

## **MEDIA RELEASE**

# **MORE SUPPORT AND INCENTIVES TO TRANSFORM BUILT ENVIRONMENT SECTOR**

**7 March 2017** – Construction firms will receive more support from the Government to improve their productivity and explore growth opportunities.

### **Supporting construction firms through strong pipeline of public sector projects**

2. The total value of construction contracts to be awarded this year is expected to be between S\$28 billion and S\$35 billion. However, private sector demand is expected to remain subdued. To moderate this, the Government will be pushing out a strong pipeline of major infrastructure projects in the next few years. This includes Tengah HDB Town, LTA's Circle Line 6 and Changi Airport Terminal 5.

3. In addition, as announced earlier, the Government will be bringing forward S\$700 million worth of public sector infrastructure projects to start construction in 2017 and 2018. These are smaller building projects such as the upgrading of community clubs and sports facilities which small and medium-sized firms may be able to take up.

4. The Government will also encourage public agencies to parcel-out larger projects into smaller ones where appropriate, to help diversify risk and enable more local firms to participate.

### **Achieving greater productivity improvements and exploring growth opportunities**

5. Annual site productivity<sup>1</sup> has improved from 0.3 per cent in 2010 to about 2 per cent per year from 2014 to 2016. To further raise productivity in the sector, a S\$150 million Public Sector Construction Productivity Fund (PSCPF) will be introduced to spur

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<sup>1</sup> Site productivity is measured by amount of floor area (m<sup>2</sup>) completed per man-day.

the adoption of innovative and productive solutions for public sector projects. This will help to offset the cost premium of adopting these technologies.

6. Firms can also tap on BCA's Construction Productivity and Capability Fund (CPCF) to purchase or lease equipment, implement process improvement plans, adopt info-communications technologies (ICT) and upgrade their workforce. As of last year, around S\$450 million of the CPCF has been committed, benefitting more than 9,000 firms - of which about 90% are small and medium-sized firms.

7. The Land Intensification Allowance (LIA) scheme<sup>2</sup> will be extended to support the development of Integrated Construction and Prefabrication Hubs (ICPHs) which are multi-storey advanced manufacturing facilities for producing prefabricated construction elements. Under the scheme, firms will receive a tax relief on the capital expenditure incurred in the construction of ICPHs.

8. To improve productivity in the built environment sector, the online submission of building plans will also be enhanced to make the process easier and more transparent. The BCA is exploring the use of automated checking software to identify non-compliances of building requirements when processing building plans.

9. Since November 2014, selected sites under the Government Land Sales (GLS) programme are required to use high-impact productive construction technologies to drive the adoption of Design for Manufacturing and Assembly (DfMA). To date, 15 GLS sites have been specified to adopt Prefabricated Pre-finished Volumetric Construction (PPVC), where building modules complete with internal finishes and fittings are manufactured off-site before they are transported to site for assembly.

10. Moving forward, the Government is looking at piloting a GLS site that specifies productivity outcomes. This is to encourage innovative solutions by providing developers the flexibility to propose the most suitable technologies to adopt.

11. Lastly, to help local firms venture overseas and secure market opportunities, an internationalisation taskforce has been formed to identify synergies across the Construction, Environmental Services, Landscape, Real Estate and Security sectors to

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<sup>2</sup> The Land Intensification Allowance (LIA) is a tax incentive scheme to support the intensification of industrial land use towards more land-efficient and higher value-added activities.

enable local companies to band together and provide integrated services as part of the internationalisation push. Recommendations by the taskforce will be announced when ready.

12. Please refer to Annex A on the measures under the 2<sup>nd</sup> Construction Productivity Roadmap.

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**Issued by the Building and Construction Authority on 7 March 2017**

### **About BCA**

The Building and Construction Authority (BCA) of Singapore champions the development of an excellent built environment for Singapore. BCA's mission is to shape a safe, high quality, sustainable and friendly built environment, as these are four key elements where BCA has a significant influence. In doing so, it aims to differentiate Singapore's built environment from those of other cities and contribute to a better quality of life for everyone in Singapore. Hence, its vision is to have "a future-ready built environment for Singapore". Together with its education arm, the BCA Academy of the Built Environment, BCA works closely with its industry partners to develop skills and expertise that help shape a future-ready built environment for Singapore. For more information, visit [www.bca.gov.sg](http://www.bca.gov.sg).

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