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Monday, June 8, 2020

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| | Weekly | Change |
|------------|-----------|-----------|
| STI | 2,751.50 | +240.75 |
| KL COMP | 1,556.33 | +83.08 |
| NIKKEI 225 | 22,863.73 | +985.84 |
| HANG SENG | 24,770.41 | +1,808.94 |
| SHENZHEN B | 860.65 | 10.96 |
| DOW | 27,110.98 | +1,727.87 |

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The Monetary Authority of Singapore has clarified that Singapore has not received "large flows" of bank deposits from Hong Kong to Singapore.
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ST Engineering says the recent ransomware attack on its US-based subsidiary is an "isolated" attack that has since been contained.
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A controversial security law that threatens to upend Hong Kong's status as an Asian financial hub has not slowed the world's most expensive real estate market. Dozens of would-be buyers lined up in the rain last week for a chance to bid on 94 apartments in a central Kowloon project with prices starting at HK\$6.8 million (S\$1.2 million) for a one-bedroom condo.
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Unity, resilience needed to deal with this generation's 'most dangerous crisis': PM

Government has a "full agenda for many years to come", he says in the first of six national broadcasts outlining Singapore's post-Covid plans

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Singapore

THE Covid-19 pandemic is the "most dangerous crisis" that humanity has faced in a very long time, and Singapore must be ready to deal with immense challenges ahead in order to emerge "even stronger and better", said Prime Minister Lee Hsien Loong on Sunday.

There is a "full agenda" on the government's plate for many years to come, he said in a speech as he called on every Singaporean to work together with his team and help steer the country safely through the crisis.

This is the first in a six-part series of national broadcasts by Mr Lee and his ministers to outline the country's plans for a post-Covid-19 future.

Mr Lee's 22-minute speech – titled "Overcoming the crisis of a generation" – took place on the sixth day after Singapore's two-month "circuit breaker" period ended.

Covid-19 is more than just a public health issue, but it's a serious economic, social and political problem too, he said, adding that Singapore also has to navigate many external and domestic issues in addition to the impact from the virus.

One thing Singapore has to keep its eye on is the worsening relations between the United States and China due to the pandemic.

"It will become harder for countries to stay onside with both powers. It will be a more dangerous world for a small country like Singapore," he noted.

"We must ensure our security, and protect and advance our interests when dealing with other countries, big and small. We must also work with like-minded countries to support free trade and multilateralism, and enhance our voice and influence in the world."

On the home front, Mr Lee said that the government has to strengthen the social compact, and think carefully about how to improve the existing social safety nets beyond the Covid-19 crisis.

"Sustainable social support will give people the confidence to cope in an uncertain environment and make changes to their lives," he noted. "At the same time, everyone must have the incentive to be self-reliant, and to progress through their own efforts."

Mr Lee noted that while there are difficult decisions to make on priorities, resources and budgets, the guiding values remain the same and every Singaporean will have equal opportunities in life.

"Whatever your starting point in life, you will have access to good education, healthcare and housing. If you fall down, we will help you to get up, stronger. You can be sure you will be taken care of. In Singapore, no one will be left to walk his journey alone," he added.

Giving his latest assessment of the Covid-19 situation here, the prime minister said that Singapore has made "good progress" as the number of new cases in the community has come down and the situation in the migrant worker dormitories has stabilised.

On Sunday, the Health Ministry reported another 383 new Covid-19 cases, taking Singapore's total to 37,910. The new patients include 14 community cases, among them nine Singaporeans.

According to Mr Lee, Singapore's healthcare system is "coping well" due to the outstanding work of the healthcare professionals and others serving on the frontline.

He also pointed out that the fatality rate among both Singaporeans and migrant workers – there have been 25 deaths so far – is one of the lowest in the world.



"Some jobs will disappear, and will not come back. Workers will have to learn new skills to stay employed. The next few years will be a disruptive and difficult time for all of us," says PM Lee.

PHOTO: MINISTRY OF COMMUNICATIONS AND INFORMATION

Mr Lee reiterated the fact that the virus will remain a problem for a long time to come, and it will take at least a year before vaccines become widely available.

