



A Strategy Paper for the Construction Industry



JULY 2013

Foreword

It is indeed with great pleasure that I present this Report under the title **“A Strategy Paper for the Construction Industry”**. The Report has in fact been produced as a result of a consultative exercise undertaken by the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping and led by the CIDB by means of three half-day workshops, gathering the key stakeholders of the construction industry to deliberate on the development of a Strategy Paper for the construction industry.

Over the past decade the construction industry has become a pillar of the Mauritian economy. On its own, it contributes on average 6% of the GDP and employs around 55,000 persons. Given the importance of this industry to the economy and its role in the context of the Maurice Île Durable Project, there is need to have a clear direction for its future. Its performance to date is desirable but there is still room for improvement in many sectors of the industry. Over the years, in Mauritius, the construction process itself has considerably changed. Prior to the 80’s, horizontal construction was predominant, whereas nowadays the tendency is towards high-rise buildings. Moreover, the exigencies of clients have also changed as they now demand better and improved construction services.

In the face of emerging challenges, it is crucial to find innovative ways of meeting economic and environmental objectives based on international best practices. This calls for a complete rethinking of the *modus-operandi* for the construction industry. Government as one of the biggest client in the industry has taken the lead in this endeavour. The setting up of the Construction Industry Development Board itself was a step forward to achieving this objective. At this juncture, it is imperative that both the public sector and private sector embark fully in the process of revamping the construction industry to face the future with more serenity and confidence and to make the Mauritian construction industry one of the most efficient in the region.

I do hope that this Report would really trigger the transformation process required for the construction industry to take it to another level of development thus making it a reliable economic pillar that would further enhance the resilience of the Mauritian economy.

V. Lutchmeepersad
Chairman

1.0 Introduction

This Report is the outcome of a consultative exercise carried out jointly by the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping (MPI) and the Construction Industry Development Board (CIDB) to chart out a Sector Strategy for growth, sustainability, competitiveness and improvement of service delivery in the Construction Industry. Three half day workshops were held in August 2012 in this connection to bring key stakeholders together in order to give them the opportunity to express their views on the state of the industry, reflect on its future and make appropriate recommendations for the overall improvement of the construction industry.

This joint initiative of the MPI and the CIDB was welcomed by the participants attending the workshops. There was a general consensus amongst the participants that the Sector Strategy should aim at providing the necessary direction to foster the development and improvement of the construction industry taking into consideration our economic vulnerabilities as well as the impact of the construction industry on the other sectors of the economy. It was also agreed that the ultimate goal would be to come up with a realistic incentive framework conducive to boosting economic growth, enhancing competitiveness and support job growth in a sustainable and equitable way in the construction sector.

Forty-five participants representing a wide spectrum of stakeholders of the construction industry attended the three working sessions (*List of Participants at Annex*). It was expected that at the end of the three working sessions, the following would be achieved:

- (i) A picture of the current status of the construction industry;
- (ii) An overview of problem areas that need to be addressed both in the short run and the long run; and
- (iii) Recommendations on ways and means to achieve an efficient construction industry for the benefits of all stakeholders.

A thematic structure was used to undertake a holistic approach for discussions on the development of the construction industry. In this respect, the following nine themes were identified as critical:

1. An Assessment of the Current Status of the Construction Industry.
2. Policy, Planning and Regulatory Framework for the Construction Industry - Enablers & Inhibitors.
3. Achieving Global Competitiveness through Best Practices and Quality Assurance.
4. Sustainable Construction and Green Building.
5. Ensuring Continuous Capacity Building in the Construction Industry.
6. Achieving Sustainable Growth of the Construction Industry.

7. Improving the Construction Industry through Research and Development.
8. Construction Industry Professional Services.
9. Way Forward for the Construction Industry.

The participants were divided into four groups, each having a Moderator and a Rapporteur. Each group was assigned to brainstorm and discuss on a specific theme and to present their conclusions at a plenary session at each of the three working sessions.

All the recommendations made during those three working sessions on the above nine themes were compiled. The points and recommendations made on those nine themes as well as the cross-cutting issues have been reclassified under the following new headings in the light of discussions held at those working sessions.

