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Construction WORLD

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ON THE COVER

While there are green shoots for South Africa's construction materials sector, the landscape remains complex and uneven - leading AfriSam to focus on resilience, agility, long-term investment and strong customer partnerships.

According to Eric Diack, AfriSam's Executive Chairman and CEO, the most important signal the company is watching is the pace and direction of infrastructure investment across the country. The sector has been characterised by constrained infrastructure spending, rising input costs and shifting demand patterns.

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The recent building collapse in Johannesburg has had a profound impact on South Africa's construction sector - not only because of the loss of life, but because it highlights systemic vulnerabilities within the built environment value chain.

While the industry continues to operate under significant external pressures, this incident underscores a more critical issue: internal failures that are, in principle, preventable.

The sector has, for several years, been shaped by macroeconomic constraints. These include inconsistent infrastructure investment, escalating input costs (particularly cement, steel, and energy), unreliable electricity supply, and fiscally constrained public sector clients. Such conditions affect project viability, timelines, and margins, often forcing stakeholders to optimise under pressure.

However, structural collapse during construction is not attributable to macroeconomic factors. It is typically the result of failure within one or more core technical and governance systems: design integrity, material compliance, construction methodology, or site supervision.

Preliminary indications in the Johannesburg case point to a failure of structural elements during construction, compounded by non-compliance with regulatory processes - including the absence of approved building plans. This places the incident within a well-defined category of preventable failures associated with inadequate oversight, insufficient quality assurance, and breakdowns in professional accountability.

Structural failure during construction typically results from deficiencies in temporary works design (such as formwork or propping), premature loading before elements reach required strength, the use of non-compliant materials, or deviations from engineered designs during execution.

The broader industry implication lies in risk accumulation. Construction projects operate as complex systems with multiple interdependent actors - developers, engineers, contractors, subcontractors, and inspectors. Where accountability is fragmented or diluted, the probability of undetected error increases. Small deviations, if uncorrected, can compound into critical structural weaknesses.

Current procurement practices may exacerbate this risk. Cost-driven tendering environments can prioritise lowest price over demonstrated technical capability, placing strain on contractors to deliver within constrained budgets

Regulatory frameworks in South Africa are generally robust. However, their effectiveness is contingent on consistent enforcement. Failures in plan approval, inspection frequency, and compliance verification reduce the system's ability to detect and correct deviations in real time.

Mitigation requires a multi-layered approach. At project level, stricter adherence to quality management systems, including documented inspection and test plans (ITPs), is essential.

At industry level, there is a need to reinforce professional accountability.

Technological tools can enhance oversight. Digital modelling (such as BIM), real-time monitoring of structural performance, and improved traceability of materials offer measurable improvements in risk management. However, these tools are only effective when integrated into disciplined project controls and supported by a compliance-driven culture.

Ultimately, the Johannesburg collapse illustrates that the most significant risks facing the construction industry are not solely external. While economic conditions influence performance, structural integrity depends on adherence to established engineering, construction, and regulatory principles.

For an industry responsible for delivering critical infrastructure, this distinction is fundamental. Resilience is not only the ability to operate under constraint, but the capacity to ensure that fundamental standards are consistently upheld.

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AECOM champions smart infrastructure ON WORLD ENGINEERING DAY

On 4 March 2026, the global engineering community marked World Engineering Day for Sustainable Development (WED), a UNESCO-led initiative recognising the essential role engineers play in advancing a more sustainable world.

This year's theme, 'Smart Engineering for a Sustainable Future Through Innovation and Digitalisation', underscores the importance of resilient infrastructure, water security and digitally enabled collaboration. It is both recognition and responsibility, a reminder that engineering decisions made today shape long-term social and environmental outcomes.

At AECOM, this responsibility plays out across disciplines, from geotechnical investigations and dam engineering to mechanical systems design and digital coordination. Engineering's influence is often most visible in its absence. As Kopano Maphutha, Candidate Geotechnical Engineer, observes: "I am motivated by how impactful my industry is, without being visible. The impact of engineering isn't always obvious, but the lack of it is often felt by communities and society at large."

Her work on ground investigations, slope stability analyses and settlement assessments forms part of large-scale infrastructure development, including a major dam project in KwaZulu-Natal designed to supply water to millions. Such projects rely on coordinated technical input across specialisations. "These exposures highlight the importance of gathering information to produce informed designs," she explains.

That collaborative dimension resonates across the organisation. For Nishaal Rana, Senior Mechanical Technologist, “collaboration with my team to problem solve and generate innovative solutions that make a difference to the overall success of a project” is central to engineering practice. His experience spans hospitals, commercial developments, data centres and metro stations locally and internationally, as well as the iconic stadium built fo r the 2010 FIFA World Cup in Durban. “This was a once in a lifetime opportunity to be a part of this project,” Nishaal recalls.

Water infrastructure remains particularly critical in strengthening long-term resilience. With more than 20 years in the sector, Mari Trümpelmann, Associate Director – Dams, has focused on dam safety evaluations, rehabilitation programmes and new dam developments that secure reliable supply for communities, agriculture and industry. “I am motivated by the many opportunities we have as engineers to contribute to tangible, impactful and innovative solutions that improves lives,” she says. “Knowing that my work supports water security, safety and sustainable development keeps me passionate about what I do.”

Across these projects, engineering extends beyond technical design to broader societal impact. Limited access to basic services can restrict economic participation and wellbeing, a reality that informs much of the infrastructure work undertaken in South Africa. “By working as an engineer, I believe I can contribute towards bridging the gap between the privileged and the less privileged,” notes Kopano.

Long-term thinking is embedded in project decision-making. As Mari explains, “As engineers, we focus on delivering projects that are resilient, sustainable and designed to uplift communities. The decisions we make today influence what future generations will inherit.” This approach aligns with AECOM’s Sustainable Legacies strategy, which integrates environmental, social and governance considerations across the asset lifecycle.

Digitalisation is increasingly enabling this integrated delivery. Platforms such as Bluebeam, ACC and SharePoint allow teams to collaborate with international stakeholders in real time, accelerating coordination while reducing travel. These tools strengthen multidisciplinary alignment, from early geotechnical investigations through to mechanical systems design and dam safety planning, supporting more efficient and informed outcomes.

Beyond project execution, attention is also placed on cultivating the next generation of engineers. “We educate the future generation by supporting engineers to grow both technically and professionally whilst having a work life balance,” says Nishaal. Initiatives such as the rebuilding and upscaling of rural schools further reflect how infrastructure development and social advancement intersect.

World Engineering Day offers a moment to recognise how profoundly engineers shape everyday life through the infrastructure that enables mobility, secures water and powers economic activity. It is also an opportunity to inspire new entrants into the profession, ensuring continued innovation in the face of climate, urbanisation and resource challenges.

Aligned with this year’s theme, AECOM continues to integrate technical expertise, digital capability and responsible design to deliver infrastructure that supports communities today while strengthening resilience for tomorrow. ⦿

*From left: **Mari Trümpelmann, Associate Director – Dams; Nishaal Rana, Senior Mechanical Technologist and Kopano Maphutha, Candidate Geotechnical Engineer.***

ALCO-Safe's first private SANAS-accredited lab FOR BREATHALYSER CALIBRATION

In South Africa's safety-critical industries, a single breathalyser reading can carry serious consequences - from removing a worker from a site to defending a dismissal at the CCMA. Yet workplace alcohol testing operates in an environment with limited formal regulation, leaving employers exposed when results are challenged.

Rhys Evans, Managing Director at ALCO-Safe.

Against this backdrop, ALCO-Safe has reached a significant industry milestone, becoming the first privately owned laboratory in South Africa to achieve accreditation by the South African National Accreditation System (SANAS) for breathalyser calibration, and the only privately owned provider accredited to manage the full lifecycle of handheld breathalysers, from sales and servicing to calibration, under a single accredited framework.

This accreditation by SANAS marks a major shift, formally recognising the technical competence of ALCO-Safe's calibration laboratory and confirming that its breathalyser calibration and verification processes meet strict national and international standards for accuracy, consistency and traceability.

Turning uncertainty into defensible certainty

In the absence of a prescribed national standard for workplace breathalyser testing, employers are often required to justify the credibility of their testing equipment after the fact, particularly during CCMA or Labour Court proceedings.

"Without an independent benchmark, employers can find themselves trying to prove the accuracy of their instruments every time a result is challenged," explains Rhys Evans, Managing Director at ALCO-Safe. "SANAS accreditation removes that uncertainty by confirming that our calibration procedures, documentation and accuracy calculations have already been independently assessed and approved."

The accreditation process required ALCO-Safe to demonstrate not only the precision of its calibration instruments, but also the strength of its quality systems. Detailed procedures, traceable records and repeatable methods ensure calibration results remain consistent, regardless of which technician performs the work.

Protecting safety programmes and labour outcomes

For organisations operating in mining, construction, transport, and manufacturing, the risks associated with inaccurate alcohol testing extend beyond compliance. Questionable results can undermine zero-tolerance policies, expose employers to costly disputes and weaken overall safety cultures.

"The real risk of using non-accredited calibration services is not just technical, it's operational and legal," Evans notes. "If a breathalyser result cannot be defended, employers may be forced to reinstate employees or settle cases, even when safety was genuinely at risk."

SANAS accreditation strengthens the legal defensibility of test results, giving employers confidence that alcohol testing outcomes will stand up to scrutiny when challenged.

Making audits simpler and compliance stronger

The benefits of SANAS accreditation extend into day-to-day operations, particularly during audits and safety reviews. In heavily regulated sectors, employers are frequently required to demonstrate that their testing equipment meets recognised standards.

"When customers are audited, they can point directly to the SANAS certificate of the laboratory that supplies and calibrates their breathalysers," Evans says. "That single document carries significant weight and removes the need for lengthy technical explanations or repeated verification requests."

The certification also reduces administrative burden by streamlining audit processes and minimising delays linked to calibration challenges.

Setting a new benchmark for workplace alcohol testing

With this accreditation, ALCO-Safe has strengthened its position as a leader in breathalyser distribution, maintenance, and calibration in South Africa. "This accreditation is about more than compliance," Evans concludes. "It's about trust, trust in the numbers, trust in the process and trust that employers are making decisions based on results that are accurate, fair and defensible." By achieving SANAS accreditation, ALCO-Safe has not only reinforced its own standards but helped raise expectations for workplace alcohol testing across South Africa's safety-critical industries.


Sydney Mhlarhi, Managing Director of Tamela.

Barloworld transaction bodes well for SA FOREIGN INVESTMENT

The R23-billion Barloworld take-private transaction, a significant milestone in South Africa's M&A history, is being hailed as a strong signal of growing foreign investor interest in the country's industrial and infrastructure sectors, says Sydney Mhlarhi, Managing Director of Tamela, a leading boutique investment, corporate finance advisory and fund management firm.

Tamela acted as lead financial and strategic advisor to the buyer consortium comprising the Sewela family and the ZAHID Group. Barloworld had been a long-standing client of Tamela, when in September 2023, the company sought input on the possibility of divesting.

Mhlarhi says what initially seemed like a remote possibility evolved into a highly complex, multi-jurisdictional, transaction that has set the tone for similar deals in South Africa and on the continent going forward.

"Initially, as the idea took hold, the prospect of a public to private buyout was quite daunting. And, importantly, Caterpillar – which accounts for 80% of Barloworld's business – had to be on board."

Tamela assembled a team to explore the various possibilities and investigate the best legal and funding partners to take the transaction forward. The transaction evolved with the emergence of key players Entsha Proprietary Limited, a newly incorporated entity owned by the Sewela family, and 49% Gulf Falcon Holding, a subsidiary of Saudi Arabia's ZAHID Group, which already had 19% shareholding in Barloworld.

