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# Southeast Asia's Emergence as a Top U.S. Market

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John C. Baize  
President  
John C. Baize and Associates

# Southeast Asia



# Population of Southeast Asian Nations Estimate for 2010 and Projection for 2020

Country	Population 2010	Population 2020
Indonesia	242.97	267.53
Malaysia	28.28	32.65
Philippines	99.90	119.33
Singapore	4.70	5.02
Thailand	66.34	69.56
Vietnam	89.57	98.72
Cambodia	14.45	16.93
Laos	6.37	7.45
Myanmar (Burma)	53.41	59.13
Total	605.99	676.32

# Per Capita GDP (Purchasing Power Parity) of Southeast Asian Nations in 2010

Country	Per Capita GDP
Indonesia	\$4,380
Malaysia	\$14,603
Philippines	\$3,725
Singapore	\$57,238
Thailand	\$8,643
Vietnam	\$3,123
Cambodia	\$2,086
Laos	\$2,435
Myanmar (Burma)	\$1,246

Source: International Monetary Fund

## Southeast Asia Had Solid Economic Growth in 2010 After Slower or Negative Growth in 2009

Country	2009	2010
Indonesia	4.55	6.00
Malaysia	-1.70	7.20
Philippines	1.06	6.70
Singapore	-1.28	14.60
Thailand	-2.25	7.60
Vietnam	5.32	6.80

Sources: International Monetary Fund and Central Intelligence Agency

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# U.S. Has Ocean Shipping Advantage From PNW, But Not from Gulf (Nautical Miles)

Port	New Orleans	Portland	Santos, Brazil	Buenos Aires
Jakarta, Indonesia	11,782	<b>7,414</b>	8,590	8,856
Bangkok, Thailand	12,156	<b>7,822</b>	9,805	10,071
Port Klang, Malaysia	11,299	<b>7,357</b>	8,767	9,073
Manila, Philippines	10,781	<b>6,022</b>	10,091	10,357
Ho Chi Minh, Vietnam	11,452	<b>6,888</b>	9,593	9,859

# Overview of Southeast Asian Nations

- Economies vary from highly capitalistic (Singapore) to communist (Vietnam).
  - Infrastructure varies from very developed (Singapore and Malaysia) to very poor (Vietnam, Indonesia, and Philippines).
  - Corruption remains a problem except in Singapore.
  - Large share of the population in all countries except Singapore and Malaysia live mainly in rural areas and heavily tied to agriculture.
  - Demand for pork is limited by Muslim populations in Indonesia (86%), (Malaysia (60%), Singapore (15%), Thailand (5%) and Philippines (5%).
  - Religious/ethnic violence not a significant problem except in parts of Indonesia and Thailand and on the Philippine island of Mindanao.
  - All nations in the region have good relations with the U.S.
  - Biotechnology is not a sensitive issue in the region.
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# Overview of Southeast Asian Nations

