



THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 12/12/2016

GAIN Report Number: SN6010

Singapore

Exporter Guide

Annual 2016

Approved By:

Joani Dong
Regional Agricultural Attaché

Prepared By:

Alice Kwek
Agricultural Marketing Specialist

Report Highlights:

Singapore is the fourth largest market for U.S. agriculture, fish, and forestry products. It is a leading market for high-value consumer-oriented products. The market is dynamic with great interest in new products, yet very competitive. Leading U.S. prospects are temperate fruits, dairy products including artisan cheese, further processed meat products, prepared foods, edible nuts, healthy snacks and fruit juices.

Post:

Singapore

Table of Contents

EXECUTIVE SUMMARY	3
SECTION I. MARKET OVERVIEW	3
SECTION II. EXPORTER BUSINESS TIPS	6
SECTION III. MARKET SECTOR STRUCTURE AND TRENDS	8
SECTION V. KEY CONTACTS AND FURTHER INFORMATION.....	15
APPENDIX I. STATISTICS.....	17

EXECUTIVE SUMMARY:

Singapore is one of the world's most open economies and is highly dependent on international trade. It is the 14th largest exporter and the 16th largest importer in the world. With one of the highest per capita GDPs (\$52,310) in the world, it is also a good market for U.S. high value products. In 2015, the U.S. exported a record \$688 million in consumer-oriented products to Singapore, with sales expected at growth of 10 percent in 2016. Leading U.S. prospects are fresh fruits, processed fruit and vegetable, fresh/chilled/frozen/processed red meats, dairy products including cheese, tree nuts and wine and beer.

SECTION I. MARKET OVERVIEW

Singapore is an independent Republic with a land area of 270 square miles and a population of 5.6 million in a highly urbanized economy. The resident population is 74 percent ethnic Chinese, 13.3 percent Malay, 9 percent Indian and 3.5 percent of other ethnic groups. Major languages spoken are English, Mandarin and Malay. Singapore has a low annual birth rate of less than one percent.

Strategically located in the middle of key trade flows from Asia, Australia, Europe, the Middle East and the U.S., it is one of the world's most open economies and is highly dependent on international trade. The volume of its external trade is about three and a half times its annual Gross Domestic Product.

Any decline in the economies of any of its major trading partners, i.e. the U.S., China, Malaysia, Indonesia, and South Korea will have an impact on the economy. The top five trading partners are China, Hong Kong, Malaysia, Indonesia and the United States.

Singapore's principal exports are petroleum products, food and beverages, chemicals, textile/garments, electronic components, telecommunication apparatus, and transport equipment. Singapore's main imports are aircraft, crude oil and petroleum products, electronic components, radio and television receivers/parts, motor vehicles, chemicals, food/beverages, iron/steel, and textile yarns/fabrics.

Singapore is at the cross-roads of major air and sea routes within the Asia Pacific region and serves as a hub and major transshipment center for much of the Southeast Asian region and the Indian subcontinent. Singapore's role in regional trade is demonstrated by the fact that re-exports comprise between 45-50 percent of total exports. It also serves as a regional food showcase and headquarters for international food and agricultural related companies.

Singapore is, however, the world's most expensive city to live in according to Economist Intelligence Unit's 2016 Worldwide Cost of Living survey, making it the third year in a row. It is also known for its' high transport and utility costs and the most expensive city in the world to buy and own a vehicle, it is mandatory to buy a "Certificate of Entitlement" (COE) valid for a period of 10 years. (please refer to [www: https://www.lta.gov.sg](https://www.lta.gov.sg) for detailed information.

However, for basic groceries, Singapore is still cheaper than its Asian neighbors Seoul – 33 percent, Hong Kong – 28 percent and Tokyo – 26 percent.

The Market for Consumer Oriented Foods



Singapore at Night

(Source: FAS Singapore)

Singapore is almost entirely dependent on imports for all of its food requirements with virtually no local agricultural production. There are no import tariffs or excise taxes for all food and beverages, except for alcoholic beverages and tobacco products. However, a Goods and Services Tax of 7 percent (GST) is levied for all goods and services at the point of distribution.

In 2015, Singapore imports of agriculture, fish and forestry products totaled \$11.42 billion, the United States was the fourth largest supplier with a market share of 8 percent valued at US\$897 million in total.

The total value of imported consumer oriented foods was \$6.62 billion in 2015. A total value of US\$1.03 billion of fish and seafood products were also imported. Major Consumer-Oriented food imports include dairy products, alcoholic and non-alcoholic beverages, meat, fresh fruit and vegetables, snack foods and processed fruit and vegetable. The U.S. is a major supplier of fresh and processed fruits and vegetables, meats, dairy products, , and snack foods.

