



Products of the U.S.A.

Monthly Report

Trade Servicing

September 2023



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MONTHLY TRADE SERVICING REPORT
September 2023
Submitted by Lieu Marketing Associates Pte Ltd

(i) Executive Summary

- Myanmar is limiting white rice exports to stabilize prices. The industry faces challenges from domestic issues such as production, conflicts, and climate-related problems, leading to a surge in rice prices.
- In Indonesia, private firms are taking the lead in sustainable agriculture. Meanwhile, social media commerce faces new regulations. And rare rice varieties are making a comeback.
- Malaysia focuses on self-sufficiency in rice, a main staple. The country is also growing jackfruit to enter the Chinese market.
- The Philippines is experiencing fluctuations in unemployment and a weak economy. The population is changing its meat consumption due to rising prices.
- Singapore diversifies egg imports in the face of supply uncertainty. The country receives international recognition for local food products as part of a new post-COVID food security policy.
- In Thailand, food delivery drivers face earnings cuts by app platforms. Massive air pollution concerns lead to calls to stop burning crop stubble, as rising rice prices offer hope to indebted farmers to grow more rice.

(ii) Market Intelligence Update

Burma:

Myanmar is following India in limiting white rice exports from September 1, aiming to stabilize prices within 45-60 days. With Myanmar responsible for two million tonnes of global white rice exports, this move is driven by rising food prices and the need for domestic food security, similar to India's ban on white rice and wheat exports. Domestic rice prices in Myanmar have doubled due to lower 2022 production and transportation challenges. Conflicts in major paddy-growing regions, like Sagaing and Magway, have disrupted farming. Weather-related issues, including El Nino and irregular rainfall, have impacted planting. Despite the potential for increased output, concerns about delays in paddy transplantation remain. ([The Hindu Businessline](#), 25 August 2023)

7-Eleven has opened its first store in Laos, making this the 20th country for the chain. Located in the capital city of Vientiane, the store will provide 7-Eleven's well-known retail experience. The franchisee, CP ALL Laos, is also considering offering Laotian meals. The move is driven by Laos' strong economy and growing population. It offers locals a convenient one-stop shop for fresh food and everyday needs. CP ALL Laos is a subsidiary of CP All Public Company, known for operating more than 14,000 7-Eleven stores in Thailand and Cambodia. ([Retail Asia](#), September 2023)

Myanmar is facing a dire insulin shortage due to import restrictions imposed by the military junta. Import permit delays have caused severe shortages of vital medical supplies, with the insulin supply being hit hard. In a country where over 1 in 10 adults have diabetes, the price of insulin has surged due to a significant gap between supply and demand, with prices doubling at times. Diabetes patients are at risk of deteriorating health conditions, without insulin. The situation is causing a healthcare crisis in Myanmar. ([Myanmar Now](#), 14 September 2023)

Indonesia:

Private companies in Indonesia are playing a critical role in promoting sustainable agriculture and food security in response to consumer demand for transparent food sources. These firms collaborate with local farmers, empowering them with innovative solutions. Beleaf Farms, for instance, assists small-scale farmers, helping them improve yields and product quality. Instead of building their farms, the company supports existing farms through its "Farming as a Service" program. This initiative includes modern crop management practices, resulting in better yields. These efforts empower smallholder farmers and increase food security in Indonesia. ([Channel News Asia](#), 27 August 2023)

Indonesia is set to prohibit transactions of goods on social media platforms as part of new trade regulations. The move comes in response to concerns about e-commerce sellers using predatory pricing on these platforms, which was seen as a threat to traditional offline markets. The new regulations aim to distinguish social media and social commerce, specifically targeting transactions on platforms like TikTok. TikTok expressed concerns that such a separation would hinder innovation and disadvantage Indonesian businesses and consumers. Indonesia's e-commerce sector has been growing significantly, with expectations to reach \$95 billion by 2025. TikTok, with 2 million sellers in Indonesia, has a significant presence in this market. ([Bangkok Post](#), 13 September 2023)

Dedicated Indonesians are rediscovering and preserving rare rice varieties. These indigenous rice types vanished due to the "green revolution" in the 1970s and 1980s. Inspired by her experience helping farmers with legal matters, lawyer Helianti Hilman established Javara Indonesia to promote these heritage foods. Scientists believe these local rice types can help mitigate climate change and food crises. An increasing number of Indonesians are becoming more conscious of their food choices, fostering a growing interest in these rare rice varieties. Efforts are ongoing to preserve these unique varieties and traditional farming techniques, offering a sustainable and diverse food source. ([Channel News Asia](#), 13 September 2023)

Malaysia:

Malaysia faces the challenge of importing 30% of its rice despite being able to grow it in various states. Researchers at Universiti Kebangsaan Malaysia (UKM) are developing new rice varieties that can withstand environmental and biological stresses to achieve a self-sufficiency level of 75%. However, Malaysia lags behind countries like Indonesia, Thailand, Vietnam, India, and Bangladesh in this effort. Challenges include time, funding, and the need for collaboration among research institutions. UKM is

focusing on developing varieties that can handle environmental stresses such as drought, submergence, salinity, and disease, with particular attention to saline-resistant padi due to coastal flooding. Researchers emphasize learning from other countries' best practices, such as Bangladesh's submergence-tolerant padi varieties. ([New Straits Times](#), 3 September 2023)

