



# Hats



# Off

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Building Namibia's Future Issue

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CONSTRUCTION NEWSLETTER



## US EMBASSY INJECTS OVER 17 MILLION US\$ INTO ECONOMY

On 8 December 2021 the Embassy of the United States of America held a "Topping Out" ceremony at the new embassy site to celebrate the construction of the new building reaching its highest point. Workers were acknowledged and congratulated as the "Topping Out" was ahead of schedule. It can now be anticipated the building will be completed in 2023.

In remarks delivered at the "Topping Out" ceremony, the embassy's chargé d'affaires, Jess Long said: "This new U.S. Embassy shows the seriousness of the United States' commitment to working with Namibia, and we have very important work in front of us. This state-of-the-art embassy will be the platform from which the United States and Namibia fight COVID-19, HIV/AIDS, and future pandemics that might threaten the world.

"This embassy will partner with Namibia to make clean energy from solar and green hydrogen. From this platform, Namibia and the United States will grow both economies together through new trade ties, like we've done with beef, beer, and charcoal. We will fight international smuggling and trafficking, which threaten human rights, legitimate commerce, and wildlife."

American construction firm BL Harbert is leading the project and employs 810 workers at the site, of which 761 are Namibian. The construction of the U.S. Embassy is expected to inject over US\$17 million into the Namibian economy through salaries and contracts to local companies.

*Merry Christmas*

May the spirit of the season  
bring you light love and joy

THE CIF OFFICES  
CLOSE ON  
17 DECEMBER 2021  
AND WILL REOPEN ON  
14 JANUARY 2022

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## PRICES OF BUILDING MATERIALS SKYROCKETING



The price increase of building materials was lower in Swakopmund and Keetmanshoop relative to central and northern parts of the country.

Supply disruptions caused by the Covid-19 pandemic has resulted in prices on building materials escalating significantly. The materials that recorded the sharpest price increases are predominantly imported.

On average, building material costs account for more than 60% of the total cost for building a new residential house.

The First Capital Namibia house building cost index climbed by 6.8% in September 2021, the 5-year highest price increase on building materials.

A broad-based spike in prices of most building materials notably electrical, plumbing, tiling and steel materials was observed in September 2021 with a notable exception of cement prices that remained broadly unchanged due to muted demand pressures.

During the period under review, the prices of electrical goods were 8.7% higher compared to September 2020. In addition, sharp price increases were further observed on plumbing and tiling materials that equally were import dominated.

According to the First Capital Namibia report, price of super bricks were 4.5% up in September 2021 compared to September 2020. The price changes of bricks largely reflect the average trend of sand and cement prices the key input components for producing bricks. Among the material inputs for super bricks, sand prices went up by 8.6%, while cement prices remained steady with a marginal growth of 1%.

Overall, prices of building materials were 6.4% higher in September 2021 compared to September 2020.

### Regions

The cost of building materials remains higher in northern parts of the country relative to central and southern parts.

The bill of quantity for building materials on a three-bedroomed standard house using September 2021 prices recorded a combined average of N\$267 545 in Katima Mulilo, Ondangwa and Rundu while the same materials averaged N\$265 595 in Keetmanshoop, Windhoek and Swakopmund representing a variance of N\$ 1 950 in the cost of building materials within these two geographic locations.

The total cost of building materials in Keetmanshoop is N\$2 950 less than the cost of identical materials in Katima Mulilo, the report added.

The differences in building materials cost by town reflects varying prices due to supply sources that are largely unique to every town. The price increase of building materials was lower in Swakopmund and Keetmanshoop relative to central and northern parts of the country a trend that reflects the impact of transport costs on geographic areas distant from major imports entry points.

Going forward, household debt is likely to continue mounting further through 2022 facilitated by accommodative monetary policy environment, the report pointed out.

Source:

<https://www.erongo.com.na/news/prices-of-building-materials-skyrocketing2021-11-23/>



## HOW INNOVATIVE CONSTRUCTION COULD EASE NAMIBIA'S HOUSING CRISIS

Houses built using Modern Methods of Construction (MMC) are quick to build, and offer economic, environmental and social benefits.

