

Abstract

The objectives of the 2008 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 2008. The survey period covered from January 1, 2008 through December 31, 2008. Stratified random sampling was used to select samples and face to face interviews were conducted. 2,476 samples were interviewed. The survey results are summarized as follows:

1. There were 13,389 construction companies at the end of 2008, a decreased of 53 from the year 2007 (13,442).

Analyzing based on grade level, we found that the compositions of construction industry were about the same between 2008 and 2007. At the end of 2008, the “Grade C Construction Companies” had more number of companies 5,455 companies (40.7%) than any other grades, but decreased 318 from the year of 2007, followed by “Civil Engineering Contractors” 4,880 (36.4%), and then “Grade A Comprehensive Construction Companies” (1,681) and “Grade B Comprehensive Construction Companies” (1,139) accounted 12.6% and 8.5% respectively.

In addition, at the end of 2008, there were 234 specialty construction companies increase of 22 from the year of 2007.

2. The number of employees (excluding those hired by subcontractors) in the construction industry was around 143,711, not much different from that of the year 2007 (145,594). 52.4% of the total employees were blue collar workers (skilled and unskilled workers) and 45.3 were white collar (technical professionals, supervisors and assistances). In addition, most often, there were 12,173 dispatched laborers per month.
3. The 2008 annual expenditures on labor costs in the construction industry amounted to NT\$88,185,562,000, not much different from that of the year 2007 (NT\$91,708,988,000). The average 2008 annual expenditures on labor costs per specialty construction company was the highest, NT\$44,752,000.
4. The 2008 total revenue of the construction industry was NT\$587,375,803,000, not much

different from that of the year 2007 (NT\$568,348,195,000). Among the total revenue, NT\$573,636,838,000 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 59.6% of the total revenue of the industry.

5. The 2008 annual total expenditures of the construction industry were NT \$588,831,344,000, more than that of the year 2007 (\$553,974,123,000). The business expenditures were NT \$572,417,910,000, accounted for Grade A Comprehensive Construction Companies had the largest total expenditures among the different grades of construction companies, accounted for 61.1% of the total expenditures of the industry. The business expenditures were NT \$572,417,910,000, accounted for 97.2% of the total expenditures.
6. The net value of actual assets in operation in the construction industry at the end of 2008 was NT\$1,362,370,957,000, not much different from that of the year 2007 (NT\$1,326,233,834,000). Grade A Comprehensive Construction Companies accounted for 73.2%, the highest proportion of the net value of actual assets in operation.
7. The 2008 annual total value of production was NT\$621,924,296,000, increased from the year 2007 (NT\$577,199,200,000). Among the 2008 annual total value of production, NT\$547,767,211,000 was the revenue (excluding subcontracting cost) from construction contracts accounted for 88.1% of the 2008 annual total value of production. However, the revenue from construction contracts accounted only 74.4% of the total value of production for the specialty Construction Companies, compared with 90% and above for other grades of construction companies.
8. The total area of the land used by the construction industry at the end of 2008 was 1,553,800 square meters. The average area of the land used by each company was 116.1 square meters and average area of land used by each employee was 10.8 square meters.
9. The total floor area of the buildings used by the construction industry was 1,707,221 square meters at the end of 2008. The average floor area of buildings used by each company was 127.5 square meters and used by each employee was 11.9 square meters.
10. The 2008 annual total value of construction work (including direct construction revenue, estimated value of materials provided by owners or other construction companies) was NT\$685,166,092,000. The Grade A Comprehensive Construction Companies accounted for the highest proportion (63.3%) of it.

11. The total revenue of all direct construction work was NT\$647,760,746,000. Among the total the revenue, 34.2% were from residential construction and 32.1% from public work construction.
12. The 2008 annual actual value of materials used by the construction industry was NT\$391,481,614,000, increased from the year 2007 (NT\$351,972,742,000). Among the 2008 annual actual value of materials used, 90.4 % were purchased by construction companies themselves and 9.6% were provided by owners and construction partners. The average annual actual value of materials used per company was NT\$29,240,000.
13. The total stock and unused materials of the construction industry at the end of 2008 was NT\$597,346,849,000. The stock turnover rate for the construction industry was 96.0% which increased from the year 2007 (89.6%).
14. The 2008 annual total amount of liabilities and net worth was NT\$1,293,877,580,000 with 77.4% liabilities and 22.6% net worth. The average amount of liabilities and net-worth per company was NT\$96,640,000.
15. As for the 2008 annual financial structure of the construction industry, liquidity ratio was 121.1% ; the liability ratio was 77.4% ; the fixed assets adequacy ratio was 26.5% ; and the self-capital ratio was 23.5%. Comparing with 2007, the fixed assets adequacy ratio decreased from 29.3 % to 26.5% while other items were not much different from that of the year 2007. (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 2008 annual net profit margin of the construction industry was 2.8%, decreased from 3.5% of the year 2007.
17. The 2008 annual total asset turnover rate for the construction industry was 42.4% which increased slightly from the year 2007 (41.4%). And the total asset turnover rate increased when the asset amount increased.
18. The 2008 annual labor facility rate for the construction industry was NT\$ 9,480,000 which was more than that of the year 2007 (NT\$ 9,109,000). The labor facility rate of Grade A Comprehensive Construction Companies was NT\$18,077,000 which was much more than other grades of construction companies.

19. The 2008 annual labor productivity for the construction industry was NT\$4,328,000 which was more than that of the year 2007 (NT\$3,964,000). The Grade A Comprehensive Construction Companies had the top labor productivity in the whole construction industry.
20. The 2008 annual total value of production on every dollar spent in labor cost for the construction industry was NT\$7.1, increased from NT\$6.3 of the year 2007.
21. The capital composition of the construction industry for the year of 2008 was not much different from that of 2007. The 2008 annual self-owned assets accounted for 95.0% of the actual assets in operation in the construction industry, not much different from that of the year 2007(96.3%).
22. The 2008 annual capital productivity for the construction industry was 45.7%, not much different from that of the year 2007 (43.5%). The higher the construction company's grades (Grade A is the highest grade), the lower the capital productivity.
23. The 2008 annual profit rate of actual assets in operation for the construction industry was 1.2%, decreased from 1.5% of the year 2007. The Civil Engineering Contractors with 7.4% profit rate of actual assets in operation was the highest among all grades of construction companies.
24. The main difficulty of Construction Industry in 2008 was the persistently price increasing of construction. Therefore, the top priority the industry needed from the government assistance was price control in construction materials.