

Press Release

Hon'ble Governor of Tamil Nadu Thiru. Banwarilal Purohit at the Construction Industry Awards 2017 On 29.04.2018

Hon'ble Governor of Tamil Nadu Thiru. Banwarilal Purohit at the Construction Industry Award being organized by the Construction Academy and its being supported by the magazine 'Kattumaana Thozhil' which is published in Tamil.

The construction industry is one of the pillars of our economy. It is the second largest industry in India next only to agriculture. Accounting for eight per cent of India's GDP and employing around 40 million workers, the industry is expected to grow to the level of \$ ½ trillion by the end of 2020. The Foreign Direct Investment in the industry has also been quite substantial namely in the development of infrastructure, township projects and in the manufacture of material inputs such as cement etc. With India is emerging as regional hub in the eastern part of the globe for many industries in the manufacturing and services sectors, the level of Foreign Direct Investment is expected to grow manifold in the coming years.

The significance of the industry apart from its contribution to the size of the economy also lies in the enormous employment opportunities that it makes available for unskilled and untrained people coming into urban areas from the rural areas and the boost to their income that it provides. As is always said, food, clothing and shelter are the basic needs of any society. In that respect, the farmer, weaver and the construction industry play a vital role in fulfilling the essential needs of the common people.

There have been tremendous advancements in the construction industry. I remember the periods of the 60s and 70s when most of the construction works were carried out by the State owned enterprises of Government departments. The structures were mostly of one or two storeys and were simple in design and construction. The involvement of the private sector in the construction industry and the development of public-private partnerships and mechanisms such as Build Operate and Transfer (BOT) have resulted in the construction industry witnessing a sea change. Today the industry comprises of 200 firms in the corporate sector. Besides this there are about 1 ½ lakh registered contractors of Class A category. The number of small contractors and sub-contractors is innumerable.

India with its large population and unprecedented levels of migration to the urban areas will depend upon the construction industry in a big way in the coming years. For this, the industry will have to gear up itself by modernising its technologies, modes of labour management and dealings with the customers and clients so as to create more confidence in their minds. In short, the construction industry should gain greater credibility in the minds of the clients and the workers. I do agree that for all this, the industry requires a lot of support.

In the Budget for 2018, the Central Government has laid a lot of emphasis on infrastructure development. The higher allocations for the infrastructure segment will not only aid the construction industry but also enable the growth of many supporting industries such as the manufacture of cement, metals, building materials, etc. The spin-off effects as a result of the growth of the construction industry are tremendous.

Huge amounts of money have been allocated in the budget for railway projects and particularly for rural infrastructure. Following the footsteps of the Union Budget, many

States have also provided large allocations for infrastructure development, irrigation projects, etc. There is therefore sufficient impetus to propel the construction industry forward.

Affordability of housing continues to be a major challenge for the industry. The construction industry has the argument that the input costs, particularly the cost of land has to be lower if the cost of apartments has to be reduced. The buyers feel that the increase in the prices of apartments in important and big cities has galloped far beyond their capacities and has thus become unaffordable. The right balance has to be struck. The drive against corruption, tax evasion and black money has resulted in the price of land going down in many cities in India. I am sure that this is going to help the construction industry substantially. They should reciprocate by lowering the prices of flats and apartments so as to make it affordable for the common man. With the large increase in the growth rates of economy and in the level of disposable incomes, the common man is now willing to borrow from banks to fund the purchase of apartments/flats. India is in a buoyant mood.

The State Governments can particularly help the construction industry by simplifying the procedures for layout approvals and building plan approvals. Corruption should be crushed with an iron hand and there should be transparency in the submission and clearance of applications using the benefit of the online mode. Delays in clearing projects can also be avoided if awareness of town planning and building plan approval rules is improved among the buyers and construction companies. The need of the hour is transparency and faster clearance of projects.

Members of the construction industry should look for construction material which is easy to access, affordable in cost and facilitates quick execution. Only then can we fulfil the dream of providing houses to all the houseless people of India.

I have gone around various districts and I am particularly impressed by the enormous attention paid to the construction of houses under the Pradhan Mantri Awas Yojana. As a novel measure, the Tamil Nadu government is contributing resources generously, under the centrally sponsored scheme of Pradhan Mantri Awas Yojana. Hence the houses that are built are more sturdy and last longer. The cost of the house is about Rs.1.7 lakhs, out of which Rs. 98,000/- is provided by the State Government alone. Measures such as this will go a long way towards providing houses to the underprivileged people in the rural areas.

India has the largest scientific manpower in the world and Tamil Nadu accounts for the bulk of the engineers who pass out every year. These engineers and architects should pursue technologies and methods that are eco-friendly such as harnessing solar power for fulfilling the energy needs. This will help to reduce pollution and lead to healthier living conditions. There need to be large scale adoption of measures for ensuring optimal utilisation of water and for recycling waste water and for solid waste management. Projects designed for the common people in urban areas should take into account all of the above to ensure that cities such as Chennai, Coimbatore, Trichy and Madurai do not have populations unsupported by civic infrastructure.

I am sure the leaders of the industry are aware of these issues and are closely looking for solutions to solve for the problem. Some of them are being honoured today. I congratulate the award winners and call upon all those engaged in the construction industry to address themselves to the issue of solving the problem of housing shortage for the common

men so that the needs of providing shelter for every family in Tamil Nadu are fully taken care of.

Raj Bhavan, Chennai

29.04.2018

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