

CHAPTER IV

FISH MARKETING IN MALAYA

The British arrival in Malaya since the 19th century had brought tremendous changes to the country. The development of the tin mines and rubber industries and hence the growth of commerce led to increasing urbanisation and development of transport and communicational facilities. Self-sufficient fishermen began to reorientate their mode of production to produce sufficient for their domestic consumption and a surplus to feed the urban population. Towns began to grow both in size and number and the centres of fish production and areas of consumption became increasingly separated. Marketing functions became more complex. To meet the intricacies of marketing, a number of middlemen appeared to fill up the gap that existed in the link between the fishermen and the consumers.

What Is Fish Marketing

Fish marketing consists of all those economic activities involved in moving the fish from the place of landing, usually at the fishing village, to the hands of the final consumers, many miles away from the place of landing. It includes the functions of assembling, packing, processing, transportation, storage, wholesaling, and retailing. Hence, fish marketing is a very complicated economic activity.

Importance of Fish Marketing

a) Marketing Cost: It forms a large proportion of marketing price paid by the final consumers⁺¹. If it can be

⁺¹ See L. Berube: Memorandum: Economic Research-
Report: Suggested programme of Fisheries and Marketing Development in Malaya.

reduced, the retail price of fish will be lower and, by the law of supply and demand, the demand for fish, especially among the lower income group, will increase. People will spend less on other food requirements but more on fish. It should be noted that fish forms an important part of the Malayan diet. The increase in the demand for fish will provide a strong incentive for the fishermen to mechanise their crafts and use better catching gears to increase their production of fish.

b) Impact on Production: Fish marketing is one of the major activities that has often been neglected. Normally, people consider that by increasing production alone is sufficient to guarantee an improved standard of living to the fishermen but, in fact, producing well is an inadequate assurance. To increase the level of income and the standard of living of the fishermen, efficient marketing of fish is necessary to ensure that the fishermen get a fair return for their increased output and thereby stimulate the incentive among them to produce well⁺¹

Under a good marketing system, there is a smooth flow of fish from the fishermen to the consumers. The fishermen are assured of a ready market and, therefore, have the incentive to increase production. If the marketing system is poor, the fishermen will find it difficult to sell their fish. There will be a glut somewhere in the marketing chain and the fishermen and consumers will have to bear the loss incurred, which is frequent because fish is a highly perishable commodity, in the form of reduced income to the fishermen and higher retail price to the consumers⁺².

Therefore, producing well is half the job. Selling well is the other half and the two go hand in hand. Good production can be offset by poor selling and waste. To raise the level of income among the fishermen, increasing production is insufficient. Improvement in the marketing system is necessary. Hence, fish marketing is very important.

⁺¹See W. Hughes: Transportation - the Neglected Factor in Economic Development, *Economi*, December, 1963.

⁺²L. Barube: Memorandum: Economic Research Report: Suggested Programme of Fisheries and Marketing Development in Malaya.

c) Increasing Urbanisation: The trend in Malaya since the Second World War is towards increasing urbanisation due to industrialisation and better employment opportunities in the urban areas. This means that more and more fish will have to be conveyed to the urban areas and this calls for a good marketing system⁺¹.

The Present Fish Marketing System:

Fish marketing in Malaya is almost entirely in the hands of the middlemen⁺². In 1962, only 80,000 piculs out of a total annual production of 2,859,000 piculs of fresh fish

⁺¹See 1957 Census of Population of the Federation of Malaya.

⁺²See L. Berube: Memorandum: Economic Research Report: Suggested Programme of Fisheries and Marketing Development in Malaya.

In Penang Island where I did some field work in Telok Bahang, Batu Ferrengghi and Tanjong Bungah, I found that in spite of the large volume of fish landed daily, only a handful of the fishermen send their fish to the town on their own. Most of the fish are taken to the town by middlemen mainly because they supply the fishermen with all the capital and operating expenses of fishing and to a very small extent, because the catch per fishermen is small or they are too tired to be interested with the marketing part. At Telok Bahang, the only fishermen's cooperative society in the island there markets only the fish of 2 pukat jerut boats which it owns out of a total population of about 30 pukat jerut boats there. In other parts of the island, there is no such society to market fish.

