



Since March 25, 2020

Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region (situation at April 21, 2021)

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's and MEDEFI's and IFAWPCA's data

For more information go to the CICA Website: <http://www.cica.net/cica-covid-19-overview/> and Dropbox: <https://www.dropbox.com/home/Observatory%20COVID-19>

Singapore

Country/Region	General measures	Measures for construction
SINGAPORE		
Lockdown	<p>Most worksites stayed closed apart from some essential activities aimed to secure the safety measures on sites or to enable social distancing infrastructure.</p> <p>From 20 April 2020, 180,000 foreign construction workers were ordered to stay home until 4 May to halt transmission of coronavirus on sites. The Government is racing to build temporary accommodation both to decant uninfected men from the crowded dorms, where social distancing has been described as “impossible”, and to house those who have fallen ill. Among these initiatives is a “mega temporary structure” going up at Tanjong Pagar Terminal supposed to house 15,000 workers.</p> <p>Singapore’s early success in managing the Covid-19 pandemic has however been under threat from a sharp rise in cases in foreign-worker dormitories, leading to six more such facilities being locked down (15 April 2020). The Ministry of Health (MOH) first locked down two dormitories, housing 20,000 workers – many of whom work in construction (5 April 2020).</p> <p>As such, ahead of the gradual resumption of construction in Singapore starting 2 June, the government has said it will pay for construction workers to be tested for Covid-19 until August, giving some temporary relief to contractors. Workers can only return to site if they have been tested negative for Covid-19 and, upon return, they must be tested every two weeks.</p> <p>On 2 June 2020, small-scale residential work could resume. That means renovations on residential units that do not require building plan submission, and construction of single dwelling landed properties. The Building and Construction Authority said other types of construction can start later, without specifying a date.</p>	

	<p>A new surge in asymptomatic cases of Covid-19 were linked to a cluster at a huge workers' dormitory in Singapore, highlighting the challenges facing authorities when they tried to restart construction safely. Most of the cases were detected through the city state's compulsory Rostered Routine Testing (RRT) regime, in which all foreign workers had to swab test every 14 days.</p> <p>Singapore experienced a late surge in coronavirus cases, but it was predominantly among its 387,000 foreign workers in the construction, marine and process sectors, many of whom live in dormitories. According to the state's Building Construction Authority (BCA), the Ministry of Manpower has issued stay-home notices to around 4,800 workers as it tried to sort infected workers from those who are uninfected or recovered. The Government faced an extra challenge getting construction and other companies to register with the RRT testing regime. In order to go back to work, workers must have had a swab test in the last 14 days (cf. GCR) (24 August 2020).</p>
Economic outlook	<p>Singapore entered a recession in the second quarter of 2020 after its economy shrank 41.2% in the three months to July from the previous quarter, owing to measures to halt the spread of Covid-19. In the second quarter, manufacturing in Singapore shrank 23.1% and services shrank 37.7% (14 July 2020).</p> <p>2021 Outlook Construction activity in 2021 will continue to be driven mainly by the public sector at 65%, up from 62% in 2020, according to UK-headquartered construction consultant Turner & Townsend's Singapore Market Insight Report.</p> <p>Construction output Prospects for construction demand is expected to improve, albeit only marginally. The Building and Construction Authority projects construction demand for 2021 to be between S\$23 billion (€14 billion) and S\$28 billion (€18 billion). Notwithstanding that construction demand for 2021 is not yet back to pre-Covid-19 levels, the Singapore government expects a sustained recovery in construction demand over the next five years. Some of the notable projects in the pipeline include subsequent phases of major Mass Rapid Transit (MRT) infrastructure projects, new healthcare facilities and new regional centers. While construction output is due to rise to the range of S\$24bn (€15bn) and S\$27bn (€17bn) in 2021, up from S\$19.5bn (€12bn) last year, this increase will be largely attributed to the backlog created during the pandemic.</p> <p>Private residential sector Demand from the private residential segment is anticipated to remain soft in 2021 with a reduction in the number of land parcels put up for sale in the first half of 2021. However, the demand for collective sales could pick up later in 2021, as developers may start looking to replenish their land banks.</p>

