

Economic Survey of Construction Industry in Taiwan, 2004 Executive Summary

The population of the 2004 Economic Survey of Construction Industry in Taiwan included all R.O.C.construction companies and Civil Engineering Contractors which registered with the supervisory organization and continued to do business at the end of 2004. The survey period covered from January1, 2004 through December 31, 2004. The survey results are summarized as follows:

1. There were 13,012 construction companies at the end of 2004

Analyzing based on grades level, we found that the “Grade C Construction Companies” had more number of companies (44.7%) than any other grades, followed by “Civil Engineering Contractors” (33.8%), “Grade A Comprehensive Construction Companies” (12.1%), and “Grade B Construction Companies” (9.3%).

Observing based on region, we found that more companies were located in the Central Region (34.4%), followed by Noth Region (33.8%) and South Region (22.4%).

By type of organization, majority of them were company (67.0%) ; only 33% were individual proprietorship or partnership.

By number of employees, majority (59.9%) of them were small firms with only 9 or under employees, followed by 10-19 employees (21.9%), and 20-49 employees (13.6%) ; and only 4.6% had 50 or over employees.

Analyzing based on the total revenue, there were 43.5% with annual revenue under NT\$6,000,000, followed by NT\$10,000,000~20,000,000 (16.8%). Less than 1% had annual revenue over and above NT\$300,000,000.

By total value of production, 42.1% had annual value of production lower than NT\$6,000,000, followed by 17.0% in NT\$10,000,000~20,000,000. And less than 1% had annual value of production over and above NT\$300,000,000.

Analyzing based on the value of assets in operation, 39.7% had the total value of assets in operation less than NT\$6,000,000, followed by NT\$6,000,000~10,000,000 (15.9%) and NT\$10,000,000~20,000,000 (15.5%).

2. The number of employees in the construction industry was around 194,000 with 132,578 laborers at the end of 2004. The number of the laborers was 2.3 times of the number of the staff.
3. The 2004 annual expenditures on labor costs amounted to NT\$104,616,357,000 in the construction industry. The average 2004 annual expenditures on labor costs per Grade A comprehensive construction company was the highest, NT\$34,756,000. And the average 2004 annual expenditures on labor costs per company in the construction industry was NT\$8,040,000, which increased significantly from NT\$6,090,000 of year 2003.
4. The 2004 total revenue of the construction industry was NT\$468,911,586,000, which was more than that of the year 2003. Among the total revenue, NT\$456,747,797,000 was the business revenue, accounted for 97.4% of the total revenue. By different grades of construction companies, we found that Grade A Comprehensive Construction Companies accounted for 61.6% of the total revenue in the construction industry.
5. The 2004 annual total expenditures of the construction industry were NT\$496,488,995,000, more than that of the year 2003. The business expenditures were NT\$481,343,127,000, accounted for 96.9% of the total expenditures. Grade A Comprehensive Construction Companies had the largest total expenditures among the different grades of construction companies, accounted for 61.5% of the total expenditures of the whole construction industry.
6. The net value of actual assets in operation in the construction industry at the end of 2004 was NT\$110,457,474,000, which was more than that of the year 2003. And the majority of the actual assets were liquid assets. Grade A Comprehensive

Construction Companies had the total liquid assets of NT \$890,397,182,000, more than any other grade construction companies.

7. The 2004 annual total value of production was NT\$529,227,100,000, increased about 10 percent from the year 2003 (NT\$481,177,187,000).
8. The total area of the land used by the construction industry at the end of 2004 was 752,804 square meters. The average area of the land used by each company was 57.9 square meters and average area of land used by each employee was 3.9 square meters.
9. The total floor area of the buildings used by the construction industry was 1,193,574 square meters at the end of 2004. The average floor area of buildings used by each company was 91.7 square meters and used by each employee was 6.2 square meters.
10. The 2004 annual total value of construction work was NT\$525,924,647,000, increased 10% from year 2003. The Grade A Comprehensive Construction Companies accounted for 61% of it.
11. The total cost of construction was NT\$435,973,742,000 which increased 10% from the year 2003. The cost of public work construction accounted for the highest proportion of it, and the cost of residential housing construction increased the most over the year 2003.
12. The 2004 annual actual value of materials used by the construction industry in Taiwan Fujian area was NT\$319,850,958,000, an increase of 14% from that of the year 2003. 88.9% was procured by the construction companies themselves, 11.1% provided by customers or other construction companies. Average actual value of materials used by every company was NT\$24,581,000.
13. The 2004 annual total amount of liabilities and net worth was NT\$167,995,064,000. 77.9% was liabilities, 22.1% net worth. The average amount of liabilities and net-worth per company was NT\$82,078,000.

14. The 2004 annual liquidity ratio for the construction industry in Taiwan-Fujian area was 116.8% ; the liability ratio was 77.9% ; the fixed assets adequacy ratio was 34.6% ; and the self-capital ratio was 24.3%.
15. The 2004 annual net profit margin of the construction industry in Taiwan-Fujian area was 2.8%, increased from 1.8% of the year 2003. And the net profit margin of Civil Engineering Contractors was the highest (9.0%).
16. The 2004 annual total asset turnover rate for the construction industry in Taiwan-Fujian area was 40.8% which was higher than that of the year 2003. And the total asset turnover rate decreased when the asset amount increased.
17. The 2004 annual labor facility rate for the construction industry in Taiwan-Fujian area was NT\$ 5,696,000 which was more than that of the year 2003. The labor facility rate of Grade A Comprehensive Construction Companies was NT\$13,403,000 which was much more than other grades of construction companies.
18. The 2004 annual labor productivity for the construction industry in Taiwan-Fujian area was NT\$2,729,000 which increased significantly over that of the year 2003. The Grade A Comprehensive Construction Companies having NT\$4,862,000 in labor productivity was the top in the whole construction industry.
19. The 2004 annual total value of production on every dollar spent in labor cost for the construction industry in Taiwan- Fujian area was NT\$5.1, increased slightly from NT\$4.8 of the year 2003.
20. The 2004 annual capital productivity for the construction industry in Taiwan-Fujian area was 47.7%, increased from 44.0% of the year 2003. The higher the construction company' s grades (Grade A is the highest grade), the lower the capital productivity.
21. The 2004 annual profit rate of actual assets in operation for the construction industry in Taiwan- Fujian area was 1.2%, increased from 0.7% of the year 2003.

The Civil Engineering Contractors with 13.2% profit rate of actual assets in operation was the highest among all graders of construction companies.