In the East Coast, I learn from Che Khalid, Che Samad and Che Laidin of the Cooperative Division, Ministry of Agriculture and Cooperatives, middlemen undertake fish marketing because the catch per fishermen is small in most cases and it is not economical for the fishermen to send their fish to inland and distant towns on their own. Secondly, it is because they are financially tied down to the juru selam and the middlemen.

See also Tjoa Soei Hock: Institutional Background to Modern Economic and Social Development in Malaya.

are handled by the fishermen's marketing cooperatives⁺¹, the rest being handled by the middlemen because of the great dependence of the fishermen on the middlemen. The fishermen are obliged to sell their fish to the middlemen due to:-

- a) financial indebtedness;
- b) absence of an alternative means to dispose of their fish, for example, marketing cooperative societies;
- c) absence of an alternative means of transport except that of the middlemen⁺².

In the West and South-east coast of Malaya, the Chinese middlemen undertake the marketing of fish entirely. In Trengganu, Kelantan and northern Pahang, the marketing of fish in the rural areas is in the hands of the Malay middlemen but in the urban areas of these states and in fish marketing that involves long-distanced transport of fresh fish to urban areas like Kuala Lumpur and Singapore, where the process of proper packing and icing of fish is very

⁺¹See 1962 Annual Statement of Cooperative Societies in the Federation of Malaya.

⁺²See L. Berube:Memorandum: Economic Progress Report No. 2: Fish Marketing: Automatic Convertible Corporation in Malaysia.

See Tjoa Soei Hock: Institutional Background to Modern Economic and Social Development in Malaya.

See R. Firth: Malay Fishermen: Their Peasant Economy.

In the East Coast, these 3 reasons are applicable in most cases because of poor communicational facilities. Che Khalid, Che Samad and Che Laidin of the Cooperative Division, Ministry of Agriculture and Cooperatives fully appreciate these facts. The juru selam and the middlemen give loans to the fishermen. Middlemen are few in number in each village and they usually monopolise fish curing and transport facilities. But they are not so sure for the West Coast where communicational facilities are very much better.

In Penang Island, I found that, though communicational facilities are good, the fishermen still deal with the middlemen because in many cases, they give them capital equipments to operate with, pay for all the operating expenses and give them weekly advances for the fishermen are given their share of the catches monthly.

complex and requires a high degree of skill and experience, the Chinese middlemen dominate⁺¹. As middlemen in fish marketing, the Indians play an insignificant role.

Due to poor bargaining power because of lack of organisation among the fishermen and individual selling in small lots to fewer and better organised middlemen-monopsonists, the fishermen are exploited in various ways by them⁺².

The basic pattern of fish marketing in practice now is for the village level middlemen to purchase the fish in bulk from the fishermen and paying them a minimum price adequate enough to maintain themselves and their families and then passing on the fish to a village agent who transports the fish to a general distributor in the urban area to which the fish is intended for sale. The fish is then sold to the retailers who try to dispose of the fish as quickly as possible to the final consumers at the highest possible price before the fish deteriorates in quality⁺³.

The Problems of Fish Marketing

a) The village middlemen possess monopsonistic power in the purchase of fish and can therefore dictate the price of purchase to the fishermen. They derive their monopsonistic power from their monopoly of transport facilities and fish-curing facilities like the East Coast of Malaya. The fishermen, therefore, cannot transport their fish to the urban areas on their own for sale at a better price⁺⁴.

⁺¹ See Tjoa Soei Hock: Institutional Background to Modern Economic and Social Development in Malaya.

⁺² Che Samad and Che Laidin, Cooperative Officers at the Cooperative Division, Ministry of Agriculture and Cooperatives, agree on this fact. Usually, there is a gentlemen's agreement among the few fishermen not to compete with one another in the bargaining and there is a silent understanding on the price offered for each type of fish.

⁺³ See L. Berube: Memorandum: Economic Research Report: Suggested Programme of Fisheries and Marketing Development in Malaya.

In Penang, I observe a similar pattern of fish marketing existing.

