



*Products of the U.S.A.*

**Monthly Report**

**Trade Servicing**

**February 2024**



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**MONTHLY TRADE SERVICING REPORT**  
**February 2024**  
**Submitted by Lieu Marketing Associates Pte Ltd**

**(i) Executive Summary**

**Southeast Asia Update:**

**Myanmar:** A Thai-led humanitarian initiative, endorsed by ASEAN, aims to tackle challenges like opium production and population displacement.

**Indonesia:** Managing rice stock levels, capitalizing on coffee market growth, and regulating social media giants on e-commerce.

**Malaysia:** Witnessing local coffee market expansion alongside economic hurdles and navigating the impact of a social media boycott targeting international brands over the Gaza conflict.

**Philippines:** The government grapples with issues in the egg market and pork price fluctuations.

**Singapore:** Lab-grown meat is Halal-approved.

**Thailand:** PTT expanded its Café Amazon chain; the government reduced alcohol beverage taxes and tariffs. New upcoming cannabis regulations to restrict use.

**Vietnam:** Booming durian exports, record profits for farmers, and rising commodity prices.

**(ii) Market Intelligence Update**

**Burma:**

Thailand is launching a plan to ease tensions in Myanmar. They'll set up a safe zone near the border to deliver aid to those caught in the conflict. This initiative, backed by Southeast Asian nations, aims to open communication channels between the military junta, ethnic groups, and a rebel government. While challenges exist with a previous peace plan, Thailand hopes theirs, starting mid-2024, can bring all sides to the table. ([INQUIRER.net](https://www.inquirer.net), 6 February 2024)

Myanmar has become the primary global supplier of opium following the Taliban's ban on poppy cultivation in Afghanistan in 2022. The shift has led to increased illicit opium production in Myanmar, particularly in Shan State. While opium provides a quick income for impoverished farmers, it also brings social issues like addiction and crime. Efforts by organizations like the United Nations Office on Drugs and Crime (UNODC) have encouraged farmers to switch to coffee cultivation as a sustainable alternative. The Green Gold Cooperative, established with UNODC's support, has successfully convinced over 900 farmers to transition away from opium cultivation since 2015. However, ongoing instability in Myanmar post-coup is fueling the drug trade, impacting the broader Asia-Pacific region. ([ABC News](#), 11 February 2024)

The Myanmar junta has instructed overseas employment agencies to suspend recruitment efforts as of February 13 due to the activation of mandatory military service for the country's young population. The abrupt suspension, not officially announced by the ministry, has created challenges for employment agencies, impacting negotiations with foreign employers and contractual processes. The conscription law, activated on February 10, mandates military service for men aged 18 to 35 and women aged 18 to 27. This move is anticipated to accelerate the plans of young individuals to study or work abroad in response to the widely criticized military actions. ([The Irrawaddy](#), 15 February 2024)

### **Indonesia:**

Norwegian specialty coffee roaster Fuglen Coffee is gearing up for its launch in Indonesia, marking its entry into the market at Jakarta's Ashta District 8 shopping center. The Oslo-based brand, known for its cafe chain and bar concept, will occupy an espresso and cocktail bar in the mall, adjacent to Café Kitsuné. Fuglen Coffee joins other local and international operators in the premium lifestyle venue, including Common Grounds, Bleum Coffee, % Arabica, Paris Baguette, and The Coffee Academics. Founded in 1963, Fuglen expanded globally, with its first coffee and cocktail bar in Tokyo in 2012. Presently, it operates two outlets in Norway and six in Japan. World Coffee Portal research indicates significant growth in Indonesia's branded coffee shop market, exceeding 4,700 outlets in 2021 and projected to reach 9,490 outlets by 2028. ([World Coffee Portal](#), 13 February 2024)

Indonesia has announced an additional rice import quota of 1.6 million metric tons for 2024, supplementing the previously approved 2 million tons, to address challenges posed by delayed harvests linked to the El Nino weather pattern. The move comes as concerns rise about a lower January-March harvest due to below-normal rains in Java, a vital rice-growing region. Indonesian rice purchases have influenced global prices, particularly as Asia grapples with high rice prices following India's export restrictions. The move aims to address concerns about lower domestic output, tighten supplies, and stabilize rice prices. ([Channel News Asia](#), 26 February 2024)

