



# **INTERNATIONALISATION**

## **FOOD PRODUCTS**

## **CROSSING BORDERS**

# ELEVATING FOOD BUSINESSES THROUGH INTERNATIONALISATION

Food companies opt for internationalisation to unlock new avenues and advantages for their businesses. This strategy offers local enterprises opportunities like expanding their markets, avoiding domestic saturation, and accessing a broader customer base. By exporting to diverse markets, companies diversify their product range, generating fresh revenue sources. Furthermore, internationalisation enables economies of scale, bolstered by accessing unique regional resources at competitive costs. Successful global expansion enhances brand recognition, reputation, and credibility, solidifying a company's global appeal. Singaporean industry experts offer these five insights for food companies aiming to succeed internationally.

1

**Define your product's Unique Selling Point (USP)**

2

**Adapt business practices to meet foreign market trends**

3

**Customize offerings and strategies for diverse markets**

4

**Recruit local talent for cultural understanding and efficient management**

5

**Leverage experienced contacts in target countries for local insights**

Source: Expanding overseas still not an easy task for SMEs. The Business Times. 28 May 2019.



## SUCCESS STORIES

One such company that believes in the benefits of internationalisation is You Tiao Man Pte Ltd (YTM). YTM which is led by CEO Ms Audrey Chew, is Singapore's top youtiao wholesaler to hotels, restaurants, and now supermarkets. In 2023, YTM expanded to international markets including Malaysia, UAE, and Canada. YTM plans to reach Australia, Philippines, Indonesia, Hong Kong, US, and EU in future.



Similarly, Gautam Param, Co-Founder of SustyFoods (formerly Sustenance SG Pte Ltd), expanded his plant-based meal shakes to Hong Kong, Taiwan, and Australia. His nutritious products addressed local consumers' health food needs, particularly protein and fibre-rich food options.



While internationalising food products offers many benefits, it also presents challenges that companies must address for sustained growth in the global market. Small and Medium Enterprises (SMEs) often hesitate due to limited resources, the complexity of establishing a foreign presence, and unfamiliar regulations. Overseas expansion carries financial, execution, and compliance risks, with varying food, tax, and labour laws. Differences in formulation, additives, and labelling regulations pose common obstacles. Technical barriers, including nutrition labelling and halal certification, further compound these challenges.

## KEY ADVICE FOR FOOD MANUFACTURERS



Ms. Audrey Chew  
You Tiao Man

"It is important for manufacturers to work together and help each other in this space by sharing information more openly so that time and effort can be more efficiently utilised for successful internationalisation"

Source: Enterprise Singapore (2023)

# BALANCING OPPORTUNITIES & CHALLENGES

Audrey highlighted her experience in exporting YTM products, underscoring challenges like joint shipment difficulties due to lack of coordination with willing partners. She identified obstacles one may face when establishing their products overseas such as when managing foreign currency for salaries, documentation, and logistics. Apart from that, the prolonged time taken to find interested distributors in the target country and dealing with regulatory compliance, often leading to nutrient and allergen re-labelling, were other challenges she had faced.

Having embarked on her journey of internationalisation, Audrey advised those with similar aspirations to do a thorough market study to gain insights into the local market. She also emphasised that forging a good network in target countries will ensure the company does not turn into a 'sitting duck.' She stressed the importance of a versatile product label that suits multiple countries, saving time and printing costs.



Source: You Tiao Man Facebook (2022)

Besides these factors, Audrey also stressed the importance of considering cultural background and consumer buying behaviour in product development, given that local food in the Singaporean context may not align with foreign markets such as UAE. She further explained that to engage UAE consumers, she re-positioned her *Youtiao* products, employing native language marketing. She introduced new innovative recipes that resonated locally, adapting from the traditional pairing of *Youtiao* with *Kaya* or porridge. Audrey even explored alternative cooking methods like toasting the *Youtiao* instead of the traditional deep-frying. **“Marketing strategy is just as important as technical aspects; to keep consumers coming back or buying again,”** Audrey added.

## CHALLENGES FACED BY SMES IN INTERNATIONAL EXPANSION

**01** Logistical Challenges and international food standards

**04** Cultural Considerations in Product Development

**02** Foreign Currency Management

**05** Innovative Adaptation for Foreign Markets

**03** Distributor Identification and Compliance

**06** Brand & Marketing Strategy

# EMPOWERING FOOD COMPANIES FOR INTERNATIONAL EXPANSION

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With the aim of fostering internationalisation, several avenues of support are available for food companies seeking to expand. Enterprise Singapore (EnterpriseSG) supports local businesses through the Food Manufacturing Industry Transformation Map (FM ITM), a collaborative effort with industry players and government agencies. Additionally, FoodInnovate, a multi-agency led by ESG, aims at providing Singapore-based companies with essential resources to drive food innovations. The overarching goal is to position Singapore as the leading hub for food and nutrition in Asia. Aligned with the Singapore Economy 2030 vision to grow its manufacturing sector by 50 per cent over the next 10 years, the FM ITM aims to prove Singapore as a trusted food and nutrition leader and a launchpad for quality brands in Asia.

EnterpriseSG adopts an innovation-driven strategy alongside internationalisation, fostering growth for local food companies. By expanding networks with local and international partners, EnterpriseSG enhances product differentiation, R&D, capabilities, and new business segments. As part of extending its support for local food manufacturers, EnterpriseSG has created a comprehensive, one-stop internationalisation handbook that provides an overview of the key steps and considerations required for overseas market entry. It includes important market insights, tips, and case studies for companies to gain a competitive edge when entering overseas markets. In addition to this, EnterpriseSG has made available an 'Internationalisation Toolkit' to help assess a company's readiness to undertake overseas business activities and identify areas where the company can be better prepared, such as operations, research, and execution.