⁺⁴ Che Samad and Che Laidin agree that such conditions exist in the East Coast. In the West Coast, the (cont'd)

b) As fish is a highly perishable commodity, and that they do not own cold rooms to store their fish, the fishermen, unlike rubber farmers, cannot withhold their products if price is unfavourable and wait for a more favourable price.

c) Credit and marketing are tied down together. The middlemen have a strong hold over the fishermen through their economic activities as sole purchaser of fish, money-lender and credit-giving shopkeeper. As moneylender and credit-giving shopkeeper, they meet the short-term credit needs of the fishermen satisfactorily in cash and/or kind. In return, the fishermen agree to hand over their catch in settlement of the debts until the full amount has been repaid. In such a way, the debtor-fishermen commit themselves in advance of the catch to sell their catch to the middlemen at an established low price. In the East Coast, the juru selam supply all capital equipments for the fishermen to fish with and all the operating expenses. In the West, Coast, they are the Chinese Towkays. In return, the fishermen allow them to market their fish. They may be middlemen at the same time⁺¹.

problem is not so great as communicational facilities are better. Nevertheless, fishermen find it difficult to sell to towns because they do not know the agent. To the small fishermen, it is not economical.

⁺¹ Che Samad and Che Laidin agree that in the East Coast, the middlemen do supply credit to the fishermen. Shopkeeping and fish marketing are sometimes undertaken by one person. But the practice that is most widespread in the East Coast is that of the juru selam.

In Penang, I found that the practice of the middlemen granting loans is not so widespread as the practice of the Chinese towkays, who are, in many cases, fish wholesalers in the town, in the 3 fishing villages I visited namely, Telok Bahang, Batu Ferrengghi, and Tanjong Bungah.

See R. Firth: Malay Fishermen: Their Peasant Economy.

See Tjoa Soei Hock: Institutional Background to Modern Economic and Social Development in Malaya.

See IBRD: Economic Development of Malaya.

This practice of fish marketing is not advantageous for two reasons:

(i) It tends to reduce or eliminate competition among buyers by hindering the establishment of new marketing agencies and preventing them from becoming effective in acquiring a significant portion of fish marketing. This is the main difficulty facing the progress of the many fishermen's cooperative societies today.

(ii) It creates inflexibility which hampers the free flow of fish which may be facilitated by the existence of many alternative marketing agencies.

d) Transport and communicational facilities in the rural areas are poor⁺¹. The lack of an adequate system of roads to connect all the major towns and a system of feeder roads to link up the fishing villages to the highways slows down greatly the speed in moving the fish to the consuming areas. This is especially true of the East Coast of Malaya which had been neglected by the British until Merdeka.

e) Most of the fishing villages do not possess cold rooms and storage facilities⁺². This means that fish has to be disposed of immediately after capture. Under this practice, consumers and fishermen suffer from the inconvenience of gluts and scarcities of fish and this is reflected in fluctuating price which is an index of poor marketing. With cold rooms in the fishing villages, surplus fish can be stored safely in them and released to the market when fish becomes scarce.

⁺¹This fact was recognised by the Committee to Investigate the Fishing Industry (1955) which specifically directed the attention of the Government to the conditions of the East Coast. Under the Rural Development Plan, great efforts are being made to remedy the defects today.

⁺²This defect has been seriously considered by L. Berube who has advocated the setting up of more cold rooms in the major fishing villages.

See L. Berube: Memorandum: Economic Research Report: Suggested Programme of Fisheries and Marketing Development in Malaya.

The Disadvantages of the Present Marketing System⁺¹

a) Excessive Costs: Due to the many unnecessary handlings of fish by the superfluous number of middlemen engaged in fish marketing and due to lack of marketing training, poor organisation and inefficiency, marketing cost is inflated excessively and this is reflected in the high retail price of fish.

b) Excessive Profits: Each middleman tries to charge as high a profit as possible. When there is an over-supply of fish, the middlemen pay a lower than normal price to the fishermen⁺², channel part of the excess supply for processing into cured fish and sell the rest to the consumers without any significant change in the price. During low production period, the fishermen are paid the same price but the consumers are made to pay a higher price⁺³. The middlemen gain from both ways. In other words, there is exploitation of the fishermen and the consumers by the selfish dealings of the middlemen.

