

Major Constructors of Sri Lanka (MCSL), led by Brigadier Madura Wijeyewickrema, is an association formed by leading construction companies in the nation. As well as their substantial contribution to the GDP and astounding community service projects, the Brigadier also addressed the magnitude of the consequences of the series of adventitious economic events that occurred over the past two years within the construction industry. When speaking to The Big Life, he also shared his views on the future trends in construction practices and prospective developments in the economy.

THE STATUS QUO OF THE CONSTRUCTION INDUSTRY WITH MCSL CEO,

BRIGADIER MADURA WIJEYEWICKREMA



It is very apparent that the on-going crisis has created long-term challenges for multifarious sectors in the economy. What initiatives were taken by the construction industry to internally cope with this pandemic?

It is very patent that all these mounting extraneous pressures are affecting the construction industry worldwide. Nonetheless, we are very resilient. We have adopted

various strategies and are doing our best by executing all possible measures to avoid and circumvent most of the snags.

Firstly, we have serious issues retaining our workforce in our sites, as the majority of the workers are from the periphery. Hence when things get heated in Colombo, they flee to their respective villages. Thus, we have made a very strong request to the relevant authorities to prioritise vaccines for construction workers with the intention of minimising disconcert and agitation among them and to help retain and aid in project completion. However, due to the serious shortages and constraints in vaccines, we have not yet been able to secure formal vaccines for our employees.

We are also earnestly negotiating with the Government of Sri Lanka, as the Government is our major client with reference to work within the domestic territory, especially in the infrastructure sector. Of course, we do have some private developments in the building sector, yet we have a majority of buildings that fall under the purview of the Government.

Could you brief us about initiatives/policies taken by the Government to support the construction industry at this point in time? Any initiatives that you can recommend that the Government should implement?

Well, thus far, the Government has only assisted the SME sector, but not major construction companies.

We would appreciate it if they could grant certain concessionary measures like the ones introduced for other sectors, as we are also experiencing challenges with regard to cash flow and liquidity, predominantly due to delays in payments from clients and debtors. The Government should try and settle all our certified bills promptly; in fact, it must be substantially prioritised.

Another concern is that although we are given sufficient projects in the road and building sectors, they are yet to delegate work in the water supply sector. I hope that this will be addressed soon.

Import restrictions in Sri Lanka have picked up steam lately. What is your outlook on the pricing trends of projects and other impacts due to import restrictions?

Undoubtedly, most of the raw materials required for construction in Sri Lanka are imported. Hence, all construction companies have to confront some serious issues. However, the Government does grant special permission on specific projects to import the required materials. Thereby, we are not faced with a major difficulty.

Examining the counter effects when we don't import tiles, for example,

our local manufacturers are benefitted. As much as we would prefer to promote the local manufacturers, the only concern is the price. If constructors feel that importing tiles are much cheaper than buying local products, then they would obviously opt for imported tiles. At the end of the day, the bottom line of achieving some profit is crucial to us.

How long does it generally take for approvals of developer projects? Do the approvals differ for different classes?

Our system cannot be considered the most efficient and we do have issues with regard to obtaining permits. Our country is not as advanced and evolved, unlike others like Singapore with one-stop shops. One-stop shops offer multiple services and enable all requirements and clearances to be resolved under one roof. Thus, we have strongly recommended to the Government to implement a similar system in Sri Lanka too. We must have a very strong agency/statutory body or a sole Ministry to coordinate and handle all required permissions and clearances. It is a tall task, but for instance, we are dealing with the UDA on the Middle-Income Category Housing project.

With the construction sector being a dynamic industry, what recent trends have you seen in this industry globally?

Considering the construction methods and practices, it is high time that we leap in front in terms of technology. We have very strongly recommended this to the

Government and have written to the respective authorities about modern methods that can be adopted in Sri Lanka. These methods have been ratified by some expert Sri Lankans based in Australia.

With these novel practices in place, we might not even take 3 to 6 months to complete a 25 storey building. Under normal circumstances, such projects take about 3 years.

Please share your thoughts on the current inrush of Chinese investments flowing into the country, the development of the Colombo Port City and its impact on the construction industry.

So far, we are not involved with projects proposed in the Port City.

There are 4 main areas in a project namely, construction, engineering, finance and procurement. In a turnkey project, they bring down the required amount of money and have control over the entire process. If that happens with the Port City, local construction companies will not benefit unless they would be willing to give us some work.

We also do not prefer to do subcontracting anymore as we have developed ourselves enough and can match the standards of any international construction company. Certainly, we would not mind being a "nominated sub-contractor" but not just merely a sub-contractor. The two entails a distinct difference both legally and in terms of stature. Or else we would prefer joint venturing.

With the development of the Port City there seem to be profuse projects proposed within the city of Colombo. Do you think the same trends will hold in the outskirts or do you think there needs to be a bit more of a push to develop the periphery?

For obvious reasons, we are a small Island. The western province is the hub of all. However, with expressway connectivity, theoretically, the periphery also should improve. It is time that we change the perception of the population and get them to start living in apartments and accept the change to create more land to be made available for other developments in the outskirts. It should be a paradigm shift altogether.

How do you foresee your revival and what can help to expedite this?

Right now with the current scenario worldwide, it is definitely going to be very challenging. Prior to the pandemic, we were working with about 20 different countries apart from domestic projects. We have gradually resumed some of our work overseas, but not to a great extent due to obvious constraints and limitations. Hopefully, when the current situation gets back to normal, we hope to resume work much more aggressively, not only in Sri Lanka but in other countries as well, and we have the potential to do so.