

**KEYNOTE SPEECH BY MS INDRANEE RAJAH
SENIOR MINISTER OF STATE FOR LAW AND FINANCE,
AT SOCIETY OF PROJECT MANAGERS 22ND
ANNIVERSARY DINNER
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SHANGRI-LA HOTEL, ISLAND BALLROOM**

Dr Ting Seng Kiong, President of the Society of Project
Managers,
Council Members,
Distinguished guests,
Ladies and gentlemen,

Introduction

1. First of all, let me start by thanking the Society of Project Managers for inviting me to address you tonight. Congratulations on your 22nd Anniversary.

Infrastructure Demand in Asia

2. Earlier this year, the Committee on Future Economy (CFE) was convened to study the growth opportunities for Singapore. Urban solutions and infrastructure was identified as a key growth area.

3. Asia is rapidly urbanising, especially in regions like Southeast Asia and South Asia. Governments, city and town planners, and private sector real estate developers will need to build new infrastructure in healthcare, transport, housing, and utilities to meet this growing demand.
4. To give you a sense of the growth in demand:
 - a. The urban population in Southeast Asia – right in our backyard - is expected to increase from 36% today to 45% by 2030.
 - b. From now till 2030, Asia is expected to need US\$20 trillion of additional infrastructure investments.

The infrastructure bankability gap

5. Despite the demand, most of Asia's infrastructure needs are largely unmet. This is even though there is no shortage of money looking to invest in infrastructure.
6. The reason for this is what people in the infrastructure space refer to as 'bankability' or rather the lack of it. Bankability refers to the ability to get project finance. If a project is not bankable, it means that banks will not lend and investors will not put in the money, as they cannot get back sufficient returns within a reasonable time frame or the risks are too high.

Plugging the bankability gap

7. The bankability problem is complex and there are no quick fixes. However, there are a few important aspects to bridging this gap.
8. The first is project structuring – advising the client how to structure a project to make it bankable. This is done by project preparation teams of multilateral institutions, project finance teams of private sector banks and project advisory teams of accounting firms.
9. The second is having the different infrastructure financing players in the same place. This is not only to facilitate pooling of public and private sector financing, but also to facilitate the structuring of the financing where different players can pick up the parts of the financing at different stages.
10. The third aspect is where you need lawyers to tie everything together with the legal documentation and provide legal advice to ensure that all the laws and regulations are complied with.
11. Singapore is in a good position to provide all these three elements. We have a strong ecosystem that integrates infrastructure players along the whole value chain –

multilateral banks, private financiers, lawyers, accountants, engineers and other professional services.

12. For example,

- a. Singapore-based banks have a deep understanding of Asia's infrastructure needs and extensive track records of working with regional players on infrastructure projects.
- b. Our accounting firms, especially the Big 4, already provide project advisory services to the region.
- c. Our law firms too have regional practices. The top five Singapore law practices are the largest in Southeast Asia while international law firms use Singapore as a convenient base for their regional infrastructure work.

13. In infrastructure projects, delays and variations are common. Well, maybe not so when you are in charge. But generally, in such projects, delays are common, which give rise to disputes which then need resolution. Singapore is a natural venue for dispute resolution, due to our strong brand of trust, neutrality and adherence to the rule of law. Singapore offers a complete suite of dispute resolution services in arbitration, mediation and litigation. This includes through our flagship institutions the Singapore International Arbitration Centre

(SIAC), the Singapore International Mediation Centre (SIMC) and the Singapore International Commercial Court (SICC).

14. We will also continue to enhance our ecosystem.

Infrastructure financing

15. The participation of small-and-medium sized enterprises (SMEs) in regional infrastructure projects is currently low. This is because commercial lenders do not have the risk appetite to provide non-recourse financing for smaller projects.

16. To address this, IE Singapore will be co-sharing banks' risks to provide non-recourse loans on smaller projects, so that our SME developer and construction firms will find it easier to venture overseas. IE Singapore has also enhanced its Internationalisation Finance Scheme (IFS) scheme to provide insurance cover against default of payments by off-taking sovereigns in certain projects in some emerging markets, in order to inject more capital to make these projects possible.

17. These efforts are aimed at one objective: to make Singapore the Infrastructure Hub for Asia.

Role of the Project Managers in Infrastructure Projects

18. So what has this got to do with you?

19. Infrastructure projects are complex and technically challenging to build, given their large scale. Project managers play a key role overseeing the execution of construction projects, and connecting the expertise and efforts of different construction professionals such as architects, civil and structural engineers, quantity surveyors and other contractors.

20. With the increasing demand for infrastructure, there will be more regional projects that our Singapore-based infrastructure players such as developers, architects and construction companies can pursue. This will also create more opportunities for project managers, and enable you to build a regional portfolio.

Trends in building and construction sector within Singapore

21. In recent years, we're beginning to see a transformation in how we construct buildings. Singapore is shifting towards an approach where better quality buildings can be delivered faster and in a more environmentally-friendly way. This is known as the design for manufacturing and assembly (DfMA) method, which maximises off-site manufacturing and

minimises on-site construction. With this, Project Managers will play a larger role in co-ordinating the upstream manufacturing process, transportation logistics and on-site assembly to harness greater efficiencies in project delivery.

22. Complementing the above, we expect that new technologies in robotics and automation will become more prevalent at jobsites. For instance, smart robots can be deployed for concrete dispensing, welding, and even quality control etc. Autonomous vehicles can be used to despatch building materials. Artificial Intelligence techniques such as machine learning as applied in surveying, or to analyse materials and structures, will be more readily used. Wearable devices that enhance health, safety and productivity will be deployed. These trends have implications on the success and cost structures of the project. To stay ahead, project managers will need to regularly acquaint themselves with new knowledge.

Government's commitment to upskilling project managers

23. The government is committed to supporting project managers who wish to upskill themselves. For instance, the Building and Construction Authority (BCA) Academy conducts project management courses with Singapore University of Social Sciences (SUSS) and SPM. An example

includes the course on Project Management for Professionals in the built environment sector, which is a joint offering from both BCA and SPM. Singaporeans can tap on various funding under the Workforce Training and Upgrading Scheme and SkillsFuture Credit available for these courses.

Conclusion

24. I would like to also commend SPM's efforts in developing the accreditation scheme for project managers. This will help set the benchmarks for those who aspire to become project managers in the built environment sector. These combined efforts will help to raise the standards and professionalism of project managers.
25. On this note, and on this very special day, I would like to extend my heartiest congratulations to the Society on your 22nd Anniversary.
26. Once again, thank you for your contributions in advancing the development of the project management profession.