

50th ASEAN CONSTRUCTORS FEDERATION COUNCIL MEETING

Country Report - Singapore

SINGAPORE CONTRACTORS ASSOCIATION LTD (SCAL)

11 December 2020





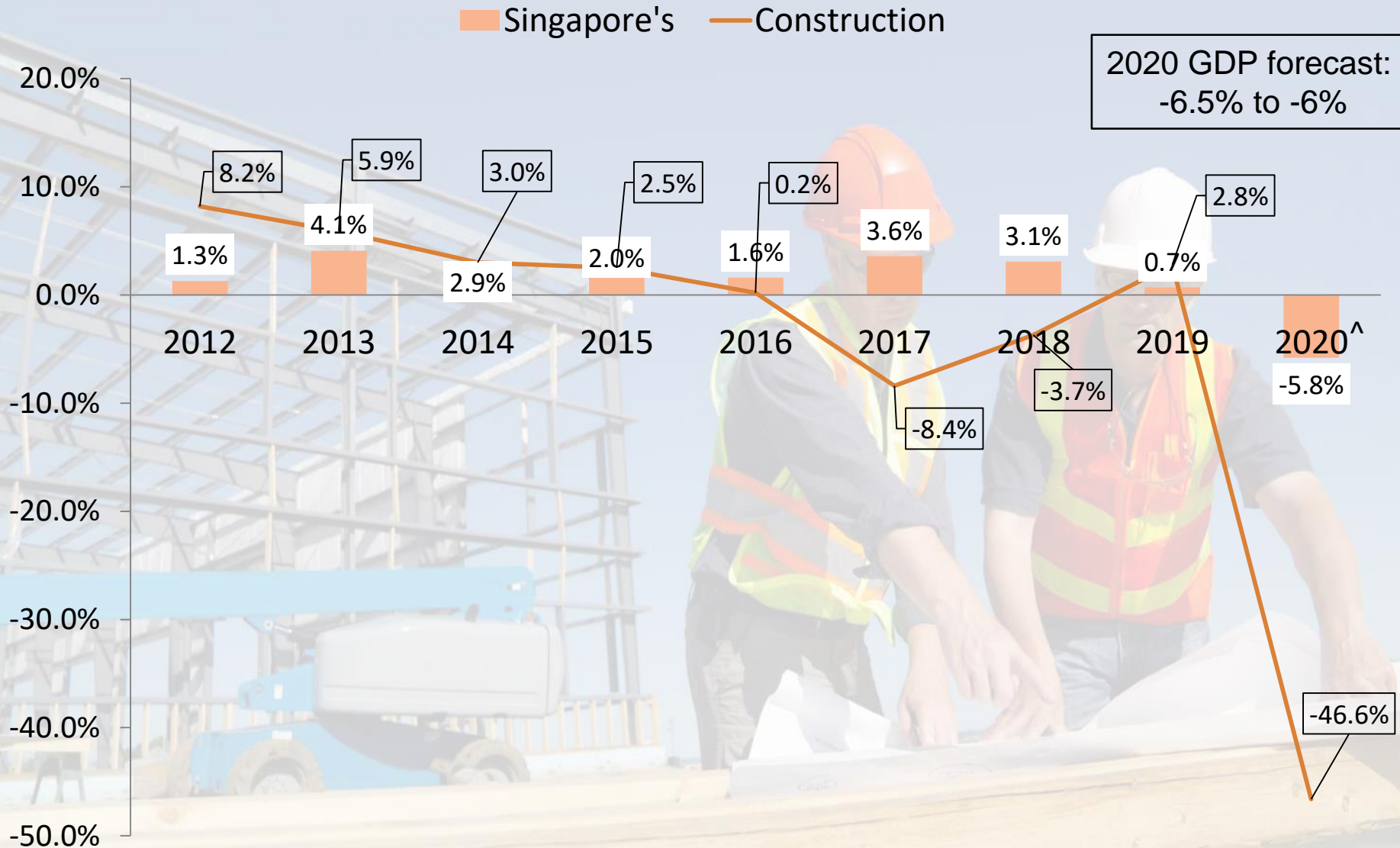
Presentation Outline

- I. Economic Performance
- II. Construction Demand: Contracts Awarded
- III. Construction Demand by Sector
- IV. Construction Material Demand & Prices
- V. Employment in the Construction Sector
- VI. Government COVID-19 Measures
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- VIII. Mega Projects
- IX. Conclusion



