



SINGAPORE FOOD & BEVERAGE MARKET 2018

Modern takes on Sustainability, Health & Wellness and Convenience will reshape the food and drink industry in 2019 and beyond.

Table of Contents

1. GLOBAL OVERVIEW	2
2. MARKET SUMMARY	2
3. INDUSTRY PROFILE.....	2
4. SINGAPORE FOOD & BEVERAGE MARKET	3
4.1 Singapore Ready to Eat Food Market	3
4.2 Singapore Ready to Eat Food Market Segmentation	3
4.3 Singapore Ready to Eat Food Market Major Players	5
5. ADVANTAGES AND CHALLENGES FOR ASIAN COUNTRIES	5
6. BEST PRODUCT PROSPECTS.....	7
7. PRODUCT OPPORTUNITIES FOR EXPORTERS.....	7
7.1 Products Present in the Market with Good Sales Potential.....	8
7.2 Products Not Present in Significant Quantities But Have Good Sales Potential	8
8. SPS REQUIREMENTS IN SINGAPORE.....	9
9. EXPORT POTENTIAL TO SINGAPORE.....	11
10. SRI LANKAN EXPORTS TO SINGAPORE.....	13
11. SINGAPORE FOOD & BEVERAGE IMPORTS FROM WORLD	14
REFERENCES	15



1. GLOBAL OVERVIEW

The Asia Pacific is the fastest growing region in terms of consumer spending on Eating Out, with average annual growth of 9.8% between 2006-16, while average annual growth of 7.5% is forecast for the 2017-26 period. Middle East & Africa was the second fastest growing region between 2006-16, with average annual growth of 7.4%. This region also holds the second spot for strongest forecast growth for 2017-26 at 7.3% per annum.

The Americas - specifically the United States and Canada - and Europe have arguably the most mature retail markets in the world and so historic growth between 2006-16 has been lower at 6.1% and 4.2% respectively, as these markets were more saturated prior to 2006. Annual average growth forecasts for 2017-26 remain positive but are lower than Middle East & Africa and Asia Pacific, with the Americas anticipated to grow by 5.5% over the period and Europe by 4.9%.

2. MARKET SUMMARY

Singapore continues to be one of the most developed food markets in Southeast Asia. The city-state is a highly developed market economy and is strategically located in the middle of key trade flows from Asia, Australia, Europe, the Middle East and the United States. One of the world's most open economies and dependent on international trade, is a global commerce, finance and transport hub. It is the most technology-ready, top international meetings city, with the best investment potential, second most competitive country, third largest foreign exchange market, third largest financial center, third largest oil refining and trade center and the second busiest container port. The main pillars of the economy are electronics manufacturing, pharmaceutical manufacturing, oil refining and petrochemicals, banking, insurance and financial services, tourism and trade. Singapore's total GDP of US\$297 billion is the ninth largest economy in the Asia Pacific region.

3. INDUSTRY PROFILE

Singapore is a famous food capital in Asia. The food services industry plays a vital role in our economy. Singapore, also known as the Lion City, is an extremely attractive Asian market which imports more than 90% of its food from producers from more than 160 countries worldwide.

The global food and beverages (F&B) market is growing exponentially along with the growth in urban populations worldwide. Besides buying more food, discerning diners are driving demand for better food which are safe, natural and healthy. In addition, automation and artificial intelligence are leaving their mark on the industry.

Singaporeans work long hours. This has driven the demand for fast and convenient meals. This is also happening in cities around the region. On the other end, a segment of consumers are going for artisan, handcrafted food, or have grown to expect customization of food to their preferences. We can go beyond mass market appeal to explore niche F&B concepts.

4. SINGAPORE FOOD & BEVERAGE MARKET

Singapore, a tiny island, with a population of 5.7 million, is wealthy and urban. Singapore is almost entirely dependent upon imports for all of 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 and a Goods and Services Tax (GST) of 7 percent levied for all goods and services at the point of distribution. In 2017, Singapore imported \$13 billion worth of agriculture, fish and forestry products. The United States was the third largest supplier with a market share of 8 percent valued at US\$1 billion in total. Malaysia, Indonesia and China are the top three supplying countries in descending order.

Consumer oriented foods imports in 2017 was \$6.52 billion in 2017. A total value of US\$1.06 billion of fish and seafood products were 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 produce and processed fruits, meats, poultry meat and products (excluding eggs), dairy products, and prepared foods. Major competing countries were 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 open and easily accessible, there is quick entry for new comers. However, competition in some of the consumer product categories can be intense. (*GAIN REPORT: Retail Foods Annual 2018*)

