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Construction industry in the mortuary

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Construction industry is directly involved with particularly every segment of the Economic Structure of a country. This is very much so in Sri Lanka as well.

If one were to run through the subjects charged to the newly appointed Cabinet Ministers, Non Cabinet Ministers and Deputy Ministers, it is hard to find a single ministry that is not directly or indirectly involved in the construction industry.

The construction industry has been described as the 'barometer' for measuring the economy of a country. It has also been described as the 'bell-weather and balance wheel of the world economy'. 20 years ago the world generated, over one trillion US dollars of construction works. During that very same period, Sri Lanka witnessed the construction industry contributing in the region of 28 per cent to our Gross Domestic Product.

Many analysts consider it the leading sector of economic development. Viewed as an industry it is the largest in the world economy. However, it is better viewed as a sector such as agriculture, manufacturing or services, measured either in terms of its share in total employment or its share in Gross Domestic Product (GDP). On the world scale construction engages tremendous human resources. Some 60 million peo-

ple were engaged in the construction sector in early 1980s. This trend has continued and as the beginning of the two thousands it has grown to over 120 million.

Activity

Construction activity also generates products of tremendous value. In the early 80s the global share of construction in world GDP was about 70%. Translating this into construction volume, it was about one trillion US dollars.

However, the importance of the construction sector is not related to its size but to its role in economic development. It produces the facilities that house a wide variety of human activities as well as the infrastructure that connects these facilities into an increasingly complex network. Most importantly the construction sector produces all the facilities needed for the production of goods and services starting from those needed by other producers and ending with those needed by the ultimate consumers.

The level of activity in the construction sector is closely related to the level of income in the economy as a whole. When total income is high, money is available to spend either privately or publicly on construction activities that satisfy consumer demands. At the same time, when income is high, a large percentage of national income is generally devoted to

investment, much of which will be spent on construction projects.

On the other hand, investment in large scale construction projects, such as industrial complexes, highways, railways, airport, harbours, dams and other large construction projects, all support economic development.

New construction usually accounts for 4-8 per cent of gross national product and 40-60 per cent of gross fixed capital formation. Building and construction materials in turn form 45-75 per cent of construction outlay. There is not a single sector in national development activity, where the construction industry does not play an important role.

Value added in construction is significant in the GDP. Construction uses large quantities of materials such as bricks, aggregates, tiles, cement, structural steel, timber, plumbing materials etc., which are manufactured and used exclusively for construction. National accounts normally attribute value added by such material production in the manufacturing sector and not in construction. If this component is also attributed to construction, it will be seen to contribute a larger share in the national economy.

However despite this recorded economic and employment generation parameters, successive governments have failed to give the domestic construction industry its rightful place.

It is appreciated, that the government just elected into power has placed "Peace and end to the

terrorist war", as its prime activity. Presently a large percentage of our revenue, may be 60% to 70%, is directed on the internal war, and its efforts to safeguard the territorial integrity of Sri Lanka.

Situation

One has to carefully examine the situation that would arise with even a partial achievement of peace and the reduction in the terrorist war activities. The first major activity that will emerge from such a situation is obviously construction, in the fields of rehabilitation, reconstruction and new constructions.

A large percentage of Sri Lanka's resources that is diverted to the war process will then be available for the aforementioned construction activities. In addition there is no doubt that foreign funding would flow in large volumes, to meet the demands of construction that will be generated through peace and cessation of war.

In the latter 70s and 80s where the gigantic Mahaweli development program was condensed from a 30 year program to a mere 5 to 6 years, the domestic industry was taken unawares, and thus was not able to significantly contribute to the construction boom, which resulted in the outflow of large sums of foreign exchange.

Take Malaysia, it has a strong Bhumi Putra construction arm supported by the Government, the same domestic support is given in Indonesia, South Korea, Philippines, India etc. Let us take a clue

from them even at this stage. Presently we have a strong domestic construction industry, in the way of engineers, architects, quantity surveyors, town planners, project managers, technicians etc. It is therefore imperative for the newly elected Government to immediately commence mustering and assessing the volume of construction industry activities that could be undertaken by the domestic players. It must listen to construction industry specialists and ascertain the needs of the construction industry if they were to give their maximum contribution to the future development of Sri Lanka.

As at present it is disheartening to see the construction industry, singularly and collectively playing an insignificant role in the eyes of politicians and economists. If the construction industry is to be resuscitated and given its rightful place in the economic development of our country, then the new government must, in the first instance, allocate the subject of the 'construction industry' to a far sighted minister and his ministry should be identified as an 'Apex Ministry'.

Attempt

We see that even a slender attempt towards this does not seem to have been given any thought by policy decision makers.

The Honourable Prime Minister and the Hon. Minister for Economic Reform is urged to give their due consideration to the con-

struction industry and take appropriate action in consultation with the government and non governmental organisations in the construction industry as how best the industry could be promoted, facilitated and regulated. Some of the organisations that are vital to the development of the construction industry are:

1. The Institute for Construction Training and Development (ICTAD),
2. The Centre for Housing, Planning and Development,
3. The Construction Guarantee Fund,
4. The Procurement Support Bureau (Government organisations).

5. The National Construction Contractors Association (NCCASL),
6. The construction related professional bodies such as:

- a. The Institution of Engineers of Sri Lanka (IESL)
- b. The Sri Lanka Institute of Architects (SLIA)
- c. The Institute of Quantity Surveyors (IQS)
- d. The Institute of Town Planners (ITP)
- e. The Institute of Project Managers Sri Lanka (IPMSL)
- f. The Institute of Incorporated Engineers of Sri Lanka (IIESL) (Non-Governmental Organisations).

My final appeal to all those concerned is to immediately open the mortuary door and allow the construction industry to thaw at a very fast rate, and give all it needs to establish a strong and vibrant domestic construction sector, which will contribute its due share and more, to the GDP of Sri Lanka.