



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 6/20/2001

GAIN Report #SN1006

Singapore

Organic Products

2001

Approved by:

Bonnie BORRIS

U.S. Office of Agricultural Affairs

Prepared by:

Stanton, Emms & Sia

Report Highlights:

Singapore's market for organic foods is estimated to be worth about US\$3.5 million at retail level in 2000. A wide range of organic foods are mainly imported from the USA and Australia. The number of brands is high, relative to the small size of the market. Over the past 5 years, there has been a significant increase in the number of products in the market. Products are carried by conventional retailers, e.g. supermarkets, but the market still revolves around smaller health food shops and concession space rented by some importers from some mainstream retailers. Most products are still in an introductory stage of their development with variable market performance.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Kuala Lumpur [MY1], SN

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Section I - Summary

Market type and nature

Singapore's market for organic foods is estimated to be worth about US\$ 3.5 million at retail level in 2000. Currently, Singapore's own suppliers only produce a limited quantity of fresh vegetables for their home market. None of Singapore's food processors manufacture organic foods at present. Today, Singapore is supplied with a wide range of organic foods, mainly imported from the USA and Australia. The number of brands in the market is high, relative to the small size of the market.

The market for organic foods is a series of niche markets which are continuing to see moderate growth. Organic foods interact with products that are described as "chemical free" rather than organic and other products whose ingredients are only partially organic. Most local consumers do not understand organic foods and consumer education about these products is currently very weak.

Over the past 5 years, there has been a significant increase in the number of products in the market. More products are carried by conventional retailers, e.g. supermarkets, but the market still revolves around smaller health food shops and concession space rented by some importers from some mainstream retailers. Trade respondents cite authentic Asian organic processed foods, organic seafood and some varieties of organic cereal flours as segments with weak supplies at present.

Most products are still in an introductory stage of their development with variable market performance. A small number of products are performing better than others, including organic brown rice, products that are consumed for health reasons, e.g. organic cider vinegar and herbal teas and some convenience foods consumed by western and Japanese expatriates, e.g. packaged ready-to-cook or ready-to-heat items, e.g. rice based products, pasta, noodles and pour-over sauces.

Best prospects summary

Singapore has prospects for organic food and beverages exported from the USA. However, U.S. exporters need to be aware that, despite positive developments over the past 5 years, Singapore's market for organic foods remains at a very early stage of its development.

Products with the best prospects will meet closely with the demand traits of the different consumer groups, for example:

- Products that fit easily into the modernising Singaporean local diet, especially in view of the fact that the majority of these consumers are the families of individuals with a medical condition such as cancer. These consumers wish to continue with an organic/healthier version of their local diet rather than change to consuming foods that are foreign to them.
- Products targeting health conscious middle to upper-income group of Singaporeans.

- Products targeting expatriates from North America, Europe and Australia/New Zealand.
- Products targeting the Japanese expatriate community, especially authentic ethnic Japanese foods.

U.S. exporters will need to work with the more established importers to develop these markets as local knowledge and input to business development is very important under the current state of the market for organic products.

Competition for the USA in the market

U.S. organic products lead the market in all areas, except fresh produce. Australia is currently the main competitor for the USA and supplies many of the products that are being imported from the USA. New Zealand also has strengths in organic meats, specifically beef, and a small number of other products, e.g. organic honey. Malaysia, India and Singapore have some strengths in the organic vegetable market. Overall, the USA is perceived to have a better range of products and better quality products than Australia or any other country.

Regulatory environment for organic food and beverages

Singapore has no specific regulations or policies regarding organic products. Discussions with government officials indicate that there are no plans to develop and issue any organic standards for fresh produce, processed food and beverages.

Imports of all organic products are governed by exactly the same regulations, procedures and practices as those that apply to non-organic fresh produce, processed foods and beverages.

U.S. advantages and challenges in Singapore's organic food market.

U.S. Advantages in Singapore	Challenges for the USA in Singapore
<ul style="list-style-type: none"> • U.S. organic products are recognised by importers as generally having the highest quality in the world. 	<ul style="list-style-type: none"> • Not all U.S. suppliers are viewed as reliable or service oriented by local importers.
<ul style="list-style-type: none"> • Singapore has low tariff barriers. It is a relatively high income market which is not serviced by local organic food suppliers. 	<ul style="list-style-type: none"> • Demand revolves around relatively small sized order quantities.

<ul style="list-style-type: none"> Loyalty to USA is generally high amongst importers. The USA is the first place that is explored for new products by importers. 	<ul style="list-style-type: none"> Lack of knowledge amongst Singaporean consumers. Additionally, price sensitivity is generally high amongst Singaporeans.
<ul style="list-style-type: none"> The USA's product portfolio includes a range of organic products that already have reasonable levels of demand in the Singapore market. 	<ul style="list-style-type: none"> Australia and, to some extent, New Zealand, as competitors for U.S. products.

Section II - Regulations and policy

The Singapore Government has no specific regulations or policy over organic foods. Providing organic food and beverages do not infringe any of the provisions of the Food Regulations or regulations which pertain to drugs and drug control (as relevant to products that make specific health claims on their labels or in promotional literature) consumption of the products is at the option of the consumer. There are also no plans to develop and implement any organic food and beverage standards similar to those that exist in countries which produce such products. Additionally, government healthy eating campaigns place no emphasis on the consumption of organic foods.

