
Slowdown signs - Japanese construction firms remain unpaid for work in Dubai

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Arabian Business reported that Japanese construction companies are facing serious debt problems amid issues with being paid for work done in Dubai.

As per report, Mr Seiichi Otsuka the Japanese consul general in Dubai claimed firms are still owed billions of dollars on projects that include the Dubai Metro and Palm Island.

Japanese builders have played a major role in Dubai's construction boom, spearheading work on the metro and other key projects in the emirate.

Mr Otsuka said that "Some Japanese construction companies are facing very serious debt problems. Some companies engaged with the construction of the Metro are facing some payment issues."

He added that Mitsubishi Heavy Industries are among those firms affected by non payment on contracts.

Mr Otsuka said that the Japanese government has not discussed the payment issues with the Dubai Government, nor has it intervened with financial assistance to those companies affected. We are in a position to push both sides to make an amicable solution.

He said that it was difficult to put a figure on the outstanding debt as some payment was due shortly. Last month, it was reported that some UK contractors were turning down invitations to chase work in Dubai because of continuing doubts over whether they will be paid on time.

Mr Koji Okamoto GM of the Middle East office of MHI in Dubai said that "MHI executed the construction of the Dubai Metro and some other contracts and we are still awaiting payment. The company has contracts in the Middle East valued at USD 150 billion.

According to Mr Nelson Ogunshakin CEO of the UK Association for Consultancy and Engineering, a large number of UK firms significant number of UK firms are still owed money by struggling developers in the emirate.

(Sourced from Arabianbusiness.com)

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