2.0 The Status of the Construction Industry

It was noted that there has never been any proper comprehensive study on the status of the construction industry encompassing all the factors and components of the supply chain of the industry. Traditionally, Statistics Mauritius compiles common statistics on the construction industry and publishes a quarterly Construction Price Index (CPI) about a typical model residential building of 1500 square feet and therefore the CPI does not provide enough information about construction costs in general.

During the past decade, the construction industry has shown continuous growth. However, since 2009, it has taken a downward trend declining to 6.1% in that year after record growths of 16% in 2007 and 11.6% in 2008. Since then, it has been further declining to reach a negative growth rate of 2% in 2011. In 2012, the first two quarters registered a growth rate of 2.4% and 1% respectively. However, with the completion of some major projects, it is expected that the sector would decline by 1.2% in 2012.

In terms of employment, the construction industry is one among the biggest employers of the working population. Presently, some 55,000 employees earn their living in the construction industry which in fact absorbs a large percentage of the working population with the minimum level of education and manual skills thus also playing a vital social role in the economy.

Until the early 90's the construction industry had been involved mostly in construction of residential buildings and very few non-residential buildings such as hotels, office complexes, industrial and commercial buildings. In the early 90's the type of construction took a new turn towards high-rise construction and had to match its capabilities to such changes which it did reasonably well.

Nowadays, construction projects both building and civil works are becoming increasingly complex in nature and thus requiring continuous improvement in technical knowhow and construction materials to cope with the rapid changes. Furthermore, sustainable development

agenda guided by the Maurice Île Durable Project is calling more towards sustainable construction and green building. This is compelling the construction industry to move towards a new future.

It is acknowledged that the construction industry has since long been left on its own which with time has resulted in a number of problems which are now being tackled by government and the industry to some extent. The setting up of the CIDB as a body corporate to ensure the proper development of the construction industry has brought new hopes and great expectation in the construction industry.

Recommendations:

- 2.1 It is generally agreed that there is an urgent need for a comprehensive study on the construction sector including a SWOT Analysis which should in the first instance be undertaken to determine its strengths, weaknesses, opportunities and threats. The study would be a useful basis to help define the future strategy for the construction industry.
- 2.2 Registration of Consultants and Contractors which since long has been overdue should be undertaken at the earliest. This crucial exercise would have a multiplier effect in improving service delivery in the sector. The grading of contractors would enable a sort of prequalification of contractors according to their capabilities and resources and hence would facilitate the procurement of construction works and services and would on the other hand improve quality and overall capability.
- 2.3 There is wide concern in the industry as to the privileged position of foreign contractors in the market. The restriction of importation of foreign labour is considered to be quite unfair towards local contractors who can import a maximum of 35% of their total labour whereas foreign contractors can import up to 85 % of their labour needs. There is thus, no level playing field between domestic and foreign contractors on that issue.
- 2.4 Besides the importation of labour, there are other issues such as the track records of foreign contractors that are usually big international players, the ceiling for international biddings which has been brought down from Rs 400m initially to Rs 200m, the support the foreign contractors have from their holding companies etc, which are giving undue advantages to foreign contractors in the procurement process. In this respect, Public Procurement Policy should inter alia be reviewed to allow both local and foreign contractors to operate on a level playing field in the construction market. However, reviewing the Public Procurement Policy with regards to public infrastructure works should be done in consultation with the different stakeholders involved in the industry and inevitably the CIDB which represent the interest of all the stakeholders of the construction industry.

2.5 The shortage of skilled labour is becoming a hindrance in effective service delivery in the construction sector. There is need to consider this problem as a priority, otherwise this would seriously affect the service delivery capacity of the construction industry. In fact, there is need to consider reducing our dependence on foreign labour and for this to be possible we need to build capacity locally. The present generation is not at all interested in joining the construction industry especially at the skilled level and therefore, we cannot completely exclude our reliance on foreign labour. There is thus need for appropriate human resource development strategy involving all the relevant authorities. There is consensus that there is a mismatch between training available and the needs of the construction sector. The relevant authorities responsible for human resource development, viz., Mauritius Institute for Training and Development, Mauritius Qualification Authority, Human Resource Development Council and Tertiary Education Council should work out a common strategy with CIDB to resolve the human resource constraints in the construction industry.

