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Report Highlights:

The United States is Singapore's leading supplier for consumer oriented products, total import value of \$616 million after Malaysia, and is also the city-state's fifth largest supplier for agriculture, fish, and forestry products valued at \$893 million. The Singapore market is dynamic yet competitive, with potential in new, premium and healthy products. Leading U.S. prospects are temperate fruits, dairy products including artisan cheese, further processed meat products, prepared foods, edible nuts, healthy snacks and fruit juices.

Post:

Singapore

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EXECUTIVE SUMMARY

Singapore is one of the wealthiest markets in Southeast Asia, located in the middle of key trade flows from Asia, Australia, Europe, the Middle East and the United States, it is one of the world's most open economies and dependent on international trade. It is the 14th largest exporter and the 16th largest importer in the world. With one of the highest per capita GDPs of \$52,960 in the world in 2016, it is also a good market for U.S. high value products. In 2016, the U.S. exported a record \$616 million in consumer-oriented products to Singapore, with sales expected at growth of 10 percent in 2017. Leading U.S. prospects are fresh fruits, fresh/chilled/frozen/processed red meats, dairy products including cheese, snack products, tree nuts and wine and beer.

SECTION I. MARKET OVERVIEW

Singapore is an independent Republic with a land area of 270 square miles, with a population of 5.6 million in a highly urbanized economy. The resident population is 74.3 percent ethnic Chinese, 13.4 percent Malay, 9.1 percent Indian and 3.2 percent other ethnic groups. The official language is English. Mandarin and Malay are the other two major languages spoken. Singapore has a low annual birth rate of less than one percent.

Strategically located in the middle of key trade flows from Asia, Australia, Europe, the Middle East and the U.S., it is one of the world's most open economies and highly trade dependent. The volume of its external trade is about three and a half times its annual Gross Domestic Product. Any weaknesses in the economies of its major trading partners, i.e. the U.S., China, Malaysia, Indonesia, and South Korea will have an impact on the economy. The top five trading partners are China, Malaysia, United States, Hong Kong and Indonesia.

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

Singapore has concluded free trade agreements with Australia, Japan, New Zealand and the United States.

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

Singapore is, however, the world's most expensive city to live in according to Economist Intelligence Unit's 2016 Worldwide Cost of Living survey, making it the fourth year in a row. Singapore was 20% more expensive than New York and 5% pricier than Hong Kong. It is also known for its' high transport and utility costs and the most expensive city in the world to buy and own a vehicle, it is mandatory to buy a "Certificate of Entitlement" (COE) valid for a period of 10 years (click on: <https://www.lta.gov.sg>



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

Singapore at night

(Source: FAS Singapore)

The Market for Consumer Oriented Foods

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

In 2016, Singapore imports of agriculture, fish and forestry products totaled \$12 billion, the United States was the fifth largest supplier with a market share of 7.5 percent valued at US\$913 million in total.

The total value of imported consumer-oriented foods was \$6.2 billion in 2016. A total value of US\$1.07 billion of fish and seafood products was also imported. Major Consumer-Oriented food imports include dairy products, alcoholic and non-alcoholic beverages, meat, fresh fruit and vegetables, snack foods and processed fruit and vegetable. The U.S. is a major supplier of fresh and processed fruits and vegetables, meats, dairy products, pet foods and snack foods.

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

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

Not all imported foods are consumed locally. It is estimated that routinely, and, depending on the product category, up to 50 percent of food imports are re-exported mostly to neighboring countries.

Major product categories include dairy products, frozen poultry and poultry parts, fresh fruit and vegetables, red meats, alcoholic and non-alcoholic beverages, snack foods and other consumer-oriented

products. The growth rate for the consumer oriented foods category averaged about 10 percent per annum over the calendar period 2013 - 2016. The U.S. market share from 2013 to 2016 averaged 9-11 percent for the consumer oriented foods category.

Demography and socio-economic impact

Singapore's population growth rates have been falling rapidly in the last decade due to fewer births by Singapore residents. The current total population of 5.6 million comprised of 3.9 million citizens and permanent residents and 1.67 million non-residents. The proportion of elderly residents has increased rapidly over the last ten years. Residents aged 65 years and above comprised 13 percent of Singapore's resident population.

