Hats Off
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CONSTRUCTION NEWSLETTER

GERMANY TO SPEND ABOUT N$500 MILLION ON FOUR NAMIBIAN GREEN HYDROGEN PILOT PROJECTS

The German government will spend about N$500 million on four Namibian green hydrogen pilot projects, with TransNamib, the University of Namibia (Unam), the Namibian Ports Authority (Namport), and the Ohlthaver & List Group as some of the beneficiaries.

The four projects will be located in the Erongo region, which has been marked as 'valley 1' of the envisaged national hydrogen ecosystem.This area would house the projects, which will stretch across the agriculture, logistics and refuelling industries. The four projects – the Daures, Namport, Cleanergy and TransNamib project – have a combined value of over N$890 million (53,39 million euros), and some of the funds will be sourced by the initiators of the projects.

The Daures project will focus on agriculture, and will seek to establish a green-scheme programme for ammonia nitrate crops, the storage and transport of green hydrogen, ammonia and related derivatives, as well as the development of fuel cell-operated centre pivots, boreholes and houses.This project has a value of N$251 million and will be embarked on in collaboration with Unam, the University of Stuttgart, Enapter, Windwise, and Enersense Nam.

The Namport project is worth over N$94 million, and will seek to enable Namport to convert existing port equipment to operate on hydrogen dual fuel technology, and to develop green hydrogen bunkering and refuelling infrastructure at the port. This project's partners are Cleanergy Solutions Namibia, CMB Germany GmbH & Co. KG, Namport, and Unam.

Project Cleanergy has the highest value at N$416 million, and will be implemented by CMB.Tech, the Ohlthaver & List Group and Cleanergy Solutions Namibia.

The purpose of the plant is to test technologies, to develop offtake applications within the transport sector, mining sector and port activities, and to facilitate technology transfer and skills development into Namibia.

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PALADIN TO RESTART LANGER HEINRICH URANIUM MINE

Western Australia-based Paladin Energy Limited has decided to return the Langer Heinrich uranium mine in Namibia to start production in the first quarter of 2024. The company said the decision to resume operation of the mine, which was suspended in 2018 due to low uranium prices, is supported by a strong uranium market.

Langer Heinrich is located in the Namib Desert 80 kilometres (Km) east of the major seaport of Walvis Bay and 40 km south-east of Namibia's - and the world's - longest running open pit uranium mine, China National Uranium Corporation's Rössing. Production commenced in 2007 with a capacity of 2.7 million pounds per year.

This was subsequently expanded to 3.7 million pounds in 2009 and 5.2 million pounds in 2012, but following the continued decline in uranium prices, a mining curtailment strategy was introduced in November 2016 and in May 2018 the mine was transitioned to full care and maintenance. The mine produced more than 43.3 million pounds over its ten years of previous operations.

"The decision to restart production at the Langer Heinrich mine is supported by strong uranium market fundamentals and continued progress on uranium marketing activities, including the execution of a binding contract for the previously announced Tender Award", Paladin said.

The company noted the capital cost to restart production at Langer Heinrich has increased from the previous estimate of USD87 million to USD118 million, "primarily driven by recent inflationary pressures across the project supply chain, brought forward power and water infrastructure works and increased owners team costs".

Paladin owns 75% of Langer Heinrich Mauritius Holdings Limited, the holding company of Langer Heinrich Uranium (Pty) Ltd that holds 100% of the Langer Heinrich tenements.

The remaining 25% is owned by CNNC Overseas Uranium Holdings Limited.

Paladin said it has committed to provide 100% project funding, if required, via priority loans to be repaid in priority to all outstanding shareholder loans. It added that CNNC Overseas Uranium Holding Ltd "are yet to finalise their funding decision".

Paladin has appointed South Africa-based engineering firm ADP Group to provide engineering, procurement and construction management services.

