

MEDIA RELEASE

BCA'S CONSTRUCTION EXPORT SURVEY 2016: MORE SINGAPORE CONSTRUCTION AND CONSULTANCY FIRMS VENTURED OVERSEAS

Singapore, 14 June 2017 – The Building and Construction Authority (BCA) surveyed more than 1,400 Singapore construction and consultancy firms for its Construction Export Survey 2016, which is now into its 13th edition. The survey showed that the number of overseas projects secured by contractors and consultants nearly doubled in 2015, from 289 projects in 2014 to 594 (Refer to Chart 1 in Annex A).

More Singapore Contractors and Consultants Venturing Overseas and Securing Projects

2. 2015 also saw more Singapore firms venturing overseas with 38 contractors and 62 consultancy firms securing projects, compared to 22 contractors and 26 consultancy firms in the preceding year. (Refer to Chart 2 in Annex A)

Construction Export Value Stable Over Five Years

3. Singapore construction firms are recognised internationally for their high standards of quality construction. Over the last five years, Singapore firms have secured an average total export value of around S\$1.7 billion* annually. In 2015, S\$1.74 billion of contract value was secured in overseas markets, which included Myanmar, India, Malaysia, Thailand Indonesia, and UAE. (Refer to Chart 3 in Annex A)

** Average total export value of S\$1.7 is exclusive of two (2) mega projects in 2012 and 2014 respectively.*

4. The majority of the overseas construction projects involved renovation and interior works (41%) as well as building construction works in the residential and hospitality sectors (12%). (Refer to Annex B)

5. Despite the increase in number of construction projects secured overseas, the total value of overseas contracts remained stable, indicating that projects secured in 2015 were mainly of smaller value than those in 2014.

Consultancy Firms Thrive in China, India and South East Asia

6. Separately, Singapore consultancy firms continued to thrive in China, India, Cambodia, Indonesia, Malaysia, Myanmar and Vietnam, making up 87% of the total number of overseas consultancy projects in 2015*.

7. The top four consultancy services provided were Architectural (38%), Civil & Structural (11%), Mechanical & Electrical Engineering Designs (10%), as well as Master Planning (10%) [Refer to Chart 4 in Annex B]. The overseas demand for such services were mainly in mixed developments and residential developments.

8. Singapore's consultancy firms also provided more landscape designs and new consultancy services such as Feasibility Studies and Consultancy Training. They comprised 14% of all the types of overseas consultancy services provided (refer to Chart 5 in Annex B). The rise in new consultancy services indicate a shift in demand in the international markets and that Singapore consultancy firms are adapting to evolving international market demands and have positioned their services accordingly.

Key Concerns When Venturing Overseas

9. In addition, the survey revealed the top four concerns faced by the firms when they ventured abroad, which include uncertainty of payment collection, economic & political risks, lack of market information and difficulties in finding overseas partners.

10. To assist Singapore companies venturing abroad to overcome the difficulties in their initial internationalisation steps, BCA has been providing the following services:

- Providing market sensing and business intelligence;
- Conducting market familiarisation mission trips, "Doing Business Overseas" series of seminars, etc.;
- Facilitating business matching between Singapore companies and potential overseas partners;
- Profiling Singapore companies through overseas exhibitions and forums.

11. Commenting on Singapore's internationalisation efforts, Mr Koh Lin Ji, BCA Group Director for International Development said, "BCA understands that breaking the initial barrier is crucial for subsequent internationalisation efforts. Hence, we actively reach out to established players, as well as Small and Medium Enterprises (SMEs) in achieving their first steps in internationalisation.

12. LKH Fire Engineering Pte Ltd, a small and medium-sized enterprise (SME), is one such company which participated in one of BCA's mission trips and successfully ventured into the Myanmar market and secured its first fire and simulation consultancy project.

13. The importance of internationalisation for the next phase of growth for local companies is underscored by the Committee for Future Economy. This sentiment is echoed by industry players such as DP Architects (DPA). Ms Angelene Chan, CEO of DPA, who shared that her firm's proportion of revenue has shifted away from local to overseas projects remarked, "Expanding internationally allows us to tap on global experiences and knowledge which is crucial to the firm's growth. DPA is able to adapt to changing market demands by moving away from providing multi-disciplinary services to one-stop integrated solutions with efficient delivery. This gives us a competitive advantage." DPA currently provides its services to more than 70 countries across the globe including China, India, United Arab Emirates, the South East Asian nations and the United Kingdom through its offices in 17 global cities.

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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 "a future-ready built environment for Singapore". Together with its education arm, the BCA Academy, BCA works closely with its industry partners to develop skills and expertise that help shape a future-ready built environment for Singapore. For more information, visit www.bca.gov.sg.

