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This report has been prepared to alert U.S. food ingredient supplier to U.S. export opportunities within Singapore. It is a companion report to a report submitted in late November, SN8040, "The Southeast Asia Food Manufacturing Industry."

Next year, March 30-April 1, 1999, a Food Ingredient Asia show will be held in Singapore. This show will draw food producers and manufacturers, purchasers, government, trade associations, ingredient distributors, R&D, and marketing personnel from throughout Asia. The show organizer, Miller Freeman, projects about 80 percent of the expected 5,300 visitors will come from the Southeast Asia region. The balance will come from China, India, Japan, Korea, Taiwan, and Europe. The 1998 show was held in Shanghai, China; this year its Singapore's turn again.

The Economist, in its special issue "The World in 1998," defined the current crisis in Southeast Asia as good, since it will force changes for more modern management and more efficient production techniques. The following report is intended to, in part, to provide information on the changes taking place in Singapore, the least disadvantaged by the current economic crisis.

This report identifies food manufactures within Singapore and provides a review of their activities, explains Singapore's importance as a regional hub and reviews industry scenarios for the future, including the investment role of Singapore in food manufacturing in China and other Southeast Asia countries.

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Foreign exchange note

The Singapore Dollar (S\$) figures which have been used in the preparation of this report were translated to US\$ at a rate of S\$ 1.65: US\$ 1.00.

Introduction

This study was prepared for the U.S. Agricultural Trade Office, American Embassy, Singapore by Stanton, Emms & Sia. It has been prepared to provide US exporters of food ingredients with:

- C a review of Singapore's food manufacturing industry and its products.
- C a review of the market for food ingredients used by Singapore's food manufacturers.
- C feedback from users and distributors of food ingredients on the decision making process adopted by food manufacturers and their interest in US food ingredients.
- C a review of future scenarios for the food manufacturing industry with key points for consideration in developing export strategies as well as highlighting areas of future prospects for US food ingredient suppliers to Singapore.

In the report, food ingredients, as defined by U.S. Agricultural Trade Office's brief, refer to two broad categories of products used by food manufacturers. These are as follows:

! Food used as ingredients.

These products include meat products, fish and seafood, dairy products, vegetable and vegetable products, fruit and fruit products, herbs and spices (not chemical flavours), cereals and cereal products, pulses and pulse products, fats and oils, cocoa and its products, sugars and sugar derivatives and starch and starch derivatives.

! Food additives and other chemicals.

These products include colours, emulsifiers, enzymes, essential oils and plant extracts, flavours and aromas, hydrocolloids and gelling systems, sweeteners and yeast and yeast derivatives used in food production and other chemicals used by food manufacturers.

Executive summary

Singapore in profile

Singapore is one of the most affluent nations in Asia with a GDP per-capita of about US\$31,600 today. About 23% of the population are aged 15 years and below, which represents a sizeable pool of future consumers who will be an important driver for increased consumption of higher processed food and beverages in future.

Over 76% of its population make up the middle to upper income group of consumers, all of whom lead an urban lifestyle and represent the bulk of the market for higher processed food and beverages today.

Singapore's economy is based mainly on its strong export manufacturing and financial and business service sectors. Its economy grew at 8.2% in 1997 with inflation at 2.3%. Although it has recently been affected by the regional economic crisis, Singapore will benefit from economic growth in other parts of the world due to its export trade and will continue to perform better than most Southeast Asian countries in the next 2 to 5 years.

The food manufacturing industry

Singapore's food manufacturing industry comprises of just over 300 businesses with a total output valued at US\$ 2 billion in 1996. Major industries include the manufacture of alcoholic beverages (Sales of US\$ 165 million), non-alcoholic beverages (Sales of US\$ 165 million), edible oils (Sales of US\$ 279 million), dairy processing (Sales of US\$ 188 million) and other prepared foods (Sales of US\$ 323 million).

Industry sophistication varies. Generally, the large locals and the subsidiary of foreign companies show a much higher level of sophistication than the small to medium sized family-owned businesses. The quality of Singapore's products is high when compared to those produced in other parts of Southeast Asia. All food manufacturing companies involved in export markets meet the quality standards of the countries they export to, including Europe and North America.

The food ingredient market

Imports of food ingredients comprised of 3,017,585 tonnes of product worth about US\$ 3 billion in 1997. This includes products destined for Singapore's re-export markets. The high profile of Singapore as a market over the past 10 years has resulted in an increase in the number of suppliers marketing their products to Singapore businesses.

Today, many market segments are competitive, with up to 40 supply countries involved in some segments. About 80% of Singapore's imports are supplied by 15 countries. Of these, Malaysia, the USA, Japan, Australia, China and Thailand supplied over 60% of total imports in 1997.

The USA's share of the import market was about 15% in 1997. It dominates the market for meat offal and non-tropical fruits and is a key supplier of chemicals and additives.

Singapore's importance as a regional distribution hub

Singapore is generally recognised as Southeast Asia's main distribution hub. The facilities offered by its airport and seaport have encouraged a large number of businesses, including food manufacturers and ingredient suppliers, to base their operations in Singapore to serve their regional markets.

In 1997, US\$ 1.57 billion of food and beverages were re-exported from Singapore to various countries in the world. Of this, over 77% were shipped to Asian countries, with Malaysia being the main destination, followed by Japan and Hong Kong.

ASEAN initiatives affecting the food industry development

Singapore is a member state of ASEAN (Association of South East Asian Nations). Today, ASEAN has two different schemes and agreements which may affect the future structure and strategic direction of the food manufacturing industry.

The major force for change on the industry in Southeast Asia is the development of an ASEAN Free Trade Area (AFTA) which offers tariff reductions, with average tariffs of between 0% and 5% by 2003 for the major ASEAN economies, and the elimination of non-tariff barriers for manufactured and agricultural goods originating from ASEAN countries.

Other initiatives which may have a positive impact on the future structure of the food manufacturing industry include the ASEAN Industrial Co-operation Agreement (AICO) which promotes intra-ASEAN collaboration over production, distribution and marketing of ASEAN manufactured products and the ASEAN Investment Area (AIA), still at the drafting stage. The AIA is expected to be structured to allow investors to take benefit from an ASEAN-wide investment strategy.

Singapore is promoting itself as a regional ingredient trading and R&D centre for the food manufacturing sector. It is, therefore, well positioned as a service centre for ASEAN's food manufacturing industries as well as a manufacturing centre for certain businesses seeking to operate in a high quality manufacturing environment, supported by some of the region's best export-oriented distribution facilities.

Regulatory environment for food ingredients

There is no import duty on any food or beverage entering Singapore, except intoxicating liquors. It only imposes a 3% Goods and Services Tax (GST) on entry of all products.

Once the GST has been paid, products with a valid import licence are allowed to enter Singapore. The Primary Production Department control the imports of all primary food products while the Food Control Department controls the import of all other food and beverages. These controls do not act as trade barriers but are merely in place as part of Singapore's food quality control measures.

Singapore regulates imports of food ingredients through its Food Regulations which govern specific requirements on the processing, constituents and labelling of food products, specific definitions of processed food and beverages, inclusive of the minimum or permitted levels of certain constituents of each product. The Food Regulations also cover food additives and their use.

These regulations are constantly being reviewed and updated to take account of new developments in food production and processing. US exporters are advised to keep abreast of changes if they are involved in supplying to Singapore's markets.

Feedback from users and distributors

Trade interviews performed with high profile trade respondents indicated that most of them were interested to use US food ingredients in their products, including those who do not use any at the time of the interviews, i.e. November 1998. All of them indicated that quality and price were important factors which affect their decision on the purchase of food ingredients, providing the food ingredients can be utilised in their food products.

Most respondents stated that it is important for US suppliers to attend food exhibitions in Singapore, promote their products in Singapore and provide user support in the form of technical support, free samples and product information. They also pointed out that all queries raised by them should be promptly attended to as part of the service support required from US suppliers.

Future opportunities for US exporters

Opportunities do exist in Singapore for US food ingredient suppliers. Demand comes from both its food and beverage manufacturers and re-exporters of food ingredients. The key sectors which are targets for US exporters to Singapore are brewing, soft drinks manufacturing, edible oils processing and dairy processing.

Other important sectors with smaller sized demand are daily bakeries, fish and seafood processing, soybean products manufacturing, noodle manufacturing, flour milling, snack food manufacturing and meat processing.

1. Singapore in profile

Singapore is one of the most affluent nations in Asia with a GDP per-capita of about US\$31,600 today. Its current population is about 3 millions and this is projected to grow to 4.1 million by the year 2020 according to the United Nations Development Programme (UNDP).

The Table below provides the age profile of the population in Singapore.

Singapore's Age Profile	
	Percentage Aged
0 - 14 years	23
15 - 60 years	60
60 - 65 years	10
65+ years	7
Source: Population Data, 1998, UNDP	

The Table above highlights that a large proportion of the population is young, with children less than 15 years old forming 23% of the total population. According to the United Nations, most of the developed world has a lower percentage of persons under the age of 15 years, i.e. 18.8%.

Singapore therefore has a sizeable pool of future consumers in today's young population. This section of the society will be an important driver of higher processed food and beverage consumption in the future.

The Table below provides an overview of the country's wealth profile based on the latest available data provided by the Department of Statistics.

Income/Wealth Profile of Singapore	
High income group (earning in excess of S\$5000 per month)	10%
Middle income group (earning between S\$1000 and S\$4999 per month)	66%
Low income group (earning less than S\$1000 per month)	24%
Note : S\$1.65 : US\$1 Source: Household Survey 1995, Department of Statistics	

The Table above shows that Singapore has a high proportion of middle to upper income group of consumers.

All of these consumers lead an urban lifestyle.

The International Monetary Fund (IMF) in 1997 classified Singapore as an "advanced economy", grouping it together with the world's top countries like the United States of America and Japan. Today, it is the richest ASEAN (Association of South East Asian Nations) country with an estimated GDP per-capita of US\$ 31,612 at nominal rates.

Singapore's economy is based mainly on its strong export manufacturing and financial and business services sectors. In 1997, its export trade amounted to US\$ 112.5 billion. It also acts as an important regional distribution centre, with its re-export trade in 1997 amounting to US\$ 1.6 billion. This aspect of Singapore is discussed in more detail in a following section to this report.

The Table below shows the composition of its GDP in 1997.

Singapore's GDP by Economic Activity - 1997	
Manufacturing	22.7%
Financial and business services	29.0%
Commerce	17.6%
Construction	8.5%
Transport and communication	10.3%
Others	11.9%
Source: Department of Statistics	

According to the Ministry of Trade and Industry, its economy grew at an average rate of 8.2 %, with inflation at an average of 2.3%, during the period from 1990 to 1997. It has recently been adversely affected by the sharp fall in external demand due to the spin-off effects of the recent regional economic crisis. The government recently announced that Singapore slipped into negative growth (-1.5%) in the third quarter of 1998, although the economy could still show growth of 0.5% to 1.5% over the whole of 1998.

Despite the current financial and economic crises felt in the region, Singapore is currently one of Southeast Asia's most stable countries on both the political and economic fronts. Singapore will benefit from economic growth in other parts of the world due to its export trade and will continue to perform better than most Southeast Asian countries in the next 2 to 5 years.

2. The food manufacturing industry

2.1 The industry in overview

The Singapore food and beverage industry comprises just over 300 businesses with total output valued at about US\$ 2 billion in 1996. The Table below shows the total size of the food and beverage industry for the period from 1993 to 1996.

Size of Singapore's food and beverage industry - 1993 to 1996				
	1996	1995	1994	1993
Value of output in US\$ Million	2,001.2	1,951.4	1,839	1,707.9
Number of businesses	312	309	314	308
Source: Economic Development Board, Singapore				

The Table below provides an overview of the industry, based on the latest available statistics.

Overview of the food and beverage industry			
Sector	Value of Output in 1996 (US\$ Millions)	Number of Businesses in 1996	Industry Structure
Slaughtering of livestock and poultry	91.9	11	One major company is involved in the slaughtering of livestock which is owned by a government-linked corporation. A small number of key players exists in the poultry slaughtering sector, mainly family owned businesses.
Meat processing, not slaughtering, including canning	26.5	14	Dominated by a small number of large brand-driven businesses, all of which are local companies.
Dairy processing, excluding ice cream	184.9	8	Dominated by a small number of large brand-driven businesses, mainly local businesses except for a subsidiary of a foreign company.
Fish and seafood processing	93.7	27	Fragmented. The sector includes export-oriented medium sized family owned businesses.
Canned fruits and vegetables, not beverages	10.3	6	Small sector with a handful of medium sized family owned businesses and one large local.
Edible oils, including packing	275.5	11	Dominated by a few larger brand-driven local companies which are export oriented. An estimated 77% of the sector's sales is generated from export markets.

Overview of the food and beverage industry			
Sector	Value of Output in 1996 (US\$ Millions)	Number of Businesses in 1996	Industry Structure
Bread, cakes and confectionery	117.3	57	Highly fragmented with mainly family owned businesses but includes a very small number of large locals with household brands.
Chocolate and chocolate products	113.9	6	Small number of export oriented businesses are involved in this sector. An estimated 95% of the sector's sales is generated from export markets.
Noodles	48.5	29	Very fragmented with mainly traditional family owned businesses. The sector includes a large brand-driven local company and two subsidiaries of foreign companies.
Soybean products	61.9	27	Very fragmented with mainly small family owned businesses. A handful of brand-driven larger businesses dominate, particularly in traditional Asian sauces and soybean curd/products. The large locals are also export oriented. An estimated 43% of the sector's sales is generated from export markets.
Spice processing	19.8	6	Small sector with mainly traditional family owned businesses with an export orientation. An estimated 73% of the sector's sales is generated from export markets.