Source: *https://world-nuclear-news.org/Articles/Paladin-to-restart-Langer-Heinrich-uranium-mine#:~:text=Western%20Australia%2Dbased%20Paladin%20Energy,by%20a%20strong%20uranium%20market.*

CONSTRUCTION ACTIVITY IN WINDHOEK LOOKS MODERATELY PROMISING GOING FORWARD INTO 2022 – SSS

Pipeline construction activity in Windhoek looks moderately promising going forward into 2022 and 2023, where a continued uptick in Swakopmund is expected, according to investment and research firm Simonis Storm Securities (SSS) in a recent report.

According to the Building Statistics June 2022 report, SSS said two green hydrogen projects at the coast are expected to commence with construction soon, while imported equipment has arrived for the construction of a solar power plant at Rosh Pinah mine.

“Additional announcements of renewable energy projects expected to be constructed in the near term in Namibia could lead to single-digit contractions in the construction sector, as opposed to double-digit contractions that we have seen in the last two quarters of 2021. These deep contractions will also provide 3Q2022 and 4Q2022 with a lower base to grow from,” the firm added.

Meanwhile, SSS said in their Covid update report released in April 2022, they mentioned that about N$13 billion in life insurance claims were paid out between March 2020 and September 2021.
“This sizeable amount (about 10% of real Gross Domestic Product), could explain the rebound in volumes traded in the property sector and could support renovations or residential additions for the rest of 2022 and potentially in 2023 as well,” they concluded.

source: *https://economist.com.na/72094/extra/construction-activity-in-windhoek-looks-moderately-promising-going-forward-into-2022-sss/*

GREEN ELECTRICITY FOR DESALINATION PLANT

Namibia is set to develop a new 5 MW solar plant at the Trekkopje site just northeast of Arandis in the Erongo Region, from where power will be supplied to the Erongo Desalination Plant, an announcement said Thursday, 23 June 2022.

The announcement follows the inking of a 10-year power purchase agreement between, Orano Mining Namibia and InnoSun Energy Holding, the Namibian subsidiary of the French independent energy producer, InnoVent.

"The agreement includes the establishment of a 5 megawatts solar plant situated at the coast 35 kilometres north of Swakopmund. Under the agreement, InnoSun will design, construct and operate the solar plant," Orano Namibia spokesperson, Christine de Klerk said.

Construction will commence in the second half of 2022 and the plant is expected to be operational toward the end of 2023, she said.

"The plant will enable Orano to make the provision of water to the Erongo Region from a green electricity source more affordable in the long term, and contribute greatly to efforts to reduce the carbon footprint of the EDP," she added.

Once commissioned, the plant is expected to reduce energy costs with the desalination process, and lower annual greenhouse gas emissions by 30 percent, which is equivalent to 9,722 tons of CO_2 equivalent emissions, she concluded.

Namibia is a net importer of electricity from South Africa and the Southern African Power Pool. The Namibian government has committed itself to increasing the share of renewable energy in electricity production to 70 percent by 2030.

ESKOM TO SUPPLY 100MW ELECTRICITY TO NAMIBIA FOR THREE YEARS

ESKOM, which is currently faced with frequent power cuts, will continue to supply Namibia with 100 megga watts (MW) electricity.

NamPower managing director Simeon Haulofu confirmed that the power utility has renegotiated and extended its electricity supply agreement with Eskom for another three years.

This follows NamPower's five-year agreement with Eskom for the supply of 200MW and additional non-firm supply dependent on transmission capacity.

Haulofu said the agreement can be extended based on future requirements. “Namibia has been and continues to enjoy network support from Eskom,” he said.

Namibia produces about 40% of its energy requirements, while about 60% is imported from neighbouring countries through the South African Power Pool. Approximately 30% of Namibia's electricity is being supplied by South Africa. Meanwhile, South Africa is currently being hit by the worst power outages in more than two years, as Eskom experiences multiple plant breakdowns. In a statement, Eskom said this is due to multiple plant breakdowns after illegal protests followed a deadlock in wage negotiations.

“We currently have 4 501MW on planned maintenance, while another 16 320MW of capacity is unavailable due to breakdowns. As the generation capacity shortages persist over the next few weeks, load-shedding will continue to be implemented at various stages,” Eskom said in a statement on Thursday, 14th of July 2022.

In January this year, NamPower chief operating officer Fritz Jacobs said the company needs a sufficient supply of electricity as it continues to import a significant share of electricity from the Southern African Development Community (SADC) region.

