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Report Highlights:

Singapore's economy is rebounding strongly from the COVID-19 pandemic. The city-state's highly import dependent, multi-billion dollar food industry is driven by robust consumer spending, high disposable incomes, and intense urbanization. The country's trade and regulatory policies are focused on ensuring consistent foreign supply of high-quality food and agricultural products. Singapore's total agricultural and related product imports in 2021 reached \$17.2 billion USD, and the United States' market share was nine percent. Top prospective U.S. food and beverage products for the market include: dairy products, food preparations, processed vegetables, beef and beef products, fresh fruit, bakery goods, cereals and pasta, chocolate and cocoa products, non-alcoholic beverages, tree nuts and poultry meat products.

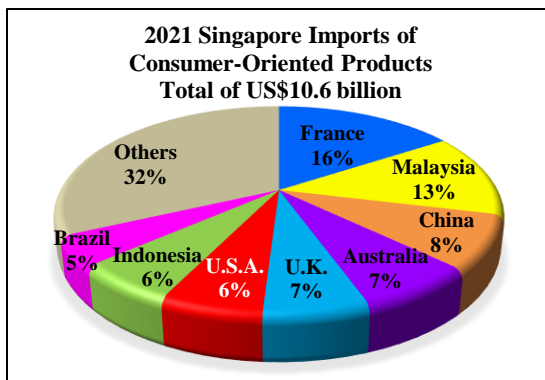
Market Fact Sheet: Singapore

Executive Summary

Singapore's highly import dependent, multi-billion dollar food industry is driven by robust consumer spending, high disposable income, and intense urbanization. The country's trade and regulatory policies are focused on ensuring consistent foreign supply of safe, high-quality food and agricultural products. Singapore's total agricultural and related product imports in 2021 reached \$17.2 billion USD, roughly 9 percent of which was sourced from United States. (Trade Data Monitor)

Imports of Consumer-Oriented Products

In 2021, the United States was Singapore's sixth largest supplier of consumer-oriented food and beverage products, with total sales reaching \$673 million USD. Top U.S. products in the market include dairy, fresh fruit, food preparations, processed vegetables, bakery goods, tree nuts, cereals and pasta, poultry, and beef products.



Source: Trade Data Monitor

Food Retailers

Singapore's retail foods sector is highly developed and very competitive, with total sales in 2021 reaching over \$7 billion USD (Euromonitor). The sector is dominated by three key players: NTUC Cooperative, Dairy Farm Group, and Sheng Siong Supermarket Chain.

Food Processing Ingredients

The Singaporean food processing industry is relatively small. However, almost all raw materials or ingredients used in the processing industry are imported. Total industry output value in 2021 reached almost \$8 billion USD.

Hotel, Restaurant, and Institutional

Singapore has a highly developed and competitive hotel, restaurant, and institutional (HRI) sector, total sales in

2021 totaled \$7.7 billion USD. However, the HRI sector was the least profitable sector in 2021, tourism receipts only totaled \$1.5 billion USD versus \$21 billion pre-COVID-19 pandemic. The reopening of international borders with higher tourist arrivals will continue to boost tourism sales. Additionally, the sector has evolved over the course of the past year, with increased digitalization and food deliveries.

Quick Facts CY 2021

Imports of Consumer-Oriented Products \$10.2 bil.

Top 10 Growth Products in Singapore

- 1) Dairy Products
- 2) Food Preparations
- 3) Processed Vegetables
- 4) Beef & Beef Products
- 5) Fresh Fruit
- 6) Bakery Goods, Cereals & Pasta
- 7) Chocolate & Coca Products
- 8) Non-Alcoholic Bev.
- 9) Tree Nuts
- 10) Poultry Meat Products

Top Singapore Retailers

NTUC Cooperative
Dairy Farm Group
Sheng Siong Supermarket Chain

Singapore's Macroeconomics

Population: 5.5 million people (2021)

(Source: www.singstat.gov)

Per Capita Income: \$72,794 USD (2021)

(Source: World Bank)

Real GDP Growth: 7.6 percent (2021)

(Source: Singstat)

GDP Composition:

- Industry: 26 percent
- Services: 74 percent

(Source: Singstat)