4.1 Singapore Ready to Eat Food Market

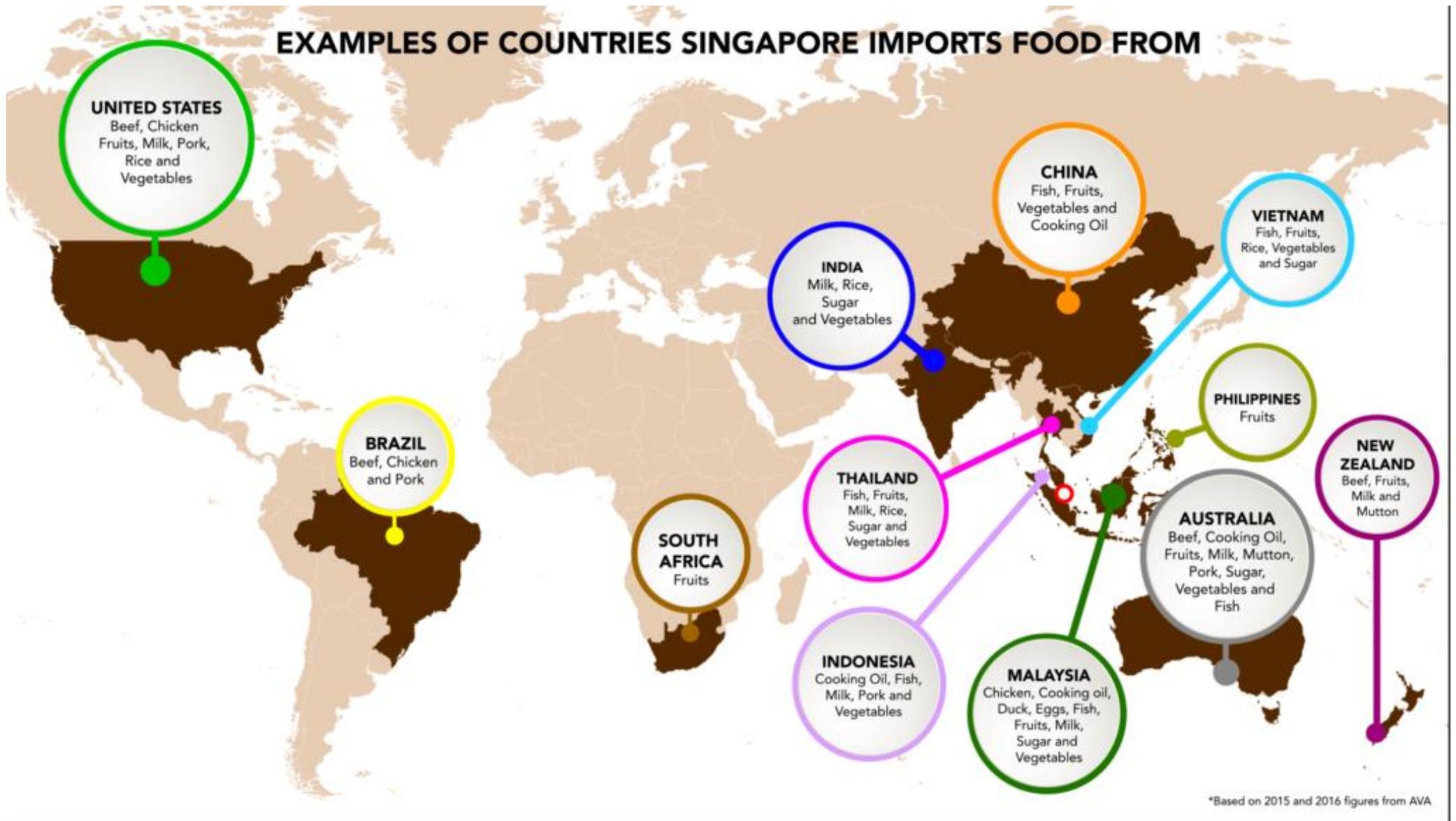
The ready to eat food market in Singapore was valued USD 111.6 million in 2017. Consumers in Singapore today are savvy, knowledgeable and increasingly concerned with what goes into their meal. Owing to the increased level of exposure to multiple cultures, the people are experimenting with their diets and RTE foods are finding an opportunity to grow with the growing trend of trying new foods and cuisines in the country. Singaporeans are well travelled and adventurous, when it comes to trying out new and exotic food varieties, majorly seafood dishes. Attributing to such factors the RTE foods in Singapore is expected to grow with a value CAGR of 2.5% over the forecast period.

4.2 Singapore Ready to Eat Food Market Segmentation

The market of ready to eat food in Singapore is segmented on the basis of product type, storage and distribution channel. On the basis of product type the market is segmented into soups and noodles, meat and fish, cereals and pulses, ready meals and others. The soup and noodles is expected to be the second highest performing segment in the RTE market. With increasingly hectic lifestyles and the growing prevalence of instant food and RTE food, fewer Singaporeans are cooking at home, owing to benefits derived from convenience products.

Brands, like Nestle Maggie, have come up with the instant ready to eat noodles in the recent years. Similarly, other players are innovating their product portfolio as per the changing consumption patterns of the consumers. Owing to their busy lifestyles, demand for ready-to-eat (RTE) meals has been rising due to changing consumer behavior toward convenience foods. Ready meal has been the most preferred product in the market as consumers opt for convenient and nutrient-driven meal option

EXAMPLES OF COUNTRIES SINGAPORE IMPORTS FOOD FROM



4.3 Singapore Ready to Eat Food Market Major Players

- PepsiCo Inc.
- Nestle.
- Kellogg Company.
- General Mills Inc.
- Prima Taste.
- Pondok Abang.
- McCain Foods.
- Food Box.
- Health Food Matters.
- Select Group.

5. ADVANTAGES AND CHALLENGES FOR ASIAN COUNTRIES

Advantages	Challenges
Singapore relies on imports for most of its food and drink supplies	Singapore’s retail food market is mature and with intense competition, i.e. growth has slowed compared to a decade ago
Singapore is one of the wealthiest markets in S.E. Asia, and is a key location for expatriate families to reside in East Asia. It has a small lower income group.	Singapore’s now evident multi-track market is creating challenges for products that are commodities, poorly differentiated or not well supported by marketing activities in retail channels.
Singaporeans are well-traveled and have a modern diet that includes a wide range of foreign concept foods	Singaporeans are price sensitive when it comes to buying food items, e.g., meat and poultry, fresh fruits and vegetables, breakfast cereals (millennials) and soft drinks. This is underpinned by imported food price inflation over the past 5 years, and it provided opportunities for ASEAN-made and Chinese suppliers to increase their market shares at the expense of exporters such as the United States and Australia
The Singapore market is well segmented with competition of U.S. suppliers from the factories of Asian/ASEAN based multinationals, China and the “traditional” supply bases in Australia, the EU and New Zealand.	Singaporeans are open to products from developed countries that are high quality and value-for-money. There are large numbers of single adults indulgent in their spending patterns. This benefits premium imported meats, some dairy products, exotic fruits, confectionery, wines and spirits, gift items and pet foods.
U.S. exporter weakness in the inability to service Singapore importers, retailers and end consumers in a way that closely meets specific requirements and expectations such as on order sizes, packaging and formats, taste, pricing that “fits” the market and need for promotional support. This is viewed negatively by Singapore importers	Singaporeans generally perceive “Made in USA” and its brand-owners as quality suppliers of food and drink products

“The trend is not just for more catering, it is for better quality catering.”