Competition with U.S. agricultural products comes from Australia, New Zealand, EU, Brazil, China and neighboring countries such as Malaysia , Indonesia and Thailand, who export similar consumer oriented products, including temperate fruits and vegetables, fruit juices, nuts, wines, processed packaged and canned food products, confectionery and candies, frozen poultry and frozen meats. As the market for consumer-oriented products is very open and easily accessible, there is fairly quick entry for new comers. Competition in some of the consumer product categories is very intense.

The major impediments to U.S. agricultural exports are strict sanitary requirements on meat, poultry and egg imports. Singapore's food regulatory body, Agri-Food and Veterinary Authority of Singapore (AVA) has zero tolerance for *salmonella enteriditis* and extremely low tolerance for *staph aureus* in poultry meat to protect consumers from poor food handling and cooking practices. AVA also objects to certain use of anti-microbial sprays on animal and poultry carcasses, which is a widespread practice in the United States. (Please refer to GAINS latest FAIRS – regulations narrative report for detailed information).

Not all imported foods are consumed locally. It is estimated that routinely, and, depending on the product category, up to 75 percent of food imports are re-exported mostly to neighboring countries. Major product categories include dairy products, frozen poultry and poultry parts, fresh fruit and vegetables, red meats, alcoholic and non-alcoholic beverages, snack foods and other consumer-oriented products. The growth rate for the consumer oriented foods category averaged about 10 percent per annum over the calendar period 2013 - 2015. The U.S. market share from 2013 to 2015 averaged 9-11 percent for the consumer oriented foods category.

Demography and Socio-economic impact

Singapore's population growth rates have been falling rapidly in the last decade as a result of the decreasing number of births by Singapore residents. The current total population of 5.6 million comprised of 3.90 million citizens and permanent residents and 2.15 million non-residents. The proportion of elderly residents has increased rapidly over the last ten years. Residents aged 65 years and above comprised 13 percent of Singapore's resident population.

Singapore boast a highly educated population, with half of the resident population aged 25 years and over had at least post-secondary qualifications in 2015. University graduates constituted 28.2 per cent of the resident population in 2015 compared to 17.5 per cent a decade ago. Residents with diploma and professional qualifications also accounted for a larger share at 14.7 per cent in 2014.

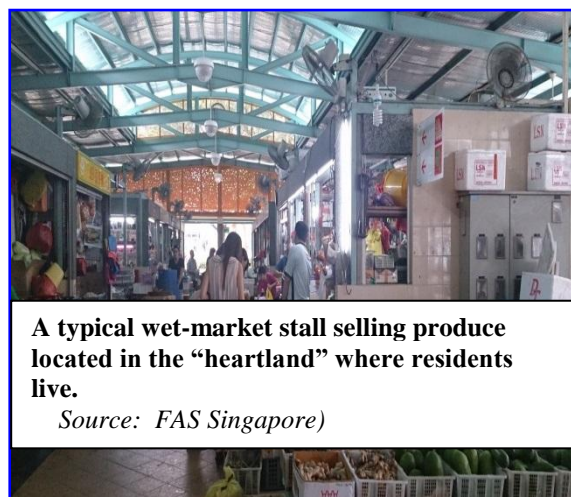
According to the Singapore Department of Statistics, more couples ended up in divorce while fewer tied the knot in 2015. The number of divorces rose 2.9 percent in 2015, with 7,522 marriages dissolved compared to 7,307 in 2014. There were a total of 28,322 marriages last year compared to 28,407 in 2014. Muslim marriages registered a slight increase, from 5,544 in 2014 to 5,778 in 2015. There was a significant shift in the age profile of divorcees between 2005 and 2015, among men, the proportion of divorcees aged 45 years and above rose from 30 percent in 2005 to 42.4 percent last year. For females, the proportion rose from 20.1 percent to 27.5 percent.

The median marriage duration for divorces in 2015 was at 10 years, which goes to show that Singaporeans are Asian values of upholding a marriage is eroding. (Source: Channelnewsasia press report)

The most common type of dwelling among resident households in 2015 continued to be HDB (government subsidized apartments) 4-room apartments - 32 per cent, followed by HDB 5-room and executive apartments - 24.1 per cent and HDB 3-room apartments - 18.2 per cent. And 90 percent residents proudly owned their homes, the average price for a 4-room apartment can cost between \$200,000 and \$350,000 depending on locality. In 2015 13.9 per cent of resident households stayed in condominiums & other apartments and 5.6 per cent stayed in landed properties. The proportion of resident households staying in condominiums and other apartments had generally increased over the years. The average price of a condominiums ranges from \$1 million to \$2 million, with those in prime districts commanding up to a value of \$2 million.



A typical “Makan Place” (eating food stalls) where HDB apartments are located.
 (Source: FAS Singapore)



A typical wet-market stall selling produce located in the “heartland” where residents live.
 Source: FAS Singapore)

Summary of socio-economic impact of changing demographic structure.

