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**EXPORTADOR**

DEPARTAMENTO DE  
INTELIGENCIA DE MERCADOS

## Trade Opportunities

Singapore



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# Singapore

## 1. Background Data

Official Name	Republic of Singapore
Capital	Singapore City
Language	English, Malay, Mandarin Chinese and Tamil
Currency	Singapore Dollar
Population (2016)	6 million

Source: World FactBook. Prepared by: Promperú.

## 2. Macroeconomic Indicators

Year	2014	2015	2016*
GDP Growth (%)	3.2%	2.0%	1.8%
Per Capita GDP (US\$)	83,733	85,253	86,854
Inflation Rate (%)	1.0%	-0.5%	0.2%

Source: IMF. Prepared by: Promperú. Note: \*Projected

## 3. Exports Peru - Singapore (FOB US\$ million)

Sector	2011	2012	2013	2014	2015	Var. % 15/14	TCP % 15/11
Traditional	2	7	5	30	3	-91.1	7.6
Nontraditional	6	15	16	10	11	9.6	17.1
Total	8	22	21	40	14	-65.7	14.9

Source: SUNAT. Prepared by: Promperú.

## 4. Preferences Obtained in Trade Agreements

- Free Trade Agreement Peru - Singapore (In force): The Free Trade Agreement Peru - Singapore, effective August 1, 2009, allows duty-free entry free for products of interest included in the exportable supply such as cocoa, grapes, T-shirts, shirts, asparagus, clams, abalone and razor clams, among others.

- Trans-Pacific Partnership Agreement (TPP) (About to become effective): Peru and Singapore are signatory parties to the Trans-Pacific Partnership Agreement (TPP), which will allow preferential relations between twelve economies of the Pacific Rim. For more information about the tariff reduction applied by Singapore to products originating in TPP members see: [List of products for export to Singapore](#).

## 5. Trade Opportunities<sup>1</sup>

### Foods

<sup>1</sup>Through ECLAC (Economic Commission for Latin America) methodology, it has been possible to identify opportunities for products classified into two main groups: "Star" and "Promising". The "Star" products are those that have shown strong dynamism in their respective sales volumes during the last five years and have a significant share of total imports. In other words, they are the products that have the greatest potential for success in the destination market today. On the other hand, the "Promising" products are those whose imports are growing at above-average rates but do not yet have a significant share of the total sales volume.

RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Supplier
1	'160557	Shellfish, prepared or preserved: Abalone or paua	Star	67	0%	Australia - 25% China - 20%
2	'030617	Shrimp and prawns, frozen, other	Star	52	0%	Vietnam - 27% Malaysia - 26%
3	'080610	Grapes, fresh	Star	51	0%	USA - 39% Australia - 25%
4	'200989	Fruit juice, exotic or tropical	Star	35	0%	Indonesia - 68% Thailand - 7%
5	'080390	Bananas, fresh	Star	32	0%	Philippines - 62% Malaysia - 26%
6	'080450	Mango, fresh	Star	31	0%	Thailand - 50% Malaysia - 12%
7	'081090	Fruit exotic or tropical, fresh	Star	29	0%	Thailand - 28% Malaysia - 24%
8	'030819	Sea cucumbers	Star	27	0%	China - 46% Indonesia - 16%
9	'200899	Fruit, prepared or preserved, fresh or in syrup	Star	27	0%	Thailand - 46% China - 22%
10	'080520	Tangerines, fresh	Star	26	0%	China - 62% Australia - 9%

Source: Trademap. Prepared by: Promperú.

### Clothing and Decorations

RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Supplier
1	'610910	Knitted cotton T-shirts, for women and girls	Star	160	0%	Malaysia - 28% China - 26%
2	'611780	Clothing accessories, other	Star	95	0%	Spain - 48% China - 8%
3	'620342	Knitted cotton, pants and shorts	Star	68	0%	China - 35% Bangladesh - 19%
4	'610120	Knitted cotton overcoats, capes and similar, for men	Promising	10	0%	Malaysia - 78% Vietnam - 6%
5	'610821	Knitted cotton panties, for women and girls	Promising	9	0%	China - 42% Cambodia - 16%
6	'611710	Knitted wool or fine hair	Promising	7	0%	Italy - 36%

		shawls, handkerchiefs, scarfs and similar				China - 28%
7	'621420	Woolen or fine hair shawls, handkerchiefs, scarfs and similar	Promising	7	0%	Italy - 67% United kingdom - 19%
8	'611011	Knitted wool or fine hair sweaters, pullovers, waistcoats and similar	Promising	6	0%	Italy - 43% China - 27%
9	'570310	Woolen or fine hair carpets and floor coverings	Promising	5	0%	China - 46% Thailand - 11%
10	'611241	knitted synthetic fiber swimwear	Promising	4	0%	China - 67% Vietnam - 7%

