, ultimately contributing to the long-term stability and sustainability of the industry.



# OPENING OF BIG FROZEN TAMAN SRI MUDA

**BIG Frozen** is excited to announce the opening of our new outlet at **Taman Sri Mudah** on **August 5, 2024**. This strategic expansion is aimed at enhancing our service to **wholesale customers** across various industries. We are focusing on businesses involved in **catering, Western cuisine**, and other sectors that require substantial quantities of frozen products.

Our new outlet will provide a range of high-quality frozen items, with a strong emphasis on wholesale pricing. This pricing strategy is designed to offer significant cost benefits to our clients who place large orders, making it an attractive option for businesses that need to manage their expenses while maintaining high standards in their operations.

We estimate that this new outlet will contribute to achieving a yearly sales target of **RM 18 million**. To reach this ambitious goal, we will implement targeted marketing strategies to attract and retain wholesale customers, build strong partnerships, and provide exceptional service tailored to the specific needs of our large-scale clients.

In addition to competitive pricing, our new outlet will offer personalized support, including assistance with order planning, logistics, and customized solutions to meet the diverse needs of our wholesale clients. By focusing on these key areas, we aim to establish a strong presence in the **Taman Sri Mudah** area and drive significant growth in our business.

**STAY TUNED FOR MORE UPDATES NEXT MONTH**