3.0 Physical Planning Policies and Process

The National Development Strategy and Planning Policy Guidance was last updated in 2003 and since then there has been a number of changes in related legislations and policies that it does no more respond to the present economic, demographic, social and sociological development of Mauritius. It also does not apprehend adequately the framework for future physical development thereby constituting an inhibitor for private investment.

The National Development Strategy and the Planning and Land Use Guidelines also leave too much room for discretionary interpretation leading both to development not conducive to a sustainable Mauritius and to uncertainties for investment by private sector.

On the other hand, the application of the Planning and Land Use Policy and Guidelines by different authorities is not consistent, often leading to conflicting and contradicting situations.

Recommendations:

3.1 There is an urgent need to review the National Development Strategy and Land Use Policy and Guidelines as well as Regional Outline Schemes. The preparation of the National Development Strategy should include a National Infrastructure Plan and the Outline Schemes so that a holistic approach to land use planning can be achieved. A cost estimate of the planned infrastructure and a planning component should be included in the plan. Henceforth the National Development plan should be developed through a national consultative process, involving at all stages throughout the process, all stakeholders including private sector operators, the civil society, real estate operators, construction industry professionals, and the legal profession. This consultative process should involve all the stakeholders from the very initial stage before any draft document is prepared. This process would allow early dialogue

between state planners and the stakeholders before drafting any document for consultation.

- 3.2 The National Development Strategy and Land Use Policy and Guidelines should be a user-friendly document to facilitate its interpretation and easy implementation. In this respect, adequate training on the National Development Strategy and Land Use Policy and Guidelines should be provided to all relevant institutions including local authorities and others involved in decision making thereof.
- 3.3 The preparation of the National Development Strategy and Land Use Policy and Guidelines should be monitored by a National Steering Committee, and such Committee should among others include representatives of industry associations and the civil society.
- 3.4 There is need to prepare a National Master Plan for Infrastructure Development and this should *inter alia* include environmental, planning, housing, land development, transport and urban design aspects. This National Infrastructure Master Plan should also be integrated in the National Development Strategy. Such a document would provide more visibility for the construction sector and would also allow for the proper planning and timing of investment in buildings and infrastructure over the long run.
- 3.5 The lack of capacity at the level of local authorities has resulted to ineffective service delivery and poor enforcement of the appropriate legislations at that level. There is need to have consultations with the Engineers and Architects to ensure some of the more technical issues are also addressed at the planning stage. There is thus, an urgent need to ensure that Local Authorities are adequately staffed with professional planners and that such planners work in collaboration with the planners of the Ministry of Housing and Lands. This will go a long way to avoid inconsistencies in the interpretation of planning framework and guidelines.

4.0 The Regulatory Framework of the Construction Industry

The Regulatory Framework of the construction industry is made up of several acts and regulations, the main ones being the Construction Industry Development Board Act, the Building Control Act, the Public Procurement Act, the Professional Architect Council Act, the Registered Professional Engineers' Council Act, Environment Protection Act, the Local Government Act and the Town & Country Planning Act among others.

However, some legislations though enacted, have not yet been proclaimed. Furthermore, there are often inconsistencies among the different legislations regulating the construction industry. For instance, a number of inconsistencies have been noted among the different legislations regulating professional bodies of the construction industry.

It is often complained that legislations related to the construction sector are made without adequate consultation with relevant stakeholders. Furthermore, enforcement and implementation of certain legislations are not carried out properly. One noticeable area of poor implementation and enforcement is in the case of delivery of Building and Land Use Permit whereby construction is often not in conformity with the terms and conditions of the permit delivered.