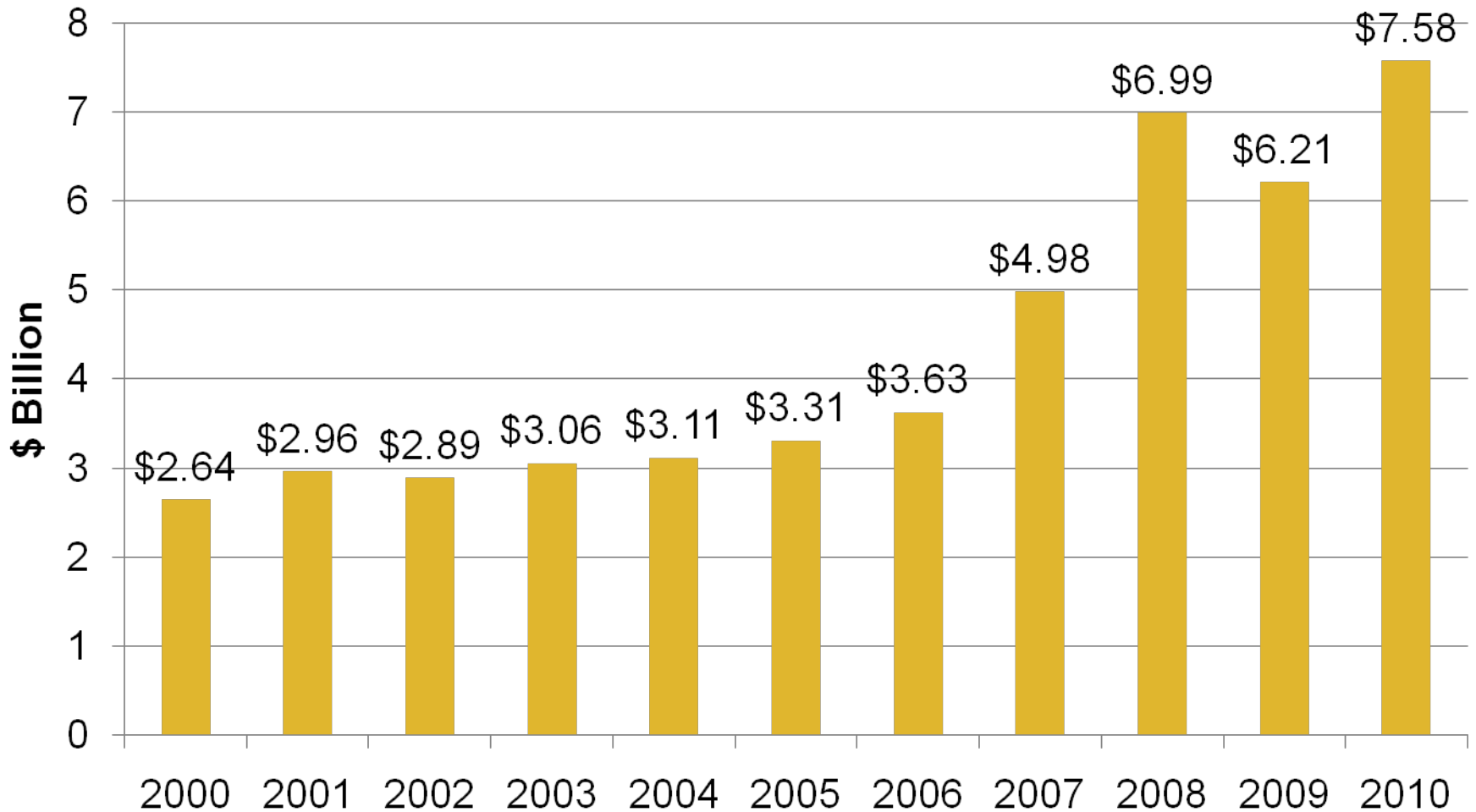
- Agricultural trading and processing companies largely family controlled with most by families of Chinese descent. Large agricultural firms located in the region include Charoen Pokphand (CP), Wilmar, Gold Coin, KFC and San Miguel.
  - Senior management of most larger agricultural companies are fluent in English with many being educated in the U.S., Australia, or Britain.
  - Companies are extremely open to new ideas and quick adopters of new technology and management systems.
  - There is a strong affinity for trading with the U.S.
  - Financial and trading center is Singapore where all major multinational firms have trading offices.
  - U.S. agricultural cooperators with offices in the region include U.S. Soybean Export Council, U.S. Grains Council, U.S. Wheat Associates, U.S. Meat Export Federation and USA Poultry & Egg Export Council
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# Southeast Asian Agricultural Sector

## Both a Large Exporter and Importer

- Southeast Asia has a large agricultural sector.
  - It is a very large exporter of palm oil, rubber coconut oil, tropical fruits, coffee, shrimp and rice.
  - The region exports about 92% of the world's palm oil and 95% of the world's coconut oil.
  - Thailand is a large net exporter of poultry meat.
  - Southeast Asia is a large net importer of soybeans, soymeal, corn, wheat, DDG and cotton.
  - Southeast Asia also is a growing importer of beef, pork, broiler meat, wine, and processed food.
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# Value of U.S. Agricultural Exports to Southeast Asia CYs 2000 - 2010