Overview of the food and beverage industry			
Sector	Value of Output in 1996 (US\$ Millions)	Number of Businesses in 1996	Industry Structure
Cooked food preparations	55.2	35	Fragmented with a large number of small family owned businesses and a small number of brand-driven large locals as well as subsidiaries of foreign companies producing Asian cooked foods.
Snack foods	33.5	13	Dominated by two brand driven, export oriented large locals. Other players are small family owned businesses.
Other prepared foods, including sugar, roasted coffee, ice cream, packed tea, jellies, soups, biscuits, frozen pizza, food ingredients and food service industry supplies.	533.3	50	Highly fragmented with small family owned businesses involved in producing a variety of innovative or traditional local food products. Includes a small number of subsidiaries of foreign companies which have entrenched themselves in the market with their brands.
Alcoholic drinks	169.6	5	Involves one large local brewery which dominates the sector, with an export orientation. The rest are local family owned businesses, producing local alcoholic drinks such as Chinese wine (Samsu).
Non-alcoholic beverages	165.4	7	All are medium/large brand driven businesses. Some own household brands. All are local businesses except for one foreign owned subsidiary.
Total	2,001.2	312	

Note: No reliable data is produced on local production output in quantity measures as the government does not monitor the industry using this basis.
Source: Economic Development Board, Singapore and market observations.

The Singapore industry has been under pressure from higher business costs, increased competition from imported products and changes in demand as the local diet has modernised over the past 10 years. As a result, the nature of many of its food and beverage businesses has changed from mainstream manufacturing to a combination of manufacturing and marketing of imported products.

Since our last food industry report prepared for USATO in 1994, some businesses have closed their local manufacturing operations and transferred production to other Southeast Asian countries. Singapore businesses have also invested in China.

The sectors which have seen such business strategy changes include canned soft drinks, ice cream, daily baked bread, canned foods, soybean products, snacks, traditional foods, instant noodles and beverage powders.

The above trend is expected to continue into the long term. The recent collapse in the Malaysian Ringgit against the Singapore Dollar makes Malaysia even more attractive than in the past. Added to this, a congestion free second causeway to Malaysia provides better distribution access for firms which relocated to the neighbouring Malaysian state of Johor.

Trade sources comment that relocation provides new opportunities for businesses producing beverages, edible oils and perishable products such as daily baked bread, ice cream, soybean products, instant noodles and frozen cooked foods. This arises because of the larger "home" market, i.e. Singapore and Malaysia.

Trade sources also comment that the significant changes in China's market will see continued investment by Singaporean businesses of all sizes. This may lead to China becoming an important base from which some Singapore higher processed food businesses supply their home market in the longer term.

The Singapore government is fully aware of the challenges facing its local food and beverage industry. It has established a broad development strategy to guide the industry towards higher end processed food products, research and development activities and the provision of services to Southeast Asia's food and beverage industries.

2.2 The level of industry sophistication

The food and beverage industry sophistication varies from sector to sector. Generally the large locals and the subsidiary of foreign companies show a much higher level of sophistication than the small to medium sized family-owned businesses. Singapore's food products quality is generally regarded by other Southeast Asian countries as of high quality. They comply with the standards set by the Food Act of Singapore. All food manufacturing companies involved in export markets meet the quality standards of the countries they export to, including Europe and North America.

The Table below provides an indication of the level of sophistication of the industry.

Level of industry sophistication			
Sector	Basic product/commodity oriented	Market driven/branded products	R&D activities/training activities
Sausage making	Small/medium sized family owned businesses	Large local (Singapore Food Industries (SFI), Tierney's)	Large local (SFI, Tierney's)
Canning and preserving of livestock and poultry	Small/medium sized family owned businesses	Large locals (Canning - Yeo Hiap Seng (YHS), Amoy, Preserving - SFI, Tierney's)	Large locals
Dairy processing	-	Large locals (Dairy products-Malaysia Dairies, Asia Dairies) Subsidiary of foreign company (Yakult) Medium sized family owned companies (Ice cream - King's, Mac's, Coolen)	Whole sector
Fish and seafood processing	Small/medium sized family owned businesses (Mainly export oriented)	-	-

Level of industry sophistication - continued			
Sector	Basic product/commodity oriented	Market driven/branded products	R&D activities/training activities
Canned fruits and vegetables	Medium sized family owned businesses (Allswell, Everbloom)	Large local (Amoy)	Medium sized family owned businesses (Allswell, Everbloom)
Edible oils	Small/medium sized family owned businesses	Large locals (Devon, Sime Darby)	
Baked products, including daily baked	Small/medium sized family owned businesses (various)	Large locals (Gardenia, Sunshine, Prima) Medium sized family business (Khong Guan) Subsidiary of foreign company (Meiji)	Whole sector
Chocolate and chocolate products	Subsidiary of foreign company (Callebaut) producing ingredients	-	Subsidiary of foreign company (Callebaut)
Noodles	Small/medium sized family owned business (Including Tat Hui Food - Koka)	Large local (YHS) Subsidiaries of foreign company (Myjo, Nestlé)	Whole sector
Soybean products	Small/medium sized family owned businesses	Medium sized family owned businesses (Fortune, Unicurd)	Medium sized family owned businesses (Fortune, Unicurd)
Sauces and seasonings (Asian)	Small/medium sized family owned businesses	Medium/large locals (Sin Sin, Tai Hua, Bachun, Chuen Cheong, Woh Hup) Subsidiary of foreign company (Kikkoman)	Subsidiary of foreign company (Kikkoman) Large locals (Sin Sin, Woh Hup)
Level of industry sophistication - continued			

Sector	Basic product/commodity oriented	Market driven/branded products	R&D activities/training activities
Spices processing	Large/medium sized family owned businesses (mainly traders)	Subsidiary of foreign company (McCormick)	Subsidiary of foreign company (McCormick) Medium sized family owned business (Spices of the Orient)
Cooked food preparations	Small/medium sized family owned businesses	Subsidiary of foreign company (Dragon Shokuhin, Delifrance, Orkla) Medium/large locals (Chinatown Food, Effort, Glory, Tee Yih Jia, Tastyfood)	Whole sector
Snack foods	Small family owned businesses	Medium/large locals (Tong Guan, Tai Sun)	Medium/large locals (Tong Guan, Tai Sun)

Other prepared foods, including sugar, roasted coffee, packed tea, jams and jellies, canned local soups and canned local desserts.	Small/medium sized family owned businesses	Medium/large locals (Super Coffeemix, Gold Roast, SIS '88, Boncafe, Hacks, Lysander, Everbloom, Prima, YHS) Subsidiary of foreign company (Unilever)	Whole sector
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Level of industry sophistication - continued			
Sector	Basic product/commodity oriented	Market driven/branded products	R&D activities/training activities
Food ingredients and bakery supplies	-	Subsidiary of foreign company (Woodlands Sunny Foods, Asahi Denka Kogyo) Large local (Prima)	Subsidiary of foreign company (Woodlands) Large local (Prima)
Alcoholic drinks	-	Large local (Asia Pacific Breweries)	Large local (Asia Pacific Breweries)
Non-alcoholic drinks, including carbonated and non-carbonated soft drinks, local health drinks, fruit juices, cereal drinks and ready-to-drink tea and coffee, sports drinks.	-	Medium/large locals (YHS, F&N Coca-Cola, Super Coffeemix, Auric Pacific, Malaysia Dairies, Amoy) Subsidiary of foreign company (Pokka)	Whole sector
Source : Industry observations by Stanton, Emms & Sia (October 1998)			

Generally, small to medium sized family owned businesses are commodity oriented and do not carry out any innovative R&D activities unless they are involved in speciality food production.

Other relevant points to note include the following:

- C Nestlé maintains a regional R&D centre in Singapore.
- C Callebaut offers training programmes and product development to all its customers at the Chocolate College in Singapore.
- C Prima runs a bakery industry training centre in partnership with the National Productivity Board.

- C Singapore's large local food companies utilise The Singapore Institute of Standards and Industrial Research's (SISIR) Food Technology Centre for their R&D and training needs. SISIR provides food product testing and evaluation, food innovation, food processing and consultancy services.

- C The following multinational companies have regional head quarters and/or marketing centres in Singapore; Groupe Danone, Unilever, Nestlé.

2.3 Profiles of key sectors in the food and beverage manufacturing industry and their development

2.3.1 Alcoholic beverages

Industry Size	Industry's Exports	Key Industry Drivers	Recent Industry Development	Future Industry Status
<p>Total sales of the industry (US\$'000):</p> <p>1993 - 141,779 1994 - 149,495 1995 - 154,889 1996 - 165,400 (trade estimate) Source : Economic Development Board</p> <p>The industry is dominated by Asia Pacific Brewery which produces beer, stout and shandy. It also includes a small number of small-sized family owned businesses which produce local/Asian alcoholic beverages, e.g. Chinese wine, Samsu.</p>	<p>Total direct exports (US\$'000):</p> <p>1993 - 39,961 1994 - 40,805 1995 - 40,412 1996 - 39,274 Source : Economic Development Board</p> <p>Around 25% of the industry's sales arose from export activities, of which beer exports formed 80% in total export value.</p> <p>Major export markets for beer include Bangladesh, Brunei, Cambodia, China, Hong Kong, Laos, Malaysia, Myanmar, Maldives, Sri Lanka, Taiwan, Thailand, the UK and Vietnam.</p>	<p>Economic growth over the past 10 years provided opportunities for the brewery for market growth and expansion in the region.</p> <p>"Supply push" for brewery's products. Brand driven with main competition from Carlsberg, Malaysia.</p> <p>Highly mature, small local market for locally produced Asian alcoholic beverage.</p>	<p>Brewery was upgraded a few years' ago to a more efficient operation.</p>	<p>Local brewery is well entrenched in the market and will continue to operate in Singapore. It will continue to improve its efficiency to maintain its competitive edge.</p> <p>The other small family businesses will continue to operate - margins they make will sustain the businesses into the long term.</p>

2.3.2 Non-alcoholic beverages

Industry Size	Industry's Exports	Key Industry Drivers	Recent Industry Development	Future Industry Status
<p>Total sales of the industry (US\$'000): 1993 - 197,094 1994 - 186,545 1995 - 171,458 1996 - 165,372 Source : Economic Development Board</p> <p>F&N Coca-Cola and Yeo Hiap Seng (Pepsi's bottler) dominate the industry with their household brands. Products produced include fruit drinks and juices (including Asian fruits) in cans or tetra paks, sports drinks, Asian health and jelly drinks, diet coke, mineral water, cordials and other carbonated soft drinks.</p>	<p>Total direct exports (US\$'000): 1993 - 66,859 1994 - 72,862 1995 - 52,195 1996 - 38,758 Source : Economic Development Board</p> <p>Around 25% of total industry sales were derived from exports, mainly non-carbonated ready-to-drink flavoured beverages.</p> <p>The major export markets are Brunei, Cambodia, Hong Kong, Japan, Myanmar, Taiwan, Vietnam and Malaysia. Products exported to Japan are mainly manufactured by Pokka, a Japanese subsidiary based in Singapore.</p>	<p>Mature brand-driven market and low margins earned have placed pressure on major players to aggressively maintain market shares by offering new and innovative products, supported by aggressive promotional activities.</p> <p>Low sugar campaign by the government has affected the industry by forcing it to consider the issue in its product innovation.</p>	<p>A lot of product innovation and new product and packaging introduction in an attempt to stimulate growth in the market and earn higher margins for niche products. The non-carbonated traditional drinks section has grown in importance over the past 5 years.</p>	<p>The industry will remain important to the 2 key players who will be developing their businesses under mature market conditions. There is a possibility in the long term that Pepsi's production may be moved to Malaysia to supply Singapore and the southern states of Malaysia as a single market of more than 8 million people.</p>

2.3.3 Edible oils

Industry Size	Industry's Exports	Key Industry Drivers	Recent Industry Development	Future Industry Status
<p>Total sales of the industry (US\$'000):</p> <p>1993 - 259,038 1994 - 252,598 1995 - 345,356 1996 - 279,201</p> <p>Source : Economic Development Board</p> <p>Key players include Sime Darby, Devon and Yee Lee which market palm oil products, vegetable ghee, shortening, margarine and specialty fats. The industry also refines soybean oil, sunflower oil, peanut oil, corn oil, linseed oil, coconut oil and peanut butter.</p>	<p>Total direct exports (US\$'000):</p> <p>1993 - 199,887 1994 - 197,861 1995 - 288,755 1996 - 216,065</p> <p>Source : Economic Development Board</p> <p>Close to 77% of industry sales in 1996 arose from export activities, of which over 54% were for unrefined vegetable oils and fats.</p> <p>Major export markets include Malaysia, Japan, Philippines, Thailand, Taiwan, Sri Lanka, Cambodia, Mozambique, Saudi Arabia, Tanzania, United Arab Emirates, Djibouti, Kuwait and Madagascar.</p>	<p>Economic growth over the past 10 years provided opportunities for market growth and expansion in the Asian region.</p> <p>Stiff competition from Malaysian lower priced processed products, together with low margins, have placed pressure on the industry to expand export markets in recent years.</p>	<p>Increase in packing non-standard oils which are new to the food culture, e.g. canola, sunflower, etc.</p> <p>R&D activities into blending oils and marketing the products under new brands in the domestic market.</p>	<p>The position is complex. One view is that high costs of doing business will eventually drive players out as future low profitability of individual companies will force this event. The other view is that as high levels of investments has been sunk into the industry, the players will stay on despite relatively low profit margins.</p>

