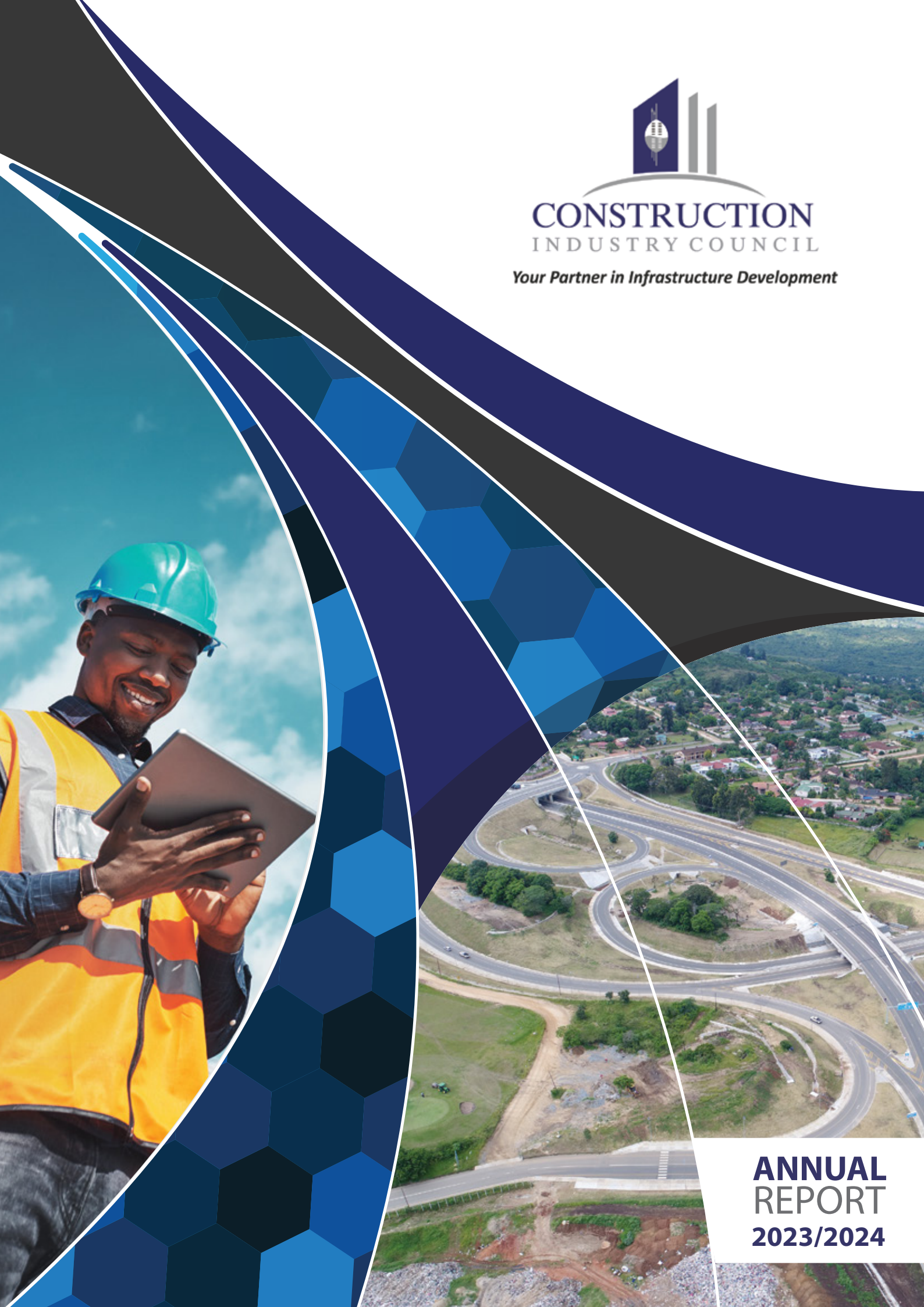




CONSTRUCTION
INDUSTRY COUNCIL

Your Partner in Infrastructure Development



**ANNUAL
REPORT
2023/2024**

Our Purpose



We regulate, develop, and promote the construction industry to improve the socio-economic status of Eswatini.

Our Intent



To transform the construction industry to attain competitiveness and excellence.

Values



The Values of the CIC are:

- **RESPECT** - We respect for ourselves, colleagues, and stakeholders.
- **COMMITMENT AND DEDICATION** - We are accountable and responsible for our work and results, whilst putting in extra effort.
- **PROFESSIONALISM** - We are committed to performance excellence and adherence to our code of conduct.
- **EXCEPTIONAL COMMUNICATION** - We foster a trustful environment through delivering timely and effective feedback, whilst balancing openness with confidentiality.
- **INTEGRITY** - We stick to our values and uphold the highest ethical standards.
- **ACHIEVEMENT** - We meet and exceed our targets and goals.



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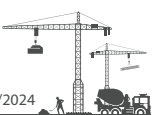
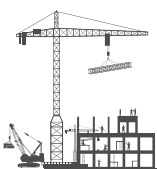
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Honourable Minister Remarks



The Government of Eswatini has prioritised infrastructure spending as a catalyst for stimulating construction activity and economic growth. The 2023/24 budget has allocated a significant amount mainly towards completion of ongoing capital projects, infrastructure maintenance works and rehabilitation of existing roads.





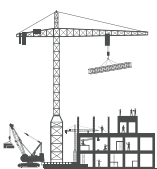
10 per cent increase in rail, roads and office buildings

This is aimed at stimulating job opportunities, ensuring the country has quality infrastructure that will ensure the country is a destination of choice, encourages trade and supports economic growth. The public infrastructure budget includes rail, roads and office buildings and amounts to E5.89 billion in 2023/24, which is a 10 per cent increase from the E5.32 billion allocated the previous year.

The Ministry has also targeted increasing the participation of Emaswati in construction works, with increased opportunities to be made available, given the increased budget allocation, especially for maintenance and rehabilitation works, as well as the construction of feeder roads.

We look forward to the review of the Construction Policy, the Construction Industry Council (CIC), and the Architects, Engineers, Surveyors, and Allied Professionals (AESAP) legislations, which is spearheaded by our Ministry and involves all key industry stakeholders. Our aim is that the reviewed legislation should be completed by the end of the coming year, 2024/25. Finalisation of the legislation will not only assist the Ministry in improving its governance framework but also support the development of the industry to reach contractor and national goals.

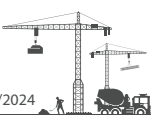
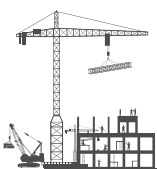
Chief N. Ndwandwe
Hon. Minister for Public Works and Transport



Chairperson's Foreword



The financial year 2023/24 saw the Council conclude the implementation of its 2019/20 2022/23 strategy. In terms of the Board playing its oversight role of ensuring the Council's interventions are impactful in terms of influencing policy and ensuring a conducive environment that ensures a level playing field for contractors to have access to construction works, it will be of utmost importance that the next 3-year strategy should make these areas a priority.





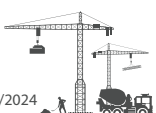
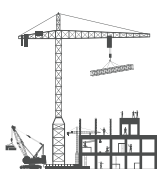
In the year under review, the Board concluded its business by staging a Stakeholder Forum, which was graced by the Honourable Minister of Public Works and Transport, the Hon. Senator President, members of both Houses of Parliament, captains of industry, and other key industry stakeholders. The Forum, which was themed “levelling the ground for local contractors to participate in the economic space”, was held under the Ministry and Council’s aim of achieving the economic empowerment of local Contractors, Consultants, and Building Material manufacturers and suppliers by providing fair access to available local opportunities for infrastructure projects.

The Board is cognisant of the need to ensure the participation of all construction industry stakeholders in industry-related matters and, hence, will, in the forthcoming year, ensure that industry challenges and opportunities are addressed through the involvement of all

relevant stakeholders, including the Government and the private sector. This exercise will be important, especially amidst declining public investment in infrastructure, which has culminated in the struggle and/or closure of a number of construction companies.

The Council will continue to focus on improving service delivery and strengthening the regulatory environment, which will be an opportunity to address the existing legislative gaps and ensure positive spillover effects to the industry. We are looking forward to the development and conclusion of the Construction Policy, CIC and AESAP Acts and regulations, which are currently under review.

SANDILE MAKHUBU
CHAIRPERSON

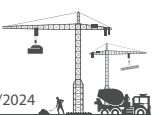
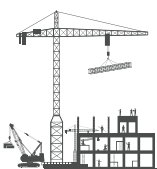


Chief Executive Officer's Performance Report- 2023/24



Introduction

This report has been prepared in accordance with the CIC Act No. 14 of 2013 and the King IV Report on Corporate Governance. The report provides a comprehensive overview of the construction industry performance, activities of the Council, and its financial and non-financial performance for the period covering 1st April 2023 to 31st March 2024. The report also gives a detailed overview of the CIC strategy 2024/25 – 2026/27 and all other matters considered imperative for stakeholders to make an informed assessment of the CIC.



Key Industry Performance Highlights

Global Economic Developments

The global economic activity was projected to slow from 6.1 per cent in 2021 to 3.4 per cent in 2022, according to the IMF's World Economic Outlook published in April 2023. Recent projections predicted that global economic activity will slow down to 2.7 per cent in 2023 before settling for a modest improvement of 2.9 per cent in 2024. This prediction for 2023 is the lowest rate of growth since the 2017 global financial crisis, perpetuated mainly by the COVID-19 pandemic. Whilst the global economy was recovering from the effects of the pandemic, a new economic threat emerged, emanating from geopolitical tensions and particularly the Russia- Ukraine conflict. The declining economic performance is largely driven by the rising interest rates aimed at controlling inflation, coupled with the Russia- Ukraine war and its spillover effects.

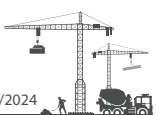
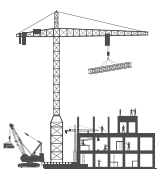
The construction industry is expected to remain under pressure due to elevated inflationary pressures emanating from the escalation of commodity prices as well as disruptions in supply chains, which Eswatini relies heavily upon for construction materials (Eswatini Economic Review, April 2023).

Domestic Economic Overview.

The construction sector accounts for about 3 percent of Eswatini's total GDP. Furthermore, the

sector generates substantial indirect and induced effects; investments in construction boost demand in related sectors, such as manufacturing (e.g., cement and steel) and transportation, with a multiplier effect of approximately 1.5 to 2.0. This means every E100 million invested in construction creates an additional E150-E200 million in economic activity across other sectors.

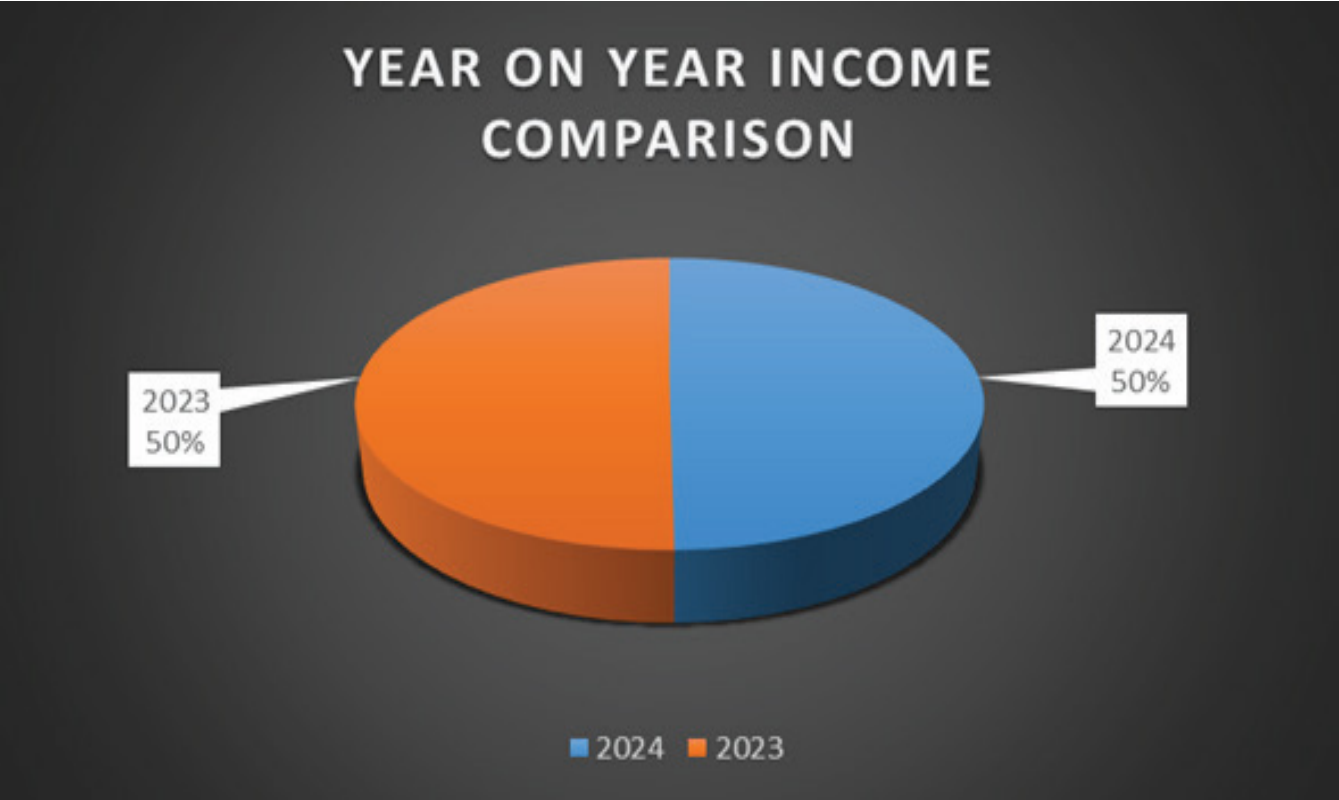
Hence, during the year under review, economic activity is expected to grow by 3.6 percent in 2024 after recording a growth of 5 percent in 2023. The growth is attributed to the implementation of several infrastructure projects, including the Mkhondvo-Ngwavuma Augmentation project and the ongoing implementation of the ICC-FISH project. In the medium term 2025 -2027 period, growth is projected to increase due to acceleration in the implementation of infrastructure projects such as the Mpakeni dam, which commenced in 2024. Furthermore, growth will be supported by the commencement of proposed projects, including road construction projects (MR14 and MR21 roads), the Parliament building, and the Strategic Oil Reserve. A number of significant private sector projects that are anticipated to stimulate construction activity will commence in the medium term.



Financial Performance

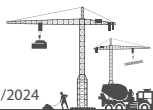
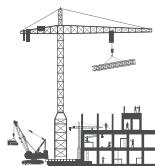
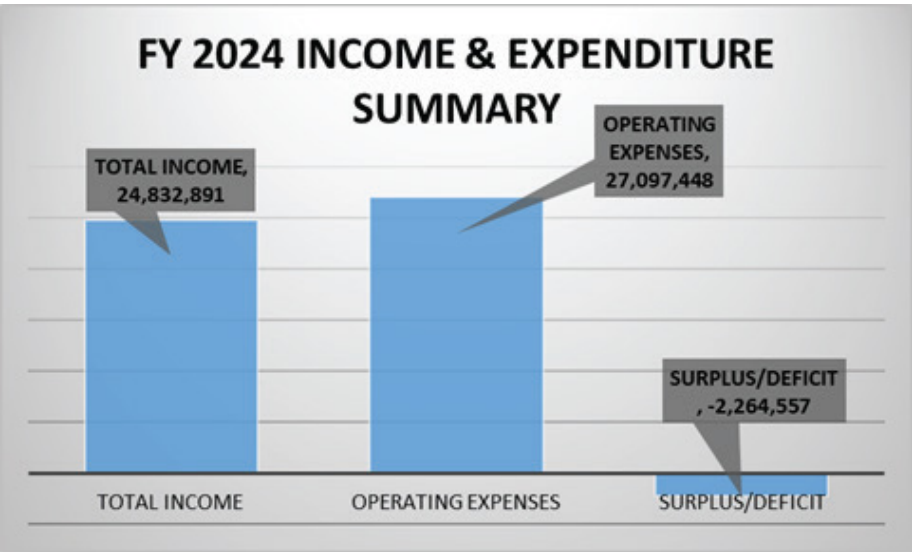
Revenue

The Council’s revenue remained constant when compared to last FY’s income.



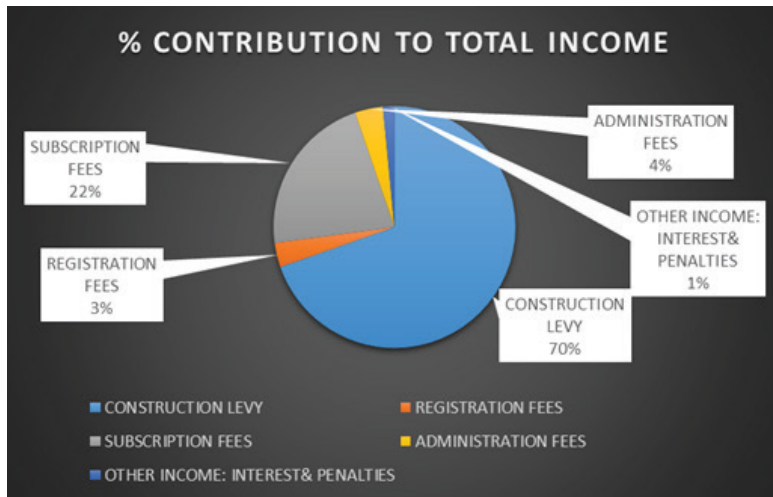
Income and Expenditure analysis

The income for the FY stood at 24.8 million, and the expenses stood at E27 million, resulting in a E2 million deficit.



Council's Revenue Streams

The Council's major source of revenue continues to be the Construction Levy, which even this FY contributed the highest percentage of 70% towards the total revenue received. Further details on the different revenue streams are provided below.



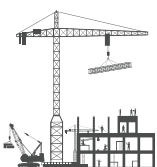
Conclusion and Words of gratitude

We appreciate the continued guidance and support the Council has received from the Ministry of Public Works and Transport, under the leadership of the Honourable Minister for Public Works and Transport, the Hon. Chief Ndlehlhaza Ndwandwe, and the Principal Secretary, Mr. Thulani Mkhaphi, especially in policy-related matters pertaining to industry development.

The Council Board has continued to support industry development and the implementation of a regulatory framework by playing an effective oversight role in achieving the Council's overall Vision.

I also wish to convey my appreciation to the Council's Management and staff for accelerating service delivery and organisational performance through their demonstrated commitment to improved operational efficiency and extensive stakeholder collaboration.

MAQHAWA K. MNISI
CHIEF EXECUTIVE OFFICER



Board Members



Chairperson
Sandile Makhubu



Vice-Chairperson
Nolwazi Dlamini



Member
Bambo Kunene



Member
Thembumenzi Dube



Member
Marianna Pullen



Member
Maxwel Sithole



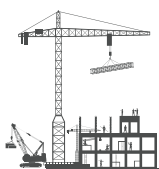
Member
Percy Mazibuko



Member
Vincent Dlamini



Member
Lawrence Mavimbela



Executive Members



Chief Executive Officer
Maqhawe K. Mnisi



Corporate Services Manager
Siceliwe Mngometulu



Finance Manager
Makhosazane Ndwandwa



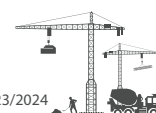
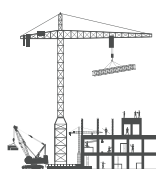
Operations, Procurement
and Compliance Manager
Phumlani Kunene



Research and Business
Development Manager
Catherine Chikosenu-Motsa



Council's Secretary
& Legal Advisor
Mcolisi Mbuli



CIC Board, Governance & Legal Report

1. INTRODUCTION

Subsequent to the appointment of the Board in December 2022, the Board has continued to execute its primary responsibility of providing strategic direction and leadership to the Council. The Board has further ensured that the Council executes its mandate ethically and within prudent risk parameters. As a creature of statute, the board of the Council continues to be guided by the CIC Act, the King IV code of corporate governance and the board charter, ensuring that the Council effectively executes its mandate. The Board is accountable to the Ministry of Public Works & Transport for the performance of the Council.

The Council is established as a corporate body in terms of section 3 of the CIC Act. The Council is

further composed in terms of section 6 of the Act. The Council comprises four industry associations, as outlined in the CIC Act. The Council remains guided by the principles of good corporate governance in the discharge of its mandate and responsibilities.

The Board has remained focused on providing strategic leadership to the Council by ensuring its vision and mission are achieved. The Council has achieved this by having a value system that supports the vision and mission of the organisation. The Council's Board of Directors and its committees are responsible for corporate governance throughout the organization from a strategic perspective.



Governance & Governance Structure

The Council voluntarily aligns with the King IV Code of Conduct as good governance principles. The Board views governance as a peak guide to ensuring that it delivers in terms of the policies, structures and procedures established by the Council. The Board endeavours to ensure the Council is seen as a responsible and good corporate citizen. The Council has a Code of Conduct and Ethics Policy, which is a guide to help employees and the Board live up to the Council's values, abide by the policies and respect the best interests of the Council's stakeholders. The Board is governed by a Charter

which specifies its general governance of the Council and ensures compliance with policies and procedures. The Charter is reviewed regularly to ensure it complies with best practices in corporate governance.

The Council's Board of Directors is responsible for strategic leadership and guidance and ensuring that the Council remains an effective construction regulator by promoting, regulating and developing the construction industry in Eswatini.

Board Appointment And Tenure Of Office

The Minister for Public Works & Transport appoints the Council's Board of Directors in terms of section 6 of the CIC Act. Section 11 of the CIC Act provides that a member shall hold office for a period of four years and may be re-appointed for a further single term of four years.

To ensure efficiency in the execution of the Council's mandate and for the purpose of performing its functions, the Board is empowered in terms of section 13 of the CIC Act to constitute any committee.



Structure And Composition Of The Board

The Council is composed of nine (9) Board members as prescribed by section 6 of the CIC Act. The Board is unitary and is made up of an Independent Non-Executive Chairman, the Chief Executive Officer, three (3) representatives from the Government (Ministry of Public Works & Transport & Ministry of Housing and Urban Development) and five (5) non-executive directors from the construction industry. To ensure efficiency in its operation and execution of the Council's mandate, the Board has co-opted one (1) member of the audit and finance committee.

Board Meetings

In the financial year under review, the Board held three (3) ordinary meetings and five (5) special meetings to discharge its functions. The main matters and issues dealt with were as follows:

- Construction Industry Legislations;
- Appointment of Chief Executive Officer;
- Approval of the 2023/2024 CIC Audited Financial Statements;
- Meeting Industry Associations on input and concerns in the industry;
- Review and approval of the Council's strategy 2024/25 - 2026/27;
- Held the Stakeholder Forum in terms of Section 19 of the CIC Act.

CIC Benchmarking Exercise & Collaborations

To ensure impact and better value in exercising its mandate, particularly the review and amendment of the Construction Industry Legislations, the Board and Executive embarked on a benchmarking exercise with sister regulators in South Africa. During the benchmarking exercise, the Council's Board met with the Construction Industry Development Board (CIDB), the Council for the Built Environment (CBE), the National Home Builders Registration Council (NHBC), the Engineering Council of South Africa (ECSA) and Black Business Council for the Built Environment (BBCBE).

This exercise aimed at enhancing the Board's exposure and experience to assist the Board during the amendment of the Construction industry Legislation. This exercise has further resulted in the Council establishing and reviving collaborations. The Council further considered establishing and developing sustainable regional collaborations and relations for a sustainable construction industry.



Board Committees

To carry out its duties effectively, the Board has constituted three (3) committees, which include the Audit & Finance Committee, the Legal & Compliance Committee and the Human Resources & Remunerations Committee. The Council is empowered, in terms of Section 13, to constitute any committee for the purpose of

performing its functions under the CIC Act. These committees are constituted to assist the Board in performing its duties and for the purpose of performing its functions. Each committee reports to the Board on a quarterly basis on the results and responsibilities of each committee.

