

# CÓMO HACER NEGOCIOS CON SINGAPUR

## 1. RELACIONES BILATERALES CON CHILE

### 1. ACUERDOS Y/O TRATADOS COMERCIALES VIGENTES

Singapore is a strong advocate of free trade and has only a few trade barriers. Most trade partners with MFN (Most Favoured Nation) have zero tariff rates applied to their products apart from six lines for alcoholic beverages (stouts and porter, beer and ale, and medicated and non-medicated samsu), which are levying tariffs. There is however some import restrictions based mainly on environmental, health, and public security concerns.

Singapore and Chile have concluded the TPFTA, Trans-Pacific Strategic Economic Partnership Agreement ('Trans-Pacific SEP') on 3 June 2005, along with Brunei and New Zealand.

The Trans-Pacific SEP is Singapore's first FTA with a South American country.

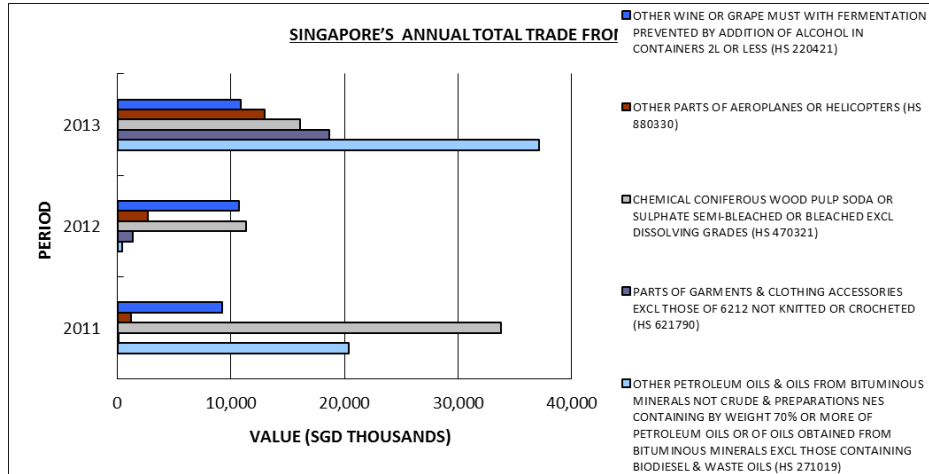
The Agreement was implemented on 28 May 2006 and there are zero tariffs for all Chilean goods imported into Singapore.

### 2. COMERCIO CON CHILE

According to Global Trade Atlas, Chile was Singapore's 87th trading partner in 2013, with total trade amounting to US\$ 187.4 million. There is a drop of 4.09% as compare to the total trade figure in year 2012 (US\$ 197.5 million). The decline in the total trade figure is largely due to the low order of coppers and other mining products.

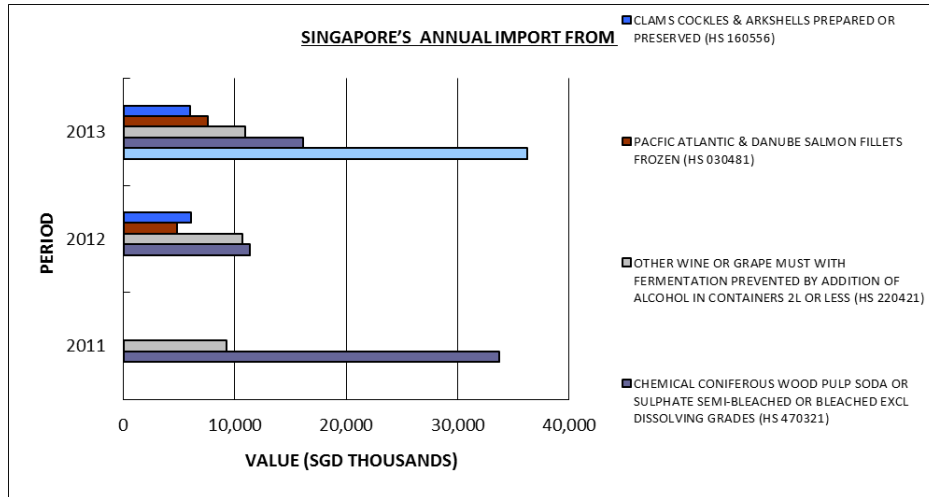
Re-export of Chilean products to the region from Singapore play an important part as the demand for Chilean products move beyond Singapore's consumption only. Chilean goods such as processed pulp, copper, fruits and frozen food, timber products and cosmetics are re-exported to regional countries such as Indonesia, Malaysia, Thailand, Myanmar, Cambodia, Laos, Vietnam and Brunei.

