



east london idz
business streamlined

ANNUAL HIGHLIGHTS 2020/21



FORTITUDE + RESILIENCE = GROWTH

*Our proven formula to **championing growth** in the Eastern Cape in 2020/21*



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ELIDZ CORE EXISTENCE



VISION – A catalyst for growing a strong regional industrial base, supported and sustained by a business ecosystem that serves to extend the global competitiveness of local industries.



MISSION – To attract and retain targeted industries through the operation of a world class investment location, supported by a conducive business environment and special economic zone benefits, where industries excel and prosper.

OUR MANDATE

The ELIDZ's focused mandate:

- Promote the export competitiveness of South African manufactured products/services;
- Strengthen, expand and diversify the local / regional economy;
- Enable exploitation (via beneficiation of regional natural resources);
- Secure advanced foreign production and technology methods; and
- Encourage skills transfer and local intellectual capital development



INCREASE THE ECONOMY OF OUR REGION



JOB CREATION



BOOST FOREIGN DIRECT INVESTMENT

ELIDZ SHARED VALUES



PASSIONATE FOR EFFICIENCY - "We respond to address the needs of customers with speed and efficiency and these needs direct and energise both our plans and actions."



SEEKERS OF SOLUTIONS - "In every situation, we seek out possibilities that foster and yield innovative and practical solutions in order to deliver superior outcomes of value to our customers, stakeholders, and ourselves."



BUILDERS OF SYNERGY - "We actively lead in building productive synergies and collective expertise with our key stakeholders, exploiting our knowledge and continuous learning."

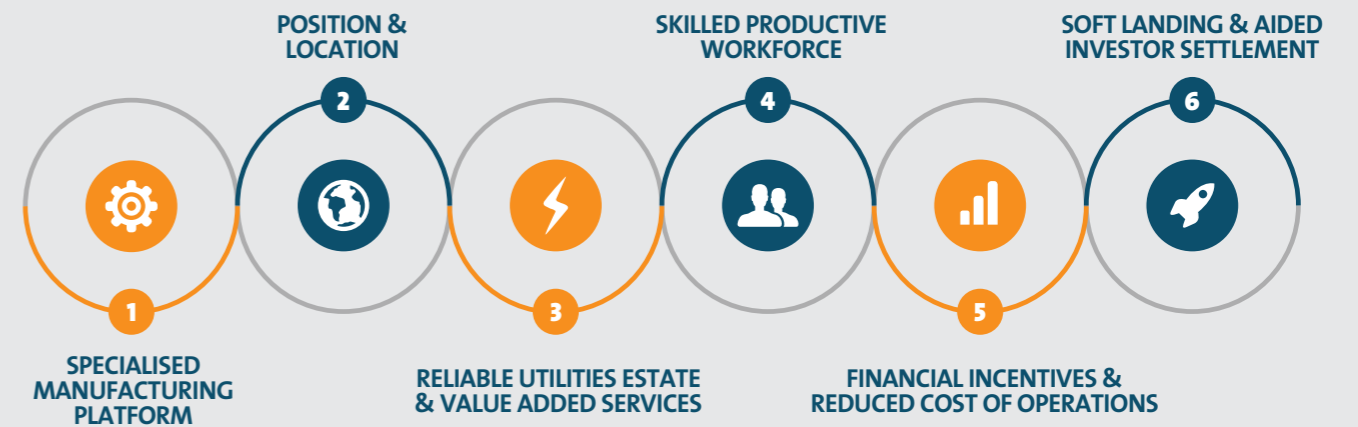


ETHICAL BY NATURE - "We are responsible and accountable for how we do business, how diligently we utilise all resources entrusted to us and how we manage our operations in a manner that assures the safety and reliability of our industrial precinct and its services."

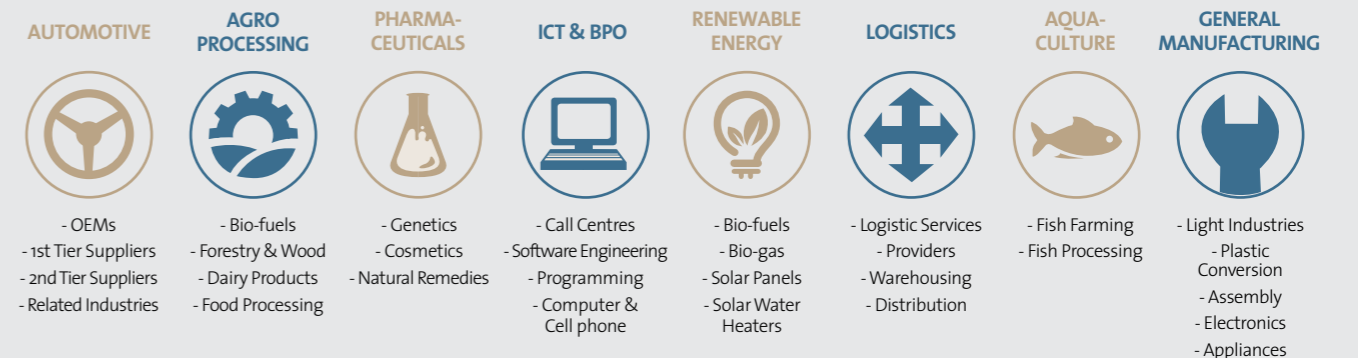


INSPIRED BY IMPACT - "We are not satisfied with our performance unless it has a lasting and meaningful impact in uplifting the lives and future potentials of the citizens we have been created to serve."