Singapore boast a highly educated population, with 56 percent of the resident population aged 25 years and over had at least post-secondary qualifications in 2016. University graduates constituted 29.1 per cent of the resident population in 2016 compared to 17 per cent a decade ago. Residents with diploma and professional qualifications also accounted for a larger share at 14.7 per cent in 2016.

According to the Singapore Department of Statistics, more couples ended up in divorce while fewer tied the knot in 2016. The number of divorces rose 2.9 percent in 2016, with 7,614 marriages dissolved compared to 7,522 in 2015. There were a total of 27,971 marriages last year compared to 28,322 in 2015. The median marriage duration for divorces in 2016 was at 10 years, which goes to show that Singaporeans Asian values of upholding a marriage is eroding. (Source: Channel News Asia press report)

The most common type of dwelling among resident households in 2016 continued to be HDB (government subsidized apartments) with 80 percent. And 90.9 percent residents proudly owned their homes, the average price for a 4-room apartment costs between \$200,000 and \$350,000 depending on locality. In 2016, 14.4 per cent of resident households stayed in condominiums & other apartments and 5.2 per cent stayed in landed properties. The average price of a condominium ranges from \$1 million to \$2 million, with those in prime districts commanding up to a value of \$4 million.

Summary of socio-economic impact of changing demographic structure.

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

More working women and single professionals have led to growth in demand for convenience foods and ready-to-cook prepared meals.

Advantages and Challenges for U.S. Suppliers

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

SECTION II. EXPORTER BUSINESS TIPS

Local Business Practices and Custom

- In the arena of international trade, Singapore business practices tend to follow those of more developed and highly urbanized economies. The country's laws are patterned after the British legal system. There is considerable reliance on international trading practices and contracts.
- Letters of credit are normally used for first-time transactions, and once a long history of business relationship is established, the terms of payment may then be mutually adjusted to an open trading account with payment terms of up to two months. It is common for buyers to request samples from first time suppliers. In some cases, U.S. exporters may request that buyers pay for airfreight charges and handling costs of samples if they become prohibitive.
- U.S. exporters who are exporting for the first time to the Singapore market are advised to consider making use of local distributors or at least a local representative to help them guide through the requirements of the Singapore Food regulations and local trading practices.
- Financial and credit arrangements in the domestic economy are very different. With few exceptions, supermarket chains, restaurants and other retail customers expect suppliers to provide credit terms of up to ninety days. There is also an implicit understanding to accept the return of damaged and unsold goods. On the other hand, some small retailers like Mom and Pop stores pay cash on delivery since their order sizes are small. Hence, if U.S. exporters decide to carry out their own local distribution, they would have to expect to meet the usual credit term requirements by local supermarket chains.

General Consumer Tastes and Preferences

- With rising consumer incomes, Singaporeans are prepared to pay for higher quality food products or products that will provide savings in labor and time. Hence, on supermarket shelves, we tend to see an increasing number of prepared and convenience foods, for e.g. Asian foods. Diced vegetables and seasoned portion-control meats and poultry are in increasing demand as both spouses work.
- As almost all Singapore households are of Asian origin, imported foods that are to be used in

local cooking have to be able to lend themselves to Asian cuisines. Asian dishes tend to be stir-fried or steamed and prepared in curries or marinated in sauces.

