

# **Towards Sustainable Local Contracting Capacity – CRB Approach**

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## **Abstract**

For a long time, foreign contractors have dominated construction business in Tanzania. Foreign contractors who constitute less than 3% of all registered contractors in the country execute about 70% of large and medium-sized contracts. These foreign contractors come and go depending on the business climate, which dictates work opportunities. As a result, lack of exposure, erosion of capital and eventual loss of confidence have stifled the growth of the domestic contractors.

If this trend is allowed to continue, the local construction capacity will continue to dwindle and eventually perish. CRB is now working out various strategies designed to improve the performance of local contractors, thus increasing their share of the local construction market. These measures include structured training in business management and marketing strategies, promotion of partnerships between local and foreign contractors as a means of providing on-the-job training, policy review and promotion of contractors associations.

*Keywords: Contractors, Work Opportunities, Partnership, Training, Business promotion.*

## **INTRODUCTION**

The Contractors Registration Board (CRB) was established in 1997 under the Contractors Registration Act No. 17 of 1997 for the purpose of registration, regulation and promotion of contractors in Tanzania. The Board deals with all types of contractors, and the main categories include Building, Civil Works, Mechanical, Electrical and Specialist Works. The main objective of the CRB is to ensure that competent contractors who observe business ethics and care for the quality of work, the environment and the safety of their workers and the public at large serve the construction industry.

The success of the construction industry depends, to a large extent, on the competence of persons and firms involved in the sector. Since contractors are key players in the industry, the CRB has the role of ensuring that their performance matches the expectations of the general public. This is achieved through constant monitoring, regulation, education and promotion of contractors.

## **STATUS OF THE CONSTRUCTION INDUSTRY IN TANZANIA**

### **Construction and the national economy**

The construction industry is an important contributor to the growth of any national economy. In Tanzania, construction accounted for 44.4% of the Gross Fixed Capital Formation (GFCF) between 1993 and 1999 (NESR, 1999). Table 1 shows the share of construction in the GFCF for the last seven years based on 1992 prices.

Table 1: Contribution of the Construction Sector to GFCF

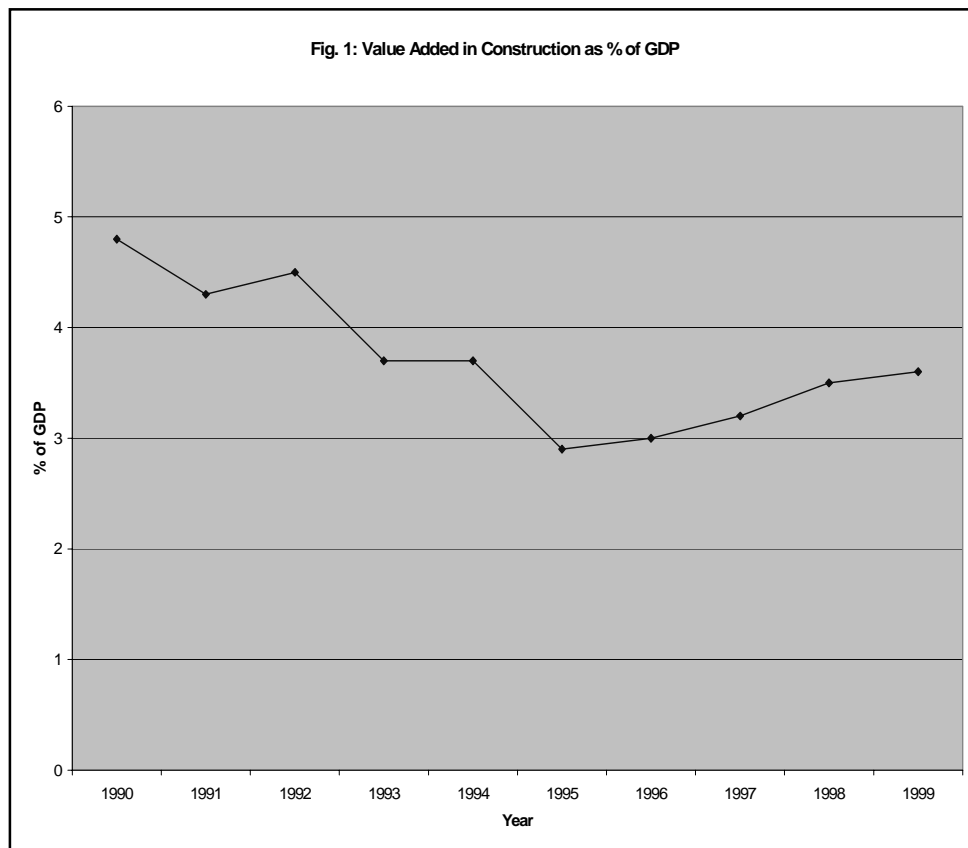
Year	1993	1994	1995	1996	1997	1998	1999
GFCF* <sub>a</sub>	327.1	331.1	281.8	268.4	259.1	314.3	309.3
Share of Amount* Construction <sub>b</sub>	152	153.4	124.2	131.0	120.2	123.4	122.4
% (a/b x100)	46.5	46.3	44.1	48.8	46.4	39.3	39.6