OUR VALUE OFFERING - ENGINEERED EFFICIENCY



OUR SECTORS



OUR FOOTPRINT & INVESTORS



OUR BOARD



FRONT ROW - From left to right: Councillor P. Nazo | Ms S. Nkungwana | Mr A. Kanana | Mr S. Kondlo | Professor M.W. Makalima | Ms N. Mnconywa | Mr M. Mfuleni | Councillor V Gqodi

BACK ROW - From left to right: Mr E. Jooste | Mr A. Skenjana | Ms C. Kongwa | Mr B. Mpondo

COUNCILLOR P. NAZO*
Chairperson of the Operations and Risk Committee, Member of the Governance Committee

Current employment: Portfolio Head for Spatial Planning and Development at the Buffalo City Metropolitan Municipality

Skills: Local Economic Development, Community Relations, Development Communications, Public Relations, Project Management and Local Government Management.

Affiliations: Eastern Cape Geographical Name Change Committee, Metro Growth Development Strategy 2030 Chair, Member of IoDSA

MS S. NKUNGWANA*
*Member of the Finance Committee**

Current employment: Senior Manager: Economic Research and Development at DEDEAT

Skills: Economic Development, Research

Affiliations: Member of IoDSA

MR A. KANANA
Chairperson of the Audit Committee and Member of the Governance Committee

Current employment: Chief Executive Officer of Land Bank

Skills: Audit, Finance and Public Sector Governance

Affiliations: Member of South African Institute of Chartered Accountants (SAICA), Member of IoDSA

MR E. JOOSTE
Chairperson of the Finance Committee, Member of the Audit Committee and the Governance Committee

Current employment: Consultant at EVJ Consulting (Pty) Ltd

Skills: Supply Chain Management, Public Sector Governance and Finance

Affiliations: South African Institute of Professional Accountants (SAIPA), Institute of Internal Auditors South Africa (IASA), Member of IoDSA

MR A. SKENJANA
Member of the Operations and Risk Committee

Current employment: Director: Agro-Processing at DEDEAT

Skills: Agriculture, Agro-Processing, Project Management

Affiliations: Member of the South African Council of Natural Scientists, Member of the South African Society for Animal Science, Member of IoDSA

MR S. KONDLO
Executive Director - Ex Officio

Current employment: Chief Executive Officer of the ELIDZ

Skills: Engineering, Public Sector Governance, Business Management, Project Management

Affiliations: SAI/AE, WISA, Board Member of TCTA, Board member of BCMDA, Member of IoDSA

PROFESSOR M.W. MAKALIMA
Chairperson of the ELIDZ Board and Chairperson of the Governance Committee

Current employment: Private Academic Research

Skills: Academic, Public Administration, Social and Economic Development, International Relations, Leadership and Project Management

Affiliations: Member of IoDSA

MS C. KONGWA
Member of the Audit Committee

Current employment: Administrator of the National Gambling Board

Skills: Legal and Public Sector Governance

Affiliations: Member of IoDSA

MS N. MNCONYWA
*Member of the Finance Committee and the Audit Committee**

Current employment: Senior lecturer in Accounting at the University of Fort Hare

Skills: Public Sector Governance and Finance

Affiliations: Member of South African Institute of Chartered Accountants (SAICA), The Independent Regulatory Board for Auditors (IRBA), Member of IoDSA

MR B. MPONDO
Member of the Operations and Risk Committee

Current employment: Managing Director of Safiri (Pty) Ltd

Skills: Transport Planning, Development Planning, Project Management

Affiliations: Member of IoDSA

MR M. MFULENI
Member of the Audit Committee and the Operations and Risk Committee

Current employment: Chief Executive Officer of Imbizo Group

Skills: Manufacturing and Development, Telecoms and IT Consulting

Affiliations: Member of IoDSA, Chairman BayTV, President Black Technology Forum (BTF)

COUNCILLOR V GQODI
Member of the Finance Committee

Current employment: Councillor at Buffalo City Metropolitan Municipality

Skills: Local Economic Development, Community Relations

Affiliations: Member of IoDSA

* Board member retired during year under review

OUTLOOK BY THE ELIDZ CHAIR- PERSON



Professor M.W. Makalima
ELIDZ Board Chairperson

“The East London IDZ SOC Limited (ELIDZ) hereby submits its Annual Report for the financial period 2020/21 – a year that presented significant and far-reaching challenges, both for the entity and for the broader economy.”

