



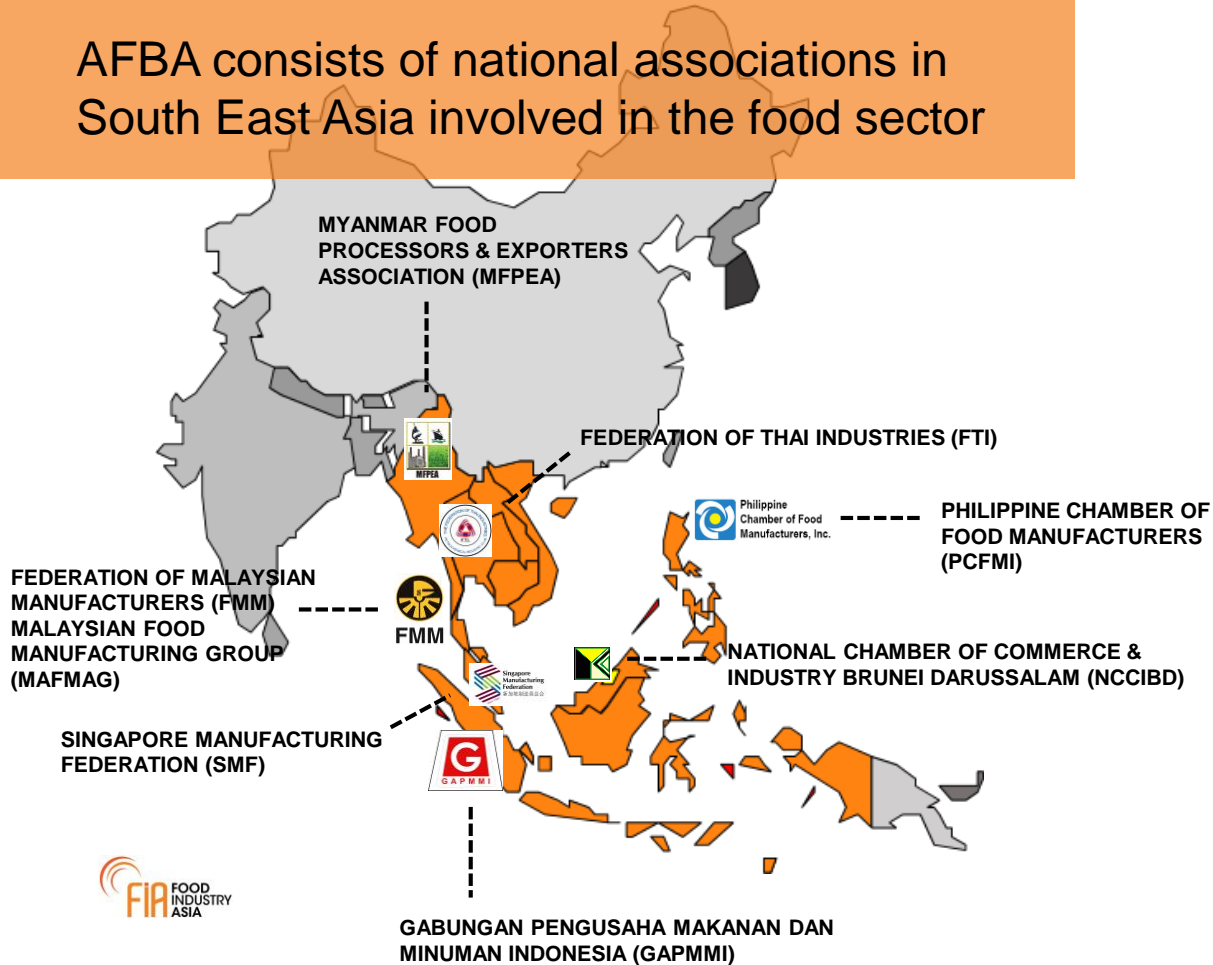
FOOD & BEVERAGE DEMAND IN ASEAN

19 September 2020

INTRODUCTION



AFBA consists of national associations in South East Asia involved in the food sector



VISION & MISSION

Support **harmonisation** efforts across South East Asia and provides a voice for the ASEAN food industry

Coordinate industry efforts to deliver effective input and practical guidance on ASEAN policies to unlock the food sector's growth potential in and out of our region.



