

SINGAPORE GOVERNMENT PRESS STATEMENT

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SPEECH BY THE MINISTER FOR FINANCE, DR. GOH KENG SWEE, AT THE LAYING OF THE FOUNDATION STONE, CEREMONY OF SHENG HUO ENTERPRISE LTD. ON TUESDAY, 14TH APRIL, 1964 AT 5.00 P.M.

Sheng Huo Enterprise Ltd. is one of the most interesting of the pioneer industries so far established in Singapore. It will produce chocolate, cocoa powder and cocoa butter. The plant is to produce some 500 tons of these products in the first year increasing to 1,000 tons a year after four years. All these products will be made by the use of modern machinery. The capital investment comes to \$1.3 million and about a hundred new jobs will be created.

This is the first time that Malaysia has embarked on the manufacture of chocolates. This venture is interesting if we relate it to the recent development of the cocoa planting in Malaysia - the East Coast of Malaya as well as Sabah. Of course, Sheng Huo will not be able to use the entire crop of Malaysian cocoa production. But at least this is a step in the right direction, in using our own raw materials to manufacture articles which formerly we had to import from abroad from countries who had bought the raw materials from us. Motor-car tyres provide another illustration of raw materials going half way round the world and returning to our countries in the form of finished goods.

Articles like cocoa and chocolate are low priced in terms of bulk. That is to say, the cost of transporting cocoa beans to European countries and importing chocolate must form a sizeable portion of retail price in Singapore. If Sheng Huo Enterprise Ltd. can manufacture cocoa and chocolate of quality comparable to imported products, there is no reason why they should not prosper. The market for cocoa and chocolate products in Malaysia comes to more than \$3 million a year. With the advantage of savings in transport cost not only for cocoa beans but also for sugar, Sheng Huo Enterprise Ltd. should be able to compete successfully with imported articles.

This factory is a useful addition to our growing list of industries, and I am extremely glad to accept the invitation to lay the foundation stone.

APRIL 14, 1964.

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