



Products of the U.S.A.

Monthly Report

Trade Servicing

February 2022



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MONTHLY TRADE SERVICING REPORT

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Submitted by Lieu Marketing Associates Pte Ltd

(i) Executive Summary

Vaccinations by SEA Ranking in the World		Doses administered			Pct. of population		
		Per 100 people	Total	Additional Doses	Vaccinated	Fully vaccinated	Additional Doses
#	World	133	10,239,086,991	1,023,985,076	63%	55%	13%
9	Cambodia	218	35,962,180	8,455,724	89%	84%	51%
10	Singapore	238	13,572,663	3,661,752	87%	86%	64%
20	Malaysia	212	67,731,132	15,017,166	85%	81%	47%
29	Vietnam	205	197,571,534	40,553,071	83%	80%	42%
47	Thailand	179	124,328,055	20,803,580	77%	71%	30%
65	Indonesia	130	352,577,230	12,487,116	71%	55%	4.6%
73	Laos	130	9,292,290	–	69%	60%	–
108	Philippines	131	141,959,452	10,137,875	52%*	58%	9.4%
118	Myanmar	83	44,685,868	–	44%	39%	–

([The New York Times](#), March 8, 2022) *reported more than 2 weeks ago.

The world is managing large Omicron cases, lifting of travel borders restrictions, Russia-Ukraine war, oil prices, inflation leading to increasing food and transport prices and straining supply chains.

(ii) Market Intelligence Update

Burma

Fuel prices have been rising since the 1 February coup a year ago, but prices spiked again along with the global oil price increase. It was reported in February that Tesco is looking at exiting Myanmar.

Indonesia:

Indonesia has indicated that the country might bring forward quarantine-free travel from April 1 to the second or third week of March. Airlines such as Garuda, Singapore Airlines have already resumed flights to Bali. Other airlines such as KLM Royal Dutch, Scoot, Tigerair, and Jetstar Airways may also resume soon. As of March 1, travellers will only have to serve three days quarantine, down from five

days. The number of Covid-19 patients in hospitals is a fraction of those during the Delta wave. Only 38,164 cases are in hospital with 2829, mostly unvaccinated, elderly, or those with underlying causes, in intensive units which is now more manageable versus 8,179 requiring intensive care during the Delta wave. ([The Straits Times](#), February 25, 2022)

Mondelez International has completed its US\$23million expansion of Oreo cookies production in Cikarang, Indonesia, its top-five Oreo market globally. The plant, now one of Mondelez's largest cookie and cracker facilities in the world, includes the latest technologies and sustainable processes in biscuit production with reducing energy, water, and carbon emissions. This expansion is key to meeting growing local and export demand in 35 countries across Southeast Asia, Asia Pacific, and the Middle East. ([Food Business News](#), February 18, 2022)

Despite Indonesia being the world's largest producer of palm oil, there has been a shortage of palm-based cooking oil in the country since November 2021. Local suppliers are exporting more due to the surging price in the international market. They are also producing more biodiesel, a combination of palm and diesel oil, an alternative fuel for vehicles. Food vendors are facing not only a price increase of 20,000 rupiahs (US\$1.40) per liter but also supply shortage, hence a purchase limit of 2L per person. The government has stepped into setting one price policy for cooking oil, as well as, making it mandatory for one-fifth of palm oil output to be used for domestic consumers at fixed prices. ([The Straits Times](#), February 11, 2022)

Indonesia's HappyFresh has launched delivery of high-quality groceries across Southeast Asian cities such as Jakarta, Kuala Lumpur, and Bangkok. The supermarket will provide 15,000 SKUs of fresh, dry, and frozen products at competitive pricing and out-of-stock situations. The company is focused on offering a one-stop-shop that is easily accessible with a wide range of products, freshly curated at affordable prices without compromising quality. ([Retail Asia](#), February 10, 2022)

Malaysia:

As Malaysia rides the Omicron wave, experts agree that the country will have to live with the Covid-19 as it continues to mutate, and that total elimination will not happen shortly. As the majority of the population has been vaccinated and received booster shots, the country is more concerned about the severity of Covid19 cases rather than the number of daily injections. Malaysia recorded 22,213 on February 15 and 194 patients in ICU with 120 on ventilation which is considered in a better position versus late August when there were 22,000 with 962 patients and half requiring respiratory assistance. Whilst a lockdown is unlikely, the country continues to be on guard, especially in compliance with public health measures such as wearing masks and social distancing. ([Malay Mail](#), February 18, 2022)

Malaysia's wholesale and retail trade sales grew 4% year on year to US\$210billion with wholesale trade rising 6.4% and retail sales 4.4% year on year. The increase in wholesale trade is attributed to the growth of foods, beverages, agricultural raw materials, live animals, and others. Index for retail sales for November and December 2021 were 21% and 20.7% increase respectively. ([Retail Asia](#), February 11, 2022)

