



Products of the U.S.A.

Monthly Report

Trade Servicing

November 2022



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MONTHLY TRADE SERVICING REPORT
November 2022
Submitted by Lieu Marketing Associates Pte Ltd

(i) Executive Summary

Consumers in Southeast Asia are becoming more adventurous and demanding unique food products. Experts believe that localization is key to achieving successful food product innovation, alongside other factors such as taste, health benefits, and convenience. Food suppliers and food & beverage businesses are taking the time and resources to understand their consumers and provide products that meet their needs.

(ii) Market Intelligence Update

Burma:

It comes as news that Myanmar's military has blocked off Sittwe, the capital of Rakhine State. This has led to food shortages and a rapid hike in food prices. No individuals are allowed to enter nor leave Sittwe, and residents cannot receive food items from outside. Rice, a key commodity, has risen in price threefold. ([Irrawaddy](#), 23 November 2022)

Indonesia:

Are you a fan of plant-based drinks like oat, almond, or soy milk? As these beverages are often priced higher than dairy options, plant-based beverage manufacturers within Indonesia need to innovate to attract and retain price-sensitive customers in the long term. In Indonesia, the brand Fibrecreme offers both dairy and plant-based products like beverages, and coconut milk and cream alternatives. Fibrecreme has been used to prepare hospital meals as part of a healthier catering menu and can be found in food service. ([Food Navigator Asia](#), 17 November 2022)

The Indonesian government has plans to become the nation's biggest sugar supplier by 2028. Similar to how it has achieved market dominance within the palm oil sector, it intends to do the same in the sugar sector. This move had been triggered by Indonesia's sugar trade deficit, in which it has exported less sugar globally than it has imported. Furthermore, rising food costs and a strained supply chain have

exacerbated this move. To mitigate the hike in fuel prices, the Indonesian government is also looking at producing biofuel from sugar derivatives. Despite its efforts in ramping up the local sugar supply, sugar taxes like those on sweetened beverages may be likely, to discourage unhealthy amounts of sugar consumption. ([Czapp](#), 10 November 2022)

The Indonesian government has recently announced new regulations on imported processed food items. It has introduced a risk-based assessment system where food and beverage items would be given a specific risk label – High, Medium High, Medium, or Low risk respectively. Each item will then require its own set of certifications and documentation to penetrate the Indonesian market. For higher-risk food items, a more extensive evaluation will take place. Aside from processed food items with a shelf life of less than a week, those used purely as food ingredients, bulk packaged food items, and food items imported in small quantities, all other food and beverage items must be given a specific risk classification. ([Food Navigator Asia](#), 2 November 2022)

Malaysia:

Baladna, a Qatari dairy firm, may be penetrating more Southeast Asian markets like Indonesia and the Philippines after its successful joint venture in Malaysia. The firm plans to produce fresh milk in Malaysia, before venturing into producing yogurts and cheeses in the future. Instead of using the Baladna brand, the firm is looking at launching a new brand to appeal to local consumers. ([Dairyreporter.com](#), 23 November 2022)

Despite its abundance of natural resources, Malaysia produces insufficient food to feed its population and is reliant on food imports into the state. Its agricultural sector is weak, due to structural issues which stem from troubles over farm ownership and leasing, low agricultural productivity and low-quality agricultural outputs, little use of agricultural technology, and strong dependence on foreign labor. The Malaysian government needs to prioritize reforming its agricultural sector, as it could potentially help the state become food secure and self-sufficient in certain areas. Efforts in tackling nationwide food wastage also need to be taken. ([The Star](#), 15 November 2022)

Did you know wasted fruits can be made into tasty gelatos? In many parts of the world including Malaysia, consumers throw away fruits that appear bad, even those with mere scratches, marks, or bruises. When fresh produce is disposed of, it decomposes. The decomposition process produces harmful greenhouse gases like methane and carbon dioxide, which contribute to climate change. One Malaysian food firm 'The Unusual Greens' is using unwanted fresh fruits to produce gelato in eight tantalizing flavors. Bestsellers include the mango sorbet and avocado pistachio flavor. The latest addition to the current list of gelato flavors is avocado hojicha. The firm currently receives unwanted fresh fruits from importers, distributors, and small fruit vendors. The Unusual Greens will open its central kitchen and retail store in December and an ice cream store by the third quarter of 2023, in Kuala Lumpur. To gain consumer trust, the firm aims to be transparent with the ingredients it uses to make its gelatos. ([Free Malaysia Today](#), 12 November 2022)

Philippines:

By 2023, the Philippines government will ban all prepackaged processed food items with high trans-fat levels. Furthermore, it will be mandatory for the trans-fatty acids (TFA) content to be indicated on all food items. This move by the Philippines government is to emphasize the health risks associated with consuming food high in trans fats, like cardiovascular diseases. It is hoped that consumers will minimize their consumption of these food items or turn away from them. ([Food Navigator Asia](#), 14 November 2022)