2.3.4 Dairy processing, excluding ice cream

Industry Size	Industry's Exports	Key Industry Drivers	Recent Industry Development	Future Industry Status
<p>Total sales of the industry (US\$'000): 1993 - 239,153 1994 - 247,523 1995 - 193,643 1996 - 186,762 Source : Economic Development Board</p> <p>The industry is dominated by Asia Dairies and Malaysia Dairy Industries with their household brands.</p> <p>Products produced include long life milk, cultured milk, low fat milk, yogurt and yogurt drinks and butter.</p>	<p>Total direct exports (US\$'000): 1993 - 124,978 1994 - 129,510 1995 - 79,931 1996 - 76,662 Source : Economic Development Board</p> <p>Exports form about 40% of total industry sales, comprising of mainly milk products.</p> <p>Major export markets include Brunei, Hong Kong, Japan, Malaysia, Myanmar, Philippines, Taiwan and Vietnam. Products exported to Japan are contract packed specifically for the Japanese market.</p>	<p>Economic growth over the past 10 years provided opportunities for market growth and expansion in the Asian region.</p> <p>"Demand pull" for basic products such as sweetened condensed milk and "supply push" for yogurt products, together with strong customer loyalty, have sustained the industry, despite stiffer competition from imported processed products.</p>	<p>Major players have in recent years started to bring in more processed products from Australia to compete in the domestic market.</p> <p>Levels of product innovation and new product and packaging introductions have increased to give the large locals their competitive edge over imported products.</p>	<p>The industry will remain important to the 2 key players who will be developing their businesses under increasingly competitive market conditions. Future A&P and R&D activities by the 2 key players will ensure that they remain strong in the domestic market.</p>

2.3.5 Other prepared foods, including ice cream

Industry Size	Industry's Exports	Key Industry Drivers	Recent Industry Development	Future Industry Status
<p>Total sales of the industry (US\$'000): 1993 - 240,490 1994 - 312,178 1995 - 483,175 1996 - 323,212 (trade estimate) Note : The EDB does not provide further breakdown of the data above. Source : Economic Development Board (EDB)</p> <p>This is not a single industry but is made up of a number of smaller industry sectors. The EDB incorporates all other food manufacturers under this group which includes the manufacture of jellies, coffee, tea, ice cream, frozen pizza and other cooked food, sugar, biscuits and cookies, Japanese snacks, flour and bakery premixes and food ingredients for bakeries, confectionery and other food industries.</p>	<p>Total direct exports (US\$'000): 1993 - 119,511 1994 - 178,625 1995 - 302,438 1996 - 271,728 Source : Economic Development Board</p> <p>Export markets are very important to this group of industries. Over 80% of the total sales were generated from export markets in 1996.</p> <p>Major export markets include Brunei, China, Hong Kong, Japan, Malaysia, Myanmar, Philippines, Taiwan, Thailand, Vietnam, Russia and UK.</p>	<p>Economic growth over the past 10 years provided opportunities for market growth and expansion in the Asian region for most of the industries in this group.</p>	<p>The primary engine of growth appears to be export for most major players, especially those involved in research and development activities.</p>	<p>Most major businesses will remain in Singapore because of the unique status of their businesses in the food industry. The future development of businesses in this group will reflect the entrepreneurial nature of Singapore businesses.</p>

Key Industry Sectors	Key Firms	Key Industry Drivers
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<p>The key industry sectors are involved in the manufacture of:</p> <ul style="list-style-type: none"> C coffee, tea and cereal drinks. C ice cream. C biscuit. C sugar. C food ingredients for the bakery, confectionery and other food industries. C Shitake mushroom products. 	<p>The major players involved are:</p> <ul style="list-style-type: none"> C 5 medium to large locals (Super Coffeemix, Gold Roast, Boncafe, Lysander, Tastyfood) and a subsidiary of a foreign company (Unilever) involved in the manufacture of packed coffee, tea and cereal drinks, including ready-to-drink products. C 2 local medium sized companies (King's Creameries, Mac's) involved in the manufacture of ice cream. C a medium sized local company (Khong Guan) in biscuit manufacturer. C a strong sugar refinery (SIS '88). C 2 major manufacturers of food ingredients for bakery, confectionery (Prima, Woodlands Sunny Foods). C a medium sized manufacturer of Shitake mushroom products (Everbloom). 	<p>There are different reasons for the establishment and operation of the businesses in this group:</p> <ul style="list-style-type: none"> C research and development of products to meet local needs is important to Super Coffeemix, Mac's and Everbloom. These companies have developed new products specifically for the Singapore market and export to some neighbouring countries with similar demand traits, e.g. Malaysia and Brunei. C supply of commodities. This is the basis for SIS '88 and Prima. They face minor competition from imported processed products because of the nature of the products. C production of high quality export products/trading convenience from a Singapore base. Such companies include Boncafe, Lysander, Unilever and Woodlands Sunny Foods (WSF). WSF primarily manufacture to Japanese market needs although they also supply to the Singapore's food industries. C family businesses with strong local markets, based on many years' of involvement in the local market and closely meeting local demand. These include Khong Guan and King's Creamery. They generally compete with imported products and are involved in exports, thus expanding their business base.
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2.4 Profiles of key food manufacturers and their products

2.4.1 Fraser & Neave Ltd (F&N)

Company Background

F&N began operations in 1883. Today, its core businesses include soft drinks, breweries, property development, dairy products and packaging.

Its soft drinks business, F&N Coca-Cola Pte Ltd (F&NCC), is a joint venture with The Coca-Cola Co. F&NCC manages 16 soft drinks factories in 8 countries, i.e. Singapore, Malaysia, Brunei, Cambodia, Nepal, Sri Lanka, Vietnam and Pakistan.

Its brewery business, Asia Pacific Breweries Ltd (APB), is a joint venture with Heineken NV of Holland. APB manages 15 breweries in 9 countries, i.e. Singapore, Malaysia, Papua New Guinea, New Zealand, Vietnam, China, Thailand and Cambodia.

Its dairy business, Asia Dairies Pte Ltd (AD), has recently relocated most of its dairy manufacturing activities to Malaysia. Its Singapore operation is now involved in manufacturing ice cream products.

Financial Performance in Summary

By Business Activity (US\$Million)

	Sales		Profit	
	1997	1996	1997	1996
FNCC	358	319	25	17
APB	870	816	86	83
AD	192	208	5	12
Sales by Territory (%)			1997	1996
Singapore			26.1	26.7
Malaysia			24.6	25.8
Other Southeast Asian			14.7	11.4
South Pacific			34.6	36.1

Products Produced

F&NCC makes popular carbonated soft drinks under the brands of Coca-Cola, Diet Coke, Sprite, Fanta and regional favourites under F&N Orange, F&N Fun Flavours, F&N Mixers, Seasons and 100 Plus.

APB's leading beer and stout brands include Heineken, Tiger Beer, Tiger Classic, Anchor, Raffles Light, Guinness Stout and APB Stout.

Asia Dairies in Singapore produces ice cream products under the Meadow Gold brand. Its Malaysian operation produces sweetened condensed milk, evaporated milk, fresh milk, UHT milk, ice cream, yogurt and yogurt drink under the leading brands of F&N, Magnolia, Meadow Gold and Viva.

Distribution Coverage

Its soft drinks operation has good distribution coverage in Singapore and Malaysia with good support in Indochina and Nepal. Its Sri Lanka and Pakistan markets have weaker distribution coverage.

Its brewery operation has well established distribution networks in Singapore, Malaysia and Papua New Guinea with good support in Cambodia and Myanmar. Its Vietnam and China distribution coverage are still undergoing development.

It has a well established distribution network for its dairy products in Singapore and Malaysia.

2.4.2 Yeo Hiap Seng Ltd (YHS)

Company Background

YHS began as a small family business in 1935 in Singapore. It started canning chicken curry and also pioneered the bottling of soya bean drinks, and the first to locally pack soft drinks in Tetra Brik aseptic cartons.

Today its core businesses include the manufacture and distribution of Asian beverages, sauces, canned foods, snacks and instant food products and property development.

It has production facilities in Singapore, Malaysia, Hong Kong, USA, Canada, China and franchisees in Indonesia and Mauritius.

It owns about 40% shares in its listed Malaysian associate, Yeo Hiap Seng (Malaysia) Bhd.

Financial Performance in Summary

By Business Activity (US\$Million)

	Sales		Profit	
	1997	1996	1997	1996
F&B	125	127	10	7
Property	42	0	5	0
F&B Sales by Territory (%)			1997	1996
Asia			92.7	92.8
North America			7.3	7.2

Products Produced	Distribution Coverage
<p>Products manufactured by YHS include home brands such as:</p> <ul style="list-style-type: none"> C Yeo's Asian & Fruit Juice Drinks C Yeo's Less Sugar Drinks C H-Two-O Isotonic C Yeo's Jelly Drinks C Yeo's Canned Food and Sauces C Junior Juice C Yeo's Fruit Bits C Moo Milk <p>Franchise products manufactured by YHS include:</p> <ul style="list-style-type: none"> C Pepsi/Diet Pepsi C Schweppes drinks C Mineral Water C 7-Up/Diet 7-Up C Mirinda <p>YHS also has sole distributorship for imported products such as beer, wine and fruit juice.</p>	<p>YHS' products are distributed to over 50 countries worldwide. Important overseas markets include:</p> <ul style="list-style-type: none"> C Malaysia C Hong Kong C USA (Chinese products) C Canada (Chinese products) C Indonesia C Mauritius C Vietnam C Australia (Chinese products) C Brunei C Japan C New Zealand (Chinese products) C UK (Chinese products) C Taiwan <p>Other overseas markets with demands for its Chinese products include Belgium, Denmark, Finland, Holland, Middle East, Papua New Guinea, Spain, Sweden, Switzerland and West Germany.</p>

2.4.3 Prima Ltd (Prima)

Company Background	Financial Performance in Summary				
<p>Prima was incorporated in 1961 and became a public listed company in 1969.</p> <p>The company's main activities are in flour milling, restaurant business and trading.</p> <p>Prima owns and operates a flour mill in Singapore with R&D facilities to meet customers' needs.</p> <p>It also has a flour mill, an integrated feedmill and poultry farms, and chicken processing operations in Sri Lanka. In China, it has joint venture operations in 2 flourmills and a feedmill.</p> <p>It owns a confectionery franchise scheme which operates PrimaDeli cafe cake shops, cafes and cake shops. A central bakery and confectionery production facility supplies products to the franchisees.</p> <p>Prima also runs a baking industry training centre which is partly funded by a government body, the National Productivity Board. The main purpose of the centre is to upgrade the skills of local bakers, offering full-time and part-time certificate courses in bread, pastry, cake making and decorating, etc for persons employed in the industry.</p>	By Business Activity (US\$Million)				
		Sales		Profit	
		1997	1996	1997	1996
	Grain milling	34	34.6	2.8	1.3
	Restaurants	22.7	23.2	0.5	0.6
	Bakery/ cafes franchising	5.5	4.8	0.3	loss
	Other operations	22.6	16.4	3	loss
Sales by Territory (%)			1997	1996	
Singapore			77.4	83.8	
Asia			18.2	9.3	
North America			4.4	6.9	

Products Produced	Distribution Coverage
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Prima produces a wide range of wheat flour, bakery premixes and specialty flour in both institutional and retail packings.

Prima's brands include:

Building, Clover, Ikan Terbang, Prima, Flame, Fairy, Pear, Triple Fork, Lock, Beauty Boat, Necklace and Olympic wheat flour.

Prima's main market is in Singapore. Its competitors are mainly located in Malaysia. It has a near monopoly in Singapore due mainly to its close proximity to customers.

Major export markets for Prima's flour products include:

C Brunei
C Maldives
C Sri Lanka
C Vietnam.

2.4.4 Super Coffeemix Manufacturing Ltd (Super Coffeemix)

Company Background

Super Coffeemix started in 1987 with its innovative 3-in-1 instant coffeemix products. Today its core activities are in the manufacture of instant cereal flakes and as packers and distributors of instant beverages and convenience food products.

It has production facilities in Singapore (instant coffee packing, flake cereal manufacture), Malaysia (instant beverages packing, manufacture of can drink and cup noodles), Indonesia (instant beverages packing) and China (instant beverages packing). Singapore is also the group's marketing and management base from where R&D activities are carried out. It has recently announced a joint venture to set up operations in Myanmar.

In Singapore, 2 new plants are under construction and are expected to be completed in late 1998. These will produce the bulk of the businesses' flake cereal and soluble coffee raw material requirements, thereby reducing dependence on outside sources. Management hopes to create new products lines from these new facilities.

Financial Performance in Summary

By Business Activity (US\$Million)

	Sales		Profit	
	1997	1996	1997	1996
Mfg	61	58.4	3.9	9.2
Trading	5.5	4.4	loss	loss
Sales by Territory (%)			1997	1996
Singapore			62.3	53.7
Asia			37.7	46.3

Products Produced	Distribution Coverage
<p>Its product lines include:</p> <ul style="list-style-type: none"> C instant coffee powder C daily baked bread (being scaled down) C instant beverages, including 3-in-1 coffee and tea mix, all-in-one tea, iced tea, soya drink powder, cereal drinks, C can drink, including tea, coffee and soft drinks C non-dairy creamer C cup noodles <p>All products are sold under the "Super" brand.</p> <p>The group hopes to diversify into other food-related businesses such as instant porridge (Asian).</p>	<p>Super Coffeemix's major market is in Singapore. Its products are exported to around 30 countries, generating about 40% of its total sales.</p> <p>Major export markets for its products include China, Hong Kong, Macau, Taiwan, Australia, Mongolia, Indonesia, Malaysia, Myanmar, Thailand and Vietnam.</p> <p>It has recently established market presence in Russia, Eastern Europe, the Middle East and some African countries.</p>

2.4.5 Amoy Canning Corporation (Singapore) Ltd (Amoy Canning)

Company Background

Amoy Canning, established in 1951 in Singapore and in 1955 in Malaysia, has its beginnings in Xiamen, China in 1908 with the production of fine quality soy sauce.

In 1978, the Singapore and Malaysia businesses became independent entities although they both still function and cooperate closely today. Both produce similar products under similar brands.

