

CHAIRMAN'S MESSAGE

Welcome to 2014, which is looking to be an exciting year ahead for the Construction Industry and Construction Law, and consequently SCL(S).

CONSTRUCTION INDUSTRY

Construction Demand

The Building & Construction Authority (BCA) in early January¹ indicated that Construction demand in 2014 is expected to remain strong at between \$31 to \$38 billion, boosted by public sector institutional and civil engineering projects amounting to 60%. These include the Thomson MRT Line (where contracts amounting to over \$ 1 billion were awarded in the last quarter of 2013), Seng Kang Community Hospital, Senoko foodhub and Newton Flyover. The private sector takes up the remaining 40% amounting to between \$12 to \$16 billion (down from \$21 billion in 2013) including Project Jewel and Changi Airport Terminal 4.

Productivity

The Senior Minister of State for the Ministries of Trade & Industry and National Development Lee Yi Shyan urged² developers to take the lead in productivity by adopting more buildable designs and technology, and stakeholders would follow with improvements in quality, allowing for better returns and long term sustainability.

The Minister of State, Ministry of Trade and Industry Teo Ser Luck indicated³ that key schemes may be prolonged to encourage businesses, including the Construction Industry (needing extra assistance to attract local workers), to continue to invest in improving productivity.

Education

Five industries with the most immediate and urgent manpower needs will spearhead the shift towards new applied learning approaches in the Polytechnics and Institutes of Technical Education (ITEs). The five industries are the early childhood, healthcare and nursing, aerospace, building and construction, and manufacturing sectors. This was revealed by Senior Minister of State (Education and Law) Indranee Rajah at the beginning of this year.

¹ 10Jan 2014, page 50, Today

² 10 Jan 2014, page B27, Straits Times

³ 15 Jan 2014, page A2, Straits Times



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Projects

Since late January⁴, there have been concerns over whether the Indonesian export ban on granite would lead to delays in projects. However with the availability of several other sources for granite in the region, as well as improved productivity in building methods, any disruption in supply from Indonesia would have a limited impact on the industry.

Infrastructure and housing needs

The public needs for infrastructure and housing was a key consideration in the recent announcement that the Government is to reacquire land from clubs currently using such land as golf courses⁵.

CONSTRUCTION LAW

The recent SCL(S) Annual Case Law update held on 15th January and the section in this newsletter on updates to Singapore Construction Law reflect several important aspects of Construction Law⁶. This includes validity of payment claims under the *Security of Payment Act* and therefore Adjudications; novation, termination, quantum meruit, and consultation periods; reasonable rate of remuneration implied in contracts with evidence to be adduced by party raising the claim; and apportionment of liability in relation to safety and negligence.

Clearly, there remains a constant need for education on several aspects of Construction Law and dispute resolution.

SCL(S)

Programmes

It seems critical that SCL(S) continues to make major contributions towards the industry and should therefore remain in the forefront of these developments here in Singapore.

As the calendar for 2014 shows, the Professional Development committee of the Council has been working hard at putting out the 2014 programme that factors several of the matters I have highlighted above; a couple of matters initially canvassed at the start of the current 2012-2014 Councils term; and at least one programme into the new 2014-2016 council's term (that should commence in August).

⁴ 31 Jan 2014, page A6, Straits Times

⁵ 17 Feb 2014, page 1, Today

⁶ SCL(s)'s Objective being to promote the education, study in the field of construction law and related subjects both in Singapore and overseas for the benefit of the public and Construction Industry, paragraph 3.1 of Construction.



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Council

The current Council is into the last quarter of its two-year term, and has worked hard and I am sure will continue to do so, despite their other work commitments. I thank each of them and look forward to completing most of what we have set out to achieve.

CONCLUDING REMARKS

Without going into any form of a 'wish list' for Budget 2014 (set to be presented later this week), it would be great if there are initiatives and incentives announced to further address and/or refine the labour, productivity and sustainability aspects of the Construction industry.

In any event, I believe and have faith that SCL(S) is well placed to consider important issues that it can promote and do so working closely with all of its collaboration/memorandum of understanding partners.

*Thank You,
Anil Changaroth*