Since the virus struck these shores, Mr Lee said that Singapore has already taken a "severe hit", with the government needing to "intervene decisively" with four major Budgets to protect workers, households and businesses.

In all, Singapore is injecting nearly S\$100 billion – 20 per cent of gross domestic product – to tackle the impact from the virus, with this being the largest fiscal intervention in Singapore's history. To help fund these budgets, S\$52 billion will be drawn from the past reserves.

"Unlike other countries, we can draw on our reserves, and do not have to pay for our support measures by borrowing," said Mr Lee. "But even for us, this level of spending is hard

to sustain. More importantly, these measures cannot shield us from the tectonic shifts taking place in the global economy."

Singapore's economic slowdown – which started even before Covid-19 surfaced – will happen faster and go further, and Mr Lee warned that there will not be a return to the days of an open and connected global economy anytime soon.

Industries that depend on travel – aviation, hotels and tourism – will take a long time to get going again, and these may never recover fully, he said.

And as countries look to become less reliant on others, especially for essential goods and services like food or medical supplies, this will all have "strategic implications" for the global economy.

"Countries will have less stake in each other's well being. They will fight more over how the pie is shared,

rather than work together to enlarge the pie for all," he said. "It will be a less-prosperous world, and also a more troubled one."

Mr Lee talked about the importance of preparing for a very different future, as companies of all sizes will be hit hard and some industries experiencing permanent change.

"Many will have to reinvent themselves to survive. Workers too will feel the pain. Retrenchments and unemployment will go up," he said.

"Some jobs will disappear, and will not come back. Workers will have to learn new skills to stay employed. The next few years will be a disruptive and difficult time for all of us."

But even as he painted such a grim outlook for the nation, Mr Lee felt that Singaporeans can still secure a bright future for themselves and there was much reason to be optimistic.

Singapore has many economic strengths along with a strong and trusted international reputation, he pointed out.

Mr Lee expressed confidence that new channels would open up even if some investments get diverted elsewhere or dry up.

Another plus is the stable political system in place that allows businesses to carry on even during a crisis, he said.

"The way Singapore has responded to Covid-19 – openly and transparently, neither avoiding reality, nor acting arbitrarily at the first sign of trouble – has only strengthened this advantage," said the prime minister.

According to Mr Lee, Singapore stands out in Asia and the world for its efforts over the years to upgrade the skills of workers, digitalise the public and private sectors, and build innovation and R&D capabilities.

Right now, the Republic is systematically rebooting the economy by rebuilding transport and trade links, and making supply chains more resilient than before.

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BEYOND COVID-19: CONSTRUCTION REMAKE

Construction tech startups eye big break in post-Covid-19 'new normal'

Pandemic pushing contractors to consider remote collaboration, explore labour-saving gear

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Singapore

CONSTRUCTION technology has rarely caught the spotlight in South-east Asia's startup boom, but entrepreneurs in this oft-neglected segment may finally get their chance to shine, as the Covid-19 pandemic forces the age-old industry to digitalise.

Startups told *The Business Times* that they have stepped up outreach efforts to acquire new customers, as Covid-19 pushes contractors to consider remote-collaboration technologies, as well as to explore new tools that could reduce the need for manual labour.

But even with the prospect of new demand, the startups also acknowledge that they must first survive the near-term sales drought, as construction firms tighten their budgets amid the downturn.

Construction tech startups have a vital role in "emerging with solutions that industry insiders would struggle to come up with", said Mukund Sridhar, a McKinsey partner who leads the capital projects and infrastructure practice in South-east Asia.

Singapore's "whole new breed" of

construction tech startups has received some support from ecosystem players. "For Singapore, we are seeing a range of support measures in the form of grants, venture capital from public entities, and more intangible sponsorship, in terms of network access," Mr Sridhar said.

But changing attitudes towards digitalisation is still a challenge, noted Matthew Dewees, Asean head of architecture, engineering and construction at Autodesk, which provides the industry with critical software solutions.

