

**SPEECH BY MR GAN KIM YONG, MINISTER FOR TRADE AND
INDUSTRY
AT THE OFFICIAL OPENING OF THE 3RD EDITION OF
RESTAURANT ASIA 2022 AND RAS LEADERSHIP SYMPOSIUM
2022 (19 MAY 2022)**

Mr Andrew Kwan, President, Restaurant Association of Singapore (RAS),
Mr Edward Liu, Group Managing Director, Conference & Exhibition
Management Services (CEMS),
Distinguished guests,
Ladies and gentlemen,

Opening

1. Good morning. It is my pleasure to join you at the opening of the third edition of Restaurant Asia. With the local COVID-19 situation stabilising, I am glad to be able to join you physically, together with over 180 exhibitors from 15 countries.

2. Held in conjunction with the Restaurant Association of Singapore (RAS) Leadership Symposium 2022, this is an opportune time for us to meet and exchange insights on how the food services sector can emerge stronger from the pandemic, and transform to become more competitive and resilient.

3. Over the last two years, the food services sector has battled waves of disruptions due to the pandemic. Yet many have continued to press on, and transform their operations. Many have joined food delivery platforms, adopted digital and automation solutions, and diversified into new revenue streams.

- a. Kaffe ('Café') and Toast, for example, adopted the Nanyang Kopi robotic unit in Changi General Hospital and reduced the time to deliver a cup of coffee or tea resulting in a 15 to 20% improvement in productivity. With less manual work required in the beverage preparation process, their staff can also pay more attention to other tasks, such as to improve customer service.

4. I would like to thank our food services companies and workers for your resilience and efforts to curb infections and keep Singapore safe.

5. As we emerge from the pandemic, it is critical for the food services sector to re-position itself to seize new opportunities, and adopt solutions to future-proof operations.

Launch of the Food Services Industry Transformation Map 2025

6. The Government will continue to support the food services sector to do so. I am confident that by working together, we will be able to overcome challenges and emerge stronger.

7. Today, I am happy to announce the launch of the Food Services Industry Transformation Map (ITM) 2025. Developed with partners in the sector, the Food Services ITM 2025 aims to foster an innovative and resilient food services sector with a bedrock of homegrown regional brands.

8. The Food Services ITM 2025 will focus on catalysing innovation among enterprises to create new revenue streams, and empower ready and able food services companies to internationalise and capture new growth. We will also press on with efforts on the productivity, jobs & skills front. Allow me to share more on the four key thrusts of the Food Services ITM 2025.

Embracing digitalisation to improve productivity

9. First, with increasing competitive pressures and shifting consumer preferences, food services companies must continually transform and explore new operating models. In recent years, many companies have started adopting digital solutions and automated equipment to reap economies of scale and improve efficiency.

- a. Chang Cheng Group, which operates traditional mixed rice stalls, is a good example. The investment in an automated central kitchen in 2017 enabled Chang Cheng to save an estimated 1,100 manhours per day, leading to a 13% savings in business costs and 60% productivity improvement. The automated central kitchen is now responsible for supplying close to 160 food stalls in about 25 coffeeshops. The automated central kitchen also enabled Chang Cheng to diversify into a new revenue stream of supplying bento meals, as they did for foreign worker dormitories during Circuit Breaker.
- b. We hope to see more companies leverage the Productivity Solutions Grant (PSG) to adopt bite-size and cost-effective digital and automation solutions to drive business growth. Companies can also adopt data-driven strategies to champion seamless online-to-offline customer experience. We are refreshing the Food Services Industry Digital Plan which will be launched later this year, to guide food services companies in using advanced technologies to support their needs.

Catalysing innovation to seize opportunities in sustainability and drive new revenue streams

10. Second, some companies have ventured into research and development, such as producing and commercialising ready-to-eat (RTE) meals, to meet changing consumer preferences and to diversify revenue streams. These efforts paid off and helped them remain resilient to demand shocks, especially during Circuit Breaker when dining in was restricted.

