



Products of the U.S.A.

Monthly Report

Trade Servicing

January 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	202	33,324,731	6,244,136	87%	84%	38%
12	Singapore	226	12,870,890	3,154,741	86%	84%	55%
22	Vietnam	188	181,665,411	–	82%	75%*	–
24	Malaysia	201	64,108,866	12,473,139	82%	81%	39%
49	Thailand	168	117,200,547	16,390,102	75%	70%	24%
69	Indonesia	120	325,015,898	5,878,217	69%	48%	2.2%
78	Laos	109*	7,808,722*	–	65%*	53%*	–
101	Philippines	119	129,125,464	8,240,672	52%*	56%	7.6%
120	Myanmar	76	40,953,452	–	41%	35%	–

([The New York Times](#), January 9, 2022) *reported more than 2 weeks ago.

E-commerce platform Shopee, owned by New York Listed Sea, has plans to launch more events for luxury category and invest further into advertising. It has ambitions to become a Global brand following rapid expansion into new territories over the last two years. Their presence spans over 16 markets across Asia, Latin America and Europe with new markets such as India, France, Poland and Brazil.

(ii) Market Intelligence Update

Burma

It has been a year since the military coup in Myanmar and Senior General Min Aung Hlaing reiterated the military's vow to hold new elections and repeated the claim of electoral fraud in 2020's poll, where the National League for Democracy (NLD) won by a landslide. ([Aljazeera](#), February 1, 2022)

Indonesia:

The country is bracing for the Omicron wave, expecting a fast upsurge in new cases. The government has dedicated more beds, ramping up tracing and testing, intensifying vaccinations in all regions. Bed occupancy rates have increased from 5% early January to 45% on January 29th. The President has urged asymptomatic patients to self-isolate at home for five days so that the health care facilities can focus on treating patients with more severe symptoms. Indonesia has reported more than 4.3million infections and 144,268 deaths to date. ([ABC News](#), January, 29, 2022)

Indonesia's policies have been focussing on food security and self-sufficiency, but it has also contributed to some of the highest food prices in Southeast Asia. The country is taking the opportunity with its leadership at the G20 grouping to stabilise food prices and improve livelihoods with activating a food security partnership with Australia. The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) will establish Australia as Indonesia's key food security partner where Indonesia has agreed to allow Australia producers and traders to have specific information on the produce quantity allowed into Indonesia with reduced or zero tariff. ([The Interpreter](#), January 18, 2022)

Malaysia:

Malaysia eased restrictions over the Chinese New Year festive period which allows people to attend reunion dinners, dine out and enter places of worship but open houses are prohibited. Many restaurants are fully booked with maximum 6 pax dining, due to pent up demand. Whilst some are spending more this year, there are also others who are spending less as they remain cautious due to reduced household income. ([The Straits Times](#), January 31, 2022)

Due to supply chain problems, McDonald's in Malaysia has been forced to ration fries by removing large size fries. Disruptions due to Covid-19 has caused global supply chain shortages of goods from food to electronics. ([Channel News Asia](#), January 28, 3022)

Johor saw floods in the last week of 2021 which destroyed many crops including okras and long beans. However high temperature and no rain in January has cause around 10,000kg of cucumber, financial loss of close to USD2,000. Dr Siew, climate change advisor to the Centre for Governance and Political Studies, suggested a need for gaining awareness of climate change and building agricultural resilience. He proposed using technology for precision agriculture, ie using precise parameters of soil acidity, water and sunlight to maximize crop yield. Vertical farming may also be introduced, using warehouses and greenhouses instead of open land, which are exposed to weather elements. ([Channel News Asia](#), January 27, 2022)

Malaysia's palm oil industry is extremely dependent on migrant labor from foreign countries, as compared to its counterpart, Indonesia. There have been human rights issues such as forced labour, child labour, worker abuse and foreign workers unable or unaware on how to seek out help. Malaysia's linked FGV Holdings has invested US\$83.5million to construct 319 blocks of new worker housing, establishing clinics in its plantations and using e-wallet system to workers getting salaries on time. Malaysian Palm Oil Association (MPOA) also launched Responsible Employment Charter to

include commitments to prohibit recruitment fees being charged to job seekers, no retention of workers' passports and movement restrictions. ([Food Navigator Asia](#), January 27, 2022)

