

GCC ECONOMY

Recruitment agencies tap new markets to hire staff

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Recruitment agencies in the GCC are tapping into new labour markets, including Bangladesh, Nepal and Vietnam, in an effort to solve the acute labour shortages in the construction industry.

Recruitment of workers from Bangladesh, in particular, has increased by more than 100 per cent compared to previous years, with more workers from the country coming to the UAE during the first two months of 2008 than the whole of 2007.

With the construction industry witnessing a boom in several Asian countries, especially India, the shortage of workers in the GCC has driven labour sourcing companies to look towards untapped markets.

As a result, expat workers' contribution to the Bangladesh economy rose by more than 25 per cent in the first eight months of the current fiscal year, compared to the same period the previous year, according to reports quoting statistics released by Bangladesh Bank.

And the staffing problem is unlikely to be resolved soon. According to a new study by the Project Management Institute (PMI), the construction sector in the GCC will experience an alarming shortage of workers during the next five years.

Majeed Al Gassab, President of the Bahrain Society of Engineers and the Vice-President of the Bahrain's PMI chapter, told *Emirates Business* the movement of workers away from the GCC has already started and immediate measures have to be put in place to retain remaining staff and find new sources for recruitment.

A recent PMI study, *Resource Challenges*, said con-

struction projects in the GCC planned for the next two years would require five million workers.

"Our findings were based on a market study conducted by the *Middle East Economic Digest (MEED)*. Based on the expected project workload, it was estimated construction activities in the Gulf may reach the peak at about 12 billion man hours in 2010. This is equivalent to about five million labourers," said Al Gassab.

"It is evident skilled workers are already moving out of the Gulf for better opportunities and it will be a great risk to carry on with inexperienced labourers," he added.

While the shortage is more intense in the semi and unskilled labour sectors, agencies are also finding it difficult to recruit experienced engineers, project managers and architects.

Phil Edmondson, general manager for EDARA, a Union Properties-owned project management company, yesterday said he has been short of 20 employees for almost two years. "Ever since I joined the company 22 months ago, I have been looking for at least 20 staff, mostly project managers for different fields. The only problem in going for young

guys is that they lack experience," said Edmondson.

Meanwhile, as a result of the crunch, the average salary of a project manager in the UAE has increased from Dh35,000 to Dh45,000, while it has become difficult to find commercial and development managers for even Dh50,000.

"Amid all this confusion is the poaching menace. Companies are willing to simply buy employees by offering a 100 per cent salary increase," said Edmondson. "One of my staff, whose salary was Dh27,000, was brought over by another company for Dh43,000. The government should introduce a new three-year fixed visa where the employees should not be allowed to move jobs."

The shortage is so severe that several companies are settling for candidates who do not meet the required criteria and, in some cases, have only half the required years of experience.

Phil Starr, recruitment director at Real HR, said companies no longer have the time to wait for ideal candidates. "Several projects are already delayed and companies cannot afford to wait further for their ideal candidates," said Starr.

The GCC's construction in-

dustry is valued at more than Dh1.9 trillion and according to news reports more than 160 construction projects in the UAE alone are delayed because of labour shortages.

While in previous years, the majority of the semi and unskilled construction workers were from India, the number is dwindling. With construction industry in India growing rapidly and the increasing value of rupee against the dirham, companies are finding it difficult to convince recruits from India to take jobs in the Gulf.

Mohammad Jindran of Sharjah-based Overseas Labour Supply said there has been a severe drop of interest from Indian construction workers. "We do not like to go to India for selection anymore as we only manage to get 30 per cent of our requirement. Bangladesh, Nepal and even Vietnam have emerged as the new recruiting areas."

"In Bangladesh, we are able to get quantity and we are trying our best to train them and improve their quality. The problem with hiring semi-skilled workers from the Philippines and China is that their salary structure is way too high," said Jindran.

While a qualified worker from the Philippines can charge almost 50 per cent more in wages compared to Bangladeshis, recruits from China often expect three times more, Jindran said.

The Gulf's shortage has turned into a boom for labour exporters Bangladesh and Nepal. Total remittance receipts to Bangladesh from migrant workers hit a record \$4.8 billion (Dh17.6bn) in the first eight months of the current fiscal year, marking a 26.23 per cent growth over the same period last year, according to figures from Bangladesh Bank.

UAE salary structure]

	Unskilled	Semi-skilled	Skilled	Foreman	Grd	Foreman
Bangladesh	Dh600	Dh800	Dh1600	Dh2000	Dh2500	Dh2500
Philippines	Dh800	Dh1652	Dh2203	Dh2570	Dh2333	Dh2333
Vietnam	Dh700	Dh900	Dh1800	Dh2200	Dh2500	Dh2500

Employees hired by Overseas Labour Supply]

	2005	2006	2007	2008	Jan-Feb
Indians	2610	3380	2800	500	500
Bangladeshis	1160	1500	2940	2500	2500
Vietnamese	35	130	930	800	800

Source: Emirates Business Research