Due to excessive costs of fish marketing and excessive profits charged by the middlemen, there exists a great disparity in the price paid to the fishermen and the retail price level. The fishermen and consumers do not benefit from the increasing productivity⁺⁴ of the fishermen. Most of the benefits go to the middlemen.

⁺¹ See L. Berube: Memorandum: Economic Progress Report: (i) Suggested Programme of Fisheries and Marketing Development in Malaya.

(ii) Fish Marketing: Automatic Convertible Corporation in Malaysia.

⁺² Che Samad and Che Laidin agree on this practice in the East Coast. It must be noted that middlemen do not profit always. Sometimes they do lose in fish marketing.

⁺³ According to Che Samad and Che Laidin, this is because fishermen are ignorant about conditions in the consuming areas. They take middlemen on their wards about these conditions.

⁺⁴ L. Berube says that fishermen do benefit from the increased productivity but most of the benefits go into the pockets of the middlemen. From his experience in the East Coast, he found in one instance kembong selling for 7 cents a katty in one big fishing village but middlemen sold it for 30 cents a katty in a consuming area 60 miles away.

c) Unintegrated Marketing Functions: Due to insufficient capital, each middlemen seldom undertakes more than one marketing function. Each operates independently of the others. There is no coordination in the marketing functions and this results in delays, gluts somewhere in the marketing chain and losses of fish through rapid deterioration during transit, enhancing marketing costs at the expense of the fishermen and the consumers who are made to bear the burden of the loss.

d) Inconvenience of over-supply and shortage of fish: Due to insufficient capital, few middlemen attempt to build cold rooms for storing up surplus fish during periods of gluts. Consumers and fishermen are made to weather the inconveniences of gluts and shortage of fish and, hence, fluctuating prices.

In conclusion, the present fish marketing system in Malaya is bad due to the self-interest of the middlemen, lack of integration in marketing functions and the lack of storing facilities to ensure a smooth flow of fish from the fishing villages to the consuming areas. Fish marketing in Malaya is similar to that practised in the pre-war years and there has been no clear-cut attempt to get away from the system practised in the past.

Since 1959, fish production has increased by some 20,000 tons per annum and with further mechanisation of crafts and improvement in catXching gears and the possibility of developing the off-shore fisheries, the increase in production is likely to continue indefinitely. This will further exaggerate the seriousness of the problem of inadequate marketing facilities. Expansion in fish production must be followed by a corresponding improvement in the present fish marketing system. This improvement needs urgent attention. The present inadequate marketing facilities must be overhauled and adjusted in time. Otherwise the development of the fishing industry will be seriously hampered.

Improvement of the Fish Marketing System:

a) Improve Transport and Communicational Facilities: In the field of fish marketing, a good system of transport and communicational facilities is of utmost importance to deliver the fish to the hands of the final consumers at the shortest possible time. Fish is a perishable commodity and speedy transport is essential. The criterion of a good marketing system for any commodity is the quality of

transport and communicational facilities available. These are lacking in the East Coast of Malaya and the fishing areas of the West Coast. Feeder roads are lacking and where present, they are in a poor condition and are suitable only for the use of bicycles⁺¹. In most villages, proper bridges and landing jetties are absent. In the East Coast, ferries are used in many places to cross rivers.

The Committee to Investigate the Fishing Industry (1955) commented that communications between fishing villages and main roads, especially in the East Coast, were poor and sarcastically added that the facilities available were only suitable for bicycle transport. It recommended to the Federal Government and the State Governments to give serious attention to the problem of inadequate roads.

