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PRESS RELEASE

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**SPEECH BY MR EUGENE YAP, PARLIAMENTARY SECRETARY (LABOUR),
AT THE FACTORY OPENING OF KIKKOMAN (S) PTE LTD
ON WEDNESDAY, 21 NOVEMBER 1984 AT 3.00 PM**

I understand in September last year, Kikkoman (S) Pte Ltd held a groundbreaking ceremony to commemorate the commencement of plant construction. The Senior Management of the Company indicated then that they planned to complete the factory construction in time to hold the factory opening ceremony some time in November 1984.

The Company is right on the target. Today, we are all gathered here for this grand occasion to inaugurate the Opening of Kikkoman (S) Pte Ltd. The Company must be congratulated for its careful planning and effective execution in the implementation of the project.

The occasion today marks the culmination of years of hard work that began in 1979 and now bears fruit - most befittingly - in the year when Singapore is celebrating 25 years of nation-building. Kikkoman could not have chosen a more auspicious point of time to launch its second overseas manufacturing operation.

One notable feature of this project that caught my attention is that it is essentially an export oriented plant. On the surface of things, soya sauce would seem hardly an item for export on a big scale. It is a product of the Orient and is unique to the Oriental culinary culture. Not to mention that it is a bulky item. Yet Kikkoman has successfully promoted its soya sauce as an

international product exported to more than 80 countries in the world. Kikkoman's experience is a good case study for our local food companies interested in internationalising their businesses.

The food and beverage industry is a mature industry. It depends on new products and efficient processes to generate growth. Our local food and beverage companies should therefore give emphasis to research and development activities. In the years to come, developments in biotechnology are likely to have a significant impact on many industrial sectors, including the food and beverage sector. The Economic Development Board (EDB) is therefore encouraging our food and beverage companies to participate in related research and development and to invest in biotechnology projects.

It is heartening to note that a few local food and beverage companies have already embarked on joint research projects with public institutions like the National University of Singapore. In fact, one of such research spin-offs is an accelerated process of soya sauce fermentation which is soon to be tested out on a pilot plant scale.

The Government is committed to the goal of creating the necessary infrastructure to support the development of biotechnology. The Government's decision to set up the Institute of Molecular and Cell Biology with a budget of \$65 million over 5 years is a demonstration of Singapore's commitment to biotechnology. The Institute, now under active implementation will provide the necessary manpower and research capabilities. The Government will also continue to make use of its R&D schemes to promote biotechnological research and development. These are the Research and Development Assistance Scheme and the Product Development Assistance Scheme. Since the implementation of these two schemes, more than \$4 million have been committed for

research projects in the biotechnology related fields undertaken by public institutions, either on their own or in collaboration with private sector companies. The whole range of EDB tax incentives and low cost financing is available for biotechnology projects. Even pioneer status, which was previously applicable only for manufacture of goods, is now open for production of biological products following the recent amendments.

The presence of a research-oriented company like Kikkoman Corporation should indeed enhance the development of the food biotechnology industry here. It is interesting to know that Kikkoman in Japan has about 250 research staff working on microbiology, enzymology, nutrition and food chemistry in its Central Research Laboratories; it is also sponsoring the Noda Institute for Scientific Research in its biotechnology-based research projects. We hope that the company, certainly one of the most avant-garde food companies in Japan, will use its wealth of expertise to eventually set up a product and process research and development unit in Singapore.

On this note, I would like now to declare open Kikkoman (S) Pte Ltd and to extend my best wishes to the company for a successful and profitable operation.

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