



Hats



Off

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CIF SAYS THAT CONSTRUCTION SECTOR MUST BE REGULATED

It is with great dismay that the Construction Industries Federation of Namibia (CIF) has read the article "Unfinished classrooms, hostels a seven-year eyesore", published in the local newspaper, The Namibian on 14 July 2021. The CIF states that irrespective of who is at fault that the structures are not being used for their intended purpose- either the client or the contractor - the fundamental issue is that the construction sector still remains unregulated, despite the CIF's persistent and relentless efforts to ensure that a national construction council would be established, since 2006.

As one of the stakeholders, the CIF has been lobbying senior ministers including Namibia's prime minister, to convey the utmost urgency that the industry would be regulated. This would ensure that every contractor operating in the construction sector would be vetted and registered with the council. Registered businesses then would be categorised based on criteria determined by the council, for example technical and financial capacity. This would ensure that the size of the contractor would be aligned with the size of project, which not only will increase the probability of quality workmanship but also the effective completion of projects.

First attempts to raise the awareness that the construction sector would need to be regulated were made in 2006. Once, in 2010, the related bill had been tabled in parliament, which at the time had been thrown out, as there had been fears that

regulation through a council would hinder the development of an inclusive industry. This was however clarified and further discussed in subsequent stakeholder engagement meetings. One of the major roles of the proposed construction council is also the effective co-ordination of technical training and capacity building in the industry, so that SME's and emerging contractors can also participate in increasingly larger tenders.Continued to page 5

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NAMIBIA JOTS DOWN GREEN HYDROGEN PLAN

Scaling up the generation of renewable energy is a prerequisite for cheap and competitive green hydrogen production in Namibia.

This is according to the government's strategy which includes the establishment of a sustainable green hydrogen farm in the country. The programme is expected to generate up to 70 megawatt of energy.

Green hydrogen is a form of energy that is created by using renewable energy instead of fossil fuels.

With the world poised to produce green energy, Namibia is also pushing this agenda.

This green energy concept is championed by James Mnyupe, the presidential adviser on the economy, and is also supported by minister of finance Nipumbu Shiimi, who sold Namibia's position to the world in early June 2021 in a Bloomberg television interview.

The draft strategy was prepared by Hatch, an engineering, procurement, and construction management company. It aims to help Namibia decarbonise and build a hydrogen economy by leveraging the country's abundant solar and wind resources to generate the world's cheapest green hydrogen.

"Renewable energy farms can be utilised to produce green hydrogen for industry and domestic users to displace diesel usage and create a hydrogen economy," the strategy reads.

Thereafter, the economy can be expanded to form a green hydrogen ecosystem and widen Namibia's reach in other value chains, it explains. Once this system is fully scaled up, it will result in Namibia becoming a net exporter of hydrogen.

The hydrogen value chain is reliant and dependent on renewable and hydropower production to facilitate the production of the gas through a process called electrolysis.

The produced green hydrogen can be used as a clean fuel for mobility in trucks, trains and cars.

In Namibia's case, hydrogen can replace diesel, which is the main fuel used for power generation in mining and metals, and other heavy industries, the strategy suggests.

Moreover, as governments start turning their Paris Agreement commitments into more explicit targets and legislated objectives, hydrogen-energy production can be one of Namibia's strategies.

"This is Namibia and its efforts to meet its climate-change commitments by prioritising the decarbonisation of polluting industrial sectors," the strategy reads.

The document indicated that Namibia could leverage its world-class renewable energy resources to reduce and consequently eliminate energy imports, which have steadily increased since 2 000.

This would also reduce oil consumption, which has been Namibia's greatest source of emissions for the past two decades, as well as the country's energy dependence, read the strategy.

The projects will be implemented through a public-private partnership as this approach guarantees investments in the public sector and more effective public resource management.

The collaboration also ensures risks are optimally balanced between the private and public sector partners, and allows the government to leverage the technical and operational expertise of the private-sector partner, the strategy reads.