(Figures are in million Tanzanian Shillings at 1992 prices; 1US\$ = TShs 300.00)

On the other hand, the average contribution of the construction sector to the GDP during the same period was 3.4% (it varied between 2.9% and 4.8% over the last ten years, with the higher values corresponding to the early nineties while the lower values relate to the latter part of the decade, as shown in Fig.1). The average capital formation in construction in the past seven years was equivalent to 8.9% of GDP. On average, the industry accounts for 9% of the total wage employment in Tanzania (Lema, 1998), which is well above the typical values (3-8 per cent) for developing countries with per capita income similar to Tanzania.

The construction industry has grown at an average of 8.6% per annum over the last four years, showing a significant recovery from marginal and sometimes negative growth in the years prior 1996.

These figures by themselves compare well with the typical values for other countries in same economic bracket with Tanzania.



## Participation of Local Construction Companies

As at 30<sup>th</sup> June 2000, there were 1,919 Registered Contractors of various types and classes (Table 2). Out of these 1,175 (61.2%) are Building Contractors and 589 (30.7%) are Civil Works Contractors. Foreign Contractors constitute only 3% of Civil Contractors and 1.8% of the Building Contractors. However, the majority (71%) of the Local Contractors are very small (Classes VI and VII or Specialist Class III). The maximum size of work that such contractors can undertake is limited to TShs. 100 million (about USD 125,000) per contract. Such firms employ less than ten permanent workers. The percentage of small contractors compares fairly with the situation in other countries such as Japan (77%), United States (93%), Britain (89%), and West Germany (55%) (Kaduma and Msita, 1999).

Table 2: Registered Contractors by Type and Class

Class Type	I		II		III		IV	V	VI	VII	0.1.1.1
	L	F	L	F	L	F					
Building	29	21	20		32		70	100	86	817	1175
Civil	11	18	14		41		68	35	199	203	586
Electrical	134	4	5		6		10	16	15	27	96
Mechanical	2	2		1	1			1	1	4	12
Specialists	8	6	4		17	5					40
Temporary	7										7
Total	70	51	43	1	97	5	148	152	301	1047	1919
%	3.6	2.7	2.2	0.1	4.2	0.3	7.7	7.9	16.6	54.6	100

Source: CRB List of Registered Contractors, June 2000. L =Local; F = Foreign

An assessment of contractors' activities by the CRB in 1999 based on the Annual Returns revealed that 85% by value of civil works executed in 1999 was undertaken by foreign contractors who constitute only 2.6% of registered civil engineering contractors. The situation was much better with respect to building contractors where foreign contractors, who constitute 1.7% of registered building contractors, accounted for 44% of the reported building works. When building and civil works are considered together, the share of foreign contractors is 71.6% by value and this is an area of contention between local and foreign contractors.

Over-dependence on foreign contractors is not a very healthy situation for a country that wants to build a sustainable contracting capacity. Indeed the foreign contractors should not be blamed because, in fact, they are filling an otherwise wide gap between construction needs and capacity in the country. The main concern, however, is how to raise the capacity of the local contractors to make them more competitive within the country in particular and the region in general. To do this, it is important to understand their problems and related factors and then draw up strategies to alleviate the problems.

