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MESSAGE FROM THE PRESIDENT

The outlook for the South African construction industry remains subdued in the short to medium term as the sector continues to be affected by a lack of implementation of government's infrastructure delivery plan, as well as less demand from the private sector.

Stats SA reported that the value of building plans passed by larger municipalities (at current prices) decreased by 11,7% (-R5 553,2 million) from January-May 2023, compared with the same period in 2022. Decreases were reported for non-residential buildings (-24,2%, or -R2 342,3 million) and residential buildings (-13,7%, or -R3 448,3 million). An increase was reported for additions and alterations (1,9%, or R237,5 million).

The largest contributions to the total decrease of 11,7% (-R5 553,2 million) were made by KwaZulu-Natal (contributing -8,0 percentage points, or -R3 802,4 million) and the Western Cape (contributing -2,8 percentage points, or -R1 313,6 million).

It was also reported that the value of buildings reported as completed by large municipalities (at current prices) decreased by 23,0% (-R6 748,9 million) from January-May 2023 compared with January-May 2022. Decreases were reported for additions and alterations (-51,7%, or -R4 565,0 million), non-residential buildings (-14,3%, or -R954,7 million) and residential buildings (-8,9%, or -R1 229,1 million).

Five provinces reported year-on-year decreases in the value of buildings completed from January-May 2023, of which the Western Cape (contributing -27,2 percentage points, or -R7 975,8 million) was the

largest negative contributor. Gauteng (contributing 5,8 percentage points, or R1 693,5 million) was the largest positive contributor.

It must be noted that the above figures do not factor in public-sector projects, but most of the private-sector projects were affected by the country's poor economic state, the impact of Covid-19 and site invasions. In the light of these challenges faced by our industry, many huge construction companies have been forced to shut down.

Of the abovementioned challenges, site invasions have been the major cause.

While some arrests have been made, Minister of Public Works and Infrastructure Sihle Zikalala has highlighted the importance of arresting, prosecuting and sentencing those involved in the scourge that is mostly affecting KwaZulu-Natal. According to the minister, site disruptions have cost the economy R68 billion.

It must be noted that the industry is actively co-operating with the police in this matter, especially in KZN and the Western Cape, where contractors have obtained court interdicts in efforts to deter these criminals.

High-level discussions are taking place in the industry in collaboration with CASA and government with a view to solving this problem once and for all. ■

MUSA SHANGASE

President: MBSA