6. BEST PRODUCT PROSPECTS

Singapore does not impose tariffs on imported goods. Singapore levies a 7% Goods and Services Tax (GST) on all goods. Except for the following, all other goods enter the Singapore market duty free:

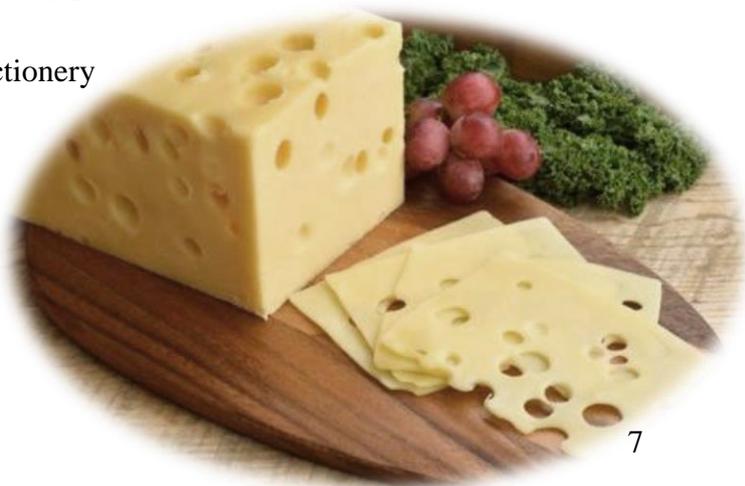
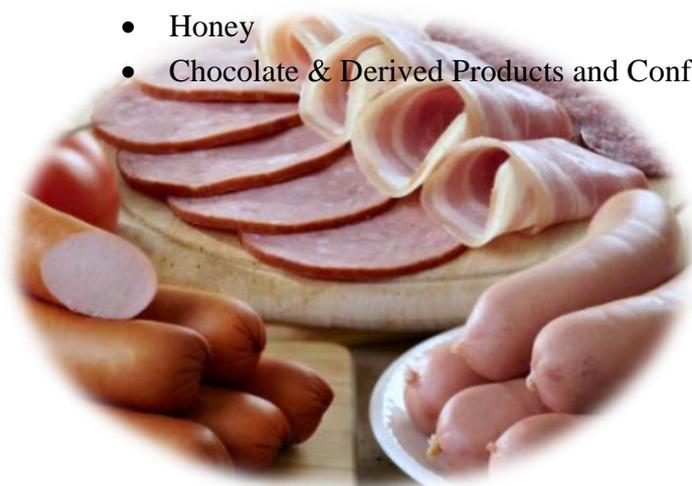
- a. Alcoholic beverages (intoxicating liquors)
- b. Tobacco products
- c. Motor vehicles
- d. Petroleum products.

7. PRODUCT OPPORTUNITIES FOR EXPORTERS

Singapore's per capita food consumption levels are among the highest in the region. For food manufacturers, this means the market is not only receptive to new products; it is prepared to pay for new food experiences. There is growing interest in products that provide specific nutritional benefits/value (especially for children). There is an awareness of country of origin related to provision of safe, clean, and green products. There is a growing trend to private label/house brand products in supermarkets. Supermarkets are importing more products directly, through traders, agents, and consolidators. There is demand for fruit and vegetable juices, processed fruit and vegetables, and high growth rates for imported fresh vegetables.

Due to scarce agricultural land and resources, Singapore imports nearly 90% of its food products from abroad and this, in turn, generates a vibrant and diverse retail foods market, with an assorted range of food products, from basic to high-end organic foods. U.S. products have gained traction in recent years, but competition is fierce. The United States was the third largest supplier at \$ 947 million in 2017 and with a market share of almost 10%, behind Malaysia and Australia. The U.S. is a major exporter of fresh fruits, dairy products, meat products, snack foods and pet food.

- Value added dairy like specialty cheeses
- Fresh & processed meats
- Processed fish
- Wine, Spirits, Beer
- Fresh fruits & Vegetables
- Processed cereals
- Value-added food service range (ready-to-cook, pre-prepared, frozen par baked items, etc.)
- Ready-to-drink Beverages
- Baby food products
- Bread, Pastry, Cakes, Biscuits and other bakery products
- Honey
- Chocolate & Derived Products and Confectionery



7.1 Products Present in the Market with Good Sales Potential

Product Category	2017 Market Size (Volume) Metric Tons	2017 Imports (US\$)	5-Year Avg. Annual Import Growth Key	Key Constraints Over Market Development
Breakfast Cereals	9,831	\$38,889,698	4%	Availability of local brands at lower price points.
Dairy Products	351,307	\$867,517,808	-1%	Availability of products from New Zealand, Australia and France.
Fresh Fruits	422,871	\$503,598,987	3%	Strong competition from China, Malaysia, Australia and South Africa
Edible Nuts	n/a	\$134,321,417	2%	Price sensitive market.