The issue and then subsequent adjustment of forecasts and estimations of how long (and how severe) the coronavirus pandemic would affect the South African and, by extension, the Eastern Cape economic landscape, became factors of business that the entity had, per force, to contend with; applying its best insights and judgements.

The timing of the advent of the virus was also quite worrisome for the ELIDZ, given that the organisation had already committed to a refreshed strategic vision for the five-year term of government that is now under way. This vision is characterised by an intentional stretching of the ELIDZ’s performance aspirations, coupled with a resolve to deepen the entity’s institutional impact as a socio-economic catalyst of government.

Furthermore this vision foregrounds the enhancement of strategic management efforts targeting the mainstreaming of activities supportive of higher levels of industrial innovation. It also targets an acceleration in the development and mastery of information and communication and other technologies as the basis of interventions by the ELIDZ’s Science and Technology Park (STP) for improving the competitiveness of targeted industry sectors.

As the year began to unfold, there was cause for concern and misgiving regarding whether the ELIDZ had perhaps set itself a job that would prove to be somewhat beyond its capacity. These reservations pointed towards the possibility of the year might terminate with some degree of performance regression.

The hesitation in respect of how performance might be dented arose because of the uniquely complex operational environment presented by the implementation of the SEZ dispensation – even in a non-pandemic setting.

The ELIDZ is conscious that its efforts to catalyse and deliver a supportive ecosystem for local industry rest on the shoulders of several role-players. And, how the pandemic might disrupt the entity’s investor community as well as the support programming of its institutional partners in all three spheres of government remained difficult to anticipate and would only become better understood with the passage of time.

The unsettling circumstances outlined above notwithstanding; it is especially gratifying to report that the ELIDZ has emerged from a challenging year with some remarkable results achieved against its’ targets.

The annual value of new private fixed investments attracted was higher than anticipated, at R986 million. This sets the stage for the reproduction of economic multiplier opportunities and benefits for the metro and its citizens, well into the future and will be a critical contributor to the province’s economic recovery efforts.

Comparatively, it is also particularly pleasing to note that in a year that spawned cash flow and other operational challenges for many businesses, three (3) existing investors on the ELIDZ platform who expanded their operations due to a significant growth in market demand. The growth in reported export-oriented production in the zone and a similar upward trajectory in the reported turnover of zone enterprises were a further positive surprise as the zone closed this difficult year.

In addition to the positive performance-against-targets numeric information that is set out more fully elsewhere in this report, there has been the all-important reinforcement of our confidence. Confidence born of the realisation that the entity has the ability to navigate hitherto unknown adversities with resilience. This experience, in and of itself, brings with it a strengthening of our general outlook and courage to press on towards the achievement of the organization’s ambitious five-year strategic agenda.

This report would be amiss if the positives it narrates above were presented as though these were entirely ‘own achievements’. They were definitely not. It is acknowledged with much appreciation the fortitude shown by the industries operating from its platform and so mitigated these pandemic conditions. Likewise, we salute the members of the ELIDZ’s construction and services teams that kept industrial development activity and operations running throughout this period, while maintaining compliance to the COVID-19 related regulatory constraints.

It is acknowledged that no organisation remained unscathed by the extraordinary conditions of 2020/21. By and large, industries operating from the SEZ acted swiftly and responsibly to adapt to the ‘new normal’ -- and so mitigated the debilitating social and economic effects of the pandemic. This also assisted to limit instances of investor business failure and liquidations to an absolute minimum, although some did occur and negatively impacted employment in the SEZ.

Regrettably, the reported data in relation to job creation and retention exposes one area where we wish we could have performed better. However, even in this context, the ELIDZ can report that some investors are moving to increase their committed investment and will in due course be expanding their operational footprint in the zone.

This creates sufficient confidence that it is only a matter of time before the ELIDZ will achieve performance recovery in employment figures (as well as in other deliverables where progress may have fallen below the level that the entity might have hoped for, while the COVID-19 restrictions remained in effect).

Looking back on the year, the SEZ and its host region are greatly indebted to the continuing support of the national SEZ Programme and its many contributing partners and agencies; collaborating across municipal, provincial and national government terrains.

The ELIDZ’s operations are sustained and enhanced thanks to the engagement and support of its mother department, the provincial Department of Economic Development (DEDEAT), and its close working relations with the Buffalo City Metropolitan Municipality (BCMM).

Industrial activity and development in the region is continuing to benefit from the sound relations that the SEZ has forged with -- and between -- local industries, notably in the automotive sector. Local OEM Mercedes Benz of South Africa continues to anchor and stimulate significant and much valued inward fixed investments by its auto component suppliers.

The ELIDZ boasts positive achievements as reflected in this annual report. However, it would be remiss of the ELIDZ failed to signal that the virus remains an issue of serious concern for industry and that the SEZ undoubtedly faces more challenging situations over the remainder of the current strategic term.

