

Minister Thoko Didiza's address to the closing session of the CIB  
World Building Congress

Venue: Cape Town International Convention Centre

Date: Thursday 17 May 2007

- Programme Director, Mr Vahan Agopyan
- Minister of Science and Technology, Mosibudi Mangena
- President of CIB, Professor Peter Barrett
- Immediate past President, Dr Rodney Milford
- Distinguished delegates and guests
- Ladies and Gentlemen:

It gives me great pleasure to join you today at the closing session of this exciting World Building Congress. This occasion is particularly special since it has drawn together specialists, researchers and practitioners to focus on the role of construction in economic and social development.

It is particularly encouraging that this closing session of conference incorporates a Congress statement calling on delegates, industry, governments, researchers and academics to raise the contribution of the construction industry in achieving global development objectives.

On behalf of all of us I would like to thank Prof George Ofori for his wrap-up and summary of this congress. Prof Ofori is a long standing champion of construction in developing countries, and it is very fitting that George was awarded the CIB prize last night acknowledging his outstanding contribution as a coordinator of his Task Team. George is also a long standing friend of South Africa, and it is indeed a pleasure to have George back in South Africa, and to be acknowledged here in South Africa for his role.

In his wrap-up, Prof Ofori has referred to a central focus at this Congress as the value to society of infrastructure – value to those that derive economic benefit and social benefit from the built environment, and value to those derived from creating the built environment. I am told that this was also touched upon in Prof Peter Barrett's keynote address.

The Congress statement also calls for greater levels of partnership in pursuit of this goal and I wish to congratulate the conference organisers for the example they have given us. Hosted for the first time on the African continent, the conference represents a global partnership promoted by the International Council for Research and Innovation in Building and Construction (CIB).

At the same time it builds on the partnerships we have forged in South Africa between the construction industry, government, and research and academic institutions. Our government's commitment to expand public and private sector focus on construction research and

academic development is further expressed by the presence with me of my colleague, Mr Mosibudi Mangena, Minister of Science and Technology.

Ladies and gentlemen,

The conference theme “**construction for development**” aptly captures the central role of infrastructure and the construction industry in social and economic development. Construction creates the foundations of our global economy and the basis for human advancement. It also accounts for about ten percent of the global economy and provides much needed employment and dignity to millions of people around the world.

However, it is well known to all of you assembled at this august conference that the construction industry operates in a particularly project specific environment that has its own particular draw backs, characterised by a fragmented delivery process. The industry is mobile, and every project brings together new combinations of technology and resources, of professional disciplines, of contractors and subcontractors, skilled and unskilled workers, plant and equipment.

Construction is therefore a competitive and high risk business for both clients and the industry. All too often its products and processes fail to deliver optimal value to society.

It is not surprising therefore that many governments are actively promoting an efficient and effective industry that uses resources better, that reduces waste and that transforms the working environment of its people for better employment and greater productivity. As regulator and client to the industry, governments in both developed and developing countries are encouraging practices that promote social and economic priorities. These include improved health and safety and more positive environmental outcomes.

There are of course many priority issues on the agenda of the developing world. Few of them however assume the same urgency as the issues of infrastructure deficiencies, backlogs and disparities.

The legacy of uneven development and under-development in Africa and elsewhere in post-colonial societies is well known. It continues to inhibit our capacity to deliver infrastructure that supports the full participation of developing societies in global economic endeavour. This is certainly true of our own experience in South Africa and infrastructure development continues to occupy a central position in government's agenda to roll back the underdevelopment of decades of apartheid and centuries of colonialism.

The inherited backlog of uneven development coincides with the need for new levels of infrastructure investment to deliver South Africa's *Accelerated and Shared Growth Initiative (ASGI-SA)*. ASGI-SA aims to achieve an economic growth rate of 6% and to halve

poverty and unemployment by 2014 in line with our commitment to the UN *Millennium Development Goals*.

Our government is therefore determined to increase public sector capital budgets at an unprecedented rate of 10 – 15% per annum and to raise Gross Domestic Fixed Investment (GDFI) from 15% to 25% of Gross Domestic Product (GDP). To achieve these levels of infrastructure investment our construction industry will need to double its output by 2014. This constitutes a central challenge of partnership facing industry stakeholders in our country.

Ladies and Gentlemen

Confronted with these challenges our government is clear in its conviction that the South African construction industry is a national asset in the strategy to achieve economic growth and improve the quality of life of the majority of South Africans. Therefore, our role as government is equally clear - and over the past few years we have worked relentlessly to facilitate an enabling framework for industry growth and transformation.

A mainstay of our enabling framework for industry growth and transformation is the Construction Industry Development Board (CIDB), which government has constituted to drive a comprehensive industry development strategy on behalf of all stakeholders.

The CIDB's mandate includes the promotion of client and industry best practice, an enabling procurement and delivery environment, a national research agenda and the creation of a knowledge network.

As an institution, the CIDB also represents a public and private sector partnership for development. The current and past Chairpersons, Pepi Silinga and Brian Bruce respectively, have contributed inputs to this conference and the CIDB together with the CSIR have anchored the conference organisation on behalf of South Africa. I would therefore also like to thank these organisations and to single out the Chief Executive of the CIDB, Mr Ronnie Khoza, who is also present here today.

Ladies and gentlemen,

Construction industry growth cannot be seen in isolation from the pressing need to transform the industry into one that performs better in terms of quality, employment, skills safety, health and the environment.

In South Africa we are also determined to transform the skewed racial ownership and participation profile of the industry – another legacy of our past. Giving practical expression to this determination, we have directed public procurement towards the empowerment of historically marginalised population groups and the creation of productive employment.

An increasing number of black and women-owned companies are now competing effectively in this sector of the economy. The established industry has also responded positively to this aspect of transformation and last year signed the Construction Charter, which commits the industry to concrete targets in terms of Black Economic Empowerment. I am pleased to say that most of the major companies have made progress towards these targets encouraging us to believe that together we can address many outstanding challenges.

The Register of Contractors established by the CIDB to regulate the industry now equips government and stakeholders with an important development tool and a clear understanding of the nature of contracting capacity and empowerment gaps across the industry.

Building on this Register, the Department of Public Works is preparing to launch a National Contractor Development Programme (NCDP) that will target development interventions aimed at the different contractor categories and grades. Within the framework of this programme we will expand our partnerships with industry and academia to address issues of skills, quality, safety and health.

Going forward it is will also be important to further raise the level of cooperation between industry, government and the research and academic community to increase the focus and funding for relevant construction related research. Within the framework of SADC, I am also of the view that we should explore the potential for regional

dialogue to address construction industry development and infrastructure challenges.

## **Closing Remarks**

In closing I would like to thank you all for your contribution to this historic World Building Congress. You, the delegates, have shaped the Congress statement calling on industry, governments, academics and researchers to be activists in developing the construction sector and its contribution to global development.

I urge you all to carry the message back home with you, to be leaders and activists – and to set the example. I am particularly encouraged by the participation at this conference of a very capable delegation from South Africa and am certain that important lessons they have shared and learnt will filter into our systems and programmes for improving the quality of life of millions of South Africans.

The construction industry the world over, but particularly in developing countries, has a pivotal role to play in infrastructure development. The key lies in unlocking the many impediments which curtail its tremendous potential for shaping a sustainable destiny for all of humanity. I am certain that the distilled experience of this conference will stimulate progress towards that goal.

I thank you.