



Products of the U.S.A.

Monthly Report

Trade Servicing

April 2022



MONTHLY TRADE SERVICING REPORT

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Submitted by Lieu Marketing Associates Pte Ltd

(i) Executive Summary

Southeast Asia is undergoing a gradual reduction of Covid cases, reopening of international borders, and the economy. The Ukraine war impacts the region by increasing energy prices, increasing food and transport prices, causing inflation, and straining global supply chains.

According to travel firm ForwardKeys, International airline bookings to Southeast Asia reached 38% of pre-pandemic levels by late March, more than three times from 10% of 2019 levels at the beginning of the year. Data showed that Singapore and Philippines bookings were at 72% and 65% of 2019 levels whilst Thailand was just 24% due to more complicated inbound requirements. It is forecasted by International Air Transport Association (IATA) that Asia Pacific's recovery to pre-pandemic traffic will be in 2025, a year behind the rest of the world. One-third of travelers to Southeast Asia have been from Europe, up from 22% in 2019 and North American arrivals have doubled to 21% from 9% in 2019. ([Channel News Asia](#), April 13, 2022)

(ii) Market Intelligence Update

Indonesia:

Millions of Indonesians travel to their hometowns from Jakarta in a traditional annual exodus that has been banned in the last two years due to the Covid-19 pandemic. This homecoming journey, locally known as "mudik", resumes this year after two years' hiatus, and everyone is excited to see friends and families in their villages to celebrate the end of the Ramadan period. It is predicted that 85 million people will travel home and around 14 million will depart from Jakarta metropolitan area. ([The Star](#), April 30, 2022)

Indonesia's latest ban on palm oil exports from April 28 marks an escalation in food protectionism due to food crisis fear. Indonesia accounts for more than half of the world's palm oil production, which is widely used in food processing and personal care products. While India and China are the largest importers of edible oil, Indonesia ships about one-third of the world's edible oil. The nature of Indonesia's local industry is chaotic and fragmented, with distribution chains to their domestic market broken. Since most of the cooking oil is geared up for exports and is in bonded zones in Java and Kalimantan, they are not structured efficiently to handle their local consumption. Food prices

and the cost of living around the world will continue to rise and escalate with this ban. ([Bloomberg](#), April 29, 2022)

With a 15% share of tuna, skipjack, and mackerel tuna production globally, Indonesia is now the world's largest producer of these commodities. Indonesia saw an increase in production of 3.66% on average, higher than the world average of 3.42%. The Philippines is the second-largest producer with a production share of 7.3% followed by Vietnam at 6.6%. However, Thailand remains the top exporter of tuna export with a 17.73% share, followed by China at 8.45%, Spain at 8.2%, Ecuador at 7.98%, Taiwan at 5.57%, and ranking at sixth position is Indonesia at 5.33%. ([The Star](#), April 24, 2022)

From April 5, Indonesia has lifted key travel restrictions for international travelers including removal of entry PCR test and quarantine under specific criteria. Visas on arrival are reinstated for 43 countries, and 10 Indonesian airports cater to international flights. The country is expecting foreign tourists in 2022 to exceed 3million. About 1.4 million Australian tourists are expected especially to Bali. Efforts by the government have been focused on revamping Bali's tourism concept by exploring adventure travel, eco-tourism, or ethno-tourism. This environmentally and sustainably-sound tourism strategy is in line with the country's vision as the host and presidency holder of G20 meetings this year([Yahoo Finance](#), April 11, 2022)

Malaysia:

Malaysia has announced that it will lift Covid-19 restrictions from May 1, dropping tests for fully vaccinated travelers upon arrival and making the need to wear masks whilst outdoors optional. People are encouraged to wear masks in crowded places such as Ramadan bazaars and night markets. Travel insurance is also no longer a prerequisite for foreigners entering the country. Check-in via the tracing app, MySejahtera will no longer be required. The app is encouraged to be retained for purpose of Covid-19 test results and health assessment when under quarantine. The number of new cases has been trending downwards and is now less than 3000 cases, compared with five-figure cases last reported on April 13. ([Channel News Asia](#), April 27, 2022)

