



# MARKET BRIEF

## SINGAPORE

Singapore is a small and highly developed island entirely dependent on imports of dairy.

### Global exports to Singapore in 2019–2020

- Rank at #10 in the global dairy market (by volume)
- Destination for 347.8 thousand tonnes of dairy product, worth US \$772.5 million (October 2018 to September 2019)
- Exports to Singapore have increased by 2.2% over five years
- The biggest volume growth (product categories exceeding US\$20 million) has been in: Ice Cream (58%), Lactose (43%), Yogurt (18%), Milk (11%) and Whey Powder (10%)
- The biggest volume decline (product categories exceeding US\$20 million) has been in: Milk Products (-27%), Butter (-18%), WMP (-17%) and Buttermilk Powder (-2%)

### Australian market share in 2019–2020

- Rank at #3 in the share of the Singapore import volume
- Destination for 67.0 thousand tonnes of Australian dairy product, worth US \$118.9 million (October 2018 to September 2019)
- Exports to Singapore have decreased by 17.4% over five years
- The biggest volume growth (product categories exceeding US\$1 million) has been in: Yogurt (57%), Ice Cream (39%), Milk (33%) and Buttermilk Powder (18%)
- The biggest volume decline (product categories exceeding US\$1 million) has been in: WMP (-80%), Butter (-77%), Whey Powder (-64%), SMP (-36%) and Cheese (-7%)

### Market developments

Singapore is a small and highly developed island entirely dependent on imports of dairy. As a highly open, stable economy in a strategic location, it plays an important role as an entrepôt port, from where Australian dairy is re-exported to the rest of the region. There are also large companies with blending and packing factories in Singapore, forming key links to regional supply chains. This can be seen in Singapore's exports: in 2018/19 Singapore, a country with no domestic supply, exported 50,669 tonnes of whole milk powder and 26,022 tonnes of infant formula.

While being a fairly mature market with a small population (approximately 5.6 million), Singapore is considered a good entry point for many looking to expand overseas. Besides a well-developed legal system and infrastructure, Singapore offer a diverse and sophisticated consumer base with which to trial new products and is experiencing growth in dairy consumption. This has for example in the past occurred in three main categories; liquid milk, drinking yoghurts and functional health products. Within the liquid milk category, fresh and extended shelf life milk has gained market share at the expense of UHT milk, with wealthier consumers citing taste and greater perceived health benefits compared to UHT. As in western countries, full-cream milk has gained share against reduced and no-fat varieties. Drinking yogurt (mostly imported from Malaysia) has also experienced an increase in popularity. Whilst overwhelmingly marketed at children, a growing appreciation of the health and nutritional benefits of yogurt has seen increased adult consumption. Probiotic and fortified yogurts have become more widespread.

Given Singapore's low birth-rate, the importance of these trends for category value will likely increase over time. Health considerations have also driven growth in functional health foods. These products were created to address the prevalence of calcium deficiency and osteoporosis amongst Asian women.

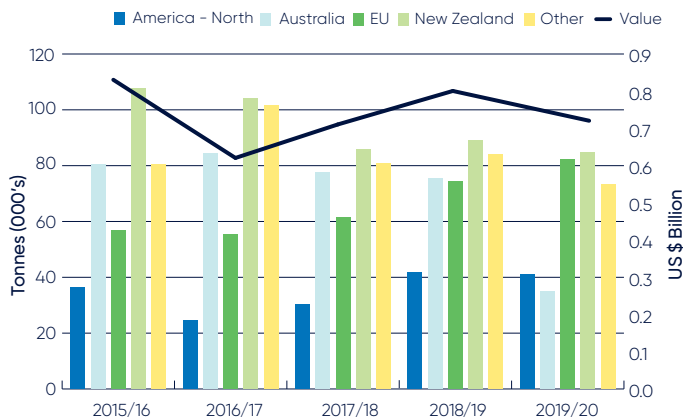
### Tariff environment

Trade between Australia and Singapore is covered by overlapping agreements, including the Australia ASEAN New Zealand Free Trade Agreement (AANZFTA) and the bilateral Singapore Australia Free Trade Agreement (SAFTA). SAFTA is Australia's second oldest free trade agreement. Exporters are encouraged to consult a customs broker to explore which agreement offers the greatest benefit. A summary of current tariffs for the major dairy categories imported by Singapore can be found in Figure 7\*.

