

Feasibility Study of Contractor Registration System and
Contractor Grading System in Macau

by

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ABSTRACT

Macau, a colony of Portugal for over 400 years, has set up its regulations mostly based on the Portuguese legislation and the easiness of control of the people by the Portuguese government. Stayed unchanged until the return of Macau to China in 1999 and thereafter the first few years of the transition period. Due to the structural changes of the gaming industry and construction industry in Macau, proposal of contractor grading system was introduced to the public by the government in 2008 as an intention to replace the current contractor registration system of Macau. The objective is to ensure that the qualification of contractors entering the construction industry should be evaluated, whether in the public or private construction sectors. Only those qualified are allowed for entry and execution of construction works according to their categories and qualifications, as a hope to restructure the construction industry in a more systematic way.

However, due to the fact that the current contractor registration system has been executed in Macau for almost half of a century, the execution of contractor grading system would have totally changed the way contractors register with the government. Therefore, the objectives of the thesis are to investigate whether the change of contractor registration system is really necessary through analysis of deficiencies existing in the registration system and to determine whether the adaptation of contractor grading system is really suitable to the condition of Macau.

This thesis makes use of a quantitative survey to analyze the contractors' point of view towards this issue. The results obtained from the survey indicate that local contractors are generally disappointed with the current contractor registration system executed in Macau, and expect that the implementation of contractor grading system can reduce the chaos currently

exist in the construction industry. Contractors have no objection to replacing the contractor registration system with the contractor grading system, except that the government should have a thorough consultation with the industry before full implementation of the new system. Contractors also expect that they will be in a better position to compete with foreign contractors after the amendment, or replacement, of the contractor registration system.

However, instead of replacing the current contractor registration system with the contractor grading system as proposed, an improvement made on the contractor registration system together with the integration of the registration system similar to that of Hong Kong would be more practical and reasonable; partially due to the fact that Hong Kong is a highly developed region with a well-established system, with similar political and economical conditions as that of Macau, as well as similar social values of the two cities. Nevertheless, should the contractor grading system proposed by the government be executed, the recommendations for amendments of the contractor grading system are also proposed at the end of the thesis. It is intended for reference provided to the governing authority to consider maximizing the suitability of the system and minimizing the negative impact to the contractors and the construction industry.

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