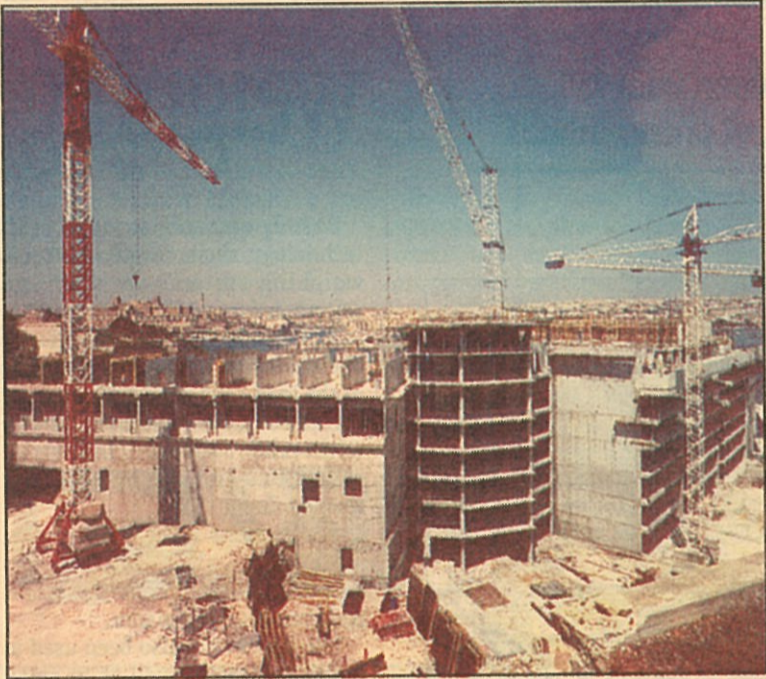


BUILDING & CONSTRUCTION

The modern drift in the construction industry

Unless the construction industry is given immediate attention by both the government and private sector, we will find ourselves at a great disadvantage when Malta joins the EU, says Mr Angelo Xuereb, chairman of the AX Holdings Group of Companies.



The work on the Grand Hotel Exelsior was undertaken on a project management approach, where quality and cost were given particular and continuous attention, thus ensuring completion of this project.

The construction industry has for many years been the backbone of Malta's economy and the barometer of its economic well-being. However it is regrettable to note that the industry is not being given the necessary attention it deserves neither from the Government nor from the public sector. This industry is passing through a phase of apprehension and is facing numerous shortcomings. What is frustrating though is the fact that we have become accustomed to these infirmities, and that people in the trade have learnt to accept this as part of their everyday routine.

Although the construction industry is a very vigorous industry, especially since other trades are directly related to it, it is treated with little or no strategy at all.

This is specially evidenced by the fact that in Malta we have a gap between top management and labourers. No formal training was ever available for the preparation of skilled labourers to become foremen or middle managers who will eventually be responsible for project management, thus ensuring for the smooth running of a construction site in line with international and quality standards.

The result is that while some foremen and middle managers are promoted through the ranks from the labour force, qualified engineers are often appointed to carry out this role, simply because there is not other alternative. Apart from being expensive, engineers in most cases are not the right candidates since they lack hands-on experience.

To further complicate matters, since the standard of living over the past years has improved considerably, many workers from the construction industry have

opted for less strenuous jobs thus leaving a shortage in availability of resources.

Therefore, unless this situation is remedied immediately we are going to be in a great disadvantage when Malta joins the European Union. Due to this factor local companies have already lost on major projects to foreign contractors. One need only mention the San Raffaele Hospital and the new power station to understand the extent of this problematic situation.

What is regrettable to say however is that while we are prepared to pay international companies large sums of money for their services, the same cannot be said with respect to the local construction companies. This attitude is definitely not helping the industry to prepare for our accession to the European Union.

So, what are we to do?

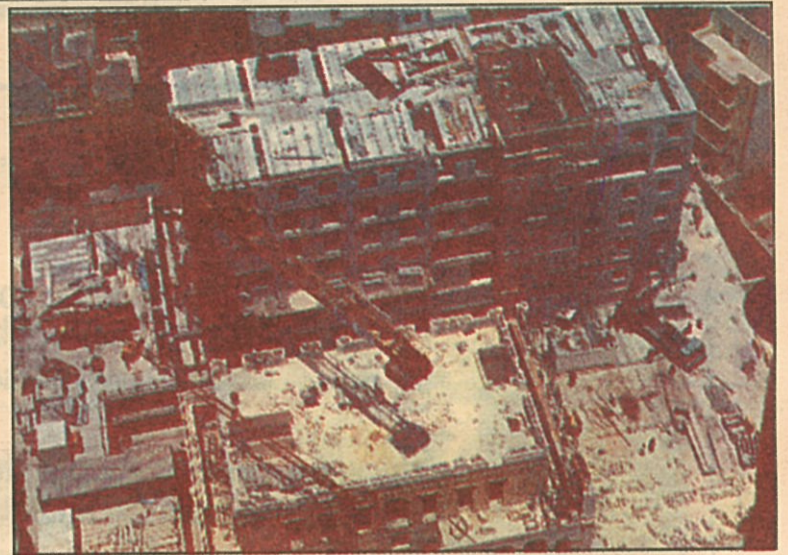
For the past five years the Malta Federation of Industry has been asking the Government to introduce a contractors classification, depending mainly on the contractor's past experience, performance, quality of work, organisation's size and capabilities, equipment availability, back up support and other similar factors. This classification which should be established and continuously monitored and revised by an independent and qualified body, will allow the Government or developer to identify those contractors who qualify for a job, thus setting a standard to which everyone will comply.

By introducing these categories, all parties concerned, be client, architect or contractor will have means to assess and understand better the implications of any project or contract, giving everyone a better idea as to what one can expect as a final product. Getting back onto labour shortage, I do not think that by joining the European Union this issue will be resolved.

Bringing in labour from the EU will mean a considerable increase in cost, which will indirectly effect housing and real estate prices. It is imperative that once we join the EU, this issue is given its due attention, otherwise we will put ourselves in an awkward position where most Maltese couples will not be able to afford their own property, at least not until late in their lives.

In order to solve the shortage of labour but retain competitiveness, the Government should allow foreign skilled labourers to work for specific contracts and projects. By doing so the Maltese labourer will acquire the necessary training and knowledge through a transfer of skills.

This will give local companies the opportunity to adjust to the international norms, and the chance to prepare for a much more demanding and quality driven international marketplace. Once this is in operation, Maltese contractors,



An aerial view of the Capua Health Centre in Sliema

either by themselves or in joint ventures with other construction companies will be able to compete and tender for projects on an international level.

The Maltese have already proved

themselves that, when given the necessary tools, ambience, and the possibility to compete on an equal footing, they are capable of being successful even on the international sphere.



A group of workers are loaded onto a basket and lifts by a crane up in the air as they are being sent to the ground from the 85th floor of an under-construction building in Bangkok last Saturday. The 85-floor building, comprising hotel, wholesale and retail shopping centres and theatres, will be the country's tallest when is completed in mid-1997.

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