

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Required Report - public distribution

**Date:** 10/24/2017

**GAIN Report Number:** SN7007

## Singapore

### Food Processing Ingredients

#### Annual 2017

**Approved By:**

Joani Dong, Regional Agricultural Attaché  
Malaysia, Singapore, Brunei and Papua New Guinea

**Prepared By:**

Ira Sugita, Agricultural Specialist

**Report Highlights:**

Singapore is one of Asia's largest importers of processed food and beverage products as well as raw materials for processing. With limited agricultural resources its local food manufacturers cannot meet demand for both domestic and re-export markets. Due to demographic and lifestyle changes, demand for healthy food products/ingredients are expected to expand. U.S. best seller products include breakfast cereals, juices, some dairy products (e.g. cheese), some snack food products and pet food; and U.S. best potential products include prepared/processed fish, pork, and wine/beer.

**Post:**

Singapore

## Table of Contents

SECTION I. MARKET SUMMARY .....	3
SECTION II. ROAD MAP FOR MARKET ENTRY .....	7
SECTION III. COMPETITION.....	24
SECTION IV. BEST PRODUCT PROSPECTS .....	30
SECTION V. POST CONTACT AND FURTHER INFORMATION .....	39

## SECTION I. MARKET SUMMARY

Due to its strategic location at the crossroads of the east-west trading routes, Singapore provides access to not only neighboring and fast growing countries such as China, India and Southeast Asian countries; but also the world as a global trading hub of trade flows from the U.S., Europe, the Middle East and Asia. As a regional and major transshipment center, Singapore re-exports 45% -50% of its total exports. Some re-export products include beer, soft drinks, edible oils, chocolates, processed seafood, milk powder, condensed milk, sauces and spices. The country is also regional headquarters to many of the world's largest food and agricultural Multinationals.



**in a Singapore supermarket**  
(Source: FAS Singapore)

Singapore's food processing sector is small due to limited natural resources, livestock and agricultural production. As the country engages in minimal agricultural production, most raw materials for food processing are imported. The few local food manufacturers that exist cannot meet overall demand; hence, Singapore imports 90% of the food consumed in the country – including large amounts of processed food products.

**Processed meat (bacon) from the U.S.**



**in a Singapore supermarket**  
(Source: FAS Singapore)

According to the Food Export Association, 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. Competition should be intense as the market for consumer-oriented products is fairly 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.

**Processed dairy product from the U.S.**

Imports were down for U.S. processed food total: in 2016, Singapore imported \$ 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 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.

According to the Food Export Association, Singapore's food processing sector comprises mainly of small and medium enterprises which, on average, employ less than 100 personnel. Many local food manufacturers are keen to invest in R&D in order to cater to wider customer bases through improved packing and product shelf life, and to adhere to food safety standards. In fact, many are certified to international food safety standards, such as the Hazard Analysis and Critical Control Points (HACCP), ISO 22000 and British Retail Consortium (BRC).

The local food manufacturing industry spans over 17 sub-sectors – including flavors, sauces, ready meals, noodles, deli meat, sausage, confectionary, chocolates, snacks and beverages. The local processing sector is dominated by major food manufacturers in beer, non-alcoholic beverages, fish processing and snack products according to the Food Export Association. Growth in consumer spending on consumer goods/F&A products is expected to remain strong in 2014-18, at an average of 5% in local currency terms. Some local food companies are keen to do business overseas, and several have gained footholds in ASEAN countries, the Middle East and Russia.

The Agri-Food and Veterinary Authority (AVA) - a government statutory board that governs food and agriculture matters in the country – issues licenses to food processing establishments: i.e. where food is manufactured, processed, prepared or packed for distribution to wholesalers and retailers. They include bakery and flour confectionery factories, dairy processing plants, noodles and pasta manufacturers, etc. AVA also issues licenses to slaughter houses and cold stores that are used to store meat/fish products; and registers food storage warehouses to store commercial storage of food. Singapore's National Environment Agency (NEA) issues licenses to food retail businesses, including restaurants, cafes, supermarkets, mobile food wagons and food caterers.

According to AVA, in 2015 (latest available data), AVA issued licenses to 964 food processing establishments, 139 cold stores and 15 slaughter houses (10 chicken slaughter houses, 4 duck slaughter houses and 1 pig slaughter house); and registered 1,130 food storage warehouses. Food establishments

licensed by AVA are subject to regular inspections - for food safety considerations and laboratory analysis to ensure compliance with the country's Food Regulations. Food establishments are also graded annually and classified under grade A, B, C or D according to food safety and hygiene standards.

According to Yearbook Statistics (2016), there are 139 seafood processing establishments licensed to manufacture fish products in the country. Four processing establishments and one cold store have met EU standards and thus are able to export their seafood products to EU countries. Singapore's major fish landing and distributing point, the Jurong Fishery Port (JFP), handled about 47,1000 tons of fish in 2015 – the bulk of which comprised of fresh fish and also those imported by air and road. The Senoko Fishery Port handled 6,100 tons of locally produced and imported fish in 2015.

Although halal certification is not an import requirement – including food processing ingredients -- *Majlis Ugama Islam Singapura* (MUIS), also known as the Islamic Religious Council of Singapore, Singapore's Islamic religious body, suggested that manufacturers might want to get their products halal certified if they wanted to reach/target Muslim customers. For information on how to apply for halal certification, please refer to link:

[Muis eHalal System MeS](https://www.halal.sg/ehalalv2/login.aspx) at <https://www.halal.sg/ehalalv2/login.aspx>.

However, manufacturers do not have to reapply for halal certification if their food processing ingredients have already been certified halal by established Halal certifying bodies. Generally, halal certification is not required for fish, plants which are not intoxicant, fresh/dried fruits, legumes/nuts, grains and milk (if they come from sheep, camels, cows and goats).



Processed food products in Singapore supermarkets: delicatessen and aisle featuring processed products. (Source: FAS Singapore)

### Advantages and Challenges for U.S. Exporters in the Processing Food Ingredients Market

Advantages	Challenges
------------	------------

<ul style="list-style-type: none"> <li>• Popularity of U.S. convenience and fast foods in Singapore favors the use of these chains' existing procurement systems which source food ingredients from the United States</li> <li>• U.S. food producers are known to be a reliable source of large volume and consistent quality food products to major food processors. Generally, U.S. products are already well-known and well presented in major supermarkets. U.S. products also are known for high quality.</li> <li>• Singapore is a major regional hub for food and agriculture re-exports – including processed foods.</li> </ul>	<ul style="list-style-type: none"> <li>• There is an on-going trend in Singapore to eat “healthier” food. Justified or not, fast food is often associated with eating “empty calories” and “junk” food.</li> <li>• For poultry/meat processed food products, continuing SPS/ TBT issues.</li> <li>• U.S. food products are considered more expensive compared to similar products from regional and “traditional” food supplying countries (Australia, NZ and the E.U.).</li> <li>• Singaporeans are generally price sensitive when it comes to buying food products. This price sensitivity has provided China and ASEAN countries to increase their market share in Singapore.</li> <li>• The ASEAN Economic Community (AEC) came into effect on Dec 31, 2015. One of its goals is to transform ASEAN into a single market and production base, thereby promoting freer movement of trade and capital amongst ASEAN member states.</li> <li>• Singapore is one of the most competitive markets in the region. In general, competitive products are often less expensive, and are used equivalently to U.S. products.</li> <li>• Food ingredients from the region enter Singapore at lower prices due to the ASEAN Free Trade Area (AFTA). The AFTA also includes a provision on a Common Effective Preferential Tariff (CEPT) to promote the free flow of goods between member states.</li> </ul>
---	---



## SECTION II. ROAD MAP FOR MARKET ENTRY

### A. ENTRY STRATEGY

In terms of market access, countries importing goods to Singapore do not encounter significant trade barriers. In fact, import procedures in the country are quite liberal. Singapore has no applicable tariffs / duties on food and most beverage products. Duties are levied on the following four broad categories: intoxicating liquors, tobacco products, motor vehicles and petroleum products. All goods imported into/manufactured in Singapore are subjected to 7% Goods and Services Tax (GST). There is a license system required for about 6% of the total amount of imports – including also on fresh fruits and vegetables, plants, and meat. Singapore has also restrictions on imports of specific controlled items – e.g. guns and gums.