As for all other processed foods, organic foods must comply with the Food Regulations which cover labelling, sell-by-date, packaging and additive/nutrient supplement contents. (See Appendix A for a brief overview of import requirements for processed food and beverages). Organic foods are viewed as a type of health food, a category which is subject to a watching brief by the Food Control Department, Ministry of Health and CASE (Singapore's consumer association). Health claims on labelling of health foods, including organic products, is the main concern of these entities and this is being monitored with reference to CODEX and the position in other countries, e.g. the USA..

While general claims about the benefits of consuming organic foods may be acceptable, specific claims that such products can alleviate specific diseases or disease risks are banned under regulations covering both food and drugs. It should be noted that for regulatory purposes, organic products that make health claims can be evaluated to establish whether they are:

- A pharmaceutical product, e.g. health supplements, falling under the jurisdiction of the Drug Administration Division of the Ministry of Health; or
- A foodstuff falling under the jurisdiction of the Food Control Department of the Ministry of Environment.

Organic products that are deemed to be pharmaceuticals by the Singapore authorities will be subjected to stringent regulations covering sale, advertising and promotion. All advertising and promotional activities of pharmaceutical products have to be approved by the Drug Administration Division. Under the Medicine (Advertisement & Sale) Act the packaging and leaflet inserts of imported pharmaceuticals

must not include claims or implications covering a range of diseases and conditions (See Appendix B to this study for a list of the diseases and conditions).

The Food Regulations contain a general provision banning health claims from appearing on food labels. Reference is currently made to the list of diseases and conditions detailed in the Medicine (Advertisement & Sale) Act. A senior official with the Ministry of Health comments that at some stage in the short to medium term, a similar list will be included in the Food Regulations as part of efforts to bring the legislation into line with new food innovations, in particular functional foods.

The Food Regulations are subject to constant review and update by the Singapore government. In the short term, mandatory nutritional labelling will be implemented. A senior official with the Ministry of Health advised that the changes will include a requirement for nutrition information to be provided for a serving size and 100 grams of the product. It is also likely that the labelling regulations will take into account the desire of ASEAN governments to harmonise regulations throughout the region.

Organic produce, such as meat, poultry, fish, seafood, fruits, vegetables, are under the jurisdiction of the Agri-Food and Veterinary Authority (“AVA”). The import of organic produce is required to comply with the same requirements as non-organic produce. These include supplying the required documentation upon import, obtaining approval for import, official inspection as required, compliance with relevant health regulations. Appendix C to this report provides a transcript of the AVA’s explanatory notes covering the import of meat, fish, seafood, fruits and vegetables.

Section III - Consumption and market sectors

The consumer and organic foods

Discussions with trade and government sources indicate that there are now five different groups involved in the organic food market as consumers:

- Singaporeans who wish to consume special diets because of medical conditions such as cancer. These persons are reported to be an important part of the market, if not the most important group of local consumers being serviced today.
- Singaporean vegetarians, including Buddhists and others that are members of vegetarian and similar societies.
- Japanese expatriate families, with demand for ethnic Japanese products and health/healthy foods.
- Western expatriate families, with demand for organic versions of processed foods and fresh produce that are well known to them.
- Other Singaporeans in the middle to upper income groups who are more health conscious than their compatriots.

Organic food consumption has been growing for two reasons:

- An influx of higher income expatriates from the developed world, i.e. North America, Northwest Europe, Australia/New Zealand and Japan, since 1989.
- Increasing affluence amongst Singaporeans since the mid-1980s. This has provided persons with medical conditions such as cancer and other health conscious individuals with the ability to consume organic foods.

Trade sources comment that most consumers of organic foods have sufficient income to be unconcerned about the retail price of organic food. Their main concerns revolve around their wish to consume foods that do not contain additives, chemicals or pesticides. Having stated this, most Singaporeans who purchase such products would welcome lower prices. As a result, importers are constantly seeking to supply more value-for-money products to the market. (See Appendix D for a listing of the retail prices of a range of organic products).

In the past, consumers of organic foods had to visit retail stores located in the Orchard Road belt to make their purchases. Today, this has changed. One importer, Origins Healthcare, now has concession space for its products in selected NTUC Fairprice supermarkets all across the island. Other importers are closing their retail outlets and are reorganising their business around wholesaling, including home delivery and retail outlets based at their warehouses. Some businesses are attempting to use, or considering the use of, e-commerce as part of their business development strategy.

A very small number of organic food restaurants operate in Singapore. These range from restaurants in hotels, e.g. Hilton Singapore, through café style outlets, e.g. Planet Organic, to small food stalls operating in the central business district. Additionally, some high-end hotels, e.g. The Oriental Singapore, are able to service specific demand from guests for an organic meal.

Market size and structure

The market for organic foods was estimated to be worth around US\$ 3.5 million at retail value in 2000. Demand from the food service sector is estimated at between 10% and 15% of total market value with the balance of the market comprising retail sales.

None of Singapore's food processors manufacture organic foods at present. Organic ingredients that are imported are mainly repacked and retailed in small packs, e.g. 250 gram or 500 gram in size, with relatively small quantities being used by the organic food service outlets as well as some hotels on an infrequent basis, e.g. when organic food is requested by their guests.