Food Standards and Regulations

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

Legislation

- AVA administers a total of 9 statutes, including the Agri-Food and Veterinary Authority Act, the Animals and Birds Act, the Control of Plants Act, Endangered Species (Import and Export) Act, the Feeding Stuffs Act, Fisheries Act, the Sale of Food Act, the Wholesome Meat and Fish Act, the Wild Animals and Birds Act, and their subsidiary legislations. The AVA Act (Chapter 5) is an Act to “establish the Agri-Food and Veterinary Authority, to provide for its functions and powers; and for matters connected therewith”.
- The food safety system is backed up by enforcement of food safety standards through a legal framework. Essentially, all food, drinks and eligible agricultural products, both local and imported products, are governed by AVA's laws and regulations. The major legislations that relate to food safety can be found on their website on: <http://www.ava.gov.sg/legislation>
- Singapore food laws are delineated in the Food Act and all packaged foods sold in retail outlets have to comply with the allowable ingredients and preservatives listed in the abovementioned Act (please refer to the latest GAINS FAIRS Report in the USDA website, (www.fas.usda.gov)).
- Singapore has a very open import regime and all foods, with the exception of alcoholic beverages and tobacco products are imported duty-free. However, a Goods and Services Tax (GST) of 7 percent is levied on all good and services. There are practically no non-tariff restrictions since there is little local production, and the current government policy is to source food products from all over the world. Customs clearance of imported food products is carried out electronically and the process is completed in less than 48 hours.
- In terms of enforcement of meat and fish processing, AVA takes enforcement actions against meat and fish processing establishments and cold stores that do not observe Good Manufacturing Practices (GMPs) and violate the licensing condition of processing meat and fish products. AVA also works closely with other government agencies, such as the Checkpoints Authority to intercept illegal imports of food, animals and wildlife. Under Section 9 of the Wholesome Meat and Fish, AVA has the authority to issue bans to prohibit the importation of contaminated food products. Under Section 49 of the Sales of Food Act, there are provisions that authorize AVA to

impose penalties ranging from fines to imprisonment.

- **Import and Inspection Procedures.:** Export health certification is required for the import of meat, poultry products and shellfish products. In most import cases, random inspection and laboratory analysis of meat and poultry products are carried out.
- Currently, over 1,000 establishments from 36 countries have been accredited to export various meat and egg products to Singapore.

Halal Foods

- There is no global standard certification for halal foods, and, thus, certification requirements vary from country by country. The halal certifying body in Singapore (Majelis Ugama Islam/MUIS) serves the country's small Muslim population (13.3 percent). MUIS Halal services started in 1978, and its Halal Certification Standard Unit was set up to regulate Singapore's halal sector. MUIS halal certification mark is recognized in key halal markets such as Brunei, Indonesia, Malaysia and the Gulf Cooperation Council countries. MUIS will also intervene to certify whenever halal products are imported for repacking or reprocessing in local facility. This procedure is to be completed by the local importer or the manufacturer. MUIS is a statutory board of the Singapore government and is under the purview of the Ministry of Culture, Community and Youth; and works very closely with AVA on food safety matters.

Point to Note: Although halal certification is not an import requirement in Singapore, however, it is advisable to get products halal certified if U.S. exporters want to target Singapore Muslim customers, as well to gain international Muslim market share. (Refer to Singapore Halal GAIN report 2016 on www.fas.usda.gov)

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

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

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Consumer-oriented Foods and Beverages & Edible Fishery Products

- Singapore, with one of the highest per capita income in Asia, is one of the most open economies in the world with no tariffs on all food products except on alcoholic beverages. As a result, a wide range of food products from all over the world (170 countries) are found on supermarket shelves in this compact island nation of 5.61 million people.
- The major suppliers of fresh temperate climatic fruit to Singapore are the United States, Australia, South Africa, New Zealand, Korea, Egypt, Spain, France, Argentina and Turkey. Suppliers of tropical fruit are neighboring countries of Malaysia, Philippines, Thailand and Vietnam. Singapore households buy mostly fresh leafy green vegetables from China, Malaysia,

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

- Singapore imports all the meats and poultry it consumes from all over the world. Poultry and pork are the main meat items consumed in Singapore. Freshly-slaughtered chicken is obtained mostly by importing live poultry from Malaysia for slaughter in local abattoirs. About half of the chicken requirements are fulfilled through the imports of frozen chicken and chicken parts from Brazil, Thailand, United States, Malaysia, Argentina and China.
- There are no local pig farms since April 1999, the only source of imported live pigs (about 333,000 head annually) for slaughter comes from Indonesia. Most of Singapore's pork requirements are fulfilled through the import of chilled pork from Australia and frozen pork from European Union and the United States. Beef, while not as widely consumed as chicken, is sold principally in the supermarkets. Major suppliers of beef include Australia, New Zealand, Argentina and China.
- In the Fish and Seafood product category, Singapore imported a total value of US\$1.07 billion or 193,700 metric tons in 2016, the United States' share was 1.8% or US\$20 million. Most of the fish and seafood products are mostly imported from China – US\$139 million or 20,543 metric tons, Malaysia – US\$135 million or 43,812 metric tons, Indonesia – US\$110 million or 31,995 metric tons and Vietnam – US\$ 104 million – 32,599 metric tons, Norway – US\$75 million – 8,685 metric tons and Japan – US\$58 million or 2,776 metric tons.