There is continuing uncertainty regarding the performance of the global economy and the future patterns of post-pandemic value chains recovery and foreign direct investment (FDI) flows. Closer to home, the ELIDZ is also mindful of the cyclic nature of automotive sector investment for East London given the city’s association with MBSA as an economic anchor.

While these factors continue to cause uncertainty in the achievement of the entity’s long-term aspirations, they can also be viewed in a positive light to the extent that they drive us to explore other potentially strong sectors of opportunity resulting in the diversification of the economic base of the province. To this end, the ELIDZ has prioritised the exploration of the potential that has been foreseen within the ICT sector and other emerging sectors.

The ELIDZ strategic plan for the 5-year cycle places emphasis on raising the level of its resolve to remain implementation oriented. For the purpose of optimising industrial activity, economic growth and development for the Eastern Cape, the board and management seek to strengthen key enabling stakeholder engagements, develop closer working relationships and establish collaborations within the community of SEZ partnering institutions, in the interest of enhancing the delivery of shared outcomes.



Professor M.W. Makalima
Board Chairperson
Accounting Authority



ORGANISATIONAL STRUCTURE

ELIDZ EXECUTIVE MANAGEMENT



SIMPHIWE KONDLO

Mr Simphiwe Nicholas Kondlo is a seasoned engineer. He holds a Masters in Engineering Management and has more than 23 years' experience spanning over various fields including civil and agricultural engineering.

Mr Kondlo is a former Chief Executive Officer of Amatola Water and one of his career highlights was leading the team that set up the water utility and built profitable relationships with a number of municipalities.

In 2004, Mr Kondlo joined the ELIDZ as Chief Executive Officer. With him at the forefront, the ELIDZ managed an intensive infrastructure development programme which transformed a greenfield site into a fully-fledged industrial development hub.

The Zone has secured more than R7 billion worth of investment since Mr Kondlo took over the reins and it continues to flourish into a front-runner multi-sector Industrial Development Zone. As the CEO of the ELIDZ, Mr Kondlo has also played a significant role in shaping the policy framework of the South African IDZ programme and he has successfully led the ELIDZ into becoming the first of the existing IDZs in South Africa to be gazette as part of the new Special Economic Zones dispensation.

NOMSA MAKHOBA

Ms Nomsa Makhoba is the Executive Manager: Corporate Affairs. She is charged with an oversight role of one of the two largest Business Units within the ELIDZ, the Corporate Affairs Business Unit. Over the past 27 years, Ms Makhoba has plied her trade at numerous organisations – both private and public sector - where she fulfilled various managerial roles. These include her first managerial position as a Departmental Manager at Woolworths (Pty) Ltd, General Manager: Corporate Services at Qinisa Construction, Corporate Service Director, Business Development Executive and Executive Manager: Corporate Services at Johannesburg City Parks & Zoo to offer but a glimpse into her illustrious managerial career.

Her extensive experience in Corporate Affairs is complemented by a number of academic qualifications and courses including a B.Tech in Marketing and a Masters Degree in Business Leadership.

Makhoba's current responsibilities at the ELIDZ include managing the strategic and operational human resource function, facilitating efficient and effective management at the legal function, operationalizing excellence of the Information Communication and Technology function, marketing and corporate communication, SHEQ and administration of record keeping.



GIFT HAPPYMORE MATENGAMBIRI

Mr Gift Matengambiri, a Chartered Accountant (South Africa) is the Chief Financial Officer. He has vast experience spanning close to a decade working within the auditing, financial accounting, taxation and financial management fields. Accompanying his depth of experience in finance are his notable tertiary qualifications. He holds a B. Compt (Honours), Certificate in Theory of Accounting (CTA), and Chartered Accountant (South Africa). He has applied his trade and shared his experiences with various organisations such as Auditor-General South Africa, AMG Global Chartered Accountants and Morar Chartered Accountants as a Director responsible for the Polokwane Branch. He has been instrumental in helping the organisation strengthen its financial management control and reporting.



TEMBELA ATWELL ZWENI

Mr Tembela Zweni is the Chief Operations Officer. He is a seasoned business professional with a strong business management and economics background. His working career spans a wide variety of public and private institutions such as Corporate Banker at Standard Corporate and Merchant Bank; Asset Finance at Wesbank and CEO of the Uitenhage- Dispatch Development Initiative. As a CEO of UDDI he oversaw development and implementation of the mega projects such as the Automotive Logistics Park, the Science Park and various Agricultural and Manufacturing projects in Nelson Mandela Metropolitan Municipality.

He is one of the first black professionals to be involved in the electrification of townships directly by Eskom in the early 1990s. Zweni holds a Honours degree in Economics, Master's degree in Business Administration and has vast experience in various sectors including Pharmaceuticals, Tourism, Leather, Timber and Automotive.

His current responsibilities at the ELIDZ include the management of the organisation's infrastructure development programme, property, investment promotion, investor settlement and post settlement after-care.