Singapore is supplied with a wide range of organic foods:

- Retailers comment that it is now possible to consume only organic foods if one is prepared to shop around, can afford the products and has a westernised or vegetarian diet.

- Buyers with hotels comment that most of the products required for an organic menu are available in Singapore if they cooperate with importers, innovate around available supplies and seasonal fluctuations in supply and are prepared to pay the higher prices for their requirements.

There is no readily available data on the structure of the market. Discussions with respondents from individual retailers and importers indicate the following structure may be applicable in 2000.

Organic Food Market Structure in 2000 (Estimated)	
	% Share of Market
Fresh fruits and vegetables	10%
Brown rice and rice based convenience foods	15%
Non-alcoholic beverages, e.g. juices and cider vinegar	15%
Flours, pulses and lentils etc.	20%
Confectionery items, including spreads	5%
Breakfast cereals, cereal bars and snack foods	5%
Chilled and frozen products, including meat	5%
Other items, e.g. coffee, tea, sugar, edible oils, canned foods, specialty foods and wines	25%
Total	100%
Source: Trade estimates and observations (September 2000)	

Some key points to note about the above segments and competition in the market are as follows:

- Australia is currently the market leader in organic fresh fruits and vegetables.
- The USA is the market leader in all other areas of the organic food market.
- Differing trade views exist about Australia's competitive advantages in the organic food market. Some respondents are very satisfied with Australian products and service whilst others are less complementary, mainly because Australian products are viewed as lower quality than equivalent U.S. products.

- The USA is generally seen as having the best range of organic foods in terms of product quality, packaging quality and choice. Importers explore the U.S. organic product range before that of any other country.
- Not all U.S. suppliers are reliable “partners” in market development. Many, especially the new businesses, are interested in selling products rather than servicing and developing markets.

Retail distribution of organic food and beverages

Organic foods are retailed through:

- Small shops, including retail outlets at importers’ warehouses, that specialise in organic foods run by companies such as Organic Paradise, Organic Network and Planet Organic.
- Health food shops, including chains such as Natures Farm, Family Health Foods and GMC, which carry a limited number of organic foods as part of their range.
- Large format stores, mainly supermarkets targeting the middle to upper income groups, including expatriate shoppers.
 - ! NTUC Fairprice is the key channel because of the concession space that has been provided to Origins Healthcare, Singapore’s leading importer of organic foods.
 - ! Other major supermarkets, Cold Storage and Shop’n Save, currently carry a very limited range of organic foods.

Sogo Department Store, a key retail channel for organic foods, closed its operations in Singapore just after this report was published because of the bankruptcy of its Japanese parent company. Sogo’s supermarkets carried a large range of specialty foods, including organic products, and were frequented by expatriate shoppers and higher-income Singaporeans. Sogo was a pioneer in introducing organic fresh produce to Singapore’s supermarket scene.

The Table below provides an overview of the current status of distribution of organic products in mainstream retailers, e.g. supermarkets and hypermarkets.

Retailer Name and Outlet Type	Number of Outlets	Involvement with Organic Foods	Purchasing Method / Agent Type
NTUC Fairprice* (Supermarket)	41	Fairprice currently leases concession space in 16 of its supermarkets to an organic food supplier, Just Health Food, which retails products supplied by Origins Health Food Pte Ltd. It displays only limited quantities of organic foods on its own shelves, e.g. Billington's organic sugar.	Will purchase organic products from local importers only if they are viable amongst its target market, i.e. the mass market.
Cold Storage (Supermarket)	22	Carries a very limited range of organic foods.	Imports direct under the Waitrose label from the UK and purchases some products from local importers if considered viable.
Shop'n Save (Supermarket)	27	Carries a very limited range of organic foods.	Purchases from local importers if considered viable.
Daimaru (Supermarket)	2 **	Carries a very limited range of organic processed foods.	Purchases from local importers if considered viable.
Isetan (Supermarket)	1	Carries a very limited range of organic processed foods.	Purchases from local importers if considered viable.
Giant*** (Hypermarket)	1	Carries a very limited range of organic processed foods.	Purchases from local importers if considered viable.
<p>*: Includes supermarkets operating under the Fairprice and Liberty names. **: Daimaru operates two supermarkets and a small foodhall located in its department stores. ***: Part of Cold Storage group of businesses Note: Sources with Carrefour Hypermarket comment that they do not carry organic foods at present. Source: Retail trade sources and market observations.</p>			

There are more than 50 smaller retail outlets that sell organic processed foods as part of their product range today. Apart from Origins Health Care, mentioned under NTUC Fairprice in the above Table, some important retail chains are run by the following businesses:

- Natures Farm Pte Ltd, which operates 23 shops.

- Family Health Foods Pte Ltd, which operates 12 shops.
- GNC (Victoria House Pte Ltd), which operates 15 shops.

Another importer, Nature's Glory Pte Ltd, runs one retail centre at its warehouse. A major retail channel for Nature's Glory products are the retail outlets operated by the abovementioned Family Health Foods Pte Ltd.

One business also operates an organic website with the address: www.organiconline.com.sg.

