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Prepared By: Alice Kwek

Approved By: Megan Francic

Report Highlights:

Singapore's highly import dependent, multi-billion-dollar food industry is driven by robust consumer spending, high disposable incomes, and intense urbanization. The country's trade and regulatory policies are focused on ensuring consistent foreign supply of high-quality food and agricultural products. Singapore's total agricultural and related product imports in 2020 reached \$15 billion USD, with the United States capturing roughly ten percent market share. Top prospective U.S. food and beverage products for the Singaporean market include fresh fruit, beef and poultry products, pork and pork products, dairy products, seafood, processed fruit, and tree nuts.

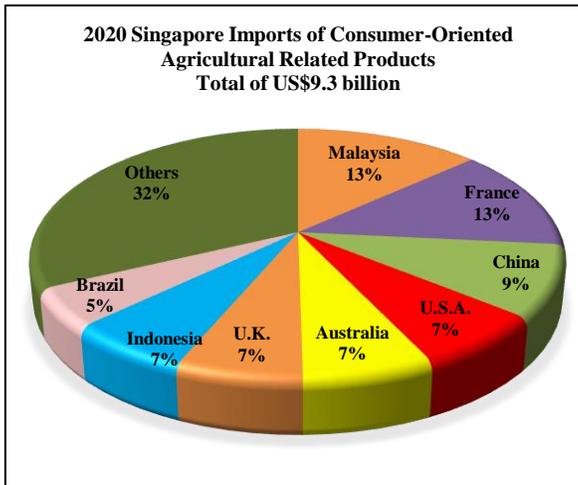
Market Fact Sheet: Singapore

Executive Summary

Singapore's highly import dependent, multibillion-dollar food industry is driven by robust consumer spending, high disposable incomes, and intense urbanization. Singapore's total agricultural and related products imports in 2020 reached \$15 billion USD, with the United States capturing 10 percent market share.

Imports of U.S. Consumer-Oriented Products

In 2020, the United States was Singapore's fourth largest supplier of consumer-oriented food and beverage products, with total sales reaching \$657 million USD. Top U.S. products in the market include dairy, fresh fruit, potatoes, poultry, and beef.



Source: Trade Data Monitor

Retail Foods

Singapore's retail foods sector is highly developed and very competitive, with total sales in 2019 reaching \$6 billion USD. The sector is dominated by three key players: NTUC Fair Price Cooperative; Dairy Farm Group; and Sheng Siong Supermarket Chain.

Food Processing Ingredients

The Singapore food processing industry is relatively small. However, almost all raw materials and ingredients used in the processing industry are imported. Total industry output value in 2019 was roughly \$8.3 billion USD.

Hotel, Restaurant and Institutional

Singapore has a highly developed and competitive hotel, restaurant, and institutional (HRI) sector. Singaporeans are some of Asia's top spenders on dining out. In 2019, the country's tourist receipts topped \$20 billion USD, of which almost \$2 billion was derived from food and beverage sales.

Singapore's Macroeconomics

Population: 5.7 million people (2020)

(Source: www.singstat.gov)

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

(Source: CEIC data)

Real GDP Growth: 0.7 percent (2019)

(Source: www.singstat.gov)

GDP Composition:

- Industry: 25%
- Services: 75%

(Source: CIA World Factbook)

Strengths/Weaknesses/Opportunities/Challenges

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

SECTION I. MARKET OVERVIEW

The city-state of Singapore, with a population of 5.7 million, is a wealthy, developed, and highly urbanized country. The country's economy is mainly driven by the financial services, manufacturing, and tourism sectors. However, the pandemic hit travel, tourism, and related sectors hard. According to industry analysts, these sectors have experienced crippling sales declines of nearly 60 percent compared to the previous year. The pandemic has also raised questions about Singapore's food security and food supply since, according to the Singapore Food Agency, the country is 90 percent dependent on food imports. The Government is aiming to be 30 percent self-sufficient in food production by year 2030 through high-tech vegetable and aquaculture farming.

The country maintains a generally liberal and open trade system. Singapore's food laws, policies, and enforcement practices are focused on ensuring a consistent foreign supply of safe food and agricultural products. Singapore does not impose quotas and tariffs on imported food and agricultural products (except tobacco and alcoholic beverages). Singapore's total agricultural and related product imports in 2020 reached nearly \$15 billion USD, with the United States capturing 10 percent market share.