Audit And Finance Committee

In the financial year under review, this committee held three (3) ordinary meetings and two (2) special meetings in order to discharge its functions. The main matters and issues dealt with were as follows:

- Review of the 2023/2024 Audited Financial Statements;
- Oversight on the implementation of the

- Council's budget for the financial year 2023/2024 by reviewing quarterly Management Accounts for the financial year;
- Determination of the CIC alternative streams of revenue to ensure that the Council remains sustainable into the future;
- CIC acquisition of Property;
- CIC Risk report and Matrix;

The Human Resources & Remuneration Committee

In the year under review, this Committee held three (3) ordinary meetings and two special meetings to discharge its responsibilities. The main matters and issues dealt with are as follows:

- Facilitated the recruitment of the Council's Chief Executive Officer, together with Kobla Quashie & Associates;
- The Council's proposed operating model, remuneration policy and the revised organizational structure;
- The proposed CIC job grading, profiling and salary benchmarking for the Council;
- The Council's ICT Master Plan.



Legal & Compliance Committee

During the year under review, this Committee held three (3) ordinary meetings and four (4) special meetings in order to discharge its responsibilities. The main matters and issues dealt with were as follows:

- Reviewing the CIC Legislation Scope of work and terms of reference;
- Stakeholder Forum, in terms of Section 19 of the CIC Act;

- Reviewing of Stakeholder Mapping report;
- Reviewing of Conflict and Dispute Resolution Mechanism and Policies;
- Reviewing of construction industry regulatory frameworks;
- Electronic Device Policy.

Construction Industry Legislative Framework

The Ministry of Public Works & Transport, in collaboration with the CIC and AESAP, commissioned a process of reviewing and amending the Construction Industry Legislations. These include the National Construction Policy, CIC Act, no.14 of 2013, AESAP Act no.15 of 2013, and CIC & AESAP Regulations. The above is aimed at ensuring that the industry remains relevant and effectively responds to the needs of the industry. This is further aimed at ensuring that the industry is adequately regulated as it thrives in its contribution to Eswatini's gross domestic product.

To enhance the legislative review process, two committees were established, which include the project steering committee and a working committee comprised of representatives from industry associations. The Ministry, through the Council, appointed ESEPARC as a consultant to facilitate the entire exercise. ESEPARC submitted her working plan, which includes the issuance of an inception report, stakeholder engagement plan and approach and validation exercises. The above exercise is earmarked for completion during the 2024/2025 financial year.



OPERATIONS PROCUREMENT COMPLIANCE AND MONITORING REPORT

ANNUAL REPORT
FY2023/2024



Section 1: Introduction

This report details the activities of the Operations, Procurement and Compliance Department during the financial year 2023/2024. The Registration and Grading section of the Department is responsible for registering and grading contractors and registering projects for levy assessment. The Compliance and Monitoring section is responsible for monitoring and ensuring industry contractors' compliance with the different sections of the CIC Act. Activities for the quarter are informed by;

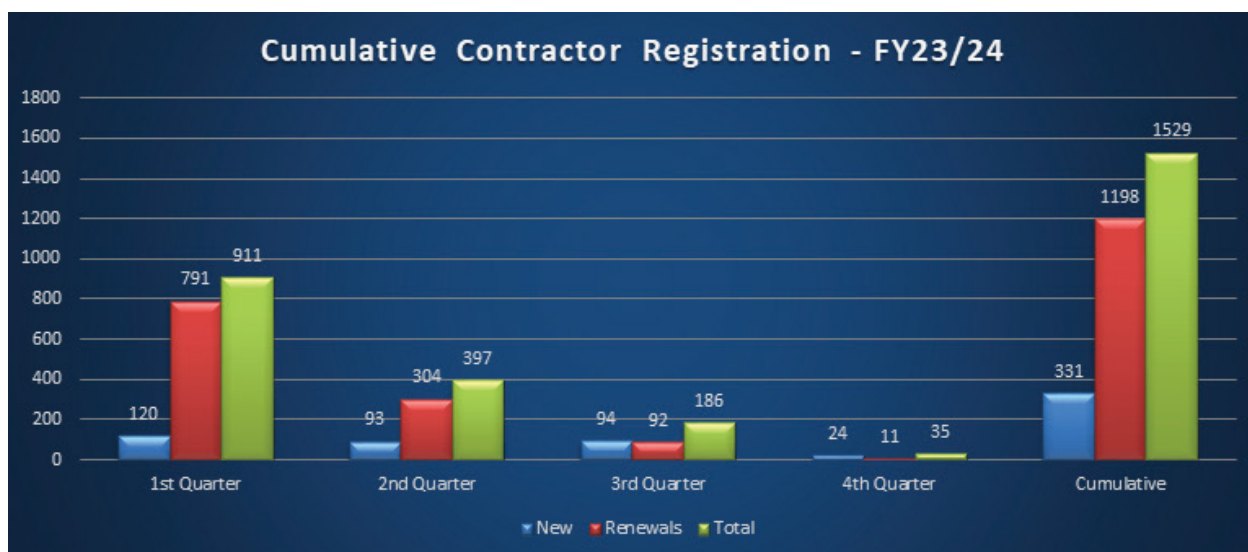
- **Registration and Grading**
 - Contractor Registration and Renewal
 - Registration of projects
- **Compliance and Monitoring**
 - Contractor's' Compliance
 - Contractors Participation by Grade
 - Compliance on Projects Registrations and renewals
 - Foreign participation, compliance and approvals
 - consultants' compliance and participation
 - Joint Venture Monitoring

Section 2: Registration And Grading

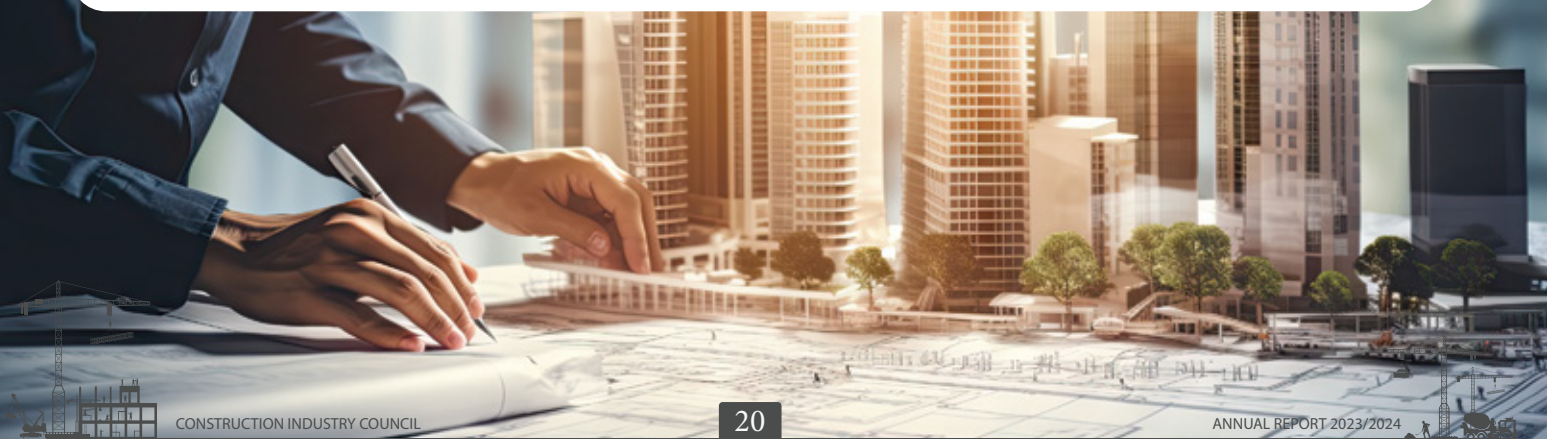
2.1 OVERVIEW - REGISTRATION STATISTICS

During the financial year 2023/2024, a total of 1529 contractors were registered to represent the different works disciplines: General Building Works, General Civil Works, General Electrical Works, General Mechanical Works, Specialist Works, individual artisans, Manufacturers, & Suppliers, Consultancy Practices and Joint Ventures.

Cumulative Contractor Registration - FY23/24



The Council has registered 1529 contractors in the past 4 quarters of the current financial year.

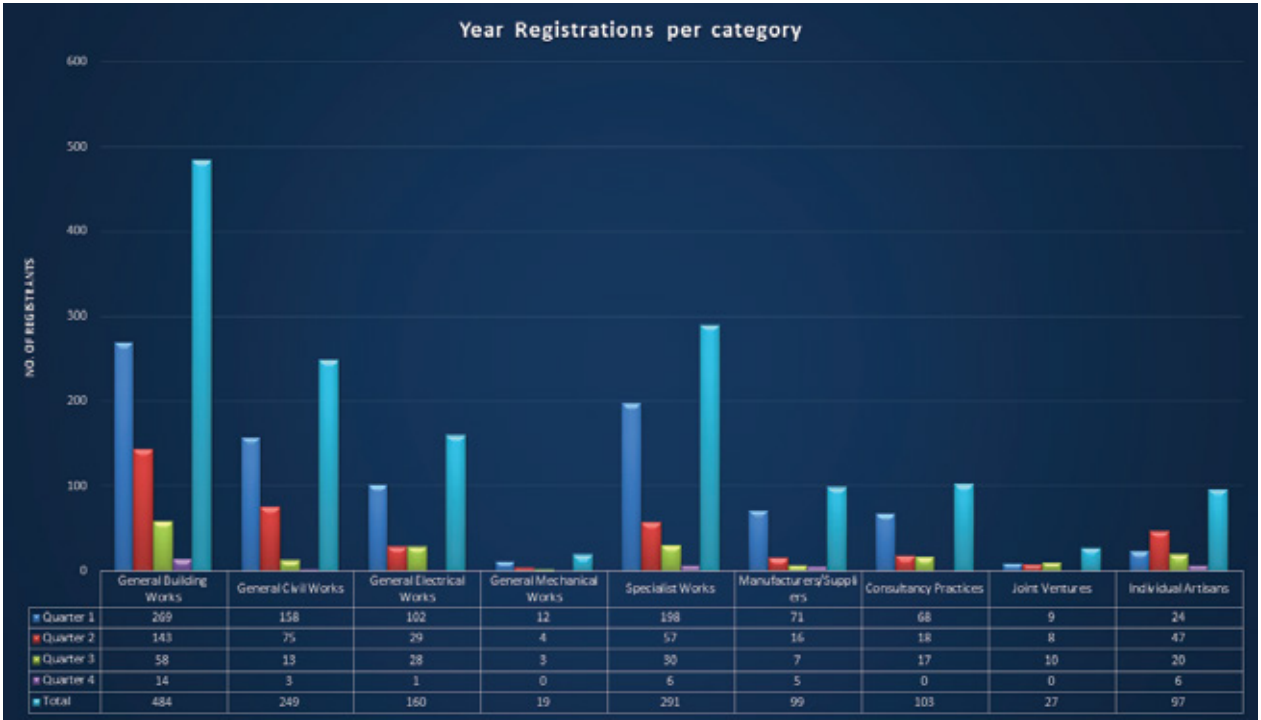


YEAR ON YEAR COMPARISON ON CONTRACTOR REGISTRATION

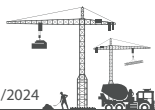
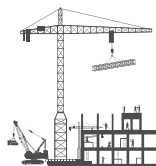


The figure above compares registrations in the same period for three consecutive years

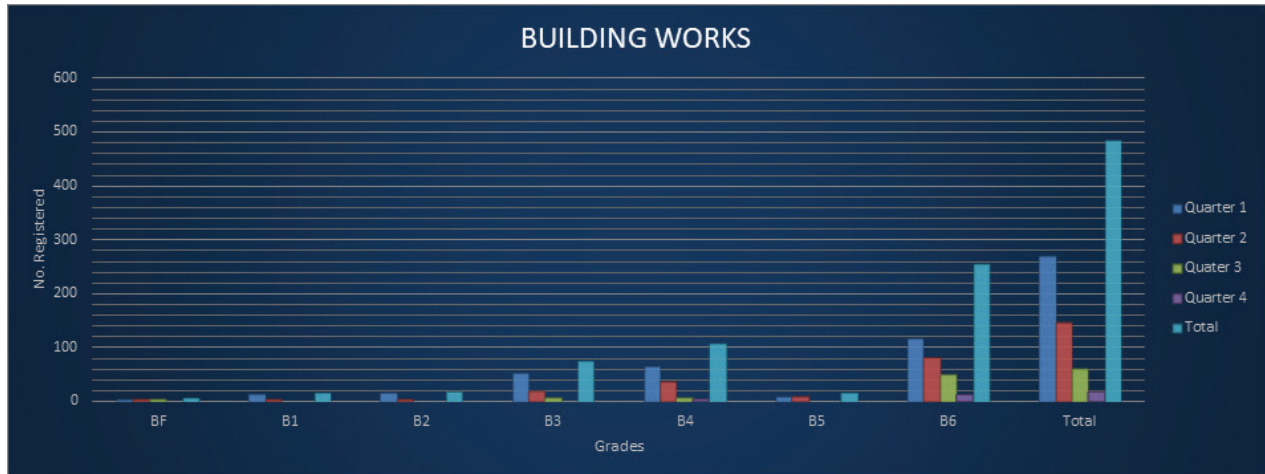
REGISTRATION OF CONTRACTORS PER CATEGORY



The figure above shows the number of contractors registered in the different categories for the financial year.

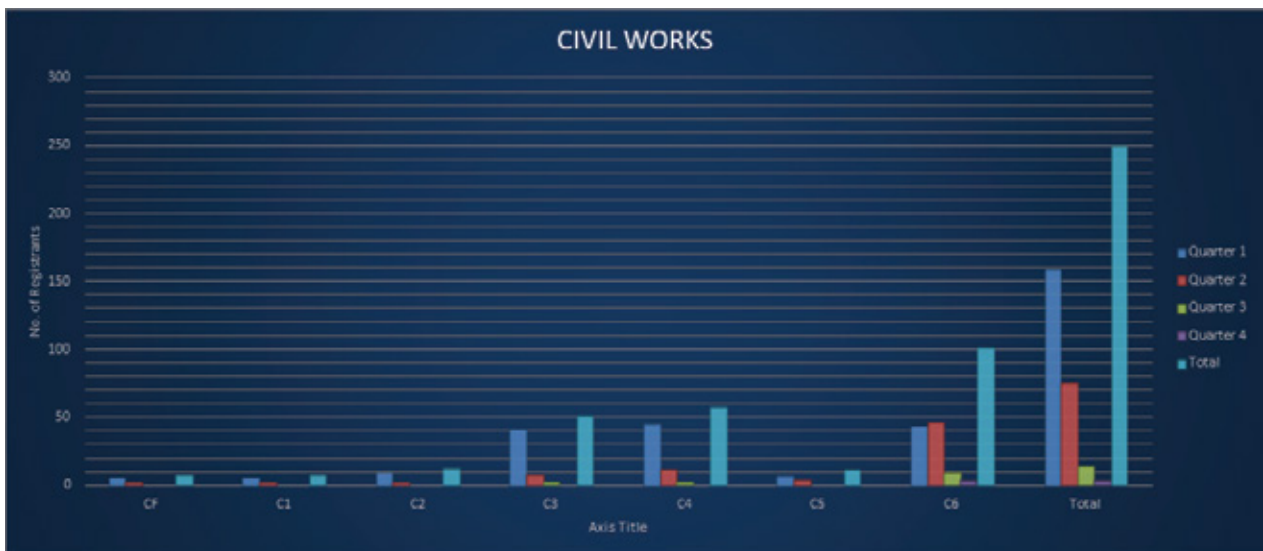


BUILDING WORKS



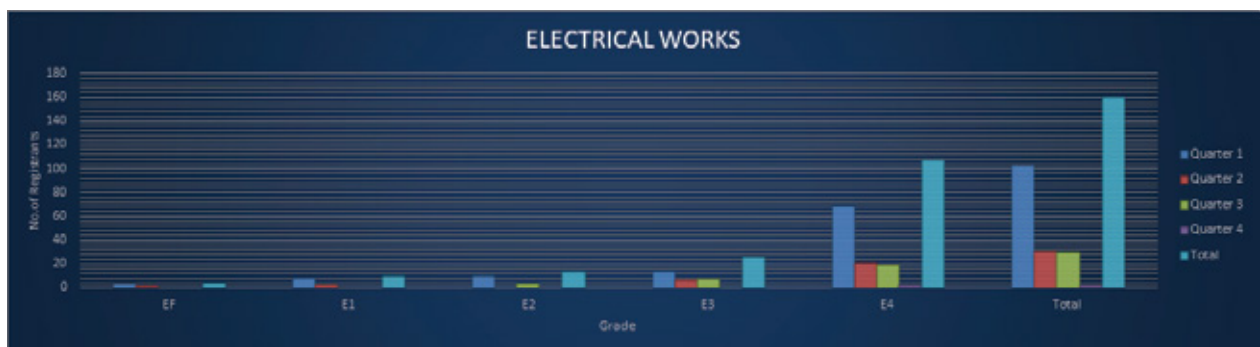
The figure above shows that 484 contractors were registered for building works in the 2023/2024 financial year, with B6 having the highest number of registrations.

CIVIL WORKS

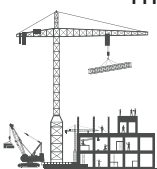


The figure above shows that a total of 249 contractors were registered in this category in the financial year.

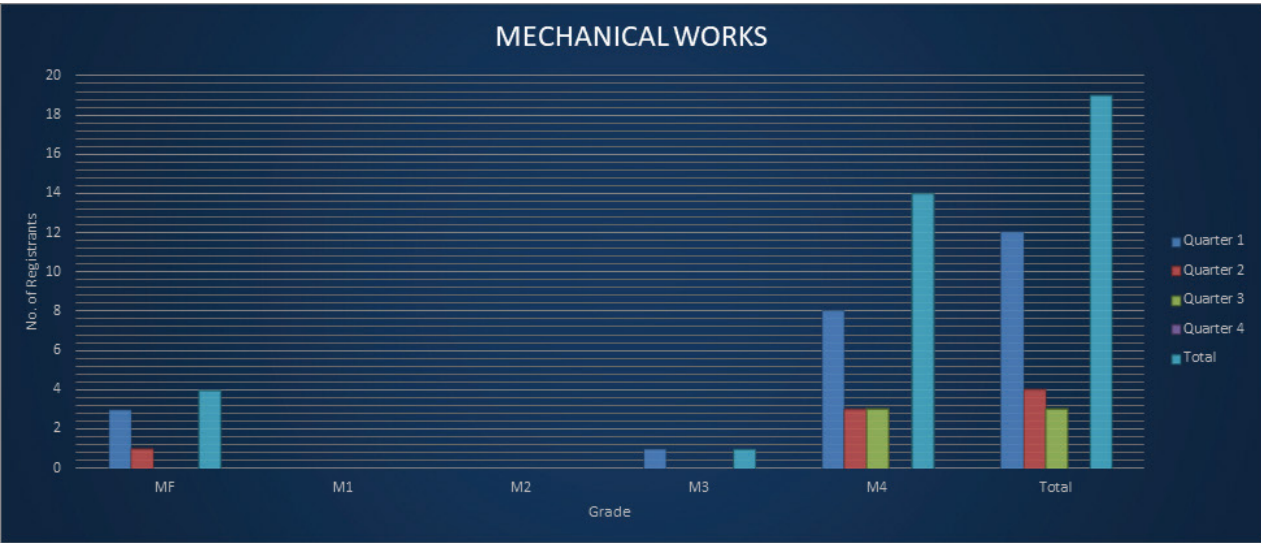
ELECTRICAL WORKS



The above figure shows that a total of 160 contractors registered for Electrical works in the financial year.



MECHANICAL WORKS

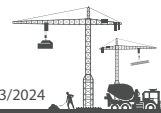


The figure shows the number of contractors registered in the different specialist works, including foreign specialists.

SPECIALIST WORKS



The figure shows the number of contractors registered in the different specialist works, including foreign specialists.



MANUFACTURERS/SUPPLIERS

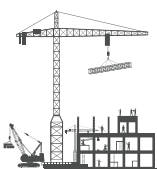


A total of 98 manufacturers and suppliers registered in the financial year 2023/2024, 54% of which are at the entry-level.

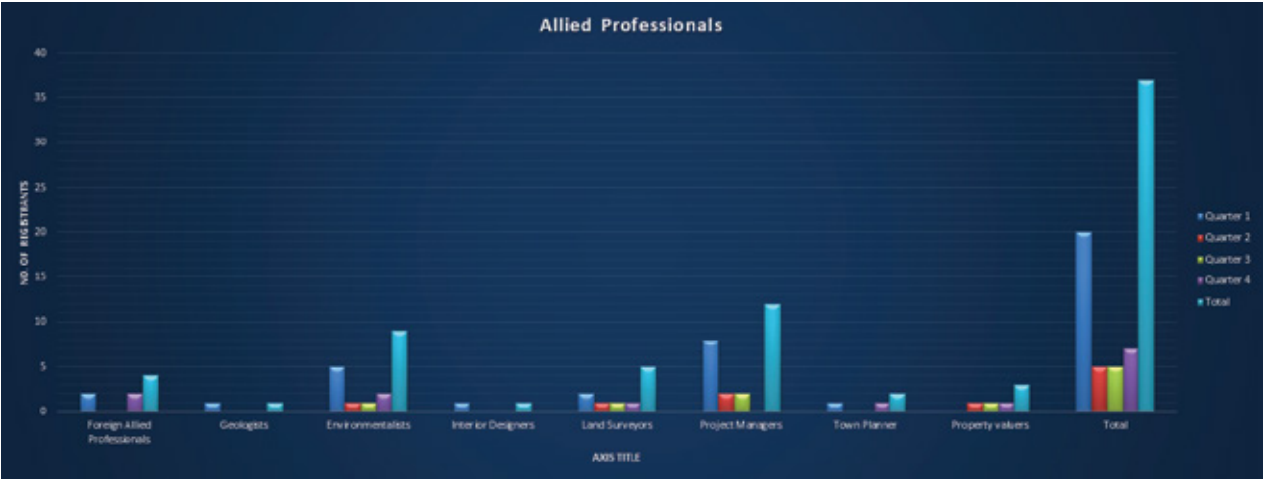
CONSULTANCY PRACTICES



In the above figure, 71 consultancy firms were registered in the financial year of 2023/24. The practices range from Architecture, Civil Engineering, Mechanical Engineering, Electrical Engineering and Quantity Surveying.

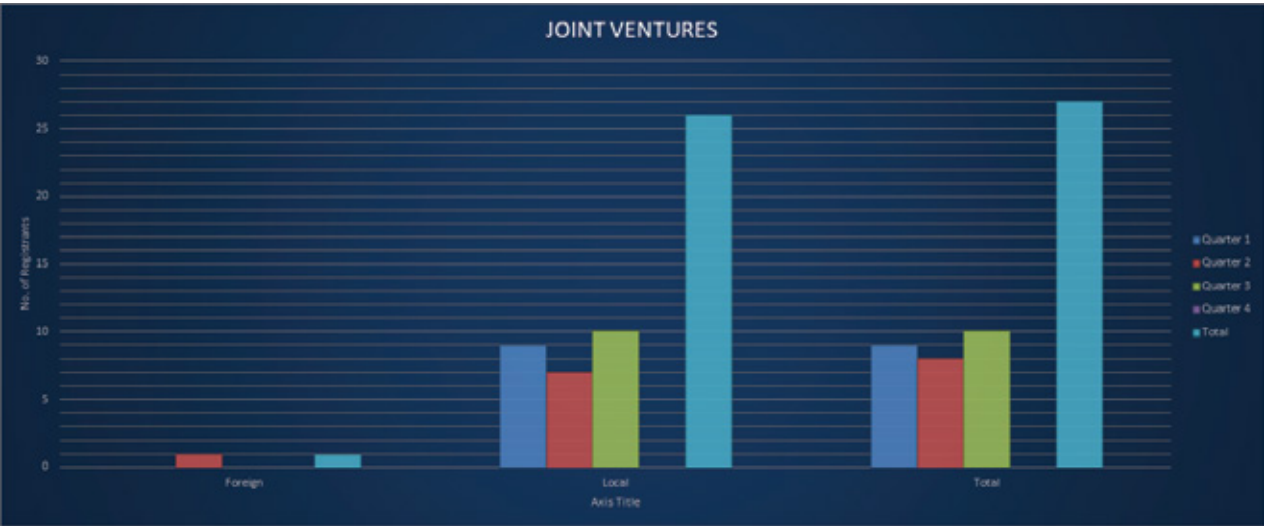


ALLIED PROFESSIONALS

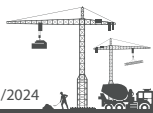


There were 37 Allied Professionals registered in this category in the financial year of 2023/2024.