**TRADE BETWEEN CHILE AND SINGAPORE - 2013**



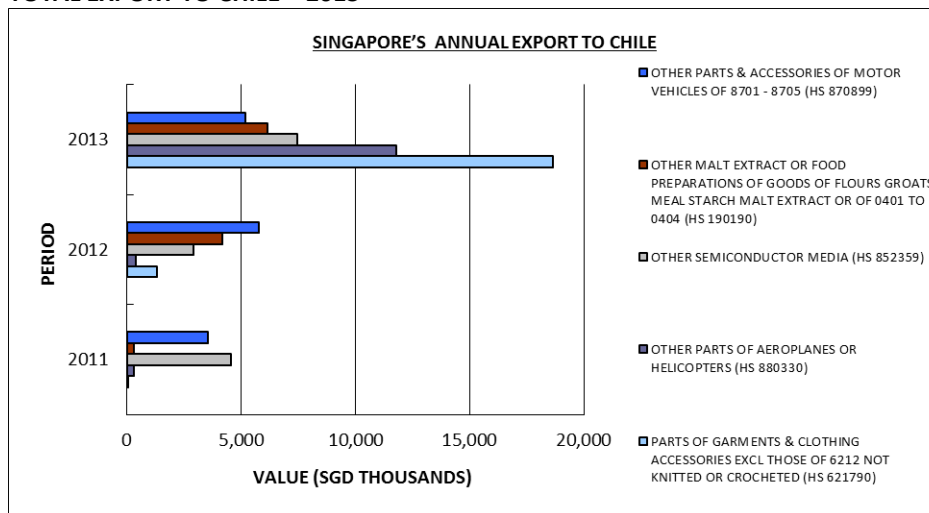
Source: Statlink Singapore

**TOTAL IMPORT FROM CHILE - 2013**



Source: Statlink Singapore

**TOTAL EXPORT TO CHILE - 2013**



Source: Statlink Singapore

In 2013, Singapore bought some petroleum, wine, frozen seafood, preserved canned seafood and fruits from Chile. Poultry and pork were banned for a period and the ban has been lifted since late last year.

Potential of Chilean products are mainly the agricultural produce such as fishes, fresh fruits, meat, poultry, processed food and wines. Do take note that Singapore is a small market with very strong competition from supplying countries such as Australia, New Zealand, South Africa, EU and USA.

Singapore demand high quality products and are willing to pay a premium price for high quality products. The players in the market know each other and stay competitive by way of offering value-added services to major retailers for a share in the market. The market demand high quality, good taste, fair price, good services and long lasting relationships.

SINGAPORE'S ANNUAL IMPORT FROM CHILE VALUE IN S\$ THOUSANDS			
PRODUCT	2011	2012	2013
OTHER PETROLEUM OILS & OILS FROM BITUMINOUS MINERALS NOT CRUDE & PREPARATIONS NES CONTAINING BY WEIGHT 70% OR MORE OF PETROLEUM OILS OR OF OILS OBTAINED FROM BITUMINOUS MINERALS EXCL THOSE CONTAINING BIODIESEL & WASTE OILS (HS 271019)			36,262
CHEMICAL CONIFEROUS WOOD PULP SODA OR SULPHATE SEMI-BLEACHED OR BLEACHED EXCL DISSOLVING GRADES (HS 470321)	33,761	11,305	16,116
OTHER WINE OR GRAPE MUST WITH FERMENTATION PREVENTED BY ADDITION OF ALCOHOL IN CONTAINERS 2L OR LESS (HS 220421)	9,222	10,694	10,897
PACIFIC ATLANTIC & DANUBE SALMON FILLETS FROZEN (HS 030481)		4,821	7,607
CLAMS COCKLES & ARKHELLS PREPARED OR PRESERVED (HS 160556)		6,066	5,962
GRAPES FRESH (HS 080610)	3,281	3,735	5,433
ABALONE PREPARED OR PRESERVED (HS 160557)	697	1,050	5,241
ATLANTIC & DANUBE SALMON FROZEN EXCL LIVERS & ROES (HS 030313)	911	1,202	5,122
TROUT FROZEN EXCL LIVERS & ROES (HS 030314)	4,568	3,238	2,865
CRANBERRIES BILBERRIES & OTHER FRUITS OF THE GENUS VACCINIUM FRESH (HS 081040)	810	1,497	2,113
TOTAL FOR THE ABOVE	86,892	80,053	99,631
TOTAL FOR OTHER PRODUCTS	302,476	94,701	22,351
GRAND TOTAL	389,368	174,754	121,982

