



THE 21st ASIA CONSTRUCT CONFERENCE

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Japan

SRI LANKA THEME PAPER



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1.0 Executive Summary

The Construction Industry

The Construction Industry plays a vital role in the Sri Lankan economy contributing 1/10th of the Gross Domestic Product (GDP). The construction sector has also been classified as a barometer of development considering its main role in the development of a country.

The Construction Industry has witnessed an unprecedented growth rate of 21.6% reflecting the massive investment in the infrastructure development in the post conflict scenario. The Construction Industry growth rate which had been witnessing the growth rate of over 14% in the three consecutive years has recorded a lower growth rate of 4.2% in the year 2015 due to the slow down of construction activities as a result of the political transition.

The present Government which came into power at the beginning of the year 2015 has now drawn up very ambitious and elaborate development plans to be implemented attracting the foreign direct investment envisioning the higher investment in the construction sector leading to the achieving of higher growth rate in G.D.P and construction sector. The development plan of the Western Megapolis is one of the major development plan of the new Government and value of the projects to be implemented under this massive development drive is estimated to be in the region of US\$ 40 billion. Most of the projects planned to be implemented have already been finalized and hive of construction activities are on the cards leading to a massive construction boom and industry players are now gearing up to take up this challenge playing an active role contributing to the development drive of the new Government.

The introduction of Policy, legal and institutional framework recently, will ensure continuous development and upliftment of the Construction Industry in a sustainable manner maintaining the transparency and accountability encouraging more investment in the construction sector creating more opportunities and market.

The establishment of the Construction Industry Development Fund and the Construction Industry Guarantee Fund have been instrumental in addressing the issue of lack of funds, which industry had been undergoing for decades.

The introduction of alternative materials and innovative and less labour intensive technologies as a result of research and development, will shift the traditional boundaries of the construction industry, creating fresh and more market opportunities for the stakeholders of the Construction Industry.

2.0 Main issues with the construction Industry

The construction industry is presently ready to take off under the vision of the new Government. The issues which industry is presently undergoing need to be addressed sooner in order to ensure that industry will have a positive outlook catering to the need of the emerging development drive.

Shortage of skilled labour, materials, newer technology and expertise to meet the growing need is another challenging issue faced by the industry. Due to the shortage of labour, the labour wages are continuously rising, increasing the cost of construction. The low level of investment in research and development and low penetration of information technology in the industry have held back the positive growth of the industry. Delay in meeting project deadlines are also identified as a common issue. As majority of the large scale construction projects are Government initiated, many contractors face delay in payments. The issue is linked to lack of co-ordination between the Employers and the Contractors.

2.1 Lack of trained craftsmen

Any industry needs trained and skilled manpower to achieve the development targets and construction industry is no exception. The Construction Industry is presently experiencing the huge shortage of manpower specially construction craftsmen creating a negative impact on the continuation of major projects being implemented at present.

This situation will be further aggravated once new Government will embark on its new development drive unless some innovative solutions are found to address this burning issues presently being experienced by the construction firms.

Human capital in the construction sector consists of professionals, technicians, skilled craftsmen and operators and they are supported by the unskilled workforce.

The supply of competent certified construction workforce to meet the needs of the Construction Industry and emerging development is a daunting task.

At present, the Vocational Education Courses being conducted are not properly oriented towards the needs of the labour market and there is a grave mismatch between the supply and demand. The skilled persons supplied to the market are not those required by the industries. The vocational educational courses have not responded positively sufficiently evolving responding to the changing composition of the G.D.P shifting from agriculture to higher value added industries and services which will require a highly skilled workforce.