The partnership created a transformation-aligned South African ownership structure, complemented by an international strategic capital partner with deep sector expertise.

The deal's unfolding occurred within a highly sensitive and closely scrutinised public environment. Execution spanned 26 months and required regulatory processes across multiple jurisdictions, including South African exchange control, takeover regulation and competition approvals in various countries.

The combination of cross-border dynamics, geopolitical sensitivity, public scrutiny and detailed execution requirements made it a uniquely complex and strategically significant transaction.

Today, the transaction stands as one of the most significant corporate transactions of 2024 and 2025, reflecting the consortium's conviction in Barloworld's long-term investment thesis and the resilience of the geographies in which it operates.

According to Augostino Sfeir, ZAHID Group Chief Investment Officer, "This is a Southern African transaction that involved dealing with government related entities, regulators, banks and different stakeholders and which without the Tamela team's local expertise, we wouldn't have ever closed the deal."

He says the transaction's success demonstrates confidence in South Africa's long-term value, strong fundamentals and potential for growth in key sectors, and shows that foreign investors can align with local transformation goals.

Mhlarhi adds that as the largest private-sector cross-border transaction by a Saudi investor into South Africa, the deal represents a major endorsement of the country's investment climate and economic prospects.

"It also establishes a benchmark for intricate, multi-jurisdictional deals, underscoring the importance of rigorous due diligence, robust legal structuring and comprehensive stakeholder engagement, serving as an important reference point for other large-scale transactions in South Africa," he adds. ⊙

KEEP THE ENERGY FLOWING - AND REGISTER WITH THE BCCEI

South Africa's transition toward renewable energy is reshaping the national landscape. Across the country, cranes, graders and concrete mixers are hard at work on wind and solar farms that will supply the next generation of clean power. But beyond the visible turbines and solar panels lies the crucial groundwork that makes every project possible - the specialised civil engineering work that provides the platforms, roads and foundations for a sustainable future.

Durable reinforced concrete foundations and structural works provide the essential stability that keeps renewable energy infrastructure operating reliably for decades.

From building access roads and haul routes to pouring reinforced-concrete foundations for turbine towers, civil engineering contractors form the backbone of renewable energy construction. Their expertise ensures that every structure is stable, every site accessible and every cable securely routed. According to the Bargaining Council for the Civil Engineering Industry (BCCEI), these activities fall squarely within the civil-engineering scope and that means companies performing this work are required by law to register with the Council.

"Renewable energy projects depend on solid civil engineering fundamentals," Natasha Ramsawhook, Legal Advisor at the BCCEI, explains. "Foundations, cable trenches, roads, drainage systems and substations are all civil works that fall within our regulated framework. The companies carrying out this work play a vital role in South Africa's energy transition and it is essential that they operate within the country's legal and ethical labour standards."

Before a turbine can turn, civil contractors spend months preparing the terrain. Bulk earthworks, site clearance and compaction ensure stable ground conditions, topsoil must be stripped and stockpiled for rehabilitation, access roads are built to handle trucks carrying 80 plus metre long blades and heavy tower sections.

Once the earthworks are complete, deep concrete foundations are poured to anchor the turbines, while reinforced concrete pads are constructed for substations, transformers and maintenance facilities. Trenches are excavated for electrical and communication cables and storm-water drainage systems are installed to protect against flooding and erosion. Every one of these tasks is defined as civil engineering work and therefore falls under the BCCEI's scope of regulation.

The BCCEI, established under South Africa's Labour Relations Act, regulates employment conditions within the civil engineering industry through six collective agreements. These cover wages, working hours, benefits and dispute resolution processes.

Access and haul routes enable the transport, installation and ongoing servicing of major renewable energy components in hard-to-reach areas.

From turbine foundations to working platforms and access roads, each element showcases the technical expertise of civil engineering contractors.

Registration with the BCCEI is not optional - it ensures that companies comply with national labour legislation and it safeguards both employers and employees through transparent standardised practices. Non-compliance can result in financial penalties, back-payments, reputational damage and even disqualification from public tenders.

Ramsawhook stresses that registration also brings tangible business benefits. It provides contractors with a Letter of Good Standing, confirming their compliance and improving eligibility for future projects.

"Compliance isn't just an administrative exercise," she says. "It is about building a resilient professional industry that protects workers, upholds standards and supports sustainable growth. When contractors register with the BCCEI, they are strengthening their own businesses and contributing to the stability of South Africa's renewable energy rollout."

As South Africa moves deeper into its just energy transition, civil engineering contractors are literally laying the foundations for a cleaner more resilient future.

"Our message to contractors is simple," Ramsawhook concludes. "If your company is performing civil works on renewable energy projects, whether as a main contractor or a subcontractor, you are part of the civil engineering industry and must be registered."

CONCOR SED: BUILDING SKILLS, STRENGTHENING COMMUNITIES - LASTING IMPACT

Through its well-considered Socio-Economic Development (SED) programmes, Concor helps deliver measurable long-term change - within the construction industry, across broader society and in the communities where the company operates.

Donique de Figueiredo, Senior Corporate Affairs Manager at Concor, explains that the company's core business is building infrastructure for the development of communities in which Concor operates.

"To do this sustainably, we need a strong pipeline of skills and talent, particularly in construction, civils and the broader built environment," De Figueiredo says. "However, the impact of our CSI extends well beyond our own human resource needs. By focusing on science, technology, engineering and mathematics (STEM) disciplines, we support efforts to address South Africa's wider skills gap."

Concor's approach is structured around two complementary streams: structured long-term SED programmes and more responsive Corporate Social Investment (CSI) initiatives. The SED stream focuses on carefully monitored, multi-year interventions that support early learning interventions while also addressing foundational learning gaps in senior primary and secondary school learners.

"We partner with carefully selected well established non-profit organisations with proven expertise in education which allows us to track real impact over many years," she says.

Importantly, Concor targets learners who are often overlooked, rather than focusing only on top achievers. This includes orphans and vulnerable children as well as learners who require additional support to strengthen foundational skills and improved learning outcomes.

"Each year, pass rates are celebrated but when we examine the quality of those passes, the challenge becomes clear," De Figueiredo notes. "Our contribution is about encouraging more learners into STEM subjects, while also strengthening their capability in those subjects so they can access tertiary institutions or meaningful work."

Concor's NGO partners provide structured academic support, including holiday and Saturday classes, as well as access to better-resourced learning environments. Progress is tracked against baseline assessments, with improvement targets set for individual learners rather than grades alone.

The company's social responsibility also extends to people living with disabilities. Examples include projects which support learners with visual impairments through funding the translation of curriculum materials into Braille and providing technology skills training.

Many CSI initiatives are closely aligned with Concor's operational footprint and shaped by the realities of the communities surrounding its projects.

"At the start of each project, we engage with local stakeholders to understand the most pressing needs," De Figueiredo says. "While education and skills development remain important, many communities face immediate challenges such as food security, health care and access to basic resources."

On a remote wind farm project in the Northern Cape, for example, Concor sponsored stationery packs, early childhood development resources, medical equipment and learner transport. In other locations, the company has supported environmental rehabilitation initiatives, career guidance days and the supply, fitment and installation of containers classrooms.

"It is essential to manage community relationships at site level," De Figueiredo concludes, "so that we build genuine, lasting connections between our project teams and the communities in which we operate." ⦿

Left: Concor's Socio-Economic Development programmes focus on building long-term capability by strengthening education, skills development and access to STEM learning. Right: By partnering with established non-profit organisations, Concor is able to track measurable outcomes and deliver sustained impact rather than short-term interventions.

Construction leaders urge payment reform AND FAIR RISK ALLOCATION

South Africa's construction sector is burdened by cash flow pressures, an influx of international competitors and a deepening skills crisis, yet it is cautiously optimistic about opportunities in infrastructure, energy and commercial property. This was the consensus among senior industry leaders at the Constructor's Forum panel discussion at Collective Wisdom 2026, recently hosted by construction law specialist MDA Attorneys.

"You need a PhD in law to get through the 2017 FIDIC contract."

Euan Massey,
Director at MDA Attorneys.

The panel described an industry that has lost its largest players, is financing its own projects on razor-thin margins, and is under siege from community intimidation, but still adapting and innovating.

Despite various headwinds, panellists pointed to green shoots - growth in commercial property demand, a pipeline of infrastructure and mining work, and an uptick in private sector investment as capital that has been sitting on the sidelines begins to move.

Payment delays were identified as an existential threat to contractor viability, more damaging than a market downturn. "Cash flow is oxygen to contractors, but it's been strangled," said Dave Bates, CEO of SMEI Projects, noting that payment cycles have extended to 75 days or more in practice. "We are financing these projects on paper-thin margins."

Jabu Serithi, Gauteng MD of GVK Siya-Zama echoed the concern, describing delayed payments as normalised, particularly in the public sector. "It has become untenable," she said. Despite regulations requiring government departments to pay within 30 days, the panel noted that compliance remains deeply inconsistent, with projects such as the Bus Rapid Transit stalling as a direct consequence.

Serithi also described the industry's skills shortage as very problematic, adding that the pressure of low margins makes it unsustainable for businesses to prioritise research and development and training.

Panellists agreed that clients are offloading an ever-greater share of contractual risk onto contractors, while offering little flexibility in return. The growing prevalence of Engineering, Procurement and Construction (EPC) contracts is reshaping the risk landscape, requiring contractors to build sophisticated legal and commercial capabilities that previously sat with clients or consultants.

"You need a PhD in law to get through the 2017 FIDIC contract," said Massey, adding that MDA Attorneys has observed a marked increase in EPC contract structures across the sector.

A recurring theme was the growing presence of international contractors in South African infrastructure, mining, and renewable energy projects. Rukesh Raghubir, CEO of Murray & Dickson Construction, noted that major SANRAL contracts and renewable energy projects are increasingly being awarded to foreign firms. "In South Africa, there is much talk about the demise of the Big 5 construction businesses, but I believe we should be focusing on the Agile 50, a group of solid, competent businesses with a turnover exceeding R1-billion. The Agile 50 can price competitively and safely deliver projects; they are solid and entrepreneurial - this is what is required for success," he said.

The panel was united in calling for adversarial contracting models to give way to genuine partnership. Said Bates, "Early contractor involvement is a fantastic tool that has had much success all over the world, and we need a level playing field to compete with international competitors."

Neresh Pather, CEO of Tractionel Holdings called on government and state-owned entities to embrace the mechanism of partnership: "They must change their mindset to become collaborators instead of authorities, which requires a shift. My biggest bugbear is the fallacy that strong balance sheets deliver projects, the truth is you need capability to deliver."

"There are people who want to invest," said Serithi. "When this is unlocked, it will be substantial."

MDA Attorneys convenes Collective Wisdom each year to explore critical industry issues. It is now in its 12th year. ⊙

ANYTHING IS POSSIBLE: FROM SPUR WAITRESS TO DESIGN ENGINEER

Sometimes all it takes is one person to buy into your dream. Tania Seeger learned this valuable lesson 23 years ago when a GIBB team member took her under her wing and helped her fly.

Born and bred in East London, Seeger spent a lot of time with her father. He was a sports shooter, and she spent Saturdays at the shooting range with him from the age of 9.

In her teenage years, Seeger participated in every cultural and sporting activity she could at school. "Growing up in a limited-income household (her mother worked for the railways and her father was an electrician for the local municipality), I viewed these activities as an opportunity to find something I was good at so that I could change my situation."

In 2001, she secretly applied to UCT to do mechanical engineering. She was provisionally accepted, pending her matric results. When the acceptance letter arrived, her father tossed it aside, saying "who's going to pay for it?"