To improve the fish marketing system, it is necessary that landing jetties be constructed to speed up the landing of fish at the fishing villages and feeder roads built to connect the fishing villages to the main highways. More modern bridges should be built to speed up transport. A good system of roads and communicational facilities shortens the time taken in transporting the fish from the place of landing to the areas of consumption greatly. It is essential for a good marketing system.

b) Provision of Ice-Plants, Coldrooms and Storage Facilities at the Fishing Villages: The quality of fish deteriorates rapidly in a hot tropical climate like ours unless the fish is packed in ice and stored in coldrooms immediately after capture while waiting for transport to towns. Storage facilities provide for a better marketing system through better regulation of the supply of fish. During glut, the fish can be held back and stored safely in the coldrooms instead of dumping all on the market, thereby depressing the price level. The fish that are held in the coldrooms can be released to the market later on when the glut disappears. Cold-rooms ensure less extremes of gluts and scarcities of fish and a more stable price level.

c) Encourage the Development of Cooperative Marketing Societies or Large Private Concerns to Take over the Functions of Marketing: Fish marketing system in Malaya is poor because it is undertaken by small middlemen who have insufficient capital to undertake and coordinate most of the functions of marketing. They are interested in making profits, not in a scheme of orderly marketing.

⁺¹ See Report of the Committee to Investigate the Fishing Industry (1955).

To achieve the projected long range marketing scheme of mass production and relatively small profit per unit, there must be a change in entrepreneurship and orderly marketing can only be achieved with the taking over of marketing functions by cooperative marketing societies or large private concerns which have sufficient capital to establish branches at various fishing villages for the purpose of collecting fish, install their own ice plants and coldrooms to keep the fish in good condition while waiting for transport or to hold back the fish during glut to ensure a better regulation of supply, possess their own transportational vehicles to deliver the fish rapidly to the consuming areas and have their own wholesaling offices in the major consuming areas to distribute the fish rapidly to retailers.

They can invest heavily in fixed assets because their scale of operation is large and there is no possibility of their capital assets lying idle.

Under such a system, one institution undertakes nearly all the functions of marketing - purchasing, storage, transport and wholesaling of fish. This ensures a more orderly marketing system as the functions are coordinated providing for a smooth flow of fish in the process of taking the fish from the place of landing to the final consumers. The time taken will be greatly shortened and the quality of fish will be better. Marketing costs and price can be greatly reduced due to elimination of fish wastage from deterioration and excessive profits charged at different levels. At the moment, the price of fish is high because of the high profits charged by each middleman and excessive marketing costs that are due to inefficient organisation and loss of fish in transit through deterioration because of delays.

Besides, the cooperative marketing societies and private companies can operate their own fish curing or canning plants to process surplus fish into dried salted fish, prawns into dried prawns, shrimps into blachan and canned the fish that are suitable. This prevents overstocking the coldrooms with fish that are held back from the glut.

In Western countries, large companies and cooperative societies have succeeded in integrating these functions from fishing to wholesaling. In Canada, among the large private marketing concerns are the National Sea Products of Halifax which owns and operates fishing ships, processing and cold storage plants, refrigerated trucks and wholesale distributing houses and the British Columbia Packers of

Vancouver which owns numerous packing plants throughout Canada. Among the large cooperative enterprises are the Prince Rupert Fishermen's Cooperatives and the United Maritime Fishermen, Halifax, Nova Scotia⁺¹. In Japan, there are many of these fishermen's cooperative marketing societies which handle a large volume of fish trade. These large companies and cooperative societies serve a very wide territory efficiently with low operating cost and ensure a smooth flow of fish and steady price. This is a perfect marketing scheme that can succeed in Malaya.

The importance of the middlemen in fish marketing in Malaya cannot be denied. In the absence of another alternative marketing agency, they are indispensable. Attention should not be devoted to undermining or reducing the services of the middlemen but to building up a well-organised and integrated system of fish marketing by large private companies or cooperative societies to compete and eliminate them. The Committee to Investigate the Fishing Industry (1955) recognised the indispensable services rendered by the middlemen and suggested the formation of fishermen's cooperative marketing societies to take over fish marketing from the middlemen and provide a better fish marketing system.

d) Development of the Frozen Fish Industry and the Canning Industry: The mechanisation of boats and improvement in fishing gears and the development of off-shore fisheries will intensify the marketing problems of fish storage and distribution. There is a strong need to develop the frozen fish industry for domestic needs and for export.

Frozen fish has the advantage of a longer life duration. They can be safely kept for up to 8 months without any significant change in their quality⁺². This is ideal to a scheme of orderly fish marketing of steady price and supply.

