

MEDIA RELEASE

IE Singapore partners the Singapore food industry to capture market share in the fast-growing Middle East F&B sector

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1. International Enterprise (IE) Singapore has partnered the Singapore Food Manufacturers' Association (SFMA) to lead the largest-ever delegation of 57 Singapore food companies to exhibit at Gulfood 2017 – the world's biggest annual food & beverage exhibition. This is the eighth consecutive year Singapore is participating in the event.
2. Gulfood has proven to be the key platform for Singapore food manufacturers to entrench and grow their market share in the Middle East while enhancing the brand and consumer experience of Singapore food. Estimated overseas sales from Gulfood 2016 amounted up to S\$40 million, a 21% increase from Gulfood 2015. The Middle East is the third fastest growing region among Singapore's key export markets. Singapore's food exports to the Middle East stood at US\$359 million in 2015¹.
3. Mr Yew Sung Pei, Assistant Chief Executive Officer of IE Singapore said, "IE Singapore has been working closely with SFMA over the years to bring Singapore's food industry global. We must move quickly to make an impact in emerging markets like the Middle East, and also innovate to meet the changing demands of consumers. The overwhelming response from Singapore companies at Gulfood 2017 is testament to the value of this platform and the significance of the market it serves."

¹ ITC Trademap

Singapore participation in Gulfood moving towards innovative products in 2017

4. Gulfood 2017, held from 26 February – 2 March, sees 57 Singapore companies – the biggest-ever contingent – participating under the Tasty Singapore pavilion, an increase from 49 participants last year. Nine are new to the show. Participating brands include Aalst Chocolate², Cheng Yew Heng³, Ha Li Fa⁴ and Vega Foods⁵. Gulfood is a popular trade show for distributors and buyers from the Middle East, Africa and South Asia, leveraging Dubai as the regional distribution hub and effective gateway to the region. A participant of Gulfood since 2011, Vega Foods directly attributes its successful entry into new markets including Bahrain, Oman, Saudi Arabia and the United Arab Emirates to the platform. The company also uses the platform to reach a wide range of existing and prospective clients from Africa.
5. Over the years, Singapore's participation in the show has evolved. In line with the Food Manufacturing Industry Transformation Map (ITM) to build consumer-centric food solutions, IE Singapore and SFMA have introduced products with "Healthier Choice" logos from over 12 companies and 'Food Innovation Product Award' entries from more than 20 companies within the Pavilion for the first time. This is in response to consumer preferences for healthier options and more innovative products, reflecting a deliberate shift from initial years when the approach to trade shows was exhibitor-centric.
6. Over 15 Singapore companies will launch new products at Gulfood 2017. For example, Aalst Chocolate, a B2B business, will roll out its Aalst Dark Chocolate Bar for consumers for the first time, while sauce manufacturer Top Choice will be introducing its Singapore Chili Crab retail pack.
7. Mr Jimmy Soh, Deputy President of SFMA said, "Singapore's food manufacturing industry is increasingly seeking opportunities in key overseas markets such as the Middle East. Trade shows like Gulfood are important for companies to interact with potential distributors/buyers, obtain market and competitor insights and build global mindshare for their products. We will continue to work closely with IE Singapore on activities to help Singapore food manufacturers develop new channels to expand overseas effectively."

² Aalst Chocolate is a manufacturer and marketer of chocolates and bakery products for retail and food services.

³ Cheng Yew Heng is a manufacturer, distributor, marketer and trader of sugar and sugar products

⁴ Ha Li Fa is the manufacturer of frozen Asian snack food under BoBo brand.

⁵ Vega Foods is a manufacturer and marketer of a wide range of food and beverage products.

Singapore products have a strong edge in the Middle East

8. Sales of packaged and processed foods across the Middle East is forecasted to grow to US\$52 billion in 2017⁶. Consumption power within the GCC⁷ is also strong, with per capita income over US\$40,000⁸. The trend towards convenience foods coupled with strong consumption growth presents exciting opportunities for Singapore food manufacturers.
9. IE Singapore observes that the Middle East consumers are now more aware of alternative food options and differentiate between products within the same category by taste, packaging and nutritional benefits. A key factor for success lies in the ability to adapt product characteristics to suit market requirements.
10. As Islam is the most widely practised religion across the region, all food products must comply with Halal standards. About 79% of the United Arab Emirates' 9.2 million⁹ population are immigrants including expatriates, with the majority being South Asians, East Asians and Westerners. The cosmopolitan nature of the community, rising disposable incomes and increasing health consciousness have led to growing demand for gourmet food products and healthier food options. This puts Singapore, with its well-regarded Halal food system and multi-cultural heritage, in a strong position to offer a diverse mix of food products that are Halal-compliant.
11. Higher tourist flows to Asia, robust quality assurances, cost competitiveness of Asian products, and a growing Asian population in the Middle East have also led to greater awareness and popularity of Asian offerings in the Middle East.
12. Singapore companies that have been exporting into the Middle East include Tai Hua, Tat Hui Foods (Koka), Tee Yih Jia, Food Empire and Tong Garden. We also see the growth of food services companies like Commonwealth Capital (PastaMania) and Breadtalk expanding across the Middle East.

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⁶ Source: Athena Marketing International

⁷ GCC countries are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE)

⁸ Source: Athena Marketing International

⁹ Source: The World Factbook, 2017

Note to Editor

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