Source: *https://www.namibian.com.na/114389/read/Eskom-to-supply-100MW-electricity-to-Namibia-for-three-years*

NAMIBIA INAUGURATES 20 MW SOLAR POWER PLANT

Namibian state-owned utility, NamPower on Friday, 24 June 2022 inaugurated the utility's first fully owned 20 Mega Watts (MW) photovoltaic (PV) power plant at an event in Omaruru in the Erongo region.

The Omburu (means "white" in local language) PV project which took 15 months to complete, was constructed through a joint venture between Hopsol Africa and Tulive Private Equity. The plant, which occupies 40 hectares, is expected to supply 67.8 Gigawatt hours (GWh) of clean energy annually, said NamPower.

Kornelia Shilunga, deputy minister of Mines and Energy, said Namibia continues to make strides towards transitioning to the use of renewable sources for energy supply. "We are all aware that Namibia is heavily reliant on importing electricity from South Africa, Zambia and Zimbabwe, but the picture is changing, step by step", she said, adding that solar and wind are the answer to electricity independence

Kahenge Haulofu, Nampower managing director, said the utility adopted its integrated strategic business plan in 2020 in which the company identified its strategic focus, application and prioritization of resources over the next five years.

"Nampower ratified the implementation of the following projects, 20 MW Omburu power station and a 40 MW wind project which is currently in the bidding phase. We hope to award the EPC contract in the first quarter of 2023", he added.

Haulofu further said a 40 MW biomass power project is currently in a bidding phase which is expected to be concluded in August 2022.
Namibia is committed to increasing the local electricity generation capacity from 624 to 879 MW by 2025, through commissioning 50 MW of IPP projects and an additional 220 MW generation by NamPower by 2025, Shilunga concluded.

Currently, various solar generation projects are underway in Namibia, including the construction of the new 5.7 MW Rosh Pinah Solar Park and another 20 MW solar plant to be developed by Hopsol near the Khan Substation in the Namib Desert amongst others.

Source:
https://english.news.cn/20220624/b3cea0ef61504f81a4a58505f5b275d7/c.html

CONSTRUCTION INDUSTRY CONCERNED ABOUT THE MANDATORY NATURE OF FIMA

The Construction Industries Federation of Namibia recently had engaged its members in order to gain feedback about their views with regard to the Financial Institution and Market Act (2021) which was to come into force on 1 October 2022.

Bärbel Kirchner, general manager of the CIF says: “Although the principle of “compulsory preservation” will be reconsidered, we are not aware that the day of implementation is now postponed and wanted to gain greater understanding about how members feel about FIMA.

“One of extensively discussed implications of FIMA is that 75% of a pension fund member's capital must be preserved until retirement, once FIMA becomes effective.

“Another issue is that all funds would have to register again with NAMFISA with extensive new and additional administrative requirements for funds to ensure compliance with the new act and the recently published standards and regulations.

It may well be that some of the smaller funds might not have the resources to meet and cannot afford these requirements.

“Another change is that the penalties for failures or offenses are much more severe, which can have implications for the employer, his directors and senior executives, as contributor to the fund.

“For that reason we felt that it remains important and relevant, especially since employers in the construction sector are mandated to enrol workers in the construction sector in a pension fund.

That does not include all employees but certainly those that are part of the categories as listed in the gazetted Collective Agreement for our sector”.

The penalties were also considered to be out of proportion when compared with other offenses, and indeed criminal offenses.

As there is currently an umbrella pension fund for the workers in the construction sector, the Namibian Building Workers Pension Fund (NBWPF), CIF employer members were asked whether or not they had their workers registered with the NBWPF. Only 18% of the respondents had their employees registered with the NBWPF. Other pension funds being used are the Orion Pension Fund, the Benchmark Retirement Fund and Momentum.

Currently 54.5% of the survey respondents have between 75-100% of their employees registered with a pension fund; 18% of the respondents have between 0-25% of their employees registered; and 9% have between 25-50% registered, and a further 9% have between 50-75% registered.