The US-Singapore FTA (signed in 2004) was one of the most successful FTAs on record. According to the U.S. Trade Representative (USTR), since the FTA went into force, U.S. goods exports have grown 62% and services exports have grown 175%. The U.S. has consistently enjoyed trade surpluses with Singapore. In 2016, the bilateral goods surplus totaled \$9.1 billion and services surplus with Singapore totaled \$9.7 billion. In 2016, Singapore was the State’s 13th largest goods export market. U.S. exports of agricultural products to Singapore totaled \$754 million in 2016, including prepared food, fresh fruit, vegetable oils, animal fats, and dairy products.

Three key factors for Singapore buyers that U.S. exporters should be aware of are price, quality and service. U.S. exporters should also consider that competition is strong, and it is pertinent that U.S. firms visit their representatives and maintain close contact with them. It follows that market promotion activities and finding the right partner to distribute or represent U.S export products in the market are key considerations to success in Singapore.

In selecting importers / distributors / retailers to partner with, U.S. exporters should consider their:

- “reputation” in the market
- financial strength and business volume
- business connections and coverage
- interest and commitment in carrying imported U.S. products
- marketing campaigns and tie-ups
- policies on purchasing new, basic, premium and niche items

Other details U.S. exporters should consider:

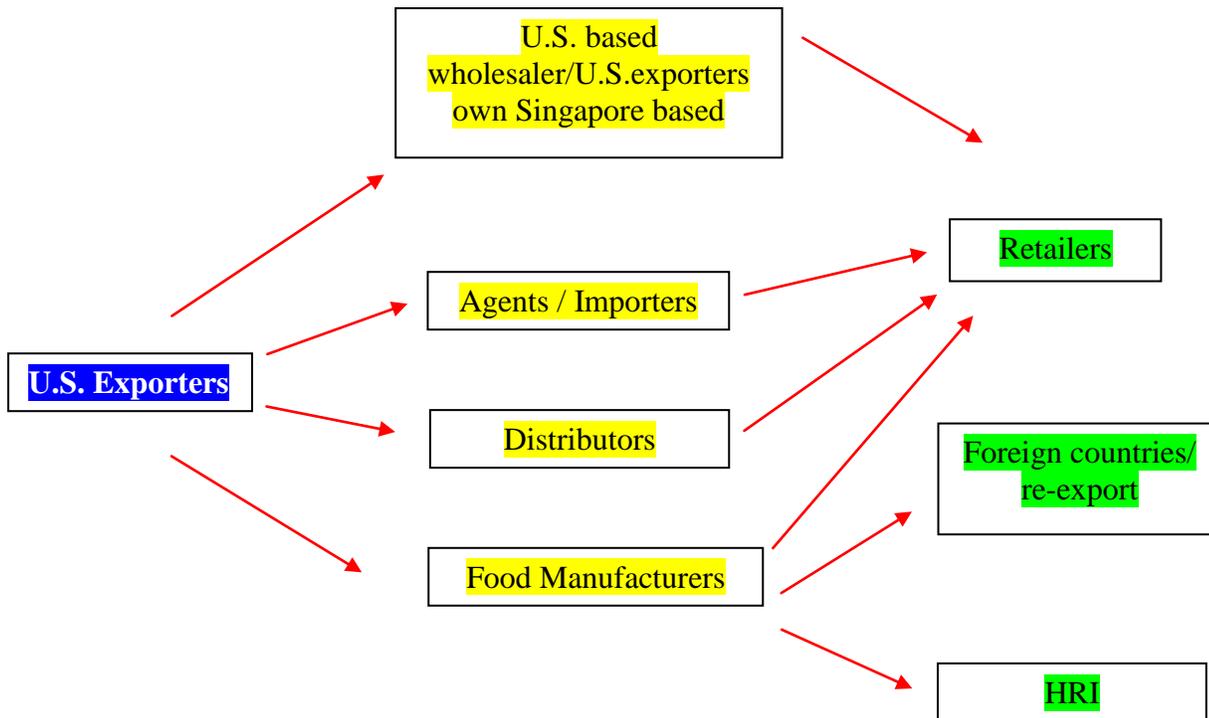
- product positioning.
- price competitiveness as compared to others in the market.
- how their product fits into the local context.
- packaging and size requirements.
- anticipated level of promotional efforts to create awareness and acceptance.
- ability and willingness to suit retailers/HRI/distributors’ expectations and requirements.

For the retail sector, the key channels for U.S. products are generally retailers catering to higher income locals and expatriates - including higher end/premium supermarkets and hypermarkets. The wet and dry markets, “mom and pop” type shops, and mini marts are no longer viable to adequately support U.S. products especially in building a sizeable market and share in the long term. The only segment in the traditional sector that could potentially support U.S. products are specialist niche stores that offer a range of imported products such as wines / spirits; organic and healthy foods; and confectionary food products.



**Several higher-end/premium supermarkets in Singapore at Tanglin Mall and The Paragon**  
(Source: FAS Singapore)

## B. MARKET STRUCTURE



**Food Manufacturers:** Most local food manufactures are small-scale operators and based in factories within industrial areas. Other bigger food manufacturers – usually multinational companies- typically produce food products/brands and, in some cases, also export them. Another type of food manufacturers are involved in providing food preparation services, such as processing of meat and vegetables, to hotels and restaurants (HRI). A large number of food manufacturers in Singapore are members of the Singapore Food Manufacturers Association – please click [here](#) for the details.

**Importers / Distributors:** In Singapore, there are a number of food importers/distributors. They typically import food products and distribute them to supermarkets/hypermarkets, etc. Some of the importers have exclusive distributorships for certain food products from certain countries. Many of the food importers are also major food retailers, and they include such well-known names as NTUC Fair Price and the Dairy Farm group. Retailers import food products in bulk, and have also introduced their own house brands for certain products. For example, the *7-Eleven* chain – part of the Dairy Farm group – has commissioned food manufacturers to produce their own in-house brands sandwiches and ready-to-eat meals. Introduced in 1985, NTUC’s sub-brands under the chain’s Housebrand umbrella include FairPrice Gold (premium offerings), Pasar (fresh produce, fruits and vegetables), Pasar Organic (fresh organic produce), and Budget (everyday items). The other smaller establishments tend to import food products directly from neighboring countries. Distributors also distribute food products to retailers locally, and are often also responsible for the logistic details for importing and distributing food products.



Various local processed soya and other sauces displayed in supermarkets all over Singapore  
(Source: FAS Singapore)

### C. COMPANY PROFILES

#### Major Processed Food and Beverage Companies

Company (Product Type)	Sales (2016)	End-use Channels	Production Location	Procurement Channels
F&N Foods Pte Ltd's Foods & Beverage ("F&B") division produces markets and sells soft drinks, dairy products and ice cream. The division consists of its investment in a Malaysia-listed entity, Fraser & Neave Holdings Bhd; an unlisted soft drinks/dairy business in Singapore; and ice cream business in Malaysia, Singapore and Thailand. F&N Limited is also involved in	F&N Foods (S) Pte Ltd retained its leading position in soft drinks in 2016. Last year, F&N attempted to expand its market share in health and wellness – e.g. the co introduced new flavors and also launched new product variants. F&N ranked second in health and wellness beverages in 2016 at 13% value share. F&B revenue fell 6% to \$1,226 m in	Retail, HRI.  F&N established an office in Myanmar, 2014 to coordinate sales and provide support to distributors of their products.  In 2016, the group incorporated F&N Vietnam Limited to distribute, market and conduct trading of its products.	F&N bottles its own brands locally and then distributes the final products across Singapore. Manufacturing plants for soft drinks are located in Malaysia; for dairies products: Malaysia, Singapore and Thailand; and for ice cream: Malaysia and Thailand.	Direct, import

