

# **EFFECTIVENESS AND BENEFITS OF MOBILIZATION ADVANCE PAYMENT ON SRI LANKAN CONSTRUCTION INDUSTRY**

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## **ABSTRACT**

In every economy, the construction industry plays a major role, and its operations are crucial to the achievement of a nation's socio-economic growth objectives. The building and housing sectors play an enormous role in the national growth agenda in Sri Lanka. Advance Payment is also the final leverage needed for the success of contractors. Sri Lanka is one of the few countries in the world that grants building contractors advance mobilization. However, what seems debatable is whether the industry is using the much anticipated driving power required to express its vital contribution to rapid domestic growth in terms of infrastructural output. This paper assesses the degree to which the Sri Lankan construction industry's Mobilization Advance Payment (MAP) to the production of small-scale contractors. The research contents with the effectiveness of Mobilization Advance Payment by using the stage payment and advantages and disadvantages of Mobilization Advance Payment. To answer the research questions, primary data was collected through 30 questionnaires from the professionals in the construction industry. Secondary data was collected from related literature reviews. Semi-structured interviews and a case study was conducted to fulfill the objectives. The data was obtained from the contractors' financial statements. Relative Important Index, Statistical Package for the Social Sciences was used to analyze the collected data. The research was concluded that it is difficult to obtain the advance payment guarantee from the contractor. The study recommended that the allocation of Mobilization Advance Payment is very important to the success of Sri Lankan contractors within the traditional construction framework.

**Key Words** – *Mobilization Advance Payment, Construction Industry, Contractors, Performance*