

# 'Good pipeline' of public projects for contractors

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Mr Lawrence Wong noted that there were \$11 billion worth of public sector projects in the first half of this year - about 42 per cent more compared with the same period last year. ST PHOTO: KEVIN LIM

## **This will help them tide over the slowdown, says minister**

Times are tough for the construction sector, but a "good pipeline of public sector projects" will help firms ride through the slowdown, said National Development Minister Lawrence Wong last night at the Singapore Contractors Association Limited's (Scal) annual dinner.

Mr Wong, who is also Second Minister for Finance, noted that there were \$11 billion worth of public sector projects in the first half of this year - about 42 per cent more compared with the same period last year.

And public sector building demand is expected to stay firm in the coming years, with more projects in housing and neighbourhood upgrading, MRT and transport infrastructure, and utilities, he added.

In the medium to longer term, there are also major projects such as the Jurong Lake District.

"We would like to see more local contractors being involved in larger and more complex projects," said Mr Wong. Government agencies are thus encouraged to "parcel their mega projects into smaller ones, where appropriate".

Mr Chua Tian Teng, managing director of T T Chua Construction, said public infrastructure projects are already helping the industry: "Without MRT projects, the situation would be even worse for us now."

Scal president Kenneth Loo noted that softening demand has created fiercer competition, with local firms being pushed to tender at "unrealistically low prices" and facing competition from foreign players.

Mr Wong recognised the problem of firms lowering prices so much that it is hard to deliver a good project. "It is bad... for the whole industry, because it becomes a race to the bottom and, in the end, the contractors themselves will suffer."

He said the Government is putting more emphasis on non-price factors in tender evaluation, and giving productivity a higher weightage.

Scal is also doing its part to raise productivity, with a study in collaboration with the Singapore Chinese Chamber of Commerce and Industry. This study, which is in its final stages, will identify considerations in measuring construction productivity and make recommendations to raise it. Scal has also introduced its own Productivity and Innovation Award, with winners to be announced during the Building and Construction Authority's Singapore Construction Productivity Week next month.

Scal is also working to improve workplace safety. Noting a rise in fatal construction injuries this year, Mr Loo called for changes to the tender and procurement process so as to prioritise safety.

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