"Singapore construction companies are facing challenges such as data security, effective risk management and outdated technologies. In fact, only 2 per cent of organisations have automated most of their manual processes despite strong governmental and industry push for digitalisation," he said, citing a recent study by Autodesk and IDC.

Could post-pandemic conditions create the perfect opportunity for construction tech startups to convert tech-wary contractors into new customers?

Field management app provider Novade is optimistic. The startup is seeing strong interest from contractors for its enterprise app, which can enable remote collaboration between managers and onsite workers, its chief executive Denis Branthonne told BT.

Novade's clients found that they were better able to cope with the circuit breaker measures, as managers

could still monitor their resources and project completion via the app, said Mr Branthonne, whose six-year-old firm counts Samsung C&T and Boustead Projects as clients.

"Construction firms' teams will be able to restart work, while the managers can stay home and make decisions without going onsite. We are going to see the emergence of contactless construction. Data capture and analytics are very clearly accelerating," he said.

Another startup that enables remote collaboration, VRcollab, likewise sees post-pandemic conditions as an opportunity to attract new customers. The four-year-old startup's software suite enables contractors to "walk" through Virtual Reality (VR) simulations of building projects even before they are started.

"The construction industry is all about communication, from the design intent all the way down to the downstream firms," VRcollab's chief executive Tee Jia Hen said.

Pre-pandemic, many contractors did not see VR as more than a shiny plaything. Now, sentiment could shift, as contractors see the value of having a VR setup where they can predict onsite conditions, and even have virtual meetings with architects and sub-contractors.

"They are forced to work remotely now, so it's a lot easier for a tech company like us to be effective. Previously we were a good to have. Now it's do or die," Mr Tee said.

Besides startups that enable re-



From left: Hydroleap CEO Mohammad Sherfatmand says the company has stepped up outreach strategy to construction companies; angel investor Steve Melhuish says construction tech could boom the way proptech has; and Novade CEO Denis Branthonne counts Samsung C&T and Boustead Projects as clients.

mote coordination, those providing automation solutions could also benefit. One such startup is Ackcio, which has built a software suite, Ackcio Beam, that can monitor geotechnical indicators at construction sites, especially in challenging environments like deep tunnelling works.

Traditionally, sub-contractors would deploy workers to manually collect the data from the instruments and process it, creating a time lag and inserting human errors.

But if construction firms are forced to downsize their labour, that "opens doors" for startups like Ackcio to present cost-effective alternatives, reckons its co-founder and chief technology officer Mobashir Mohammad.

Startups that help construction firms slash costs in other ways could also gain more attention, such as Hydroleap, which provides construction sites with electrical water treatment technology to manage on-site wastewater.

Typically, firms would use chemical products to treat such wastewater, which can be costly and harmful

to the environment. Hydroleap is two to three times more cost-effective, and can also cut down space requirements, said its chief executive Mohammad Sherfatmand.

To be sure, with the current financial pressures, construction firms may be resistant towards adopting new technologies. To counter this, Hydroleap has stepped up its outreach strategy.

"We find distributors or resellers that are smaller construction companies which have a fantastic relationship with the main and sub-contractors. We get our systems promoted via that. That's one of the best ways to approach them," he said.

In a similar vein, VRcollab is conducting webinars to educate firms on its product. Ackcio has used the lull in deployments during the circuit breaker period to invest more in improving its systems.

However, the risk of construction tech startups dying off amid the downturn is real, as pressures could flow down from their clients.

"At least for the next six to 12

months, the financials of the clients are going to be impacted; the truth is the clients right now are suffering," said Mr Branthonne of Novade.

But angel investor Steve Melhuish, who has backed Hydroleap among other construction tech startups, sees a silver lining.

The proptech startup scene boomed when Singapore implemented cooling measures that forced the industry to improve productivity. The same could now happen with construction, said Mr Melhuish, who is co-founder and former chief executive of PropertyGuru.

"I think some (construction) projects could be accelerated, and there will be more pressure on companies to deliver quickly, and with fewer people onsite. I think this is going to be the pressure that should lead to some changes," he said.

But until the skies clear for the construction industry, he suggests that construction tech startups seek support from existing shareholders or turn to venture debt providers to survive the winter.