### Common problems facing local contractors

Contractors in Tanzania, like many of their counterparts in other developing countries, are faced with a number of challenges that affect their growth. A seminar organised by the National Construction Council (NCC) in February 1997 on "Challenges and Opportunities of Construction Industry in Tanzania"

identified ten issues which have an adverse impact on the performance of contractors (Seng'enge, 2000). Among them the following five were considered to be critical:

- (i) low share of work opportunities (10% for civil works contractors).
- (ii) poor quality of services and products.
- (iii) lack of a policy on construction industry.
- (iv) inadequate commitment, particularly from professional constituencies in addressing con-training factors.
- (v) Inadequate financing and credit facilities.

Other issues identified include inadequate training facilities, long-term projected shortage of human resources, lack of equipment, corruption and high taxes.

Despite of some initiatives taken by the NCC, Ministry of Works and other stakeholders in addressing the issues cited above, the situation today remain unchanged. The share of local contractors in large and medium-sized projects continues to decline, access to credit remains a serious problem for the majority of contractors and the problem of construction of equipment affects the performance of small and medium local civil contractors throughout the country.

On the basis of Contractors Annual Returns submitted to the CRB for the year 1999, about 73% of registered contractors complained of poor work opportunities, 56% complained of financial problems and 26% cited equipment as a problem (Materu & Uriyo, 2000). Other less adverse problems mentioned were poor quality of construction materials and management of skilled staff. Table 3 shows the problems and attributes mentioned by contractors that hinder their performance.

Table 3: Problems and Attributes hindering Performance of Local Contractors

S/No.	Subject/ Problem	Common Attributes	% Affected
1	<p>Work Availability Problems: Few Work Opportunities. Unfair competition.</p> <p>Affected Types of Contractors: Building Civil Electrical</p>	<p>Closure of parastatal/government institutions that were major employers. Lack of finance in government institutions Downward plunging by foreign contractors. Proliferation of unregistered contractors. Lack of transparency in tendering procedures. Discriminatory pre-qualification criteria. Too many registered contractors. Lack of track record for young contractors. Corruption! Bureaucracy in acquisition of land by private developers. Weak economy that is unable to support infrastructure development projects which are major providers of work for contractors.</p>	73%
2	<p>Finance Problems: Cash flow Delayed Payment Lack of Working Capital High Taxes</p> <p>Affected Types of Contractors Building Civil Electrical (Small)</p>	<p>Delayed payments Lack of credit facilities Lack of collateral High interest rate on overdrafts Lack of competent tax officers on construction business. Absence of clear guidelines on application of value added tax to construction contracts.</p>	
	<p>Equipment Problem: Hiring equipment is very expensive. Hired equipment breaks down frequently. New or used equipment not readily available.</p> <p>Affected type of Contractors: Building Civil</p>	<p>Lack of plant hire pools. Insufficient workload for contractors. Existing equipment in the country are very old resulting in high operation costs High taxes on imported equipment. Lack of incentives to construction sector.</p>	
	<p>Construction Materials Problems: Low quality especially steel and cement. Frequent fluctuation of fuel prices. High transport cost.</p>	<p>Unregulated importation of steel and cement. Lack of clear national standards. Liberalisation of petroleum business. Frequent devaluation of national currency (the shilling).</p>	
	<p>Management Skills Problems: Available skilled personnel are generally incompetent. It is difficult to retain skilled personnel for a long time.</p> <p>Affected type of Contractors: Building Civil Electrical (Small)</p>	<p>Lack of experience Lack of confidence Untrustworthy Not keen to take responsibility Lack of steady supply of work Skilled personnel demand high pay.</p>	

During the annual workshops this year, contractors were asked to identify issues affecting their performance, and a set of recommendations for addressing the key problems facing local contractors in Tanzania was worked out. Table 4 shows the problems noted, and the identified contributing factors.

