



## **SPEAKING NOTES BY FREE STATE MEC FOR PUBLIC WORKS F NGUBENTOMBI AT THE CONSTRUCTION INDABA**

**31 July 2009**

This Construction Indaba is our last event in this year's calendar of events for the National Construction Week. I treat this meeting as very important because the development of small contractors should serve as an important yardstick for measuring the transformation of the construction industry. We will never rest until black contractors are fully represented in all the grades, particularly in higher grades of CIDB. Black contractors are still largely concentrated in the lower grades and that cannot be correct since blacks are the majority.

For as long as the majority of our people are excluded from meaningful productive participation in the economy, there can never be any meaningful growth and development of the economy. This applies to all industries including the construction industry. The construction industry must be transformed to be representative with regards to national demographics of race, gender and youth. The approach of government is to build the productive capacity of small contractors in terms of technical and business skills, as well as facilitating financial support.

Before I get taken away, let me state my delight that this meeting, my meeting with contractors is finally taking place. From the very first day since I joined this department, I have always stated my burning desire to meet contractors and consultants. Contractors are the mainstay of the construction industry; their development will therefore mark a leap in the transformation of the construction industry.

The construction is a very important sector of our economy because it is responsible for building and developing the infrastructure. Just three days ago I tabled the budget vote and I made it very clear that infrastructure development has a big and a key role in growing and developing the economy.

I said, "The sustainable way to economic development for the province is to build the industrial capacity in major sectors of our economy. We must therefore use programmes of infrastructure development for building the industrial capacity of the provincial economy. Infrastructure development can have an impact far more beyond than just in the construction sector. It can positively impact in the entire business cycle of the economy. This is because a well developed infrastructure is a sound basis for higher rates of growth and sustainable development in the economy. Infrastructure development must lower the cost of doing business and facilitate social development.

"Properly executed, infrastructure development can contribute towards labour absorbing industrial growth and competitiveness in the main industries of the provincial economy, namely mining, agriculture, manufacturing, tourism and petrochemical industry."

During this period of economic recession, government has turned to the construction industry to help stimulate the economy. Government, nationally, is going to invest close to R800 billion to revive and stimulate the economy during these trying times. The industrial policy, as a strategic intervention to build major industries of our economy, is also going to rely on the infrastructure development programmes as a central pillar.

The 50 000 job opportunities, the Premier announced earlier last month, are largely going to be created in the and by the construction industry. Infrastructure will continue to be the single greatest sector of the Expanded Public Works Programme (EPWP) II.

Let me remind you, EPWP is one of South African government's short-to-medium term programmes aimed at the provision of additional work opportunities coupled with training. It is a national programme covering all spheres of government and state-owned enterprises. The EPWP will continue to draw significant numbers of the unemployed into productive work, accompanied by training, so that they increase their capacity to earn an income.

We are now going to implement, with more vigour and determination, the Second Phase of EPWP. This will do building on past successes of EPWP I.

I also have a big interest in seeing women contractors developing and growing into higher in the Construction Industry Development Board (CIDB) grades. That is why I always refer to bo rakontraka le bo makontraka! Next week, on 5 August, as part of celebrating the Women's Month, we will be hosting the Women in Construction Awards. This will be aimed at paying tribute to the sisters who are making strides in changing the gender make-up of the construction industry as part of building a truly non-sexist South Africa.

The contractor development programme that was launched last year, stalled because of financial constraints. We are currently busy looking at alternative funding mechanisms. We will certainly revive the contractor development programme. If we don't prioritise the development of contractors, how else do we hope to transform the construction industry?

We reiterate; contractor development is the mainstay of the transformation of the construction industry!

I'm happy to have finally met you contractors, my most important stakeholders, today. I'm looking forward to a good working relationship with you. This meeting today is really about introductions, so that I properly familiarise myself with the industry. I'll be meeting you more frequently.

Thank you.