<p>publishing and printing.</p> <p>In 2013, F&amp;N became part of Thailand's TCC Group which is involved in numerous sectors including food and beverage, real estate, industrial trading and consumer products, and insurance and agriculture.</p> <p>F&amp;B Singapore's products include soft drinks (brands such as 100 Plus, F&amp;N Seasons); dairies (brands such as F&amp;N Magnolia, Farmhouse, F&amp;N Daisy); and ice cream (brands such as F&amp;N Magnolia, Kings and Jewel).</p>	<p>2016 due to their Malaysian operations, competitive pricing and loss of Red Bull sales. The company experienced strong growth in dairies in 2016 – making it the third consecutive year of excellent growth in dairy products.</p>	<p>F&amp;N also exports a wide range of products to countries without a local F&amp;N subsidiary to distribute its products – including Brunei, Hong Kong, Taiwan, Papua New Guinea and the Maldives.</p>	<p>The group owns Yoke Food Industries, Sdn Bhd, a Malaysia based company that produces and distributes canned beverages in Malaysia and exports to Singapore, Indonesia and Indochina.</p> <p>F&amp;N's soft drinks, dairy products and glass containers divisions are located in Singapore, Malaysia, Thailand, Vietnam and China.</p>	
<p>Tee Yih Jia Food Manufacturing Pte Ltd</p> <p>Leading processed frozen and convenience foods manufacturer.</p> <p>With its flagship "Spring Home" brand specializing in Asian food products such as prawn rolls, spring roll pastry, etc.; other brands include "Happy Belly" (buns and breads) and "Master</p>	<p>N/A</p> <p>Tee Yih Jia recognizes the growth potential of holistic and high quality healthcare, and has invested in leading healthcare facilities in Singapore and Malaysia.</p>	<p>Retail.</p> <p>Also exports more than 90% of its "Spring Home" brand to North America, Europe, South Africa, Middle East and Asia Pacific.</p>	<p>Manufacturing facilities in Singapore, the U.S., Malaysia, and China.</p> <p>Tee Yih Jia Food Manufacturing holds international certifications of quality controls and hygiene such as HACCP and BRC.</p>	<p>Direct, import</p>

<p>Chef” (crepe).</p> <p>Since 2003, the company has invested in Coffeemix – powdered coffee sold in supermarkets and convenience stores.</p>				
<p>Singapore Food Industries (SFI) Pte. Ltd. (subsidiary of SATS) Largest integrated food company in Singapore - food distribution and preparation, manufacturing and processing, and abattoir/hog auction: produces value added products such as nuggets, patties, ham, bacon; and sole abattoir in Spore including slaughtering, processing and distribution of fresh, chilled and frozen pork; offers halal meat cutting and processing; producing chilled, frozen and ready-to-eat meat products; processing fruits and vegetables, ready to eat soups / meals, sauces; and food catering services.</p>	<p>Revenue was \$1,268.7 million in the financial year ended March 31, 2017, a growth of 1.8% year-on-year.</p>	<p>Retail, HRI, food manufacturers, food processors, caterers.</p> <p>SFI's catering and contract foodservices division provides on-site dining services for businesses, hospitals, schools, and the Singapore Armed Forces. Distributes meats, seafood / other food products to the Americas, Europe, Australia, New Zealand and Asia.</p>	<p>Singapore Integrated pig farm in China (JV), and catering services with Australia (JV).</p> <p>A JV was established in 2015 with Brazil based meat and poultry company BRF. Known as SATS BRF Food, the \$ 19 million JV will create a meat processing facility in Singapore and other parts of South East Asia.</p> <p>Wilmar International Ltd's wholly-owned subsidiary, Yihai Kerry Investments Co., Ltd. and SFI</p>	<p>Direct, import</p>

			incorporated a company, SATS Yihai Kerry Kunshan Food Co. Ltd in 2016 to “supply high quality and safe food to the Chinese market”.	
<p>Asia Pacific Breweries (APB) Ltd (as of Jan 2013, APB became a wholly-owned subsidiary of Heineken NV)</p> <p>Portfolio of over 40 beer / stout brands via its global marketing network; focuses on brewing and distribution of brands such as Tiger Beer, Heineken, Baron, Anchor and ABC Stout.</p> <p>In meeting competition from craft beer, APB has started to create new product innovations –featuring local flavors. E.g. through its local Archipelago Brewery, the company created Singapore Blonde Ale Craft beer with pandan flavor.</p>	<p>APB continued to be on top of Singapore’s charts for overall alcoholic drinks, capturing a total volume share of 39% in 2016. It also maintained its leading position in beer with 44.5% total volume share in 2016.</p> <p>The off trade value of alcoholic drinks in Singapore was \$ 614.3 million in 2016. Heineken’s Asia Pacific revenue in 2016 was \$ 21.94 billion.</p>	<p>Retail, HRI</p> <p>APB has a business network across 60 countries including Cambodia, China, Indonesia, Laos, Malaysia, Mongolia, New Caledonia, New Zealand, Papua New Guinea, Sri Lanka, Thailand and Vietnam.</p> <p>APB’s signature brand, Tiger Beer, is being widely offered in about 60 countries, including the latest in New York City.</p> <p>Some brands are marketed through internet retailer Redmart.</p>	<p>Some brands such as Baron and Tiger are manufactured in Singapore. Tiger is also produced in Hainan, China.</p> <p>Several brands are made by APB’s subsidiaries: Bintang Beer by PT Multi Bintang Indonesia; and Tui by DB Breweries (NZ),</p> <p>APB also produces brands like Heineken and Guinness under license in Singapore, while the rest are imported from overseas breweries and distributed in Singapore – including Guinness Draught, Sol, etc. In 2014</p>	<p>Direct, import</p>

			and 2015, Desperados and Kirin partnered with APB.	
<p>Yeo Hiap Seng (YHS) Pte Ltd As an investment holding organization and a publicly listed division of Far East Organization, YHS is a leading player in the manufacturing, sales, distribution and export of beverages, sauces and canned/preserved food, and provider of vending services in Singapore. It produces culinary sauces and pastes, condiments, canned/preserved ready meals, instant noodles/vermicelli, and spreads/other kinds of preserved/canned foods.</p> <p>YHS produces non-alcoholic beverages under its Yeo's brands: healthier choice drinks, soya bean milk,</p> <p>In 2016, YHS ended its exclusive bottling agreement with PepsiCo, and this has resulted in a</p>	<p>YHS Ltd accounted for 8% share of off trade value sales of soft drinks in 2016, placing it in fifth position.</p> <p>The off-trade value for soft drinks market in Singapore was \$ 614.3 million in 2016. Revenue was down to \$ 300.8 million in 2016.</p>	<p>Retail, HRI</p> <p>YHS exports sauces/paste and beverage to Malaysia, the U.S./Canada, U.K., Australia/NZ, Hong Kong, Indochina (Cambodia, Myanmar, Laos and Vietnam), Japan, and Africa/Oceania (Maldives, Mauritius, Pacific islands).</p>	<p>Singapore. Also Malaysia and China – which are operated with the support of subsidiary companies.</p> <p>Fire delayed the planned November 2016 opening of YHS's \$ 7 million beverage factory in Cambodia. The plant is now in operations in Phnom Penh Special Economic Zone.</p>	<p>Direct, import</p>

<p>decline of the company's volume share. To lessen the impact, the company has focused on developing new product offerings/new brands, especially in bottled water and Ready To Drink (RTD) tea. New products launches included Oceanic Drink and pH Infinity Nano-Artesian water, and new brands such as Tao and Celsius (in partnership with Celsius Holdings Inc.).</p>				
<p>Khong Guan Biscuit Factory (S) Pte Ltd Under the Khong Guan brand name, it manufacturers a wide assortment of cookies / biscuits products, including crackers, cream sandwiches, wafer, etc.</p> <p>Formerly known as Khong Guan Flour Milling Limited, the company changed its name to Khong Guan Ltd in November 2016. It trades in wheat flour, general goods, biscuits, consumer and related goods such as animal feed;</p>	<p>Revenue was \$21 million as of January 2017 – down from \$21.5 million for the same period in 2016.</p>	<p>Retail.</p> <p>Exports products to more than 40 countries such as Japan and regional countries including Malaysia, Thailand and Indonesia.</p>	<p>Singapore, Malaysia, Indonesia, Thailand and China.</p>	<p>Direct, import</p>

<p>and has shares listed in Singapore, Malaysia and Hong Kong.</p>				
<p>Tai Hua Food Industries Pte Ltd</p> <p>A leading manufacturer and distributor of traditional, Chinese flavored soy sauces, table condiments, and braising sauce, targeted for the convenience cooking market.</p> <p>For overseas markets, Tai Hua offers ready to cook sauces (e.g. teriyaki, sweet &amp; sour and lemon) and oyster/stir fried noodle sauce.</p>	<p>N/A</p>	<p>Retail, wholesale products used by households, other food companies and catering businesses.</p> <p>Export to the U.S., Europe and Middle East, with its products certified to have non-detectable levels of 3 MCPD (potential carcinogen), Tai Hua is able to enter the</p>	<p>Singapore.</p> <p>Tai Hua also supplies its raw sauce to other food sauce producers as well as co-packing products for other leading food producers and suppliers.</p>	<p>Direct, Import</p>