There is a wide frozen fish market in Europe and America. Japan is enjoying a significant trade in frozen fish with Europe. Japanese ships fishing in the Indian Ocean freeze the fish immediately after capture and ship the frozen fish direct to Europe where they find a ready market. We can develop the frozen fish industry and follow the footsteps of Japan in exporting the fish to Europe.

⁺¹ & ⁺² See L. Berube: Memorandum: Economic Research Report: Suggested Programme of Fisheries and Marketing Development in Malaya.

In the near future, the local demand for frozen fish will be small because consumers will prefer wet ice fish to frozen fish where they are available due to habit. In Malaya, wet ice fish shall always have a large market to serve⁺¹. Nevertheless, to begin with, frozen can be sold to Europeans, Americans and Australians in Malaysia (they are used to buying frozen fish at home), and to the various restaurants and hostels. Through time, under the influence of persistent propaganda from advertisements, consumer's preference for wet ice fish will gradually break down and more and more consumers will begin to accept frozen fish.

Fish need not always be sold fresh. With the rate of fisheries development, there is a possibility of over-supplying the market with fresh fish and creating waste. Even if there is sufficient demand, it is better to use part of the fish supply for canning, salting and fish curing to meet the domestic demand for these.

Fresh tuna fish has never been accepted by the Malayan consumers⁺². There is the problem of how to utilise the tuna fish should we develop the off-shore fisheries. There are two alternatives available, namely, freeze it for export to Europe and America as frozen fish where there is a demand for frozen tuna fish and/or canned it for local consumption and for export. Malaya imports a large quantity of canned fish (especially pilchards and sardines) annually for domestic consumption from Japan, Canada, United Kingdom and Norway. In 1962, Malaya imported 1,068.8 tons of canned fish to the value of \$1,469,000. The breakdown of the quantity of imported canned fish into various types for a series of five years is shown in Table 12 on page 50.

This domestic demand for canned fish can be satisfied by our locally canned fish. There is a good prospect for the development of the canning industry in Malaya because there is a good domestic demand for canned fish. The two tuna canning factories in Malaya, Lee and Company and the United Canned Food Limited, both of them in

⁺¹See L. Berube: Memorandum: Economic Research Report: Suggested Programme of Fisheries and marketing Development in Malaya.

⁺²My readings are supported by my many visits to the Chowraster Market in Penang where I observe the sale of fresh tuna fish by the fish-mongers.

TABLE 12

MALAYA: NET IMPORT OF
CANNED FISH IN TONS

Canned Fish	Year				
	1958	1959	1960	1961	1962
Sardines	511.3	1,379.1	2,397.3	883.7	789.0
Herrings	107.6	134.9	151.3	346.8	194.0
Pilchards	1,793.7	1,706.1	944.6	154.5	89.4
Salmons	16.4	31.5	28.4	24.4	17.4
Total	2,429.0	3,251.6	3,521.6	1,409.4	1,086.8

Source: Record Book of Fisheries Department, Kuala Lumpur.

Penang, are doing extremely well and since they started canning operations, the import has dropped significantly by some 2,400 tons or 70% of the total 1960 import since 1960. This shows that canned tuna is widely accepted by the Malayan public as a substitute for imported canned fish. The domestic market holds good for our locally canned fish⁺¹. In the near future, with more intensive exploitation of off-shore fisheries, Malaya will not only be more and more self-sufficient in canned fish but will be able to export it to the neighbouring countries like Thailand, Burma, Cambodia, India, etc.

Our canned fish can compete with canned fish of other countries in any country within and without the Commonwealth on a price basis. We have a comparative cost advantage. Our cost of labour is very much lower than that of the European and American (North) countries. Therefore, one tin of Malayan canned fish can compare very favourably with that of Europe or America. Both the factories in Penang are small and are not enjoying economies of large scale production. They

⁺¹The fall in import of canned fish coincided with the banning of trade with South Africa from which Malaya derived a large proportion of her canned fish. I presume that this gap caused by the ban has been filled in by our domestic production.

are capable of expansion if there is greater supply of fresh tuna.