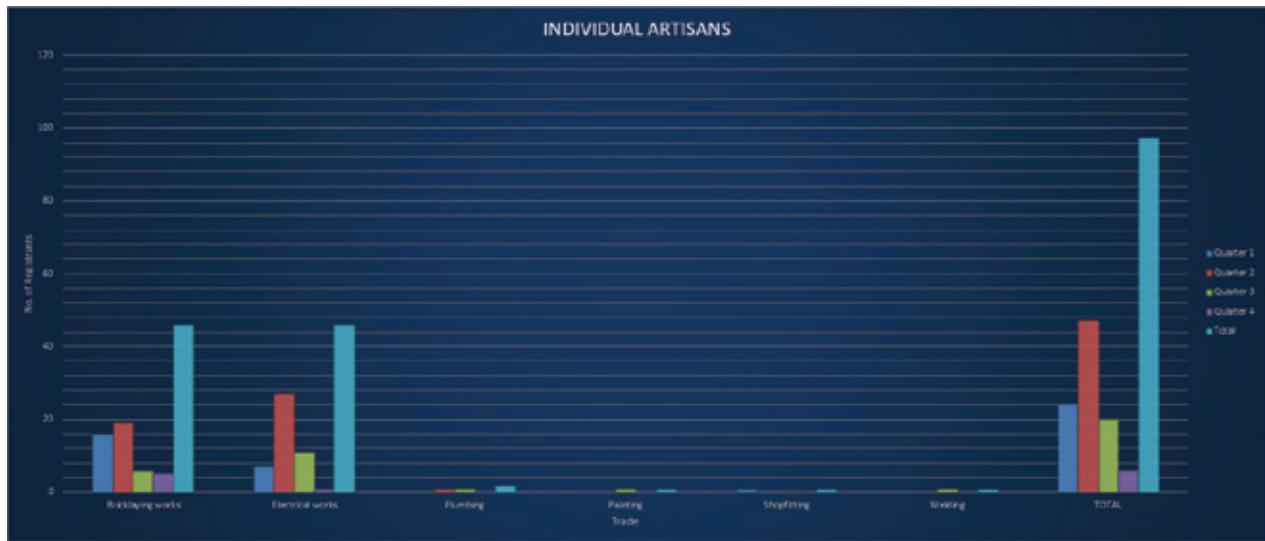
JOINT VENTURES



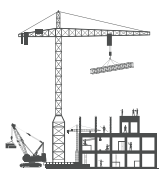
There were 37 Allied Professionals registered in this category in the financial year of 2023/2024.



INDIVIDUAL ARTISANS



A total of 97 artisans registered in different trades during the financial year of 2023/2024. Bricklayers and electricians are tied to 47% of registrations.



3.0 PROJECTS REGISTRATION

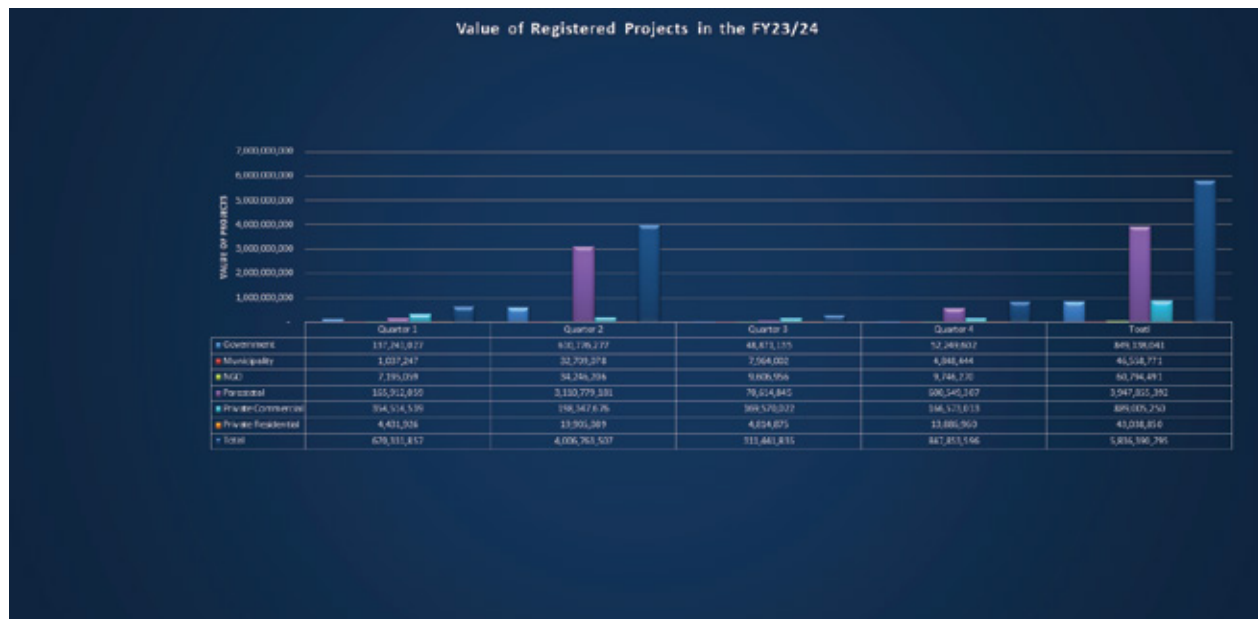


NUMBER OF PROJECTS REGISTERED

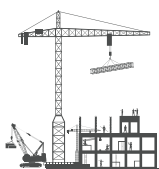


The figures above shows the number of projects registered in each month during the 2023/2024 financial year. A total of 721 projects were registered with a high number in the the 2nd quarter the financial year. Parastatals registered 51% of the total projects followed by Private Commercial sector with 33%.

PROJECTS REGISTERED IN VALUE – FY23/24



The total value of projects in the 2023/2024 financial year is E5,836,390,795, with the highest amount from Parastatal projects, which represents 68% of the total value.



RESEARCH, TRAINING AND BUSINESS DEVELOPMENT (RTBD) REPORT



4. Overview

The Research, Training and Business Development (RTBD) unit aims to build capacity and provide training for all key stakeholders within the construction industry's value chain. These stakeholders include, among others, contractors, consultants, manufacturers and suppliers, project owners and individual artisans. Furthermore, RTBD aims to drive industry transformation through evidence-based research and development interventions. This report outlines the activities and initiatives carried out during the financial year 2023/24 (April 2023- March 2024) inclusive of the first quarter, June 2024.

4.1.1 Capacity Building And Business Development

The goal of capacity building within the construction sector is to drive industry advancement by elevating skill levels—reducing reliance on external expertise—improving operational efficiency to ensure projects are completed on time and within budget, and boosting competitiveness as reflected in the quality of executed projects. The Construction Industry Council (CIC) played a pivotal role in this development by spearheading various capacity-building initiatives, including grade testing for individual artisans in trades such as electrical work, block laying, plumbing, and carpentry, as well as delivering specialized training programs for construction company personnel.

4.1.2 Construction Industry Trainings

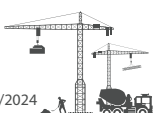
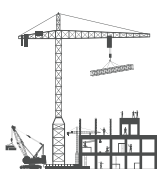
During the review period, CIC facilitated four key training sessions, beginning with the Good Compliance and PPP Opportunities Workshop in the first quarter, Q1. This was followed by the Contractor/Consultant Financial and Business Management training in the second quarter, Q2.

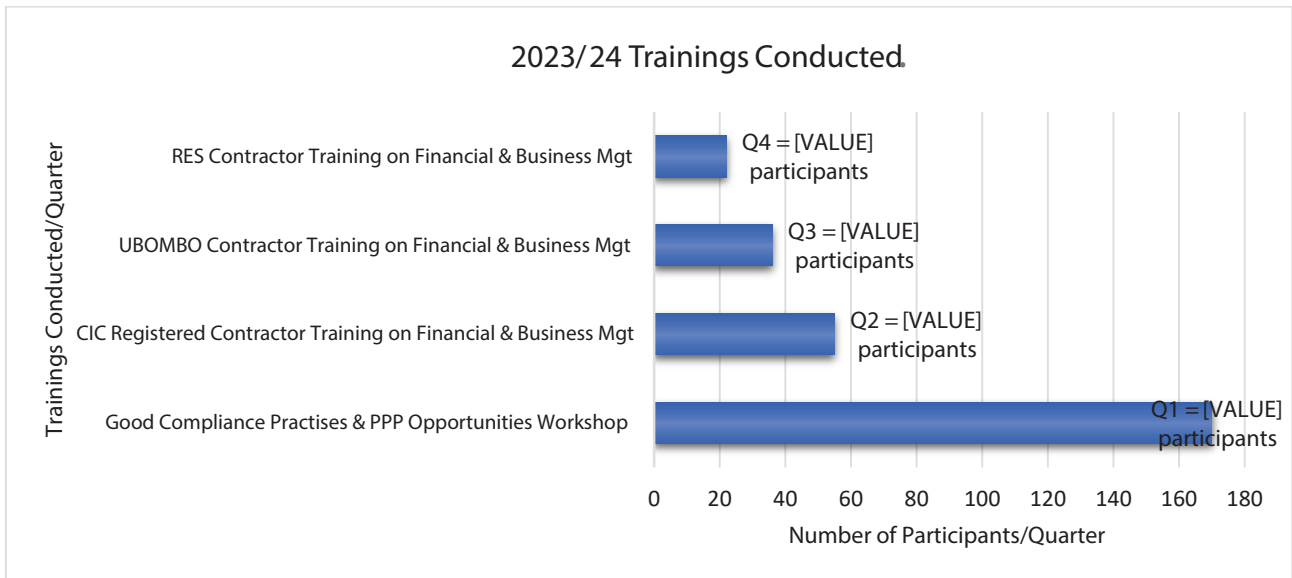
Additional Financial and Business Management training sessions were specifically tailored for UBOMBO Sugar Contractors and RES Contractors in the subsequent quarters. Overall, 283 industry professionals were upskilled through the Council's 2023/24 capacity-building initiatives. The participants included a diverse group of contractors, consultants, manufacturers, suppliers, and project owners, spanning Ministries, Parastatals, Municipalities, and Private Sector/Property Developers.

The training programs were strategically developed in response to an industry needs assessment, which identified a high demand for financial and business management skills, leading to a targeted regional approach for UBOMBO and RES. Additionally, CIC, with the support of DIVT, facilitated grade testing for 140 artisans across various trades.

For the Financial and Business Management trainings that happened for the general CIC registered contractors/consultants, UBOMBO contractors/consultants and RES contractors/consultants, combined, it was observed that most participants were in managing director positions and were more females than males.

The overall rating for this training was considered positive, with no participants indicating that the training was poor or unsatisfactory. In the future, participants recommend the necessity for additional training in areas such as tendering (Bill of Quantities), CMAC labour issues, contract management, occupational health and safety, project management, taxation, and corporate governance ethics. This is explained by the figures below.

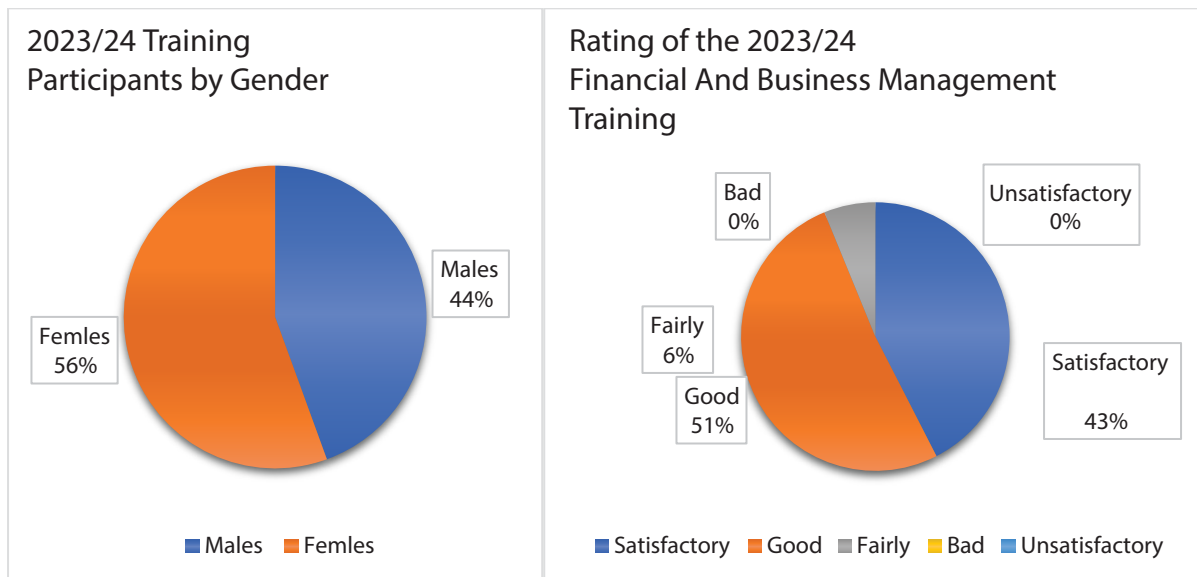




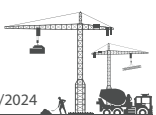
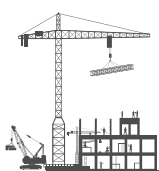
During the 2023/24 financial year, a total of 283 participants attended various training sessions. The "Good Compliance Practices & PPP Opportunity Workshop" attracted the highest participation, accounting for 60% of attendees. This was followed by the "CIC Registered Contractor Training on Financial Management Workshop," which comprised 19% of participants. The least attended was the "RES Contractor Training on Financial and Business Management," with only 8% participation.

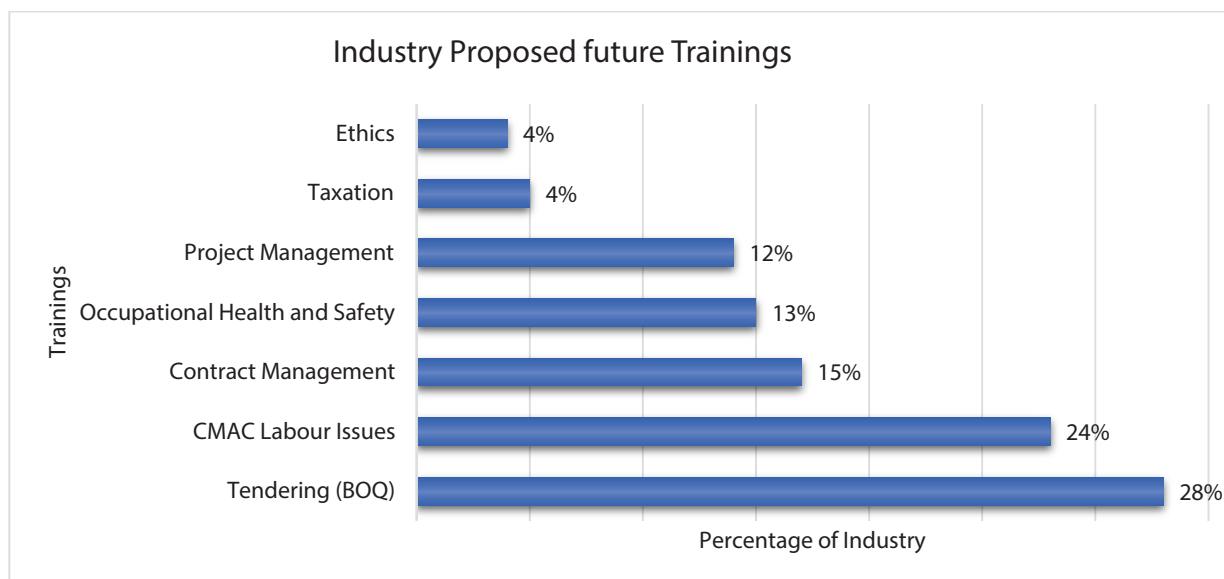
The list excludes occupation of "Good Compliance Practise and PPP Opportunities" training.

Among the 122 participants in the financial and business management training, 45% (55) were managing directors, 23% (28) were officers, 14% (17) were supervisors, 11% (14) were accountants, and the smallest group comprised clerks at 7% (8).



The figures above shows that the majority of training participants for the period under review were female, comprising 56%, while males made up 44%. Additionally they reveal that 94% of participants in the financial and business management training rated their experience as good or satisfactory.

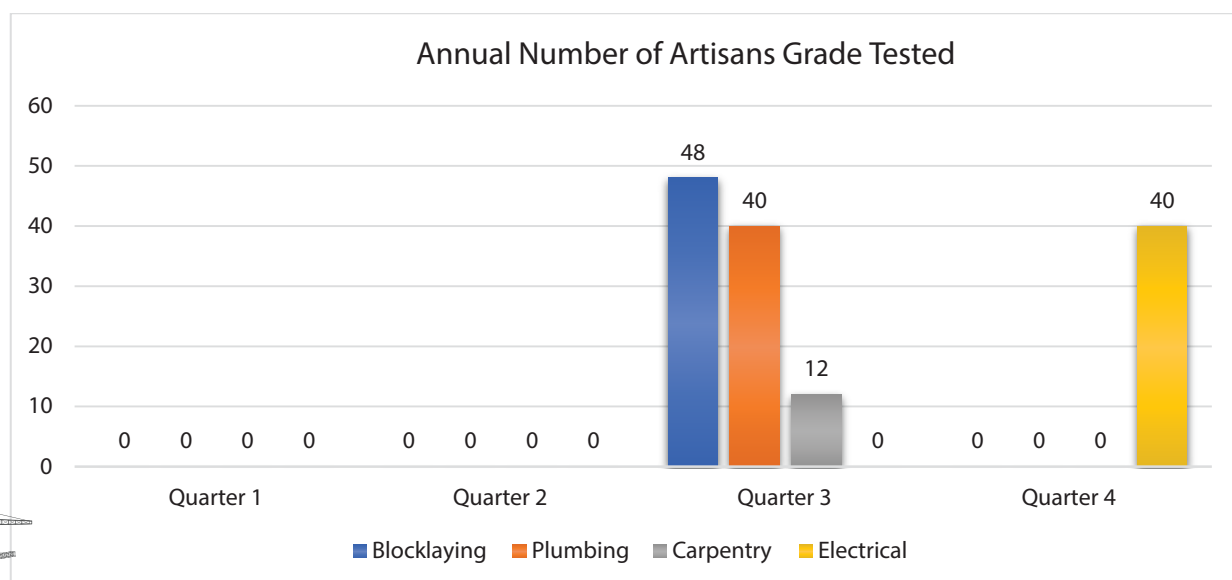




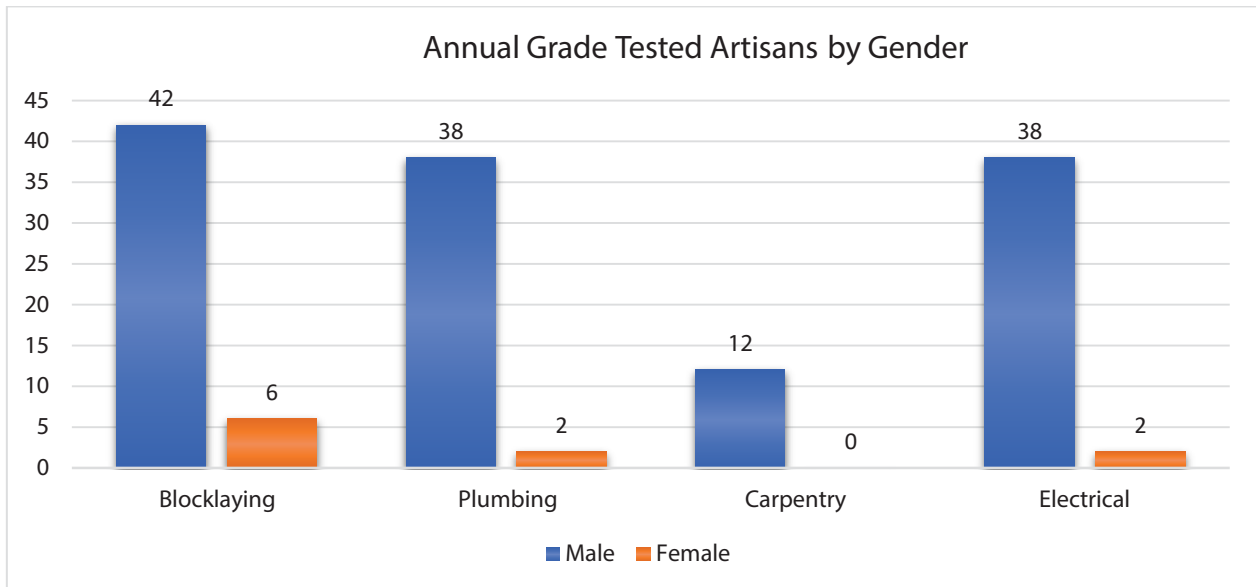
The figure outlines the proposed future trainings for industry participants. The most requested topic was Tendering (Bill of Quantities) at 28%, followed by CMAC Labour Issues at 24%. Other requests included Contract Management at 15%, Occupational Health & Safety at 13%, Project Management at 12%, and Taxation and Ethics at 4% each.

4.2 Artisanal Grade Trade Testing

The Council in collaboration with the Directorate of Industrial and Vocational Training (DIVT) and Vocational and Commercial Training Centre (VOCTIM) conducted grade 3 trade testing of artisanal skills. The aim of grade testing is to ensure that artisans with different construction-related trades that possess minimal qualifications and/or experience are trade tested to enable them to start accredited businesses or secure employment within construction companies. The grade testing is also done to achieve the Council's mandate of ensuring growth and graduation of industry stakeholders from lower grades to higher grades in their respective professions. Grade tests were conducted during the third quarter (October - December 2023) for trades in block laying, plumbing and carpentry; and the fourth quarter (January-March 2024) was characterised with the pre-testing in preparation for the actual electricians' grade testing. A total of 140 individual artisans were trade tested collectively where there were more males than there were females across all trades (block laying, plumbing and electrical) and none under carpentry.