The company in Singapore is involved in the manufacture, sale and contract packing of canned foods, sauces and soft drinks. It also has R&D facilities to develop new products lines.

Financial Performance in Summary

By Business Activity (US\$Million)

	Sales		Profit	
	1997	1996	1997	1996
Mfg	1.9	1.9	0.05	0.2
Sales by Territory (%)			1997	1996
Singapore			NA	NA
Other			NA	NA
NA : Not available				

Products Produced	Distribution Coverage
<p>Its product lines include:</p> <ul style="list-style-type: none"> C canned meat and poultry, including curry chicken, satay chicken, curry mutton, spiced pork cubes, stewed beef. C canned and bottles Asian sauces, e.g. soy sauce, curry sauce, satay sauce C canned vegetables such as mixed vegetables, mixed pickles, lotus roots, bamboo shoots and salted cucumber C canned Chinese vegetarian food, e.g. mock duck, mock pork in mushroom sauce, honeyed mock cha siew, mock abalone with peanuts, mock chicken curry C canned salted black beans, baked beans and green peas C canned fish such as sambal C canned drinks such as chocolate milk, strawberry milk, soyabean drink C Tetra Brix Asian drinks and juices. <p>Brands include "Amofood, Amoy, Amoycan" for canned products except for the vegetable and vegetarian products under "CiXin" brand and drinks under "Dixon" and "Delite" brands.</p>	<p>Apart from exporting to Southeast Asia, Amoy Canning also exports its products to the Asian communities in:</p> <ul style="list-style-type: none"> C Australia C UK C France C Germany C USA

2.4.6 Sime Darby Edible Products Ltd (Sime Darby)**Company Background**

Sime Darby, incorporated in 1938, is wholly owned by Consolidated Plantation Bhd, Malaysia which owns palm oil plantations. It is ultimately owned by Sime Darby Bhd, Malaysia, one of the biggest conglomerates in Asia.

Sime Darby is involved in the refining, manufacturing and marketing of edible oil and palm oil related products. It is also involved in R&D activities, in developing new product lines. Today, it is a major edible oil and fat company in the region.

The group has refining operations in Singapore, Malaysia and Egypt.

Financial Performance in Summary**By Business Activity (US\$Million)**

	Sales		Profit	
	1997	1996	1997	1996
Mfg	51.3	66.2	0.4	loss
Sales by Territory (%)			1997	1996
Singapore			NA	NA
Other			NA	NA
NA : Not available				

Products Produced	Distribution Coverage
<p>Its product lines include:</p> <ul style="list-style-type: none"> C palm oil products C vegetable ghee C shortening C margarine C specialty/hydrogenated fats <p>It also refines:</p> <ul style="list-style-type: none"> C soybean oil C sunflower oil C peanut oil C corn oil C linseed oil C coconut oil C peanut butter <p>Brands include Chief, Golden Drop, Spoons, CBC, Golden Sun, Cock, King Rooster, Maza, Cap Roda, Wheel, Vego, Sunbeam and Hand. It supplies edible oil in both institutional and retail packaging sizes.</p>	<p>Sime Darby exports its products worldwide. Main export markets include:</p> <ul style="list-style-type: none"> C Japan C Philippines C Thailand C Taiwan C Cambodia C Indonesia C Saudi Arabia C Sri Lanka C Kuwait C Myanmar C United Arab Emirates C Tanzania C Papua New Guinea

2.4.7 Auric Pacific Food Industries Pte Ltd (Auric Pacific)

Company Background

Auric Pacific was formed in 1988 when it took over the wholesale distribution activities from the Cold Storage supermarket group in Singapore. After various changes in owners, it is now owned by a consortium of 3 companies. Today its core business is in food manufacturing and wholesale distribution of food products.

It has wholesale distribution businesses in Singapore, Malaysia and Thailand. It also owns Sunshine Bakeries, a major bakery in Singapore. Its manufacturing facility in Singapore is involved in the production of processed meat products. It is also involved in contract packing for a local supermarket chain.

Auric Pacific recently closed its ice-cream production in Singapore.

Financial Performance in Summary

By Business Activity (US\$Million)

Food Businesses Only	Sales		Profit	
	1998	1997	1998	1997
Full yr to June 30	83.6	95.7	loss	loss
Whole-sale	NA	*31	NA	loss
Manufacturing * 6 months to Dec. 31 only	NA	*9.7	NA	NA
Sales by Territory (%)			1997	1996
Singapore			NA	NA
Other			NA	NA
NA : Not available				

Products Produced	Distribution Coverage
<p>Its product lines include:</p> <ul style="list-style-type: none"> C daily baked bread, buns and rolls C frozen bakery products such as pizza bases C local jam such as kaya C frozen food products such as pizza C processed meat products such as chicken & ham sausages, chicken rolls, garlic sausages, paprika sausages, cocktail sausages, sandwich meats, shoulder ham, honey baked ham, chicken luncheon meat and alike. Some products are imported and not processed in Singapore. <p>Brands include Gourmet (processed meat range) Sunshine (daily baked products), Top One (bread and kaya). It supplies to both the retail and high end food service sectors.</p>	<p>The group's main market is in Singapore. Its operations are in Southeast Asia with its main export markets in Malaysia and Thailand.</p>

2.4.8 Malaysia Dairy Industries Pte Ltd (Malaysia Dairy)

Company Background

Malaysia Dairies was formed in 1963 as a joint venture between a Singaporean and the Australian Dairy Corporation. The Australian Dairy Corporation later sold its shares to the Singaporean partner in 1968.

Malaysia Dairies was the first in Singapore to produce sweetened condensed milk and evaporated milk.

It is today a major producer of a wide range of dairy products and beverages for the Singapore and export markets. Some of its brands are household names in Malaysia and Singapore. It is also actively involved in R&D activities in developing new product lines.

Financial Performance in Summary

By Business Activity (US\$Million)

	Sales		Profit	
	1997	1996	1997	1996
Mfg	NA	NA	5.1	4.7
Sales by Territory (%)			1997	1996
Singapore			NA	NA
Other			NA	NA
NA : Not available				

Products Produced	Distribution Coverage
<p>Its product lines include:</p> <ul style="list-style-type: none"> C long life milk C cultured milk drinks C low fat milk C yogurt and yogurt drinks C packet/canned drinks including Asian drinks, soy bean milk C juices including Asian fruit juices C isotonic drinks and energy drinks C non-dairy creamer sachets C instant coffee mix sachets C sugar sachets <p>Brands include Marigold (long life milk, low fat milk, sweetened condensed milk, evaporated milk, juices and Asian drinks and other products), Vitagen (yogurt products), Dawn (sweetened condensed milk), King of Kings (evaporated milk), Cow Bell (sweetened condensed milk), Double Happiness and Lucky Cow (sweetened condensed milk) and Viva, Viva Plus and Vitan (isotonic drinks and energy drinks).</p>	<p>Its export markets include:</p> <ul style="list-style-type: none"> C Africa C Japan C Hong Kong C Taiwan C Indo-China C Mauritius C Indonesia C Papua New Guinea C Philippines C Brunei C Sri Lanka C Nepal C Bangladesh C Pakistan C United Arab Emirates C Oman C Bahrain C Kuwait C France C Canada.

2.4.9 Singapore Food Industries Pte Ltd (SFI)

Company Background

SFI was set up in 1973 to supply cooked food to the Singapore Armed Forces. It is wholly owned by Singapore Technologies Industrial Corp. Ltd, with the ultimate holding company being Temasek Holdings(Pte) Ltd, a government investment company.

SFI's core business is in the processing, manufacturing and industrial catering of food products. It supplies to hotels, restaurants, ship chandlers, flight kitchens, the military and hospitals. It owns Primary Industries Pte Ltd, the major abattoir in Singapore. It actively conducts R&D in-house or jointly with SISIR.

It has a food processing company in UK, a seafood processing and export company in Australia, a meat processing company and industrial catering company in China and a food distribution company in Myanmar.

Financial Performance in Summary

By Business Activity (US\$Million)

	Sales		Profit	
	1997	1996	1997	1996
Food supplies	122	113.8	*8.1	*8.2
Abattoir *Group results.	17	19	*	*
Sales by Territory (%)			1997	1996
Singapore			NA	NA
Other NA : Not available			NA	NA

Products Produced	Distribution Coverage
<p>It produces the following:</p> <ul style="list-style-type: none"> C processed western meat products such as ham, bacon, sausages, meat patties, chicken nuggets C buns and pastries C value-added roast meat such as Asian roast duck, suckling pig and char siew, festive roast turkey and honey baked ham for Christmas and Thanksgiving. <p>It owns a retail chain of neighbourhood specialty stores, "The Meat Shop", offering various cuts of meat, chilled meat and poultry, delicatessen cooked and smoked meats.</p> <p>It also distributes international brands such as McCain frozen food from Canada, I&J frozen processed seafood from Australia, USA's Swift Premium sausages and patties and Ligo soft margarine.</p>	<p>SFI's main market is in Singapore. It also exports to some emerging markets in the Asia Pacific region.</p>

2.4.10 Tong Garden Food Products (S) Pte Ltd (Tong Garden)**Company Background**

Tong Garden, incorporated in Singapore, has been established for more than 30 years.

Its ultimate holding company is Tong Guan Food Products Pte Ltd.

Its core business is in the manufacture of snack foods. It is involved in R&D activities to produce new products to meet customers' taste.

It operates factories located in Singapore, Malaysia, Thailand and China.

Its products are distributed to supermarket chains, other food retail outlets, institutional caterers, hotels and restaurants.

Financial Performance in Summary**By Business Activity (US\$Million)**

	Sales		Profit	
	1996	1995	1996	1995
Mfg	10.6	9.5	0.6	0.7
Sales by Territory (%)			1997	1996
Singapore			NA	NA
Other NA : Not available			NA	NA

Products Produced

It produces/packs the following:

- C Honey roasted and roasted almonds, peanuts, cashewnut, macadamias
- C Coated green peas
- C Party snacks
- C Pistachios
- C Mixed nuts, cocktail mix
- C Corn snacks
- C Prawn crackers
- C Prawn rolls

Its products are all sold under the "Tong Garden" brand which is very well known in Singapore.

Distribution Coverage

Apart from its major markets in Singapore, Malaysia, Thailand and China, it also exports to:

- C other Southeast Asian countries
- C the South Pacific islands
- C Indo-China
- C some European countries
- C the Middle East.

2.4.11 Tee Yih Jia Food Manufacturing Pte Ltd (Tee Yih Jia)

Company Background		Financial Performance in Summary			
<p>Tee Yih Jia was incorporated in 1969 in Singapore. It is an exempt private company which is not required to file accounts, hence no financial information is readily available about its performance.</p> <p>Its core business is in the manufacture of oriental cooked pastry and other pastry products. It is reputed to be the largest producer of prepared spring rolls in the world.</p> <p>It operates from its processing facility in Singapore. It has 2 factories in Malaysia which started operations in 1993. It is investing in China to produce Chinese sausages and vegetarian food products.</p> <p>It also contract manufacturers for other companies.</p>		By Business Activity (US\$Million)			
		Sales		Profit	
		1997	1996	1997	1996
Mfg		NA	33.9	NA	NA
Sales by Territory (%)				1997	1996
Singapore				10	15
Other				90	85
NA : Not available					

Products Produced	Distribution Coverage
<p>It produces mainly Asian products, including the following:</p> <ul style="list-style-type: none"> C Frozen spring rolls pastry (plain and with egg) C Frozen spring rolls (assorted varieties and sizes) C Frozen samosas C Crepes C Cocktail prawn rolls C Fried prawn rolls C Wonton pastry C Bean curd skin C Glutinous rice balls <p>Its products are all sold under the following brands:</p> <ul style="list-style-type: none"> C "Spring Home" for cooked products such as spring rolls, samosas, cocktail prawn rolls and alike C "TYJ" for spring roll pastry C "Master Chef" for Crepes. 	<p>It has been exporting its products since 1978. Today its main markets are outside Singapore. Its products are exported to over 20 countries worldwide, including:</p> <ul style="list-style-type: none"> C Australia C Canada C Europe C Japan C New Zealand C UK C USA C Asian countries C African countries C Middle East

2.5 ASEAN initiatives affecting food industry development

ASEAN, the Association of South East Asian Nations, was formed in 1967. Its current members are Brunei, Indonesia, Laos, Malaysia, Myanmar (Burma), Philippines, Singapore, Thailand and Vietnam. Cambodia is likely to be admitted as a member once its internal political turmoil has subsided.

ASEAN has seen a history of government sponsored industrial co-operation in the region marred by disputes between governments. Three key industrial co-operation schemes have been introduced and superseded since the 1970's. Trade sources comment that these schemes were largely unsuccessful in attracting regionally oriented investment because they were bureaucratic and inflexible. As a result, many companies now have operations in each ASEAN country which were established to avoid the barriers which existed to intra-ASEAN trade.

Today, ASEAN has two different schemes and agreements which may affect the future structure and strategic direction of the food manufacturing industry. These include:

- ! The ASEAN Free Trade Area (AFTA), which is now in its sixth year of implementation, offers tariff reductions and the elimination of non-tariff barriers for manufactured and agricultural goods originating from ASEAN member states.

Full implementation of AFTA, with average tariffs of between 0% and 5%, is planned by 2008. Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand have undertaken to comply with the main goals of AFTA by 2003. Vietnam has undertaken to comply with the goals by 2006 and Laos and Myanmar by 2008.

According to a press release from the ASEAN Secretary General in mid-October 1998, about 84% of all tariff lines are now covered by the AFTA CEPT (Common Effective Preferential Tariff) scheme. This amounts to about 46,000 items on which tariff rates for trade within ASEAN have now fallen to an average of around 5.4%. Products which fall outside of the 46,000 items are mainly unprocessed products/agricultural raw materials produced in ASEAN for which member states have sought protection because of the undeveloped nature of the producing industries.

