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Come together

by Conrad Egbert on Dec 18, 2009

ConstructionWEEK



SALEH MURADWEIJ

In the midst of all the negative news coming out of the region, *CW* sat down with a select group of key decision makers in its second Roundtable event, and found that faith in the region's construction industry still exists

Discussion Panel

SALEH MURADWEIJ

Executive Director, Gulf Technical Construction Company (GTCC) has over 20 years of professional experience throughout the GCC and the Levant. He is also a member on the Drake & Scull International Board of Directors.

ANDREW BRODERICK

Head of Health, Safety Security & Environment, Aldar Properties, has been working in HSE for the past 18 years in various industries. He is also the official Build Safe UAE spokesperson in Abu Dhabi.

LOIC FINLAN

Building Physicist, KEO International Consultants has spent the last 12 years working in Europe, Asia and the Middle East on town planning, infrastructure and building projects. He joined KEO from Arup where he was head of energy strategy.

ROBERT PERKINS

President & CEO, QP International Project Management, has a BSc in engineering and accounting from the University of North Carolina and has 35 years of experience.

NABIL MANGO

Executive Vice President & COO, has over 28 years of experience within the industry both as a contractor and a consultant. He holds a BSC in civil engineering and construction.

NIZAR EL YAFI

Vice President, Pre-Construction & Business Development has a Bachelors in Architecture from Cairo and has 32 years behind him in consultancy and PM.

The Future

What are your future plans?

Robert Perkins: We see in the next six months or so, work coming out of the government, than anything else – infrastructure work, facilities they'd need for their own developments; that's our focus right now.

Saleh Muradweij: We started and will always be in Dubai, however, we have recognised the potential for work coming from outside Dubai, not just recently, but in the past two years. We are currently focusing on Abu Dhabi and negotiating a lot of projects with the Saudi government. There is more work than contractors can handle in Saudi. Over the next 4 or 5 years we will be heavily involved in Saudi.

Is everyone heading to Saudi?

Andrew Broderick: No. We've got a lot of government projects coming up right here in Abu Dhabi. A lot of work can be expected out of Abu Dhabi in the coming few months.

How are you spreading your risk?

Perkins: We're spreading our risk by changing our focus from one client to multiple clients; multiple markets as well. It makes more business sense.

Muradweij: There is more work in infrastructure than in commercial or residential in the region.

Infrastructure will remain a focus for countries who do not plan to expand in the real estate sector also. We've also diversified into areas including waste water treatment. Diversity is a must to maintain growth.

Nizar Al Yafi: Yesterday we won two jobs, one in Dubai for project management and another in Ras Al Khaimah. We are not leaving Dubai. It had a little problem, but it will be solved. If we get work in Dubai, we'll take it.

Nabil Mango: But those projects are belonging to the Abu Dhabi government. Perkins: The challenges for people in the region are not just looking for investment opportunities, they're going to look for viable projects that have a good feasibility and will pay back, and that is what we're trying to identify.

Muradweij: Earlier Dubai was concentrating on building places and now they're focusing on infrastructure work to feed these places. There is still ample work in Dubai.

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But would you work if you're not paid?

Muradweij: I think Dubai is very committed to their contractors and to their projects. It's just a matter of restructuring payments and I'm sure it will fulfill its obligations.

Mango: What about the private sector?

Muradweij: The private sector is a different issue. The private sector is supply and demand. The government doesn't look at supply and demand. The government looks at developing its cultural and hospitals, schooling which is part of the infrastructure.

Mango: So most opportunities that are available in Dubai are government works and not private work.

We have observed that most of the investors, contractors are coming out of Dubai and seeking work in Abu Dhabi. Last year we couldn't find contractors; now we have them in the hundreds. It's the opposite of last year.

Perkins: Last year we put a project out to tender to 30 contractors and we got back only 3 bids and this was a 200 million dollar project, so it's changed a lot.

Mango: There is more work available in Abu Dhabi now than there is in Dubai.