(Source: Global Trade Atlas)

7.2 Products Not Present in Significant Quantities But Have Good Sales Potential

Product Category	2017 Market Size (Volume) Metric Tons	2017 Imports (US\$)	5-Year Avg. Annual Import Growth Key	Key Constraints Over Market Development
Fish and Sea food	187,638	\$1,059,439,418	1%	Intense competition from lower cost regional Suppliers such as China, Malaysia, Indonesia and Vietnam
Pork	122,357	\$327,302,510	1%	Strong competition from Australian air-flown fresh product, and frozen Brazilian product at the lower segment
Fresh Vegetables	526,341	\$447,591,742	3%	Price sensitivity for some vegetables such as asparagus as well as lower alternatives from regional markets such as Malaysia, China, India and Australia.

Snack Foods	39,910	\$165,587,816	1%	Competition from cheaper sources such as Malaysia and Italy.
Wine	32,142,434 liters	\$583,596,292	5%	Diverse competitive market with a massive number of labels from Australia, France, Italy, Chile, South Africa, etc.

(Source: *Global Trade Atlas*)

Importantly, roughly 90 percent of Singapore’s foods are imported from third countries as only 10 percent of its food and beverage products are locally produced.¹⁶ Major consumer-oriented food imports in Singapore include fish and seafood, dairy products, alcoholic and non-alcoholic beverages, meat, fresh fruit and vegetables, snack foods and processed fruit and vegetables.

8. SPS REQUIREMENTS IN SINGAPORE

Singapore’s SPS standards comply with international standards, guidelines, and recommendations of the Codex Alimentarius, the World Organization for Animal Health (OIE) and the International Plant Protection Convention (IPPC). If any of the aforementioned international or regional standards are not available, Singapore has taken the initiative through its own risk-assessment and risk-management decisions, with special regards to economic and technical consideration, as well as other relevant factors. Provisional SPS measures may be taken where scientific evidence is insufficient.

The Agri-food and Veterinary Authority of Singapore (AVA) is the main body responsible for food safety, animal and plant health and also function as a SPS enquiry point.

For all the most recent details on Singapore’s SPS measures, please refer to one of the following: Agri-food and Veterinary Authority Act; the Animal and Birds Act; the Control of Plants Act; the Wholesome Meat and Fish Act; the Sale of Food Act; the Endangered Species (Import and Export) Act; the Wild Animals and Birds Act; the Fisheries Act; and the Feeding Stuffs Act. The AVA is responsible for any food and beverages products, as well as food appliances. In case an operator expresses the desire to import, export or ship any food project through Singapore as a temporary destination, the company will need to get a relevant trader's license or register with the AVA. This is to ensure traceability of all licensers which enter or use Singapore as a trading hub.

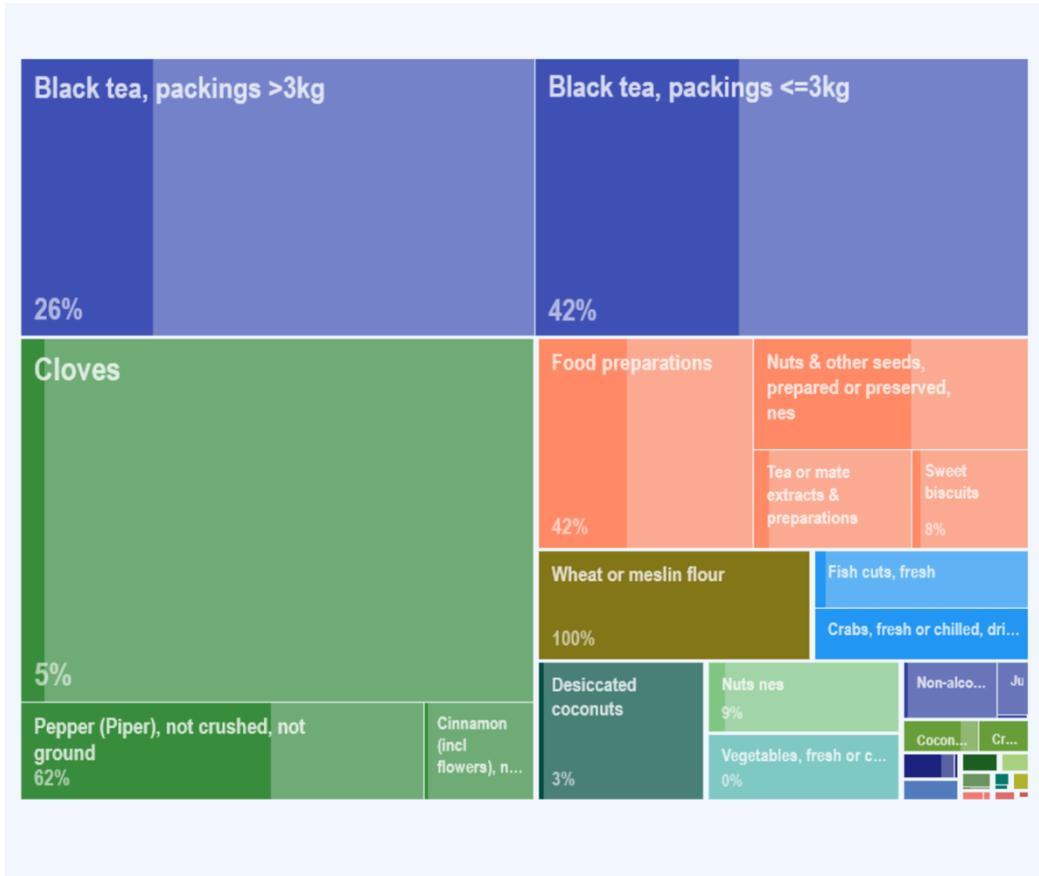
For meat, fish/seafood, and fresh fruits and vegetables, a license is valid for 1 year. Meat and Fish products demand a registration fee of SGD84 while SGD378 in registration fees is attributed for fresh fruits and vegetables. Licenses to import table eggs are issued free of charge. Other food and beverage products – including processed foods – require a simple registration which comes at no extra cost. High-risk food products need to undergo additional controls including health certificates, laboratory analysis reports or proof that the source or factory is regulated by the authority of the exporting country through a licensing system or similar food safety regulation.