They could provide one solution to problems of housing and economic development in Namibia, and elsewhere in the developing world. Their adoption is held back by the unsustainable legacy processes that govern global construction.

MMC use off-site techniques like pre-built modular wall panels to create faster, more sustainable alternatives to brick-built structures. Comparatively, houses made using MMC are very cost competitive and adaptable.

MMC work best when combined with sustainable technologies and intelligent town planning. Homes can go up speedily and affordably, packed with renewable energy kit and other emissions-saving tech to create futurist, tight-knit sustainable communities. Crucially, the dual advantages of short build time and low economic and environmental cost make the idea particularly attractive for Namibia and other developing countries.

Source:

<https://www.weforum.org/agenda/2021/10/how-innovative-construction-ease-namibias-housing-crisis/>

## REVISED ECONOMIC GROWTH PROJECTED DOWN TO 1.9%

Finance Minister, Eepo Roshovhi projected the domestic economy to grow by 1.9% this year, a downward revision from the 2.1% projected in March this year. He said this during when delivering the 2021/22 mid-year budget review on the 03 November 2021.

Shiimi said the revision reflects low base effects and slightly lower production prospects, compounded by the rampant third wave of the COVID-19 pandemic and the subsequent restrictive measures introduced to contain the spread of the virus.

Shiimi said the domestic economy is estimated to return to a positive growth trajectory, however that growth is still not strong enough to regain the revenue prospects lost during the recession and pandemic periods.

"From the sectors of industry point of view, growth will be anchored by output from primary industries and tertiary industries on the back of a strong recovery in mining, supported by minor growth in agriculture as well as strong activity in wholesale and retail, transport, and financial services. Secondary industries are projected to contract, largely due to expected declines in electricity and water production as well as the construction sector," Shiimi said.

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Source: <https://economist.com.na/65856/markets/shiimi-revises-projected-economic-growth-down-to-1-9/>



## Namibia well-positioned to become a global player in green hydrogen production

Namibia is well-positioned to become a global player in green hydrogen production, according to the Africa green hydrogen forum's virtual conference held on 22 November 2021 when green hydrogen was highlighted as a key decarbonisation vector in the global fight against climate change.

While Namibia was described as an attractive partner for a large number of countries in the global transition towards green energy, it is Germany that is first past the post to sign a formal preparation agreement with Namibia which not only has 3 500 sun hours a year but also vast unused areas of land that are traversed by perfect wind speeds that can be utilised for profitable wind energy production.

It is anticipated that a kilo of green hydrogen from Namibia will cost between €1.50/kg to €2.00/kg – a world-record cost that places Namibia ahead of other hydrogen hot spots, Dr Stefan Kaufmann, innovation commissioner for green hydrogen at the German Federal Ministry of Education and Research said.

Moreover, hydrogen generation in Namibia also provides a testing ground for German technology developments and research institutes.

One of the key aspects of the attraction of hydrogen is that it is easier to store than electricity.

Source:

<https://namibianminingnews.com/namibia-well-positioned-to-become-a-global-player-in-green-hydrogen-production/>

## HIGHEST ARTIC TEMPERATURE OF 38°C

A temperature of 38°C (100.4°F) in the Russian town of Verkhoyansk on 20 June 2020 has been recognized as a new Arctic temperature record by the World Meteorological Organization (WMO).

The temperature, more befitting the Mediterranean than the Arctic, was measured at a meteorological observing station during an exceptional and prolonged Siberian heatwave. Average temperatures over Arctic Siberia reached as high as 10 °C above normal for much of summer last year, fuelling devastating fires, driving massive sea ice loss and playing a major role in 2020 being one of the three warmest years on record.

"This new Arctic record is one of a series of observations reported to the WMO Archive of Weather and Climate Extremes that sound the alarm bells about our changing climate. In 2020, there was also a new temperature record (18.3°C) for the Antarctic continent," said WMO Secretary-General Prof. Petteri Taalas.