PRIORITY ISSUES FOR THE FOOD SECTOR



TOP PRIORITIES
FOR THE FOOD INDUSTRY TO
OVERCOME IN ASEAN

LABELLING (NUTRITION LABELLING)

PRODUCT REGISTRATION

HALAL STANDARDS & CERTIFICATION

IMPORT / EXPORT CERTIFICATION

**MAXIMUM RESIDUE LIMITS FOR
CONTAMINANTS, PESTICIDE RESIDUES**

ANALYTICAL METHODS

FOOD & BEVERAGE DEMAND IN ASEAN



Health
and Taste

Natural,
New and
Innovative

Ease of
Preparation

Price and
Safety

*Source: FIA-AI Palette Conscious Consumption in a Post
Covid-19 Normal: ASEAN*

FOOD & BEVERAGE DEMAND IN ASEAN



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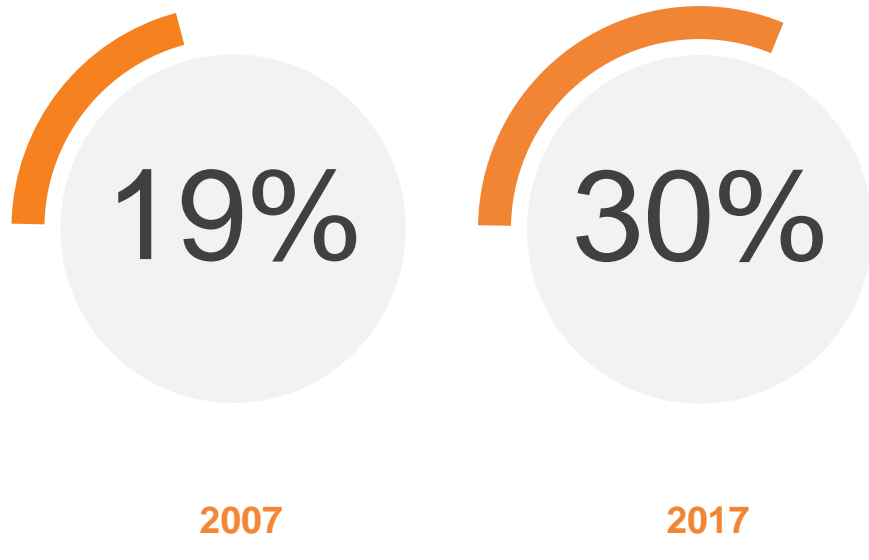
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HEALTH AND WELLNESS TREND IN THE REGION



Health and wellness business in the Asia-Pacific region



Source: Euromonitor International

Drivers

- 1 Information boom
- 2 Label transparency
- 3 Advancement of technology

Consumers are using nutrition, information and fitness to meet their health goals in personal, meaningful ways.

PARADIGM SHIFT

FORMER PARADIGM: THE REACTIVE PATIENT



People used to worry about their condition only when they were sick and react accordingly

NEW PARADIGM: A PROACTIVE CONSUMER



Innovations and new technologies allow a more effective condition and wellness management, regardless of health status

Source: Oliver Wyman analysis

Sharma, S., Shutter, A., Zafra, A., Suresh, R. (2018). Unlocking the Asia-Pacific Consumer Health Opportunity. *Oliver Wyman*. Retrieved from: https://www.oliverwyman.com/content/dam/oliver-wyman/v2/publications/2018/april/unlocking_the_asia-pacific_consumer_health_opportunity_screen.pdf