Singaporeans are fond of fresh seafood; especially fin fish, crabs, lobsters and clams. While most of the finfish are purchased in the wet markets for home consumption, Singapore consumers generally go to restaurants for the consumption of crabs and lobsters (for further reading, please refer to the latest GAIN Seafood Voluntary posted on www.fas.usda.gov).

Food Retail Sector

The Singapore grocery retail sector is highly developed and competitive, total sales were \$6 billion in 2016. Most of the food retail sales in Singapore take place in hypermarkets, supermarkets and modern mini-marts. In 2016, Mom and Pop stores such as convenience shops, neighborhood/traditional provision shops, wet market stalls and petrol stations took 20 percent of total sales. According to *Euromonitor*, Internet retailing in Singapore is growing with forecast sales of US\$1.1 billion in 2016 to US\$2.3 billion in year 2020. An estimated 10 percent of internet retail sales are expected to come from online grocers in 2016. Please refer to the latest GAINS Food Retail Sector posted on www.fas.usda.gov for detailed information.

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

procured from local importers would include products from the Asian region, dry groceries, tropical fruit, frozen chicken and chicken parts, frozen beef, local sauces and ethnic foods.

Two major supermarket chains dominate the Singapore retail industry, Dairy Farm International Holdings Ltd., and NTUC Fairprice. Dairy Farm International Holdings with their Cold Storage brand stores target principally the middle and higher income groups, while NTUC cater to the mass-market group. NTUC Fairprice remains the leader in the industry with a market share of 33 percent in 2016.

The largest supermarket chain in terms of number of supermarket retail stores is the Dairy Farm International Holdings with 126 supermarket stores, comprising of 52 Cold Storage supermarket retail stores, 9 premier Market Place stores, 5 Specialty stores and 27 Giant Express, 25 Giant Supermarkets and 8 Hypermarkets. A large percentage of products on their shelves are western-type products from the EU, Australia, New Zealand and the United States. Nine of their outlets are located in upper middle-income residential areas and customers to these outlets are principally expatriates and upper middle-income residents. In addition, the Dairy Farm Group operates the 7-Eleven Convenience Chain of 560 stores and 152 Guardian Pharmacy outlets.

In terms of market share, NTUC Fairprice Cooperative remains the leading grocery retailer with a share of 34 percent. NTUC Fairprice supermarket chain has a network comprising 112 Fairprice supermarkets, 16 Fairprice Finest stores and 8 Fairprice Xtra (Hypermarkets). In addition, the group has 160 Cheers Convenience Stores and 23 Fairprice Convenience Stores some of which are located in Esso-Mobil Stations. NTUC Fairprice's target audience is principally the upper-middle, middle and lower income groups.

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

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

There are several independently managed supermarkets such as Big Box, Isetan, Meidi-Ya, Mustafa's, and Prime Supermarket. The locally established supermarket chain, Sheng Siong which has 45 small and medium sized stores and Prime Supermarket with 19 outlets are family-owned business entities which originated from small single grocery outlets to their current sizes today. Both Sheng Siong and Prime are very price competitive as they procure most of their products from China and other neighboring low cost Asian supplier countries.

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



“1

Love USA” in-store promotion at Cold Storage Supermarket.
American deli meats (left) and American snacks and beverages (right).
(Source: FAS Singapore)

Food Service Sector

The consumer food service sector in Singapore was valued at US\$6 billion in 2016. The Singaporean foodservice market has witnessed steady growth mainly due to a steady domestic economy, rise in tourism and demographic changes. The key drivers of the foodservice industry are growth in tourism, a stable economic environment, increases in the female working population and a low level of inflation. The two integrated resorts; Marina Bay Sands and Resorts World Singapore and new leisure facilities; Gardens by the Bay and Marine Life Park, and shopping malls provided opportunities for further expansion by existing players and allowing new entrants into the market. Tourism receipts from food and beverage totaled \$2.06 billion in 2016.