Source: Trademap. Prepared by: Promperú.

Miscellaneous Manufactured Articles						
RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Supplier
1	'300490	Prepared medicines, other (Veterinary medicines)	Star	1 109	0%	Germany - 17% USA - 16%
2	'330499	Makeup preparations, other (Natural cosmetics)	Star	1 093	0%	France - 37% USA - 17%
3	'848180	Faucets and similar fixtures	Star	678	0%	USA - 25% China - 12%
4	'732690	Manufactures of iron or steel, other	Star	408	0%	Malaysia - 26% USA - 18%
5	'730840	Iron or steel materials for scaffolding, shuttering or propping	Star	178	0%	Japan - 51% China - 25%
6	'841370	Centrifugal pumps, other	Promising	167	0%	Germany - 14% United kingdom - 13%
7	'401699	Vulcanized rubber manufactures without hardening	Promising	102	0%	Malaysia - 21% USA - 19%

Source: Trademap. Prepared by: Promperú.

## 6. Consumer Trends

- ✓ FREE ECONOMY. Singapore is one of the most open markets in the world in terms of international trade, with a strong economy that has benefited from its position as the best place for doing business (Doing Business 2015), a high current account surplus and low oil prices since mid-2014. However, the country faces major challenges in the future such as the rapid aging of its population, the outflow of capital and the control of government finances.
- ✓ HIGH LEVELS OF INCOME AND EXPENSES. The level of per capita disposable income of Singapore is among the highest in the Asia-Pacific region, which allows households to spend more on discretionary categories. Whereas one person spends on average US\$30,336 a year, a childless couple expends US\$46,263 and a family with two children spends US\$77,926.
- ✓ HEALTH AND WELLNESS ARE BOOSTED. The aggressive government campaigns to encourage healthy eating habits and reduce caloric intake have led to a notable increase in sales of this product line in 2015. In addition, Singaporeans are more

informed about the importance of certain nutrients through access to Internet, which has led to the manufacturers being in search of new ingredients for their formulas to strengthen their value proposition in the market.

- ✓ **THE "SUPERFOODS" GAIN POPULARITY.** Within all food categories, "superfoods" seem to show the best performance in sales thanks to their high content of antioxidants, vitamins and fiber. Products like coconut juice, pomegranates and quinoa, as well as processed foods containing oats, blueberries and dried fruits, have increased demand and have begun to take more extensive space in retail channels.
- ✓ **GOOD PROSPECTS FOR PROCESSED FISH AND SHELLFISH.** According to Euromonitor International, sales of processed fish and shellfish will increase by 11.9% over the period 2015-2020, especially the frozen and preserved presentations, as a result of the busy lifestyles of consumers and their healthful positioning in respect of other meats. Products such as tuna and sardines will remain popular among Singaporeans, the same as frozen shellfish.
- ✓ **DISPARATE BEHAVIOR BETWEEN PRESERVED FRUITS AND PROCESSED VEGETABLES.** While sales of "shelf-stable" fruits (packed, sliced and ready to serve) will increase by 5.3% for the next five years, the demand for vegetables in this presentation will fall by 6.7%. The key factors that will drive sales of processed fruits are convenience and the relatively specialized use of these products because they reduce the time and effort required to prepare dishes such as salads, cocktails and other appetizers
- ✓ **RECOVERY OF FASHION SALES.** Although the sales of apparel fell by 1.5% in 2015 due to lower tourist arrivals and the economic slowdown, it is expected that for the next five years these will increase by 7.5%. Nevertheless, it should be noted that Singapore has a mature market for fashion products so that differentiating elements such as quality fibers and design could mean opportunities for differentiation.