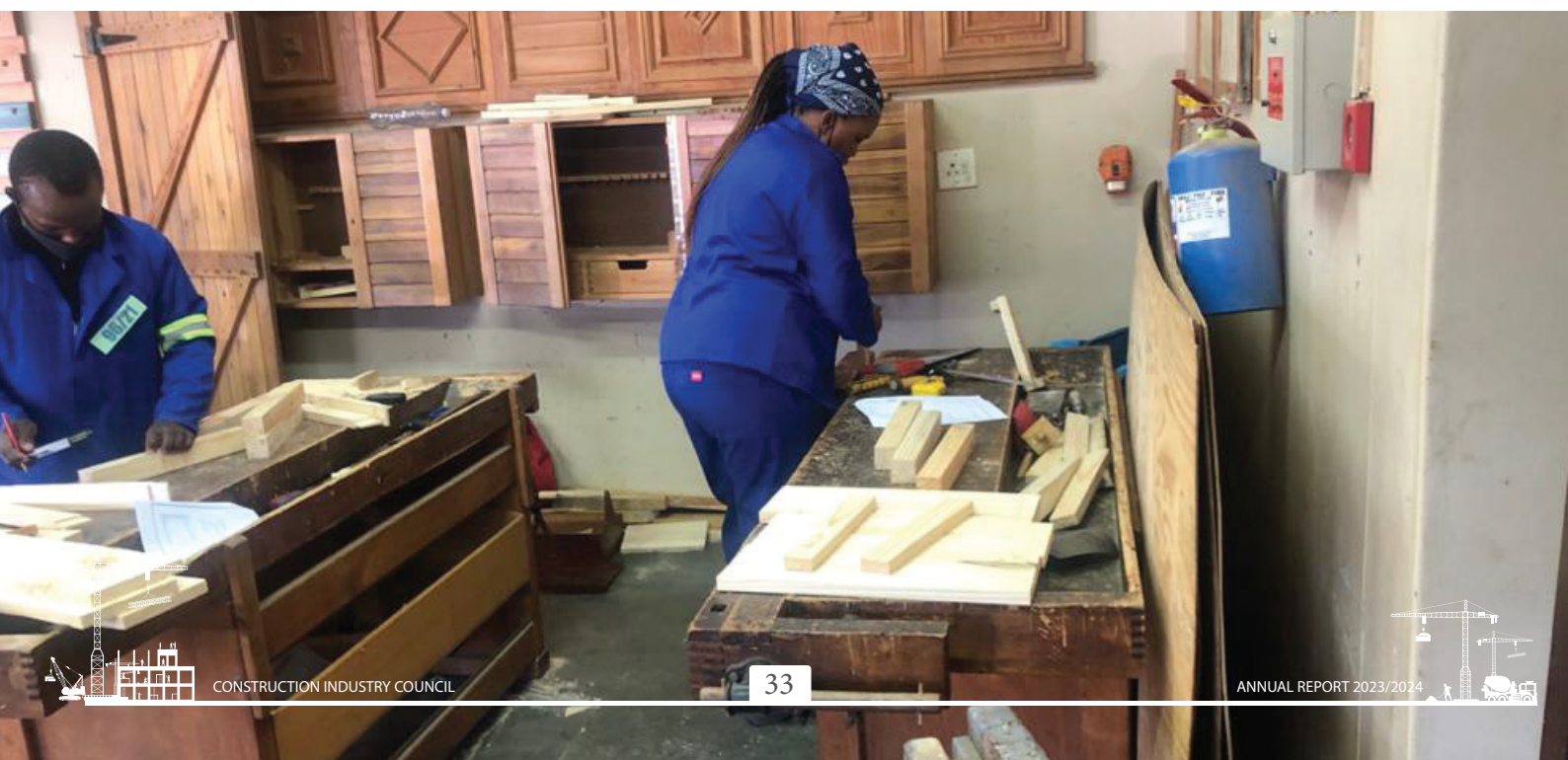


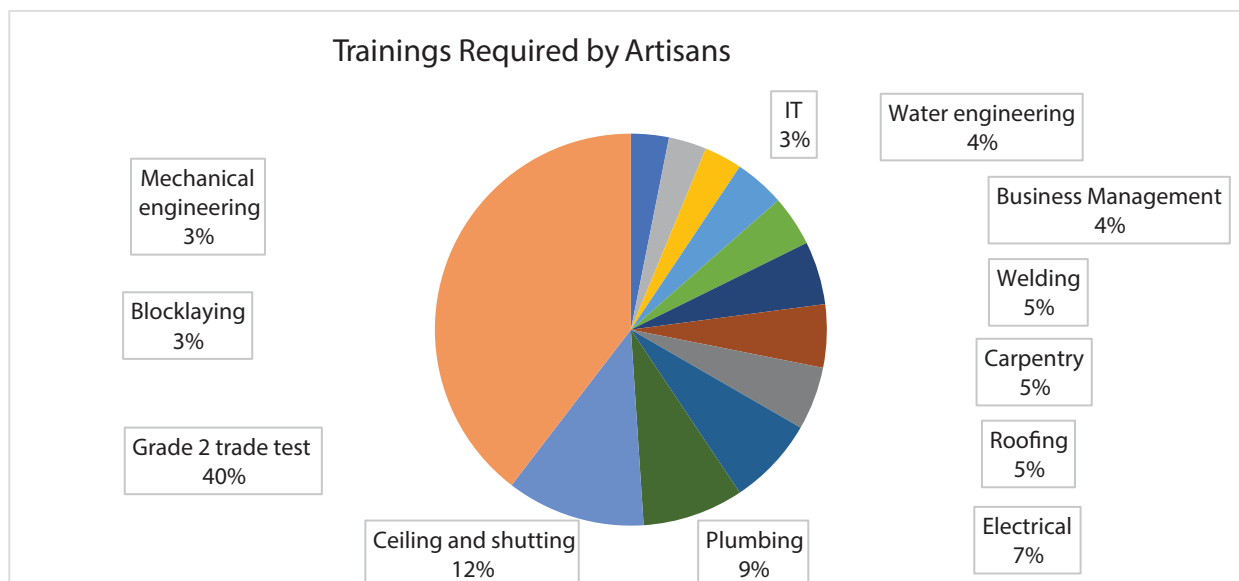
The figure outlines the number of artisans tested during the 2023/24 financial year, with grade testing occurring in the third (71%) and fourth (29%) quarters. In the third quarter, grade testing was conducted for block-laying, plumbing, and carpentry, while the fourth quarter focused solely on electrical grade testing.



The figure above illustrates the gender breakdown of grade testing across various trades. Among the 48 block-layers, only 13% were women. For the 40 plumbers and 40 electricians tested, 5% were women each, while there were no female carpenters tested. Overall, only 7% of those who underwent grade testing in the 2023/24 financial year were female.

When assessing artisans who had undergone trade testing in block laying, plumbing, and carpentry, a consistent need for further upskilling emerged. Specifically, 40% of the artisans indicated the need to advance and test for Grade 2 certification, with plumbing artisans alone accounting for 60% of this group (with a need for grade 2 trade testing), followed by 29% in block laying and 11% in carpentry. In terms of cross-functional capabilities, block layers were identified as needing additional proficiency in plumbing and carpentry, along with supplementary skills in welding and roofing. Plumbers, on the other hand, required competencies in block laying and electrical work. Carpenters primarily needed expertise in block laying, alongside broader skills in ceiling installation, formwork, IT, and mechanical engineering. Further insight is shown in the figure below.





The figure above illustrates that 40% of artisans require a Grade 2 Trade Test. Among the various trades, Ceiling & Shutting accounts for 12%, followed by Plumbing at 9%. The least represented trades are IT, Mechanical Engineering, and Block-Laying, each at 3%.





4.3 Research and Business Development

The goal of the research is to collectively aim to advance the construction sector through providing relevant information that will enhance the industry to make informed data-driven decisions which shall make it more competitive, sustainable, and capable of meeting the evolving demands of the market and society. The Council's strategic focus for the period 2024 - 2027 is on Relationship Transformation, Efficiency Optimisation, Effectiveness and Impact.

Industry research is an important section of the CIC's mandate, as this provides the necessary backdrop to advice the Minister on policies and programmes that impact the local construction sector. Since of the Council's core objective is to regulate, promote and develop the capability of local contractors, it is imperative to understand, and continuously monitor the environment and landscape in which the contractors operate.

The CIC is mandated to obtain information related to the industry from any person engaged in Eswatini or any existing and proposed projects. This information allows the CIC to provide regular economic and construction related reviews focussed on the current and projected trends in the Eswatini construction industry. The challenges associated with building local capacity intensifies in a sector that is under pressure or diminishing turnover, affecting employment, skills transfers and profitability, whilst a thriving sector will support industry goals, targets and objectives.

As seen from the capacity building and business development section, skills development remains critical as a more robust recovery in construction investment can lead to skills shortages and upward pressure on tender prices where the industry has not been sufficiently capacitated.



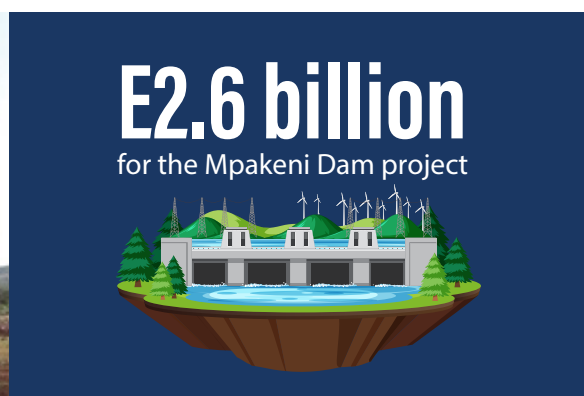
Construction Sector Performance

In 2023, Eswatini's construction sector saw a slight growth of just 0.2%. The total value of registered projects, including those completed and still ongoing, increased by 63% for the 2023/24 financial year, reaching E5.6 billion, up from E3.4 billion in 2022/23. However, this includes E2.6 billion for the Mpakeni Dam project, the largest registered over the last two years.

Private sector investments in ongoing projects grew by 23%, with parastatals taking the lead at 69%, mainly due to the Mpakeni Dam. On the other hand, public sector investment contribution fell sharply from 52% to 18%. Competition among contractors, especially at the lower levels, became more intense. Capital spending is expected to rise in the period 2024/25, with significant investments planned for infrastructure projects like the International Convention Centre and the Mpakeni Dam. Renewable energy is also becoming a key focus, with solar, hydro, and wind projects gaining priority.

Eswatini still faces challenges in water infrastructure, particularly in rural areas. The government aims for universal access to safe water and sanitation by 2030, but issues with investment and project coordination remain a hurdle.

By the end of 2023, the construction sector's contribution to GDP remained constant at 3.0%. Its 0.2% year-on-year growth to E2.6 billion (adjusted for inflation) reflects a stagnant performance since 2020, and the sector remains 15% below its 2016 peak when investment grew by 20%. The sector's weak performance highlights the need for sustainable investment to drive future growth.

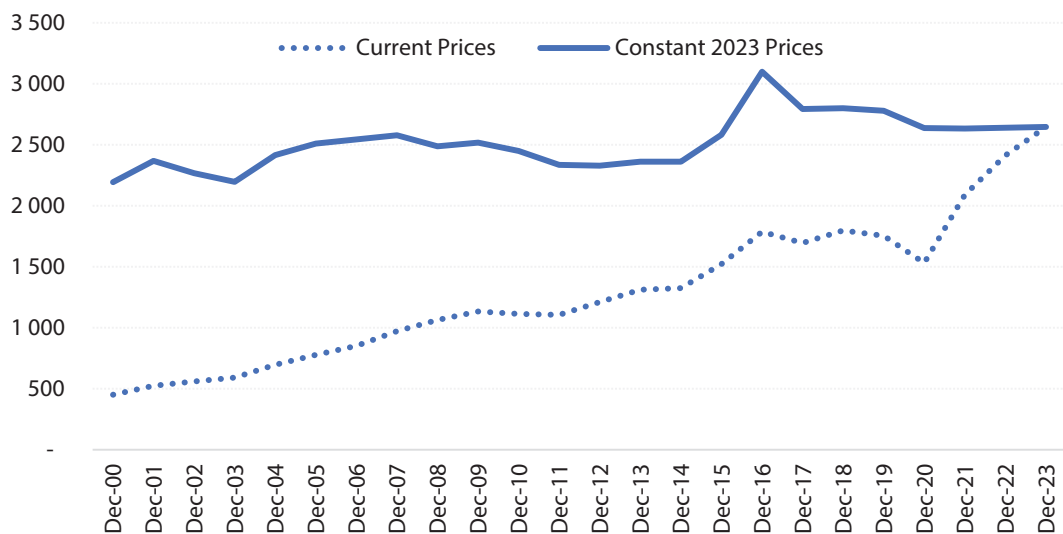


Contribution of Construction to GDP in E' millions (Current vs Constant Prices)

GDP by Economic Activity: Construction

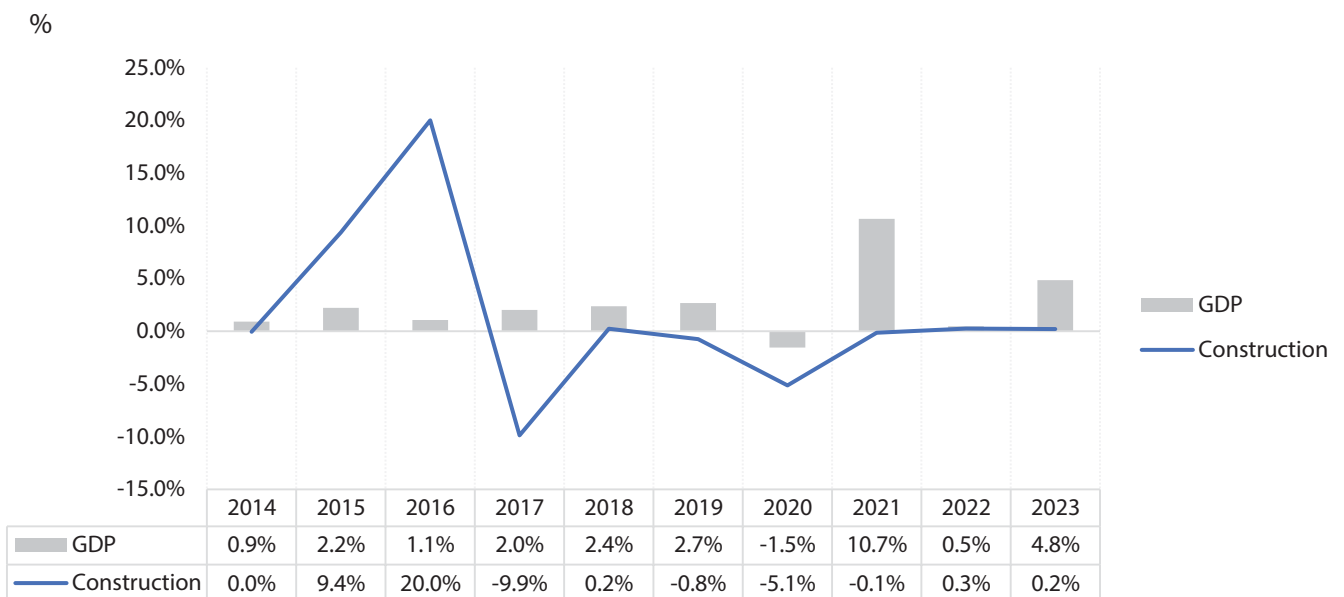
Eswatini Emalangeni million: Current vs Constant Prices

Source CSO

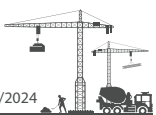
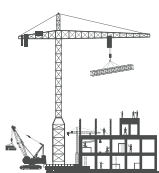


Source: Central Statistics Office

Gross Domestic Product and contribution of construction year-on-year percentage change.



Source: Central Statistics Office





Registered Projects



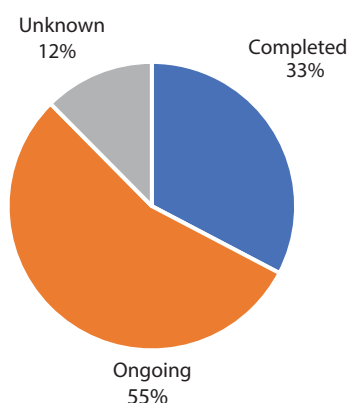
4.4 CIC Registered Projects

Parastatals and the private sector are now taking a larger share of the ongoing registered projects. The total number of projects registered, including both completed and ongoing works, saw a 63% year-on-year increase for the 2023/24 financial period, reaching E5.6 billion compared to E3.4 billion in 2022/23. Notably, the E2.6 billion Mpakeni Dam and associated works—the largest project registered in the last two financial years—were awarded to the Sakhalive JV. Excluding the Mpakeni Dam and completed projects, the value of ongoing registered projects rose by 20%, totalling E2.2 billion in 2023/24. The current value of ongoing projects in 2023/24 is approximately five times larger than the total value of projects completed in 2022/23 (excluding the dam), indicating stronger construction activity in 2023/24, with positive momentum expected to continue into 2024/25.

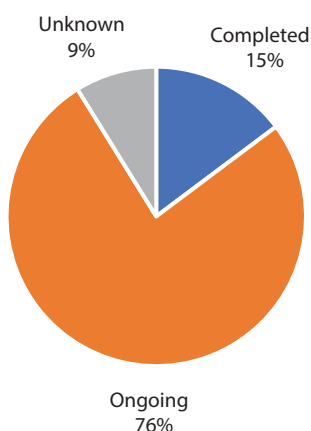
The value of ongoing general building projects surged by 96%, while general civil works saw a 14% decline. The Mpakeni Dam is classified as a "foreign works" contract implying that the project was awarded to a foreign contractor and, therefore, is excluded from being a local general civil works. Additionally, the value of registered ongoing "Joint Venture" projects skyrocketed by over 900%, though these still account for less than 1% of the total value of ongoing projects. Foreign works, including the Mpakeni Dam, made up 54% of the total, with general building and civil works contributing 41%.

Registered Projects 2022-2023

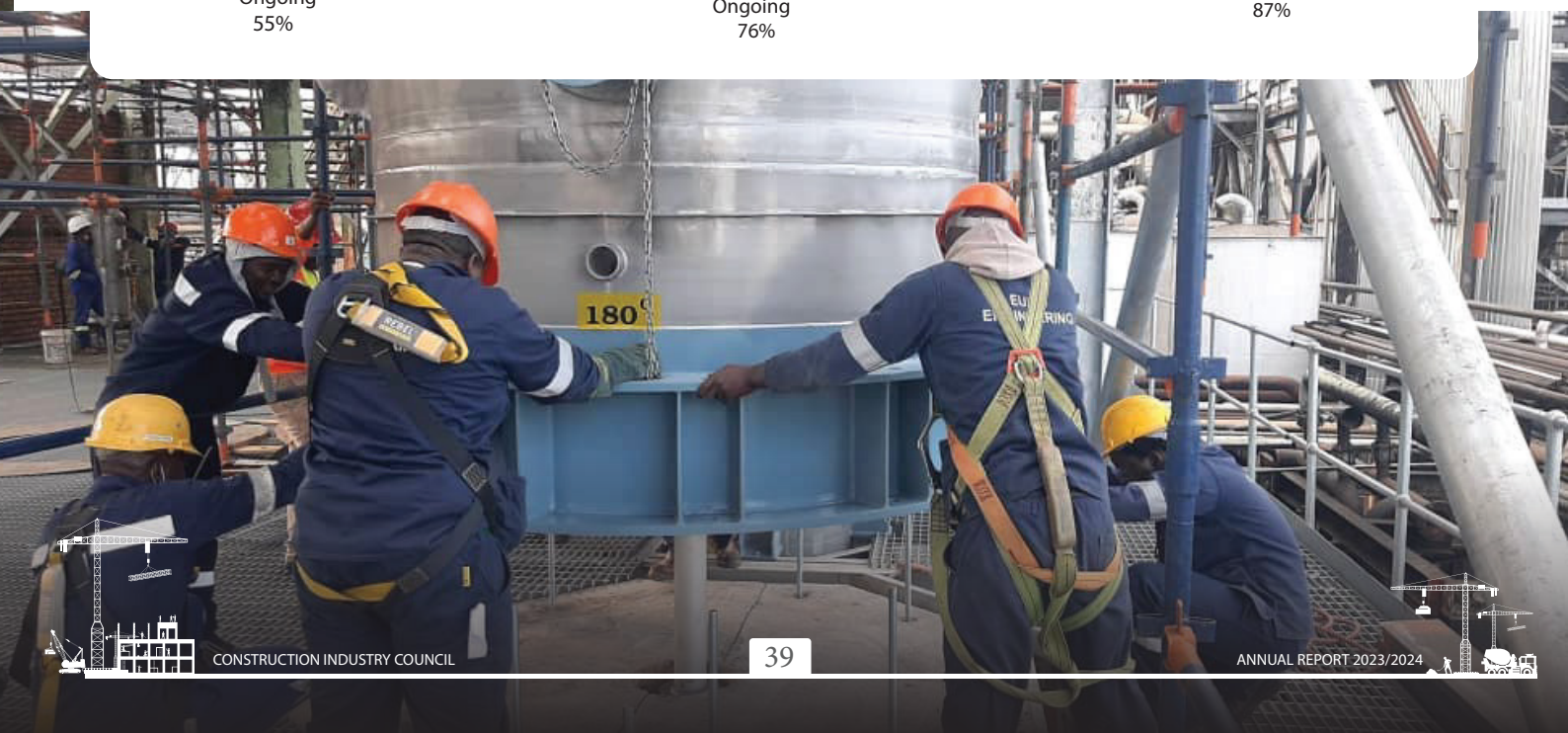
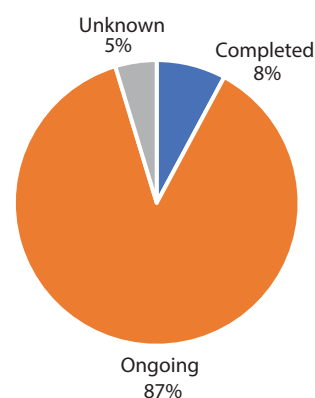
CIC Registered Projects
2022



CIC Registered Projects
2023 (Excl Mpakeni Dam)



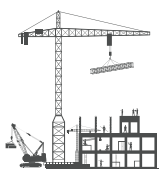
CIC Registered Projects
2023 (including Mpakeni Dam)



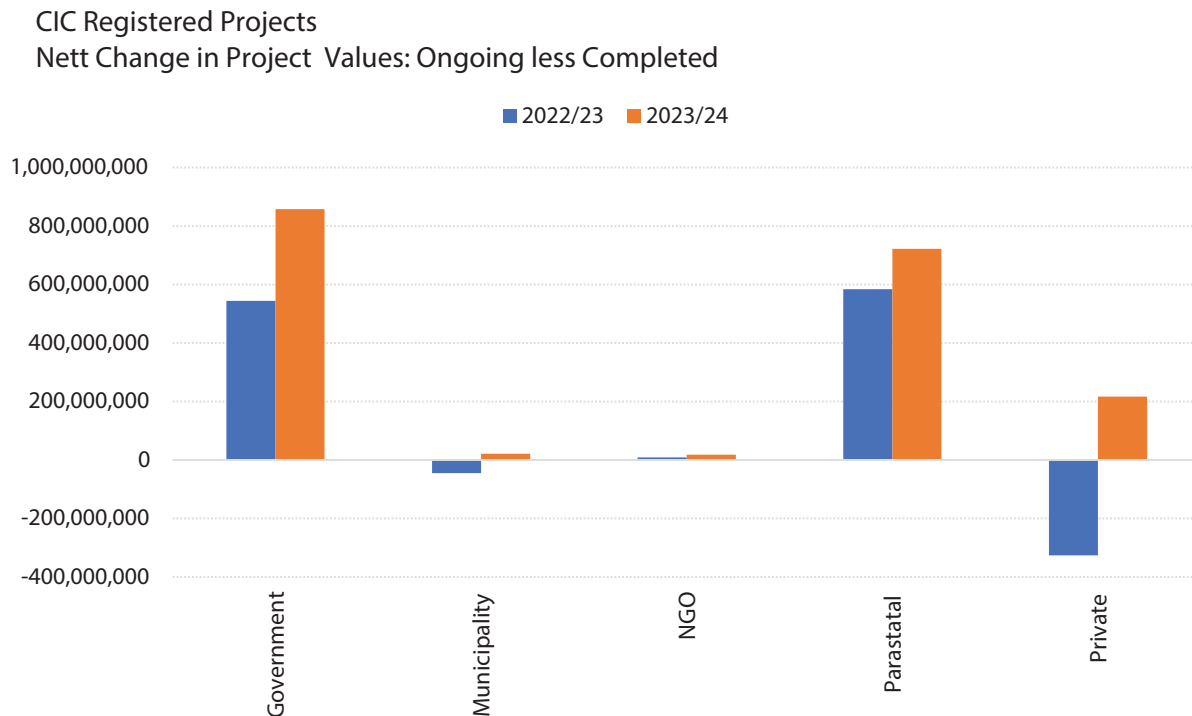
Value of Registered Projects (Ongoing), Current Prices

CATEGORY	2022/23	2023/24	Y/Y%	% SHARE 2023/24
FOREIGN WORKS	192 998 024	2 632 702 360 ¹	1264%	53.7%
GENERAL BUILDING WORKS	527 358 362	1 035 892 886	96%	21.1%
GENERAL CIVIL WORKS	1 149 814 240	985 309 223	-14%	20.1%
GENERAL ELECTRICAL WORKS	1 222 058	76 801 431	6185%	1.6%
UNKNOWN		55 533 737	-	1.1%
JOINT VENTURE	4 413 873	44 721 240	913%	0.9%
MANUFACTURER/SUPPLIER		24 589 710	-	0.5%
MECHANICAL SPECIALIST WORKS	293 156	12 353 248	4114%	0.3%
CIVIL SPECIALIST WORKS		10 323 297	-	0.2%
INDIVIDUAL ARTISANS		8 025 326	-	0.2%
BUILDING SPECIALIST WORKS	9 081 738	7 768 970	-14%	0.2%
ELECTRICAL SPECIALIST WORKS	7 198 604	7 403 266	3%	0.2%
CONSULTANCY PRACTICES		1 559 666	-	0.0%
ALLIED PROFESSIONALS		1 508 594	-	0.0%
GENERAL MECHANICAL WORKS		975 128	-	0.0%
GRAND TOTAL	1 892 380 055	4 905 468 081	159%	100.0%

Source: Construction Industry Council Reports



Registered Project Values: Ongoing vs Completed



The net change in the value of registered projects, the difference between the value of ongoing and completed projects, increased by E1bn in 2023/24, to E1.8bn. Parastatals and Government showed the strongest increase during this period with a turnaround also seen in the private sector compared to the previous financial year.