- Slower growth rates in domestic demand.
- Growing personal disposal income due to better-educated workforce.
- Smaller household sizes due to falling marriage and birth rates.
- Growing demand for food products for the mature age groups.
- Growth and diversity in consumer tastes with the greater increase in the number of highly educated and more well-traveled Singaporeans.
- The rising number of visitor arrivals and foreign workers in the country have contributed to a more diverse and sophisticated consumer base.
- More working women and single professionals have led to growth in demand for convenience foods and ready- to-cook prepared meals.

Advantages and Challenges for U.S. Suppliers

Advantages	Challenges
Fast growing incomes and highly educated population.	High costs of entry into major supermarket chains.
Increasing preference for higher quality products.	Lower prices of competing products from other countries.
Proliferation of western family-style restaurants and fast food chains.	Inadequate knowledge on use of U.S. products.
Large numbers of resident expatriate population familiar with western type foods.	High promotional and advertising costs for introducing new products.

SECTION II. EXPORTER BUSINESS TIPS

Local Business Practices and Custom

In the arena of international trade, Singapore business practices tend to follow those in the more developed and highly urbanized economies. The country’s laws are patterned after the British legal system. There is considerable reliance on international trading practices and contracts.

Letters of credit are normally used for first time transactions, and only after a long history of business relationship is established, the terms of payment may then be mutually adjusted to an open trading account with payment terms of up to two months. It is not uncommon for buyers to request samples from first time suppliers. In some cases, U.S. exporters may request that buyers pay for airfreight charges and handling costs of samples if they become prohibitive.

U.S. exporters who are exporting for the first time to the Singapore market are advised to consider making use of local distributors or at least a local representative to help them guide through the requirements of the Singapore Food regulations and local trading practices.

However, financial and credit arrangements in the domestic economy are very different. With few exceptions, supermarket chains, restaurants and other retail customers expect suppliers to provide credit terms of up to ninety days. There is also an implicit understanding to accept the return of damaged and unsold goods. On the other hand, some small retailers like Mom and Pop stores pay cash on delivery, as their order sizes are very small. Hence, if U.S. exporters decide to carry out their own local distribution, they would have to expect to meet the usual credit terms demanded by local supermarket chains.

General Consumer Tastes and Preferences

With rising consumer incomes, Singaporeans are prepared to pay for higher quality food products or products that will provide savings in labor and time. Hence, on the supermarket shelves we tend to see an increasing number of prepared and convenience foods. Diced vegetables and seasoned portion-control meats and poultry are in increasing demand as both spouses work.

As almost all Singapore households are of Asian origin, imported foods that are to be used in local cooking have to be able to lend themselves to Asian cuisines. Asian dishes tend to be stir fried or steamed and prepared in curries or marinated in sauces.

Food Standards and Regulations

In Singapore, the Agri-Food and Veterinary Authority (AVA) is the national authority responsible for food and agriculture matters in Singapore. Established as a statutory board under the Ministry of National Development in 2000, AVA's main functions include facilitating agri-trade, ensuring a resilient supply of safe food, and also warranting the safety of all food or food products in the country from production to retail. AVA adopts a science-based risk analysis and management approach based on international standards such as Codex and OIE to evaluate and ensure food safety.

Legislation

AVA administers a total of 9 statutes, including the Agri-Food and Veterinary Authority Act, the Animals and Birds Act, the Control of Plants Act, Endangered Species (Import and Export) Act, the Feeding Stuffs Act, Fisheries Act, the Sale of Food Act, the Wholesome Meat and Fish Act, the Wild Animals and Birds Act, and their subsidiary legislations. The AVA Act (Chapter 5) is an Act to "establish the Agri-Food and Veterinary Authority, to provide for its functions and powers; and for matters connected therewith". The food safety system is backed up by enforcement of food safety standards through a legal framework. Essentially, all food, drinks and eligible agricultural products,

both local and imported products, are governed by AVA's laws and regulations. The major legislations that relate to food safety can be found on their website as: <http://www.ava.gov.sg/legislation>

Singapore food laws are delineated in the Food Act and all packaged foods sold in retail outlets have to comply with the allowable ingredients and preservatives listed in the abovementioned Act (please refer to the latest GAINS FAIRS Report in the USDA website, (www.fas.usda.gov)).

Singapore has a very open import regime and all foods, with the exception of alcoholic beverages and tobacco products are imported duty-free. There are practically no non-tariff restrictions since there is very little local production and the current government policy is to source food products from all over the world. Customs clearance of imported food products is carried out electronically and the process is completed in less than 48 hours.

Import and Inspection Procedures.: Export health certification is required for the import of meat, poultry products and shellfish products. In most import cases, random inspection and laboratory analysis of meat and poultry products are carried out.

