

Export Market Development Guidebook

Rock Lobster (HS Codes 030631, 030621, 030611, 030691) in
Singapore

June 2021

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Australian Government
Australian Trade and Investment Commission



Euromonitor
Consulting



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Introduction

Project Background & Objectives

In December 2020, Austrade was allocated AUD42.9 million in funding to boost its support for Australian agri-food exporters.

Austrade primarily focuses its services on impact and reach. As part of its services, Austrade aims to increase assistance to an extra 2,000 agri-food exporters each year, as well as work with industry bodies to deliver specific advice to exporters about opportunities in existing and new markets.

Euromonitor International is working with Austrade in delivering such services, via the provision of enhanced market intelligence reports, that help Australian exporters make informed decisions.

The key objectives of the research are as follows:

- Understanding market volumes and dynamics
- Evaluating the role played by local production versus trade
- Assessing the different channel/customer preferences and wider implications these have on demand for Australian products
- Understanding the distribution landscape in terms of key players operating within the different channels
- Understanding pricing dynamics across different channels and their impact on demand for Australian products
- Evaluating the competitive environment to assess Australian products' positioning
- Assessing import and trade regulations

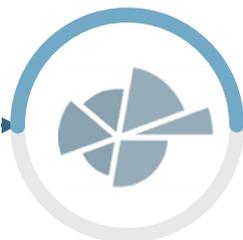
Overview of the research method applied

PROJECT ALIGNMENT & KICK-OFF



- Project alignment discussion on processes, objectives, goals, communication responsibilities/frequency, reporting needs and timeline
- Knowledge transfer

TEMPLATE PRODUCTION AND DATABASE ACCESS



- Development of research templates and an initial draft reporting template
- Central sweep of publicly available sources, including **governmental and quasi-governmental sources**, as well as **trade associations, industry publications and analyst groups** tracking agricultural trade and market conditions

PRIMARY RESEARCH & TRADE DATA COLLECTION



- **Trade data extraction**
 - Retail audits to understand the distribution landscape (six stores in one key city)
 - **Discussions with key players** including, but not limited to importers, distributors, retailers, and industry associations
- N* = 6 interviews

ANALYSIS & REPORTING



- **Triangulation of results** to create a consensus output
- Multi-layer **quality control**
- **Delivery of the final report** (including the presentation pack, ie a highly visual executive summary of key findings)
- Austrade review, commentary, and report refinement and finalisation

List of stores audited and companies interviewed in Singapore

For the purpose of this research, Euromonitor International conducted detailed store audits in May-June 2021 and trade interviews with the following companies:



Stores audited in Singapore

The Ocean Mart, seafood retailer

Evergreen Seafood, seafood retailer

Sunxion Seafood, seafood retailer

Seafood Market Place, seafood retailer (online)

Ninja Food, seafood retailer (online)

Zairyo, seafood retailer (online)



In-depth trade interviews conducted

Allswell Marketing Pte Ltd, specialist seafood distributor/importer/retailer

Evergreen Seafood Pte Ltd, specialist seafood distributor/importer/retailer

Sunxion Seafood Pte Ltd, specialist seafood distributor/importer/retailer

GER Trading Pte Ltd, specialist seafood distributor/importer/retailer

Independent Wet Market Seafood Stall Owners, retailer

Singapore Food Agency, government agency

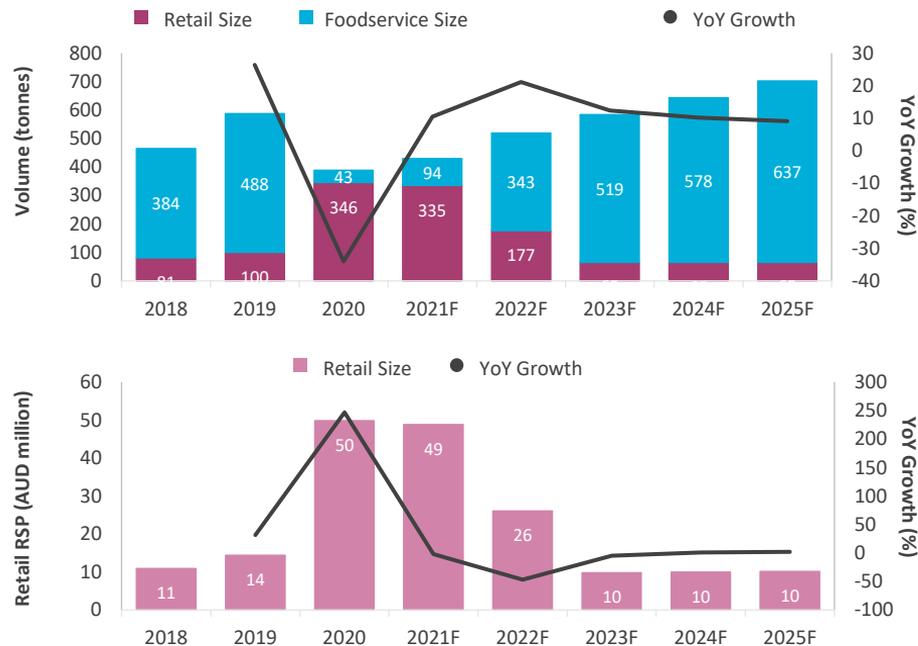
Market Volumes and Dynamics

COVID-19 and government measures to fight the pandemic did not only lead to a significant drop in consumption in 2020 but significantly changed the split between retail and foodservice. As a result of strict lockdown measures, dine-in restrictions and the absence of tourists from China and Hong Kong, foodservice sales plummeted.

However, the market was benefiting from the trade war between Australia and China, as prices for Australian rock lobsters decreased significantly, making them more affordable and desirable for retail customers.