Officially, "ASEAN content" for the purposes of qualifying for lower tariffs under the AFTA CEPT scheme is achieved by manufactured products only "if at least 40% of its content originates from any ASEAN member state".

The average tariff rate is expected to fall to less than 4% by the year 2000. Most higher processed foods manufactured within ASEAN are now covered by the AFTA scheme.

! The ASEAN Industrial Co-operation Agreement (AICO) which became operational in November 1996.

The AICO establishes the foundation for co-operative arrangements between a minimum of two participating companies from two different ASEAN countries. It offers the AICO approved participating companies:

- < Tariff privileges under which they may receive approval to trade at preferential duty rates of between 0% and 5%.
- < Official local content accreditation and, in some cases, other non-tariff incentives available from the ASEAN member nations which are involved in the AICO arrangement.

The AICO has been developed to allow companies operating in ASEAN the opportunity to collaborate with one another to enhance their production, distribution and marketing economies of scale.

In addition to AFTA and AICO, the member states of ASEAN are currently formulating another arrangement known as the ASEAN Investment Area (AIA). When launched in 1999 or the year 2000, the AIA is expected to allow investors to take a more flexible ASEAN-wide view of their investment strategy. It should benefit businesses investing in a regional network of factories and operations and wishing to accrue new economies of scale on a regional basis.

Trade sources now consider that the main future stimulus for industrial development will be private sector investments ahead of the full implementation of the AFTA. Change is, in fact, already evident. A number of key foreign businesses have increased their investments in ASEAN or entered the region as an investor for the first time:

- ! Nestlé was one of the few businesses to invest under the now defunct ASEAN Joint Venture Investment Scheme (AIJV). As a result, Nestlé's AIJV businesses now enjoy low tariff entry throughout ASEAN for soysauce powder produced in Singapore, breakfast cereals (from Philippines), non-dairy coffee creamer (from Thailand), sugar confectionery (from Indonesia) and chocolate products (from Malaysia).
- ! Groupe Danone of France is producing biscuits in Indonesia and Malaysia for export to other parts of ASEAN.
- ! Kellogg's is producing breakfast cereals in Thailand for export to other parts of ASEAN.
- ! Kraft is attempting to gain low tariff access for its Indonesian cheese to Thailand. This is being done as part of an agreement which should see its Sugas sugar confectionery brands manufactured in Thailand for ASEAN-wide distribution.

Other businesses, including Campbell Soups and Pepsico Foods, have also invested in ASEAN to benefit from improved future low tariff access to the ASEAN regional markets.

While the ASEAN Free Trade Area and private sector reaction are important regional stimuli for future development of its food manufacturing industry, exporters should also be aware of the policies and activities of specific governments to develop their home industries.

Some future supply opportunities will result from such policies and activities. For example, Singapore is promoting itself as a regional ingredient trading and R&D centre for the food manufacturing sector. Singapore is, therefore, well positioned as a service centre for ASEAN's food manufacturing industries as well as a manufacturing centre for certain businesses seeking to operate in a high quality manufacturing environment, supported by some of the region's best export-oriented distribution facilities. Trade sources in some Singapore-based Japanese frozen food businesses comment that this aspect of Singapore makes it an ideal location for their businesses.

3. The country's food ingredient market

3.1 Food ingredients import in overview

Imports of food ingredients comprised 3,017,585 tonnes of product, up from 2,922,691 tonnes in 1993. The Table provides details of the import trends between 1993 and 1997.

Food Ingredients Imports by Product Category - 1993 to 1997 ('000 Tonnes)					
	1993	1994	1995	1996	1997
Chemicals	371.3	402.0	473.9	401.8	585.0
Cereals and cereal products	451.3	518.2	514.9	510.9	458.4
Cocoa and cocoa products	14.8	17.7	16.2	15.0	16.5
Colours	13.9	16.0	25.5	15.7	16.6
Emulsifiers	2.2	2.1	2.2	1.9	2.1
Enzymes	0.4	0.8	1.1	1.7	3.4
Essential oils and plant extracts	4.1	4.0	3.8	4.1	3.9
Fats and oils	896.2	761.4	847.6	701.2	758.4
Fish and seafood	161.2	174.6	175.4	156.2	151.7
Flavours and aromas	38.8	39.4	52.8	58.2	58.2
Fruits in dry forms	14.3	14.0	27.8	11.0	10.2
Fruits in wet forms	79.5	88.9	80.5	72.6	64.7
Herbs and spices	95.8	86.4	82.8	85.5	97.1
Hydrocolloids and gelling systems	4.2	4.8	4.0	4.7	4.4
Meat products	84.6	96.6	90.1	101.31	96.7
Milk products	102.0	117.9	140.1	128.6	143.3
Nuts and seeds	124.6	152.4	106.2	80.5	71.4
Pulses and their products	91.4	88.5	89.0	87.8	100.7
Starch and starch derivatives	50.2	64.2	76.5	86.4	90.6
Sugar and sugar derivatives	143.7	135.7	100.2	123.2	120.8
Other sweeteners	53.8	54.9	63.1	45.4	67.4
Vegetable products in dry forms	66.6	63.4	45.4	33.2	30.4
Vegetable products in wet forms	54.9	59.8	65.3	68.1	63.0

Yeast and yeast derivatives	2.7	2.5	2.4	3.4	2.7
Total	2,922.7	2,968.9	3,089.7	2,802.0	3,017.6
Source : Singapore Trade Statistics					

3.2 Key sources of supply

Singapore's imported food ingredients were worth about US\$ 3 billion in 1997. The Singapore food manufacturing industry sources its food ingredients from all over the world. The high profile of Singapore as a market over the past 10 years has resulted in an increase in the number of suppliers marketing their products to Singapore businesses. Today, many market segments are competitive, with up to 40 supply countries involved in some segments.

The Table below provides details about the number of supply countries and identity of the key supply countries for each product category.

Product	1997 Import Value in US\$ Millions	Number of Countries Involved	Key Supply Countries
Chemicals	686.1	40	EU countries, USA, Japan, China, Korea, Malaysia and Thailand.
Cereals and cereal products	196.9	18	Thailand, Malaysia, USA, Australia and Australia
Cocoa and cocoa products	65.1	16	Malaysia, Papua New Guinea, Australia, Japan and Italy.
Colours	16.8	5	USA, UK, Japan and France.
Emulsifiers	2.8	7	USA, Malaysia, Japan, UK and Belgium
Enzymes	16.5	15	Finland, USA, Denmark, Netherlands and Belgium.
Essential oils and plant extracts	27.2	22	Switzerland, USA, Germany, UK, China and India.
Fats and oils	425.3	20	Malaysia, USA, Brazil, Argentina and Philippines.
Fish and seafood	473.9	40	Malaysia, Thailand, Myanmar (Burma), Taiwan and Japan.
Flavours and aromas	117.4	12	Brazil, Taiwan, Vietnam, China and South Korea.
Fruits in dry forms	20.1	10	USA, China, Iran, South Africa and Thailand.
Fruits in wet forms	70.8	15	Malaysia, Philippines, Thailand, China and USA.
Herbs and spices	165.1	15	China, Vietnam, Malaysia, Madagascar and India.

Hydrocolloids and gelling systems	25.8	10	USA, Philippines, China, Malaysia and France.
Meat products	168.4	12	USA, China, Australia, New Zealand and Denmark
Milk products	207.2	16	Australia, Malaysia, New Zealand, Netherlands and France.
Nuts and seeds	63.9	12	China, Vietnam, USA, India and Myanmar (Burma)
Pulses and their products	32.8	13	Myanmar (Burma), China, Thailand, Vietnam and Australia.
Starch and starch derivatives.	27.3	15	Thailand, Japan, Malaysia, South Africa and Netherlands.
Sugar and sugar derivatives	48.9	22	Australia, Malaysia, Thailand, Germany and France.
Other sweeteners.	63.7	6	France, Japan and Thailand.
Vegetable products in dry forms.	33.7	11	China, Hong Kong, USA, Malaysia and Thailand.
Vegetable products in wet forms.	59.5	23	China, USA, Malaysia, Thailand and Australia.
Yeast and yeast derivatives.	6.5	9	Malaysia, France, Belgium, China and USA.
Total	3021.7		
Source: Singapore Trade Development Board, Singapore Trade Statistics			

Trade and government sources comment that:

- ! 15 countries supply about 80% of Singapore's imports. Of these, Malaysia, the USA, Japan, Australia, China and Thailand supplied over 60% of total imports in 1997.
- ! Malaysia is the market leader. It supplied close to 20% of Singapore's needs in 1997. It dominates in the markets for live animals for slaughter in Singapore, edible oils and tropical fruit and vegetables.
- ! The USA's share of the food import market was around 15% in 1997. It dominates the markets for meat offal and non-tropical fruits and is a key supplier of chemicals and additives.

- ! Japan's share of the market was about 7% in 1997. It is a key supplier of fish/seafood and chemicals, although it does not appear to lead any major segment.
- ! Australia's share of the market was around 6.7% in 1997. It dominates the markets for dairy products, non-tropical vegetables and sugar products. It is also a key supplier of fruit based products, meats and some chemicals.
- ! China's share of the market was just over 6% in 1997. While not dominant in any single sector, it is a key supplier of meats, fruits and vegetables, spices and chemicals.
- ! Thailand's share of the market was just under 6% in 1997. It is the main supplier of rice and a key supplier of poultry, fish/seafood, fruits and sugar.
- ! The other more consistent supply countries are as follows:
 - < Indonesia (3%).
 - < UK (3%).
 - < Germany (2.5%).
 - < France (2.5%).
 - < Netherlands (2%).
 - < New Zealand (2%).
 - < Hong Kong (1.5%).
 - < South Korea (1%).
 - < Denmark (1%).
- ! When considered as a whole, the EU countries have a total market share exceeding 12%, although all countries market their products on a individual basis. The main supply countries also compete according to their own areas of specialisation which were as follows in 1997:
 - < UK - Chemicals, additives and cereal preparations.
 - < Germany - Chemicals and additives.
 - < France - Dairy products, cereal preparations, fruits and chemicals/additives.
 - < Netherlands - Dairy products, meats and chemicals/additives.
 - < Denmark - Meat and dairy products.
- ! New Zealand is a key supplier of dairy products, meats, fish/seafood and fruits.
- ! The bulk of supplies from Hong Kong are re-exports from China. It also acts as a secondary base for re-exporters of some chemicals and additives to Singapore and other parts of Southeast Asia.
- ! Competition for US suppliers comes from a broad range of supply countries as well as from Singapore's own chemical and additive suppliers. Bush Boake Allen, McCormick, International Flavors and Fragrances, Givaudan-Roure and a number of other suppliers operate from regional bases in Singapore.

3.3 Singapore's importance as a regional distribution hub

Singapore is generally recognised as having a good geographical location with a well developed infrastructure, a good communications system and a disciplined workforce. With these attributes, Singapore has developed itself into an important distribution hub in Southeast Asia.

Its major air hub, Changi Airport, links Singapore to 130 cities in 54 countries. It is served by 69 airlines. 3,100 scheduled flights operate from Changi Airport on average each week. In 1996, Changi Airport was named the "Best Airport Authority" at the 18th International Air Cargo Forum Industry Award organised by the International Air Cargo Association. In that year, Changi Airfreight Centre handled 1,190,457 tonnes of air freight through Changi Airport. Changi Airfreight Centre provides a one-stop service centre which handles air cargo 24 hours a day. Airport sources claim that it takes one hour to discharge and deliver cargo from aircraft to consignees at any time of the day.

Singapore is also recognised for its world class port facilities. In 1997, 130,000 vessels called at the Port of Singapore. Its port handles over 2,000 containers per vessel routinely and turns vessels around in less than 12 hours. It is the focal point for more than 400 shipping lines with links to more than 740 ports worldwide.

The facilities offered by its airport and seaport have encouraged a large number of different sized businesses, including large locals and multinationals, to choose Singapore as a base to serve their regional markets. Some of these businesses are food and beverage manufacturers as well as food ingredient suppliers.

In 1997, US\$ 1.57 billion of food and beverages were re-exported from Singapore to various countries in the world. Of this, over 77% of total re-export trade was shipped to Asian countries in 1977, with Malaysia being the main destination, followed by Japan and Hong Kong. The Table below provides details of the re-export trade for the period from 1993 to 1997.

Food and Beverage Re-export Trade by Destination - 1993 to 1997 (US\$ Million)					
Country destination	1993	1994	1995	1996	1997
Brunei Darussalam	51.9	58.1	50.2	55.9	53.2
Cambodia	24.0	21.4	27.1	28.4	22.7
Laos	2.4	2.8	5.2	7.6	11.9
Malaysia	267.1	357.6	416.7	405.4	363.4
Philippines	21.6	32.3	37.1	32.8	26.2
Thailand	47.4	71.2	73.1	67.8	53.2
Myanmar	13.0	15.5	27.5	26.6	14.5
Vietnam	17.2	20.9	24.6	30.8	25.3
Japan	404.2	430.8	395.1	326.9	288.1
Hong Kong	93.2	110.1	153.5	154.8	180.4
China	14.5	19.6	27.4	18.9	15.2
India	21.3	19.0	19.8	19.6	28.5

Taiwan	29.1	48.2	45.1	30.9	40.7
South Korea	14.0	30.7	23.5	18.9	17.4
Other Asian countries	113.5	105.8	106.2	79.1	73.1
Total for Asian countries	1,134.4	1,344.0	1,432.1	1,304.4	1,213.8
America	110.7	131.6	97.1	78.2	83.0
Europe	152.4	235.3	183.1	108.8	191.4
Other countries	67.7	125.7	121.5	78.9	78.2
Total for world	1,465.2	1,836.6	1,833.8	1,570.3	1,566.4
Note: Trade with Indonesia is not recorded by the Department of Statistics, Singapore Source : Singapore Trade Statistics					

Trade sources comment that the fall in re-export trade over the period from 1993 to 1997 was mainly the result of:

- ! Increased direct imports between Singapore's neighbours and their supply source.
- ! Decreased re-export trade with Japan as a result of the spin-off effects of Japan's economic downturn in recent years.