Organic food importers

Singapore has a handful of organic food importers, some new and others long established. These businesses are largely responsible for developing the organic food market that exists today. Discussions with senior management of some of the importers indicate that they face a number of challenges other than the current weak state of demand in the market:

- Most pay cash for the products they import but have to provide local retailers with between 60 and 90 days credit. In some cases, it is difficult for them to access retail display space because of the listing fee and promotion cost requirements of mainstream retailers, which have become more aggressive over the past 3 years.
- Inventories held are high in Singapore at between 2 months to 4 months of sales.
- Weak service from most exporters in terms of delivering to specification and supporting importers in their market development efforts. Products that are relatively close to their expiry dates are frequently shipped to Singapore, there is usually little or no promotional support available from the exporter and exporters are, in some cases, very fickle when it comes to developing and maintaining long term business relationship with importers.

Generally, while some exporters show some commitment to developing the Singapore market, most exporters of organic food are viewed as having no significant commitment to assisting importers to develop the market in Singapore. This situation has an effect farther down the distribution chain because Singapore retailers comment that there is insufficient consumer education for proactive market development to take place.

At the time of writing, i.e. mid-September 2000, three organic food businesses were reorganising their businesses. This involved a number of different activities including the closure of outlets, both retail and food service, in the main Orchard Road shopping area, relocation of such outlets to lower cost venues, enhancement of retail outlets at warehouses. This activity underlines the fact that development of the organic food market is currently difficult for some businesses, in particular new businesses and the less well established businesses.

Future opportunities and challenges in Singapore's organic food market

The future market for organic products will remain a very small proportion of Singapore's market for

fresh produce, processed foods and beverages largely because of:

- The lack of knowledge about organic foods in Singapore and the high comfort levels that local consumers have about the government's efforts to minimise the imports of food products that contain high levels of pesticides or inappropriate additives.
- The high price of organic products in a market that is underpinned by relatively high levels of price sensitivity.

Increasing affluence and health consciousness amongst Singaporeans and the relatively large numbers of expatriates from the developed world provides a reasonable base from which to continue developing the organic food market in future.

Opportunities exist for organic products that meet closely with the demand traits of the different consumer groups, for example:

- Products that fit easily into the modernising Singaporean local diet, especially in view of the fact that the majority of consumers are the families of individuals with a medical condition such as cancer. These consumers wish to continue with an organic/healthier version of their local diet rather than change to consuming foods that are foreign to them.
- Products targeting health conscious middle to upper-income group Singaporeans.
- Products targeting expatriates from North America, Europe and Australia/New Zealand, especially products that they are familiar with, e.g. products from their home countries or that fit into their own unique diets.
- Products targeting the Japanese expatriate community, especially authentic ethnic Japanese foods.

As in the past, the existing organic food importers will continue to develop the market by exploring potential products and launching/testing them in the market. U.S. exporters can assist importers to develop the market in future by developing a closer "partnership" with the more established and knowledgeable importers. The key areas in which U.S. exporters can have the greatest impact are:

- The establishment of more favourable trading terms for importers.
- Meeting closely with order specifications by shipping newly manufactured products rather than products that are relatively close to expiry date.
- Working together with importers as partners to educate consumers in Singapore and provide appropriate promotional support for future market development (Also see following section of this report).

- Working with importers to study the market and develop more understanding of which organic foods can achieve future “fit” in the local diet.

Section IV - Promotional activities

Discussions with a broad range of trade sources indicate that there has been no advertising and very little organised promotion of organic foods over the past 5 years. The promotional activities that have taken place include:

- The periodic prominent display of selected products or product ranges supported by personal attention and advice from the sales staff in retailers. To date, most of these products have been new products which have been imported to test their marketability in Singapore.
- The occasional price promotion in some retail outlets supported by more prominent display of the products being promoted and related information leaflets. Importers comment that they usually sponsor these promotions without any funding from their principals.
- Explanatory leaflets about organic products and their production. These are made available to shoppers in the specialist retail outlets where organic foods can be purchased. These leaflets are produced by the importers themselves or their principals.
- Personal advice from the management and staff of organic food retailers and importers. This is provided at the point of purchase or over the phone.

It should be noted that retail price discounts and “2 for 1 offers” are frequently used by importers to sell off products that are within 3 months of their expiry date.

Government and trade sources comment that Singaporeans, especially persons with conditions such as cancer and their relatives, are able to access a broad range of information about organic foods via the internet. This information, and advice from retailers and importers, is being used to make decisions about the consumption of organic foods.

Retailers comment that organic foods need far more promotional support than they are currently receiving from local importers. The management of importers advise that this is only possible if exporters provide them with adequate support to develop the Singapore market.

The promotions are usually targeted at Singaporeans because they are the large and as yet undeveloped market. Expatriate shoppers generally consume what they already know, have read about, or try products that are recommended by friends. Trade sources comment that Japanese shoppers are particularly responsive to recommendations from their friends.

Section V - Post contact and further information

U.S. Department of Agriculture

Office of Agricultural Affairs

American Embassy Singapore

541 Orchard Road, #15-03,

Liat Towers,

Singapore 238881

Tel: (+65) 737 1233

Fax: (+65) 732 8307

E-mail: ato_sing@pacific.net.sg

Website address: www.atosingapore.org.sg

Food Control Department

Ministry of Environment,

Environment Building, #19-00

40 Scotts Road

Singapore 228231

Tel: (+65) 731 9872

Fax: (+65) 731 9843

Website: www.env.gov.sg

Activity: Regulatory body covering processed food and drinks.

