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**SPEECH BY ASSOC. PROF. KOO TSAI KEE, SENIOR
PARLIAMENTARY SECRETARY (MINISTRY OF NATIONAL
DEVELOPMENT) AT THE OPENING OF THE NEW L&M
STRUCTURAL SYSTEMS BUILDING AND NEW PRE-CAST FACTORY
ON 31 OCT 2000 AT 3:50 PM AT TUAS CRESCENT.**

Mr Edward Soeryadjaya, Group CEO, L&M Group Investments Limited
Ladies & Gentlemen:

Introduction

I am pleased to be here today at the official opening of L & M's modern, fully pre-cast facility.

This building itself demonstrates L&M's commitment and innovativeness in precast design and construction which won it BCA's Best Buildable Design Award in May this year. It marks a significant development for the pre-cast concrete industry and will be a major contribution to the construction industry as a whole.

Challenges for Pre-fabrication Industry in Singapore

The pre-fabrication industry is an important component of the whole construction

supply chain as we move towards higher quality, faster and environmentally friendly construction methods. This is especially so when the Buildable Design Legislation takes effect from January next year. We can expect the demand for pre-fabricated components to rise.

Singapore has over 30 precasters and their total capacity is sufficient to meet this increased demand over the medium term. However, precasters must also be able to meet the expectations of clients for higher quality and a wider choice of precast products at competitive prices. Let me elaborate.

The demand by clients for better quality precast components will keep rising because of the demand for better quality buildings by property-owners. In particular, components that contribute to the architectural form and finished effect of a structure will need a greater degree of precision and quality control in the manufacturing process.

Developers will also demand more choices in the selection of building components, especially those that affect aesthetics. This is evident from the new residential projects that are being launched, with each one trying to distinguish itself from the others with its own distinctive design. The prefabrication sector should take advantage of this trend. Prefabrication opens the door to more choices of architectural finishes compared to conventional in-situ construction. A wide range of colours, textures and profiles can be created. Precast facades that look like granite, marble and other natural stones can be produced. The technology to deliver these new and exciting products is already proven in countries like the United States, Belgium, France and Australia. However, it is yet to be widely used in Singapore.

But the better quality and wider choices of components will also have to be delivered at competitive prices. The bottom-line will remain a major consideration of developers in their choice of designs. Hence, the challenge for precasters is to find more efficient methods of precasting to lower cost and improve productivity.

Measures to Help the Precast Industry

To assist the precast sector to meet these challenges, BCA has already initiated a number of measures.

Incentive Schemes

Firstly, BCA has repackaged two existing Government incentive schemes to

support the legislation of buildable design. The Investment Allowance Scheme (IAS), which is to accelerate the pace of mechanization through tax incentives, has been expanded to cover machines and equipment used by the prefabrication sector. Precast firms, which intend to invest in automated manufacturing systems to increase their efficiency, for example, can benefit from the IAS. The Local Enterprise Technical Scheme or LETAS has also been extended to cover subsidy of technical consultancies that are needed by companies introducing high buildability construction technology to their projects for the first time.

Secondly, BCA is now managing a Construction R & D budget for research initiated by public sector agencies. Private sector collaboration will be most welcome. The first tranche of \$10 million is already being allocated. Priority will be given to R&D projects that lead to more innovative developments and applications of prefabrication and other high buildability construction technologies. For example, there is a need to develop precast systems which integrate mechanical and electrical services into the precast components. Another challenge is whether we can develop a cost effective flexible precast system that can be applied to smaller low rise developments. I hope more of you will come forward and capitalize on the above incentives and assistance provided by the Government.

Training

Thirdly, BCA is providing training on precasting which will benefit precasters, designers and contractors. This includes 'Structural Design of Precast Concrete Buildings' and the 'Management of Precast Concrete projects'. They are specially developed to meet our local construction industry requirements. The trainers have vast experience in production of precast components, design and construction of precast buildings. To remain competitive, precasters must go beyond relying purely on selling precast components. These training programmes will enable precasters to work closely with designers and contractors on development and execution of precast projects.

BCA has been organising technical trips to bring the industry to view precast developments in advanced countries and it plans to do so on a regular basis. Firms have been responsive in joining these trips and I look forward to your strong participation for future visits. There are subsidies available for such study trips. Whenever feasible, BCA will also assist the precasters through grants in adopting new technologies or introducing new innovative products drawn from ideas from such visits.

Land for Precasting

In the longer term, as precast components become more widely used, adequate land needs to be provided for this sector. BCA, working with URA, HDB and JTC, has already completed the long term land development plan for precasters. In view of the competing demands for limited land in Singapore, it is not feasible and realistic to produce all precast supply from Singapore factories. The practical strategy is to plan for supply of about 50 % of our precast demand from factories based in Singapore. The balance could be met by overseas factories as well as by precasting on site.

L & M's Achievements

BCA will continue to work closely with the industry to make the legislation of buildable design a success. The precasters, in particular, will have a very important contribution to this effort. In this regard, I commend L & M for its initiative and commitment to innovation and technology.

In view of its scarcity and high cost, precasters should make more efficient use of land. L & M is an example of a progressive precaster who has chosen to invest in the best technology and facilities to maximise the use of land. The company is far-sighted: it has foreseen that with the legislation of buildable design, precast construction will be here to stay. Despite the temporary setback due to the construction slowdown during the last two years, L & M has seized the opportunity to upgrade and innovate, enabling it to create higher value-added components and cost-competitive products. It has also placed L & M in the forefront of the industry and better places itself to compete in the region.

I therefore extend my congratulations to L & M on the opening of their new office building and factory. I wish the management and staff of L & M even greater success in their quest for business excellence and continued growth.