		<p>European and Middle East markets.</p> <p>Tai Hua's trading arm imports products from overseas markets for distribution and sale in local markets.</p>		
<p>Chun Cheng Fishery (CCF)</p> <p>One of Singapore's leading processor, distributor and exporter of fish and seafood including yellow fish tuna, mackerel and swordfish.</p> <p>The company's line of business includes the wholesale distribution of fresh, cured, or frozen fish and seafood.</p>	N/A	<p>Retail, HRI</p> <p>Export to U.S., Japan, Korea, Europe and also several countries in Asia.</p> <p>CCF also does cutting and packing for distributors in the U.S. for swordfish and tuna steak.</p> <p>CCF recently obtained its local processing license and export licenses to Russia and Brazil.</p>	<p>Singapore. The factory comprises of two processing facilities and a cold storage of about 1,000 metric tons.</p> <p>CCF also does contract processing for filleting, vacuum packed and packaging of frozen fish /seafood.</p> <p>Has a 100% - owned subsidiary in Los Angeles and an associate company in Taiwan.</p>	Direct, import
<p>Auric Pacific Group Ltd (APGL) is an investment holding company; and its core business includes manufacturing, distributing and</p>	<p>Revenue was \$312 million in 2016.</p> <p>The company's house brands ranked 12<sup>th</sup> overall in the packaged food category in</p>	<p>Retail, HRI</p> <p>APGL also exports to regional countries and has operations in Singapore,</p>	<p>Singapore. E.g. APGL produces its own bread products - Sunshine and Top-One brands.</p>	Direct, import

<p>retailing of food products; and also management of restaurants / food courts such as Food Junction and Delifrance. The company also owns the Lippo Chiuchow restaurant in Hong Kong and Li Xuan in Shanghai.</p> <p>APGL has a its own house brands for bakery, oils, fats, dairy, chilled processed food, frozen processed food and ready meals. Notable brands include Sunshine and Top-One fresh bread and bakery products, Sunshine frozen pizza/pies/garlic bread, Sunshine Flour, SCS butter and cheese, Buttercup diary spread and magazine, and Gourmet delicatessen (ham and sausages).</p> <p>The company also distributes global brands such Kraft, Oreo, Kellogg's and Pringles, spanning a wide range of categories from sweet biscuits, savory snacks to</p>	<p>2016, with a retail value share of 2 % . The best growth came from the company's baked goods, ranking 2<sup>nd</sup> with a retail value share of 13% in 2016: Sunshine ranked 2<sup>nd</sup> in packaged leavened bread with a retail value share of 28%, Top One ranked fifth with a 3% valued share. It led butter with a 48% share of retail value sales through its SCS brand in 2016. Buttercup ranked fourth in margarine/spreads with a 11% share in 2016.</p>	<p>Malaysia, Indonesia, Thailand, Hong Kong and China, and Brunei</p>	<p>The facility also produces buns, baking products, cookies, and frozen products such as pizzas and pies.</p> <p>AGPL's Buttercup dairy spread and margarine are produced by Auric Pacific Food Processing Sdn Bhd in Malaysia.</p>	
---	---	---	--	--

<p>processed fruits and vegetables. It also markets and distributes 200 labels of wines and spirits; brands in its portfolio include Robert Mondavi, Kim Crawford, Nederburg, Cono Sur, Mudhouse, Tatachilla, and Alto Los Romeros.</p>				
<p>KH Roberts Group (KHRG) manufactures food coloring and flavoring. Food flavors for beverage, dairy products, tropical fruit, berry fruit, citrus fruit, tea and floral, vegetable and spice, and savory products. Food coloring products include powder and cream. Brands include: KH Roberts Food Flavors, Plaimar Naturals, SenShade Food Colors, and Faunaroma Feed Flavors.</p> <p>It was established under a joint venture between Australian Flavor and Fragrance and the Ong Boon Seng Group (established in the 1930's and considered a pioneer in the food</p>	<p>N/A.</p> <p>Revenue was \$ 230.0 million in 2015.</p>	<p>The products are sold mainly to F&amp;B and pharmaceutical manufacturers that help them to produce consumer products such as beverages, baked goods, confectioneries and savories.</p> <p>KHRG plans to focus on expanding its business in the following markets in the next five to 10 years: Thailand, Indonesia, China and Indochina.</p>	<p>Singapore, Indonesia (in partnership with PT Jutarasa Abadi).</p>	<p>Direct, Import</p>

<p>industry). With its HQ in Singapore, KHRG is a wholly owned subsidiary of the Ong Boon Seng group - a local investment -group that focuses in value-added food ingredients and specialty materials businesses.</p>				
---	--	--	--	--

(Source: Euromonitor, Company’s websites, Bloomberg, Thomson Reuters)

#### D. SECTOR TRENDS



**Healthy food products (including processed food) gain popularity in the last few years**  
 (Source: FAS Singapore)

Several trends have emerged in the food processing/food sector in Singapore including the following:

- According to Euromonitor, health and wellness trends continued and posted strong growth in 2016. This was mainly due to more government campaigns for healthy eating and reducing calorie intake. Also, Singapore consumers have become more educated about the importance of nutrients, etc. thanks to easy access of information on the internet.
- In April 2016, the Singapore government launched its “War on Diabetes” campaign – which aimed at reducing obesity and diabetes. Other health campaigns continued to be held to promote healthy eating habits; such as “Get Healthy, Get More from Life”, “Drink Healthy, Get More from Life”, and “Healthy Hawker Hacks”. More products displayed the Healthier Choice symbol.
- Manufacturers have also moved toward a few initiatives in tandem with this trend, such as clear labeling, expanding product portfolios, reformulation of product ingredients, enhanced fortification, and closer collaboration with government/retailers to boost healthy and wellness products. For example, launches of new products such as Sunshine’s Smart-Carb Lo G.I. Bread,

fortification of products with ingredients such as wholegrains, and products with reduced sugar.

- More consumers are expected to demand natural and “less processed” food and drink which encourage more companies to remove artificial products from their end products. Asian consumers including Singaporeans are increasingly concerned about the origin and contents of the products they purchase.
- There would be more consumers willing to buy more expensive products such as organic food at least periodically. However, this increase in spending would be more notable in higher income groups who are willing to buy more expensive food/beverage for health reasons.
- Due to the increasing healthy trend, there is a growing demand for smaller pack sizes and individually wrapped products which enable consumers to watch their diets and control their calories. Also, as household sizes have gradually declined over the years, consumers prefer to purchase smaller pack size.
- While there is a growing demand for buying premium products, standard brands continue to dominate the processed sector in Singapore. The major multinationals such as Mondelez and Nestle also tend to offer standard brands.
- There has been a higher level of awareness on food safety among consumers in general.
- In 2016, the green initiative led by NTUC Fair Price signaled the emergence of trends toward environmental sustainability and accountability/ethical labeling within the processing industry in Singapore. In October last year, NTUC introduced two types of cooking oil that are made from sustainable sources to its existing house brands. Sustainable palm oil are produced without the large-scale forest clearance. Back in 2015, NTUC also developed a Food Waste Index to track its total food waste which resulted in a 41% reduction in food waste compared to 2014. Supermarket Giant has also indicated its interest to offer sustainable products. While there is a growing awareness of sustainability, generally the end customer is not willing to pay more for sustainable products. However, as a cosmopolitan city, Singapore is expected to quickly catch up with global trends including demand for sustainable products.
- There is a growing demand for processed food products / ready –to-eat meals due to Singaporeans’ increasingly faster paced lifestyles. As packaged foods gain popularity, new expectations drive suppliers of convenience food products to start focusing on new areas such as freshness and nutrition.
- Demographic factors such as an ageing population and an increasing number of women in the workforce has shifted consumption towards convenience foods, read-to-cook meals and dining out. Aside from processed food, there is market interest in the following product categories: dairy, functional foods, healthier options (e.g. low fat, low salt, sugar free, etc.), organic foods, private labels and quality meats.
- While rice is still an important staple for most Singaporeans; however, noodles and increasingly bread, pasta, milk and cereals are gaining in popularity too.
- Following the WHO study in 2015 that said processed meat – especially red meat – can contribute to some types of cancer and a local study in 2016 that said over consumption of pork can create kidney problems, a decline in chilled processed red meat has been observed over the course of 2015 and 2016. The WHO report particularly identified ham, sausages and bacon as being the unhealthiest forms of processed meat. In Singapore, processed meat products are usually sold chilled rather than frozen so chilled processed meat suffered the greatest negative impact on retail value sales in 2016. To pump up sales, manufacturers and retailers offered discounts and other promotions.

