

Building a post-pandemic construction sector

By [Cyril Gamede](#)

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It is widely accepted that the best way for the government to stimulate the economy, thus ensuring its quick recovery, is by developing and executing an infrastructure-led economic recovery plan. Job creation in the construction sector will be a vital indicator to measure the success of South Africa's economic recovery plan.



Cyril Vuyani Gamede, CEO of the Construction Industry Development Board

This was true prior to the outbreak of the Covid-19 pandemic but will even grow in importance as local economic activities emerge from the embers of the global meltdown. Thus, initiatives designed to support the growth, and survival, of emerging contractors should attract greater public attention and draw support from established companies.

It is, indeed, possible to achieve the objectives of job creation, empowerment, and skills transfers through far-sighted partnerships between the public and private sectors and a collective commitment to transform the construction industry.

Tripartite initiative

A working partnership is already up and running and achieving results. Last year the Construction Industry Development Board (cidb) signed an agreement with the Jobs Fund and black-owned infrastructure company Concor to support SMEs and individuals who seek to gain a foothold in the sector.

The aim of this tripartite initiative is to develop 195 small and medium enterprises, create 1,950 permanent jobs and train 2,050 beneficiaries over a three-year period. Jobs are to be created across the spectrum of construction activities – in plumbing, in building, in engineering, quantity surveying and project management.

Concor Construction, part of the Southern Palace Group, acts as the implementing agent to identify emerging enterprises which are well-placed to benefit from the initiative, to assist with training and mentoring, and to monitor their progress.



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Biggest impediments to growth

It was quite clear from the outset that the biggest impediments to the growth of aspiring small ventures are access to capital and market opportunities as well as a lack of technical skills. Thus, the initiative focused on technical skills which will lead to improvements in the cidb gradings of participants and this will, in turn, enable them to participate in larger projects in the future. The aim is to mature small businesses into well-established companies that could operate and thrive in the mainstream economy.

The participants in the initial stage of the partnership are primarily from Limpopo, Mpumalanga, the Eastern Cape and Gauteng with some experience in civil contracting for the building of schools, residential and commercial developments. The project includes a thorough analysis of their business skills to identify areas of strength, but also the needs for organisational reconfiguration, empowerment, and the skills development of employees.

Most of the initial targets have already been exceeded with Concor reporting that it accepted nine SMEs in the first six months of the programme and was on track to exceed the objective to create 40 jobs and train a further 40 beneficiaries.



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Initiative will survive and thrive

This is a three-year programme which will gather momentum as it reaches maturity and garners the support from the broader industry. Covid-19 may slow down this momentum over the short term but the national focus on infrastructure and construction as the driver of the post-pandemic recovery will ensure this initiative will survive and thrive.

The cidb is a natural participant in this project because of its pivotal role in the construction industry and its proven track record of supporting emerging businesses through regulation and access to opportunities.

We have also, through the years, built strong relationships with established players in the construction and engineering sectors and have long been involved in initiatives to link large-tier companies with black-owned enterprises, especially those led by women and the youth.



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Drivers of inclusive economic growth

There is a growing recognition of the importance to sustain the growth of SMEs and develop them into sustainable businesses. They are the productive drivers of inclusive economic growth and they will continue to take root in unsaturated sectors of the economy.

Moreover, they play a vital role in technical innovation and the utilisation of local resources. This can be a potential gamechanger to determine the post-Covid-19 trajectory of the South African economy.

It will lead to increased participation of emerging companies in the 62 vital infrastructure projects that have already been identified and are expected to attract more than R360bn in investment. These projects are designed to unlock infrastructure investment in areas in which the cidb and its partners have considerable expertise such as transport, water and sanitation and human settlements.

The cidb will continue to support this as a priority initiative. This will, no doubt, be a valuable contribution to our strategic objectives to grow skills in the industry, improve access to opportunities and create partnerships that will contribute to the transformation of the construction sector.

ABOUT THE AUTHOR

Cyril Gamede is CEO of the Construction Industry Development Body (cidb)

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