

Machine manufacturer warns tender moratorium may delay projects

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The six-month moratorium placed on tender allocations by the Department of Public Works (DPW) is the biggest challenge facing the local building industry and could have a negative knock-on effect for its customers and construction projects, says concrete and construction machine manufacturer Pan Mixers South Africa (PMSA) MD **Walter Ebeling**.

"We have a need for infrastructure and housing in many parts of South Africa. We have to roll out housing and we have to roll it out on a scale greater than that rolled out so far," he emphasises.

"We have a paradox in South Africa, where some areas have debilitating poverty while oth-

ers have world-class services and infrastructure. However, we manufacture and supply machines



ASSEMBLY, REPAIR AND STOCK

PMSA's assembly and repair factory maintains high machine and component stock levels for clients

perfectly suited to the rural or remote conditions in under-developed areas of the country, as well as remote or inaccessible areas on the continent, and this enables contractors to build infrastructure in those areas."

Despite the moratorium, the company is expecting demand for affordable housing to increase and reports strong demand from municipalities for affordable housing projects in a number of regions in South Africa, specifically in the Free State, he says.

The company installed two large VBX block-making plants that can manufacture 60 000 hollow blocks a day at Umtata, in the Eastern Cape, in 2010. He believes that this area of the province has significant potential for growth in infrastructure and housing projects, supported by the town's commercial and service industries' growth.

Meanwhile, the company reports that it foresees growth in continental Africa, where there is a need for infrastructure develop-

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CNC COMPONENT MANUFACTURE

One of the 13 CNC machines bought by the company to keep manufacturing processes in-house

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ment and African countries have made significant investments in their own infrastructure projects.

"Africa sits on enormous mineral wealth; however, infrastructure is needed to get the raw or processed materials to ports. This need to boost exports to meet demand from foreign markets is driving the development of infrastructure on the continent," he says.

Further, once infrastructure begins to spread throughout countries, jobs are created, both to build and maintain the infrastructure and through its use, such as for exports of agricultural products or products from mines and factories. After jobs have been created, there is increased demand for housing, which then requires the development of cement factories, power stations, electrification networks and transport infrastructure, he explains.

This means that the development of agricultural and industrial infrastructure indirectly leads to the development of civil infrastructure owing to the increased capacity for the transport of goods, which leads to growth in jobs and affluence, says Ebeling.

"This holds true for South Africa, where the construction industry can provide the infra-

structure needed to support growth and the development of jobs, enterprises and companies."

Further, Ebeling believes that the nascent 26-country trading bloc between the countries of the Southern African Development Community, the Common Market for Eastern and Southern Africa and the East African Community, which is in the process of being established, is a positive step towards enabling African countries to trade more easily with each other and will dramatically boost exports for the countries involved.

"I think the trading bloc will be a big opportunity for manufacturers or suppliers in Africa to sell their goods into African countries and I believe there is enormous potential in the free trade agreement. However, it is still unclear how long it will take before the agreement becomes effective," he says.

Meanwhile, PMSA believes that industry initiatives, such as National Construction Week, to be held in August by the DPW, are important to get young people interested in construction.

"We are not training enough people to reduce the skills deficit and unemployment. However, the problem is industrywide and means that single companies investing in skills development will have their trainees poached and will subsequently stop training initiatives. Each industry as a whole must aim to reduce the skills deficit in that industry," says PMSA sales and marketing

manager **Quintin Booyen**.

The country, companies and the industry must be made aware of the value of training people, particularly the youth. Industry initiatives can get people thinking about the opportunities and possibilities of the industry, he adds.

Meanwhile, PMSA reports a good start to the year for the company, although there has been a slowdown in work towards midyear. However, Ebeling remains positive that the market will continue to recover.

"There is significant interest in our 4 × 4 wheel drive self-loading mixers for construction projects, but sales depend on tenders being finalised with our customers and orders processed, so we,

like our clients, are waiting for an end to delays in the issuing of contracts," he notes.

Further, PMSA, over the past ten years, has installed several computer numerically controlled (CNC) machines in its factories to ensure PMSA has control over production and quality of all the principal components and assemblies in-house for their entire range of equipment, says Booyen.

"We have many CNC machines to take ownership of production technologies where we can to ensure that we are able to meet customer demands for machines and components as and when they are needed."

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