Recommendations:

- 4.1 A number of Acts need to be consolidated and properly supported by appropriate regulations. Such regulations should be urgently introduced so as to allow the proper enforcement and implementation of the respective legislations. In the case of the Building Control Act relevant regulations and codes need to be brought into force at the earliest to make it fully in force.
- 4.2 Needful should be done to bring into force all the legislations which have been enacted but not yet proclaimed so that such legislations could serve their very purposes. The Professional Architect's Council Act 2012 has been proclaimed early this year but its Regulations are still outstanding. On the other hand, Sections 19 to 26 of the CIDB Act need to be proclaimed and brought into force at the earliest as this is long overdue and is preventing the registration of consultants and contractors.
- 4.3 There is urgent need to replace the Council of Registered Professional Engineer Act which dates back to 1965 and is no more responding to the current international practice of the profession. It is also urgent to enact the Quantity Surveyor's Bill to regulate the Quantity Surveyor's profession.
- 4.4 A number of government departments are operating with a lack of capacity especially at the professional level. This situation often leads to time and cost overruns in construction projects and also to the inability to implement a number of projects earmarked in the annual government budget. There is thus an urgent need to reinforce professional capacity in those government bodies by providing appropriate training and encouraging professionals therefrom to meet continuous professional development requirements. The local authorities for instance has since long been complaining about the lack of professional capacity which results to ineffective service delivery and poor enforcement of legislations at that level.

5.0 Stimulating the Market

The construction market in Mauritius is by its very nature limited in size. To date the market has been expanding and has been able to match demand with supply as a result of the development level in the country. However, it appears that it has now reached a point of saturation due to the exponential increase in the number of operators at all levels of the

industry and the limited need for additional infrastructure in the development process of the country.

At a time, there was a dearth of professionals and contractors to meet the demand of the market. Now the scenario has reversed and there is cut throat competition in the local market accentuated by globalization and the liberalization of the market. Today there is an increasing number of foreign operators in the market and this situation has raised protest from the local operators.

Whilst appreciating the fact that the on-going massive government investment in infrastructure development does constitute a sustaining factor for the construction industry, it is believed that such investment is not sustainable over the next ten years.

Hence, conditions must be created for sustained increase in private sector investment. However, it is unlikely that there would be much development in hospitality industry infrastructure and Integrated Resort Scheme as well as the Real Estate Scheme as these schemes appear to be no more attractive to foreign investors.

Recommendations:

- 5.1 The public sector should define a Medium Term Infrastructure Development Plan in order to give more visibility about the development of the market for construction projects. In this way, the operators would be able to ensure better planning and development of their capabilities.
- 5.2 Unlike companies, individuals cannot recover Value Added Tax (VAT) on construction projects. Removing VAT on construction of residential buildings not exceeding 300 square meters for instance, could boost residential construction thus creating opportunities for SMEs contractors on one hand and resolving the problem of housing shortage on the other hand. However, to prevent misuse of such a scheme this exemption should be given exclusively to first-home buyers.
- 5.3 It is recognized that financial charges on housing loans are relatively high with many hidden costs. This is an additional burden on the head of the low and medium income groups which discourages investment in residential construction. Government should consider regulating financial charges on housing loans to make it more transparent and attractive so as to encourage investment in residential buildings.
- 5.4 Although Mauritius is considered to be one of the best country for doing business in Africa there is still a lot of improvements required in the business environment. In the construction industry many processes should be streamlined to create a more enabling business environment. Foreign investors often complain about unacceptable delays of certain authorities in delivering relevant permits. Streamlining of procedures from conception to implementation of construction projects would help to reduce costs and

time and would thus encourage foreign direct investment. A One-Stop-Shop would be desirable for this purpose.