Singapore’s Hotel, Restaurants and Institutional (HRI) industry is extremely competitive with the number of food service outlets and sales growing about 3 and 4% respectively. The HRI sector services about 5.6 million residents and 16 million tourists and business visitors per annum. Within the resident population of 3.9 million are a sizable number of expatriate families and Chinese comprise 74.3% of the total population.

Key Trends/Developments in the HRI Sector:

- **Changing Food Landscape.** Food Landscape is changing as a result of the introduction and preference of more foreign foods. The restaurant scene is getting more vibrant. As of 2016, Singapore is the first Southeast Asian country, or the fourth Asian territory, after Japan, Hong Kong and Macau to be rated by the Michelin Guide long regarded as the world's foremost authority of culinary merit. The influential guide, *Michelin Guide* in Singapore 2016 (<https://guide.michelin.sg/2016-michelin-guide-singapore-launches>) is expected to boost patronage for the 200 recognized players in more than 35 different cuisine categories and food establishments.

- Opening of New Age Food Courts. Competition in the food courts scene is getting stiff, and to differentiate from the masses, recently opened food courts offer gourmet choices, and/or “theme” or “cuisine-specific” offering a more unique dining experience.
- Stable Growth. There was stable growth in the food service industry in 2016. In Singapore, eating out is common due availability of hawker centers, food courts, coffee shops and casual dining places which provide many local dishes at affordable prices. Singaporeans are clocking more work hours and less time is spent cooking, which means opting for “meals to go” and or meals at casual dining cafes, food courts or opting for fast food.
- In terms of full-service restaurants, local foodservice operators take the lead. Compared to international players, major local players, *Crystal Jade* and *Tung Lok Restaurants* rank tops in full-service restaurants in 2016 with their interesting cuisines and concepts. However, consumers tend to have the perception that dining out in full-service restaurants is expensive and usually reserved for special occasions such as birthdays, anniversaries, and family gatherings.
- Franchising – Local/Asian and Foreign. Franchise type with casual dining chains and fast food chains is prevalent and popular in Singapore, for example, ABR Holdings Ltd which is the franchisee of *Swensen’s*. In 2016, McDonald’s sold franchise rights in Singapore and Malaysia to *Saudia’s Group, Lionhorn Pte. Ltd.*, which is currently the franchisee for *McDonald’s* in Western and Southeast Regions of Saudi Arabia.
- Korean cuisine are getting even more attention and are finding successes with consumers here because of the influence by K-pop and K-dramas. More and more Korean eateries are springing up in malls and food courts. Korean fried chicken franchises such as *Bonchon*, and *Chir Chir* can be found here; as well as desserts such as *Bingsus* (shaved ice with toppings), Churros are gaining popularity.

Retailers Investment in Consumer Foodservice. Malls such as *Wisma Atria* (Orchard Road), *Emporium Shokuhin* (Marina Square), *Suntec City* (Marina) with dedicated sections offering Japanese dining options to woo more customers to shop and dine at the malls. This concept is provided stronger branding and greater business synergy through collaboration rather than operating as a standalone restaurant.

- Retailers such as *Muji* and *Marks & Spencer* have food and beverage cafés within their stores to encourage more shoppers to linger.
- Increased Operating Costs and Growing Manpower Crunch. The industry continues to struggle with a growing manpower crunch and rising rental costs. There is a high turnover in the sector and dependence on foreign labor.
- Food Technology. Players are making greater use of technology, for example, iPads are used for displaying menus and ordering, to lighten manpower requirements. Self-ordering kiosks/stations have become more common and adopted by fast food chains such as *McDonald’s* and *Popeyes’*. Smart robots are used in local “*Koufu*” food court to collect food trays from humans (Singaporeans aren’t in the habit of returning trays).

