A background image of a construction site at dusk or dawn. In the foreground, two workers are visible: one in a grey jacket and another in an orange safety vest. A large tower crane is prominent in the middle ground. The sky is a mix of orange and grey, suggesting a sunset or sunrise. The overall scene is dimly lit, with the workers and crane silhouetted against the sky.

Responsibility  
and  
Accountability  
of  
Stakeholders  
in  
Construction  
Industry

“Challenges Ahead for  
Myanmar Construction  
Industry”

**Mr. Myo Myint**

Councilor of Myanmar Engineering Council

Secretary General of MCEF

4<sup>th</sup> July 2020

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# History of civilization of Myanmar



# Types of Development over the period

## Colonial Times

- Brick masonry building
- 100 years now
- Historic buildings or damaged or demolished and reconstructed
- Remaining- not maintained properly- dangerous threat to public

## Post independence (parliament era) and Union Revolutionary Council (Socialist) era

- Public housing project, Town planning and development
- Currently- demolished and rebuilt



## Types of Development over the period

### 1988 Military Government era

- New city development, new roads, highways, dam development
- Highlight- Nay Pyi Taw City Development
- 1990- Few apartments started to be constructed

### 2010 Democratic Government era

- High rise buildings, international standard hotels and buildings
- Better infrastructure

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# Growth of Myanmar Construction Industry

Before 1990

No high rise building yet

During 1990

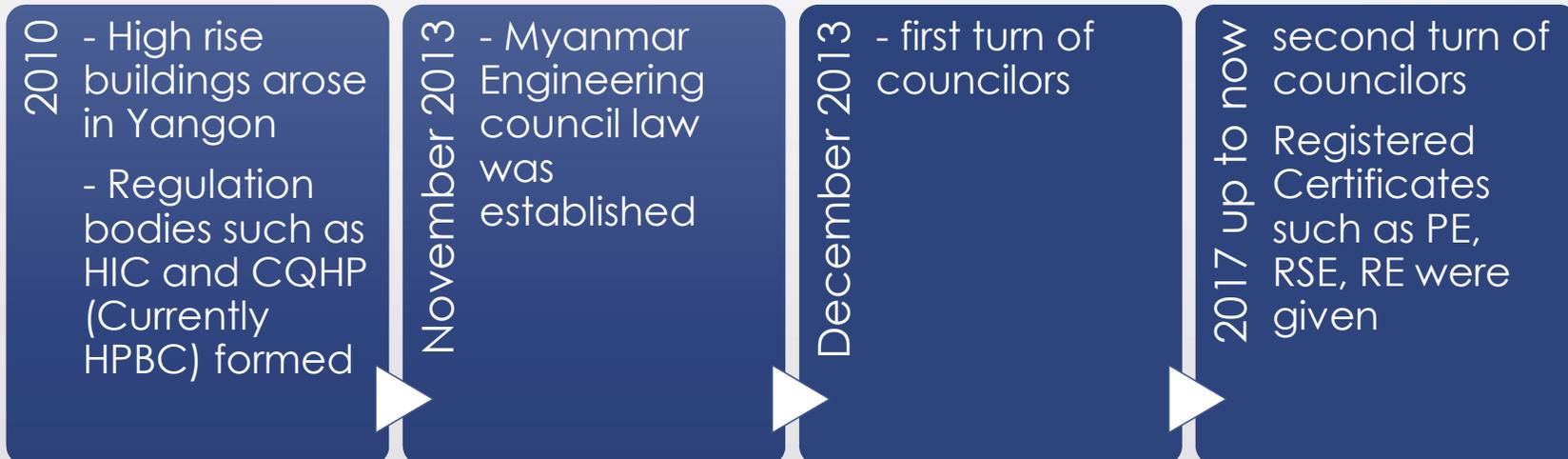
Increase in number of new buildings  
YCDC established  
Code no. 11/90 for formalization of construction process  
YCDC inspect and approve various stages of construction

1992

MCDC established in Mandalay

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## Growth of Myanmar Construction Industry