*Table 4: Major problems and Contributing Factors Identified by Contractors in Tanzania.*

<b>S/No.</b>	<b>Issue/Problem</b>	<b>Contributing Factors</b>
1	Work Opportunities: Majority of local contractors are unable to get work regularly.	<ul style="list-style-type: none"> <li>➤ The market is very small because there are not enough construction activities in Tanzania.</li> <li>➤ Large (mainly foreign) contractors dominate the few opportunities available</li> <li>➤ Lack of capacity and capability (competence) of local contractors in terms of management and technical skills, equipment and working capital.</li> <li>➤ Stringent conditions for pre-qualification and tendering on donor-aided projects.</li> <li>➤ Lack of transparency in procurement of public works leading to corruption and unfair competition.</li> <li>➤ Lack of affirmative policies for promotion of local contractors</li> <li>➤ Absence of strong pressure groups like contractors associations.</li> <li>➤ Use of informal contractors</li> <li>➤ Closure or sale of parastatals and advent of private investors/developers demand new marketing strategies.</li> </ul>
2	Finance: Majority of local contractors experience financial difficulties in terms of poor working capital, poor access to credit and erratic payment.	<ul style="list-style-type: none"> <li>➤ Weak capital base of local contractors</li> <li>➤ Poor management of finance</li> <li>➤ Lack of collateral</li> <li>➤ High lending interest rates</li> <li>➤ Historical loss of confidence in the construction industry and poor credibility of contractors.</li> <li>➤ Unreliable and bureaucratic budget system.</li> </ul>
3	Equipment: There is serious shortage of construction equipment and spares in the country.	<ul style="list-style-type: none"> <li>➤ Low purchasing power of local contractors.</li> <li>➤ Lack of commercial plant hire companies.</li> <li>➤ Poor management of few existing equipment.</li> <li>➤ Lack of information on equipment suppliers</li> <li>➤ Lack of reliable work opportunities.</li> </ul>

## **DEVELOPING SUSTAINABLE CONTRACTING CAPACITY IN TANZANIA – CRB APPROACH.**

### **Definition and indicators of sustainable contracting capacity**

It is important to have a clear definition of what is ‘Sustainable Contracting Capacity’. Participants in the Contractors Annual Workshops held in May this year, came up with the following definitions:

1. Arusha Centre: “The ability of local contractors to participate competitively and undertake works effectively and grow both in local and international markets to satisfy the market demand”.
2. Dar es Salaam Centre: “The ability of Tanzanian contractors to meet current and future needs of the contracting industry”.
3. Mbeya Centre: “The ability of local contractors to participate competitively, execute works effectively, meet challenges of environment and develop in order to meet the demand of infrastructure development”.

4. Mwanza Centre: “The ability of Tanzanian contractors to participate and execute works effectively and competitively to meet existing construction demand with continuous growth and performance improvement, sharing work opportunities and resources in a supportive environment”.

All four definitions seem to underscore the issues of competitiveness, effectiveness, growth and ability to meet demand and face challenges on the part of local contractors. After synthesising them, the following definition was adopted by the CRB:

*“ The ability of Tanzanian contractors to participate competitively and undertake works effectively with continuous growth and performance to meet current and future needs of the contracting industry”.*

The following indicators were also recommended for use in assessing the sustainability of contracting capacity:

- Competitive participation of local contractors in tendering and execution of works
- Capacity of local contractors
- Growth and expansion of contractors
- Economic contribution
- Employment capacity
- Participation in training forums
- Delivery of quality work
- Efficiency/timely delivery of work
- Favourable contracting environment (favourable policy, stable tax regime, transparency, supportive infrastructure, etc.).

The CRB, in collaboration with other institutions in the industry, will use these indicators to monitor the contracting capacity of local firms on an annual basis.

### **CRB strategies in developing a sustainable contracting capacity**

As noted from the above definition, sustainability of contracting capacity depends on the quality of contractors operating in the country. Therefore, the first step towards sustainability should aim at developing the existing contractors.

The Board’s strategy in development of Contractors covers the following key areas:

1. Promotion of Training in various aspects of Construction Business
2. Dissemination of Information and Networking
3. Promotion of Partnerships and Joint Ventures between Local and Foreign Contractors
4. Research on Construction Business
5. Promotion of co-operative approach in addressing issues of Credit and Equipment.

