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Contractors Rush in as Kan Pledges to Rebuild After Japan Quake 2011-  
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(See EXT2 <GO> for more on the Japan earthquake.)

By Naoko Fujimura and Masumi Suga

March 21 (Bloomberg) -- Japanese contractors have rushed workers, generators and equipment to areas devastated by the March 11 earthquake and tsunami that damaged or destroyed more than 110,000 buildings and may have killed 20,000 people.

"We've had many, many requests" for floodlights, power equipment and construction gear since the temblor, said Takashi Yamada, a spokesman for Osaka-based Nishio Rent All Co. "We're just sorry we don't have enough stock for everyone."

The government has asked companies such as Daiwa House Industry Co. to supply more than 30,000 temporary houses within two months to help shelter the 350,000 people now in evacuation centers. Prime Minister Naoto Kan has also pledged to "rebuild from scratch" following the magnitude-9 quake and tsunami that damaged about 1,500 roads, 48 bridges and 15 railways, according to the National Police Agency.

"The scale of the rebuilding will be huge," said Kazuo Susa, a spokesman for Fukuda Corp., a general contractor based in Niigata prefecture, northwestern Japan.

Fukuda started inspecting buildings the day after the quake and it began repairs to facilities including shopping centers the following day to help customers resume operations, Susa said. The company is now reinstalling fallen ceilings and working on other repairs in buildings that avoided the worst of the damage as it awaits the start of full-fledged reconstruction, he said.

#### Shares Jump

Speculation that Fukuda will win rebuilding contracts has caused it to jump 92 percent on the Tokyo stock exchange since March 10, the last day of trading before the quake. That's the third-best performance among the 1,666 companies on the index, which has dropped 8.1 percent.

Nissei Build Kogyo Co., a maker of prefabricated houses, leads gains having more than tripled since March 10. Osaka-based builder Fudo Tetra Corp. has more than doubled. Construction-related companies account for 39 of the 40 best-performing Topix stocks in the period.

Reconstruction and relief efforts in the disaster area have been hampered by snow, damaged roads and fuel shortages. The devastation also covered a greater area than the 1995 Kobe quake and included many smaller towns with few transportation links.

"The damaged area is very wide, and it will be an all-out battle," said Nobuyuki Ogawa, a spokesman for Tokyo-based Toa Corp., which specializes in building harbor facilities. "The coastline is all destroyed."

#### Toa Taskforce

Toa has set up a taskforce to work on temporary repairs so that ports can handle relief shipments, and it is also sending in supplies of food and blankets for employees and others, he said. The company's office in Sendai has no gas supplies, which is hampering efforts, he said.

The government said last week that 11 harbors were damaged in the tsunami, all of which were expected to be at least partially open for emergency supplies by March 22. Companies such as Toa and Toyo Construction Co. are repairing broken quay walls and removing debris clogging waterways.

"The priority is to restore operations at those damaged ports as soon as possible," said Atsushi Miyazaki, a spokesman for Tokyo-based Toyo Construction, which has sent about 30 workers to the region.

The Japan Civil Engineering Contractors Association has set up more than 400 temporary toilets in Tohoku and sent in supplies including 300 futon sets, 2,000 blue sheets and 12,000 bottles of water, it said by e-mail.

#### Supplier Damage

Companies that will lead the reconstruction effort also suffered their damage in the disaster. Osaka-based Daiwa House's regional distribution center near Sendai airport was destroyed in the flooding, Chairman Takeo Higuchi said at a press conference last week.

Damage to factories or power shortages stemming from a nuclear-power plant being crippled by temblor may also affect supplies of construction materials, said Higuchi, who's also the head of the Japan Federation of Housing Organizations.

It took a year to rebuild major infrastructure following the Kobe quake and the bulk of the repairs after the Sendai disaster may take as long, said David Edgington, an associate professor at the University of British Columbia. Rebuilding will likely be cheaper than the \$100 billion (in 1995 dollars) cost following Kobe as Tohoku has fewer major buildings, he said.

"It will be a fraction rather than a multiple of Kobe," said Edgington, author of the book "Reconstructing Kobe: The Geography of Crisis and Opportunity."

#### Housing Land

It may also be easier to find land for building temporary or permanent public housing as Tohoku is largely agricultural, he said. After the Kobe quake, many people were relocated far from the city center because the only land available was on the other side of a mountain, which broke up communities, he said.

There may be less incentive to rebuild in Tohoku as much of the region's economy was in decline with younger people already leaving to find work elsewhere. Job prospects in Miyagi, where nearly 5,000 people died in the quake, were worse than in most of the nation's 47 prefectures in January.

"The government has to make some hard choices as to whether to keep these coastal communities going," Edgington said.

Prime Minister Kan has pledged to rebuild and his government aims to compile a relief and reconstruction package as soon as next month. The biggest opposition party is calling for a 5 trillion yen (\$61 billion) effort.

"Rebuilding will take a very long time and a lot of effort," said Toa's Ogawa.

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