Source: Statlink Singapore / IE Singapore

SINGAPORE'S ANNUAL EXPORT TO CHILE VALUE IN S\$ THOUSANDS			
PRODUCT	2011	2012	2013
PARTS OF GARMENTS & CLOTHING ACCESSORIES EXCL THOSE OF 6212 NOT KNITTED OR CROCHETED (HS 621790)	2	1,338	18,632
OTHER PARTS OF AEROPLANES OR HELICOPTERS (HS 880330)	305	384	11,800
OTHER SEMICONDUCTOR MEDIA (HS 852359)	4,573	2,922	7,459
OTHER MALT EXTRACT OR FOOD PREPARATIONS OF GOODS OF FLOURS GROATS MEAL STARCH MALT EXTRACT OR OF 0401 TO 0404 (HS 190190)	330	4,197	6,167
OTHER PARTS & ACCESSORIES OF MOTOR VEHICLES OF 8701 - 8705 (HS 870899)	3,535	5,759	5,189
SELF PROPELLED TRACK LAYING BULLDOZERS & ANGLEDZERS (HS 842911)			5,049
OIL OR PETROL FILTERS FOR INTERNAL COMBUSTION ENGINES (HS 842123)		27	4,118
OTHER COMPOUNDS WITH AN UNFUSED FURAN RING (HS 293219)	2,779	3,681	3,779
PARTS & ACCESSORIES OF MACHINES OF 8471 (HS 847330)	2,914	2,388	3,612
PRIMARY CELLS & BATTERIES OF MANGANESE DIOXIDE (HS 850610)	2,141	2,724	2,394
TOTAL FOR THE ABOVE	73,302	62,621	70,212
TOTAL FOR OTHER PRODUCTS	18,328	10,300	44,333
GRAND TOTAL	91,630	72,921	114,545

Source: Statlink Singapore / IE Singapore

### 3. RANKING DE CHILE COMO PROVEEDOR A SINGAPUR:

87TH PLACE

### 4. OPORTUNIDADES COMERCIALES PARA LOS PRODUCTOS CHILENOS (POR SECTOR)

#### AGRICULTURAL

Chile has one of the most extensive ranges of agricultural non-traditional products which are a major attraction for Singapore buyers. What Singapore buys from Chile are mainly agricultural produce and it has been consistently shown as top 10 imported products in the annual import statistic.

Singapore do not have own food source and depend on imports. The market is sophisticated and knowledgeable. Consumers are hard to please and demand high quality products. In addition, Singapore buys products from the world in which some are unload here for direct consumption, for manufacturing and processing plants. Some are unload in the nearby regions such as Malaysia, Indonesia, Thailand and Vietnam. Imported raw materials are then value-added or repacked according to market's demand.

With the population of 5.3 million, this city nation is a small consumer market for retail products. The retail market is competitive with all different income groups covered. However, Chilean exporters can still find business opportunities for value-added products or good reliable sales services and competitive prices. There are opportunity for exporters dealing with frozen food such as pork and poultry, frozen seafood such as Chilean Seabass, Salmon, snow cod and trout; processed food such as canned seafood/shellfish, wines, canned fruits (in syrup), hams, cheese, honey and natural organic products. Chilean fresh fruits are popular in the Fresh fruits market here especially for Chilean grapes, apples, cherries, blueberries and exotic fruits.