# Challenges ahead for the Myanmar Construction Industry



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# 1. Money

- Myanmar is less developed than most of the countries
- Low per capital income as well as low country's GDP
- Low budget set by government for tender project
- Challenges for contractors to produce high-quality project with low budget





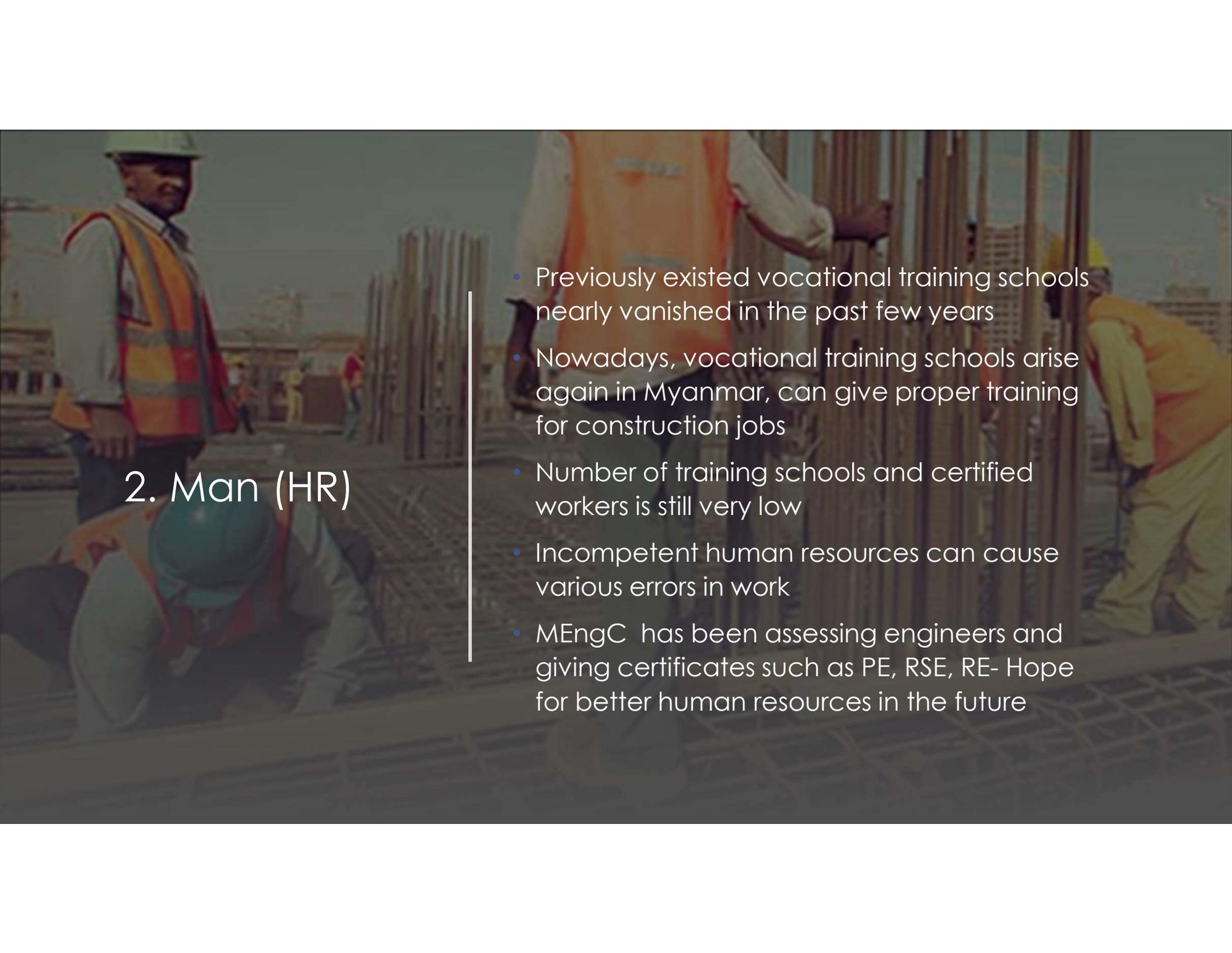
# 1. Money

- Banking Industry- Less developed than other countries in the past few years
  - Could not support project loan and mortgage loan in the past
  - Nowadays, started to develop better system for project loan and mortgage loan
  - Stronger financial system to support developers and citizens in the future, resulting in improved quality of buildings

## 2. Man (HR)

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A photograph of a construction site with several workers in safety gear. One worker in the foreground is kneeling, wearing a blue helmet and a white shirt with a red safety vest. Another worker in the background is wearing a yellow safety vest and a yellow helmet. The site is filled with rebar and concrete structures.