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Economic Performance



Source: Ministry of Trade and Industry. [^]2020 data up to third quarter, year-on-year basis.

Construction Demand: Contracts Awarded



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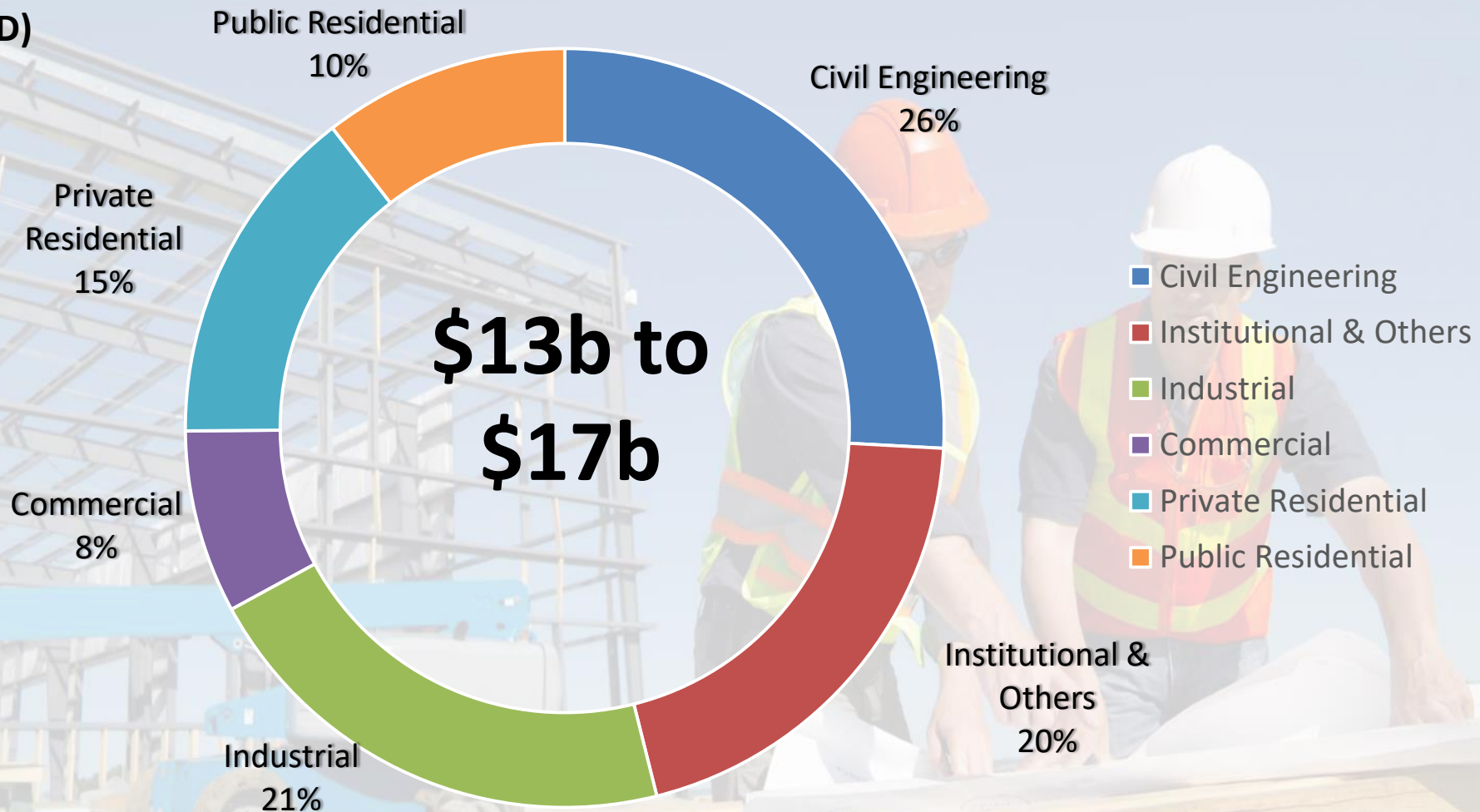
Source: Building Construction Authority; USD:SGD = 1.34 (as at 1 December 2020).
[^]2020 data up to third quarter.