This is encouraging as the majority of the responding employers indeed adhere to the collective agreement for the construction sector, which makes it mandatory for employers to have their employees – that fall into the categories as listed in the collective agreement – registered with a pension fund.

All – with the exception of 27% - of the responding employers confirmed that currently employees participating in their respective funds, may withdraw all pension fund capital upon termination of pension fund membership before retirement age (60) or early retirement age (55).

63% of the respondents said that their employees are not in support of the new legislation which requires the preservation of 75% of the benefits until after retirement.

It was stated that currently many employees in the construction sector only have contract employment and would often struggle to ensure continuity of employment. For that reason they needed access to funds accumulated in their pension fund in order to have financial resources when not employed.

Some respondents were of the opinion that the new legislation had been introduced to secure financial security after retirement, as currently many were not prone to save for old age. The new legislation could lead to less future dependency on the state.
Whilst some were in support of the 75% preservation of capital, it was suggested that it should not be mandatory and that instead it should be voluntary and encouraged through incentives. Indeed some were of the opinion that if mandatory, then it would be a violation of human rights.

Currently, under the Pension Funds Act, failure to pay contributions as legally required, is merely considered an offense, and can result in a fine of not more than NAD200, upon conviction. Under FIMA, the employers’ obligations and liability for fines increase drastically. Employers will be held liable for all unpaid contributions and related prescribed interest, which accrues daily. For non -payment of contributions, a convicted employer can even be fined up to NAD2.5 million and a prison sentence of up to five years. Considering the current economic climate, 90 % of respondents were concerned about this.

.....GERMANY TO SPEND 500 MILLION

The fourth project plans to enable TransNamib's locomotives to run on green hydrogen. The ideal is to have 50 locomotives converted to green hydrogen dual fuel. The pilot project would do a test run on one locomotive first, converting its engines to run on green hydrogen, as well as fitting tankers, among other logistical enablers to transport the gas.
This project has a value of N$127 million and will be implemented by CMB.Tech, Unam, Hyphen Technical, TransNamib, the Namibia Green Hydrogen Research Institute, and Nicholas Holdings.

Hans Hermes, the vice president of Worley International, said a huge market exists for green hydrogen, and that "it is therefore important to get things right from the onset and leverage on already available research", He said that existing demand for green hydrogen globally is 10 times more than all the current operational projects, and therefore Namibia has a real chance to position itself well.

SOURCE: https://www.namibian.com.na/115229/read/Germany-splashes-N$500m-on-Namibias-green-hydrogen-projects AND ***https://namgh2conference.com/#conference-materials***

CONTINUED .... CONCERN ABOUT OF FIMA

Employer respondents were not in favour of this, especially many were concerned about cash flow, which could be an obstacle to paying on time. This is especially of great concern as the industry is currently faced with the dilemma of non-payment of work for government that has been completed.

It was suggested that the non-payment of contribution should result in far less harsher penalties, for example fines of only one per cent of the total contribution. These harsh penalties could also result in retrenchments, especially if there are no financial resources available for the employer contribution.

90% of responding employers said that the penalties were too steep. Some even considered it an abuse of power. Some felt that the proposed penalties would discourage employers to register their employees with a pension fund as the risks was too high. The implications are that one transgression – e.g. a technical glitch - could lead to financial hardship due to the penalties imposed. Businesses that were experiencing financial distress, would be better off not to provide the benefits of employer contribution to pension funds. Mandatory pension fund contributions – such as in the construction sector and proposed penalties for late payments, would mean that some employers would employ the absolute minimum or even close their businesses. Some fear that the magnitude of proposed penalties when businesses are already facing financial difficulties, could mean that businesses cease to exists with the consequences of ever lesser current and future financial security for employees.

Under FIMA, a trustee or a principal officer can be charged with criminal offense, despite many offenses being a result of unintended administrative failure. Fines and administrative penalties can vary from N$500,000 or 12 months imprisonment up to N$10 million or ten years imprisonment.

All responding employers felt that the fines and penalties were too high, to the extent that one felt that all principal officers and trustees should be advised to resign. The penalties were also considered to be out of proportion when compared with other offenses, and indeed criminal offenses.

