



## Sing Swee Bee

Life blood of the region,  
traders have an important role



**Mr Peh – Founder and CEO of Sing Swee Bee**

Mr Peh's early days of employment were spent in accounting but he had a burning desire to be an entrepreneur and having formed the company Sing Swee Bee Enterprise, he set about to achieve his ambition. His father was from Singapore but his mother was from China, and he has a son who has recently joined the company in the sales and marketing department.

His hobbies are swimming and golf but he has a passion for travelling (and for business of course!). Peh is one of the founding members of both Singapore Industrial Gases Association (SIGA) and Industrial Gas Association of Singapore (IGAS).

As part of our regional theme this month, and continuing our policy of sharing the experiences within our industry between large multi-nationals to small medium enterprises (SME's), **gasworld** spent time with a company that has grown its business through trading gases and services in the South East Asian region – Sing Swee Bee, of Singapore. We caught up with Mr Peh, founder and CEO of the company, and discovered both the company's secret for success and ambitions for the future.

### Humble beginnings

PEH STARTED trading business from his house back in 1978, located in a small kampong village on Singapore main island. His family encouraged him to be an entrepreneur and he saw an opportunity in exporting and importing gas equipment. This was mainly related to LPG equipment but some similarities led him to look at the industrial gases market as well. The fact that Peh had no experience in the business beforehand makes this company even more interesting.

Mr Lim Hung Cheng was the first employee of the company in 1981, and together they began trading in gas cylinders, valves, welding equipment and other related accessories. Most of the products were bought from local manufacturers in the region and in China but Peh soon developed links with internationally recognised brands.

Where did the name of the company come from? "Well that is interesting because I made it up and felt really good about it so it remained despite it not having any direct relevance to industrial gases," says Peh

### Sing Swee Bee and Singapore

Peh originally built his fledgling business in Singapore – in his first year of operations making S\$100,000 of income from trading. Sing Swee Bee Enterprise (SSBE) is the first company for what has grown into a group of 8 companies, many of which are involved in the industrial gases business and spread throughout SE Asia.

Peh stated, "I have a number of companies which specialise in different products related to the industrial gases business. When I see an opportunity, it is best to manage such products separately." For example in 1984, Sing Swee Bee Industries was formed to trade in ammonia and a special licence was required from the Singapore government to handle ammonia, so it was appropriate to set up a separate commercial vehicle to manage this business.

The Group of Companies has certainly grown and now employs 62 people in Singapore alone, while turnover has doubled in the past 5 years to reach S\$34m in 2006. The company is structured around products and services and the major business units are Gas Operations, Gas and Equipment Trading & Leasing. So which is most important to Peh? "Both are equally important to the company as the regional business needs both gas and equipment, essentially the two are inter-related anyway but the key is servicing this demand."

In terms of trading, Peh feels it is important to have the stocks available to service requests quickly and on demand. "We are the major stockist of industrial gas cylinders, valves and refrigerants in the SE Asian region," he states. "Some of the company's major business is in the off-shore business, in which SSBE supplies the distributors and agents that service this industry."

The industrial gases business in Singapore is well served by the major gas companies such as SOXAL





(Air Liquide), Air Products, Linde and TNSC through their own subsidiaries in the country. However, SSBE's business is growing despite the presence of the gas majors because SSBE does not set out to compete head on and in fact, supplies them with the equipment they require. The company does not have any cylinder filling or production capability in Singapore as it is solely a trading and distribution company.

#### Equipment leasing and off-shore business

Peh recognised the growing need to supply a service rather than simply selling a product to the petrochemical and off-shore sectors. Such companies as BJ Services, Halliburton and Schlumberger which support the oil & gas exploration

do not necessarily want to own the equipment that they use and Peh recognised that if these companies were provided with the correct equipment, filled with the gases they required and when empty are re-filled or replaced "full for empty", there was a business proposition to be had. So in 1996, SSB Cryogenic Equipment (SSBC) was formed to provide just that service.

SSBC now operates a large fleet of ISO tanks, serving the petrochemical and off-shore sector and

any other short-term needs for nitrogen, argon and occasionally CO<sub>2</sub> and oxygen (all in liquid form). While the majority of the business is in the SE Asian region, SSBC's business now stretches from the Middle

East to Russia, the Far East and occasionally beyond.

