

Government should encourage the use of locally produced building materials

 By [Morag Evans](#)

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President Cyril Ramaphosa's recent announcement of a substantial infrastructure development drive to address the economic impact of Covid-19 will go a long way towards stimulating recovery in the beleaguered construction industry. But it should include measures that encourage the use of locally produced materials, specifically cement, steel and bricks.



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Local manufacturers of these products were already struggling prior to the outbreak of the pandemic.

Inferior-quality imports

Not only did they have to contend with escalating operational expenses, but also cheap and inferior-quality imports from countries such as China, Vietnam and Pakistan. This has severely undermined their competitiveness and resulted in a steady decline in local manufacturing output.

If there is one lesson to be learned from the pandemic, it is that local supply chains are integral to the sustainability of our construction industry.

The only way to catalyse domestic demand and ensure that local manufacturers are able to produce the volumes required to operate profitably is through local support.

Prescribing local content for materials

Currently, government and state-owned entity (SOE) build programmes do not prescribe any local content for materials, but this is an intervention that should be seriously considered.

Finance minister Tito Mboweni has been vocal on using the Covid-19 crisis as an opportunity to build a new economy in South Africa, including ceasing to rely on overseas suppliers for materials and instead manufacturing the country's requirements ourselves.

Trade and industry minister Ebrahim Patel has also called on South Africans to support locally made products to boost the economy and facilitate its recovery.

Government should walk the talk and support the local construction industry through the current downturn by putting measures in place that will protect the manufacturing sector and strengthen local output capacity.

Perfect opportunity

And what better place to start than the infrastructure build programme, which provides the perfect opportunity for government to collaborate closely with SOEs such as Sanral and facilitate local manufacturers' response to its procurement requirements.

Industry bodies can be called upon to assist in monitoring that such programmes are effectively implemented.

The Covid-19 pandemic has compelled managers to think more strategically about how they manage their businesses, and the opportunity to strengthen local supply chains and boost South African's manufacturing capacity could not have come at a better time.

The sooner we harness this opportunity, the better positioned for recovery the construction industry will be.

ABOUT MORAG EVANS

Morag Evans is CEO of Databuild.

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