

**SME capitalises on core competency to enter new market**  
*JCS-Echigo's new ware washing services helps raise productivity for F&B sector*

1. For SMEs to stay ahead of the game, they need to think outside the box, be willing to experiment and even venture beyond their own industry to find new business opportunities. One such SME did that. Minister of State for Trade and Industry Teo Ser Luck visited JCS-Echigo Pte Ltd today to learn how it has tapped Government support to upgrade its capabilities and enter a new market – from precision cleaning of hard disk drives to ware-washing for the food and beverage (F&B) sector.

2. During the visit, JCS-Echigo shared how it has embarked on the development of originally designed and manufactured ware-washers, capitalising on their strong cleaning process know-how, with the support of SPRING Singapore's Capability Development Grant (CDG). This opens up a new business opportunity for JCS-Echigo to enter into the F&B sector and offers ways for the sector to better manage ware-washing. The equipment enables an F&B outlet to wash 750 to 3000 items in an hour, as opposed to around 300 to 500 without automation.

3. Speaking during the visit, Minister of State for Trade and Industry Teo Ser Luck said, "JCS-Echigo is an excellent example of an SME that is proactively hunting for new business opportunities. By tapping Government support, new possibilities have emerged for the company. I am impressed that they are willing to experiment and move from hard disk drive cleaning to ware-washing. By doing so, they are not only opening up new revenue streams, they are also creating value for the F&B sector, by encouraging higher efficiency and productivity levels."

4. JCS-Echigo Pte Ltd is a local precision engineering SME that specialises in the design and manufacture of precision cleaning systems primarily in the hard disk drive industry. Through its wholly owned subsidiary, Hygieia, JCS-Echigo provides cleaning solutions to the F&B sector through equipment lease and sales. Its equipment caters to different market segments, such as restaurants, hotel groups and in-flight catering services, and can be customised to accommodate a higher volume or unique types of wares.

5. In addition, it offers centralised ware-washing services that will help address manpower constraints within the F&B industry. JCS-Echigo is the only company in Singapore that offers both cleaning equipment, and centralised ware-washing services. The centralised facility, which will be adopting an

intelligent robotic system next year, can wash up to 4000 items per hour. It also acts as a test-bed for new equipment development, as JCS-Echigo strives to offer more holistic cleaning solutions for its customers.

6. “JCS-Echigo is committed to providing the highest standard of automation technology through continuous innovation and productivity upgrading. We have taken a bold step forward in entering the F&B sector with our ware-washing equipment and services, and this business strategy has proven successful for us. It is especially critical for SMEs like ourselves to continuously upgrade our capabilities and improve productivity to drive business growth,” said Ms Elise Hong, Executive Director of JCS-Echigo.

7. The Government continues to support SMEs who are willing to innovate, enhance capabilities and improve productivity through their journey of economic transformation. SMEs must continue to grow and remain relevant in an evolving business environment. The SME Workgroup, formed in September 2013, aims to strengthen engagement with the SME community. It will act as a sounding board for feedback on SME programmes, and make recommendations to improve policy related to SMEs.

*Please refer to [Annex A](#) for an Overview of the Precision Engineering Industry.*

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**Media Contacts**

Ms Delia Wu  
Assistant Director, Corporate Communications Division  
Tel: 6332 7523, HP: 9777 3119  
Email: [delia\\_wu@mti.gov.sg](mailto:delia_wu@mti.gov.sg)

Ms Serene Tng  
Deputy Director, Corporate Communications Division  
Tel: 6332 7478, HP: 8101 3819  
Email: [serene\\_tng@mti.gov.sg](mailto:serene_tng@mti.gov.sg)

## Annex A – Overview of the Precision Engineering Industry

Singapore's Precision Engineering (PE) activities began in the 1970s to support the first manufacturing investments. Today, there are some 2,800 companies, ranging from small and medium enterprises to large multinational corporations in the PE sector. Singapore also plays host to the headquarters and R&D functions of many of these companies.

Singapore's PE industry is the primary pillar of the manufacturing sector. It plays a crucial role in attracting and retaining Singapore's key manufacturing clusters by providing high quality components, sub-assemblies and finished products. PE companies range from module and component manufacturers, contract manufacturers to full solution providers, who offer design, prototyping, and production capabilities. PE skills such as shaping and forming metals and plastics to high tolerance are required in emerging industries such as aerospace, semiconductor, medical technology, alternative energy and defence and security. For instance, in the aerospace industry, PE SMEs manufacture jet engine blades and vanes that power the Airbus and Boeing airliners. In the medical technology sectors, hearing aids and guide wires for endoscopy are manufactured.

PE SMEs are expected to grow and become key Asian partners offering unique manufacturing solutions to world-class companies from a diverse range of emerging manufacturing industries. SPRING helps PE SMEs to enhance their technical capabilities and engage in higher value-added activities. To stay one step ahead of the competition, they need to offer product design and development, supply chain management, total solutions and explore new growth markets.

### Precision Engineering Industry Statistics

Indicators	2007	2008	2009	2010	2011
No. of Establishments	2,850	2,760	2,970	2,880	2,840
No. of Workers	100,900	100,200	91,600	91,400	93,300
Total Output (\$bil)	24.4	24.1	20.3	25.6	33.2
Value-added (\$bil)	7.1	6.7	5.9	6.9	8.7
Value-added per worker (\$'000)	70.4	67.1	64.4	75.8	93.1
GDP Contribution (%)	2.8	2.6	2.3	2.4	2.8

Source: EDB, Report on Census of Manufacturing Activities