In the Philippines, seeds will be given to residents to grow crops at home. This is part of a government initiative to encourage local food production. Residents are encouraged to grow fruits, vegetables, herbs, and spices at home as a way of coping with the rise in commodity prices. ([New Straits Times](#), 8 November 2022)

The United States is committed to strengthening food security in the Philippines. The U.S. will provide financial support to the Philippines for organic agriculture. Both nations will establish new forms of energy cooperation to address sustainability. ([New Food Magazine](#), 21 November 2022)

Singapore:

Did you that consuming cultivated seafood is more sustainable? Cultivated seafood minimizes wastage and alleviates consumer fears over consuming microplastics. Singapore-based Avant is a cultivated fish company that produces only the seafood parts which are consumed. Examples of parts produced are cell-based fish maw and cultivated fish fillets. Avant works closely with other companies to produce the cell line or scaffold to produce the cell-based meat, representing key opportunities for suppliers of these products to enter the Singapore market. ([Food Navigator Asia](#), 10 November 2022)

What are bean-to-bar chocolates? If this is your first time reading about it, fret not! Bean-to-bar chocolates are small batches of chocolates made from cacao beans grown in Asia and other parts of the world. For instance, in Singapore, Fossa Chocolate and Lemuel Chocolate produce and sell bean-to-bar chocolates. Each batch of chocolates is handcrafted and packaged manually, and no additives are added. The cacao beans are roasted, cracked, winnowed, processed into chocolate, and then shaped into chocolate bars. Following this, the aroma and flavor of each batch of chocolates can be savored, with every mouthful of chocolates consumed. ([The Straits Times](#), 26 November 2022)

Fun fact: Food manufacturers in Singapore are now offering meatless versions of popular food items like fishballs, luncheon meat, and dim sum dishes. Some examples include Eat Plant Love's plant-based fishballs, Anew's plant-based luncheon meat, and ALTN's plant-based satay. ([The Straits Times](#), 12 November 2022)

Starting January 2023, the Singapore government will raise the Goods and Sales Tax (GST) from 7% to 8%. The GST is levied on most goods, services, and imported goods. Hence, the prices of food products will rise. The rise in GST can be attributed to a projected sharp rise in healthcare expenditures, due to Singapore's fast-growing aging population. It is estimated that 1 in 4 Singaporeans will be aged 65 and

above by the year 2030. Hence, more healthcare facilities and medical subsidies will need to be provided to the elderly to alleviate the burden of future healthcare costs. ([ASEAN Briefing](#), 30 October 2022)

Thailand:

Are products with long expiry dates unhealthy? Well, a rising number of Thai consumers are concerned that products with long expiry dates contain harmful additives and preservatives in them. Thai consumers are paying greater attention to food product labels, looking for items with clean labels. In response, the plant-based meat industry has started to manufacture products made using clean-label ingredients, amidst current trends toward healthier eating. ([Food Navigator Asia](#), 16 November 2022)

Did you know the Thai government has held an ongoing food startup competition? 4 of the 21 new dish innovations will be served at APEC 2022's gala dinner held in late November. Winners will have their dishes served to leaders and delegates representing the 21 APEC economies, and their dishes may be used to create new food products which will be exported globally. Notably, 2 exceptional dishes were the Croquette Phanaeng Plant Base made from peanuts, jackfruits, sweet potatoes, mushrooms, and grains, as well as the ProTim Magket ice cream made of protein from crickets and also dairy alternatives. ([Bangkok Post](#), 2 November 2022)

Good news! Inflation is expected to fall this year in Thailand, with prices of food and beverage items due to become lower. Examples include meat, fresh vegetables, fruits, and seasonings. The fall in prices was helped by government efforts in easing the cost of living for consumers, and floods led to an increased supply of agricultural products. There was also an increase in raw material imports into the market, alleviating the pressure on food prices. ([Bangkok Post](#), 8 November 2022)

Vietnam:

In Vietnam, there has been an increased focus by brands on value-added health supplements as commodity-based supplements are price-driven. Hence, firms are focusing on product differentiation to reduce price sensitivity. One example of such differentiation is an iron supplement delivered as syrup for children. ([Food Navigator Asia](#), 21 November 2022)

Vietnamese food suppliers are struggling to keep food prices competitive, amidst rising raw material costs. With most of the raw materials imported into Vietnam, suppliers are trying to keep price increases smaller than the cost increase to maintain sales. However, this is not a viable long-term solution. ([The Star](#), 23 November 2022)

All across Vietnam, seafood businesses are looking at ways to repurpose aquaculture waste. Proteins like collagen and gelatin from fish waste e.g. fish skin can be used to manufacture cosmetic and pharmaceutical products. Chitosan, a type of sugar found on the exoskeleton of fishes, can be extracted from shrimp waste (shrimp heads) and used to fight obesity. It also helps blood to clot. Other firms have successfully processed fish fat into cooking oil, margarine, and shortening. Currently, 90% of Vietnam's

aquaculture waste is used to produce relatively low-value animal feed products. However, if firms receive financial and technological support, they will be able to produce valuable, high-value products. ([The Fish Site](#), 9 November 2022)

(iii) Administrative Customs and Other Consideration Updates