

## **Abstract**

The objectives of the 2009 Economic Survey of Construction Industry in Taiwan were to collect data on revenue and expenditures, value of completed construction work, value of materials used, tangible assets and inventory changes of the construction industry. The population of the survey included all R.O.C. Comprehensive Construction Companies, Specialty Construction Companies and Civil Engineering Contractors which registered with the supervisory organization and continued to do business at the end of 2009. The survey period covered from January 1, 2009 through December 31, 2009. Stratified random sampling was used to select samples and face to face interviews were conducted. 2,487 samples were interviewed. The survey results are summarized as follows:

1. There were 13,615 construction companies at the end of 2009, an increased of 287 from the year 2008 (13,328).
2. The number of employees in the construction industry was around 138,261, not much different from that of the year 2008 (138,341). 52.4% of the total employees were blue collar workers (skilled and unskilled workers) and 44.4 were white collar (technical professionals, supervisors and assistances). In addition, most often, there were 10,777 dispatched laborers per month.
3. The 2009 annual expenditures on labor costs in the construction industry amounted to NT\$85,307,286,000, not much different from that of the year 2008 (NT\$83,099,467,000). The average 2009 annual expenditures on labor costs per specialty construction company was the highest in every grade, NT\$38,740,000.
4. The 2009 total revenue of the construction industry was NT\$522,849,678,000, not much different from that of the year 2008 (NT\$554,808,898,000). Among the total revenue, NT\$510,969,474,000 was the business revenue (excluding subcontracting cost), accounted for 97.7% of the total revenue. Grade A Comprehensive Construction Companies had the highest total revenue among the different grades of construction companies, accounted for 60.2% of the total revenue of the industry.
5. The 2009 annual total expenditures of the construction industry were NT \$496,935,854,000, less than that of the year 2008 (\$560,070,365,000). The business expenditures were NT \$488,698,224,000, accounted for 98.3% of the total expenditures. Grade A Comprehensive Construction Companies had the largest total expenditures

among the different grades of construction companies, accounted for 61.0% of the total expenditures of the industry.

6. The net value of actual assets in operation in the construction industry at the end of 2009 was NT\$1,206,270,448,000, less than that of the year 2008 (NT\$1,317,537,508,000). The current assets accounting for 77.1% was the highest ratio of the net value of actual assets in operation. Grade A Comprehensive Construction Companies accounted for 75.5%, the highest proportion of the net value of actual assets in operation of the industry.
7. The 2009 annual total value of production was NT\$580,218,140,000. Among the 2009 annual total value of production, NT\$547,004,713,000 was the revenue (excluding subcontracting cost of the investigation objects) from construction contracts accounted for 94.3% of the 2009 annual total value of production. However, the revenue from construction contracts accounted for 89.8% and 91.0% of the total value of production for the specialty Construction Companies and Grade B Comprehensive Construction Companies respectively, compared with 94% and above for other grades of construction companies.
8. The total area of the land used by the construction industry at the end of 2009 was 1,349,578 square meters. The average area of the land used by each company was 99.1 square meters and average area of land used by each employee was 9.8 square meters.
9. The total floor area of the buildings used by the construction industry was 1,483,759 square meters at the end of 2009. The average floor area of buildings used by each company was 109.0 square meters and used by each employee was 10.7 square meters.
10. The 2009 annual total value of construction work (including direct construction revenue, estimated value of materials provided by owners or other construction companies) was NT\$589,268,791,000. The Grade A Comprehensive Construction Companies accounted for the highest proportion (62.4%) of it.
11. The total revenue of all direct construction work was NT\$567,576,234,000. Among the total the revenue, 38.0% were from public work construction and 22.6% from residential construction.
12. The 2009 annual actual value of materials used by the construction industry was NT\$320,919,363,000, decreased from the year 2008 (NT\$375,074,252,000). Among the 2009 annual actual value of materials used, 93.2 % were purchased by construction companies themselves and 6.8% were provided by owners and construction partners. The

average annual actual value of materials used per company was NT\$23,571,015.

13. The total stock and unused materials of the construction industry at the end of 2009 was NT\$498,775,984,000. The stock turnover rate for the construction industry was 88.8% which increased from the year 2008 (85.2%).
14. The 2009 annual total amount of liabilities and net worth was NT\$1,127,389,908,000 with 74.6% liabilities and 25.4% net worth. The average amount of liabilities and net-worth per company was NT\$82,804,988.
15. As for the 2009 annual financial structure of the construction industry, liquidity ratio was 121.3% ; the liability ratio was 74.6% ; the fixed assets adequacy ratio was 26.7% ; the self-capital ratio was 25.4% ; Shareholders' equity accounted for 99.2% of Paid-in capital. Comparing with 2008, the liability ratio decreased from 77.9 % to 74.6% and the self-capital ratio increased from 22.1% to 25.4%, while other items were not much different from that of the year 2008. (The more the liquid asset the higher than the liquid liability, the better ability for a company to pay off short term liability. Liability ratio is used to measure the ratio of total liabilities to the total assets; the higher the liability ratio the more the risks of a company. The higher the self-capital ratio the larger portion of the capital provided by stockholders, hence, the stronger capital structure.)
16. The 2009 annual net profit margin of the construction industry was 4.3%, increased from 2.4% of the year 2008.
17. The 2009 annual total asset turnover rate for the construction industry was 45.3% which increased slightly from the year 2008 (43.3%). And the total asset turnover rate decreased when the net value of actual assets in operation amount increased.
18. The 2009 annual labor facility rate for the construction industry was NT\$ 8,725,000 which was less than that of the year 2008 (NT\$ 9,524,000). The labor facility rate of Grade A Comprehensive Construction Companies was NT\$17,928,000 which was much more than other grades of construction companies.
19. The 2009 annual labor productivity for the construction industry was NT\$4,197,000. The Grade A Comprehensive Construction Companies had the top labor productivity in the whole construction industry.
20. The 2009 annual total value of production on every dollar spent in labor cost for the construction industry was NT\$6.8, and for the Grade A Comprehensive Construction

Companies was NT\$7.5, the highest position of the construction industry.

21. The capital composition of the construction industry for the year of 2009 was not much different from that of 2008. The 2009 annual self-owned assets accounted for 93.5% of the actual assets in operation for the construction industry, not much different from that of the year 2008(95.0%).
22. The 2009 annual capital productivity for the construction industry was 48.1%. The higher the construction company's grades (Grade A is the highest grade) and the net value of actual assets in operation amount, the lower the capital productivity.
23. The 2009 annual profit rate of actual assets in operation for the construction industry was 1.9%, increased from 1.0% of the year 2008. The Civil Engineering Contractors with 9.1% profit rate of actual assets in operation was the highest among all grades of construction companies.
24. The main difficulty of Construction Industry in 2009 was the competition in bids with the lowest price and the persistently price increasing of construction. The top priority the industry needed from the government assistance was price control in construction materials.