- a. For instance, French Food Factory started in 2007 mainly as a café operator retailing under the brand name Saybons. It embarked on a project in 2018 to expand its RTE product range and extend the product shelf life to over 14 days. Their RTE sales have since increased by close to 5 times in 2021. The company plans to expand its business beyond Singapore.

11. With sustainability emerging as a rising global trend, it is pertinent for businesses to incorporate sustainability practices into its operating model, including collaboration with potential partners to enable them to leverage sustainability as a value proposition. Companies can tap on Enterprise Singapore's Enterprise Sustainability Programme to develop capabilities in this area.

- a. Let me share an example. Mr Bean earlier worked with Republic Polytechnic to convert okara, an edible by-product generated from soymilk production process, into food ingredient. Okara is often thrown away by food producers, as it spoils easily, and has an unpleasant smell if not treated immediately. Through the collaboration with Republic Polytechnic, Mr Bean successfully converted okara into an ingredient that is now used in Mr Bean's granola bars, which are sold locally and internationally.

Seizing opportunities to internationalise and grow homegrown regional brands

12. Third, with the gradual reopening of borders, we will support companies entering new markets and accelerating expansion efforts.

- a. A specially curated market accelerator programme will be introduced for the food services sector, to support companies that are making forays into a new overseas market. The programme will offer basic market knowledge and networking opportunities with potential partners, to support companies' internationalisation journeys.
- b. For companies with existing overseas footprints, we will help them to strengthen their in-market networks and insights, through our network of overseas centres and the Global Innovation Alliance programme, to deepen their market presence as they expand into emerging cities. Support will also be given to companies that are looking into complementary operating models, such as cloud kitchens.

Continued investment in human capital capabilities is key to build up future-ready workforce

13. Fourth, we acknowledge the increasing competition for manpower across all sectors. The food services sector is no exception. It is therefore important for companies, as part of business transformation, to also invest in human capital and create quality jobs for locals. This will ensure that there is a pipeline of talent to support the sector's growth.

- a. For example, leveraging the Career Conversion Programme launched in 2020, Select Group has equipped close to 120 employees with new skills, such as data analytics, to help them to adopt and embrace digitalisation at the workplace. This includes drawing insights from existing digital systems to launch proactive marketing activities and improve customers' satisfaction.

14. With new operating models and new ways of doing business in the food services sector, there will be exciting job opportunities in the food services sector. New job roles and skills have emerged, such as digital marketing specialists, and data analysts. To support the growing demand for these emerging job roles and skills, the Government will work with food services companies to develop and implement talent development programmes to groom locals to take on these jobs. We will also help companies to enhance their branding as an employer, so that they can better profile themselves as employers of choice to prospective candidates amidst an increasingly competitive labour market.

15. We encourage all of you to support the continued training and development of our workers to create meaningful careers for them in the food services sector.

Close collaboration between the Government and industry players is vital for the transformation of the food services sector

16. In the spirit of Singapore Together, tripartite partnership is integral to our economic transformation efforts. Industry stakeholders such as RAS are our valued partners in this transformation journey.

- a. I am happy to note that RAS organised webinars on Digital Marketing and consumer insights on Food Delivery in 2020, to help companies gain a better understanding of these trends and how to get onboard. RAS also launched market toolkits to advise companies on knowhows, market landscape, and pre-requisites for overseas market entry.

17. The strategies set out in the Food Services ITM 2025 are undoubtedly ambitious, but with the continued partnership of the industry and government agencies, I am confident that we can overcome the challenges and reach new heights together.

Conclusion

18. In closing, I would like to thank RAS and CEMS for organising Restaurant Asia 2022. This is a great opportunity for us to reinforce old ties and build new ones, as well as to engage in constructive discussions to spearhead the next bound of growth for our food services sector.

19. I wish all of you a successful and fruitful event. Thank you.