ORGANISATIONAL STAFF COMPLIMENT

CHIEF EXECUTIVE OFFICER

MANAGER: OFFICE OF THE CEO					
OFFICE OF THE CHIEF EXECUTIVE OFFICER					
Functional Area	EM	MG	SP	AS	T
Office of the CEO	1	1	-	2	4
Company Secretarial Support	-	-	1	-	1
Corporate Strategy and Planning	-	-	1	-	1
Project Portfolio Management	-	1	1	-	2
Assurance	-	-	1	-	1
Total Filled Positions	1	2	4	2	9
Research	-	-	1	-	1
Total Vacant Positions	-	-	1	-	1
Total Positions	1	2	5	2	10

CHIEF FINANCIAL OFFICER					
FINANCIAL MANAGEMENT					
Functional Area	EM	MG	SP	AS	T
Financial Management	1	-	-	1	2
Financial Control & Reporting	-	-	1	2	3
Financial Management, Reporting & Administration	-	1	1	2	4
Management & Cost Accounting	-	1	-	-	1
Supply Chain Management	-	1	3	-	4
Total Filled Positions	1	3	5	5	14
Financial Management	-	-	-	1	1
Total Vacant Positions	-	-	-	1	-
Total Positions	1	3	5	6	15

CHIEF OPERATING OFFICER					
OPERATIONS					
Functional Area	EM	MG	SP	AS	T
Zone Operations	1	-	-	3	4
Sector Development & Investment Promotion	-	3	1	-	4
Project Management & Coordination	-	1	3	-	4
Property Portfolio Management	-	1	-	1	2
Maintenance & Facilities Management	-	1	3	1	5
Investor Support Services Management	-	1	3	2	6
Science & Technology Park	-	1	1	3	5
Laboratory	-	-	3	2	5
Total Filled Positions	1	8	14	12	35
Laboratory	-	1	1	-	2
Maintenance & Facilities Management	-	-	1	1	2
Total Vacant Positions	-	1	2	1	2
Total Positions	1	9	16	13	39

EXECUTIVE MANAGER: CORPORATE AFFAIRS					
CORPORATE AFFAIRS					
Functional Area	EM	MG	SP	AS	T
Corporate Affairs	1	-	-	2	3
Human Capital & Legal Services	-	1	3	-	4
Corporate Communications	-	1	3	1	5
Information Communication & Technology Management	-	1	4	-	5
Safety, Health & Environmental Management	-	1	3	-	4
Records Management	-	1	1	1	3
Total Filled Positions	1	5	14	4	24
Human Capital & Legal Services	-	-	1	-	1
Safety, Health & Environmental Management	-	-	-	1	1
Total Vacant Positions	-	-	1	1	2
Total Positions	1	5	15	5	26

EM: EXECUTIVE MANAGER
 MG: MANAGEMENT SPECIALIST
 SP: SPECIALIST
 AS: ADMIN / SUPPORT
 T: TOTAL

KEY PERFORMANCE HIGHLIGHTS

R981.5 MILLION SECURED NEW INVESTMENT

6 CONSECUTIVE CLEAN AUDITS

3945 JOBS ACTIVE ON THE ELIDZ'S PLATFORM

2149 CONSTRUCTION JOBS CREATED WITHIN THE COVID-19 ENVIRONMENT

43 INTERNS

12 BURSARY BENEFICIARIES

R1.16 BILLION WORTH OF EXPORT VALUE

154.7% GROWTH IN EXPORT-ORIENTED PRODUCTION BY SEZ ENTERPRISES.

155.5% GROWTH IN INDUSTRIAL TURNOVERS OF ZONE ENTERPRISES.

R2.29 BILLION WORTH OF INDUSTRIAL TURNOVER

2 PROTOTYPES DEVELOPED THROUGH THE ELIDZ STP

10 NEW FACTORIES OPERATIONALISED IN 2020/21

LOCAL PROCUREMENT

89% OF CONTRACTS AWARDED TO LOCAL CONTRACTORS

61% OF SUB-CONTRACTABLE CONSTRUCTION WORK FOR TENDERS ABOVE R30 MILLION subcontracted to designated groups.

KEY PERFORMANCE HIGHLIGHTS - CONTINUED

142 SKILLS DEVELOPMENT BENEFICIARIES TRAINED in the ELIDZ STP.

ONE INCUBATOR ACTIVE ON ELIDZ PLATFORM

16 CSI INITIATIVES IMPLEMENTED IN 2020/21

10.65% YEAR-ON-YEAR GROWTH IN ELIDZ CSI SPENT

...a salute must go to the members of the ELIDZ's construction and services teams that kept industrial development activity and operations running throughout this period, while maintaining compliance to the imposed regulatory constraints.



