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COMPETITIVENESS IN WORLD CONSTRUCTION MARKETS: TRENDS AND PROSPECTS

Abstract. The article is devoted to the analysis of the leading trends in the construction industry in order to determine the prospects for building an effective system of competitiveness of national construction companies. Ensuring the competitiveness of the construction industry is a complex process, as the industry has a high degree of technical and technological support and the use of human resources, which requires the development of integrated approaches to its development in both domestic and foreign markets. Construction is a multiplier industry that ensures the development of other sectors of the economy. As a result of empirical research, a number of patterns were identified, which allowed to form proposals on the elements of ensuring the competitiveness of construction companies. Building the material and technical base of industry and agriculture, increasing the level of housing through the development of housing, creating conditions for the development of entrepreneurial activity through the construction of commercial real estate - these are the key tasks of the construction industry in the economy. Having determined the role of the construction industry in the world economic system, it is worth noting that the construction industry is a multiplier and determines the prospects for the development of other sectors of the economy. Construction makes a significant contribution to the national and world structure of gross domestic product. Accordingly, construction plays an important socio-economic role. The study identified the main trends in construction, in particular, analyzed two scenarios with increasing demand for residential real estate and commercial facilities, as well as the second scenario with the transition to infrastructure construction. The incomes of the world's leading construction companies were analyzed in accordance with their nationality and the size of national markets in order to determine the opportunities for construction companies to enter foreign markets. The role of powerful construction companies in the global development of the construction market is determined. A system of indicators to ensure the competitiveness of the construction company based on the analysis of the largest construction companies in the world and their role in global economic

processes. The analysis revealed that important aspects of ensuring the competitiveness of construction companies in both national and foreign markets are brand building, high technology, innovation, compliance with environmental standards and integrated approaches to business development through cooperation with stakeholders from business and research institutions. .

Keywords: competitiveness, construction market, construction industry, economic systems, construction companies.

Formulation of the problem. The development of the construction industry is a complex multifactorial process that is related to its specifics. Characteristics of construction are a high degree of technological development, a large number of operational processes, the use of human resources, a high investment component. These factors must be taken into account in the formation of managerial influences to ensure competitiveness at the level of individual construction companies, as well as at the national and global levels.

Analysis of recent research and publications. The development of the construction industry as a multiplier of the economic system plays an important role. Thus, the issue of analysis of world experience in the development of construction has attracted the attention of many authors. In particular, it is appropriate to highlight the research of authors who have been published in scientific periodicals, such as Alkhateeb, A.M., Hyari, K.H. and Hiyassat, M.A. [1], Xinli Zhang, Wentao He, Tian Gao [2], Arai, K. [3], Ye, M., Lu, W., Flanagan, R. and Ye, K. [4], Abdul Ghafur Hanafi, Mohd Nasrun Mohd Nawi [5], Abu, Sudhakar, S. S. B. [6], Tabish, S. Z. S., & Jha, K. N [7], Mamonov K.A, Uhodnikova O.I [8], Alias, Z., Zawawi, E. M. A., Yusof, K., & Aris, N. M. [9] and others.

However, some aspects of the formation of a comprehensive system of competitiveness in the construction market, taking into account innovative development and new societal challenges, remain unresolved.

The purpose of the article. In accordance with the definition of the relevance of the study, a goal is formulated, which is to accumulate the leading trends in the construction industry to determine the prospects for building an effective system of competitiveness of national construction companies.

The purpose of the study led to the solution of the following tasks:

- analyze the role of the construction industry in the world economic system,
- identify the leading trends in construction,
- analyze the revenues of the world's leading construction companies in accordance with their nationality and the size of national markets in order to determine opportunities for construction companies to enter foreign markets,
- to form a system of criteria for ensuring the competitiveness of the construction company based on the analysis of the largest construction companies in

the world and their role in global economic processes.

Presenting main material. Ensuring the competitiveness of the construction industry is a complex process, as the industry has a high degree of technical and technological support and the use of human resources, which requires the development of integrated approaches to its development in both domestic and foreign markets. Construction is a multiplier industry that ensures the development of other sectors of the economy. Building the material and technical base of industry and agriculture, increasing the level of housing through the development of housing, creating conditions for the development of entrepreneurial activity through the construction of commercial real estate - these are the key tasks of the construction industry in the economy. Accordingly, global economic development also depends on the development of the construction industry. Construction has a significant impact on the formation of such an indicator of economic efficiency as gross domestic product. It is advisable to analyze the fate of the construction industry and the trend of change in world GDP - Fig. 1

Fig. 1. The share of the construction industry in world GDP, %: trends and modeling Global Construction [10]

