



**SINGAPORE CONTRACTORS
ASSOCIATION LTD (SCAL)**

26 August 2021

**51st ASEAN CONSTRUCTORS
FEDERATION COUNCIL MEETING**

COUNTRY REPORT SINGAPORE

Agenda

Economic Performance

Construction Demand: Contracts Awarded

Construction Demand by Sector

Construction Material Demand & Prices

Employment in the Construction Sector

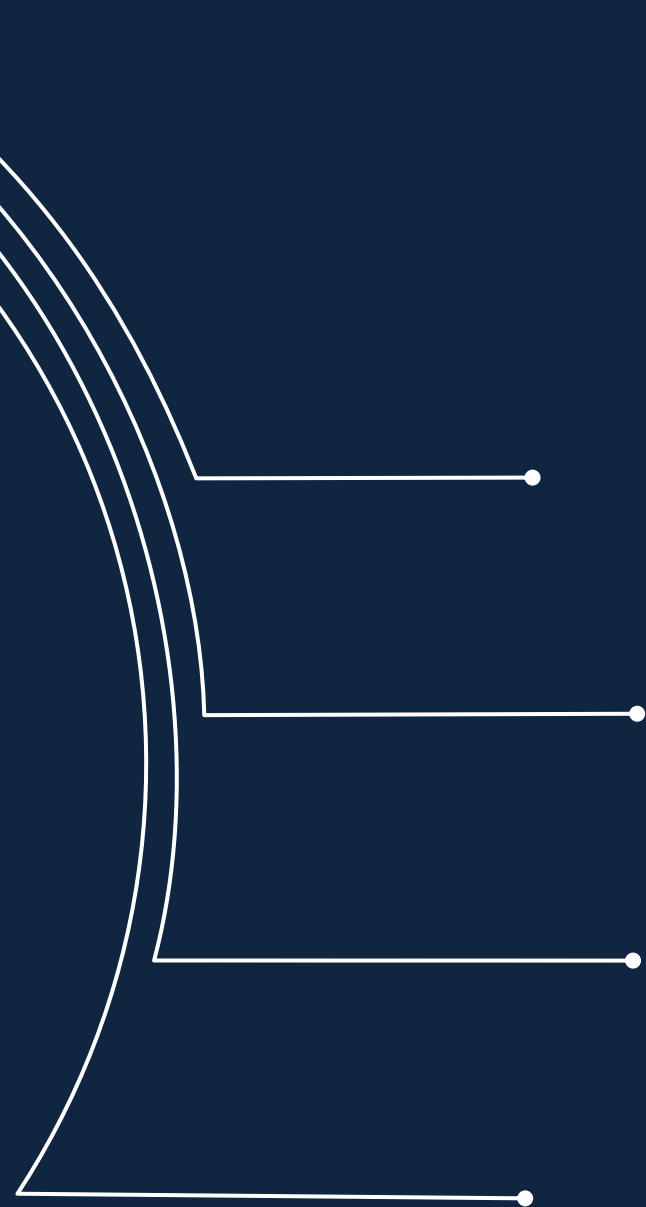
Labour Costs in the Construction Sector

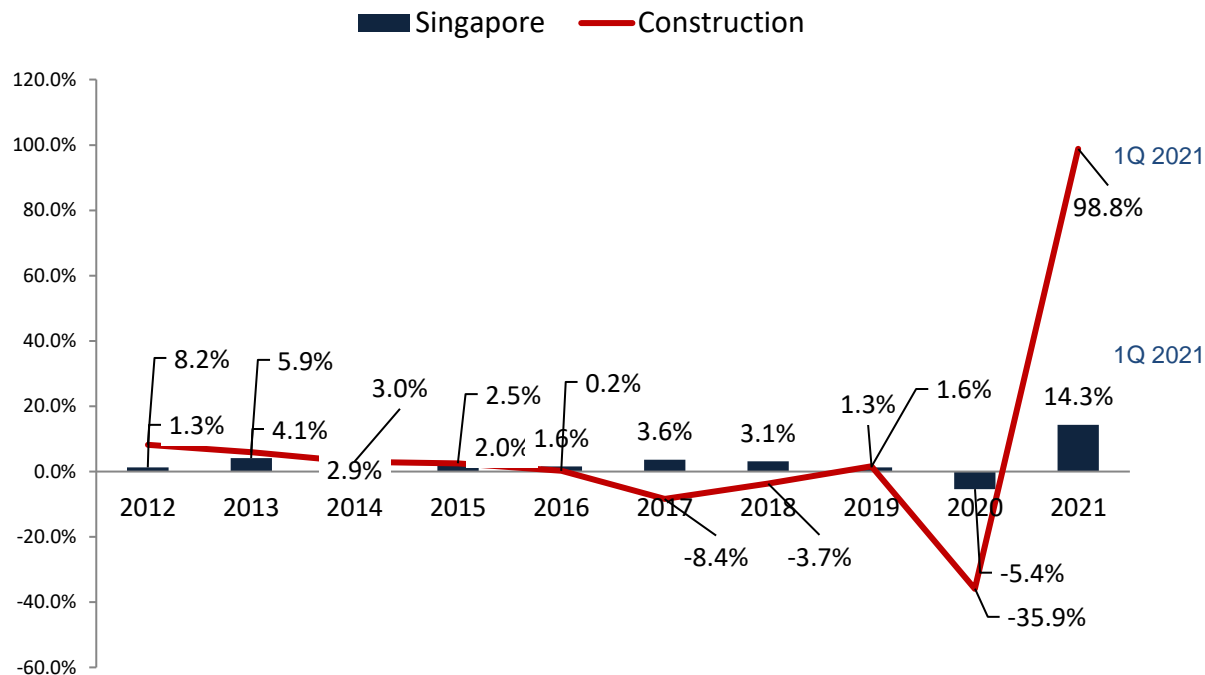