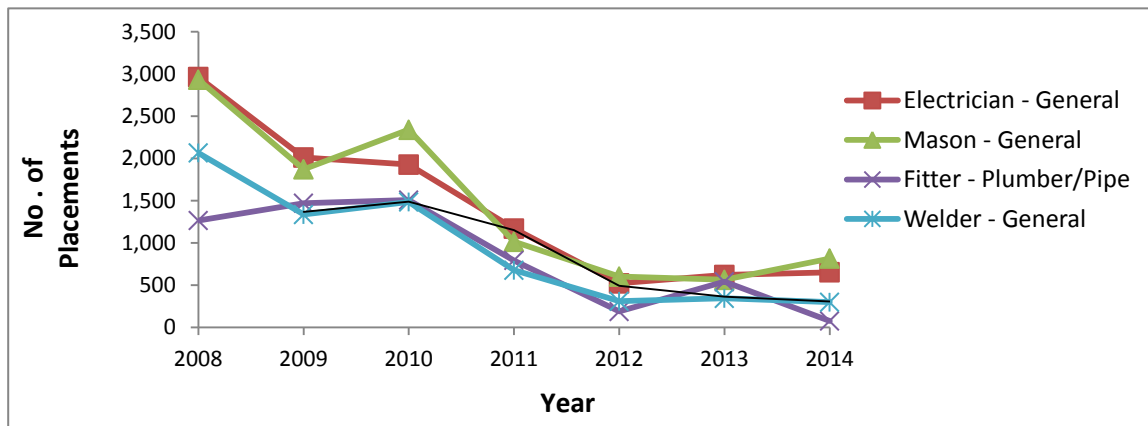
2.1.2 Foreign demand for skilled construction craftsmen

There is a big demand for skilled construction craftsmen in the foreign job market and number of job orders offered to Sri Lanka is on the rise. But Sri Lanka finds it increasingly difficult to cater to these job orders due to the shortage of craftsmen in the local construction industry. Due to the shortage of craftsmen, the craftsmen are now being offered very high wages by the local contractors, as a result of which craftsmen can now earn more than what foreign job agents offer to them, in a local market.

This trend is clearly reflected in the figures recently published by TVEC.

Foreign employment placement in two major craftsmen categories of masonry and carpentry trades have come down considerably recording more than 40% drop mainly due to the increased demand in the local scene.

Trends in Selected Crafts & Related Workers Jobs



Source – Labour Market Information Bulletin, Volume 01/15 – June 2015, TVEC

In the first half of the year 2016, foreign job placements for mason and carpenter were less than 25% of orders showing strong local demand

Data collected from Sri Lanka Foreign Employment Bureau on the vacancies received from foreign countries (demand) for Construction Industry craftsmen and departures to accept those vacancies (supply) show mix results during the past few years. In some cases demand for construction sector employees increased heavily while some segments decreased. However, the demand has not been met in any segments during the year mentioned.

The labour situation has aggravated to the extent that most of construction companies are now lobbying to the Government for the labour importation as a viable solution to the issue of the shortage of skilled labour.

Vacancies and Departures on Construction on Construction Craftsmen Abroad

Occupation	2013		2014		2015	
	V	D	V	D	V	D
Mason	2666	364	2505	816	1434	596
Carpenter	-	-	-	-	1309	516
Electrician	3548	621	3150	654	1437	-
Plumber	3126	342	3032	77	816	24
Welder	1341	344	1574	299	683	141
Painter	1028	296	1048	372	461	89

2.2 The scarcity in construction materials

Availability and prices of raw materials remain critical to the development of the industry. According to the annual survey of Construction Industry, expenditure on cement was the highest input while iron and steel followed closely. There was a continuous increase in prices of these materials due to the global demand and shortage.

The control of blasting powder due to security reasons severely constrains the production of coarse aggregate for concrete cement. With the restrictions being reduced and with the

improvement of security reasons, the supply side is expected to improve impacting on the prices.

The weakening of rupee against other major currencies has escalated prices of imported materials and components. Maintaining an adequate level of investment for generating construction work is challenging in the current situation in the country.

The construction materials shortage has also become one of the most burning issues for the achievement of sustainable Construction Industry.

The Sri Lanka Construction Industry still use the traditional materials of bricks, sand and lime creating negative environmental impacts. Several attempts to introduce alternative materials have not yielded the expected results as it is customary to resist the change.

The continuous usage of river sand as one of the main construction materials have already created many negative environmental impacts. Demand for sand will continue to rise with the emerging developments. Excessive mining to meet the demand may create severe stress on the ecological systems resulting following consequences :

- a. Lowering of river beds allowing sea water inclusion, polluting ground water sources
- b. The lowering of water table near rivers which in turn lowers water levels in wells
- c. The drying up of irrigation channels
- d. The increased instability of the banks and collapsing of river banks

The present sand supply for the building constructions within the country would appear to be more than 4.2 Million cubes according to the data published by Geological Survey and Mines Bureau.

