

Emerging contractors key to construction sector recovery



By [Bongani Dladla](#)

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The construction sector can lead South Africa's recovery as the country emerges into a post-Covid-19 economy, but only if emerging contractors are empowered.



Bongani Dladla, acting chief executive officer of the CIDB

This was the consensus among participants at a recent seminar on the state of the industry hosted by the Construction Industry Development Board (CIDB). In addition to its primary mandate to promote the contribution of the construction industry to South Africa's economy and society, the CIDB also provides a platform where participants in the sector can share research on trends within the sector and relate best practices.

There were justifiable concerns about the sharp decrease in construction activity following the outbreak of the Covid pandemic. This was especially felt within the public sector where the CIDB plays a critical role to ensure efficient and effective infrastructure delivery.

However, there is also significant room for optimism. Investment in infrastructure is a key component of the Economic Reconstruction and Recovery Plan announced by President Cyril Ramaphosa. The plan calls for "aggressive infrastructure investment" with a strong emphasis on localisation, job creation and streamlining of the regulatory framework.

Green shoots already visible

Some of the green shoots are already visible. At the recent Sustainable Infrastructure Development Symposium (SIDSSA 2021) details were announced of a pipeline of 55 projects with a project value of R595bn. This can create an estimated 583,500 direct and indirect jobs.

Participants at the CIDB seminar expressed strong views that emerging contractors should benefit fully from the pending upswing in building activity and opportunities should be created in which they can improve their grading and become increasingly eligible for major projects.

Concurrently, the public sector must significantly improve its capacity to manage infrastructure projects under its control and address long-standing concerns within the industry about delays in the awarding of contracts, delays in the implementation of projects and late payments to contractors.

There are expectations that private sector skills will, increasingly, be drawn in to address issues pertaining to capacity. Again, the CIDB, with its experience gained in almost two decades, can make valuable contributions to the dialogues and consultations within the industry.

Similarly, there are stronger voices speaking out about endemic corruption and the activities of the so-called 'construction mafia' which are delaying vital projects, destroying assets and threatening the lives of contractors and their workers.

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Reindustrialising the economy

One of the participants at the seminar, Mr Gregory Mofokeng, the CEO of the Black Business Council in the built environment, emphasised the role construction can play in the reindustrialisation of the economy. This can be done through the implementation of localisation programmes where local building materials are used, local expertise is utilised, and local jobs created.

At the same time, the local industry is not isolated from global trends. Dr Obuks Ejohwomu from the University of Manchester reminded participants about the high contribution of construction to global emissions and air pollution.

The UN Climate Conference (COP26) held in Glasgow this month will, no doubt, revise targets for pollution and set new standards to which the construction industry should respond.

The introduction of technology-driven solutions brought on by the fourth industrial revolution will also bring about profound changes to the sector. Construction 4.0 – the integration of 4IR advances into the industry – will revolutionise processes across the entire spectrum of activities. Some of these innovations are already being deployed with great success in the South African industry.

Already, many emerging local contractors are embracing new technologies and strengthening their positions within the construction value chain.

Empowering the local construction sector

It is important that the local construction sector should be empowered to benefit from the expected upswing in the post-Covid economy. A keen observer of the local sector, Prof Roger Flanagan of the University of Reading in the United Kingdom predicted that the global construction industry will be at the leading edge of the recovery and that South Africa needs to be part of it.

He emphasised the fact that it is located in the fastest growing region in Africa and is globally known for its ability to produce great construction companies and contractors who are admired for their competence.

The challenges will be to broaden the sector, support emerging contractors – especially black-owned and female-owned businesses – and attract a new generation of entrepreneurs to the sector.

ABOUT BONGANI DLADLA

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