

SPEECH BY MS SIM ANN, SENIOR MINISTER OF STATE, MINISTRY OF CULTURE, COMMUNITY AND YOUTH & MINISTRY OF TRADE AND INDUSTRY AT THE LAUNCH OF FOOD MANUFACTURING INDUSTRY TRANSFORMATION MAP, AND THE FOOD INNOVATION PRODUCT AWARD CEREMONY ON FRIDAY, 18 NOVEMBER 2016, AT 4.45PM

Mr Thomas Pek, President, Singapore Food Manufacturers' Association
Distinguished guests,
Ladies and gentlemen,

Introduction

1. It is my pleasure to join you at the inaugural Food Innovation Product Award Ceremony. Today, we honour the outstanding teams, comprising food manufacturers and Food Science & Technology students, who have co-created novel food products and processes.
2. I would like to congratulate the Singapore Food Manufacturers' Association, SFMA, for the effort that they have put in to bring about this collaboration between the industry practitioners and tertiary students.

The Next Mile for the Food Manufacturing Industry

3. Our Food Manufacturing industry feeds Singaporeans' love for food with a wide variety of products that are delicious, safe and of high quality. With our excellent reputation for food safety, the industry has also become more export-oriented. Exports from the Food Manufacturing industry have grown at compound annual rate of 6.1% in the last five years, such that today more than half of our industry output is exported. Overall, the food manufacturing industry employs about 40,000 of our total workforce and contributed a substantive value-add of S\$3.7 billion to Singapore's GDP in 2015.
4. While the industry is doing well, regional competitors are adopting new food technologies and raising their capabilities in food safety. Although Singapore has built up a strong reputation for quality food, we must still find ways to differentiate ourselves from overseas counterparts.
5. I am pleased to announce the launch of the Food Manufacturing Industry Transformation Map, or ITM today. Led by SPRING Singapore, it sets out growth and transformation strategies for the next five years. Our vision is to develop Singapore as the leading food and nutrition hub. The ITM involves close collaboration among enterprises, unions and trade associations such as SFMA and the Singapore

Manufacturing Federation (SMF), as well as government agencies such as International Enterprise Singapore (IE Singapore), Agency for Science, Technology and Research (A*STAR), Economic Development Board (EDB), JTC Corporation (JTC), Agri-Food and Veterinary Authority (AVA), Workforce Singapore (WSG) and SkillsFuture Singapore (SSG).

6. Let me elaborate on the plans. The main thrusts of the ITM are about:
 - a. Strengthening the ecosystem for food innovation and R&D;
 - b. Building globally-competitive Singapore food companies and expanding our global footprint;
 - c. Driving productivity through automation; and
 - d. Redesigning and creating quality jobs.

Strengthening the Ecosystem for Food Innovation and R&D

7. Global trends have considerable impact on our Food Manufacturing industry. Growing affluence and the rising middle class in Asia have resulted in more sophisticated tastes and a higher demand for healthier and more premium products. To capitalise on these trends, food manufacturers need to look at creating products that are both tasty and healthy.

8. To further strengthen the ecosystem for food innovation, one key ITM strategy is to develop a Food Innovation Cluster that enables closer coordination between the research institutes and industry. A cluster workgroup led by SPRING, comprising member agencies from A*STAR, JTC, AVA, IE Singapore and EDB, will look into encouraging adoption of advanced technologies and fostering co-innovation among the key industry stakeholders.

9. The workgroup will also facilitate the setting up of shared R&D facilities, to help SMEs keen on adopting advanced machinery and processes, overcome obstacles such as high cost and lack of economies of scale. High Pressure Processing (or HPP) is one advanced process that extends product shelf life without using heat, hence preserving the nutritional content and texture in food products. Already in the works is a sharing facility to help companies lower the cost of adopting HPP, and it is targeted for completion by end-2017.

Building Globally-Competitive Singapore Food Companies and Expanding Global Footprint

10. As our domestic market is small, regional and global expansion continues to be a key growth strategy under the ITM. Last year, IE Singapore and SFMA rolled out an online Singapore shop called “Tasty Singapore” on Alibaba’s Tmall and JD.com, two of China’s top e-commerce platforms. Moving forward, the Government will deepen industry promotion efforts for “Tasty Singapore” via collaborations with international hotel and restaurant chains and institutional caterers, as well as through in-market activities such as food festivals.

11. Beyond the retail market, we will also help companies explore untapped B2B channels, such as in value-adding by becoming concepts and solutions providers. An example is Par International, which worked with IE Singapore in moving beyond its traditional business of flour trading and bread manufacturing. The company started setting up bakery counters to directly retail its products within the outlets of a Chinese supermarket.

Driving Productivity through Automation

12. Under the ITM, we also want to continue our good work at raising productivity. The Automation Support Package or ASP, which was announced by Minister Heng Swee Keat at Budget this year, goes hand-in-hand with the objectives of our internationalisation strategy. The ASP will provide assistance for food manufacturers who want to increase their production capacity for expansion into the global market. KH Roberts, a premier manufacturer of food flavours and specialty ingredients in Asia, took up the ASP to develop a highly-automated liquid distribution and dispensing system, and is expected to double their production capacity for export.

13. To quicken the pace of technology adoption, we will also be developing the capabilities of system integrators through the National Robotics Programme, so that they can better advise our companies in the deployment of automation solutions.

Redesigning and Creating Quality Jobs

14. These initiatives will help our companies grow and stay competitive, and create quality jobs for Singaporeans. The ITM projects that 2000 new PMET jobs will be created over the next five years to support the innovation and export-led growth of the industry. Let me elaborate on some of these jobs.

15. The focus on innovation and technology will translate to an increased need for employees with deep knowledge in food science, food production methods, quality assurance and system operations. In addition, we anticipate more jobs in the areas of e-commerce, marketing analytics, franchising, international marketing and other corporate group functions due to the increased diversification of retail platforms.

16. For greater career fulfilment and better-defined progression pathways, existing jobs will be redesigned. WSG and SSG are co-developing a Food Manufacturing Skills Framework that will be ready by 2017. It serves as a common source of information for employees, employers, and training providers, so that the industry can reference it to assess skill gaps and plan training programmes. Workers will be able to tap on other SSG and WSG programmes, such as the Adapt and Grow Initiative, to adapt to evolving job roles and grow industry-relevant skills that increase employability.

17. Our comprehensive efforts at boosting innovation, technology adoption, enterprise internationalisation and manpower support are estimated to bring about a compound annual growth rate of 4.5% in productivity for the Food Manufacturing industry, from now until 2020.

Strong Partnerships to Drive Transformation

18. The food manufacturing industry has made great strides due in no small part to the strong partnerships among our trade associations, industry stakeholders, innovation centres and government agencies.

19. For example, SFMA has been partnering the government on industry development initiatives, such as those under the LEAD programme, that improve the overall capabilities of local enterprises in their industries or help them collectively capture opportunities overseas. Through LEAD, SFMA has held design-thinking and product-development workshops to encourage food manufacturers to improve their product range.

20. Moving forward, continued strong support from our industry stakeholders and partners will drive the success of the Food Manufacturing Industry Transformation Map. I strongly encourage our employers, workers, and unions to persevere at improving productivity and innovation, so that the industry can achieve stronger growth and competitiveness.

Conclusion

21. In conclusion, to all participants and winners of the Award, I hope you will continue your efforts beyond this platform to bring these creative products to market. Again, congratulations to SFMA and the participants for making the Food Product Innovation Award a great success!