Types of Sand	Annual availability Cu. (2014)
River sand	3,673,200
Off-shore sand	33,815
Land based sand and Dune	477,540
Manufactured sand	Not available in the market

The average rate of increasing demand is assumed as 10%. If this average rate of increase is assumed to continue the sand requirement for the coming years can be as shown in the following table :

Year	Sand requirement in cube '000
2013	8,192
2014	9,011
2015	9,912
2016	10,913

Source –Recommendations for alternatives of river sand, A policy initiatives, Construction Industry Development Authority.

2.3 Quality and productivity

Quality and productivity are the two key aspects which need to be given very high priority in the construction process in order to ensure the process of sustainable construction, using minimum resources for the maximum output. Factors seriously impairing construction productivity are related to project conditions, market conditions, design and procurement, construction management, Government policy, education and training of industry personnel.

2.4 Lack of investment specially foreign direct investment in infrastructure development, creating a sluggish market

Sri Lanka has been ranked 107 in the doing business index and several factors which are not much favourable from the point of investment have contributed to lower ranking in the index.

Lack of consistent policies, too many regulations, complex institutional structure, lengthy procedures and complicated tax structure with less transparency are the key factors which create unfavourable climate for the foreign direct investment.

The present Government which came in to power in the year 2015 has already introduced several policy and regulatory changes for the creation of a favourable climate for the foreign investors ironing out bottle necks which have hindered the attraction of investors shrinking the market.

Lot of infrastructure development projects have now been offered to be carried on the basis of public private partnership which will create more works creating a market for the local contractors, specially in the form of joint ventures ensuring their sustainability.

3.0 Efforts made according to the conditions surrounding the Construction Industry

The Construction Industry has a very complex matrix as several stakeholders are involved in playing a different role creating forward and backward linkages. The Construction Industry is the one which creates the infrastructure required by other industries to carry out their functions and operations in a productive and efficient manner contributing to over 50% of Gross Domestic fixed capital formation.

Construction Industry needs to be developed in a coherent a integrated and holistic manner catering to national development needs, driving the economic growth. Therefore Sri Lankan Government has decided to introduce the Construction Industry Development Act covering the entire spectrum of the Construction Industry in order to have a proper legislation in place to regulate, register, finalize and standardize the activities of the Construction Industry, ensuring its sustainable development.

3.1 Establishment of legal framework through the Enactment of Construction Industry Development Act No. 33 of 2014

The Construction Industry Development Act. No. 33 of 2014 was enacted by the Sri Lanka Government making provisions for development of the Construction Industry in Sri Lanka publishing rules and regulations creating a environment where all stakeholders can play their respective roles in co-ordinated, integrated and inclusive manner ensuring its sustainable growth.

3.2 National Policy on Construction

Absence of a coherent and integrated National Policy on Construction harmonizing with the other national policies had been a major drawback for the continuous upliftment and development of the Construction Industry.

Under the provisions of the Construction Industry Development Act, there is a provision for the formulation of the National Policy on construction covering all the areas relating to the construction Industry.

The Act also highlights the fact that the involvement of all the professionals within the Construction Industry including resource personnel in the field of traditional knowledge should be obtained in the formulation of National Policy on Construction.

The policy aiming at creating an efficient construction industry in Sri Lanka serving the national development needs through regulation, standardization, capacity building and facilitation have already been formulated with the involvement of all the professional bodies in construction and relevant Government Departments and Ministries. This National Policy will be submitted to the Cabinet of Ministers for approval in order to be published in the Gazette declaring the National Policy on Construction.

The Construction Industry has a very complex interactive matrix due to its role in the national economy with its span of influence in various sub sections of the economy, the various processes involved in the operations and participation of many stakeholders in its activities.

National Policy on Construction has been formulated setting eighteen policy elements to be implemented by the public and private sector ensuring the productive and efficient participation of all the stakeholders of the Construction Industry and policy elements are elaborated below :

NPC 1 - provide strategic leadership to stakeholders of the Construction Industry to stimulate sustainable growth, reforms and improvement of the Construction Industry.

