

## SA FOOD ACIDS FLOWING INTO CHINA

"It is ironic that so many South African food processors continue to import citric acid from China at unrealistically cheap prices while their counterparts in China prefer using malic acid – a unique granular product developed and manufactured in South Africa," says Robert Fowlds, MD of Isegen SA, the local food acidulant manufacturer with plants at Isipingo and Umgeni in KZN and at Germiston in Gauteng.

Isegen manufactures malic acid using 100% local raw materials and technology wholly developed in South Africa. The unique granular product is well accepted globally because it is dust free, free flowing, and competitively priced.

"Unfortunately, despite the generally accepted physical and chemical benefits of malic acid over citric acid, many South African manufacturers only look to the cheap cost of the imported citric acid. As small quantities of food acids are used in the end product, consumers would not be unduly affected by a change to malic acid, but the end product would be superior in many ways, and a South African industry would be supported."

Currently, of all the citric acid imported into South Africa, nearly 90% is from China and the export price is less than 50% of that from reputable manufacturers in the West.

"It is significant that we are able to compete in China with our malic acid against citric acid, where China is by far the largest manufacturer of citric in the world. This is because the Chinese food technicians understand the benefit and synergy of combining malic acid with citric acid, even though malic acid is more expensive, "Fowlds added.

He recently visited China, where Isegen has been supplying malic acid for some time, mainly to sweet and candy manufacturers.

"The scale of manufacturing in China is awesome, especially around the city of Guangzhou in south-east China, called the 'factory of the world' because everything is made there and in vast quantities. Some 200 candy manufacturers exist and one of those visited, BVI Hsu Fu Chi Holdings Ltd., employs over 10 000 people."

Fowlds said that hopefully things would begin to change in China, forcing the exporters to price more competitively and fairly, as there was concern about pollution and effluent control. In addition, a move to semi-privatise banking would mean that manufacturers would have to pay interest and return capital at economy-related rates.

"Hopefully, this will happen sooner rather than later, before more South African industries are decimated by cheap imports."

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#### CAPTION

Sweet temptation. A display sample room at the BVI Hsu Fu Chi Holdings candy manufacturer in Guangzhou, China. The factory employs over 10 000 people.

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