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**Food Manufacturing Industry Transformation Map to Develop Singapore into  
Asia's Leading Food and Nutrition Hub**

1 Ms Sim Ann, Senior Minister of State for Trade and Industry, and Culture, Community and Youth launched the Food Manufacturing Industry Transformation Map (ITM) today at the inaugural Food Innovation Product Award Ceremony. With the vision to develop Singapore into the leading food and nutrition hub in Asia with globally-competitive food companies, the ITM strives to catalyse a compound annual growth rate of 4.5% in productivity and create some 2,000 new Professionals, Managers, Executives and Technicians (PMET) jobs for the Food Manufacturing industry, from now till 2020.

2 The Food Manufacturing ITM is one of the 23 ITMs to transform Singapore's key industries, and the fifth to be rolled out. Led by SPRING Singapore (SPRING) and supported by various government agencies and associations, the Food Manufacturing ITM lays out the strategies for the industry over the next five years.

**Developing a Progressive Food Manufacturing Industry**

3 The Food Manufacturing industry plays a significant role in Singapore's economy, with more than half of its output being exported to countries such as Japan and China. In 2015, the industry contributed S\$3.7 billion<sup>1</sup> to Singapore's GDP and employed about 40,000 workers<sup>2</sup>.

4 "Singapore's Food Manufacturing industry is performing well. To continue thriving in today's world of myriad options, our food manufacturers need to find new ways to

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<sup>1</sup> Source: Economic Development Board (preliminary estimate)

<sup>2</sup> Source: Ministry of Manpower

differentiate themselves from the competition. Leveraging Singapore’s strong reputation for high quality, we could develop new products or product extensions based on lifestyle and health trends, so as to better compete in the global arena”, said Mrs Kee Ai Nah, Group Director (Industry & Enterprise), SPRING Singapore.

### **Strengthening the Ecosystem for Food Innovation and R&D**

5 Efforts, like the establishment of the Food Innovation Cluster (FIC) will foster closer collaborations and sharing of resources. The FIC encourages development and commercialisation of new products and the establishment of shared R&D and production facilities. An example is the High Pressure Processing (HPP) resource sharing facility that will be launched in the second half of 2017. The facility gives companies access to the advanced technology without the need for them to invest in the equipment. SPRING will lead a multi-agency workgroup to facilitate the development of FIC.

6 Food companies can continue to tap on the Food Innovation Resource Centre (FIRC) for technical advice in new product and process development. To further encourage innovation, the Singapore Food Manufacturers’ Association (SFMA) also conducts design thinking and product development workshops under the Local Enterprise and Association Development (LEAD) Programme.

### **Building Globally-Competitive Singapore Food Companies and Expanding the Global Footprint**

7 Regional and global expansion continues to be an important growth strategy for Singapore’s food companies. IE Singapore has successfully helped local enterprises to internationalise through various avenues. For instance, it worked closely with SFMA last year to launch an online Singapore shop, “Tasty Singapore”, on China’s top e-commerce platforms – Alibaba’s Tmall and JD.com. More than 130 of Singapore’s food products offered by 27 companies have been listed on Tmall since the launch of the platform in July 2015. This initiative has enabled Singapore companies to reach the vast consumer market in China more efficiently and quickly. IE Singapore will continue to deepen industry promotion efforts for Tasty Singapore by collaborating with overseas hotels and restaurants and conducting in-market activities such as food festivals.

8 To compete sustainably overseas, it is also important for local food companies to establish presence in key markets. This could be in the form of owning manufacturing facilities, distribution networks, or outsourcing last mile manufacturing to a foreign Original Equipment Manufacturer (OEM) partner.

### **Driving Productivity through Automation**

9 The ITM also aims to help companies quicken the pace of technology adoption to improve productivity. There are existing schemes that companies can tap on, such as the Automation Support Package (ASP), which supports the large-scale deployment of automation and robotics solutions across existing operations, as well as the redesigning of workflows and processes.

10 Food Manufacturing is one of the industries under the National Robotics Programme. Given that many companies now require customised technological solutions enabled by system integrators, there are efforts to build up the capabilities of system integrators to support their development and growth needs.