This is part of the interim renewable energy feed-in tariff programme, which is designed to accelerate investment in renewable energy technologies by offering long-term contracts to renewable energy for independent power producers.

Source:

<https://www.namibian.com.na/102783/read/Namibias-jots-down-green-hydrogen-plan>





REPAIRED BEDS HANDED OVER TO THE MINISTRY OF HEALTH AND SOCIAL SERVICES

Hangala Group is pleased to have been involved in the initiatives of the private sector responding to COVID-19 through the NCCI. Hangala Group is a diversified Namibian company with interests in financial services, construction, properties and agribusiness. Through their fully-owned subsidiary, Hangala Construction, they have been privileged to collaborate with B2Gold Namibia and Procon to fix the beds that were handed over.

"Compared to our two partners, B2Gold and Procon, who deserve the main credit, our involvement in repairing these beds has been modest. However, what we believe is worthy of note is the collaboration amongst Namibian private companies. The fact that such companies are teaming up and pooling their financial, intellectual and experience is not only commendable but important. They stood up to the call of duty at a moment when all forms of support are critically needed", said Dr. Leake Hangala, executive chairman of Hangala Group.

The whole of the Namibian economy and society have been affected by COVID-19 and its devastating consequences.

However, the construction industry is one of those that has been hardest hit.

"At its peak, the construction sector was one of the largest employers and was contributing close to 8% to the country's GDP. "As we speak, that has now shrunk to 1.8% of GDP, with corresponding job losses. We therefore need to look beyond COVID-19 to how we should rejuvenate and revitalise the economy again. COVID-19, coupled with unrest in neighboring South Africa, is telling us that Namibia needs to build its domestic capacities in terms of production and provision of goods and services", Dr. Leake stated.

Dr. Leake stated that the time has also come whereby projects paid for with Namibian taxpayers' money should not be contracted-out to foreign-owned construction companies. This is to ensure that the industry is up to international standards and adheres to best practice. He is also requesting that the government accelerate the establishment of the construction council.

In closing remarks, he thanked B2Gold Namibia and Procon for the present collaboration. "We at Hangala Group are ready to work together with our Government and other companies for economic growth, employment creation and eradication of poverty'.

Contributions

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info@cifnamibia.com

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YOUNG ARTISANS IN CONSTRUCTION GET ASSISTANCE



Activities in the domestic construction sector significantly declined due to heavy budgetary cuts and the overall negative impact of Covid-19 pandemic, as both government and private construction work weakened considerably in light of subdued economic activity.

Presidential advisor for youth matters Daisry Mathias said government recognised some of the sectors that encountered the hardest knock of the negative impact of the Covid-19 pandemic restrictions that has ultimately affected livelihoods and financial security of Namibian households.

In turn, Mathias' office created a stimulus package through projects that targeted the sectors that were heavily affected, specifically pointing out the construction sector.

"We have two projects in supporting young citizens in the construction sector, where government has issued an exemption for preferential procurement by the ministry of finance to unemployed artisans, giving them access to government projects," Mathias explained. She added that through this initiative, which has been running since November 2020, they were able to create 75 jobs in Windhoek.

Mathias said her office is in the process of taking the project to other parts of the country so that regional councils can extend the same opportunities to artisans in their respected regions.

Meanwhile, Bank of Namibia, stated that activities in the construction sector declined, year-on-year, during the first quarter of 2021, driven by lower construction works in both the government and private sector.

The government spending, earmarked for public construction programmes, decreased in real terms by 15.8% and 20.2%, year-on-year and quarter-on-quarter, respectively, to N\$534.7 million.

The decline partly reflects the corresponding lower budgetary provisions for construction projects in the 2020/21 fiscal year.

This was partly due to further scaling down of the government expenditure on construction and related activities, guided by fiscal consolidation programme, in addition to the impact of the Covid-19 pandemic.