Seeger was devastated. "I applied for bursaries, but nothing came of it. I finally got a job at the Spur Restaurant – somewhat of a tradition for East London teenagers. While having to work as a waiter was a blow to me, it enabled me to live, make connections and pay my own way, which was one step closer towards changing my future."

A chance meeting while working at Spur turned out to be the gateway to realising her dream of becoming an engineer.

GIBB CAD operator, Alison Smith, frequented Spur while Seeger was working there. The two got chatting and Alison asked Tania about her aspirations. "When she heard I was interested in engineering, she offered me the opportunity to spend time at her office to find out about civil engineering and learn to draw.

"I spent my first three months at GIBB working at the office during the day and at Spur at night. It was exhausting and when Alison left the business after those first three months, I suddenly had to take over the entire role. Luckily there's a special thing about GIBB's East London office – they treated me like family and cheered me on."

Seeger has had several mentors over the years, from Alison who befriended her at Spur, to Steven Schroeder who recognised her potential. "It took a village to 'raise' me, so to speak. In 2004, GIBB agreed to pay for me to study civil engineering at UCT, provided I spent holidays working at the office."

She graduated with a BSc Eng Civ in 2008 and has since been a stalwart of GIBB's East London office. Today, she is a Civil Engineer focusing on roads and stormwater systems and remains committed to investing in young go-getters who show potential and a desire to succeed.

Having worked predominantly across major projects in the Eastern Cape, South Africa, Seeger has built a strong technical foundation in both design office and site-based roles. She has contributed to national and provincial road upgrades, major rehabilitation works, access roads and large-scale geometric improvements.

Her advice to young people who feel stuck is to find what they are good at, focus on their strengths and invest in those strengths. "Everything will fall into place from there. I love training people and encouraging them to feel good about themselves: sometimes all people need it for one person to believe in them. That's how it started for me: one person believing in me and giving me a chance." ⊙

"I love training people and encouraging them to feel good about themselves: sometimes all people need it for one person to believe in them."

Tania Seeger,
Civil Engineer focusing on
Roads and Stormwater Systems.

George Asamani, MD - PMI Sub-Saharan Africa.

AFRICA'S INFRASTRUCTURE BOOM FACES 57% CONSTRUCTION TALENT GAP

Sub-Saharan Africa's construction sector is entering one of its most consequential periods. At the centre of this transformation is the Programme for Infrastructure Development in Africa (PIDA), a continent-wide initiative designed to close critical infrastructure gaps by 2040 through more than 400 priority projects spanning energy, transport, ICT, and transboundary water systems. With over USD360-billion committed, PIDA represents not just a pipeline of projects, but a blueprint to unlock regional integration, industrialisation, and long-term economic growth across Africa.

This unprecedented scale of ambition, however, places delivery capability under the microscope. As governments accelerate infrastructure investment, new research from Project Management Institute (PMI) warns that the region faces a 57% talent gap in construction project professionals by 2035, one of the highest growth rates globally. Demand for construction project professionals across Sub-Saharan Africa is projected to rise from about 260 000 in 2025 to more than 410 000 by 2035, leaving a shortfall of nearly 150 000 professionals. The challenge is part of a broader global trend, with PMI estimating that nearly 2,5 million additional construction project professionals will be needed worldwide by 2035 to meet growing infrastructure demand.

The report underscores a defining paradox in the region's growth story: construction is one of the most powerful contributors to GDP expansion and job creation, yet it remains one of the most complex and waste-prone sectors of the economy. PMI data shows that approximately 10% of global project investment is lost annually due to poor performance. In a region deploying hundreds of billions of dollars into infrastructure, that inefficiency translates into billions in unrealised value.

"Construction sits at the heart of the region's development ambitions," says George Asamani, Managing Director, PMI Sub-Saharan Africa. "From transport corridors and energy infrastructure to housing, healthcare, and digital connectivity, projects are the vehicles through which we build our future. But without the right project management capabilities, we risk delays, cost overruns, rework, and, ultimately, lost value."

That urgency is underscored by the pace of activity on the ground. Across Sub-Saharan Africa, large-scale infrastructure investment is accelerating, driven by demographic growth, urban expansion, and regional trade integration. PMI's research identifies the region as having the highest percentage growth in demand for construction project professionals globally. Countries such as Ethiopia are leading this surge, with projected annual demand growth rates of 7,8%, among the highest worldwide.

Construction projects are inherently complex, involving one of the largest stakeholder mixes of any industry, including governments, regulators, contractors, financiers, communities, environmental bodies, and international partners, among others. Misalignment among these groups can lead to inefficiencies, duplication, and costly rework. The report highlights that inadequate communication and collaboration remain persistent challenges, often resulting in financial waste and subpar outcomes.

In an industry where design and scope changes are common, poor coordination between on-site and off-site teams can quickly escalate into delays and budget overruns.

"Construction is highly visible and deeply scrutinised," Asamani adds. "Every bridge, hospital, or power plant carries public expectations. When projects go wrong, the impact is felt not just financially, but socially and politically. That is why professional project management is not a luxury, it is what safeguards value, protects public funds and ensures infrastructure delivers its intended impact."

While construction continues to fuel GDP growth across Sub-Saharan Africa, it has historically lagged behind other industries in productivity and technology adoption. PMI's research highlights digitalisation, including Building Information Modelling (BIM), digital twins, and artificial intelligence, as critical levers to unlock efficiency, improve transparency, and reduce costly rework and waste.

Employers report shortages in core project management competencies such as scheduling, planning, and resource optimisation, alongside essential power skills including communication, collaborative leadership, and stakeholder engagement. At the same time, infrastructure financing is increasingly tied to ESG standards, carbon management, and responsible procurement, creating demand for project leaders who can integrate sustainability into delivery from day one.

Closing the construction talent gap will require more than accelerated recruitment; it demands a deliberate strategy to retain, develop, and elevate project professionals over the long term. PMI's research underscores that improving working conditions, investing consistently in professional development, and creating structured career pathways for emerging and mid-career professionals are essential to building a resilient talent pipeline. Specialised training and certifications, such as Construction Professional (PMI-CP), are helping equip professionals with the skills required to manage the growing complexity of modern infrastructure projects, alongside thought leadership and professional networks that enable practitioners to continuously strengthen their capabilities.

"If we want infrastructure to be a true engine of GDP growth, we must professionalise the way we deliver it. We cannot afford to treat training as a cost. It is an investment in national competitiveness," Asamani concludes. ⊙

Hawken McEwan, Director of Risk & Compliance at nCino KYC.

CAPITAL EQUIPMENT DEALERS IN THE COMPLIANCE CROSSHAIRS

Construction equipment dealers and capital equipment suppliers have not suddenly become targets for money laundering in South Africa. According to Hawken McEwan, Director of Risk & Compliance at nCino KYC, they have always been in criminals' sights - the difference now is that the spotlight is firmly on them. ***Wilhelm du Plessis*** *reports*

"The risk might not be obvious at first," McEwan explains. "Why would a criminal want a drilling rig or an excavator? But once you start thinking about money laundering not just as cash in a suitcase, but as the movement of value, it becomes clearer."

High-value machinery provides exactly what launderers need: a mechanism to move large sums of money and change its form. A single excavator, drilling rig or generator can be worth hundreds of thousands - or millions - of rand. By converting illicit cash into tangible assets, and then reselling those assets, criminals can create the appearance of legitimate business activity while obscuring the original source of funds.

In sectors such as construction and mining - where cash transactions, particularly at the smaller end of the market, are not unusual - distinguishing between legitimate and illicit behaviour can be challenging. Add to this the fact that capital equipment tends to retain value and can be resold locally or across borders, and the sector becomes an attractive vehicle for laundering.

How the schemes work

McEwan outlines several patterns that have emerged. One common method involves purchasing equipment with questionable funds, using it briefly or not at all, and then reselling it - often at a loss. On paper, it may look like a poor business decision. In reality, the criminal has converted dirty cash into clean funds backed by legitimate sale documentation.

In some cases, the equipment itself is almost incidental - the invoice is the true instrument. An overpayment followed by a refund request can effectively "wash" illicit money through a respected supplier's bank account, creating a paper trail that appears legitimate.

Trade-based money laundering is another risk in this sector due to the high value of machinery. A South African front company might purchase a fleet of vehicles and sell them to an overseas buyer at an inflated price. The excess payment, disguised as part of a commercial transaction, is in fact laundered money moving across borders.

In more elaborate scenarios, criminals may equip a factory floor with machinery bought using illicit funds, then sell the entire "ready-to-operate" business. The proceeds of the property sale effectively legitimise the original dirty cash.

"The creativity is remarkable," McEwan notes. "And often, innocent companies are being abused without realising it."

Red flags dealers should not ignore

Cash payments remain an obvious warning sign, particularly where large sums are involved. But McEwan cautions that the danger is not always blatant.

Dealers should be wary of customers who are vague about their business activities or unable to clearly explain why they need specific equipment. A buyer who appears indifferent to price, specifications or warranties should also raise concern. “Legitimate buyers tend to care about the detail,” he says.

Other red flags include newly formed companies making substantial purchases without apparent funding constraints, multiple high-value transactions in a short period, and third-party payments - especially where funds originate from unrelated individuals or foreign entities.

“If something feels off, there’s a good chance it is,” McEwan advises.

The impact of the 2022 FICA amendments

The December 2022 amendments to the Financial Intelligence Centre Act (FICA) significantly altered the compliance landscape. Previously, many vehicle dealers fell into the category of reporting institutions with limited obligations. The amendments introduced a dedicated “high-value goods” schedule.

Under the revised framework, any business that sells any single physical good valued at R100 000 or more - including vehicles, machinery, artwork or electronics - qualifies as a High-Value Goods Dealer (HVGD) and is subject to full FICA obligations.

That means verifying customer identities, understanding the source of funds, screening for politically exposed persons (PEPs) and sanctions, maintaining detailed records, and reporting suspicious transactions.

“It was a game changer,” McEwan says. “And with the level of fines now in place, compliance is not optional.”

Common compliance mistakes

The biggest mistake, he argues, is inaction. Some HVGDs still do not realise the law applies to them. Others treat compliance as a tick-box exercise.

FICA compliance is layered and detailed, supported by extensive guidance notes and directives with the same force as the Act itself. Dealers often fail to conduct proper sanctions screening or check for political exposure. Where screening is done, it may only be performed once - despite requirements to rescreen whenever sanctions lists are updated.

Another recurring weakness is failing to understand what a suspicious transaction looks like within their specific business context.

“If you’ve never had to think about this before, how do you know what untoward looks like?” McEwan asks.

Practical steps to mitigate risk

For equipment suppliers, the starting point is straightforward: verify customers properly for every transaction involving a single item priced at R100 000 or more. This includes collecting and verifying identity documents, CIPC registration details and proof of address. Importantly, documents must be verified against reliable sources - such as Home Affairs or credit databases - rather than simply copied.

Dealers should also assess the source of funds,check for sanctions and political exposure, train staff to recognise red flags, appoint an internal compliance officer with authority to halt transactions where necessary, and maintain robust record-keeping and reporting processes.

“You can’t just do one thing and be compliant,” McEwan emphasises. “It has to be holistic.”

The danger of complex payment structures

Third-party payments, overpayments followed by refunds, and split invoicing across entities or jurisdictions can all expose dealers to regulatory risk. These structures are frequently used in laundering schemes. If a dealer cannot reasonably explain why a Mauritian company is paying for equipment purchased by a Johannesburg contractor, the Financial Intelligence Centre may view the transaction as facilitated laundering or inadequate due diligence.

The risk is far from theoretical.

Financial and reputational fallout

Non-compliance carries severe consequences. Administrative penalties can reach millions of rand. In serious cases, criminal prosecution may result in fines of up to R100-million or imprisonment.

