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Report Name: Food Processing Ingredients

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Report Highlights:

Almost all raw materials for the Singaporean food processing industry are imported, as local agricultural production is minimal. Total industry output value in 2019 reached almost \$8.3 billion USD. The main products produced by the Singaporean food processing industry include flavorings, sauces, ready-to-eat meals, noodles, deli meat, sausage, confectionery, chocolates, snacks and beverages (including beer). Top prospective U.S. food processing ingredient products for the Singaporean market include animal fats, dairy, vegetable oils, processed vegetables, tree nuts and pork.

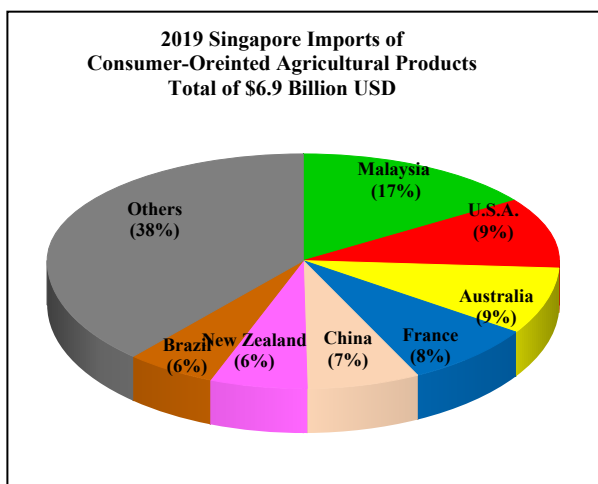
Market Fact Sheet: Singapore

Executive Summary

Singapore's highly import dependent, multibillion-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 product imports in 2019 reached \$10.1 billion USD, roughly 10% of which was sourced from the United States.

Imports of U.S. Consumer-Oriented Products

In 2019, the United States was Singapore's second largest supplier of consumer-oriented food and beverage products, with total sales reaching \$638 million USD for the year. Top U.S. products in the market include dairy, fresh fruit, processed vegetables, poultry and beef.



Source: Trade Data Monitor

Food Processing

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 2019 reached almost \$8.3 billion USD.

Hotel, Restaurant and Institutional

Singapore has a highly developed and competitive hotel, restaurant and institutional (HRI) sector. Singaporeans are some of Asia's top spenders on dining out. In 2018 (most recent data available), the country's tourist receipts topped \$27.1 billion USD, of which almost \$2 billion was derived from food and beverage sales.

Singapore's retail sector is also highly developed, with total sales in 2019 reaching over \$6 billion USD. Three key players dominate the sector: NTUC Fair Price Cooperative, Dairy Farm International Holdings and Sheng Siong Supermarket Chain.

Singapore's Macroeconomics

Population: 5.7 million people (2019)

(Source: SingStat)

Per Capita Income: \$65,233 USD (2019)

(Source: CEIC Data)

Real GDP Growth: 0.7 percent (2019)

(Source: Ministry of Trade and Industry)

GDP Composition:

- Industry: 24.8%
- Services: 75.2%

(Source: World Factbook)

Opportunities and Challenges for U.S. Exporters

Opportunities	Challenges
<p>-The growing Singaporean Food Processing, HRI, and Retail 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>-The Singapore market is highly competitive and can be very price sensitive.</p> <p>-China and other regional suppliers have gained significant market share in recent years.</p>
<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>

Retail Food

SECTION I. MARKET OVERVIEW

Singapore's food processing sector is relatively small and is comprised of mainly small and medium-sized enterprises (SMEs). These SMEs range from bakery, flour and confectionary factories to dairy processing plants and noodle/pasta manufacturers. The main products produced by the Singaporean food processing industry include flavorings, sauces, ready-to-eat meals, noodles, deli meat, sausage, confectionary, chocolates, snacks and beverages (including beer).

Almost all raw materials for the Singaporean food processing industry are imported, as local agricultural production is minimal. Australia and New Zealand supply the majority of the ingredient products for the Singaporean dairy processing plants while Malaysia and China are the local food manufacturer's top suppliers of fresh vegetables. The United States is a major supplier of animal fats, dairy products, vegetable oils, processed vegetables, and fresh fruit.