The AVA carries out inspections of food products and establishments in a risk-based manner. The following are key guidelines which apply to food products and food establishments:

- All food items are subject to traceability requirements, indicating the place of origin of the food product.
- Dairy products, livestock, meat, and fish are considered to be "high risk" and are subject to strict controls when imported. This includes accreditation of foreign farms and establishments, inspection, and testing. The AVA carries out all accreditation through risk assessment including the veterinary infrastructure, disease status, legislation and other SPS measures, and hygiene.
- Protocol agreements form the basis for meat imports which can only be derived from accredited establishment in a few selected countries: for example, chilled pig meat may only originate from Australia, Canada, Denmark, New Zealand, Sweden, and the United States in order to be imported to Singapore.
- Frozen beef, mutton, and poultry meat may be imported from a limited number of countries, and in some cases, only from AVA-accredited establishments.
- Fresh eggs are imported only from accredited farms in Australia, Japan, Malaysia, the Republic of Korea, New Zealand, Sweden, and the United States.
- Imports of broiler chickens and ducks are only allowed from accredited farms in Malaysia.
- Dairy products from countries that are not free from foot-and-mouth disease may be imported if subjected to double pasteurization treatment.
- Imports of high-risk shellfish products are only allowed to be imported from producers with recognized sanitation programs, this includes oysters, cockle meat, cooked prawns, and cooked crab meat, Live oysters may only be imported from Australia, Canada, France, Ireland, the Netherlands, New Zealand, the United Kingdom, and the United States.
- For agricultural plants, imports should come with phytosanitary certificates from the country of origin. Phytosanitary certificates are provided by the AVA for plants and plant products being exported from Singapore: these need to be free of pesticides to meet import requirements.



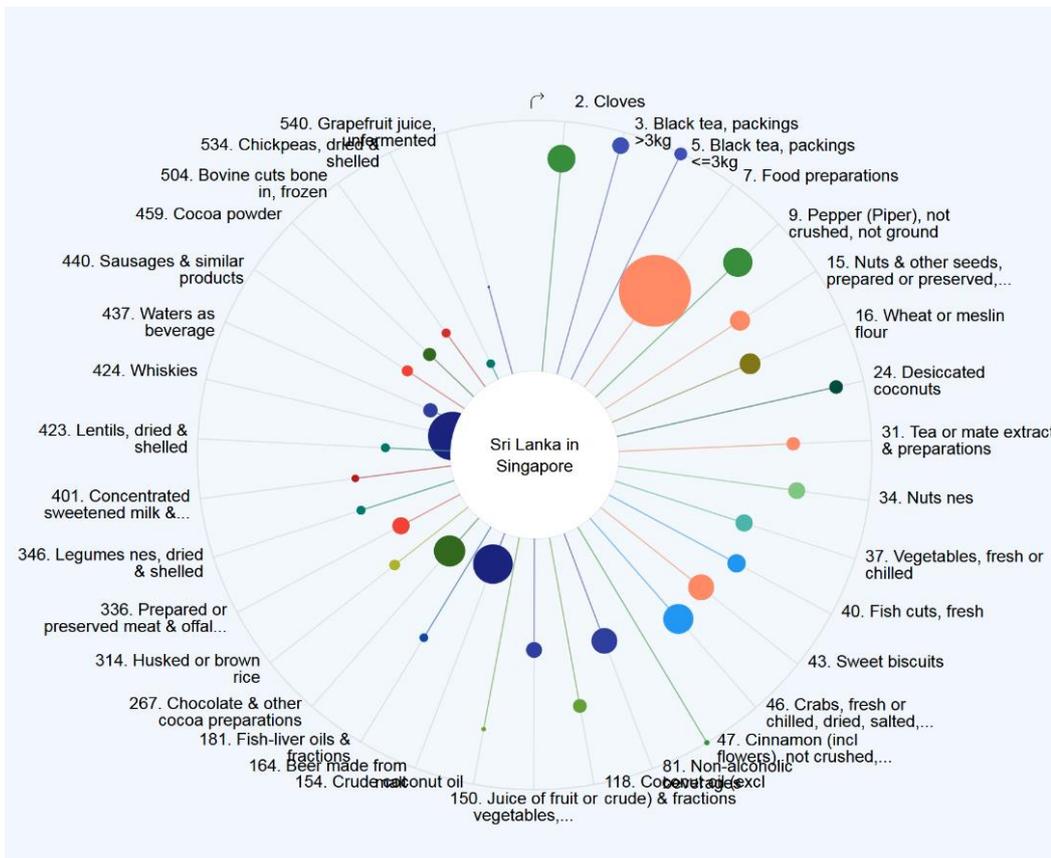
9. EXPORT POTENTIAL TO SINGAPORE



Sri Lanka's products with potential to Singapore

- Legend
- Export potential
 - Realized potential
 - Tea & mate
 - Spices
 - Other food products
 - Cereals (processed)
 - Fish & shellfish
 - Fruits
 - Nuts
 - Vegetables
 - Beverages (not alcoholic)
 - Vegetable oils & fats
 - Beverages (alcoholic)
 - Fish products (processed)
 - Oil seeds
 - Sugar
 - Cocoa beans & products
 - Processed meat
 - Pulses
 - Rice
 - Other animal products (edible)
 - Dairy products