Broderick: It's just a fact isn't it?

Mango: Yes and that is why everybody is coming to Abu Dhabi.

Broderick: I'm part of the Aldar prequalification team and even before the crunch, everybody was saying we're shifting our focus to Abu Dhabi. And it wasn't just one, it was the same speech of every contractor, project manager, engineer and landscape gardener saying they were focusing on Abu Dhabi.

Mango: The boom started last year or even the year before in Abu Dhabi. You can see it in the amount of people, the traffic jams, everywhere.

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Health & Safety

How good is HSE in the region?

Broderick: It's coming up in leaps and bounds in Abu Dhabi. I'm very pleased with the progress. Four years ago, when I started out in my current role, most health and safety procedures weren't in place. The laws existed but nothing was enforced, so Aldar on its own enforced these laws on our contractors, project managers and other people working with us, and now it's working really well.

Are HSE clauses included in contracts?

Broderick: That's one of the first things I did with Aldar, to put it in the contracts. So everybody now has a copy of the Aldar HSE policy and they must follow it and they must also have their own.

Is this practiced across the board?

Perkins: That's what we do. Project safety is one of the first topics in our monthly report. We have a safety policy and we try to see that contractors have one too.

Broderick: Another issue that is important is worker welfare. We have some of the best labour camps in the region. It's not much to give the workers a warm meal during lunch time, make them happy; at the end of the day, their productivity goes up and you get more out of them; it's beneficial for everyone.

Is there a list of good and bad firms?

Perkins: We have a prequalification procedure and one of the things we check is the safety record of companies. But I don't think it's right to disqualify a contractor based on something that happened in the past due to bad project management.

So HSE falls on project management?

Perkins: Well, we have a responsibility for the entire project but it's the contractor's project manager that is the one who will make or break safety standards.

Broderick: We've got the same contractor working on different projects and their standards are completely different. It boils down to the contractor's PM and their commitment to HSE.

Muradweij: But that commitment represents the company's commitment, so you can't just say that the PM is responsible for HSE. The company has to share responsibility for that too. It's a culture of HSE we're trying to build here.

Yes, the whole region is not very HSE oriented but we've come a long way and now the UAE is very conscious of it.

Sustainability

Are people serious about going green?

Loic Finlan: There is a big focus on sustainability in the region and there are many reasons for the industry to embrace it. There are also many reasons why so many people still shy away from it, including misconceptions about costs. Green building mainly depends on commitment. If you want to do it, you will find the means and ways of doing it. For example Atkins Bahrain world Trade Centre is an example of this commitment. They're making money out of it and the reputation of the company and Bahrain has been enhanced by it.

People seem happy to just comply.

Perkins: You've got a lot of investments to be made for business return so investors are concerned about the cost, but I think with the world focus on energy and water, there will be more technologies coming on board that will make sustainability a no brainer.

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Human Resources

Is anyone hiring?

Finalan: We're heavily involved in many projects in Abu Dhabi at the moment and we're looking for people.

Perkins: We've just been awarded a couple of projects so we're hiring too.

Mango: We're going to be hiring a lot of people next year in January.

Muradweij: Due to diversification, we are also looking at hiring in Saudi Arabia, Abu Dhabi, Jordan, Libya and Egypt. There are a lot of quality people coming out of the crisis who are looking for jobs.

Contracts

Can we expect new forms of contracts?

Muradweij: We always follow the Fidic contracts that are adjusted to suit our needs. So I don't think we're going to see much of a change in the future.

But we're already doing all of this.

Payments

Are you going down the legal route?

Muradweij: I think these times are difficult for both the client and the contractor. It doesn't really make sense to go the legal way. If the client doesn't have money, common sense would call for other means to get paid.

Perkins: If you go down the legal way you may get a judgment, but then what?

Mango: But what if contractors aren't paid and it leads to their bankruptcy?

Muradweij: Well we as Drake & Scull are doing what we think is the best way and going down the legal route is not a favourable option for us.