CHARTING THE WAY FOR OTHER SOE'S IN ENFORCING 30% SUBCONTRACTING

In the past two years the ELIDZ has overseen the construction and expansion of 16 facilities in the Zone – the greatest number of infrastructure projects by a South African Special Economic Zone (SEZ) in history.

The East London Industrial Development Zone's SOC Ltd (ELIDZ) Automotive Sector has, despite challenging times, experienced incredible growth in relation to investor attraction. The sector has attracted 16 new investments thus far.

These new investments translate into R3,3 billion worth of private sector investment.

In that regard, the multi-million-rand projects provided emerging construction companies with a much-needed boost towards experience and skills development. At the end of quarter four of the financial year in review a total value of more than R247 million of construction contracts were awarded, through the government's preferential procurement policy, to 51% Black owned Small, Medium and Micro Enterprises (SMMEs) with CIDB gradings 1-7.

The preferential procurement contracts and construction projects yielded thousands of jobs and cushioned the sector from a major collapse which could have been experienced due to the challenges brought by the COVID-19 pandemic. One of the SMMEs fortunate enough to have been awarded a contract through this process is Sawren Construction Pty Ltd, a civil and construction company that was established in 1994.

According to one of the company Directors, Nkosindiphile Jafta, they took over the ownership of the company in 2017. "Since then, the company has seen significant growth and has become a vastly diversified company, involved in all elements of civil engineering and offers a wide variety of construction options. The company is also invested in providing the highest quality and satisfactory outcomes based on the requirements. We are a Level 1 BBBEE certified company with a CIDB grading of 6 CEPE and 6 GBPE," he said.

As part the preferential procurement regulations, Sawren Construction Pty Ltd was awarded a more than R11 million worth of a contract to attend to civil works and fire services at the Auria construction project. As a result, during the execution of ELIDZ sub-contracts scope the company created 30 job opportunities for locals within the East London area.

Meanwhile, Jafta stated that his company's association with the ELIDZ has contributed towards raising the profile of his company within the civil and construction industry. "Our association with ELIDZ has provided us with a platform to be known by bigger companies operating within ELIDZ. We are hopeful that the quality of work we have delivered so far as an SMME will open more opportunities for our company. We are confident that through SMME opportunities we will be able to create more work opportunities and develop the much-needed local labour industry skills through our in-house trainings," said Jafta.

The success of Sawren Construction Pty Ltd is testimony to the ELIDZ's concerted effort to drive SMME development and make opportunities available to budding construction companies in the region.

The preferential procurement regulations were introduced by government in 2017 to drive transformation, including the empowerment of designated groups and SMMEs through subcontracting and prequalification. The preferential procurement regulations stipulate that where feasible, organs of state must apply subcontracting conditions to contracts valued at more than R30 million. These conditions are that 30 percent of the value of the contract be subcontracted to designated groups, which include majority black-owned small and emerging enterprises, which can be run by women, youth, the disabled, rural enterprises, military veterans or cooperatives.

16 NEW INVESTORS in the Automotive Sector attracted since 2018

R3.3 BILLION worth of private sector investment signed since 2018

20 SMMEs awarded contracts with CIDB gradings of 1-7

ELIDZ CONSTRUCTION PROJECTS SOFTENS THE BLOW IN JOB LOSSES DUE TO COVID-19

In a year that was characterised by uncertainty, dismay and fear, the East London Industrial Development Zone SOC Ltd (ELIDZ) defied all the odds to deliver more than 2100 construction jobs for local communities in the 2020/21 Financial Year (FY).

This as the organisation had 15 factories at different stages of construction, a feat that was impossible given that the novel coronavirus (COVID-19) was at its peak across the globe.

According to the ELIDZ Chief Executive Officer, Simphiwe Kondlo, at the time, construction industry members (owners, developers, contractors, subcontractors) experienced varying degrees of impact due to the COVID-19 pandemic. The nature and extent of the ramifications depended largely on the location of projects as well as their importance to resuming economic activity.

“At the height of the pandemic, direct impacts ranged from a slowdown of available goods and labour through to suspensions and, in some instances, terminations of parts or entire projects – a phenomenon experienced by many around the world. Construction activities remained in flux for the better part of the year in South Africa and were at the mercy of the speed at which the virus was spreading across the country,” said Kondlo.

Kondlo added that to save jobs and ensure project delivery, the ELIDZ acted swiftly and engaged its constructors to foster a collaborative partnership in formulating project-by-project solutions in the face of a new global and national environment. The full breadth and scope of the solutions needed to address issues arising from the pandemic, which were largely unknown at the time but had to be planned for.

“The new realities affected almost every aspect of the construction process which included contract or project notices for default, scheduling and adjustments; project suspension, termination and reinstatement; Occupational Safety and Health Administration (OSHA) and workplace safety compliance; work force management; material, subcontractor and supply chain delays and impacts; risk management and insurance, to state but a few.”

However, as the government continued to implement the risk adjusted approach to opening critical sectors in the country, on 01 June 2020 the construction industry also resumed its activities. Necessary adjustments on project schedules, if any, were effected to ensure that each project reaches completion on time and in line with revised timelines.