Agri-Food and Veterinary Authority

Import Control Section

5 Maxwell Road, #03-00

Tower Block, MND Complex

Singapore 069110

Tel: (+65) 222 1211

Fax: (+65) 220 6068

Website address: www.ava.gov.sg

Activity: Regulatory body covering meat, poultry, fish, seafood, fruits and vegetables.

Customs & Excise Department

Singapore Government

55 Newton Road,

#02-01 Podium Block, Revenue House,

Singapore 307987

Tel: (+65) 355 2000

Fax: (+65) 250 9606

Website address: www.gov.sg/customs

E-mail: CED_Documentation@ced.gov.sg

Activities: Collects tariffs and excise duty on relevant imports. Includes the Liquor Licensing Board.

Trade Development Board

Singapore Government
230 Victoria Street, #07-00
Bugis Junction Office Tower,
Singapore 188024

Tel: (+65) 337 6628

Fax: (+65) 337 6898

Website address: www.tdb.gov.sg

Activities: Controls import trade documentation system.

Origins Healthcare Pte Ltd

55 Ubi Avenue #08-07
Singapore 408935

Tel: (+65) 745 2402

Fax: (+65) 745 2402

E-mail: origins@pacific.net.sg

Activity: Importer and wholesaler. Has concession space in NTUC Fairprice supermarkets.

Organic Network Pte Ltd

5 Pereira Road, #05-02, Asiawide Industrial Building
Singapore 368025

Tel: (+65) 338 0551

Fax: (+65) 383 0225

E-mail: sales@organic.com.sg

Website: www.organic.com.sg

Activity: Importer, wholesaler and operator of retail outlet at warehouse.

The Organic Paradise Pte Ltd

160 Orchard Road, #B1-03/04,
Orchard Point,
Singapore 238842

Tel: (+65) 736 2089

Fax: (+65) 737 4127

Activity: Importer, wholesaler and retailer

OrganicOnline.com.sg

Bedok Central Post Office
P.O. Box 761
Singapore 914613

Tel: (+65) 876 1181

Fax: (+65) 876 1181

E-mail address: sales@organiconline.com.sg

Website address: www.organiconline.com.sg

Activity: Importer, wholesaler and home delivery service operator.

Nature's Glory Pte Ltd

315 Outram Road, #11-03
Pan Boon Liat Building
Singapore 169074

Tel: (+65) 227 1318

Fax: (+65) 227 0868

E-mail: abound@singnet.com.sg

Activity: Importer, wholesaler and operator of retail outlet at warehouse.

Nature's Farm Pte Ltd

21 Khaki Bukit Road 2,
Singapore 417848

Tel: (+65) 748 9818

Fax: (+65) 744 2274

E-mail: info@nauresfarm.com

Website address: www.naturesfarm.com

Activity: Importer, wholesaler, retailer of health foods, inclusive of organic products.

Family Health Foods Pte Ltd

Head Office
101 Thomson Road, #01-82
United Square,
Singapore 307591

Tel: (+65) 253 2552

Fax: (+65) 252 3678

E-mail: fhf@pacific.net.sg

Website address: www.familyhealth.com.sg

Activity: Importer, wholesaler, retailer of health foods, inclusive of organic products.

Appendix A - Brief overview of import requirements for processed food and beverages

Singapore is virtually a free port for most processed food and drinks except alcoholic drinks which are subject to excise duties at rates provided in the Table below. Goods and Service Tax (GST) is imposed at a rate of 3% on all goods imported into Singapore, calculated based on the CIF (cost, insurance and freight) value in Singapore Dollars. This situation applies to both organic and conventional food and drinks.

Product	Duty and Basis of Charge
Beer - Local	S\$ 2.80 per litre
Beer - Imported	S\$ 3.60 per litre
Stout and porter - Local	S\$ 3.10 per litre
Stout and porter - Imported	S\$ 4.80 per litre
Still wines, including vermouth	S\$ 9.50 per litre
Sparkling wines	S\$ 13.00 per litre
Cider and perry	S\$ 3.30 per litre
Mead and other fermented beverages	S\$ 70.00 per litre of alcohol
Sake (Rice wine)	S\$ 36.00 per litre of alcohol
Brandy, whisky, rum, gin and vodka not exceeding 46% vol.	S\$ 30.00 per litre of alcohol
Brandy, whisky, rum, gin and vodka exceeding 46% vol.	S\$ 70.00 per litre of alcohol
Liqueurs, cordials, bitters and similar beverages not exceeding 57% vol.	S\$ 30.00 per litre of alcohol
Liqueurs, cordials, bitters and similar beverages exceeding 57% vol.	S\$ 70.00 per litre of alcohol
Source: Customs & Excise Department, Singapore Government	

These high rates of duty are imposed to discourage the drinking on alcoholic drinks rather than as a barrier to imports. Local beer and stout is currently provided with some advantages as a result of the lower duties that are levied upon these products. Local brands are strong in the market and the government is committed to equalising the duties levied on all beers and stout in future.