Affordable prices influence retail consumption while demand from foodservice falls due to COVID-19

Rock Lobster Consumption in Singapore 2018-2025



Source: Euromonitor International estimates as per UN Comtrade and Trade Map trade statistics, additional secondary research and trade interviews

Note: Rock lobsters covers HS Codes 030631, 030621, 030611 and 030691.



Rock Lobster

Total consumption: 388.4 tonnes, 2020

- Due to the Australian-China trade war, rock lobster **prices dropped due to oversupply**, allowing Singaporean customers to purchase rock lobsters at a lower price from specialist seafood retailers, causing a **spike in retail demand**. This is partially reflected in a 245% rise in 2020 retail consumption compared to 2019.
- **Foodservice outlets' consumption**, on the other hand, was **limited** due to the COVID-19 lockdown measures imposed in Singapore, restricting dine-in. Foodservice outlets are **slated to open gradually back to their full operating capacity by 2022**, inviting more customers back.
- International databases show **minimal local production of mostly mud spiny lobsters** off the coast of Singapore. However, they are **not commonly sold in Singapore** due to **customer preference for imported products instead of local produce**.
- The common rock lobsters that are found in Singapore are from **Australia, Indonesia and North America (Boston lobster)**.

Local Production Dynamics

A small production capacity for mostly mud spiny lobsters currently accounts for 7% of the overall market size. However, as Singaporean consumers do not react well to domestic premium products (with imported ones being seen as higher-quality), it is highly unlikely that local production will expand and play a major role in the future.

Domestic production of rock lobster is expected to remain negligible, as consumers regard domestically produced seafood as inferior

- Local production of rock lobsters is minimal, as the domestic seafood industry is still in its infancy. **Local marine aquaculture farms and fisheries**, accounting for 9% of overall seafood consumption and **7% of rock lobsters in 2020**, currently lack the **expertise and technology** to compete with other countries. Most local consumers regard **Singaporean seafood as a low-quality option**, best to be avoided.
- While broad government support programs under the “30 by 30” umbrella* as well as growing expertise in the field through targeted university programs will likely strengthen the share of Singaporean seafood until 2025, **a significant uptake of local rock lobster production/farming remains unlikely**.
- Sold and bought as a **premium product** for special occasions or high-end foodservice outlets, **imported rock lobsters are likely to remain dominant until there is a significant shift in the perception** of local seafood (from inferior to at least of equal quality to imported products).



Rock Lobster

Production CAGR, 2021-2025:
2.5%

Rock Lobster Production in Singapore 2018-2025



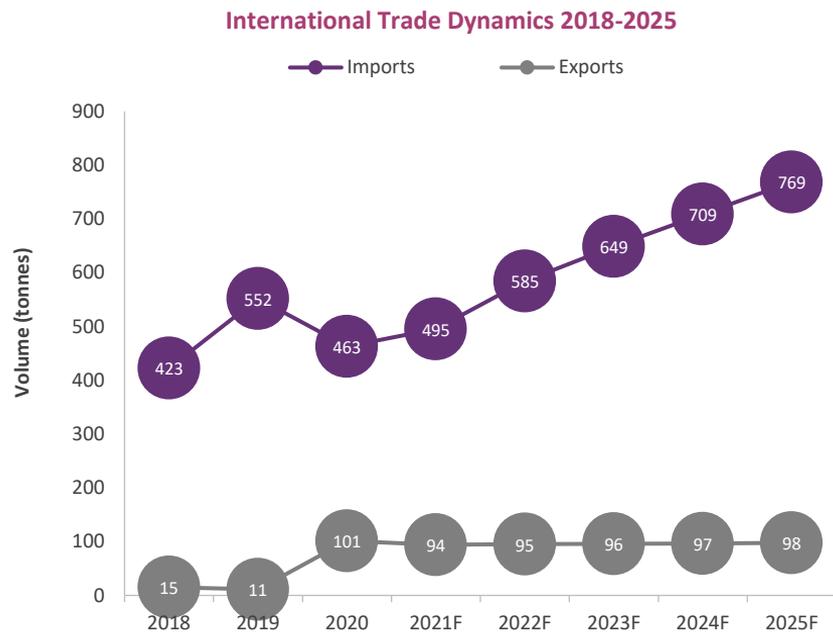
Source: Euromonitor International estimates as per FAO database

Trade Dynamics

Rock lobster imports dropped in 2020, due to travel and foodservice restrictions. However, the industry is expected to recover in line with growing tourism numbers and a return to normal for the foodservice industry. Growing demand will continue to be answered by imports which should reach pre-COVID-19 levels by 2022.

A Hong Kong travel bubble (which was announced but postponed twice) could speed up the process.

With the exception of 2020, rock lobster imports are expected to thrive and answer growing demand for this delicacy among Chinese consumers



Source: Euromonitor International estimates as per UN Comtrade and Trade Map statistics, trade interviews, secondary research

Note: Rock lobsters cover HS Codes 030631, 030621, 030611 and 030691.

Import and export forecasts are made without extensively analysing trade and non-trade barriers. The forecasts are based on historic performance and prospects as gathered from trade discussion.



Rock Lobster

11.6% CAGR Imports, 2021-2025
0.9% CAGR Exports, 2021-2025

- As the local seafood industry has not adopted broad rock lobster production yet, **imported products remain dominant**. Singapore's free trade strategy and the absence of any significant trade barriers allow for **easy imports, while a large Chinese consumer base ensures constant and strong demand**.
- Consumption dynamics changed in 2020, as rock lobster **imports saw a decline of -16%, while exports spiked**: demand plummeted in line with **lockdown measures and foodservice and travel restrictions**.
- However, as Singapore and the world is recovering from COVID-19, growth and a return of foodservice demand is expected.
- 2021 will likely see growing demand, which will translate into **7% growth in imports** from 2020 to 2021. A return to normal over the forecast period is expected to support a **CAGR (2021-2025) of 11.6%**. A major boost in 2021 could already come from a **Hong Kong-Singapore travel bubble** (quarantine-free travel agreement), which was announced but postponed twice already.