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Construction Demand Forecast 2020

(USD)

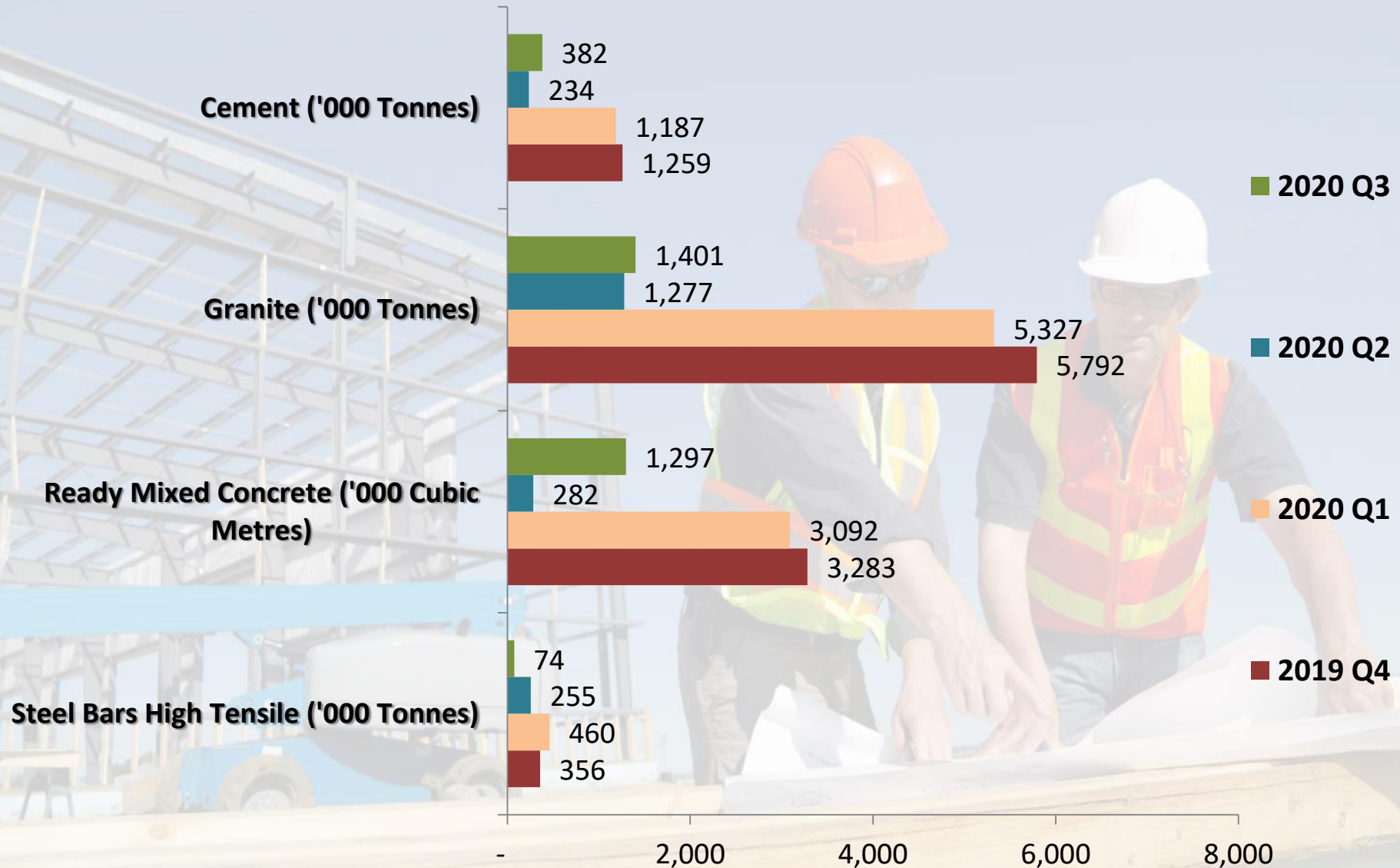


Source: Building Construction Authority; USD:SGD = 1.39 (as at 31 August 2019)