**Sources:**

1. *Vietnam's Food Exports Industry: An Overview*. Enterprise SINGAPORE. 29 March 2023
2. *Healthy food and beverage Vietnam report*. cimigo. 13 December 2022

EnterpriseSG also collaborates with partners like the Food Innovation & Resource Centre (FIRC) to help companies gain deeper regional consumer insights about food products, helping relevant food product development in Asian countries. Vietnam can be considered a good example as it is one of Southeast Asia's fastest growing economies. In fact, it is set to have the 10th largest consumer market in the world by 2030. Vietnam was Singapore's 7th largest export market for food and beverages in 2020, with a total export value of USD349.7 million. Interestingly, there are several consumer trends in Vietnam today including the demand for healthier food innovations, including aspects like low fat and low sugar versions of popular foods, plant-based alternatives and more organic and natural foods. As consumers are becoming more informed, they also expect nutritional information to be provided on food products. This presents an opportunity for foreign markets such as Singapore to strategically position themselves in Vietnam's dynamic consumer landscape.

In line with this, FIRC has plans to work together with potential partners to gather consumer sensory insights as to assess the suitability of Singapore-made food products for the Vietnamese market, while ensuring the products adhere to local food regulations and standards. Food companies can tap onto FIRC's capabilities in order to ease their transition into markets like Vietnam.

1. Sources:

2. *Vietnam's Food Exports Industry: An Overview*. Enterprise SINGAPORE, 29 March 2023
3. *Healthy food and beverage Vietnam report*. cimigo, 13 December 2022

# SUPPORTING SMES THROUGH TECHNICAL SOLUTIONS: FIRC'S COLLABORATIVE APPROACH

Besides sensory and consumer studies, FIRC has been working with more than 800 food companies, mostly SMEs in the last 17 years in providing holistic technical solutions covering aspects of food product and process development including packaging and shelf-life. Product prototypes that are developed in FIRC are scaled up either at FIRC's pilot plant or at the client's manufacturing facility to further assess product feasibility. Gautam mentioned this aspect when sharing on his experience working with FIRC.



Source: linkedin.com

***"We are not food tech people. So, when we wanted to test a new flavour or product, we did not know where to start". Manufacturers typically expect at least a working prototype and FIRC bridges this gap perfectly. I think FIRC's ability to take a concept and make a product at pilot scale is fantastic!"***

Likewise, in the product development and optimisation projects FIRC did with YTM, ingredients used were also evaluated to ensure they were allowed for use in specific countries to avoid reformulation work. For this Audrey commented, ***"FIRC's Food Technologists advised on formulations based on future potential for export overseas. They had good foresight and saw the big picture, which was helpful. Their resourcefulness and knowledge extended beyond the spectrum of product development to cover other aspects like labelling and regulations."***



Source: Sustyfoods.com.sg

With this, it continues to be in FIRC's interest to work hand in hand with clients who are keen to create food products that can be exported internationally, by providing them with customised technical support and up-to-date resources.





## MOVING FORWARD

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Internationalisation of local food companies is a strategic imperative that encompasses both challenges and opportunities. Capitalizing on Singapore's status as a leading global business hub, with a stable regulatory environment, advanced infrastructure and well-connected logistic networks, many well-established Singapore food companies can look towards expanding their presence beyond domestic borders.

# GETTING STARTED: USEFUL CONTACTS

## **Enterprise Singapore (EnterpriseSG):**

Enterprise Singapore is the government agency championing enterprise development. They offer various programs and initiatives to support SMEs in their export efforts, such as market access assistance and capability development programs.

## **Singapore Business Federation (SBF):**

SBF is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment and industrial relations.

## **Singapore Customs:**

Singapore Customs provides information and assistance on customs regulations, tariffs, and export documentation, ensuring compliance with international trade requirements.

## **Singapore Food Agency (SFA):**

SFA sets stringent food safety standards that are consistent with international standards. It ensures that up-to-date food legislation is in place, and is properly enforced through inspection and testing programmes

## **Singapore Food Manufacturers' Association (SFMA):**

SFMA is an industry association that represents food manufacturers in Singapore. They provide networking opportunities, industry updates, and resources for local food manufacturers looking to export.

## **Singapore Logistics Association (SLA):**

SLA can help SMEs navigate the logistics and shipping aspects of exporting, ensuring smooth transportation of food products to international markets.

## **SME Centres:**

Chambers like Singapore Malay Chamber of Commerce & Industry (SMCCI) & Singapore Chinese Chamber of Commerce & Industry (SCCCI) and Singapore Indian Chamber of Commerce & Industry (SICCI) provide networking events, business matching and resources for Small Medium Enterprises (SMEs) looking to engage in international trade.

# ABOUT US

The Food Innovation and Resource Centre (FIRC) was established in 2007 as a joint initiative between Singapore Polytechnic and Enterprise Singapore. We provide food enterprises with holistic technical expertise in new product and process development, including packaging, shelf life evaluation, and market testing. In addition, we are capable of helping companies to improve shop floor productivity via automation and digitalisation.

Our mission is to be a one-stop technology and resource venue for food enterprises. Our dedicated pilot plant, application laboratories, test kitchen and sensory suite are helmed by a core team of experienced professionals who work with our clients to develop innovative products, solve manufacturing issues and adopt new practices for an increasingly sophisticated food and beverage market.

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# CONTACT

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