Singapore sources its rock lobster from all around the world with China dominating the imports

China

151 tonnes (27.4%), 1569.9% growth 2018-2019
AUD1.9 million (18.0%), 732.5% growth 2018-2019

- China is one of the **largest importers and exporters of lobsters in the world** as Chinese consumers have a liking for lobsters and crustaceans. The country has become a transit hub for rock lobsters from the US, which are often **re-exported** into Southeast Asia, including Singapore.

Indonesia

149 tonnes (27.0%), -25.5% growth 2018-2019
AUD1.1 million (10.2%), -51.1% growth 2018-2019

- Legislation changes to further **support rock lobster farming** in Indonesia could potentially see Indonesia become the **largest producer of rock lobsters in the world**.
- Indonesian lobsters are now largely seen across seafood retailers in Singapore. Usually smaller in size, they are currently the **most affordable rock lobster** option in the market.

US

27 tonnes (4.9%), 23.8% growth 2018-2019
AUD0.9 million (8.3%), 17.6% growth 2018-2019

- Californian spiny lobsters are **extremely popular among Chinese consumers** as they are sweeter than other lobster species and **bright red in colour** (associated with prosperity in Chinese culture).
- Boston lobsters** (a generic term for lobsters from North America) are among the most popular ones and a favourite in foodservice due to their **affordability**.

Canada

93 tonnes (16.9%), 138.8% growth 2018-2019
AUD2.0 million (18.7%), 100.6% growth 2018-2019

- Canadian lobsters are known to be **larger, with tender but slightly denser meat**, making them perfect for **popular dishes such as lobster roll**. They also have pincers and crusher claws which means more meat for the consumers.



“Compared to other lobster species, rock lobsters are sold at an exorbitant price. However, as the Chinese saying goes ‘you get what you pay for’, consumers are still willing to purchase them simply due to the quality and freshness that it provides.”

- Operations and Sales at The Ocean Mart

“Australian rock lobster is widely known as the best tasting lobster species in the Singaporean market and can be consumed in many ways: sashimi, hotpot, grilling and steaming. Perfect for family feasts.”

- Supervisor at Sunxion Seafood



Despite being the most expensive lobster species that can be found in Singapore, Australian rock lobsters are in high demand among Singaporean consumers due to their reputation for excellent taste and freshness.

Channel and Consumer Preferences

Rock lobsters are sold exclusively through seafood specialists throughout the year in Singapore, while smaller quantities can be found at wet markets during peak seasons (Christmas and the Lunar/Chinese New Year).

Rock lobster consumption in Singapore is driven by the migration of ultra-rich Chinese families, rising household income and health-conscious consumers

Migration of ultra-rich Chinese families

Image source: The Straits Times



The Global Investor Program (GIP) opened direct pathways to residency for many ultra-rich Chinese families

Lobster is a **popular home-cooked dish** among families in China as it is delicious, and red, a **colour that represents prosperity in Chinese culture**.

Due to the COVID-19 pandemic, many ultra-rich families are migrating from China to Singapore as it is viewed as a "safe haven". This is made possible through the **Global Investor Program (GIP) of the Enterprise Development Board of Singapore (EDB)**.

Rising household income

While lobsters are not the cheapest option compared to other crustaceans and seafood (being priced between AUD40 and AUD100 per piece), rising household income in Singapore **means that more people can afford the prized delicacy than before**.

Due to the rise in the number of working couples and education levels, the overall **median household income** is expected to rise at a CAGR (2021-2025) of **4.0%**, naturally **increasing the potential target group** for luxury products such as rock lobster.



Image source: The Straits Times

More working couples in families meant that overall household income has increased, making rock lobsters more affordable

Increasingly health-conscious consumers

Image source: Evergreen Seafood's Website



Rock lobster is known to be rich in protein and low in calories and fats making it an ideal choice for health-conscious consumers

The **rise of health-conscious consumers** in Singapore is driving consumption of nutrient-rich rock lobsters.

Lobster is known to be rich in protein and low in calories and fats. Furthermore, it is known to be a **rich source of nutrients like vitamin E, Omega-3 fatty acids, magnesium, phosphorus, copper and zinc**. Omega-3 fatty acids are a well-known component, best for heart disease patients, and recent years have seen increasing interest in and knowledge about this nutrient. A growing **eagerness to increase the intake of Omega-3 fatty acids** is expected to further benefit rock lobster sales.

Australian rock lobsters are prominently featured in seafood retailer stores but rarely found elsewhere

Seafood Retailer

Product Offer

- Seafood retailers sell mainly live (unbranded) rock lobsters **on their premises and through online stores**. Products are **differentiated by country of origin and size**. The most popular offerings are **Indonesian rock lobsters** as they are generally the **most affordable**.
- Live rock lobsters sold through seafood retailers weigh **500-800g** and are sold on a **per kg** basis.
- Australian rock lobsters are prominently featured by seafood retailers in their live tanks and are usually the **highest priced lobster species** in the store at around AUD133 per kg.

Australian Brands Positioning

- Australian rock lobsters are usually large and come with long antennas. They are **largely associated with the dragon from Chinese culture** as they do not have pincers and show a certain similarity in the look (dragons represent power, good luck, strength, and health). They are perceived as **higher-end products** compared to lobsters from other countries.