However, most of the Asian countries showed increased re-export trade with Singapore over the period from 1993 to 1997.

The Table below provides details of the quantity of food ingredients re-exported from Singapore from 1993 to 1997.

Food Ingredients Re-export by Product Category - 1993 to 1997 ('000 Tonnes)					
	1993	1994	1995	1996	1997
Chemicals	137.1	224.8	176.8	179.4	188.2
Cereals and cereal preparations	16.0	86.5	117.1	98.2	88.9
Yeast	0.7	0.9	0.9	1.4	0.7
Cocoa and cocoa preparations	3.4	5.7	4.9	3.7	5.2
Colours	4.3	2.8	2.7	3.2	2.0
Emulsifiers	0.5	0.7	1.3	1.1	1.2
Enzymes	0.1	0.6	0.8	1.0	2.3
Essential oils	1.3	1.5	1.5	1.8	1.4
Fats and oils	234.1	326.1	435.0	296.0	271.8
Fish and seafood products	83.8	111.8	114.5	91.4	78.2
Flavours and aromas	35.7	37.9	51.7	48.8	57.0
Fruits, dried and wet	60.8	62.1	58.8	48.9	43.1
Herbs and spices	97.8	89.1	107.7	92.7	99.5
Hydrocolloid and gelling systems	11.0	12.8	7.3	8.5	8.4
Meat products	12.6	13.2	8.7	7.7	7.6
Milk products	31.9	23.2	24.3	21.5	21.5
Nuts and seeds	63.5	310.3	71.8	55.9	54.7
Pulses	23.9	26.3	30.8	35.4	48.2
Starch and its products	16.0	5.5	5.5	8.6	10.4
Sugar and its products	6.9	5.6	2.2	3.9	3.7
Other sweeteners	33.5	37.5	31.6	40.5	43.3
Vegetables, dried and fresh	43.1	57.8	40.7	32.7	27.7
Total	918.4	1,442.7	1,297.0	1,082.6	1,065.0
Source: Singapore Trade Statistics					

The volume of re-export trade increased by an average of 15% over the period from 1993 to 1997. Most product categories showed growth in volume of re-export trade from 1993 to 1997. The following product categories showed decrease in trade, largely because of the more direct trade between food ingredient suppliers and buyers in Southeast Asia:

- C Fruit products
- C Meat products
- C Milk products
- C Nuts and seeds
- C Starch and starch derivatives
- C Sugar and sugar derivatives
- C Vegetable products.

3.4 Regulatory environment for food ingredients

3.4.1 Singapore's food import regulations

There is no import duty on any food or beverage entering Singapore, except intoxicating liquors. Singapore does, however, impose a 3% Goods & Service Tax (GST) on entry of all products.

Once the required GST has been paid, products with a valid import licence are allowed to enter Singapore free of any conditions unless they are in breach of Singapore's food regulations.

Imported food and beverages are, however, subject to control by the Primary Production Department (PPD), which oversees the imports of all primary food products and most of their derivatives, and Food Control Department (FCD) which oversees the import of all other food and beverages. Such controls are in place for public health, security or safety reasons. Irradiated food is generally banned from entry and is subject to special licensing and labelling requirements.

Under circumstances where any foodstuff or ingredient falls outside the scope of the food regulations, permission is first required from the PPD and FCD before approval can be obtained from the Trade Development Board (TDB) to import it into Singapore.

The following are controlled food items which require specific approval from the relevant authorities:

- C meat and meat products of animals and birds (PPD).
- C fishes and other marine life, live, fresh, chilled or frozen (PPD).
- C food items excluding fresh/chilled vegetables and fruits (FCD).
- C fruits, fresh/chilled (PPD).
- C rice excluding rice bran (TDB).

In addition to the above regulatory practices, the Food Advisory Committee exists to review and approve all new food ingredients not previously found in foods and beverages produced, sold and consumed in Singapore.

3.4.2 Singapore's food regulations in overview

Singapore regulates imports of food ingredients through its food regulations. It has one of the more advanced food regulations in Southeast Asia and, in many respects, leads the way in consumer protection and health legislation in the region.

Food and general industry regulations have led the local food processing sector to produce products that would, in terms of quality, emulate many that are produced in the developed countries of the World, including the USA, Australia, New Zealand, Canada and the countries of North Western Europe.

Singapore's food regulations are not based on any one particular country's regulations. Instead they feature standards which are applied internationally that are considered relevant and have been adopted and/or modified to suit Singapore's local conditions. Singapore uses the food laws and sanitary regulations and standards set by Codex, European and US Governments only as a reference.

Singapore's food regulations are officially known as the Sale of Food Act Chapter 283 which is more commonly referred to as the Singapore Food Regulations 1993 ("Food Regulations"). Government sources comment that some chemicals used by food manufacturers may also be regulated by the Poisons Act.

Apart from regulations governing specific requirements on the processing, constituents and labelling of food products, specific definitions of processed food and beverages, inclusive of the minimum or permitted levels of certain constituents of each product, are provided in Regulations 39 to 260. The following product lines, relevant to this study, are covered by these regulations:

- ! Flour, bakery and cereal products.
- ! Meat and meat products.
- ! Fish and fish products.
- ! Edible oils and fats.
- ! Milk and milk products.
- ! Non-alcoholic beverages.
- ! Alcoholic drinks.

The Food Regulations also cover food additives and their use. This is considered in more detail in the following section.

3.4.3 Food additives

The Food Regulations define "food additives to include all substances, which are components of food, the intended use of which results or may reasonably be expected to result, directly or indirectly, in their affecting the characteristics of food but does not include any foreign substance mixed with food as a result of contamination, or improper handling of the food during the preparation, processing, packing or storage of the foods".

Under the Food Regulations, only permitted additives are allowed in food. Even where permitted additives are used, their purity must conform with specifications as provided. Where it is not so provided then the purity of the permitted food additive should conform to the specifications as recommended by the Joint Food and Agriculture Organisation of the United Nations and World Health Organisation (FAO/WHO) Expert Committee on food additives.

Food additives are classified and defined under the following headings:-

- ! Anti-caking agents.
- ! Anti-oxidants.
- ! Artificial sweetening agents.
- ! Chemical preservatives, colouring matters.
- ! Emulsifiers or stabilisers.
- ! Flavouring agents.
- ! Flavour enhancers.
- ! Humectants.
- ! Nutrient supplements.
- ! Sequestrants and other general purpose food additives.

The Singapore Government's policy is to keep its Food Regulations up-to-date and in line with all new aspects of food technology. Updates are published via the issuance of a Subsidiary Legislation Supplement which gazettes all amendments and additions to current legislation.

For this reason, we advise US food ingredient exporters to check on the most recent legislation as there are likely to be changes in future. This is important because any new food ingredient being introduced to existing products requires Government approval before the products can be released to the markets.

4. Feedback from users and distributors

The information provided in this section is derived from trade interviews performed in November 1998. The interviews were performed with high profile trade respondents to obtain feedback on the decision making process adopted by food manufacturers and the future potential for US food ingredient suppliers in Singapore.

It should be noted that the information provided about some of the companies listed below and their operations in this report was derived from desk research and not from trade interviews. The interviews which were conducted concentrated specifically on ingredient purchasing criteria and interest in the USA as a source of supply.

Senior personnel from the following establishments were interviewed for this purpose:

- C Singapore Food Industries (Pte) Ltd
- C Prima Ltd
- C Malaysia Dairy Industries Pte Ltd
- C Super Coffeemix Manufacturing Ltd
- C Sunshine Bakeries (part of the Auric Pacific group)
- C Tai Sun (Lim Kee) Food Industries Pte Ltd
- C McCormick Ingredients Southeast Asia Pte Ltd
- C Universal Food Corp. (Asia Pacific) Pte Ltd
- C Tee Yih Jia Food Manufacturing Pte Ltd

The following sections summarise the feedback received from each of the trade respondents interviewed.

4.1 Singapore Food Industries (Pte) Ltd

The company is involved in the manufacture of processed meat and poultry as well as in institutional catering of food products.

4.1.1 Company's interest in US food ingredients

The Purchasing Manager of Singapore Food Industries (Pte) Ltd, stated that they are very interested to use US food ingredients in their products. The company has a demand for all types of food ingredients. Currently it sources from several countries, for example, dried fruits from Australia and Turkey. If the opportunity is open, the company will also be interested to act as a local agent/distributor for selected US food ingredient suppliers. She also noted that the company runs over 70 distribution trucks with the capability to service the whole of Singapore.

4.1.2 Purchase decision making

She stated that price and quality are important factors when making purchasing decisions. If offered products of the same quality, price will be the deciding factor. The company generally prefers to buy directly from overseas suppliers but will use local agents if low quantities of food ingredients are required.

4.1.3 Marketing tips for US food ingredient suppliers

She does not foresee any problems for US suppliers to enter the Singapore market as it is a free market. She stated that the US supplier should target the food manufacturing industry as the best way to enter the market. She, however, cautioned that Singapore has high overhead costs and, in recent years, a number of food manufacturing companies have relocated to lower cost neighbouring countries and closed their factories in Singapore. The food ingredient suppliers should bear this in mind.

According to her, advertising and promotional activities are the only way for US products to be made known to potential users. US suppliers should attend food exhibitions as many buyers from major companies attend these exhibitions to source for new ingredients/sources. Advertising in local and regional food magazines is also important as this is a main source of product information the buyers will refer to when looking for new ingredients.

In terms of support expected from US food ingredient suppliers, she listed technical support as the most important when the company is at the R&D stage of product development, particularly if problems are encountered and immediate help is required from suppliers. Help must be readily available, even hands-on assistance from the US suppliers themselves.

In addition, free samples must be given by the suppliers for testing purposes. Brochures are important in that they give product information to potential buyers.

4.2 Prima Ltd

The company is the only flour miller and major supplier of flour products in Singapore.

4.2.1 Company's interest in US food ingredients

The Purchasing Manager of the company, was interviewed. She stated that the company does not use US food ingredients at the moment but it can consider the food ingredients which are relevant to their bakery business as this business has a large volume demand. She does not think the restaurant business will have a large demand for US food ingredients and is unlikely to consider the US source.

4.2.2 Purchase decision making

The company's research and development section is responsible for sourcing new ingredients. It decides on the quality requirements, the acceptability of the new ingredients and issue the purchasing specifications.

The purchasing department is responsible for decisions on accepting price quotes by suppliers. The company only buys directly from suppliers and prefers not to use local agents. It only purchases for own use and do not get involved in distributing imports in Singapore. This is an important consideration as it will be interested to buy from the US if it can maximise on a container load (price consideration) or if there is a buying house in US which can service several customers in Singapore with one container shipment.

4.2.3 Marketing tips for US food ingredient suppliers

She stated that US food ingredient suppliers can target the food processing sector, including the bakery sector. She thinks the restaurant sector has a smaller demand for US food ingredients.

Advertising and promotional activities should be carried out to promote US food ingredients. The company's research and development personnel use food magazines to get new product information. Food exhibitions are attended to source for new suppliers/products. Sometimes, certain local agents will provide information/advise company personnel about new food ingredients that they supply.

In terms of support, technical support is expected from the US suppliers. Free samples are necessary for R&D testing purposes. Brochures are useful in giving company personnel an idea about the food ingredients available from the US.

4.3 Malaysia Dairy Industries Pte Ltd

The company is mainly involved in the manufacture of dairy products.

4.3.1 Company's interest in US food ingredients

The Purchasing Manager - beverages and the Logistics Manager - Dairy, who is also in charge of purchasing, were interviewed. Both stated that they are very interested to source from the US. Currently the company is already buying US sourced flavours for its beverages although it does not use any US dairy ingredients.

4.3.2 Purchase decision making

The company's quality control section must approve the food ingredient before it can be passed as suitable for use in products. The ingredient must match product specifications for this. Thereafter, price is very important and must be competitive. This decision is under the purchasing department.

In the case of large demands, the lot size which the supplier is willing to supply must match the company's demand. It is not the practice to order ingredients in excess of requirements.

Currently, the company sources its flavours from local agents, namely International Flavors and Fragrances and Givaudan-Roure. The company has not had any problems with US food flavours so far.

4.3.3 Marketing tips for US food ingredient suppliers

Both commentators felt that US suppliers should target food manufacturers in promoting their products. They should plan to deal directly with the food manufacturers and not through local agents. US food ingredients should be supported by advertising and promotional activities in Singapore.

According to one of the commentators, many of the US brands are unknown to buyers here and are still new to the market. The background of the products and the suppliers are an unknown quantity and generally buyers will not go out of their way to approach the new US suppliers. The USA is perceived by buyers to be a long way from Singapore and shipping problems and timing of arrival of orders are all concerns which have to be addressed by the US suppliers.

It was suggested that the USATO organise seminars/informal functions/dinners with major Singapore food manufacturers and US suppliers to exchange notes and ideas, clear concerns and to promote the US food ingredients to the potential users. The USATO will lend credibility to the US suppliers who would otherwise be ignored by serious but cautious Singapore buyers.

The USATO should also invite certain major food manufacturers to food exhibitions held in the USA. This will enable Singapore users to get to know the suppliers and their products better.

4.4 Super Coffeemix Manufacturing Ltd

The company is involved in the manufacture of cereal drinks and other beverages.

4.4.1 Company's interest in US food ingredients

A representative from the company was interviewed. She stated that the company is interested to use US food ingredients in their products, particular for its creamer and potato-based products, i.e. mashed products. Currently they source US flavours from the local agent, Givaudan-Roure.

