

Singapore Has a Big Appetite For Fish and Seafood

In 2001, U.S. exporters sold \$5.2 million worth of fish and seafood products to Singapore, up slightly from 2000, but just a fraction of the \$335 million Singapore spends on fish and seafood imports every year.

Fish is one of the most popular food products in Singapore, despite increasing prices. Per capita consumption of seafood fell from 20 kilograms (1 kg. = 2.2046 pounds) in 1996 to 16 kg. in 2000, but it is still an important food source for the country's 4 million residents.

Demand may continue to decline, however, unless local businesses address the chal-

lenges of price, quality and convenience and introduce new products to pique interest.

Re-exporting a Big Industry

Singapore is Southeast Asia's main distribution hub, with economic growth routinely exceeding 8 percent a year until the global economic slowdown in 2001.

The regional recession in 1997 did have some impact on Singapore's re-exports and external trade, but the 2001 slowdown was more pervasive for Singapore. Its manufacturing sector (mostly electronics) experienced a significant reduction in exports to the United States, its largest trading partner.

Buying and selling facilities offered by Singapore have encouraged the fish and seafood industry to build a significant re-

export business that depends heavily on imports. In 2000, total imports exceeded 120,000 metric tons; local catch and farmed fish and seafood were only 5,300 tons. Re-exports amounted to 58,000 tons, leaving 67,300 tons for Singapore consumers.

It is true that Singapore's exporters are finding increasing competition from other, less expensive export locations in Southeast Asia. Except for tuna, exports have declined over 7 percent a year since the mid-1990s. But this extensive market will be in place for the foreseeable future.

Tips for Market Entry

U.S. exporters interested in this market should concentrate on high-end customers for exotic cold water fish and seafood such as salmon, abalone, lobster, oysters, scal-



lops, Dungeness crab and geoducks (a type of clam).

And keep in mind that demand for premium products increases over the peak wedding season in September and festive holidays such as the Chinese New Year period.

The factors below should be considered by prospective suppliers:

- Price competitiveness of their products
- Level of promotion and education necessary for successful long-term presence
- Potential for “exotic” products
- Direct exports to major supermarket chains
- Products that fit easily into local food culture and offer convenience
- Ability to meet importers’ purchasing requirements and specifications

Distribution Channels

Live, fresh, chilled and frozen fish and seafood products are obtained by local importers for distribution to retail and food service outlets throughout Singapore. Except for frozen products, most are air-

Who Supplies What

Warm water fish, which make up 80 percent of the demand in Singapore, come mainly from Malaysia, Indonesia, Thailand and Vietnam. Popular local fish and seafood products include salar, batang (Spanish mackerel), sea bream, song fish, tilapia, shrimp and mud crab.

Cold water fish, the remaining 20 percent, come mainly from U.S. competitors: Australia, New Zealand, Taiwan, Norway and Japan. Imported popular cold water species include: salmon, tuna, swordfish, mackerel, trout, dover sole, cod, halibut, lobster, abalone, oysters, scallops and geoducks.

Import Markups

Major Singapore supermarkets impose listing fees that can range from \$2,000 to \$6,000, and have the option to de-list a product if sales lag. Here are some details:

Type of Service/Fee	Expected Charges	Comments
Import duty	0%	None
Goods and services tax	3%	Based on cost, insurance and freight value
Importer's handling charge	Variable	Generally negotiable; lower for products with faster turnover
Importer's margin	20-30%	Importers usually distribute, too; harder to negotiate than handling charge
Retailer's margin	10-20%	Markups to 50% on high-end specialty items

freighted into the country. Some large supermarket chains and restaurants import directly.

Following is a list of the major distribution channels and their products:

- Supermarkets—local products, some imported cold water fish and seafood
- Wet markets—local products
- Food service outlets—with high-end restaurants the main channel for cold water products
- Fish and seafood processing companies—mostly surimi and value-added activities that target local and export markets

Import Regulations

Importers of fish and seafood products must be licensed. Upon product entry, documentation is submitted electronically by the registered importer to the Controller of Imports and Exports via the Trade Net computer system.

Singapore's Agri-food Veterinary Authority (AVA) regulates fish and seafood imports. All products are subject to inspection and sampling by this agency.

Prior permission must be obtained from the Fisheries Division of AVA for consignments of frozen high-risk seafood (raw oysters, fresh cockles, cooked shrimp and

crab meat). Chilled imports of these products are not allowed.

Frozen high-risk products require a health certificate issued by the federal or state government health authorities from the country of origin and will be detained for inspection and possible testing. The certificate must include:

- Description of the product and packaging (including brand or trademark)
- Quantity by weight
- Name and address of the processing establishment, consignor and consignee
- Harvesting area
- Date of harvesting or freezing ■

For more information on Singapore's fish and seafood market, contact the U.S. Embassy in Singapore. Tel.: (011-65) 6737;1233; Fax: (011-65) 6732-8307; E-mail: ato_sing@pacific.net.sg

For details, see FAS Report SN2002. To find it on the Web, start at www.fas.usda.gov, select **Attaché Reports** and follow the prompts.