		<p>Tender pricing</p> <p>Despite a decline in construction activity, tender pricing for new projects is anticipated to increase between 6-10%, driven by contractors allowing for labor shortages, increases in key construction material costs, availability of contracting resources and the implementation of the Covid-safe management measures. Given the level of uncertainty in the current market, a much wider range of tender pricing has also been reflected in some project tenders, in some instances more than 10% over and above 2020's price level. It is anticipated that it will take some time for tender prices to stabilize (cf. GCR) (13 April 2021).</p> <p>2020 Outlook</p> <p>Construction nearly stopped altogether, shrinking 95.6% quarter on quarter, far more than any other sector (cf. GCR) (14 July 2020).</p> <p>Prior to the Covid-19 outbreak, GlobalData expected Singapore's construction industry to grow by 2.9% in 2020. However, with the emergence of the pandemic and the related restrictions taken by the government, the construction industry is now set to contract by 26.8% in 2020. According to the Department of Statistics (DOS), the construction industry registered year on year declines of 46.6% in Q3 2020 and 60% in Q2. Owing to the temporary halt in most construction activities during the restrictive measures imposed during 7th April to 1st June 2020, followed by the phased resumption of construction activities and strict management implemented at work sites, the construction industry contracted by 35.4% year on year (YoY) during the first three quarters of 2020, with commercial and residential sectors witnessing the highest declines.</p> <p>Owing to the disruptions caused by the pandemic, in September 2020, the Building and Construction Authority (BCA) revised downwards its projected construction demand for 2020 by SGD10 billion (US\$6.9 billion), compared to the projections made earlier in January 2020.</p> <p>A downside risk to the industry's outlook in the short term could arise from the fall in construction contracts awarded during the first nine months of 2020.</p>
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Recovery	<p>However, to support the industry's recovery, the government has announced a SGD1.4 billion (US\$941.3 million) Construction Support Package for companies in the construction industry. This includes a SGD525.8 million (US\$363.9 million) construction restart booster to support construction firms in meeting additional compliance costs due to enhanced social distancing measures. A total of SGD793 million (US\$548.9 million) has also been set aside for the co-sharing of prolongation costs for public sector projects, with Government Procurement Entities (GPEs) bearing this cost, capped at 1.8% of the contracted sum for public sector construction contracts and tenders which closed before 1st June 2020.</p> <p>The industry's growth in 2021 will be supported by investments on transport infrastructure, renewable energy, and residential projects. The government plans to invest SGD100 billion (US\$72.3 billion) to develop the country's transport infrastructure over the next ten years. It also plans to increase the total capacity of solar energy from 350MWp in 2020 to 2GWp by 2030, and 5GWp by 2050; this should attract public and private sector investments towards solar projects (cf. GlobalData) (December 2020).</p> <p>In this context, public sector orders are projected to drive a recovery this year to between S\$23bn and S\$28bn (US\$17-21bn), Singapore's Building and Construction Authority (BCA) announced.</p> <p>Public sector orders would contribute some 65% of the total new demand in 2021, with contracts scheduled to be awarded in public housing and infrastructure projects, including on the Jurong Region MRT Line, the Cross Island MRT Line Phase 1 and the Deep Tunnel Sewerage System Phase 2. These will account for between S\$15bn (US\$11.26bn) and S\$18bn (US\$13.51bn) in anticipated demand. Public sector demand dropped from S\$19bn (US\$14.26bn) in 2019 to S\$13.2bn (US\$9.91bn) in 2020, as Covid disrupted project schedules. The projected increase in public sector construction demand for 2021 and beyond excludes any potential awards of construction contracts for the development of Changi Airport Terminal 5 because the construction timeline is still under review due to the pandemic.</p> <p>Private sector construction demand is projected to remain suppressed at between S\$8bn (US\$6bn) and S\$10bn (US\$7.51bn) in 2021. The Covid-induced recession saw private sector demand fall from S\$14.5bn (US\$10.89bn) in 2019 to S\$8.1bn (US\$6.08bn) in 2020. BCA projects the bulk of private sector construction demand in 2021 to comprise development of the remaining en-bloc residential sites, major retrofitting of commercial developments as well as construction of high-specification industrial buildings to meet business needs.</p> <p>Forecast for 2022 to 2025</p> <p>BCA expects a steady improvement in construction demand over the medium term. It is projected to reach between S\$25bn and S\$32bn (US\$18.77bn – US\$24.02bn) per year from 2022 to 2025. The public sector is again expected to lead, contributing contribute S\$14bn (US\$10.51bn) to S\$18bn (US\$13.51bn) per year from 2022 to 2025 with similar proportions of demand coming from building projects and civil engineering works.</p> <p>Besides public residential developments, public sector construction demand over the medium term will continue to be supported by large infrastructure and institutional projects such as the Cross Island MRT Line (Phases 2 and 3), the Downtown Line Extension to Sungei Kadut, the cycling path networks, the relocation of Singapore Science Centre, the Toa Payoh Integrated Development, the Alexandra Hospital redevelopment and a new integrated hospital at Bedok.</p>
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The private sector construction demand is expected to improve in the medium term to reach between S\$11bn and S\$14bn (US\$8.26bn – US\$10.51bn) per year from 2022 to 2025. This is in anticipation of a gradual recovery of the global economy, contingent on the successful deployment and effectiveness of Covid-19 treatment and vaccines as well as easing of lockdown restrictions.

Construction Output

Based on the contracts awarded in the past few years and considering the construction demand forecast for 2021, the total nominal construction output in 2021 is projected to increase to between S\$24bn (US\$18.02bn) and S\$27bn (US\$20.27bn), from the estimated S\$19.5bn (US\$14.64 bn) in 2020.

An anticipated improvement in construction demand in 2021 and the backlog of remaining workloads impacted by the Covid-19 during 2020 will support the projected pickup in total construction output.

Digital transformation

The Alliance for Action (“AfA”) on Digitalising Built Environment, an industry-led and government-supported coalition, has identified digitalisation as an important enabler to help the industry build smarter.

AfA introduced a set of data standards for the Common Data Environment to facilitate information flow for building projects across digital platforms shared by various building professionals and companies (cf. Global Construction Review) (18 January 2021).

Other Overviews

- Download the report from the International Federation of Asian and Western Pacific Contractors’ Associations (IFAWPCA): [IFAWPCA COVID-19 Pandemic | Construction Industry Country Reports \(April 2020\)](#)