



Hats Off



Issued by the Construction Industries Federation of Namibia

Building Namibia's Future Issue

October 2022 Vol. 8



CONSTRUCTION SECTOR MINIMUM WAGE PAYABLE TO INCREASE BY 2.6%

The second year of the Collective Agreement which had been negotiated between the Construction Industries Federation of Namibia (CIF) and Metal and Allied Workers Union (MANWU), in May 2021 and then published on 2 November 2021 in Government Gazette No. 7675, will commence on 2 November 2022.

This means that the minimum wage payable will increase by 2.6%. The current minimum wage payable in the construction sector is still N\$17.38 per hour, as per Government Gazette, No. 7675. This will increase to N\$17.84 per hour when wages are due to be paid at the end of November 2022. Although the CIF is one of the negotiating parties, conditions as stipulated in the Collective Agreement are applicable and mandatory for everyone operating in the sector, irrespective of whether they are a member of the CIF or not.

This will ensure that minimum wages payable as per employment categories will be the same across the entire construction sector. Although employers can pay more than the minimum payable wage, if desired. This will ensure a level playing field in the industry and that wages do not become a differentiating factor for when building and construction companies are bidding for tenders or work.

Other benefits for employees in the sector remain the same until a next Collective Agreement is being negotiated. These benefits include a service allowance equal to 150 hours of his or her wage, which is to be paid as part of the December remuneration before the commencement of annual leave during December.

It is also mandatory that all employees, for whom minimum wages payable are prescribed as per the agreement, are registered by the employer with the Namibian Building Workers Pension Fund (NBWPF). or any other fund that offers pension and retirement benefits that provide for the same as the NBWPF, or indeed better benefits.

All employers in construction sector are encouraged to adhere to the requirements as stipulated in the Collective Agreement, published in Government Gazette No 7675.

Even though the industry is still really struggling due to a lack of private and public investments, global supply chain problems, fluctuating fuel prices, consistent and ongoing unjustifiable competition with foreign contractors, and not the least, there are also issues about late payment. But employers have committed themselves and honour the agreement, knowing that employees are equally affected by high inflationary pressures.

Whereas employers commit themselves to paying the 2.6% increase of minimum wage payable. ideally construction workers equally commit themselves to high productivity levels.

At the same time, we need to see that our Government also focuses on a better and more conducive environment for our industry. overall, investment friendly policies remain a top requirement, and then, specifically for the construction sector, it is critical that the industry will be regulated by a construction council in the interest of greater Namibianisation, local capacitation and regulation of our sector."

CHECK OUT WHAT'S INSIDE THIS ISSUE:

Construction sector minimum wage payable to increase by 2.6%..page 1
Calculation of annual leave/leave paypage 2
Awasblich housing development back on track after securing N\$134 million in funding from DBN and GIPF page 3

Supportive regulatory environment improving Namibia's mining sector outlook.....page 4

Namibia Consumer Price Index Bulletin - SEPTEMBER 2022.....page 4

Steps for Success as a Subcontractor page 5

Global news.....page 6

CIF training and developmentpage 8

PUBLIC HOLIDAYS DURING THE 2022 / 2023 RECESS: CALCULATION OF ANNUAL LEAVE / LEAVE PAY

After The Namibian labour legislation does not officially make provision for so-called "Builders' Holidays".

However, the Labour Act, 2007 (Act No.11 of 2007) does make provision in Chapter 3, Part D, Section 23 that the employer may determine the dates when leave is to be taken.

The following examples shown below serve as a GUIDELINE for granting employees' annual leave during the recess period over Christmas / New Year.

1. In terms of the provisions of Chapter 3, Part C, Section 22 of the Labour Act, 2007, all public holidays falling on a day that would otherwise be an ordinary working day for the employees concerned are deemed paid public holidays. Employees shall not be required to work on such a day, but shall receive normal remuneration for the day, nonetheless. Employees who do work are entitled to double remuneration for the actual hours worked on such public holiday.

2. In terms of Chapter 3, Part D, Section 23 of the Act an employee shall be granted at least 4 (four) consecutive weeks' leave of absence on full remuneration in respect of each period of 12 consecutive months of employment (this translates into 20 working days annual leave for an employee working a 5-day week and 24 working days annual leave for an employee working a 6-day week). The annual leave of employees shall, for each public holiday which falls on a day that would otherwise have been an ordinary working day for such employees and falls within the leave period, be extended by one working day with full remuneration.