- With the rapid product innovation and blurring of product categories as manufacturers mix and match ingredients and concepts, most packaged / processed food players venture beyond a few categories of packaged food products. The strategy also enables them to spread brand awareness among consumers, which will be beneficial in the long run.
- Singaporeans are becoming increasingly more receptive to new food products as they become more exposed and influenced by various cultures. Aside from the diversity of the local population, the high number of expatriates living in the country has also influenced the local food culture. Consumers in general have high acceptance levels, thus making it easier for foreign brands / products to enter the country.
- E-shopping has gained popularity in recent years. According to the Institute of Grocery Distribution (IGD), in making a projection on the continued expansion of online grocery services to support growth of modern convenience and supermarket retailing, retailers are tapping into the potential of smartphone users who buy their groceries online. Besides the supermarket chains themselves, other online groceries include Redmart, Honestbee and the most recent Amazon's Prime Now service- launched in July 2017 and available via iTunes and Google Play stores. Also available is the internet wine retailer: Vinomofu.
- The phenomenon known as “eat and tweet” has flooded social media feeds with food photos. The sharing of food photos online has led to the creation of apps like Burpple, Food Spotting and SnapDish that are especially dedicated to the logging and sharing of food.

*(Source: Euromonitor, TechinAsia, Channel News Asia, website and media)*

In terms of sector trends, the following table indicates the market sizes and retail/off-trade value in USD (million) for the following processed food/ ingredients in Singapore from 2011 to 2016:

<b>Products</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Alcoholic Drinks	506.0	551.3	584.7	614.4	599.4	621.0
Baked Goods	268.9	281.3	292.7	305.3	294.8	303.7
Health & Wellness Beverages	317.5	333.0	342.3	350.9	330.5	331.3
Health & Wellness Packaged Food	549.1	591.1	616.5	637.2	609.0	608.2
Processed Fruit & Vegetable	18.6	19.1	19.4	19.6	18.3	18.2
Processed Meat & Seafood	145.2	148.7	151.1	153.0	144.1	145.6
Confectionery	206.7	217.8	227.6	235.6	227.9	235.0
Dairy	327.4	347.0	360.3	371.5	359.2	368.1
Ice Cream/Frozen Desserts	80.2	85.1	90.4	94.5	91.9	95.1
Noodles, Rice and Pasta	322.7	331.6	337.2	337.7	314.2	312.7
Edible Oils	56.4	58.1	59.7	61.2		
Ready Meals	34.6	35.7	36.4	37.1	34.7	34.6
Sauces, Dressings and Condiments	73.1	75.5	77.2	78.4	74.0	75.1
Sweet Biscuits, Snack Bars and Fruit Snacks	124.5	132.4	138.7	143.0	137.0	139.6
Soup	11.9	12.3	12.5	12.6	11.8	11.8
Spreads	35.8	37.4	38.7	39.9	38.3	39.0
Savory Snacks	129.4	138.1	146.4	154.3	148.9	152.9
Soft Drinks	445.0	463.6	476.66	485.8	452.5	451.6

## Foreign Food Company Profiles

The following table provides information on major foreign food company profiles in the food processing sector; and they are mainly Multinationals.

Company	Details
Asia Pacific Breweries (APB) – it is a wholly owned subsidiary of Heineken (Netherlands)	Manufacturer – also under license – and distributor of imported beer /stout brands.
Ajinomoto (Singapore) Pte Ltd (Japan)	A subsidiary of Japan’s Ajinomoto Co. Inc., it does sales and distribution of food products, additives, seasonings, beverages, fine chemicals and other products under the Ajinomoto brand name.
Cerebos Pacific (Japan)	A fully owned subsidiary of Japan’s Suntory Beverage and Food Group. It produces and sells canned food, instant and gourmet coffee, sauces, BRAND’s Essence of Chicken and health supplement products.
Cargill Asia Pacific (U.S.)	Singapore is the headquarters of Cargill’s AP office. In Asia, it focuses on food ingredients and applications serving global, regional and local food manufacturers, food service, and retailers with F&B ingredients, meat and poultry products. Cargill also operates palm plantations in the region and manages close to 15% of the total grain and oilseed imports into Asia through their Asian Oils Trading and Marketing Group in Singapore.
Danone Asia Pte Ltd (France)	Based in Singapore, Danone Asia Pte Ltd operates as a subsidiary of Danone. It is a holding company – and via its subsidiaries - produces and markets its products in Asia Pacific. Its products include dairy, yoghurt, packaged water, sauces, cereal products, snack foods, herbs and fruit drinks.
The Coca-Cola Company (U.S.)	It is the world’s largest beverage company with nearly 500 brands. The Coca-Cola system in Singapore comprises Coca-Cola Singapore and Coca-Cola Singapore Bottlers – part of the Bottling Investment Group (BIG), a fully owned entity of the Coca-Cola Company. Coca-Cola Singapore develops high quality brands and BIG manages the manufacturing, sales and distribution of these brands in Singapore – including non-alcoholic beverages comprises of still and sparkling beverages, such as teas, juices, water, Asian drinks and Isotonic drinks.
Effem Foods Inc. (U.S.)	The Singapore office imports and distributes Mars products – including chocolates and candy, pet food, chewing gum, and food and beverage products.
Royal Friesland Foods Singapore (Netherlands)	The Singapore office markets the multinational cooperative’s products comprising of mainly branded dairy products and fruit-based drinks. The products marketed in Singapore are imported from Malaysia and Holland. Notable products include infant nutrition under the Friso brand and dairy products sold under the Dutch Lady Brand.
Heinz ASEAN Pte Ltd (U.S.)	The Singapore office performs wholesale activities for Heinz products. Products sold in the country under the Heinz brand include ketchup and sauces, beans, soups, tuna, spaghetti, baby food, dills and relish. The Singapore office covers the whole region of ASEAN.
Mondelez Asia Pacific	From their regional HQ in Singapore, Mondelez Asia Pacific operates in over

(U.S.)	14 countries in the AP region. They also have 10 R& D centers and 40 manufacturing plants in various markets in the region. Notable brands marketed in Singapore include Tang, Cadbury chocolate, Halls, Ritz, Toblerone, Chips Ahoy and Oreo.
Nestle Singapore Pte Ltd (Switzerland)	Nestle Singapore is a wholly owned subsidiary of Nestle SA, a Swiss nutrition, health and wellness company. Aside from its condensed milk product under the “Milkmaid” brand that dates back to more than 90 years ago, the company’s other brands in Singapore include Milo, Nescafe, Kit Kat, Purina, Friskies and Maggi Noodle.
Unilever Singapore (U.K. and Netherlands)	The Anglo Dutch multinational consumer goods company’s moved its SEA and NEA business group offices from London to Singapore as Unilever East Asia Pacific. The Singapore businesses are reorganized into HPC, Unilever Bestfoods and Ice refreshments. Unilever Singapore’s global functions include brand developments, supply chain management, procurement and customer development. Several Unilever brands marketed in Singapore include Knorr, Lipton, Walls, and Ben & Jerry’s.
Yakult Singapore (Japan)	Yakult manufactures probiotic dairy products/cultured milk drinks. Yakult Singapore began operation in 1979 and has its own manufacturing plant in the country. Globally, Yakult is marketed in different sizes. In Singapore, Yakult is distributed in 100 ml bottles.

*(Sources: Websites, media)*

### SECTION III. COMPETITION

Singapore’s food processing sector is already highly competitive: there are more than 750 industry players in the small local processed food sector, including food manufacturers; more than 100 food importers and over 23,000 food retail outlets in Singapore. In addition, there are also a significant number of food processing machinery and equipment companies that either distribute or manufacture the equipment in the country.

