

# Labour-hungry construction co for import of workers

Sanjay Vijayakumar, ET Bureau, Apr 16, 2011, 04.11am IST

CHENNAI: Labour shortage? Try automation or lure workers with money - those are the usual answers, but Chennai-based [Consolidated Construction Consortium](#) (CCCL) has a novel idea: Import workers from places as far as Africa and Thailand as their productivity justifies the cost, and supply from traditional sources, like Bihar, is running out.

But then it isn't as easy as it sounds particularly in the country that has traditionally sent workers, engineers and managers to every continent because of limited domestic opportunities. The CCCL, which has a turnover of 2,000 crore, needs to convince the government that bringing workers from abroad is a sensible idea.

The CCCL first thought of importing workers two years ago but the proposal was turned down because of the government's migration norms. The company hopes to be second-time lucky.

"We had made a representation to the government for import of labour two years back," said its chairman and CEO R Sarabeshwar. "However, it has been difficult to prove there is a shortage and the import is needed." The government then asked the CCCL to tap the employment exchanges, which is essentially a more appropriate source for white-collar workers.

Sarabeshwar needs workers, and lots of them, so that the company can do justice to its order book, which has swelled to 4,800 crore from 2,000 crore three years ago. Earlier, it could count on the flow of workforce from impoverished states such as Bihar, Chhattisgarh, Orissa, and Madhya Pradesh. But the flow is drying up gradually as economic growth has boosted construction activity in those states.

The CCCL wants to bring in workers from Africa, Bangladesh, Vietnam and Thailand.

Not long after he made the first representation to the government, the labour situation eased because of a slowdown in the IT and residential construction space. But now, the activity has revived and the industry is going to feel the pinch sooner or later, he said. Already, the per day cost of employing a labourer has more than doubled in three years - from 90 to about 200.

The CCCL, a company formed by a group of former executives from engineering major L&T, has interests in segments such as commercial buildings (hospitals and hotels), residential buildings, industrial structures and infrastructure projects (such as Metro Rail projects). It recently floated a subsidiary to undertake power projects in joint ventures.

According to a report by rating agency [ICRA](#) in March, the construction industry employs nearly 3.4 crore persons. And, it needs to expand its workforce by about 10% every year to sustain the growth momentum.

"The 4 lakh-crore industry is facing labour shortage, especially of carpenters, electricians and plumbers," said Anil Chadha, deputy director of Construction Industry Development Council (CIDC). "The skill gap is huge, which might be promoting companies to look elsewhere for the resources."