Halal Foods

There is no global standard certification for halal foods, and, thus, certification requirements vary from country by country. The halal certifying body in Singapore (Majelis Ugama Islam/MUIS) serves the country's small Muslim population (13.3 percent). MUIS Halal services started in 1978, and its Halal Certification Standard Unit was set up to regulate Singapore's halal sector. MUIS halal certification mark is recognized in key halal markets such as Brunei, Indonesia, Malaysia and the Gulf Cooperation Council countries. MUIS will also intervene to certify whenever halal products are imported for repacking or reprocessing in local facility. This procedure is to be completed by the local importer or the manufacturer. MUIS is a statutory board of the Singapore government and is under the purview of the Ministry of Culture, Community and Youth; and works very closely with AVA on food safety matters. Point to Note: Although halal certification is not an import requirement in Singapore, however, it is advisable to get products halal certified if U.S. exporters want to target Muslim customers not only the Singapore but to gain international Muslim market share.

The following are considered "high-risk" products that require halal certification:

- Products containing gelatin
- Flavors and ingredients for food processing
- Meat products

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Consumer-oriented Foods and Beverages & Edible Fishery Products

Singapore, with one of the highest per capita income in Asia, is one of the most open economies in the world with no tariffs on all food products except on alcoholic beverages. As a result, a wide range of food products from all over the world are found on supermarket shelves in this compact island nation of 5.61 million people.

The major suppliers of fresh temperate climatic fruit to Singapore are the United States, Australia, South Africa, New Zealand, Korea, Egypt, Spain, France, Argentina and Turkey. Suppliers of tropical fruit are neighboring countries of Malaysia, Philippines, Thailand and Vietnam. Singapore households buy

mostly fresh leafy green vegetables from China, Malaysia, Indonesia, and Thailand. On the other hand, most of the imported temperate vegetables originating from Australia, New Zealand, European Union and the United States are supplied to restaurants and larger supermarket stores such as the Cold Storage Market Places and NTUC Finest stores.

Singapore imports all the meats and poultry it consumes from all over the world. Poultry and pork are the main meat items consumed in Singapore. Freshly- slaughtered chicken is obtained mostly by importing live poultry from Malaysia for slaughter in local abattoirs. About half of the chicken requirements are fulfilled through the imports of frozen chicken and chicken parts from Brazil, Thailand, United States, Malaysia, Argentina and China.

Since local pig farms ceased production in April 1999, the only source of imported live pigs (about 334,000 head annually) for slaughter comes from Indonesia. Most of Singapore's pork requirements are fulfilled through the import of chilled pork from Australia and frozen pork from European Union and the United States. Beef, while not as widely consumed as chicken, is sold principally in the supermarkets. Major suppliers of beef include Australia, New Zealand, Argentina and China.

In the fish and seafood category, Singaporeans consume mostly fresh and frozen finfish caught and sold by neighboring countries, i.e. China, Malaysia, Indonesia, and Vietnam. Other major suppliers include Norway, Thailand, Japan, Australia and India. In 2015, a total value of US\$1 billion of fish and seafood were imported from worldwide sources.

Singaporeans are very fond of fresh seafood; especially fin fish, crabs, lobsters and clams. While most of the finfish are purchased in the wet markets for home consumption, Singapore consumers generally go to restaurants for the consumption of crabs and lobsters.

Food Retail Sector

The Singapore grocery retail sector had total sales of \$6 billion in 2015. Most of the food retail sales in Singapore take place in hypermarkets, supermarkets and modern mini-marts. In 2015, Mom and Pop stores such as convenience shops, neighborhood/traditional provision shops, wet market stalls and petrol stations took 20 percent of total sales. Online grocery shopping is only popular among busy working adults who do not have to do physical grocery shopping, as consumers generally prefer to shop physically at supermarkets and convenience stores as they highly accessible, and conveniently located.

Please refer to the latest GAINS Food Retail Sector posted on www.fas.usda.gov for detailed information.

Generally, the large supermarket chains and several up-market retailers import western-type products directly from source countries, consolidators and distributors for their own outlets, while smaller retailers buy from local distributors. Products imported directly include juices, jams, confectionery, biscuits, snack products, salad dressings, pre-packed deli meats and fresh temperate fruit, although it can be anything now if the volume warrants direct importation and cutting off the middleman. Products procured from local importers would include products from the Asian region, dry groceries, tropical fruit, frozen chicken and chicken parts, frozen beef, local sauces and ethnic foods.

Two major supermarket chains dominate the Singapore retail industry, Dairy Farm International Holdings Ltd., and NTUC Fairprice. Dairy Farm International Holdings with their Cold Storage brand

stores target principally the middle and higher income groups, while NTUC cater to the mass-market group. NTUC Fairprice remains the leader in the industry with a market share of 33 percent in 2015.

