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Singapore

Food Service - Hotel Restaurant Institutional

2018 Annual

Approved By:

William Verzani, Agricultural Attaché
Malaysia, Singapore, Brunei and Papua New Guinea

Prepared By:

Alice Kwek, Agricultural Marketing Specialist

Report Highlights:

Singapore has a highly developed and competitive hotel, restaurant and institutional (HRI) industry that is fueled by robust tourism, business travel and consumer spending. As there is virtually no local agricultural production, the country is almost entirely dependent upon imports for all of its food requirements. In 2017, the country's tourist receipts topped \$20 billion, of which \$2 billion was derived from food and beverage sales. Top U.S. product prospects for the Singaporean HRI industry include fresh/frozen potatoes, seafood, dried fruits, tree nuts, beef and wine & beer.

Post:

Singapore

Market Fact Sheet: Singapore

Executive Summary

Singapore's highly developed hotel, restaurant and institutional (HRI) industry is driven by robust tourism, business travel and consumer spending. In 2017, Singapore imports of consumer oriented agricultural products (from all sources) reached just over \$6.5 billion USD, an increase of 20 percent from five years ago. The country's steadily growing economy and tourism industry is expected to fuel strong HRI demand for imported, high quality food and beverage products for the next several years.



Source: Global Trade Atlas (GTA)

Imports of U.S. Consumer-Oriented Products

According to GTA data, the United States was Singapore's 3rd largest supplier of consumer-oriented products in 2017, with total sales reaching \$590 million for the year. Top U.S. products in the market include dairy, fresh fruit, potatoes, poultry and beef.



Singapore's Macroeconomics

Population: 5.6 million people; highly urbanized.
(Source: SingStat)

Per Capita Income: \$57,714
(Source: World Bank)

Real GDP Growth: 3.6 percent in 2017
(Source: World Bank)

GDP Composition:

- Industry: 26.6%
 - Services: 73.4%
- (Source: World Factbook)

Food Service Industry – Quick Takeaways

- Robust tourism, business travel and high disposable incomes strongly influence the country's HRI industry.
- Singapore's food service industry is highly diverse with a broad range of Asian and Western options all widely available.
- Singaporeans on average are some of Asia's top spenders on dining out due to intense urbanization and busy lifestyles.

SWOT Analysis

Strengths/Weaknesses/Opportunities/Challenges

Strengths	Weaknesses
<ul style="list-style-type: none"> -U.S. food and agricultural products are trusted and perceived to be of high quality. -Top U.S. brands are popular and in strong demand. 	<ul style="list-style-type: none"> -Many U.S. exporters are unfamiliar with the market and are therefore frequently unable to meet specific requirements and order sizes. -Time commitment for brand building can be significant.
Opportunities	Challenges
<ul style="list-style-type: none"> -A growing Singaporean HRI sector is highly dependent on a broad range of imported food products and ingredients. -High disposable incomes drive demand for premium products. 	<ul style="list-style-type: none"> -The Singapore HRI industry is highly competitive and can be very price sensitive. -China and other regional suppliers have gained significant market share in recent years.

MARKET SUMMARY

The city-state of Singapore, with a population of 5.6 million, is a wealthy, developed and highly urbanized country. As there is virtually no local agricultural production, Singapore is almost entirely dependent upon imports for all of its food requirements. The country has a vibrant and competitive hotel, restaurant, and institutional (HRI) sector and Singaporeans are some of Asia's top spenders on eating out. According to Euromonitor, Singapore's food service sector (which includes hotels, restaurants, casual dining, fast food outlets and local food stalls) was valued at nearly \$6 billion USD in 2017 and has grown steadily over the past five years. Additionally, the country's tourism industry continues to show no signs of waning with 2017 tourist receipts topping \$20 billion (\$2 billion of which was derived from food and beverage sales, according to the Singapore Department of Statistics).

Sales in Consumer Foodservice by Location: Foodservice Value 2012-2017						
USD million	2012	2013	2014	2015	2016	2017
Consumer Foodservice Through Standalone	2,141.84	2,218.46	2,227.50	2,253.68	2,280.81	2,256.91
Consumer Foodservice Through Leisure	131.84	135.51	141.18	138.75	135.44	127.21
Consumer Foodservice Through Retail	2,685.88	2,797.35	2,898.82	2,939.63	2,991.03	3,023.09
Consumer Foodservice Through Lodging	287.57	296.62	287.72	245.22	215.59	197.65
Consumer Foodservice Through Travel	327.28	343.16	343.46	350.29	357.72	373.53
Consumer Foodservice Total	5,574.49	5,791.03	5,898.60	5,927.57	5,980.59	5,978.31

Source: Euromonitor

Singapore's HRI sector is driven by robust tourism and consumer spending but the following dynamics are also important:

- Singapore's food service industry is highly diverse with a broad range of Asian and Western cuisines widely available in dining formats ranging from food stalls to full service restaurants.
- Fast and convenient food options are increasingly popular. Additionally, healthy and organic products are becoming very popular.
- Major retailers and department stores are investing more in foodservice in order to provide shoppers with a combined shopping/dining experience.
- International franchise dining chains are highly prevalent and popular in Singapore.
- Third-party food delivery services are heavily used in Singapore and had a market value of \$61.7 million USD in 2017.