Singapore has concluded free trade agreements with Australia, Japan, New Zealand, and the United States and is negotiating free trade agreements with the Gulf States, Canada, Chile, China, India, South Korea, Jordan, and Sri Lanka. It recently concluded a free trade agreement with the EU. The city-state is also a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Demographics

The resident population is comprised of 74 percent ethnic Chinese, 13 percent Malay, 9 percent Indian, and 4 percent is made up of minority group. The major languages spoken are English, the official language, Mandarin, and Malay. Singapore has a low annual birth rate of less than 1 percent. Increasing cost of living and a widening income gap (according to Euromonitor, income inequality is now greater than in the United States) are major concerns of the Singapore government. Approximately 15 percent of residents are over 65 years old, and Euromonitor expects this to increase to 25 percent by 2030.

Table 1: Advantages and Challenges Facing U.S. Exporters

Advantages

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

Challenges

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

SECTION II. EXPORTER BUSINESS TIPS

Market Research

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

- Export documentation and local laws governing products
- Product fit (bearing in mind the diversity of Singaporean consumers)
- Customer cultural preferences and demand in the market
- Product potential compared with competing foreign suppliers
- Market segmentation
- Pricing competitiveness
- Packaging, in terms of size and quality
- Market communications necessary to create brand support and education
- Trade statistics and import trends for similar products

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

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

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

Local Business Practices and Customs

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

Trends

- Singaporeans are affluent and well-traveled, and relatively high levels of disposable income drive Singapore's demand for premium quality food and beverage products. Due to COVID-19 related travel restrictions, Singaporeans have turned to local staycations and eating out.
- Singapore's food service industry is highly diversified with a broad range of Asian and Western cuisines widely available in dining formats ranging from food stalls to full-service restaurants. International franchise dining chains are highly prevalent and popular in Singapore.
- Fast and convenient food options are increasingly popular. In addition, health and wellness trends continue to gain traction.
- Major retailers and department stores are investing more in foodservice in order to provide shoppers with a combined shopping/dining experience.
- Third-party food delivery services are very popular in Singapore.
- More wholesalers and food service suppliers are leveraging social media platforms. For example, chefs are offering cooking demonstrations and "going live" on Facebook to market their products.
- Note that Singapore's Ministry of Health will introduce several measures restricting some types of pre-packaged, sugar-sweetened beverages. These regulations are expected to take effect by 2022 and may have ramifications for the sale of beverages.

Road Map for Market Entry

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

- Analyze Singapore food laws, packaging and labeling requirements, and importer criteria for entry into the Singapore market. Detailed information on Singapore regulations and requirements can be found by accessing the latest [Food and Agricultural Import Regulations and Standards Country Report](#).
- Consider the price competitiveness of U.S. products compared to similar products available in Singapore.
- Participate in regional trade shows and trade missions by tapping into resources offered by [State and Regional Trade Groups](#).
- Develop links with local importers that target major retailers, hotels, restaurants, and processors. As noted above, U.S. exporters are advised to appoint local distributors.
- 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 agreements with local importers, conduct product promotions with end-users. This type of marketing event is particularly effective during festivals and peak seasons (Chinese New Year, Christmas, etc.).
- Provide technical assistance (e.g. handling techniques, chef trainings, and product formulation) to end-users.
- Maintain strong communication with your local importer to ensure all certificates and import permits are valid and up to date.

SECTION III. IMPORT FOOD STANDARDS & REGULATIONS/IMPORT PROCEDURES

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

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

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

SECTION IV. MARKET DYNAMICS AND TRENDS

Food Industry Breakdown

Singapore's retail food sector is highly developed and competitive. Total sales for the sector in 2019 reached \$6 billion USD. Retail food sales in the country are dominated by three key players: the NTUC FairPrice Cooperative; Dairy Farm International Holdings; and Sheng Siong

Supermarket. Please refer to the [Singapore Retail Food Annual 2020 GAIN Report](#) for more details on the sector.