Wet Market Retailers

- Most wet market retailers only sell **frozen seafood in their physical stores and are rarely online**. Products are differentiated by their country of origin. Crustaceans, including rock lobsters, are **rarely seen** in this channel but are **sold occasionally especially during festivities (ie Christmas, Lunar New Year)**.
 - Frozen whole rock lobsters sold through wet market retailers weigh **400-700g** and are sold on a **per kg** basis.
 - Live rock lobsters are almost never sold via this channel. Only frozen rock lobsters are sold. Average prices of Australian rock lobsters are **around AUD138 per kg**.
-
- Australian rock lobsters are **very rare** in wet markets and are considered premium among wet market consumers due to their high unit prices.
 - Consumers usually have to **place an order** with the wet market retailer **in advance (2-3 days)** and delivery is **subject to availability** from the supplier as they do not want to risk wastage (high risk of profit loss).

Live rock lobsters are displayed in live tanks while frozen ones are displayed on a bed of crushed ice to highlight quality and freshness

Seafood Retailers

Shelf Spacing/Marketing

- Live rock lobsters are placed in **large tanks** with circulating cold water and an oxygen pump. They are usually **placed somewhere in the middle of the store together with other crustaceans** and are **manned by employees** who will help consumers retrieve them for sale.
- Information such as **preparation method** as well as the **country of origin** are shared with the consumers to **underline the quality and freshness** of the product.

Procurement

- Seafood retailers usually organise **imports themselves and deal with overseas suppliers directly** to ensure quality and an acceptable profit margin.
- Most seafood retailers procure only live rock lobsters.
- All live rock lobsters are **flown in through Changi airport** and displayed directly in large tanks.
- Damaged content will be frozen and sold in-store at a discounted price.

Wet Market Retailers

- Frozen rock lobsters are placed on a **bed of crushed ice** that is replenished occasionally to ensure that the product **remains chilled and fresh** until the point of sale. They are usually **placed near frozen tiger prawns and other crustaceans**.
- Information such as the **country of origin** and its unique appearance will be shared with consumers to attract their attention and **highlight the quality** of the product.

- Wet market retailers usually work with a group of other retailers to enjoy bulk discounts and procure their seafood mainly from specialist seafood distributors and suppliers or via Jurong Fishery Port.



Australian rock lobsters are known for their long antennae and red shell, commonly associated with dragons in Chinese culture, which is a symbol of power



LIVE ROCK LOBSTER

Live Rock Lobster 活竹龙虾

Live Rock Lobster, also known as Spiny Lobster or Bamboo Lobster, is a lobster found in warm tropical waters. Wild caught from Indonesia.

Its appearance is marked by its bright spotted colouring and long, stiff antennae.

Unlike the Boston/Maine Lobster, live Rock Lobster do not have large claws so its medium sweet, snowy white flesh with delicate flavour is mainly for sashimi or lobster tail. Its body and legs are often used to create a rich lobster broth or ramen.

Choose to have your live Rock Lobster cut or delivered live to your home.

Live Rock/Spiny Lobster Recipe

Live rock lobster sashimi, grilled rock lobster, roasted herb butter spiny lobster, lobster porridge or ramen.

Indonesian rock lobsters remain among the most popular options in Singapore due to their affordability, despite being smaller than other rock lobsters



Lobster tails, where most of the lobster meat is located, are the most commonly found frozen lobster products in Singapore



Upon arrival on the premises, rock lobsters are prepared meticulously, cleaned of packing materials and placed straight into the live tanks with cold water



Rock lobsters are packed in styrofoam boxes with wood shavings soaked with the same water that the rock lobsters were initially placed in



On seafood retailer websites, there are instructions regarding method of preparation and recommended methods of consumption (ie sashimi, grilled)



Customer Reviews

No reviews yet

Foodservice outlets in Singapore are driving demand for rock lobsters with their local variations and novel innovations

Local variations of rock lobster dishes

Image source: Dentist Chef



Singapore Chili Lobster, a popular local flavoured lobster dish enjoyed by many local consumers.

Seafood restaurant chains are **taking inspiration from local flavours** that have been successful with other seafood products to cook their rock lobsters. For instance, the famous Singapore Chili Crab sauce is now used to cook with lobsters, creating a **familiar taste of nostalgia for local consumers**.

This item is now available in almost all seafood restaurant chains. Some are also **experimenting with other local flavours** such as curry and black pepper.

Rise in specialist lobster foodservice outlets

Specialist lobster restaurants such as Burger & Lobster and Lobsters & Ice Cream are **curating innovative lobster dishes** such as lobster meat burgers and lobsters served with ice cream to attract consumers in Singapore to try them. This is increasing awareness and sales of lobsters including rock lobsters.

Some foodservice outlets such as Dancing Crab have also **started serving lobsters (including rock lobsters) alongside their other offerings**.

Image source: Chope Deals



Burger & Lobster, London's popular specialist foodservice outlet serving lobster meat burgers opened in Singapore in 2019

Uptake in fine dining restaurants

Image source: Secret Life of Fatbacks



Fine dining restaurants continue to incorporate exquisite seafood such as lobsters into their dishes

Due to the **falling prices for high-quality products**, rock lobster dishes are being **incorporated into menus by various fine dining restaurants** across Singapore, with some earning recognition from famous food review websites.

For example, The Clifford Pier, a fine dining restaurant located in The Fullerton Bay Hotel, serves a unique combination of rock lobster and seafood egg tarts in its popular high tea menu.

Australian rock lobsters are widely known among consumers to be expensive but of outstanding quality

Seafood Restaurants

Product Preferences

- Seafood restaurants usually use **live rock lobsters** for their dishes. Most seafood restaurants in Singapore feature their **own live tanks to store and display** all their live seafood.
- **Live Boston lobsters and Indonesian rock lobsters** are the most popular among seafood restaurants in Singapore as they are **considered more affordable than lobsters from Australia**.
- On some occasions when an **event is happening or when guests make a reservation**, Australian rock lobsters can be requested to be served instead.