Malaysia is urging countries to prioritize food over fuel needs. Malaysia accounts for 31% of palm oil supply, after Indonesia's 56%. Indonesia announced an export ban on palm oil on April 28. Although Malaysia is expected to benefit from Indonesia's ban, Malaysia's producers are facing pandemic-induced labor shortages and cannot fill the global supply gap. ([The Economic Times](#), April 25, 2022)

Bakers are feeling the pinch despite the festive Raya season as the prices of raw baking ingredients skyrocketed since last year. Aside from the disruption of the global supply chain caused by the pandemic and natural disasters, Russia's invasion of Ukraine, one of the largest exporters of wheat and sunflower oil, also caused price hikes. Larger businesses that benefit from economies of scale, such as Bake with Yen (BWY) which has 92 outlets nationwide, have better means to help consumers. High freight costs, the Russian-Ukraine war, and the weakening of the Malaysian Ringgit have all placed pressure on the group to review prices since it is not sustainable for the company to absorb the price increases. ([Malay Mail](#), April 25, 2022)

Philippines:

World Tourism and Travel Council (WTTC) revealed that the tourism industry is firmly on the road to recovery. The Philippine tourism industry generated USD41 billion or 10.4% of GDP in 2021, up from 5.4% in 2020 which was the lowest in 20 years. The Philippines economy was the world's fourth fastest-growing economy in 2021. The Philippines was also ranked 13th in the Asia's Travel Ready Index 2022 of the UK-based The Economist Intelligence Unit. The industry is expected to grow by 6.7% higher than the 5.6% expected overall economic growth rate. In 10 years, WTTC said the tourism industry GDP could be more than USD155 billion or 21.4% of the economy. ([Inquirer.net](#), April 22, 2022)

Philippines' MadEats, launched in November 2020, claims to be the first "full-stack" delivery-only restaurant startup with its virtual storefront, ghost kitchens, and fleet drivers. The company raised USD1.7 million in seed funding and has six brands: Yang Gang (Korean fried chicken), Chow Time (Chinese takeout), Fried Nice (fried rice) Dot Coffee, MadBakes (test kitchen for desserts), and MadMakes (bulk orders, corporate packages, and packed meals), with upcoming brands to include smash burgers and Japanese food. MadEats also has its suite of internal tools, MadEatsOS, which has an automated order routing system to make sure orders are fulfilled at the nearest location and analytics to show the performance of brands and food items. ([Tech Crunch](#), April 22, 2022)

Inbound international flights to the Philippines saw a 300% jump from 5,000 to 15,000 daily arrivals. Current domestic volume is about 80% of the 2019 level and is expected to soar to pre-pandemic level pre-Easter holidays. ([Gulf News](#), April 8, 2022)

Singapore

Singapore's Inflation hit a 10-year high with higher prices for food, services, and private transport. Core inflation (excluding accommodation and private transport costs) hit 2.9% in March from 2.2% in February. Core inflation is forecast to heighten further before moderating towards the end of the year. Consumer prices increased by 5.4% in March, and more than 4.3% in February, which is the fastest change since April 2012. Services inflation, electricity, and gas prices also rose at a faster pace in March than the previous month. A key cause of inflation is due to external inflationary pressures intensifying with sharp increases in global commodity prices and supply chain disruption is expected to persist. ([The Straits Times](#), April 28, 2022)

Singapore's Umami Meats, a cultured meat start-up, recently obtained US\$2.4 million in funding from international investors and plans to develop proprietary technology to lower production costs and produce the first demo products. The company is focusing on fish species that are popular as part of Asian cuisines but classified as threatened and endangered, or too difficult to farm and financially unviable. These include Japanese eel (endangered), yellowfin tuna, and red snapper (vulnerable), who are all identified by the International Union for Conservation of Nature (IUCN) as being overfished in the Indian Ocean. The targeted product launch in 2024 will showcase blended products, a hybrid of plant-based and cultivated fish meat. ([Food Navigator Asia](#), April 27, 2022)

