

# Expert: Export ban will worsen supply crunch, lead to price hikes

**KUALA LUMPUR:** The export ban on broilers will worsen the chicken supply shortage and lead to price hikes, said an economist yesterday.

Centre for Market Education chief executive officer Dr Carmelo Ferlito said the ban, coupled with the ceiling price for chicken, would foil the government's efforts to curb chicken price hikes.

"The Malaysian poultry industry has been primarily devoted to catering to local consumption and the country's chicken exports accounted for only around five to six per cent of the local production.

"As such, the government's announcement to resume the export of coloured broiler chicken is irrelevant since these birds represent a limited portion of the actual chicken exports," Ferlito told the *New Straits Times*.

He said the ban would limit profit opportunities for a supply that was already frustrated by ceiling prices.

He said this was because the ban was preventing local breeders from exploring profit opportunities abroad.

"So, on one hand, export restrictions would discourage local breeders from stepping up production of chickens.

"On the other hand, the ceiling prices set by the government would discourage foreign players from entering the local poultry industry. This will prolong price tensions.

"In the long run, fewer chickens will be produced locally, and the country's poultry industry will not be able to generate



*Dr Carmelo Ferlito*



*Associate Professor Dr Ahmed Razman Abdul Latiff*

enough jobs."

Associate Professor Dr Ahmed Razman Abdul Latiff, an economic analyst from Universiti Putra Malaysia's Putra Business School, said local chicken breeders had reduced their production in the last few months because of the rising cost of chicken feed.



*A woman buying chicken at the Chabang Tiga wet market in Kuala Terengganu yesterday. PIC BY GHAZALI KORI*

The breeders, he said, opted to export their excess chicken supplies due to greater demand and higher prices.

"This led the government to restrict the export of some of these chicken products. The measure is a temporary fix and stops short of addressing the root cause of the problem.

"Otherwise, our country's self-sufficiency level for chicken and

eggs was already above 100 per cent, at 104.1 and 119.1 per cent, respectively, in 2019. These allowed us to export our excess supplies to countries like Singapore."

He said the prolonged export ban put Malaysia at risk of losing its clients, who may turn to Thailand and Indonesia as their new source countries for chicken supply.

"So the government must focus on exploring alternative suppliers and encourage local production of chickens.

"We should start executing all the 77 action plans outlined under the National Agrofood Policy 2.0 launched last year.

"These include plans to roll out incentives, as well as research and development programmes to produce animal feed locally."