### **Creating Quality Jobs and Reskilling the Workforce**

11 Upgrading the workforce is another focus area of the Food Manufacturing ITM. As the industry progresses, knowledge in fields such as food science, food production methods, quality assurance and expertise in operating new systems will be highly sought. SPRING, SkillsFuture Singapore and Workforce Singapore, in close consultation with the industry and key stakeholders, will co-develop a Skills Framework to provide a common reference of current and emerging skills required for individuals, employers, and education and training providers for the Food Manufacturing industry. The framework is expected to be completed by end of 2017.

12 More information on the available support for companies who are interested to embark on the initiatives under the Food Manufacturing ITM is enclosed at [Annex A](#), and information on the LEAD and LEAD+ programmes at [Annex B](#).

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## **About SPRING Singapore**

SPRING Singapore is an agency under the Ministry of Trade and Industry responsible for helping Singapore enterprises grow and building trust in Singapore products and services. As the enterprise development agency, SPRING works with partners to help enterprises in financing, capability and management development, technology and innovation, and access to markets. As the national standards and accreditation body, SPRING develops and promotes internationally-recognised standards and quality assurance infrastructure. SPRING also oversees the safety of general consumer goods in Singapore. Please visit [www.spring.gov.sg](http://www.spring.gov.sg) for more information and news about SPRING Singapore.

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## **ANNEX A: FOOD MANUFACTURING INDUSTRY TRANSFORMATION MAP**

### **Supporting Food Companies in their Adoption of Advanced Technology through Resource Sharing**

#### *High Pressure Processing Resource Sharing Facility*

1. The Food Innovation Cluster workgroup is in the midst of setting up a High Pressure Processing (HPP) resource sharing facility, which is expected to be launched in second half of 2017. HPP is an advanced technology that extends product shelf life without using heat, therefore preserving the nutritional value and sensorial quality of food products. This technology is suitable for juices, pastes, fruits, vegetables, ready-to-eat and ready-to-cook items. The facility will enable companies to tap the technology at a lower cost. Companies that are interested in utilising this facility can contact SPRING at [food\\_division@spring.com.sg](mailto:food_division@spring.com.sg).

### **Supporting Food Companies in accelerating their Productivity Improvements through Tailored Programmes**

#### *Singapore Food Manufacturing Sector Field and Forum*

2. Companies can embark on lean productivity transformation through the Singapore Food Manufacturing Sector Field and Forum, a new programme that will be starting in the first quarter of 2017. This programme will adopt a unique learning approach, which comprises both hands-on sessions (field) in the factories and interactive classroom/lab sessions (forum) for companies to discuss operation challenges and implement the desired state of operations. This programme is supported by both Workforce Singapore and SPRING.

#### *Productivity Diagnostic and Walkthrough Programme*

3. The programme consists of a diagnostic study and a factory walkthrough session by Japanese productivity experts. These experts will conduct a comprehensive appraisal of participating companies' productive efficiency based on factory layout, specifications of factory equipment and production schedules. At the end of the programme, customised feedback and area for improvements will be given to participating companies.

Companies will be able to identify and act upon productivity gaps, and learn Japanese productive methodologies.

4. For more information on the two programmes mentioned above, please contact SPRING at [food\\_division@spring.com.sg](mailto:food_division@spring.com.sg).

#### Automation Support Package

5. To encourage companies to scale and internationalise, companies can tap on the Automation Support Package (ASP) for grant, tax and loan incentives to defray the cost of large-scale deployment of automation solutions across existing operations. The deployment of automation solutions should result in a significant productivity improvements and increase in scale through: (1) mechanisation of manual operational processes; (2) redesign of existing workflows and processes; and/or (3) adoption of technology above industry norm.
6. For more information on the Automation Support Package, please refer to <https://www.spring.gov.sg/ASP>.