Yet reputational damage can be even more destructive. Public association with money laundering can prompt banks to close accounts, customers to withdraw, and manufacturers to terminate supply agreements. Directors may also face personal liability.

“Your assets and your freedom are ultimately on the line,” McEwan warns.

Balancing compliance with deal velocity

In a market where speed matters, many dealers fear compliance will slow sales. McEwan disagrees. When embedded early in the sales cycle - during lead qualification, site visits and demos - customer due diligence becomes part of normal business practice rather than a last-minute hurdle.

Technology, he adds, is a critical enabler. Automated identity verification, biometric checks, digital record-keeping and real-time sanctions screening can all occur in the background while sales teams focus on closing deals.

“Compliance done properly doesn’t have to slow you down,” he concludes. “In fact, when it’s built into your processes from the start, it can make your business stronger, safer and more efficient.”

AFRISAM POSITIONS FOR RESILIENCE AND GROWTH AS CONSTRUCTION SHIFTS

While there are green shoots for South Africa's construction materials sector, the landscape remains complex and uneven - leading AfriSam to focus on resilience, agility, long-term investment and strong customer partnerships.

According to Eric Diack, AfriSam's Executive Chairman and CEO, the most important signal the company is watching is the pace and direction of infrastructure investment across the country. The sector has been characterised by constrained infrastructure spending, rising input costs and shifting demand patterns.

"The obvious and urgent need for our business and our sector is higher levels of infrastructure spend," Diack says. "That is still the key concern, although we are beginning to see some green shoots. There are some significant projects underway - particularly in road infrastructure - which demonstrate what can happen when investment begins to flow."

With a view to conditions improving, AfriSam has positioned itself for the recovery that many in the industry believe is beginning to take shape. Its operational resilience has depended on ongoing investment in production facilities, Diack says, emphasising the company's continued capital expenditure on plant maintenance and upgrades despite the challenging market.

"We have a very clear directive from our board not to compromise on investment in our plants," he says. "Our plants are therefore in good condition and capable of delivering consistent product to customers."

Diack points to several large road projects as examples of construction activity currently supporting demand for aggregates and readymix concrete. While these projects remain modest in the context of South Africa's national infrastructure backlog, they illustrate the scale of opportunity if infrastructure investment begins to accelerate.

"We have seen some sizeable road projects including work on the N3 and N2 in KwaZulu-Natal and the N7 in the Western Cape," Diack notes. "They are benefiting our aggregates and readymix businesses, as our wide footprint of quarries and plants is well positioned geographically to support those projects."

Regional variation remains a strong feature of the current market. The Western Cape, in particular, is showing stronger momentum than other parts of the country, supported by both public and private sector developments.

"There is clearly more confidence in the Western Cape at the moment," he says. "Cranes on the skyline bear testimony to this, with several large developments under way in areas such as the Cape Town city bowl and Granger Bay. Those projects will eventually translate into cement demand as well."

Despite these positive signals, the industry continues to operate in an environment where overall cement volumes remain largely stagnant, Richard Tomes, AfriSam's Sales and Marketing

By combining operational resilience with a strong customer focus, AfriSam continues to play an important role in supporting infrastructure growth and construction excellence.

With a strong focus on quality and reliability, AfriSam's construction materials help ensure consistent performance on large infrastructure and road development projects.

Executive, says. At the same time, a range of cost pressures continues to impact the sector.

Energy costs - including electricity, diesel and coal - weigh heavily on energy-intensive activities such as cement manufacturing, Tomes explains. Diack concurs, noting that electricity represents the company's largest cost pressure.

"Even when the national increase exceeds double digits, the structure of tariffs means large industrial users like ourselves could face even higher increases," he says. "In a market with limited growth that is not sustainable."

Despite these pressures, AfriSam's commitment to quality standards remains non-negotiable, Tomes emphasises.

"The consequences of poor quality can be severe and we have seen examples of infrastructure failures where standards were not maintained," he says. "Our approach is to ensure that our products meet or exceed the required standards despite of the cost pressures we face."

Sustainability considerations are also foundational to the company's strategic approach, he continues. AfriSam continues to focus on reducing its carbon footprint and aligning operations with environmental standards, while also advocating for stronger enforcement of product quality regulations across the industry.

Tomes notes that declining compliance with regulatory standards in certain parts of the market is a concern, particularly when imports are involved.

"The industry must ensure that when we embark on major infrastructure investment, the materials used meet the right standards and are durable," he says. "Infrastructure should last for decades and that requires consistent quality across the supply chain."

Maintaining reliable supply to customers is another priority for AfriSam in a period marked by logistical disruptions and infrastructure challenges. South Africa's deteriorating rail network has forced greater reliance on road transport,

AfriSam's commitment to quality construction materials enables contractors to build durable infrastructure that meet demanding project specifications.

Through its operational resilience strategy and ongoing investment in facilities, AfriSam is well positioned to meet growing demand for high quality construction materials.

increasing both costs and supply chain complexity.

"We have had to spend a lot of time managing our logistics partnerships to ensure that we can still deliver products to customers reliably," Tomes explains. "With rail capacity declining, more material has to move by road and that places additional strain on both logistics planning and road infrastructure."

Diack also highlights the institutional knowledge and experience that AfriSam has developed over its more than 90 years in business.

"We operate massive industrial facilities that require specialised skills," he says. "Retaining those capabilities while continuing to develop people has been essential to our success - and remains critical for the future of the business."

Looking ahead, he notes that the company is well positioned to support customers when construction activity begins to accelerate in response to improved economic conditions.

"Our cement business remains the core of our operations and our integrated plants are in good shape," Diack says. "When growth returns to the market, we are ready to respond."

At AfriSam's recent annual Budget Breakdown Breakfast event in Sandton, a cautiously optimistic view of the construction sector's prospects was presented by Dr Azar Jammine, Chief Economist at Econometrix. While noting that construction activity remains roughly 30% lower than in 2010, he highlighted early indicators suggesting that economic conditions may be improving.

"There are initial signs that South Africa's economic growth is beginning to turn upward again," Dr Jammine says. "Although the improvement is modest, it represents the first positive trend we have seen in several years."

He pointed to a stronger rand, relatively low inflation and declining long-term interest rates as factors that could support future infrastructure investment.

"The government has committed to fiscal discipline and maintaining a primary budget surplus," he explains. "That has strengthened investor confidence and helped stabilise financial markets."

Rising prices for precious metals such as gold and platinum could also inject substantial new revenue into the country, potentially translating into stronger demand across multiple sectors, including infrastructure and building. ⦿

AfriSam continues to support infrastructure development through its reliable supply of aggregates, cement and readymix concrete, helping contractors deliver world class construction projects across South Africa.

AfriSam's deep understanding of customer requirements allows the company to work closely with contractors to ensure the right materials are delivered for every stage of a project.

TRANSFORMING 8 000 TONNES OF ORGANIC WASTE INTO 'FUEL AND FIZZ'

South Africa is running out of landfill space fast. With major hubs like Cape Town and Johannesburg facing less than five years of remaining landfill capacity, the linear disposal method of landfilling is not serving the country's waste management challenges.

In addition to the landfill airspace challenge, organic waste carries an estimated R8,7-billion annual cost on our economy through landfill practices. Addressing the urgent need for organic waste diversion, Oricol Environmental Services and Cape Town Biogas have partnered to transform how the Western Cape handles organic waste, moving beyond simple disposal to a true zero-waste-to-landfill outcome.

As part of a broader industry network, the two companies participate in an organic waste diversion pathway anchored by a bio-digestion facility in Athlone. This facility, which serves various waste management providers to ensure a consistent feedstock supply, is currently the only plant in Africa capable of splitting biogas into two distinct, high-value output streams simultaneously. Altogether, the process transforms incoming organic waste into three recoverable commodities: clean-burning biomethane for energy use, beverage-grade CO_2 for the food and beverage industry, and bioavailable nutrients for agricultural soil restoration.

"We have to look at the numbers to understand the scale of the challenge," says Dirk de Wet, Chief Operating Officer at Oricol. "The waste sector contributes 302% of South Africa's total methane emissions 1, with the majority driven by organic waste decomposing in landfills. Through this partnership, we are treating commercial organic waste as the valuable commodity it actually is, recovering resources that the old model simply buries."

The journey from waste to resource begins at Oricol's permitted treatment facility in Cape Town. Here, expired or off-spec products undergo a secure depackaging process. This step is vital for brand protection, as it ensures non-compliant products cannot re-enter the market. While solid packaging is shredded for recycling, organic waste is recovered and sent via an offtake agreement to the bio-digester.

"Through this partnership, we have been able to process approximately 8000 tonnes of organic waste in 2025, and hope to grow this even more in 2026," adds De Wet.

The timing for organic waste diversion and beneficiation is critical. The Draft National Waste Management Strategy (NWMS) 2026, published in December 2025, formally designates organic waste as a priority waste stream for urgent national intervention for the first time in South Africa's waste regulatory history. Nationally, waste diversion has fallen to approximately 10% today, a trajectory the NWMS 2026 describes as unsustainable.

In the Western Cape, the regulatory pressure is mounting for many commercial sectors. The province's 100% organic waste landfill ban, embedded directly into waste management licences, takes effect in 2027. Businesses that have not secured diversion pathways before that deadline face compliance risks.

"For our clients, this is about staying ahead of a regulatory landscape that is moving fast," De Wet adds. "Oricol and Cape Town Biogas are proving that South African businesses can meet these targets while contributing to a growing secondary resource economy." ⊙

DOES WATER MANAGEMENT NEED ARTIFICIAL INTELLIGENCE?

AI is transforming water utilities by enhancing efficiency, speed, and oversight through advanced data analysis and predictive insights. While many utilities already use digital monitoring, AI takes this further by identifying patterns and improving decision-making. About 15% of large utilities currently use AI, expected to reach 30% by 2026 and 75% by 2035, according to Xylem.

With aging infrastructure, climate variability, and rising water demand placing increasing pressure on water systems, utilities are seeking more resilient and adaptive ways to manage operations. Data-driven and AI-enabled tools are emerging as part of this broader digital water transformation.

Experts have good reason to be optimistic about AI adoption in the sector. Already, digital water management systems are producing excellent results. For example, Yorkshire Water Services in the UK uses Xylem Vue digital services reported a reduction in visible leaks by 57% while still reducing annual distribution main repairs by 30%.

Similar digital and AI-driven capabilities are also expanding into industrial water and wastewater operations, where predictive monitoring and process optimisation help improve compliance, reliability, and resource efficiency.

Chetan Mistry, Strategy and Marketing Manager at Xylem Africa, WSS.

Such outcomes show the hidden capacity at every water management site, says Chetan Mistry, Strategy and Marketing Manager at Xylem Africa, WSS.

"Water distribution and treatment sites produce far more data than they use. But that data gets neglected because of capacity. It would take an enormous amount of time to organise and study the data for patterns and insights. Digital and AI systems are solving those problems. Digital systems record and share accurate and reliable data, which AI systems use to rapidly produce planning information, automation, and other improvements." Water management sites utilise smart data and AI services in several ways, including:

Real-time process adjustment

Water treatment is at its best when the system can maintain consistency, a laborious task since water flows keep changing. Intelligent water systems add intelligence that adjusts processes such as reagent dosing and treatment line control in real time.

Predictive demand and optimisation

AI systems predict conditions to manage demand and optimisation. Predictive maintenance systems rely on predictive analytics and AI-driven models, which use performance data and systems such as digital twins to anticipate maintenance conditions for equipment.

Advanced metering infrastructure

Smart meters have radically improved water distribution's performance and efficiency, using digital technologies to gauge consumption and feed reliable data into water planning systems. Advanced metering infrastructure (AMI) is the next step in that journey.