3. Public holidays in the 2022 / 2023 festive season are:

Saturday	10 December 2022	(Human Rights Day)
Sunday	25 December 2022	(Christmas Day)
Monday	26 December 2022	(Family Day)
Sunday	01 January 2023	(New Year's Day)
Monday	02 January 2023	(Public Holiday)

It follows by illustration that:

CLOSING (last day of work) on 02 December 2022 (5-day week) or on 03 December 2022 (6-day week)

OPEN (first day of work) on 03 January 2023, employees are entitled to the following leave pay:

5-DAY WEEK:	19 working days + 2 days (public holidays)	► 21 days leave pay
6-DAY WEEK:	22 working days + 3 days (public holidays)	► 25 days leave pay

OR

CLOSING (last day of work) on 09 December 2022 (5-day week) or on 09 December 2022 (6-day week)

OPEN (first day of work), on 09 January 2023 employees are entitled to the following leave pay:

5-DAY WEEK:	18 working days + 2 days (public holidays)	► 20 days leave pay
6-DAY WEEK:	22 working days + 3 days (public holidays)	► 25 days leave pay

NOTES:

·Only the working days illustrated in both examples above may be deducted from the employee's accrued annual leave and not the listed extra/additional days (public holidays).

·Any leave days of the employee's accrued annual leave not used for the recess period as shown above may be used as casual leave days in the next year.

·As per Government Gazette 7675, a Service Allowance will be paid to every employee equal to 150 (one hundred and fifty) hours of his/her wage and will be paid as part of the December remuneration – payable either at the end of that month for an employee not going on leave during December, or in the case of an employee going on leave in December, on the last working day before commencement of his/her annual leave. This allowance will be calculated pro-rata to every fully worked month the employee was in service during that specific year.

The leave pay calculation is not a legal obligation and unless there is an employment contractual clause or collective agreement to the contrary, the Labour Act (section 23. (5)) and operational circumstances of the employer are the overriding determining factors. We suggest that flexibility be permissible depending on operational requirements, availability of leave, etc.

·We recommend that employees should be duly consulted and the situation be explained.

AUASBLICK HOUSING DEVELOPMENT BACK ON TRACK AFTER SECURING N\$134 MILLION IN FUNDING FROM DBN AND GIPF

After some initial delays, a housing project in the suburb of Auasblick is back on track by securing N\$134 million in funding provided through a combination of debt from the Development Bank of Namibia and equity from Mergence on behalf of GIPF.

The development is taking place in two phases: Phase one includes 118 erven, of which 114 are single residential, while the others are designated for townhouses and businesses.

The single residential units and the townhouses will cater for middle-income and upwards buyers seeking a secure and attractive living environment close to the city. The main contractor, Namibbeton, in August 2021 commenced works on Phase one. Windhoek Consulting Engineers and Hangala Properties are the engineer and project manager, respectively.

The project oversight is being exercised through a project committee, which includes key stakeholders, including representatives from the City of Windhoek, the developer, financiers and the project engineer. Sinco Investments Sixty One (Pty) Ltd, trading as PPH Auasblick (developer), signed a Public Private Partnership (PPP) development agreement with the City of Windhoek in 2017 to develop services and infrastructure for a 57-hectare housing development at Auasblick Extension 1.

Sinco is majority-owned by Hangala Group, with other shareholders being Preferred Investment Property Fund, Paua Properties and Zeal Properties. Phase one pre-sales were launched in November 2019 – and despite the Covid pandemic and related disruptions, almost all erven have been subscribed to.

In view of the project's importance for Windhoek's housing and urban evolution and the substantial progress to date, the project committee decided on an official public launch on 21 October 2022, presided over by the Minister of Urban and Rural Development, Erastus Uutoni, and Windhoek mayor, Sade Gawanas.

City of Windhoek's co-chair of the project committee, Benny Amuenje, said "the City entered into a PPP with a wholly Namibian-owned company with notable experience in the property development space to help address the need for affordable housing. It has been a pleasure to work with Sinco on this Project, and we appreciate the professionalism and transparency with which the Auasblick Extension 1 Project is being managed. We are looking forward to the fast and smooth conclusion of this project, which will significantly address housing shortages in the city".

source: <https://neweralive.na/posts/auasblick-housing-development-back-on-track>

ORANGE RIVER VINEYARD (ORVI) SOCIAL HOUSING PROJECT IN AUSSENKEHR - WINNER OF THE INTERNATIONAL ENERGY AGENCY SOLAR HEATING PROGRAMME

