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Author: Chirs

Construction mafia strangling development'

CHRIS BARRON

Despite state commitments to deal with the construction mafia it is getting worse.

This is according to Roy Mnisi, head of Master Builders SA, which represents 4,000 construction companies.

Public works & infrastructure minister Sihle Zikalala repeated pledges last month when he revealed that the construction mafia were costing the economy R68bn a year.

"We're cynical about these promises," said Mnisi. "We've heard them before."

Zikalala said there'd been 200 arrests. Mnisi is unimpressed. "The construction mafia is spreading to new areas."

Even minor projects are being attacked by thugs, some with AK-47s, calling themselves "business forums". From metros in KZN and the Western Cape, they're now in Gauteng and rural provinces like North West, Mpumalanga and Limpopo.

"They think attacking contractors is a good way to make money, and there won't be consequences. Until the government deals with law enforcement we are not going to win this war," Mnisi said.

Since Business Against Crime began working with police there have been some arrests



VICIOUS CIRCLE: As SMEs are forced out of business because they can't pay the mafia, so SA's capacity to build infrastructure fails because skilled professionals, like engineers, leave. Picture: PAOLA CHOMANTE

and convictions, "but you can't say this is making a significant impact when one person is arrested and five people commit the same crime".

Meanwhile, more firms are giving in to mafia demands of 30% of the contract.

The risk of refusal is that they won't be able to complete the project, so they won't get paid and staff will lose their jobs.

"Profit margins in construc-

tion are low, so next time you quote, you factor this in. If it's a public sector project it means the state pays more."

Many SMEs just go out of business. As more and more do so, SA's capacity to build infrastructure fails because skilled professionals, like engineers, are leaving. "Why would the state identify this as a key sector to improve our economic situation and yet do so little to

protect it?" One explanation is that the construction mafia have political connections.

"Where you've got the rule of law this won't matter. Application of the law will happen regardless. But now people think lawlessness is the norm. The only way to deal with the construction mafia is to ensure that the law is enforced.

"All other things become secondary."

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