- **Increased Interest in Healthier Meals.** The local health authorities' Healthy Dining Program has spurred consumers' interest to eat healthier meals, which in turn encourage players to offer more healthy options on their menus.
- **Thirty party delivery service.** Singaporeans are the most tech savvy, and has become the most suitable test pad for new innovations and services in Asia Pacific. The market value of food delivery industry in Singapore was US\$61 million in 2016, or in per capita terms, Singaporeans spent US\$22 on food delivery, and the value is set to increase in the next few years as eating is a national pastime. The option of food delivery appeals to busy employees.
- *Food Panda*, and *Deliveroo* are the most popular players in food delivery. *Food Panda* offers consumers the convenience of on-demand delivery with choices from fast food, fast casual restaurants such as *Burger King*, *Yoshinoya* (Japanese), *Carl's Jr.*, *Swensens* and *The Manhattan Fish Market*. *Deliveroo* and *UberEats*, are recent entrants with a different positioning, providing delivery service for restaurants and cafés. A latest entrant on food delivery scene is *PorterFetch* that delivers to night owls from 9.00 p.m. to 1.00 a.m.

Food delivery provides an extra avenue for players to sell and reach out to consumers. Although there is still room for growth in the food delivery industry, new business models and partnerships and differentiation should be adopted in order to stay ahead of the competition.

- **Singapore Government's 23 Industry-Specific Roadmaps for the Future.** The consumer foodservice industry has been identified as one of 23 roadmaps and is the first to be rolled out in 2016. The Singapore Government aims to achieve an annual productivity growth target of 2% for the consumer foodservice industry without any staff increase over the next five years through adoption of technology in the restaurant area, digital kiosks and iPad ordering. SPRING Singapore, an agency under the Ministry of Trade and Industry has been tasked to help Singaporean enterprises grow. Companies will be provided grant support through 2018 for adopting digital services solutions.

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

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

Meat and poultry products, which require halal certification for Muslim consumers in the region, are generally shipped direct to the country of destination. Again, some Singapore traders may be involved

in the procurement process as well as in the provision of short-term credit to the local importers in the destination country.



U.S. prime ribeye steak, sides of old style hash browns, caramelized onions, and lobster mac & cheese at an American-style fine dining restaurant.

(Source: FAS Singapore)

Food Processing Sector

Singapore's food processing sector is small due to limited natural resources, livestock and agricultural production. There is little agricultural production, raw materials for food processing are mostly imported. The local food manufacturers that exist cannot meet overall demand; at least 90 percent of the food consumed, including processed food products are imported.

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

An example of a program is the Food Manufacturing Industry Transformation (ITM) led by SPRING Singapore and supported by various government agencies and associations. The ITM strives to create 2,000 new Professionals, Managers, Executives and Technicians (PMET) jobs for the food manufacturing industry as well as to increase the compound annual growth to 4.5 percent. Relatively speaking, the sector is small by United States' standards, but may present small opportunities for U.S. exporters in the area of supplying food ingredient requirements to the food manufacturing industry mainly in local/ethnic type foods.

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

Competition for U.S. consumer-oriented food products including processed food comes from mainly Australia, Brazil, China, European Union, New Zealand and regional countries such as Malaysia,

Indonesia and Thailand (source: Global Trade Atlas). Competition is intense as the market for consumer-oriented products is entry is fairly easy and accessible. Competition may depend on the products. For example, Australia and New Zealand supplies most milk products and dairy ingredients, whereas China supplies large quantities of corn and soybean products while Malaysia supplies nearly 20% of the food ingredient market.

Total imports were down for U.S. processed foods in 2016, valued at \$ 530 million, down from \$551 million in 2015, reflecting a - 3.74% change in 2016/2015 period. Top U.S. exports of processed foods to Singapore in 2016 included food preparations, potatoes prepared, corn oil, bread/pastry/cakes and edible fats. On the other hand, total Singapore exports of processed foods to the United States were \$116 million, down from \$ 173 million in 2015. Top Singapore processed food products to the U.S. in 2016 included cocoa butter/fat and oil, nuts and seeds, juice of single fruit/vegetable and mixes/doughs for prep of bakers.

In 2016 U.S. exports of intermediate products grew 67% over 2015 to \$ 268.5 million. Top intermediate products exported to Singapore in 2016 included essential oils of all types, rennet, protein concentrates and isolates, vegetable saps and extracts, corn starch, ginseng roots, corn-soya milk blends and oleoresin extracts.