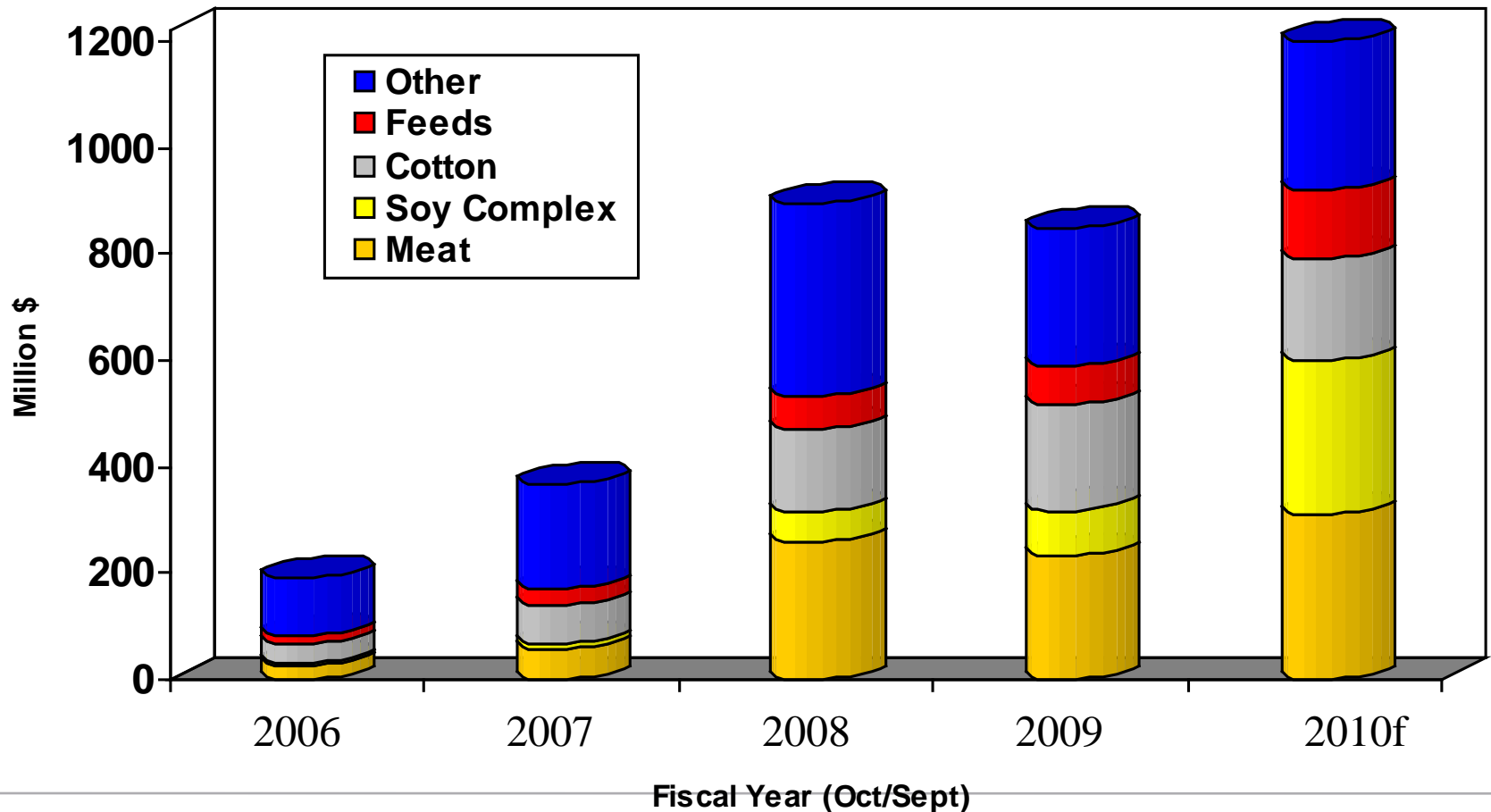


Value of U.S. Agricultural Exports to Southeast Asian Nations  
CYs 2007 – 2010  
\$ Billion

