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RTS Link Could Reshape Cross-Border Consumer Spending, Spotlighting Both Opportunities and Challenges for Singapore Retail and F&B

- ***Study projects incremental S$756 million inbound spend to Singapore and incremental S$1.05 billion outbound spend to JB, potentially resulting in incremental nett S$290 million outflow from Singapore (less than 1% of total retail and F&B sales in 2025).***
- ***SBF, RAS and SRA outline 10 recommendations for businesses and policymakers to support Singapore's retail and F&B sectors capture opportunities from the RTS Link.***

Thursday, 16 July 2026 [Singapore]

The Singapore Business Federation (SBF), Restaurant Association of Singapore (RAS) and Singapore Retailers Association (SRA) today released findings from their jointly commissioned study, "Impact of RTS on Singapore Retail and F&B Sector". The study examines how the Johor Bahru-Singapore Rapid Transit System (RTS) Link could affect consumer spending, tourism flows, and business competitiveness in Singapore's retail and food and beverage (F&B) sectors.

2. Pre-RTS, there were about 19.4 million annual round trips from Singapore to Johor Bahru (JB), and 5.9 million from JB to Singapore, using current transport modes. The study projects that the RTS Link will add 11.2 million Singapore-JB round trips and 3.3 million JB-Singapore round trips annually, equivalent to an estimated daily ridership of 39,700 trips.

3. The study estimates that in 2025, S$1.7 billion in outbound spend was offset by S$1.3 billion in inbound spend. Looking ahead, with improved connectivity, Singapore's retail and F&B businesses could gain S$756 million in incremental annual spending from JB visitors. Conversely, Singapore consumer spending in JB is projected to increase by an incremental S$1.05 billion a year. Overall, the RTS link could result in a net incremental outbound spend of $290 million annually, which equates to 0.4% of Singapore's total retail and F&B sales in 2025.

RTS Link Brings Both Competitive Pressure and New Visitor Opportunities

4. The RTS Link will heighten competition for Singapore's retail and F&B businesses, which are already facing manpower, cost, and rental pressures. The study projects a 51% increase in outbound trips by Singapore consumers, with groceries accounting for the largest share of outbound spend, followed by Drug Stores, Dining and Beauty as Singapore consumers seek better value across the border. Regions outside the North are expected to feel a greater net impact, as

the North already sees higher outbound spend pre-RTS.

5. At the same time, the RTS link could bring more JB visitors to Singapore, especially for premium retail, entertainment, and major lifestyle events. The study found that 34% of JB respondents intend to visit Singapore for events post-RTS launch, up from 24% today, while annual visits by public transport users could increase by 57% on average. JB visitors who previously drove indicated they will switch to RTS, with a preference for overnight stay and spending on entertainment. RTS will also spur more existing public transport users to travel with friends to Singapore for shopping. Recreation spending is also projected to double post-launch, driven mainly by events and entertainment.

Businesses Urge Support to Compete Beyond Price

6. Findings from the study were reinforced by Focus Group Discussions (FGDs) with businesses across the retail, F&B, and broader business ecosystem. Participants were concerned that the RTS Link would accentuate competition from JB, particularly in price-sensitive segments such as groceries, pharmaceuticals, beauty services, where lower cross-border prices are already influencing consumer spending patterns.

7. Businesses agreed that competing on price alone was not viable. They saw service quality, unique customer experiences and locally distinctive offerings as the strongest ways to differentiate. At the same time, participants flagged persistent manpower, compliance and cost pressures that limit their ability to innovate and scale. SMEs were particularly concerned about adapting as quickly as larger operators, and called for more support to strengthen competitiveness and capture new opportunities from increased cross-border flows.

Three Priorities to Help Businesses Adapt and Compete

8. The Retail and F&B sectors are key pillars of Singapore's economy, contributing approximately S$16.6 billion to Singapore's economy in 2025. More broadly, the Wholesale & Retail Trade and Accommodation & Food Services sectors employed approximately 721,800 workers in 2025, accounting for 17.5% of total employment in Singapore (excluding Migrant Domestic Workers). They are also central to Singapore's tourism appeal, with shopping and dining accounting for about 31% of tourism receipts. Strengthening these sectors is therefore critical to sustaining businesses and jobs, while keeping Singapore attractive to visitors.

9. Based on the study findings, SBF, RAS and SRA have identified three priority areas for industry and government action:

- **Stimulate Local Spend:** Stabilise and sustain domestic consumer spending in the face of increased outbound demand, particularly in categories and locations most exposed to cross-border substitution through consumption vouchers and support for stronger retail and F&B offerings.

- **Boost Tourist Spend:** Encourage RTS-enabled visitors to stay longer, explore more and spend more across Singapore by strengthening our attractiveness as a destination for experiences, events, and higher-value consumption.

