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No fears of a downturn

MOST construction industry players are confident that growth within the industry as a whole is sustainable for the foreseeable future, supported by projections by the South African Federation of Civil Engineering Contractors (Safcec) that current industry conditions should continue beyond 2014.

Rick Jackson, CEO of AltX civil engineering and construction group Sanyati Holdings, argues that there is nothing to suggest that a downturn in the construction industry is on the cards.

"Certainly 2010 was the kickstart, but many of the projects, such as the Sanral roads projects, need to go ahead anyway as roads have to be upgraded. In 30 years in the industry, I've never experienced such long-term forecasts."

Sanyati is active in a number of major infrastructure projects including the King Shaka International Airport about 30km north of Durban (as part of a consortium), the Bloemfontein stadium for 2010 and projects for Eskom and Gautrain, in addition to projects for Sanral.

But while infrastructure growth prospects are bullish, some private industry players away from the larger infrastructure mainstream are feeling the economic pinch. David Wertheim Aymes, CEO of the Bosun Group says: "Demand was evident until about June/July last year and from then on it has turned down dramatically."

Wertheim Aymes says statistics from the Concrete Manufacturers' Association on the paving market indicate a reduction of 15%, with fundamental reasons including the National Credit Act, rising interest rates, the Zuma factor, as well as electricity cuts and the mooted moratorium on power connections to new developments.