Currently, less than 10 percent of food is ingrown locally in Singapore. As part of Singapore's ambition to enhance food resilience and self-reliance, Singapore set the 30 by 30 goal: to produce enough food to meet 30 percent of the country's nutritional needs by 2030. Airport services firm SATs is building a USD150 million SATs Food Hub in Jurong Innovation District, as part of Singapore's wider food manufacturing ecosystem including research institutes, agrifood tech startups, accelerators, and trade associations. Expected to be completed by 2024, the Food hub is expected to implement hi-tech food production to achieve cost efficiency, strengthen operational resilience and create opportunities for upskilling for workers. ([The Straits Times](#), April 7, 2022)

Thailand:

Thailand's agro-industrial and food conglomerate, CP Foods has signed a memorandum of understanding (MoU) with Japan's leading fresh fish distribution company, Uoriki Co. Ltd, to import premium quality fresh seafood into Thailand at a more affordable price. The companies will begin a cooperative marketing and distribution strategy to service the rising demand for high-quality food from Japan in major cities around Thailand. Having a healthy lifestyle is a key concern to Thai people currently, and Japanese seafood dishes are considered healthy products with high-quality protein food with nutrients that are beneficial to the body. ([Seafood Source](#), April 28, 2022)

There were 713,183 international travelers arriving in Thailand up to April 25, 2022, and as Thailand eases travel entry restrictions from May 1, the Tourism Authority of Thailand hopes to attract at least one million tourists (30% of pre-Covid arrivals) every month heading into the next high season in the last quarter from October 2022. Thailand is looking to attract visitors from the US, Canada, and Saudi Arabia from the long-haul markets, and India, Australia, Singapore, Malaysia, and South Korea from the short-haul markets. Chinese and Russian markets are off the table for the remaining 2022, taking away about 35% of the pre-Covid tourism market. ([Thaiger](#), April 20, 2022)

Thailand health beverage maker, QminC is developing its products to meet consumer trends toward drinks with lower calorie counts and increased functionalities. QminC Ginger with Honey contains 1,000mg of ginger extract imported from the US) and QMinC Finger Root with Honey contains 1,000mg of finger root extract. Finger root extract is native to the region and is an antioxidant that has anti-allergic, anti-bacterial, and anti-inflammatory qualities. Each drink retails at US\$0.70 for a 150ml bottle and also contains glucon, vitamin C, D, and E. Natural honey is used over sugar than was low in the glycaemic index and is beneficial to immune health. The company is interested to enter the US, China, Singapore, South Korea, Kuwait, and UAE via e-commerce. ([Food Navigator Asia](#), April 19, 2022)

Vietnam:

Vietnam exported 1.14 million tonnes of rice worth USD715 million in the first quarter of 2022, a growth of 24% in volume and 10.5% in value vs last year. Exports to the Philippines were mostly under contracts signed last year. Since European Union and Vietnam Free Trade Agreement, the export price of Vietnamese rice to the EU has also increased by USD10 - 20 per ton. Other than prices

of rice increasing due to the Russian and Ukraine tension, other agricultural products such as corn, wheat, and soybean have also hiked. ([Vietnam+](#). April 15, 2022)

Vietnam 's seafood export grew by 40% year on year in quarter 1 to USD2.4 billion. Export of shark catfish led with a growth of 88% to USD646 million and accounted for 27% of overall export sales. Shrimp is the top export item accounting for 37.5% share of the total, a growth of 37% to 900 million. The Russian and Ukraine conflict is starting to impact the industry with fishermen unwilling to go out to fish due to a spike in gasoline prices. March export growth slowed down to 25% vs 44% and 62% in January and February respectively. Exports to Russia fell 86% to USD2.7 million with none to Ukraine. Both countries account for 2% of Vietnam's seafood export. ([VN Express International](#), April 4, 2022)