Government COVID-19 Measures

Continuing COVID-19 Measures

Mega Projects

Conclusion





Year	Singapore	Construction
2012	1.30%	8.20%
2013	4.10%	5.90%
2014	2.90%	3.00%
2015	2.00%	2.50%
2016	1.60%	0.20%
2017	3.60%	-8.40%
2018	3.10%	-3.70%
2019	1.30%	1.60%
2020	-5.40%	-35.90%
2021	14.30%	98.80%

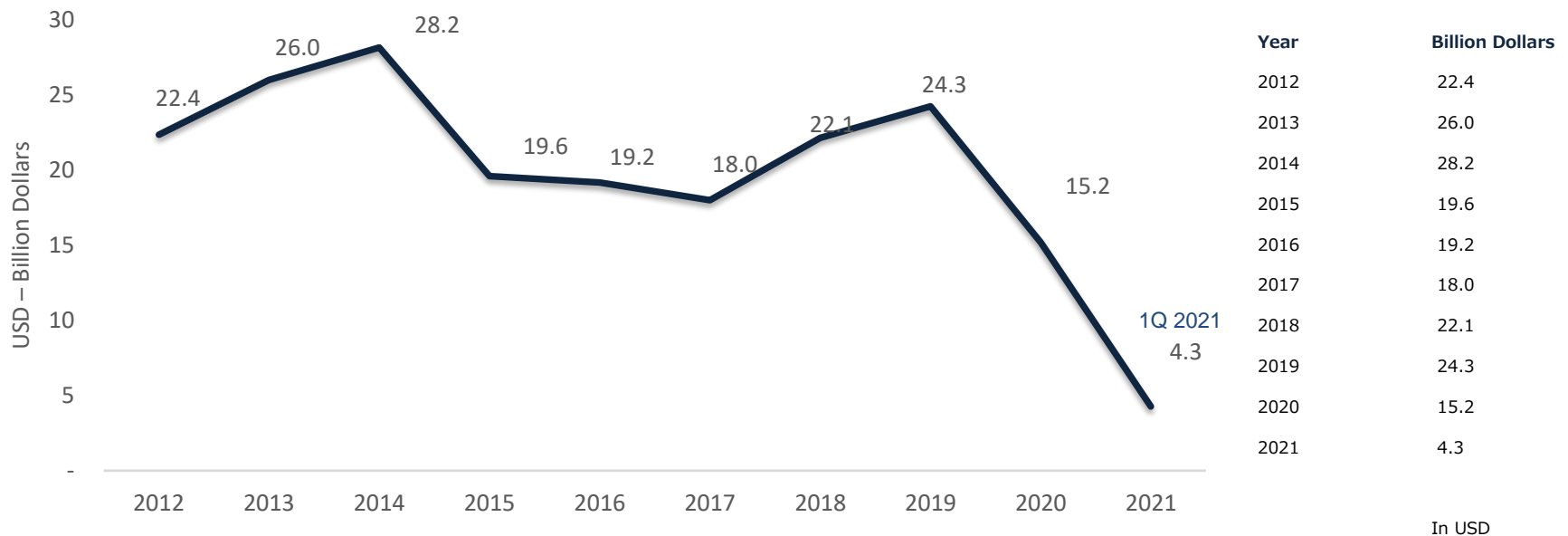
Source: Ministry of Trade and Industry. ^2021 data are second quarter advance estimates, year-on-year basis.