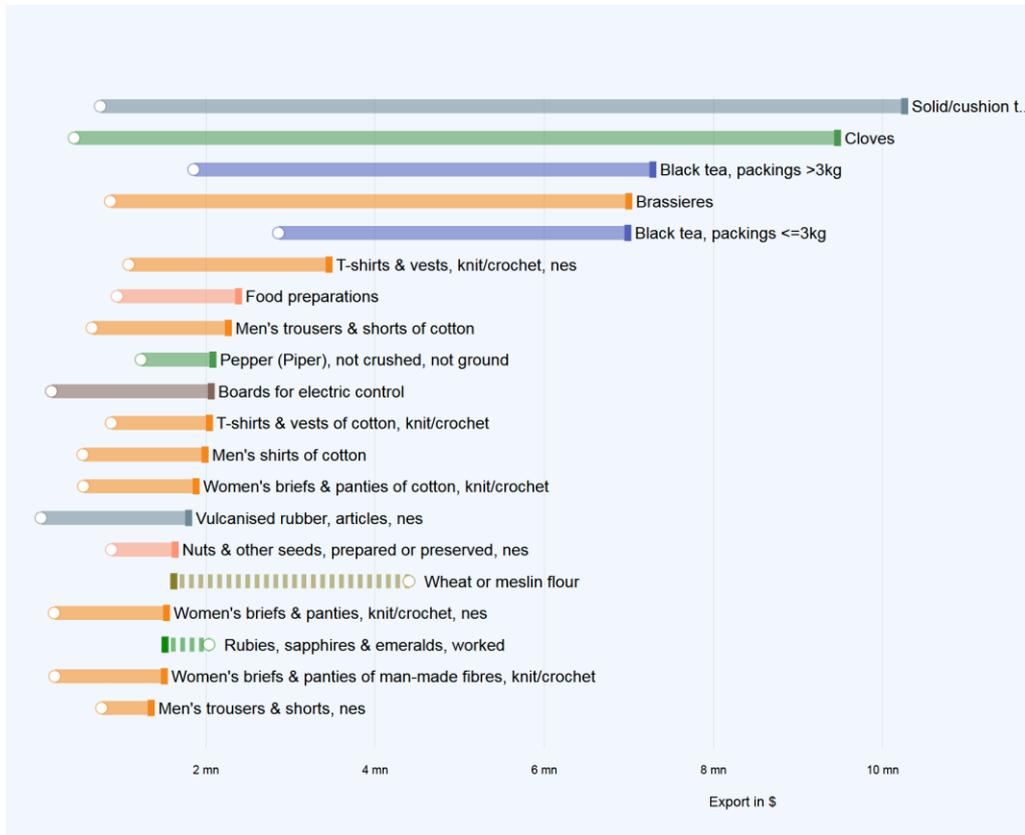
ITC Export Potential Map <http://exportpotential.intracen.org>



Sri Lanka's products with potential to Singapore

- Legend
- 1,2,3 Export potential rank
 - Demand
 - Supply
 - Tea & mate
 - Spices
 - Other food products
 - Cereals (processed)
 - Fish & shellfish
 - Fruits
 - Nuts
 - Vegetables
 - Beverages (not alcoholic)
 - Vegetable oils & fats
 - Beverages (alcoholic)
 - Fish products (processed)
 - Cocoa beans & products
 - Processed meat
 - Pulses
 - Rice
 - Dairy products
 - Meat (except poultry)