- NPC 2 - regulate and monitor the activities of all stakeholders of the Construction Industry as may be prescribed from time to time.
- NPC 3 - Promote sustainable economical growth of the construction industry with special attention to the design and development of energy efficient and environmentally sustainable buildings, structures and construction practices
- NPC 4 - Promote innovation, dissemination and publication of research work on matters relating to the construction industry and its development.
- NPC 5 - Establish national standards and specifications for the construction Industry
- NPC 6 - Establish codes of conduct, practices, procedures, processes and documentations to promote good practices relating to construction industry
- NPC 7 - Enhance human capital, professionalism, efficiency and productivity of the human resource of the construction industry
- NPC 8 - Enhance occupational safety and health standards and practices in the Construction Industry
- NPC 9 - Enhance the use of Information Technology to improve efficiency and productivity of the construction industry processes
- NPC 10 - Promote access to overseas markets for Construction Companies and personnel
- NPC11 - Create an enabling environment for local and foreign investment in the construction Industry
- NPC 12 - Establish a monitoring and evaluation procedure to ensure compliance of industry practices with the National Construction Policy
- NPC13 - Promote domestic participation in foreign funded construction projects implemented by foreign contractors and consultants
- NPC 14 - Encourage private sector participation in policy development
- NPC 15 - Encourage effective management of construction projects by the industry
- NPC 16 - Establish Codes of Conduct among partners of the industry

NPC 17 - Encourage Human Resource Development in the Construction Industry

NPC 18 - Establish appropriate procurement practices in the Construction Industry

The policy was formulated in a manner, that it will establish synergy by the national policy on construction with the following related policies such as ; Educational Policy, National Housing Policy, Roads and Highway Sector Policy, Urban Development Policy, Physical Planning Policies, Power Sector Policy, Irrigation and Land Drainage Policies, Coast Conservation and Environmental Policies, Water Supply Policy / Water Shed Management Policy, Sanitation Policy, Vocational Training Policies, National Labour Policies, Disaster Management Policy, Local Government Policy, Occupational Health & Safety Policy, Investments Policy/ Economic Policy, and all other related Policies which are either presently established or shall be established at a future date.

National Policy on construction was formulated giving an emphasis on the fact that efficient Construction Industry characterized by fair play, cost effectiveness, timely delivery and quality is a critical need at present to achieve the objectives of national development in Sri Lanka.

3.3 Establishment of National Advisory Council on Construction

The Act has also made provisions for the establishment of a very high level council on construction comprising of all the ministries relevant to the subject of construction and professional bodies representing the Construction Industry.

The council is comprised of seven ex-officio members representing the ministries and fifteen members appointed by the Minister which include the 11 members representing the professional bodies and four members who have achieved eminence in the fields of construction, environmental science, labour relations and public health or occupational health.

The Ministries which are represented in the Advisory Council are as follows :

- a. Ministry of Construction
- b. Ministry of Urban Development
- c. Ministry of Highways

- d. Ministry of Water Supply and Drainage
- e. Ministry of Irrigation
- f. Ministry of Housing
- g. Ministry of Vocational and Technical Training

The professional bodies represented in the council including the appointees of the Hon Minister

- a. Construction Industry Development Authority
- b. Institution of Engineers, Sri Lanka
- c. Sri Lanka Institute of Architects
- d. Institute of Quantity Surveyors
- e. Institute of Town Planners
- f. Association of Consulting Engineers
- g. Institution of Incorporated Engineers
- h. National Construction Association of Sri Lanka
- i. Chamber of Construction Industry
- j. Institution of Engineers
- k. Four members appointed by the Minister

The objectives for which the Advisory Council is setup are mentioned below :

- a. Formulate and amend the national policy on construction and its implementation mechanism
- b. Make representations to the Minister on any need for the development of the construction industry;
- c. Advise the Minister and make recommendations on any regulation to be made under this Act;
- d. Advise and make recommendations to the Authority on strategic issues, policies and legislative proposals that may affect or which is incidental or connected with the construction industry; and
- e. Propose measures to the Authority which are necessary for the development and sustenance of the construction industry.

