

Welcome Address by Dr. John Boyd, President FIDIC

Greetings. You know when you address a group like this with such a long list of distinguished guests you have two choices, you can work your way through one after the another and pay the appropriate attention here in Kathmandu particularly on a subject that is as important as making globalization work.

You know our industry has syncrophonic view of globalization. To those from the developed world, it means the ability to work anywhere with minimum barriers, if you like a business opportunities to those from the developing world however it means having to compete not only with other firms from the area who face all of the challenges that you do but also with larger and perhaps more experienced firms from abroad. In short, a sort of unfair competition. In this environment, mutual apprehension FIDIC does its best to level of playing field by collecting the best practices from around the world, making them available through its documentations and increasingly providing training courses.

Over the past 5 years, FIDIC has more than trebled the number of training courses it provides and current emphasis is to expand the list of recognized trainers not only to give coverage geographically but also linguistically. In addition, we have consolidated much of our collective knowledge, management practices in this industry into our guide to practice and we are assembling course modules to accompany these written materials. This activity is in the hands of our capacity development committee. But it is important to recognize that we see these resource targeted at in-house training to staff members both in the developed and the developing world. Of course, the problem with all this is that the training does not work without the opportunity to practice what we have learned. In a presentation, a few weeks ago in Uganda, at the time of our most recent executive committee member, I pointed out to the government representatives and the development bank representatives at the meeting that the capacity building begins at home. I suggested that more projects could be assigned to local consultants who if they feel stretched by some unfamiliarity with the nature of the project is more than capable of finding help from others experienced in this type of work through their contacts at FIDIC.

The Federation, if you like as a networking tool, can help resolve these kinds of issues. In the course of this conference we will hear up-to-date status report on the condition of the consulting industry in a number of parts of Asia. In addition, we will learn about specific opportunities for consulting services here in Nepal. Finally, in theme papers we will hear about a range of challenges to globalization in our industry, everything from education through to capacity building, challenges of harmonizing engineering development with environmental concerns. There will be a lot of thought provoking materials and a lot of opportunities to discuss these issues with colleagues from around the Asia Pacific region.

In the remaining couple of minutes of this introduction however, I would like to touch on a subject that is affecting and will continue to affect our entire industry on a worldwide basis. The financial meltdown that started in late 2007 continued through 2008 and continues now to 2009. In one sense the speed with which the size of this tremor spread

from its focal point in United States to the far reaches of the world condemns the globalization of the financial industry. And also makes us ask whether there are lessons that should be learned and reinforcements that should be applied to our own industry by these events. It seems that one of the main causes of the problem has been very poor regulation of the financial industry to provide protection for the average person from the consequences of poor judgment on the part of industry leaders. In much of our industry, the engineering and architectural industry, we take the protection of the community from bad practices as a matter of professional priority and we bar from practices those who seek to circumvent these ethical consideration. Perhaps we need to do more to strengthen these practices and strengthen consistency in our codes, in our standards around the world. It is interesting that the reaction of the most of the world government to the threaten stagnation of their economies has been to massively invest in infrastructures. These decisions have mostly been made with very little consultation between government and our industry and I think there are some aspects of this infrastructure emphasis we need to consider as we go forward. A few questions come to mind, why does infrastructure spending require a crisis to get started? And are we now in danger of spending on projects that are not needed? You know the first speaker, the Prime Minister, the second speaker and the third speaker all pressed great emphasis on our industry and on our ability as an industry to help these particular issues. In fact if I may quote from the presentation of the minister of finance 'engineers, architectures and planner are the backbones and uncontested leaders of national economic development'. This is a huge responsibility and I think, we need considering the issue of globalization to consider what we need to do as industry to respond to this challenge and give it the importance it deserves. A trust is something that has to be earned everyday. Why is our industry considered to be a strategic partner to the government in this area so that the consultation would be automatic. I think we are perhaps not holding up our end of the deal and we should pay attending to this. With infrastructure spending by countries that can afford it will listen for structure spending broaden the gap between the developed and the developing world. And what facilities are there to help continue infrastructure development in the developing world.

Infrastructure spending only creates major number of jobs once the projects are under construction. So we can anticipated the considerable pressure will be brought to bear on the designers, on us, to rush work and shorten the design period. Professionally, we need to be particularly careful that the work we produce is been checked properly. We will also see efforts to short cut tender periods, to rush the contractors selection process, this will lead inevitable to additional claims during construction and in extreme cases may lead to inappropriate tendering methods. The safety net of careful, considered procedures, a open transparent practices is therefore a reason and we ignore it at our parole. I trust that I have given you something to think about and talk about as we commence this very interesting conference. If this whole global financial response by infrastructure spending interests you consider coming to London in September, 13-16 to participate in FIDIC's annual conference where this subject will be fully discussed. Thank you very much for your attention.