"WMO investigators are currently seeking to verify temperature readings of 54.4°C recorded in both 2020 and 2021 in the world's hottest place, Death Valley in California, and to validate a new reported European temperature record of 48.8°C in the Italian island of Sicily this summer. The WMO Archive of Weather and Climate Extremes has never had so many ongoing simultaneous investigations," said Prof. Taalas.

The Arctic is among the fastest warming regions in the world and is heating more than twice the global average. The extreme temperature and ongoing climate change prompted a WMO panel of experts to add a new climate category "highest recorded temperature at or north of 66.5°, the Arctic Circle" to its international Archive of Weather and Climate Extremes.

Source: <https://public.wmo.int/en/media/press-release/wmo-recognizes-new-arctic-temperature-record-of-38%E2%81%B0c>





## THE ROAD AHEAD FOR THE CIVIL ENGINEERING AND CONSTRUCTION INDUSTRY

As the year draws to a close, frustrations have been growing over the slow recovery of South Africa's civil engineering and construction sector – and the knock-on effects to the wider economy.

The sector saw a 20.3% contraction in 2020 and is expected to have grown just 6.2% in real terms in 2021.

"Our sector is in need of a major injection of infrastructure projects as the construction industry makes a significant contribution to the national economy in terms of GDP," South African Institution of Civil Engineering (SAICE) president Vishal Krishandutt states in unpacking the industry as it currently stands, and what to expect for 2022.

He adds that the projects that went into construction during the past year have not had a significant impact on the sector though, and the number of tenders advertised by government were very few.

"As we move forward into a new year, we must promote the training of skilled and semi-skilled personnel to ensure that the physical infrastructure work can of the highest quality. This includes increasing the throughput of artisans into the construction sector," Krishandutt stated.

While South Africa's skills deficit is a widely-reported concern, Krishandutt believes that local talent lies within their shores.

"Before looking abroad for technical capacity, I would urge any potential employer to contact us in order to find suitable talent from our 15 000 SAICE members. Our engineers are world class, and we must ensure that we nurture our talent to keep them within our shores so that they are able to mentor and train our young engineers and maintain a high standard of quality for our future infrastructure.

Finally, Krishandutt says he has high hopes for an increase in public-private partnerships and blended finance next year, which can help government to further unlock the infrastructure pipeline without relying solely on the constrained fiscus.

"The past two years have been tough, to say the least. However, I believe we have shown resilience. With a renewed focus on training and investment, 2022 holds potential for improved sector growth," concludes Krishandutt.

Source: [https://www.engineeringnews.co.za/article/the-road-ahead-for-the-civil-engineering-and-construction-industry-2021-11-10/rep\\_id:4136](https://www.engineeringnews.co.za/article/the-road-ahead-for-the-civil-engineering-and-construction-industry-2021-11-10/rep_id:4136)



## EUROPEAN MARKETS 'BACK TO PRE-COVID LEVELS'

Engineering markets in Europe have recovered from the Coronavirus crisis, according to a survey from the European Federation of Engineering Consultancy Associations (EFCA).

Carried out by EFCA member associations for their respective countries, the Industry Barometer survey shows the biannual trends and expectations amongst consulting engineering companies in the region.

The Autumn 2021 survey revealed that companies' order stock, turnover and profitability had all increased on the levels seen over the past 18 months.

Henrik Garver, chief executive officer of the Danish Association of Consulting Engineers and chair of EFCA's Industry barometer task force, said, "Although COVID-19 is still challenging the business environment, and European society at large, the impact on the consultancy and engineering industry in Europe has been reduced significantly, compared to the situation 6, 12 and 18 months ago".

However, the EFCA warned that staff shortages were still a major challenge for the consultancy and engineering sector.

The Industry barometer report said, "As in the previous survey, staff shortage and low fees continue to dominate as primary concerns of the industry".

The EFCA survey said that while "the Covid-19 crisis is coming to an end", it is not over yet and the major challenges being faced by the industry before the pandemic are still on the increase.

Source: <https://www.construction-europe.com/news/European-markets-back-to-pre-Covid-levels-/8016376.article>