4.4.2 Purchase decision making

Quality and price are important considerations when purchasing food ingredients. The reputation of the supply company is also an important consideration. The supplier must be able to provide good support services. One main concern the company has is over shipment delays as such problems are difficult for the company to control.

4.4.3 Marketing tips for US food ingredient suppliers

She thinks that the US suppliers should target the food manufacturers in Singapore. It is important for US food ingredients to be well supported by promotional activities. She suggest that suppliers attend the food exhibitions and advertise in food magazines to achieve this. She added that the suppliers should have their names and products listed with the Trade Development Board (TDB) as the company often refers to the TDB when they are looking for new ingredients/sources.

In terms of support from US suppliers, she stated that free samples should be made available to potential users. Technical support is also important when advise is needed by users. Brochures are also useful as they provide information to potential buyers. However, she stated that it is not necessary for US suppliers to provide hands-on support and the company's R&D personnel will deal with their research needs.

4.5 Sunshine Bakeries

The company is part of the Auric Pacific group and is one of the major bakeries in Singapore.

4.5.1 Company's interest in US food ingredients

The Purchasing Manager was interviewed. She stated that the company is interested to use US food ingredients in its bakery products as long as the ingredients are suitable.

4.5.2 Purchase decision making

The quality control section must first approve the quality and suitability of the ingredient before the purchasing department will consider the ingredient for purchase. To be suitable, the ingredient must conform to the product specifications. Price is not the most important factor but is a consideration as it must be competitive.

4.5.3 Marketing tips for US food ingredient suppliers

She does not see any problem for US food ingredients to enter the Singapore market as long as the buyers' specifications are met, any country can sell to the company once this criteria is met.

She thinks advertising and promotions are very important to promote the US food ingredients. Attendance at the food exhibitions is the venue through which the companies source for new products/sources/suppliers. In fact, the Purchasing Manager and the Quality Control Manager both attend all food exhibitions. Advertising in food magazines is not effective as company personnel do not refer to food magazines for new product information/supply needs.

She considers after sales service as the most important deciding factor when selecting suppliers. This is critical as help should be made readily available by the supplier when required by the company. Technical support is important to the Quality Control section and samples should be given free for testing purposes. Brochures can only be used as the first point of introduction to the company but may not result in a purchase.

4.6 Tai Sun (Lim Kee) Food Industries Pte Ltd

The company is involved in the manufacture of snack foods, e.g. nuts and potato chips. It also supplies bulk packs to institutional caterers, hotels, restaurants and supermarkets locally and overseas. It is also involved in contract packing for local and overseas brands. Its products are sold under the "Tai Sun" brand.

4.6.1 Company's interest in US food ingredients

The Purchasing Manager was interviewed. The company currently sources its nuts, e.g. peanuts, almonds, pistachios, from the USA. It buys directly from the supplier and this is the preferred method. The company is very positive about sourcing from the USA.

4.6.2 Purchase decision making

Ms Lim stated that the most important criteria when making their purchasing decision is that the ingredients must match their product lines. the next most important factor is the price which must remain competitive.

4.6.3 Marketing tips for US food ingredient suppliers

The company has not faced many problems with their US suppliers. They have received good support and the suppliers are generally very prompt in replying to the company's enquiries/problems encountered. The company is very happy with their US suppliers.

She thinks it is best for US suppliers to appoint local agents to penetrate the local market as many local buyers use importers/agents to source for their ingredient needs. Local importers also have a ready distribution network that the US suppliers can tap into.

Advertising and promotional activities are already actively carried out by their US suppliers. She stressed that it is important for them to continue to do so to maintain their presence in the Singapore market. US suppliers should also attend food exhibitions and advertise in food magazines as they often refer to these sources for new ingredients/sources.

She said that support should be given by US suppliers. Free samples should be available as well as technical support. She stated that the company's US suppliers actually carry out research and development work for the company to help it develop high quality product lines which meet company expectations.

4.7 McCormick Ingredients Southeast Asia Pte Ltd

The company is a supplier of spices and seasonings to both the food service sector and the retail sector. Its products are sold under the McCormick brand.

4.7.1 Company's interest in US food ingredients

The Senior Purchasing Executive was interviewed. McCormick buys its ingredients from the USA. They are interested to buy from other US suppliers providing the ingredients match their product lines such as spices, seasonings and other dried products.

4.7.2 Purchase decision making

The ingredients must suit the products that the company sells. Quality and price are important factors to consider. Free samples are needed to evaluate the ingredients. Technical support should be provided where necessary. Brochures should be sent for information purposes.

4.7.3 Marketing tips for US food ingredient suppliers

No problem is expected for US ingredients to enter the Singapore market. She stated that US suppliers should also target the retail sector with their consumer ready products (if available) as the food service demand for US food ingredients is not high. The food manufacturing sector should definitely be targeted as potential customers. She also stated that US suppliers should attend food exhibitions to promote their ingredients.

4.8 Universal Food Corp. (Asia Pacific) Pte Ltd

The company is a supplier of US food ingredients with a regional market base. It is located in Singapore and in the business of selling food ingredients to the food manufacturing industry.

4.8.1 Company's interest in US food ingredients

The Regional Manager was interviewed. He stated that he is interested to import all types of food ingredients from the USA.

4.8.2 Purchase decision making

He stated that price is not an issue at the early stage of review but quality is an important factor. Users judge the suitability of food ingredient on the basis of technology, i.e. it has advanced functional performance.

4.8.3 Marketing tips for US food ingredient suppliers

He stated that US suppliers will generally not have any problem in entering the Singapore market. They should target the high-end food manufacturing sector. In their line of business, the retail sector is definitely not relevant.

He does not think that it is too important for US suppliers to attend food exhibitions. Generally direct selling to customers is the best approach because person-to-person contact is important in Singapore. US suppliers can appoint agents or sales persons in Singapore to represent them. Brochures will help to promote the products and provide information. He also stated that technical support to customers is very important. Sampling is only to be given through technical advice.

4.9 Tee Yih Jia Food Manufacturing Pte Ltd

The company is involved in manufacturing frozen cooked traditional food such as spring rolls, samosa and alike.

The company's Purchasing Manager was interviewed. She commented that the company does not have much demand for US food ingredients at the moment as its main demands are for salt and flour. All their food products use all natural food ingredients, with no preservatives, additives, flavouring or colouring. She stated that the company is not opposed to using US food ingredients but, unless it introduces new product lines, she does not foresee any future demand for US food ingredients by her company.

5. Future scenarios for the food manufacturing industry

5.1 The Singapore food industry and its demand for ingredients today

Today, Singapore has one of the most dynamic food and beverage markets and industries in Southeast Asia. Some key facts about the market and industry are as follows:

- ! Singapore's food industry output was valued at US\$ 2 billion in 1996, up from US\$ 1.7 billion in 1993.
- ! Total imports of food and beverages were valued at US\$ 3.1 billion in 1997.
- ! Singapore is a key re-export centre for food and beverages. Re-exports were valued at US\$ 1.56 billion in 1997.
- ! Exports of domestically manufactured food and beverages were valued at US\$ 848 million in 1997.

Singapore therefore represents an important market for any food ingredients supplier with a view to developing their markets in Singapore's home and re-export markets.

5.2 The key forces for change on the food industry

The main forces for change on Singapore's food manufacturing industry are:

! The state of Singapore's markets for processed food and beverages.

Singapore's food and beverage market is the most advanced in Southeast Asia and one of the most developed in Asia.

Unlike many other Southeast Asian markets, foreign foods and ideas are now well entrenched in local food culture, alongside traditional Chinese, Indian and Malay food and beverages. Introduced products which are part of mainstream food culture today include beer, soft drinks, liquid milk, bread, pizza, ham and cold cuts, chocolate, potato chips, ice cream and cakes and pastries.

Others which are starting to be accepted by Singapore's younger families include breakfast cereals, fresh juices, wine, pasta, frozen prepared/cooked foods (Asian and foreign), chilled yogurt and processed cheese.

! Government policy towards industry development.

The Singapore government realises that its food and beverage manufacturers are threatened by lower cost producers operating in neighbouring countries. For this reason, it has developed and implemented policies which assist Singapore businesses to automate their manufacturing processes, raise product quality so that it is higher than the competition and become proactive in product development.

The government is also stimulating longer term investment strategies which involve Singapore businesses establishing new factories producing Singapore developed foods in other parts of the world.

Other government policy areas include stimulating Singapore as a regional base for businesses which provide services to food and beverage manufacturers operating in Southeast Asia and other parts of Asia. The service businesses targeted are R&D firms, ingredient suppliers and global trading houses.

! Research and development activities of individual companies.

Singapore has some of the most dynamic food and beverage manufacturers in Southeast Asia.

Product innovation has become an important weapon in their strategies against imported products from all parts of the world, developed and undeveloped. This has arisen from a mix of local entrepreneurial instinct and government efforts to inculcate R&D as part of the industry approach to future market development.

Singapore has a number of R&D centres which specifically service its food and beverage industry. Some major companies, e.g. Nestlé, have established their own regional R&D centres in Singapore.

! Future business costs in Singapore.

Trade sources comment that Singapore is now a high cost location for food and beverage manufacturing and that this is a long term challenge for the industry. This challenge has existed for over 8 years and has already led to several businesses relocating all or part of the manufacturing operations to neighbouring countries. This is not a negative factor for food ingredient suppliers to Singapore. As Malaysia is a popular relocation site, many players see Singapore and Malaysia as one single market for their products. If relocation occurs, this will be positive as a larger market will become the "home" market for those relocated businesses.

5.3 Singapore's future economic prospects and its consumer market

Singapore's future economic prospects also have a bearing on local demand for processed food and beverages. The market is underpinned by one of the world's strongest economies which is based on its prowess as a leading centre for high tech-manufacturing, financial services and regional trade. It also has sizeable tourist and service sector. Its GDP per-capita is estimated at about US\$ 31,612 and its official foreign currency reserves were recently reported as US\$ 74.8 billion.

During the course of this study, the Singapore Government announced that its economy experienced negative growth in the third quarter of 1998. This announcement has been expected by many commentators since late 1997 because of Singapore's strong trading links with neighbouring countries.

Based on this news, analysts forecast that Singapore will:

- ! See economic growth of around 0.5% to 1.5% for the whole of 1998.
- ! Experience a minor downturn of between 1.5% and 2.0%, providing no dramatic downturn is experienced in its exports to North America and North Western Europe.
- ! Return to economic growth of around 2% per annum in the year 2000.
- ! See economic growth of between 3% to 5% per annum after the current Asian economic downturn has passed. This is expected to occur in 2 or 3 years.

The main reason for the above forecasts is the continuing problems seen in Japan and other parts of Asia which are key export destinations for Singapore manufactured products.

It should be noted that the Singapore Government disagrees with analysts' forecast of a minor downturn in 1999. It recently commented that this forecast does not factor in falling interest rates and the measures which will be taken to reduce business costs in Singapore, as discussed in more detail in the paragraphs below.

Singapore is not ignoring the potential problems which might arise if the above forecasts materialise. The past few months have seen the government, labour union and private sector businesses studying and debating ways of dealing with the challenges which will arise from:

! a future recession, should one occur.

! reduced exports to Asian countries.

! higher business costs relative to neighbouring countries.

At the time of writing, i.e. mid-November 1998, various government and non-government bodies have suggested that the country should attempt to cut its business costs by between 10% and 25% in order to improve Singapore's competitiveness.

The key issue in this debate has been averting the threat of unemployment which could arise as businesses in Singapore streamline their operations to take account of reduced demand from other parts of Asia.

The primary method of reducing business costs will come in the form of wage adjustments. It is proposed that wage costs be reduced through cuts in employers pension contributions to the Central Provident Fund and other elements of local wage packages, i.e. year end bonuses. These are suggested because they could also bring about reductions in other costs, including distribution costs.

Trade sources in the food retail and food service sectors comment that the main effect of such wage adjustments will be on "big ticket items" such as houses, cars, house renovations, furniture, electrical goods and other items perceived as luxuries, including entertainment/leisure activities. Generally, spending on food and beverages is not regarded as an area in which consumers will radically adjust their spending patterns under conditions where Singapore experiences a minor recession.

5.4 The impact on the food and beverage market

Trade sources comment that the suggested wage adjustments will have most impact on:

! Foreign food and beverage products which are not well entrenched in local food culture.

! Food service outlets, particularly high-end outlets.

! Luxury foods which have established markets in Singapore, e.g. wines and gift items with relatively high unit prices.

While retrenchment from the above market segments is likely, most trade sources comment that this has already been happening for close to 2 years so the trend will not be new, just more exaggerated. Singapore's consumer market started to soften in 1996 because of the constraints placed on household discretionary incomes by Singapore's high property and car prices.

While Singapore has not yet reached developed country status, its household incomes are high relative to other parts of Southeast Asia. This has altered the local food culture over the past 10 years and created a local diet which is a mix of local and foreign products and ideas.

This unique consumption mix is expected to survive the impact of a recession because the impact of Singapore's recession is likely to be similar to those experienced in developed Europe, North America and Australia. Analysts comment that it is highly unlikely that Singapore will experience the dramatic downturn in economic fortunes seen in Indonesia and Thailand over the past 18 months.

As a result, Singapore's market should remain relatively buoyant for products which are well entrenched in the local diet. Having stated this, consumer price sensitivity will be the main factor affecting food and beverage consumption levels.

Price sensitivity has always been an important factor in the development of Singapore's food and beverage market. Singapore's consumers are traditionally bargain hunters who seek value-for-money in their purchases. The more exaggerated effect of this trait in an economic downturn/recession will be complex and includes:

- ! Reduced spending in food service outlets operating in the medium to high price ranges.
- ! Increased spending in low end food service outlets.
- ! Increased home cooking, although convenience will remain an important factor for Singapore's younger families.
- ! Increased demand for convenience foods which meet with local taste; and/or are an appropriate alternative to food service items, particularly those offered by outlets operating in the medium to high price ranges. This includes increased spending on daily baked items purchased outside Singapore's café chains.
- ! Reduced spending on higher priced foods and beverages not considered as necessities, including gifts.