Food plays a growing role in health and wellness

PROACTIVE APPROACH TOWARD HEALTH AND WELLNESS



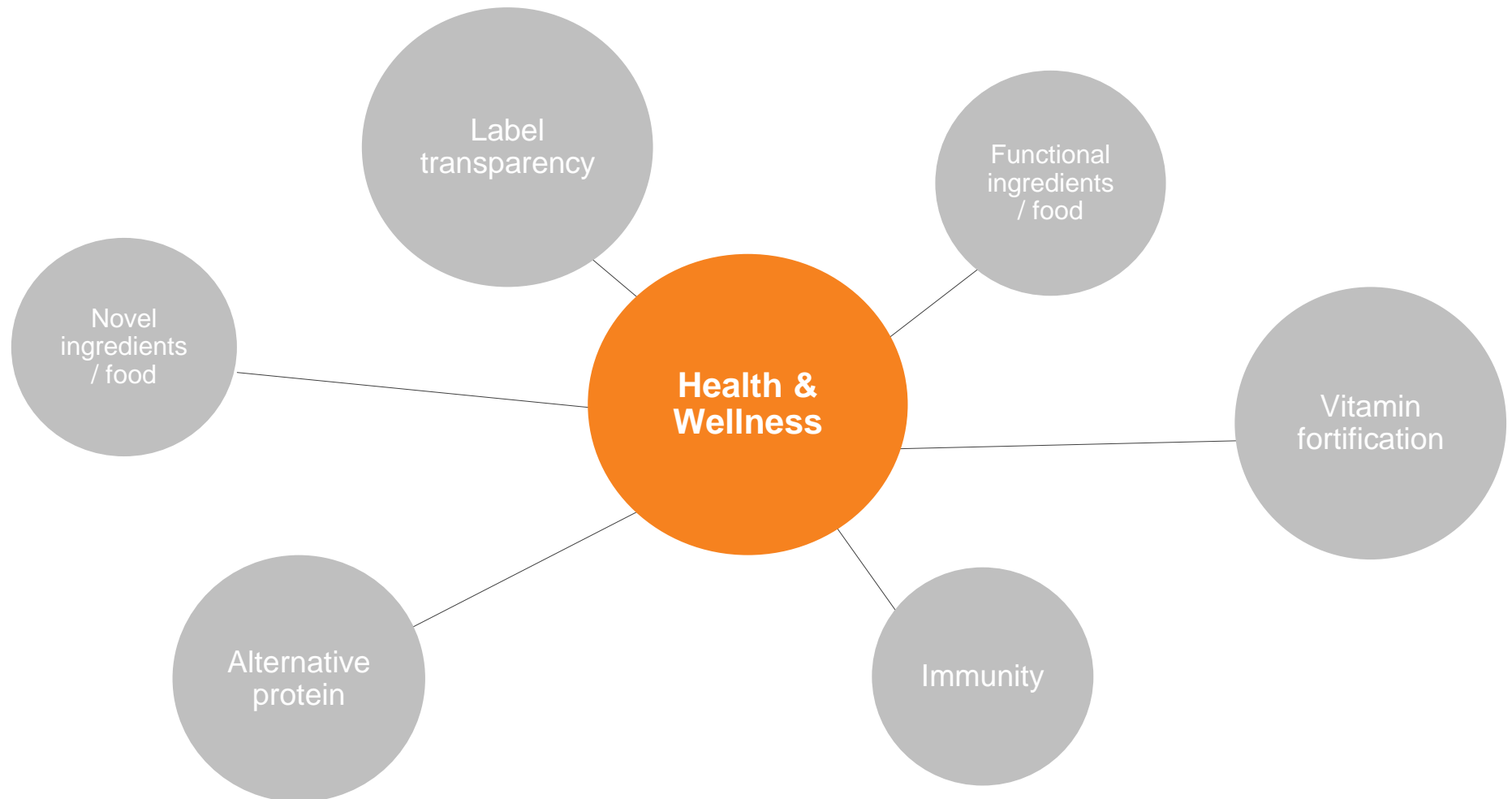
More natural forms of health and wellness delivered through diet, exercise and general lifestyle

Specific ingredients and functions to help in overall health and wellness

Convenient, functional and fortified foods that come with benefits to meet consumer's unique nutrition and personal health goals

Study from the Food Marketing Institute (FMI) 2019 among US grocery shopper showed for the first time, eating foods that deliver “specific benefits for my body” (61%) surpassed consuming foods that are “good for me in a holistic way” (48%) as an essential element in eating well.

