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PRESS RELEASE

CIF EAGERLY AWAITES NATIONAL CONSTRUCTION COUNCIL

The Construction Industries Federation is very hopeful about the outcome – commitments made by the Namibian government as well as the pledges of anticipated investments by private sector investors - on 1 August 2019, at the Namibia Economic Growth Summit 2019, held at the Safari Court Hotel & Conference Centre in Windhoek.

One of the commitments read by the secretary to the cabinet, Dr Stanley Simaata, was that the Ministry of Works and Transport is instructed to introduce the National Construction Council (NCC) before the end of the financial year. This is necessary to ensure that the industry is better regulated and it will also address the unequal playing field that currently exists in the sector.

A draft bill for the establishment of a national construction council has already been reviewed at a stakeholder workshop on 21 November 2018, organised by the Ministry of Works and Transport. The CIF is therefore exciting about the possibility of a revised bill being re-tabled in Namibia's National Assembly soon.

Bärbel Kirchner, consulting general manager of the CIF says: "We are very happy about the commitment made by our government. It would be a major step forward for our industry. We have been pleading for the establishment of a council for years and are really looking forward to when we finally have a more regulated environment in our industry. It would be in the interest of everyone – obviously our contractors, but without any doubt, also financiers as well as clients, especially our government.

“A less regulated environment would provide the scope for many players to operate – including tenderpreneurs; foreign companies without being registered in Namibia as well as contractors taking on projects without sufficient experience, qualification or financial capacity.”

The CIF has been calling for the establishment of a NCC since 2006. The effect of such an unregulated environment is that legitimate local contractors with adequate capacity are increasingly pushed aside; and that ongoing local capacity building, continued employment and the provision of decent work is undermined.

A NCC would require that any contractor operating in Namibia be registered with the council. Depending on the criteria determined by the NCC, contractors would then be categorised. This would ensure that only those that indeed are actively operating in the industry, would be registered. In addition, it would ensure that capacity would be aligned with size of projects. The training and development of contractors will also ensure that capacity of respective contractors will increase over time.

The investment pledges made by the private sector at the Namibia Economic Growth Summit are also of great interest to the construction sector. With validated commitments of N\$20 billion and possibly reaching N\$50 billion, pending verification, the CIF believes that there is large scale opportunity for the construction sector.

Bärbel Kirchner, consulting general manager of the CIF says: “the pledges of investment are truly very promising. We are excited about the potential opportunities for our sector and will engage with the respective investors to ensure that everyone is aware of the Namibian capacity in the construction and building sector.

Once our sector gets actively busy again, we, without any doubt, will see the spillover effect to other sectors. This is provided that we engage our local contractors and buy our material locally, so that we keep the money circulated in our economy”.

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