ITC Export Potential Map <http://exportpotential.intracen.org>

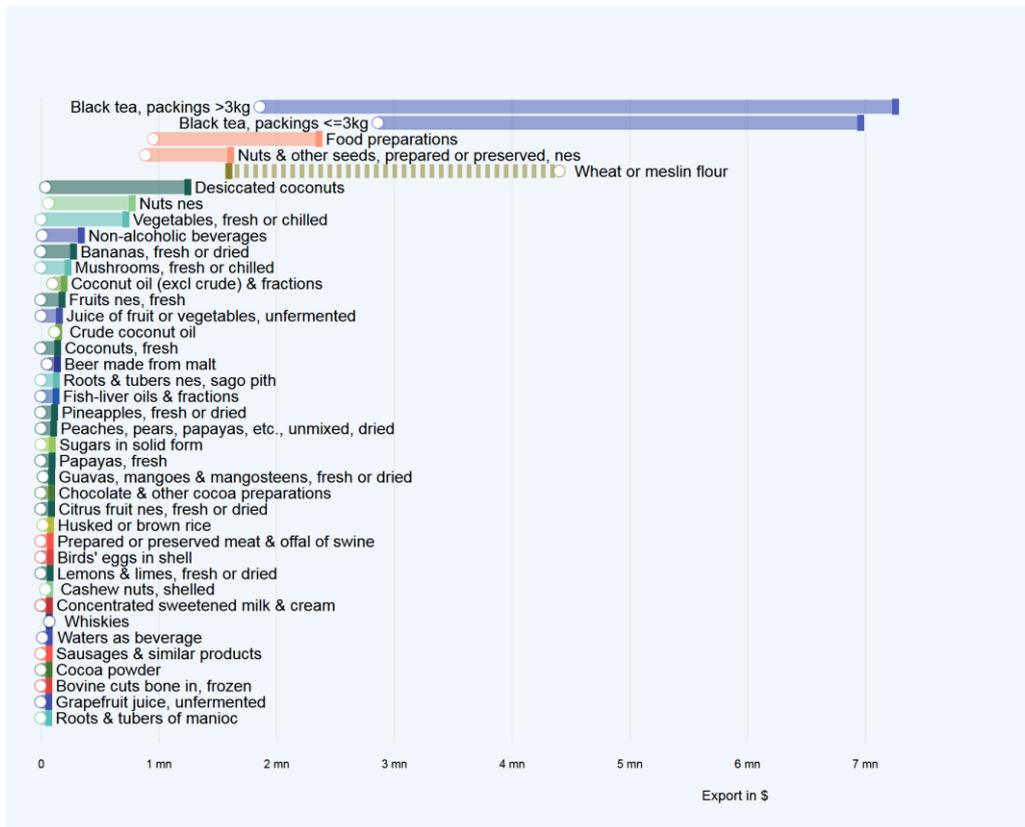


Sri Lanka's products with potential to Singapore

- Legend
- Export potential
 - Actual exports
 - Potential to actual exports gap
 - Apparel
 - Tea & mate
 - Plastics & rubber
 - Spices
 - Other food products
 - Machinery
 - Cereals (processed)
 - Jewellery & precious metal articles

ITC Export Potential Map
<http://exportpotential.intracen.org>

Export Potential Map for All Products



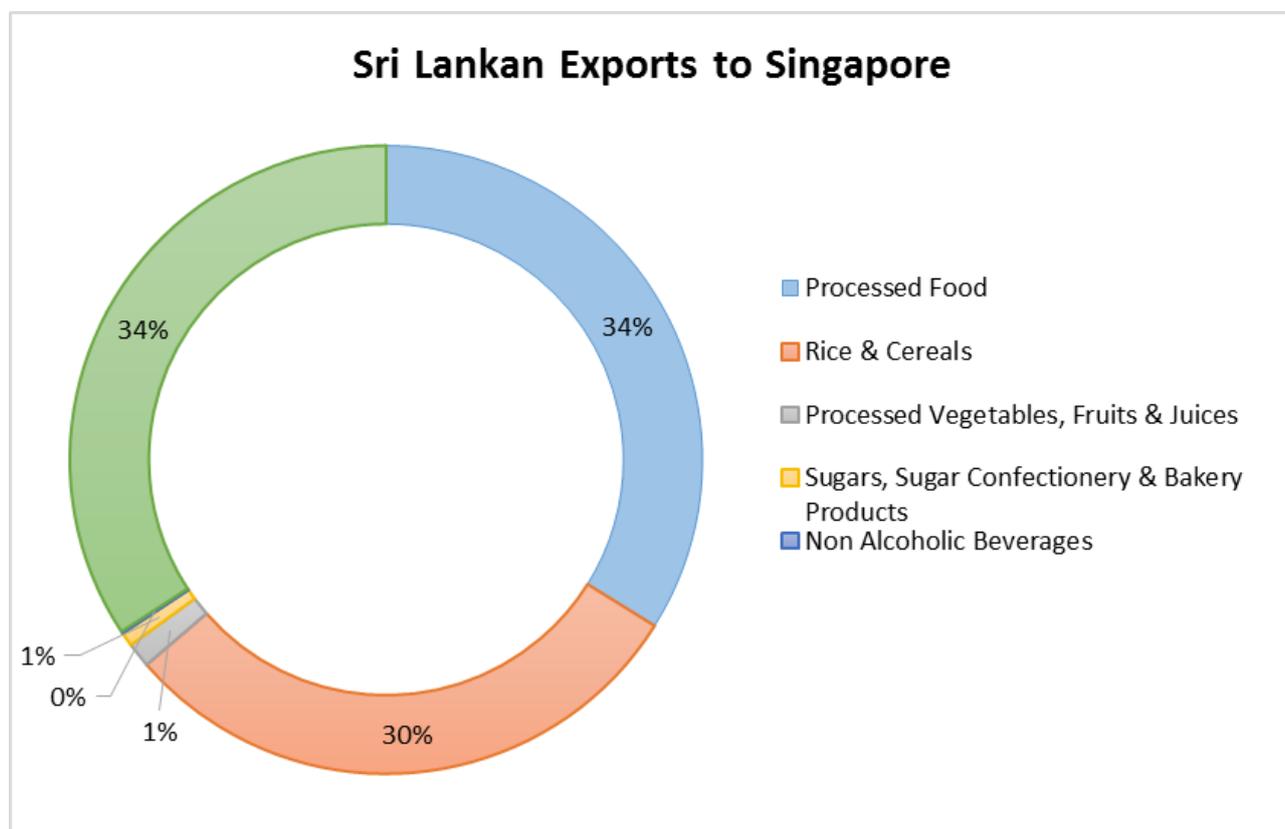
Sri Lanka's products with potential to Singapore

- Legend
- Export potential
 - Actual exports
 - Potential to actual exports gap
 - Tea & mate
 - Other food products
 - Fruits
 - Cereals (processed)
 - Vegetables
 - Nuts
 - Beverages (not alcoholic)
 - Vegetable oils & fats
 - Beverages (alcoholic)
 - Fish products (processed)
 - Sugar
 - Cocoa beans & products
 - Processed meat
 - Rice
 - Other animal products (edible)
 - Dairy products
 - Meat (except poultry)