- 5.5 Public Procurement has always been criticized for its bureaucratic red tape. Procurement processes should be streamlined without jeopardizing its rigour, transparency and element of accountability so that public infrastructure development process could become more efficient.
- 5.6 Architectural design competition is a good means to encourage innovation in design and sustainability and can also promote fair competition. Government should consider having recourse to architectural design competition for prestigious and mega public infrastructure projects.
- 5.7 Government should also consider leasing out state land sites for development of light industry and other specialised industry as being done in other countries such as the Seychelles. This would stimulate overall socio-economic development and would as well boost up the construction industry by increasing the demand for construction works and services. In this respect, government should also accelerate the leasing out of service plots for housing to the middle income group which has suffered the most as a result of stringent fiscal measures over the last few years.
- 5.8 Government is making extra effort to boost investment in the construction sector. However, the private sector is not following suit. Government should encourage more private sector investment possibly through Public Private Partnership (PPP) infrastructure projects and such other public sector collaborative projects whilst ensuring that public interest components are safeguarded. In this respect, government should create enabling conditions to encourage the private sector to engage more into social housing projects probably on a PPP basis.
- 5.9 Sustainable construction is becoming increasingly inevitable in this era of sustainable development. Though a number of initiatives have been taken in this respect, a lot still needs to be done to keep pace with international development in this sphere. Government should aim at providing attractive incentives including financial support for the promotion of energy efficient and sustainable construction.
- 5.10 The economy relies much on the tourism sector and therefore the infrastructure landscape of the country needs to respond to the expectation and exigencies of this sector. However, the state of many buildings and other infrastructure across towns and villages do not reflect the aspiration of the tourism sector. Furthermore there is no interest of buildings' renovation in our culture. Government should provide incentives for renovation and revamping of old and decrepit buildings. This would not only create more market dynamics for the construction industry but will go a long way towards the upgrading and modernization of both the urban and rural built environment.

- 5.11 Government should also consider putting in place an Urban Renovation Scheme whereby bare land that has not been developed during a period of 30 years and structurally unsafe buildings in urban areas could be acquired by the state and put at the disposal of developers for development projects. Such a scheme would also help address the issue of decrepit urban areas closer to central business areas.

6.0 Research and Development

Domestic construction industry is practically not engaged in and is also not committed to research and development in identifying new construction technologies and appropriate construction materials and techniques. Investment in research and development is almost negligible in the industry. In fact investment in research and development in the economy itself is excessively low as compared to other developing nations where an average of 4% of their GDP is usually spent on research and development whereas in Mauritius the research and development spend is not more than 0.4% of the GDP. However, the need for research and development to increase productivity, enhance effectiveness and competitiveness is generally acknowledged in the construction industry.

Recommendations:

- 6.1 Government should provide incentives to encourage innovation and the importation of new technology notably on specialist construction software, equipment, materials and especially on energy efficient equipment.
- 6.2 Government should provide adequate means and resources to encourage more research on use of sustainable local materials in construction. Research on the use of by-products and wastes from local industries should also be undertaken to see how these could be used in construction. For instance, bagasses and fly ash can be used for the fabrication of Fiber cement board additive for pozolonic cement and for fabrication of insulation boards.
- 6.3 CIDB should act as a facilitator between construction industry operators and the Mauritius Research Council and other relevant research organisations to encourage research in general, in the industry and in particular on the use of sustainable local construction materials and other innovations for the industry.
- 6.4 There is also the need to set up a construction library as a centre for the dissemination of knowledge on construction and also to give access to the public at large to learn more about development on subjects related to construction matters. The library should also manage a Construction Directory to provide information on the operators of the construction industry.

7.0 Capacity Building in the Construction Industry

There is an increasing concern about skill shortages in the construction industry. Training is really lacking and the quality is also not to the desirable level. There are too many training institutions which come into the market to offer all types of training irrespective of the needs of the industry. On the other hand, few operators in the construction industry invest in training of their employees despite the financial incentives being given through the Human Resource Development Council and the National Empowerment Foundation.

There is in the public sector as well as in the private sector an inadequate capacity of technical personnel particularly in project management and other specialist areas of construction. Besides there is also a serious lack of efficiency at middle management level in the industry and therefore, there is need for more and better training to be provided at that level.

In fact there is a serious capacity problem identified at both the lower and medium level of the industry. There is also a language problem for workers at the lower level whose practical capability is indeed very good but their ability to read and understand documentation especially in English language is relatively poor.

There is in fact a dearth of local labour both skilled and unskilled. Those who join the industry do so as a last resort when they have not been able to secure a job in other sectors of the economy. Therefore, from the very start they join the industry with a lack of motivation thereby impacting negatively on their performance and productivity, hence affecting the overall performance of the industry.