U.S. Exporter Opportunities and Challenges

Opportunities	Challenges
<p>-The growing Singaporean Retail, Food Processing and HRI sectors are highly dependent on a broad range of imported food products and ingredients.</p> <p>- High disposable incomes drive demand for premium products.</p> <p>- Singapore is a trendsetter and an ideal launch pad for food and beverage concepts.</p>	<p>-The Singapore market is highly competitive and can be very price sensitive for certain products.</p> <p>-China and other regional suppliers have gained significant market share in recent years.</p>
Strengths	Weaknesses
<p>-U.S. food and agricultural products are trusted and perceived to be of high quality.</p> <p>-Top U.S. brands are popular and in strong demand.</p>	<p>-Many U.S. exporters are unfamiliar with the market and are therefore sometimes unable to meet specific requirements and order sizes.</p> <p>-Time commitment for brand building can be significant.</p>

SECTION I. MARKET OVERVIEW

The city-state of Singapore, with a population of 5.6 million, is a wealthy, developed, and highly urbanized country. Singapore is heavily reliant on imports of food and energy. It regularly holds top slots in business rankings, positions itself as an economic hub globally, and was the 4th largest recipient of foreign direct investment (FDI) in 2021. The country's economy is rebounding quickly from the COVID-19 pandemic with a real Gross Domestic Product (GDP) increase of 7.6 percent in 2021; the manufacturing and services sectors driving growth. It had a low unemployment rate of 2.7 percent in 2021 and a well-educated workforce. Its GDP reached \$72,794 USD per capita, ranking 35th among major economies. The country is experiencing higher inflation due to a confluence of global factors.

The city-state maintains generally simplified business regulatory and taxation systems, well developed infrastructure and innovation-minded businesses, and an open trade system. Singapore's food laws, policies, and enforcement practices are focused on ensuring a consistent foreign supply of safe food and agricultural products. Singapore does not impose quotas and tariffs on most imported food and agricultural products. An excise tax is levied on tobacco and alcoholic beverages. The Goods and Services tax (GST) will be raised to eight percent, currently at seven percent on January 1, 2023. Singapore's total agricultural and related product imports in 2021 reached \$17.2 billion USD, with the United States capturing a nine percent market share.

The Regional Comprehensive Economic Partnership (RCEP) free trade agreement which came into force in January 2022 between ASEAN's ten member states, Australia, China, Japan, South Korea and New Zealand, will support Singapore's position as a trading hub. Singapore is an important partner of the United States with a bilateral, Free Trade Agreement (FTA) signed in 2003.

Demographics

The resident population is comprised of 74 percent ethnic Chinese, 13 percent Malay, 9 percent Indian, and 4 percent other minorities. The major languages spoken are English, the official language, Mandarin, and Malay. It has a low annual birth rate of 1 percent. High cost of living and a widening income gap (according to Euromonitor income inequality is now greater than in the United States) are major concerns of the Singaporean government. The proportion of citizens aged 65 and above has increased to 18.4 percent (SG Ministry of Manpower) and is expected to grow to 23.8 percent by 2030.

Advantages

- Singapore is highly dependent on imports for all of its food requirements.
- Large, wealthy and affluent population with higher disposable incomes and a well-traveled and educated population drives demand for premium products.
- Preference for high quality premium, wholesome, and natural products (although the market is niche). Millennials with higher spending power are willing to purchase imported meats, premium fruits, wines, spirits and beers, and pet food.
- A large resident expatriate community helps increase the influence of Western trends and eating habits and the proliferation of western-style restaurants and fast-food chains.
- Consumers generally perceive “Made in USA” or “Imported from USA” and U.S. brands as signs of high quality food and drink products.

Challenges

- Very high rental and operating costs in Singapore make promotional marketing activities more challenging.
- Competition in the Singaporean market is more intense, with countries such as France picking up significant market share in the wines & spirits category, and Malaysia and China in the other categories.
- Imported U.S. products are slightly more expensive than other regional suppliers.
- End-users lack knowledge on use of U.S. products and their versatility.
- U.S. exporters’ inability to service Singapore importers, retailers, and end users, i.e. meeting smaller packaging and reduced pricing that fits the market and providing marketing support.

SECTION II. EXPORTER BUSINESS TIPS

Market Research

FAS/Singapore recommends conducting market research in areas such as:

- Export documentation and Singapore food laws, packaging and labeling requirements, and importers’ criteria for entry into the Singapore market. Detailed information can be found by accessing the latest [Food and Agricultural Import Regulations and Standards Country Report](#)
- Develop an Export Plan outlining the steps to develop global sales. (Tips can be found in: <https://www.trade.gov/develop-export-plan>).
- Product fit (bearing in mind the diversity of Singaporean consumers)
- Customer cultural preferences and demand in the market
- Product potential compared with competing foreign suppliers
- Market segmentation
- Pricing strategy including competitiveness
- Packaging, in terms of size and quality
- Marketing communications necessary to create brand support and education
- Trade statistics and import trends for similar products

Market intelligence and market sector reports on Singapore are available online at:

<https://gain.fas.usda.gov>. U.S. exporters can seek the assistance of [State and Regional Trade Groups](#) for

more information on USDA-funded trade missions, trade shows, and exporter-tailored programs, or can contact the FAS Singapore office at: agsingapore@usda.gov.