Other than edibles, pine plyboard, chemical wood pulp, Ferro Molybdenum, wool grease and paperboard are some of the non-food items.

The market is basically matured with phases-based developing infrastructures and most importantly, Singapore is view as a trendsetter and a transshipment hub for the developing regional markets.

## 2. PROCESO DE IMPORTACIÓN

### 1. ARANCELES DE IMPORTACIÓN

No. Not applicable for Chile

### 2. NORMATIVAS

With the Trans Pacific SEP, all goods from Chile must have certificate of origin.

### 3. CERTIFICACIONES

Certificate of Origin and Health Certification (for all seafood, canned preserved and frozen)

### 4. ETIQUETADOS

Singapore has a stringent regulation on food labelling. Download a copy of the detailed booklet from here

<http://www.ava.gov.sg/NR/rdonlyres/B96B0EC2-1D1E-4448-9C25-ABD8470D2BF4/18008/AGuidetoFoodLabellingandAdvertisements2.pdf>

### 5. TRÁMITES ADUANEROS

Custom procedures are mainly for the Singapore importer. For import of all goods (including controlled and non-controlled items) into Singapore, importers are required to obtain an IN permit through tradenet before the goods enter Singapore and they would also need to pay the 7% GST at the time of the importation.

Singapore maintains a single window system for customs processing through which traders may submit import documentation and permits online. The single window connects to all governmental agencies from which authorizations are required, approval time is about 10 minutes in 99% cases.

Some agricultural products may be taken randomly for check by the AVA.

# 3. CLAVES PARA HACER NEGOCIOS

## 1. CARACTERÍSTICAS DEL MERCADO

Singapore has a thriving economy despite its lack of resources and small domestic market. The reason for the nation's economic prosperity is its strategic location which facilitates international trade. The Port of Singapore, the biggest and busiest in the world, is the backbone of Singapore trade.

Singapore has an active work forces and works long hours in stressful and fast pace environment. Hence fast food and hawker foods are most popular diet of people of Singapore. On the high end, there are many restaurants of International cuisines, managed by popular Michelin star overseas chefs, celebrity chefs and famous chain of high-end popular cafes and bakeries have sprout in Singapore to snatch a piece of the high-end premium consumer market.



According to a recent report in the local newspapers, 17% of Singapore households are millionaires. Singapore is ranked 11<sup>th</sup> most number of millionaire households in the world.

Singapore is also one of the densest countries and the government's aim is to increase the population to more than 6 million.

With a high influx of ultra-rich global residents, especially from India, Indonesia, and mainland China, the overall wealthy people have contributed to the price increase of property, education, public transportation, health care and groceries and retail market.

Besides serving the island's consumer market, Singapore businesses such as manufacturer, financial sectors and banking sectors are also marketing their businesses to the regional countries by ways of using Singapore as a springboard to other South East Asia economies.

For the neighboring countries, Singapore is also view as a trend-setter. Especially in technology, services, infrastructure development, urban land planning, public transport planning and education system.

The consumers in Singapore are willing to pay premium price for high quality products and good services. They are educated, well-travelled and knows what they want. Many are high health conscience and prefer to eat organic. There have been an increase number of consumers who are concern with food and beverages sources that have

impact on carbon footprint and environmental damages. The retailers are also looking into satisfying these concerning consumers and are also implementing food sources from sustainability and free-trade.

## 2. CARACTERÍSTICAS DEL CONSUMIDOR

The standard of living in Singapore is among the highest in Asia, comparable to North American and Western Europe. According to the latest survey by Economist Intelligence Unit in 2009, Singapore is one of the most expensive cities in the world, moving up five positions to 10th place. This means Singapore is now Asia's third most expensive city to live in.

The population of Singapore has hit 5.3 million and are increasing with the government aiming at 6.9 million by 2030. The heavy influx of foreigners and government actively issuing citizenships to immigrants has increase the total number of foreigners and immigrants to more than 1.8 million. In addition, Singaporeans are very well travelled and very articulated and influenced by foreign cultures, such as food, drinks, and lifestyle. Hence, consumers here are keen buyer of foreign products. They are brand conscious but are very brand loyal and cautious too. They like to experiment with new products and the purchasing power is at par, if not higher, with most of the European countries.