Having identified the problems and the contributing factors as outlined in Table 4, the contractors then made recommendations for addressing the situation. These are summarised in Table 5.

Table 5: Summary of Key Recommendation made by contractors for addressing major problems.

S/No.	Strategic Issue	Recommendation
1	Policy Interventions	<ul style="list-style-type: none"> <li>➤ Formulation, legislation and adoption of construction industry policy must be expedited. Contractors must be involved in the process.</li> <li>➤ Government should introduce a policy that encourages foreign contractors to go into partnership with local firms.</li> </ul>
2	Procurement Procedures	<ul style="list-style-type: none"> <li>➤ As far as practicable, big public projects should be packaged into small lots which can be managed by local contractors</li> <li>➤ Unregistered contractors should not be allowed to tender</li> <li>➤ Procurement procedures need to be streamlined to make them more transparent and standard</li> <li>➤ Donors should be persuaded to relax conditions to enable local contractors to participate in their projects.</li> </ul>
3	Business promotion	<ul style="list-style-type: none"> <li>➤ Local contractors must improve quality of work in order to win the trust of clients</li> <li>➤ Contractors must develop a culture of saving and investing in equipment</li> <li>➤ Contractors must improve their competence and market themselves to private developers in Tanzania and beyond</li> <li>➤ Contractors must use the services of professionals (engineers, accountants, quantity surveyors and lawyers) in managing their businesses and contracts</li> <li>➤ CRB should enforce the registration criteria to ensure that only capable contractors are allowed to trade in order to promote credibility of contractors</li> <li>➤ Contractors associations must be strengthened and act as pressure groups.</li> </ul>
4	Training	<ul style="list-style-type: none"> <li>➤ Regular training must be provided on management of finance, project and equipment</li> <li>➤ CRB, VETA and contractors associations should design and deliver a modular training programme on management of construction equipment</li> <li>➤ CRB should establish mechanism for sharing information on availability of equipment on the market.</li> </ul>
5	Credit Facilities.	<ul style="list-style-type: none"> <li>➤ Expedite formation of proposed Construction Industry Trust Fund</li> <li>➤ Each contractor must build a culture of owning assets which can serve as collateral</li> <li>➤ Persuade local financial institutions to relax lending conditions to contractors and accept contract documents as good collateral for government-funded projects.</li> <li>➤ Local contractors must improve their financial credibility in order to win the trust of lending institutions.</li> </ul>
6	Plant pool	<ul style="list-style-type: none"> <li>➤ Contractors must team up to form regional or zonal plant hire pools.</li> <li>➤ Government should provide conducive environment to attract private investment in equipment hire business.</li> </ul>

The CRB believes that successful development of contractors depends on their own involvement in the formulation of planned strategies and overseeing of their implementation.

All of the above recommendations are positive, and if implemented, will reduce the problems cited by contractors above. The Board is now working with other partners in the industry to implement the



recommendations. Some of them will take a short time to bear fruits but the majority of the recommendations will form part of the medium- and long-term programme of the Board. Both government and contractors will play a key role in making these recommendations a reality. Some of the strategies that are already being implemented by the CRB are now highlighted.

### **Education in Construction Business Management**

Our experience in working with contractors has shown that the poor performance of local contractors is compounded by lack of appropriate skills in the management of their construction businesses. The Board has adopted three strategies for addressing the fundamental issue:

1. Ensure that every construction company has a Technical Director and other staff with qualifications commensurate with the class and type of contractor.
2. Arrange regular forums (workshops) for contractors to meet and share their experience in the construction business.
3. Organise training courses designed in a modular format with each module addressing a specific identified training need for the type and class of the contractor.
4. Disseminate information and publications such as a newsletter, booklets, and a web site.

These measures are discussed further in the following paragraphs.

#### *Essential Staff Requirements*

The Board has introduced clear Procedures and Criteria for Registration in which requirements of staff/personnel, equipment, finance, experience and facilities for each type and class are stipulated.