It should be noted that:

- ! Singapore food businesses have increased their output of frozen and chilled processed foods over the past 2 years in an attempt to take benefit from the consumer market's softening mentioned earlier in this section.
- ! Food service outlets operating in the medium to high price ranges are already seeing reduced demand. Some of the international fast food chains have, as a result, reduced their menu prices by between 8% and 12% over the past 3 to 6 months.

Food and beverage manufacturers in Singapore are now provided with opportunities to develop new products which meet closely with local consumer demand for quality value-for-money products as well as local requirements for taste and convenience.

Trade sources comment that the above situation provides both opportunities and threats for ingredients suppliers. The opportunities come in the form of ingredient demand from Singapore food companies targeting new opportunities in their local and export markets. The main threats are heightened buyer price sensitivity, as a result of price-based competition between Singapore's key processed food suppliers, local and foreign.

5.5 Key points to consider in developing export strategies

US exporters need to fully understand potential customers' demand needs and how to service it. Key supply-side points which need to be considered by US food ingredient exporters are as follows:

- ! The competitive strengths of existing suppliers, both local and foreign. Singapore imports food ingredients, additives and chemicals from all over the world, including the USA, EU, Australia, New Zealand and other parts of Asia, i.e. China and Japan.
- ! The competitive strengths of foreign suppliers with marketing offices and other businesses in Singapore and the region.
- ! The different level of suppliers' buying power existing between multinational manufacturers, large local manufacturers, importers and medium to small sized manufacturers operating in Singapore.
- ! The different channels which are needed to service different industries, e.g. direct buying by large food manufacturers and localised channels needed to smaller manufacturers.
- ! Importers requirements for a diversified product portfolio. Trade sources comment that this is now very important as too much specialisation is seen as a weakness under downturn conditions.

The following demand side factors also need to be considered:

- ! The high degree of inertia which exists among buyers towards changing suppliers and supplies.
- ! Large businesses' expectations that all of their suppliers :
 - C Have local presence.
 - C Be well established in their respective businesses.
 - C Be technically competent.
 - C Be financially sound
 - C Be accessible.
- ! The real meaning of product quality. It is important that suppliers fully understand each buyer's definition of quality rather than assuming that the buyer's definition is the same as the seller's. The definition of quality varies significantly throughout the food industry.

Singapore's market became the focus of most of the world's food ingredient, additive and chemical suppliers during its 10 years of continual economic growth. As a result, its market has become very competitive and often well supported from a local base.

5.6 Future prospects for US ingredient suppliers to Singapore

Singapore is an important market for imported food ingredients. Demand comes from both its food and beverage manufacturers and re-exporters of such products. It is particularly important as a trading base for food ingredient suppliers targeting the region and other parts of Asia.

While the current economic climate has some negative effects, demand for food ingredients will remain relatively strong amongst Singapore companies which:

- ! Lead their market segment.
- ! Are major exporters of processed foods and beverages.
- ! Take a market and R&D driven approach to developing their local and export markets.

The major sectors which are targets for US exporters to Singapore are:

- ! Brewing.
- ! Soft drink manufacturing.
- ! Edible oils processing.
- ! Dairy processing.

Other important sectors with smaller sized output relative to the above listed sectors are:

- ! Daily bakeries.
- ! Fish and seafood processing.
- ! Soybean products manufacturing.
- ! Noodle manufacturing.
- ! Flour milling.
- ! Snack foods manufacturing.
- ! Meat processing.

In addition to the above areas of opportunity:

- ! US exporters should remain alert to the possibility that some Singapore food manufacturers may relocate to neighbouring countries over the next 5 to 10 years or invest in complementary plants in other countries, e.g. China. Such activities will provide new opportunities for preferred suppliers.
- ! US exporters should also view Singapore ingredient re-exporters as "partners" for future market development. A resurgence in economic growth throughout Southeast Asia is expected in the next 2 to 5 years. This will coincide with many countries introducing the bulk of their commitments to the ASEAN Free Trade Area (AFTA). US suppliers need to take a long term view of this opportunity by developing strong links with Singapore re-exporters to establish a firm base to supply increased regional demand in future

Key Singapore Food and Beverage Manufacturers

Address List

Amoy Canning Corp. (S) Ltd
23 Chin Bee Avenue
Singapore 2261
Tel: (65) 2612311
Fax: (65) 2612800
Produces: Canned foods and beverages.

Asia Dairies Pte Ltd
214/218 Pandan Loop
Singapore 0512
Tel: (65) 7794566
Fax: (65) 7794447
Produces: Dairy products.

Asia Pacific Breweries (Singapore) Pte Ltd
459 Jalan Ahmad Ibrahim,
Singapore 639934
Tel: (65) 861 6200
Fax: (65) 862 1647
Produces: Beer.

Auric Pacific Food Industries Pte Ltd
2 Enterprise Road,
Singapore 629814
Tel: (65) 261 8411 (Gourmet Foods Division)
Fax: (65) 265 0689
Produces: Meat and poultry products.

Australian Fruit Juice (S) Pte Ltd
20 Toa Payoh Industrial Park,
#01-1003/1005,
Singapore 319072
Tel: (65) 253 7712
Fax: (65) 251 9836
Produces: Beverages.

Bachun Food Industries (Pte) Ltd
22 Tuas Avenue 12,
Singapore 639040
Tel: (65) 861 0158
Fax: (65) 861 1451
Produces: Sauces.

Callebaut Asia Pacific (Singapore) Pte Ltd
10 Ang Mo Kio Street 65,
#05-11 Techpoint,
Singapore 569059
Tel: (65) 481 6855
Fax: (65) 481 4155
Produces: Chocolate products for industry and catering business use.

Chinatown Food Corporation Pte Ltd
9 Burn Road, #02-00,
Tee Yih Jia Food Building,
Singapore 369972
Tel: (65) 382 0500
Fax: (65) 382 0600
Produces: Frozen traditional foods.

Delifrance Singapore Pte Ltd
245 Pandan Loop,
Singapore 128428
Tel: (65) 778 7934
Fax: (65) 779 6368
Produces: Baked products for its own cafe chain.

Dragon Shokuhin (S) Pte Ltd
12 Senoko Avenue
Singapore 758302
Tel: (65) 755 8933
Fax: (65) 753 2964
Produces: Frozen and chilled traditional foods.

Everbloom Mushroom Pte Ltd
9 Seletar West Farmway 5,
Singapore 798057
Tel: (65) 482 1070
Fax: (65) 482 1657
Produces: Mushrooms and mushroom based products.

Fortune Food Manufacturing Pte Ltd
348 Jalan Boon Lay,
Singapore 619529
Tel: (65) 2664188
Fax: (65) 2611326
Produces: Soybean products.

F&N Coca-Cola Pte Ltd
457 Jalan Ahmad Ibrahim,
Singapore 639933
Tel: (65) 8604224
Fax: (65) 8617248
Produces: Soft drinks

Gardenia Foods (S) Pte Ltd
224 Pandan Loop
Singapore 0512
Tel: (65) 778 5666
Fax: (65) 777 9453
Produces: Daily baked products.

Golden Bridge Foods Manufacturing Pte Ltd
30 Senoko South Road,
Singapore
Tel: (65) 758 3761
Fax: (65) 758 8580
Produces: Asian meat and poultry products.

Haton Food Industries Pte Ltd
59 Quality Road,
Singapore 6188
Tel: (65) 265 5111
Fax: (65) 268 2882
Produces: Frozen fish and seafood products.

Khong Guan Biscuit Factory (S) Pte Ltd
338 Jalan Boon Lay
Singapore 619526
Tel: (65) 261 6888
Fax: (65) 265 2319
Produces: Biscuits.

Kikkoman (S) Pte Ltd
7 Senoko Crescent
Singapore 2775
Tel: (65) 758 8822
Fax: (65) 758 3016
Produces: Sauces.

King's Creameries (S) Pte Ltd
51 Quality Road,
Singapore 618813
Tel: (65) 261 3133
Fax: (65) 265 5325
Produces: Ice cream.

Malaysia Dairy Industry Pte Ltd

2 Davidson Road
Singapore 369941
Tel: (65) 288 6421
Fax: (65) 288 8634
Produces: Dairy products and beverages.

Nestlé ASEAN (Singapore)
c/o Nestlé Singapore Head Office
200 Cantonment Road,
Southpoint, #03-01
Singapore 089763
Tel: (65) 221 5522
Fax: (65) 224 0402
Produces: Soysauce powder ingredient.

Ngo Chew Hong Edible Oil Pte Ltd
231 Pandan Loop,
Singapore 128418
Tel: (65) 778 3322
Fax: (65) 775 1566 (Production Department)
Produces: Edible oils.

Orkla Asia Pte Ltd
Head Office
400 Orchard Road, #10-04
Singapore
Tel: (65) 737 0837
Fax: (65) 737 8996
Produces: Frozen foods.

Pokka Corporation (S) Limited
39 Quality Road,
Singapore 618810
Tel: (65) 261 1222
Fax: (65) 268 1975
Produces: Beverages and desserts.

Prima Ltd
201 Keppel Road
Singapore 0409
Tel: (65) 272 8811
Fax: (65) 276 6623
Produces: Flour and bakery supplies.

Seawaves Frozen Food Pte Ltd
12 Fishery Port Road,
Singapore
Tel: (65) 265 8883
Fax: (65) 268 1368
Produces: Frozen fish and seafood products.

Sime Darby Edible Products Ltd
255 Jalan Boon Lay,
Jurong Town
Singapore 619524
Tel: (65) 660 4240
Fax: (65) 265 5129
Produces: Edible oils.

Singapore Food Industries Pte Ltd
234 Pandan Loop,
Jurong,
Singapore 128422
Tel: (65) 778 4466
Fax: 778 4238
Produces: Meat and poultry products.

Sinsin Food Industries Pte Ltd
12/14 Chin Bee Avenue
Singapore 619937
Tel: (65) 2641122
Fax: (65) 2658558
Produces: Sauces.

Sin Sin Jam Manufacturing Pte Ltd
3 Irving Place,
Singapore
Tel: (65) 282 6752
Fax: (65) 285 0351
Produces: Jams/jellies.

SIS '88 Pte Ltd
34 Jurong Port Road,
Singapore 2261
Tel: (65) 265 2288
Fax: (65) 265 7460
Produces: Refined sugar.

Sunshine Bakeries
2 Senoko Avenue,
Singapore 758398
Tel: (65) 2578455
Fax: (65) 2577310
Produces: Daily baked products.

Super Coffeemix Manufacturing Limited
26 Senoko Way,
Singapore 758048
Tel: (65) 753 3088
Fax: (65) 753 7833
Produces: Beverage powders and cereal based foods.

Tai Hua Food Industries Pte Ltd
12 Jalan Besut,
Singapore
Tel: (65) 265 9911
Fax: (65) 265 4077
Produces: Sauces.

Tai Sun (Lim Kee) Food Industries Pte Ltd
255 Pandan Loop,
Singapore 128433
Tel: (65) 779 6611
Fax: (65) 778 2477
Produces: Snack foods.

Tat Hui Foods Pte Ltd
37 Quality Road,
Singapore 618808
Tel: (65) 261 1010
Fax: (65) 265 1929
Produces: Noodles.

Tee Yih Jia Food Manufacturing Pte Ltd
5 Burn Road, #06-00
Singapore 369972
Tel: (65) 286 1111
Fax: (65) 286 2222
Produces: Frozen cooked traditional foods

Toh Li Food Products Pte Ltd
203 Block 24 Pandan Loop,
Singapore
Tel: (65) 778 6828
Fax: (65) 775 0818
Produces: Asian meat and poultry products.

Tong Guan Food Products Pte Ltd

33 Chin Bee Crescent,
Singapore 2261
Tel: (65) 264 2828
Fax: (65) 265 2515
Produces: Snacks.

Unicur Food Co Pte Ltd
18 Senoko South Road,
Singapore
758089
Tel: (65) 7592855
Fax: (65) 7595411
Produces: Soybean products.

Woh Hup Food Industries Pte Ltd
265 Pandan Loop,
Singapore 128438
Tel: (65) 779 1922
Fax: (65) 776 0004
Produces: Sauces.

Woodlands Sunny Foods Pte Ltd
19 Senoko Crescent,
Singapore 2775
Tel: (65) 753 0088
Fax: (65) 753 4038
Produces: Bakery industry supplies.

Yakult (Singapore) Pte Ltd
7 Senoko Avenue,
Singapore 2775
Tel: (65) 756 1033
Fax: (65) 756 1933
Produces: Cultured dairy beverages.

Yeo Hiap Seng Ltd
3 Senoko Way,
Singapore 758057
Tel: (65) 752 2122
Fax: (65) 759 1716 (Purchasing Department)
Produces: Canned food and beverages.

Source: The Singapore Manufacturers Association.

Other addresses

Primary Production Department
Maxwell Road
#03-00 Tower Block
MND Complex
Singapore 069110
Tel: (65) 325 7625
Fax : (65) 220 6068

Food Control Department
Ministry of the Environment
Environment Building
40 Scotts Road
Singapore 228231
Tel : (65) 731 9842
Fax: (65) 731 9843

Head, Public Relations
Customs & Excise Department
55 Newton Road
#10-01 Revenue House
Singapore 307987
Tel : (65) 355 2038
Fax: (65) 250 8663

Trade Development Board
230 Victoria Street
#07-00 Bugis Junction Office Tower
Singapore 188024
Tel : (65) 337 6628
Fax: (65) 337 6898

END OF REPORT