The largest supermarket chain in terms of number of supermarket retail stores is the Dairy Farm International Holdings with 123 supermarket stores, comprising of 53 Cold Storage supermarket retail stores, 5 premier Market Place stores, 5 Specialty stores and 29 Giant Express, 22 Giant Supermarkets and 8 Hypermarkets. A large percentage of products on their shelves are western-type products from the EU, Australia, New Zealand and the United States. Nine of their outlets are located in upper middle-income residential areas and customers to these outlets are principally expatriates and upper middle-income residents. In addition, the Dairy Farm Group operates the 7-Eleven Convenience Chain of 530 stores and 128 Guardian Pharmacy outlets.

The second largest, is the NTUC Fairprice supermarket chain with a network comprising 100 Fairprice supermarkets, 16 Fairprice Finest stores and 8 Fairprice Xtra (Hypermarkets). In addition, the group has 160 Cheers Convenience Stores and 20 Fairprice Convenience Stores some of which are located in Esso-Mobil Stations. NTUC Fairprice's target audience is principally the upper-middle, middle and lower income groups.

Competitive pricing is one of the main factors determining whether a new product should be procured for the NTUC Fairprice stores. The NTUC Fairprice chain is the most extensive in terms of consumer reach, geographically, and across all income segments. Fair price stores are located in almost every large residential population concentration. Importers who require their products to be distributed island-wide and with the focus on the mass market prefer to work with NTUC Fairprice.

NTUC Fairprice supermarket chain procures their food products from consolidators, distributors and local importers. The company has also embarked since 1985 on extensive house branding of basic essentials like confectionery, rice, bread, sauces, cooking oil, toilet paper, tissue paper, sugar, detergents, canned fruits and vegetables, etc. The items are, on average, priced 10 to 15 per cent lower than comparable products. In July 2008, "Pasar Organic" was added to the range, offering organic produce at affordable prices.

There are several independently managed supermarkets such as Big Box, Isetan, Meidi-Ya, Mustafa's, and Prime Supermarket. The locally established supermarket chain, Sheng Siong which has 33 small and medium sized stores and Prime Supermarket with 19 outlets are family-owned business entities which originated from small single grocery outlets to their current sizes today. Both Sheng Siong and Prime are very price competitive as they procure most of their products from China and other neighboring low cost Asian supplier countries.

Customers of both supermarket chains come mostly from the lower middle-income groups. The rest of the above mentioned supermarkets are independently operated supermarket stores with only one outlet each. Isetan and Meidi-Ya target principally the upper middle-income groups and the Japanese community in Singapore.

Food Service Sector

The Singaporean foodservice market has witnessed steady growth mainly due to a steady domestic economy, rise in tourism and demographic changes. Restaurant sales reported an increase of 10 percent

for 2015 due to the greater influx of tourists and business arrivals (15 million). The key drivers of the foodservice industry are growth in tourism, a stable economic environment, increases in the female working population and a low level of inflation. The two integrated resorts; Marina Bay Sands and Resorts World Singapore and new leisure facilities; Gardens by the Bay and Marine Life Park, and shopping malls provided opportunities for further expansion by existing players and allowing new entrants into the market. Tourism receipts from food and beverage totaled \$2.3 billion in 2015.

Singapore's Hotel, Restaurants and Institutional (HRI) industry is extremely competitive with the number of food service outlets and sales growing about 3 and 4% respectively.

Key Trends/Developments in the HRI Sector:

- **Changing Food Landscape.** Food landscape is changing as a result of the introduction and preference of more foreign foods and popularity of online shopping. Supermarkets are well stocked with foreign and exotic ingredients from around the world and the restaurant scene is more vibrant. The launch of the Michelin Guide in Singapore 2016 (<https://guide.michelin.sg/2016-michelin-guide-singapore-launches>) is expected to boost patronage for the 200 recognized players in more than 35 different cuisine categories and food establishments.
- **Stable Growth.** Stable growth in the food service industry in 2015. In Singapore, eating out is common due to the availability of hawker centers, food courts, coffee shops and casual dining places which provide a wide variety of local dishes at affordable prices. Singaporeans are clocking more work hours and less time are spent in cooking, which means opting for “meals to go” and or meals at casual dining cafes, food courts or opting for fast foods.
- **Local foodservice operators are taking the lead.** In comparison to international players, Local food stalls at a hawker center major local players, Crystal Jade and Tung Lok Restaurants rank tops in full-service restaurants in 2015 with their interesting cuisines and themes.
- **Franchising – Local/Asian and Foreign.** Franchising is prevalent in Singapore, with casual dining chains and fast food chains having the strongest presence, for example, ABR Holdings Ltd which is the franchisee of Swensen's. Korean cuisine are also finding success with consumers because of the influence by K-pop and K-dramas, for example, franchises such as Andon Zzimdak and Masizzim, Mr. Churro and Churro 101.
- **Increased Operating Costs and Growing Manpower Crunch.** The industry continues to struggle with a growing manpower crunch and rising rental costs. There is a high turnover in the sector and a great dependence on foreign labor. Players are therefore making use of technology, for example, iPads are used for displaying menus and ordering, to lighten their manpower requirements.
- **Increased Interest in Healthier Meals.** The local health authorities' Healthy Dining Program has spurred consumers' interest to eat healthy and this led to increased demand for healthier meals, which in turn, encourage players to offer more healthy options on their menus.
- **Thirty party delivery service.** The launch of “Food Panda” in 2012 offered consumers the convenience of on-demand delivery with choices from fast food, fast casual restaurants such as Burger King, Yoshinoya (Japanese), Carl's Jr., Swensens and The Manhattan Fish Market. “Deliveroo” and “Uber Eats”, recent entrants with a different positioning, provide delivery service for restaurants and cafés. These players provided both operators and consumers with

