

Small business scores

SMMEs set to earn millions as motor giant acts to ward off threats

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BLACK-owned small businesses in Nelson Mandela Bay are set to receive a minimum of R300-million worth of contracts as Chinese automaker BAIC begins ramping up construction of its delayed R11-billion car plant in Port Elizabeth.

With the construction component of the project already months behind schedule – due largely to demands for contracts by Bay black SMMEs – BAIC and its South African shareholders, the Industrial Development Corporation, revealed their construction plans yesterday.

This included the phases of construction and exactly how black entrepreneurs and communities living in the vicinity of the Coega plant can benefit.

BAIC South Africa, the official name of the new Bay company, also put an end to speculation about the procurement of building materials.

It said between 80% and 85% of the procurement value for the civil building works



ALLAYING FEARS: Uhambiso Consult managing director George Gerber and BAIC SA senior representative Sun Tongli at a media briefing yesterday Picture: FREDLIN ADRIAAN

would be from South African companies, while 15% to 30% of the procurement value for the vehicle assembly plant would be from South African suppliers.

The details emerged at a media briefing held in the city yesterday.

With presentations at the event built squarely around SMME involvement and benefits for Bay communities, it

was clear BAIC and the IDC want to put an end to threats to disrupt and halt construction at the site.

They also wanted to assure small black businesses that a minimum of 35% (about R300-million) of the R800-million to be spent during the first phase of the project was guaranteed to be allocated to black SMMEs.

“We want you to use your

voices to make it known that there are extensive opportunities available for SMMEs.

“There will be fair distribution of work, which has been distributed across CIBD [Construction Industry Development Board] grades and which encompasses SMMEs with lower grades,” George Gerber, managing director of Uhambiso Consult, which is overseeing construction, said.

Gerber acknowledged that SMMEs had impacted on the delays in construction at the site and that there had been serious financial implications as a result.

“We are bleeding. The delays cost money,” he said.

“We now need to focus on preventing any more delays.”

The event was also addressed by BAIC SA vice-chairman Zhang Liang and a senior representative of BAIC SA, Sun Tongli.

“Up until now, we have had just one contractor on site,” Tongli said.

“We will now have four on site, so construction there is picking up pace.

“The project is on track and we still anticipate meeting our completion targets, with much of the first-phase construction to be completed by January.”

As an example of how the project was being ramped up, Gerber said contractors would be laying 13 000m³ of concrete in the coming months.

“This is a massive undertaking,” he said.

“The concrete will be laid over 25 days, with the concrete being laid every day and night over those days.”