## 2. Man (HR)

- Previously existed vocational training schools nearly vanished in the past few years
- Nowadays, vocational training schools arise again in Myanmar, can give proper training for construction jobs
- Number of training schools and certified workers is still very low
- Incompetent human resources can cause various errors in work
- MEngC has been assessing engineers and giving certificates such as PE, RSE, RE- Hope for better human resources in the future



Before 2010- less opportunity to receive technology, lack of technology has been a challenge for us



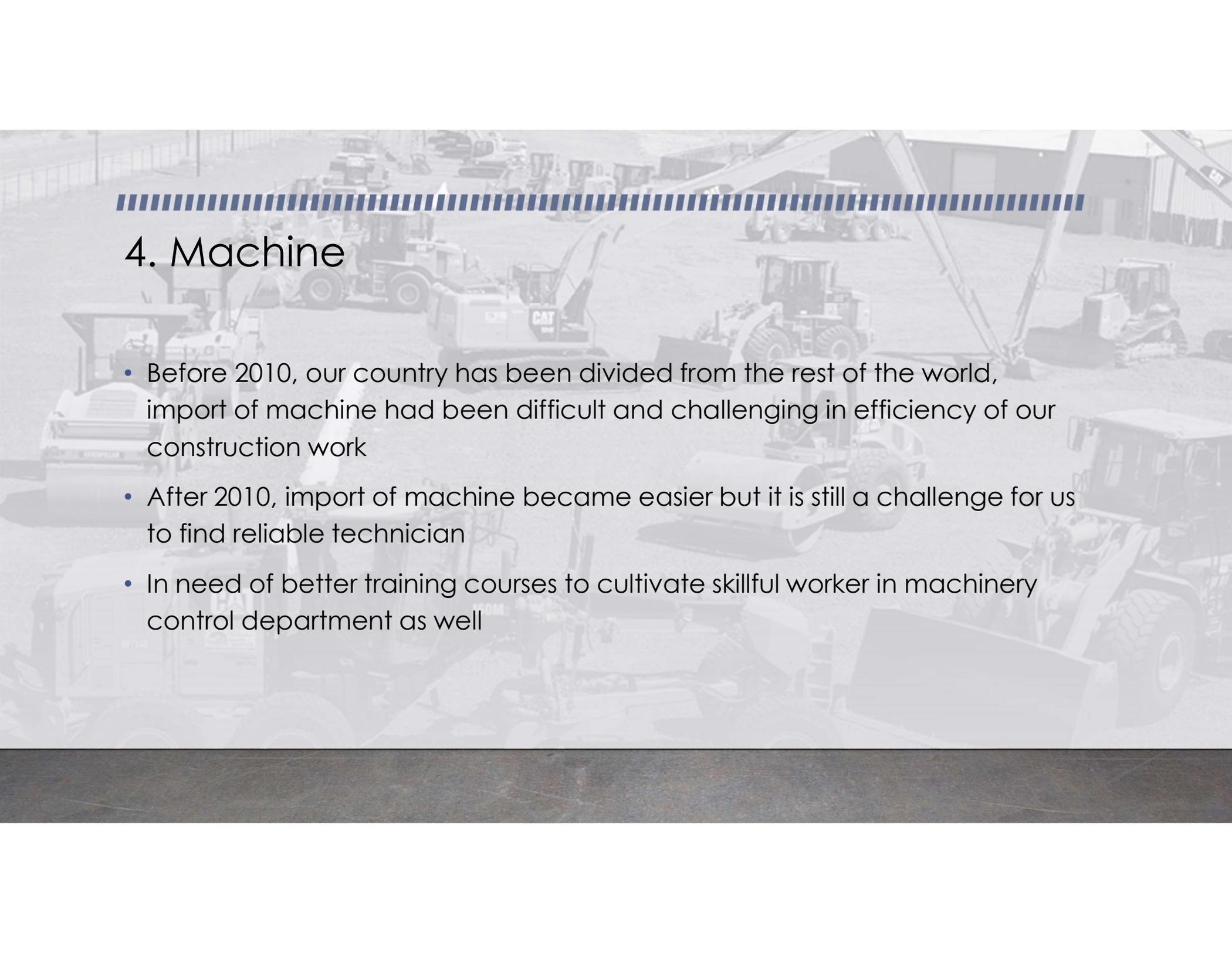
After 2010- high-rise buildings started to arise, technology has been improving