more choices as well as convenience, and help simplify the process for food delivery. Food delivery provides an extra avenue for players to sell and reach out to consumers.

Singaporeans and expatriates are spoiled for choice with the availability of a diverse range of cuisine, they can often eat in a wide range of different food service outlets during the day (some food stalls/coffee shops are open throughout the night), for example, at a local coffee shop in the morning, a food court at lunch time and/or restaurant or casual dining at night. In one day, consumers could eat a Malay breakfast, Chinese lunch and an American dinner. Between meals could be a coffee from Starbucks or local franchise coffee outlet such as Toast Box or YaKun or Wang, or a bowl of local noodles from a cooked food stall in food courts/food centers in shopping malls located suburban areas.

Food service companies in Singapore are widening their distribution network to other countries in the Asian region to achieve economies of scale in operation. As individual restaurant requirements are small, Singapore food service companies provide an alternative supply chain to customers who have small but frequent procurement needs for U.S. or western-type products.

A number of well-known U.S. brands are being transshipped or distributed from Singapore. Singapore Importers/Traders are able to provide credit terms to their counterparts in the region or to carry out specific handling, packaging or documentation requirements. Generally, products which have a longer shelf life and which do not need refrigeration are more easily transshipped.

Meat and poultry products, which require halal certification for Muslim consumers in the region, are generally shipped direct to the country of destination. Again, some Singapore traders may be involved in the procurement process as well as in the provision of short-term credit to the local importers in the destination country.



Singaporeans love seafood! Grilled U.S. lobster (left) and Japanese food from Michelin-star Shinji Japanese restaurant at Raffles Hotel (right)

(Source: FAS Singapore)

Food Processing Sector

Singapore's food processing sector is relatively small due to limited natural resources, livestock and agricultural production. The country engages in very minimal agricultural production, raw materials for food processing are mostly imported.

Point to Note: According to the Singapore Food Manufacturing Association (SFMA), Singapore is striving to become ASEAN (Association of SouthEast Asian Nations) food trade hub and for the country’s food industry to remain as one of the key supporting pillars to drive the economy’s growth. SFMA (an association of 300 members, is the body for food manufacturing industry of Singapore), is well-recognized and endorsed by Singapore governing bodies such as the International Enterprise Singapore (IE) and Standards, Productivity and Innovation Board (SPRING) provide assistance and support the local food manufacturers to grow and strengthen their market positions by facilitating and promoting exports, productivity and innovation.

An example of a program known as the Local Enterprise and Association Development (LEAD) which is aimed at improving industry competence and internationalization. The LEAD program partners with trade associations and chambers willing to take the lead in industry development to drive initiatives to improve the overall capabilities of local enterprises in their industries and capture opportunities overseas. Relatively speaking, the sector is small by United States’ standards, but may present small opportunities for U.S. exporters in the area of supplying food ingredient requirements to the food manufacturing industry mainly in local/ethnic type foods.

Singapore food manufacturers are keen to invest in Research and Development to cater to wider consumer bases through improved packaging, product shelf life, as well as adherence to strict food safety standards. Many are certified to international food safety standards such as the Hazard Analysis and Critical Control Points (HACCP), ISO 22000 (Family of International Standards that addresses food safety management), or the BRC Global Standards which help them gain a competitive edge in the global marketplace.

The United States, Malaysia, Indonesia Australia, Thailand, Vietnam, and China are Singapore’s main suppliers of food and food products. Competition is largely dependent on the nature of the product. For example, Australia and New Zealand supply most of the milk products and dairy ingredients and China supplies mostly the corn and soybean products, and Malaysia supplies nearly 20 percent of the food ingredient market and a major supplier of live poultry, edible oils, and tropical fruits and vegetables.

In 2015, Singapore imported \$688 million of consumer oriented agriculture total group, down from \$783 million in 2014. Processed foods import totaled \$551 million in 2015, versus \$592 in 2014. Top U.S. exports of processed foods to Singapore in 2015 included food preparations, chocolate and confectionery, processed vegetables and pulses, processed/prepared dairy products, non-alcoholic beverages, fats and oils and distilled spirits and other alcoholic beverages.

