

## **MEDIA RELEASE**

### **PUBLIC SECTOR PROJECTS TO BOOST CONSTRUCTION DEMAND IN 2013**

**16 January 2013** – A strong construction demand of between \$26–32 billion is projected for 2013, anchored by public sector projects. This comes on the heels of the sector's strong performance in 2012, where total construction demand was sustained at a healthy \$28.1 billion. The projected demand of \$26–32 billion for 2013 reflects a continued and sustained level of workload for the next few years.

#### **Outlook for 2013**

2. Public sector demand is expected to strengthen significantly this year, contributing about 53% of the industry demand, or \$14–17 billion, boosted by stronger public housing and infrastructure construction works. The higher public sector demand is due to the continued ramping up of public housing and rail construction. Other than public housing projects, major public sector projects likely to be awarded in 2013 include:

- Nanyang Technological University's Undergraduate Halls of Residence at Nanyang Avenue/Crescent;
- Energy Market Authority's fourth storage tank for the liquefied natural gas (LNG) terminal at Jurong Island;
- JTC's very large floating structure (VLFS) at Pulau Sebarok;
- Land Transport Authority's various construction contracts for the Thomson MRT Line; and
- Land Transport Authority's expansion of Kallang Paya Lebar Expressway (KPE) / Tampines Expressway (TPE) Interchange.

#### **Private sector demand for 2013**

3. BCA expects private sector construction demand to moderate to \$12–15 billion in 2013, in light of slower domestic economic growth and continued global economic uncertainties. The private sector is likely to take a more cautious stance in terms of new construction investments. Private residential construction demand is projected to continue to soften in view of the anticipated continual slow economic growth in 2013, coupled with the significant supply of completed housing units over the next few years.

*(Please refer to Annex A for details on construction demand).*

### Forecast for 2014 and 2015

4. For 2014 and 2015, the average construction demand is projected to be \$20–28 billion<sup>1</sup> per annum. Barring any unforeseen circumstances, this projection is plausible in view of the strong pipeline of housing and infrastructure construction projects planned by the Government to meet the needs of the population, despite the anticipated lower economic growth rate in the coming years.

5. Total preliminary construction output<sup>2</sup> (progress payments made for work done) is estimated to be about \$31 billion in 2012, about 7% higher than the volume in 2011 and comparable to the 2009's record high. The high level of contracts awarded in 2011 and the sustained levels of demand in 2012–2013 are expected to translate into a lot of on-site construction activities at least over the next 1 to 2 years. Total construction output is projected to rise to \$31–33 billion in 2013 before moderating to \$22–30 billion per year in 2014-15.

**Table: Review and Outlook for Construction Demand & Output (Year 2012 – 2015)**

Year	Construction Demand (Value of Contracts Awarded)			Construction Output (Payment made for Work Done)
	Public	Private	Total	
2012 <sub>p</sub>	\$9.3 billion	\$18.8 billion	\$28.1 billion	≈ \$31 billion
2013 <sub>f</sub>	\$14 to 17 billion	\$12 to 15 billion	\$26 to 32 billion	\$31 to 33 billion
2014 <sub>f</sub>	\$11 to 14 billion per year  (60% from building projects & 40% from civil engineering projects)	-	\$20 to 28 billion per year	\$22 to 30 billion per year
2015 <sub>f</sub>				

*p* : Preliminary    *f* : Forecast

### New manpower programmes for development of talent to meet construction demand

6. Given the robust outlook for the built environment sector, BCA is partnering the industry to offer abundant career opportunities in the industry created by the strong construction demand. In addition to the current BCA-Industry undergraduate scholarship, diploma scholarship and sponsorship and apprenticeship programmes, BCA is rolling out

<sup>1</sup> 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.

<sup>2</sup> Construction output is measured by total value of certified progress payments.

two new manpower development programmes – the full-time undergraduate sponsorship programme and the ITE scholarship programme.

7. Dr John Keung, CEO, BCA, said, “The two new programmes are the latest additions to BCA’s comprehensive suite of manpower development programmes to meet the strong demand from the industry and to attract and retain talents to pursue a meaningful and rewarding career in the built environment sector.”

8. The new undergraduate sponsorship programme is open to local undergraduates taking full-time built environment degree courses. A student under this new programme will receive an attractive sponsorship sum of \$10,000 per year.

9. On the technical education front, full-time students studying at ITEs can benefit from the new ITE scholarship programme. The scholarship will cover the full course fees and provide a monthly allowance of \$500, an attractive sum for the students.

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#### **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](http://www.bca.gov.sg).