The contribution of Parastatals in the value of ongoing registered projects increased to 69 % in 2023/24 from 40 % in the 2022/23 financial year (linked to the multibillion Mpakeni dam project), and the private sector also gained from 5 % to 11 %. This means the contribution by the government sector fell from 52 % in 2022/23 to 18 % in 2023/24.

Projects registered by Parastatals as “ongoing” in 2023/24 represented 69 % of the total value of projects registered, an increase of 348 % thanks to the E2.6bn Dam project, that otherwise would have shown a 77 % decrease to just under E800m. Government projects fell by 9 % to E903m (with a contribution rate of 18 %, the 2nd largest owner classification category), followed by the private sector, where the value rose five-fold to E528m and a contribution rate of 11 %.

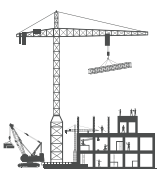
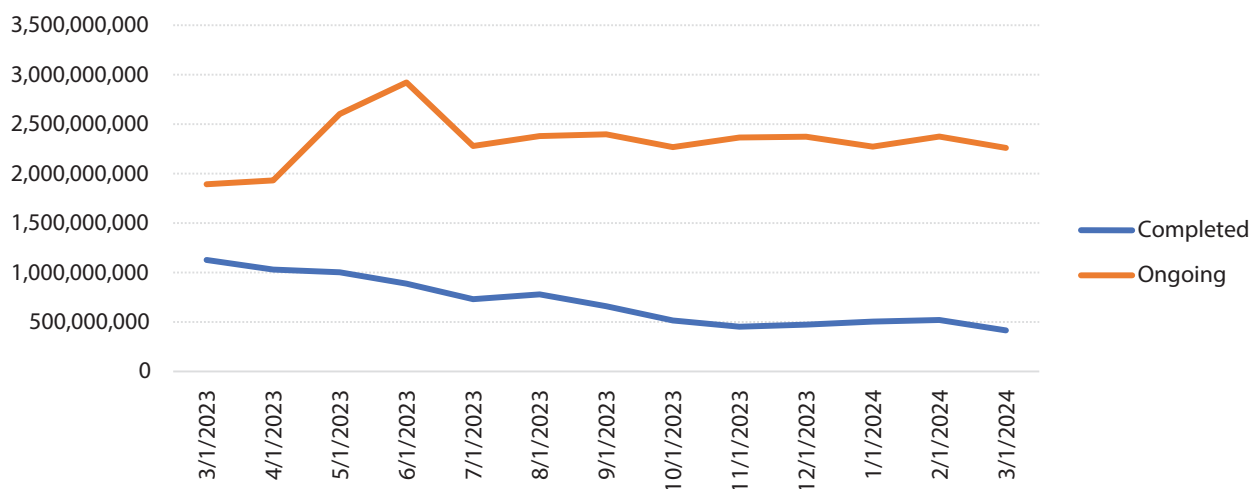


Value of Registered Projects (Ongoing), by Ownership Classification, Current Prices have the source at the bottom of the table.

CLASSIFICATION	2022/23	2023/24	Y/Y%	% SHARE 2022/ 23	% SHARE 2023/ 24	% SHARE 2023/24 (EXCLUDING MPAKENI DAM)
PARASTATAL	752 528 428	3 373 762 703	348%	52%	69%	33%
GOVERNMENT	990 512 476	903 039 771	-9%	2%	18%	40%
PRIVATE	85 194 882	528 826 818	521%	5%	11%	23%
NGO	17 488 496	57 336 459	228%	1%	1%	3%
MUNICIPALITY	46 665 773	42 502 330	-9%	2%	1%	2%
UNKNOWN		16 844 116	-	0%	0%	0%
GRAND TOTAL	1 892 380 055	4 905 468 081	159%	100%	100%	100%

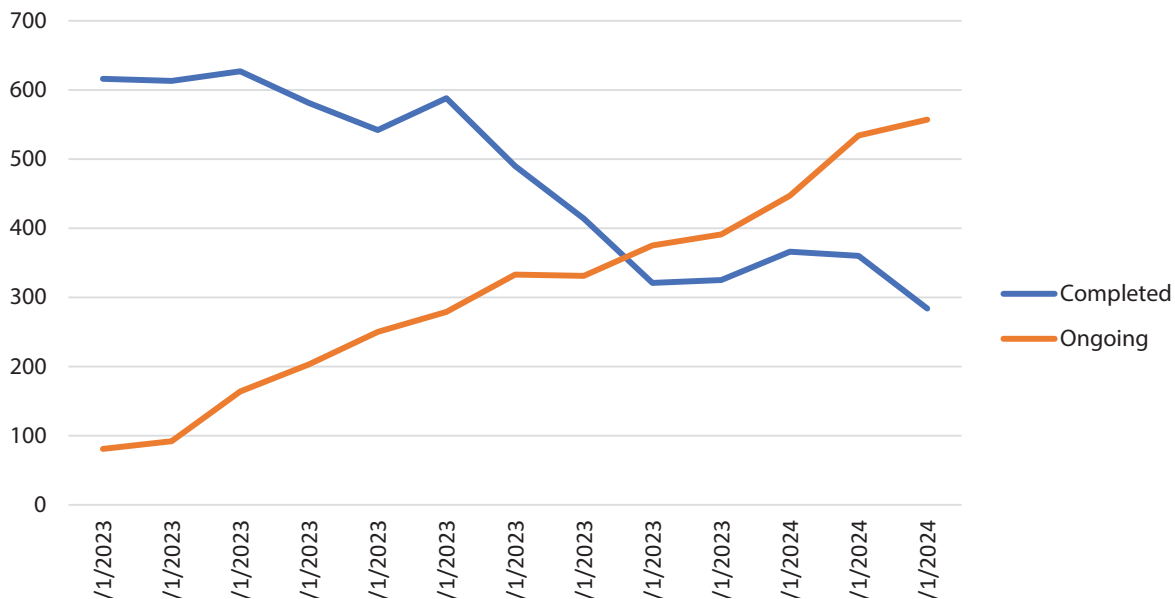
Value of Projects Registered by Status (On - going vs Completed)

Value of Projects Registered by Status
Moving Annual Total, Current Prices
(Excluding E2,6bn Mpakeni Dam)

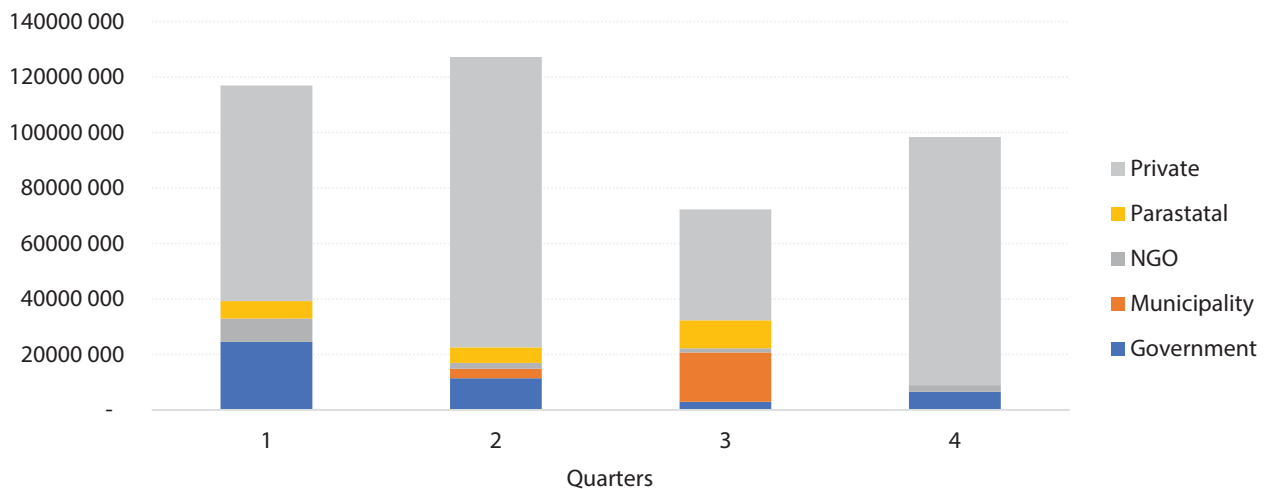


Number of CIC Projects Registered by Status – Moving Annual Total

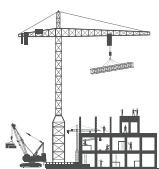
Number of Projects Registered by Status
Moving Annual Total



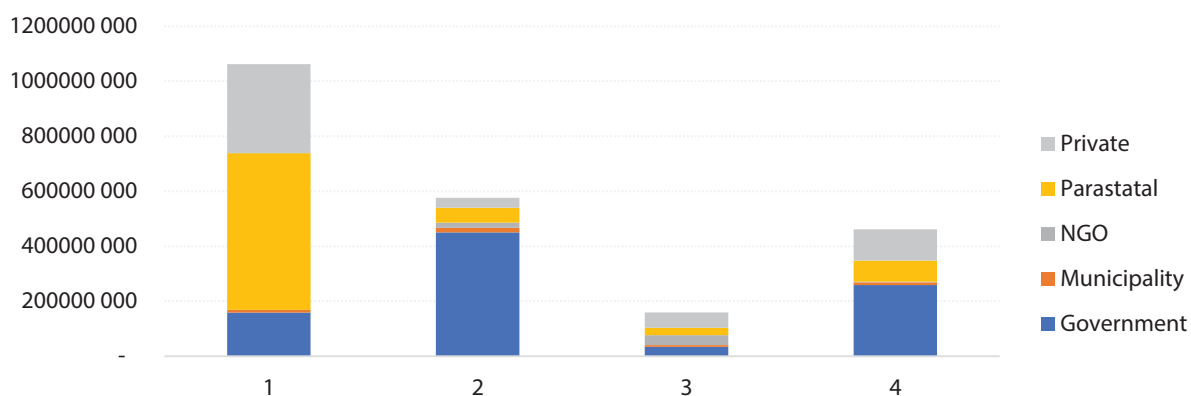
Registered projects: 2023/24
Status - Completed
Quarterly Totals, Current Prices



As at March 2024, the value of ongoing projects registered with the CIC reached E2.2bn, with E439m reported as completed. While the private sector represented only 23 % of ongoing projects, or E528m and it represented 71 % (or E313m) of the completed projects. Government represented 40 % of the ongoing projects in 2023/24, that have not been completed by end of March 2024, followed by Parastatals (33 %), private sector (23 %), Ngo's and municipalities at 3 % and 2 % respectively.



Registered projects: 2023/24
Status - Ongoing
Quarterly Totals, Current Prices

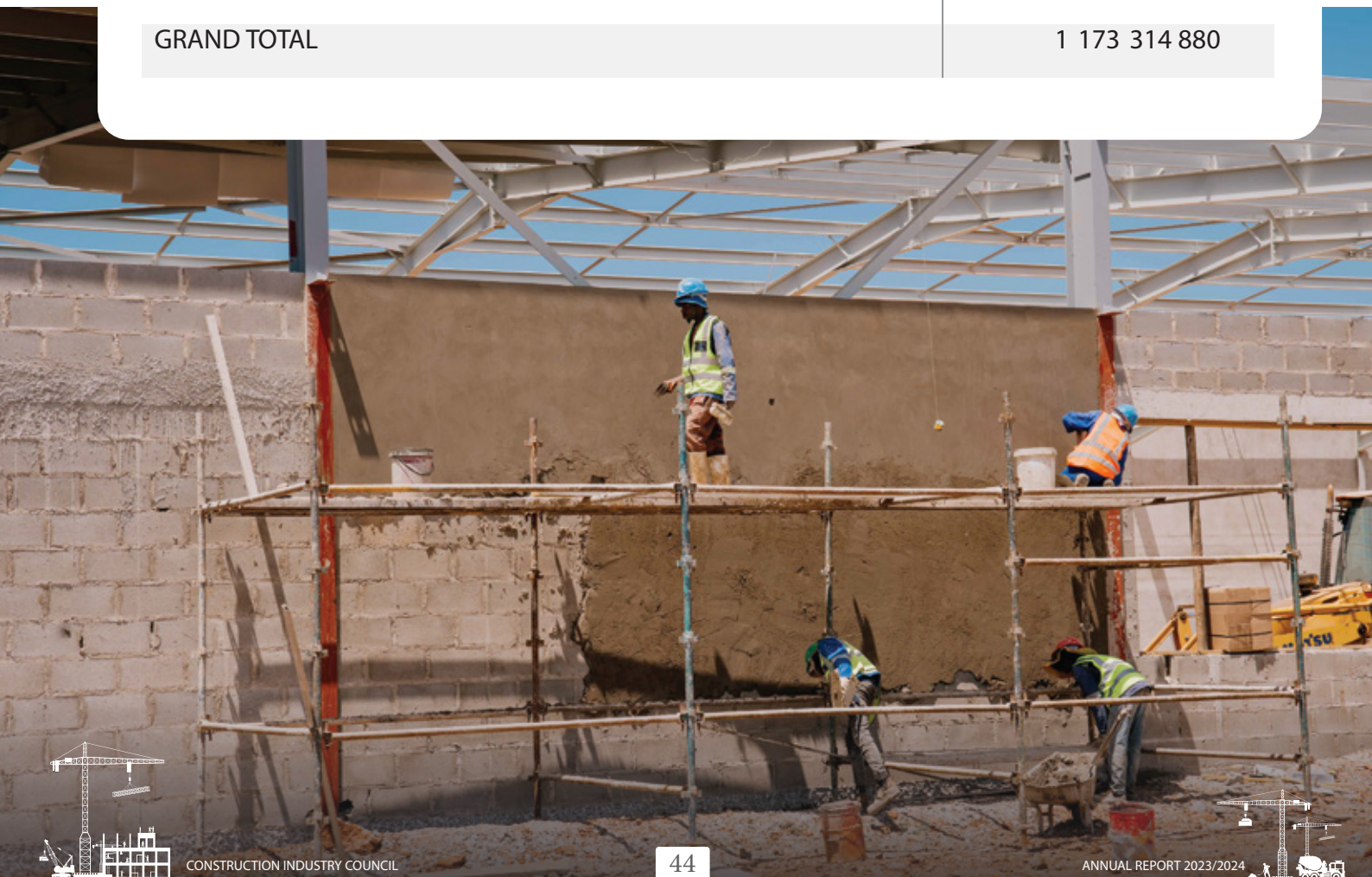


Project Registered by Ownership Classification: 2023/24

GOVERNMENT

TOTAL (E')

MINISTRY OF PUBLIC WORKS & TRANSPORT	624 965 913
MINISTRY OF ECONOMIC PLANNING - MICROPROJECTS PROGRAM	540 419 087
MINISTRY OF HOUSING AND URBAN DEVELOPMENT	7 328 701
ENTANDWENI HIGH SCHOOL	601 180
GRAND TOTAL	1 173 314 880



MUNICIPALITIES

TOTAL (E')

PIGG'S PEAK TOWN COUNCIL	19 788 553
MUNICIPAL COUNCIL OF MBABANE	19 107 390
VUVULANE TOWN BOARD	9 362 529
EZULWINI MUNICIPALITY	8 481 249
MALKERNS TOWN BOARD	6 873 667
MATSAPHA TOWN COUNCIL	4 182 578
GRAND TOTAL	67 795 967

NGOs

TOTAL (E')

WORLD VISION SWAZILAND	62 744 798
HEART FOR AFRICA SWAZILAND	25 300 000
OLD APOSTOLIC CHURCH	5 881 722
MEDECINS SANS FRONTIERES	1 550 088
KINGDOM HALL OF JEHOVAH'S WITNESSES	1 223 825
SUB-TOTAL	96 700 433

PARASTATALS

TOTAL (E')

ESWADE	2 733 503 966
ESWATINI WATER SERVICES CORPORATION	389 187 713
ESWATINI RAILWAYS	194 992 675
ESWATINI ROYAL INSURANCE CORPORATION	32 615 939
ESWATINI INVESTMENT PROMOTION AUTHORITY	26 967 410
GRAND TOTAL	3 377 267 703



PRIVATE PROJECTS

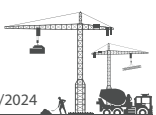
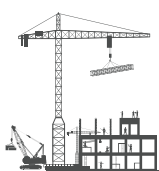
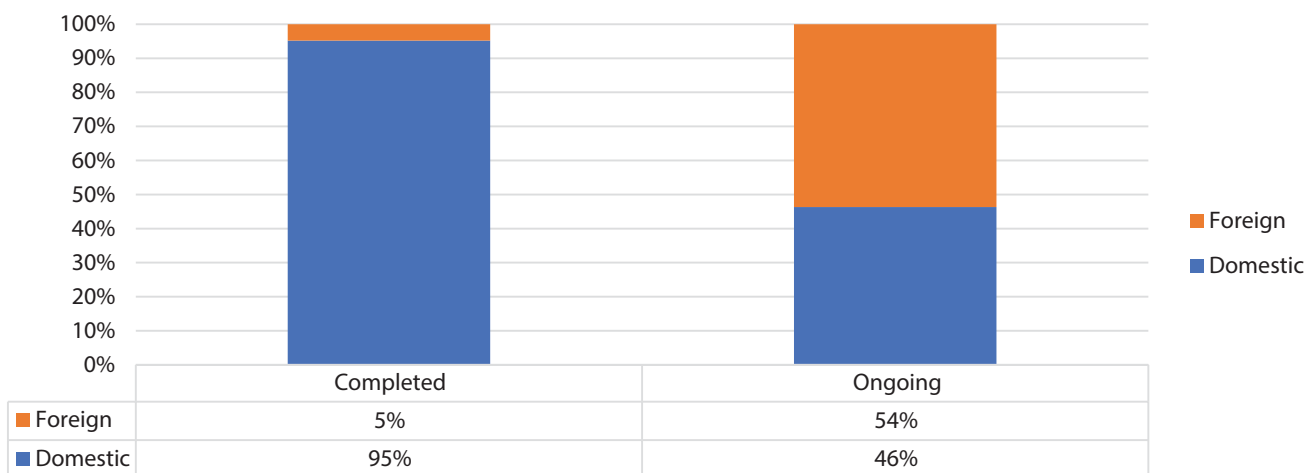
TOTAL (E')

UMLAMULI (PTY)LTD	250 354 103
RES CORPORATION	167 951 510
UBOMBO SUGAR LIMITED	66 304 954
ROYAL SCIENCE AND TECHNOLOGY PARK	42 012 733
CONCO LIMITED	39 804 253
GRAND TOTAL	566 427 553

4.4.1 Foreign Works

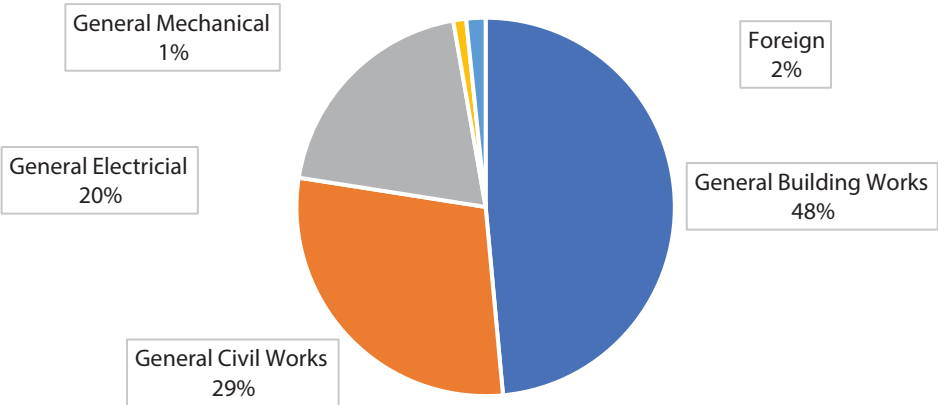
Foreign Contractors registered accounted for only 1.6 % of the total number of CIC registered contractors as at June 2024. The start of the E2.6bn Mpakeni Dam, increased the contribution by foreign works to 53.7 % of the total value of ongoing projects registered for the 2023/24 financial year, from 10 % in 2023/24. This however represented only around 1 % of the total number of ongoing projects in 2023/24 compared to 3.7 % in 2022/23. The number of projects however increased by 66 % for the 2023/24 financial period. The vast majority of projects ongoing during the 2023/24 financial period therefore remain in general building works (47 %).