After two decades of negotiations, Malaysia has secured the opportunity to export its jackfruit, known as "nangka," to China. An agreement, known as the Fresh Jackfruit Export Agreement, was signed on April 1, allowing the first shipment of jackfruit to reach China. The first batch is expected to arrive in China next week and will be showcased at the China-ASEAN Expo. Malaysia met China's strict sanitary and phytosanitary (SPS) conditions for agricultural imports, indicating its capability to meet bilateral export agreement requirements. The Malaysian jackfruit is set to be of premium quality, emphasizing quality over quantity to compete effectively in the Chinese market. It has also proven popular in the European and Middle Eastern markets. ([The Straits Times](#), 10 September 2023)

Philippines:

The Philippines saw its unemployment rate rise to 4.8% in July 2023, reaching a five-month high. Approximately 2.27 million Filipinos were actively seeking employment. However, the jobless rate was lower than the 5.2% recorded in July 2022. Various industries contributed to both job creation and job losses over the past year. Wholesale and retail trade, administrative services, and professional activities were among those adding jobs, while agriculture, public administration, and real estate were among the sectors shedding jobs. ([Inquirer.net](#), 8 September 2023)

President Marcos Jr. has imposed a price cap for rice in the country as a stop-gap measure to tame runaway prices. The maximum price for rice is \$0.72/kg for regular rice and \$0.79/kg for milled rice. The President, who is also the agricultural minister, took this drastic measure as overall inflation hit a high of 8.7% in January. Many traders are open about defying the price cap. ([Aljazeera](#), 1 September, 2023)

Meat imports in the Philippines declined by 4% in the first eight months of the year as consumers reduced their consumption of pork and beef due to rising global prices. Data from the Bureau of Animal Industry indicated that meat imports decreased from 851.84 million kilograms to 817.35 million kilograms in the January to August period, compared to the previous year. Importers have been grappling with lower consumption and higher prices in international markets. While pork imports dropped by 12.7%, chicken imports increased by 18.3% during this period. The United Nations' Food and Agriculture Organisation (FAO) had earlier predicted a shift towards increased poultry meat imports and decreased pork imports in the country due to changing demand dynamics and economic conditions. The FAO also highlighted the impact of local supply availability and reduced consumer purchasing power on meat imports. ([Inquirer.net](#), 20 September 2023)

Singapore:

Singapore has approved Türkiye as a new country to export chicken eggs to the nation, increasing the number of countries and regions authorized to do so from 12 to 19. This move aims to enhance food security as global egg shortages have resulted from factors such as avian flu outbreaks, supply chain issues, and rising feed and fuel costs. Singapore has been taking steps to diversify and secure its food supply sources. Currently, imports account for approximately 70% of Singapore's egg supply. ([Channel News Asia](#), 8 September 2023)

In August, Singapore's core inflation dropped to 3.4%, marking its lowest level since April 2022. The decline from 3.8% in July was due to lower inflation in services, food, retail, and other goods. Core inflation surged to a 14-year high of 5.5% earlier in the year before trending downward. Overall inflation fell to 4% year-on-year in August from 4.1% in the previous month. The outlook suggests that core inflation is likely to continue moderating due to lower imported costs and easing domestic labor market pressures. Headline inflation for 2023 is expected to average 4.5% to 5.5%. However, there are still risks, both upside and downside, including shocks to global energy and food commodity prices and shifts in the global economy. ([Channel News Asia](#), 25 September 2023)

Singapore's sovereign wealth fund, GIC, is among bidders competing to purchase a stake in Vietnam's third-largest grocery chain, Bach Hoa Xanh, from Mobile World Investment. The deal could value the chain at up to \$1.7 billion, with other bidders from Thailand also in the mix. The deal is nearing its finalization stage, and it could be sealed as early as the first quarter of the next year if negotiations go well. This intensifies competition in Vietnam's retail market, driven by rapid urbanization and supply chain changes amid geopolitical tensions. GIC has stakes in other Vietnamese companies and is a major global investor. ([Reuters](#), 27 September 2023)

Water prices in Singapore will increase by 50 cents per cubic meter by 2025, with a 20-cent rise in April 2024 and a 30-cent increase in April 2025. Most households will see their monthly water bills rise by \$4 to \$9 by 2025. Lower- and middle-income families will receive help to offset the increase. This price increase is necessary due to rising operational costs and the need to invest in local water infrastructure to prepare for increased water demand and address climate change. Water bills account for less than 2% of an average household's expenditure. Businesses are encouraged to adopt water-efficient technologies. The additional revenue from the price increase will cover about one-third of water infrastructure investments. ([The Straits Times](#), 27 September 2023)