There are no major restrictions over the import of processed food and beverages into Singapore. All newly imported products have to be registered by the importer with the Food Control Department (“FCD”). Registration can be undertaken by sending or faxing the FCD a copy of the inward declaration that has been approved by the Singapore Trade Development Board (“TDB”). The TDB operates an electronic trade documentation systems known as TradeNet to facilitate import/export documentation. Under this system, local importers are required to obtain a Central Registration Number from the TDB. The FCD’s registration covers one year for each product being imported.

The import and sale of processed food and drinks, including organic products, Singapore are governed by the Sale of Food Act and the Food Regulations. Additionally, the sale of alcoholic drinks, including organic drinks, is governed by the Liquor Licensing Board and its regulations which imposes regulations over the retail and wholesale of such products. Currently, all wholesalers and retailers of alcoholic drinks, including bars and food service establishments, are required to obtain a licence to sell alcoholic drinks. There are different types and classes of licence depending upon the location of sales, operating hours and the types of alcoholic beverages that are sold.

All processed food and beverages sold in Singapore are required to comply with the food standards and labelling requirements stipulated in the Food Regulations. These regulations cover minimum or permitted levels of a wide range of food additives in a broad range of processed foods, packaging, labelling requirements, sell-by-date, health claims by products and specific matters relating to products such as infant foods. The regulations are strictly applied and enforced to maintain the highest quality food for Singapore’s residents. Enforcement procedures can include product testing by the Food Control Department.

The Singapore government’s policy is to keep its food regulations up-to-date and in line with all new aspects of food technology and production. As a result, the reader is advised to check on the most recent legislation as they are likely to be changes in future.

Appendix B - The diseases and conditions covered by the packaging and insert regulations in the Medicine (Advertisement and Sale) Act

The Singapore authorities do not permit food labels to include any claims relating to the following diseases and conditions.

- Blindness.
- Cancer.
- Cataract.
- Conception and pregnancy.
- Dangerous drug addiction.
- Deafness.
- Diabetes.
- Epilepsy or fits.
- Frigidity.

- Hypertension.
- Infertility.
- Insanity.
- Impotence.
- Kidney disease.
- Leprosy.
- Menstrual disorders.
- Paralysis.
- Sexual function.
- Tuberculosis.

The reader should note that reference to other conditions, including sporting prowess, etc, will also be viewed as objectionable by the Singapore authorities that monitor food imports.

Appendix C - Import requirements for meat, poultry, fish, seafood, fruits and vegetables

1. The Agri-Food & Veterinary Authority and its goals

Agri-Food & Veterinary Authority (“AVA”) is Singapore’s national authority responsible for ensuring the safety of primary foods and protecting the health of people, animals, fish and plants through advanced technology in agriculture, fisheries, veterinary science and the life sciences. It strives to:

- Facilitate the supply of stable, safe and wholesome meat and meat products, fish and fish products, fresh fruits and vegetables;
- Safeguard the health of animals, fish and plants;
- Be a centre of excellence for tropical agrotechnology services; and
- Facilitate trade in primary produce.

It should be noted that traders who import, export or tranship meat products and fish products; and import or tranship fresh fruits & vegetables are required to be licensed by the Agri-food & Veterinary Authority. Any person who is registered under the Business Registration Act or company incorporated under the Companies Act is eligible to apply.

5. Overview of AVA regulations (Derived from AVA guidance notes)

2.1 Meat products

2.1.1 Definition

Meat products includes the whole carcass or the parts of any animal or bird. Meat products may be imported in chilled, frozen, processed or canned forms.

2.1.2 Import permit

Meat products may only be imported into Singapore from approved sources. An up-to-date list of countries approved to export frozen meat to Singapore can be obtained from the AVA.

An import permit issued by the AVA is required for every consignment of meat products imported. Traders may apply for the import permit by declaring the import through the Tradenet system. The system will route the application to Import Control Section (Meat), AVA for processing. Upon approval, the import permit for the consignment is incorporated in the Cargo Clearance Permit printed at the trader's terminal.

2.1.3 Documents required

Every consignment of meat products imported shall be accompanied by a veterinary health certificate (original) certifying that Singapore's health requirements have been complied with. Other supporting documents like bills of lading, airway bills and invoices should also be submitted or faxed via Fax No 325 7648. The Unique Reference No. of the trade declaration should be stated on the top right hand corner of the documents.

2.1.4 Inspection

Every consignment of meat products imported shall be inspected by the AVA before sale is permitted. Traders are required to contact the Food Inspection Services Branch at Tel 267 0692 to arrange for the inspection. Samples may be taken for laboratory analysis.

2.1.5 Others

Meat products imported into Singapore must be shipped direct. All imports are subject to compliance with prevailing regulations laid down by the AVA. Veterinary requirements governing importation and the lists of establishments approved to export meat to Singapore are available on request.

Meat products may be exported from Singapore or transhipped at Singapore in reefer containers within the Free Trade Zone. An export or transhipment permit is required and the procedures to apply for the permit are similar to that for import.

2.2 Fish products

2.2.1 Definition

Fish products refers to any of the varieties of marine, brackish water or fresh water fishes, crustacea, aquatic mollusca, turtles, marine sponges, trepang and any other form of aquatic life and their young and eggs. Fish products here does not include the ornamental varieties.

Fish products may be in chilled, frozen, processed or canned forms.

2.2.2 Import

Fish products which are wholesome and fit for human consumption may be imported from any country.