RESPONDING TO CONSUMER DEMANDS

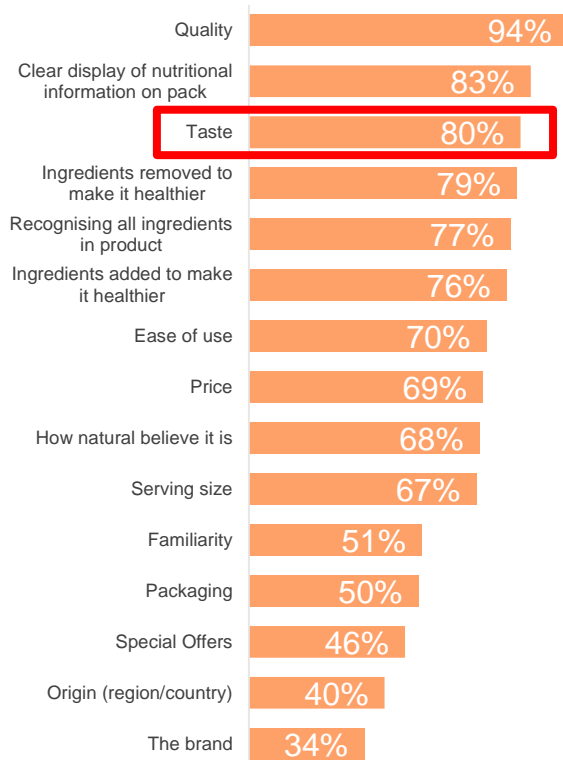


FROM THE CONSUMERS' LENS

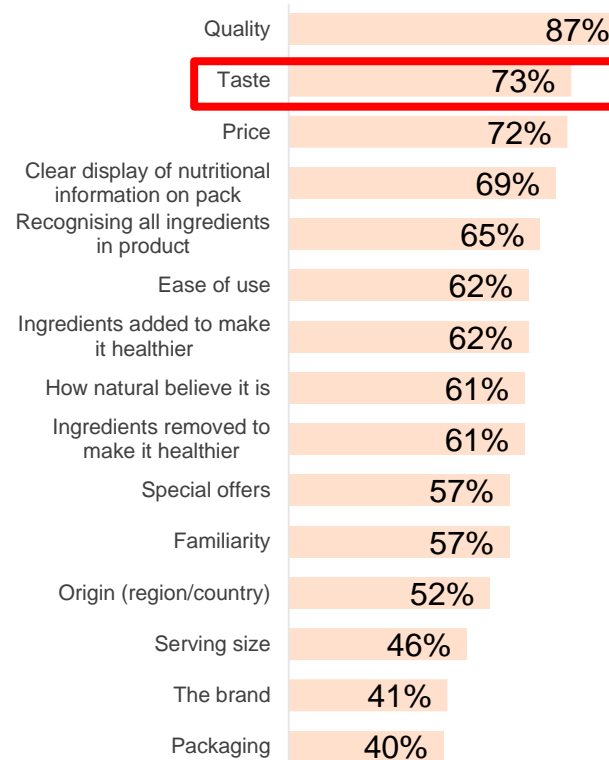


What do consumers say is important to them when choosing food and drink?