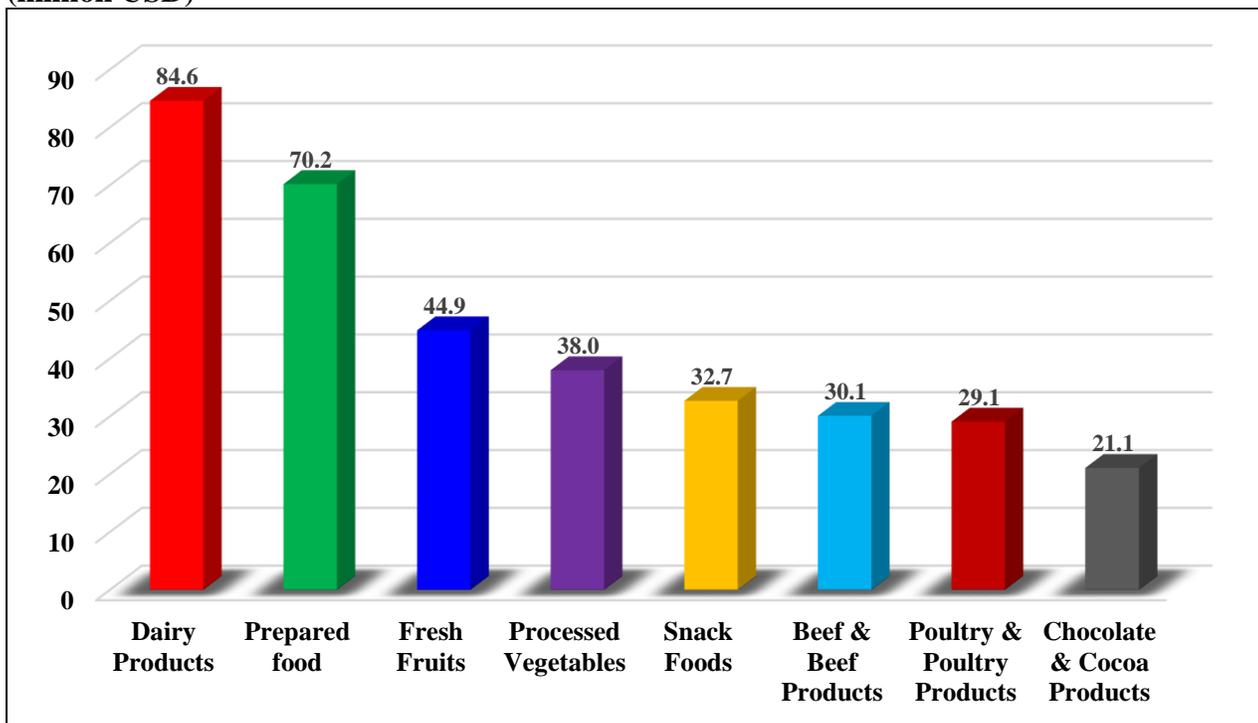
The country’s hotel, restaurant, and institutional (HRI) sector is also highly developed and competitive. According to Euromonitor, Singapore’s food service sector (which includes hotels, restaurants, casual dining, fast food outlets, and local food stalls) has grown steadily over the past five years and was valued at nearly \$6.6 billion USD in 2019. However, due to the global COVID-19 pandemic and ensuing travel/movement restrictions, the Singaporean HRI sector has contracted in 2020. For more details on the HRI sector, please refer to the [Singapore HRI Annual 2020 GAIN Report](#).

Although Singapore’s food processing sector is relatively small, almost all raw materials and ingredients for further processing are imported. According to the Singapore Department of Statistics, the country’s food processing sector had a total value of \$8.3 billion USD in 2019. Local food manufacturing spans over 17 sub-sectors, including flavors, local sauces and condiments, ready-to-eat meals, noodles, deli items, confectionary, chocolates, snack products, beverages (including beer), and seafood processing. For more details on the food processing sector, please refer to the [Singapore Food Processing Industry Annual 2020 GAIN Report](#).

U.S. Food and Beverage Products in the Singapore Market

According to Trade Data Monitor, the United States was Singapore’s fourth largest supplier of consumer-oriented food and beverage (F&B) products in 2020. Total U.S. F&B export sales for the year reached \$632 million USD.

Figure 1: Top U.S. Consumer-Oriented Food and Beverage Exports to Singapore in 2020 (million USD)