	2007	2008	2009	2010
Indonesia	\$1.542	\$2.195	\$1.796	\$2.246
Malaysia	\$0.563	\$0.595	\$0.695	\$0.713
Philippines	\$1.112	\$1.734	\$1.294	\$1.634
Singapore	\$0.374	\$0.485	\$0.445	\$0.498
Thailand	\$0.885	\$1.063	\$1.046	\$1.152
Vietnam	\$0.494	\$0.906	\$0.922	\$1.317

# U.S. Exports to Vietnam Have Grown Faster Than Any Other Market With Imports in Excess of \$400 Million

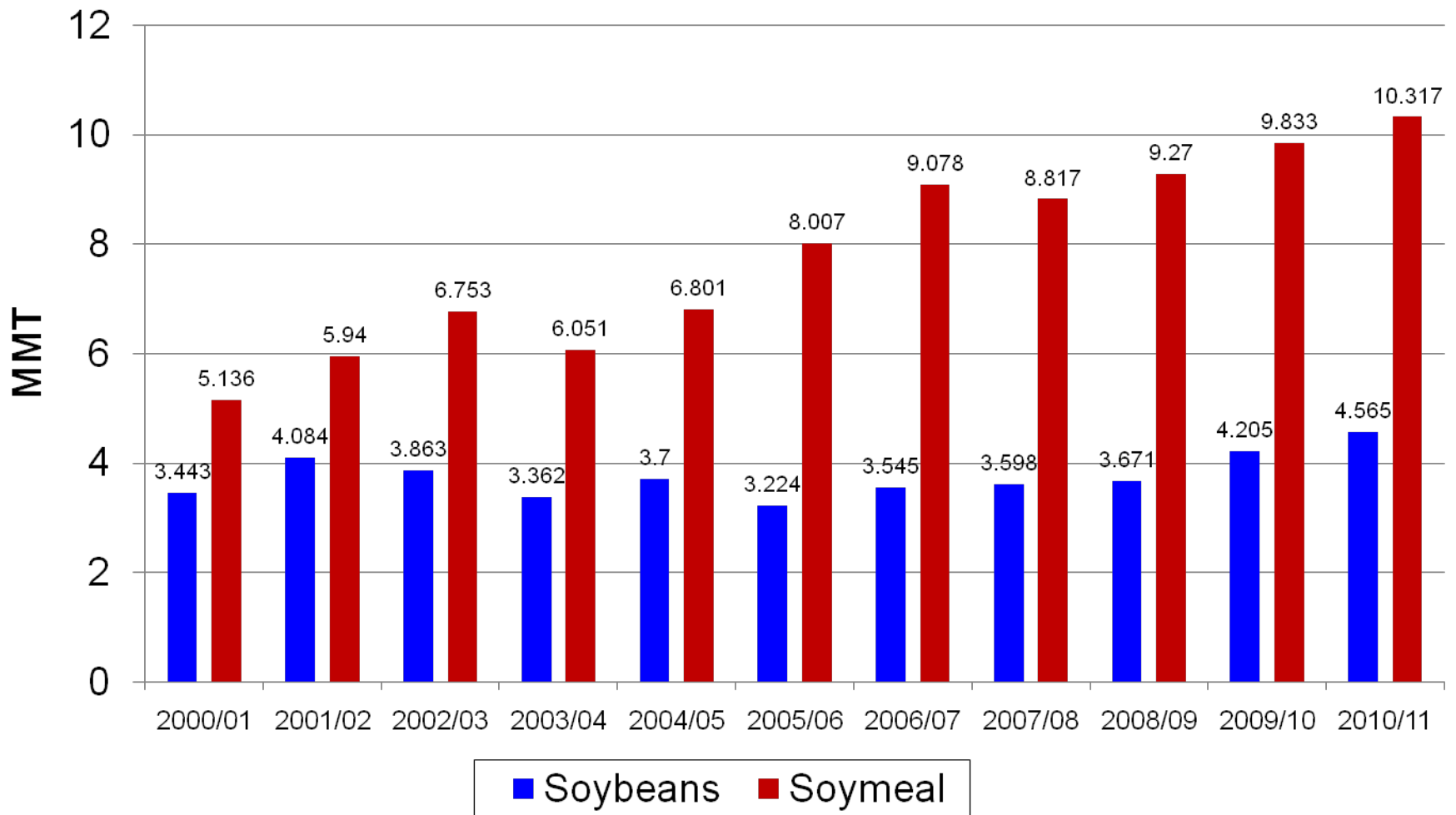
## U.S. Exports to Vietnam Climb on Soy Demand



