

The construction boom over the past two years is reflected in the 13.4 per cent average annual growth of the sector. Both horizontal and vertical construction activities are being undertaken by the private sector at a feverish pace, mostly with a definite urban bias. The government's involvement, chiefly through the Department of Public Works and Highways, has been largely the provision of social overhead capital.

There are about 700 construction firms in the country, employing a total of roughly 77,500 workers in 1987. Among these firms, 55 were included in the list of top 1,000 corporations in the country in 1988. Some 43 of these were engaged in general engineering construction, seven were involved in building components installation, two were involved in electrical and mechanical work, and three were involved in special trade construction. The top 55 construction firms had gross revenues of ₱7.1 billion in 1988. Surprisingly, the combined net income of these firms was a negative ₱176.1 million, mainly on account of the large losses incurred by Hyundai Engineering Construction Co. (See Table 9.)

Table 9
FINANCIAL INDICATORS OF MAJOR FIRMS IN CONSTRUCTION: 1988

(In Thousand Pesos)

	No. of Firms	Net Sales	Gross Revenue	Net Income	Total Assets
Bldg. components installation	7	464,986	470,818	12,086	300,284
Electrical & mech'l work	2	77,777	89,845	5,394	198,885
General eng'g construction	43	6,203,363	6,304,698	(185,810)	5,251,850
Special trade const'n n.e.c.	3	265,043	265,154	(7,813)	396,406
Total	55	7,011,169	7,130,515	(176,143)	6,147,425
Average		127,476	129,646	(3,203)	111,771

Source: Philippines' Best 1,000 Corporations.

For the first half of 1989, the construction sector already grew by 14.7 per cent. This rate of expansion, however, is beginning to put pressures on the availability of raw materials, chiefly cement. Industry leaders have also expressed the need to train a larger pool of skilled construction workers.

Appendix 5 shows gross value added in construction and utilities from 1986-89.