The competitive landscape should become more intense due:

- Changing demographic factors that favor a shift from eating traditional foods to modern convenience meals.
- The population’s diversity including a large expatriate population and sizeable number of wealthy Singaporeans will ensure that a wide range of food products from the world over are found in the country.
- While the local food processing sector does not compete directly with U.S. products; however, with the government’ support, the domestic sector is expected to grow and also improve the quality of its products. In cooperation with the government, local food companies are investing more in improving their processing and packaging for better quality and longer shelf-life food products.
- Since the signing of its first FTA under the ASEAN Free Trade Agreement (AFTA) in 1993, Singapore’s network of FTAs has expanded to 20 implemented FTAs with 31 trading partners including the U.S., Malaysia, Hong Kong, Australia and New Zealand. As most tariffs would be gradually reduced or eliminated, a more competitive landscape can be anticipated – including also for the food processing sector. There are a number of FTAs undergoing negotiation –

including several on services and investments – such as ASEAN-India (services and investments), ASEAN-Japan (service and investments), Canada, Mexico, Pakistan and Ukraine. A large, regional FTA involving Singapore/ASEAN’s trading partners is also in the pipeline: the Regional Comprehensive Economic Partnership (RCEP)

- ASEAN countries have taken a major step toward greater cooperation and integration by establishing the ASEAN Economic Community (AEC). Founded on December 31, 2005, the AEC attempts to integrate the 10 regional countries as a single market production and base.

<b>Product Category</b>	<b>Major Supply Sources (2016 figures)</b>	<b>Strengths of Key Supply Countries</b>	<b>Advantages and Disadvantages of Local Suppliers</b>
<p>Prepared / preserved meats (including pork)</p> <p>Net Imports: 38,175 ton</p> <p>\$157,747,737</p>	<ol style="list-style-type: none"> <li>1. Thailand – 43.38%</li> <li>2. China – 15.34%</li> <li>3. Malaysia – 13.85%</li> <li>4. U.S.A. – 10%</li> </ol>	<p>The key supplier countries offer competitive pricing and geographic proximity.</p> <p>China offers competitive pricing for its prepared / preserved pork products. For example, through food distributor Yit Hong Trading, the Ma Ling Luncheon meat has become the all-time favorite in Singapore and is also distributed to Malaysia and Brunei.</p> <p>Also, the country’s “traditional” meat suppliers (e.g. Australia) have no reported cases of BSE and FMD.</p>	<p>The local sector comprises of only a small number of companies that specialize in the manufacturing and processing of meat / beef products. The products are then mainly distributed to retailers and some restaurants.</p> <p>One popular local preserved pork product is “Bak Kwa” – a Chinese salty-sweet dried meat in the form of flat thin sheets. It is available throughout the year and sold mainly in stand-alone retail stores. Roast pork and char siu (barbecued pork) are also very popular; they are often served as part of noodle/rice dishes or on their own.</p> <p>Despite pork’s popularity in Singapore, the country has a relatively small number of suppliers for prepared / preserved pork products.</p>
<p>Prepared / preserved poultry</p> <p>Net Imports: 20,790 ton</p> <p>\$89,426,931</p>	<ol style="list-style-type: none"> <li>1. Thailand – 74.64%</li> <li>2. Malaysia - 13.39%</li> <li>3. U.S.A. – 7.10%</li> <li>4. China – 3.29%</li> </ol>	<p>The key supplier countries offer competitive pricing and geographic proximity – especially ASEAN countries (Thailand and Malaysia).</p>	<p>Singapore has a relatively small number of suppliers in prepared / preserved poultry products.</p>

<p>Prepared /preserved fish and seafood</p> <p>Net Imports: 53,551 ton</p> <p>\$ 322,624,458</p>	<ol style="list-style-type: none"> <li>1. China – 25.47%</li> <li>2. Malaysia – 14.37%</li> <li>3. Vietnam – 10.98%</li> <li>4. Thailand – 10.60%</li>   <li>16. U.S.A. – 0.89%</li> </ol>	<p>The sector is dominated by price competitive regional countries including three ASEAN countries (Malaysia, Vietnam and Thailand) and China.</p> <p>ASEAN has been a major producer of fish/fish products; as a whole, ASEAN accounted for a quarter of global fish production. ASEAN countries doing intra-trade can also take advantage of the ASEAN FTA.</p>	<p>Singapore is a not a major fishing nation or food producer. However, production is increasing because of the government’ support in the development of farms to increase seafood supply as part of the country’s food security policies.</p>
<p>Processed/ Prepared Dairy Products</p> <p>Net Imports: 339,851 ton</p> <p>\$ 739,543,632</p>	<ol style="list-style-type: none"> <li>1. New Zealand– 26.90%</li> <li>2. Australia – 19.93%</li> <li>3. Netherlands - 8.68%</li> <li>4. Thailand – 7.35%</li>   <li>7. U.S.A. – 4.38%</li> </ol>	<p>Australia and NZ have geographic proximity.</p> <p>There has been a greater demand for health and wellness products and beverages in recent years.</p>	<p>Local dairy companies are strong competitors and have brand / name familiarity with the domestic consumers. Their products are generally cheaper and widely available in supermarkets/convenience stores across the country.</p>
<p>Processed fruits total</p> <p>Net Imports: 67,969</p> <p>\$127,454,006</p>	<ol style="list-style-type: none"> <li>1. Indonesia – 26.64%</li> <li>2. U.S.A. – 19.59%</li> <li>3. Malaysia – 10.34%</li> <li>4. China – 5.67%</li> </ol>	<p>The regional countries offer competitive pricing and geographic proximity.</p> <p>The U.S. is quite a dominant player in this sector and as an extension of its dominance in the fresh fruit market.</p> <p>Generally, U.S. fruit products are dominant because of their competitiveness on</p>	<p>Singapore has limited processed fruit products manufactured locally.</p>

		quality, profitability and supply capacity; but they are considered as quite pricey.	
<p>Processed vegetables and pulses total</p> <p>Net Imports: 122,835 ton</p> <p>\$205,995,405</p>	<ol style="list-style-type: none"> <li>1. China – 26.20%</li> <li>2. U.S.A. – 23.92%</li> <li>3. Malaysia – 9.50%</li> <li>4. Thailand – 5.34%</li> </ol>	<p>China and the regional countries offer competitive pricing and also have geographic proximity. China’s top products are mainly mushroom products – using ingredients quite prevalent in Chinese dishes.</p> <p>The U.S. is the leading supplier of processed potatoes, sweet corn and dried onion.</p> <p>The local retail value sale of processed/frozen vegetable has slowed down recently due to rising maturity in this category and competition from fresh vegetables – the preferred and perceived healthier option for many Singapore consumers.</p>	<p>While Singapore is only a small producer of processed vegetables products; however, low priced retailer house branded products have started to dominate the retail shelves; e.g. NTUC’s Pasar brand.</p>
<p>Chocolate and confectionary total</p> <p>Net Imports: 26,672 ton</p> <p>\$ 227,784,244</p>	<ol style="list-style-type: none"> <li>1. Italy – 15.12%</li> <li>2. U.S.A. – 10.20%</li> <li>3. Malaysia – 8.45%</li> <li>4. Switzerland –8.38%</li> </ol>	<p>Malaysia offers competitive pricing and geographic proximity. It offers a wide variety of chocolate, confectionary and biscuit products in supermarkets / hypermarkets. Malaysia also produces confectionary /chocolate products for Multinationals – e.g. it</p>	<p>While Singapore produces chocolate products, however it is not a major player in the retail market.</p>

		<p>produces chocolate products for Mondelez under the Cadbury brand.</p> <p>Singapore's chocolate market is saturated and well developed by international brands. Italy's Ferrero SpA maintained its retail leadership in 2016: ranked no 1 with its Ferrero Rocher brand and no 3 with its Kinder brand. Premium chocolate brand Royce has a strong position in the chocolate retail market.</p>	
<p>Snack Foods total</p> <p>Net Imports: 65,031 ton</p> <p>\$ 381,949,721</p>	<ol style="list-style-type: none"> <li>1. Malaysia – 16.79%</li> <li>2. Italy – 9.74%</li> <li>3. U.S.A. - 9.35%</li> <li>4. Germany – 5.93 %</li> </ol>	<p>Malaysia's dominance is also supported by strong distribution capabilities. Malaysia also produces snack foods under established brands – Pringles, Kraft foods, etc., and their products are readily available in supermarkets / hypermarkets / convenience stores. Other key regional suppliers compete mainly on price considerations.</p> <p>The U.S. has also a fairly strong presence in the retail market; e.g. its potato chips brands dominate the sector in supermarkets / hypermarkets: Pringels,</p>	<p>Most snacks – even under Singapore owned brands – are usually produced in Malaysia.</p>