Philippines:

Philippines will have more than 124,000 active Covid-19 in National Capital Region (NCR) by January 31. The projection considers the population mobility and compliance to minimum public health standards and length of time for detection. ([PhilStar](#), January 26, 2022)

The Philippines government has loosened rules to international retailers, reducing the minimum paid up capital from US\$2.5million to US\$500,000 for foreign retailers that wish to operate in the country. Previous restrictions such as five-year retailing track record or minimum net worth of US\$50 - 200million of parent corporation, have been removed. The loosened rules are meant to boost foreign investment and recover economy during the pandemic. ([Inside Retailer Asia](#), January 10, 2022)

Philippines is expected to return to its 6 – 7% economic growth in 2022 after two years of pandemic struggle, driven by domestic demand, easing inflation, election expenditures and accelerated government spending on infrastructure projects. First Metro Investment Corporation (FMIC) is optimistic as the economy registered a 4.9% growth in the first three quarters of 2021 and momentum likely spilled into fourth quarter due to economy reopening and easing mobility restrictions. Consumer confidence also regained due to wider availability of vaccines and relaxation of lockdowns and quarantine measures. GDP was -9.5% full year in 2020 versus 5.9% growth in 2019 . ([Philippines News Agency](#), January 11, 2022)

Singapore

Singapore's 53-year-old Jurong Fishery Port is getting a new digital auction platform, Port65, where it will allow seafood merchants to bid remotely from March. Aside from auctions, processing facilities, a central kitchen, food service and automated warehousing are in the pipeline. The long-term goal is for the seafood market to become a hub similar to that of Tokyo's Toyosu Market by 2028. Aside from correcting and reducing mis-labeling, Port 65 intends to enhance food safety and build its quality reputation for fish bought at Port65. ([The Straits Times](#), January 29, 2022)

Singapore signed a free trade agreement with Pacific Alliance bloc comprising Chile, Colombia, Mexico and Peru, with combined gross domestic product of more than US\$2.6 trillion. Singapore is the first Associate State of Pacific Alliance, and this will strengthen economic ties between the countries. Singapore companies will enjoy greater market access, reduction of export costs so goods and services are priced more competitively. In 2019, Singapore's total trade in goods was \$6.1billion, which is significantly small compared to the Republic's global trade of more than US\$1 trillion. Imports from the bloc included fruits such as avocados from Mexico, blueberries from Peru and coffee from Columbia and exports included machinery and minerals to Peru, turbo jets and gas turbines to Chile and vehicle parts to Columbia. ([Channel News Asia](#), January 27, 2022 and [The Straits Times](#), January 28, 2022)

Singapore is preserving its healthcare capacity for a large Omicron spike of 25,000 daily new Covid-19 cases by tweaking self-isolation and testing requirements. Self-isolation period has been reduced from 10 days to 7 days given shorter infectious period of the variant. Travelers using VTL will need to do an unsupervised antigen rapid test (ART) from Day 2 to Day 7 of their arrival in Singapore if they are heading out. Upon positive test, they have to self-isolate for 72 hours and self-isolation from asymptomatic infections can end upon an ART negative test or after 7 days. ([Business Times](#), January 22, 2022)

A new high tech farm cultivating trout will be capable of producing 1,200tonnes of rainbow trout annually, boosting Singapore's supply of locally farmed fish by about 25%. Blue Aqua, the shrimp aquaculture technology firm behind the new farm, said the project will contribute to Singapore's goal of producing 30% of its nutritional needs locally by 2030. Recirculating aquaculture system, by Danish aquaculture engineering company, allows fish to be cultivated in controlled indoor environments and suitable for farms with space and manpower limitations. Artificial intelligence and automation will be added to the system to increase production through data analytics. ([The Straits Times](#), January 11, 2022)

According to wine giant Penfolds, research on wine shoppers in Singapore supermarkets shows that two in five shoppers planning to make wine purchase leave the stores without a bottle after spending an average of four minutes browsing through the category. 32% found information and flavor profiles lacking, leading the company to innovate to create phygital in store displays to improve shopping experience. The experience comes in various forms including stimulating sense of smell and video visuals to provide aroma notes and product information. ([Food Navigator Asia](#), January 4, 2022)

