



Flanders
State of the Art

A close-up photograph of a tray of chocolates. The chocolates are arranged in a grid pattern. Some are round with white chocolate and dark chocolate stripes, some are round with dark chocolate and white chocolate stripes, and some are round with dark chocolate and white chocolate stripes. The tray is made of a light-colored material, possibly wood or metal.

**CHOCOLATE CONFECTIONERY
SECTOR - REPORT**

IN SINGAPORE

FLANDERS INVESTMENT & TRADE MARKET SURVEY



SINGAPORE CHOCOLATE CONFECTIONERY SECTOR REPORT

Irene Gan
Market Analyst

i.o. Luc Fabry
Trade and Investment Commissioner

FLANDERS INVESTMENT & TRADE
ROYAL EMBASSY OF BELGIUM
8 Shenton Way
#14-01 AXA Tower
Singapore 068811
Tel: (65) 6227 3997
Fax: (65) 6227 7349
Email: irene.gan@fitagency.com
www.flandersinvestmentandtrade.com

General overview of Chocolate Confectionery in Singapore

Singapore has a well-developed market for confectionery products. According to MarketLine, the Singaporean confectionery market grew by 2.2% in 2014 to reach a value of \$483.4 billion and it is forecasted to have a value of \$536.4 million in 2019¹. The largest segment of the confectionery market in Singapore is chocolate which accounts for 59.9% of the market's total value.

Chocolate confectionery is expected to record a value CAGR of 5% at constant 2015 prices over the forecast period according to Euromonitor International². Gourmet chocolates continued to rise in popularity as consumers continue to purchase more premium chocolate confectionery. The demand for premium chocolates leads to the increase of unit prices for chocolates in 2010. According to industry sources, the average chocolate consumption is about 2kg per person per year³.

The health benefits of chocolate and the trend toward luxury have spurred sales in the gourmet chocolate market. This has been proven by studies suggesting that cocoa or dark chocolate may contain certain beneficial effects on human health. With increasing health conscious consumers, the demand for chocolate confectionery in smaller pack sizes will continue to grow in terms of value growth than volume due to higher unit prices.

Singapore chocolate market can be divided into a few segments which covers *low end Asian produced dark compound chocolates, chocolate bars and novelties, imported gourmet chocolate and gift chocolates*. Gourmet chocolates represent a considerable market share in Singapore because consumers are more willing to spend on premium quality confectionery products as compared to the past. This upward trend has led to the *resurgence of chocolate boutique or café* in Singapore. The main competition for Belgian gourmet chocolates are *imported Swiss chocolates and fresh handcrafted chocolates by chocolate boutiques* in Singapore.

Singapore is no longer an emerging market for chocolate confectionery because the chocolate market is too saturated and well-developed by international players. Ferrero SpA maintained its leadership of the category in 2015 with a 23% retail value share⁴ due to its strong portfolio of brands. Premium chocolatier, Lindt has a strong position in the chocolate retail market. Earlier this year, Lindt announced their plan to work with market expansion service group, DKSH Singapore (www.dksh.com.sg) to further strengthen its position where the demand for premium chocolate is rising. DKSH provide marketing, sales, merchandising, distribution, logistics and back office support for confectioners such as Lindt and Perfetti Van Melle.

Belgian chocolates are available in both retail supermarkets and specialty/confectionery stores. Gourmet chocolates such as Leonidas, Godiva and Neuhaus are sold in confectionery stores, The Cocoa Trees and Godiva Specialty Store. Apart from these brands, Chocolaterie Duc'do and The Belgian Chocolate Group are also available in The Cocoa Trees outlets. Chocolaterie Guylian is available in major supermarkets, Cold Storage and Fairprice.

¹ Confectionery in Singapore Industry Profile by MarketLine, August 2015

² Chocolate Confectionery in Singapore Report - <http://www.euromonitor.com/chocolate-confectionery-in-singapore/report>

³ "When David meets Goliath" - The Business Times 10 May 2011

<http://www.spring.gov.sg/NewsEvents/ITN/2011/Pages/When-David-meets-Goliath-20110510.aspx>

⁴ Chocolate Confectionery in Singapore Report - <http://www.euromonitor.com/chocolate-confectionery-in-singapore/report>

Distribution channel for chocolate confectionery products in Singapore

Confectionery products such as chocolates, candies and cakes are distributed through local confectionery importers to foodservice industry (cafes and hotels) and retail distribution channels such as supermarkets, hypermarkets, convenience stores and departmental stores. Supermarkets continue to dominate the sales of confectionery products in Singapore.