Demand for Construction Materials in 2020



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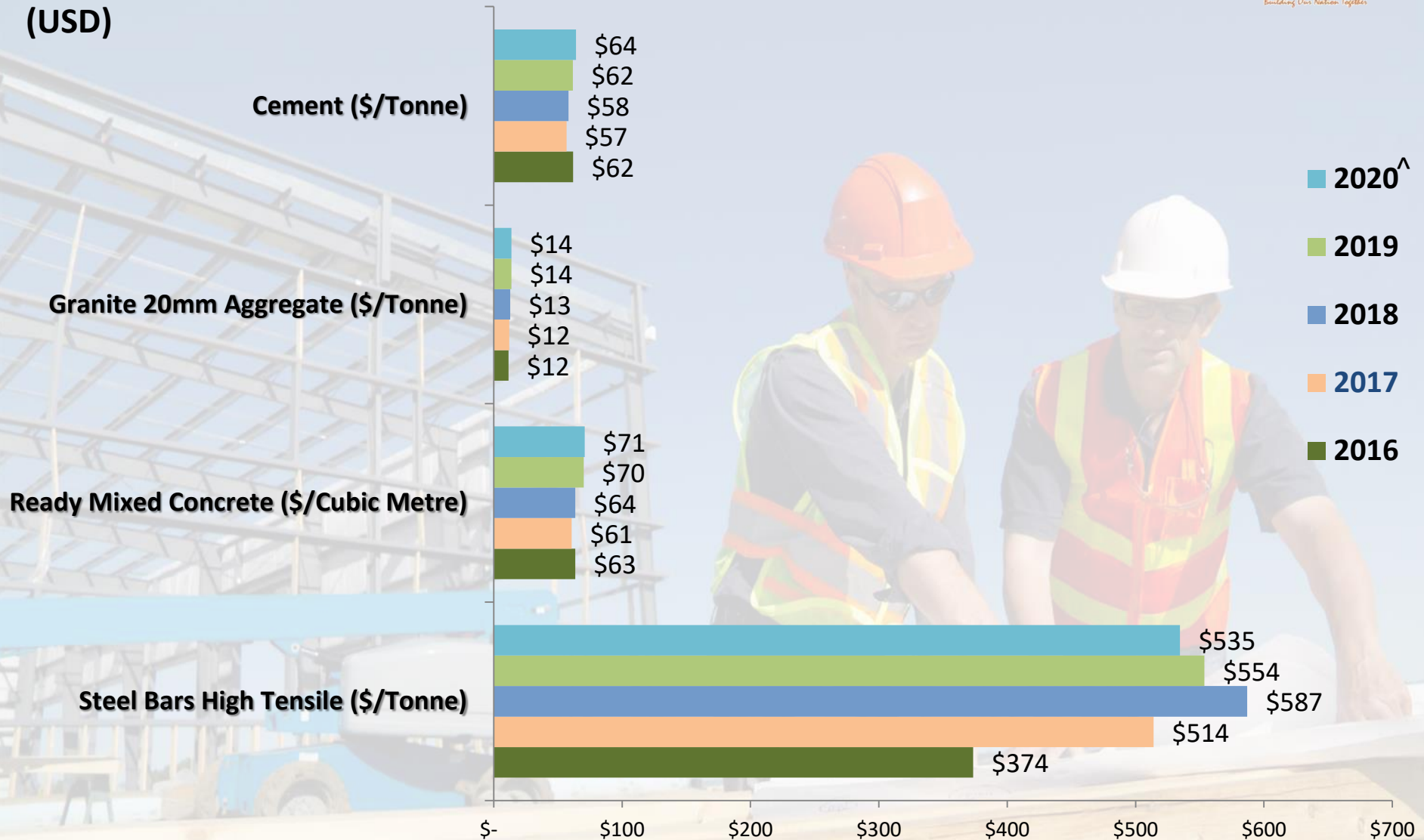
Source: Building Construction Authority