Singapore imported \$2 million of prepared/packaged fish and seafood from the United States in 2015, a decrease of \$1.3 million compared to 2014. Singapore is still a good potential market as total expenditure on processed fish and seafood for a typical household is about 17 percent. Demand for processed fish and seafood is expected to grow by at least 5% next year as Singaporeans love fish and seafood.

SECTION IV. BEST HIGH –VALUE PRODUCT PROSPECTS

Product Category	2015 Market	2015 Imports	5-Year Avg.	Key Constraints	Market Attractiveness for
-------------------------	--------------------	---------------------	--------------------	------------------------	----------------------------------

	Size (Volume) Metric Tons	(US\$)	Annual Import Growth Key	Over Market Development	USA
Breakfast Cereals	13,582	\$44,435,349	10%	Availability of local brands at lower price points.	Consumer health consciousness and for quick breakfast drive demand.
Dairy Products	348,318	\$846,366,315	1.8%	Availability of products from New Zealand, Australia and France.	As consumer becomes gain product understanding, opportunities will exist for development for U.S. dairy products.
Fresh Fruits	449,160	\$525,016,055	8%	Strong competition from China, Malaysia, Australia and South Africa	Strong demand for U.S. products for premium fruits such as stone fruits, summer berries and avocados.
Edible Nuts	n/a	\$223,184,996	13.5%	Price sensitive market.	Very strong demand for U.S. nuts.

Products Not Present in Significant Quantities But Have Good Sales Potential

Product Category	2015 Market Size (Volume) Metric Tons	2015 Imports (US\$)	5-Year Avg. Annual Import Growth Key	Key Constraints Over Market Development	Market Attractiveness for USA
Fish and Seafood	197,584	\$1,037,663,927	3.1%	Intense competition from lower cost regional suppliers such as China, Malaysia, Indonesia and Vietnam	High fish consumption with fish and meat accounting for approximately 40% of a typical diet.
Pork	89,603	\$293,674,752	2.6%	Strong competition from Australian air-flown fresh product, and frozen Brazilian product at the lower segment	Major protein food staple, good prospects in high-end outlets where consumers pay premium price for higher quality.
Fresh Vegetables	517,406	\$431,010,255	5.8%	Price sensitivity for some vegetables such as asparagus as well as lower priced alternatives from regional markets such as Malaysia, China, India and Australia.	Solid demand for U.S. produce, consumers will pay premium for fresh air-flown produce.
Snack	65,777	\$390,954,758	6.7%	Competition from	Strong demand for

Foods				cheaper sources such as Malaysia and Italy.	quality U.S. products and U.S. product has strong brand recognition.
Wine	30,805,141 liters	\$524,719,690	8.2%	Diverse competitive market with a massive number of labels from Australia, France, Italy, Chile, South Africa, etc.	Broad and wide market, with many opportunities at the right price point.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

 U.S. Department of Agriculture (USDA)
Foreign Agricultural Service (FAS)*
U.S. Embassy – Office of Agricultural Affairs
27 Napier Road
Singapore 258508
Fax: (65) 6476-9517; Tel: (65) 6476-9120
Email: agsingapore@fas.usda.gov

* FAS is USDA’s export promotion arm for agricultural products and represents USDA overseas.

Website: www.fas.usda.gov

Agri-Food & Veterinary Authority of Singapore
Ministry of National Development
Agri-Food & Veterinary Authority (Headquarters)
JEM Office Tower, #14-01
52 Jurong Gateway Road
Singapore 608550
Tel: 6805 2992 (General Enquiries)
Fax: 6334 1831
Website: www.ava.gov.sg

International Enterprise Singapore
230 Victoria Street, Level 10
Bugis Junction Office Tower
Singapore 188024
Tel: (65) 6337-6628; Fax: (65) 6337-6898
Website: www.iesingapore.com

Singapore Business Federation
10 Hoe Chiang Road

#22-01 Keppel Tower
Singapore 089315
Tel: (65) 6827-6828
Fax: (65) 6827-6807
Website: www.sbf.org.sg
Email: info@sbf.org.sg

American Chamber of Commerce in Singapore
1, Scotts Road
#23-04, Shaw Centre
Singapore 228208
Tel: (65) 6235-0077
Fax: (65) 6732-5917
Website: www.amcham.org.sg

Singapore Food Manufacturers Association
7 Teo Hong Road, Singapore 088324
Tel: +65 6221 2438
Fax: +65 6223 7235
Website: <http://www.sfma.org.sg/>
Email: enquiries@sfma.org.sg

Singapore Retailers Association
371 Beach Road
#02-04/05 Keypoint
Singapore 199597
Tel: (65) 6295-2622
Fax: (65) 6295-2722
Email: info@sra.org.sg
Website: www.retail.org.sg



Map of Singapore
(Source: World FactBook)