- **Support Business Adaptation:** Help retail and F&B businesses adapt and seize new opportunities in a more integrated Singapore–Johor corridor, by addressing structural cost pressures and supporting new operating and business models.

10. The study also underscores the need for stronger collaboration among trade associations, landlords, tourism stakeholders, and government agencies, so businesses can better respond to changing consumer trends and increased cross-border connectivity.

11. A summary of the key recommendations can be found in Annex A, while a link to the full study report and recommendations is in Annex B.

12. **Mr Kok Ping Soon, Chief Executive Officer, SBF, said,** "The RTS Link will reshape how consumers travel, shop, and dine across Singapore and Johor Bahru. This creates opportunities for Singapore businesses to attract more visitors, but it also raises competitive pressure, especially for our retail and F&B sectors. This shift is structural, not incremental. Businesses must adapt beyond price competition by strengthening their offerings, experiences and productivity, while industry and government must work together to help them compete in a more connected cross-border market."

13. **Mr Ernie Koh, President, SRA, said,** "We anticipate a measurable shift in consumer behaviour when the RTS connects seamlessly to Singapore's Mass Rapid Transit (MRT) network. While local retailers pivot heavily towards experiential concepts, and malls actively curate tenant remixes, we look forward to specific government mitigation measures such as increased manpower flexibility and support over the next three to five years."

14. **Mr Benjamin Boh, President, RAS, said,** "Singapore's F&B sector currently operates in a dynamic and cost-sensitive climate. With increased cross-border travel, we can expect new pressures to be introduced on an already highly competitive F&B industry at large, and opportunities for selective players based on where inbound visitors typically spend their money. To capture both local and tourist spending, businesses must be empowered with manpower agility and operational flexibility to consistently deliver compelling dining experiences that give local consumers more reasons to spend in Singapore while attracting more visitors."

15. This study is supported by CapitaLand Investment and Frasers Property, with Mastercard serving as the study's knowledge partner and insight contributor. For more information on the study, a factsheet is available in Annex C.

Annex A: Summary of Policy Recommendations
Annex B: Full Study Report and Recommendations
Annex C: Factsheet on Study

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About Singapore Business Federation (新加坡工商联合总会)
Singapore Business Federation (SBF) is the apex business chamber with over 34,000 members across diverse industries. With a vision to advance Singapore towards a globally competitive and sustainable economy, SBF mobilises the business community to be future-ready and magnify transformation opportunities through policy advocacy, partnership platforms and capability programmes.

For more information, please visit: www.sbf.org.sg

About Restaurant Association of Singapore (新加坡餐饮业协会)
As the pioneer and largest F&B Association in Singapore, the Restaurant Association of Singapore (RAS) has more than 500 members, representing close to 800 brands that operate more than 5,000 outlets. Our members comprise a good mix of business models such as restaurants, caterers, fast foods and food courts, with various cuisine types, thus providing a wholesome view and opinion, with the common goal to propel the industry forward.

Since 1980, RAS has acted as a collective voice and the 'voice of reason' for the F&B industry and strives to advance the industry through various platforms such as bridging closer working relationships between businesses and government agencies, networking events for members, recognition and awards platforms and administering programmes to drive business success.

For more information, please visit: www.ras.org.sg

About Singapore Retailers Association (新加坡零售商协会)
Singapore Retailers Association (SRA) was founded in 1977, originally as the Singapore Retail Merchants Association by 10 leading retailers. It is a non-profit, independent/non-governmental retail trade body in Singapore, funded entirely by the private sector. Led by 18 Council Members

from leading companies and SMEs, SRA's vision is to be the respected and collective voice of the retail industry and advances the interests of the retail industry via insights, education and strategic collaborations. SRA organises a wide range of year-round programmes ranging from industry events and conferences, market insights sharing sessions, training and masterclasses, local learning journeys and overseas study missions as well as professional guidance and mentorship for retailers brand growth and business development.

Our membership of almost 600 members reflects the diversity and vibrance of Singapore's retail industry – Fashion Apparel/& Accessories, Furniture and Furnishings, Electrical & Electronics, Watch & Accessories, Beauty & Wellness, Telecommunications, Specialty and Food Retail, Department Stores and Supermarket/Convenience Stores. Collectively, they employ more than 80,000 workers, own or resell more than 4,500 brands, own more than 14,000 local stores, and account for more than $30 billion in operating receipts annually.