## Key international marketing programs and activities

Dairy Australia runs or is involved in a number of marketing programs and activities in Singapore. These include the South East Asia Dairy Scholarship program aimed at familiarising dairy and food industry professionals from the region with aspects of the Australian dairy industry and the South East Asian Alumni Program for past scholars. Dairy Australia regularly visits Singapore and presents seminars to local industry players in key markets.

**Figure 1 Dairy imports**



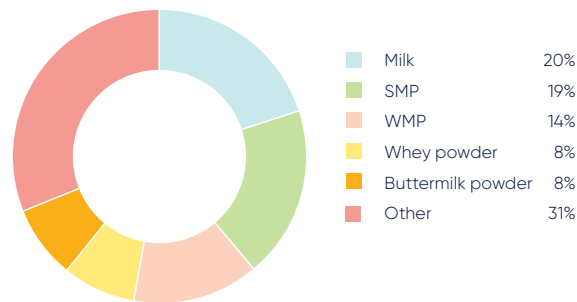
**Figure 6 Australian exports**

Product group	Market share (US\$)		Volume (1000 of tonnes)		Value (million US\$)	
	2015-16	2019-20	2015-16	2019-20	2015-16	2019-20
Cheese	42.6	36.1	5.5	4.9	27.6	24.5
Milk	51.9	59.4	33.9	42.2	29.3	35.1
SMP	22.4	15.5	16.0	9.5	45.5	20.7
WMP	29.3	7.5	13.6	3.2	45.1	11.2
Yoghurt	47.3	56.6	2.8	3.6	9.6	14.8
Total	21.6	15.3	84.8	68.2	193.7	122.9

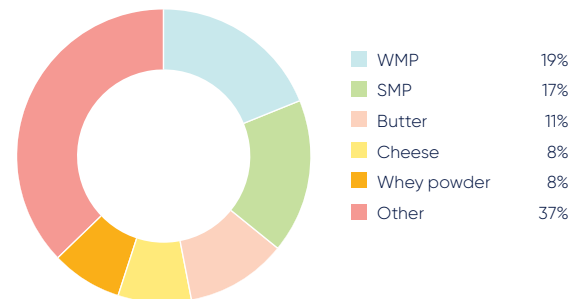
**Figure 7 Dairy tariffs**

Tariff category	Product category	Applied tariff %
0401	Milk and cream, not concentrated nor containing added sugar or other sweetening matter	0.0
040210	Milk and cream, concentrated or containing added sugar or other sweetening matter; In powder, granules or other solid forms, or a fat content, by weight, not exceeding 1.5%	0.0
040221	Milk and cream, concentrated or containing added sugar or other sweetening matter: In powder, granules or other solid forms, of a fat content, by weight, exceeding 1.5%	0.0
0405	Butter and other fats and oils derived from milk; dairy spreads	0.0

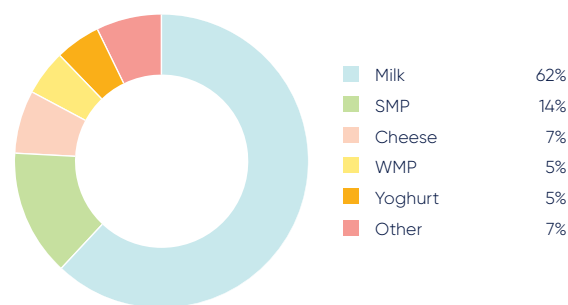
**Figure 2 Top dairy imports by volume**



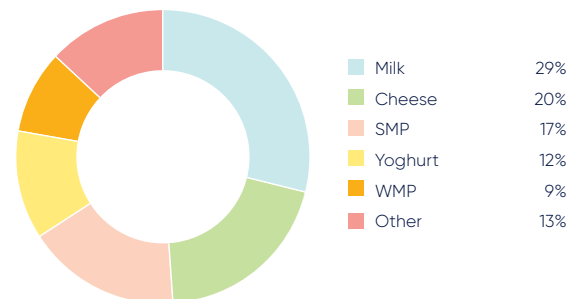
**Figure 3 Top dairy imports by USD value**



**Figure 4 Top Australian dairy exports by volume**



**Figure 5 Top Australian dairy exports by USD value**



### FOR FURTHER INFORMATION

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