Recommendations:

- 7.1 A national sensitization campaign should be undertaken to promote awareness about career prospects in the construction industry. This could start at the secondary school level whereby students should be informed and guided towards careers in the construction sector. This programme should not only show the opportunities in the industry but should also endeavour to clear the social stigma about jobs in the construction industry.
- 7.2 MITD and the other private training institutions should not only match the courses they provide to the need of the industry and the employability of the trainees but should also upgrade the quality of their trainings to meet the changing skills and competency needs of the industry. Furthermore, courses at vocational level should where possible be delivered in Creole and French languages for certain categories of workers and exam questions should be explained in those languages to resolve the language constraint.

- 7.3 Training institutions should be rated and courses be recognised by the industry. There is need to set up a framework for such purpose to ensure quality trainings that match industry needs.
- 7.4 A proper study should be undertaken to determine how to attract and retain local labour as well as incentives that should be provided to encourage youngsters to join the construction industry.
- 7.5 Government should consider the setting up of a Construction Academy to provide for Continuous Professional Development, capacity building for middle and lower level staff and also to help in research and development in the construction industry.

8.0 Export of Services in Construction

Given the size of the domestic market and Government emphasis on export in the region to consolidate and sustain national growth and development, the operators of the construction industry should seriously consider exporting their services to the region. There are many opportunities in the region as many countries are on a development path that requires heavy investment in public infrastructure. Mauritius is of good repute in the region and therefore construction operators and professionals should capitalize on this advantage and seize the opportunities in the regional market.

Recommendations:

- 8.1 Enterprise Mauritius and CIDB should undertake a joint initiative to convince construction industry operators about the opportunities for exporting their services to the regional market and should assist them in penetrating that market.
- 8.2 Government should provide fiscal incentives to local operators with respect to income derived from exported services.
- 8.3 Government should also use its economic diplomacy to support operators to secure contracts in the region.
- 8.4 Qualifications of Mauritian professionals in the construction industry should be aligned with international standards through their respective professional regulatory bodies. This would facilitate Government to enter into mutual recognition agreements for such qualifications, hence opening the door of the regional market to our local professionals.

9.0 Other General Recommendations for the Construction Industry

- 9.1 CIDB should be properly strengthened, equipped and manned in order to be a One-Stop-Shop to provide leadership and direction in supporting the development of the industry.
- 9.2 Professionals employed in the public service should not be allowed to undertake private practice in some areas as this is leading to unfair competition in the industry and also often leads to conflict of interest.
- 9.3 There should be no derogation in the application of legislations including the Building Control Act 2012 to public sector projects. In fact government should lead by example by complying with the requirements of those legislations and the Building Control Act 2012 in particular.
- 9.4 Government should consider the implementation of Reference Class Forecasting in all mega projects in order to ensure the economic and financial viability of such projects and to anticipate closer estimates of costs overrun in advance of the start of the project.

There is also need to promote Reference Class Forecasting with a view to improve overall service delivery in the construction industry by encouraging proper planning to avoid time and costs overruns.
- 9.5 Building and Land Use Permits issued by the Local Authorities should be published for the sake of transparency and to allow for the identification of the professionals responsible for the design of each building approved by the local authorities.

10. The Way Forward

All the participants agreed that the time has come to move the construction sector in Mauritius to another level of development. In order to achieve this objective there is need for commitment at all levels of the industry including the government, the private sector and the civil society. However, there is also need for an apex body to provide the necessary guidance and direction to lead the transformation process of the construction industry.

The participants at the workshop unanimously agreed that CIDB could aptly play this leadership role in the construction industry. However, CIDB should be properly supported by the government and the other stakeholders of the industry. In fact the CIDB Act does mandate CIDB to assume this role in the industry but it needs to be adequately empowered and be provided with the necessary resources to be able to meet the expectation of its stakeholders.

A number of recommendations have been made by stakeholders who participated in this consultative exercise which if acted upon would no doubt lead to significant improvement in the construction industry. However, whilst some recommendations could be easily realized others have wide implications involving other stakeholders' involvements and also require appropriate time and funding.