3.4 Establishment of a Construction Industry Development Authority (CIDA)

It was strongly felt the need of a proper institutional structure with proper powers and authority in order to facilitate and regulate all the activities relating to the Construction Industry.

The Institute for Construction Training and Development which had been functioning as a regulatory body in the Construction Industry has been transformed into a Authority giving wider mandate covering the entire spectrum of the Construction Industry.

The wider objectives for which the Authority is setup are as follows :

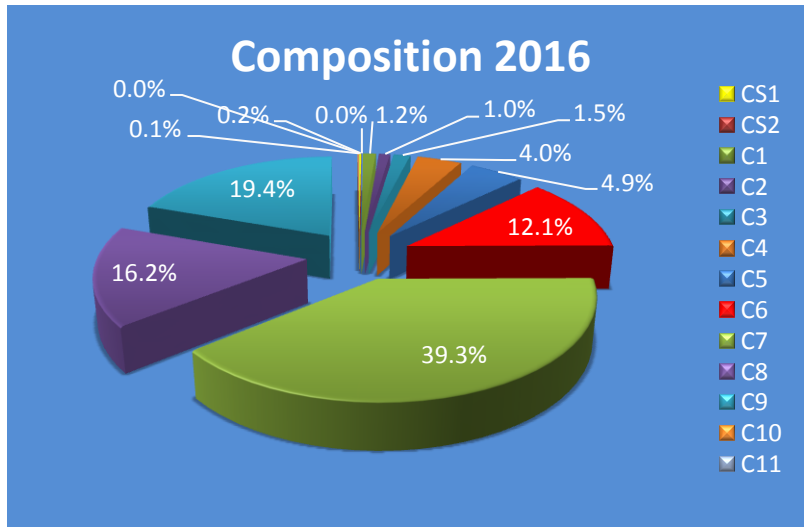
- a) To ensure the implementation of the National Policy on Construction in keeping with the directions issued by the Minister in that regard under section 3;
- b) To provide strategic leadership to the stakeholders of the construction industry to stimulate sustainable growth, reform and improvement of the construction sector;
- c) To register and renew such registration of the stakeholders of the construction industry as may be prescribed from time to time;
- d) To promote sustainable growth of the construction industry with special attention to the design and development of energy efficient buildings and structures;
- e) To promote appropriate research and dissemination and publication of research work on any matter relating to the construction industry and its development.
- f) To formulate, in construction with other relevant authorities, the standards in construction industry and categorize such standards as compulsory and voluntary standards; and
- g) To implement the codes of conduct, practices, procedures and processes and documentations relating to construction industry as being formulated by the Authority.

3.5 Establishment of a dedicated fund for the Construction Industry

The lack of funds for the capacity building of human capital, research and development and social well being of the craftsmen with the provisions of insurance and pension has been a major issue for the sustainable development of the Construction Industry.

The capacity building specially in relation to the small scale contractors who represent more than 60% of the registered contractors and construction craftsmen representing 70% of the construction workforce are extremely vital to ensure the completion of construction projects maintaining the targets in relation to the time, cost and quality.

Composition of registered Contractors



Source – Construction Industry Development Authority

Distribution of employers in the Construction Industry

Employment Category	Estimated Ratio
Professionals ¹	11.3
Technical ²	11.9
Crafts and related fields ³	70.8
Machine Operator ⁴	6.0
Total	100.0

^{1.} Includes Contractors, Administrators and Managers and all other professionals, Such as Engineers, Architects, Quantity Surveyors and Accountants

2. *Includes Technical Officers, Work Supervisors and Accountants, Draftsmen and Landscapers, Bookkeepers, etc*
3. *Includes Masons, Carpenters, Plumbers, Electricians, Steel Workers, Aluminium Workers etc.*
4. *Includes Heavy and Light Machine Operators and Mechanics*

Source : Survey of Construction Industry Enterprises, December 2006

For the purpose of establishing this fund, Act has made provisions for the imposition of the levy of cess to be called the Construction Industry Development Levy.

The levy is charged based on the value of the construction project. It is the responsibility of the client organizations to deduct the levy according to the value of construction project and remit it to Construction Industry Development Authority to be deposited in the Construction Industry Development Fund.