CIC Projects Registration Distribution by Status and Category 2023/24

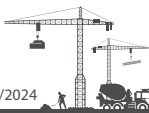
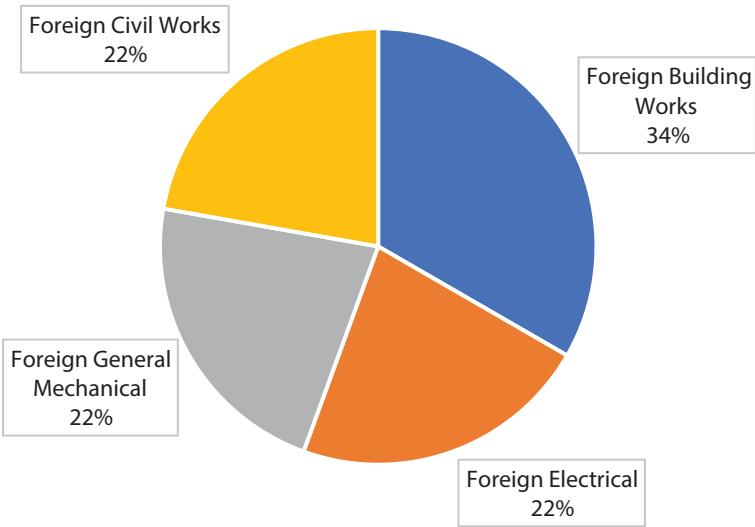


Value of Registered Projects (Ongoing), Current Prices

CIC Contractor Registrations
As at June 2024



CIC Foreign Contractor Registrations
As at June 2024



Number of Registered Contractors

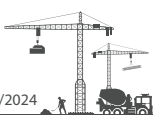
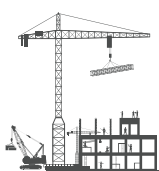
CATEGORY/GRADING	B1	B2	B3	B4	B5	B6	C1	C2	C3	C4	C5	C6	GRAND TOTAL
GENERAL BUILDING WORKS	15	10	55	66	2	117							265
GENERAL CIVIL WORKS							8	8	59	37	3	43	158
SUB-TOTAL	15	10	55	66	2	117	8	8	59	37	3	43	423

Number of Electrical and Mechanical Registered Contractors

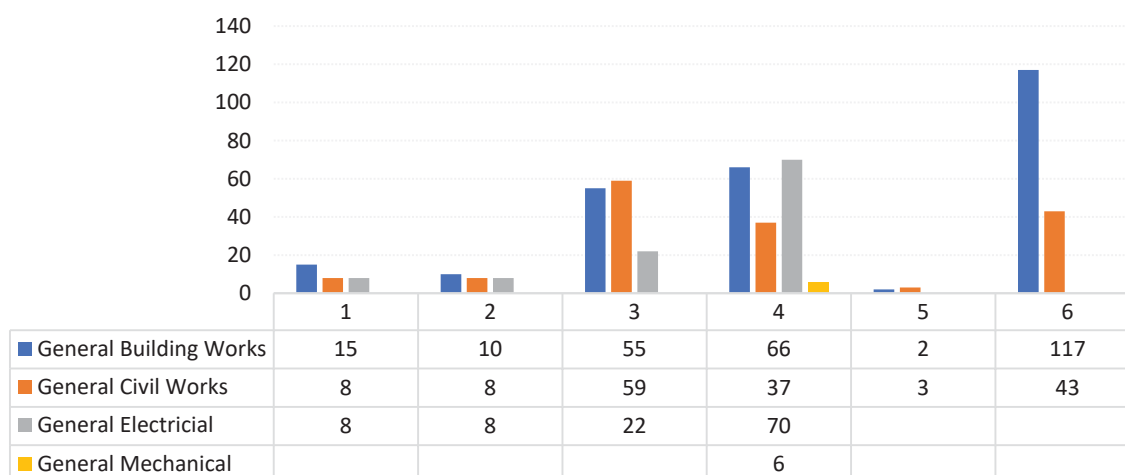
CATEGORY/GRADING	BF	CF	MF	E1	E2	E3	E4	EF	M4	GRAND TOTAL
GENERAL ELECTRICAL				8	8	22	70			108
GENERAL MECHANICAL									6	6
SUB-TOTAL				8	8	22	70		6	114

Number of Foreign Contractors Registered

CATEGORY/GRADING	BF	CF	MF	E1	E2	E3	E4	EF	M4	GRAND TOTAL
FOREIGN BUILDING WORKS	3									3
FOREIGN ELECTRICAL								2		2
FOREIGN GENERAL MECHANICAL			2							2
FOREIGN CIVIL WORKS		2								2
SUB-TOTAL	3	2	2					2		9



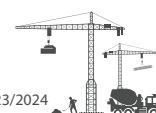
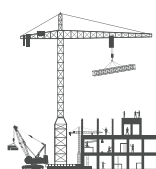
Number of CIC Registered Contractors by Category (Excluding Foreign) as at June 2024



According to the CIC, approximately 537 contractors were registered as at June 2024, with 265 registered as General Building contractors, 158 as General Civil Contractors, 108 as General Electrical and 6 contractors registered as General Mechanical Contractors. Foreign contractors represented 1.6 % (or 8 contractors) of total registrations, with a balance distribution between building and civil works, electrical and mechanical. Please note that duplicates may occur as a contractor can be registered in multiple categories.

Within general building works, the majority (40 %) are registered within the lowest level grading (B6) for projects with a maximum value of up to E500 000. The highest grading (B1 for a project exceeding E25 million), accounts for 6.8 % of the total number of general building works contractors registered, and 5.8 % (C6 for a project exceeding E50 million) in terms of general civil works contractors. The majority civil contractors (41 %) have a C3 grading, for a project value up to E30 million. Majority of Electrical Contractors are registered with an E4 grading, for project values up to E500 000, with only 8 % at grading E1 for project values above E2 million. Only 6 lower-level M4 Mechanical Contractors are registered, for project values up to E500 000.

A total of 263 general building projects were registered as ongoing by the CIC during 2023/24, with most (34 %) within the B4 grading level and the highest grading contracts (B1) representing 11 %. Within the 104 ongoing general civil works projects registered, 34 % were in the C3 grading level, with 24 % of the projects in the highest grade, or C1 level.





4.1.1 Project to Contractor Ratio

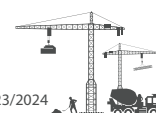
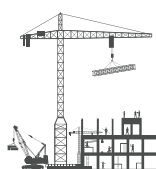
Aligning the number of projects with the number of building and civil contractors registered, the strongest competition is within the B6 grading level, with 38 ongoing registered projects for around 117 contractors, that means 1 project for every three contractors, and the least competition within the B2 grading level, where 35 projects were registered alongside 10 registered building contractors within that grading level, or between 3 and 4 projects per registered contractor.

In terms of civil works, competition is most rife amongst smaller contractors, with a project to contractor ratio of 1:3, an average of 1 ongoing registered civil works project for every three contractors registered (or 13 projects compared to 43 registered C6 general civil works contractors). By comparison the highest-grade contracts (C1) included 25 projects to eight registered C1 civil works contractors translating to a ratio of 3:1, an average of 3 projects per contractor.

Mechanical Specialist Works projects, registered as ongoing during 2023/24, accounted for less than 0.5 % of the total value of ongoing projects registered and increased to E12.5 million from E293 000 in 2022/23. This includes 13 projects, with six Mechanical Contractors registered as at June 2024, all within the lower M4 grading level.

Building Works Contractors

Determining Score Rating	Grade	Maximum Tender Value Range (E)	Number of registered contractors (June 2024)	Number of registered Ongoing projects 2023/24
501 - 600	B1	No Limit	15	28
401 - 500	B2	25 000 000	10	35
301 - 400	B3	10 000 000	50	71
201 - 300	B4	5 000 000	55	89
101 - 200	B5	2 000 000	1	2
0 - 100	B6	500 000	88	38

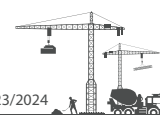
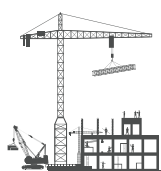


Civil Works Contractors

Determining Score Rating	Grade	Maximum Tender Value Range (E)	Number of registered contractors (June 2024)	Number of registered Ongoing projects 2023/24
501 – 600	C1	No Limit	8	25
401 – 500	C2	50 000 000	8	12
301 – 400	C3	30 000 000	57	35
201 – 300	C4	15 000 000	31	14
101- 200	C5	5 000 000	2	5
0 – 100	C6	1 000 000	33	13

General Electrical Works

Determining Score Rating	Grade	Maximum Tender Value Range (E)	Number of registered contractors (June 2024)	Number of registered Ongoing projects 2023/24
301 - 400	E1	No Limit	8	8
201 - 300	E2	2 000 000	8	12
101- 200	E3	1 000 000	22	29
0 - 100	E4	500 000	70	7



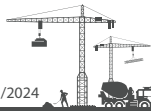
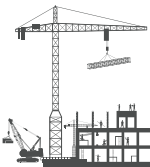
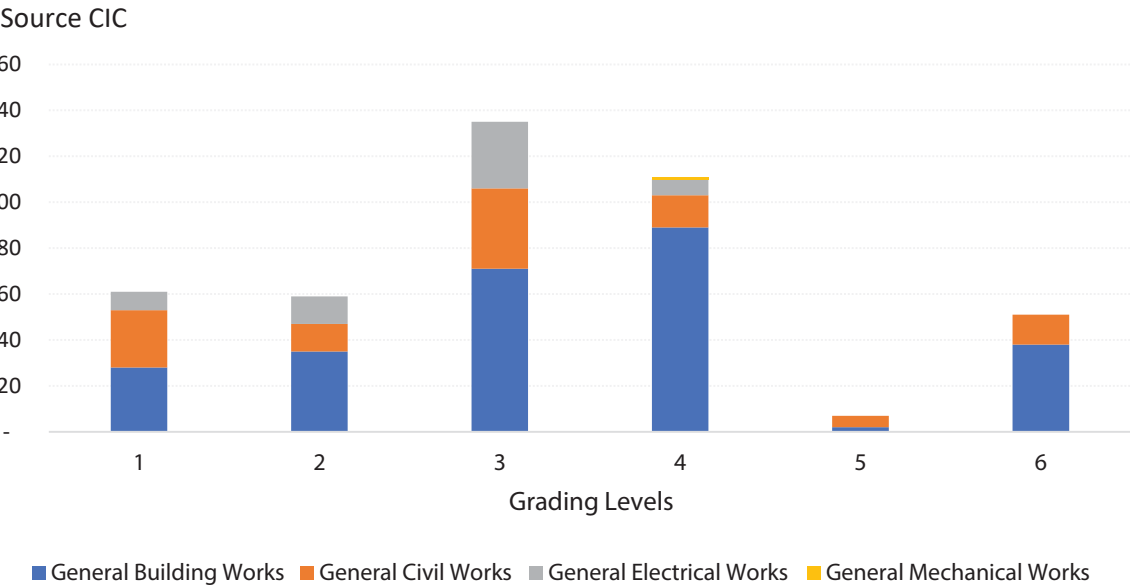
Mechanical Works

Determining Score Rating	Grade	Maximum Tender Value Range (E)	Number of registered contractors (June 2024)	Number of registered Ongoing projects 2023/24
--------------------------	-------	--------------------------------	--	---

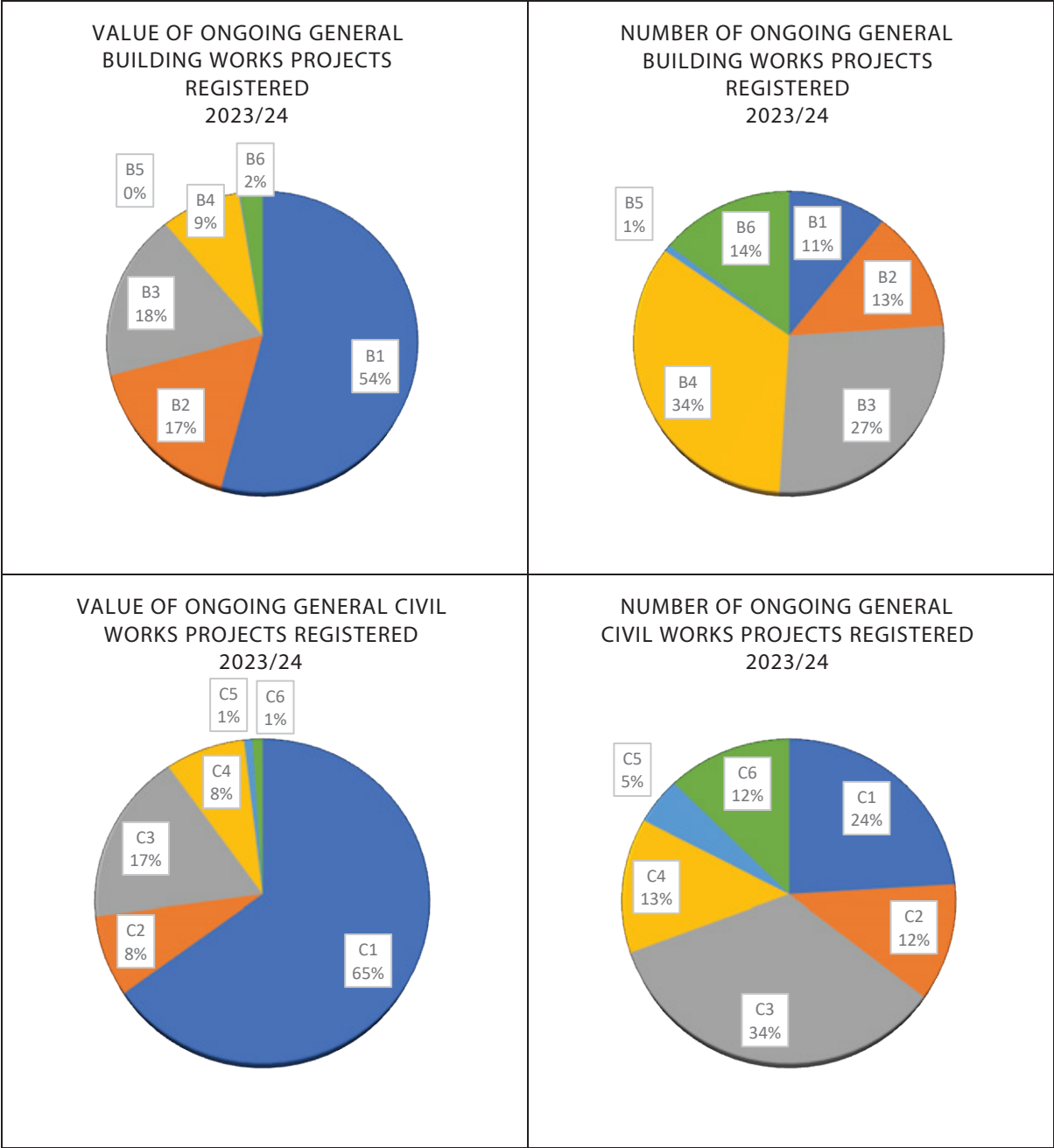
301 - 400	M1	No Limit		
201 - 300	M2	2 000 000		
101- 200	M3	1 000 000		
0 - 100	M4	500 000	6	1

Source: Own calculation

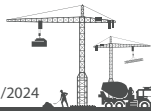
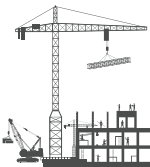
Total Number of Ongoing Construction Projects Registered (2023/24)

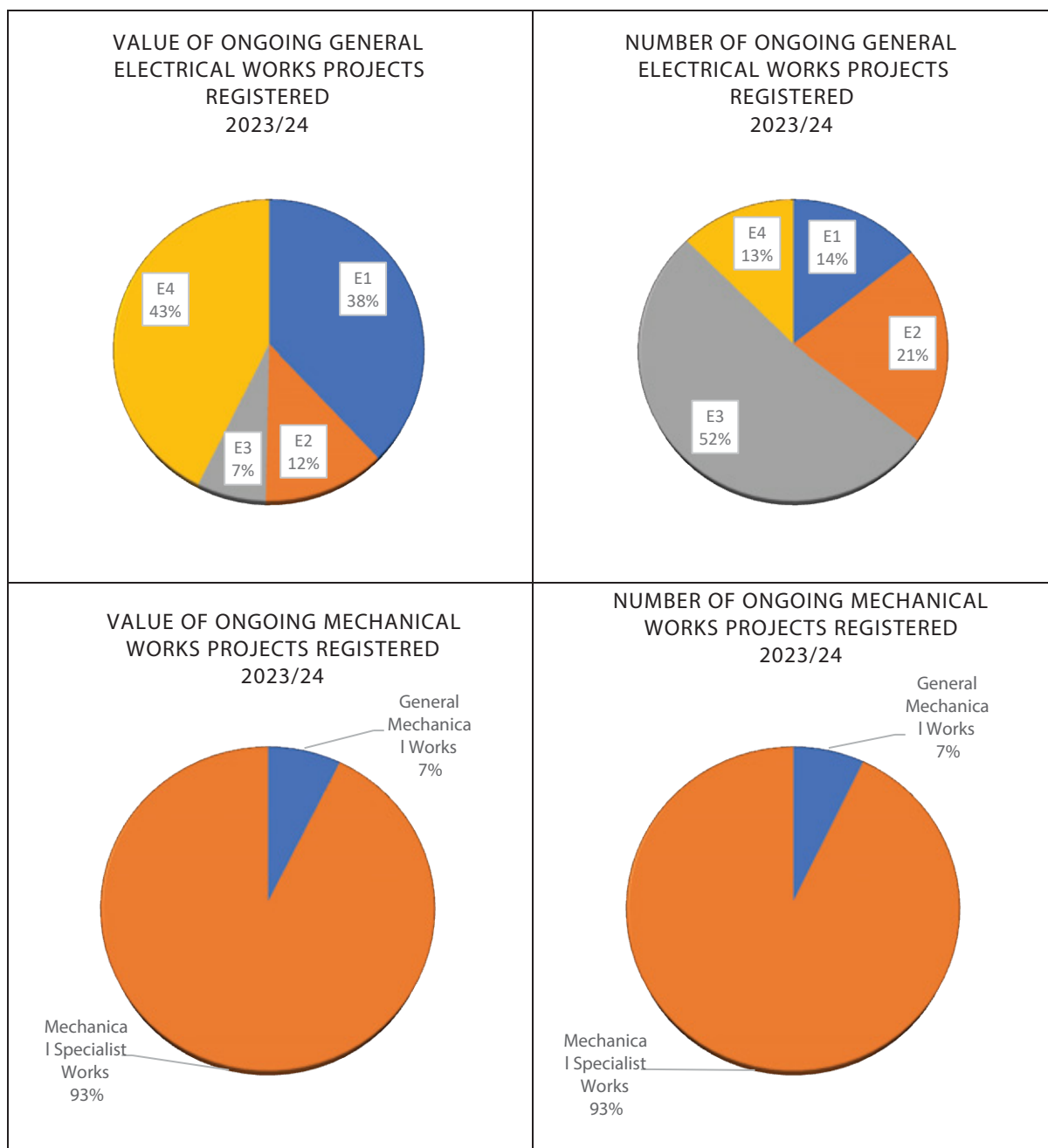


Value and number of ongoing General Building, General Civil, Electrical & Mechanical works projects registered 2023/24

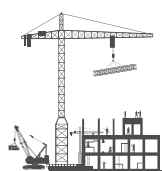


Note: These excludes the E2.6bn Mpakeni Dam registered in 2023/24





General building and civil works projects on average represented 65 % of the total value of projects that have been registered and completed during the 2022/23 and 2023/24 financial years.

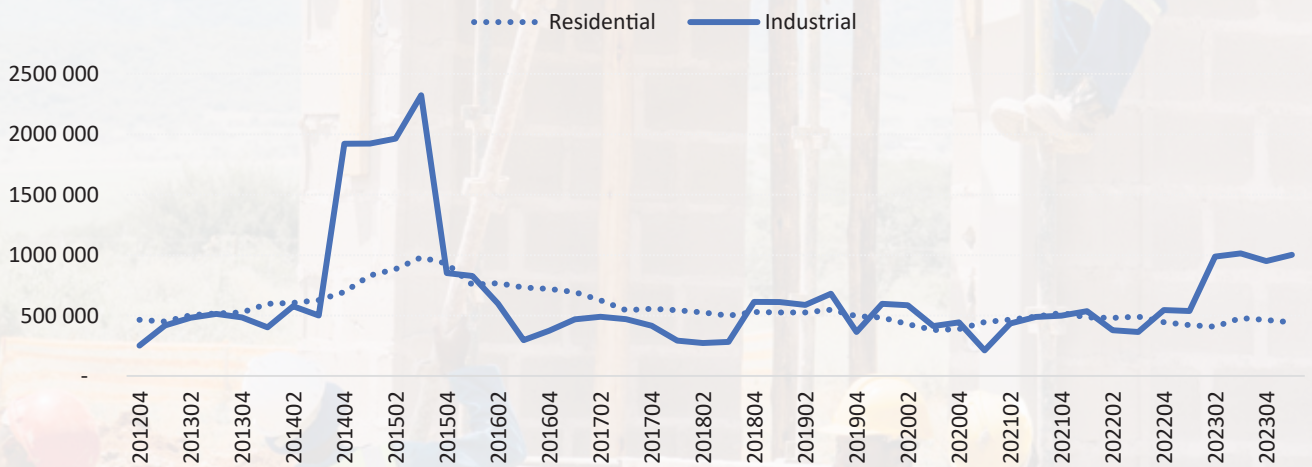


Construction Sector Outlook

Industrial demand (demand for construction-related goods, services, and labor, driven by projects across various sectors like residential, commercial, industrial, infrastructure, and public sector development.) drives growth in approvals for building construction in Eswatini.

Approvals for building construction rose 50 % y-y (nominal) in 2023, to close to E1.5bn, representing an increase of E492m compared to 2022. In value, this is the best recovery recovered since 2015.

Building Approvals:
Residential vs Industrial
E'000 Mat Constant 2023 Prices



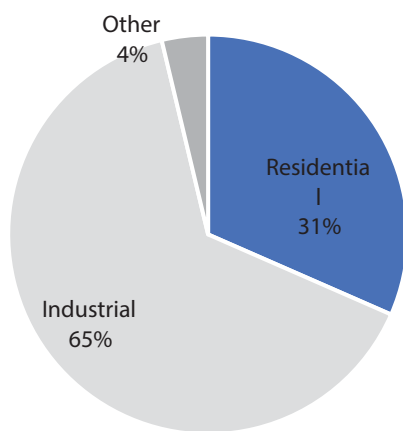
Source: Central Bank of Eswatini



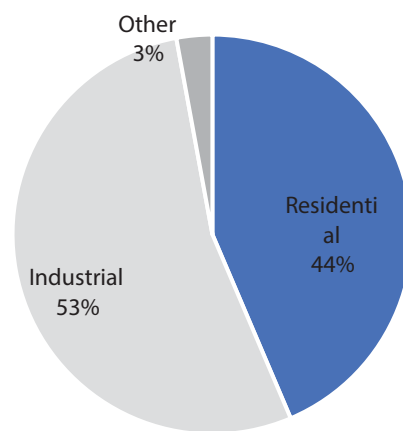
Eswatini Building Approvals 2022 & 2023

The contribution by the residential market decreased from 44 % in 2022, to 31 % in 2023, as demand for housing is weakened by higher lending rates and stronger inflation. However, an increase in industrial development related demand increased this market segment's contribution to 65 % in 2023, (from 53 % in 2022), as approvals for new industrial developments increased by 81 % y-y to just under E1bn. Approvals for other buildings, increased by 94 % and contributed roughly 4 % of total approvals during the year, or around E55 million. The residential market was muted, offering only a 9 % y-y increase in 2023, to E463m, maintaining the similar status quo since 2017 and remaining well below the 2015 levels. According to official statistics released by the Central Office, the number of industrial plans approved increased by 30, to 120, with close to 40 approvals in the 3rd quarter of 2023, the highest level since 2018.