Finding a market for our canned fish will not be a great problem. Malaya, being a Commonwealth country, enjoys preferential duties for her exports to any country within the Commonwealth. The Commonwealth countries offer a potentially huge market for our canned fish. There has been some consideration by various governments in this part of the world to establish a common market similar to the European Common Market where member countries enjoy preferential tariff treatment for their exports. Should this idea materialise, then finding a market for the canned fish will be very much easier.

With the development of off-shore fisheries, there will be a greater supply of fresh tuna fish for the establishment of new canning factories, for example, in the East Coast to cater for the fish brought in from the South China Sea, and for the two existing canning factories to expand to replace our imports of canned fish from other countries and to export the surplus.

e) Develop the Salt Fish and the Blachan Industry: Salt fish is an important industry in Malaya. In 1962, 18,600 tons of salt fish were produced locally (see Table 13 on page 52) This is 11% of the total fish production for 1962 (1962 annual production was 170,200 tons). Most of it is consumed locally.

Generally, Malaya does not produce sufficient salt fish for her domestic consumption and has to import from her neighbours like Sumatra and Thailand to supplement her inadequate domestic supply. In 1961 and 1962, Malaya did not produce enough to meet the domestic demand (see Table 13).

There is room for further development of the salt fish industry in Malaya for four reasons. Firstly, Malaya does not produce sufficiently to meet her domestic demand. She has to import like in the years 1958, 1961 and 1962. By stepping up production, she can become more self-sufficient.

Secondly, Malaya imports quite a significant quantity from Sumatra (20% of our total imports in 1962) and Thailand (25% of the total imports in 1962). Besides, she also imports salt fish from many of the neighbouring countries. This amounts to 55% in 1962 (see Table 14 on page 53). With confrontation, we have lost an important source of supply from Sumatra. In most years, we have a significant net import from Sumatra (see Table 13).

TABLE 13

MALAYA: PRODUCTION, IMPORTS AND
CONSUMPTION OF SALT FISH
IN TONS

	Year				
	1958	1959	1960	1961	1962
Domestic Production:	20,700	13,500	14,000	17,700	18,600
Total Imports:	3,800	3,700	5,100	4,000	4,300
Total Available for local Consumption:	24,500	17,200	19,100	21,700	22,900
Total Export:	3,500	5,200	5,200	2,400	3,800
Net Quantity Consumed locally:	21,000	12,000	13,900	19,300	19,100

Source: (i) Annual Report of the Fishing Industry, 1958-62;

(ii) Record Book of the Fisheries Department, Kuala Lumpur.

To replace it, we have to find another alternative source of supply or step up production to fill up the gap. With the development of the fishing industry, we shall have enough fresh fish for salting to meet all domestic demand satisfactorily.

Thirdly, Singapore produces little salt fish locally and gets her supplies from Malaya, Thailand, Sumatra and other sources. With merger, Malaya has acquired a good market for salt fish in Singapore. We can supply her present and future needs with our surplus.

Lastly, there is always a ready market for salt fish in neighbouring countries like Thailand, Burma, Ceylon, etc. In the past, Malaya had exported salt fish to these neighbouring countries. There is no reason why she cannot increase her exports to these countries. In South-east Asia, a significant volume of fish consumed annually is salt fish.

TABLE 14

MALAYA: SALT FISH TRADE WITH SUMATRA
AND THAILAND IN TONS

Year	Import from		Export to	
	Sumatra	Thailand	Sumatra	Thailand
1958	410	930	100	-
1959	380	710	150	20
1960	600	700	820	-
1961	530	960	30	-
1962	840	990	370	-

Source: Record Book of Fisheries Department,
Kuala Lumpur.

There is also a domestic as well as a foreign demand for cured fish like blachan, dried prawns, boiled fish, etc. These industries can be developed to take off surplus fish from the market for fresh fish and serve the different taste of the consumers.

The Committee to Investigate the Fishing Industry (1955) found that the salt fish and blachan industries had a very good future in Malaya and would be of great assistance in helping to solve the problem of glut in the fresh fish supply especially in the East Coast.