Thailand:

Fourteen people in Thailand has been infected with Omicron subvariant BA.2 (nicknamed "stealth variant") with one death. So far there has been seven deaths from Omicron which is the dominant variant in Thailand, accounting for 94.6% of patients whilst the Delta variant accounts for 5.4%. ([The Straits Times](#), January 27, 2022)

Registration for Thailand's quarantine exemption program known as "Test & Go" will start 9am on February 1 where fully vaccinated travelers from any country can apply free of charge for Thailand Pass QR Code to enter Thailand quarantine-free. Travelers are required to take two RT-PCR tests, one for Day 1 and one for Day 5 of arrival, with new applicants (after February 1) to bear the costs of the tests. ([The Thaiger](#), January 25,2022)

Thai government confirmed the presence of African swine flu which led to hundreds of thousands of pigs being culled to control the outbreak just before the Lunar New Year where pork dishes are traditional. This caused widespread shortages and price rise of pork. Thais are turning to a cheaper alternative with crocodile meat. Crocodile meat is leaner and contains more protein than pork but is tougher than chicken. Thailand is also facing wider inflation on basic goods such as oil, eggs and meat.

The Thai government approved funding of US\$42million to help provide discounted goods for the next three months. ([South China Morning Post](#), January 21, 2022)

Thailand continues to be the 13th largest food exporter in the world as the measures to ease the lockdown of trading partners countries helped the economy recover. The depreciation in the Thai baht has also placed Thai food products more competitive in pricing. In 2022, Thai food export will have to cover inflationary barriers from the likes of agricultural product prices, energy prices, and transportation costs, leading to lower consumer purchasing power and higher costs of goods. China is Thailand's number 1 food export market, valued at 271.674 billion baht (US\$8.2billion), increasing 50% from previous year. Thai exports in 2022 is expected to be worth 1.2 trillion baht (US\$36billion), a forecasted increase of 8.4%. ([The Nation Thailand](#), January 24, 2022)

Vietnam:

Vietnam recorded 15,707 new cases of Covid-19 of which 135 cases were of the Omicron variant. The country also recorded 153 deaths with a death toll now close to 36,000. By January 21, the country has inoculated close to 175million doses with 73.7million now fully vaccinated. ([VietnamPlus](#), January 22, 2022)

Vietnam Association of Seafood Exporters and Producers (VASEP) is cautiously optimistic about sales of pangasius in 2022 due to challenges caused by Covid-19 such as higher costs of production, higher export costs, in addition to uncertain demand. From the third quarter in 2021, pangasius producing provinces and cities in the Mekong Delta went through strict and prolonged lockdowns which affected the supply chain from farming to processing and exports. In the first 11 months of 2021, Vietnam exported US\$376million to China (including Hong Kong), 22% vs the year before. US market was considered a success as it reached US\$324million, increased by 48% year on year. VASEP forecast turnover sales value of 1.7billion in 2022, up 13% vs 2021. ([Seafood Source](#), January 4, 2022)

Vietnam retail sales for 2021 was down by 3.8% year on year, at US\$210 billion, the lowest in the last decade, despite a lift of 28.1% in the last quarter vs the previous quarter where strict Covid-19 restrictions were in place. Ho Chi Minh City saw the worst Delta outbreak with 21.9% decrease in retail sales in 2021, and F&B sector plunged by 46.4%. Consumers' shopping sentiments were weak over Black Friday and year end sales but retail sales are expected to increase ahead of Lunar New Year which starts early February. ([Inside Retail Asia](#), January 4, 2022)

Aeon has plans to expand its MaxValu compact supermarket stores from four in Hanoi to 100 new locations across Vietnam by 2025. The expansion will include a larger store format of 500sqm or more. Aeon Mall also aims to expand its network of malls from six to 16 by the same period. Competitors such as locally owned Masan Group and Thailand's Central Group are ramping up competition with Masan Group unveiling expansion plans for mini mall chain WinMart+. The group is set to have 20,000 franchised stores together with an addition of 10,000 outlets owned by the group by 2025. ([Inside Retail Asia](#), January 3, 2022)

(iii) Administrative Customs and Other Consideration Updates

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