Countries which export molluscan shellfish to Singapore will have to meet the basic requirements of shellfish sanitation programme. Live oysters may only be imported from approved sources. The countries approved for such exports are Australia, Canada, France, Ireland, The Netherlands New Zealand, United Kingdom and USA. The import of chilled shucked raw oyster, chilled cockle meat, chilled cooked prawn/shrimp and chilled crab meat is prohibited.

An import permit issued by the AVA is required for every consignment of fish products imported. Traders may apply for the permit by declaring the import through the Tradenet system. The system will route the declaration to Import Control Section (Fish), AVA for processing. Upon approval, the import permit for the consignment is incorporated in the Cargo Clearance Permit printed at the trader's terminal.

2.2.3 Documents required

Traders importing fish products should submit or fax (Fax No 325 7650) supporting documents such as invoices, bill of lading or airway bills for processing. The Unique Reference No. of the declaration should be stated on the top right hand corner of the documents.

For high risk items like live/frozen oysters, frozen blood cockle meat, frozen cooked prawns and frozen cooked crab meat, a health certificate (original) issued by the relevant government authorities is required.

2.2.4 Inspection

Imported fish products are subject to inspection. Samples may be taken for laboratory analysis. In the case of frozen oysters, frozen blood cockle meat, frozen cooked prawns and frozen cooked crab meat every consignment imported must be inspected by the AVA before sale is permitted. Traders are required to contact the Food Inspection Service Branch at Tel No. 3257654 or 2670692 to arrange for the inspection.

2.2.5 Others

All imports of fish products shall comply with prevailing regulations laid down by the AVA. Health requirements governing the importation of the above-mentioned high risk items are available on request.

Fish products may be transhipped at or exported from Singapore. The procedures to apply for such approvals are similar to that for import.

2.3 Fresh fruits and vegetables

2.3.1 Definition

Fresh fruits and vegetables refer to unprocessed and raw fruits and vegetables without roots which are intended for human consumption. The import, export or transshipment of processed fruits and vegetables are not under the jurisdiction of AVA.

2.3.2 Import

Fresh fruits and vegetables which are fit for human consumption may be imported from any country.

An import permit issued by the AVA is required for every consignment of fruits and vegetables imported. Traders may apply for the permit by declaring the import through the Tradenet system. The system will route the declaration to Import Control Section (Fruits & Vegetables), AVA for processing. Upon approval, the import permit for the consignment is incorporated in the Cargo Clearance Permit printed at the trader's terminal.

2.3.3 Inspection

All imported fresh fruits and vegetables are subject to inspection. Samples may be taken for laboratory analysis.

2.3.4 Others

All imports of fresh fruits and vegetables shall comply with prevailing regulations laid down by AVA. The products imported shall not contain pesticide residues or toxic chemical residues exceeding that prescribed under rule 9 of The Control of Plants (Import & Transshipment of Fresh Fruits and Vegetables) Rules.

The following information shall be stated on the containers of the fresh fruits and vegetables at the time of import:

- Name and address of the producer of the products;
- Product description; and
- Date of export/packing.

Fresh fruits and vegetables may be transhipped through Singapore. The procedures to apply for such approval are similar to that for import.

Appendix D - Organic food and beverage retail prices in September 2000

A. Organic Processed Foods

Product	Brandname	Package Type and Size	Price in S\$	Source Country
Organic rye pita bread	Country Life	500 gram plastic wrap	5.95	Australia
Organic pretzel sticks	Newman's Own	266.8 gram bag	3.99	USA
Organic tortilla chips	Red Hot Blues (Garden of Eatn)	255 gram bag	4.95	USA
Frozen organic peas, shelled	Waitrose	500 gram plastic bag	6.15	UK
Frozen organic sweet corn	Waitrose	500 gram plastic bag	6.15	UK
Organic sultanas	Unbranded	500 gram plastic bag	6.95	Australia
Organic prunes	Unbranded	250 gram plastic bag	3.95	Australia
Organic granulated sugar	Billingtons (UK brand)	500 gram plastic bag	5.50	Mauritius
Organic coffee (Various types)	Thanksgiving Coffee Co.	396 gram foil pack	19.80	USA
Organic brown rice syrup (Sweetener)	Lundberg	454 gram glass jar	11.33	USA
Organic herbal teas (Various types)	The Koala Tea Co.	20 tea bags in cardboard package	4.95	Australia
Organic textured vegetable protein	Origins Health Care	250 gram plastic package	3.61	Not stated
Organic buckwheat flour	Origins Health Care	500 gram plastic package	6.18	Not stated
Organic vital gluten flour	Origins Health Care	500 gram plastic package	6.70	Not stated
Organic pretzel sticks	New Organics Co.	283 gram snack bag	4.50	USA
Organic flour oat kernels (Snackfood)	New Organics Co.	500 gram snack bag	4.90	USA