Local Business Practice/Customs

- Singapore is a cosmopolitan country and follows standard international business practices. Singapore's laws are patterned after the British legal system. English is the main working language and business etiquette is largely relationship-based.
- Letters of credit are widely used, with payment terms of up to 60 days only when a long history of business relationship is established. In some cases, U.S. exporters may request that buyers pay for airfreight and handling costs of samples if they become prohibitive.
- U.S. exporters are advised to appoint local distributors, or at least a local representative, to help navigate the government requirements and local trading practices. As in all business relationships, U.S. exporters are advised to conduct due diligence, company background checks, and select agents who are knowledgeable and have proven track records and experience in their products.
- Financial and credit arrangements are not the same as in the United States. With few exceptions, supermarket chains, restaurants, and other retail customers expect suppliers to provide credit terms of up to 60 to 90 days.
- Note that a Singapore importer/company must have a trader's license and be registered with the Singapore regulatory body, [Singapore Food Agency](#) (SFA) and [Accounting and Corporate Regulatory Authority](#) (ACRA), before they are allowed to import food products into Singapore.

Trends

- Singaporeans are affluent and well-traveled, and relatively high levels of disposable income drive Singapore's demand for premium quality food and beverage products.
- The pandemic has accelerated the adoption of digitalization as consumers are embracing e-commerce to meet their retail shopping therapy through popular third-party platforms such as Shopee and Lazada. There is a rise in co-branding and/or brand collaborations, as well as a rise of "Live Streaming" malls on Facebook with a wide range of food products including luxury branded leather bags online.
- Health and wellness trends continue to be prevalent as consumers pay more attention to their wellbeing. Consumers are more informed and prefer preservative-free products and healthier food products; reduced sugar, salt and/or fat content. More consumers are paying more attention to product nutrition labels. Nutri-grade labeling on pre-packaged, sugar-sweetened beverages (SSB) will take effect end of 2022 and will have some impact on the sale of beverages that are exceptionally sweetened.
- Convenient food products such as recipe-specific cooking sauces and dry sauces that shorten meal preparation times, ready-to-eat Asian meals and soups, shelf-stable, chilled or frozen are gaining popularity as time-strapped Singaporeans seek convenience in meal preparations.
- Plant-based and novel foods continue to grow. The "meatless" meat and seafood or plant-based meat are making their way to supermarkets, e-commerce platforms, and the foodservice sector. Localized plant-based foods such as dim sum, luncheon meats, and frozen ready meals are now available in the marketplace. These foods appeal to vegans/flexitarians and/or those seeking healthier options in their diets.

Table 1: Top U.S. Consumer-Oriented Food and Beverage Exports to Singapore in 2021