The fund will be dedicated to the following functions :

- a. Well being of the small scale contractors and self employed registered craftsmen
- b. Research and publication in field of related to Construction Industry
- c. Rewarding and encouraging the inventions, applications and propagation of environmentally friendly and cost efficient construction technologies
- d. Arranging long term insurance with pension benefits for craftsmen registered with the Authority who are not entitled to any other form of retirement benefits under any other law

3.6 Establishment of Construction Guarantee Fund

One of the Major issues that contractors have been experiencing is the inadequate system of financing of contractors.

Small and medium contractors always find it difficult to submit the required bonds and guarantees as per the conditions of contracts as commercial banks which normally cater to this request often issue these bonds and guarantees only against large cash margins or against collateral in the form of immovable properties considering the construction as a very high

risk activity. In order to overcome this issue of small and medium scale contractors, Government has established a “Construction Guarantee Fund” allocating a seed money of 100 million.

The Construction Guarantee Fund is presently catering to the domestic construction industry by providing necessary bonds and guarantees and other financial facilities to the construction contractors without obtaining collateral relieving the small and medium contracts of the burden of submitting a collateral for obtaining of bonds and guarantees.

The fund is managed by a trust comprising of members representing the Government and Public Sector.

The unique arrangement of the Construction Guarantee Fund is not to take collateral but treat the project as a security and stringent measures are taken to maintain the financial discipline of the project and ensure/guarantee the employer the total project performance.

The Construction Guarantee Fund charge a nominal fee as percentage of a bond value ranging from 1% - 1.75% depending on the type of bond. This system has become a great relief to the contractors specially those falling into the category of medium and small scale.

3.7 Establishment of sector council on construction

The Tertiary and Vocational Education Commission has established a sector council for different sectors comprising of leading experts who are potentially engaged in the sector, experiencing the real labour issues being experienced by the each industry. The sector council which is comprised of public sector officials and private entrepreneurs, identifies the type and number of skilled persons required and draw plans to achieve it in the form of a public private partnership in a shorter frame work.

The development of curriculum is also being carried out jointly catering to the type of skills required by the market and training programmes will also be conducted in the form of a public private partnership. In this approach, industry has to take a lead role for developing the skills required and numbers for the sustainability of the each sector.

The National Policy on Construction also spells out some policy directives on the enhancement of human capital, professionalism, efficiency and productivity of the human resources of the Construction Industry.

The major policy directives in relation to the development of human capital includes :

- i. prepare programmes to cater to manpower shortage in the industry,
- ii. improve the quality of performance of the professionals, technical officers and tradesmen,
- iii. promoting the IT use in the industry
- iv. recognition and image building of industry personnel
- v. encourage good practices and standards through codes of conduct.

The word “bass” being used in the native language for the mason and carpenter has connotation creating a social stigma which keep away the younger generation from becoming a mason or a carpenter fuelling the death of skilled manpower presently being experienced by the construction sector jeopardizing its growth momentum.

According to the Tertiary and Vocational Education Commission (TVEC) 2015 labour market information bulletin (LMIB), 65% of the unemployed population is without any vocational training. In numbers it amounted to 270,436 in that year.

3.8 Introduction of web based monitoring system of contractors to avoid cost and time overruns

The time and cost overrun of the construction projects have become very common phenomenon in the Construction Industry due to several factors. The CIDA which is mandated for the registration of construction contractors has always been criticized for the lack of performance of the contractors.

For the completion of projects according to the cost and time targets, there should be a proper understanding and co-ordination between the three main parties to the contracts, namely client, consultant and contractor.

CIDA has recently introduced a mechanism called Web Based Monitoring System and it has already delivered a positive result creating a platform for enhancing interaction among the parties concerned. The web monitoring system being operated at present will immediately surface the issues relating to the project under construction, which enable respective party to act quickly and diligently ensuring the completion of the project sticking to the original cost and time target.

4.0 Future Development for Construction Policy and Market

The Government has introduced several major long term and short term measures in order to ensure the sustainable development of the construction industry identifying its huge potential for augmenting the economic growth uplifting the lives of the people.