Fragrant Thai brown rice	Great Harvest	1 kilogram cardboard packaged containing a vacuum pack	3.50	Thailand
Organic brown rice	Lundberg	454 gram plastic pack	4.04	USA
Organic brown rice	Lundberg	2.5 kilogram plastic pack	9.30	USA
Organic dry baby lima beans	Origins Health Care	500 gram plastic package	4.53	Not stated
Organic tea, e.g. Earl Grey	Planet Organic	25 tea bags in cardboard package	6.10	Australia
Organic breakfast cereals (Various types)	Nature's Path	325 gram box	4.90	USA
Organic spaghetti	Buontempo	500 gram plastic pack	4.50	Australia
Organic olives	Santa Barbera Olive Co.	141.7 gram glass jar	8.90	USA
Organic seafood sauce dip	Pure Harvest	250 ml glass jar	6.90	Australia
Organic safflower oil	Melrose Health Supplies	500 ml glass bottle	9.17	Australia
Organic sunflower oil	Pure Harvest	500 ml glass bottle	9.70	Australia
Organic mayonnaise	Melrose Health Supplies	480 gm glass jar	8.50	Australia
Organic pasta (various types)	New Organics Co.	454 gm plastic packs	4.30	Italy
Organic fruit jams/conserves	Crofters	283 gm jar	6.60	Canada
Organic raw honey	Origins	1 kilogram jar	12.90	New Zealand
Organic cider vinegar	Bragg	946 gm bottle	9.40	USA
Organic sesame oil	Melrose Health Supplies	500 ml bottle	14.50	Australia

Organic honey	Woodlands Manuka	500 gm plastic jar	28.05	New Zealand
Organic salsa	Pure Harvest	300 gm glass jar	8.50	Australia
Foreign exchange rate note: US\$ 1.00: S\$ 1.68 Source: Supermarkets and health food shops (September 2000)				

B. Organic Fruits and Vegetables			
Product	Other Information	Price in S\$	Source Country
Red apple (Variety not disclosed)	Medium sized	1.80 each	Australia
Green apple (Granny Smith)	Small sized	1.00 each	Australia
Oranges (Variety not disclosed)	Medium sized	1.50 each	Australia
Grapefruit (Yellow)	Medium sized	1.50 each	Australia
Avocado	Medium sized	4.50 each	Australia
Carrot	Sold by weight	0.66 cents per 100 grams	Australia
Cabbage (Sugar loaf variety)	Sold by weight	0.79 cents per 100 grams	Australia
Radish	Sold by weight	1.50 per 100 grams	Australia
Zucchini	Sold by weight	1.20 per 100 grams	Australia
Cucumber (Asian variety)	Sold by weight	1.20 per 100 grams	Malaysia
Aubergine (Black)	Sold by weight	1.20 per 100 grams	Australia
Snow pea	Sold by weight	2.50 per 100 grams	Australia
Tomato	Sold by weight	1.20 per 100 grams	Australia
Pumpkin	Sold by weight	0.55 per 100 grams	Australia
Leek	Sold by weight	0.99 per 100 grams	Australia
Foreign exchange rate note: US\$ 1.00: S\$ 1.68 Source: Supermarkets and health food shops (September 2000)			

C. Organic Meats (Sold By Weight)			
Product	Other Information	Price in S\$	Source Country
Airflown beef	Fillet steak	5.75 per 100 gm	New Zealand
Airflown beef	Sirlion	4.64 per 100 gm	New Zealand
Airflown beef	Rib eye steak	4.96 per 100 gm	New Zealand
Airflown beef	Shabu shabu	4.40 per 100 gm	New Zealand
Foreign exchange rate note: US\$ 1.00: S\$ 1.68 Source: Supermarkets and health food shops (September 2000)			

D. Organic Beverages				
Product	Brandname	Package Type and Size	Price in S\$	Source Country
Organic grapefruit juice	R.W. Knudsen	946 ml glass bottle	7.47	USA
Organic cherry punch juice	Crofters	946 ml glass bottle	6.39	Canada
Organic tomato juice	R.W. Knudsen	946 ml glass bottle	6.39	USA
Organic orange juice	Pure Harvest	1 litre glass bottle	5.95	Australia
Organic pure grape juice	Lloyds Organic Harvest	750 ml glass bottle	6.00	Australia
Organic mineral water	Organic Springs	1.5 litre PET bottle	1.65	Australia
Organic mineral water	Organic Springs	600 ml PET bottle	0.85	Australia
A variety of U.S. and Australian organic wines are also retailed in Singapore. The prices vary considerably with the retail outlet type and location. Prices range from S\$ 22.00 to S\$ 50.00 per bottle.				
Foreign exchange rate note: US\$ 1.00: S\$ 1.68 Source: Supermarkets and health food shops (September 2000)				

E. Organic Dried Pulses, Lentils and Flours (Sold By Weight)			
Product	Packed By	Price in S\$	Source Country
Organic soy flour	Origins Healthcare	7.80 for 1 kilogram	Not listed
Organic mung beans	Origins Healthcare	8.20 for 1 kilogram	Not listed
Organic red lentils	Origins Healthcare	7.00 for 1 kilogram	Not listed
Organic adzuki beans	Origins Healthcare	10.00 for 1 kilogram	Not listed
Organic green peas	Origins Healthcare	4.00 for 1 kilogram	Not listed
Organic green lentils	Origins Healthcare	4.60 for 1 kilogram	Not listed
Organic wild rice blend	Origins Healthcare	7.20 for 1 kilogram	Not listed
Organic self raising flour	Waitrose	3.70 for 1.5 kilograms	UK
Foreign exchange rate note: US\$ 1.00: S\$ 1.68 Source: Supermarkets and health food shops (September 2000)			

END OF REPORT