

MEDIA RELEASE

BCA ESTIMATES \$27 BILLION TO \$34 BILLION WORTH OF CONSTRUCTION CONTRACTS TO BE AWARDED THIS YEAR

15 Jan 2016 – The Building and Construction Authority (BCA) projects the total construction demand or the value of construction contracts to be awarded this year to be between \$27 billion and \$34 billion, with about 65 per cent driven by public sector demand. If the forecasted estimates this year are met, this will be the highest proportion of construction demand from the public sector since 2002. Last year, the total construction demand was approximately \$27.2 billion, with public sector projects accounting for slightly more than half of the demand.

Review of construction demand and output in 2015

2. The total construction demand last year fell short of BCA's earlier estimates of \$29 billion to \$36 billion, due to the rescheduling of a few major public infrastructure contracts such as MRT projects from the fourth quarter last year to early this year.
3. On the other hand, the total construction output or progress payments made for the work done in 2015, remained high at about \$35 billion due to the strong construction demand in the preceding two years. This contributed to about 4.7% of GDP last year.

Outlook for 2016

4. Construction demand from the private sector this year is expected to slow down from previous years due to less favourable economic conditions and an increased supply of completed private housing projects and offices. However, this is supported by a higher construction demand from the public sector, largely due to an increase in civil engineering demand.
5. Key projects this year include the ramp-up in the Home Improvement Programme for HDB flats, the construction of the new National Cancer Centre, State Courts' new

building at Havelock Square, JTC's Integrated Logistics Hub, PUB's water reclamation and sewerage projects, Changi Airport's 3-runway system (package 2), improvement works to the Kranji Expressway and Pan-Island Expressway, and the remaining contracts for the Thomson-East Coast MRT line.

6. BCA expects the total construction output this year to moderate to between \$32 billion and \$34 billion, partly due to the lower construction demand last year.

Forecast for 2017 to 2020

7. The average construction demand is expected to be sustained between \$26 billion and \$35 billion in 2017 and 2018, and \$26 billion to \$37 billion in 2019 and 2020. BCA estimates public sector construction demand to be between \$16 billion and \$20 billion annually from 2017 to 2020, with about 60% of the total demand coming from building projects and the remaining from civil engineering projects.

8. Civil engineering construction demand is expected to remain strong beyond 2016 due to major infrastructure works including the construction of new MRT lines, the North-South Expressway, associated infrastructure works for Changi Airport Terminal 5 and phase 2 of the Deep Tunnel Sewerage System.

Year	Construction demand (Value of contracts awarded)		
	Public	Private	Total
2015 p	\$14 billion	\$13.2 billion	\$27.2 billion
2016 f	\$18.5 - 21.5 billion	\$8.5 - 12.5 billion	\$27-34 billion
2017 – 2018 f	\$16 - 20 billion	-	\$26-35 billion
2019 – 2020 f	(60% from building projects and 40% from civil engineering projects)		\$26-37 billion

p: Preliminary f: forecast

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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 of the Built Environment, 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.