Consumers keep in mind factors such as price, quality and after-sales service when making purchasing decision. Price and quality are major factors for purchasing decision.

## 3. CARACTERÍSTICAS DEL EMPRESARIO

Singapore is a modern city with a strong economy that supports all type of businesses here in Singapore. Although some of the traditional ways of doing business still exist, it is the harnessing multiculturalism and creating a relatively tolerant society that make it such a vibrant business environment.

Generally most of the Singapore companies are easy to do business with, internationally as well as locally. Here is a summary of the type of businesses in Singapore

1. Mom and Pop Shop: Usually these traditional retail shops or stalls are conveniently located around the residential areas, assigned market area or wet market in the residential precinct and are managed and run by family. They don't import directly from overseas and they buy from local importers/suppliers/manufacturers. The owner is the decision maker.

2. Sole Proprietor (Small Business): Operated by a well knowledge and usually overseas graduated person who import and sell a specific products or a specific category of product in the local market. Usually the company has not more than three employees. Businesses will have direct contact with the owner of the business, who are decision maker.

3. Small Medium Enterprise: This can be classified as trading, importing, distribution, exporting, and manufacturing and warehousing. In general the companies are start-up by people with common interests or for products that have demand or an inherited from family. Employees strength is about 10 – 100 and they are well-versed with their own industry, not just in Singapore but also regionally. They receive a lot of attention from government which is in line with the effort of promoting Singapore enterprise overseas. Locally, SMEs can be of many sectors and they usually manufacture and sell locally. Some also export internationally. No problem with direct contact with the CEO or the Managing Director but at time, they will push it to their managers for business negotiation as sometime they can be the gatekeeper.

4. Conglomerate and group: This category usually is a branch of an international brand, who set up their base here in Singapore to take care of Asia market. For example, Moët Hennessy, is an international brand representative in Europe and they set a branch in Singapore to distribute their representing products here. They also adopt the localization system to represent products or brands that have market demand for. Conglomerate can be a group that owns property, a chain of restaurants, bars, café, a warehouse, a travel agency and also importing and exporting of products. They also are brand representatives in the regional countries. Negotiating business would take time due to the various hierarchy of the management as they would need to access if the products or services are appropriate for their company profile and image.

The businesses here in Singapore have to withstand high business operation costs such as rental and various levies from hiring foreign workers. Due to the recent tightening of the rules for hiring foreign unskilled workers, many businesses have to work with labour shortage, parallel importers, price war from other competitors and overseas merchants offering online shopping and speed delivery.

#### 4. ESTRATEGIAS DE NEGOCIACIÓN

Business relationship here is serious and for the long term. A good partnership is the most essential ingredient to a good strategic business partnership. Singapore companies are very willing to work with foreign brand owners in managing a good marketing and promotion program. They prefer to have all parties engaged in selling the products here.

The other business strategy is to come meet the customers here face to face. Visit them once a year to foster a better relationship. Provide information and update, marketing support and product condition analysis will ensure achieve a long term trust factor.

It is all about competition and timing in Singapore. Hence all communication are move in very fast pace. It is advisable for Chilean companies to response email and communication most promptly to ensure a good trusting trade relationship.

Most Singapore businesses are honest and they still adopt the traditional man of honor and some even on verbal agreement.

Bear in mind that the market is small and everyone knows each other and hence news spread like wildfire. Once news of a bad supplier from a certain country is established, the whole industry in the market knows.

#### 5. ESTRATEGIAS PARA ENTRAR AL MERCADO

More marketing and promotion investment is need for new Chilean products currently not in Singapore market, for example, semi-hydrated fruits. This product is niche, is considered healthy food and consumption is low. Then the Chilean exporter would need to work with new importer in Singapore to do a launch, an in store sampling campaign to create the initial awareness.

Exporter should also listen to importer's needs and requirement for the product characteristic as the importer/distributors know the market trend and the consumers' demand well. Exporter's flexibility will provide a better selling point for the importers, hence giving the importer a better position in selling their products in the targeted market and stay in the market for a long time.



