

## **MEDIA RELEASE**

### **SINGAPORE'S CONSTRUCTION CONSULTANCY SERVICES SOUGHT AFTER IN OVERSEAS MARKET**

1 Singapore's construction consultancy exports to booming markets such as China and India had increased despite the bustling domestic market in 2007. Based on a survey by the Building and Construction Authority (BCA), Singapore consultant firms secured a total of 406 projects in 2007, compared to 360 projects secured in 2006. Among the types of consultancy services, the most sought after services from Singapore firms were architectural and master-planning services which constituted more than half of the total number of consultancy contracts clinched compared to 28% in 2006. Mixed consultancy services made up another 20% of the contracts. Overall, there was strong demand for consultancy services amongst overseas clients in 2007.

## **Exports by Consultants**

2 Following a sharp decline in 2006, China regained its top spot as the largest export destination for local consultants in 2007, with a total of 137 consultancy projects clinched in major cities like Chengdu, Guangzhou, Shenzhen and Suzhou. China's continuous drive towards industrialisation and modernisation has provided tremendous business opportunities to Singapore consultants.

3 In India, Singapore consultancy firms had secured a total of 90 projects, making it the second largest export destination after China. Local consultants were active in Bangalore, Hyderabad, Chennai and Pune as the Indian economy globalizes and expands with increased demand for better housing, infrastructure facilities and mega retail malls. With plans to set up industrial special economic zone (SEZ), the Indian market had also presented diverse opportunities for Singapore consultants to market its architectural and master-planning services.

3 Southeast Asia remained an important market for local firms as Vietnam's economy burgeoned. Vietnam alone constituted nearly half of the number of consultancy projects clinched, overtaking Malaysia as the hotspot for overseas

consultancy projects in Southeast Asia. The main consultancy export activities were mainly master-planning and architectural for residential and commercial developments like retail malls and resort developments.

4 In the Middle East, Singapore consultancy firms were most active in Abu Dhabi, Dubai, Saudi Arabia and the UAE.

### **Exports by Contractors**

5 Apart from construction consultancy, the BCA's survey also covered overseas construction and engineering projects clinched by Singapore firms. Last year, Singapore construction firms secured \$2.7b worth of contracts, the highest in the last 5 years, in spite of the strong domestic demand. However, there has been a shift in the type of projects secured. For example, total contract value of environmental-related construction projects clinched by Singapore firms has been on the uptrend in recent years. In 2007, about \$1.2 billion were for environmental-related construction projects such as water-treatment plants. This represents a four-fold increase from \$330 million secured in 2004.

6 In contrast, the annual overseas contract values clinched by Singapore firms for general construction works had dropped significantly, from \$920 million in 2004 to \$700 million in 2007. The reduction in traditional general construction works export was mainly due to the rebound of the domestic construction industry, offering our construction firms with numerous job opportunities, thus diverting their attention from the overseas markets.

7 Middle East was the leading market for Singapore's construction and engineering exports with a total of \$1.7 billion worth of contracts clinched in 2007, followed by China with over \$200 million contract values clinched. On the other hand, total construction export to Southeast Asia dropped from more than \$500 million in 2006 to \$275 million and total construction export by Singapore firms to India experienced its fourth consecutive decline, from \$93 million in 2006 to \$22 million in 2007.

8 Mr William Tan Yong Keh, BCA's Director of Business Development said, "Our firms have once again demonstrated their expertise and proved that their valuable services have been well recognised in the regions. Our firms should continue to focus on the niche areas such as

planning and design as well as quality construction and environmental-related constructions. The continuous efforts in establishing overseas presence by our firms despite their current workload in the domestic market are definitely an excellent business strategy to mitigate the effects of the cyclical nature of the construction sector.”

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