Major Processed Food and Beverage Companies in Singapore

- F&N Foods Pte. Ltd. - Established regional food and beverage company: Soft drinks, health & wellness drinks, dairy products, and ice cream. <https://www.fnnfoods.com/>
- Tee Yih Jia Food Manufacturing Pte. Ltd. – Processed, frozen and convenience food producer: Spring rolls, buns, breads and crepes. <http://www.tyjfood.com/>
- Singapore Food Industries Pte. Ltd. - Largest integrated food company in Singapore with processing facilities: Produces value-added foods (nuggets, bacon, ham, patties, seafood) and fresh, chilled and frozen pork. Also processes fruits, vegetables, soups, and sauces. <https://www.sats.com.sg>
- Asia Pacific Breweries (APB) Singapore – Leading beer manufacturer and distributor: Over 40 beer brands including Tiger, and Baron. <https://www.apbsingapore.com.sg/>
- Yeo Hiap Seng Pte. Ltd. - Manufacturer and distributor of beverages, sauces, and canned/preserved foods. <https://www.yeos.com.sg>
- Khong Guan Biscuits Pte. Ltd. - Biscuits producer: Range includes assorted biscuits, wafers, digestives, and cream crackers. <https://www.khongguan.com.sg/>
- Auric Pacific Group Ltd. - Processed food manufacturer including bakery, frozen and ready-to-eat meals: Breads, oils, fats, frozen pizza/pies, butter, and gourmet delicatessen. Also distributes global brands and wines/spirits. <https://www.auricgroup.com/>
- Lam Soon Group – Established manufacturer of cooking oil: Products include cooking oil, margarine, specialty fats, and organic products. <http://www.lamsoongroup.com>

Sector Trends

- Health and wellness trends continued to be highly prevalent in 2019.
- Increased demand for “natural” and “less processed” food and beverage products.
- Growing demand for smaller food package sizes and individually wrapped products.
- The Singaporean Ministry of Health (MOH) will introduce several measures restricting some types of pre-packaged, sugar-sweetened beverages (SSBs). These regulations are expected to take effect by the end of 2021 and may have ramifications on the sale of some processed food products in the country.

- Partially hydrogenated oils (PHOs), a common ingredient used in the manufacturing of many processed foods, will be banned by the MOH. The March 2019 announcement will affect four categories of products including snacks, baked goods, prepared meals and fat spreads.
- Growing demand for ready-to-eat meals and convenience foods that are considered fresh and nutritious.
- Increased blurring of product categories as manufacturers mix and match ingredients and concepts.
- Increased “localized strategies” to snack products, such as adding local flavors.

Road Map for Market Entry

U.S. exporters of food and agricultural products should consider the following when planning to enter the Singapore market:

- Analyze Singapore food laws, packaging & labeling requirements and importer criteria for entry into the Singapore market. Detailed information on Singapore regulations and requirements can be found by accessing the [FAS/Singapore Food and Agricultural Import Regulations & Standards Country Report](#).
- Review the types of U.S. products that can be readily targeted in the market. Consider the price competitiveness of U.S. products compared to similar products available in Singapore.
- Participate in regional trade shows and trade missions by tapping into the resources offered by [State and Regional Trade Associations](#).
- Develop links with local importers that target the major processors. U.S. exporters are advised to appoint local distributors or at least a local representative to help guide them through the requirements of Singapore food regulations and local trading practices.
- After establishing links with importers, strive to educate them (in person if possible) on the qualities of your product/s and supply chain.
- After establishing trade agreements with local importers, conduct product promotions with end-users. This type of marketing event is particularly effective during festivals and peak seasons (Chinese New Year, Christmas, etc.).
- Provide technical assistance (e.g. handling techniques and product formulations) to end-users.
- Maintain strong communication with your local importer to ensure all certificates and import permits are valid and up to date.

SECTION II. NATIONAL FOOD STANDARDS & TRADE REGULATIONS/PROCEDURES

The Singapore Food Agency (SFA) is the national authority responsible for food security and safety matters in the country. Established in April 2019, the SFA has assumed all food-related regulatory responsibilities from its predecessor, the Agri-Food and Veterinary Authority (AVA).

Several types of food/food products entering Singapore must originate from establishments approved by SFA. Additionally, multiple types food/food products, including meat and meat products, processed eggs, fresh table eggs and live poultry, require proper accreditation and approved procedures with SFA. Overseas establishments that supply these products are required to apply for accreditation with SFA through the supplying country’s competent authorities.

For more details on export requirements to the Singapore market, please refer to [the USDA Food Safety and Inspection Service Export Library](#).

SECTION III. COMPETITION

Product Category (2019)	Major Supply Sources (2019)	Foreign Supplier Situation	Local Supplier Situation
Dairy Products Net Imports: \$949 million	<ol style="list-style-type: none"> 1. New Zealand: 30% 2. Australia: 14% 3. United States: 8% 4. Thailand: 7% 	Australia & New Zealand are traditional suppliers.	Local/regional dairy companies have strong brand/name familiarity.
Processed Vegetables Net Imports: \$213 million	<ol style="list-style-type: none"> 1. United States: 31% 2. China: 24% 3. Malaysia: 10% 4. Japan: 5% 	Processed U.S. potatoes are in strong demand. China and regional countries offer competitive pricing for other processed vegetables.	Singapore is a small producer of processed vegetables.
Fresh Vegetables Net Imports: \$473 million	<ol style="list-style-type: none"> 1. Malaysia: 38% 2. China: 25% 3. Australia: 9% 4. Thailand: 5% 	Regional countries offer competitive pricing.	Singapore produces mainly leafy vegetables and bean sprouts. Production is minimal.
Processed Fruit Net Imports: \$125 million	<ol style="list-style-type: none"> 1. China: 22% 2. United States: 13% 3. Malaysia: 12% 4. Thailand: 10% 	U.S. dried fruits are popular; some are repacked and sold as private local brands.	Singapore is not a significant producer of dried fruit.
Fresh Fruit Net Imports: \$528 million	<ol style="list-style-type: none"> 1. Malaysia: 14% 2. United States: 13% 3. Australia: 13% 4. China: 12% 	The top U.S. fresh fruits in Singapore include grapes, oranges, strawberries and apples.	Singapore produces very little fresh fruit.
Tree Nuts Net Imports: \$157 million	<ol style="list-style-type: none"> 1. Indonesia: 28% 2. Malaysia: 18% 3. United States: 17% 4. India: 7% 	Along with cashews from neighboring countries, U.S. nuts are very popular. Some U.S. nuts are repacked and sold	Singapore is not a major producer of edible nuts.