Average Price of Construction Materials in 2020



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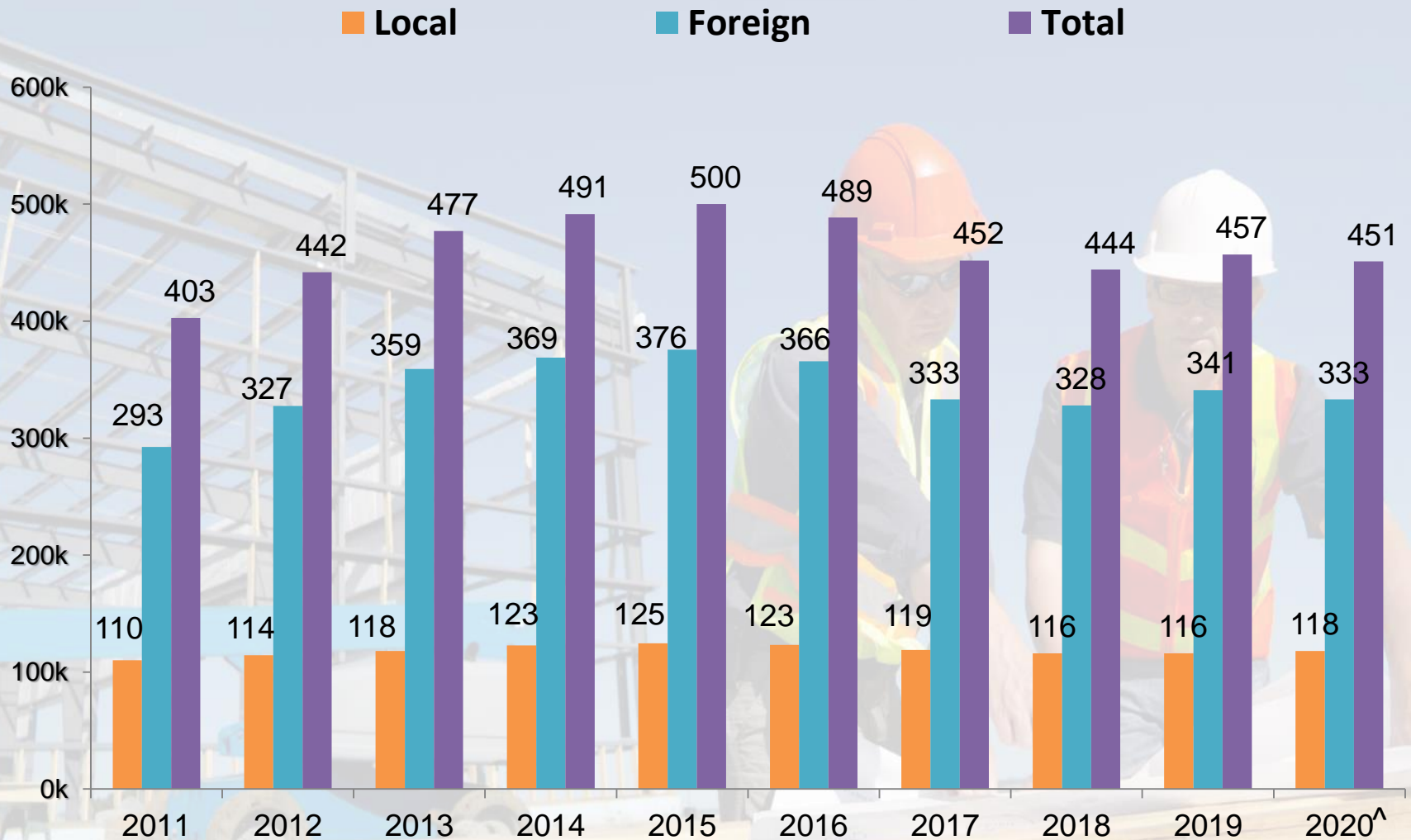
(USD)