#### **Supporting Food Companies in Creating Quality Jobs and Reskilling Workers**

7. In addition to the Food Manufacturing Skills Framework, SkillsFuture initiatives such as the Enhanced Internships (EI) and the SkillsFuture Earn and Learn Programme support young entrants by giving them a head-start in their careers, and equipping them with the knowledge and skills to meet the emerging needs of the sector. Companies can tap the SkillsFuture Mentors Programme to help develop the skills of their employees, deliver quality internships and participate in the SkillsFuture Earn and Learn Programme. As supervisors and managers play a key role in developing their people, the SkillsFuture Mentors will provide guidance and coaching to help them improve their training delivery to the trainees. Eligible companies will be matched with a SkillsFuture Mentor over a nine-month period to develop and implement the mentorship plan. The Mentors will help companies strengthen their learning and development capabilities and build up their branding as employers of choice with attractive career development and growth opportunities. For more information on the SkillsFuture Mentors Programme, visit [www.spring.gov.sg/sfmentors](http://www.spring.gov.sg/sfmentors).

8. The SkillsFuture Study Awards for Food Manufacturing supports the efforts of early to mid-career Singaporeans with relevant work experience as they deepen their skills and facilitate their career progression in the industry. Study Award recipients will be awarded \$5,000 to help them with their training fees.
9. The Adapt and Grow Initiative by Workforce Singapore helps local PMETS and rank-and-file workers adapt to changing job demands and grow industry relevant skills to increase their employability. These include Professional Conversion Programmes, Career Support Programme, P-Max, Re-skilling for Jobs Programme and Industry Catalyst Programme. Food manufacturers are encouraged to support such initiatives that better enable them to hire, train and retain a strong Singaporean core.
10. Workforce Singapore (WSG), Agilent Technologies and Singapore Polytechnic (SP) have also launched a new Lean Enterprise Development project to help six Small and Medium Enterprises (SMEs) improve their efficiency and productivity for product testing and development.
11. Employers can also leverage SPRING's HR Diagnostic Tool as a first step to strengthen their HR capabilities. The HR Diagnostic Tool, administered at no cost, aims to help companies understand their current state of HR maturity and identify gaps for improvement, across 11 functional areas such as recruitment, training and development, performance management, talent management and employee engagement. HR maturity describes the state of company's leadership and mindset towards human capital, including its practices and processes. Companies can also receive up to 70% in funding support for both smaller and large-scale HR capability projects to strengthen their core HR competencies, under SPRING's CDG and Innovation & Capability Voucher (ICV). More information on the HR Diagnostic Tool can be found at [www.spring.gov.sg/hcd](http://www.spring.gov.sg/hcd).

## **Supporting Food Companies to Gain Access to New Channels and Markets**

### *Tasty Singapore Industry Branding*

12. Tasty Singapore (TS) is an industry branding initiative by IE Singapore to promote the good qualities and excellence of Singapore food companies to overseas partners. In collaboration with the Restaurant Association of Singapore, the Singapore Food Manufacturers' Association, the Singapore Manufacturing Federation, various events and promotions designed to enhance market access are organised under the TS

branding. These include the clustering of Singapore companies' participation in tradeshows such as Gulfood 2017, Anuga 2017, and Food & Hotel Asia 2018, as well as Food Aisles in supermarkets that companies may not be able to access individually.

#### Singapore Pavilions at Tradeshows

13. IE Singapore, in collaboration with Trade Associations and Chambers such as Singapore Food Manufacturers' Association and Singapore Manufacturing Federation, has been supporting tradeshows such as the Anuga, Food & Hotel Asia, and Gulfood through the years. The support helps to give Singapore companies the opportunity to promote their products and services at these tradeshows as they form an important channel to reach out to overseas buyers, identify market trends, and better understand customers and competitors. In addition to funding support from International Marketing Activities Programme (iMAP) or the Local Enterprise and Association Development Programme (LEAD), IE Singapore also organises workshops on 'Maximising Tradeshows' to equip SMEs with the basics of tradeshow marketing.

#### Business Development Missions to Markets

14. To encourage overseas expansion of Singapore companies, IE Singapore, in collaboration with key partners, regularly organises business missions to emerging and developed markets of interest. These visits seek to either introduce business partners and opportunities for collaboration, or to verify in-market business trends and opportunities for the establishment of their overseas presence.

#### Market Readiness Assistance

15. Designed to accelerate the international expansion of Singapore SMEs, the Market Readiness Assistance (MRA) grant supports pre-determined activities focused on overseas set-ups, identification of business partners and overseas market promotion. Eligible companies can receive up to 70% support of the eligible cost.

