

**SPEECH BY MINISTER FOR FINANCE HENG SWEE KEAT AT THE
FOOD INDUSTRY ASIA (FIA) FOOD FOR THE FUTURE SUMMIT
2018 AT THE GRAND HYATT HOTEL, 26 APRIL 2018 1:00PM**

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Members of Food Industry Asia

Distinguished guests

Ladies and Gentlemen

Introduction

1. Good afternoon. Thank you for inviting me to join you for the inaugural “Food for the Future” Summit 2018. I know many of you travelled some distances to be with us today, and particularly, happy to welcome Her Royal Highness Princess Viktoria to Singapore.

Future of the Food Industry

2. The theme of today's summit, "Innovation Disruption in the Food Industry", is timely.

a. In just the span of a century, our global population has quadrupled.

- i. This alone has driven up global food demand at unprecedented rates.
- ii. If current population trends continue, global food systems will need to produce 50% more food to feed 9 billion people by 2050!
- iii. These demand will be putting a strain on our natural resource base.
- iv. This comes amidst other challenges to increasing food production, including climate change and urbanisation.
- v. We must strive for sustainable and innovative solutions.

b. Besides population growth, global incomes are rising, especially in developing countries.

- i. With that has come more discerning consumers, who seek out food that is healthier and can meet high safety standards.

c. Many countries across the world are also facing demographic shifts in their populations as people live longer, and have smaller families.

- i. Elderly nutrition has therefore emerged as a topic of interest to meet the specific needs of seniors, who have a different set of requirements and preferences in terms of texture, taste and nutrition.

3. In light of these trends, food manufacturers will need to find ways to increase food production with a smaller environmental footprint. They will also have to know their consumers anew and seek ways to meet changing demands.

a. To meet the many new challenges, and to capture new opportunities, innovation will be critical.

i. In Asia's food industry, companies have long histories and traditions. By building on the old, and creating the new, Asia's food industry can have a promising future.

b. We must recognise the need for "disruption" or "change"; dare to challenge the status quo; build on it, and innovate.

4. Indeed, innovation is one of the pillars of the future economy we want to build for Singapore in the coming years. I am therefore encouraged to see that within our shores, we are already seeing innovations emerge on various fronts in this sector.

a. Earlier just before coming into this room, we had a tour of the innovation stands, and we saw many interesting innovation companies and, I had the pleasure to speak to all of them. One of them, Alchemy Foodtech, a Singapore start-up, they recognise Asian preferences for traditional staples such as white rice and noodles, and Alchemy Foodtech has developed a composition that can be added to lower the glycaemic index of these staples – thus improving health and meeting consumer preferences. We also had a taste of high fibre ice

cream, and they assured us that all these that we eat are healthy.

- b. We saw Sophie's Kitchen and Life3 BioTech, the other start-ups, they are also responding to challenges of sustainability by developing plant-based alternatives to meat. We had an interesting discussion of the importance of plant-based alternatives, in the environment where we have to reduce our carbon footprint.
- c. Many of FIA's members present today are also taking steps to reformulate and improve their products to meet consumers' demands for healthier food choices. So we have multiple reasons to be innovative, and many new opportunities that are opening up.

Accelerating our Innovation Efforts Together through FoodInnovate

5. The food manufacturing industry plays a significant role in our economy. In 2017, the industry contributed S\$4.3 billion to Singapore's GDP, roughly 1.1%, and employed over 48,000 workers.

- a. I had a very interesting long association with the food industry in Singapore, as many years ago, when I was a civil servant, I met a whole group of business leaders, and one group were people in the food industry. They were extremely upset because one of our very senior and eminent economic planners told them, "My goodness, you guys are in a sunset

industry, please get ready to close up your factories, because we need the land for more value-adding activities.”

- b. They were so upset, they decided that they must prove this chap wrong. So they got together and worked really hard and innovated, which is why the food industry today is growing and growing well. If not for their efforts, you all might not be here today.
- c. There was one remark that a particular gentleman made to me, he said: “Mr Heng, you must remember, there is no sunset industry, but only sunset thinking, and we want to have sunrise thinking.” That was a great quote that stayed with me for a long time.

6. The industry has built a strong reputation for food quality and safety, with a diversified base of food manufacturers exporting 50% of their output to countries all over the world. For a country with no extensive land or agricultural resources, this is a commendable base, for us to build on and grow.

- a. To capture the opportunity of this growing industry, the Food Manufacturing Industry Transformation Map (ITM) was launched with the vision to develop Singapore into a leading food and nutrition hub in Asia by 2025.
- b. Innovation is a critical enabler to achieving this vision.

7. Yet, while companies may see the need for change and innovation, we recognise that many of them face common challenges such as high cost, limited access to food technologies and expertise, as well as regulatory hurdles for new food products and ingredients.

8. Therefore, today, I am happy to announce FoodInnovate, a multi-agency initiative led by Enterprise Singapore to equip companies with the knowledge and resources to create food for the future. FoodInnovate will seek to address the challenges companies face in pursuing innovation through a four-pronged approach.

9. First, **providing physical infrastructure to facilitate access to technologies and commercialisation.**

a. One example of this is the High Pressure Processing Resource (HPP) Sharing Facility, which was officially launched last Monday.

i. Jointly set up by the Food Innovation Resource Centre and Warehouse Logistics Net Asia, with support from Enterprise Singapore, the HPP Shared Facility allows companies to access HPP technology under a pay-per-use model. With this, food manufacturers can adopt HPP technology without hefty upfront investment in equipment.

ii. Through HPP technology, product shelf-life can be extended by at least two to four times while preserving the nutritional value, quality and taste of food products without the use of chemicals or preservatives. Extended

shelf-life of food products can open up new business opportunities for companies, both local and overseas.

