



Products of the U.S.A.

Monthly Report

Trade Servicing

October 2022



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

(i) Executive Summary

Companies in the Southeast Asia region have taken steps to attract new customers and retain existing ones, through new product innovations and by leveraging digital tools like online websites.

(ii) Market Intelligence Update

Burma:

Rice is Myanmar's most widely grown and harvested crop, followed by beans and pulses. Burma's rice exports were higher in October, driven by demand from Bangladesh and China. According to the Myanmar Rice Federation (MRF), the country exported over 136,205 tons of rice, nearly a 21% increase from October last year. Myanmar also exports rice to other countries like Japan, Indonesia, Malaysia, Sri Lanka, African countries, Middle East countries, and European countries. (USDA FAS GAIN report, 19 - 20 October 2022)

Indonesia:

Indonesians are increasingly on the lookout for healthier snacks. Consumers are paying greater attention to snack ingredients and health claims stated on product packaging. According to a McCormick survey, Indonesian consumers mention the use of herbs and spices makes snacks healthier, like ginger, cinnamon, garlic, and turmeric. They now prefer a larger variety of spices used in snacks, hence companies need to provide snacks varying in types of chili spices used, like jalapeno, habanero, and ghost peppers. For companies looking to increase their market share, creating snacks with unique flavors will attract younger consumers. For instance, instant noodles with both cheesy and spicy flavors are popular amongst the younger crowd. Newly flavored food products like plant-based meats, sandwiches, and chicken which complement spices well can be considered. ([Food Navigator Asia](#), 4 October 2022)

In Indonesia, the President has signed a regulation stating that the government's food reserves need to contain 11 commodities. Staple food products like rice, soybeans, chilies, poultry meat, poultry eggs, and sugar need to be available, to maintain economic and social stability within the state. The government's food reserves can be used to mitigate food security problems, in cases of disasters and emergencies, to provide foreign aid, and for any other government needs. This represents a key opportunity for suppliers of these 11 key commodities to enter the Indonesian market. ([Antara News](#), 28 October 2022)

The time has come for Indonesian Food and Beverage (F&B) companies to ramp up product innovation efforts and tap into digital tools to stay competitive. Younger consumers are more adventurous when it comes to food and are less brand loyal. New food products need to be created to attract and retain consumers, especially in the processed food and beverage category, as nearly half of Indonesian consumers' food expenses are spent on this category. Furthermore, online shopping is popular amongst younger consumers, and companies that fail to tap into e-commerce are likely to see declining profits. Foreign companies with interesting food items and an online presence are likely to see high adoption rates should they penetrate the Indonesian market. ([Food Navigator Asia](#), 19 October 2022)

Malaysia:

To mitigate inflationary pressures and maintain price stability, the Malaysian government extended subsidies for the poultry industry till December 2022. This was done in hopes of stabilizing the prices of whole chicken and eggs. (USDA FAS GAIN report, 19 - 20 October 2022)

It comes as news that Malaysian plant-based protein firm the Utimeat Group intends to customize its product formulation and packaging for every market it penetrates from 2023 to 2024. Key markets include Singapore, Indonesia, Dubai, the United Kingdom, Sydney, and the United States. Creating a unique customer experience for each local market successfully will position the firm beyond its competitors, enabling it to capture higher profits and market share. ([Food Navigator Asia](#), 6 October 2022)

Within Malaysia, GT Spice Manufacturers has recently launched a baked food series using the brand "Minni". Predominantly made from yellow peas, it is a healthy and convenient snack option as it is a source of calcium, is high in protein, and is cholesterol free. The snack is also suitable for both vegans and vegetarians. It currently comes in three spicy flavors - Korean Spicy, Tangy Spicy, and Tomato BBQ. Non-spicy versions of the snack will be launched in the coming months. The firm plans to enter various Southeast Asian markets in 2023 and the European markets by 2024. ([minimeinsights.com](#), 11 October 2022)

Inflated food prices have impacted low-income households in Malaysia; hence the government has implemented short-term measures like price controls and has issued subsidies and cash assistance to local citizens. Subsidies were given for diesel, cooking oil, flour, electricity, chicken, and eggs. Long-term measures include plans to strengthen the nation's food security by raising agricultural productivity and strengthening food supply chains, to ensure stable food prices. Upskilling and reskilling programs will also

be established, for low-income households to cope with the higher cost of living. ([The Star Malaysia](#), 8 October 2022)

Philippines:

In the Philippines, Century Pacific Food Inc's latest plant-based food brand, UnMeat has won an award for best food innovation. Its best-sellers include the UnMeat plant-based Luncheon Meat sold in shelf-stable cans, UnMeat plant-based Frozen Nuggets, and an increasing interest in its plant-based canned tuna. UnMeat products available in both frozen and shelf-stable forms can be found in the United States, Singapore, the United Arab Emirates, Australia, and China. ([Manila Times](#), 6 October 2022)

To tackle food security challenges, the Department of Agriculture in the Philippines has planned a 40% budget increase to raise local food production, particularly in the agriculture and fishing sectors. This move ensures food prices are kept affordable for consumers. ([Manila Times](#), 11 October 2022)