Indonesian tech company GoTo and its partner TikTok are nearing compliance with regulations banning in-app transactions. This follows a December acquisition by TikTok of a majority stake in GoTo's e-commerce platform, Tokopedia. While TikTok previously operated its e-commerce service that violated the regulation, it has now shifted those operations to the compliant Tokopedia platform. GoTo expects to benefit from this partnership through both e-commerce fees and the ability to offer financial services like digital payments on TikTok. ([Inside Retail Asia](#), 28 February 2024)

### **Malaysia:**

Malaysia is experiencing a shift towards supporting local coffee chains due to a social media-driven boycott of international brands perceived as supporting Israel in the conflict with Hamas. Popular

Malaysian coffee brands like ZUS Coffee, Eight Ounce Coffee, Gigi Coffee, Richiamo Coffee, Bask Bear Coffee, and Mukarami Coffee have gained traction. This move follows protests against U.S.-based brands like Starbucks, KFC, McDonald's, Domino's, Burger King, and Nestle. Local coffee shops have seen increased sales, reflecting a consumer pivot towards supporting domestic brands amid the Middle East conflict. The boycott has impacted Starbucks' foot traffic in Malaysia, and local coffee markets, including Mukarami Coffee, have witnessed notable sales spikes. ([The Straits Times](#), 4 February 2024)

Malaysia's consumer-focused companies are in a slump. Inflation worries and boycotts hurt spending during festive seasons. Rising fuel costs and potential cuts to subsidies add pressure. Analysts expect mixed performance, with some like poultry companies doing well due to relaxed regulations. Others face challenges due to inflation squeezing consumer wallets. While some see value in specific consumer staple stocks, the overall outlook is cautious. ([The Edge Malaysia](#), 5 February 2024)

A senior lecturer at Universiti Sains Malaysia, reveals that 90% of Malaysia's honey market, including stingless bee honey, is inundated with counterfeit products. This poses a significant threat to the industry, requiring laboratory tests to distinguish genuine honey, which offers various benefits. Honey is considered a complete food with energy, protein, vitamins, good bacteria, and antioxidants, aiding in preventing chronic diseases. The prevalence of counterfeit honey, constituting 90% of the market, is a major challenge. Honey is acknowledged as a superfood in Malaysia due to its antioxidants, amino acids, good bacteria, vitamins, and low glycemic trehalose. ([New Straits Times](#), 12 February 2024)

### **Philippines:**

Egg prices are plummeting in the Philippines due to diminished demand, causing concerns for egg traders and producers. The farmgate price has declined to P5 per egg, resulting in financial challenges for producers who spend P4.75 daily on chicken feed. The oversupply of eggs on farms is a direct consequence of weakened consumer demand. While this drop is beneficial for consumers, producers are grappling with losses. The United Broiler Raisers' Association attributes the decline in demand to reduced consumer purchasing power, with people prioritizing essential expenses like electricity, water, rent, and rice over non-essential items such as eggs. Recent monitoring by the Department of Agriculture indicates a low retail price of P6.80 for medium-sized eggs. ([The Philippine Star](#), 2 February 2024)

Philippine pork producers want government-controlled prices (SRP) due to high costs caused by African swine fever (ASF). Pork belly prices are at P420 per kilo, and the industry seeks collaboration to set fair prices. They are concerned about excessive pork imports despite a preference for fresh meat. ASF affects most of the country, limiting local supply. ([The Philippine Star](#), 6 February 2024)

Jollibee Group is advancing its commitment to renewable energy by installing 6,300 solar panels at its Canlubang Baking Facility (CBF), marking its largest solar panel installation to date. Through its subsidiary Zenith Foods Corporation, the conglomerate partnered with First Gen Corporation for solar-generated power at the manufacturing facility. The CBF is the second of four planned sites for solar panels, with the first installation at Zen3 in Canlubang in November 2023. The move is part of Jollibee Group's global sustainability efforts, addressing critical areas such as energy, water, and waste to establish more responsible environmental practices. Other sustainability investments include a 38% waste reduction and a 23% water use ratio. ([Retail Asia](#), 9 February 2024)

