

**SPEECH BY DR KOH POH KOON, MINISTER OF STATE
FOR TRADE & INDUSTRY AT THE SIGNING CEREMONY
OF JTC FOOD HUB @ SENOKO, ON MONDAY, 28 MARCH
2016, 2.30PM**

Mr Png Cheong Boon, CEO of JTC, Distinguished Guests,
Ladies and Gentlemen,

1. Good afternoon. I am pleased to be here today to witness JTC's signing ceremonies with StorBest, the operator of JTC Food Hub's shared cold room–warehouse facility, and with the Food Hub's first three tenants – Tenderfresh Fried & BBQ Chicken, Deli Asia, and Kemin Industries.

Transformation of Singapore's food manufacturing sector

2. The food manufacturing sector is an important contributor to Singapore's economy, and has shown resilience and good growth. In 2014, the sector's total output was \$10.4 billion and it

contributed about \$3.4 billion in value-added. These figures represent a compound annual growth rate of 5% and 10% respectively, from 2010 to 2014.

3. We expect this growth to continue, given the positive global prospects of the food industry and international popularity of Singapore-made food products. Today, about half of our food manufacturing sector's output is exported, with China and Japan as the top export markets. By 2020, the global packaged food market is expected to bring in revenue of US\$34 trillion, registering a compounded annual growth rate of 4.5 per cent from 2015 to 2020. Singapore food manufacturing companies are well positioned to leverage this global growth, with our strong brand equity and reputation for high food safety standards, as well as ability to create a diverse range of Asian products.

4. To keep our competitive edge, we must continue innovating, building up the sector's brand equity and improving

the sector's productivity, while coping with the challenges of a tight labour market and growing competition from abroad.

5. The Government has supported the transformation of the food manufacturing sector on various fronts, and we will continue to do so. Let me touch on two areas today. Firstly, we have worked closely with trade associations such as the Singapore Food Manufacturers' Association (SFMA) and the Singapore Manufacturing Federation (SMF) to support the growth of the industry and enhance the brand of local companies overseas. For instance, SFMA has been organising the Singapore Food Expo and the Asia Pacific Food Expo every year to showcase local food products and strengthen Singapore's brand of food products. For overseas tradeshows,

IE Singapore provides funding to food companies under programmes such as the International Marketing Activities Programme (IMAP) and Local Enterprise and Association Development (LEAD). IE Singapore also invites potential overseas buyers to the "Tasty Singapore pavilion" at our local

tradeshows, so that business matching can be conducted and potential sales channels opened.

6. Secondly, as part of our efforts to boost productivity in the sector, SPRING embarked on a five-year Food Manufacturing Productivity Plan in 2011. Under this plan, there were initiatives that focused on helping food manufacturers improve operational efficiency, invest in consumer insights research for greater innovation, as well as develop stronger human resource capabilities and industry-specific training for the sector's workforce. The plan has gained traction, with a compound annual increase of about 7% in the sector's VA/worker from 2010 to 2014.

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7. To build on this momentum, SPRING will be introducing new initiatives developed in consultation with industry partners such as SFMA, SMF and the Food Innovation Resource Centre (FIRC). Through these initiatives, companies will be supported in their adoption of automation, robotics solutions, and high-

tech equipment to improve the shelf-life of products for exports. SMEs will also be able to make use of market intelligence to guide their product development efforts and enhance commercialisation rates under the Food Innovation Programme.

Boosting productivity through shared services

8. These initiatives by SPRING support companies on an individual level. But we can do more, and the JTC Food Hub @ Senoko represents a stride forward in our efforts to raise the sector's productivity in a more collective manner. As Cheong Boon has shared earlier, this cold room–warehouse facility that StorBest will operate is a key feature of the building. This is the first time such a dedicated shared facility has been built in a food manufacturing facility for food manufacturers in Singapore. Tenants will not only be able to enjoy cost savings and start their operations quickly; they can also tap on a full suite of cold room, warehouse and distribution services that the Food Hub will offer.

9. With their warehousing and logistics functions taken care of by a third party operator, the Food Hub's tenants will be able to focus on their core functions and undertake activities to enhance their competitive advantage, such as research and development, branding and improving their production processes and access to new markets.

Deepening our collaborations with TACs

10. The JTC Food Hub is a good example of how Government and the industry must work together in our productivity and economic restructuring efforts. Just as JTC conceptualised the Food Hub jointly with SFMA and SMF, more such collaborations with Trade Associations and Chambers (TACs) will be critical in developing the right infrastructure and initiatives to support businesses.

11. TACs, as champions in the various industries, contribute greatly to our understanding of companies' needs. Our

numerous engagements with TACs over the years have helped us keep abreast of changes in the industry and business landscape, and drive positive changes in the business community. For example, IE Singapore and SPRING worked closely with the SFMA last year to set up an e-commerce shopfront, called “Singapore National Shop”, on China’s largest e-commerce marketplace, Tmall, to help local food manufacturers gain a foothold in China’s market. Recently, JTC has also inked a partnership with the Singapore Furniture Industries Council (SFIC) for the establishment of a Furniture and Furnishings Experience Centre at the JTC Furniture Hub @ Sungei Kadut.

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12. Moving forward, TACs will continue to play an important role in the conversation between government agencies and industrialists, and remain valuable partners in our outreach to industry players. I look forward to more of such collaborations in to support the needs of businesses.

Conclusion

13. Our efforts at transforming the food manufacturing sector have started to bear fruit. We must continue to press on and take full advantage of the global opportunities available. On this note, let me congratulate the companies and JTC on their signings today, and I wish you great success in the years ahead. Thank you.

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