Australian Brands Positioning

- Australian rock lobsters are known among consumers to be the **most premium species**. However, the premium price points mean that only certain consumers with **higher purchasing power** can afford them.

Fine Dining Restaurants

- Fine dining restaurants **usually use live rock lobsters** to prepare their dishes except for occasions when they require their lobsters to be frozen such as for lobster sashimi.
- **Live Australian rock lobsters are widely used and are the preferred choice** in fine dining restaurants as the customers often have higher purchasing power and can afford to pay for the dishes.
- On some occasions, rock lobsters from Canada or California are preferred, dependent on the consumer's personal preference and product awareness.

- Australian rock lobsters are **known to be tender and smoother in texture**, making them **ideal for grilling and for sashimi** which is often prepared meticulously by fine dining chefs.
- They are also known **among consumers and chefs alike** to be the **most premium lobster species**.

Leading specialist retailers also function as suppliers for foodservice outlets in Singapore

Seafood Restaurants

Procurement

- Seafood restaurants often purchase their seafood from **trusted seafood retailers (which also function as distributors) in Singapore**. However, some of the **larger seafood restaurant chains** such as JUMBO have **vertically integrated their supply chain and removed intermediaries** from it.
- **Higher-end seafood restaurants** would prefer to serve **live Australian rock lobsters** but it depends ultimately on the purchasing power of the consumer and its cost price.
- The **MSP of rock lobsters** offered to foodservice is around **10-15% lower than the RSP** found in retail outlets. The **leading specialist seafood retailers are also the leading suppliers for foodservice outlets** and offer restaurants better prices due to the **higher quantities purchased**.

Fine Dining Restaurants

- Fine dining restaurants **work closely with local importers and distributors** and are often situated within 5-star hotels in Singapore.
- Depending on the **seasonality, availability and price**, local importers and distributors will **recommend different lobster species** for sale to restaurants.
- However, due to the **excellent reputation for quality**, fine dining restaurants might **specifically request Australian rock lobster**, if available.

Distribution

Due to the pandemic, most specialist seafood retailers turn to B2C sales due to the drop in demand in the B2B sector



Sunxion Seafood

(Sunxion Seafood Pte Ltd)

Specialist seafood retailer

Contact:

24 Seletar West Farmway 2
Singapore 798101

Tel: (+65) 9181 5882

Evergreen Seafood

(Evergreen Seafood Pte Ltd)

Specialist seafood retailer

Contact:

94E Jalan Senang
Singapore 418472

Tel: (+65) 6582 0111

The Ocean Mart

(Allswell Marketing Pte Ltd)

Specialist seafood retailer

Contact:

670 Geylang Road
Singapore 389597

Tel: (+65) 9322 3166

Seaco

(The Seafood Company Pte Ltd)

Specialist seafood retailer

Contact:

4 Defu Lane 9
Singapore 539246

Tel: (+65) 6288 1411
Fax: (+65) 6288 7477

Seafood restaurant chains remain the largest foodservice buyers for live rock lobster



JUMBO Seafood

(JUMBO Group Pte Ltd)

Foodservice restaurant chain

Contact:

4 Kaki Bukit Avenue 1
#03-08
Kaki Bukit Industrial Estate
Singapore 417939

Tel: (+65) 6265 8626
Fax: (+65) 6749 4955

Tung Lok Seafood

(Tung Lok Group Pte Ltd)

Foodservice restaurant chain

Contact:

26 Tai Seng Street
#02-01
Singapore 534057

Tel: (+65) 6270 7998
Fax: (+65) 6272 7120

Long Beach Seafood

(Long Beach Seafood Pte Ltd)

Foodservice restaurant chain

Contact:

60 Paya Lebar Road
#06-29
Paya Lebar Square
Singapore 409051

Tel: (+65) 6338 9398
Fax: (+65) 6338 6398

No Signboard Seafood

(No Signboard Holdings Ltd)

Foodservice restaurant chain

Contact:

10 Ubi Crescent
#03-02
Ubi Techpark, Lobby A
Singapore 408564

Tel: (+65) 6749 9959

A variety of specialist seafood retailers are known to be the biggest importers and distributors of rock lobster in Singapore