However, some felt that the proposed penalties should be applied to repetitive offenders. With regard to proposed level of fines and penalties, it would be likely that trustees would no longer be volunteered, due to the risk involved.

It will mean that the required knowledge and expertise of officers of a fund become far steeper, with the implications that higher retainer and/or sitting fees need to be paid for trustees, their principal officer and the chairperson. Considering the possible consequences, 63% of responding employers were not in favour of engaging greater expertise, which then would also result in increasing costs to the fund. Only 9% were in support of engaging greater expertise and the remaining respondents were unsure whether or not greater professional expertise should be engaged. It was felt that it was too costly and would hinder fund growth and thus to the detriment of the members of a fund.

NAMFISA gives all pension/retirements funds 12 months to be FIMA compliant; i.e. 30 September 2023. It can be anticipated that it would increase compliance costs due to changes of required documentation, additional training, reporting, administration and personal indemnity insurance requirements, with the possible implication of lower returns for members of a fund, in the future. For that reason 81% of responding members felt that compliance with FIMA should be less difficult and cumbersome in order to reduce the overall costs of compliance.

It was felt that too much red tape would create difficulties and would overcomplicate matters. This was especially of concern, considering the current economic climate.

Some existing pension funds are too small to fulfil the requirements of NAMFISA, if one were to take into consideration their current asset base and the level of membership.

The costs of compliance requirements would essentially undermine the benefits that members can receive. That may lead to the development of "umbrella funds", where the management of smaller funds will be absorbed by a larger fund.

When asked about whether they would be in favour of this development despite that funds might loose their individual characteristics originally defined and based on the needs of their members, 72 % of responding employers mentioned that they were unsure about the developments of umbrella funds, 18% were against it and 9% were in support of the development of umbrella funds.

In terms of the professional and qualification requirements of the officers of a fund (trustees, principal officer, and chairperson) for a standalone or an umbrella fund, it was felt that financial experience or qualification was required; and knowledge and understanding of the economy and pensions funds in particular. The need for accounting qualifications was highlighted, preferably chartered accountants with investment background.

Employers in the construction sector - as a result of the gazetted Collective Agreement for the construction industry - are legally required to register their workers with a pension /retirement fund. Excessive penalties therefore can have a huge implication for employers in the construction sector.

NAMIBIA CONSUMER PRICE INDEX BULLETIN - JULY 2022

In July 2022, the annual inflation rate increased by 6.8 percent compared to 4.0 percent recorded in July 2021. On a monthly basis, the inflation rate remained unchanged at 1.0 percent when compared to a month earlier. Transport and food and non-alcoholic beverages components continued to be the main contributors to the annual inflation rate with a contribution of 3.0 percentage points and 1.5 percentage points, respectively.

The Zonal inflation rates for the month of July 2022 revealed that, Zone 2 (Khomas) recorded the highest annual inflation rate of 7.7 percent followed by Zone 3 (Hardap, Omaheke, //Karas, and Erongo) at 6.6 percent and Zone 1 (Kavango East, Kavango West, Kunene, Ohangwena, Omusati, Oshana, Oshikoto, Otjozondjupa, and Zambezi) which recorded an annual inflation rate of 6.2 percent. On a monthly basis, Zone 2 and Zone 3 recorded the highest inflation rate of 1.1 percent each, while Zone 1 recorded the lowest monthly inflation rate of 0.7 percent.

Analysis of the average retail prices of selected products for the month of July 2022 revealed that consumers in Zone 2 paid the highest price for Brown Bread at N$12.46 followed by Zone 3 at N$11.91, while consumers in Zone 1 paid the lowest price of N$11.48. For Pure Sunflower Oil (750ml), consumers in Zone 1 paid the lowest price at N$39.97, while the highest price was paid by consumers residing in Zone 2 at N$43.22.

Housing, water, electricity, gas, and other fuels

The annual percentage change for Housing, water, electricity, gas, and other fuels component which accountsfor 28.4 percent of the consumer basket, increased by 1.8 percent during July 2022 compared to 1.2 percent registered during the same period of the preceding year.