		Lay's, Ruffles and kettle Chips.	
<p>Non-alcoholic beverages total</p> <p>Net Imports: 760,816,371 liter</p> <p>\$ 353,895,234</p>	<ol style="list-style-type: none"> <li>1. Malaysia – 53.00%</li> <li>2. Indonesia – 8.02%</li> <li>3. U.S.A. – 6.49%</li> <li>4. Thailand – 6.02%</li> </ol>	<p>Malaysia / regional countries dominate the non-alcoholic beverage group, mainly for its coffee and fruit juices products.</p> <p>While U.S. non-alcoholic beverage products are considered to be of high quality, they are also known to be pricier. For the U.S., the dominant product in 2016 was coffee, roasted, not decaffeinated.</p>	<p>Singapore has a relatively strong sector in the production of fruit juices. Notable companies include F&amp;N, Malaysia Dairy Industries and Pokka Singapore.</p>
<p>Alcoholic beverages</p> <p>Net Imports: 326,095,124 liter</p> <p>\$ 2,101,404,294</p>	<ol style="list-style-type: none"> <li>1. France – 50.33%</li> <li>2. U.K. – 24.54%</li> <li>3. U.S.A. – 4.06%</li> <li>4. China – 3.27%</li> </ol>	<p>It is a fragmented market with a broad range of products and high profile promotions.</p> <p>The U.S. competes both on the “mass market” and premium products. For the U.S., the dominant products in 2016 were whisky, wine, rum and beer (made from malt).</p> <p>The sector in 2016 experienced a slowdown in growth; attributed to the poor economic outlook with customers more careful with their discretionary incomes. However, some categories posted dynamic growth such</p>	<p>Asia Pacific Breweries (APB) maintained its leading position in 2016 with a core portfolio of beer products and diversified brands such as Heineken, Tiger and Anchor. The company also offers a broad range from mid-price to premium products. Its own craft beer brewery “Archipelago Brewery” caters to customers looking for new flavors. New product innovations were also launched such as the Singapore Blonde Ale in 2016: comes in Calamansi and Pandan flavors. APB launched innovative marketing campaigns, e.g. Tiger beer’s Uncased street food to celebrate local street food culture.</p>

		as cider/spirits and craft beer due to marketing efforts, opening of new bars, and people getting bolder with experimenting new flavors.	
Table condiments, sauces and condiments  Net Imports: 63,244 ton  \$134,319,697	<ol style="list-style-type: none"> <li>1. Malaysia – 36.66%</li> <li>2. Japan – 14.25%</li> <li>3. China – 10.74%</li> <li>4. U.S.A. – 10.24%</li> </ol>	<p>For the key suppliers in the sauces and condiments group, the top products include sauces mixed condiments, soy sauce, vinegar, and mustard flour and prepared mustard.</p> <p>Leading U.S. brands in the retail sector in 2016 included Heinz and Kraft. For the U.S., the dominant products in 2016 were sauces mixed condiments, tomato ketchup, vinegar/substitute vinegar, mustard flour/prepared mustard and soy sauce.</p>	<p>The local sauces and condiment sector is fairly fragmented. Woh Hup Food Industry Pte Ltd led the sauces, dressings and condiments in 2016 with a retail value share of 9%. The company led cooking sauces with a retail value share of 29% and had a strong presence in liquid stocks and fonds (ranked first with 25% retail value sales) and oyster sauces (ranked second with 27%).</p> <p>Other prominent domestic players were Lee Kum Kee Tai Hua Food Industries Pte Ltd, and Chuen Cheong Food Industries Pte Ltd – mainly for soy sauce products; and Sin Hwa Dee Foodstuff industries Pte ltd – also soy sauce and other products including ready to cook, rice mix, dipping and paste products.</p>

( Sources: Global Trade Atlas (GTA), Euromonitor)

## SECTION IV. BEST PRODUCT PROSPECTS

### Category A: Products Present in the Market Which Have Good Sales Potential



Table

**U.S. brand Kellogg’s breakfast cereal and Stonyfield’s smoothie displayed prominently at supermarkets**

*(Source: FAS Singapore)*

<b>Product Category</b>	<b>Market Size in ton, (Volume) (2016)</b>	<b>Imports (2016)</b>	<b>% Change 2016/ 2015</b>	<b>Key constraints over market development</b>	<b>Market attractiveness for U.S.A.</b>
Breakfast Cereals & Other Breakfast Products, Pasta & Processed Cereals	11,346 ton	\$40,971,623	-7.79%	The market is dominated by several established brands including European brand Nestle, and also U.S. brands Kellogg’s and Post. In terms of retail sale, Nestle retained its leading position in 2016 with a retail value share of 30%. Nestle’s brands are household	An attractive market for long term development due to changing eating habits as the younger generation is consuming more breakfast products.  Also, fairly high expat demand for cereal/breakfast products.  In April 2016, the Singapore

				names that enjoy strong brand recognition.	government launched a campaign to increase consumption of whole grains (including breakfast cereals) in a bid to reduce risks of diabetes. The ongoing trend towards healthier food and similar campaigns are likely to have a positive impact on sales of breakfast cereal.
Juices, Non-Alcoholic Beverages	760,816,371 liter	\$ 353,895,243	+8.36%	<p>Lower priced fruit and vegetable juices from regional countries (Indonesia, Malaysia and Thailand), China and Brazil.</p> <p>In particular, Malaysia Dairy Industries (MDI) continued to lead the juice sector in 2016 with a 26% off-trade value share and 28% volume share. The company's Peel Fresh nectars and Marigold 100%</p>	<p>U.S.'s reputation as a supplier of quality fresh fruit and vegetable juices. U.S. products also have high brand recognition. The U.S. posted a modest 0.26% increase in market share for the 2015/2016 period.</p> <p>In 2016, the health and wellness trend continued in Singapore. Juices, for example, can expect stiff competition</p>

				<p>juices have strong brand recognition. MDI also positioned its 100% juice range by highlighting the Singapore Government's campaign for "Healthier Choice" products.</p>	<p>from other healthy beverages such as ready to drink tea and bottled water. Manufacturers will have to try harder to leverage the health trend by clearly stating health values on their packaging and highlighting government campaigns to promote the health benefits of juice.</p>
Pet food	11,675 ton	\$37,837,430	+8.74%	<p>The market is dominated by Multinational companies - often dominating the retail shelf space at pet food channels. Leading brands in Singapore include Mars Pet Food's Pedigree, Cesar and Royal Canin; and Nestlé's Purina; and Hill's Science Diet.</p> <p>In terms of %, dog ownership is expected to remain flat due to demographic changes (such</p>	<p>Attractive due to increased demand for pet food, especially premium and healthier products. The higher standard of living has resulted in a shift towards premium imports and brands which boast high nutritional, value and advanced formulation.</p> <p>Also, the pet humanization trend is expected to continue; at which pets are considered valued family</p>

				<p>as ageing population, failing fertility rates, etc.) The dog licensing regulation (effective from March 1, 2017) is expected to temper pet ownership growth to some extent and encourage small dog ownerships in subsidized public housings where the majority of Singaporeans live.</p>	<p>members and owners are willing to continue purchasing quality pet food.</p> <p>More launches in premium dry dog food are expected to continue in 2017, and there are opportunities in wet dog food.</p>
Dairy products (processed, including cheese)	339,851 ton	\$739,543,632	-18.99%	<p>Competition and availability of products from New Zealand, Australia, Thailand and France.</p> <p>Strong competition from local/local based companies that have home advantage as consumers are very familiar with the brands/products; and they are generally cheaper too: in 2016 F&amp;N Foods led in</p>	<p>While cheese is in the increasing maturity category, but the product's retail value growth is expected to remain robust as interest in cheese products continue to grow as one of the widely used ingredients in Western style dishes which Singaporeans enjoy. The growing expat community in the country also helps to drive the product's growth.</p>