Annex A

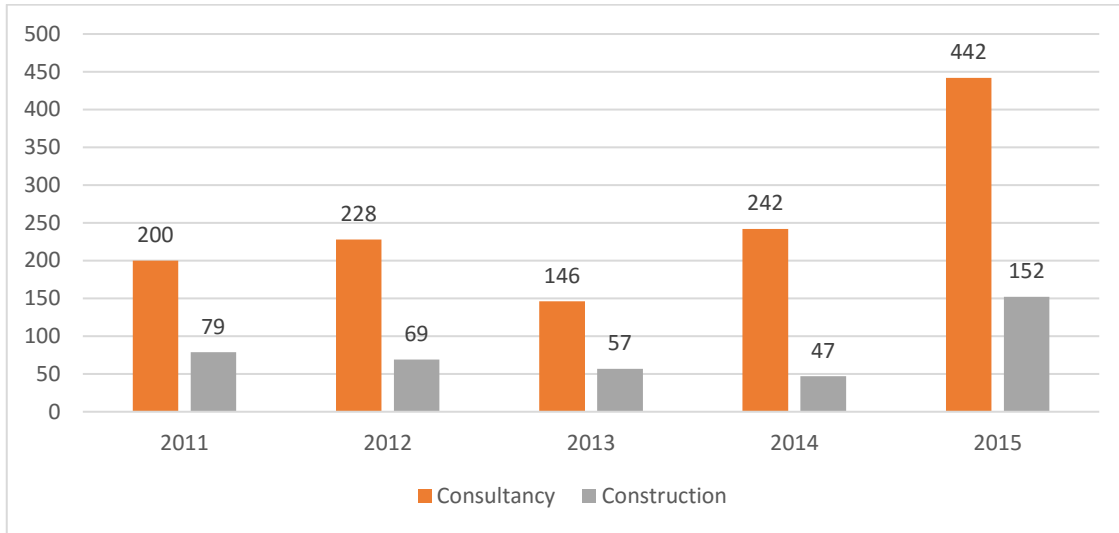


Chart 1: Number of projects secured by Singapore firms, 2011 – 2015

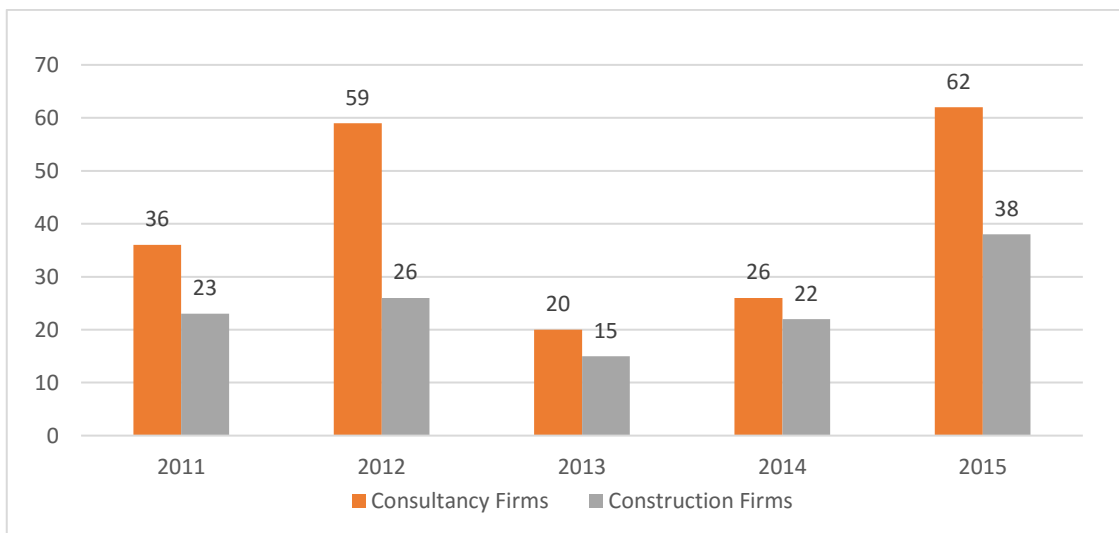


Chart 2: Number of Singapore firms internationalising, 2011 – 2015

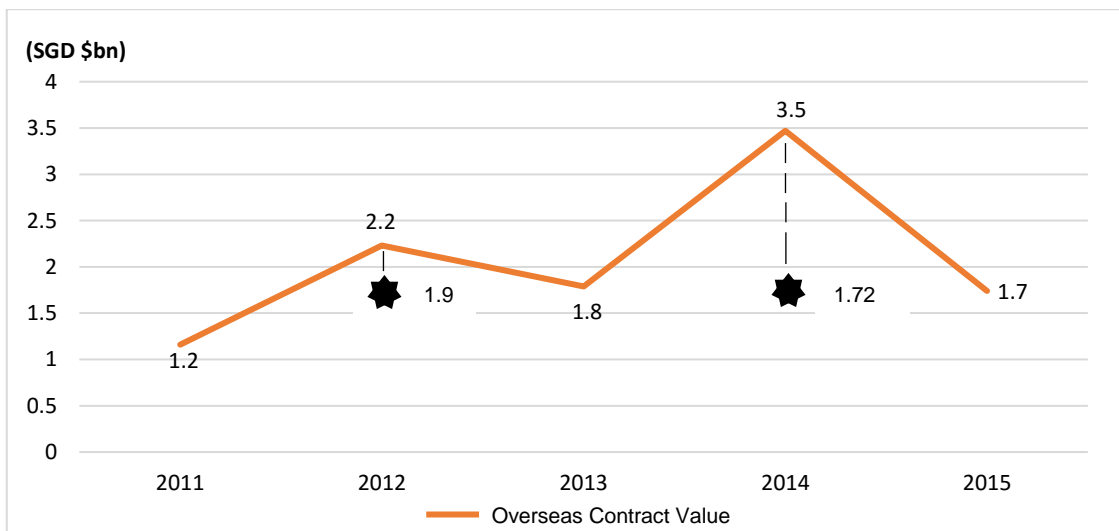


Chart 3: Overseas Contract Value