Orange River Vineyard (ORVI) Social Housing project in Aussenkehr, Namibia, is the winner of the International Energy Agency Solar Heating Programme

ORVI's housing provides a simple, affordable, sustainable solar water heating option with locally built homes. Ms. Helvi Ileka, Centre Head, Renewable Energy and Energy Efficiency of the Namibia Energy Institute, Namibia University of Science and Technology (NUST), and Mr. Leonhard Eins, Managing Director of Solsquare Energy (Pty) Ltd, received the award on behalf of the ORVI Social Housing project during EuroSun 2022, the International Conference on Solar Heating and Cooling for Buildings and Industry of IEA SHC and ISES held this year in Kassel, Germany.



Contributions

Please send all contributions to:
info@cifnamibia.com

We will cover your information on new tender awards, product developments, new appointments, events, as well as advertise your jobs free of charge. Should you wish us to follow up on any stories or trends, please let us know.

The CIF reserves the right to edit any submissions and make corrections, omit material, or do minor reorganisation if required. The CIF also reserves the right to reject any submissions for any reason. This may not be a reflection of the quality of the material. Though we would consider relevance to the audience and whether the material is too redundant with existing or planned material.

SUPPORTIVE REGULATORY ENVIRONMENT IMPROVING NAMIBIA'S MINING SECTOR OUTLOOK

"We have identified Namibia as a key growth market within sub-Saharan Africa in the medium term, primarily due to an overall improvement in the outlook for the mining sector thanks to stronger commodity prices, rapid advancements in technology-driven innovation, and a more supportive local regulatory environment," explains Robert Makunike, Country Operations Manager for Namibia, at International SOS.

"These coupled with a growing sustainability agenda in the sector open up substantial opportunities for us given that we have been supporting oil and gas clients in meeting their stringent requirements in Namibia over the years. From a sustainability point of view, we help organisations meet their health and safety requirements; we support them in their Duty of Care agenda, and in implementing public health programmes that positively impact the communities around the project site."

On the back of the global commodities supercycle, an end to COVID restrictions, and renewed focus from the Namibian government on the mining and energy sectors, International SOS is gearing up for a period of resurgent growth in the region.

International SOS first established a presence in Namibia in October 2001 following the merger of Medical Rescue International, which had been providing emergency medical services in Namibia since 1993, and Aeromed, which had operated in the country since 1995.

"As development in Namibia continues, we have witnessed a shift in demand, with fewer requirements for advanced medical care such as traditional advanced life support (ALS) on remote sites. As such, we have adapted our service offering to also cater to lower-level intermediate life support (ILS) and basic life support (BLS) medical services".

Amid this shifting market dynamic, Makunike explains that International SOS will be well placed to support mining companies in providing proper healthcare to their workforce through remote site medical support and in their corporate social responsibility (CSR) engagement through public, community and global health programmes to improve public health conditions in surrounding communities.

Source: <https://namibianminingnews.com/supportive-regulatory-environment-improving-namibias-mining-sector-outlook/>

NAMIBIA CONSUMER PRICE INDEX BULLETIN - SEPTEMBER 2022

The inflation rate measures the change in the Consumer Price Index for the month under review compared to the previous month (month-on-month changes) as well as to the corresponding month in the previous year (year-on-year changes). The inflation rate is vital for purposes of economic policymaking.

In September 2022, the annual inflation rate continued an upward trend increasing by 7.1 percent compared to 3.5 percent recorded in September 2021. On a monthly basis, the inflation rate increased by 0.1 percent compared to 0.3 percent recorded a month earlier. Transport; and food and nonalcoholic beverages components continued to be the main contributors to the annual inflation rate with a contribution of 2.8 percent and 1.7 percent, respectively.

The zonal inflation rates for the month of September 2022 revealed that, Zone 2 (Khomas) recorded the highest annual inflation rate of 7.8 percent followed by Zone 3 (Hardap, Omaheke, //Karas, and Erongo) at 6.9 percent and Zone 1 (Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa, and Zambezi) annual inflation rate stood at 6.6 percent. On a monthly basis, Zone 1 and Zone 2 recorded inflation rate of 0.1 percent each, while Zone 3 recorded the monthly inflation rate of 0.2 percent.

The annual inflation rate for housing, water, electricity, gas, and other fuels component which accounts for 28.4 percent of the consumer basket, increased by 2.1 percent during September 2022 compared to 1.3 percent registered during the same period of the preceding year.

