

RISE IN BUILDING CONFIDENCE WELCOMED BY MASTER BUILDERS SOUTH AFRICA

But 'pedestrian' non-residential sector is still major cause for alarm, warns MBSA Executive Director.

Master Builders South Africa (MBSA) has welcomed the slightly more positive outlook reflected in the latest FNB/Bureau for Economic Research Building Confidence Index – but is still extremely concerned about the “pedestrian rate of building activities throughout the country” and its effects on job creation.

Tumi Dlamini, Executive Director of MBSA, says in a statement released today (17 September), that MBSA welcomed the findings of the FNB/BER Building Confidence Index for the third quarter of the year. After having fallen 41 index points in the second quarter of 2014, the latest index recovered to 45, largely due to a sharp recovery in residential building activity which, the authors of the index said, had “boosted the confidence of main contractors and also resulted in increased retail and manufacturing sales”.

Dlamini, however, believes there are still major obstacles facing the building sector. “MBSA notes with concern that the Confidence Index remains well below the 50 index point mark – a key target that to us will signify potentially sustainable positive outlook. While MBSA welcomes any slight positive changes as indicated, the building industry remains heavily apprehensive at the alarming pedestrian rate of building activities in South Africa – particularly in the non-residential sector. As such, until we see a significant upswing, the industry’s potential to create and maintain increased levels of employment will simply not be achievable.”

However, she said the findings of the Index had come as a welcome reprieve for the building sector after a highly challenging first part of 2014, characterised by huge building project delays caused by the steel and metal workers’ strike. “The effects of this strike are still being felt today as the steel supply situation has not yet returned to normal. The South African building industry also experienced severe blows to its reputation with the recent collapse of the Meyersdal building which caused the deaths of seven workers and, sadly, the performance of the industry also in Nigeria – which has Africa’s largest economy - this week has further compounded negative perceptions about the industry in the whole of Africa.”

Dlamini added that, given the current trading conditions in the building industry, MBSA hoped that the slight upsurge in confidence in the FNB/BER Index would not merely be a temporary reprieve but that the industry would now continue to see further growth going into 2015.

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