Some of the facilities under construction at the time were those of Mercedes Benz South Africa’s Automotive suppliers and had to be completed well ahead of the start of production for the new generation of the Mercedes Benz C-Class. The pressure did not make it easy on any of the parties involved but a plan was put in place to ensure completion of all projects ahead of time.

Furthermore, to curb the spread of the virus at the various construction sites upon resumption of activities, all constructors implemented applicable preventative measures as the outbreak spelt further delays to projects.

“However, amidst this pandemic, the ELIDZ was able to create 2149 jobs in one of the most unforgiving outbreaks in the history of mankind. Furthermore, this pandemic has defined the character of the ELIDZ which is that of braving the roughest of storms to ensure delivery on the set mandate, in as far as economic growth, job creation and community development is concerned,” concluded Kondlo.

2149
JOBS created
during the construction
of the new facilities



ELIDZ CONSTRUCTION PROJECTS, A SHOT IN THE ARM FOR EC YOUNG GRADUATES

The ELIDZ's concerted effort towards skills development proves to be a winning formula for young graduates. In a bid to make a meaningful contribution towards the development of engineers, architects – to name a few – the ELIDZ is running a construction internship programme through its Supply Chain Management Unit.

Driven by the realisation that there is more needed to be done in growing skills amongst previously disadvantaged groups, four years to the day, the ELIDZ decided to, as a part of the preferential procurement process, include a requirement that successful bidders train young graduates through the duration of the project. Guided by their policies, the contractor or sub-contractor oversees the appointment and training of the young professionals, including assigning a mentor for the chosen candidates.

This is a proactive approach by the ELIDZ to address socio-economic challenges plaguing our youth, including the high rate of unemployment amongst that group.

According to the Quarterly Labour Force Survey, which was conducted during the first quarter of 2021, the unemployment rate in South Africa is currently sitting at 32,6%. This skills development programme is a direct response to this national pandemic.

Civil Engineering graduate, Teko Njube (30), from Mthatha, is one of many youths to use this programme to launch their careers.

Currently employed at Mpumalanga Construction, a main contractor within the ELIDZ, as a Building Engineer / Technologist, Njube kicked off his career as intern at one of the main contractors which had sub-contracted companies back in 2016. "The opportunity to work with that sub-contractor was the chance I needed to try and prove myself within this field of construction, and I indeed did so," he stated.

Njube recalls the key ingredients to moving up the ladder: "To move within an inch of what I wanted to grow, I had to open my mind to learning new ways and tactics of tackling complex tasks on site. However, one does not stop learning – in our dynamic environment one must always be open to new ideas and welcoming to challenges," said Njube.

To enrich his knowledge in the field and better his chances of growing to senior echelons in construction, Njube has enrolled with the University of South Africa for a Bachelor of Technology (BTech) in Urban Engineering.

Njube lauded the ELIDZ for leading the way in what has now become an industry norm where contractors are, as part of the procurement requirements, mandated to employ interns. Companies, such as the Construction Industry Development Board (CIDB) has also emulated the ELIDZ, which shows the need for such programmes in South Africa.

Meanwhile, in the 2020/21 Financial Year the programme afforded 39 construction interns like Njube an opportunity learn from professionals with their respective fields.

"This was a thoughtful initiative by the ELIDZ, and I will forever be grateful for this opportunity because today I can proudly say that I am able to do my duties on site without any problems and it is because of the thorough training that I received from my managers and supervisors in this programme," Njube said.