During seasonal period, leading supermarket chain such as Fairprice and Cold Storage also imports directly from chocolate companies for sales in their retail chains.

List of Major Confectionery and Chocolate Importers

Associate & United Distributors Pte Ltd

128 Joo Seng Road #07-00 Singapore 368356

Tel: (65) 6289 4204 / (65) 6289 4324

Fax: (65) 6289 6741

Website: www.aud.com.sg

Euraco Fine Food Pte Ltd

Block 219 Henderson Road #01-03 Henderson Industrial Park Singapore 159556

Tel: (65) 6276 5433 Fax: (65) 6276 2978

Website: www.euraco.com.sg

DKSH Singapore Pte Ltd

34 Boon Leat Terrace Singapore 119860

Tel: (65) 6471 1466 Fax: (65) 6479 9104

Website: www.dksh.com

Focus Network Agencies (S) Pte Ltd

87 Defu Lane 10 #02-01 MEC Technocentre Singapore 539219

Tel: (65) 6858 1800 Fax: (65) 6858 1808

Website: www.thecocoatrees.com

Frosts Food & Beverage Pte Ltd

24 Tuas Avenue 12 Singapore 639041

Tel: (65) 6862 2166 Fax: (65) 6861 1066

Website: www.frosts.com.sg

K.A. Zareena & Co.

35 Tannery Road #02-01 Tannery Block Ruby Industrial Complex Singapore 347740

Tel: (65) 6749 3951/96183040 Fax: (65) 6749 4312

Kaimay Trading Pte Ltd

66 Sungei Kadut Loop #03-00 Singapore 729503

Tel: (65) 6425 0363 Fax: (65) 6425 0764

Website: www.kaimay.com.sg

Shopping Bag (S) Pte Ltd

One Temasek Avenue #21-01 Millenia Tower Singapore 039192
Tel: (65) 6887 5888 Fax: (65) 6309 3250

Shriro (S) Pte Ltd

11 Chang Charn Road #06-01 Shriro House Singapore 159640
Tel: (65) 6472 7777 Fax: (65) 6472 1792
Website: www.shriro.com.sg

List of Major Supermarket Chains and Hypermarkets

Cold Storage Supermarket

21 Tampines North Drive 2 #03-01 Singapore 528765
Tel: (65) 6891 8000 Fax: (65) 6746 7861
Website: www.coldstorage.com.sg

Giant Hypermarket

21 Tampines North Drive 2 #03-21 Singapore 528765
Tel: (65) 6891 8000 Fax: (65) 6565 5431
Website: www.gianthypermarket.com.sg

NTUC Fairprice

1 Joo Koon Circle #13-01 FairPrice Hub Singapore 629117
Tel: (65) 6592 1300 Fax: (65) 6452 2241
Website: www.fairprice.com.sg

Apart from supermarket chains, specialty stores and chocolate boutiques are very popular in Singapore. There are a few notable chocolate companies from Belgium such as Godiva and Guylian that started their boutiques in Singapore. The mainstream brand such as Hershey Chocolates Company have move up the value chain by creating its own flagship store in Singapore as well. The largest importer/distributor and retailer of chocolate confectionery products in Singapore is The Cocoa Trees, owned by Focus Network Agencies.

Major departmental stores in Singapore typically has a food hall or gourmet segment where chocolates & confectionery, condiments, seasonal, wine and other gourmet food products are available for shoppers.

List of Major Department Stores

Robinsons Department Store

260 Orchard Road Singapore 238855
Tel: (65) 6735 8838
Website: www.robinsons.com.sg

Robinsons at Heeren has a gourmet food hall where cafes, restaurants and Marks & Spencer food hall are available with selection of gourmet food products such as chocolates, confectionery, wine, condiments and chilled products.

Tangs Department Store

310 Orchard Road Singapore 238864
Tel: (65) 6737 5500
Website: www.tangs.com

Tangs department store has a Tangs Food hall where one can find a range of gourmet food products made locally and internationally. The Providore café and gourmet store is also located within Tangs Food hall.

Takashimaya Department Store

391A Orchard Road, Singapore 238873

Website: www.takashimaya.com.sg

Takashimaya department store has the largest basement food hall where one can find a gourmet village, gourmet confectionery & grocery stores. Harrods store is also located in the basement of Takashimaya food hall.