Advantages and Challenges for U.S. Exporters

Advantages	Challenges
U.S. food and agricultural products are trusted and perceived to be of high quality.	Imported U.S. products are frequently more expensive than other regional suppliers.
Growing popularity of fast and convenient food options complements procurement	Extremely high rental and operating costs in Singapore make promotional/marketing

systems that source food ingredients from the United States.	activities more challenging.
Singapore is highly dependent on imports for all of its food requirements.	Competition in the Singaporean market has become more intense in recent years with countries such as China picking up significant market share.
The high-end HRI segment maintains high standards of quality and hygiene, which is very positive for U.S. food and beverage prospects.	The Singaporean HRI sector is somewhat fragmented which makes market penetration more challenging.

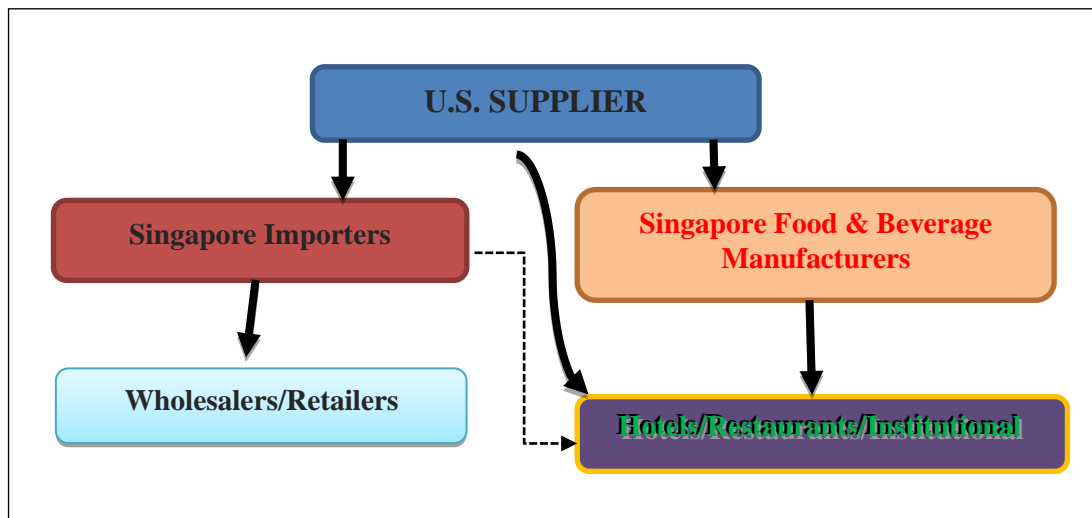
Road Map for Market Entry

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

- Analyze Singapore food laws, packaging & labeling requirements and importer criteria for entry into the Singapore market. Detailed information on Singapore regulations and requirements can be found here: [USDA's Food and Agricultural Import Regulations \(FAIRS\) Report for Singapore](#).
- Review the types of U.S. products that can be readily targeted to the high-end food service sector. Consider the price competitiveness of U.S. products compared to similar products available in the market.
- Participate in regional trade shows and trade missions by tapping into the resources offered by [State and Regional Trade Associations](#).
- Develop links with local importers that target the major hotels, restaurants and caterers.
- After establishing links with importers, strive to educate them (in person if possible) on the qualities of your product/s and supply chain.
- After establishing trade agreements with local importers, conduct product promotions with end-user hotels and restaurants. This type of marketing event is particularly effective during festivals and peak seasons (Chinese New Year, Christmas, etc.).
- Provide technical assistance (e.g. chef trainings or product formulations) to end-users.
- Maintain strong communication with your local importer to ensure all certificates and import permits are valid and up-to-date.