Economic Performance

4.0% to 6.0%

2021 GDP Forecast



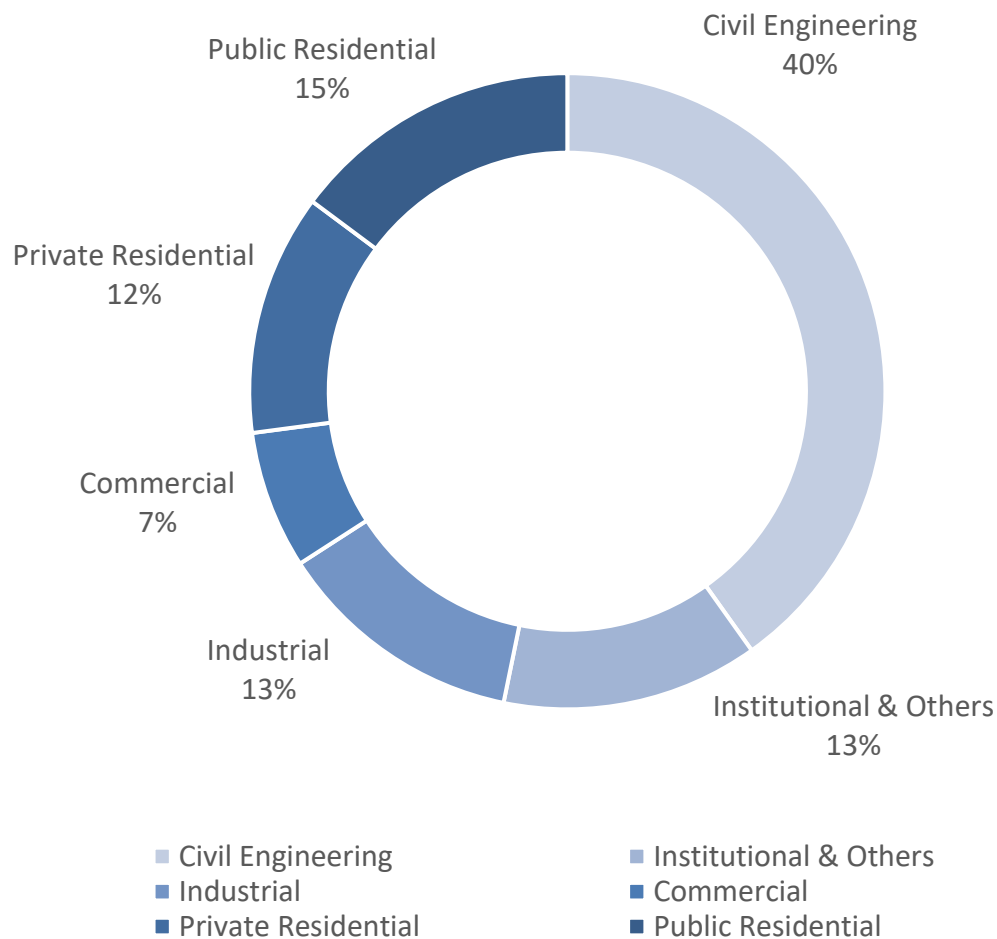
Source: Building & Construction Authority; USD:SGD = 1.336 (2021 average)
 ^2021 data for construction demand up to first quarter.