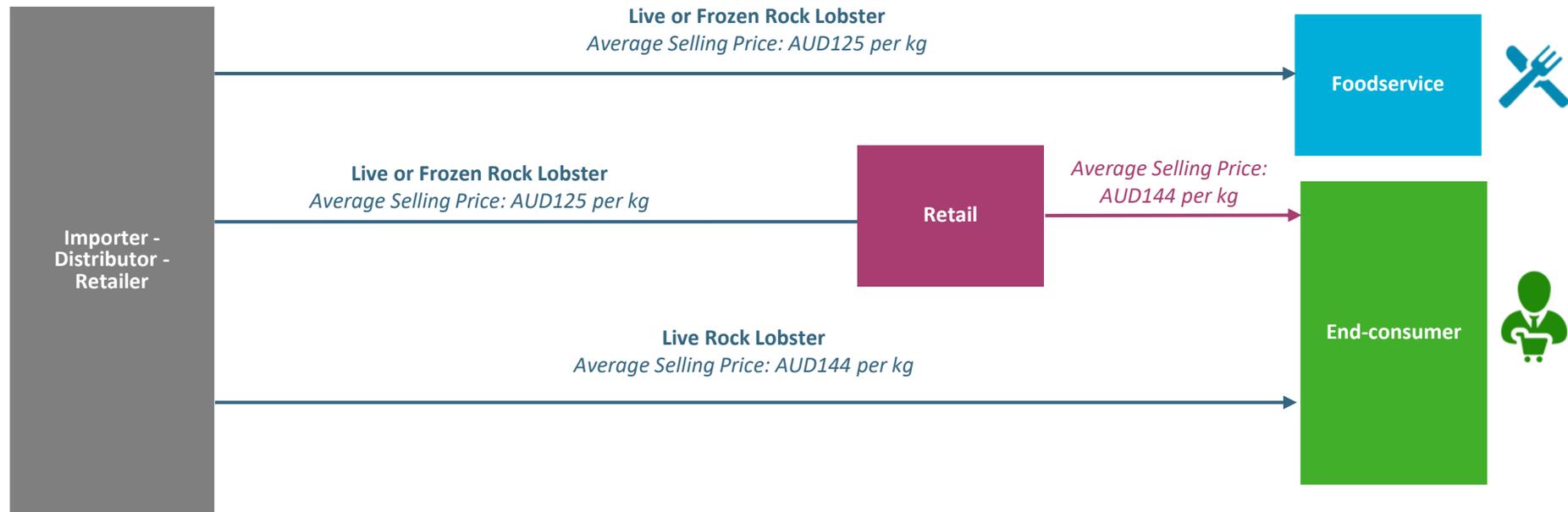
Company	Type	Contact Details	Website
Sunxion Seafood Pte Ltd	Importer, distributor and retailer	24 Seletar West Farmway 2 Singapore 798101 Tel: +65 9181 5882	https://www.sunxion.com.sg/
Allswell Marketing Pte Ltd (The Ocean Mart)	Importer, distributor and retailer	670 Geylang Road, Singapore 389597 Tel: +65 6745 1123	http://www.allswell.sg/index.asp https://theoceanmart.com/
Evergreen Seafood Pte Ltd	Importer, distributor and retailer	94E Jalan Senang, Singapore 418472 Tel: +65 6582 0111	https://www.evergreenseafood.com.sg/
The Seafood Company (Seaco)	Importer, distributor and retailer	4 Defu Lane 9, Singapore 539246 Tel: +65 6288 1411	https://www.theseafoodcompany.com.sg/ https://seaco-online.com/

Pricing

As seafood specialists function as importers, distributors and retailers, pricing structures are straightforward. In 2020, average selling prices through retail stood at AUD144, while they were 10-20% cheaper for foodservice outlets.

Seafood specialists are taking on importer, distributor and retailer duties for rock lobsters

Imported Products Supply Chain



Source: Euromonitor International estimates as per trade interviews

Note: Average selling prices include tariffs and local taxes, eg retail taxes

Australian rock lobsters are generally priced the highest compared to rock lobsters from other countries

Seafood Retailer

Price Competition

- The retail prices of rock lobsters (covering most formats including live and frozen) in seafood retailers are highly dependent on the size and the country of origin, ranging from around **AUD96.6 to AUD154.5 per kg**.
- Australian rock lobsters are the highest priced rock lobsters in this channel and prices can go up to **AUD168.4 per kg**.

Australian Brands Price Positioning

- Australian rock lobsters are **priced much higher** than the average retail price of other variants. Despite this, consumers are **willing to pay a premium price** for their quality and freshness.

Wet Market Retailers

- The retail prices of rock lobsters (covering most formats including live and frozen) in wet market retailers is highly dependent on seasonality and the country of origin, ranging from around **AUD79.3 to AUD145.0 per kg**.
- Australian rock lobsters are the **highest priced rock lobsters** in this channel and prices can go up to **AUD148.6 per kg**.

- Australian rock lobsters are **priced much higher** than the average retail price of other variants. With these high prices, **wet market retailers are afraid of bringing in Australian** rock lobsters in case they cannot sell them to everyday consumers. Availability through this channel is therefore limited to prominent holidays, when demand spikes.

Competitive Environment

A major competitor to Australian rock lobsters is the Boston lobster (a name used for all rock lobsters from North America), as this type offers acceptable quality for lower prices.

Sunxion Seafood is the leading specialist seafood retailer (with integrated import and distribution operations) to sell rock lobsters in Singapore

Supplier	Total Value Share 2020	Unique Value Proposition
Sunxion Seafood Pte Ltd	20.0%	<ul style="list-style-type: none"> Most popular seafood retailer (which also operates as a distributor and importer) in Singapore with celebrity endorsement Most of the live rock lobsters on offer are from Western Australia and Indonesia Live tanks
Allswell Marketing Pte Ltd (The Ocean Mart)	15.0%	<ul style="list-style-type: none"> Retailer, distributor and importer selling through its own store, while also supplying many high-end restaurants Most of the live rock lobsters are from Indonesia with some from Australia Displays a live tank next to the cash register
Evergreen Seafood Pte Ltd	15.0%	<ul style="list-style-type: none"> Walk-in warehouse with live tanks of rock lobsters on display Reputation as a reliable distributor and supplier for foodservice outlets throughout the country Most of the live rock lobsters are from Australia
GER Trading Pte Ltd	15.0%	<ul style="list-style-type: none"> Most of the live rock lobsters are from Australia No walk-in retail, but largely distributes its products to foodservice outlets
The Seafood Company Pte Ltd (Seaco)	10.0%	<ul style="list-style-type: none"> Sells only frozen Indonesian rock lobsters Retails predominantly directly to end-consumers online

Source: Euromonitor International estimates as per trade interviews

Singaporean consumers look for value for money lobsters as well as quality and freshness

Live Indonesian rock lobster, by The Ocean Mart



Spotted colouring, long antennas

Ocean Mart's bestselling product is the Indonesian rock lobster, as it is offered at an **affordable price**. Indonesian rock lobsters are sold per piece at an average weight of **0.4-0.5kg** and can be **purchased online, in-store and** through the **distribution arm of Ocean Mart**.

