

# The Impact of AEC 2015 to Singapore Food Manufacturing Industry

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# The presentation today includes:

- An overview of the Singapore food manufacturing industry
- The 7 strengths of the Singapore food manufacturing industry
- The impact of AEC 2015
- Some of the benefits for Singapore food manufacturing industry
- Some of the benefits for AEC and member countries
- Conclusion
- Thank you

# An overview of the Singapore Food Manufacturing Industry

- Regardless of the pace of economic development advance, food manufacturing industry remains the most basic and essential sector in Singapore
- Food manufacturing industry:
  - One of the earliest industries in Singapore
  - Closely related to lifestyle, culture, tradition, habits, economic development and living standard
  - A good showcase of our east-meets-west nature
  - 17 sectors mostly focus on finished packaged food
  - A very resilient industry
  - It survives well during the economic recession in 1986, the Asian Financial crisis in 1997, the dotcom downfall in 2000, the SARs Epidemic in 2003 and the financial tsunami in 2008.
  - Ranked the 3<sup>rd</sup> place in the 70s'
  - End of last century, it was rated as sunset industry, had a flat growth
  - Today, it is ranked 7<sup>th</sup>

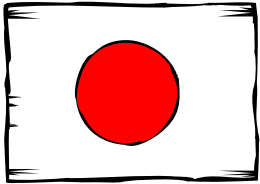
# Statistics

Items	Figures		Average Annual Growth Rate (%)
	2000	2009	
Total Food Trade	S\$10.2b	S\$18.1b	6.0
Total Food import	S\$6.2b	S\$10.6b	5.6
Total Food Manufacturing Output	S\$3.6b	S\$6.1b	5.5
Total Domestic Export	S\$1.6b	S\$3.1b	7.0
Total Domestic Consumption	S\$2.0b	S\$3.0b	4.0
Total Value-Added	S\$1.0b	S\$1.8b	5.5

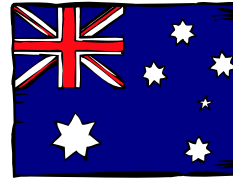
▶ Note:

- ▶ Value-Added/ Output in 2000 is 28% and in 2009 is 29%
- ▶ Value-added/worker in 2000 is S\$54260 and in 2009 is S\$69270  
(An improvement of 28% over 10 year)

# Top 10 Export Markets



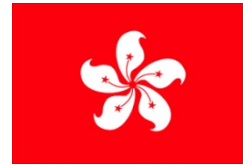
Japan



Australia



Malaysia



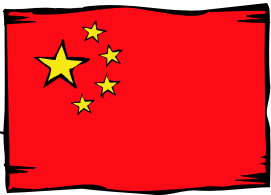
Hong Kong



Indonesia



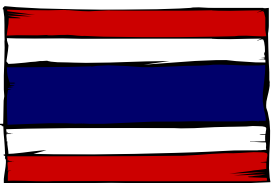
USA



China



Taiwan



Thailand



Vietnam

# 7 Strengths of Singapore Food Manufacturing Industry

- International Image of Food Safety and Consistent Quality(Consumers' Confidence)
- Productivity Improvement (Competitiveness)
- Product Development (Value Enhancement)
- Overseas Market Promotion (Sales Expansion)
- Extended Infrastructure (Export Support)
- Skill and Technology Training (Efficiency)
- Integrity and trustworthiness (Commercial Acceptance)

These are the 7 strengths that constitute the base with which Singapore contribute to AEC

# The impact of AEC 2015

- The benefits created by AEC 2015 shall flow in both directions
- It helps the members countries continue to strengthen the growth foundation to expedite the development and diversify the nature of the food industry
- It adds strength to the member countries when they deal with other economic bodies or countries in the world market

# Statistics of ASEAN

Total population	600 million (8.8% of world population)
Total land area	4.5 million 59km (3% earth land area)
Combined GDP	US\$1800billion (9 <sup>th</sup> largest economy in the world)

- The population, the area, the wide range of agricultural and mineral produces, and the complement of economic development of the members countries together form a strong and cohesive base in the region



# Benefits for Singapore Food Manufacturing Industry

- Singapore Food Manufacturers can:
  - Enable their products and services to enjoy the 600 million population regional market
  - Get access to large varieties of food materials and ingredients
  - Have preferred choice to relocate their production base to cut costs and to expand capacities
  - Tap the huge human resources of skilled and unskilled manpower
  - Leverage on AEC to enter into FTA with other economic bodies and countries
  - Strengthen resilience to withstand macro economic difficulties
  - Better utilise facilities and infrastructure in Singapore
  - Stimulate the growth of SME food companies
  - Stimulate the growth of financial and banking facilities port and shipping services etc.

# Benefits for AEC and member countries

- AEC and the member countries can:
  - Take advantage of the extensive infrastructure and facilities established in Singapore to expand their trade
  - Tap the whole range of capital products and investment resources from Singapore financial centre to expedite economic development , undertake expansion projects and reduce unemployment
  - Use Singapore as a bridge to bring in technology, know-how and modern management as well as to improve in infrastructure and facilities.
  - Use Singapore as a base to train skilled workers, and management staff
  - Use Singapore as the door to enter into international market
  - Take advantage on Singapore low tax rate and tax incentives to establish regional and global operations
  - Have their products, services, agricultural produces, food materials and ingredients to enjoy a 600 million population regional market
  - Form a coherent approach to expand external relationship with other economic bodies and countries and to enhance participation of the dynamic global supply chain network
  - Expedite economic development to narrow the gap
  - Enhance the progress of fair competition, consumer protection, intellectual property rights and product branding in the region
  - Enhance negotiating strength, competitiveness and dynamism in the world market

# Conclusion

- The above are only some examples of the benefits created by AEC 2015. We expect to find many more to come and in the day to day operation
- As the world foreign relationship becomes complex and controversial, AEC 2015 can strengthen the our role and increase our weight in the international platform
- As a large part of world development in the present era lies in Asia, AEC should not be satisfied with the achievements in AEC 2015. We should target at a bigger picture and further mile stones



Thank you