

# Exporting South African construction

**Alastair Currie** speaks to Chris Campbell, CEO of Consulting Engineers South Africa and the new chairman of the Built Environments Professions Export Council (BEPEC).

**T**HE BUILT ENVIRONMENTS Professions Export Council (BEPEC) was originally part of Consulting Engineers South Africa (CESA) and subsequently evolved to become an independent organisation. BEPEC's mandate is to assist South African companies operating in the built environment to export their professional and engineering services abroad. The main focus is Africa and the goal is to unite the construction industry under the South Africa Inc. banner when tendering on infrastructure projects in the region.

"BEPEC offers a one-stop-shop for international clients who are in the market to employ South African built environment professionals," explains Chris Campbell, who was appointed as chairman of BEPEC on 1 March 2017. "BEPEC is a section 21 non-profit organisation in public private partnership with the South African Department of Trade and Industry (dti). Together with the dti, we provide support to export-ready firms to export their built environment services internationally."

There are many challenges facing South African exporters that BEPEC and the dti

plan to address. These include the current limited number of projects they can bid for, administrative challenges, visa requirements, legislative problems, lack of transparent regulations and time wasted on getting to grips with government procurement requirements.

#### Expanded council

In February 2017, BEPEC announced that it had expanded its council to include the contracting services sector. This will now enable members of the South African Forum of Civil Engineering Contractors (SAFCEC), the Black Business Council for the Built Environment, and Master Builders of South Africa to join the fold.

"We are now consolidating the BEPEC board and we are inviting contracting services organisations to nominate representatives. That will then create the potential to harness our collective expertise to pursue opportunities in Africa where the international market is presently dominated by Chinese, Portuguese, Italian and French contractors," says Campbell.

Within this context the International Federation of Consulting Engineers' (FIDIC's)

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Chris Campbell, BEPEC's new chairman

Group of Africa Member Associations (GAMA) will play a key role in facilitating business opportunities. This year, the FIDIC-GAMA conference will be held in Cape Town between 7 and 10 May 2017, under the theme, 'African partnerships for sustainable growth' and presents an excellent opportunity for industry engagement.

"The key message here is that GAMA members are inviting discussions with BEPEC with the emphasis on 'doing it with us' to develop

## BEPEC's strategic objectives

- Facilitate business opportunities for members.
- Increase revenues (membership) and resources.
- Strengthen the relationship with the dti and other government departments, ensuring alignment.
- Build key strategic relationships in line with the North-South Corridor and PIDA objectives.
- Strengthening the BEPEC brand internally and externally.
- Diversify BEPEC's membership base in respect of SMMEs and Black-owned enterprises.

local capacity in their respective countries. As BEPEC, we share this vision."

### Trade Invest Africa

The dti launched their Trade Invest Africa (TIA) initiative in July 2016 to promote the SA Inc. vision through the facilitation of market and funding access to infrastructure projects. Initiatives include:

- Productive government-to-government negotiations and agreement on requirements and standards for regional infrastructure projects,

- Unlocking of participation potential in infrastructure projects along the North-South Corridor by updating previously conducted studies, and

- Re-implementation of sector-focused ad hoc missions into the region.

The proposed North-South Corridor will stretch from Dar-es-Salaam in Tanzania, across the Republic of Congo, Zambia, Malawi, Botswana, Zimbabwe and Mozambique to Durban in South Africa.

The North-South Corridor Project is also part of the Programme for Infrastructure

Development in Africa (PIDA). This is an initiative for the development of infrastructure in Africa led by the African Union Commission (AUC), the New Partnership for Africa's Development (NEPAD) Secretariat and the African Development Bank (ADB). As a programme, PIDA seeks to tackle Africa's infrastructure needs holistically, covering transportation, energy, trans-boundary water resources as well as information and communications technology.

Along the corridor, the thinking is to create nodes of development tying in with road and rail infrastructure. Development will be strongly influenced by the commodities market and there is currently work in progress to update a previous study in this area. "We need current, well-researched information – or intelligence-gathering – so we can pinpoint where the best potential lies before we mobilise the SA Inc. model. This would include projects on the continent funded by South African financial institutions."

One of BEPEC's key advantages is the ability to bid competitively against other international companies in Africa and to establish



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Afrimat has established a strong foothold in contracting services comprising mobile crushing, screening, drilling and blasting.

Backed by more than 45 years' experience, Afrimat listed on the JSE Limited in 2006. As part of its continued diversification strategy, the group is expanding its footprint into Africa.

The group's capabilities enable Afrimat to service projects of any scale from major infrastructure and construction projects for state-owned enterprises and parastatals through to small private sector contracts.

lasting infrastructure solutions. “We can ensure a high standard of work, which includes the construction materials used. This includes ensuring that the standards adopted are sustainable for a specific country. In South Africa, for example, some of the materials used during the construction of the 2010 FIFA World Cup stadiums were over specified and unnecessarily increased the overall costs.”

A good example of nation-to-nation cooperation within Southern Africa is the Lesotho Highlands Water Scheme where strong synergies exist between the South African government and the Kingdom of Lesotho, in this case via a treaty. South African companies were extensively involved in phase I, alongside international consultants and contractors, and are now actively tendering for phase II, which is under way. Construction of the new Polihali Dam and access tunnel is scheduled to start by the end of 2019 or early 2020. A number of South African consulting firms have already been awarded professional services packages. “We’d like to replicate similar approaches elsewhere in Africa.”

To harness opportunities, BEPEC’s strategy will be to increase its membership and promote the ‘value proposition’ by developing an informed strategy.

“Now that BEPEC and dti are consolidating their efforts, we have established an excellent platform. We will now have better business risk cover in the sense that there will be sound government-to-government relations in the countries where we will be working. That will be the main difference in terms of our new consolidated approach,” adds Campbell. “In the end, though, success in Africa will be driven by investor appetite. There are positive signs of a rebound in the commodities market, which will be one of the key sources of funding for allied infrastructure.” **35**

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## Member benefits

- Removing trade barriers such as working and registration requirements, financial regulations, logistical problems, and payment transfers.
- Creating consortia of combined disciplines and expertise for competitive bidding on projects, including funding and facilitation of government-to-government interaction, if required.
- Early Intelligence reporting of upcoming projects and opportunities in Africa.
- Exposure to project-funding opportunities.
- Special and sector/project-focused outward selling missions to relevant countries and projects, as well as the financing programmes of the major funding agencies.

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