It was agreed that there is need to prioritize those recommendations in order of their importance and the means available for their realization. Participants at the consultative meetings agreed that CIDB should take the lead and establish a calendar for the timely realization of those recommendations.

Though this exercise is considered as a crucial one for the development of a Sector Strategy for the construction industry there is need to undertake a proper study to be able to have a better picture of the industry that could guide future development not only in the short to medium term but also for a longer term perspective. Such a study should be undertaken by an experience consultant with a proven track record in this field.

However, the recommendations in this present Report should in the meantime be used as a guide to drive the beginning of this long journey of transformation of the construction industry.

In order to give this Report its intrinsic value, a few specific recommendations have been identified which could be implemented immediately so as not to lose the momentum for change in this process of transformation of the construction industry. This would give much hope to the industry operators and once the results of those recommendations would start to be felt this would boost the level of confidence of the operators in the industry which in turn would generate a multiplier effect on the performance and improvement of service delivery in the industry.

The recommendations that can be readily implemented are elaborated below:

Immediate Implementable Measures

- 10.1 Setting up a level playing field so as to eliminate the undue advantages of foreign contractors over local contractors. The restriction of importation of foreign labour is quite unfair towards the local contractors who can import a maximum of 35% of their total labour whereas foreign contractors can import up to 85 % of their labour needs.
- 10.2 Besides the importation of labour, there are other issues which are favouring foreign contractors in procurement of works. Procurement Policy Office could be called upon to review their policy as regards to procurement of public works so as to ensure that both local and foreign contractors do operate on a level playing field. However, the review of the Public Procurement Policy with regards to construction works should be done in

consultation with the different parties involved in the industry and more importantly the CIDB.

- 10.3 The relevant Government Departments/Agencies could be called upon to speed up the process of bringing into force all those legislations which have been enacted but not yet proclaimed so that such legislations could serve their very purposes. The Regulations of the Professional Architect's Council Act 2012, the Building Control Act 2012 and Sections 19 to 26 of the CIDB Act could in the first instance be proclaimed and brought into force at the earliest as they are long overdue.
- 10.4 CIDB along with the Mauritius Research Council could develop a research and development agenda in consultation with industry operators to encourage research on the use of sustainable local construction materials in the first instance.
- 10.5 A national sensitization campaign could be undertaken to promote awareness and to encourage the new generation to join the construction industry and make a career therein.
- 10.6 Enterprise Mauritius and CIDB could set up a Committee to work on a strategy for exporting of professional services to the regional market and thereafter assist them in penetrating the regional market.
- 10.7 CIDB could set up a Committee to consider the application of Reference Class Forecasting in public sector mega projects to show the benefits thereof and the need for its adoption in Mauritius.
- 10.8 CIDB in collaboration with the Procurement Policy Office could organize a training workshop to help increase the awareness and interest of SMEs contractors in public works.

11. Conclusion

Besides the recommendations highlighted in this Report we can learn much from the experience of other countries which have addressed the challenges of their respective construction industry. There are a number of Studies and Reports on construction industry of foreign countries which can be useful to us in this process of improving the construction industry.

In UK, the 1994 Latham Report – *“Constructing the Team”*; the 1998 Egan Report – *“Rethinking Construction”*; the 2005 *“Malaysian Construction Industry Master Plan”*; the 2008 *“Report on the New Zealand Construction Industry Vision 2025”*; *“The Construction 2020 Vision Document of Australia”* are a few of those studies which are relevant for a closer examination to identify areas of interest that could be adopted in our local context.

We should also learn from the experience of other industries within the Mauritian economy itself. Learning how those industries have brought changes and improvement in performance can facilitate the task of the construction industry towards its transformation.

This Report provides some important recommendations for a way forward for the construction industry. However, it is not supported by a proper and in-depth study to guide the long term strategy of the industry.

Hence, it is proposed that the Ministry of Public Infrastructure, National Development Unit, Land Transport & Shipping through the CIDB should commission a Study on the State of the Construction Industry and Strategy for a Ten Year Growth and Sustainability of the Sector.