Furthermore, the youth advisor noted that sports in Namibia has also suffered significantly in the midst of the pandemic. "We are in the process of engaging investors in Europe, who are interested to come and make a contribution to infrastructure development and talent management," added Mathias.

According to Mathias, the business task force recently appointed by President Geingob is tasked to look at the losses forcing businesses to close off and putting jobs at risk.

Source: <https://neweralive.na/posts/young-artisans-in-construction-get-assistance>



The regulation of the construction sector through a construction council is so very important that Government had committed itself at the Investment Summit, organised by the High Level Panel of the Economy in 2019, that the National Construction Council would be legislated by 31 March 2020.

The bill has now been submitted to Cabinet in March 2021 and it is envisaged that it will be submitted to the Cabinet Committee for Legislation in September 2021.

Not only will the registration and categorisation of businesses ensure good quality in the industry but it would also directly address the problem of tenderpreneurs in the construction sector. These middle persons rarely add value as most of the time they do not have a construction business or capacity per se. Instead, once the contract has been awarded, it is often sold to other contractors, many of which are foreign contractors. This limits the value a building or civil project can add to the local economy during the construction phase.

A construction council also has the mandate to monitor and can ensure and enforce compliance to technical standards, safety standards and relevant guidelines and statutory requirements in the construction industry.

In fact, all contractors in contravention of the act, rules or regulations would be subjected to a code of conduct and disciplinary process, where – if found guilty – the penalties may be even the removal from the register.

Nico Badenhorst, president of the CIF says: "If we want to improve the quality of construction work, our industry must be regulated. Currently, anyone can operate a business in this sector without any qualification and experience, and anyone, without any sort of building and construction capacity, can bid for government tenders".

Membership with the CIF is voluntary, and the CIF's 280 members must adhere to our Code of Conduct to ensure their continued membership of the CIF. However, the federation does not have the statutory mandate to monitor and police businesses in the sector, and there are many businesses out there that are not members of our federation.

"If we want to ensure consistent quality workmanship in our industry at large, it needs to be regulated. If we want to make effective use of our financial resources and ensure that capital projects eventually will fulfil effectively their purpose, we must have a construction council. Registration and categorisation of contractors will also further objectify and facilitate the evaluation and adjudication of bids in response to advertised government tenders, and minimise the scope for subjectivity and corruption in the sector".

"The very first step to revive our sector is to have a construction council in place. It will practically address all problems and obstacles we are currently facing in our sector – displacement of Namibian-owned contractors, exclusion of contractors due to unrealistically high financial criteria on major – often loan or donor-funded - projects as well as the question of tenderpreneurs. Over the years our industry has suffered due to lack of regulation. Government development budgets could have been used to optimally engage the local industry. If we do not act now, soon all local capacity will be lost", Nico stated.

"If we want to improve the quality of construction work, our industry must be regulated. Currently, anyone can operate a business in this sector without any qualification and experience, and anyone, without any sort of building and construction capacity, can bid for government tenders".

Nico Badenhorst, president of the CIF

CONSTRUCTION INDUSTRIES FEDERATION OF NAMIBIA'S TRAINING & DEVELOPMENT

The Construction Industries Federation of Namibia (CIF) offer various short-courses to its members and non-members in the construction sector.

The training programs provided are as follows:

- Scaffolding erectors
- Scaffolding inspectors
- Safety representative
- Working at heights

All training includes:

- Brötchen & coffee
- Lunch & refreshment
- Training materials
- Attendance certificate

For bookings or if you need any further information, then please contact:

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ONE HUNDRED AND THIRTY ONE (131) HOUSES CONSTRUCTED

The Minister of Urban and Rural Development, honourable Erastus Uutoni handed over of a batch of one hundred and thirty one (131) completed houses units on the 19th July 2021, under the Windhoek Informal Settlement Upgrading Pilot project.

