

PRESIDENT'S REPORT

52nd Annual General Meeting & Conference

Good morning and welcome to all our members. It is my pleasure to open the 52nd Annual General Meeting of the Clay Brick Association of South Africa. To our guests, thank you for joining us and we look forward to hearing the insights you will share with us today.

Over the past few years, the AGM organizing team has come up with various themes that are designed to promote awareness of some of the qualities of this wonderful product we all produce

Our Theme for this year's conference is "Created from Nature, Built to last".

We come from every corner of South Africa, but we all share the same goal - we take shale and clay and water from nature, and create clay bricks that are truly sustainable products that last forever. Our products built this country, and provide safe homes and long-lasting social infrastructure that is central to people's lives every day.

Our responsibility is to ensure that we only put quality products on the market, and produce them in a way that safeguards our environment for future generations. I trust I have your commitment to this.

Industry Overview

An analysis of private residential and non-residential building plans passed and buildings completed shows an industry that is tentatively recovering.

The total investment in building and construction for 2014 remained flat - approximately R420 billion compared with R410 billion in 2013. Johannesburg accounts for near 12% of buildings completed, and the next largest city is Cape Town with 3%. In the rural areas particularly, it has been a difficult year.

Residential building comprises 65% of total investment in building, with almost one-third of this being in the Affordable Housing market – by far the biggest residential sector. This makes affordable housing a potentially valuable market for Members even though it is fraught with difficulties.

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Membership

During the year we have seen two members close their doors, and three resign from the CBA for various reasons. At the same time, we are pleased to disclose that we have signed up six new members. We have lost seven Associate Members and gained 13 new Associate Members.

Board & Exco Meetings

We had three well attended Board Meetings and four Executive Committee meetings in the last financial year. There were lots of discussions and the majority of the actions and issues have already been communicated to you by the Executive Director.

As president I want to thank the Board and Executive for their commitment as well as their time and financial support. Their dedication to the betterment of the industry for all of us comes at a cost to their companies, so please give them a round of applause.

Regional Meetings

In every region, meetings were held but member participation is one of our great concerns. At our Executive meetings we have discussed at length what needs to be changed to improve the situation. For those of you who do attend regularly, thank you.

Cashflow

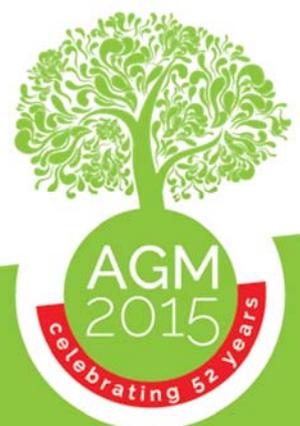
Last year we gave an account of the shocking fraud that severely affected our Association's cashflow. The Treasurer mentioned in his report that we have followed a strict cashflow management programme and we are pleased to verify that we ended this year with a positive cashflow.

I want to thank our Treasurer Dirk Meyer, our office manager Marnie and the Executive Director for all the hard work they have put into the disciplined cashflow management of our Association. I think they deserve a round of applause.

Rates & Taxes

I am pleased to announce that after many years of consistent nagging, we have managed to get the municipality to pay back the overcharges on the previously high valuation of the CBA property. They have come back with a credit of R132 990 to our account.

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DMR/Chamber of Mines

You will all be aware that the CBA has successfully negotiated with the Chamber of Mines to give expert advice when you are dealing with DMR negotiations - at no cost!

CBA Activities

MARKETING

Since the last AGM, members will have seen a major shift in our marketing message and materials. We made some major changes to our marketing service providers which resulted in fresh ideas and energy. The feedback we have received from members has been very positive.

I would like to express the Association's heartfelt appreciation for all those who stepped-up and took on new responsibilities that resulted in such a positive changeover. Well done to the Marketing Team – we look forward to hearing more on the new strategy.

TECHNICAL

The work done by the Technical team has a major impact on the future of the CBA. I want to use this opportunity to thank everyone who has contributed to our technical projects. Their dedication, ideas and commitment continually improve the way we produce and market clay brick. Due to their efforts we are able to provide details facts and statistics to government, architects and the public, instead of just opinion and hearsay.

Nico Mienie and his capable team will report on progress on our various Technical projects and what lies ahead in 2015 on our three main projects.

Energy Efficient Clay Brick (EECB)

Ladies and gentlemen, we are fortunate to have the most amazing friends of the industry, and one of the most supportive is SwissContact. They not only offer generous sponsorship, but also critical input that makes them an integral part of both the Technical and Marketing teams. We appreciate their commitment to ClayBrick.org. Luca, I would like to thank you and your team for your ongoing contribution to the CBA and its members. Please pass my appreciation to your management at Swiss Contact and SDC.

LCA and Socio-Economic LCA

We have seen the near completion of the Lifecycle Assessment project and a Roadshow is planned for the second half of the year. Chris Dickinson, Howard Harris and the Executive Director have represented the CBA at least at 5 SABS monthly technical meetings to learn more about topics that will have a major influence on our Members operations and products.

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Clamp Kiln Emissions

Under the guidance of the Technical Team, the University of Pretoria is undertaking clamp kiln emission research under strictly controlled conditions at Nova Brick. The project is led by Dr Gerrit Kornelius, and he is on the agenda today to give us preliminary feedback.

The Year Ahead

In light of our Theme “**Created from nature, Built to last**” it is appropriate that two of our key issues address environmental protection.

1. The first issue that will influence our future is the outcome of the Clamp Kiln research. Much has been said by various role players on the negative perceptions of clamp kiln emissions and I trust that this research product will give us direction on how to approach the authorities with solutions that will be mutually acceptable.
2. The second issue is carbon tax. We have approached Henk SA to be our counsel in the negotiation process with Treasury. Let me assure you Henk SA is one of the dominant players in this field. We would like to thank SwissContact who came forward with a 50% sponsorship of the costs to present our case at Treasury.
3. Our third issue is Alternative building technologies. A presidential commission decision has been ratified by the cabinet to REQUIRE that 60% of government infrastructure in the future WILL use ABTs and not bricks and cement. This decision has been endorsed by the government-mandated CSIR and certificated by the government-created Agrément South Africa. This is not a problem that will go away if we ignore it.

If you don't think that ABT's affect you because you don't sell to the public sector – please realise that guys who were kept busy selling to the public sector will now be chasing YOUR customers. That is why we are taking ABTs so seriously in our strategy.

CBA Executive changes

After allowing his contract to be extended several times, we are sad to report that our illustrious Executive Director, At Coetzee, has finally decided to retire. He has steered the CBA through some of the toughest times our industry has seen. We will be honouring him later tonight at the gala dinner.

Our new Executive Director, Jonathan Prior, has many years of experience in the industry, and we urge you to give him to support.

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In closing

Ladies and Gentlemen, it is thanks to our sponsors that we are celebrating 52 years of the CBA. This is such a beautiful, natural environment that represents our own commitment to sustainability and environmental protection.

I would also like to thank our hosts – the Limpopo/Mpumalanga region led by Johan Humphries. I would like to make special mention of Marnie Bezuidenhout who handles and co-ordinates literally hundreds of tasks to prepare for the AGM as well as the auditing of the financial statements. We are grateful to be able to rely on Marnie's experience and capable administration skills now that she is retiring.

Last but not least, I would also like to thank each and every one of you for your commitment, making the time to be here to share in the vision and future of the industry. After everything we have endured in the past decade, like our products we have proven that we are "built to last".

Thank you.

Julian de la Hunt
President 2014-2016

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