

Food and beverages - SINGAPORE

Summary of findings related to international market opportunities for Norwegian food and beverage products to Singapore.

Date: 24 October 2016

Contact person: Susanna Quek

1. Brief facts about the market

Singapore is a small non-agriculture country with a population of 5.6 million. Approximately 95% of Singapore fresh fruits and vegetables are imported from all over the world. A multi-racial, multi-cultural country, Singapore has a rich and abundant variety of diverse culinary heritage. Singapore is highly urbanized and dependent on food import. The country currently imports more than 90% of its food sources. Singapore fruits and vegetables imports have grown at a steady rate of 5.8% annually over the past five years.

In 2015, the economy grew 2.1% and is the world's 3rd highest per capita at US\$53,604. The population is expected to reach 5.9 million by 2020 and 6.9 million by 2030. In addition to the population, it has a strong presence of a large expatriate community and represents one of the highest concentrations of Norwegian business interest outside Norway.

Singapore is one of the wealthiest consumers in Asia with a large, affluent and sophisticated consumer base driven by rising disposable incomes. In the last 5 years, Singaporeans are spending more on higher quality goods and services, such as dining out in restaurants. About 35% of our food expenditure is spent in restaurants, cafes and pubs. Dining out in Singapore is more than just a social activity — it's an integral part of the national identity. Singaporean diners are becoming more willing to spend on premium food in high-end restaurants. We see an increased number of celebrity chefs opening restaurants in Singapore.

Opportunities for Norwegian companies in Singapore

The most significant areas of opportunities for Norwegian food and beverage producers are probably:

- Total consumer expenditure estimated to grow at an average rate of 3.4% per year, this provides good opportunities for food-supplying businesses.
- Heavily dependent on food imports, due to absence of agriculture and livestock farming.
- To meet the gastronomic demands for the growing population and visitor arrivals of more than 15 million each year.
- A tourist and transportation hub of South East Asia, Singapore has a very large food service industry and the most developed food retail market.
- Singapore is positioned as an important hub for regional headquarters for international food and agricultural-related companies.
- The market sentiment for organic fresh fruits and vegetables is growing and is the latest consumption trend in Singapore.

- With higher education, income and health-consciousness in the urban population, more people will be demanding for new functional foods which promise enhanced health and wellness, reduced risk of diseases or which address specific nutritional needs or lifestyle preferences.

To build on the same freshness and high quality of Norwegian salmon which already establish itself in Singapore.

Challenges for Norwegian companies in Singapore

Short listing of what might be barriers or problems for Norwegian companies wanting to export to your country (e.g. strict trade regulations, preference of local food, volume, price, transportation, etc.)

- The import of fresh fruits and vegetables is regulated under the Control of Plants Act. It stipulates that the produce should not contain prohibited pesticide, or levels of pesticide residue or toxic chemical residue exceeding the prescribed levels.
- Too overpriced due to non-direct flights to Norway
- Strong competitions from Australia, China, Malaysia, Indonesia, New Zealand, Thailand and United States, Netherlands, Peru, Chile, Egypt, South Africa and UAE who are currently supplying reasonable and affordable fruits and vegetables to the market.

2. Recommendations to Norwegian companies considering export of food and beverages to [market]

- What do the Norwegian companies need to know about the market, how to get started, what to find out about, tips and good advice.
- To appoint a committed and established importer or distributor, and build a long-term relationship to represent your product and to advertise & promote.
- Understand the market and be price competitive before exporting your products
- Seek for a qualified export consolidator to export if your volumes are not in huge quantity to sell directly to an overseas importer.
- Ensure quality, appearance and freshness of product.
- Seek partnership with industry association for collective export marketing and logistics e.g. to collaborate with the Seafood Export Council who has daily deliveries of fresh salmon to Singapore.