The Philippines government pledged that it will make affordable and nutritious food accessible to all citizens, following World Food Day on 16 October 2022. The government plans to use the nation's resources efficiently so all Filipinos will be fed and so the Philippines can eventually become a leading agricultural resource hub globally. Currently, farm inputs, extensive irrigation projects, food logistics hubs, and agricultural trading centers have already been established to raise agricultural productivity. ([The Philippine Star](#), 17 October 2022)

Singapore:

In Singapore, by 2024, consumers will be able to try plant-based meats and pasta made using protein powder from single-cell organisms and common gases in the air. The single-cell organisms were harnessed from the natural environment, from sources like soil, mud, and forest floors. These organisms will be fed with common gases like hydrogen, nitrogen, and carbon dioxide so they can produce key nutrients like amino acids, fats, and vitamins for human consumption. Upon reaction between the micro-organisms and gases, the harvested product will be dried to form protein powder, known as Solein powder. Solar Foods, the company which launched Solein powder, has already been approved for sale by health science authorities in Singapore. Solein powder can increase the protein content of food products like snacks, drinks, bread, and spreads. ([The Straits Times](#), 27 October 2022)

In Singapore, an additional \$165 million will be invested in the Singapore Food Story R&D Programme, launched to encourage Singapore to produce 30% of its consumption needs locally by 2030. New facilities will be built to ramp up food production and pave the way for Singapore to become an innovation hub for future food product innovations. ([Channel News Asia](#), 26 October 2022)

The types of vegetables cultivated in Singapore include Chye Sim, Mint, and Basil plants. These vegetables are grown in urban farms using technologically advanced farming methods. Local firms like Comcrop mention not many Singaporeans know about homegrown vegetables, calling for more consumers to buy

vegetables locally since it is healthier due to the absence of pesticides. Local vegetables are also fresher and more sustainable since they can be transported from farm to table quickly. ([Channel News Asia](#), 11 October 2022)

At present, plant-based meats are more expensive than animal products, hence consumers are less drawn to plant-based meats as a substitute for meat from animals. Plant-based meat suppliers need to keep their food prices competitive and perhaps, reposition themselves as alternative protein suppliers to retain and perhaps, attract new consumers. ([Channel News Asia](#), 25 October 2022)

The Singapore Food Agency (SFA) could soon approve of imports and sales of insects and insect-based products for human and animal consumption. Examples include certain species of crickets, mealworms, grasshoppers, beetles, moths, silkworms, and honey bees. ([Channel News Asia](#), 16 October 2022)

Thailand:

Thailand-based firm Chiangmai Bioveggie aims to export frozen lime juice to Asian, Middle East, and European markets. Made using limes alone, the firm hopes its Manee Manao frozen lime juice can become a household staple, especially since the product has a shelf life of about 2 years. Prices of frozen lime juice will also be stable. The firm intends to diversify and innovate new products like cosmetics and personal care items like shampoos and body washes using limes. ([Food Navigator Asia](#), 13 October 2022)

Thailand's food exports are set to increase by 8%, due to a weakened Thai Baht and also, sustained demand for food. ([Thaienquirer.com](#), 4 October 2022)

The firm Tetra Pak launched a campaign titled "Food Has a New Home" in October, to aid suppliers in meeting consumer demands for healthier, more convenient, and sustainable products. More consumers are now cooking at home and are hence purchasing products like packaged greens, soups, sauces, and dressings. This represents a key opportunity for suppliers of these food items to enter the Thai market. With the rise of e-commerce, food packaging is crucial as it needs to be functional, damage-proof, easy to open, and also recyclable. Hence, Tetra Pak has launched Tetra Recart, to package shelf-stable food items. Tetra Recart incurs lower operational costs, making it attractive to suppliers. It is also lighter, less space-consuming, and minimizes in-store waste, which appeals to retailers. For online retailers, Tetra Recart captures consumer attention on-screen and fits into meal kits and delivery boxes well. Best of all, nearly 70% of Tetra Recart is made from trees, a renewable resource. ([Bangkok Post](#), 10 October 2022)

Vietnam:

In Vietnam, sugar replacement firm Swiftlet intends to continue its brand focus to maintain continued growth. It plans to penetrate more markets within Asia and beyond. Swiftlet also plans to improve its existing sugar alternative product further and diversify into producing healthy snacks to maximize consumer outreach. ([Food Navigator Asia](#), 26 October 2022)

The Vietnamese are becoming more affluent and health conscious, thus there is a demand for nut-based food items for their benefits. ([Food Navigator Asia](#), 18 October 2022)

LE FRUIT Juice, a brand known for its all-natural fresh fruit juices has plans to enter new markets like South Korea, Malaysia, and more. LE FRUIT has achieved phenomenal success due to its strategic production location being in the middle of Asia, allowing it to export its juices at cheaper, thus highly competitive prices to countries within Asia. LE FRUIT Juices are popular amongst consumers as they are made using fresh fruits alone, with zero concentrates added. ([Food Navigator Asia](#), 31 October 2022)

(iii) Administrative Customs and Other Consideration Updates