Decision support systems

Water utilities are using decision support systems (DSS) to inform real-time, medium, and long-term planning and management. DSS tools use AI to analyse large datasets and information from different disciplines, including data from hydrological and meteorological stations, expert knowledge, and local inputs.

While these and other data-driven improvements sound very attractive, utility and infrastructure managers are not always sure where to start.

Successful deployment depends on data quality, integration with existing infrastructure, and organisational readiness. Deploying digitisation can become complicated, which is why leading water technology OEMs develop and maintain extensive software platforms designed to meet water utility challenges.

"Companies like Xylem invest substantially in developing water management platforms that are secure, simple to deploy, and make sure the data remain with the utility," says Mistry.

The real advantage of using data-driven water management platforms is not just in the new features. It enables utilities to leverage information they already have: "Data that does nothing only takes up space. ⊙

TUHF Client Coverage Executive, Velda Derrocks.

THE RISE OF AFFORDABLE HOUSING IN SOUTH AFRICA'S GROWTH NODES

South Africa's affordable housing sector is undergoing a structural shift that is shaped by changes in how cities are planning for growth, densification, and mixed-use integration. According to TUHF Client Coverage Executive, Velda Derrocks, inclusive development begins with how municipalities rethink spatial planning and economic activity within their urban nodes.

The upgrade to the Bayside Canal outfall system will make an important contribution to the natural environment, and will help reduce the risks and impacts of flooding in this fast-growing area of the Western Cape. The existing canal is the only stormwater outfall culvert for the local catchment area which includes a large portion of fast-developing suburbs such as Tableview, West Beach, Parklands and Sunningdale. According to Alex Pospech, Contracts Manager at CSV Construction, the existing stormwater capacity is insufficient and is compromised by extensive reed growth downstream of the canal outlet.

"The upgrade will have multiple benefits, among which is to safeguard the Rietvlei Wetland Reserve, which is a significant local site for water sport and birdlife," says Pospech. "It will also better accommodate the water flows from high-order storm events and reduce the risk of flooding in this low lying area." Key elements of the project, which is located on the inland side of the raised R27 roadway known as the West Coast Road, include the upgrade of the existing stormwater canal and the construction of a bypass canal. He highlights that the marshy conditions and the engineering design require unusually large volumes of rock and overburden. For this reason, CSV Construction turned to AfriSam, who was the only construction material specialist in the area with the capacity to deliver.

Stormwater from the Bayside Canal currently flows into

reed beds in the northern section of Rietvlei, and has been naturally treated to a large extent. The advantage of these reed beds is they allow suspended solids in the stormwater to settle out, and for excess nutrients to be absorbed by the root systems. The upgraded and formalised stormwater treatment system therefore needs to maintain this natural function while substantially raising its capacity. It also needs to allow for easier maintenance and periodic clearing of litter.

"The design includes two 140 metres long primary sedimentation ponds which will allow heavier suspended matter to settle out," he says, "while the 460 metre long secondary treatment canal will ensure that finer suspended matter also drops out of suspension as the water passes through."

After passing through the sedimentation ponds, stormwater will flow over a weir into a secondary treatment canal, allowing for the uptake of nutrients and physical filtration of pollutants by the reeds. A new bypass channel of almost 600 metres is also being developed along the eastern boundary of the R27 to bypass the primary and secondary ponds and drain freely directly to Rietvlei when the water level in the Bayside Canal exceeds the weir level of 2,9 m MSL.

CSV Construction was handed the site in November in 2023, and earthmoving machines were busy from January 2024. With construction activity taking place directly in the path of a flowing water course, the project was scheduled around the Cape's rainy season in winter. The bulk of the work has been planned to take place during the dry summer months. Pospech points out that, during the winter months of 2024, there were occasions when the entire seven hectare site was submerged – although an efficient pumping regime allowed work to resume on the higher levels. Temporary berms were also constructed to mitigate the regular surges of water flow that would follow each rainfall.

"In Phase 1 of the project, we cleared reeds and removed sludge, importing pioneer material – or dump rock – from AfriSam to stabilise the access road and gabion areas," explains Pospech. "The gabion baskets, which are mostly 1 metre by 1 metre by 3 metres in size, were then constructed, after which AfriSam also supplied a clayey overburden material of the appropriate plasticity index."

The work involves extensive earthworks, with some 45 000 m^3 being excavated down to depths of 1 to 1,5 metres. Clearing of reed beds has been conducted using long-boom excavators and articulated dump trucks, which stockpiled the material to drain before reloading onto trucks for removal from site.

Earthworks prepare the way for 12 000 m^3 of dump rock for stabilisation – to be covered by around 20 000 m^3 of overburden. About 15 000 tonnes of large stones of up to 200 mm in size are being delivered for the gabion baskets.

The contract is also making use of 3 500 m^3 of G4 material, which is stabilised with cement. According to Ian Trimmel, Territory Sales Manager for AfriSam, the range of material required for the project is sourced from the company's nearby Peninsula quarry.

"Material such as dump rock can add complexity to the supply logistics," says Trimmel. "Not all trucks can accommodate the size and impact of dump rock, for example, and we adjusted our arrangements to ensure that trucks could navigate the quarry to collect certain materials."

As part of AfriSam's commitment to the project, a dedicated gabion stone plant was established. Traditionally, this size of stone is usually hand-picked from dumps. However, the large volumes required by this project meant AfriSam had to produce and deliver on an industrial scale.

Pospech highlights that the project has generated considerable work for local small businesses, such as the packing of gabion baskets and laying of Reno mattresses – which remain a manual task. CSV Construction also arranged for additional training of subcontractors in these skills. There have been a range of benefits for other local stakeholders too, such as the adjacent soccer club – for whom a protective berm was constructed.

With a second and third phase of the project planned for the 2025/6 and 2026/7 summers respectively, the challenge is to concentrate the effort when rains and water levels do not disrupt construction activity, he reiterates.

"When the dry weather arrives, we have to push activity hard – and this acceleration in construction programme relies on receiving a rapid supply of rock and other material," he says. "We therefore appreciate AfriSam's considerable production capacity, and their efforts to meet our material requirements."

CSV Construction works in close consultation with Lukhozi Consulting Engineers as Employer's Agent responsible for contract administration and construction monitoring for the City of Cape Town, and BVi Consulting Engineers, who are responsible for the design. ⊙

BASF inaugurates expanded **DISPERSION PRODUCTION IN DURBAN**

BASF has expanded production capacity for dispersions at its site in Durban, South Africa, strengthening the company's ability to supply customers with high-quality dispersions used in architectural coatings, construction materials and the paper industry.

The significant capacity increase ensures supply reliability, enabling BASF to support customer growth plans more effectively.

In addition to the expanded capacity, BASF has established a modern application laboratory on-site. This new facility enhances technical service capabilities, enabling closer collaboration with customers and stronger support for formulation development.

The Durban site, which supplies customers across East, West and Southern Africa, is one of six dispersion production locations within BASF's EMEA network. With manufacturing facilities across Europe, the Middle East and Africa, BASF ensures close local proximity to customers, reliable supply and responsiveness to local market needs.

As BASF's first and only greenfield investment in Africa since 2012, the Dispersions Plant remains the only multinational-owned dispersions plant in South Africa, highlighting the site's strategic importance to the region's industrial future.

"Our investment in Durban underscores our strong commitment to the dynamic African region and our local customers. Together with the recent capacity expansion in Dilovasi, Türkiye, and the modernisation of the Ludwigshafen plant, we are strengthening our position as a leading supplier of high-quality dispersions across EMEA enhancing our capability to support our customers' growth and innovations" says Dr. Jörg Niebergall, Senior Vice President,Dispersions Europe.

"This expansion in Durban will increase our supply reliability and ensure excellent product quality," adds Ruveshen Reddy, responsible for the Durban production site. "To achieve this, we modernized our production facilities and installed a cutting-edge reactor."

This year, BASF celebrates 60 years in South Africa. The company remains the only multinational that operates a dedicated dispersions production facility in the country, demonstrating its long-standing commitment to customers, partners and regional market development. ⊙

About BASF

BASF creates chemistry for a sustainable future. Our ambition: It wants to be the preferred chemical company to enable its customers' green transformation. BASF combines economic success with environmental protection and social responsibility. Around 108 000 employees in the BASF Group contribute to the success of its customers in nearly all sectors and almost every country in the world. Its portfolio comprises, as core businesses, the segments Chemicals, Materials, Industrial Solutions, and Nutrition & Care. Its standalone businesses are bundled in the segments Surface Technologies and Agricultural Solutions.

HIGH-TECH LIQUID CRYSTALLINE WATERPROOFING SOLUTION

Chryso is setting a new benchmark in concrete waterproofing across Africa as the first and only supplier of a high performance liquid crystalline waterproofing admixture – Chryso® CWA Liquid 200. This cutting-edge technology is revolutionising how the industry approaches integral waterproofing, delivering long-term protection from within the concrete itself.

Left: ***Chryso® CWA Liquid 200 complements a full range of admixture technologies, offering concrete producers an integrated solution for enhanced performance.*** Right: ***Chryso's innovative admixture technology delivers waterproofing and corrosion protection that extends the life and performance of concrete structures.***

When added to cement, Chryso® CWA Liquid 200 chemically reacts with the cement paste to form a non-soluble crystalline structure. This process reduces pore and capillary size throughout the concrete matrix, permanently sealing the structure and preventing water ingress. As a result, the concrete is waterproofed from the inside out, eliminating the need for external membranes, joints or surface treatments.

Patrick Flannigan, Chryso GM Technical and Product Support Management Africa, explains that Chryso® CWA Liquid 200 represents a leap forward in integral waterproofing. "It is not just about preventing water penetration – it is about fundamentally improving the performance, durability and longevity of concrete infrastructure. From a safety, environmental and quality perspective, the benefits over traditional powder-based solutions are significant."

Using advanced nanotechnology, the liquid admixture offers multiple performance enhancements. These include increased concrete strength and resistance to chloride and sulphate ingress as well as protection against carbonation, chemical attack and freeze-thaw damage. Its ability to self-heal micro-cracks and hairline cracks up to 0,5 mm ensures long-term resilience, even in the most demanding environments.

The product is suitable for a wide range of applications including basements, water tanks, reservoirs, dams, tunnels, wastewater and water treatment plants, swimming pools, marine structures and roads and bridges. Flannigan says that because it is added directly to the concrete mix, it avoids the need for costly and time-consuming surface preparation and is not constrained by weather conditions which is an important advantage for large scale or fast track construction projects.

Another key benefit of Chryso® CWA Liquid 200 is its compatibility with all types of supplementary cementitious materials (SCMs), making it highly adaptable across different mix designs. It also complements Chryso's broader range of admixture technologies, providing concrete producers with an integrated performance solution.

Chryso® CWA Liquid 200 delivers advanced waterproofing and durability for bridges, dams, marine structures, protecting concrete in even the most demanding environments.

"Unlike powder waterproofing products that are manually added at batching plants, our liquid solution is accurately dosed through Chryso dispensing systems," says Flannigan. "This means improved traceability, consistent quality and reduced health and safety risks associated with powder handling."

The liquid format also improves concrete workability and can enhance hydration, reducing the need for other admixtures and helping optimise cost control. Importantly, Chryso® CWA Liquid 200 is non-toxic, contains no VOCs and is environmentally friendly - aligning with modern demands for greener construction methods.

"Chryso's commitment is not only to develop high performance admixtures and construction chemicals but also to support our customers throughout the construction process," Flannigan adds. "We offer full technical backup, ensuring each mix design is optimised for maximum waterproofing performance."