# Southeast Asian Imports of Selected Commodities 2006/07 – 2009/10 and USDA Forecast for 2010/11 MMT

Commodity	2006/07	2007/08	2008/09	2009/10	2010/11
Corn	4.367	4.362	5.239	6.253	6.030
Soybeans	3.545	3.598	3.671	4.205	4.565
Soymeal	9.078	8.817	9.270	9.833	10.317
Soyoil	0.242	0.275	0.242	0.322	0.336
Wheat	12.377	11.483	12.233	13.890	12.925
Cotton (Mil. Bales)	5.38	5.73	5.17	6.07	5.55

# Sotheast Asia's Imports of Soybeans and Soymeal 2000/01 – 2009/10 and USDA Forecast fro 2010/11



Soybean Imports by Southeast Asian Nations  
2006/07 – 2009/10 and USDA Forecast for 2010/11  
MT 000

Country	2006/07	2007/08	2008/09	2009/10	2010/11
Indonesia	1,309	1,147	1,393	1,620	1,635
Malaysia	444	517	530	580	610
Philippines	167	41	35	105	70
Singapore	19	20	19	20	20
Thailand	1,532	1,753	1,510	1,660	1,830
Vietnam	74	120	184	220	400
Total	3,545	3,598	3,671	4,205	4,565



# U.S. Soybean Exports to Southeast Asia 2003/04 – 2009/10 MT

Soybeans	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Indonesia	1,004,090	993,707	1,214,781	1,372,982	1,149,329	1,473,784	1,673,220
Malaysia	224,286	172,964	206,417	366,831	199,090	236,451	364,821
Philippines	179,276	196,301	110,887	97,669	52,655	49,651	80,171
Singapore	491	146	498	20,806	5,002	1,030	7,968
Thailand	379,015	551,222	295,796	547,841	163,266	209,528	475,934
Vietnam	118	1,493	2,388	16,164	72,475	156,437	136,474
Total	1,787,276	1,915,833	1,830,767	2,422,293	1,641,817	2,126,881	2,738,588

Soymeal Imports by Southeast Asian Nations  
2006/07 – 2009/10 and USDA Forecast for 2010/11  
MT 000

Country	2006/07	2007/08	2008/09	2009/10	2010/11
Indonesia	2,237	2,429	2,339	2,330	2,600
Malaysia	899	922	934	1,100	1,120
Philippines	1,357	1,213	1,295	1,100	1,225
Singapore	19	22	21	22	22
Thailand	2,275	1,935	2,160	2,513	2,550
Vietnam	2,291	2,296	2,521	2,768	2,800
Total	9,078	8,817	9,270	9,833	10,317

# U.S. Soymeal Exports to Southeast Asia 2003/04 – 2009/10 MT

Soybeans	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Indonesia	105,904	175,704	44,716	89,104	147,875	141,820	528,992
Malaysia	336	10,006	5,860	19,781	75,569	22,002	123,786
Philippines	254,129	446,293	405,469	273,908	559,857	493,350	957,488
Singapore	67	367	1,357	3,620	8	24	568
Thailand	2,350	87,285	1,867	14,072	24,408	116,613	204,067
Vietnam	29,967	23,024	23,195	37,210	144,906	126,004	474,474
Total	392,753	742,678	482,465	437,695	952,623	899,813	2,289,375

Soyoil Imports by Southeast Asian Nations  
2006/07 – 2009/10 and USDA Forecast for 2010/11  
MT 000