Construction Demand: Contracts Awarded

\$17.2B to \$21.0B

2021 Forecast



Construction Demand

Distribution %

Civil Engineering	10.3	40%
Institutional & Others	3.4	13%
Industrial	3.3	13%
Commercial	1.8	7%
Private Residential	3.2	12%
Public Residential	3.8	15%

**\$17.2B to
\$21.0B**

2021 Forecast

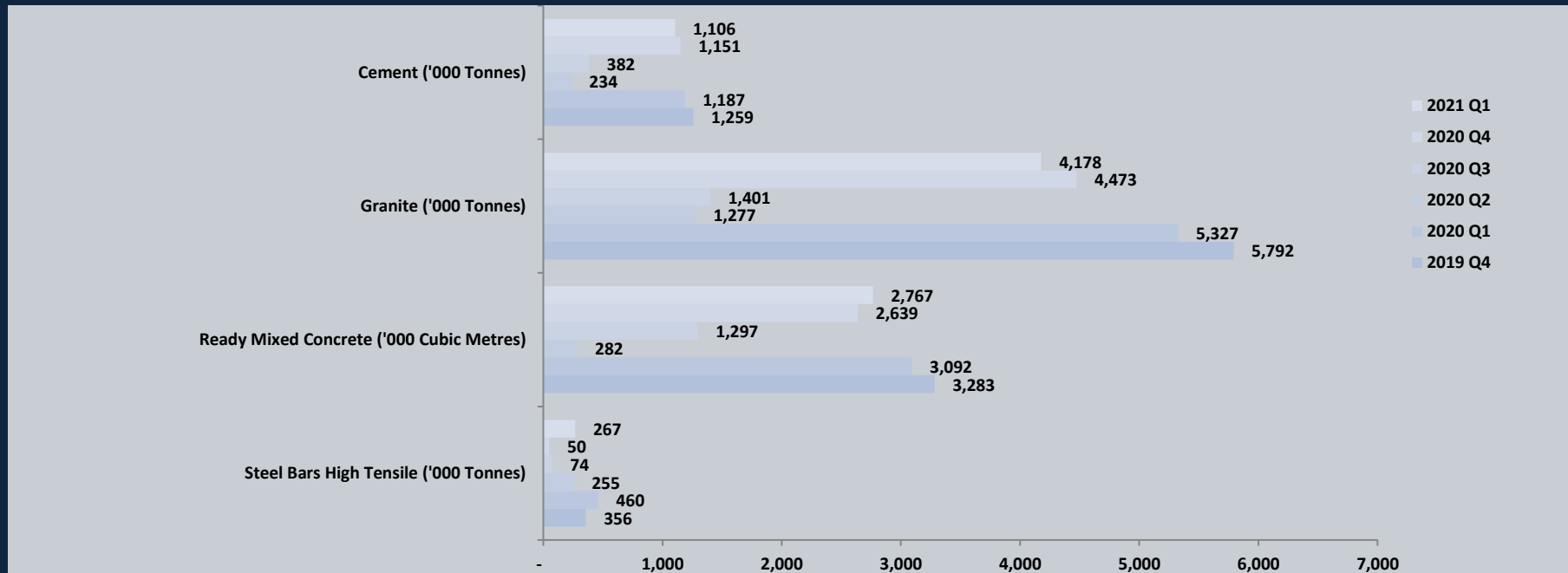
Source: Building & Construction Authority; USD:SGD = 1.336 (2021 average)