As part of a five-year business plan, McDonald's has plans to invest \$322m to open 205 new restaurants, increasing store count to 500 in Malaysia by 2026. This will also create 50,000 employment opportunities for local people in second and third tier cities. The five-year plan also focuses on investments in drive-through facilities and upgrades of existing restaurants. Four key business drivers include Drive-Thru, McDelivery, their Digital Platform, and McCafe. McDonald's reported sales growth of 21% for the full year 2021 to US\$112.5billion. ([Verdict Food Service](#), March 3 2022)

Philippines:

The Philippines will lift restrictions in Manila capital in March 2022. The country opened its borders to foreign tourists on February 10 after a two-year hiatus. Businesses and government agencies and public transport will operate at full capacity when the 13 million metropolis is placed on the lowest alert on March 1. Masks will have to be worn but not during sports or exercise. Temperature checks are no longer required. The vaccination rate has reached almost 100% and cases averaged 1421 in the last week versus 39,004 on January 15. ([Channel News Asia](#), February 28, 2022)

Philippine fast-food giant Jollibee Foods Corp (JFC) turn its business around in 2021 with a net income of US\$114million (P5.9billion) vs net loss of US\$222million (P11.5billion) in 2020. The return to profitability was attributed to 20.3% growth in system-wide sales and revenues of 18.7%. The company is expecting a strong recovery in 2022 when restrictions are fully lifted, plus increased consumer spending during an election year. JFC opened 398 new stores in 2021 - 85 in the Philippines, 108 in China, 38 in North America, and 29 in Europe, the Middle East, and Africa. JFC has plans to open 500 new stores in 2022, with plans to build a commissary facility in Cebu to support expansion plans in the Visayas and Mindanao. ([GMA News](#), February 10, 2022)

The Philippines, Canada's 12th largest importer of Canadian beef, has lifted the temporary suspension of Canadian beef imports which was imposed in December 2021 due to the discovery of an Atypical BSE (Mad Cow Disease). Officials said that Atypical BSE can occur naturally and spontaneously in cattle and is expected in all cattle population worldwide, despite any BSE controls in place. ([Fortsaskonline.com](#), February 1, 2022)

Singapore

Singapore has plans to lift travel and social restrictions after the Omicron wave as the Covid-19 variant is less threatening than the previous variants. The country plans to raise quotas for Vaccinated Travel Lanes (VTL) where the Polymerase Chain Reaction (PCR) tests (US\$93) upon arrival can be replaced with a supervised self-swab or rapid (ART) tests (US\$9). Singapore is reviving its quarantine free travel agreements with 24 countries which include Qatar, Saudi Arabia, Israel, and the Philippines. A high vaccination rate of 90% and close to two-thirds receiving booster shots means that most of the people who do get Covid can recover at home as 99.7% of the cases are mild or asymptomatic. ([Fortune](#), February 16, 2022)

Temasek took additional stakes in consumer-focused companies, one of them being Grab which is headquartered in Singapore. Grab was first listed in Nasdaq in December 2021, raising US\$4.5billion, making it the largest listing by a Southeast Asian company in the United States. It now operates across 465 cities in eight countries in Southeast Asia. In January 2022, Grab acquired Malaysia's premium grocery chain Jaya Grocer, making groceries more accessible in Malaysia and accelerating the grocery delivery business. Its focus is on expanding its package and grocery deliveries as well as financial and enterprise service for more growth. However, revenue for the quarter is down 9% year on year and losses of more than 60% - the full-year results will be made March 3. Shares of Grab are now at US\$5.92, from a high of US\$17.15 after its listing on Nasdaq. ([The Straits Times](#), February 15, 2022)

Made with Australian oats and natural spring water in Bandung, Indonesia, Outside was developed during the pandemic by Singaporean Benedict Lim, former finance chief for Indonesia's Kraft Heinz. Outside was launched online on RedMart and Shopee with three flavours; the Barista Blend which adds creaminess to coffee, Chocolate with a blend of Indonesian African Cacao beans, and Chocolate Hazelnut which add dark roasted hazelnuts from Turkey. It is also available in restaurants such as Baker & Cook, PPP Coffee, Chye Seng Huat Hardware, and The Coffee Bean & Tea Leaf. ([Coconuts Singapore](#), February 10, 2022)