As global market have since shown signs of revival, private housing construction segment in Sri Lanka could rebound strongly over the next five years. Many high rise luxury apartment complex which are already under construction will be added to the residential property market within the next 5 years. The hotel and travel industry is expected to perform well in the coming years resulting in increased hotel construction opportunities. Consulting and construction companies can expect higher workload with these projects coming on stream. The main supplies of materials such as cement, aggregate, steel, ceramic product, water supply pipes, electrical cables and fittings and other materials and equipments will benefit from this workload.

The industry stakeholders, while having those opportunities will also need to gear up to meet this new demands in the short term.

The Sri Lankan economy is ready to takeoff under the new Government creating a more market opportunities for the investors and suppliers. Several mega development projects including port city and Western megapolis development are in the offing creating a market for more investment opportunities in the forms of Design and Built and Build Operate and Transfer (BOT)

A new innovations in the field of construction have pushed the boundaries of the Construction Industry creating more opportunities shifting the traditional markets.

Advocating for new building materials and technologies which exceed the requirement of sustainability are more apparent and audible. The less labour intensive technologies are getting increasingly popular as a shortage of skilled labour threatens the sustainability of the Construction Industry.

5.0 Conclusion

The Construction Industry is rapidly transforming due to the technological innovations and advancements making the future predictions very challenging and blurred.

The use of information technology in design and process development has elevated the Construction Industry into new heights increasing the productivity and efficiency.

The technological innovations may lead to the finding of solutions for the issues which industry has been facing for many decades retarding its sustainable development and growth.

The technological innovations revolutionize the Construction Industry pushing its boundaries creating more market opportunities for investors and developers.

The issues that most Asian Countries are experiencing at present are somewhat similar as world is becoming increasingly shrunk due to unprecedented advancements of science and information technology.

The boundaries separating the countries which were once very dominant are becoming unclear making a whole Asia, one community.

The Construct Asia which creates a platform for sharing of knowledge and experience will ensure building up of networks facilitating continuous and increased dialogue, leading to the creation of sustainable construction industry for Asia and globe.

National Policy on Construction

- ❖ National Policy on Construction has been formulated setting eighteen policy elements to be implemented by the public and private sector ensuring the productive and efficient participation of all the stakeholders of the Construction Industry.
- ❖ Policy will provide the strategic direction and integrated and cohesive approach ensuring the increased participation of all stake holders ensuring inclusive growth of the Construction Industry.
- ❖ Policy consists of eighteen policy elements which cover the entire spectrum of the construction industry.

Establishment of the Construction Industry Development Authority

It was strongly felt the need of a proper institutional structure with proper powers and authority in order to facilitate and regulate all the activities relating to the Construction Industry.

Authority has been given wider powers to regulate , standardize and uplift the construction industry covering all aspect of construction ensuring its sustainable growth

Establishment of a dedicated fund for the Construction Industry

- ❖ The act has made provisions for the imposition of the levy to be called construction industry Development Levy
- ❖ The levy is based on the value of the construction projects and client will deduct it at the time of settling the bills and send it to the Authority
- ❖ The fund so collected will be invested for the development of the Industry and the main areas where fund will be spent is also elaborated in the Act

Establishment of the National Advisory Council on Construction

Powerful body comprising of all the Ministries involved in construction and Professional bodies representing the construction industry

The objectives for which the Advisory Council is setup are mentioned below :

- ❖ Formulate and amend the national policy on construction and its implementation mechanism
- ❖ Make representations to the Minister on any need for the development of the construction industry
- ❖ Advise the Minister and make recommendations on any regulation to be made under this Act
- ❖ Advise and make recommendations to the Authority on strategic issues, policies and legislative proposals that may affect or which is incidental or connected with the construction industry

Construction Industry Development Fund will facilitate the implementation of following :

- ❖ Well being of the small scale contractors and self employed registered craftsmen
- ❖ Research and publication in field of related to Construction Industry
- ❖ Rewarding and encouraging the inventions, applications and propagation of environmentally friendly and cost efficient construction technologies
- ❖ Arranging long term insurance with pension benefits for craftsmen registered with the Authority who are not entitled to any other form of retirement benefits under any other law

Establishment of sector council on Construction



The sector council which is comprised of public sector officials and private entrepreneurs, identifies the type and number of skilled persons required and draw plans to achieve it in the form of a public private partnership in a shorter frame work.

