

INFRASTRUCTURE

Construction sector staring at an uncertain future due to coronavirus pandemic

STAFF CORRESPONDENT

Bangladesh's construction sector is set to face challenging times because of the coronavirus pandemic as it would slow down the economy, disrupt development activities and put workers out of jobs.

"The impact could be far-reaching if the crisis prolongs," said SM Khorshed Alam, president of the Bangladesh Association of Construction Industry (BACI).

"We don't know when it will come to an end. So, we can't say immediately what impacts it would have on the sector."

Alamgir Shamsul Alamin, president of the Real Estate & Housing Association of Bangladesh (REHAB), echoed the sentiments of the BACI chief.

"Undoubtedly, the pandemic would take a huge toll on the construction and the real estate sectors," Alamgir said.

"But we are now in a situation where we are not thinking about the sector any longer. Now our focus is how the people will survive in this situation. If people are alive, businesses will stay afloat, including the real estate sector."

Their comments came as Bangladesh became the latest victim of the novel coronavirus.

On March 8, the government reported the maiden cases of the coronavirus,

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which originated in China in December last year and has since spread to 172 countries. Since then, at least 44 people have been infected and five have died as of March 26, according to the Institute of Epidemiology Disease Control and Research (IEDCR).

Globally, it has infected 474,204 people and killed more than 21,000 people, data from the Johns Hopkins University showed on Thursday.

The outbreak has compelled Bangladesh to enforce general closure across



Construction of the elevated expressway in progress at Airport Road.

PHOTO: SK ENAMUL HAQ

the country from Thursday (March 26), shutting public and private offices and educational institutions, limiting banking activities and transport movement.

"Construction activities have already halved as the implementation of projects, small or large, has slowed," Khorshed Alam said.

The construction sector is a labour-intensive sector but workers are fearful in the current situation. Many construction workers are operating in environments where social distancing is impossible.

Respiratory problems are very common among construction workers because of dust.

"The other day, one of the 10 workers in my construction site coughed and the rest of the workers declined to continue working. I had to convince them to return to work."

As a result, it is taking more time to finish a project compared to normal period, he said.

As a construction site is usually vast and a lot of people remain involved, precautionary measures usually don't work. "You either keep the activities up and running or stop them," Khorshed said.

The pandemic would have a chain effect on the whole real estate sector, said Alamgir Shamsul Alamin.

"Customers may not get delivery of projects on time. Banks may not get back their loans on time. Realtors will have problems with landlords."

He said real estate is one such sector that can't run without political, social and economic stability. Construction workers have already started to leave the city for villages.

"We don't know whether they would be able to come back very soon."

Tapan Sengupta, deputy managing director of BSRM, one of the top steel-makers in Bangladesh, said: "The whole country is now facing a crisis and it is affecting the entire economy, trade and commerce. Definitely, it has had an impact on the construction sector."

He said if the situation doesn't come under control and if the country faces a situation similar to that of Italy, the ensuing scenario would be beyond one's imagination.

So far, the supply of raw materials has remained largely unaffected as the main raw material, scrap, comes from Europe, the US, Australia and Japan. "But the shipment has slowed down."

"If the country is locked down and people limit their movement, the implementation of construction projects and other construction activities would

slow down," he said.

Md Alamgir Kabir, president of the Bangladesh Cement Manufacturers Association (BCMA), said most of the raw materials used in the cement sector come from the remote areas of the southern Arab nations as well as Indonesia and Vietnam.

Clinkers and other main raw materials of cement are limestone-based and are sourced from the remote areas of the countries where population density is very low. So, there is little scope for the virus to spread from these areas.

However, the virus may spread through the crew who work in the ships used to transport the raw materials. But there is hope since there has been no news of the crew being infected with the virus since its outbreak.

"So, I think the import of the raw materials in the cement sector is safer compared to import in other sectors," Kabir said.

However, according to Kabir, the coronavirus has already affected the local industries largely in two ways. First, there are many foreign companies in Bangladesh. Most of their engineers are absent which has adversely impacted development work. Second, private sector development has slowed to some extent.

For example, the earnings from wage earners have gone down. The momentum to set up new industries has slowed down, said Kabir, also the vice-chairman of Crown Cement Group.

The entrepreneur also said that there might be long-term impacts of the coronavirus. The countries that are home to Bangladesh's overseas labour market and are an important source of foreign currency for us have been affected by the virus.

Besides, the buyers of garments, the country's major player in export earnings, are mostly from the West. The high prevalence of the virus in developed countries may lead to a big impact on this crucial sector.

"So, our garment exports may fall and this may cause a major hit for the economy."

The surge of the COVID-19 has already slowed down the implementation pace of some key projects such as the Padma Multipurpose Bridge Project, Padma Bridge Rail Link, Dhaka-Ashulia Elevated Expressway, Joydebpur-Ishwardi Dual-Gauge Railway Line, and Multi-lane Road Tunnel under the Karnaphuli River.

This coupled with the slow pace in other foreign-aided projects may affect the implementation of the overall annual development programme (ADP) in the current fiscal year, said the Centre for Policy Dialogue in a paper on March 21.

Supply-chain disruptions due to the coronavirus are likely to increase the cost of business for manufacturing and construction companies, said Elise Gould, an economist for the Economic Policy Institute, a progressive think-tank based in Washington, according to a report on the MarketWatch.

The situation calls for sensible behaviour from all parties involved – retailers, customers, banks and landowners – said REHAB's Shamsul Alamin.

He lauded the measures the government has taken so far to slow the spread of the deadly virus.

"This is the time to support the government and stand by them. It is not the time to demand something from the government. There will be plenty of time to persuade the government to meet demands of the sector once the country successfully tackles the coronavirus."

"Our wholehearted focus should be on how to contain the virus. We are ready to help the government."



THE EXPORT LEADER

Crown Cement has achieved National Export Trophy thrice for its outstanding performance in cement export. Demand for Crown Cement is gradually increasing at home and abroad for its quality. With the export of Crown Cement, Bangladeshi products are also getting the fame. In addition, Crown Cement is contributing to the national development through foreign currency earning. It's a pride for Bangladesh.