Thailand:

Food delivery drivers in Thailand, working with platforms like Grab and Foodpanda, have seen their earnings decrease as these platforms cut pay rates without providing any reasons. This has led to many drivers earning less money for their deliveries, with some considering switching to other transportation services with better pay rates. Despite being a competitive market for super apps, many of these platforms, including Grab, have struggled to turn a profit. In June, Grab laid off over 1,000 employees as part of a cost-cutting measure. These platforms have mostly resorted to cost-cutting measures like reducing driver pay rates. Some drivers have diversified their income sources by working for multiple platforms and adapting to demand and pricing changes. Analysts suggest these platforms are shifting their focus from growth to profitability, which might impact drivers' earnings and incentives. ([Aljazeera](#), 8 September 2023)

Thailand should stop farmers from burning crop stubble to reduce air pollution, according to the president of a key agricultural association. The country faced severe air quality issues, with cities like Bangkok and Chiang Mai ranking among the world's most polluted. Authorities advised people to stay indoors due to high concentrations of dangerous PM2.5 particles that can harm health. The president urged the government to ban this common farming practice and recommended a three-year timeline for implementing such a ban, aligning with international farming guidelines. Thailand's new government has identified addressing PM2.5 pollution as a priority. ([Channel News Asia](#), 18 September 2023)

High rice prices in Thailand have sparked both hope and trouble for indebted farmers. Some farmers are planting new crops despite government advisories to conserve water. Rising global rice prices, driven by India's export restrictions, offer a glimmer of hope for debt-ridden farmers. However, there is a significant decline in the land under rice cultivation in Thailand due to climate change, unsustainable debt, and a lack of innovation. The challenges faced by Thai farmers, including the risk of lower yields and mounting debt, are exacerbated by government subsidies that failed to improve productivity. Despite these challenges, a good harvest could provide a rare opportunity for farmers to alleviate their debt burdens. ([Reuters](#), 18 September 2023)

Central Retail's launch of GO Wholesale is geared towards serving business operators and small retailers, with a focus on fresh local and domestic food products. Central Retail aims to position GO Wholesale as a growth engine, offering a holistic solution for a wide range of customer needs. This initiative will leverage its synergy with Central Group's extensive presence, which includes 110 department stores in Thailand and Vietnam, as well as 6,750 restaurants and 93 hotels. Additionally, it will tap into the group's loyalty platform to enhance the experience for business operators. ([Retail Asia](#), 20 September 2023)

Thailand's new Prime Minister, Srettha Thavisin, is changing the country's cannabis policy, restricting its use to medical purposes only. This is a reversal of the previous decriminalization that allowed for recreational cannabis use. Thailand had become the first Asian country to decriminalize cannabis but lacked proper regulations, resulting in this policy shift. Prime Minister Srettha, a real estate tycoon, leads the Pheu Thai Party and has formed a coalition government to ban recreational cannabis use. Many welcome this change due to concerns about issues related to loose regulation and marijuana overdose. In contrast, many Asian countries impose severe penalties, including imprisonment and fines, for cannabis use and possession. ([The Guardian](#), 22 September 2023)

Vietnam:

Vietnamese craft beers with fruity and spicy flavors are gaining popularity in Japan and Singapore, offering a unique twist on Vietnam's traditional lagers. Notably, Pasteur Street Brewing is celebrated for sparking the craft beer trend in Vietnam. These beers are known for their crispness, making them appealing, especially in Japan's hot and humid weather. Other Vietnamese craft brewers, such as Heart of Darkness Brewery, are also expanding abroad, exporting to various countries. Despite Vietnam being the ninth-largest consumer of beer globally, the industry faces challenges, including stricter drunk driving penalties and a growing health-conscious consumer base. ([Nikkei Asia](#), 6 August 2023)

The Philippines and Vietnam are in the process of creating a five-year agreement for trading rice. During a recent meeting at the 43rd Association of Southeast Asian Nations (ASEAN) event, President Ferdinand Marcos Jr. and Vietnamese Prime Minister Pham Minh Chinh discussed this accord. The goal is to establish a stable framework for rice trade over five years, ensuring food security in the Philippines. Talks about this rice trade agreement began in August, with the possibility of importing 300,000 to 500,000 metric tons of rice at discounted prices from Vietnam. Discussions also covered topics such as digital technology and the green economy, reflecting the growing importance of ASEAN relationships. ([Inquirer.net](#), 7 September 2023)

Starbucks Vietnam celebrated its 10th anniversary by opening its 100th store in Hanoi's Lotte Mall West Lake. This new store is designed with a blue accent color and warm materials to honor the natural environment. Starbucks first entered Vietnam in 2013 and has expanded to operate in nine cities and provinces. Despite some market volatility in Vietnam's F&B sector, a survey of restaurant and cafe owners

suggests that 40.1% of F&B businesses anticipate positive signals in the second half of 2023, indicating that Vietnam remains an attractive destination for international F&B brands. ([VnExpress International](#), 19 September 2023)