For prepared/packaged fish & seafood and prepared/preserved seafood, Singapore imported \$ 2.9 million from the U.S. in 2016 - an increase from \$2.3 million in 2015. There was a 25.2% increase for the 2015/2016 period. Singapore is a good potential market for prepared/processed fish/seafood products as the country enjoys one of the highest per capita consumption of fish/seafood products and the total average expenditure on fish/seafood for a typical household is about 17%. Growth prospects in processed seafood should increase by 5% per year. Top U.S. imports of prepared/processed fish/seafood products to Singapore in 2016 included lobster, scallops, rock lobster, fish and crabs.

SECTION IV. BEST HIGH –VALUE PRODUCT PROSPECTS

Product Category	2016 Market Size (Volume) Metric Tons	2016 Imports (US\$)	5-Year Avg. Annual Import Growth Key	Key Constraints Over Market Development	Market Attractiveness for USA
Breakfast Cereals	11,346	\$40,971,623	6%	Availability of local brands at lower price points.	Consumer health consciousness and for quick breakfast drive demand.
Dairy Products	333,610	\$689,237,020	-6.4%	Availability of products from New Zealand, Australia and France.	As consumer becomes gain product understanding, opportunities will exist for development for U.S. dairy products.
Fresh Fruits	443,135	\$525,958,250	5%	Strong competition from China,	Strong demand for U.S. products for

				Malaysia, Australia and South Africa	premium fruits such as stone fruits, summer berries and avocados.
Edible Nuts	n/a	\$261,083,017	5%	Price sensitive market.	Very strong de-mand for U.S. nuts.

Products Not Present in Significant Quantities But Have Good Sales Potential

Product Category	2016 Market Size (Volume) Metric Tons	2016 Imports (US\$)	5-Year Avg. Annual Import Growth Key	Key Constraints Over Market Development	Market Attractiveness for USA
Fish and Seafood	193,710	\$1,072,726,864	-0.3%	Intense competition from lower cost regional suppliers such as China, Malaysia, Indonesia and Vietnam	High fish consumption with fish and meat accounting for approximately 40% of a typical diet.
Pork	89,698	\$289,351,656	1%	Strong competition from Australian air-flown fresh product, and frozen Brazilian product at the lower segment	Major protein food staple, good prospects in high-end outlets where consumers pay premium price for higher quality.
Fresh Vegetables	538,476	\$447,011,317	4.2%	Price sensitivity for some vegetables such as asparagus as well as lower priced alternatives from regional markets such as Malaysia, China, India and Australia.	Solid demand for U.S. produce, consumers will pay premium for fresh air-flown produce.
Snack Foods	65,031	\$381,949,721	2.4%	Competition from cheaper sources such as Malaysia and Italy.	Strong demand for quality U.S. products and U.S. product has strong brand recognition.
Wine	29,957,250 liters	\$489,728,161	1.2%	Diverse competitive market with a massive number of labels from Australia, France, Italy, Chile, South Africa, etc.	Broad and wide market, with many opportunities at the right price point.

Source: Global Trade Atlas (GTA)

SECTION V. KEY CONTACTS AND FURTHER INFORMATION



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

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

Email: agsingapore@fas.usda.gov
Website: www.fas.usda.gov

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

International Enterprise Singapore
230 Victoria Street, Level 10
Bugis Junction Office Tower
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Website: www.iesingapore.com

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

American Chamber of Commerce in Singapore
1, Scotts Road

#23-04, Shaw Centre
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Tel: (65) 6235-0077
Fax: (65) 6732-5917
Website: www.amcham.org.sg

Singapore Food Manufacturers Association
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Singapore Retailers Association
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Website: www.retail.org.sg



Map of Singapore
(Source: World FactBook)

APPENDIX I. STATISTICS

A. Key Trade & Demographic Information

	2016	
Agricultural Imports From All Countries (\$Mil) /U.S. Market Share (%)	10,956	8%
Consumer Food Imports From All Countries (\$Mil) /U.S. Market Share (%)	6,223	10%
Edible Fishery Imports From All Countries (\$Mil) /U.S. Market Share (%)	1,073	2%
Total Population (Millions) /Annual Growth Rate (%)	5.6	1.3
Urban Population (Millions) / Annual Growth Rate (%)	N.A.	N.A.
Number of Major Metropolitan Areas	1	
Size of the Middle Class (Millions) /Growth Rate (%)	N.A.	N.A.
Per Capita Gross Domestic Product (U.S. Dollars) / Increase over previous year	53,817	3.3
Unemployment Rate (%)	2.2	N.A.