However, for the purpose of achieving the objectives of this Report, the Ministry of Public Infrastructure, National Development Unit, Land Transport & Shipping should set up a Committee for the steering and monitoring of the implementation of the agreed recommendations of the Report. The Committee should be chaired either by the Ministry or by the CIDB and should be a stakeholders' inclusive one. The Committee should be empowered to set up sub-committees to work on specific recommendations as may be required. The Committee should be given three months to come up with medium term implementable priorities and should be given a nine months period to develop an action plan for the implementation of all the other recommendations contained in this Report.

In summary, transforming the construction industry is a difficult challenge but what is more important is that there should be commitment at all levels of the industry where everyone should be willing to go in a common direction led by an apex body like the CIDB. On this path the construction industry can become one of the most efficient industries in the economy and a role model industry in the region.

List of Participants

Sn	Name	Organisation
1	Abdool Taslima	Ministry of Environment & Sustainable Environment
2	Balloo Dev	Ministry of Public Infrastructure, NDU, LT & Shipping
3	Bhikajee Devenrao	Ministry of Housing & Land
4	Bhunjun Trilock	Construction Industry Development Board
5	Chellum Jayen	Association des Consommateurs de L'île Maurice
6	Chummun Bhujohory Loveetah	Mauritius Standard Bureau
7	Chunnoo Suresh	Ministry of Public Infrastructure, NDU, LT & Shipping
8	Damonsing Jerry Robin	Ministry of Labour, Industrial Relations & Employment
9	De Leusse Sylvie	Mauritius Association of Architects
10	Desai Jayesh	Institution of Engineers Mauritius
11	Domah Oudesh	District Council of Black River
12	Domah P.K	Ministry of Public Infrastructure, NDU, LT & Shipping
13	Dorsamy Caderassen	Road Development Authority
14	Hasnah Rajeev	Competition Commission
15	Jadav Hirji	Servansingh Jadav & Partners Consulting Engineers Ltd
16	Jawaheer Deepak	Ministry of Finance and Economic Development
17	Joysuree Vivek	Ministry of Public Infrastructure, NDU, LT & Shipping
18	Leong David	Ministry of Finance and Economic Development
19	Lutchmeepersad Vidianand	Ministry of Public Infrastructure, NDU, LT & Shipping
20	Mazory Alexandre	Mechanical & Electrical Engineering Contractors' Association
21	Mohabeer Sachin	Board of Investment
22	Mooroogan Normanda	Mauritius Association of Quantity Surveyors
23	Moutou Kenny	Ministry of Finance and Economic Development
24	Padayachy Renganaden	Mauritius Chamber of Commerce and Industry
25	Persand Lallmun	Statistics Mauritius
26	Proag Virendra	University of Mauritius
27	Ragoo Santaram	Ragoo Associates Ltd
28	Ragoobur Vishal	Mauritius Employers' Federation
29	Ramdin Anwar	Building and Civil Engineering Contractors' Association
30	Ramdyal Sanjay	Ministry of Public Infrastructure, NDU, LT & Shipping
31	Ramjeawon Poonam Veer	Mauritius Research Council
32	Ramloll Bushan	Building and Civil Engineering Contractors' Association
33	Ramrukheea Rajwantee	Ministry of Foreign Affairs, RI and International Trade

Sn	Name	Organisation
34	Ramsamy Simla	African Development Bank
35	Seechurn Sanroy	Mauritius Chamber of Commerce and Industry
36	Seechurn Sharma	Human Resource Development Council
37	Siew Gaetan	Lampotang & Siew Architects
38	Soborun Soobodhsing	Ministry of Housing & Land
39	Soobrah Dhaneshwar	Project Manager - Jeetoo Hospital
40	Sultoo Roshan	Ministry of Finance and Economic Development
41	Tahalooa Sacheedanand	Procurement Policy Office
42	Uckoor Gerard	Association of Small Contractors
43	Vaghjee Rajiah Tehjal	Human Resource Development Council
44	Victore Francesca	Statistics Mauritius
45	Wong So Claude	Institution of Engineers Mauritius

The abovenamed persons attended the workshops which were held on 08, 17 and 21 of August 2012. They participated in Group Discussions and also attended the Plenary Sessions.