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**SPEECH BY DR RICHARD HU, MINISTER FOR NATIONAL DEVELOPMENT AND  
MINISTER FOR FINANCE, AT THE 26TH ANNUAL DINNER AND DANCE OF  
THE INSTITUTION OF ENGINEERS, SINGAPORE (IES)  
AT THE RAFFLES BALLROOM, WESTIN PLAZA HOTEL  
ON FRIDAY, 9 OCTOBER 1992 AT 8.00 PM**

The construction industry in Singapore has more than kept pace with the other growth sectors of our economy. Last year, the construction sector was the star performer, registering a 21 per cent growth. This year, it is again expected to lead with a growth rate of 20 per cent. In the first six months alone, about \$6 billion worth of contracts have been signed. The industry estimates that this will surpass the \$10 billion mark by year's end. Over 40 per cent of this sum is expected to be from the private sector.

Based on present projections, these high levels of growth are expected to continue through into 1993, with a return to more normal rates of growth thereafter. This unusually heated activity in the construction industry, whilst heartening, has had some negative consequences. Growth at these high rates have placed increasing demands on an already tight labour situation, resulting in more pressure on wages.

Another consequence of the high level of activity has been that many more building plans are being submitted, and this had led to a significant increase in the number of inadequately prepared building plans received by the Building Control Division (BCD) of the Public Works Department for approval. The BCD is now studying the matter to identify the areas which need closer scrutiny from professionals before plans are submitted for approval. Once these areas have been identified, BCD will be in touch with the various professional bodies to find ways of resolving the problems. Resolution of these problems is important because it will help to speed up the approval process and avoid unnecessary delays in the startup of projects.

I have brought this matter to your attention because many of you may not be aware of how widespread the problem is. As

engineers, you have a crucial role to play in raising standards and in improving productivity in the construction industry and I hope that by raising this issue, your Institution can assist to resolve the problem before it becomes more widespread.

The professionals related to the industry - architects and engineers - play a crucial role in improving professionalism and productivity in the construction industry. However, at the moment, such professionals appear to be fragmented, both in outlook and in organisation. If our construction industry is to become as good, if not better than the Japanese, Korean and other advanced industrial countries, we need to overcome the barriers that now exist between all the professional disciplines.

This removal of barriers between professionals and the integration of their work activities should not be a problem. The legal framework for such possibilities already exists. The recent revisions of the Architects Act and Professional Engineers Act allow professionals to create companies or consortia of companies to pool their resources, both financial and professional. Such pooling of resources will enable not only productivity to increase but will also allow the consortia to undertake much larger contracts. While construction productivity has increased at our national level, we are a long way from matching the productivity levels of advanced countries like Japan and the scale and size of their construction companies.

From your President's address, it appears that professional associations are aware of this and realise the need for action on their part. I am very pleased therefore to learn that IES, recognising the need for upgrading of our construction industry, is organising courses, seminars and conferences to improve the skills of our construction manpower.

One area in which you may wish to concentrate is prefabrication. The industry is generally inexperienced in this area. Mastery of this technique will boost productivity considerably and help our construction industry to compete effectively with foreign companies.

In the years ahead, the engineering profession faces new challenges. One of these would be to keep up with the best of the engineers from the advanced countries, both in professionalism and competitiveness. This calls for an alertness and awareness of changing technology, and an astuteness in adapting to changing needs.

The time is also right for our professionals in the construction industry to consider going regional or global. IES can play a significant role in this. Your long established linkages with professional engineering institutions of the six ASEAN nations, as well as your cooperative agreements with engineering institutions in the United Kingdom, United States and Australia, put you in a good position to do so. The outlook for growth of the construction industry in the Asian region is particularly bright as it is the fastest growth area in the world, with a vast need for infrastructural facilities. The opportunities are there for the enterprising.

In the last 25 years, your Institution has grown from strength to strength playing its part in our economic growth. I have no doubt that you will continue to live by your motto "Engineers, builders and creators" and take Singapore into the next league.

Finally, I would like to wish all of you a pleasant evening ahead.

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