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## **Conservative outlook for Singapore's construction sector despite commodity prices stabilising**

*With ongoing inflation and supply chain challenges, a measured approach towards resuming pre-pandemic workflows is crucial*

**SINGAPORE, 2 NOVEMBER 2022** – Global construction consultancy firm, [Linesight](#), has released new data revealing some commodity prices for the third quarter of 2022 have stabilised as compared to the first half of the year. Although prices remain elevated as inflation, supply chain delays and labour market constraints prove to be the key challenges prices that are stable are expected to remain so for the coming months and into 2023, with some trending downwards. Amidst a slowing economy and higher interest rates, growth in Singapore's construction industry will be buoyed by large strategic projects that have resumed since the easing of pandemic restrictions. The findings are part of [Linesight's Q3 2022 Singapore Commodity Report](#).

Key construction materials in Singapore have stabilised from the peaks of the first two quarters of this year when geopolitical risk spiked amid the outbreak of the Russia-Ukraine conflict. Prices of steel rebar and flat steel are projected to decrease by 4.5% and 3% respectively from Q3 to Q4 2022, and this trend is expected to continue as iron ore prices drop across Asia. Meanwhile, concrete prices are expected to remain high and increase by 0.7%, as the outlook for raw materials and elevated transportation costs persist.

While there is a gloomy outlook for global economic activity, coupled with the slowing down of China's economy, demand stemming from investments in renewable energy is expected to contribute to keeping copper prices relatively high. Linesight predicts copper prices to increase by 1% from Q3 to Q4 2022, although they have dropped back from the mid-2022 highs.

From a macro standpoint, construction output in Singapore, in sectors such as residential and institutional, have expanded considerably, with a 4.3% and 3.9% change from 2021 to 2022. However, the lead times of long-lead equipment (LLE) have extended drastically since the start of 2022 as a result of material shortages, delays and price hikes throughout the supply chain, which is leading to reduced commitment from suppliers for new projects.

**Michael Murphy, Director at Linesight Singapore**, said: "It is encouraging for construction players to see material prices stabilising, with some materials heading towards a relative downward trend. Linesight is working closely with its clients to ensure that they are able to navigate the complexities of the current market and capitalise the growth opportunities ahead as Singapore moves towards recovery of the construction industry."

You may access the full report [here](#).

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## About Linesight

[Linesight](#) is a multinational consultancy firm with over 48 years' experience, providing cost, schedule, programme and project management services to a multitude of sectors including Life Sciences, Commercial, Data Centers, High-Tech Industrial, Residential, Hospitality, Healthcare and Retail. Linesight's specialist project teams, each with specific skills and experience, provide faster project delivery, greater cost efficiency and maximum value for money for their clients. For further information, please visit <https://www.linesight.com/>

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