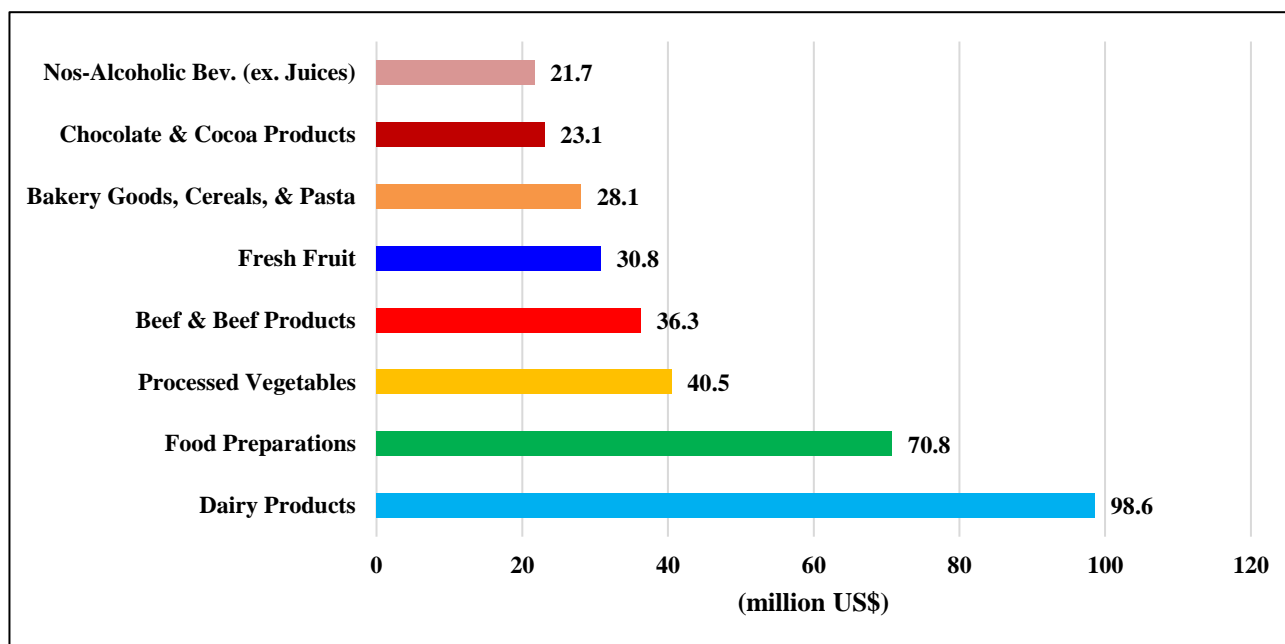


Table 2: Competition in the Consumer-Oriented Product Sector

Product Category (2021)	Major Supply Sources (2021)	Foreign Supplier Situation	Local Supplier Situation
Beef and Beef Products Net Imports: \$341million	1. Brazil: 36% 2. Australia: 30% 3. United States: 12% 4. Japan: 8%	Australia & Brazil are traditional suppliers. Brazil competes in the frozen beef segment.	Singapore does not produce beef.
Pork and Pork Products Net Imports: \$368 million	1. Brazil: 39% 2. Australia: 16% 3. Germany: 10% 5. Spain: 9% 6. Netherlands: 6% 7. China: 6% 8. United States: 4%	Brazil dominates the frozen segment. Australian pork dominates the fresh/chilled market. U.S. processed pork is growing in popularity.	Live pigs from Indonesia are imported and slaughtered. Most of the locally slaughtered meat is sold at wet/traditional markets and supermarkets.
Poultry Meat and Products Net Imports: \$397 million	1. Brazil: 50% 2. Thailand: 28% 3. United States: 6% 4. Malaysia: 5%	Brazilian poultry is currently price competitive in the Singaporean market.	Malaysian live chickens are imported and processed in-country.

Seafood Products Net Imports: \$1.1 billion	<ol style="list-style-type: none"> 1. Malaysia: 16% 2. China: 14% 3. Vietnam: 10% 4. Indonesia: 9% 5. Japan: 8% 15. United States: 1.4% 	ASEAN countries and China dominate the market. Fresh/chilled prawns, live crabs, frozen cuttlefish, and squid are key products.	90 percent of seafood is imported. The remainder is supplied by sea-based Singaporean aquaculture operations.
Fresh Fruit Net Imports: \$569 million	<ol style="list-style-type: none"> 1. China: 14% 2. Malaysia: 14% 3. United States: 12% 4. Australia: 12% 	Top U.S. fruits in the market include grapes, oranges, strawberries, and apples.	Singapore produces very little fresh fruit.
Processed Fruit Net Imports: \$149 million	<ol style="list-style-type: none"> 1. China: 20% 2. Indonesia: 15% 3. Malaysia: 11% 4. United States: 10% 	U.S. processed fruits are highly popular; some are repacked as private local brands.	Singapore is not a significant producer of processed fruit.
Tree Nuts Net Imports: \$185 million	<ol style="list-style-type: none"> 1. Indonesia: 29% 2. Malaysia: 20% 3. United States: 11% 4. Thailand: 8% 	Along with cashews from neighboring countries, U.S. nuts are very popular. Some U.S. nuts are repacked under local brands.	Singapore is not a major producer of edible nuts.
Wine and Beer Net Imports: \$996 million	<ol style="list-style-type: none"> 1. France: 58% 2. Australia: 15% 3. Italy: 3% 4. Japan: 3% 5. United States: 3% 	France dominates the premium wine market. U.S. wines are growing in popularity.	Singapore does not produce wine. Asia Pacific Breweries, Singapore's largest beer manufacturer, dominates the beer market.

Source: Trade Data Monitor

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Singapore's retail food sector is highly developed and competitive. Total sales for the sector in 2021 surpassed \$7 billion USD (Euromonitor), is dominated by three key players: the NTUC FairPrice Cooperative; Dairy Farm International Holdings; and Sheng Siong Supermarket. Please refer to the [Singapore Retail Food Annual 2022 GAIN Report](#).