An analysis of the share of the construction industry in the structure of world GDP revealed that in 2010 the share of the construction industry was only 11%, over the next five years it grew by 2.5%, and in 2020 it was already 13.2%. Thus, there is a steady upward trend in the share of the construction industry in world GDP. Experts from Global Construction, modeling the development of the construction industry, say that the upward trend will continue. Over the next five years, experts forecast growth of 0.3% and another 1.2% by 2030 (ie, the share of construction in

the structure of world GDP by 2030 will reach 14.7%, which is 3.7% more to the base year 2010). Such trends in increasing world construction output are explained by a number of factors, including the need to develop and upgrade the infrastructure of the economy in the context of new technologies and new needs of society, population growth, which requires housing, primarily through the growth of large cities and urbanized territories, the growth of consumer demand will shape the growth of commercial real estate.

However, there is a second theory of social development, developed by Bill Gates, who argues that in a pandemic and the transition to remote work will be an outflow of population from large cities to small settlements, due to the ability to save on rent and livelihood. In this development scenario, construction should refocus its own efforts on social infrastructure development and road construction to ensure the comfort and accessibility of living in small towns. However, during the two years of the pandemic, no significant trends in mass displacement were identified.

In order to analyze the leading European experience in the development of construction markets, it is advisable to analyze trends in construction in the EU - Fig. 2

Fig. 2. Trends in construction in the EU, 2005-2021. [11]

According to the analysis of construction trends in the EU, it is determined that the largest volumes of construction are in residential real estate in 2005-2007, then

the volume of construction of residential and non-residential real estate is almost equal, post-crisis period since 2009. In general, it should be noted that the financial and economic indicators of the construction industry respond to crisis situations in the economy, but there is some energy. In particular, the results of the economic crisis of 2008 were particularly reflected in the financial and economic indicators of the construction industry in 2009. However, the construction industry is the first to emerge from the crisis, as evidenced by a significant increase in the volume of construction work performed in 2012. During the pandemic period, there was a decrease in construction work, but since 2021 construction has recovered, but the structure is dominated by housing, in second place is industrial real estate, commercial real estate commissioning has not increased, due to crises in other sectors.

The analysis of construction development trends should be analyzed not only at the macroeconomic but also at the microeconomic level, which will allow to determine the competitive advantages of construction companies. The analysis of incomes of the largest construction companies of the world is presented in fig. 3

Fig. 3. Revenues of the largest construction companies in the world according to their nationality, million dollars USA, 2021 [12]

Despite the high growth rate of construction products, EU countries do not have such powerful construction companies as cranes in Asia (China and Japan) and the United States. The largest construction companies are located in China, USA, Japan. However, they work not only in domestic markets, but mostly implement projects in foreign markets. In addition to housing construction, the companies with the largest capitalization in the construction industry in the world must have an additional specialization: logistics, industrial and commercial real estate, residential real estate for the staff of expanding companies. Chinese companies have incomes that are almost three times higher than their direct competitor, the United States. This can be explained, firstly, by the active industrial development in China and the policy of the state, which when investing abroad provides construction contracts exclusively to national construction companies. The growth of China's investment in the world economy is also determined by the growth of construction work performed by Chinese companies around the world.

Thus, the analysis of statistics showed that the highest incomes and development prospects are in the markets of East Asia (over a third of the market), followed by Western Europe (almost 20% of revenue) and North America (over 9% of the market). Thus, world leaders must move not only in domestic but also in foreign markets.

Analyzing the activities of the world's most powerful leaders in the field of construction, the following advantages have been accumulated that ensure their competitiveness [13-18]:

- creation and history of the brand,
- powerful logistics that allows companies to carry out large-scale construction projects,
- ensuring high quality of both the final construction product and all operational processes,
- compliance of production processes and final products with environmental requirements,
- cooperation with transnational corporations and governments,
- high technologicalization of production, innovative technologies,
- high level of human potential and efficiency of its use,
- research basis for the introduction of new technologies.

Thus, the analysis identified that important aspects of ensuring the competitiveness of construction companies in both national and foreign markets are brand building, high technology, innovation, compliance with environmental standards and integrated approaches to business development through cooperation with business stakeholders and scientific institutions.

Conclusions. As a result of the study, the leading role of the construction industry in the world economic system, its high share in the structure of the

country's GDP was determined. Leading trends in construction development indicate an increase in the volume of construction work performed and a high demand for residential, industrial and commercial real estate over the next ten years. The analysis of incomes of the world's leading construction companies and their national affiliation allowed us to determine the basic priorities for the development of construction companies in national and global markets. According to the analysis, the task was formed to ensure the competitiveness of the construction company.

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