Thailand



Malaysia

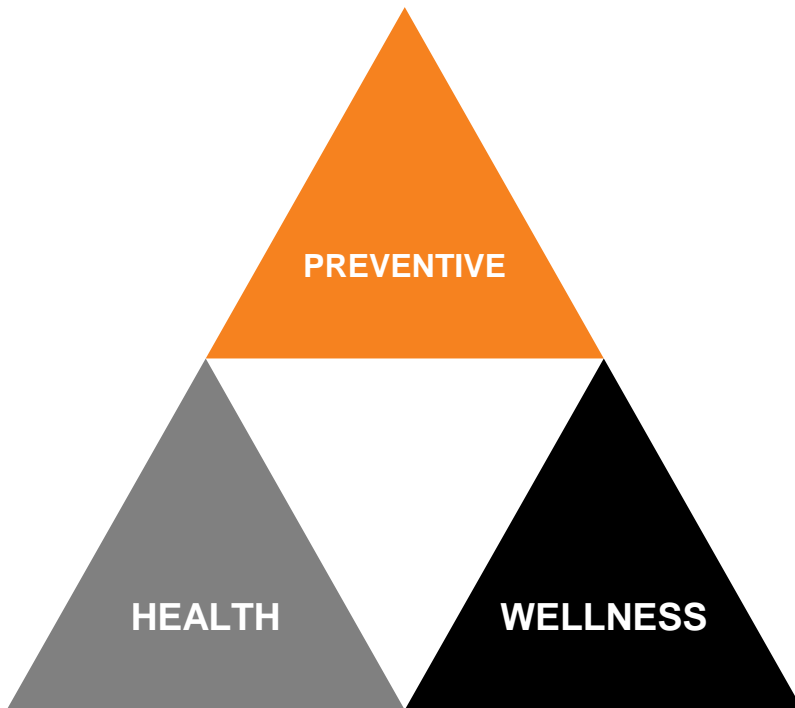


Singapore



Source: FIA-IGD Healthier Product Reformulation Report

COVID-19 EFFECTS



Increased awareness of health



More interest in product benefits and ingredient functions



Increased preference for products that offer wellness through added functionality



CONSUMER BEHAVIOUR POST-COVID



Health and Taste

- Foods that are healthy, provides energy, support lifestyle of consumers in relation to personal diet and fitness
- Foods rich in vitamins to boost immunity
- Taste
 - Local, authentic and familiar
 - Innovative flavours



Consumers prioritise health over taste while consumers in other key Southeast Asia market prioritise taste over health

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CONSUMER PREFERENCES



Consumers are willing to try new and innovative products or flavours

Rising interest in plant-based alternatives, in particular Singapore, Philippines, Thailand

Consumers in ASEAN looking out for products that carry description such as raw, natural, wholegrain, pure, chemical free, multigrain and organic

SOCIAL VALUES THAT CONSUMERS HOLD ONTO



Continuous developments have led to the rise of **new food types and processes** and these play important roles in ensuring **food security, safety and sustainability**.

THREATS TO THE FOOD SYSTEM

Climate change

Food supply shocks

Population growth

Resource scarcity

NOVEL FOOD TECHNOLOGIES

Gene technology

Nanotechnology

Cultured meat

Food irradiation

**Businesses
to build
confidence
and mutual
trust with
consumers**

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POST-COVID CONSUMER INTEREST IN EASY-TO-MAKE MEALS



Gradual adjustment to the new normal and less worry around food availability and consumers are turning to meals and recipes that are easy to make at home

Home cooking becoming a popular and necessary trend as consumers spend more time at home

Time-pressed consumers seeking for food preparation that is convenient and to recreate a dine-out experience

DIY KITS AND MEAL KITS THAT CAN BE PREPARED FROM THE COMFORT OF HOME



Bella Pizza DIY kits



LiHO's bubble tea kit

DIY COOKING KITS

MUSHROOM AND TRUFFLE RISOTTO รสชาติดีเลิศและ
อร่อยเพียบ

Price: ฿ 780.00 Quantity:



Recipe kit for 2 persons สูตรสำหรับ 2 ท่าน

SPAGHETTI CARBONARA สปาเกตตี้คาโบนาร่า

Price: ฿ 650.00 Quantity:



Recipe kit for 2 persons สูตรสำหรับ 2 ท่าน

BEEF BOURGUIGNON - RED WINE BRAISED BEEF
เนื้อนุ่มไวน์แดง

Price: ฿ 900.00 Quantity:



Recipe kit for 4 persons สูตรสำหรับ 4 ท่าน

TOM YUM SOUP ต้มยำกุ้ง

Price: ฿ 550.00 Quantity:



Recipe kit for 4 persons สูตรสำหรับ 4 ท่าน

GREEN CURRY WITH CHICKEN แกงเขียวหวานไก่

Price: ฿ 490.00 Quantity:

Sofitel Bangkok Sukhumvit
DIY Cooking Kit

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Price of food



Safety and quality of food



TAPPING MARKET POTENTIAL

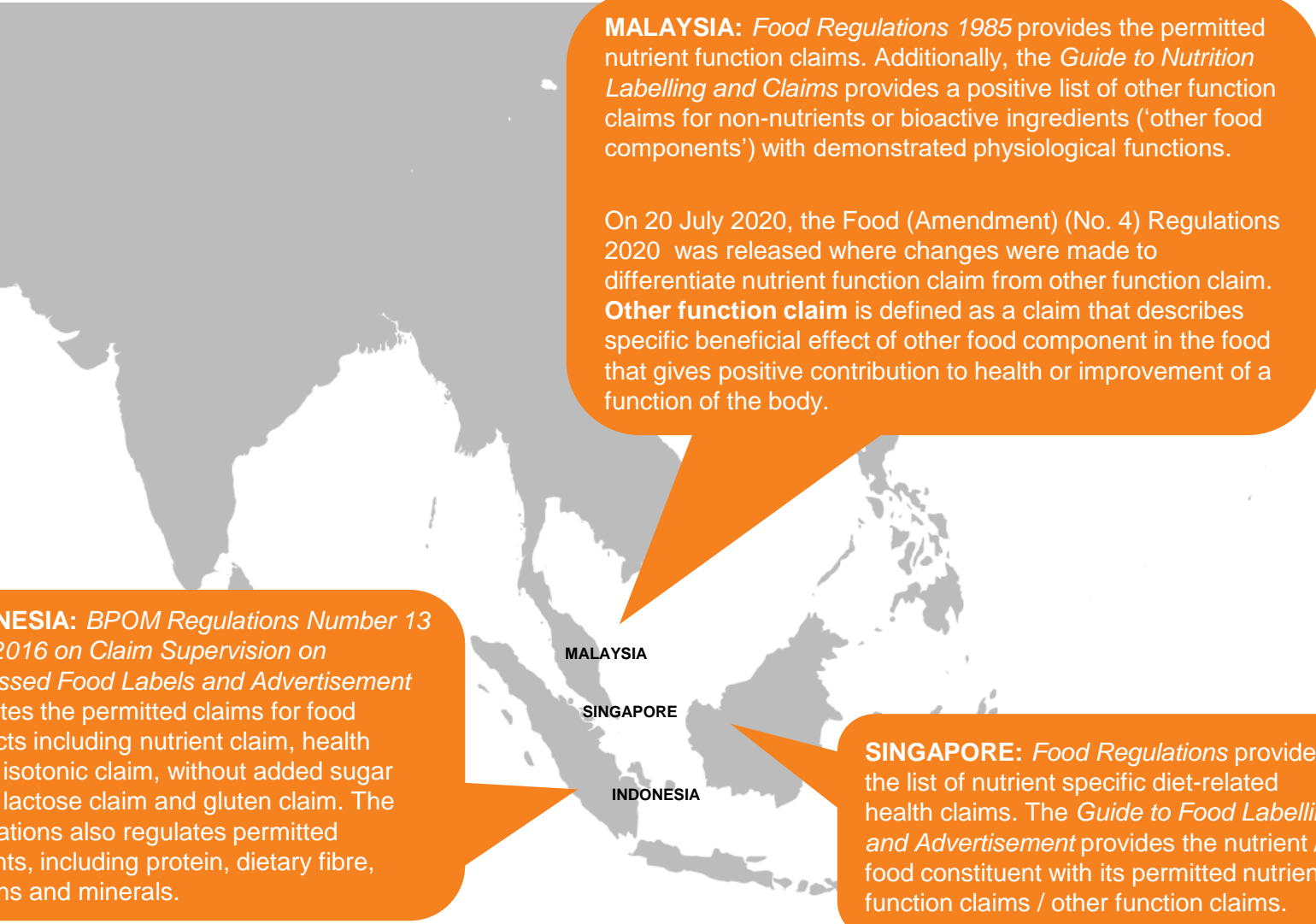


CONSUMER
DEMANDS



ENABLING
POLICY AND
REGULATORY
APPROACH

REGULATORY LANDSCAPE FOR HEALTH CLAIMS




MALAYSIA: *Food Regulations 1985* provides the permitted nutrient function claims. Additionally, the *Guide to Nutrition Labelling and Claims* provides a positive list of other function claims for non-nutrients or bioactive ingredients ('other food components') with demonstrated physiological functions.

On 20 July 2020, the Food (Amendment) (No. 4) Regulations 2020 was released where changes were made to differentiate nutrient function claim from other function claim. **Other function claim** is defined as a claim that describes specific beneficial effect of other food component in the food that gives positive contribution to health or improvement of a function of the body.

INDONESIA: *BPOM Regulations Number 13 Year 2016 on Claim Supervision on Processed Food Labels and Advertisement* regulates the permitted claims for food products including nutrient claim, health claim, isotonic claim, without added sugar claim, lactose claim and gluten claim. The Regulations also regulates permitted nutrients, including protein, dietary fibre, vitamins and minerals.

SINGAPORE: *Food Regulations* provides the list of nutrient specific diet-related health claims. The *Guide to Food Labelling and Advertisement* provides the nutrient / food constituent with its permitted nutrient function claims / other function claims.

REGULATORY LANDSCAPE FOR HEALTH CLAIMS