				<p>milk products (27% retail value share); and Yakult lead in yoghurt/sour milk products (48% retail value share).</p> <p>Some product categories in the sector have reached/almost reached maturity stage; thus new product-development is important; and given the health trend, companies may want to develop more fortified/functional and less fattening products.</p>	<p>For other dairy products: some are expected to do better than others depending on the products' maturity level and trends. The key is to do product innovations and leverage on the health trend - essentially dairy products can be a good fit with healthy food/lifestyle.</p> <p>Aside from the U.S.'s reputation as being a quality producer, the U.S. can also deliver a consistent supply versus the Oceania's seasonal dairy production.</p>
Fats and Oils Total	672,618 ton	\$608,479,800	+8.58%	<p>Market is dominated by local and regional players. In 2016, the top two countries were Malaysia and Indonesia; and Vietnam held the no. 4 position.</p> <p>Local company Lam Soon (S) Pte Ltd</p>	<p>The U.S. has been able to maintain a relatively strong presence in this sector; it was ranked at no. 3 in 2016; and posted a 71.94% growth in the 2016/2015 period. The top 3 products for U.S. last year were corn oil,</p>

				<p>maintained the leading position with a 27% value share in 2015 due to its popular Knife brand in vegetable seeds oil and Naturel in regular spreadable oils. Lam Soon has also a wide product portfolio that caters to various customers' needs.</p>	<p>edible fats and oil, and animal/vegetable fats and oils.</p> <p>The Singapore Government introduced the Healthier Ingredients Scheme in 2014 – including cooking oil. Thus in tandem with the health trend, the key is to produce healthier oils and fats products.</p>
Processed snack foods total	65,031 ton	\$ 381,949,721	+2.36%	<p>Competition from lower cost regional countries, including Malaysia, China, Indonesia and Thailand.</p>	<p>Strong demand and brand recognition for quality U.S. products. Also, availability of wide variety of flavors; and quality of U.S. products and packaging.</p> <p>The U.S. has also a fairly strong presence in the retail market; e.g. its products under the Frito Lay brand are quite prevalent in supermarkets / hypermarkets. There is also strong demand</p>

					<p>for U.S. nuts.</p> <p>With busier lifestyles and increasing incomes, Singapore consumers like to snack between regular mealtimes. They are also getting more interested in new brands, product types and flavors. A key consideration is to produce healthier snack food products in tandem with the health trend.</p>
--	--	--	--	--	---

(Sources: Global Trade Atlas (GTA), Euromonitor)

**Category B: Products Not Present in Significant Quantities But Have Good Sales Potential**

<b>Product Category</b>	<b>Market Size in ton, (Volume) (2016)</b>	<b>Imports (2016)</b>	<b>% Change 2016/ 2015</b>	<b>Key constraints over market development</b>	<b>Market attractiveness for U.S.A.</b>
Prepared/ Packaged Fish & Seafood	53,551 ton	\$322,624,458	-4.81%	Competition from lower cost regional countries – in fact, the top four of the world’s top ten largest fish producers are from ASEAN - Indonesia, Thailand,	Generally high fish consumption in Singapore, accounting for approximately 40% of a typical diet.  Fish products are also generally

				<p>Vietnam, and the Philippines. Other countries include China and Australia.</p> <p>Market is fragmented; with no brand able to generate value share of 10% or higher in 2016. This was due to the wide range of product, formats and flavors in this category.</p>	<p>considered healthier than other meat products, such as red meat and pork- which is in tandem with the health and wellness trend.</p> <p>Based on retail value sales, it is estimated that chilled processed and frozen processed seafood will do well.</p>
Processed pork	6,564ton	\$27,972,298	+0.94%	<p>Competition from China, Denmark and Netherlands.</p> <p>China had almost 50% market share in 2015. It was able to offer cheaper products and prepared in dishes/products that are familiar to Singapore consumers.</p> <p>Singapore imposes trichinae testing for fresh/chilled</p>	<p>U.S. processed pork is popular; and as with most U.S. products, U.S. pork is considered to be of high quality albeit pricey.</p> <p>Majority of the total population in Singapore is Chinese; and pork is a staple meat for this majority ethnic group.</p>

				pork products from the U.S.; and also a tight permissible time frame – from the time of slaughter.	
Wine	Import: 29,958,539 liter (export data: N/A)	\$489,746,912	-6.67%	<p>Competitive market with a massive number of labels from France, Italy, Australia, Netherlands, etc.</p> <p>Due to its maturity, alcohol beverages are expected to record moderate volume growth.</p> <p>High taxation for alcoholic beverages in general. In fact, increased alcohol excise duties were implemented in 2014, contributed to driving the high unit prices even further.</p>	<p>Broad and wide Market; still provide opportunities at the right price point.</p> <p>The wine sector is expected to see good growth, attributed to the growing number of consumers purchasing through e-commerce; and increased interests and demand in quality wine.</p> <p>The U.S.'s market share was only 3.04% in 2016 – compared to France's at 69.37%; thus there is still room for growth for U.S. products.</p>

(*Source: Global Trade Atlas (GTA), Euro Monitor*)

**SECTION V. POST CO**

**NTACT AND FURTHER INFORMATION**

**(A) Office of Agricultural Affairs \***  
U.S. Department of Agriculture/Foreign Agricultural Service  
U.S. Embassy Singapore  
27 Napier Road, Singapore 258508  
Tel: (65) 6476-9289; Fax: (65) 6476-9517  
Email: [www.fas.usda.gov](http://www.fas.usda.gov)

\*Represents U.S. Department of Agriculture (USDA)'s agricultural export trade promotion agency known as the Foreign Agricultural Service (FAS) in Singapore.

Other high-value product and market sector reports produced from this office: Retail Foods, Food Service – Hotel Restaurant Institutional, and Export Guide.

The above reports are also produced for other countries. Please refer to FAS homepage for the details:  
<https://www.fas.usda.gov>

**(B) U.S. Dairy Export Council**  
Agribusiness-Connect Asia  
1 North Bridge Road,  
#06-10 High Street Centre  
Singapore 179094  
Tel: (65) 6334 7030 and (65) 6822 7030  
Fax: (65) 6248 4531  
Contacts: Dalilah Ghazaly, Regional Director, SEA Marketing & Operations  
Tony Emms, Regional Director, SEA, Strategy & Market Access  
Email: [dali@dairyconnect.biz](mailto:dali@dairyconnect.biz); [tony@dairyconnect.biz](mailto:tony@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: Kevin M Roepke, Regional Director—South & Southeast Asia  
Email: [usgckl@usgc.com.my](mailto:usgckl@usgc.com.my)

**(D) U.S. Meat Export Federation**  
627 A Aljunied Road  
#04-04 Biztech Centre  
Singapore 389842

Tel: (65) 6733 4255; Fax: (65) 6732 1977  
Contact: Sabrina Yin, Regional Director  
Email: [singapore@usmef.com.sg](mailto:singapore@usmef.com.sg)

**(E)** USA Poultry and Egg Export Council  
541 Orchard Road, #15-04 Liat Towers,  
Singapore 238881  
Tel: (65) 6737 1726; Fax: (65) 6737 1727  
Contact: Margaret Say, Regional Director  
Email: [usapeec\\_sing@pacific.net.sg](mailto: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 608586  
Tel: (65) 6515 6113; Fax: (65) 6278 4372  
Contact: Richard Lieu and Chuah Siew Keat  
Emails: [richardlieu@lieumktg.com.sg](mailto:richardlieu@lieumktg.com.sg); [siewkeat@lieumktg.com.sg](mailto:siewkeat@lieumktg.com.sg)

**(G)** U.S. Soy Bean Export Council  
541 Orchard Road, #11-03 Liat Towers  
Singapore 238881  
Tel: (65) 6737 6233; Fax: (65) 67375849  
Contact: Timothy Loh, Director  
Email: [singapore@ussec.org](mailto:singapore@ussec.org)

**(H)** U.S. Wheat Associates  
541 Orchard Road, #15-02 Liat Towers  
Singapore 238881  
Tel: (65) 6737 4311; Fax: (65) 6733 9359  
Contact: Matt Weimar, Regional Vice President for South Asia  
Email: [InfoSingapore@uswheat.org](mailto:InfoSingapore@uswheat.org)

