

# Market brief

## Singapore

Calendar year 2022

### GLOBAL EXPORTS TO SINGAPORE

Ranked #10 in the global dairy market (by volume)

Destination for 375,000 tonnes of dairy product, worth almost US\$1,077 million (in 2022)

Exports have increased by 4% over five years (2018 – 2022)

The biggest volume growth (product categories exceeding US\$20 million) has been in:

- Milk 66%
- Cheese 22%
- Yoghurt 43%
- Ice cream 21%

The biggest volume decline (product categories exceeding US\$20 million) has been in:

- SMP -28%
- Casein -13%
- Butter -17%

### AUSTRALIAN MARKET SHARE

Ranked #3 in the share of Singapore's import volume

Destination for 72,000 tonnes of Australian dairy product, worth almost US\$146 million (in 2022)

Exports to Singapore have decreased by 5% over five years (2018 – 2022)

The biggest volume growth (product categories exceeding US\$1 million) has been in:

- Condensed milk 377%
- Infant powder 352%

The biggest volume decline (product categories exceeding US\$1 million) has been in:

- SMP -48%
- Whey powder -26%
- WMP -20%

### Market developments

Singapore is a small, highly developed, and urbanised island, which is entirely dependent on imports of dairy. Per capita milk consumption in Singapore is significantly higher than some neighbouring countries, with a strong proportion of expatriates among the relatively small population. Supporting a steadily increasing per capita consumption of dairy, is a growing economy, rising incomes, and a consumer shift towards 'westernised' foods.

Singapore's dairy production is extremely limited, and thus it imports almost all of its dairy requirements. The island still exports some dairy each year, however, Singapore's location allows the city-state to play an important role as an entrepôt – a place where goods are imported into, often with the purpose of exporting the same products again.

Large blending and packaging facilities also act as key links to regional supply chains, and the combination of these factors positions Singapore as a good entry point for exporting product overseas. As such, a portion of Australian dairy imported into Singapore is re-exported to the rest of the region. With close to a third of Australian dairy exports to southeast Asia imported by Singapore alone, it is the largest ASEAN market for Australian dairy product.

Given the island's relatively low birth-rate, Singapore's population is slowly ageing. A particular driving force of growing dairy consumption is therefore a heightened awareness of the importance of calcium in the diet, especially among the elderly. In addition to this, demand for premium products continues to grow in line with increased interest in health and wellness trends among the broader population, especially out of the COVID-19 pandemic.

With a very busy way of life in Singapore, many look to conveniently sized products to purchase, and traditionally, dairy has not been perceived as a 'healthy' product. This is having an effect on local consumption; and many manufacturers are taking part in educational efforts that aim to promote the health benefits of dairy and support its status as a staple product.

Ultra-high temperature (UHT) milk makes up the largest share of Australian dairy exports to Singapore by volume, accounting for close to 65 per cent of total exports in 2022. During the COVID-19 pandemic, sustained periods of lockdown saw retail sales of UHT milk surge, with many stockpiling the product. With the rise of cafes and bubble tea shops, Australian milk products are also growing in popularity. Australian exports of milk to Singapore have grown 5 per cent over the last five years, supported in part by our close geographical proximity allowing shops to restock products relatively quickly.

Local sources suggest the quality of Australian dairy products are also appealing to consumers. Australian exports of cheese have grown 12 per cent over the last five years. While Australian yoghurt exports grew in the years to 2021, alongside a growing appreciation for the nutritional benefits of functional foods, exports fell 10 per cent in 2022. At the same time, total yoghurt imports into Singapore grew 43 per cent over the last five years, leading to our market share significantly decreasing.

For any retail dairy products being exported to Singapore, there are labelling requirements that need to be followed. Outlined by the Sale of Food Act (SFA), there are some key requirements that are to be met, such as detailing the name or description of the food, statement of ingredients, net quantity of food in package (metric units) and country of origin. It is also required that all dairy products must include a declaration on the label, recognising dairy as a food that can cause hypersensitivity. While this is not required, halal labels can be found on some dairy products.

### 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). Ratified in July 2003, SAFTA eliminated tariffs on Australian products exported to Singapore and is Australia's second oldest free trade agreement. Dairy Trade between Singapore and Australia is fully liberalised. A summary of current tariffs for the major dairy categories imported by Singapore can be found in Table 2.

### Key international marketing programs and initiatives

Dairy Australia runs or is involved in a number of marketing programs and activities in Singapore. These include the Southeast Asia Dairy Scholarship program aimed at familiarising dairy and food industry professionals from the region with aspects of the Australian dairy industry and the southeast Asian Alumni Program for past scholars. Outside of COVID-19 travel restrictions, Dairy Australia regularly visits Singapore and presents seminars to local industry played in key markets.