The highest percentage changes in this category during September 2022 were mainly observed in the subcategories of regular maintenance and repair of dwelling (6.5%); electricity gas and other fuels (5.0%) and Water supply, sewerage services and refuse collection (2.8%).



STEPS FOR SUCCESS AS A SUBCONTRACTOR



Running a subcontracting business can be a financially attractive proposition. However, too many entrants into the field ignore the basic building blocks of long-term success. It takes determination, honesty, and a heavy dose of hard work to build a profitable subbing business, no matter the specialty. In the transportation niche, owning and operating a vehicle fleet means taking the time to choose particular makes and models very carefully.

For all subs, it's essential to log early experience on small jobs in order to build up the company's overall experience and credentials. From day one, every subcontractor should be amassing a list of professional references. Finally, two other areas that can lead to a sustainable, profitable subcontractor business are vetting new hires and specialising in one or two types of work. As more general contractors bid out the majority of core tasks on major projects, it makes good sense for subs to follow a designated path for getting more work and building up their skills.

Choose Fleet Vehicles Carefully

If your business entails delivery and the use of fleet vehicles, it's of paramount importance to select the best trucks for the job at hand. However, diligent owners can find themselves spending untold hours doing enough research to get the job done. Every fleet's overall profit and production potential is a function of truck performance.

Assemble a List of References and Specialize

In the building industry, a good reputation is worth its weight in gold. As soon as you complete that first job, begin collecting references from employers, other subs, and vendors. It's best to have as many names and contacts on your list as possible because generals who consider hiring you like to contact several references and check you out thoroughly. Remember to keep lists up to date with recent phone numbers, website addresses, and emails.

Vet Employees Thoroughly

What's true for nearly every large and small company is a general rule of success for subs too. It's imperative to scrutinise new hires before bringing them onboard, no matter how great they look on paper. Remember, anyone can throw together a glowing resume and tale a good game during a live interview. But, as a subcontracting company owner, you need to verify all relevant claims, including past experience, education, and references. Even a single bad apple can ruin your company's chances of scoring major jobs with large, well-known general contractors.

Source:

<https://www.worldconstructiontoday.com/news/steps-for-success-as-a-subcontractor/>



A GLOBAL RECESSION COULD OCCUR IN 2023 – IMF

The International Monetary Fund (IMF) has sounded the alarm that for many people, 2023 will feel like a recession – a period of high unemployment, a serious drop in economic activities and production because people would not have money to buy.

The fund also said more than a third of the global economy will contract in 2022 or 2023, while three of the largest economies – the United States, the European Union and China – will continue to stall.

“In short, the worst is yet to come”, said the fund in its World Economic Outlook report released this week.

The war in Ukraine is being blamed for the woes, which the fund said has pushed up food prices on world markets, despite the recent easing after the Black Sea grain deal, causing serious hardship for low-income households worldwide, and especially in low-income countries.

The lingering Covid-19 after-effects also feature as a leading cause of expected global economic turmoil.

IMF chief economist Pierre-Olivier Gourinchas said they now forecast global growth to slow from 6% in 2021 to 3,2% this year, before declining to 2,7% in 2023, down from 2,9% predicted earlier.

Gourinchas said this was the weakest growth since 2001, except for the 2008 global financial crisis and the acute phase of the pandemic.

Meanwhile, Gourinchas cited the rising risk of monetary, fiscal, or financial policy miscalibration, deteriorating financial conditions, persistently high inflation and the escalation of the war in Ukraine which would exacerbate the energy crisis as serious risks to growth.

“We estimate that there is about a one-in-four probability that global growth next year could fall below the historically low level of 2%”, he said.

If many of the risks materialise, global growth would decline to 1,1% with quasi stagnant income-per-capita in 2023.

Despite the expected economic slowdown, the IMF said inflation pressures were proving broader and more persistent than anticipated.

Source:
<https://www.namibian.com.na/116907/read/A-global-recession-could-occur-in-2023-%E2%80%93-IMF>

AFRICAN DEVELOPMENT BANK BOARD APPROVES \$134.9 MILLION LOAN FOR POST-COVID-19 ECONOMIC RECOVERY SUPPORT PROGRAM PHASE II

The Board of Directors of the African Development Bank has approved a loan of 2.3 billion South African rands (\$134.9 million) in co-financing for the second phase of Namibia's Governance and Economic Recovery Support Program (GERSP II).