For more information, please visit: www.sra.org.sg

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Annex A – Summary of Policy Recommendations

1. Stimulate Local Spend

- Support domestic consumer spending and reduce outbound spend by introducing time-bound consumption vouchers to stimulate local retail and F&B spending:
  - Introduce time-bound consumption vouchers to boost local retail and F&B spending amid rising RTS-induced outbound expenditure
  - Expand eligibility and quantum of existing Community Development Council (CDC) voucher scheme to support businesses most exposed to outbound spend, such as pharmacies, convenience stores, and F&B
  - Retain heartland support while allowing greater flexibility for consumers to spend across more local merchants
  - Partner businesses and TACs to amplify voucher impact through promotions, loyalty programmes, shopping festivals to maximise local spending

- Review policy and enhance support for differentiated retail and F&B experiences:
  - Enable retail and F&B businesses to differentiate through unique products, services, and experiences that encourage local spending despite increased cross border competition
  - Facilitate culinary innovation and cost competitiveness through more flexible sourcing and accreditation frameworks
  - Review regulatory barriers and policy frameworks to unlock value-added services, and enhance customer experiences
  - Leverage TACs to facilitate shared experimentation or pilot projects, and accelerate sector-wide collaboration

2. Boost Tourist Spend

- Leverage mega events to capture RTS-enabled visitor spending:
  - Bundling mega-events with thematic, place-based and heritage-inspired experiential concepts
  - Involving a broader base of retail and F&B merchants in heartland nodes
  - Stronger inter-agency coordination and earlier information sharing with retailers, mall operators and industry associations
  - Stronger support for developing Singapore-first product launches, destination-exclusive collections

- De-centralise event infrastructure to areas outside Central:
  - Invest in island-wide, event-ready infrastructure to expand Singapore's capacity to host large-scale experiential events such as regional scale concerts, festivals, multi-day experiential events, and integrated retail, F&B, and accommodations offering

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- Leverage the Northern Gateway as a major RTS-enabled visitor hub, building on existing investments in the North and the Johor-Singapore Special Economic Zone
- Adopt a distributed activation model that spreads visitor traffic and spillover spending across surrounding businesses and neighbourhoods

- Reinvent Singapore's night-time offerings to support longer visitor stays through:
    - Expanding Singapore's night-time economy through a broader mix of family-friendly, cultural, wellness and lifestyle experiences that complement traditional nightlife
    - Develop evening events and technology-enabled activations, e.g. light festivals, immersive exhibitions, project mapping and drone shows, to strengthen Singapore's after-dark appeal
    - Enable vibrant night-time precincts by supporting extended operating hours, improving transport connectivity and encouraging co-ordinated programming across retail, F&B and attractions to increase dwell time and visitor spending

- Enable Singapore and Johor Bahru businesses to partner on cross-border offerings that grow total demand, positioning Singapore and Johor Bahru as a "Twin Cities, One Destination" experience, through:
    - Fostering a strong SG-JB consumer ecosystem through interoperable loyalty programmes and cross-border rewards
    - Drive cross-border spend with coordinated promotions, bundled experiences, and joint marketing initiatives

- Enable tourist tax refund eligibility to land-border travellers to stimulate higher-value retail spending:
    - Extension of tourist tax refund eligibility to land checkpoint departures
    - Implementation of seamless refund verification and claims processes along the land-travel journey

3. <u>Support Business Adaptation</u>

- Enable business asset enhancements to help businesses more competitive and adapt to post-RTS environment:
    - Support asset enhancement of heartland retail malls to strengthen their experiential appeal and competitiveness amid increasing cross-border competition
    - Introduce targeted, time-bound incentives (e.g. temporary property tax relief during major upgrading works) to offset investment costs and minimise disruption

- Facilitate cross-border business optimisation to support Singapore businesses in capturing cross-border growth opportunities:

    - Prioritise RTS-related expansions within existing internationalisation schemes to support Singapore retail and F&B businesses in growing across the SG-JB corridor
    - Introduce a cross-border business facilitation framework with streamlined approvals, faster regulatory processes and dedicated support for businesses operating across the RTS corridor

- Enable businesses to transition to more productive/manpower-lean operating models while easing short term manpower constraint:
    - Provide greater flexibility in foreign manpower policies, including cross-deployment across related entities, a review of the treatment of retail businesses under the current services sector Dependency Ratio Ceiling framework and expansion of eligible roles under the Non-Traditional Sources Occupation List (NTS-OL)
    - Introduce targeted, time-bound manpower support (e.g. S Pass levy reliefs and wage support) to help businesses manage transformation, extended operating hours and increased competition from the RTS

- Encourage sustainable and adaptive rental approaches to support business resilience, recognising the cost pressures faced by SMEs in the F&B and retail sectors, while enabling continued investment in asset enhancements and innovation:
    - Expand access to affordable retail formats and subsidised commercial spaces to help local businesses remain competitive
    - Preserve tenant diversity and business sustainability by supporting SMEs' ability to invest in innovation, asset enhancement and customer experiences