★ Indicates export value after deduction of single mega project in the respective years.

Annex B

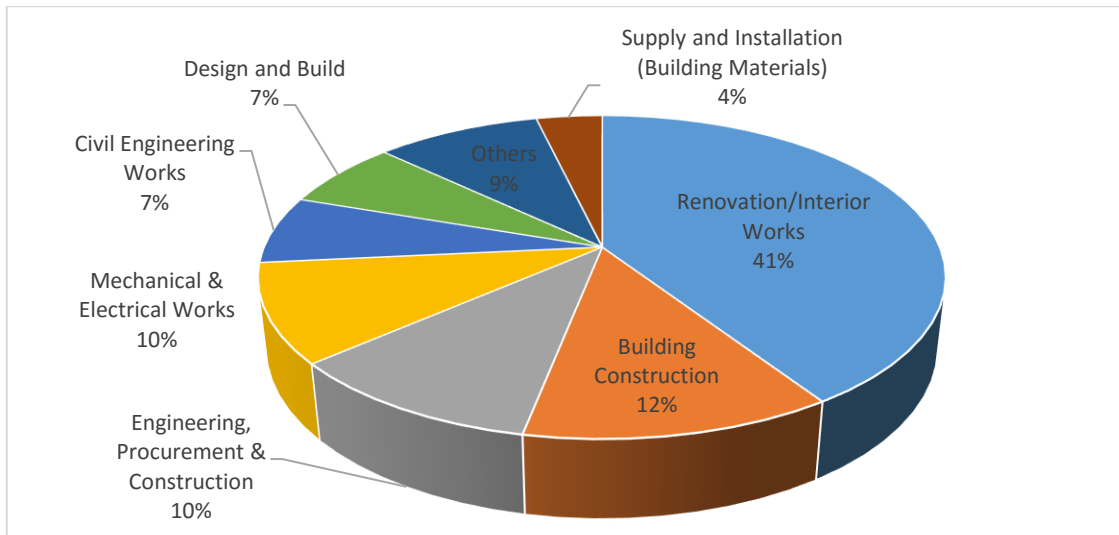


Chart 4: Types of Overseas Construction Projects Undertaken, 2015

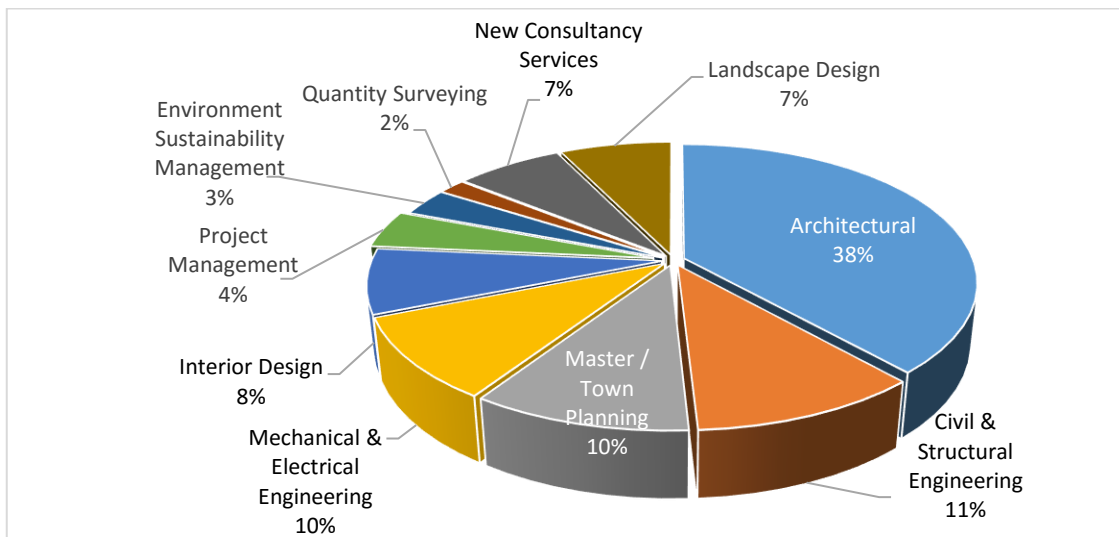


Chart 5: Types of Overseas Consultancy Projects Undertaken, 2015