ITC Export Potential Map
<http://exportpotential.intracen.org>

Export Potential Map for Food & Beverage Products

10. SRI LANKAN EXPORTS TO SINGAPORE



Source: ITC Trade Map

Description	2016			2017			2018		
	World	Singapore	%	World	Singapore	%	World	Singapore	%
Processed Food	182,573	664	0.36	109,879	4,662	4.24	147,192	5,504	3.74
Rice & Cereals	30,308	4,003	13.20	32,443	6,394	19.71	32,830	4,844	14.75
Processed Vegetables, Fruits & Juices	13,488	177	1.31	17,258	231	1.34	17,928	208	1.16
Sugars, Sugar Confectionery & Bakery Products	21,776	158	0.72	33,173	89	0.27	24,443	116	0.47
Non Alcoholic Beverages	14,438	27	0.18	15,564	5	0.03	13,476	17	0.13
Alcoholic Beverages	11,981	169	1.41	15,295	69	0.45	22,659	5,561	24.54
Total	274,564	5,198		223,612	11,450		258,528	16,250	

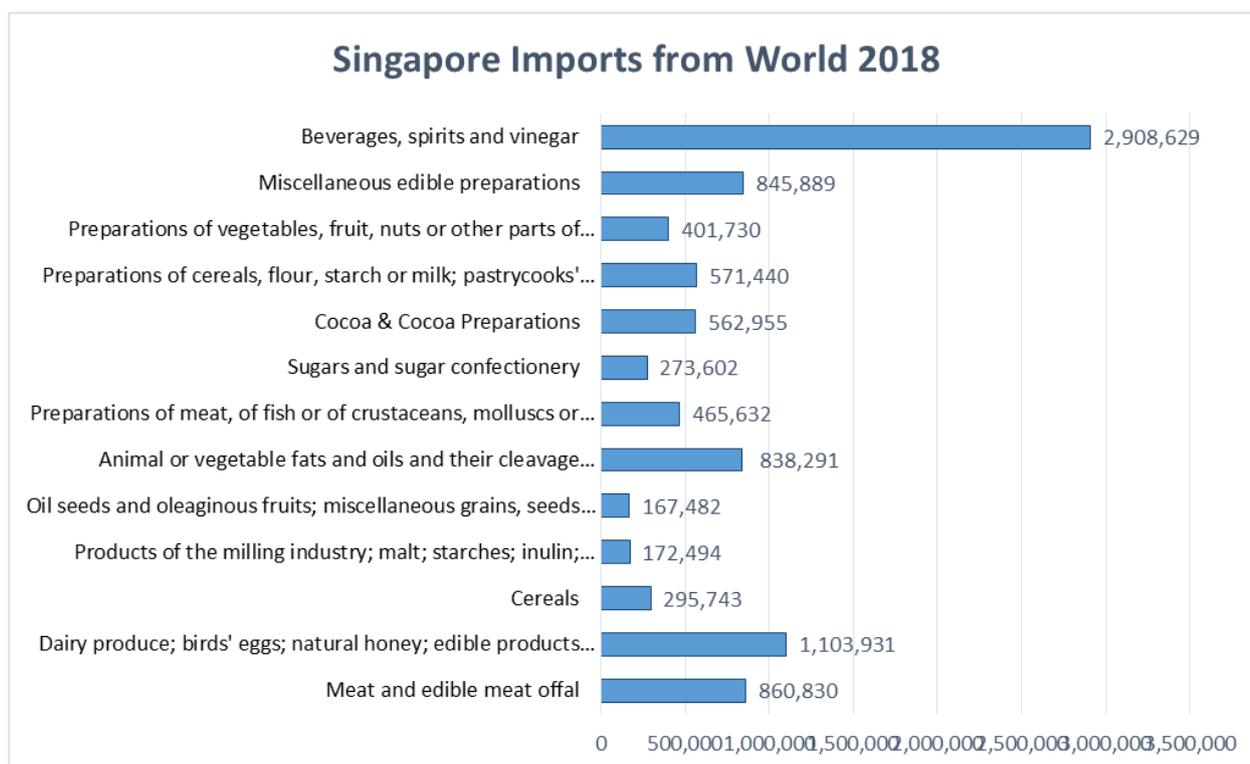
Source: ITC Trade Map

[IMPORTS.xlsx](#)

11. SINGAPORE FOOD & BEVERAGE IMPORTS FROM WORLD

	Product Category	2016 USD Thousand	2017 USD Thousand	2018 USD Thousand
2	Meat and edible meat offal	810,181	853,499	860,830
4	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	874,380	1,003,775	1,103,931
10	Cereals	268,987	278,442	295,743
11	Products of the milling industry; malt; starches; inulin; wheat gluten	146,599	152,112	172,494
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal	173,625	162,020	167,482
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	623,621	1,084,090	838,291
16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	481,461	445,770	465,632
17	Sugars and sugar confectionery	285,413	288,590	273,602
18	Cocoa & Cocoa Preparations	597,872	494,146	562,955
19	Preparations of cereals, flour, starch or milk; pastrycooks' products	487,604	510,945	571,440
20	Preparations of vegetables, fruit, nuts or other parts of plants	403,958	419,910	401,730
21	Miscellaneous edible preparations	707,637	720,865	845,889
22	Beverages, spirits and vinegar	2,389,755	2,597,939	2,908,629

Source: ITC Trade Map



Value - USD Thousand

REFERENCES

- Report-the-global-food-and-beverage-market-what-s-on-the-menu-summer-2017-cushman-wakefield_182
- The Food and Beverage Market Entry Handbook: Singapore: a practical guide to the market in Singapore for European agri-food products
- Singapore Retail Foods Annual 2018: GAIN Report Number: SN8002
- Singapore food processing ingredients Annual 2017: GAIN Report Number: SN7007
- Southeast Asia Trade & Investment Overview: Southeast-Asia-Report_Section-II_FINAL-2
- The-Food-Beverage-Market-Sector-in-Singapore
- Global-Food-Drink-Trends-2019-Mintel
- <https://www.sfa.gov.sg/>

*“Food and drink will build on
today’s dialogue about wellness
and transition into more
solutions for healthy ageing”.*

