

**SPEECH FOR MR CHEE HONG TAT, SENIOR MINISTER OF STATE,
MINISTRY OF TRADE AND INDUSTRY, AT THE OPENING OF JTC
FOOD HUB @ SENOKO ON TUESDAY, 31 JULY 2018, 10:30 AM**

Distinguished Guests,
Ladies and Gentlemen,

1. Good morning. Today, I am pleased to officially open JTC Food Hub @ Senoko, and to witness the signing of an MOU between JTC, Enterprise Singapore and Singapore Institute of Technology to set up a small batch production facility here.

Government-industry partnerships are crucial to growing our food manufacturing industry

2. The food manufacturing industry is an important one, not only because it helps to diversify our food sources and strengthen food security, but also in terms of its economic contributions. In 2017, the industry added S\$4.3 billion to Singapore's GDP, growing by 14% from 2016.

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3. Our food manufacturers have built a strong reputation overseas for their quality products and high food safety standards. This has allowed them to do well in markets such as China, where the Government has tightened food regulatory standards in recent years and consumers are paying greater attention to food quality and safety. Our trusted Singapore brand is an asset in these overseas markets.

4. Besides Asia, Latin America is a potential new market for our products. I was in Mexico last week for the Pacific Alliance Ministerial Summit. We are currently working on an FTA with the Pacific Alliance countries, namely Chile, Colombia, Mexico and Peru. The government and business leaders I met are interested to increase trade in food products between the Pacific Alliance countries and Singapore, and using Singapore as a regional headquarters and launch pad for their companies to expand into other markets in Southeast Asia. They also welcome investments from Singapore food companies. I understand some of our companies such as Tee Yih Jia and Tat Hui Foods, which owns Koka instant noodles, are exploring possible opportunities in Latin America.

5. To capture new markets and meet changing consumer tastes, it is important that our food manufacturers continue to innovate and improve their productivity. The Government has been working closely with trade associations and industry players to support their efforts. JTC worked with the Singapore Food Manufacturers' Association (SFMA) and the Singapore Manufacturing Federation (SMF) to jointly conceptualise the development JTC Food Hub @ Senoko to meet the needs of our food companies.

Helping food manufacturers reduce their costs and enjoy greater flexibility in their use of space

6. JTC Food Hub is the first multi-tenanted food development in Singapore with an integrated cold room and warehouse facility. Companies can tap on the shared facility operated by StorBest, for their warehousing and logistics functions. Doing so can help them reduce their

upfront costs and operating costs, as compared to having their own cold rooms and delivery fleets.

7. Companies can also enjoy greater flexibility in their use of space at the Food Hub. Its modular units can be combined to meet the needs of companies, allowing them to redesign their space when they automate, consolidate or scale up their operations.

8. Tenderfresh Fried and BBQ Chicken is one of the companies that has benefited from moving into the Food Hub. The company previously operated from seven units across multiple floors at Woodlands Loop. Tenderfresh has now consolidated its operations into two modular units on a single floor, which has allowed it to redesign its operations and make further investments in automation. This has helped the company to increase its productivity by about 20%.

Companies can use the small batch production facility to test-bed new ideas

9. Another key feature of the Food Hub will be the small batch production facility set up by JTC, Enterprise Singapore and SIT. This is the latest initiative by FoodInnovate, a multi-agency workgroup recently launched to promote food innovation. The facility will be operated by SIT.

10. More than ever, consumers today look for ease of preparation and enhanced nutritional value in their food choices. Food manufacturers need to innovate their product offerings to meet these new consumer requirements. However, companies often face a lack of scale and in-house capabilities. SMEs in particular, may find it difficult to do small batch

production to test their new ideas, as the equipment is expensive and outsourcing to a contract manufacturer requires a larger minimum order size than what they need. This increases the cost of experimentation and has resulted in a low commercialisation rate.

11. The small batch production facility will tackle these challenges. Targeted to be fully operational in end-2019, it will provide food processing equipment to companies on a pay-per-use basis. Companies can then do small batch production without worrying about high upfront costs or minimum order size. They will have access to a range of equipment, from standard ones like spray dryers to advanced equipment such as microwave assisted thermal sterilisers and pulsed electric fields.

12. SIT will also support companies' efforts to upgrade their workers' skills through training courses and seminars. One key programme will be the Food Skills Development Programme, which is supported by SkillsFuture Singapore and developed in collaboration with Enterprise Singapore. Through this, companies can learn about emerging food processing technologies and work with SIT on industry projects.

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Conclusion

13. The Government will continue to work closely with our industry partners and the Institutes of Higher Learning to develop facilities and implement various initiatives to support our companies in their transformation. We want to help our companies to succeed and do well, by lowering their business costs, improving their productivity and supporting their innovation efforts. For food manufacturers and other

sectors with export potential, we will also help them to internationalise and bring their products and services to overseas markets.

14. Let me congratulate JTC, our industry partners and our tenants on the opening of JTC Food Hub. I wish everyone all the best and may your business prosper and thrive.

15. Thank you.

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