

Posted to the web on: 16 May 2008

Imported skills 'add 15% to SA project costs'

Bheki Mpfu

Infrastructure Editor

THE recruitment of foreign engineers to implement infrastructure projects worth billions of rands is adding as much as 15% to the cost of projects as the global scramble for these skills has seen demand far outstrip supply.

"This shortage could certainly slow the roll-out of projects, and is also increasing the cost of that roll-out as many of these skills have to be imported. And because there is global shortage, these skills come at a premium," Council for the Built Environment CEO Bheki Zulu told a built environment symposium in Johannesburg yesterday .

The hunt for foreign skills needed to plug the deficit is adding to the escalating costs of infrastructure projects, which have been driven up by the rise of other input costs such as materials, transport and energy.

"The cost of construction projects had gone up by as much as 15% as a result. The situation is dire when it comes to engineers, construction and project managers. Our system is failing to meet the required pool , " Zulu said.

Demand was being driven by the government's multibillion-rand infra-structure spending on stadiums, transport and energy in preparation for the 2010 Soccer World Cup.

Zulu said that according to a recent skills audit conducted by the council, there were not enough skills entering the system while a lot of skills were being lost.

"T rends suggest this critical skills base is at a decline. There are insufficient new entrants to offset the number exiting and the representativity of the sector is still at odds with what can be considered adequate," said Zulu.

Murray & Roberts CE Brian Bruce said the major problem was the shortage of experienced people in the sector.

"The immediate consequence is that the pricing of projects is getting higher because a lot of these skills have to be brought from outside. And because there is high demand for them globally, they come here at a premium," he said.

"A lot of people we are getting locally are inexperienced 20-year-olds and we have to head hunt experienced people outside SA. The shortage of experience is across the board, including engineers, and project and construction managers.

"We also find unwillingness by experienced people from other countries to come to SA because of the negativity the country has been getting, especially as a result of crime. And the xenophobic attacks such as those in Alex are not helping."

Murray & Roberts human resources director Junaid Allie said yesterday the company was struggling to find experienced people. Foreigners put a premium on their salary demands when they were being head-hunted. He said wage costs in the sector were rising 12%-15% annually.

"The implication of bringing in skills from abroad is that project costs will be higher, and clients know there is pressure around skills."

Chairman of the council Sipho Madonsela, who also runs an independent engineering consulting firm, said the shortage of engineers was so severe that he had not been able find a structural engineer for the past 24 months.

"This is a huge problem when it comes to delivery of projects," he said.

BDFM Publishers (Pty) Ltd disclaims all liability for any loss, damage, injury or expense however caused, arising from the use of or reliance upon, in any manner, the information provided through this service and does not warrant the truth, accuracy or completeness of the information provided.



Copyright © 2004 BDFM Publishers (Pty) Ltd. All Rights Reserved
[Site Feedback](#) | [Privacy Policy](#)