SOUTH KOREA: The *Health Functional Food Code* provides permitted functional ingredients and the associated health functional claims, including nutrients, functional ingredients, fermentation microorganisms, amino acid and proteins. Products that use permitted functional ingredients do not require pre-market approval.

JAPAN: In Japan, food with health claims is categorised into Food with Nutrient Function Claims (FNFC) and Food for Specified Health Uses (FOSHU) Food with Nutrient Function Claims (FNFC).

In 2015, a new functional regulatory system called Food with Function Claims (FFC) was established by the Consumer Affairs Agency (CAA) to manage the use of health claims on food. The new system presented more flexibility on the health claims, protocol for scientific reviews and the required results. As such, the FFC notification process is more affordable and quicker than the process that is required for FOSHU. Food businesses are responsible to make the appropriate function claims based on the existing scientific evidences and ensure safety of the food product. About Foods with Functional Claims.

CHINA: On 1 October 2019, the *Administrative Measures for the List of Health Food Ingredients and the List of Health Functions* was enforced to establish strict quality standards through the stipulation of the conditions, procedures and management methods for health food ingredients and health functions to be included into the list.

The Administrative Measures permits any individual, enterprise, scientific research institution and social organisation to put forward suggestions for the inclusion of additional health ingredients and health functions into the list based on scientific research evidences. This manner gathers resources and expertise from non-governmental actors to improve the efficiency of the review and approval process.

SUPPORTING THE GROWTH OF CONSUMER TRENDS



01

Businesses are responding to consumer demands, some accelerated by the pandemic and likely to stick post-pandemic

02

Regulatory framework needs to developed in parallel to support businesses to meet consumer demands

03

Regulations consistency or mutual recognition, e.g. permitted health claims are critical to support market access across the ASEAN region



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Thank you .