Next-Gen Food, the creator of the plant-based chicken alternative, Tindle, has raised US\$100million Series A that will be used to expand in the US and Singapore research and development center which is currently under construction. Total funding now is at US\$130million with new investors including Alpha, JWC, and returning investors such as Temasek), GGV Capital. etc. Next-Gen Food's is building brand recognition through partnerships with chefs who create and serve dishes in their restaurants, before moving to other distribution channels like grocery stores. The R&D is being developed with the Food Tech Center, established by Temasek's Asia Sustainable Foods Platform, with plans to hire scientists and food technologists in Singapore. The country has become a major hub for alternative meat development and production. ([Tech Crunch](#), February 15, 2022)

Thailand:

Thai tourism accounts for 20% of the country's GDP with 40million foreign tourists generating more than US\$60billion in 2019. From February 2022, vaccinated travelers have been able to enter quarantine-free. However, Thailand's tourism ecosystem has changed tremendously with small businesses closed during the lockdowns, and bigger and more premium businesses offering large discounts and special packages which surviving smaller operators cannot compete with. It is forecasted to last till 2024 for the industry to return to pre-pandemic levels as there are many complications to deal with including manpower challenges and also strong competition within the region vying for foreign visitors returning to Asia. ([Bloomberg](#), February 17, 2022)

Swiss food giant, Nestle has launched a plant-based, soy version of Milo chocolate malt drink in Thailand with Asian consumers demanding more plant-based alternatives in their diet. This are looking to lessen their environmental impacts and take care of their health. A 180ml new Milo Soy offers 5g of protein, is high in calcium, and contains vitamins and minerals. The carton pack is

designed for recycling and comes with a paper straw. Nestle is also focusing on developing a large range of dairy alternatives produced from pea, rice, oat, soy, coconut, and almonds. Nestle's R&D center in Singapore serves as the regional innovation hub for the development of plant-based meat and dairy alternatives in Asia. ([Food Ingredients First](#), February 15, 2022)

Thai Beverage Public Company (Thai Bev) recorded a 7.4% sales revenue growth for the first quarter of US\$2.4 billion, owing to sales growth in all business segments. Earnings before interest taxes, depreciation, and amortization (Ebitda) were +1.6%, from beer, non-alcoholic beverage, and food businesses. Whilst the Spirits business remained resilient and grew by 3.6% in sales, Ebitda was down 22.3% due to higher raw material costs. Beer business was up 10.4% and Ebitda increased 4.5%, whilst non-alcoholic and food business had an increase in sales revenue with growing Ebitda. ([The Business Times](#), February 14, 2022)

Overall prices of pork, chicken, and eggs are expected to drop after the Chinese New Year festivities. The price reduction was due to cooperation from all responsible parties, an official inspection of pork stocks, and the release of supply to the market. Red pork has reduced from 250-300 baht per kg to 170 – 180 baht, Cooking palm oil prices, however, remains relatively high due to Covid-19 caused labor shortages in Indonesia and Malaysia. The Internal Trade Department has asked for cooperation from manufacturers, wholesalers and retail outlets to maintain their sales prices. ([Bangkok Post](#), February 4, 2022)

Vietnam:

According to Google Destination Insights, the frequency of international searches on Vietnam's tourism grew the fastest in the world at 75% between December and February, as the country prepares to fully reopen inbound tourism in March 2022. Vietnam will reopen inbound and outbound tourism under new normal conditions from March 15, and foreign tourists will be allowed to visit without booking tour packages. ([VN Express](#), February 26, 2022)

After five years of negotiations, Australia and Vietnam finalized a new protocol that provides Australia a first-mover advantage over competitors to cement market share. Peach and nectarine exporters now have market access to Vietnam with no tariffs on these products. Vietnam was Australia's fifth-largest export market for fruit, worth about US\$0.9billion in 2021, with the peach and nectarine market size growing rapidly. Vietnam's per capita gross income is expected to more than double from 2021 to 2040 due to rapid economic growth, strong domestic demand, and high levels of foreign direct investment into manufacturing, increasing manufacturing exports. World Bank has predicted that more than half of the Vietnamese population will become middle class by 2035, and with affluence comes the demand for naturally healthy, immune-boosting products with clean and green credentials. ([Austrade Insights](#), 23 February 2022)

According to experts, E-commerce is projected to thrive for economic growth in 2022 and Vietnamese firms have opportunities to build new business strategies and access modern distribution channels to expand the market and recover from the pandemic era. E-commerce and Digital Economy Agency (IDEA), under the Ministry of Industry and Trade, will expand the virtual

program to promote Vietnam products and arrange E-commerce training for firms nationwide. More than half of Vietnamese are using e-commerce, purchase volume on online marketplaces like Tiki and Lazada increasing 40 – 100% during Tet (Lunar New Year). ([Vietnam Plus](#), February 15, 2022)

(iii) Administrative Customs and Other Consideration Updates

(iv)