Image source: The Ocean Mart

Live Australian rock lobster by Evergreen Seafood



Glorious red, sweet, rich in flavour

Evergreen Seafood's bestselling product is its live Australian rock lobster, known and appreciated for its **quality and freshness**. Australian rock lobsters are sold per piece at an average weight of **1.0-1.1kg** and can be purchased **online, in-store and** through the **distribution arm of Evergreen Seafood**.

Image source: Evergreen Seafood

Frozen Indonesian rock lobster by Seaco



Clawless, packed with nutrients

Seaco's bestselling product is its frozen Indonesian rock lobster, known for **being packed with nutrients and protein**. It is sold per piece at an average weight of **0.7-1.0kg** and can be purchased **online and in-store**.

Image source: Seaco Online

Import and Trade Regulatory Landscape

Being a trade-dependent economy and a leading trading hub in Asia, it is unsurprising that Singapore features an outstanding infrastructure as well as a clear and transparent import, packaging and labelling regulatory landscape in line with international standards.

Rock lobsters fall under the regulation of the Singapore Food Agency (SFA) and standard import, packaging and labelling regulations apply.

Air cargo dominates imports of rock lobsters, as most are sold live.

The transparent and limited regulations regarding labels and packaging make it easy to comply



Packaging Requirements

Packaging requirements focus on avoidance of contamination

- There are no specific guidelines for rock lobsters or other seafood. However, **IATA guidelines for packaging of live products are usually followed**, as required by many air cargo carriers.
- General packaging requirements (not only for rock lobsters) are also limited, with a clear **focus on avoidance of potential contamination**:
- **The Food Regulation section of the Sale of Food Act forbids food packaging (“the container”) containing/yielding or likely to yield toxic levels** of vinyl chloride monomer (> 1 ppm) or any other “compounds known to be carcinogenic, mutagenic or teratogenic or any other poisonous or injurious substance” (Food Regulation 37. -1).
- The regulation also **forbids packaging “capable of imparting lead, antimony, arsenic, cadmium or any other toxic substance”** (Food Regulation 37. -1).
- Singapore **does not have any additional regulations regarding container sizes or technical specifications** in place.

Source: Euromonitor International as per official SFA documents, EU Market Entry Handbook, official government websites (eg IRAS and customs websites)



Labelling Requirements

Labelling requirements only apply for packaged products sold through retail

- Food traders are **responsible for compliance with all label requirements** as laid out in the **Food Regulation** section of the **Sale of Food Act**. The SFA does not require registration and does not provide label vetting services.
- The SFA has published “**A Guide to Food Labelling and Advertisements**”, containing clear **labelling instructions for all pre-packed food products** (including packaged rock lobsters). The website also features a **list of appointed food labelling consultants** that can give traders professional advice (payable).
- Key labelling requirements include the following information in English: **Name or description of food, statement of ingredients, net quantity of food in package (metric units), name and address of local food business, country of origin (all in printed letters: min. 1.5 mm)**.
- **Rock lobsters do not have to be halal-certified**.
- Labelling requirements **only apply to rock lobsters sold to end-consumers through retail outlets**. Products sold to foodservice or food processing are exempt, but traders might include the information on a **voluntary basis on non-retail containers**.

An excellent transportation infrastructure and transparent customs procedures allow efficient imports, but professional help is still advised for time-sensitive cargo



Transportation Requirements

Very limited packaging regulations allow for a wide variety of options

- Lead times between Australia and Singapore (centre to centre) through **maritime routes are around 4-8 weeks to arrive at the port and 3-5 days for customs clearance.**
- Air cargo offers a significantly faster way to the Singaporean market and is therefore a must for live or chilled rock lobsters.
- While Singapore offers an **excellent transportation infrastructure, the costs of owning and operating vehicles are extremely high**, making transportation inside Singapore expensive. (Vehicle owners must have a Certificate of Entitlement (COE), which often costs more than the car itself.)



Documentation and Customs Processes

Transparent import procedures in line with global standards make imports of rock lobsters a smooth process

- The SFA requires all importers of rock lobsters to obtain a **valid SFA licence (annual: SGD84)** and a **cargo clearance permit** (which also serves as an import permit) from the **TradeNet System (per consignment: SGD3)**. Every cargo clearance permit must contain the **product description, quantity, unit of measure and product code** (a full list can be found on the SFA website under Resources).
- Other key steps and required documents follow **common import procedures**. In Singapore this includes **registration for a Unique Identity Number (UEN)** to activate a customs account and the opening of an **Inter-Bank GIRO (IBG)** with the customs agency for potential payments (duties, fees).
- **The SFA has the right (and often exercises it) to inspect rock lobster imports, and this can include sampling** for laboratory analysis.

Source: Euromonitor International as per official SFA documents, EU Market Entry Handbook, official government websites (eg IRAS and customs websites)

Changi airport is the most common entry point for rock lobsters, as most are sold live or chilled

Singapore's Ports of Entry



Source: Image from [www.changiairport.com](https://www.changiairport.com/corporate/partnerships/cargo.html#cargofacilitiesandinfrastructure) (<https://www.changiairport.com/corporate/partnerships/cargo.html#cargofacilitiesandinfrastructure>)

Port of Singapore (PSA* operated terminals), Singapore

PSA Singapore currently operates five container terminals in Tanjong Pagar, Keppel, Brani and Pasir Panjang (two terminals). These terminals (functioning as one undivided unit) feature 67 quay berths and one of the largest warehouse parks globally. However, storage facilities are spread over the different terminals, making inter-terminal hauling often necessary. The port serves as the main entry point for preserved rock lobster products (frozen).