In this approach Industry has to take a lead role for developing the skill and numbers required for the sustainable construction Industry

Driven more by the private sector identifying the type and level of skills required to implement the projects ensuring the productivity enhancement and efficient delivery meeting the targets relation to cost time and quality

Recommendations to develop Human Resource Capabilities and Capacities in the Construction Industry

Promote and Enforce Use of Skilled Labour

- The Government of Sri Lanka has recently enacted a new Act of Construction Industry Development.
- Under the provisions of this Act all the construction craftsmen working in the field of construction should have the Identity Cards indicating their levels of competency and skills.
- Those Craftsmen who have been in the field without any formal vocational training, obtain these Identity Cards proving their skills at the assessment conducted by the Construction Industry Development Authority (CIDA) under the RPL assessment system.
- NVQ qualifications will be made mandatory for the craftsmen going abroad to work as construction craftsmen.

Training of Craftsmen (Mason) on site to bridge gap between supply and demand



Technology & Research Promotion

- **As Per CID Act part III, 13 (30)**
- Sri Lankan Construction Industry, for many years has been relying on traditional technologies comprised of conservative construction methods and materials. However, it is required to develop and innovate new technologies to obtain higher productivity, while mitigating negative environmental impacts and reducing high construction costs.
- Development of policy recommendation document on Alternative for River Sand;

Task force established by the Ministry to ensure the speedy implementation of the recommendations .
Report of the Task force is being prepared.
- **Promoting of Research**
- Research Council was established, with members of NSF, NBRO,NERDC,NCASL,CCI,IDB,SLIA,IESL,IQSL,UOM, UOP, UOR, UOJ, COSTI.
- Two Brain Storming sessions were conducted & research requirements of Construction Industry were identified.
- A decision taken to collect available research papers already published for converting into commercial viable products /processes.



4. Registration of Construction Materials & Component Suppliers

Documents Prepared (Materials & Component Suppliers)

Complete set of documents require for commencing Material Suppliers registration has been compiled, as per Act part VI,43)

Registration of Construction Material and Suppliers programme will commence soon ensuring the quality of materials at market as the market is flooded with low quality materials

Initially registration will be done for identified set of materials.



2. National Construction Industry Information System (NCIIS)



(web portal of Information Secretarial established or per the CID Act. Part XI- 55)

Completed the process of design NCIIS

- To establish Collecting data mechanism for processing/ to publish gazette notification.

ABOUT NCIIS CONSTRUCTION INDUSTRY POLICIES CONSTRUCTION INDUSTRY DEMAND NEWS FAQ CONTACT US Admin

சிறப்பு அறிவு

 **NATIONAL CONSTRUCTION INDUSTRY INFORMATION SYSTEM** NCIIS 

Notice Board [Training Programme on Pricing of BOQ Rate Analysis commnets from 10th may 2015](#) - Tuesday, 03 June 2014 08:39 [Seminar](#)

Home


eCIR- Construction industry Registration

eCID - Construction Industry Directory

eLEAD - Construction Industry Opportunities

eTENDER - Construction Industry Tenders

ePROJECTS - Construction




INDUSTRY POLICIES
Policies and challenges facing the

INDUSTRY DEMAND
Construction sector underpins Sri

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 **NCIIS**

Future Development for Construction Policy and Market

The Sri Lankan economy is ready to takeoff under the new Government creating a more market opportunities for the investors and suppliers. Several mega development projects including port city and Western megapolis development are in the offing creating a market for more investment opportunities in the forms of Design and Built and Build Operate and Transfer (BOT)

The technological innovations revolutionize the Construction Industry pushing its boundaries creating more market opportunities for investors and developers

The issues that most Asian Countries are experiencing at present are somewhat similar as world is becoming increasingly shrunk due to unprecedented advancements of science and information technology.

The boundaries separating the countries which were once very dominant are becoming blurred making a whole Asia, one community.

The Construct Asia which creates a platform for sharing of knowledge and experience will ensure building up of networks facilitating continuous and increased dialogue, leading to the creation of sustainable construction industry for Asia and globe.

Thank you.