Figaro Coffee Group, Inc. (FCG) is set to expand its presence in the Philippines by opening more stores across its various brands in 2024. With a total of 207 stores in operation as of February 7, FCG opened 68

new stores in 2023, including those under brands such as Figaro Coffee, Angel's Pizza, Tien Ma's Taiwanese Cuisine, Koobideh Kebabs, and Cafe Portofino. Revenue grew 55% to P5 billion despite inflation, with net income rising 7% to P195 million in Q2. FCG aims to expand its presence further in 2024. ([Business World](#), 15 February 2024)

### **Singapore:**

The Islamic Religious Council of Singapore has declared it permissible (halal) for Muslims to consume lab-cultivated meat, provided the cells originate from halal animals, and the final product does not contain non-halal components. This decision positions Singapore as one of the first countries producing cultivated meat in adherence to halal standards. The announcement, following the approval of cultivated meat sales in 2020, addresses the global push for sustainable food solutions, acknowledging the environmental benefits of alternative food sources. Additionally, the Mufti of Singapore highlighted ongoing studies on utilizing artificial intelligence to enhance fatwa research, recognizing its potential contributions to comprehensive and responsible inquiries into Islamic law. ([TODAY](#), 3 February 2024)

Nestlé Professional has launched a Customer Engagement Centre (CEC) in Singapore to enhance engagement with food-service operators. The CEC, designed as a café, provides comprehensive food and beverage (F&B) solutions and supports collaborative innovations for sustainable success. It is equipped with industry insights, featuring a professional kitchen and bar area for tastings and demonstrations. Nestlé Professional aims to actively contribute to the growth of F&B and hospitality businesses by addressing industry challenges and delivering on-trend concepts. The initiative signifies a shift from product-centric to actively supporting the improvement of F&B businesses. ([AsiaOne](#), 7 February 2024)

Singaporean start-up Prefer has launched a bean-free coffee made from upcycled ingredients like day-old bread, soya bean pulp, and spent barley grains. The process involves blending the ingredients, fermenting them with food-grade microbes, roasting them in an oven to enhance flavors, and grinding the mixture. This approach offers a sustainable and faster alternative to traditional coffee production, which requires waiting for coffee trees to mature. While the coffee is caffeine-free, caffeine powder derived from tea can be added. Prefer's products are already available in selected cafes, and the company recently announced a \$2 million funding to scale up production. ([The Straits Times](#), 24 February 2024)

Japanese confectionery brand Chateraise is set to open its first unmanned store outside Japan in Bukit Batok, Singapore, on March 8. The 280 sq ft store allows customers to download the Chateraise SG app, enter through gantries, and make purchases without staff assistance. The 24-hour unmanned store, limited to six customers at a time, offers a range of treats, including the Double Fantasy Yakiimo and Cookie Cream Puff. With no on-site staff, CCTV cameras and motion sensors track customer selections. The move to unmanned stores aims to save on labor costs, with Chateraise considering a second location in Singapore by 2024. The unmanned store concept has been successful in Tokyo, shortening shopping times for customers. Chateraise sees Singapore, known for its high public safety, as an ideal location to expand this innovative concept. ([AsiaOne](#), 27 February 2024) Store walkthrough video. <https://www.instagram.com/reel/C4XSK9uyFFN/>

### **Thailand:**

Thailand's PTT, the main operator of gasoline stations in the country, expanded its Café Amazon chain to 4,552 stores globally, falling short of their 400-store international target. However, they added 299 new

stores in 2023, reaching 4,158 locations in Thailand. The coffee chain remains a major player, serving over 371 million cups and holding a nearly 50% share of the branded coffee market. PTT plans to build a coffee research center in Thailand's Lampang province to enhance coffee supply and promote research and development in coffee farming. ([World Coffee Portal](#), 19 February 2024)

Thailand's Excise Department has implemented tax adjustments on wine, liquor, and service establishments, effective from February 23, in a bid to boost tourism and spending. The changes include a uniform 5% tax on wine and sparkling wine made from grapes, reduced alcohol content-based tax rates, and a complete exemption for fruit wine. Local fermented beverages with low alcohol content are now taxed at 0%, and service establishments such as nightclubs and bars will benefit from reduced tax rates from 10% to 5% until December 31, 2024. The reduction aims to aid businesses affected by COVID-19 and stimulate domestic employment within one year. ([Pattaya Mail](#), 24 February 2024)