The country's hotel, restaurant, and institutional (HRI) sector is also highly developed and competitive. The HRI sector suffered badly during the COVID-19 pandemic shut-downs, losing \$19 billion USD in tourism sales in 2021. The sector is expected to recover in 2024 according Euromonitor. For more details on the HRI sector, please refer to the latest [Singapore HRI Annual 2022 GAIN Report](#).

Due to limited land, natural resources and agricultural production Singapore has a small food manufacturing industry. However, almost all raw materials and ingredients for further processing are imported. In 2021, \$680 million USD of U.S. processed food products were imported. The industry consists of about 1,000 food manufacturers and spans over 17 sub-sectors, including flavors, local sauces and condiments, ready-to-eat meals, noodles, deli items, confectionary,

chocolates, snack products, beverages (including beer), and seafood processing. For more details on the food processing sector, please refer to the [Singapore Food Processing Industry Annual 2022 GAIN Report](#).

SECTION IV. AGRICULTURAL AND FOOD IMPORTS

Table 3. U.S. Exports to Singapore (thousand USD)

	2017	2018	2019	2020	2021	2021/2020
Product	Value	Value	Value	Value	Value	Period/Period % Change
Intermediate Total	347,219	323,826	424,103	658,742	843,393	28
Consumer Oriented Total	627,460	656,068	685,837	657,401	673,370	2
Bulk Total	29,622	29,361	31,793	37,085	31,916	-14
Agricultural Related Products	26,672	25,058	27,611	18,768	22,931	22
Grand Total	1,030,973	1,034,313	1,169,344	1,371,996	1,571,610	15

Table 4: Best Prospective U.S. Products for the Singaporean Market (million USD)

U.S. Product	2021 Singapore Total Import Value	2021 Total Import Value from the United States	2021 U.S. Market Share
Fresh Fruit	\$569	\$70	12%
Beef & Beef Products	\$341	\$41	12%
Bakery Goods, Cereals & Pasta	\$547	\$28	5%
Tree Nuts	\$185	\$21	11%
Seafood	\$1,118	\$16	1%
Pork & Pork Products	\$368	\$15	4%
Processed Fruit	\$149	\$15	10%

Source: Trade Data Monitor

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Organization	Address	Contact
USDA Foreign Agricultural Service	27 Napier Road Singapore 258508 Tel: (65) 6476-9120	Email: AgSingapore@usda.gov

American Embassy Singapore https://fas.usda.gov/		
U.S. Commercial Service	https://www.trade.gov/export-solutions	
U.S. Dairy Export Council	20 Martin Road Seng Kee Building, #08-01 Singapore 239070 Tel: (65) 6230 8550	Dalilah Ghazalay Regional Director, SEA Marketing & Operations Email: dali@dairyconnect.biz
U.S. Grains Council	14-1 Wisma UOA Damansara II No. 6, Changkat Semantan, Damansara Heights 50490 Kuala Lumpur, Malaysia Tel: (60) 3 2093 6826	Caleb Wurth Regional Director, SE Asia & Oceania Email: usgckl@usgc.com.my
U.S. Meat Export Federation	627 A Aljunied Road #04-04 Biztech Centre Singapore 389842 Tel: (65) 6733 4255	Sabrina Yin, Regional Director Email: singapore@usmef.com.sg
USA Poultry & Egg Export Council	541 Orchard Road #15-04 Liat Towers Singapore Tel: (65) 6737 1726	Margaret Say, Regional Director Email: msay@usapeec.org.sg
California Wine Institute Food Export-Midwest Food Export-Northeast Western U.S. Agricultural Trade Association	48 Toh Guan Road East #02-129 Enterprise Hub Singapore Tel: (65) 6515 6113	Richard Lieu Chuah Siew Keat Emails: richardlieu@lieumktg.com.sg ; siewkeat@lieumktg.com.sg
The Cranberry Marketing Committee	36 Carpenter Street Singapore 059915 Tel: (65) 8533 8475	Gregoire Debre Email: Gregoire.debre@terroirns.com
U.S. Rice Federation	6 Battery Road, #30-00 Singapore 049909 Tel: (65) 6930 3320	Dalilah Ghazalay Country Director Email: dali@exportdevt.com
U.S. Soybean Export Council	541 Orchard Road #11-03 Liat Towers Singapore Tel: (65) 6737 6233	Timothy Loh, Director Email: TLOh@ct.ussec.org
U.S. Wheat Associates	#15-02 Liat Towers Singapore Tel: (65) 6737 4311	Joe Sowers, Regional Vice President for South Asia Email: InfoSingapore@uswheat.org

End of Report

Attachments:

No Attachments