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## Construction Industry Development Board

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### Minister launches construction industry report

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The Minister of Public Works Stella Siquau launched the SA Construction Industry Status Report that will give new impetus to the development and transformation of the construction industry. The report is published by the Construction Industry Development Board (CIDB) and is the outcome of a comprehensive review of challenges facing the construction industry in South Africa. It invites discussion by all stakeholders.

A key challenge is presented by anticipated increase in infrastructure investment over the medium to long term, providing opportunity for growth, empowerment and employment. The construction industry is the third largest employer in the country, providing work to over 500 000 people. It will potentially need to double its output over the next 10 years to meet investment demand. As a priority, the report calls for focused capacity building in both the public and private sectors.

Minister Siquau noted that the report provides a sober assessment of the state of the construction industry and its preparedness for key development challenges facing our country. “It highlights areas of progress and provides insight on significant challenges to industry growth and the accelerated delivery of infrastructure. These challenges are closely linked to the need for raised levels of performance and empowerment.” she said.

Performance improvement and industry empowerment depend on enterprise sustainability which is a function of client delivery practices. While significant empowerment opportunity has been created over the past 10 years, the report highlights the fact that over 1400 companies were liquidated in the past three years and many of these are black-owned. “Improved performance and sustainability requires an integrated development focus by the industry and its clients, which are historically dispersed” said Brian Bruce, CIDB Chairperson. “The CIDB has developed a range of instruments and programmes to drive this convergence and promote best practice for contractors and clients, including the Register of Contractors and Register of Projects.” he said.

CIDB chief executive Spencer Hodgson said that sustainable development is at the core of the report. “Capacity and skills development depend on enterprises that are sustainable because they perform well with the potential for repeat work from clients, and not simply because lowest price is the differentiator”. Lowest price is not lowest cost and often leads to poor delivery, poor labour and safety practices and a poor industry image.” he added. In this context the report calls for a strategic partnership between major clients and industry to promote performance-based competition and a

culture of respect for people and the environment, including a pride in the industry that builds South Africa's infrastructure.

Empowerment progress is also highlighted. A survey of industry leaders indicates strong support for government's new BEE strategy and a consistent approach to its implementation. It is believed that the strategy will provide opportunity for established companies to promote more meaningful empowerment.

"I have no doubt" said Minister Sigcau, "that this Status Report will also inform the 2004 Construction Summit and the work in progress by industry and government towards a Construction Charter." She added that the report throws into stark relief, the special responsibility placed on the construction industry to spearhead job creation and skills development so that our growing economy is increasingly accessible to all citizens – and in turn is injected with the vigour of expanding productive participation.

The CIDB is established by an act of Parliament to provide leadership in the transformation and development of the construction industry. The SA Construction Industry Status Report has been undertaken with the support and cooperation of the industry and its stakeholders.

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