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Press Release

bauma CONEXPO AFRICA 2021:

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Pressured construction sector seeks relief funds opportunities

South Africa's construction sector urgently needs support and an enabling regulatory environment to help it survive the COVID-19 lockdown crisis, on top of the challenges it was already facing. This is according to industry stakeholders who were participating in a webinar hosted by Messe Muenchen South Africa, organisers of the construction, mining, forestry and agriculture machinery sectors trade show, bauma CONEXPO AFRICA.

With the sector expected to lose a further 140,000 jobs due to the lockdown, industry stakeholders said there was an urgent need for a dedicated relief fund for the sector, for government to start awarding more projects, and for construction to be allowed to go back to work as soon as possible.

John Matthews, President of Master Builders South Africa, noted that the sectors' woes extended beyond the slow economic growth that had crippled it pre-COVID-19. There were also concerns about when the sector would be allowed to go back to work, the costs and impact of new health and safety regulations, and the effects the crisis would have on small businesses and sub-contractors. "The people who will be hurt the most are the labourers, and this is being compounded by challenges at UIF at the moment, with no real impact of UIF payments reaching the bottom of the scale.

We are punting hard to open existing sites to try and get some work in, as these will incur the greatest costs. But, he warned, losses would be incurred across the board: "Everyone will have to make some sacrifices – you can't expect anyone in the value chain to be carrying the costs alone."

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Kile Mteto, President of The South African Women in Construction & Built Environment (SAWIC & BE), urged relief funding for the sector. “The Solidarity Fund offers very little benefit for the construction industry, but we need support to keep our heads above water. It is very important that funding institutions look at how they make funding accessible. This sector is very capital intensive, and post-COVID-19, most companies will have bad track records. Banks may be giving a break but they won’t write off the debt, so companies will emerge from this without the money to service their debt.”

Mteto added that there was a risk of the transformation agenda being sidelined as the public sector rushed to complete urgent infrastructure projects.

The chairman of the Construction and Mining Equipment Suppliers' Association (CONMESA), Calvin Fennell, noted however: “South Africa won’t achieve transformation without the projects being out there. Of 7332 government tenders issued in the past 12 months, only 27% were awarded. What happened to the rest of them? Transformation would happen faster if the government got these projects out, and got the people into jobs. It’s putting cart before the horse to deliberate at length about transformation without awarding the jobs. We need these projects to go ahead.”

Health & safety impacts

Matthews said: “Health and safety will be absolutely critical to anyone who wants to reengage in employment, and compliance will be a near impossible task. It could take at least a week to prepare to go back to work, as it’s not just about masks and sanitiser. Now is the time to prepare and align with the regulations – do a risk assessment, draft site specific protocols, and get the professionals in to assist you.”

Quintin Booysen, Marketing & Sales Manager of Pan Mixers SA, noted: “The effort that goes into restarting is like starting a new business – things we never thought about will become new realities. We don’t want to go through a double

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dip – having to shut sites or factories down if you aren't compliant or can't cope with COVID-19 outbreaks. The sector has to start preparing now, remembering that we won't start work with the whole team – it's a staged approach that will take a tremendous amount of planning.”

Beyond the pandemic

The stakeholders said there were opportunities for the sector to grow after the pandemic, however. Collaboration, new technologies and innovation could position them to become more cost effective and efficient and so start recovering.

“There are some silver linings,” said Mteto. “For example, because of the pandemic, we are looking at different ways of doing business, and we are starting to look at new technologies and methodologies to deliver projects.”

Dirk Venter, National Sales Manager at XCMG, said new technologies were presenting more effective ways of working: “We're seeing GPS location systems and Internet of Things devices to improve maintenance, monitoring and security, and drones being used to survey areas with great success, helping the sector to be safer and more effective,” he said.

Suzette Scheepers, CEO of bauma CONEXPO AFRICA organisers Messe Muenchen South Africa, said knowledge sharing and collaboration would also be crucial to helping the sector survive the current challenges. “The fact that there were over 400 participants in this webinar, seeking information and expert insight, is an indication of how important niche knowledge sharing is in the construction industry. bauma CONEXPO AFRICA is designed to promote networking and information sharing and has been re-engineered to deliver enhanced cross-sector growth opportunities in sub-Saharan Africa.”

bauma CONEXPO AFRICA, sub-Saharan Africa's Leading Trade Fair for Construction, Building Material, Mining, Agriculture & Forestry Machines, Machinery

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and Vehicles, will be staged in Johannesburg from 13 – 16 October 2021. For more information, go to

<https://www.bcafrica.com/en/>

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About:

bauma CONEXPO AFRICA

bauma CONEXPO AFRICA, international trade fair for construction machinery, building material machines, mining machines and construction vehicles, is the largest industry event for the sector in Africa with an exhibition area of 68,000 square meters. The last fair in March 2018 attracted 455 exhibitors from 34 countries and 14,167 visitors from the sub-Saharan region. bauma CONEXPO AFRICA takes place every three years: the fourth event will take place from October 13-16, 2021 in Johannesburg.

bauma NETWORK: Six construction machinery trade fairs of Messe München

In addition to the world's leading trade fair bauma, Messe München has extensive skill in organizing additional international construction machinery trade fairs. For example, Messe München organizes bauma China in Shanghai and bauma CONEXPO INDIA in Gurgaon/Delhi together with the Association of Equipment Manufacturers (AEM) as well as the bauma CONEXPO AFRICA in Johannesburg. In December 2015, Messe München successfully expanded its portfolio further with the purchase of the leading Russian construction machinery trade fair CTT, now renamed bauma CTT RUSSIA. In March 2017, the bauma NETWORK was again expanded with M&T EXPO in the form of a license agreement with SOBRATEMA (Brazilian Association of Association of Technology for Construction and Mining).

Messe München

Messe München is one of the leading exhibition organizers worldwide with more than 50 of its own trade shows for capital goods, consumer goods and new technologies. Every year, a total of over 50,000 exhibitors and around three million visitors take part in more than 200 events at the exhibition center in Munich, at the ICM – Internationales Congress Center München and the MOC Veranstaltungszentrum München as well as abroad. Together with its subsidiary companies, Messe München organizes trade shows in China, India, Brazil, Russia, Turkey, South Africa, Nigeria, Vietnam and Iran. With a network of associated companies in Europe, Asia, Africa and South America as well as around 70 representations abroad for over 100 countries, Messe München has a global presence.