The highest percentage changes in this category during July 2022 were mainly observed in the subcategories of Regular maintenance and repair of dwelling (6.5%); and Water supply, sewerage services and refuse collection (5.2%).

On monthly basis, this category recorded an inflation rate of 0.4 percent in July 2022 compared to 0.1 percent recorded in the previous month.

Transport

The annual inflation rate for the Transport category which accounts for 14.3 percent of the consumer basket continues to be the main driver of the overall inflation, increasing by 20.9 percent in July 2022 compared to 10.6 percent registered in July 2021. The increase in the Transport component was mainly reflected in the price levels of Operation of personal transport equipment which increased by 35.5 percent.

On a monthly basis, Transport group recorded an inflation rate of 3.0 percent in July 2022 compared to 4.1 percent recorded during the preceding month.

Operation of personal transport equipment increased by 35.5 percent in July 2022, compared to 14.2 percent recorded in July 2021. The increase resulted mainly from increases witnessed in the price levels of Petrol/Diesel who recorded a hyperinflation rate of 63.1 percent in July 2022 compared to 25.3 percent registered during the same period last year.

Prices for Public transportation services recorded a deflation of 4.1 percent compared to an increase of 1.3 percent registered during the same period of 2021. The deflation emanated mainly from declines registered in the price levels of Bus transportation (from 0.8% to -5.2%) and Taxi transportation (from 1.5% to -4.5%).

CONTINUED .... CONCERN ABOUT OF FIMA

At the same time, there is also talk of a future introduction of a national pension fund, which presumably would make the registration of employees and the contribution towards a fund mandatory for every employer, irrespective of the sector.

Although, some responding employers are in favour of a national pension fund, some also stated that they fear that if red tape and the risk of penalties were too high, they would be inclined to increase automation by engaging more machinery, which ultimately would lead to higher unemployment. It was highlighted that most employees did not understand the benefit of pension funds.

Some were concerned that the national pension fund legislation would require existing pension funds to transfer their funds into the national pension fund, which they perceived as risky. In order to reduce red tape and excessive administrative requirements for the employer, it was suggested that a percentage would be deducted from the income tax paid by the respective individuals. This should be automated by NAMRA.

Contributions

Please send all contributions to: info@cifnamibia.com

We will cover your information on new tender awards, product developments, new appointments, events, as well as advertise your jobs free of charge. Should you wish us to follow up on any stories or trends, please let us know.

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CONSTRUCTION NEWSLETTER

CONSTRUCTAFRICA LAUNCHES SOUTH AFRICA CONSTRUCTION MARKET REPORT 2022

ConstructAfrica announces the launch of its latest 2022 Construction Market country report for South Africa. The 'South Africa Construction Market Report 2022' is available online from 19th July 2022. The South Africa Construction Market Report 2022 provides the latest insights of interest to industry stakeholders as well as investors seeking to invest in the country's fast-growing construction industry.

South Africa is the 25th largest country in the world, covering an area of 1.21 million square kilometres. With a population of 57 million, it is the third-largest economy in Africa, after Nigeria and Egypt. In 2021, South Africa recorded a GDP of US$419.95 billion, according to the World Bank.

South Africa's construction industry presents a multi-faceted approach to innovation and growth in the global construction sector. The South African construction market was valued at $27.9 billion in 2021, with AAGR (average annual growth rate) projected at over 2% during 2023-2026. The key sectors in the South African construction market are commercial, industrial, infrastructure, energy & utilities, institutional and residential.

However, the industry has faced a variety of challenges in the form of economic pressures, low mark-ups, shortage of skills, and the continued impact of COVID-19 and supply chain risks.

In the latest budget unveiled in February 2022, the government announced a plan to invest R812.5 billion (US$51 billion) towards public-sector infrastructure spending over the next three years from FY2022/2023 to FY2024/2025. Of the total, it allocated R311.8 billion (US$18 billion) to the transport and logistics sector and R124.8 billion (US$7.3 billion) to the energy sector. Investments related to the 10-year R2.2 trillion (US$133 billion) infrastructure plan unveiled by the government in 2021 will support the industry's output. The plan comprises 276 projects in various sectors, including transport, energy, industrial and housing.