Changi Airport, Singapore

Live and chilled rock lobsters usually reach Singapore via air freight. The airport is serviced by two ground handlers: SATS Coolport and dnata Coolchain. SATS specifically offers priority loading for cold-chain cargo, temperature-controlled facilities to handle temperature-sensitive cargo and temperature-controlled truck docks, and it claims expertise in seafood handling. Some rock lobster imports through Changi Airport are brought to Jurong wholesale market for further distribution.

Jurong Fishery Port, Singapore

This is an international fishing port (docking and bunkering base for foreign vessels). Acts also as a marketing and distribution centre and the main wholesale market for seafood (imported by land, sea and air). Rock lobsters rarely enter through this port.



*Demand for rock lobsters is usually fuelled by **high-end foodservice outlets**, with sales through retail being limited (except in 2020 and 2021 due to the COVID-19 restrictions for foodservice outlets). These establishments usually prefer **live lobsters** over frozen products, supporting **Changi Airport as the main entrance point**.*

*2020 saw a drop in demand for **live lobsters** (and thereby a drop in imports through Changi Airport).*

Note: *PSA Corporation Limited is one of two port operators in Singapore

With the first two berths expected to open in 2021, the Tuas Mega Port is scheduled to take over all container shipping operations by 2040

Singapore's Future Ports of Entry



Tuas Mega Port, Singapore

Tuas Mega Port will replace the old PSA operated port (where all operations will stop by 2040 at the latest) and consolidate Singapore's container port activities into a single terminal, which is expected to be the largest port infrastructure globally. The port will feature state-of-the-art technology, including automation and intelligent control systems as well as sustainable technologies. Furthermore, the Maritime and Port Authority of Singapore (MPA) has plans to develop an undivided infrastructure of storage facilities and commercial amenities, including warehouse and distribution centres within the Tuas port structure (currently spread between the five different terminals in Singapore), to prevent additional time and costs through inter-terminal haulage. All port activities in Tanjong Pagar, Keppel and Brani are scheduled to stop in 2027, while shipments to Pasir Panjang will stop in 2040.

Consolidation of Jurong and Senoko Fishery Port (not a PSA operated port)

The SFA announced in June 2020 that the two fishery ports, Jurong (for international vessels) and Senoko (for domestic vessels), will be consolidated in Jurong by 2023 to further centralise the seafood wholesale in Singapore. The expansion and renovation of Jurong will start in 2022 to make sure the wholesale market can accommodate merchants from Senoko. While Senoko is not relevant for rock lobsters, this consolidation might expand the general importance of the Jurong fishery port.

Source: Image from <http://www.energyglobalnews.com>
(<http://www.energyglobalnews.com/tuas-terminal-mega-port-singapore-to-rethink-the-future-of-shipping/>)

Rock lobsters are not dutiable, but 7% GST is levied on the CIF value

Singapore's Tariffs & Quotas



Live Australia Rock Lobster



Rock Lobster (HS codes 030631, 030621, 030611, 030691)

0%

Standard Tariff Rate

0%

Preferential Rate (FTAs) for Australia and Others

Source: Euromonitor International as per Singapore customs website, IRAS website, Australian Trade and Investment Commission

Note: Image from www.evergreenseafood.com.sg

(<https://www.evergreenseafood.com.sg/collections/crabs>)



Goods & Services Tax

Singapore's free and fair trade policy allows for **duty-free imports** of nearly all goods, including rock lobster. **Only Goods & Services Tax (GST) of 7%** has to be paid (an increase to 9% was announced and is expected to be implemented between 2022 and 2025).

The GST is levied on all imported and domestically produced goods intended for local consumption. The base for the 7% GST on imported goods is the **CIF value** and any additional charges that might occur. In the case of rock lobsters being imported and further processed inside Singapore, the responsibility for GST payment lies with the domestic company undertaking the processing.

Opportunities and Challenges

Retail consumption of rock lobsters is expected to grow in Singapore with the rising purchasing power of consumers. Australian exporters should use their strong reputation for excellent quality rock lobsters and focus on adding value with sustainable farming certifications.

New Australian exporters should try to partner directly with large supermarket chains or via large specialist seafood retailers to increase the retail presence of Australian rock lobsters in Singapore.



OPPORTUNITIES

Higher purchasing power of consumers in Singapore is expected to drive total consumption of rock lobster

- **Growth** in rock lobster consumption in Singapore will be largely driven by the **migration of ultra-rich families** into Singapore and **rising household income**. Possessing **higher purchasing power** will allow consumers to introduce more luxury food products to their diets, which offers good opportunities for rock lobsters in general and Australian rock lobsters in particular.
- Australian rock lobsters are also known to be **packed with nutrients**, supporting consumption by **health-conscious consumers**, which is a rising trend in Singapore.
- A **recent price drop for Australian rock lobsters** has allowed a broader consumer segment to experience the superior taste over other rock lobsters.



CHALLENGES

The drop in demand from foodservice due to the COVID-19 pandemic and the lack of distribution channels are significant barriers

- The COVID-19 pandemic has caused **unexpected disruption** in the foodservice industry with lockdown measures **imposing restrictions on dine-in**, which in turn has caused foodservice consumption of rock lobsters to drop drastically.
- Retail sales of rock lobsters are the only driving force for rock lobster consumption in Singapore at the moment. However, owing to the **lack of distribution channels**, rock lobsters are **not easily accessible** to all consumers. Hence, retail consumption of rock lobsters is **limited and not at its full potential**.
- Leading Australian rock lobster suppliers have **established relationships with local importers and distributors**, making it difficult to penetrate the market as a new entrant.
- Indonesian rock lobsters benefit from their **affordability and value for money offer**, making them a **popular choice among more price-conscious consumers** in Singapore.

Disclaimer

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Thank you

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