#### *Workshops*

The CRB's Annual Workshops are conducted in four zones so as to enable more contractors to participate and also to address zone-specific issues. These workshops serve three purposes:

1. provide a forum for contractors and other stakeholders to discuss common problems affecting the performance of contractors.
2. enable contractors to interact with each other and share experiences.
3. assist the Board in formulation of a contractor development programme.

#### *Training of Contractors*

Historically, the training of contractors in Tanzania has not been very successful. Major shortfalls noted are:

1. Lack of sustainability because they are project specific and donor driven.
2. Confinement to the small area covered by a project.
3. Lack of long-term objectives.
4. Over-dependence on donor funds as compared to own funds.
5. Over-emphasis on labour-based technology irrespective of market demands.
6. Lack of relation between the class (capability) of the contractor and the type of training given.
7. Use of foreign consultants in the design and implementation of the programme without due regard to local conditions.

The CRB believes that the best way to overcome these constraints is for contractors to take the lead in their own training.

During the 1999 CRB Annual Workshops, contractors identified training needs and priorities that enabled the Board to prepare terms of reference for the development of a comprehensive Sustainable Structured Training Programme (SSTP). A consultant was engaged in April 2000 to carry out the assignment.

#### Salient Features of the Proposed Training

This training programme will consist of several modules, each of which will be targeted at a specific group of contractors. For the purpose of this training, contractors will be grouped into three levels as shown in Table 6.

*Table 6: Categorisation of contractors for CRB's training programme*

<i>Group Level</i>	<i>Class</i>	<i>Module Level</i>
Small Contractors	VI & VII	Elementary
Medium Contractors	III – V	Intermediate
Large/Big	I & II	Advanced

The proposed training will mainly focus on the directors (owners and managers) of the construction firms and their key permanent staff. The intention is to ensure that the knowledge imparted to the contractor shall remain in the firm for a long time.

The training programme will cover all types of contractors registered with the Board and the training centres will be sited in various zones around the country. As a general policy, the Board will run the training courses on a cost-sharing basis, whereby participants will bear some of the costs and the CRB will meet the rest.

At the end of each module, participants will be issued with a certificate indicating their level of performance, based on a standard set of assessment criteria for the specific module. Participating firms will also be issued with testimonials showing the names of the participants and their performance. These credentials will form the basis for their future upgrading.

#### *Information Dissemination and Publications*

To a contractor, information is like oxygen in a human body – without it, the system stops functioning and eventually dies.

The Board has introduced a twenty-page quarterly newsletter with the title of “*The Contractor*”, which carries important information on current issues in the industry including:

- Work opportunities
- New technologies and products
- News on registration
- Best practices in various fields of construction
- Contractor Development Programme
- Comments, opinions and suggestions from contractors and prominent people in the industry
- Advertisements on construction materials/products and services.

In addition to the newsletter, the Board also publishes booklets and fliers on specific subjects for distribution to contractors at a nominal fee.

*Group Networking* among contractors is yet another area of priority for the CRB. It has established a dedicated web site on which business information such as work opportunities, equipment availability and material sources could be posted for quick access by contractors.

## **Promotion of Business Partnership and Joint Ventures**

Most local contractors lack exposure to modern construction management techniques, and experience and confidence in the management of medium-sized and large projects, particularly those involving international contracts. For a construction firm to develop a sustainable competitive capability, it needs to adopt global strategies that will attach it to a collection of countries other than the home market (Ngowi, 1998). The Board is promoting a partnership approach whereby local medium-sized contractors get opportunities to work under supervision of large foreign contractors either through a sub-contracting arrangement or in a joint venture. In this way, technology transfer can take place without prejudice to either party. The issue here is: How can such partnerships be forged? The Board has decided to work with the three key players in the system through:

1. Involvement of foreign contractors operating in the country.
2. Involvement of foreign donor agencies financing infrastructure projects.
3. Training of local contractors to facilitate the formation of viable joint ventures.

Admittedly, this approach considers donor-funded public projects only, apparently leaving the emerging private-sector client out of the programme. It is important to note, however, that most of private client-firms, which are themselves globally oriented, prefer to forge business arrangements with contractors with worldwide coverage for ease of continuity. Since most of the foreign contractors based in Tanzania have wide international networks, the CRB believes that any private clients will most likely use them for their projects in Tanzania. In this way, the local partners will also benefit.