Distribution Channel Example

The following is a basic distribution channel example for supplying food and beverage products to the Singapore HRI industry:



Competition Chart

Product Category (2017)	Major Supply Sources (2017)	Foreign Supplier Situation	Local Supplier Situation
Beef and Beef Products Net Imports: \$252 million	1. Australia: 32% 2. Brazil: 31% 3. United States: 10% 4. New Zealand: 10%	Australia & New Zealand are traditional suppliers. Brazil competes in the frozen beef segment.	Singapore does not produce beef.
Pork and Pork Products Net Imports: \$327 million	1. Brazil: 30% 2. Australia: 19% 3. Netherlands: 14% 4. Spain: 9% 5. China: 7% 6. United States: 5%	Brazil dominates the frozen segment. Australian pork dominates the fresh/chilled market due to close proximity. U.S. processed pork is growing in popularity.	Live pigs from Indonesia are imported and slaughtered. The majority of this locally slaughtered meat is sold at wet/traditional markets and supermarkets.
Poultry Meat and Products Net Imports: \$334 million	1. Brazil: 53% 2. Thailand: 22% 3. United States: 10% 4. Malaysia: 5%	Brazilian poultry is currently very price competitive in the Singaporean market.	Malaysian live chickens are imported and slaughtered.
Fish Products Net Imports: \$1.05 billion	1. China: 13% 2. Malaysia: 13% 3. Vietnam: 10% 4. Indonesia: 10% 5. Norway: 7% 14. United States: 2%	ASEAN countries and China dominate the market. Fresh/chilled/prawns, live crabs, frozen cuttlefish, and squids are key products.	90% of seafood is imported. The remainder is supplied by sea-based Singaporean aquaculture operations.

Fresh Fruits Net Imports: \$504 million	<ol style="list-style-type: none"> 1. United States: 14% 2. Malaysia: 12% 3. Australia: 11% 4. China: 11% 	Top U.S. fresh fruits in the Singapore market: grapes, oranges, strawberries and apples; United States dominates sales of these fruits when in season.	Fruit production in Singapore is minimal.
Dried Fruits Net Imports: \$16 million	<ol style="list-style-type: none"> 1. United States: 48% 2. China: 19% 3. Turkey: 7% 4. Thailand: 6% 	U.S. dried fruits are highly popular; some are repacked and sold as private local brands.	Singapore is not a significant producer of dried fruit.
Edible Nuts Net Imports: \$134 million	<ol style="list-style-type: none"> 1. Indonesia: 40% 2. United States: 16% 3. India: 10% 4. Malaysia: 10% 	Along with cashews from neighboring countries, U.S. nuts are very popular. Some U.S. nuts are repacked and sold under local brands.	Singapore is not a major producer of edible nuts.
Wine and Beer Net Imports: \$746 million	<ol style="list-style-type: none"> 1. France: 58% 2. Australia: 8% 3. Malaysia: 4% 4. United States: 4% 	France dominates the premium wine market. U.S. wines are growing in popularity.	Singapore does not produce wine. Asia Pacific Breweries (APB), Singapore's largest beer manufacturer, dominates the beer market.

Source: Global Trade Atlas

Best Prospective Products for the HRI Industry

U.S. Products	2012 Import Value (million USD)	2017 Import Value (million USD)	Growth in %
Potatoes, fresh & frozen	\$35.6	\$38.3	8 percent
Seafood	\$21.8	\$29.6	36 percent
Dried Fruits & Nuts	\$16.5	\$27.0	64 percent
Beef Products	\$12.9	\$26.8	108 percent
Wine & Beer	\$13.2	\$18.8	42 percent

Major Hotel & Resort Chains in Singapore

International Hotel Chains	Website
Accor Hotels	https://www.frhi.com/
Four Seasons Hotels and Resorts	https://www.fourseasons.com/singapore/
Hilton Worldwide	https://www3.hilton.com/en/index.html
Hyatt Hotels Corporation	https://www.hyatt.com/en-US/hotel/singapore/grand-

	hyatt-singapore/sinrs
Intercontinental Hotel Group	https://www.ihgplc.com/
Marriott International	https://www.marriott.com/hotels/travel/sindt-singapore-marriott-tang-plaza-hotel/
Millennium Hotels	https://www.millenniumhotels.com/en/singapore/
Regent Hotels and Resorts	https://www.regenthotels.com/
Shangri-La Hotel and Resorts	http://www.shangri-la.com/en/singapore/shangrila/
Starwood Hotels and Resorts	https://www.marriott.com/default.mi?program=spg
Pan Pacific Hotels and Resorts	https://www.panpacific.com/en/hotels-and-resorts/pp-marina.html
Meritus Hotels and Resorts	https://www.meritushotels.com/en/index.html
Mandarin Oriental Hotel Group	https://www.mandarinoriental.com/

Key Contacts

USDA's Foreign Agricultural Service (FAS) has an unrivaled network of more than 90 offices throughout the world that serve the interests of U.S. food and agricultural exporters. For details about FAS and the services we provide, please visit our website at <https://www.fas.usda.gov/>. For any questions about exporting U.S. food and agricultural products to Singapore, please contact the Office of Agricultural Affairs at the U.S. Embassy in Singapore:

Office of Agricultural Affairs
Embassy of the United States of America
27 Napier Road, Singapore 258508

Tel: (65) 6476-9289 Fax: (65) 6476-9517
Email: agsingapore@fas.usda.gov