With Chryso® CWA Liquid 200, the company is reaffirming its leadership in innovative admixture technology, delivering waterproofing and corrosion protection solutions that extend the life and performance of concrete while helping to meet evolving industry standards for sustainability, safety and efficiency. ⦿

THE HIDDEN BILL FOR CUTTING CORNERS

In construction, the most expensive work is often the work that has to be redone. Across both the public and private sectors, the costs of failure are rarely limited to a simple fix. When quality slips, specifications are misunderstood, or the application is inconsistent or incorrect, the result is rework, delays, and in the worst cases, significant safety and compliance consequences.

Paul Adams, Managing Director at Sika South Africa, says this 'pay twice' reality is back in sharper focus for asset owners, contractors and homeowners alike. "People tend to treat failure as an isolated incident, but in the built environment, it often becomes a chain reaction that includes additional materials, labour, delays, professional fees, downtime, reputational impact and the ripple effects that come with projects falling behind schedule. For homeowners, the same logic applies at a different scale. Waterproofing that fails after the first rainy season, sealants that don't perform as expected, or repairs that aren't done as a system can turn a small job into an ongoing headache. Nobody budgets for paying twice, yet it happens often."

A number of well-documented public cases have reinforced the importance of accountability and compliance across the sector, particularly where oversight and building control processes fail. South Africa also faces the challenge of ageing buildings and facilities, with significant maintenance backlogs. In an official parliamentary reply, the infrastructure maintenance backlog for state-owned facilities has been cited at approximately R30-billion.

"These numbers matter because they reframe prevention as a strategy rather than an afterthought. Whether the asset is public infrastructure, a commercial development, or a residential property, the lesson is that reactive repairs are expensive," notes Adams.

He adds that prevention comes down to a handful of fundamentals, including system-led specification, consistent workmanship and access to technical guidance. "In many cases, problems start when products are treated as stand-alone items instead of part of a working system," he says. "Concrete

performance, waterproofing integrity, sealing and bonding, reinforcement and protection are all elements that interact, and that same systems thinking applies across different sectors and environments. When systems are compatible and correctly specified, the outcome is far more predictable and safer."

The sector is increasingly focused on what good looks like in practice, particularly around inspection quality and accountability. The NHBRC, for example, has reported strides in improving the quality of building inspections and in formalising the inspection profession through the accreditation of building inspectors, which Adams says is an important step towards consistency and professionalism.

"If prevention is a discipline, then the choice of partners matter because they help teams implement that discipline consistently," says Adams. "The advantage of working with an established specialist is the ability to draw on deep, cross-sector experience, from major infrastructure and commercial builds to everyday residential applications, backed by technologies that have been tested in different conditions."

South Africa has seen what's possible when complex projects are delivered with the right expertise and systems. Sika solutions have supported some of the country's most recognised builds, including the stadiums built for the 2010 FIFA World Cup (ranging from concrete additives to flooring solutions), the Gautrain (concrete additives), Kusile Power Station, and projects such as Ludeke Dam. Adams says these projects reflect the value of having access to depth across multiple construction disciplines, particularly when site conditions and performance requirements vary.

"Those builds underline a simple truth," Adams says. "Getting it right first time is cheaper, safer and far less disruptive than fixing it later, and peace of mind comes from knowing there's depth of expertise and support behind the outcome. When you use solutions that have been tried, tested and trusted across different environments, you know you're supported by real technical expertise. That confidence is exactly why our customers can simply say: Relax, it's Sika." ⦿

"Getting it right first time is cheaper, safer and far less disruptive than fixing it later, and peace of mind comes from knowing there's depth of expertise and support behind the outcome."

Raising the bar for epoxy performance with a.b.e.®'s NEW GENERATION EPIDERMIX®

In a construction landscape defined by rising performance expectations, tighter project timelines, and increasingly complex environmental conditions, a.b.e.®Saint Gobain, has introduced a future fit evolution of its trusted epoxy range: their New Generation epidermix® epoxy solutions. Re engineered with advanced formulations, broader application capabilities, and enhanced environmental tolerance, the new epidermix® range represents the next era of construction chemistry - high strength, multi purpose, and compliance driven.

A range built for the realities of modern construction

The New Generation epidermix® portfolio spans every major epoxy application category, enabling contractors, engineers, and maintenance teams to specify a single integrated range for complex projects. The offering includes:

Structural Grouting & Anchoring
Flowable grouts, rammable mortars, vertical crack repair systems, overhead anchoring formulations, and ultra rapid polyester products such as epidermix® 324, 325, 395, 396, and 725.

Structural Bonding
High strength wet to dry and dry to dry adhesives designed for concrete to concrete bonding, repair interfaces, and multi material adhesion, including epidermix® 344, 345, and 350.

Concrete Repair Mortars
Non slump, vertical and overhead repair mortars for spalls, honeycombing, patching, and precision reinstatement, with products such as epidermix® 314, 318, and 319.

Structural Crack Repair
Low viscosity and liquid, deep penetrating epoxy systems for restoring compromised concrete integrity, both structural and non structural, including epidermix® 389, 395, and 365.

Protective Coatings & Primers
High build, chemical resistant, underwater tolerant coatings and primers such as epidermix® 311, 326, and 338, engineered for severe and demanding environments.

Flooring & General Purpose Adhesives
Wet to dry bond enhancers and rapid set epoxy adhesives for industrial, commercial, and civil flooring applications, including epidermix® 116, epidermix® 372, and epidermix® 372 Fast Set.

This extensive portfolio enables the epidermix® range to support diverse sectors, including infrastructure, transportation, chemical and industrial facilities, marine environments, fabrication, water management, and general building, making it one of the most complete epoxy platforms available.

Why "new generation"? A clear step forward in formulation science

The evolution of the epidermix® family represents far more than updated packaging—it is the outcome of targeted reformulation aligned with modern construction demands.

Improved damp tolerance

A notable enhancement across several products - such as epidermix® 318, 324, 395, 396, 344, and 389 - is their ability to bond or cure effectively on damp or even underwater substrates. This advancement significantly reduces delays during rainy seasons, shutdown restricted industrial maintenance, and marine or infrastructure repair projects where moisture control is a challenge.

Higher strength and durability

Upgraded epoxy chemistries now deliver stronger compressive, adhesive, and chemical resistance profiles, essential for anchoring, structural repairs, and bonding under dynamic or high load conditions.

User friendly rheology and application behavior

Improved flowability, thixotropy, optimized pot life, and non slump formulas simplify placement in vertical, overhead, narrow access, and precision critical scenarios.

Enhanced curing performance

Updated curing profiles ensure faster return to service, crucial for transport infrastructure, industrial facilities, and civil works where downtime carries substantial cost implications.

Designed to meet international standards

Selected epidermix® products have been tested and verified according to European Standards EN 1504 3, EN 1504 5 and EN 1504 6, governing structural and non structural concrete repair systems as well as anchoring of reinforcement steel. This compliance provides engineers with increased confidence in durability, reliability, and correct specification for mission critical applications.

A future fit system for an evolving industry

Supported by Saint Gobain's global innovation capability, the a.b.e. New Generation epidermix® range aligns with the industry's move toward lighter, more sustainable, and more durable construction solutions. With upgraded performance, broader versatility, and verified compliance with leading international standards, the renewed epidermix® range offers a high performance, technically advanced toolkit for building - and rebuilding - modern infrastructure with confidence. ⊙

Afrimat Construction Index shows signs of **STABILITY IN FOURTH QUARTER OF 2025**

The findings of the Afrimat Construction Index (ACI) for the fourth quarter of 2025 have been released, showing a marginal year-on-year increase. This composite index of activity levels in the building and construction sectors is compiled every quarter by economist Dr Roelof Botha on behalf of Afrimat. The index value is expressed in real terms, i.e., after adjustment for the effect of inflation.

The ACI was boosted by a solid 5,4% increase in the volume of building materials produced and a 2,2% real increase in the sales value of building materials. Although the activity levels in South Africa's construction sector remain subdued, the ACI's seasonally adjusted reading has increased for the second consecutive quarter – the first time this has occurred since the brief recession of 2020.

According to Dr Botha, arguably the most impressive aspect of the latest ACI is the positive growth trend for the indicators that carry the largest weighting, namely the sales values and volume of production of building materials. "Five of the 10 indicators recorded positive year-on-year growth rates, whilst seven of them recorded positive quarter-on-quarter growth during the fourth quarter of 2025."

He adds that the rate-cutting cycle of the monetary policy authorities had played a crucial role in lowering the cost of capital formation, which invariably involves construction works and building activity. "Hopefully, the current hostilities in the Middle East will not derail the shift to a more accommodating monetary policy stance, as further interest rate declines are necessary to lift the ACI from its current stable level to an expansionary trajectory."

% Change in the constituent indicators of the Afrimat Construction Index (quarter-on-quarter and year-on-year) - fourth quarter 2025 Indicator	% q-o-q	% y-o-y
Building materials produced (volume)	-6,1	5,4
Employment in construction	2,5	4,9
Retail trade sales – hardware	4,6	3,3
Building materials (sales)	-8,1	2,2
Buildings completed (value)	4,9	1,8
Construction works (value)	6,1	-0,3
Salaries & wages - construction	9,7	-1,5
Construction value added	2,2	-5,3
Building plans passed (value)	-11,6	-5,7
Wholesale trade sales - construction materials	3,8	-6,6
Afrimat Construction Index	-1,1	0,3
GDP	0,1	1,1

Note: Ranked by year-on-year % change

The table shows the quarter-on-quarter and year-on-year percentage changes for the 10 constituent indicators included in the ACI.

Botha believes it is encouraging that the value of construction works managed a quarter-on-quarter increase of 6.1% during the fourth quarter of last year, which is often a subdued quarter due to the traditional winding-down of building activity in mid-December.

He also notes the exceptionally strong performance of private sector capital formation in buildings and construction works since interest rates were lowered from a 15-year high towards the end of 2024. "After a period of lethargy caused by the deterioration of the country's infrastructure and high interest rates, the private sector has started to invest substantially in capital formation, with an increase in the average quarterly value of these investments of 24% since the fourth quarter of 2024."

According to Botha, public-private partnerships with infrastructure repair and expansion hold the promise of expanding economic activity within sectors that are labour-intensive and that affect ordinary citizens at the heart of their daily existence.

Looking ahead, he is hopeful that the R141-billion that the National Treasury has set aside for water resources and road infrastructure in the current fiscal year will result in the speedy implementation of new projects.

Andries van Heerden, the CEO of Afrimat, says that the Group's deliberate diversification strategy has once again proven successful. The Group's Construction Materials segment, particularly aggregates, is delivering strong results. This aligns with the findings of this ACI.

"Our strategic national footprint has ensured that we are well-positioned to supply products to Transnet as it maintains the rail corridors. Afrimat continues to supply products and aggregates for national, provincial, and rural road construction, as well as for public-sector maintenance and private-sector building projects."

He adds that the world is currently in a precarious situation, and the fluctuations in oil prices and supply will have far-reaching effects. "It remains my hope that the Government will focus not only on critical infrastructure maintenance but also on ensuring that the country has resilient infrastructure capable of supporting economic growth, job opportunities, and the well-being of South Africans. We are a tenacious nation, with large and small entrepreneurs prepared to engage in public-private partnerships that, in my opinion, can push the country forward in a meaningful way." ⦿

The consistent supply of cement, aggregates and readymix concrete plays a critical role in helping contractors deliver durable and high-performance projects.

AFRISAM BUDGET BREAKFAST HIGHLIGHTS ECONOMIC UPSIDE FROM COMMODITY PRICE SURGE

The strong rally in commodities such as gold, platinum, rhodium and palladium is creating significant windfall opportunities for South Africa to support its economic turnaround.

Speaking at AfriSam's annual Budget Breakfast event in Sandton in February, Econometrix Chief Economist Dr Azar Jammine said the exceptional surge in commodity prices could have an "absolutely enormous" impact on the South African economy.