Price for Construction Materials in 2020/2021

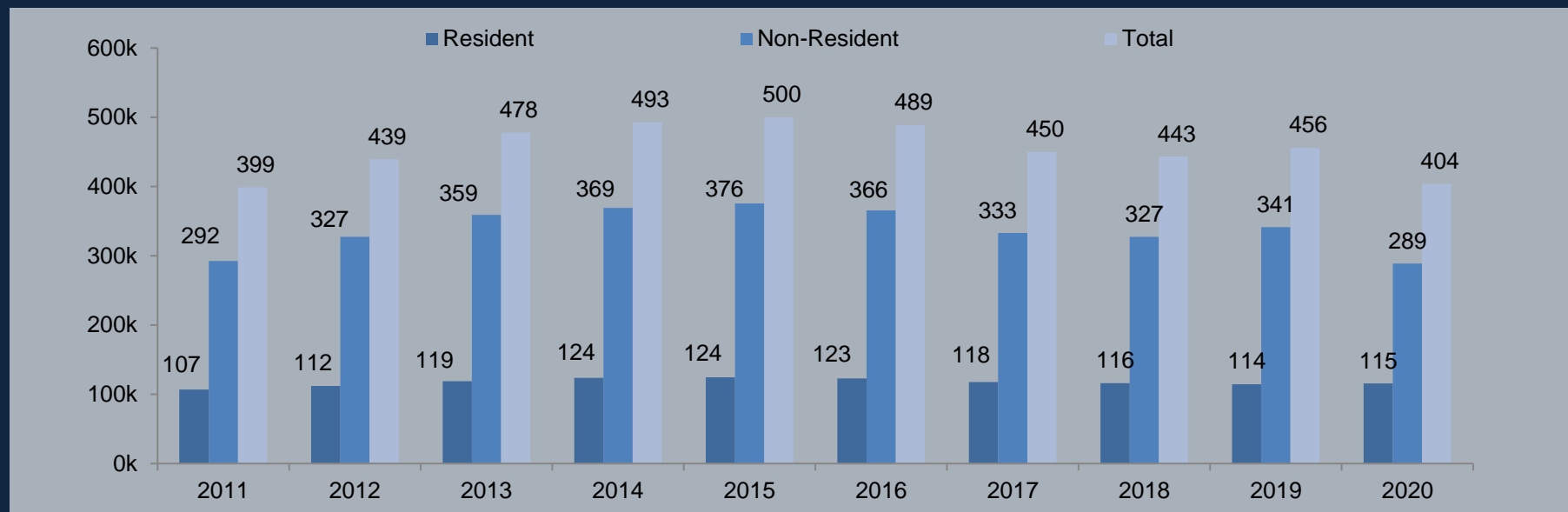
	Steel bar USD	Cement USD	Sand USD	Granite USD	Ready Mix Concrete USD
2019 Q4	538.8	63.3	21.8	14.6	71.9
2020 Q1	535.2	64.0	19.9	14.2	71.6
2020 Q2	536.2	64.4	18.7	13.8	70.8
2020 Q3	536.2	64.3	18.3	13.8	70.7
2020 Q4	564.5	64.3	17.7	13.5	70.7
2021 Q1	687.9	64.1	17.6	13.4	71.1
2021 Q2	785.5	67.1	18.1	13.9	72.2

Increase from pre-Covid vs Q2 21	Steel bar USD	Cement USD	Sand USD	Granite USD	Ready Mix Concrete USD
	46%	5%	-3%	-2%	1%

Demand for Construction Materials in 2020/2021



Employment in Construction (in '000s)



Source: Ministry of Manpower. Resident refers to Singapore Citizens and Permanent Residents.

	Resident	Non-Resident	Total
2011	107	292	399
2012	112	327	439
2013	119	359	478
2014	124	369	493
2015	124	376	500
2016	123	366	489
2017	118	333	450
2018	116	327	443
2019	114	341	456
2020	115	289	404

Labour Costs in Construction

Labour costs have gone up in tandem with increased demand and labour supply shortage arising from COVID-19 such as border closures and tightening.

The results of our surveys from member companies suggest salary increase for workers from pre-COVID and now is at



46%



Government COVID-19 Measures

Jobs Support Scheme (JSS)

- a) JSS was launched in Singapore Budget 2020 in response to COVID-19, to help firms preserve jobs
- b) In Singapore Budget 2021, the JSS was extended to support targeted sectors including the construction sector
- c) JSS is budgeted to cost the Government USD17.6 billion, or SGD23.5 billion, across all industries

Jobs Growth Incentive (JGI)

- a) JGI was launched in Singapore Budget 2020 in response to COVID-19, to help firms to attract, develop and retain talent
- b) In Singapore Budget 2021, the JGI was extended to support targeted sectors including the construction sector
- c) JGI, initially budgeted to cost USD750 million (SGD 1 billion) and end in February 2021, was extended till end September 2021 with an additional USD3.89 billion (SGD 5.2 billion)

Government COVID-19 Measures

Foreign Worker Levy Waivers

Construction firms received 100% waiver for the June 2020 foreign worker levy, and an initial 50% waiver for July 2020 (subsequently enhanced to 100% waiver). This is further extended for August and September 2020, followed by 75% waiver for October 2020, 50% waiver for November 2020, and 25% waiver for December 2020 .

Foreign Worker Levy Rebates

Construction firms received levy rebates for each work permit or S Pass holder of SGD750 for June 2020 and SGD375 for July 2020. This was extended for two months of August and September with the SGD375 monthly rebate, followed by SGD90 monthly rebates from October 2020 to April 2021, followed by SGD250 per month commencing May 2021 until December 2021.