Tourists arriving through Ho Chi Minh City's International Airport Tan Son Nhat International Airport no longer have to prove their Covid-19 status on arrival, having considered the Covid-19 situation in the country and the decision to fully open its borders in March. A negative pre-departure result has to be submitted to the airlines before their departure. The passengers are divided into two groups upon arrival – those who have completed a medical declaration and those who have yet to do so. Vietnam is quarantine-free for all visitors since March 15 and about 40 overseas flights land daily at the airport bringing about 4,500 passengers to the country. ([New Straits Times](#), April 27, 2022)

(iii) Administrative Customs and Other Consideration Updates

1. Temporary restriction on the importation of birds, poultry, and poultry products – Canada, France, Japan, Poland, and the USA
https://www.sfa.gov.sg/docs/default-source/circulars/2022/2022-05-04_trade-circular_hpai-outbreak-in-6-counties-in-usa.pdf



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04 May 2022

Meat and Egg Traders

Dear Sir/Madam

HIGH PATHOGENICITY AVIAN INFLUENZA (H5N1) IN USA

USA reported outbreaks of H5 highly pathogenic avian influenza (HPAI) in poultry in the following regions listed below.

- i. McPherson County, Kansas
- ii. Polk County, Wisconsin
- iii. Montrose County, Colorado
- iv. Todd County, Minnesota
- v. Richland County, North Dakota
- vi. Bremer County, Iowa

2 In view of the outbreaks, the National Parks Board/Animal & Veterinary Service (NParks/AVS) will impose a temporary restriction on the importation of ornamental birds, poultry and poultry products from the 10km radius restricted area around the affected premises with effect from the respective dates as stated below. Heat-treated poultry products which comply with the OIE guidelines for inactivation of AI virus will not be subjected to the restriction.

Region(s)	Effective date of temporary restriction
McPherson County, Kansas	13 April 2022
Polk County, Wisconsin	15 April 2022
Montrose County, Colorado	19 April 2022
Todd County, Minnesota	19 April 2022
Richland County, North Dakota	21 April 2022
Bremer County, Iowa	21 April 2022

3 Poultry consignments exported from the affected areas in the following regions, that meet the following slaughter and export dates will continue to be accepted for import.

Region(s)	Slaughter date	Export date
McPherson County, Kansas	Before 30 March 2022	Before 13 April 2022
Polk County, Wisconsin	Before 1 April 2022	Before 15 April 2022



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Montrose County, Colorado	Before 5 April 2022	Before 19 April 2022
Todd County, Minnesota	Before 5 April 2022	Before 19 April 2022
Richland County, North Dakota	Before 7 April 2022	Before 21 April 2022
Bremer County, Iowa	Before 7 April 2022	Before 21 April 2022

4 In order to facilitate the clearance of permits for poultry and poultry products, we would require the following attestations to be included in the veterinary health certificate accompanying the import of poultry and poultry products:

- a) Highly pathogenic avian influenza (HPAI) is a notifiable disease in the United States.
- b) The birds from which the meat was sourced were not vaccinated against HPAI, as defined by the World Organisation for Animal Health (OIE).
- c) The poultry meat and meat products were not derived from poultry originating from areas within the 10 km radius restricted zone(s) established around a premise affected with HPAI in poultry as defined by the OIE.
- d) The birds from which the meat was derived were hatched, raised, and slaughtered in the United States, or were legally imported as day-old chicks from countries with equivalent poultry health status.

5 Please contact www.sfa.gov.sg/feedback should you have any enquiries on the import of poultry and poultry products.

ISSUED BY:

RISK MANAGEMENT & SURVEILLANCE DEPARTMENT
JOINT OPERATIONS DIVISION
SINGAPORE FOOD AGENCY

This is a computer-generated letter and no signature is required.

End