

bauma CONEXPO AFRICA

PRESS RELEASE:

SA industries can start building back in 2021

The impacts of the Covid-19 pandemic dealt a serious blow to key sectors such as construction and manufacturing; but industry stakeholders are hopeful that these sectors can start rebuilding in 2021.

Partners and advisory board members of the bauma CONEXPO AFRICA trade fair for the construction, mining, agriculture and machinery sectors said the pandemic and lockdown was just one of several blows industry was dealt in 2020. The construction sector, employing around 10% of the South African workforce, saw layoffs and business shutdowns this year, while manufacturing production shrank.

Eric Bruggeman, CEO of the SA Capital Equipment Export Council, says: "Covid-19 is just one of the challenges we have faced this year, and we have learned to work around that."

Roy Mnisi, Executive Director at Master Builders SA, says: "From an MBSA perspective, we saw a lot of closures and job losses this year. However, this was not only due to Covid-19."

Kile Mteto, National President South African Women in Construction (SAWIC) says Covid-19 added to the construction sector's challenges: "There were financial implications that came with it, such as the cost of additional OHS compliance requirements whilst the clients are not adjusting the price of contract value. In addition, there was a shortage of material supplies in the sector, which impacted our ability to complete projects on time and within cost."

Hope for 2021

Although industry stakeholders expect both the pandemic and slow economic growth to persist into 2021 and beyond, they say there is cause for optimism that South Africa can start building its way back to growth next year.

Quintin Booysen, Marketing and Sales Manager at Pan Mixers South Africa believes there was a silver lining to the pandemic: "South Africa was about to be downgraded to junk status just before Covid-19 hit, which undoubtedly would have harmed the economy. South Africa was quick to respond with bouquet of initiatives to pull the country out of the deep crisis and stimulate employment. We can offer an emerging market opportunity once again, even if we are on junk level. This is because the country now has a R500 Billion stimulus package and we are able to fast track many of the civil projects that had been hampered by bureaucracy." He believes the lower interest rate could allow the financing of both personal and business projects. "In the long term, we can look forward to the new windfarm and civil infrastructure surrounding these farms which gives us renewable energy as well as stimulus that the economy really needs during this time. The government has fast tracked more than 50 projects including the Mega Bridges and other civil engineering projects that can provide an injection of life into the civil sector," Booysen says.

Mnisi says: "The things bedevilling sector growth even before Covid-19, such as the lack of economic growth, poor infrastructure planning, and corruption are likely to continue. However, the National

Infrastructure Plan is a huge opportunity – provided we implement it in a unified way, and address corruption.” He says it is encouraging that the construction sector has moved to collaborate within a construction alliance, to engage with the government in a cohesive way.

Mnisi points to opportunities for the sector to embrace smart technologies to improve efficiencies and control costs, and says smart city development may start presenting growth opportunities in future.

Overall, he says: “We see 2021 as a rebuilding year rather than a year of plenty. It will be a year where we as a sector and the country as a whole will be rebuilding rather than developing.”

Bruggeman believes there are opportunities to drive economic growth and create jobs by addressing corruption and procurement. “You could have millions of people in jobs if SOEs, and every level of government, just bought local. It would have a huge impact on big and small manufacturers alike. We need to get orders and be able to fulfil them, deliver them properly, and get through the borders without congestion. These challenges can be addressed, as we have all the necessary rules and regulations in place to do so. We just need them to be enforced.”

Suzette Scheepers, CEO of Messe Muenchen South Africa, says bauma CONEXPO AFRICA is designed to help drive growth and development in these key sectors by providing a platform for stakeholders to network and engage, and for leading local and international brands to showcase their solutions to industry challenges.

bauma CONEXPO AFRICA is Sub Saharan Africa's Leading Trade Fair for Construction, Building Material, Mining, Agriculture & Forestry Machines, Machinery and vehicles. Bauma CONEXPO AFRICA will be held in Johannesburg from October 13–16, 2021. For more information, go to <https://www.bcafrica.com/en/>

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