The funds will support Namibia's resilience and post-Covid-19 inclusive economic recovery by strengthening governance and implementing real sector reforms. German development bank Kreditanstalt für Wiederaufbau (KfW) is processing a complementary budget support loan to the tune of 50 million euros.

The program has three components: attaining fiscal sustainability, supporting private sector-led agriculture and industrial sector transformation, and enhancing economic and social inclusion.

The approval, on 28 September, follows an earlier loan tranche of 1.5 billion rands, which the Board approved for the program's first phase in March 2021. The International Monetary Fund contributed 4.1 billion rands (\$270.8 million) in co-financing for phase I through the Rapid Financing Instrument.

The program's primary beneficiaries are government ministries, departments, and agencies whose reforms are being supported by the operation. The private sector will benefit from improved investment opportunities in agriculture and industry and public-private partnership opportunities.

The GERSP II aligns with the Bank's policy on program-based operations (2012), its Ten-Year Strategy (2013-2022), the Strategy for Economic Governance in Africa, the Industrialization Strategy and the 'Feed Africa' strategy.

Source: <https://www.afdb.org/en/news-and-events/press-releases/namibia-african-development-bank-board-approves-1349-million-loan-post-covid-19-economic-recovery-support-program-phase-ii-55157>



SA'S CONSTRUCTION INDUSTRY SHOWS SIGNS OF RECOVERY DURING Q2 2022

South African's construction industry shows recovery during Q2 2022. SA's construction sector managed to increase the value added to the economy by an impressive 4.1% in real terms during Q2 2022 when compared with Q1, according to the latest Afrimat Construction Index (ACI).

"This is despite a series of unfortunate events putting additional pressure on levels of economic activity during the second quarter, including the KwaZulu-Natal floods and lengthy strikes at major mining companies, combined with general economic factors such as weaker prices for precious metals and iron ore, high fuel costs, extensive loadshedding, inefficiencies in rail transport and increasing inflation", comments economist Dr Roelof Botha who compiles the index on behalf of Afrimat.

The ACI also recorded a modest 2.4% increase over Q1 2022 with one of the most encouraging features of the Q2 performance being the positive trend for both the volume and the value of building material sales, which may be regarded as leading indicators for future construction activity.

"The best-performing indicator, however, was the value of buildings completed in the metros and larger municipalities, with a 21% year-on-year rate of increase. The increase in employment in construction during the second quarter was also encouraging and will hopefully continue as government starts embarking on more public/private partnerships as part of the promised infrastructure drive".

Building material sales increased by 9.6% (quarter-on-quarter) and by 4.4% compared to Q2 2021.

"The public sector is still lagging behind the private sector in the crucial area of capital formation, which is the aggregate demand component that ultimately incorporates construction sector activity. Infrastructure investment by government has not yet resulted in higher levels of public sector expenditure on capital projects", Botha points out, adding that private sector capital formation produced an impressive 8.7% increase, in real terms, during Q2 2022, compared to Q2 2021.

Dr Botha says that during Q2, positive signs did however start to surface as the fixed capital formation by state corporations managed to increase in real terms, both in quarter-on-quarter and year-on-year terms. "Another positive development is the rise in the SME Business Confidence Survey for the construction sector,

a quarterly survey conducted by the Bureau for Economic Research on behalf of the Construction Industry Development Board. This particular index recorded a level of 42 during the second quarter, compared with 35 in the first quarter".

"Although government has started a process of deregulation, especially in the crucial area of renewable energy by lifting the limitation on self-generation, much more needs to be done to improve, expand and maintain the country's infrastructure and also improve the functionality and capacity of key state-owned enterprises and municipalities".

He believes that fiscal constraints are not the root cause of the lack of public sector expenditure on infrastructure, but rather over-regulation, a lack of requisite skills, especially in project management, and the dysfunctional state of a large number of municipalities.

Source: <https://propertywheel.co.za/2022/09/sas-construction-industry-shows-signs-of-recovery-during-q2-2022/>



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:

CIF - Construction Industries Federation of Namibia
Corner Stein/Schwabe Str. Klein Windhoek
P. O. Box 1479
Windhoek
Namibia
Tel.: +264 (0) 61 – 417300
Fax: +264 (0) 61 - 224534
www.cifnamibia.com



NBWPF
NAMIBIA BUILDING WORKERS
PENSION FUND

@ info@nbwpf.com

PENSION FUND

A BETTER FUTURE IS POSSIBLE