#### Global Company Partnership

16. To prepare Singapore companies for their venture into new markets, the Global Company Partnership (GCP) grant serves a variety of needs, ranging from capability



building, market access, manpower development, and access to capitals and loans. Support for eligible third-party costs is capped at 70% for SMEs, and 50% for non-SMEs.

17. For more information on the Market Readiness Assistance and Global Company Partnership, visit [www.iesingapore.gov.sg/Assistance/Overview](http://www.iesingapore.gov.sg/Assistance/Overview).

#### *Double Tax Deduction for Internationalisation*

18. Supporting activities across key stages of Singapore companies' overseas growth, extending from market preparation, to exploration, promotion and presence. Under this scheme, Singapore companies can receive 200% tax deduction on eligible expenses for supported market expansion and investment development activities.

19. For more information on the support from IE Singapore, visit [www.iesingapore.gov.sg](http://www.iesingapore.gov.sg).

## **ANNEX B: LOCAL ENTERPRISE AND ASSOCIATION DEVELOPMENT PROGRAMME**

1. Launched in 2005, the Local Enterprise and Association Development (LEAD) Programme is a multi-agency effort to enhance industry and enterprise competitiveness.
2. Under the programme, SPRING Singapore and IE Singapore partner Trade Associations and Chambers (TACs) that are willing to take the lead in industry development, and provide them with support to drive initiatives that improve the overall capabilities of local enterprises in their industries or help them collectively capture opportunities overseas.
3. At Budget 2016, the LEAD+ programme was introduced to raise the internal competencies of TACs that are involved in driving sector-wide initiatives and plan to do even more. Through LEAD+, these TACs may receive support for internal upgrading initiatives that would boost their capabilities to drive sector level upgrading projects more effectively.

### **Scheme Rationale**

4. As industry champions, TACs are in a strong position to reach out to enterprises to enhance their competitiveness and drive industry internationalisation. Leveraging on industry players' knowledge and experience, TAC members can also work together to pursue overseas business opportunities and address industry development needs.
5. For example, SFMA takes lead in driving industry transformation and collaborated with the government on industry development initiatives under the LEAD programme. SFMA has received support under the LEAD+ programme to strengthen existing secretariat capabilities and build new internal competencies. As part of the LEAD+ support, a public officer has been seconded to SMFA to forge closer partnership and facilitate better government understanding of enterprise and industry needs.
6. The objective of the LEAD+ support is to help SFMA build internal capacity to support more SMEs and contribute more to industry development under the Food Manufacturing ITM. For instance, SFMA will embark on internal capability upgrading projects to help them better identify and develop relevant solutions for industry needs and drive SME adoption of these solutions.

## Supportable Areas under LEAD and LEAD+

7. The LEAD programme supports TAC-led projects in the following areas:

Technology & Infrastructure	Initiatives that encourage enterprises to improve their capabilities and productivity by leveraging enterprise applications and relevant technology infrastructure to innovate and enhance their business operations. It includes the adoption of info-communication technology, development of technical standards and establishment of industry-wide infrastructure.
Expertise & Managerial Competence	Initiatives that develop overall industry expertise through training, learning circles and industry-wide certification. It also covers the development of the internal competencies of enterprises by upgrading manpower capabilities and developing managerial competence.
Business Collaboration	Initiatives that encourage associations and businesses to forge alliances and leverage mutual strengths through joint procurement, shared services and creation of joint market access.
Intelligence & Research	Initiatives that provide enterprises a deeper understanding of industry trends and requirements, so as to develop industry-specific solutions through comprehensive research based on sound market intelligence.
Advisory & Consultancy	Initiatives that promote industry-wide best practices and competence through industry-specific advisory clinics or industry sharing activities.

8. The LEAD+ programme supports internal upgrading initiatives of eligible TACs in four key areas that will enhance their capability to lead industry development efforts more effectively:

- Strengthening TAC leadership (i.e. volunteer leadership)
- Strengthening TAC management (i.e. full time secretariat)
- Strengthening TAC processes
- Creating new TAC services for higher value

9. For more information, please visit [www.spring.gov.sg/LEAD](http://www.spring.gov.sg/LEAD).