Source: U.S. Census Bureau Trade Data

Table 2: Competition in the Consumer-Oriented Product Sector

Product Category (2020)	Major Supply Sources (2020)	Foreign Supplier Situation	Local Supplier Situation
Beef and Beef Products Net Imports: \$270 million	<ol style="list-style-type: none"> 1. Brazil: 34% 2. Australia: 33% 3. United States: 12% 4. New Zealand: 7% 	Australia & New Zealand are traditional suppliers. Brazil competes in the frozen beef segment.	Singapore does not produce beef.
Pork and Pork Products Net Imports: \$377 million	<ol style="list-style-type: none"> 1. Brazil: 38% 2. Australia: 13% 3. Netherlands: 10% 4. Spain: 10% 5. China: 9% 6. Germany: 5% 7. United States: 4% 	Brazil dominates the frozen segment. Australian pork dominates the fresh/chilled market. U.S. processed pork is growing in popularity.	Live pigs from Indonesia are imported and slaughtered. Most of the locally slaughtered meat is sold at wet/traditional markets and supermarkets.
Poultry Meat and Products Net Imports: \$400 million	<ol style="list-style-type: none"> 1. Brazil: 53% 2. Thailand: 25% 3. United States: 8% 4. Malaysia: 6% 	Brazilian poultry is currently price competitive in the Singaporean market.	Malaysian live chickens are imported and processed in-country.
Seafood Products Net Imports: \$994 million	<ol style="list-style-type: none"> 1. Malaysia: 15% 2. China: 13% 3. Vietnam: 12% 4. Indonesia: 10% 5. Norway: 7% 	ASEAN countries and China dominate the market. Fresh/chilled prawns, live crabs, frozen cuttlefish, and squid are key products.	90 percent of seafood is imported. The remainder is supplied by sea-based Singaporean aquaculture operations.
Fresh Fruit Net Imports: \$548 million	<ol style="list-style-type: none"> 1. United States: 14% 2. China: 14% 3. Malaysia: 12% 4. Australia: 11% 	Top U.S. fresh fruits in the Singapore market include grapes, oranges, strawberries, and apples.	Singapore produces very little fresh fruit.
Processed Fruit Net Imports: \$137 million	<ol style="list-style-type: none"> 1. China: 20% 2. Indonesia: 13% 3. United States: 11% 4. Malaysia: 11% 	U.S. processed fruits are highly popular; some are repacked and sold as private local brands.	Singapore is not a significant producer of processed fruit.
Tree Nuts Net Imports: \$165 million	<ol style="list-style-type: none"> 1. Indonesia: 36% 2. Malaysia: 18% 3. United States: 13% 4. China: 7% 	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: \$703 million	<ol style="list-style-type: none"> 1. France: 53% 2. Australia: 11% 3. China: 6% 4. Italy: 4% 5. United States: 3% 	France dominates the premium wine market. U.S. wines are growing in popularity.	Singapore does not produce wine. Asia Pacific Breweries, Singapore's largest beer manufacturer, dominates the beer market.
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Source: Trade Data Monitor

SECTION V. AGRICULTURAL AND FOOD IMPORTS

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

		2016	2017	2018	2019	2020	
Partner	Product	Value	Value	Value	Value	Value	Period/Period % Change
Singapore	Intermediate Total	302,234	381,248	358,852	449,393	567,214	26
Singapore	Consumer Oriented Total	480,648	488,338	511,471	537,627	490,968	-9
Singapore	Bulk Total	26,100	22,958	30,141	33,869	33,517	-1
Singapore	Agricultural Related Products	49,784	43,141	25,694	28,758	18,556	-35
Grand Total		858,766	935,685	926,158	1,049,647	1,110,255	6

Source: Trade Data Monitor

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

U.S. Product	2020 Singapore Total Import Value	2020 Total Import Value from the United States
Fresh Fruit	\$548	\$78
Beef & Beef Products	\$270	\$31
Pork & Pork Products	\$377	\$15
Seafood	\$994	\$15
Processed Fruit	\$136	\$16
Tree Nuts	\$164	\$22

Source: Trade Date Monitor

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

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

B) U.S. Dairy Export Council
20 Martin Road
Seng Kee Building, #08-01
Singapore 239070
Tel: (65) 6230 8550 Fax: (65) 6235 5142
Contacts: Dalilah Ghazalay, Regional Director, SEA Marketing & Operations
Email: dali@dairyconnect.biz

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

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

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

F) Raisin Administrative Committee, Food Export-Midwest, Food Export-Northeast and the Western United States Agricultural Trade Association
48 Toh Guan Road East, #02-129 Enterprise Hub
Singapore
Tel: (65) 6515 6113 Fax: (65) 6278 4372
Contact: Richard Lieu and Chuah Siew Keat
Emails: richardlieu@lieumktg.com.sg; siewkeat@lieumktg.com.sg

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

H) U.S. Wheat Associates
541 Orchard Road, #15-02 Liat Towers
Singapore
Tel: (65) 6737 4311 Fax: (65) 6733 9359
Contact: Matt Weimar, Regional Vice President for South Asia
Email: InfoSingapore@uswheat.org

I) Singapore Government Websites:

Singapore Food Agency: www.sfa.gov.sg
Department of Statistics: www.singstat.gov.sg
Singapore Government: www.gov.sg

Attachments:

No Attachments