TikTok and Accenture's research in Thailand unveils evolving shopping behaviors influenced by content, platforms, and communities. The study predicts the rise of "Shoppertainment" in the e-commerce market, integrating entertainment with online shopping. Thai consumers show a preference for content that avoids sales promotion, with 79% in Asia-Pacific sharing this sentiment. Brands are urged to adapt marketing strategies, focusing on emotional connections and authentic relationships. The study identifies three key changes in consumer behavior: consider, consume, and connect, emphasizing intuitive product consideration, seamless browsing-to-buying, and active participation in content creation communities. ([Bangkok Post](#), 29 February 2024)

Thailand is set to prohibit recreational cannabis use by the end of 2024 while maintaining its approval for medical purposes, according to the country's health minister. Since legalizing medicinal cannabis in 2018 and recreational use in 2022, a surge in cannabis shops, potentially worth up to US\$1.2 billion by 2025, prompted criticism of hastily implemented rules. The government is drafting a comprehensive law, expected to take effect in late 2024, regulating cannabis use. The proposed legislation includes fines for recreational use and stricter penalties for illegal cultivation and sales. Legal cannabis businesses will have time to adapt, and the government acknowledges the economic potential of the industry. Illegal cannabis shops and home cultivation will be prohibited under the new law. ([The Straits Times](#), 1 March 2024)

### **Vietnam:**

China significantly increased its durian imports from Vietnam in 2023, spending over \$2 billion to purchase nearly 524,000 tons of durians, marking an 11-fold increase from the previous year. Data from Vietnam Customs revealed that Vietnam's share in China's durian market rose from 6% in 2022 to nearly 33%. Vietnamese durians have gained popularity in China, particularly during the Lunar New Year, driving up prices. Despite facing competition, the shorter transport time from Vietnam to China has contributed to the increased market share. However, Thailand remains a dominant player, holding 68% of the market share. The Philippines and Malaysia are also notable contributors to the durian market, with the latter exporting frozen durians to China. China's plans include growing durians in Cambodia and Indonesia to enhance its domestic production within the next five years. ([VnExpress](#), 9 February 2024)

Rising global demand and constrained supply have led to significant increases in coffee, rice, and durian prices. Vietnam witnessed record-high coffee prices, reaching VND80,100 per kilogram by the end of February 17. Meanwhile, rice export prices maintained last year's peak at \$640 per ton. Vietnamese durian prices surged by 20% at the beginning of the year. Various factors, including heightened demand from China, the impact of El Nino, and an extended Red Sea crisis, contribute to the upward trend in commodity

prices. Experts anticipate further increases before a potential balance in the middle of the year. ([VnExpress](#), 18 February 2024)

Facing a labor shortage and changing dynamics, Japanese companies have begun processing Hokkaido scallops in Vietnam. Japanese fishing industry is diversifying its scallop exports as it reduces reliance on China, which imposed a total embargo on Japanese marine products in August 2023 due to the release of treated radioactive water at the Fukushima Daiichi nuclear power plant. Hokkaido, responsible for 83% of Japan's scallop harvest, saw a 150% increase in exports to Southeast Asian nations and doubled shipments to the U.S. in 2023. The government has allocated 80 billion yen (\$530 million) to support the fishing industry. While Japan and China have discussed lifting the import ban, progress has been slow, causing concern about prolonged economic impacts. ([Nikkei Asia](#), 25 February 2024)

Vietnam has imported husked brown rice from India for the first time in decades, aiming to process and export the refined, white variety as it capitalizes on strong global demand. Between December and February, Vietnam, the world's third-largest rice exporter, imported at least 200,000 metric tons of husked brown rice from India. This move comes after India, the world's biggest exporter, imposed a ban on white rice exports in 2023. The surge in Vietnam's rice shipments to a record 8.3 million metric tons in 2023 has led to reduced stockpiles, prompting the import of husked rice from India for milling and export. ([Channel News Asia](#), 27 February 2024)