This year marks the eighth consecutive year that AfriSam has hosted its Annual Budget Breakdown Breakfast, bringing together key stakeholders from across the construction sector. The value of the event is reflected in the steadily increasing number of attendees each year, highlighting its growing importance as a platform for industry insight and engagement.

Dr Jammine pointed to an estimated inflow of about R350-billion into the country from commodity sales, arriving just as the economy began showing signs of recovery toward the end of last year. This follows a prolonged period during which South Africa lagged behind global growth levels, resulting in a decline in living standards of between 6% and 7% over the past eight years.

He noted that the key opportunity now lies in government directing this windfall toward higher levels of fixed capital formation through targeted investment in infrastructure, thereby creating an environment in which business can thrive.

"If this can be converted into real investment in new exploration and development in the mining sector, the knock-on effects through the rest of the economy could be unbelievable," he argued.

Dr Jammine highlighted that the third quarter of 2025 saw a modest uptick in fixed investment of 1,1% - the first positive movement in two and a half years. The Medium-Term Budget Policy Statement released in November 2025 also indicated that the Government of National Unity was beginning to produce "some positive results," particularly through its commitment to fiscal discipline.

Higher commodity inflows have also contributed to a stronger rand against the US dollar, helping to reduce inflation to around 3.5%. This supports government's lower inflation target of 3% and has helped shift inflation expectations downward.

"This has meant that long-term interest rates have declined, resulting in considerable savings for government in terms of interest payments on its debt," Dr Jammine said.

Improving economic prospects have also been recognised internationally, with ratings agency S&P Global upgrading South Africa's credit rating for the first time in 16 years.

Turning to the construction sector - which is closely aligned with AfriSam's core business as a leading construction materials supplier - Dr Jammine reminded the audience that the industry remains under severe pressure due to years of underinvestment in fixed capital.

"Construction, comprising both building and civil engineering, is still about 30% below where it was in 2010," he said. "By contrast, the agricultural sector is about 70% higher than its 2010 level."

Employment in construction has also declined, falling by around 5% compared with 2019 levels, making it one of the weakest performing sectors in the economy. Dr Jammine attributed much of the decline in gross fixed capital formation to the deterioration of state-owned enterprises.

"They have seen the decimation of the country's infrastructure, much of which relates to the era of state capture," he said. "There has been a rape of our resources to benefit a handful of people interfering with procurement processes and standing in the way of proper service delivery and infrastructure investment."

This situation is closely linked to crime and corruption, he added, noting that these challenges must be decisively addressed.

While private sector investment "has not been stellar," Dr Jammine acknowledged that it has at least continued to grow gradually over time.

Reflecting the weak state of the construction industry, the number of residential building plans approved remains subdued, at around 40 to 50% below its peak. However, he believes there are signs that this trend may be reaching a turning point.

"Non-residential building plans passed show an even weaker trend, down about 85% from the peak a decade ago," he said. "Arguably there was an oversupply in the middle of the last decade, and the Covid-19 pandemic then dealt the sector a further blow."

Despite these challenges, Dr Jammine noted that renewed investment in infrastructure and mining development would provide an important boost for the construction materials sector, creating opportunities for companies such as AfriSam that play a key role in supplying cement, aggregates and readymix concrete to major infrastructure and development projects. ⊙

Econometrix Chief Economist Dr Azar Jammine speaking at AfriSam's annual Budget Breakfast event in Sandton in February.

Reliable infrastructure starts with quality construction materials.

PPC RESULTS SIGNIFICANTLY IMPROVES FOR THE SECOND CONSECUTIVE YEAR

PPC's Awaken the Giant turnaround and strategic plan continues to deliver sustained improvements in operating and financial performance. For the ten months ended 31 January 2026, the group's EBITDA margins improved to 19,4% in the current period from 16,6% in the comparable 10 months.

The increase in group revenue for the current period was driven mainly by the increase in PPC's Zimbabwe operations, while the South Africa and Botswana group revenue remained much the same as the prior period.

This all resulted in a 22% increase in total group EBITDA. The increase in both absolute EBITDA and EBITDA margins is due to effective growth in both South Africa and Zimbabwe.

In South Africa, the structural, cultural and people changes implemented across the organisation have translated into delivery ahead of initial expectations. The changes in logistics, procurement, plant efficiencies and the re-alignment of the business to maximise contribution margin, continue to deliver further results reinforcing that the right fundamentals drive growth and value.

In Zimbabwe, implementation of the turnaround advanced meaningfully during the current financial year. Record year-to-date cash flow generation reflects the initial benefits of improved execution, supported by strong and sustainable underlying market demand.

PPC CEO, Matias Cardarelli, commented, "Our turnaround plan is deliberately ambitious. It is designed to rebuild PPC's iconic status by restoring our competitiveness and long-term value creation. The results for the ten months ended 31 January 2026 clearly demonstrate the ongoing and compounding benefits of disciplined execution of this strategy."

Group performance

The focus on quality returns and cash generation remains relentless, reflecting in the underlying performance of the business. Free cash flow in the South African group, being net cash inflow before financing

PPC CEO, Matias Cardarelli.

activities, but excluding dividends from Zimbabwe and investment expenditure in the new plant in the Western Cape, amounted to R567-million in the current period. This represents a reduction from R692-million in the comparable period due to a temporary increase of R208-million in inventories, which is due to the timing of planned maintenance shutdowns, some of which will occur in March 2026. The increase in working capital will unwind as planned maintenance activities are completed.

The construction of the best-in-class integrated cement plant in the Western Cape (RK3) is progressing well and remains on schedule, and within budget. RK3 is a core strategic investment that will result in a material increase in competitiveness, returns and reduction of CO_2 emissions. Spend on the project, including realised foreign exchange losses, amounted to some R491-million in the current period.

Despite this strategic investment at 31 January 2026, the South African group was in a net cash position of R367-million, a significant improvement from R106-million at 31 January 2025.

PPC Zimbabwe delivered a robust step change in its free cash flow generation leading to a substantial increase in total dividends declared and paid of USD36 million (R595-million) in the current period, compared to the USD8 million (R142-million) paid in the comparable period. PPC Zimbabwe continues to remain debt-free and held USD- million in unencumbered cash at 31 January 2026.

The accounting profit from the sale of a non-core property has been excluded from the group and South Africa group EBITDA. Group EBITDA including this profit increased by 32%.

South Africa & Botswana cement

In the current period, overall sales volumes in South Africa and Botswana remained broadly flat relative to the comparable period. The South African volumes increased by approximately 2%, but this was offset by a decline in Botswana volumes. Importantly, the low growth environment did not constrain performance, as the business continued to prioritise value, margin and quality sales over volume growth.

EBITDA increased by a strong 17% resulting in noteworthy margin expansion to 17,3% in the current period from 14,8% in the comparable period. This is an increase from the margin of 13,7% at the half year. Further benefits are expected from the key areas of commercial, operations and supply chain, reinforcing the margin-led and sustainable growth trajectory.

Zimbabwe

Volumes increased by over 22% in the current period supported by sustained strong demand across the industrial and retail sectors. Revenue increased by 19% in rand terms (24% in USD terms), while EBITDA grew by 23% in rand terms (28% in USD terms). The increase in revenue and EBITDA in rand terms was marginally lower due to the rand strengthening in the current period compared to the comparable period. After the longer maintenance shut in the first quarter of this financial year, margins have recovered leading to overall increase by 0,9 percentage points, from 26% to 26,9%.

Outlook

Following a strong set of results for the ten months ended 31 January 2026, PPC remains well positioned to continue executing on its strategy. Growth in FY26 earnings is on top of the robust improvement achieved in FY25. In accordance with previous guidance, these improvements are expected to be consolidated in FY27, with FY28 anticipated to deliver a further step change as the benefits of the new RK3 plant are fully realised.

Following the strong cash generation in the current period, resulting in record dividends from PPC Zimbabwe, the board will consider a dividend in terms of its distribution policy which, amongst other factors, provides for a flow through to shareholders of any dividends received from PPC Zimbabwe.

Cardarelli concluded, "Our turnaround plan will remain focused on consistency of delivery and a sustainable growth trajectory underpinned by disciplined execution, high quality earnings and cash flow generation".

Charl Marais, Sales Manager at Pilot Crushtec.

Wayne Warren, Africa Sales Manager at Pilot Crushtec.

LOKOTRACK LT400J DELIVERS SMARTER, HIGH-OUTPUT CRUSHING

Africa's mining, aggregates and construction sectors will gain a productivity and efficiency boost with the arrival of the Metso Lokotrack LT400J - now available through Pilot Crushtec.

The advanced high-capacity Metso LT400J marks the next generation of Metso Lokotrack EC range, according to Charl Marais, Sales Manager at Pilot Crushtec. Featuring a diesel-electric drive system, it makes operating costs even more economical.

"The LT400J is designed as a true production machine," Marais says. "It is built to run for long periods with minimal interruption, while maintaining high throughput and reliability in demanding applications."

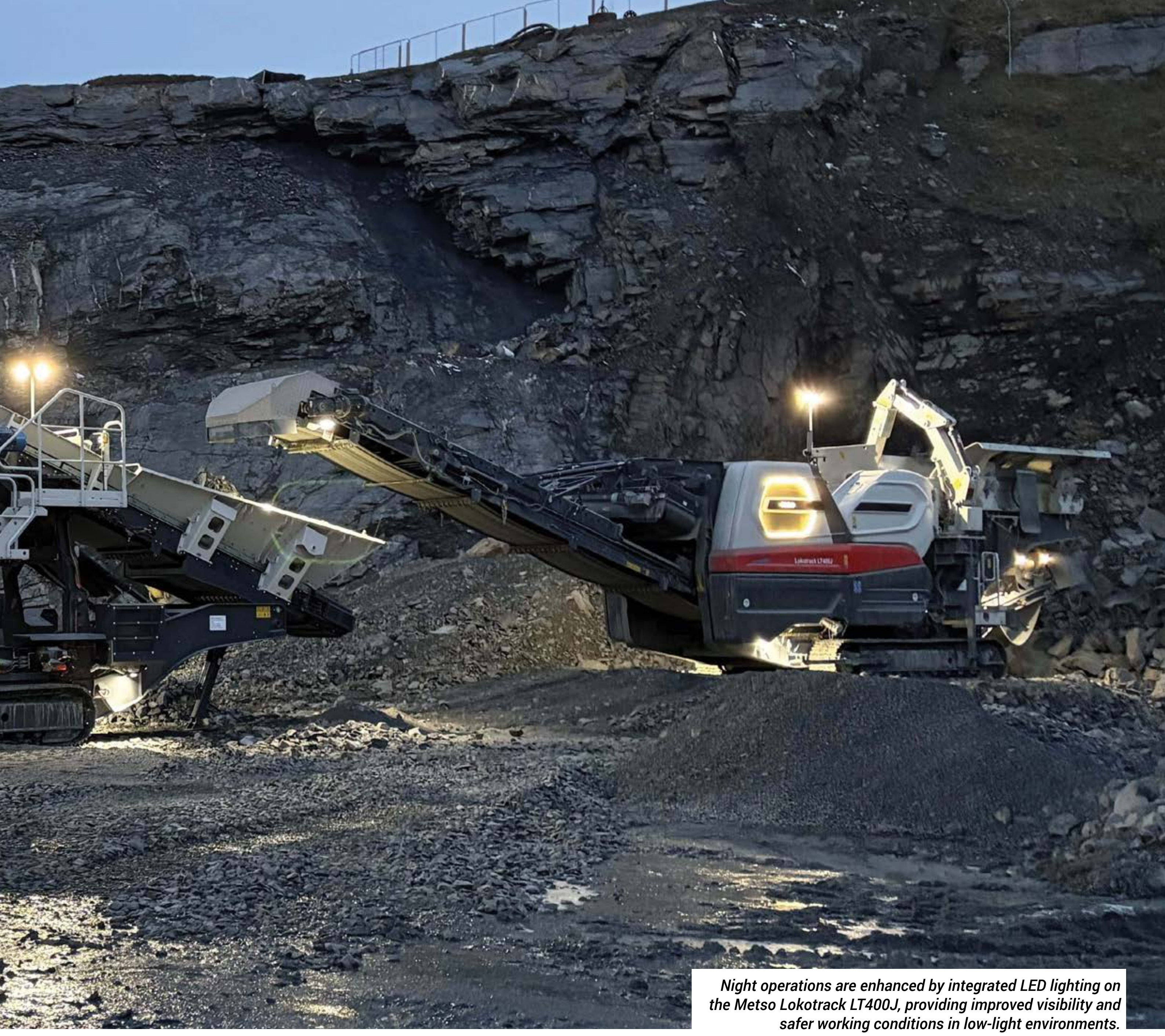
Typical production rates range between 300 and 600 tonnes per hour, depending on application conditions, making it suitable for primary crushing circuits on mines as well as large quarrying or recycling operations. Its energy efficiency and reliability underpin longer work cycles, he explains.