The report contains an in-depth look into major industry trends, along with the functioning of the South African construction industry, its size, and structure, as well as various major projects, key player profiles, and competitors.

Source: *https://www.constructafrica.com/news/constructafrica-launches-south-africa-construction-market-report-2022*

SOUTH AFRICA: CAPE TOWN IS HOME TO WORLD'S TALLEST HEMP BUILDING

A 12-storey building at 84 Harrington Street in Cape Town is officially the world's tallest building constructed with hempcrete blocks and other hemp-related building materials. The 50-apartment structure was built by Hemporium in partnership with Afrimat Hemp and Wolf &Wolf Architects.

Hempcrete is a bio-aggregate concrete made from natural plant-based material. The hemp "shives" or small pieces of wood from the plant stalk are mixed with lime or mud cement to form a strong, durable, and eco-friendly building material. Hempcrete blocks can be of two types, cast-in-place or prefabricated into building components like sheets or blocks.

"I bought 84 Harrington in 2016, with the idea being that it would become the flagship Hemporium store, a steak restaurant, and house the 'Hemp Hotel'. A place where people can experience living in a hemp-constructed space," said Duncan Parker, founding partner and chief executive officer of Hemporium.

Hempcrete will help reduce greenhouse gas emissions during construction and decrease heating, cooling, and maintenance demands during building inhabitation. It absorbs more carbon than it emits during its manufacturing process, thus making it carbon negative.

This insulative wall material also has moisture management and thermal mass that help reduce carbon emissions and save energy.

This will help South African companies lower their carbon footprint and save energy. The construction of the Cape Town hempcrete building will be a starting point toward implementing environmentally friendly techniques in building construction.

Afrimat was also involved in the project through its subsidiary Afrimat Hemp. This division concentrates mainly on carbon-neutral construction and building value in the industrial hemp sector.

"Afrimat Hemp has developed its own formulated lime binder for hempcrete and is producing hempcrete blocks at one of its commercial block plants," said Boshoff Muller, the managing director of Afrimat Hemp.

Source: *https://www.constructafrica.com/index.php/news/south-africa-cape-town-home-worlds-tallest-hemp-building*

AFRIMAT: CONSTRUCTION REMAINS SUBDUED IN SOUTH AFRICA

Although the Afrimat Construction Index (ACI) has marginally outperformed South Africa's gross domestic product (GDP) growth rate during the first quarter of 2022 on a year-on-year basis, the index has returned to a trend of declining between each year's fourth quarter and the first quarter of the following year, recording a drop of 3.5% in index value (from 118.8 to 114.7).

The ACI is a composite index of the level of activity within the building and construction sectors and is compiled by economist Dr Roelof Botha on behalf of Afrimat.

Afrimat is a JSE-listed openpit mining company which produces industrial minerals, bulk commodities and construction materials.

Botha says the lifting of most of the Covid-19 lockdown regulations resulted in a V-shaped recovery for most key sectors of the economy during the second half of 2020, including construction. Since then several sectors have fully recovered and progressed to a new phase of expansion, but construction sector activity remains subdued.

In fact, the only sub-indicator of the ACI that recorded positive growth between the fourth quarter of last year and the first quarter of 2022 was the value of wholesale sales of construction and building materials.

However, compared with the first quarter of last year, the picture is considerably more positive, with four of the nine sub-indicators recording positive growth, whilst two others were virtually unchanged (declines of less than 1%).

“Ever since the ACI recorded its highest level yet, namely 143.8 during the third quarter of 2016, a combination of high interest rates, low economic growth, State capture, public sector incompetence and high levels of violent crime have dampened activity in the country's construction sector”, notes Botha.

Compared with the first quarter of 2021, the shining stars of the latest ACI are the volume of building materials produced, the values of buildings completed in the larger municipalities, and wholesale sales of construction and building materials.

Since the fourth quarter of 2021, the worst performing sub-indicator was labour remuneration, which declined by more than 15%.

"As long as the value of construction work represents only 4% of the country's infrastructure project pipeline, new jobs will not be created at scale in the construction sector", Botha stated.