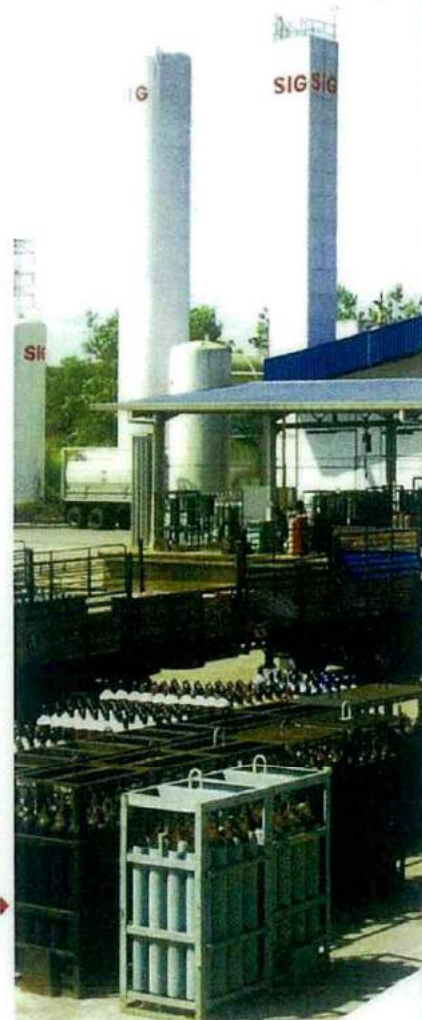
The buoyant nature of the industrial gases business around the world has led to supply shortages and SSBC has been well placed to service this fast growing demand. Peh did express concerns that delivery times for some equipment such as ISO tanks were slowing the pace of growth for everyone and not just his company.

The business model is simple – SSBC will wholesale purchase the liquids needed, fill their own

ISO tanks and then transport them to wherever they are needed. The customer pays for the liquids and the rental of the equipment. In some cases, the ISO tanks are also leased to other operating companies wanting to control their own supply sources of nitrogen and argon but not wanting to own the equipment.

The off-shore services business is booming at present, with most of the off-shore operators present in Singapore, mainly because it is a central point and that gas and equipment is readily available in Singapore. ➤

**"We are the major stockist of cylinders, valves and refrigerants in the SE region"**







#### Company History in Brief

1978 Sing Swee Bee Enterprise  
(www.singsweebee.com)  
1984 Sing Swee Bee Industries  
1987 Sing Swee Bee Sdn Bhd  
1996 Southern Industrial Gas Sdn Bhd (www.sig.net.my)  
SSB Cryogenic Equipment Pte Ltd (www.ssb.com.sg)  
2002 Shanghai Yuhe Trading Co., Ltd  
2004 PT Sing Swee Bee Indonesia  
2006 Sing Swee Bee Enterprise Pte Ltd Vietnamese Representative Office

▶ while distribution logistics are good. For SSBC, this is also an important part of the Group's business as it accounts for 30% of turnover in Singapore.

"While it is a very competitive market servicing the off-shore companies, it is also very much a personal relationship type business and we believe we have good relationships within this industrial segment," Peh states.

What the company has also developed is a repair centre for equipment in order to service its customers' requirements. SSBC is the audited repair centre for BJ Services, Chart Industries and also TML (UK).

#### SSBE's Overseas Business

SSBE's international business ventures started not surprisingly with an investment in Southern Industrial Gases (SIG) in Malaysia. In 1996, SIG was set up to be a supplier of industrial gases to the Malaysian market.

This investment and business took time to establish but by 2003, there was sufficient cylinder business that the decision was made to invest in an ASU. This plant was supplied from the US, and has a capacity to produce 57 tpd of liquid products and is located in Senai (Johor). The ASU supplies SIG's 4 cylinder filling locations which are based in Melaka, Selangor, Penang and Kuantan. The company also operates an acetylene plant in Senai. SIG employs 172 people and is effectively a bigger operation than SSBE.

SSBE also has important trading businesses with Sarawak, Sabah (eastern Malaysia) and Brunei. The company opened up a branch office in Indonesia and began PT Sing Swee Bee Indonesia trading and supplying special or higher value gases and equipment.

Growing business in China led SSBE to invest in a representative office in the country in 2002, following that a trading office opened up in Vietnam in 2006. The former venture serves to source equipment from Chinese manufacturers, to export to SSBE's operations in the SE Asian region.

### "Gases play an important role across many industries and in technology"

#### The SE Asian industrial gases business

Peh recognises that he is a small fish in a large sea of industrial gases in the region. He is familiar with such companies as BOC and Air Liquide for many years, and companies such as Air Products and now Linde have become more established in the region.

"According to some figures I have seen, the industrial gases business in Singapore is the largest in the SE Asian region."

#### The future

"We respect our competitors business and status, such as MNC gas companies and endeavour to help them out whenever they have a supply and equipment problem within the region," says Peh. "We as a company are interested in the Middle East, Africa and SE Asian markets in the future, from a trading perspective. We have no intention at this stage to invest in any cylinder filling facilities other than in Malaysia. Our recent ventures that

we have set up in Vietnam, Indonesia and China are to establish better trading links with those markets for both gases and equipment."

"In Malaysia, the market is still strong and growing and so we are very interested in investing further in this market – even in on-sites or liquid capacity," he continues.

"Our industry [industrial gases] is continuing to grow strongly. Gases play an important role across many industries and in advancing technology. The world can not move on without industrial gases and that is why I continue to love this industry."

Peh is a very hands-on person and clearly enjoys this business. He is always on the look-out for business opportunities and products that can support business development, as well as investment opportunities in manufacturing gases. He concluded our exclusive chat with a favourite quote of his, "find the paths to success and no excuses for failure" – very apt for his type of business. □