ABSTRACT

Alliances In The Local Construction Sector

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Increasing globalisation, open market policies and the influence of international lending agencies provide a significant threat to the survival of local construction entities. Alliance formation is seen as one option for meeting this challenge. This study examines the structure of the Trinidad and Tobago construction sector, and the nature of the economy, and identifies critical success factors necessary for the formation and efficient operation of jointed firms. It also examines the role of alliances in two large public sector projects, and treats with the role and influence of the major stakeholders in alliance formation. Past and present relationships between local and foreign construction firms were investigated with emphasis on the views of the local firms. Results from a literature review and a questionnaire/interview survey are presented.

The study revealed that the sector remains fragmented, subjected to cyclical fluctuations, and its importance to the economy goes unappreciated by the Government. Local firms have substantial experience in alliance relationships with foreign companies and can provide a wide range of services.
Based on past experiences, contractors are wary of forming alliances. However, both consultants and contractors recognise to varying degrees the importance of forming alliances. Local firms’ readiness and approach to alliance formation are questionable with respondents demonstrating a lack of understanding of the construction environment and many had no clear plan for growth and development.

Critical success factors for local-foreign alliances were identified and a case presented for the creation of meaningful joint ventures between local and foreign firms in the execution of major public sector projects. Finally, the role and influence of the major stakeholders in alliance formation were discussed. The importance of an umbrella organisation for looking after the construction sector’s interests, introduction of legislation, meaningful technology transfer and the need for unification of local construction entities were stressed.

**Keywords:** Steve Angel Garibsingh; construction; alliances.