Government COVID-19 Measures

Government funding of regular swab tests

Government-funding of regular swabbing of workers, estimated to cost SGD200 per worker, initially up until 31 August 2020 was extended to 30 September 2021.

USD1.02 billion (SGD1.36 billion) Government funded Construction Support Package comprises:

- a) USD393.6 million (SGD525.8 million) construction restart booster to help construction firms with additional compliance costs in order to resume construction activities safely.
- b) Government will set aside USD 35.9 million (SGD 48 million) to co-fund 50% of salaries of SMOs who are Singapore citizens or permanent residents for six months from September 2020 to February 2021, provided that the firms adhere to COVID-Safe Worksite practices.
- c) Government Procurement Entities (GPEs) will co-share the prolongation costs for public sector construction contracts and tenders which closed before 1 June 2020. This will add up to USD593.6 million (SGD 793 million).

Government COVID-19 Measures

Extension of Advance Payment for public sector projects

The Government extended advance payments to firms working on public sector projects for months of April and May 2020.

GPEs will further extend advance payment up to the point when the projects have obtained approval to restart, subject to a total advance payment cap of 5% of the project's awarded contract sum or USD7.49 million (SGD10 million), whichever is lower. Main contractors were required to pass on a portion of the advance payment to their sub-contractors within two weeks of receiving the payment certificate from GPEs.



Government COVID-19 Measures

Legislative relief through the COVID-19 (Temporary Measures) Act (COTMA)

a) COTMA was passed on 7 April 2020 and provides temporary relief for a prescribed period, upon service of a Notification for Relief, from stipulated types of legal and enforcement actions in relation to the inability to perform contractual obligations due to COVID-19. During this period, parties are encouraged to negotiate and resolve their differences in an amicable and mutually-beneficial manner. The relief period was extended up to 30 September 2021.

The relief period for Options to Purchase, and Sale and Purchase Agreements, was likewise extended up to 30 June 2021 to assist purchasers of residential, commercial and industrial properties who require more time to make their payments. Developers and purchasers who are unable to perform any of their contractual obligations are encouraged to negotiate and reach a compromise.

Government COVID-19 Measures

Legislative relief through the COVID-19 (Temporary Measures) Act (COTMA)

b) COTMA also requires the cost-sharing of additional non-manpower-related qualifying costs between contracting parties due to delays caused by COVID-19. The relief period was extended up to 30 September 2021. The cost-sharing was also expanded to apply to qualifying costs, which arise due to delays caused by COVID-19 during the period from 7 April 2020 to 30 September 2021.

c) COTMA also provides for Extension of Time (EOT) for construction contracts, and grants public sector construction contracts a total of 122 + 49 days extension of timeline for delays due to the COVID-19 pandemic . This applies to public sector construction contracts that are delayed due to the loss of productivity from 7 April 2020 to 31 December 2020.

