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BUMIPUTRA PARTICIPATION
IN
CONSTRUCTION INDUSTRY

1446

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IN

PARTIAL FULFILLMENT OF THE
BUSINESS RESEARCH

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PREFACE

This report is prepared as part of measuring of the ability of the graduating students in writing report by applying the proper techniques. Besides that it also give the students some experience in organising material as large scale.

Besides that it is also to expose the student to the business enviroment in which report writting is one of the main tasks. As far as our group is concerned we have chosen the topic of " BUMIPUTRA PARTICIPATION IN CONSTRUCTION INDUSTRY" with a special focus on Syarikat Mohd Haji Sirat Binaan Sdn.Bhd.

Our main objectives of writing this report are:-

- 1) To examine to what extend the Bumiputra participation in Construction Industry.
- 2) To find out to what extend the role of the government and it agencies in helping Bumiputra Contractors
- 3) To find out the major problems faced by the Bumiputra Contractors participation in the Construction Industry.

SECTION A

CHAPTER I

A. INTRODUCTION

At present construction industry in term of number hold the largest major industry in Malaysia. There are about 3,000 constructions companies through out the country. With 51,702 worker is all levels. The reasons may be, firstly because the capital required to open a construction company is small if compare to other types of company. The capital may consists of equipments building materials and basis requirements to commence activities. Secoundly the contractors only have small numbers of workers, so they enable to bare the cost and expenses of the workers. Thirdly they only have limited inventory and sometime without any inventory.

For the period 1964 - 1970, Gross National Product (GNP) in the contraction sector has increased by 34% on 4.2% yearly. In the works point of view, number of people involved in major project i.e. \$100,000 upwards has increased by 42% in the same period. According to Statistic Deparment till 1970 there were 51072 workers in all categories, consists of 47.8% were semiskilled workers 42.4% skilled workers 2.5% were in the management level. In the table below shows the categories of Constraction Workers till 1970.

Table 1

<u>Categories</u>	<u>Constraction</u>				<u>Total</u>
	<u>Constraction in own place</u>	<u>Constraction not in own place</u>	<u>Special Works</u>	<u>Craffmen Shop</u>	
1. Self employed	320	366	181	165	1,132
2. Management level	293	296	317	380	1,026
3. Clerical & related workers	850	725	572	559	2,796
4. Skilled workers	7,819	6,257	3,872	3,641	21,859
5. Unskilled workers	7,775	8,843	5,757	2,374	24,719
Total	<u>17,057</u>	<u>16,487</u>	<u>10,699</u>	<u>7,119</u>	<u>51,702</u>

CHAPTER TWO

II / A) IMPORTANCE AND ROLE OF CONSTRUCTION INDUSTRY IN
NATION ECONOMIC

The Government budget reserve for construction activities is increasing from one year to another. Roughly about 75% of our country yearly budget in government and private sector is used through construction purposes. In the first place we would like to touch on the role of Construction Industry in nation economic from 1970 to 1975. Firstly construction sector involved in increasing the fixed asset such as building included new construction works, renovation and repairs. Construction Industry is very important in the nation development strategy because implementation of infrastructure and other public works is very vital in economic activities and involved directly in increasing fixed assets. As a result construction activities are implemented in various economic sectors.

Gross Domestic Product (GNP) in construction sector interm of fixed price has increased to 8.1% for the period of 1970 - 1975. Compare to Gross Domestic Product generally that was 7.4% for the same period. Consequently construction sector (GNP), has increased from \$481 million (4.5%) in 1970 to \$711 million (6.6%) in 1975. This could be shown in the Table 2

Table 2

Construction Sector in Nation Economic 1970 - 75

YEAR	Gross Domestic Product in Cont. Ind. according to 1970 Cost.		CONSTRUCTION		
	\$	% of yearly increase	% GDP according to cost factor	Workin West Malaysia	
				000	% of total work
1970	481	-	4.5	91	2.7
1971	544	13.1	5.1	108.	2.9
1972	569	4.6	5.3	-	-
1973	631	10.9	5.9	91.4	2.3
1974	667	7.3	6.3	101.4	2.6
1975	711	5.0	6.6	113.	2.9
1970-1975	-	8.1	4.5	-	2.6