The Board has, so far, held consultations with six foreign contractors and five major donors including the World Bank. The results are very encouraging. Several foreign contractors are now in the process of identifying appropriate partners.

### **Research on contracting business.**

Research on the various issues affecting the performance of contractors in Tanzania is an important aspect in the formulation of strategies for training and development of contractors in the country. The Board has a department of Research and planning which is responsible for directing and co-ordinating research and training activities. As part of its general research activities, the Board has introduced a system of Contractors Annual Returns (CAR) that requires every registered contractor to fill specially designed forms and return them to the Board within the first quarter of the following year.

Information demanded by the CAR system include:

- Updated company profile
- Declaration of volume of work executed during the year under review, showing separately, name, size and proportion of each project/contract executed
- Update on equipment holding
- Update on list of permanent staff
- Type and number of skilled and unskilled staff employed during the year
- Nature and details of problems encountered by the contractor
- Special recommendations to CRB for improving the performance of contractors.

Data gathered in the last two years has been very impressive. The response rate was about 30% in the first year and improved to 40% in the second year. Valuable statistics and comments have been received. Subject to minor modifications, the CAR system will be a permanent research tool for the CRB. It has also been recommended that the CAR should be used as a tool for collecting data, which can be used to measure the performance of the industry.

Specific research work is also being done. Areas of safety, training needs, access to credit, skills availability in the market and equipment availability have been given priority to start with.

### **Promotion of co-operative approach in addressing issues of Policy, Credit and Equipment**

As noted above, the majority of local contractors are very small. They have no voice, capital or equipment to challenge the large, mainly foreign, contractors. However, if they act together, they can provide a formidable force capable of competing even for the big jobs. The Board is therefore encouraging the formation of contractor associations not only at the national level but also at the regional level to co-ordinate their efforts. The following initiatives have been taken by the CRB towards that direction:

1. Provide material and logistic support to the young association of civil contractors (TACECA).
2. Facilitate programmes and other initiatives towards the development of local contractors.
3. Assist contractors in formation of regional associations.
4. Support the NCC's initiative in the formation of the Construction Industry Trust Fund (CITF) – a private fund intended to assist contractors and consultants to secure credit and contract securities under soft terms.
5. Co-ordinate contractors' input to the proposed Construction Industry Policy (CIP).

### **CONCLUSION**

The construction industry in Tanzania plays a pivotal role in the development of the national economy. Its sustainability is crucial to the growth and survival of the economy. The industry is currently characterised by a large number of small contractors with very poor performance and a small number of large foreign contractors dominating the construction market.

Sustainable capacity needs to be built through the strengthening of the local contractors and other actors in the industry without prejudice to their foreign counterparts. Growth and sustainability will not come overnight. It can only be achieved through the creation of an appropriate business environment where both local and foreign partnerships can flourish, thus facilitating technology transfer and capacity building.

Proper systems must be put in place to enable contractors to grow step by step. The classification of contractors on the basis of clearly defined criteria based on capability is an important component of such a system. Such classification does not only guide clients and other business partners of the contractor as well as the general public, but it also helps to inform the contractor where the company stands in relation to others.

Involvement of contractors in planning and implementation of programmes for their own development is crucial for their success.

Most of local contractors are very much aware of their problems and their causes. What is then required in appropriate interventions at both policy and technical level and support to overcome these problems?

### **RECOMMENDATIONS**

Further research and continuous monitoring should be undertaken to evaluate the impact of the proposed interventions as they are implemented. In the absence of other research avenues, systems such as the Contractors Annual Returns adopted by the CRB could be used with a reasonable chance of success. As Ofori (1993) concluded “ the problems facing the construction industries of the developing countries are infinitely more fundamental, more serious and more complex, and their solutions more pressing than those confronting their counterparts elsewhere” we can not expect quick results. The problems facing the small

and intermediate contractors in developing countries at any particular time need to be clearly understood in order to offer appropriate training and development support. Short- and long-term interventions must be designed to ensure sustainability within a carefully regulated market.

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