



Nam builders ramp up pressure on Govt over Chinese firms

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CHINESE construction companies in Namibia are operating illegally, and "completely ignore" Namibian laws, an organisation representing the building industry alleges.

The Construction Industries Federation of Namibia (CIF) claims that "not one single Chinese [building] contractor in the country is in possession of a valid affirmative action compliance certificate".

The CIF was reacting to an internal Ministry of Labour report about the degree to which construction companies abide by laws and regulations, which was reported in The Namibian recently.

In a statement issued on Friday, the CIF further alleged that "Government fails to act, although the Employment Equity Commission (EEC) and the Tender Board of the Government are fully aware of the situation".

Further, it said that "Chinese contractors are able to artificially reduce [the price of] their tenders by not respecting Namibia's laws, which are substantial add-on costs to formal constructions costs" when calculating tender applications.

"The Social Security Commission Act requires that every employee employed by a duly registered company must be fully registered as an employee [with the SSC].

It further requires that every registered employee must enjoy maternity leave, sick leave, be a member of a death-benefit fund, a medical benefit fund and a compulsory pension fund.

Companies must pay contributions for every employee."

Most Chinese firms avoided this and as a result could tender more cheaply than Namibian companies, it said.

"It is common knowledge ... in the building industry that the Chinese contractors are breaking the laws that control the building industry, laws which ensure an equitable competitive building procurement environment.

"So much so, that the larger law-abiding building contractors that operate in the country are now refusing to submit tenders when Chinese contractors are tendering, for fear of becoming party to an illegal process," the CIF said.

In terms of the Affirmative Action Employment Act, every company employing

25 workers or more must possess a valid Affirmative Action Compliance Certificate.

"Not one single Chinese building contractor is in the possession of such a certificate, even though they regularly record in their tenders submitted to the Department of Works and the Government's Tender Board that they employ more than 25 workers and in one case up to 170 workers," the CIF claimed.

According to Clause 4 (1a) of the Affirmative Action Employment Act, it is illegal for the State to enter into any contracts with employers who do not have an AACC.

"It can therefore be safely assumed that every building contract entered into by the State [with Chinese building companies] since 1998 is illegal, but this is consistently being flouted by the Government's Tender Board and the Employment Equity Commission," the CIF noted.

The Tender Board consists of all Permanent Secretaries and holds weekly sessions every Friday.

The CIF added that the internal report compiled by the Labour Ministry on the construction sector was not comprehensive enough, as the situation in northern Namibia was not included and 80 per cent of CIF members were not represented in the report.

Neither were architects, engineers and quantity surveyors included and some Chinese companies were left out.

"We want the true facts and the full picture," the CIF said in the statement.