

Tender Systems and Processes within the Mauritian Construction Industry: Investigating the Predominance of International Firms and the Lack of Absorptive Capacity in Local Firms

Authors : K. Appasamy, P. Paul

Abstract : Mauritius, a developing small-island-state, is facing a recession which is having a considerable economic impact particularly on its construction sector. Further, the presence of foreign entities, both as companies and workers, within this sector is creating a very competitive environment for local firms. This study investigates the key drivers that allow foreign firms to participate in this sector, in particular looking at the international and local tender processes, and the capacity of local industry to participate. This study also looks at how the current set up may hinder the latter's involvement. The methodology used included qualitative semi-structured interviews conducted with established foreign companies, local companies, and public bodies. Study findings indicate: there is an adequate availability of professional skills and expertise within the Mauritian construction industry but a lack of skilled labour especially at the operative level; projects awarded to foreign firms are either due to their uniqueness and hence lack of local knowledge, or due to foreign firms having lower tender bids; tendering systems and processes are weak, including monitoring and enforcement, which encourages corruption and favouritism; a high level of ignorance of this sector's characteristics and opportunities exists amongst the local population; local entities are very profit oriented and have short term strategies that discourage long term investment in workforce training and development; but most importantly, stakeholders do not grasp the importance of encouraging youngsters to join this sector, they have no long term vision, and there is a lack of mutual involvement and collaboration between them. Although local industry is highly competent, qualified and experienced, the tendering and procurement systems in Mauritius are not conducive enough to allow for effective strategic planning and an equitable allocation of projects during an economic downturn so that the broadest spread of stakeholders' benefit. It is of utmost importance that all sector and government entities collaborate to formulate strategies and reforms on tender processes and capacity building to ensure fairness and continuous growth of this sector in Mauritius.

Keywords : construction industry, tender process, international firms, local capacity, Mauritius

Conference Title : ICCCE 2016 : International Conference on Construction and Civil Engineering

Conference Location : London, United Kingdom

Conference Dates : February 25-26, 2016