According to Botha, one of the most serious obstacles to the further expansion of construction activity is related to the prevalence of intimidation, extortion and violence on construction sites, which “has reached crisis levels”.

The industry is also having to cope with higher interest rates. A combination of global supply-side constraints and record high prices of energy commodities, especially oil, has fueled the highest global inflation rates in more than 50 years.

“The negative impact of higher interest rates is already being felt in a decline, in real terms, of average house prices in South Africa, and also in the value of building plans passed by larger municipalities”, says Botha.

Source: *https://www.engineeringnews.co.za/article/afrimat-construction-index-shows-first-quarter-decline-2022-06-23*

RENEWABLE ENERGY AND EASING INFLATION MAY HELP AFRICA'S CONSTRUCTION SECTOR ON ITS DIFFICULT ROAD THIS YEAR – MARKET SURVEY

Turner & Townsend, the independent professional services company operating in the global real estate, infrastructure, and natural resources sectors has released its International Construction Market Survey (ICMS) for 2022.

The ICMS is Turner & Townsend's largest and most in-depth report, drawing from data and experience from 90 global markets, and exploring the challenges and opportunities presented by the economic market conditions that affect the construction industry.

The survey finds that while most markets have recovered somewhat from the impact of the COVID-19 pandemic and the subsequent lockdowns that followed, Russia's invasion of Ukraine and renewed lockdowns in China are starting to influence construction markets. In Africa, some cities have shown significant recovery, including Johannesburg, Cape Town, Gaborone, Harare, Nairobi, Kigali, Kampala, and Lagos. However, the market's full potential requires more growth to restore gross domestic product (GDP) to pre-pandemic levels. Furthermore, inflation across the continent will likely reduce consumer demand, further impacting growth throughout 2022.

The report notes that activity in the construction sector has weakened over the last year. A major factor contributing to this is the cost of construction, which has been driven higher by the supply-chain bottlenecks caused by the pandemic and the war in Ukraine, as well as the rising costs of energy.These fac tors have resulted in higher risk for contractors, and construction schedules for projects have regularly increased due to material supply shortages.

Project teams have been forced to take measures to mitigate this including early procurement, early payment to contractors, or having contracts in which the client sources and issues material themselves.

On the positive side, the ICMS survey shows that residential and social housing remains a strong African construction sector, and the industrial, manufacturing, and logistics sectors are seeing some of their strongest rates of growth. Warehousing and goods movement have been boosted by the rapid growth of e-commerce sites in Africa, and the rise of remote working has seen a growing requirement for data centres in most regions. Furthermore, the potential for growth in renewable energy in Africa presents many opportunities for the construction industry.

The continent is rich in hydro, solar and wind, and the use of renewables is a more attractive scenario for many African nations; there are many regions where the local population still has no access to electricity, and decentralised renewables offer the opportunity to provide cheap local electricity.

A construction-led recovery in Africa faces many challenges this year and the research notes that the IMF states that sub-Saharan Africa would need to double its forecast growth rate to match the growth seen in the post-pandemic period in other advanced economies. Foreign investment is repelled by high inflation and increased debt levels, and this has the knock-on effect of making financing conditions difficult.

Turner & Townsend predicts that 2022 is going to be another difficult year, but some drivers of inflation- easing – including costs for fuel, transport, imports, steel and raw materials costs and costs of imported goods – could greatly assist the African economies in resuming economic recovery.

Source:
https://economist.com.na/71808/special-focus/renewable-energy-and-easing-inflation-may-help-africas-construction-sector-on-its-difficult-road-this-year-market-survey/

CONSTRUCTION INDUSTRIES FEDERATION OF NAMIBIA'S TRAINING & DEVELOPMENT

The Construction Industries Federation of Namibia (CIF) offer various short-courses to its members and non-members in the construction sector.

The training programs provided are as follows:

- Scaffolding erectors
- Scaffolding inspectors
- Safety representative
- Working at heights

All training includes:

- Brőtchen & coffee
- Lunch & refreshment
- Training materials
- Attendance certificate

For bookings or if you need any further information, then please contact:

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