Eswatini Building Approvals
2023

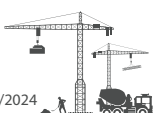
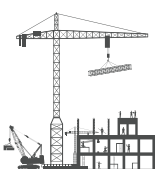
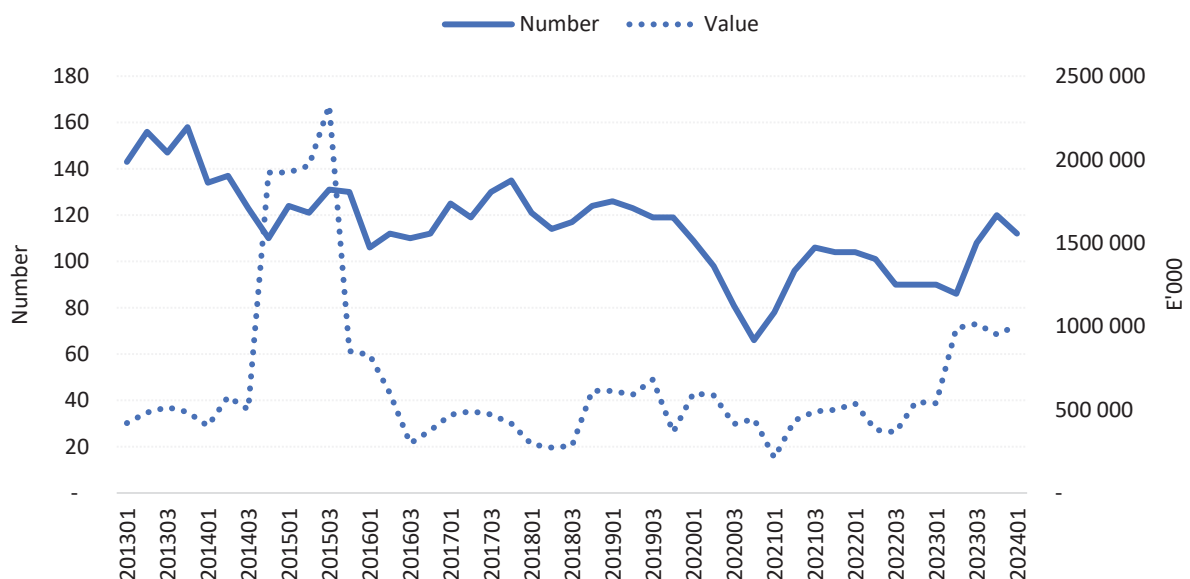


Eswatini Building Approvals
2022



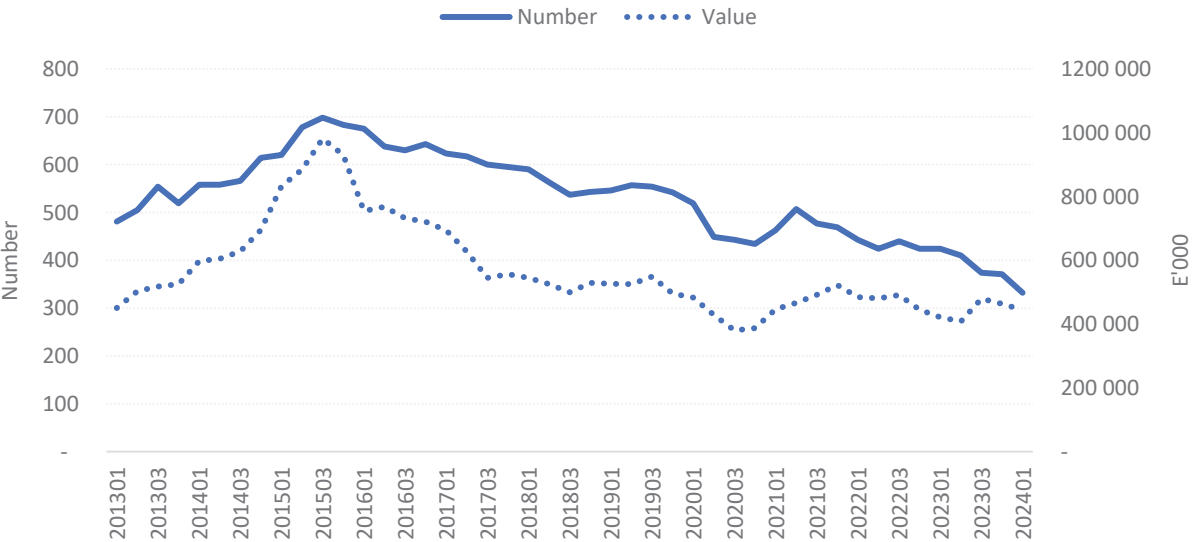
Building Approvals: Industrial Number vs Value

Industrial Approvals
Moving Annual Total



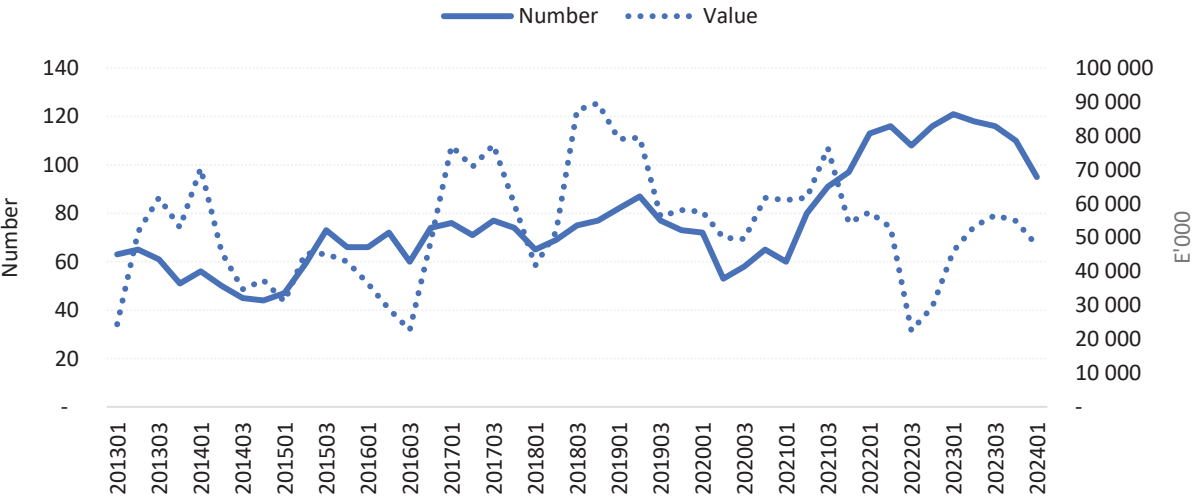
Building Approvals: Residential: Number vs Value

Residential Approvals
Moving Annual Total
E'000 Constant 2023 Prices



Building Approvals: Other: Number vs Value

Other Approvals
Moving Annual Total
E'000 Constant 2023 Prices

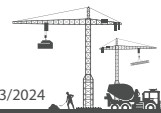
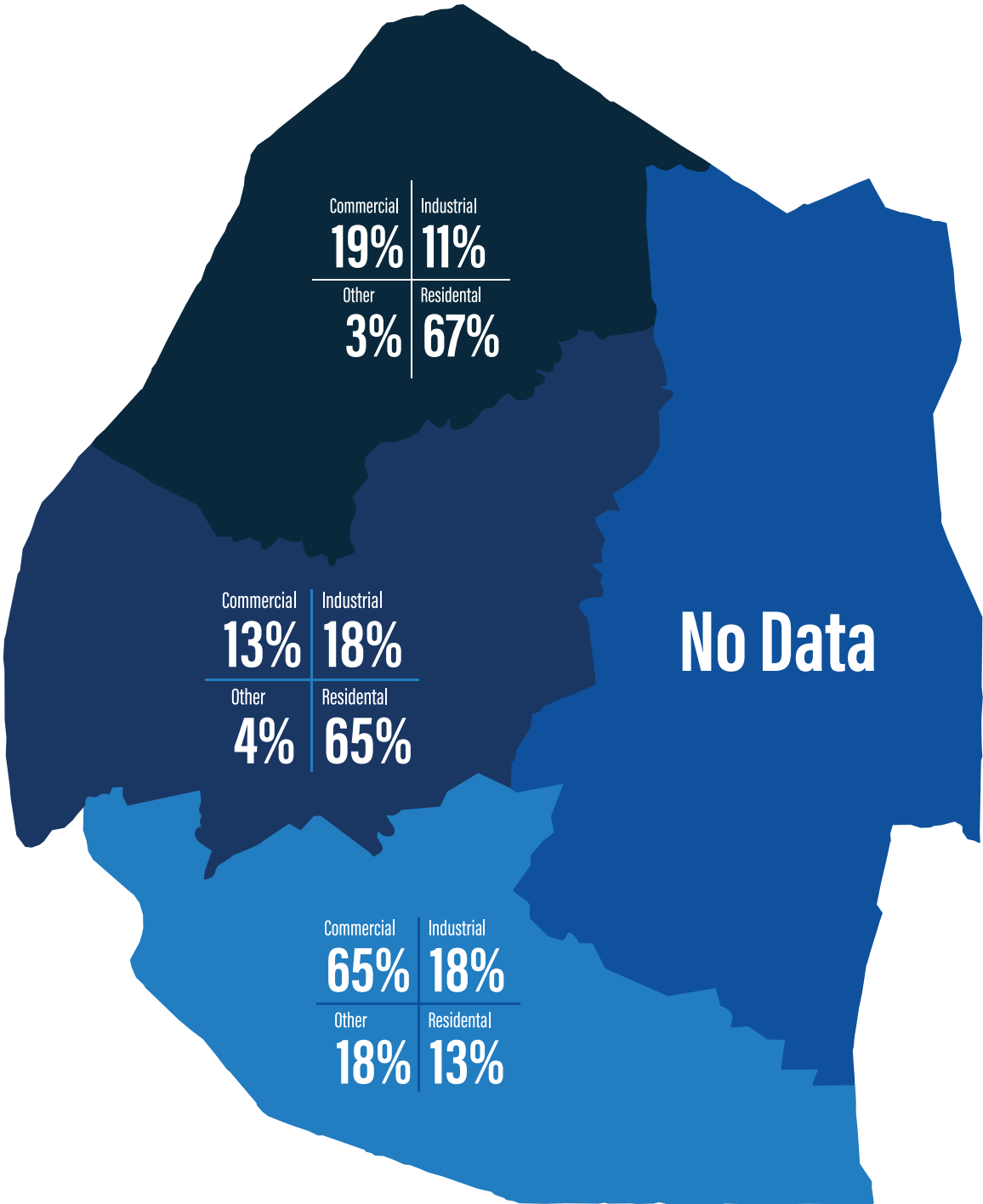




Eswatini Building Approvals: 2023

VALUE

35,279,430 771,558,344



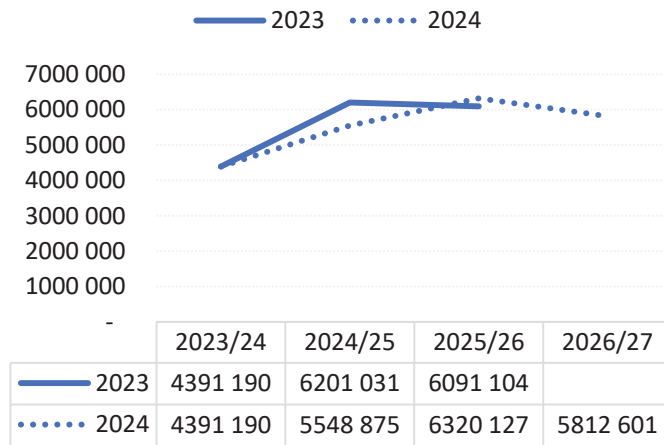


Improved outlook for government-funded infrastructure expenditure

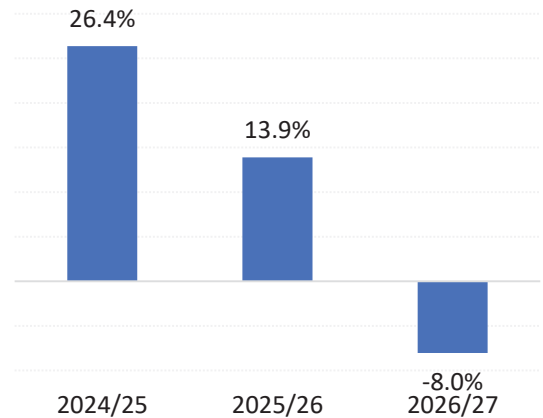
According to the 2024 Budget estimates, capital expenditure is increased by 19 % y-y (or close to E1bn) to E6.3bn, with a further 17 % increase projected for 2026/27. This means capital expenditure is projected to increase by E2bn in the next two years to E7.4bn by 2026/27. The contribution of capital expenditure to total expenditure is thereby projected to increase from 18 % in 2022/23 to 28 % over the two-year period as the role of capital expenditure in promoting economic prosperity is increased. The economic spin-offs to Eswatini, already operating on an improved economic platform, are higher revenue generation, job creation and economic opportunities. A more detailed analysis of capital expenditure by the various Heads shows allocations towards “infrastructure-related” items increased by 20 % y-y in 2024/25, or E864m to E5.2bn. This does, however, include a 15 % downward revision from what was projected in the 2023 Budget for the 2024 financial year, but allocations nonetheless remain favourable.



Government funded Infrastructure related expenditure: 2024 vs 2023 Budget Announcements



Government funded Infrastructure related allocations 2024 Budget Y- Y Per.chg (current prices)

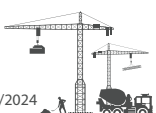
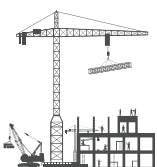


The Ministry of Economic Planning and Development received the highest “infrastructure-related allocations” of E1.9bn, representing a 58 % y-y increase. Agriculture is the second most dominant Ministry in terms of projected infrastructure expenditure, with an allocation of E1.1bn, more than double the expenditure in the previous financial year. However, allocations to Public Works and Transport were cut by 27 % to E698m, with a 33 % cut also announced for Natural Resources and Energy. The contribution of Public Works and Transport fell to 13 % of total infrastructure-related projected expenditure from 22 % in 2023/24. Within this budget, roads spanning 500km have been targeted for upgrading across four regions in the 2024/25 year.

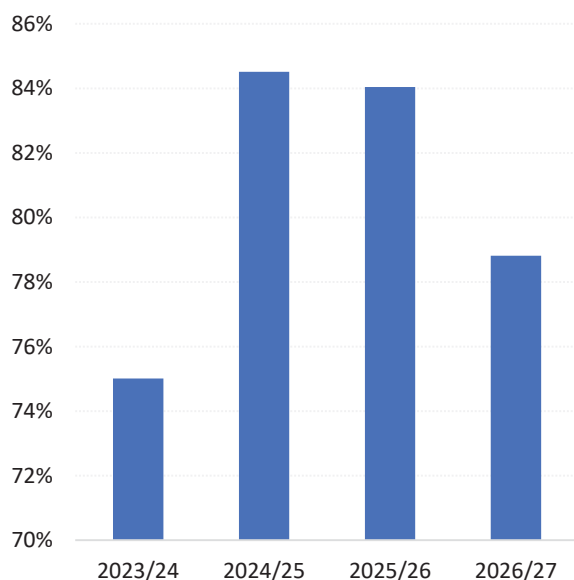
In 2023/24, there was a solid commitment to advancing renewable energy projects, with a total capacity of 12.91MW approved and several projects in the pipeline to support economic growth and energy provision. Investment in transmission lines was also prioritized. However, energy allocations under the Natural Resources and Energy sector will see a 17% cut in 2024/25 and a 50% reduction over the following two years. Despite these cuts, the largest allocation for 2024/25, E293 million, will go to the Shiselweni Network Reinforcement and Access Project. Additionally, the Manzini Region Water and Sanitation allocations were revised upward to E275 million, though still lower than the E315 million spent in 2023/24.

The construction of the International Convention Centre received the highest infrastructure-related allocation for the 2024/25 financial year (E1.1bn), followed by E629 million allocated to the construction of the Mpakeni Dam, with a further E1bn also allocated for the 2025/26 financial year. Less funding was allocated to the Emergency Maintenance Programme for Roads, with additional funding allocated towards construction works to be undertaken at KMII Airport.

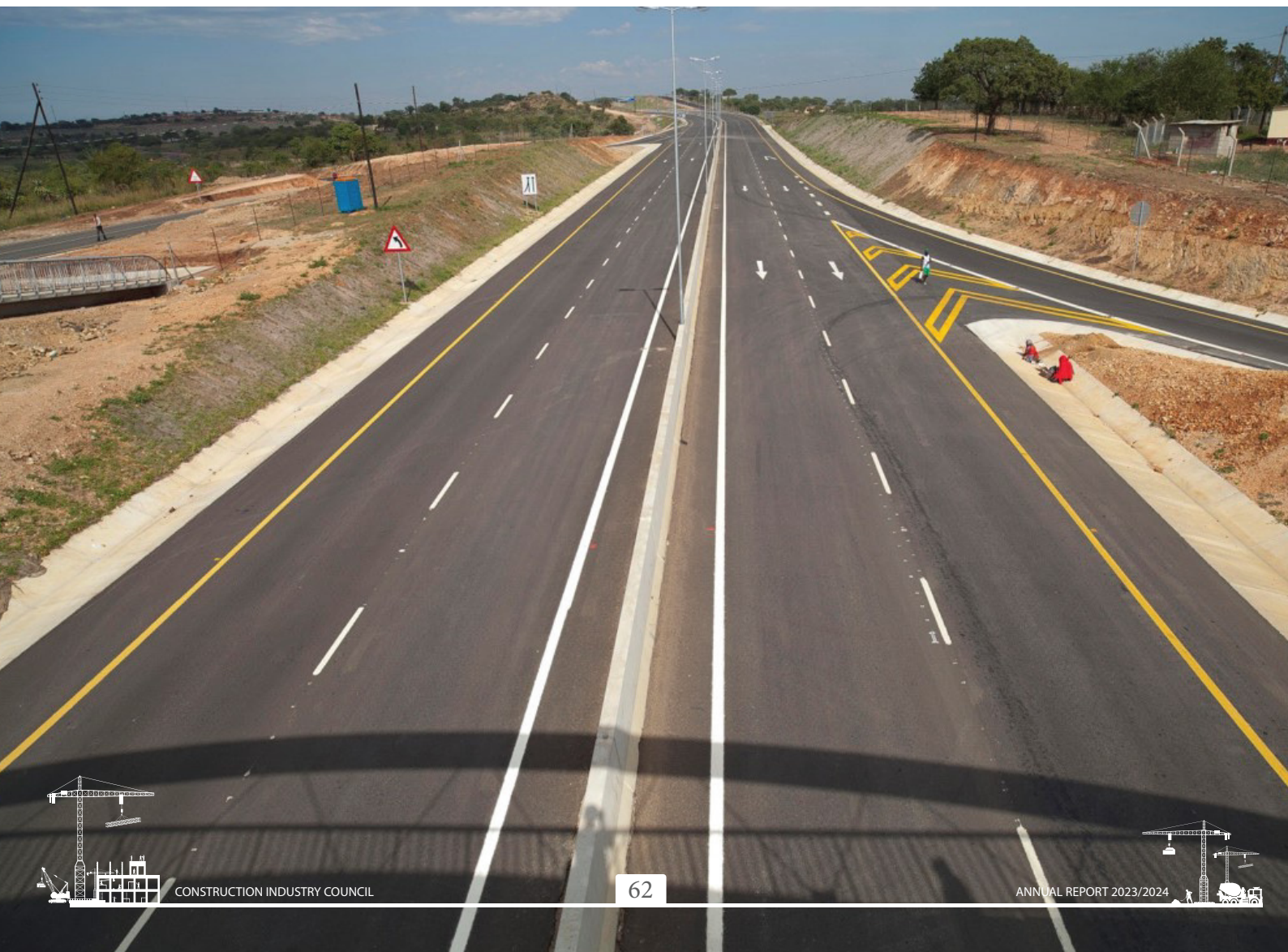
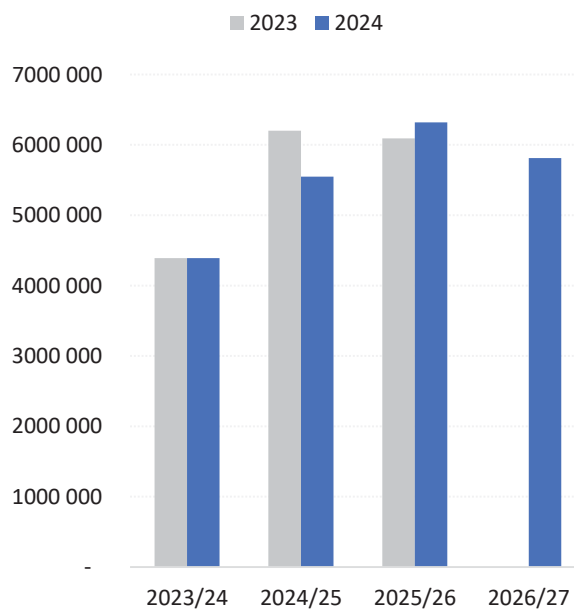
Road infrastructure takes a temporary back seat in 2024: On the downside, total infrastructure-related allocations to the Roads activity within the Department of Public Works and Transport declined by 32 % for the 2024/25 financial year to E626m, with another 23 % cut expected in 2025/26. The road sector favours economic and agricultural projects, but according to 2024 projections, allocations will improve in 2026/27.



Infrastructure related expenditure as percentage of total Capital Expenditure 2024 Budget



Infrastructure Related Allocations 2024 vs 2023 Budget E'000





CORPORATE SERVICES

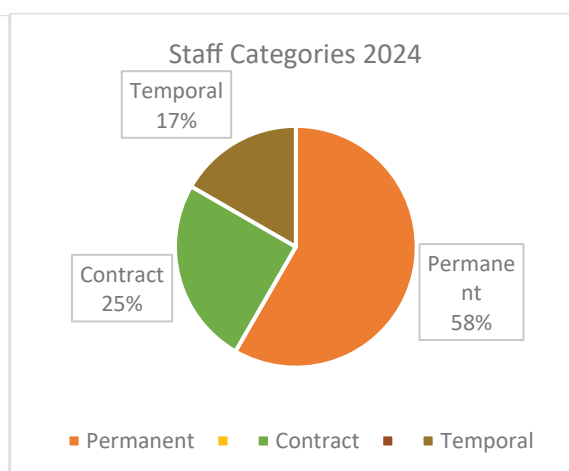
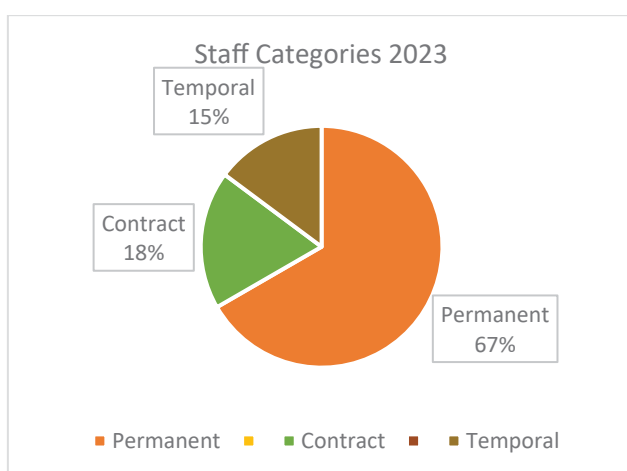
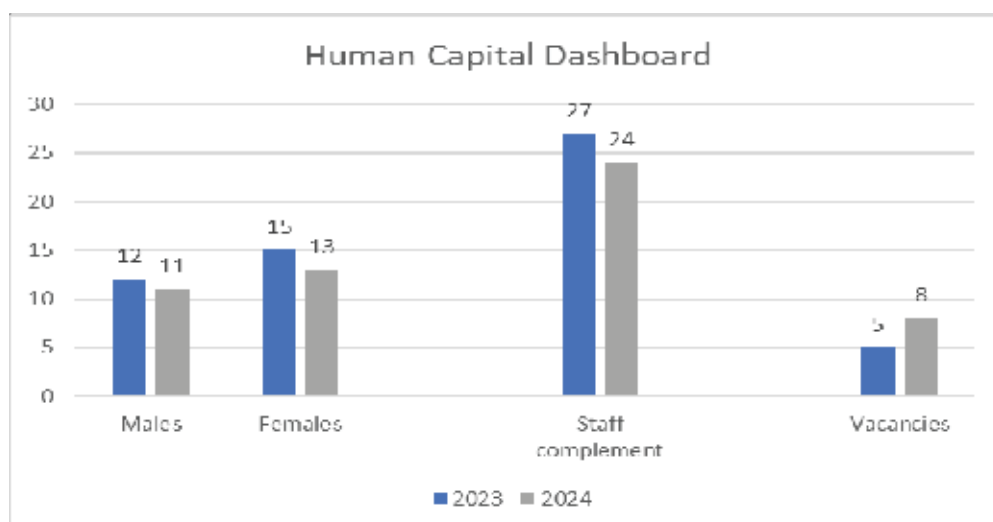


5. Human Resource And Staff Development

Staff Movements

There were three resignations, and three vacancies were filled through internal recruitment, which resulted in staff upward mobility. These were the positions of the Chief Executive Officer, Research and Business Development Manager and Business Development Analyst. The Council closed the year with a staff complement of 24 (20 full-time and four temporal) against a full complement of 28, as illustrated in the figure below:

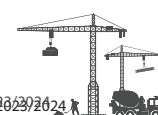




Only the EXCO team is engaged on a contractual basis, and in the year under review, the Council had a full EXCO complement. EXCO is formed of six members: the Chief Executive Officer, Research and Business Development Manager, Corporate Services Manager, Finance Manager, Company Secretary, and Operations, Procurement, and Compliance Manager.