MEngC and MES often holds seminar and shares education to improve technology nowadays to overcome this challenge

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### 3. Method (Technology)



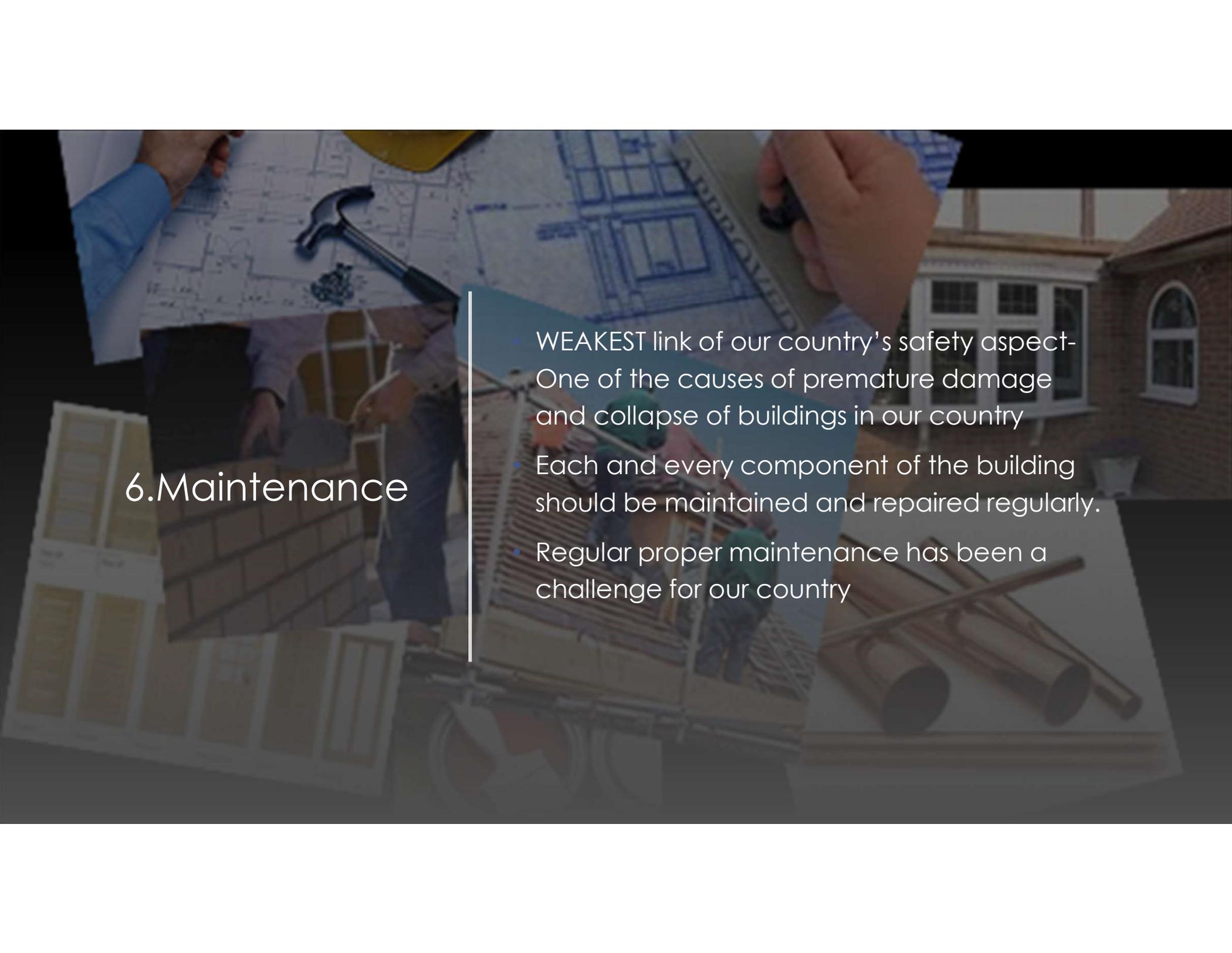
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## 4. Machine