APPENDIX I. STATISTICS

A. Key Trade & Demographic Information

	2015	
Agricultural Imports From All Countries (\$Mil) /U.S. Market Share (%)	11,424	8%
Consumer Food Imports From All Countries (\$Mil) /U.S. Market Share (%)	6,620	11%
Edible Fishery Imports From All Countries (\$Mil) /U.S. Market Share (%)	1,038	2%
Total Population (Millions) /Annual Growth Rate (%)	5.6	1.3
Urban Population (Millions) / Annual Growth Rate (%)	N.A.	N.A.
Number of Major Metropolitan Areas	1	
Size of the Middle Class (Millions) /Growth Rate (%)	N.A.	N.A.
Per Capita Gross Domestic Product (U.S. Dollars) / Increase over previous year	52,310	-4.39

Unemployment Rate (%)	2.1	
Per Household Food Expenditure (U.S. Dollars) Per Annum	11,300	
Exchange Rate in 2016 (US\$1 = S\$1.39)		

(Source: Global Trade Atlas)

TABLE B. CONSUMER FOOD & EDIBLE FISHERY PRODUCTS IMPORTS

Singapore Imports (In Millions of Dollars)	Imports from the World			Imports from U.S.			U.S. Market Share (%)		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
CONSUMER- ORIENTED AG TOTAL	6,805	7,338	6,620	746	783	688	11	11	10
Snack Foods (Excluding Nuts)	389	416	391	37	39	39	10	9	10
Breakfast Cereals, Pancake Mix	37	43	44	9	9	9	24	21	20
Red Meats, Fresh/Chilled/Frozen	520	613	571	51	80	48	10	13	8
Red Meats, Prepared & Preserved	186	188	188	21	21	24	11	11	13
Poultry Meat	280	268	250	40	36	32	14	14	13
Dairy Products (Excluding Cheese)	1,049	1,143	764	55	70	42	5	6	5
Cheese	87	90	83	8	8	7	9	9	8
Eggs & Products	130	145	124	3	3	1	2	2	1
Fresh Fruit	486	538	525	90	101	86	18	19	16
Fresh Vegetables	436	433	431	19	18	15	4	4	4
Processed Fruit & Vegetable	365	362	375	77	71	70	21	20	19
Fruit & Vegetable Juice	81	79	73	14	14	14	18	18	19

Tree Nuts	121	161	140	18	23	24	15	14	17
Wine & Beer	729	808	704	20	27	23	3	3	3
Nursery Products & Cut Flowers	87	82	88	1	1	1	1	2	2
Pet Foods (dogs & Cat Food)	33	34	35	10	10	11	30	29	32
Other Consumer-Oriented Products	1,791	1,935	1,834	274	251	243	15	13	13
FISH & SEAFOOD PRODUCTS	1,009	1,049	1,038	19	19	21	2	2	2
Salmon	68	69	56	0	0	0	0	0	0
Surimi	0	0	0	0	0	0	0	0	0
Crustaceans	372	408	392	9	9	8	2	2	2
Ground fish & Flatfish	29	29	28	3	1	3	10	3	10
Molluscs	106	106	109	4	3	3	4	3	3
Other Fishery Products	434	437	453	3	6	6	1	1	1
AGRICULTURAL PRODUCTS TOTAL	10,428	10,911	9,841	915	965	865	9	9	9
AGRICULTURAL, FISH & FORESTRY TOTAL	12,184	12,670	11,424	954	999	897	8	8	8

(Source: Global Trade Atlas (GTA))

TABLE C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS FOR SINGAPORE

Consumer Oriented Agricultural Imports (In US\$ Million)

Rank	Partner Country	United States Dollars		
		2013	2014	2015
1	Malaysia	1,121	1,179	1,088
2	United States	746	783	688
3	Australia	614	684	586
4	France	506	601	498

5	China	509	503	471
6	New Zealand	492	534	399
7	Brazil	378	407	373
8	Indonesia	299	394	373
9	Thailand	315	319	319
10	Netherlands	216	235	222
11	Vietnam	166	216	212
12	India	120	119	128
13	Japan	117	120	122
14	Italy	101	119	102
15	Germany	125	136	101
	Others	981	989	936
	Total	6,805	7,338	6,620

(Source: Global Trade Atlas (GTA))

Edible Fishery Products Singapore Imports (In US\$ Million)

Rank	Partner Country	United States Dollars		
		2013	2014	2015
1	China	109	151	166
2	Malaysia	135	129	127
3	Indonesia	130	136	115
4	Vietnam	99	110	103
5	Norway	71	73	61

6	Thailand	67	63	54
7	Japan	55	51	54
8	Australia	49	40	43
9	India	37	37	36
10	Chile	25	29	31
11	United States	19	19	21
12	New Zealand	22	21	20
13	United Kingdom	16	16	20
14	Taiwan	21	15	20
15	Hong Kong	18	20	16
	Others	137	139	151
	Total	1,009	1,049	1,038

(Source: Global Trade Atlas (GTA))

END OF REPORT.