Country	2006/07	2007/08	2008/09	2009/10	2010/11
Indonesia	18	21	13	18	18
Malaysia	112	123	102	128	135
Philippines	12	3	2	6	5
Singapore	35	35	38	35	38
Thailand	1	1	0	0	0
Vietnam	64	92	87	135	140
Total	242	275	242	322	336

Corn Imports by Southeast Asian Nations  
2006/07 – 2009/10 and USDA Forecast for 2010/11  
MT 000

Country	2006/07	2007/08	2008/09	2009/10	2010/11
Indonesia	1,069	294	317	1,300	1,100
Malaysia	2,363	3,181	2,447	2,800	2,800
Philippines	163	58	432	118	100
Singapore	22	74	43	25	25
Thailand	100	250	900	500	700
Vietnam	650	500	1,100	1,500	1,300
Total	4,367	4,357	5,239	6,243	6,025

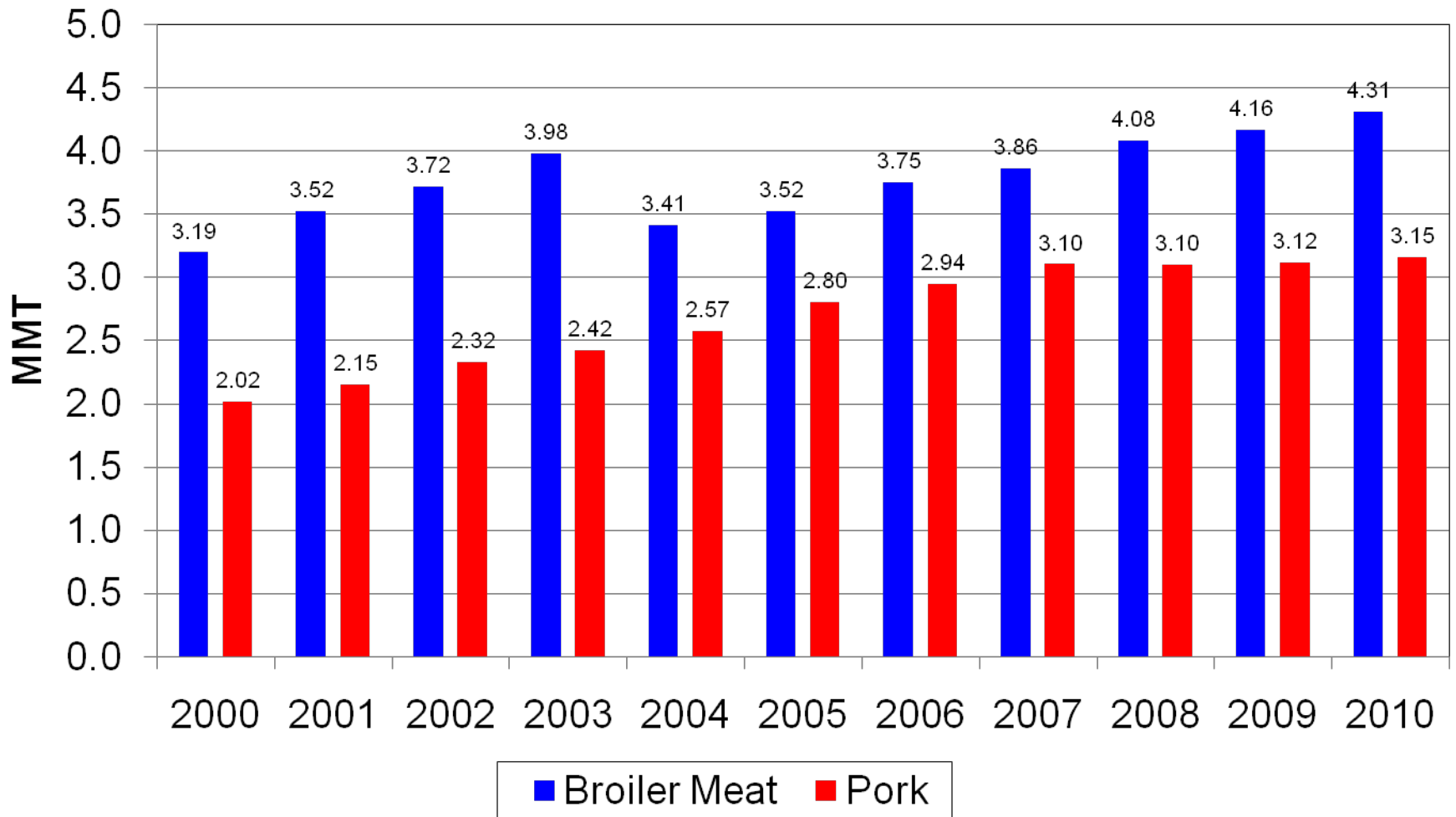
# U.S. DDG Exports to Southeast Asia 2003/04 – 2009/10 MT