Employee upward mobility for FY 2023/2024

PREVIOUS DESIGNATION	CURRENT DESIGNATION
Research& Business Development Manager	Chief Executive Officer
Research Analyst	Research & Business Development Manager
Registration Clerk	Business Development Analyst



Staff Training and Development Initiatives

Staff training and development is one of the Council’s talent management initiatives. It is aimed at improving staff retention and building an effective pool of talent that can be used to fulfil its mandate and implement its strategic objectives. Staff were exposed to various courses relevant to their responsibilities to capacitate them with proper technical, management, and leadership skills.



Employee Relations

The Council continued to intensify efforts to maintain positive relationships with employees, inspiring employee loyalty, increasing employee engagement, reducing staff turnover, and creating a positive company culture.

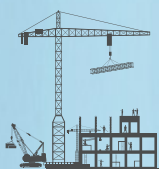
Employee Wellness

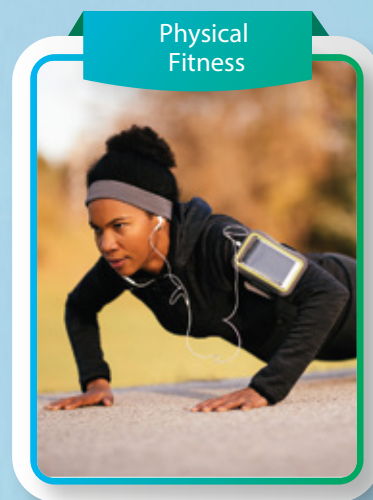
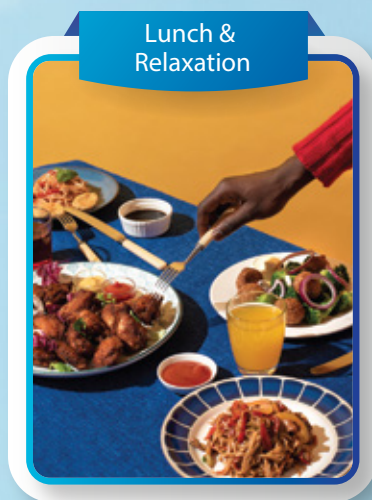
The Council’s employee wellness program not only refers to programmes aimed at addressing physical healthcare but also includes support for mental, emotional, and financial health in a bid to address both physical and mental well-being. The modern-day work environment tends to produce stressors that result in workplace burnout. The programmes, therefore, tend to include activities that address all the wellness aspects of an employee.





The Council hosts quarterly wellness days. Activities include health talks, a physical fitness hour, birthday celebrations, relaxation, and health screening carried out through a mobile clinic. The screening includes tests for hypertension, HIV/Aids, glucose, cholesterol, etc.





During a feedback and team building exercise

Conquering Sibebe

Stakeholder Engagement

The Council understands that effective stakeholder engagement is crucial for the growth and sustainability of the construction industry in Eswatini. Engaging with our stakeholders allows us to align our operations with the needs and expectations of those impacted by our projects, fostering a collaborative environment that promotes innovation and efficiency.



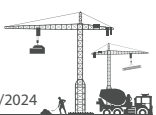
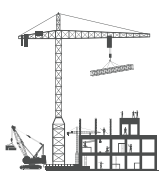
Engagement Approach

Our approach to stakeholder engagement includes:

- **Inclusive Consultation:** Actively involve stakeholders in developing and reviewing policies, such as the Construction Industry Policy and regulations, to ensure their voices are heard in shaping the industry landscape.
- **Materiality Assessment:** Identifying and prioritizing issues significant to contractors and stakeholders, particularly concerning local economic development.
- **Responsive Communication:** Addressing stakeholder concerns and transparency in construction procurement, particularly regarding project impacts on local communities.

Engagement Approach

Stakeholder Group	Description
All Stakeholders	Compliance and Public/Private Partnership (PPP) joint workshop
Financial Institutions, Contractors and Industry Associations	To address and facilitate the ease of accessing finance for the construction industry in Eswatini. Among the participants were financial institutions, contractors
Procuring entities (CONCO, ILLOVO, RES, Eswatini Railway, World Vision)	To sensitize the procuring entities about the CIC operations, compliance requirements, regulatory changes and best practices institutions, contractors and industry association
All Contractors grades	To sensitize the procuring entities about the CIC Operations and compliance requirements
Project Manager, Contractors (C1-3 & B1-3), Engineers, Architects	The CIC collaborated with Eswatini Water and Agricultural Development Enterprise (EWADE) in hosting a workshop on project eligibility criteria for EWADE's upcoming projects
Employee meetings	To discuss workplace development opportunities.



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024



Construction Industry Council
Annual financial statements
for the year ended 31 March 2024



Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	Eswatini
Nature of business and principal activities	Regulate and promote the Construction Industry
Directors	Sandile Makhubu- Chairperson Nolwazi Dlamini-Vice Chairperson Percy Mazibuko Marianna Pullen Bambo Kunene Lawrence Mavimbela Vincent Dlamini Maxwell Sithole Thembumenzi Dube
Chief Executive Officer	Maqhawe Mnisi- Appointed 1 October 2023
Business address	J.S.M. Matsebula Street Mbabane
Postal address	P. O. Box 5020 Mbabane, H100
Bankers	Eswatini Development and Savings Bank First National Bank (Eswatini) Limited Nedbank (Eswatini) Limited Standard Bank (Eswatini) Limited
Auditors	Kobla Quashie and Associates Chartered Accountants (Eswatini) Manzini
Legal Advisor	S.V. Mdladla and Associates



Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Contents

The reports and statements set out below comprise the annual financial statements presented to the Board of Directors:

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Independent Auditors' Report	4 - 5
Directors' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Summary of Significant Accounting Policies	11 - 15
Notes to the Annual Financial Statements	16 - 20
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Financial Performance	21
Supplementary Information	22

Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Directors' Responsibilities and Approval

The directors are required in terms of the Construction Industry Council Act No. 14 of 2013 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Council as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards for Small and Medium Entities (IFRS forSME's). The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium Entities (IFRS forSME's) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standards in ensuring the Council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Council's cash flow forecast for the year to 31 March 2025 and, in the light of this review and the current financial position, they are satisfied that the Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Council's annual financial statements. The annual financial statements have been examined by the Council's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 7 to 20, which have been prepared on the going concern basis, were approved by the board of directors on 16 September 2024 and were signed on its behalf by:



Board Chairperson



Board Finance Committee Chairperson



Independent Auditors' Report

To the members of Construction Industry Council

Opinion

We have audited the financial statements of Construction Industry Council as set out on pages 7 to 20 which comprise the statement of financial position as at 31 March 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Construction Industry Council as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for SMEs, and in the manner required by the Construction Industry Council Act No.14 of 2013

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the council in accordance with International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Eswatini and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Council's Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Kobla Quashie and Associates
Chartered Accountants (Eswatini)
Manzini
Registered Auditor: Daniel Bediako

16 September 2024

Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Directors' Report

The directors submit their report for the year ended 31 March 2024.

1. Review of activities

Main business and operations

The Construction Industry Council (CIC) was established in 2014, through an Act of parliament (Construction Industry Council Act No. 14 of 2013) to regulate, develop and promote Eswatini's construction industry.

The Council continued to be engaged in regulating, developing and promoting the construction industry and operates principally in Eswatini.

The operating results and state of affairs of the Council are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

3. Directors

The directors of the Council during the year and to the date of this report are as follows:

Name	Changes
Sandile Makhubu- Chairperson	
Nolwazi Dlamini-Vice Chairperson	
Percy Mazibuko	
Marianna Pullen	
Bambo Kunene	
Lawrence Mavimbela	
Vincent Dlamini	
Maxwell Sithole	
Thembumenzi Dube	

4. Secretary

The secretary of the Board during the year was Mr Maqhawe Mnisi in line with Section 18(4)(b) of Construction Industry Council Act No. 14 of 2013.

The secretary of the Council is Mcolisi Mbuli.



Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position

Figures in Emalangeni	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	2	3 394 264	3 907 915
Financial assets	3	-	3 000 000
		3 394 264	6 907 915
Current Assets			
Trade and other receivables	4	263 349	294 130
Cash and cash equivalents	5	5 764 338	4 569 244
		6 027 687	4 863 374
Total Assets		9 421 951	11 771 289
Equity and Liabilities			
Equity			
Revaluation Reserves		311 200	311 200
Accumulated funds		1 232 939	3 497 496
		1 544 139	3 808 696
Liabilities			
Non-Current Liabilities			
Borrowings	6	-	171 022
Finance lease	7	600 340	653 063
		600 340	824 085
Current Liabilities			
Borrowings	6	-	939 827
Finance lease	7	181 733	297 147
Trade and other payables	8	7 095 739	5 901 534
		7 277 472	7 138 508
Total Liabilities		7 877 812	7 962 593
Total Equity and Liabilities		9 421 951	11 771 289



Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Statement of Comprehensive Income

Figures in Emalangeni	Note(s)	2024	2023
Revenue		24 452 591	24 136 101
Other income		139 851	790 898
Operating expenses		(26 820 825)	(25 114 449)
Operating deficit		(2 228 383)	(187 450)
Interest income		240 449	109 146
Finance costs		(276 623)	(244 610)
Deficit/Surplus for the year		(2 264 557)	(322 914)
Other comprehensive income		-	-
Total deficit		(2 264 557)	(322 914)



Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

Figures in Emalangeni	Revaluation reserve	Accumulated funds	Total equity
Balance at 01 April 2022		3 820 410	3 820 410
Changes in equity			
Total comprehensive income for the year	311 200	(322 914)	(11 714)
Total changes	311 200	(322 914)	(11 714)
Balance at 01 April 2023	311 200	3 497 496	3 808 696
Changes in equity			
Total comprehensive income for the year		(2 264 557)	(2 264 557)
Total changes		(2 264 557)	(2 264 557)
Balance at 31 March 2024	311 200	1 232 939	1 544 139



Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Statement of Cash Flows

Figures in Emalangeni	Note(s)	2024	2023
Cash flows from operating activities			
Cash used in operations	9	(149 581)	2 655 816
Interest income		240 449	109 146
Net cash from operating activities		90 868	2 764 962
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(340 173)	(1 757 355)
Sale of property, plant and equipment	2	10	19 884
Net movement on financial assets		3 000 000	-
Net cash from investing activities		2 659 837	(1 737 471)
Cash flows from financing activities			
Net movements on borrowings		(1 110 849)	(494 805)
Finance lease movement		(444 760)	506 866
Net cash from financing activities		(1 555 609)	12 061
Total cash movement for the year		1 195 096	1 039 552
Cash at the beginning of the year		4 569 244	3 529 689
Total cash at end of the year	5	5 764 340	4 569 241

Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Summary of Significant Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Entities (IFRS for SME's), and the Construction Industry Council Act No. 14 of 2013. The annual financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in Eswatini Emalangeni.

These accounting policies are consistent with the previous period.

1.1 Introduction

Construction Industry Council (CIC) was established in 2014, through an Act of parliament, the CIC Act 14 of 2013, to regulate, develop and promote Eswatini's construction industry. It is a corporate body with perpetual succession capable of suing and being sued subjected to the provision of the Act.

The addresses of the office and principal place of business are disclosed in the introduction of the annual report on page 1.

1.2 Significant judgments

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgments include:

Trade receivables

The Council assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Council makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note - Provisions.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Council; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Summary of Significant Accounting Policies

1.3 Property, plant and equipment (continued)

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Rates
Furniture and fixtures	10%
Motor vehicles	25%
Office equipment	10%
Computer	33.33%
Leasehold improvements	10%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the Council becomes a party to the contractual provisions of the instruments.

The Council classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Loans to managers and employees

These financial assets are classified as loans and receivables.

Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Summary of Significant Accounting Policies

1.4 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Council's accounting policy for borrowing costs.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Summary of Significant Accounting Policies

1.5 Leases (continued)

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. The provision for employee entitlement to salaries and annual leave represent the amount the Council has a present obligation to pay, as a result of employees' services provided up to the balance sheet date. The provision has been calculated based on the current year salary rates.

Pension obligation

The Council has a defined contribution plan that is maintained by Metropolitan. The entity's liability ends with the paying over the contributions to Metropolitan and has no further obligation thereafter. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Terminal benefits

Terminal benefits are payable whenever an employees' employment is terminated before the normal retirement date or if the employee accepts voluntary redundancy in exchange for these benefits. The Council only recognises termination benefits when it is demonstratively committed to either terminate the employment of current employees according to a detailed formal plan or as a result of an offer made to employees to encourage voluntary redundancy. Benefits falling due in more than 12 months are discounted in present values

1.7 Provisions and contingencies

Provisions are recognised when:

- the Council has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Summary of Significant Accounting Policies

1.7 Provisions and contingencies (continued)

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

1.8 Revenue

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Council and the amounts of revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Revenue has been recognised from application fees, subscriptions for membership renewal, administration fee, penalties and levies in the year under review.

Interest income

Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.10 Related parties

The major related party to the Council apart from its Directors is the Government of Eswatini who exercises a significant influence over its financial and operating decisions.

Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Emalangeni	2024	2023
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2. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	1 283 384	(648 014)	635 370	1 142 433	(509 616)	632 817
Motor vehicles	1 363 020	(686 823)	676 197	1 363 020	(346 065)	1 016 955
Office equipment	380 455	(199 801)	180 654	253 420	(131 575)	121 845
Computer	2 295 938	(1 298 374)	997 564	2 323 893	(1 245 583)	1 078 310
Leasehold improvements	1 543 929	(639 450)	904 479	1 543 929	(485 941)	1 057 988
Total	6 866 726	(3 472 462)	3 394 264	6 626 695	(2 718 780)	3 907 915

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	632 817	140 951	-	(138 398)	635 370
Motor vehicles	1 016 955	-	-	(340 758)	676 197
Office equipment	121 845	127 032	-	(68 223)	180 654
Computer	1 078 310	72 190	(10)	(152 926)	997 564
Leasehold improvements	1 057 988	-	-	(153 509)	904 479
	3 907 915	340 173	(10)	(853 814)	3 394 264

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
Furniture and fixtures	508 600	208 058	-	-	(83 841)	632 817
Motor vehicles	58 808	1 051 830	-	311 200	(404 883)	1 016 955
Office equipment	147 182	-	-	-	(25 337)	121 845
Computer	1 016 236	497 467	(19 884)	-	(415 509)	1 078 310
Leasehold improvements	1 211 497	-	-	-	(153 509)	1 057 988
	2 942 323	1 757 355	(19 884)	311 200	(1 083 079)	3 907 915

3. Financial assets

Unlisted shares	-	3 000 000
Investment relate to 40% shareholding in CIC Insurance Company.		

Non-current assets

At fair value through profit or loss - designated	-	3 000 000
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Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Emalangeni	2024	2023
4. Trade and other receivables		
Employee costs in advance	119 930	111 316
Deposits	71 100	71 100
Architects, Engineers, Surveyors & AP Council	-	13 680
Sundry receivables	72 319	98 034
	263 349	294 130
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	9 854	10 037
Eswatini Development & Savings Bank -current & call accounts	698 191	1 829 123
First National Bank (Eswatini) Limited-current & call accounts	761 999	68 478
Nedbank (Eswatini) Limited - current & call accounts	4 284 461	1 597 629
Standard Bank (Eswatini) Limited-current & call accounts	9 833	1 063 977
	5 764 338	4 569 244
6. Borrowings		
Bank loan	-	1 110 849
Non-current liabilities		
Fair value through profit or loss	-	171 022
Current liabilities		
Fair value through profit or loss	-	939 827
	-	1 110 849

The loan is with Eswatini Development and Savings Bank and is secured as follows:

1. Government guarantee for levies payable to the Construction Industry Council valued at E5 691 531;
2. Notarized agreement of Cession of Shares, and
3. Original share certificate for the shares to be acquired valued at E5 000 000 by the bank.



Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Emalangeni	2024	2023
7. Finance lease		
Minimum lease payments due		
- within one year	181 733	297 147
- in second to fifth year inclusive	600 340	653 063
Present value of minimum lease payments	782 073	950 210
Non-current liabilities	600 340	653 063
Current liabilities	181 733	297 147
	782 073	950 210

The lease obligation is with Eswatini Development and Savings Bank and is secured by motor vehicles.

It is Council policy to lease certain property (motor vehicles) under finance leases.

8. Trade and other payables

Trade payables	1 876 703	2 166 966
Advance deposits	2 928 537	1 631 731
Unallocated receipts	2 290 499	2 102 837
	7 095 739	5 901 534

9. Cash used in operations

Deficit for the year	(2 264 557)	(322 914)
Adjustments for:		
Depreciation and amortisation	853 816	1 083 077
Interest received	(240 449)	(109 146)
Finance costs	276 623	244 610
Changes in working capital:		
Trade and other receivables	30 781	125 794
Trade and other payables	1 194 205	1 634 395
	(149 581)	2 655 816



Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Emalangeni	2024	2023
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10. Related parties

Relationships

Stakeholder with significant influence Government of Eswatini

Members of the Council

Sandile Makhubu
Nolwazi Dlamini
Lawrence Mavimbela
Bambo Kunene
Percy Mazibuko
Vincent Dlamini
Maxwell Sithole
Thembumenzi Dube
Marianna Pullen
Maqhawe Mnisi

Members of key management

Related party transactions

Expenses

Directors fees and expenses	988 355	1 008 149
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11. Risk management

Capital risk management

The Council's objectives when managing capital are to safeguard the Council's ability to continue as a going concern in order to provide returns for Council and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Council consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 6 and 7, cash and cash equivalents disclosed in note 5, and equity as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

The Council's risk to liquidity is a result of the funds available to cover future commitments. The Council manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.



Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Figures in Emalangeni	2024	2023
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11. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The Council only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.



Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Detailed Statement of Financial Performance

Figures in Emalangeni	Note(s)	2024	2023
Revenue			
Construction levy		17 295 824	16 880 299
Annual subscription fees		5 415 037	5 370 692
Registration fees		809 850	914 750
Administration fees		931 880	970 360
		24 452 591	24 136 101
Other income			
Interest received		240 449	109 146
Donations		-	264 987
Pft/loss on sale of assets		8 856	405 211
Penalties		90 736	79 800
Tender documents		6 100	4 100
Training contribution		34 159	36 800
		380 300	900 044
Operating expenses			
AESAP grant paid		1 597 444	1 263 682
Advertising and marketing		1 282 035	1 181 982
Auditors remuneration		111 320	101 200
BMSA grant paid		254 000	-
Bank charges		73 579	58 699
Cleaning and kitchen supplies		118 585	85 162
Computer expenses		415 053	207 117
Consulting fees		1 446 735	2 938 479
Depreciation		853 816	1 083 077
Directors' fees and expenses		988 355	1 008 149
ECA grant paid		254 000	-
Employee costs		13 021 528	11 181 000
Insurance		351 265	312 889
Motor vehicle expenses		64 291	77 572
Operations, monitoring and compliance expenses		123 565	130 294
Printing and stationery		253 389	188 166
Protective clothing		39 302	27 509
Rent		1 097 720	998 200
Repairs and maintenance		37 690	28 572
Security		136 897	127 944
Subscriptions		36 648	45 000
Telephone and fax		359 059	414 560
Training and development		1 280 818	1 789 313
Travel, accommodation and conferences		2 465 097	1 717 333
Utilities		158 634	148 550
		26 820 825	25 114 449
Operating surplus		(1 987 934)	(78 304)
Finance costs		(276 623)	(244 610)
(Deficit)/ Surplus for the year		(2 264 557)	(322 914)



Construction Industry Council

Annual Financial Statements for the year ended 31 March 2024

Supplementary Information

1. Auditors' remuneration

Kobla Quashie and Associates	111 320
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2. Directors expenses

Board members' retainer, sitting & committee allowances	988 335
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3. Rent paid

Ligwalagwala Trust	1 097 720
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4. Consulting fees

Alpecin Stock Consultancy	4 192
ECORPS	172 757
ESEPARC	74 759
AM Recruitment	63 793
Kobla Quashie Consulting	49 163
Barcode Creative	41 462
Ignitive Lab solution	22 458
Olive Green	103 454
SAMKHO	233 449
Pastel Sage -Dbit	865
Industry Insigh	80 500
Sibuko Acres	30 000
Sunguti Human capital partners	148 751
Unleash Institute	53 475
Orgexpert	339 657
Onswaziine	28 000
	1 446 735

5. Operations, monitoring and compliance expenses

SV Mdladla and Associates	82 118
Waring Attorneys	10 455
Robinson Betram	11 275
Mntshali Ncamphalala Attorneys	19 718
	123 566

CIC'S FINANCIAL HISTORICAL DATA AS AT 31 MARCH

	2024	2023	2022	2021
CONSTRUCTION LEVY	17,295,824	16,880,299	14,280,390	15,888,982
REGISTRATION FEES	809,850	914,750	1,475,900	409,400
SUBSCRIPTION FEES	5,415,037	5,370,692	4,757,650	3,574,326
ADMINISTRATION FEES	931,880	970,360	851,175	605,955
OTHER INCOME: INTEREST& PENALTIES	380,300	900,044	188,819	115,042
TOTAL INCOME	24,832,891	25,036,145	21,553,934	20,593,705
OPERATING EXPENSES	26,243,632	24,275,979	21,639,507	14,061,921
DEPRECIATION	853,816	1,083,077	452,982	699,015
TOTAL COSTS	27,097,448	25,359,056	22,092,489	14,760,936
SURPLUS/DEFICIT	- 2,264,557	- 322,911	- 538,555	5,832,769
BALANCE SHEET				
PROPERTY , PLANT & EQUIPMENT	3,394,264	3,907,917	2,942,323	2,621,001
CURRENT ASSETS	6,027,687	4,863,374	3,949,613	6,955,522
INVESTMENT-UNITY INSURANCE	-	3,000,000	3,000,000	3,000,000
TOTAL ASSETS	9,421,951	11,771,291	9,891,936	12,576,523
EQUITY & LIABILITIES				
ACCUMULATED FUND	1,544,139	3,808,698	3,820,410	4,358,965
LIABILITIES				
NON CURRENT LIABILITIES	600,340	824,085	1,007,298	1,808,057
CURRENT LIABILITIES	7,277,472	7,138,508	5,064,228	6,409,501
TOTAL LIABILITIES	7,877,812	7,962,593	6,071,526	8,217,558
TOTAL EQUITY & LIABILITIES	9,421,951	11,771,291	9,891,936	12,576,523

2020	2019	2018	2017	2016	2015
7,451,523	8,911,200	5,711,564	69,123	-	
688,950	777,700	1,082,400	1,083,150	883,100	-
4,315,635	4,378,500	4,723,752	4,420,900	3,031,850	3,659,000
685,967	645,115	714,398	612,500		
204,536	233,576	339,834	229,727	188,009	8,453
13,346,611	14,946,091	12,571,948	6,415,400	4,102,959	3,667,453
14,427,907	14,563,365	12,049,501	5,870,920	5,190,016	2,428,745
610,416	613,516	420,296	183,574	166,013	-
15,038,323	15,176,881	12,469,797	6,054,494	5,356,029	2,428,745
- 1,691,712	- 230,790	102,151	360,906	- 1,253,070	1,238,708
2,971,781	3,559,667	2,804,299	1,401,965	643,217	471,683
1,122,369	1,758,473	767,080	462,204	740,887	2,411,127
3,000,000					
7,094,150	5,318,140	3,571,379	1,864,169	1,384,104	2,882,810
- 1,473,804	217,906	448,696	346,546	- 14,362	1,238,708
2,387,027	453,006	86,071	149,521	218,403	213,213
6,180,927	4,647,228	3,036,612	1,368,102	1,180,063	1,431,341
8,567,954	5,100,234	3,122,683	1,517,623	1,398,466	1,644,554
7,094,150	5,318,140	3,571,379	1,864,169	1,384,104	2,883,262



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