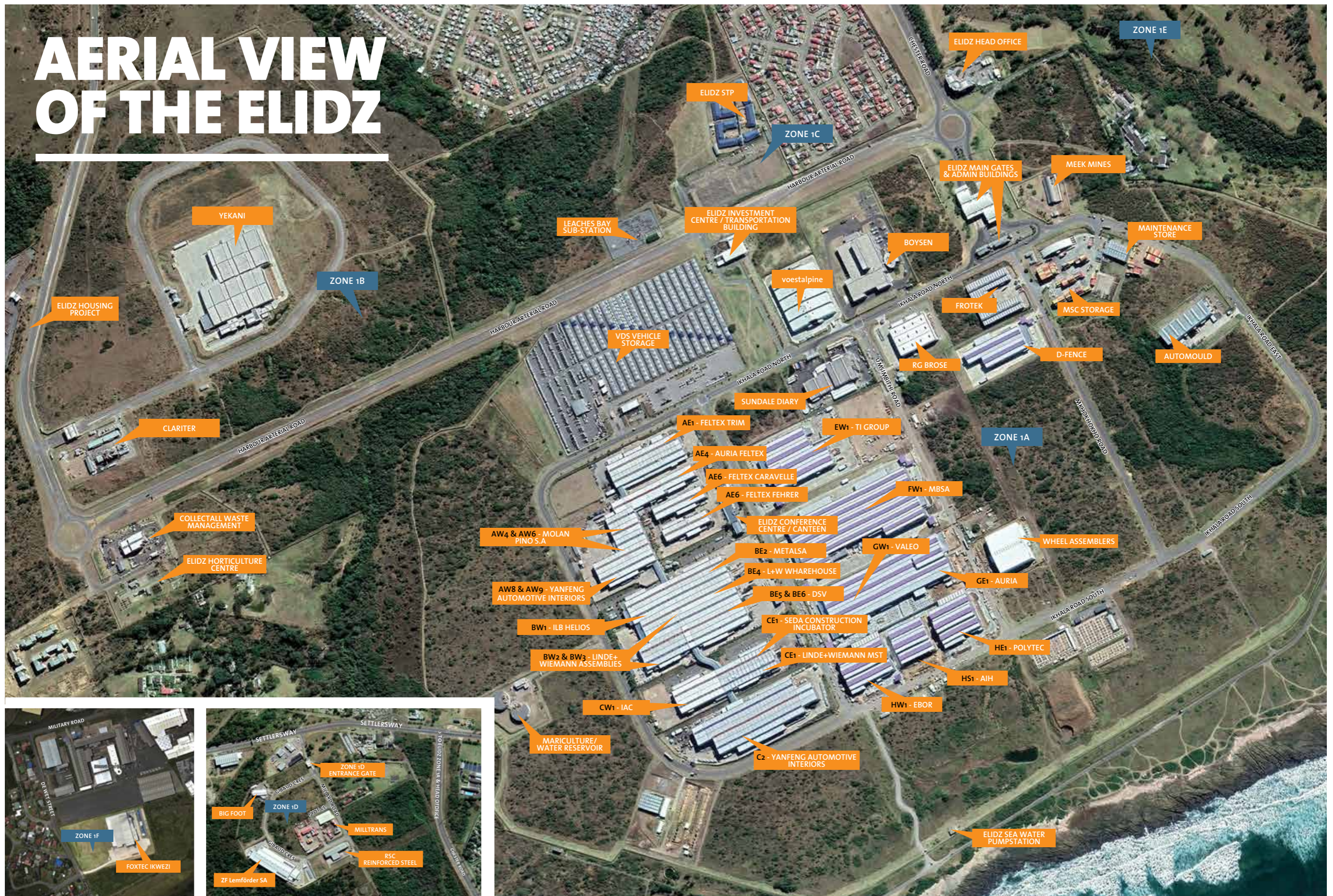
39 **INTERNS** in construction were afforded the opportunity to gain valuable skills in their respective fields.



Mr Teko Njube
Civil Engineering graduate

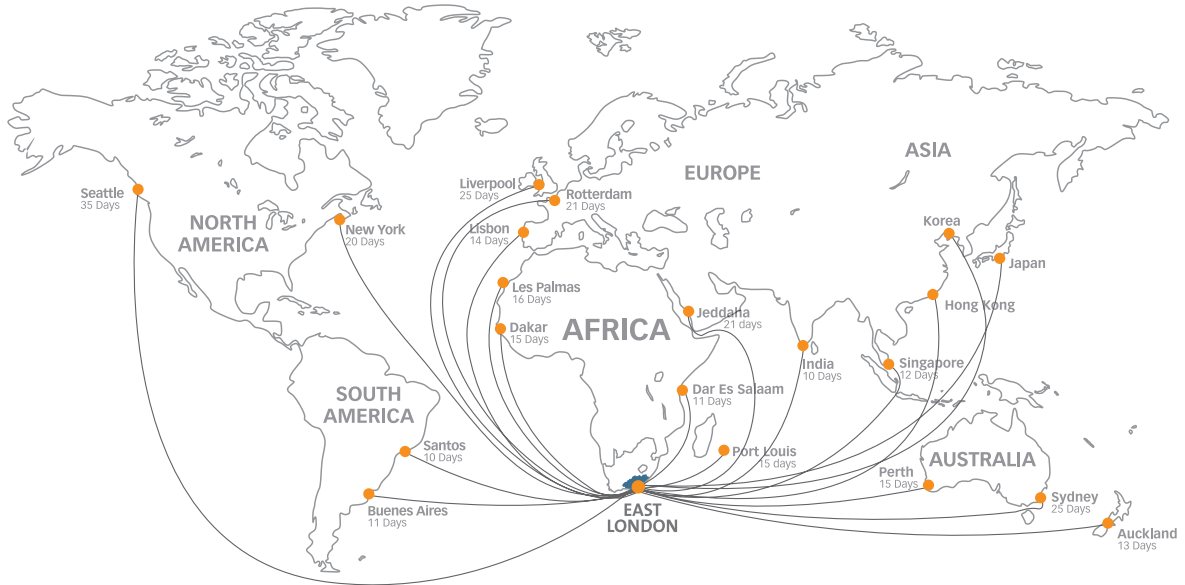


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