- iii. So far, 60 companies have conducted trials at this facility, and many more have indicated their interest to carry out their production there.

- b. Enterprise Singapore is also partnering bigger corporations to open up their existing facilities and service offerings, to help local food companies accelerate their commercialisation efforts.

- i. The Nestle Quality Assurance Centre of Singapore, for example, provides companies with analytical services to test and certify products before they are commercialised.

- c. And this is just a start. We will continue to expand such facilities to ensure that new technologies are within reach of our companies, and barriers to technology adoption can be reduced.

10. Second, **equipping companies with food science knowledge and market insights.**

- a. As I mentioned earlier, elderly nutrition is an emerging topic of interest. This is especially so in Asia, owing to the rapidly ageing population in countries like Singapore, Japan and Hong Kong.

- b. To tap on the opportunities for the silver industry, food manufacturers need to be equipped with the knowledge to develop food products for the elderly.
 - i. One such programme is the seminar on Silver Age and Functional Foods organised by Enterprise Singapore, with support from Royal DSM and Mintel.
 - ii. We are also working with hospitals and nursing homes to be the lead demand generator for such elderly friendly food products, to jump start companies' foray into these new areas.
- c. Today's Summit is another clear example of how we can bring together government service providers, multinational companies, local small and medium enterprises, and startups based in Singapore to exchange ideas on emerging food technology trends such as food reformulation and sustainable food packaging, food safety and new food processing technologies. All companies based in Singapore and everywhere else are welcome to join us.

11. Third, **creating platforms to incubate ideas and drive co-innovation.**

- a. Innovation is often a result of a cross pollination of ideas.
- b. FoodInnovate aims to harness the collective capabilities of companies – large and small, food science experts, industry associations, market channels and government regulators to drive co-innovation efforts.

- c. For example, the biennial Food Innovation Product Awards, or FIPA, organised by the Singapore Food Manufacturers' Association (SFMA).
 - i. FIPA is an effort to catalyse food innovation among industry players, food manufacturers and students from our tertiary institutes. In this nine-month long hands-on journey, the 23 company-student teams gain insights on market trends, process redesign, product marketing and food packaging. This partnership culminates in the development of actual food products that have commercialisation potential.
- d. Such exchange of ideas among students, research and development professionals, and companies will enhance the creativity and rigour of food innovation activities, and increase the potential for commercial success of the new food products.

12. Fourth, **promoting the adoption of disruptive technologies by building a base for agri-food tech startups in Singapore.**

- a. Startups play an important role in the Singapore economy. They are small, nimble and have a high risk appetite compared to more established companies, whereas established companies have the advantage to scale, commercialised and distribute globally. This vibrant nature of startups puts them at the forefront of utilising disruptive technologies to fundamentally change the way we meet market demand.

- b. To support these startups, we are facilitating mentoring by experienced business leaders.
 - i. Cheng Yew Heng, a local sugar-maker and SIFood, a global investment group, were recently appointed as Startup SG accredited mentor partners to catalyse the growth of high potential startups through mentorship and access to their network of business partners.
- c. Over the past year, Singapore has also hosted two agri-food tech startup events – the Future Food Asia Award and Indoor Ag-Con Asia. These brought the agri-food tech startup community in Asia to Singapore, to facilitate mentorship, investment opportunities and incubation leads for them.
- d. Together, we will continue to grow our vibrant startup ecosystem.

13. Finally, putting this altogether, we need to ensure that **our regulations support food innovation**.

- a. Singapore's food safety regulator, the Agri-Food and Veterinary Authority (AVA), another of FoodInnovate's partner, is working closely with the industry to facilitate timely regulatory approval for new food products and technology – from upstream creation to downstream commercialisation stage.
- b. By creating a strong regulatory framework to assess and ensure the safety and quality of products, innovation can

flourish. So it is no surprise that when I was asked to test the food, they assured me that it is safe. As consumers, that is the first thing we will ask.

Built on our Earlier Investments in Science and Technology R&D

14. Today, we are able to catalyse innovation in the food manufacturing industry, because of the R&D investments that we have been making. In our last Research, Innovation and Enterprise 2015 plan, from 2011 to 2015, the research agencies and our private sector have invested over S\$200 million, in areas ranging from basic research with potential applications, such as the control of viruses and microbial, to new strains of fish and rice that grow better in our climate.

15. In December last year, I announced the investment of S\$40 million in a R&D programme on Disruptive & Sustainable Technologies for Agricultural Precision (DiSTAP).

- a. DISTAP is partnership among Massachusetts Institute of Technology (MIT), the Temasek Life Sciences Laboratory (TLL) and our Singapore universities.
- b. Over the next five years, the team will seek to develop technologies for resource-efficient urban farming, to enhance local food production, and to export these technologies in precision agriculture beyond Singapore. The National Research Foundation and our Agency for Science, Technology and Research will continue to invest in food-related R&D. We welcome all of you here to partner us in this

journey to develop new food technologies together in Singapore, so as to better meet the growing needs in Asia and the world.

Conclusion

16. Our efforts in transforming the food manufacturing industry is part of our effort to deepen Singapore's position as a Global-Asia Node of Technology, Innovation and Enterprise,

- a. We tap on our strong foundations in science and technology, built up over decades of investment in R&D.
- b. We facilitate partnerships among stakeholders – both public agencies and private sector industry players big and small, both within and beyond our shores – to embrace innovation.
- c. We make innovation pervasive, by building deep technology capabilities in our companies and among our workers.

17. Today's Summit is a springboard to start the dialogue on the Future of Food for Asia. With your support and active participation, we are that much closer to becoming Asia's food and innovation hub.

18. I wish you a fruitful Summit ahead. Thank you.