For existing products such as wines, fresh fruits, frozen meat, frozen seafood and canned seafood are currently available in the market. To compete with the current Chilean brands in Singapore, Chilean exporters offering the same products must be flexible to innovate their delivery of the products with value-added items such as packaging, design bags, labels and so forth, so as to create an identity.

The most effective way is to participate in local consumer food and beverage fairs and exhibition to get a headstart. The local F&B exhibitions and fairs are very popular and attract extremely high visitorship. Asia Pacific and regional fairs and exhibitions are also best place to meet good potential business partners.

## 6. NORMAS DE PROTOCOLO EN REUNIONES DE NEGOCIOS

Singapore is a multi-cultural society with people from a number of diverse ethnic groups (mostly Chinese, Malay and Indian) each of which has its own culture and traditions.

According to a local business information website, Singaporeans tend to observe a formal hierarchy based on age and rank, and are generally non-confrontational in their dealings. To avoid losing face Singaporeans will rarely say "no" directly. Neither are they likely to ask a direct question or give a direct order. Equally, "yes" may not always mean agreement.

Much communication is non-verbal in order to avoid the other person losing face, so it is important to observe facial expressions and body language and be aware of the non-verbal signals being sent.

In general use a person's formal name unless invited to do otherwise. Malays do not use a family name. They use their own personal name followed by bin (son of) or binti (daughter of) before their father's personal name.

Chinese place their family names first, followed by two personal names. Address a person using an honorific title and their family name. Only use personal names if asked to do so. Some Chinese adopt a more western name in business and may ask to be addressed using that. Indians use a personal name followed by s/o (son of) or d/o (daughter of) and the father's personal name.

Business cards: are usually exchanged immediately after the formal introduction. Receive a business card with both hands, look at it carefully (one or two times) and smile to show the giver has been recognised and noted

As for meetings and work ethics, appointments should be made (and well in advance) for all meetings and arrangements. Always use the right hand for shaking hand. There is no padding on the cheeks usually for first meeting. Never touch a person of the opposite sex in a business meeting.

Men wear suits only for the most important business meetings because of the tropical humidity and heat; a shirt and tie is acceptable. Women usually wear light suits.

In the business setting any gift should be given to the group rather than an individual. (A gift for an individual should be given in private). Offer with right hand only and receive would only open after the guests are gone.

# 4. INFORMACIÓN ADICIONAL

## 1. ORGANISMOS RELEVANTES

International Enterprise Singapore (IES) - <http://www.iesingapore.gov.sg/wps/portal>

Singapore Business Federation - <http://www.sbf.org.sg/>

Association of Small and Medium Enterprise - <http://www.asme.org.sg/>

Singapore Chinese Chamber of Commerce and Industry - <http://english.sccci.org.sg/>

Singapore International Chamber of Commerce - <http://www.sicc.com.sg/>

Singapore Economic Development Board - [http://www.edb.gov.sg/edb/sg/en\\_uk/index.html](http://www.edb.gov.sg/edb/sg/en_uk/index.html)

Singapore Timber Chamber of Commerce - <http://www.singaporetimber.com/>

Agri-Food and Veterinary Authority of Singapore - <http://www.ava.gov.sg/>

Singapore Food Manufacturing Association - <http://www.sfma.org.sg/sfma/>

Singapore Department of Statistic - <http://www.singstat.gov.sg/pubn/business.html>

Ministry of Trade and Industry - <http://app.mti.gov.sg/default.asp?id=1>

Everything about Singapore - <http://app.www.sg/>

Guide to setting up business in Singapore - <http://www.entersingaporebusiness.info/>

## 2. FERIAS COMERCIALES INTERNACIONALES A REALIZARSE EN EL MERCADO

FoodHotel Asia 2014 (Bi-annual) - <http://www.foodnhotelasia.com/>

Singapore Food Expo (Annual) - <http://www.singaporefoodexpo.org.sg/>

Asia Pacific Food Expo (Annual) - <http://www.asiapacificfoodexpo.org.sg/>

Clean Energy Expo Asia - <http://www.cleanenergyexpoasia.com/>

Informex Asia (Annual) - <http://www.asia.informex.com/>

International Furniture Fair Singapore - <http://www.iffs.com.sg/>