The following list is specialty stores, gourmet shops and chocolate boutiques in Singapore:-

[List of Specialty Stores](#)

The Cocoa Trees

The Cocoa Trees is owned by The Focus Network Agencies (www.thecocoatrees.com). FNA also manages Cocoa & Co. retail outlets, M&M Concept Stores, Choc Spot and Godiva Specialty Stores in Singapore Changi Airport. Total outlets: 20 outlets.

Focus Network Agencies (S) Pte Ltd

87 Defu Lane 10 #02-01 MEC Technocentre Singapore 539219

Tel: (65) 6858 1800 Fax: (65) 6858 1808

Website: www.thecocoatrees.com

Candy Empire Pte Ltd

Candy Empire is Singapore's largest chocolate and candy gourmet shop with a wide range of products from Australia, Europe and United States owned by K.A. Zareena. Total outlets: 4 outlets.

K.A. Zareena & Co.

35 Tannery Road #02-01 Tannery Block Ruby Industrial Complex Singapore 347740

Tel: (65) 6749 3951 Fax: (65) 6749 4312

Website: www.candyempire.com.sg

Total outlets: 8 outlets

Candylicious

Candylicious is owned by Gill Capital (S) Pte Ltd under the trading arm of Shopping Bag (S) Pte Ltd.

Candylicious

One Temasek Avenue #21-01 Millenia Tower Singapore 039192

Tel: (65) 6887 5888 Fax: (65) 6309 3250

Website: www.candylicious.com.sg

Total outlets: 3 outlets

Choco Express

128 Joo Seng Road #07-02 Singapore 368356

Tel: (65) 6289 4204 Fax: Fax: (65) 6289 6741

Website: www.chocoexpress.com.sg

Total outlets: 10 outlets

[List of Gourmet Shops](#)

Dean & DeLuca (www.deandeluca.com)

Zircon-Swis Fine Foods (www.zirconswis.com.sg)

Oh Deli (www.ohdeli.com.sg)

The Cheese Shop (www.cheeseshop.sg)

The Providore Shop (www.theprovidore.com)

Redmart (<https://redmart.com>)

[List of Chocolate Boutiques](#)

Awfully Chocolate (Singapore)
Beschle Chocolatier Suisse (Switzerland)
Chocz (Singapore)
Godiva (Belgium)
Guylian Belgian Chocolate Café – only available in Changi International Airport (Belgium)
Hediard Café (France)
Hello Chocolate (Singapore)
Laurent Bernard Café and Chocolate Bar
Royce (Japan)
SINS Choc (Singapore)
Teuscher Chocolate (Switzerland)

Duty free channel is a growing segment for chocolate confectionery sales in Singapore. Travelers are considered a consumer group worth targeting for higher confectionery sales. The relationship between the duty free industry and chocolate companies is considered as multi-directional. The duty free prices for chocolate products cannot be higher than the retail trade. Belgian chocolatiers such as Duc D'o, Godiva, Guylian and Neuhaus are doing very well in this segment. The major retailers of duty free confectionery in the Singapore Changi Airport are Cocoa & Co, M & M (both operated by Focus Network Agencies) and Candy Empire (operated by K.A. Zareena). Destination collections and novelty gifts are getting popular in Singapore amongst tourists as well.

Challenges for chocolate confectionery market in Singapore

The retail trade is rather expensive for chocolate products in highly sales performance oriented supermarkets and hypermarkets. Listing fees for retail trade are dependent on the stock keep unit (SKU) of a particular brand. This does not include brand management and marketing support. Hence, most importers in Singapore source for established international brands or chocolate companies that would invest on brand building especially in the retail trade. Apart from expensive listing fees, major confectioners or chocolatiers also partner with marketing services agency such as DKSH to market their products and build their brand in the region. However, an agency such as DKSH works exclusively with major and established brands instead of small chocolatier or confectioner.

A major challenge for gourmet chocolates such as pralines and truffles are maintaining freshness and quality. Handmade pralines and truffles is considered as sensitive products when it comes to right temperature storage and shelf life. Gourmet chocolates tend to have a shorter shelf life as compared to ordinary chocolate confectionery. Singapore is a relatively small market with affluent consumers who seeks for novelty and quality products. Although international brands are well-known by locals, the chocolate confectionery market has to constantly offer a wide selection and novelty products that appeals to the end-consumers.