The C120 jaw crusher's nip angle can be adjusted and with three nip angle adjustments linear utilisation is improved in various feed material conditions and production rates.

"This machine can operate for up to 50 hours before refuelling which reflects a significant fuel saving compared with conventional diesel-hydraulic machines," he says. "Lower fuel consumption of course also directly reduces operating costs."

Operational economy is further enhanced by flexibility in power sourcing, as operators have the option to connect directly to grid electricity, reducing fuel usage and emissions even further.

Wayne Warren, Africa Sales Manager at Pilot Crushtec, notes



Night operations are enhanced by integrated LED lighting on the Metso Lokotrack LT400J, providing improved visibility and safer working conditions in low-light environments.

Left: ***Available in Southern Africa through Pilot Crushtec, the Metso Lokotrack LT400J combines high production capacity with improved energy efficiency.***
Right: ***The Metso Lokotrack LT400J introduces a new generation of high-capacity, diesel-electric primary crushing technology to Africa.***

that having all the main process functions electrically driven improves overall efficiency while helping to deliver more consistent performance over time.

"Electric drive systems maintain stable performance regardless of temperature variations, as there is less efficiency loss associated with hydraulic oil heating or component wear," Warren explains. "This translates directly into improved operational consistency which is a key factor in maintaining steady production rates."

A major step forward in the Lokotrack LT400J is its expanded digital control architecture, significantly enhancing usability and operational precision. Warren highlights the redesigned

remote-control system as one of the most noticeable upgrades.

"The remote is no longer just a basic control unit," he explains. "It now features an LCD screen that allows the operator to see machine functions in real time and make adjustments directly from where they are standing."

This reduces the need for two-person coordination during setup or adjustment; traditionally, one operator would be stationed at the machine and another on the controls. With the Metso LT400J, a single operator can monitor and manage key functions more safely and efficiently. The interface is also more intuitive, aligning well with younger operators accustomed to digital devices and touch-based navigation.

Marais adds that the machine's intelligent remote monitoring systems incorporates more sensors than previous models.

"There is a higher level of feedback from the machine," he says. "That allows operators to adjust parameters such as crusher settings and conveyor positions without physically intervening which is a significant time-saver and an added safety benefit."

The digital controls support improved production consistency and preventative maintenance by providing clearer operational data and system status information. Customers can respond more rapidly and conduct quicker troubleshooting, reducing unnecessary stoppages and limiting downtime.

The significant technological advances in the LT400J - in terms of software, sensors and control philosophy -call for a high level of technical understanding for both operation and maintenance. Typical customers are therefore expected to be sophisticated operators with the necessary skills and resources.

"Our strategic relationship with Metso ensures that Pilot Crushtec continuously develops its aftersales support, training and technical readiness for new technologies," Warren says. "We invest in ensuring that both our teams and our customers are equipped to manage the advanced digital and electrical systems on the crushing solutions we provide."

For the arrival of the Metso LT400J in South Africa, two senior Metso master technicians, including one from the factory where it was built, were hosted at Pilot Crushtec's Jet Park facility to conduct in-depth training sessions with the local technical and workshop teams.

"Working directly with the factory specialists allows our technicians to fully understand the machine, its capabilities and its complexities," he says. "With any new generation

The advanced diesel-electric drive system on the Metso Lokotrack LT400J enables lower fuel consumption and reduced operating costs.

machine, there is always an element of training."

He emphasises that the Pilot Crushtec team is also well equipped to assist customers with upskilling their operators and maintenance teams so they can extract full value from the technology.

Marais highlights how the improvements in design impact both operation and maintenance, reflecting Metso's broader design philosophy of integrating real-world operational feedback into equipment development. He points to the redesigned extended discharge conveyor as an example.

"The discharge conveyor can operate at three different angles," he explains. "You can raise it to build a higher stockpile, lower it to feed directly into the next unit in the crushing circuit or drop it horizontally to the ground for maintenance access."

This last function is particularly significant as it allows technicians easier access to the underside of the jaw crusher - an area that often becomes difficult to inspect or service on conventional machines.

"Liner changes have also been simplified," he notes. "The LT400J incorporates dedicated lifting tools and improved access around the fixed jaw end, making the removal and

The extended discharge conveyor offers three operating positions, improving stockpiling flexibility and maintenance access.

The control panel of the Metso Lokotrack LT400J integrates advanced IC process automation, enabling operators to monitor key parameters and adjust crusher settings for consistent, efficient production.

replacement of wear liners safer and more efficient."

In addition, the bypass chute behind the jaw crusher is hydraulically adjustable, allowing it to move away from the service area and improve working space during maintenance. Warren adds that the machine was effectively redesigned from the ground up.

"Every aspect was reviewed and improved where it could be," he says. "There is now enhanced engine access through large gull-wing doors, for instance, providing clear unobstructed access to service components."

Combined with reduced hydraulic complexity - including a much smaller hydraulic tank used primarily for tracking and setup - these design improvements help shorten service times, reduce maintenance effort and ultimately increase machine availability in demanding African applications.

Enhancing the value of mobility in crushing, the Metso LT400J's track-mounted design allows rapid relocation within a site or between sites, enabling operators to respond quickly to changing production requirements. ⊙

METSO LOKOTRACK LT400J

- Track-mounted mobile jaw crusher
- Part of the Metso Lokotrack EC range
- Available in Southern Africa through Pilot Crushtec
- Diesel-electric drive system
- Optional connection to grid electricity
- Production capacity is ±300 to 600 tph (application dependent)
- Up to 50 hours operating time before refuelling
- Electrically driven main process functions
- Advanced digital control architecture with LCD remote
- Expanded sensor integration for real-time monitoring
- Three-position extended discharge conveyor
- Hydraulically adjustable bypass chute
- Reduced hydraulic complexity for simplified maintenance
- Designed for primary crushing in mining, quarrying and recycling applications

HEADCOUNT OR OUTCOMES?

South African businesses are comfortable discussing labour models. Headcount, hourly rates, overtime and compliance structures are familiar territory. But when the conversation shifts to Business Process Outsourcing (BPO) versus Temporary Employment Services (TES), the distinction often becomes blurred. Both involve external partners. Both place people on site. Both can operate on a factory or warehouse floor. ***By Willie Du Preez, Managing Director at PPO***

Yet they are built for different purposes. TES is a labour model that provides additional capacity through flexible headcount. BPO is an engineered operating model that takes ownership of a defined process and delivers it against agreed outcomes. The value lies not in the number of people deployed, but in the performance delivered.

The real distinction is what is being purchased: additional hands, or accountable outcomes.

Understanding the practical difference

At its core, a TES model is about labour provision. A client pays for time and attendance. Workers report for duty, perform tasks under the client's direction and clock out. Productivity risk largely remains with the client.

A BPO model shifts that dynamic. It is not about supplying labour hours; it is about delivering defined outputs against service level agreements. The BPO partner assumes responsibility for managing the process, optimising efficiencies and meeting measurable targets.

There is also a structural difference. In a TES arrangement, the triangular relationship between employer, employee and client can leave elements of labour liability and operational exposure with the client.

Clarifying the real business need

Before choosing between BPO and TES, leadership teams should avoid comparing rate cards and instead clarify the real need.

The critical question is whether the function can move from an hourly input model to an output-based model, and whether efficiency can be unlocked through process optimisation. Leaders should also assess whether the operation experiences peaks or volume variability that require scalability, and whether management's role should focus on supervising individuals or holding a partner accountable for results.

Not every function suits output-based pricing, particularly where performance depends on upstream flow outside the team's control.

Designing for output, not attendance

When output becomes the primary metric, the operating model changes. Instead of asking how many people are required, the focus shifts to how efficiently the process runs. Bottlenecks are identified.

In warehouse and manufacturing environments, small improvements compound quickly. Saving a second on a repetitive task performed thousands of times a day translates into meaningful productivity gains.

Remuneration models can align with this approach. Incentive structures linked to clear performance benchmarks reward higher output and accuracy, driving engagement while delivering measurable gains.

Why "TES 2.0" misses the point

BPO is sometimes described as "TES 2.0", a more sophisticated version of labour broking. That characterisation misses the point. If a client continues to direct daily tasks and manage individuals on the floor, the mindset remains rooted in TES. True BPO requires a different posture: the client manages the SLA and output, while the BPO partner manages the process and people.

Where BPO delivers the greatest impact

BPO is most effective in high-output environments with variability. Operations that process large volumes, whether in e-commerce fulfilment, manufacturing or packaging, offer strong potential for efficiency gains. The higher the volume, the greater the impact of incremental improvements.

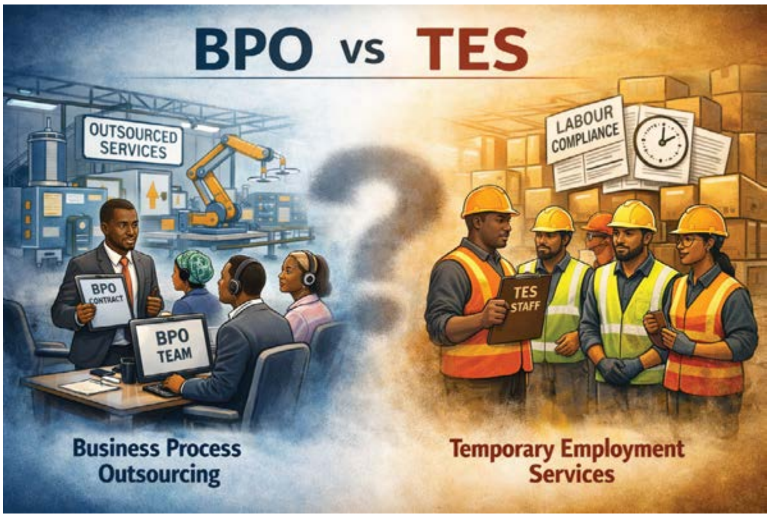
Measuring what matters

Measurement is another point of divergence. In a TES engagement, success is often reflected in attendance and headcount stability. In an output-focused BPO partnership, metrics are tied to performance.

The productivity question

For South African businesses operating in a low-growth, high-cost environment, productivity is a strategic imperative. The question is not whether BPO is better than TES, but what the business is trying to achieve. If the objective is to stabilise capacity with additional hands, TES may be appropriate.

The shift from headcount to output replaces attendance as the primary metric with accountability for results, creating the conditions for sustainable productivity gains. ⦿



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