Per Household Food Expenditure (U.S. Dollars) Per Annum	8,746	2.6
Exchange Rate in 2017 (US\$1 = S\$1.37) (July 18, 2017)		

(Source: Global Trade Atlas) & <http://www.singstat.gov.sg>

TABLE B. CONSUMER FOOD & EDIBLE FISHERY PRODUCTS IMPORTS

Singapore Imports (In Millions of Dollars)	Imports from the World			Imports from U.S.			U.S. Market Share (%)		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
CONSUMER-ORIENTED AG TOTAL	7,338	6,620	6223	783	688	616	11	10	10
Snack Foods (Excluding Nuts)	416	391	382	39	39	36	9	10	9
Breakfast Cereals, Pancake Mix	43	44	41	9	9	9	21	20	22
Red Meats, Fresh/Chilled/Frozen	613	571	539	80	48	29	13	8	5
Red Meats, Prepared & Preserved	188	188	179	21	24	18	11	13	10
Poultry Meat	268	250	255	36	32	31	14	13	12
Dairy Products (Excluding Cheese)	1,143	764	607	70	42	24	6	5	4
Cheese	90	83	83	8	7	6	9	8	7
Eggs & Products	145	124	117	3	1	1	2	1	1
Fresh Fruit	538	525	526	101	86	84	19	16	16
Fresh Vegetables	433	431	447	18	15	14	4	4	3
Processed Fruit & Vegetable	362	375	429	71	70	71	20	19	17
Fruit & Vegetable Juice	79	73	74	14	14	12	18	19	16
Tree Nuts	161	140	123	23	24	21	14	17	17
Wine & Beer	808	704	639	27	23	19	3	3	3
Nursery Products & Cut Flowers	82	88	85	1	1	2	2	2	2
Pet Foods (dogs & Cat Food)	34	35	38	10	11	11	29	32	30
Other Consumer-Oriented Products	1,935	1,834	1661	251	243	227	13	13	13

FISH & SEAFOOD PRODUCTS	1,049	1,038	1073	19	21	20	2	2	2
Salmon	69	56	67	0	0	0	0	0	0
Surimi	0	0	0	0	0	0	0	0	0
Crustaceans	408	392	382	9	8	8	2	2	2
Ground fish & Flatfish	29	28	27	1	3	3	3	10	11
Molluscs	106	109	98	3	3	3	3	3	3
Other Fishery Products	437	453	498	6	6	6	1	1	1
AGRICULTURAL PRODUCTS TOTAL	10,911	9,841	9357	965	865	832	9	9	9
AGRICULTURAL, FISH & FORESTRY TOTAL	12,670	11,424	10956	999	897	872	8	8	8

Source: Global Trade Atlas (GTA)

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

Consumer Oriented Agricultural Imports (In US\$ Million)

Rank	Partner Country	United States Dollars		
		2014	2015	2016
1	Malaysia	1,179	1,090	1,088
2	United States	783	688	616
3	Australia	684	586	567
4	China	503	471	468
5	France	601	498	446
6	Brazil	407	373	369
7	Thailand	319	319	312
8	New Zealand	534	399	306
9	Indonesia	394	373	291
10	Netherlands	235	222	193
11	Japan	120	122	144
12	India	119	128	131
13	Vietnam	216	212	116

14	Italy	119	102	101
15	Germany	136	101	98
	Others	989	936	977
	Total	7,338	6,620	6,223

Source: Global Trade Atlas (GTA)

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

Rank	Partner Country	United States Dollars		
		2014	2015	2016
1	China	151	166	139
2	Malaysia	129	127	135
3	Indonesia	136	115	111
4	Vietnam	110	103	104
5	Norway	73	61	76
6	Japan	51	54	59
7	Thailand	63	54	55
8	Chile	29	31	38
9	India	37	36	37
10	Australia	40	43	36
11	France	17	16	36
12	United Kingdom	16	20	22
13	New Zealand	21	20	22
14	United States	19	21	20
15	Taiwan	15	20	19
	Others	141	151	165

	World	1,049	1,038	1,073
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Source: *Global Trade Atlas (GTA)*



END OF REPORT.