Source: Building Construction Authority; USD:SGD = 1.34 (as at 1 December 2020).

[^]2020 data up to October (October prices are preliminary)

Employment in Construction (in '000s)



Source: Ministry of Manpower. [^]2020 data is estimated, and up to March 2020.



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Government COVID-19 Measures

Foreign worker levy waiver and rebates

- a) As part of COVID-19 Budget measures, construction firms received 100% waiver of the June foreign worker levy, and 50% waiver for July. This was subsequently enhanced to 100% waiver for the levies due in July, August and September, followed by 75% waiver in October, 50% waiver in November, and 25% waiver in December.
- b) Additionally, construction firms had also been given rebates on the levy for each work permit or S Pass holder of SGD 750 in June and SGD 375 in July, August and September, followed by SGD 90 monthly rebates for over a year commencing October 2020 until December 2021.





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Government COVID-19 Measures

COVID-19: \$1.0 billion Construction Support Package

- a) Including a \$392 million Construction Restart Booster to support construction firms for additional COVID-safe measure compliance costs.
- b) Also includes 50% co-funding of Safe Management Officers' salaries, and 50% co-sharing of prolongation costs for public sector projects by Government Procurement Entities





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Government COVID-19 Measures

COVID-19: Jobs Support Scheme

- a) Launched in Singapore Budget 2020 in response to COVID-19, to help firms preserve jobs.
- b) More than \$16 billion disbursed to-date to all firms, according to officials.





Government COVID-19 Measures

Re-calibration of Employment Pass (EP) and S Pass qualifying salaries

- a) From 1 September 2020, the qualifying salary for new applications for Employment Pass (EP) was raised to USD 3,358 (or SGD 4,500) from USD 2,911 (or SGD 3,900). For renewals, this will take effect from 1 May 2021.
- b) From 1 October 2020, the qualifying salary for new applications for S Pass was raised from to USD 1,866 (or SGD 2,500) from USD 1,791 (or SGD 2,400). For renewals, this will take effect from 1 May 2021.
- c) These are part of further measures to encourage Singapore construction firms to attract and retain local talents to build a strong local core, and to undertake transformation projects to improve efficiency and productivity.



Continuing to help our members through the COVID-19 pandemic

SCAL's advocacy efforts during COVID-19

- a) Provided feedback on the challenges and financial hardships faced by contractors.
- b) Highlighted the need to provide and legislate the Extension of Time (EoT) and prolongation costs relief for contractors, both for public and private sector projects.
- c) Outcomes achieved include legislating Extension of Time and prolongation costs relief for private and public sector projects, into the COVID-19 (Temporary Measures) (Amendment No. 3) Bill, or COTMA.
- d) The amendments to COTMA have addressed pressing time and cost concerns for main contractors, sub-contractors, and suppliers alike.