Figure 1 Dairy imports

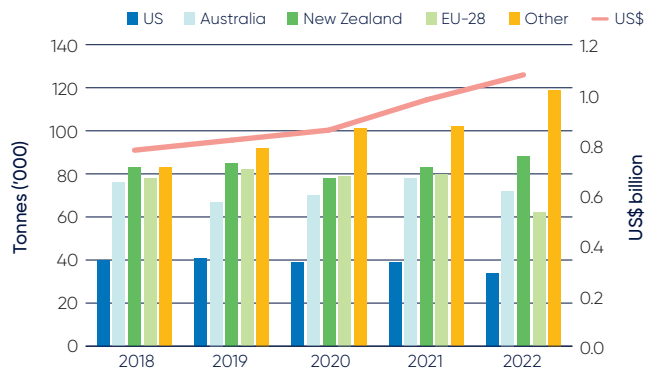


Figure 2 Top dairy exports to Singapore by volume

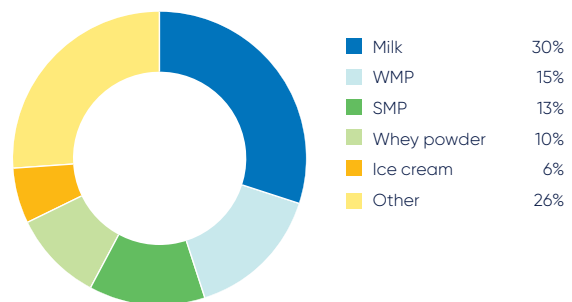
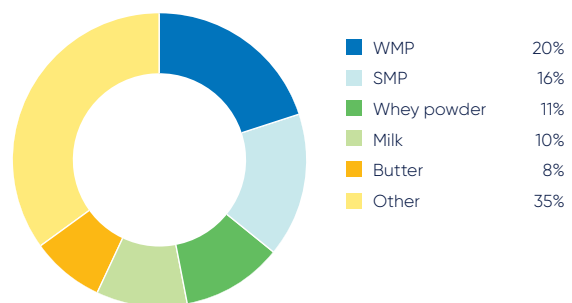
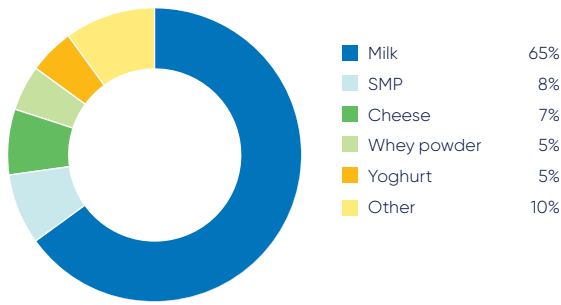


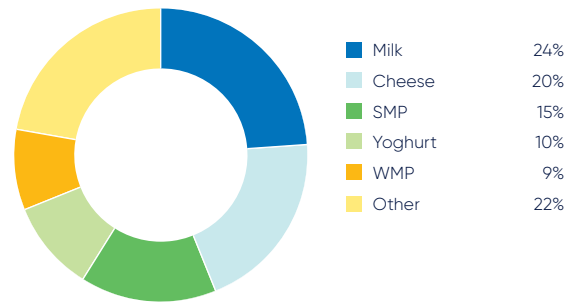
Figure 3 Top dairy exports to Singapore by US\$ value



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



**Figure 5** Top Australian dairy exports by US\$ value



**Table 1** Australia exports

Product group	Market share (US\$ %)		Volume ('000)		Value (million US\$)	
	2018	2022	2018	2022	2018	2022
Milk	68	34	44.8	47.2	38.3	34.4
SMP	18	13	10.8	5.6	21.5	22.5
Cheese	38	33	4.8	5.4	24.7	29.3
Whey Powder	10	11	5.0	3.7	4.9	12.4
Yoghurt	64	47	3.6	3.4	14.5	14.7
<b>Total</b>	<b>17</b>	<b>14</b>	<b>75.8</b>	<b>72.4</b>	<b>132.5</b>	<b>145.5</b>

**Table 2** 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 of 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

Applied tariffs are drawn from Integration Point. Where Australia does not have a specific tariff agreement in place, the applied rate for qualifying product is the MFN rate. Where a specific tariff agreement exists, the applied rate for qualifying product is as per that agreement. The countries with specific agreements in place are: China (ChAFTA), Indonesia (AANZFTA), Japan (JAEPA), The Republic of Korea (KAFTA), Malaysia (MAFTA), Philippines (AANZFTA), Singapore (SAFTA), Philippines (TAFTA), and the USA (AUSFTA).

**FURTHER INFORMATION**

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