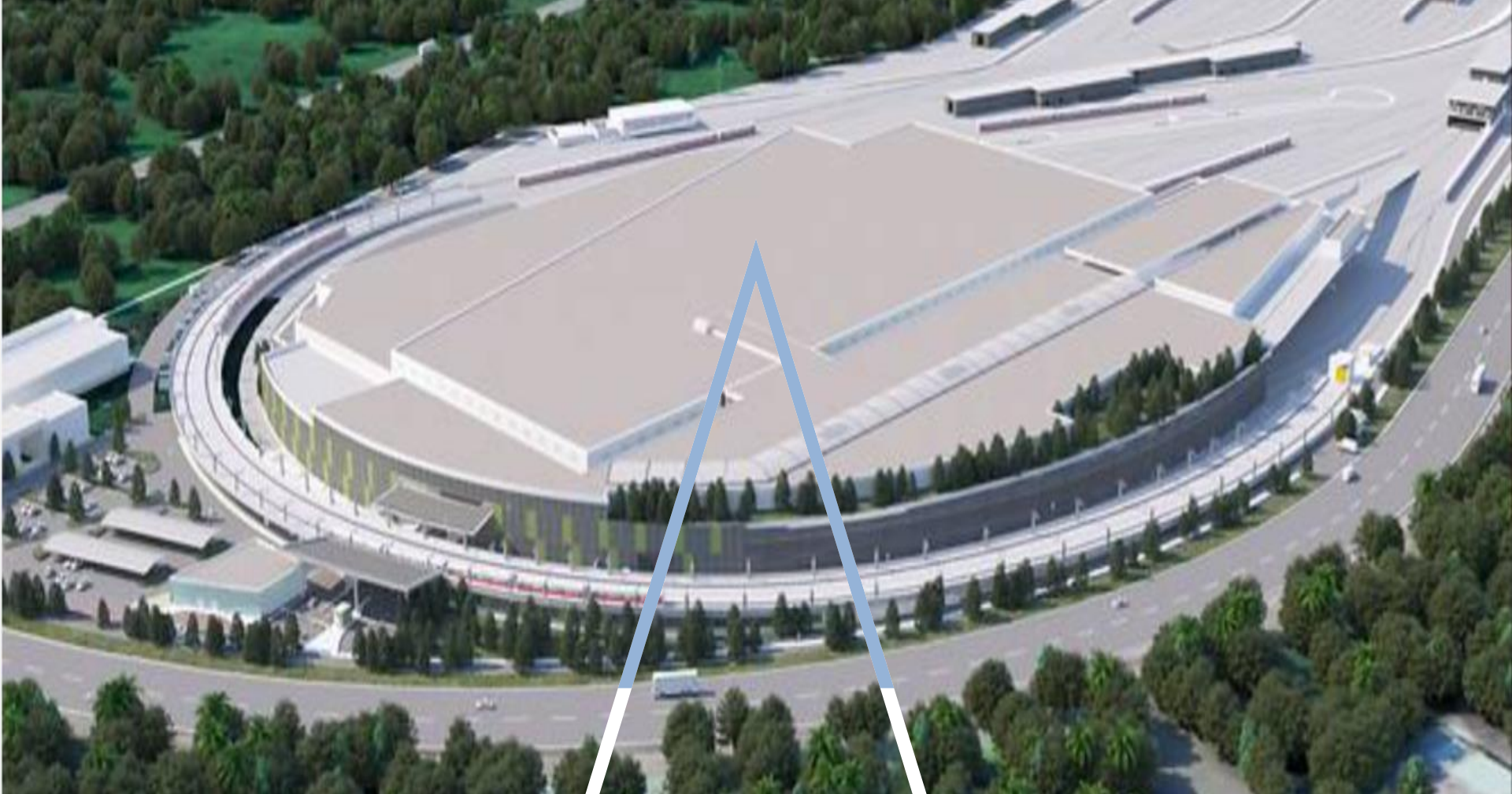
Continuing COVID-19 Measures

SCAL managed and coordinated pilot programme to bring in foreign workers

SCAL working with partner agencies managed and coordinated the tightened end-to-end pilot programme to bring in foreign workers (103 pax) into Singapore in a safe & secure manner. The programme aims to calibrate and better manage the risks involved and validate the robustness of the process. This model can then be used to facilitate a steady inflow of workers for subsequent batches.

Piloting of Antigen Rapid Test (ART) at Worksites

- a) Pilot programme underway to use ART to screen personnel
- b) ART testing frequency about once every 3 days
- c) Workers will administer the ART through self-swabs



Mega Project	Estimated Construction Cost	Commencement Date	Completion Date
Changi East Depot Cross Island Line	USD 786 million (SGD 1.05 billion)	May 2021	December 2029

Ongoing Mega Projects

Changi East Depot Cross Island Line



Mega Project

Hyundai Motor Group
Innovation Centre

Estimated Construction Cost

USD 290 million
(SGD 400 million)

Commencement Date

October 2020

Completion Date

December 2022

Ongoing Mega Projects

Hyundai Motor Group Innovation Centre

Source: Urban Redevelopment Authority

Pasir Panjang
Terminal

9,000 public & private homes to be built at the site of Keppel Club

New offices, waterfront promenades, greenery & open spaces along southern coastline

Greater Southern Waterfront to link up with other green areas: West Coast Park to East Coast Park, & the Rail Corridor with Sentosa

Labrador
Nature
Reserve

Towards
Labrador
Park MRT
Station

Future Mega Projects

Greater Southern Waterfront

Future Mega Projects

Greater Southern Waterfront

Conclusion

1. The Singapore economy is expected to grow by 4% to 6% in 2021.
2. Even as COVID-19 becomes endemic, the construction industry has to continue to exercise vigilance through the strict implementation of safe management measures.
3. SCAL will continue to be the voice of the industry and advocate in the best interests of members.