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Ongoing Mega Projects



Expansion of Singapore's rail network



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Ongoing Mega Projects



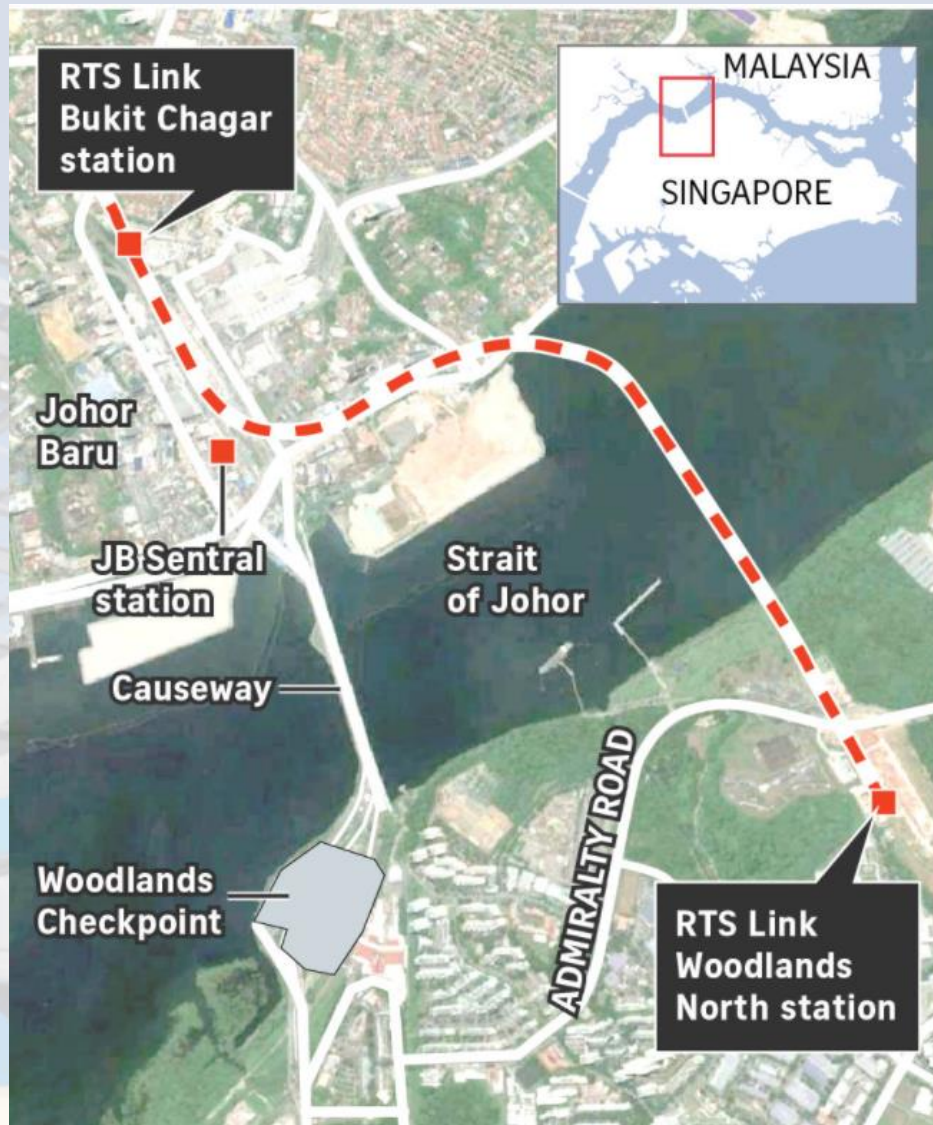
Punggol Coast MRT Station

Source: Land Transport Authority



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Ongoing Mega Projects



Rapid Transit System Link

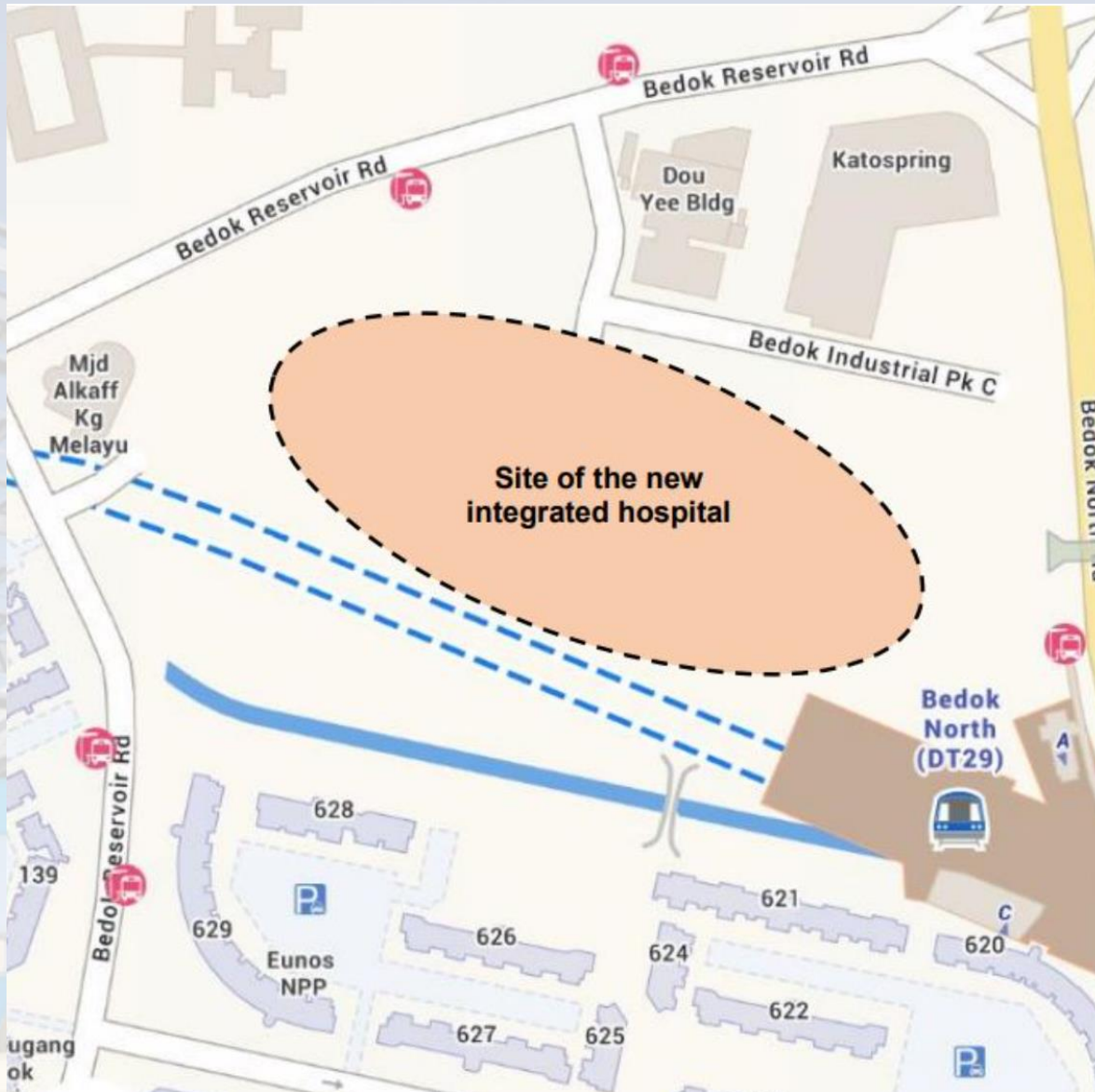
Source: Land Transport Authority



Future Mega Projects



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Side of new integrated hospital



Conclusion

1. Looking ahead to 2021, the Singapore economy is expected to grow by 4% to 6%, a recovery from the depths of 2020.
2. Recovery in the construction sector is expected to continue to be gradual.
3. Paramount for construction firms is to remain resilient, and to continue to leverage on new construction technologies.
4. Construction firms also need to focus on building up their sustainability and digitalisation capabilities to gain a competitive advantage.
5. Collectively, the industry has to continue to exercise vigilance to prevent a second wave of COVID-19 infections, through the strict implementation of safe management measures.



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Thank you