Market trends & prospects for gourmet chocolates in Singapore

In order to penetrate into the saturated chocolate market, Belgian chocolate companies should develop a niche market with high quality and novel products that can be accepted by the Singapore market. Supermarkets and hypermarkets are the main distribution channels for mass market reach and higher sales volume. In order to stay competitive in the retail trade, companies need to consider affordable pricing for their chocolate products and investment in marketing efforts to push for awareness. For exclusivity, premium chocolate companies should work closely with specialty stores with an emphasis on product differentiation as compared to the established brands in the market.

Consumers prefer filled chocolates, exotic chocolates and gift chocolates products as compared to plain chocolate bars. Halal-certified gourmet chocolates can be a potential growth segment, not just in Singapore. It can also be a gateway to enter the gourmet chocolate industry in neighbouring countries such as Brunei, Malaysia and Indonesia. Organic chocolates and confectionery products is highly sought after by supermarkets and organic shops in Singapore.

Apart from personal consumption, chocolate is considered as a gift item. This has led to high demand for specialty packed festive gourmet chocolates especially during Christmas and Chinese New Year season (between November and February). Due to the popularity, local importers source for one-time import of festive chocolates mainly from Belgium and Switzerland. These are widely distributed to local supermarkets as well as specialty store. Standard boxed assortments are expected to grow further in the chocolate confectionery market as consumers purchase such products as gifts. There is a potential market for exclusive chocolate gifts for corporate clients in Singapore particularly specially designed premium chocolates. The demand for destination chocolates with signature symbols of Singapore as a gift is increasing, not only with the duty free retail trade but also in supermarkets and speciality stores.

The duty free retail industry will be a potential growing market segment for chocolate companies as an alternative distribution channel based on the high tourist arrival rates in Singapore. In recent years, The Cocoa Trees have successfully strengthen its position in the duty free retail market at Singapore Changi Airport with the opening of new specialty stores including Cocoa & Company as well as Godiva Specialty Store. Other than end consumers, chocolate companies can consider corporate gifts as a potential market.

Import regulations for chocolate confectionery products in Singapore

Singapore is essentially a free port for imported confectionery and snacks. Thus, no import duties are levied on imported confectionery and snacks. Chocolate with or without alcohol content are not dutiable by Singapore Customs. A **7% Goods and Services Tax** will be imposed for all import of chocolate products into Singapore.

A chocolate producer who wishes to export its products into Singapore is required to appoint a local importer. The exporter is required to submit a manufacturing license issued by the relevant authority in the country. The manufacturing license is submitted to the appointed importer for the application of import license. The local importer will have to apply for the import license through **the Agri-Food & Veterinary Authority (AVA) of Singapore**.

The **use of stevia as an ingredient in chocolate confectionery in Singapore is currently not allowed** by AVA Singapore unless the product is labelled as a health product.

AUTHORITY

AGRI-FOOD & VETERINARY AUTHORITY (AVA)

Website: www.ava.gov.sg

The Agri-Food and Veterinary Authority (AVA) ensures that processed food available in Singapore, both imported and locally manufactured, is safe for consumption.

Trade event relating to food and beverage in Singapore

FOOD AND HOTEL ASIA

Date : 24 to 27 April 2018

Venue : Singapore Expo

Website: www.foodhotelasia.com

A biennial exhibition for the food & beverage industry and hotel and hospitality industry, featuring seven specialized events – FoodAsia, Wine&SpiritsAsia, HotelAsia, BakeryAsia, ServiceTechAsia, HospitalityStyleAsia and FHA Culinary Challenge.

Organiser: Singapore Exhibition Services Pte Ltd
10 Kallang Avenue,
#09-16, Aperia Tower 2
Singapore 339510
Tel: +65 62336638 Fax: +65 62336633
Website: www.sesallworld.com
Email: tsm@sesallworld.com
Contact: Ms. Tng Siew Mui

Flanders Investment and Trade will be participating at the Food and Hotel Asia 2018 with a country pavilion. Belgian companies who are interested to participate in this major food trade show, you may contact our colleague in Brussels for more information on our participation:

Contact Person:

Ms. Annemieke Tollenaere

Project Manager

Flanders Investment and Trade

Email: annemieke.tollenaere@fitagency.be