Soybeans	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Indonesia	36,323	46,458	64,560	104,039	184,008	247,837
Malaysia	30,782	27,657	36,985	58,049	40,809	32,171
Philippines	6,419	53,501	68,233	103,788	120,390	89,437
Singapore	0	201	250	0	101	539
Thailand	7,438	27,954	54,316	151,797	274,884	274,925
Vietnam	15,126	14,488	49,241	111,492	206,171	392,073
Total	96,088	170,259	273,585	529,165	826,363	1,036,982

Wheat Imports by Southeast Asian Nations  
2006/07 – 2009/10 and USDA Forecast for 2010/11  
MT 000

Country	2006/07	2007/08	2008/09	2009/10	2010/11
Indonesia	5,601	5,227	5,419	5,364	5,300
Malaysia	1,194	1,331	1,187	1,303	1,300
Philippines	2,754	2,266	3,201	3,185	2,800
Singapore	318	359	280	334	350
Thailand	1,189	1,072	1,128	1,600	1,300
Vietnam	1,228	1,144	925	1,925	1,700
Total	12,284	11,399	12,140	13,711	12,750

# Southeast Asian Production of Broiler Meat and Pork USDA Estimates for CYs 2000 - 2010





# Containerized Shipments to Southeast Asia Are Increasingly Important

- Containerized shipments of agricultural commodities to Southeast Asia has greatly increased opportunities for the U.S.
- Containerized shipments have expanded the number of exporters to the region and greatly increased the number of buyers who can now directly access U.S. commodities.
- With containers smaller users in the region can now buy higher quality products in smaller quantities from smaller U.S. suppliers.
- Containerized shipments have greatly lengthened the period when U.S. commodities are competitive in the region.
- The U.S. has advantage over other suppliers because of large surplus of empty containers in the U.S.
- Containerized shipments mostly have added to total sales rather than reducing bulk shipments by expanding number of buyers.

Soy Shipments to Southeast Asia in Containers  
2009/10 Marketing Year (MT)

Country	Soybeans	Soymeal	Other Soy Products	Total
Indonesia	434,182	101,719	1,344	537,245
Malaysia	140,446	25,432	1,112	166,990
Philippines	23,180	146,717	1,596	171,493
Singapore	19,001	4,614	607	24,222
Thailand	99,977	25,471	3,839	129,287
Vietnam	71,118	98,844	160	170,122
<b>Total</b>	<b>787,904</b>	<b>402,797</b>	<b>8,658</b>	<b>1,199,359</b>

# Keys to Exporting to Southeast Asia

- Recognize each country is distinctly different.
  - Personal relationships are essential. Buyers want to get to know their suppliers personally and develop trust in them. Exporter need to travel to the region.
  - Supplying quality products on a consistent basis is essential.
  - Do not underestimate the sophistication of the buyers and their companies. Most companies are very sophisticated.
  - Exporters should retain knowledgeable and respected representatives in the region.
  - Exporters should work closely with cooperator organizations which have staff who understand the markets and know the importers and users.
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# Questions?

John C. Baize

Tel: 703-698-5908

Email: [jbaize@attglobal.net](mailto:jbaize@attglobal.net)