- Before 2010, our country has been divided from the rest of the world, import of machine had been difficult and challenging in efficiency of our construction work
- After 2010, import of machine became easier but it is still a challenge for us to find reliable technician
- In need of better training courses to cultivate skillful worker in machinery control department as well

## 5. Materials

- In the past- Mostly used materials- produced locally did not meet standard quality and could not import adequately from foreign countries as well
- Nowadays- Materials can be easily imported
- But Quality management is still needed
- Myanmar National Building Code (MNBC) established and Laboratories formed to test material quality.
- Hope for better quality management of imported materials and improved quality of locally produced materials



## 6. Maintenance

- WEAKEST link of our country's safety aspect- One of the causes of premature damage and collapse of buildings in our country
- Each and every component of the building should be maintained and repaired regularly.
- Regular proper maintenance has been a challenge for our country

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## 6.Maintenance



People who are cohabiting in apartments and condominiums do not have funds nor proceed regular maintenance after construction



No law for maintenance of public owned buildings as well as state owned buildings



**Rules and Regulations** for maintenance should be set, **Awareness of the public** on the risk aspect of lack of maintenance should be given through education and campaign

## 7. Role of Developer and Contractor

- Key person in the whole process
  - Before 1995- No Licensing for developers and contractors
  - From 1995- 2017, YCDC provides contractor license and from 2017 onwards, MOC and YRG provides contractor license
  - In 2019, Developer license is provided, Condominium law was established, but cannot be executed yet.

## 7. Role of Developer and Contractor

- There should be clear responsibility and accountability for developers and contractors
- To encourage the growth of qualified accomplished construction companies, MEngC provides grading and standardization of construction companies

## 8. Tender

### Selection system

- Current tendering system done according to directive no. 1/2017 of president office
- Construction companies selected according to tender system but there has been some weak points in the current system.
- Unqualified construction companies or Construction companies with weak financial position could be selected leading to poor work done, incomplete work done or longer duration of construction work



## 8. Tender

### Tender Price

- Lower than reasonable price, lower labor rate and lower material price than actual price
- Set PAE rate given regardless of geographical location and condition
- Difficult for winning companies to produce quality work
- PAE Rate set before soil investigation, leveling, design process, structural estimation and quantity estimation are done.
- Set back for developing good-quality project



## 8. Tender

### Construction duration

- Set according to budget year
- In projects that are late to start the tender process, timeline is short and unreasonable resulting in low-quality work

### Improvement in tender system recently

- Price setting and tendering system has started to improve
- Since 2014, Formation QC companies to inspect tender projects led to better quality project
- Currently, government is making changes in tender system, hoping to endorse better quality projects in the future

## 9. Policy



Lack of policy, rule and law, code and practice has been an important challenge for the construction industry



No clear law thus No proper law enforcement



No clarification between who is responsible and accountable if the accident arises



Hope for clear policy, all-inclusive rules and regulations as soon as possible to reinforce responsibility and accountability of each stakeholder



## Conclusion

I believe that building failures and site accidents would be dramatically reduced if the stakeholders involved in all these parts would collectively improve and solve the problems.

Moreover, there are **many dangerous buildings in need of maintenance**, mainly in Yangon, those buildings should be immediately inspected and repaired under the professional guidance. YCDC is the most responsible in doing so and as described in MEngC motto.....



**“Public safety, health and welfare is a matter of paramount importance”**

I would like to humbly request YCDC to inspect such dangerous buildings immediately.



Thank you!