The minister applauded and appreciated the joint collaboration between Ministry of Urban and Rural Development, the Khomas Regional Council, the Windhoek Municipality and the National Housing Enterprise (NHE) for having decided to join hands to pilot a low income, ultra-low and ultra-ultra-low income-centric housing initiative called Informal Settlements Upgrading.

"I want to reiterate that the need for improved coordination and a collaborative approach has become even more important in the face of obvious increased challenges of low economic growth and reduced fiscal space, which have been worsened by the huge negative impact of the COVID-19 pandemic. Today, I am pleased to inform this gathering that we have achieved our goal of delivering 200 houses in phase one", the minister stated.

The minister also thanked those members of the public who have already signed up to the project, which offers a viable solution, and called on other residents in Windhoek to come on board. "As a ministry, we are also pursuing and implementing other complementing interventions to scale up and accelerate access to tenure security, proper sanitation and housing", said the minister.

The minister appealed to the business community especially the ones supplying building material to join them and follow the example of BUCO Hardware and Buildware which pledged to reduce prices on the materials used for the construction of the houses. He urged all beneficiaries to maintain the houses and encouraged other residents to join this wonderful initiative.



THE US CONSTRUCTION INDUSTRY IS PROJECTED TO GROW BY OVER 15% IN 2021 DESPITE NEAR - TERM CHALLENGES

Construction activities and the workers were deemed essential in the wake of the Covid-19 outbreak in the United States (US). While construction continued in most parts of the country, several factors resulted in project delays. Economic shutdown and supply chain disruptions jeopardised operations and construction schedules. Moreover, contractors were also hit as the sub-contractors were not able to report to the jobs. All of these factors contributed to the decline of the construction sector output in the US in 2020.

However, several projects are under construction in various sectors including residential, institutional, and industrial and infrastructure. All of these projects are expected to support the recovery of the construction industry in 2021.

The impact of the coronavirus outbreak on residential building construction was reduced as sales continued. Low mortgage rates, limited existing inventory, and government protection against forbearance and foreclosure on mortgage payments will offer support for market recovery.

BUILDERS PLEA FOR HOME RENOVATIONS TO BE INCLUDED IN FINANCIAL SUPPORT PACKAGES DURING COVID LOCKDOWNS

The Victorian government is considering a plea from builders to include home renovations in financial support packages the next time the state locks down as the national construction industry reels from Covid-19 restrictions in Melbourne and Sydney.

While large Melbourne sites, which typically have dedicated workforces, have kept operating throughout the city's five lockdowns, smaller builders were banned from working on renovations inside people's homes during the most recent lockdown, which lifted at midnight on Tuesday, 27 July 2021.

Master Builders Victoria says builders were also excluded from the state's business support schemes during the two most recent lockdowns, despite being eligible previously due to loss of revenue.

Source:

<https://www.theguardian.com/australia-news/2021/jul/28/builders-plea-for-home-renovations-to-be-included-in-financial-support-packages-during-covid-lockdowns>

PPC WARNS OF LOOMING SKILLS SHORTAGE IN SA CONSTRUCTION INDUSTRY

South Africa could find itself short of skilled construction workers in the next decade, unless retention and skills transfer are prioritised. This is according to Njombo Lekula, Southern African managing director of Pretoria Portland Cement (PPC).

Lekula, who was speaking at a PPC roundtable on localisation on 28 July 2021, explained that South Africa's construction industry has highly skilled people, but is losing these workers to other countries, while young people are choosing not to study construction.

"A once very highly sought-out construction country is not going to have skills and it's going to be a shame if, in 15 years' time, we have to import the skills to actually build our own country", he said.

He added that there needs to be a skills transfer from older, more experienced construction industry employees to younger people.

Skills retention and transfer are two of the many issues the industry is hoping its construction masterplan will resolve.

Source:

<https://www.news24.com/fin24/companies/ppc-warns-of-looming-skills-shortage-in-sa-construction-industry-20210729>

