Food & Agribusiness: Updates from selected ASEAN markets

27 March 2018
HOW TO ASK QUESTIONS

1. Select “Chat" function

2. Select “Host & Presenter”

3. Type your question here

3. Press ‘Send’
WEBINAR PANELLISTS

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Indonesia

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Vietnam
SINGAPORE

Samantha Mark
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OPPORTUNITIES – SINGAPORE

Health & Wellness
- Low-in / Free-from
- Functional food
- Organic

Sustainably-produced and Sourced
- Seafood
- Quality meats

Supply Chain Efficiencies
- Convenient packaging
- Direct import

Retail
- Contract farming agreements
- Private labels

Image Source: Cold Storage, FairPrice, Little Farms, WWF Singapore
Agri-food & Veterinary Authority of Singapore (AVA) regulates the Singapore food market

Majlis Ugama Islam Singapura (MUIS) regulates the Halal industry in Singapore
- There is no published source on recognised foreign halal certifying bodies

GST set to increase from 7% to 9% some time between 2021 and 2025
MALAYSIA & BRUNEI

KC Liew
Business Development Manager
**OPPORTUNITIES & MARKET ACCESS – MALAYSIA**

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**Top 9 Australian Food Categories Exported to Malaysia (2016 - 2017)**

- **TOTAL Food Sales**
- **Meat and poultry**
- **Dairy Sales**
- **Fresh and preserved fruit**
- **Sugar and sugar products**

**Food Categories**

<table>
<thead>
<tr>
<th>Category</th>
<th>2016 Sales</th>
<th>2017 Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL Food Sales</td>
<td>$50,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Meat and poultry</td>
<td>$10,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>Dairy Sales</td>
<td>$30,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Fresh and preserved fruit</td>
<td>$20,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Sugar and sugar products</td>
<td>$10,000</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

**Percentage of Growth (year-on-year)**

- 2016: 10.0%
- 2017: 12.0%

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**Opportunities**
- **Retail**
- **Foodservice**
- **Food Processing Sectors**
  - Dairy – Milk, Processed dairy (yogurt), Butter, Cheese & etc.
  - Processed Foods – Sauces, Condiments, Juices, Cereals, Spreads & etc. (especially for private label / contract manufacturing)
  - Meats & Speciality Meats
  - Seafood
  - Halal Certified Products
  - Niche opportunities for organic / healthy / functional foods – snack size packaging (sachet)
  - Wines

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**Market Access Issues**
- Import regulations (import permits, packaging, labeling, testing, and ports of entry), quotas and customs procedures create significant challenges for Australian exporters looking to do business in Malaysia;
  - **Malaysia – Australia Free Trade Agreement (MAFTA)** - 97.6 per cent of Australia’s exports (2011 figures) will immediately be tariff-free, rising to 99.0 per cent from 2017; [http://www.dfat.gov.au/fta/mafta](http://www.dfat.gov.au/fta/mafta)

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**Key To Market Entry Success**
- To engage with a dedicated local importer / distributor and work closely on building the relationship for the long term;
- Visit and understand the market mechanism before exporting;
- It is advisable to promote an export business with a marketing package or a concept;
- Brand building of your products over time including conducting relevant marketing activities to support importer/distributor;
- Engage with Austrade at Post to assess, assist and analyse opportunities in the market;
Opportunities & Market Access – Brunei

Market Access issues to be aware of:
• Import regulations (import permits, packaging, labeling, testing)
• Customs procedures
• Halal accreditation
• Food safety and Quality control

Tips to succeed in the market:
• Brand awareness
• Have a close rapport with local distributor
• Follow guidelines for food imports
• Support in-market activities and promotions
• Price sensitive market – customers always comparing
• Work with Austrade to assess your market potential

Opportunities
✓ Halal food
✓ Chilled beef and lamb
✓ Processed food
✓ Diary products
✓ Fruits and vegetables
✓ Confectionery
✓ Organic

