

MEDIA RELEASE

11 January 2012

PUBLIC SECTOR PROJECTS TO SUSTAIN CONSTRUCTION DEMAND IN 2012

1. Singapore's construction demand¹ increased by 16% year-on-year from \$27.6 billion in 2010 to \$32 billion in 2011. The increase was backed by strong public sector construction demand arising from the ramp-up in public housing projects and MRT Downtown Line Stage 3. For 2012, the total construction demand is projected to be between \$21 billion and \$27 billion, of which, about 60% is expected to come from the public sector.

2. In 2012, the public sector construction demand is expected to be contributing between \$13 billion and \$15 billion worth of construction orders. The support is expected to come from the continued strong public housing developments, as well as construction demand for institutional building and civil engineering projects. Major public sector projects likely to be awarded in 2012 include:

- JTC's Medical Technology Hub at Tukang Innovation Grove;
- Yale-NUS College at University Town;
- Main contract for Ng Teng Fong Hospital with a community hospital at Jurong East;
- Expansion of Kallang Paya Lebar Expressway (KPE) / Tampines Expressway (TPE) Interchange; and
- Extension and Reconstruction of Newton Flyover.

3. The private sector construction demand may soften to between \$8 billion and \$12 billion in 2012 amid the global economic uncertainty and a slowdown in the Singapore economy. Private residential building construction demand is

¹ Construction demand is measured by total value of construction contracts awarded. All construction demand figures stated here exclude reclamation projects.

projected to drop to between \$3.4 billion and \$4.8 billion in 2012, in view of the current subdued property market sentiments. (Please refer to factsheet in Annex A for details on construction demand).

4. For 2013 and 2014, the average construction demand is projected to range between \$19 billion and \$27 billion² per annum. The public sector construction demand is likely to reach between \$12 billion and \$15 billion a year in 2013 to 2014, with about 60% of the total demand coming from building projects while the remaining 40% of demand will come from civil engineering projects.

5. The preliminary total construction output³ (progress payments made for work done) is estimated to be about \$27 billion in 2011. Despite the likely moderation in construction demand in the years ahead, the high volume of contracts awarded in 2011 will translate into strong on-site construction activity at least over the next one to two years. Hence, the total construction output is projected to rise to between \$29 billion and \$31 billion in 2012 before moderating to between \$20 billion and \$28 billion per year in 2013 to 2014.

Table: Review and Outlook for Construction Demand & Output (Year 2011 - 2014)

Year	Construction Demand (Value of Contracts Awarded)			Construction Output (Payment made for Work Done)
	Public	Private	Total	
2011 ^p	\$15.2 billion	\$16.8 billion	\$32.0 billion	≈ \$27 billion
2012 ^f	\$13 to 15 billion	\$8 to 12 billion	\$21 to 27 billion	\$29 to 31 billion
2013 ^f	\$12 to 15 billion per year	-	\$19 to 27 billion per year	\$20 to 28 billion per year
2014 ^f	(60% from building projects & 40% from civil engineering projects)			

p : Preliminary f: Forecast

² Demand forecast beyond the immediate 1 year will be done on a rolling basis to take into account subsequent changes in economic outlook and other pertinent factors.

³ Construction output is measured by total value of certified progress payments.

About BCA

The Building and Construction Authority (BCA) of Singapore champions the development of an excellent built environment for Singapore. BCA's mission is to shape a safe, high quality, sustainable and friendly built environment, as these are four key elements where BCA has a significant influence. In doing so, it aims to differentiate Singapore's built environment from those of other cities and contribute to a better quality of life for everyone in Singapore. Hence, its vision is to have "the best built environment for Singapore, our distinctive global city". Together with its education arm, the BCA Academy of the Built Environment, BCA works closely with its industry partners to develop skills and expertise that help shape the best built environment for Singapore. For more information, visit www.bca.gov.sg.

Annex A

Contracts Awarded (Excl. Reclamation) by Sector & Type of Work

Billion Dollars

	2008	2009	2010	2011 (Preliminary Actual)	2012 (Forecast)		
Both Sectors	35.68	22.52	27.56	32.0	21.0	-	27.0
Building Work	27.07	13.50	24.54	25.1	16.4	-	21.3
<i>Residential</i>	11.07	6.73	11.49	14.0	9.5	-	11.1
<i>Commercial</i>	8.46	1.65	3.24	3.0	1.8	-	2.9
<i>Industrial</i>	3.74	2.04	4.79	5.1	1.7	-	2.9
<i>Institutional & Others</i>	3.80	3.07	5.03	2.9	3.4	-	4.4
Civil Engineering Work	8.62	9.02	3.02	6.9	4.6	-	5.7
Public Sector	15.48	13.90	8.55	15.2	13.0	-	15.0
Building Work	7.76	5.67	6.36	8.6	9.6	-	10.9
<i>Residential</i>	4.68	2.81	2.81	6.0	6.1	-	6.3
<i>Commercial</i>	0.14	0.07	0.18	0.05	0.1	-	0.2
<i>Industrial</i>	0.06	0.21	1.07	0.3	0.4	-	0.6
<i>Institutional & Others</i>	2.88	2.58	2.30	2.3	3.0	-	3.8
Civil Engineering Work	7.72	8.23	2.19	6.6	3.4	-	4.1
Private Sector	20.20	8.62	19.02	16.8	8.0	-	12.0
Building Work	19.30	7.83	18.18	16.5	6.8	-	10.4
<i>Residential</i>	6.40	3.93	8.68	8.1	3.4	-	4.8
<i>Commercial</i>	8.31	1.58	3.06	3.0	1.7	-	2.7
<i>Industrial</i>	3.68	1.83	3.72	4.8	1.3	-	2.3
<i>Institutional & Others</i>	0.92	0.50	2.73	0.6	0.4	-	0.6
Civil Engineering Work	0.90	0.79	0.83	0.3	1.2	-	1.6

Source : BCA as at 11 Jan 2012