		under local brands.	
Beef/Beef Products Net Imports: \$250 million	<ol style="list-style-type: none"> 1. Brazil: 32% 2. Australia: 32% 3. United States: 12% 4. New Zealand: 7% 	<p>Australia and New Zealand are traditional suppliers.</p> <p>Brazil is currently price competitive in the frozen beef segment.</p>	Singapore does not produce beef.
Poultry/Poultry Products (excluding eggs) Net Imports: \$375 million	<ol style="list-style-type: none"> 1. Brazil: 53% 2. Thailand: 24% 3. United States: 9% 4. Malaysia: 5% 	Brazilian poultry is currently price competitive in the Singaporean market.	Malaysian live chickens are imported and processed in-country.

Source: Trade Data Monitor

Best Prospective U.S. Products for the Singaporean Market

U.S. Products	2018 Import Value (million USD)	2019 Import Value (million USD)	Growth
Animal Fats	\$109	\$193	77%
Dairy Products	\$71	\$81	14%
Vegetable Oils (ex. Soybean)	\$44	\$73	66%
Processed Vegetables	\$36	\$41	14%
Tree Nuts	\$21	\$23	10%
Pork and Pork Products	\$13	\$14	8%

Source: U.S. Census Bureau Trade Data

SECTION IV. KEY CONTACTS AND FURTHER INFORMATION

A) USDA Foreign Agricultural Service in Singapore

Office of Agricultural Affairs
American Embassy Singapore
27 Napier Road
Singapore 258508
Tel: (65) 6476-9120 Fax: (65) 6476-9517
Email: AgSingapore@fas.usda.gov

B) U.S. Dairy Export Council

1 North Bridge Road, #06-10

High Street Centre,
Singapore 179094
Tel: (65) 6334 7030 Fax: (65) 6223 2010
Contacts: Dalilah Ghazalay, Regional Director, SEA Marketing & Operations
Email: dali@dairyconnect.biz

C) U.S. Grains Council

50 Jalan Dungun Damansara Heights
Kuala Lumpur, Malaysia
Tel: (60) 3 2093 6826 Fax: (60) 3 2273 2052
Contact: Manuel Sanchez, Regional Director—South & Southeast Asia
Email: usgckl@usgc.com.my

D) U.S. Meat Export Federation

627 Aljunied Road, #04-04 Biztech Centre
Singapore
Tel: (65) 6733 4255 Fax: (65) 6732 1977
Contact: Sabrina Yin, Regional Director
Email: singapore@usmef.com.sg

E) USA Poultry and Egg Export Council

541 Orchard Road, #15-04 Liat Towers
Singapore
Tel: (65) 6737 1726 Fax: (65) 6737 1727
Contact: Margaret Say, Regional Director
Email: usapeec_sing@pacific.net.sg

F) Raisin Administrative Committee, Food Export-Midwest, Food Export-Northeast and the Western United States Agricultural Trade Association

48 Toh Guan Road East, #02-129 Enterprise Hub
Singapore
Tel: (65) 6515 6113 Fax: (65) 6278 4372
Contact: Richard Lieu and Chuah Siew Keat
Emails: richardlieu@lieumktg.com.sg; siewkeat@lieumktg.com.sg

G) U.S. Soybean Export Council

541 Orchard Road, #11-03 Liat Towers
Singapore
Tel: (65) 6737 6233 Fax: (65) 67375849
Contact: Timothy Loh, Director
Email: TLoh@ct.ussec.org

H) U.S. Wheat Associates

541 Orchard Road, #15-02 Liat Towers
Singapore

Tel: (65) 6737 4311 Fax: (65) 6733 9359

Contact: Matt Weimar, Regional Vice President for South Asia

Email: InfoSingapore@uswheat.org

I) Singapore Government Websites:

Singapore Food Agency: www.sfa.gov.sg

Department of Statistics: www.singstat.gov.sg

Singapore Government: www.gov.sg

Attachments:

No Attachments