Brunei’s Top 10 trade with Australia 2016-17

<table>
<thead>
<tr>
<th>HS Commodity sectors</th>
<th>Value (in AUD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>001 Live animals (exc. seafood)</td>
<td>8,469</td>
</tr>
<tr>
<td>012 Meat (incl. beef, f.c.f.)</td>
<td>6,043</td>
</tr>
<tr>
<td>011 Beef, f.c.f.</td>
<td>3,092</td>
</tr>
<tr>
<td>054 Vegetables, f.c.f.</td>
<td>2,427</td>
</tr>
<tr>
<td>931 Special transactions &amp; commodities</td>
<td>1,927</td>
</tr>
<tr>
<td>024 Cheese &amp; curd</td>
<td>1,918</td>
</tr>
<tr>
<td>023 Milk, cream, whey &amp; yogurt</td>
<td>1,843</td>
</tr>
<tr>
<td>057 Fruit &amp; nuts</td>
<td>1,192</td>
</tr>
<tr>
<td>008 Edible products &amp; preparations</td>
<td>1,183</td>
</tr>
<tr>
<td>974 Measuring &amp; analysing instruments</td>
<td>1,154</td>
</tr>
</tbody>
</table>

Food & Agribusiness: Updates from selected ASEAN markets webinar
Premium retail is the main outlets for imported products. However, local products also becomes increasingly sophisticated and offers affordable price.

Food service: Increasing demand triggered by the increasing number of new restaurants, hotel, café and catering services in urban areas.

Manufacturers sourcing for premium ingredients from Australia.

Opportunities for health and lifestyle products, such as food that helps to increase general vitamin or mineral intake.

Education and training: Food technology and related training e.g. food safety and handling etc.

<table>
<thead>
<tr>
<th>Food Service Outlets in Indonesia</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cafes and bars</td>
<td>5,969</td>
<td>6,192</td>
</tr>
<tr>
<td>Full-service restaurants</td>
<td>100,170</td>
<td>100,540</td>
</tr>
<tr>
<td>Fast food</td>
<td>5,915</td>
<td>6,129</td>
</tr>
<tr>
<td>Traditional food seller</td>
<td>92,256</td>
<td>92,400</td>
</tr>
</tbody>
</table>
Local partner is mandatory as they are responsible for the registration process of your products.

- F&B products should be registered under BPOM (Badan Pengawas Obat dan Makanan / National Agency of Drug and Food Control).
- Animal based products (meat, dairy, honey, etc) should be registered under Ministry of Agriculture in Indonesia.
- Halal Certification is currently managed by Indonesia Ulema Council.

Consumer education and marketing strategy is important to build your brand reputation and position your products in the market.
VIETNAM

Chi Hoang
Business Development Manager
One of the most promising consumer markets in Asia

- Young population with growing disposable income & westernisation of lifestyle
- Raising awareness of food safety, demand for high quality food & services

Internationalisation of market

- rise of modern retail sector
- growing western tourists
- hotels seeking premium quality products and growing restaurant chains seeking quality food service ingredients and wine

AANZFTA: tariff reductions till end 2018

Opportunities for premium products in HORECA & retail sectors:

- Meat (beef & lamb), Dairy, Fresh fruits
- Processed food (ready-made health food/meal, condiments)
- Beverages (non-alcoholic drinks and alcoholic drinks)
MARKET ACCESS & REGULATORY UPDATES – VIETNAM

- All imported F&B products must meet safety requirements; most are subject to declaration of conformity to food safety regulation

- Market access
  - No market access for vegetable, fruits (except table grapes, citrus and cherries), live seafood and game meats
  - In negotiation: peach, nectarine, game meats

- Regulations and non-tariff barriers

  **Wines**
  - Import licences (5-year validity)
  - 50% import tax + 35% special consumption tax + 10% VAT
  - Decree 94: different licences are required for importing, wholesaling and retailing in Vietnam
  - Absence of bonded warehouse
  - No samples are allowed in country without label registration

  **Meat & Dairy products**
  - Acceptance of electronic AANZFTA certificate of origin
  - Export values for custom assessment
PRACTICAL TIPS FOR
FOOD & HOTEL ASIA 2018

Taliessin Reaburn
Trade Commissioner
Before the Show
• Ensure a minimum of 6 months validity in your passports
• Bring sufficient marketing collaterals and business cards (more is more!)

During the Show
• Visit other exhibitors to know your competition and/or meet potential partners
• Understand who the existing players in-market are by visiting retail stores

After the Show
• Closely follow-up with the warm leads
• Arrange a second visit, if necessary, to sit down with potential partners

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Thank you