

# Construction Joint Ventures Can Strengthen Indigenous Firms, Advises Italframe Chief Executive

*For many years, local contractors have been raising concern that their respective governments favour their international counterparts in awarding lucrative construction tenders, all the while overlooking numerous struggling indigenous companies that may perhaps even have performed even. A major investor and player in the East African construction industry is disputing this widely held perception that foreign contractors have been given an upper hand in the tussle for control of the this presently robust industry.*

Italframe Limited is Tanzanian-based and Italian owned company that has operated in the country for the last 45 years and was founded by Massimo's father Corrado Tognetti and an associate Vittorio Biasci. Mr. Biasci later left to form his own firm. After the senior Tognetti passed away in December 2000, the company underwent an internal ownership and management restructuring process. New directors were appointed along with additional management and technical personnel including the current Managing Director, Massimo Tognetti. Today, the fact that the company is indeed a force to reckon with in Tanzania and beyond need not gainsaid.



Mr Massimo Tognetti, the MD of Italframe

**Over the last 45 years, the firm has undertaken major projects in and outside of Tanzania**

The MD also applauds the Tanzanian government for setting-up and implementing appropriate standards for the construction industry through its governing bodies such as the Contractors Registration Board - a body formed ten years ago. He views this as a positive indication of the government's positive attitude towards the construction industry. This judgment is derived from the firm's considerable experience working with the government. As a result of this cordial relationship, Italframe Limited has managed to penetrate the Tanzanian construction industry and become a dominant player.

Over the last 45 years the firm has undertaken major projects in and outside of Tanzania as the Mr. Tognetti explains, "Italframe had initially specialized on the construction of Pre-Cast concrete portal frames mostly used in the industrial sector for the purpose of building factories, ware houses and the like. A major project in this field that comes to mind was the construction of the Cashew Nut Processing Factories project (CATA) in the south of Tanzania."

Another unique project undertaken by the company was the construction of the Tanzania Pavilion at the 1970 Expo in Japan. Most of the elements, weighing over 160 tons, were completely pre-fabricated in Tanzania using the finest of hardwood timbers available and then exported to Japan and erected. According to Tognetti, project coordination between Tanzania and Japan was closely monitored his father who traveled severally to Japan. He fondly recalls the elder Tognetti press conference at the time whereby he was quoted saying: 'I firmly believe that once completed, the Tanzania pavilion will definitely be the best of all African pavilions and judging from the quality of timber and Architectural Sphere, it should not be second to many European Pavilions.'

Over the years the company has undertaken construction project throughout the entire country with its portal framed structures

noticeably present in a brick and tile factory, glass factory, rural road maintenance workshops, coffee curing factory, textile mills in Mbeya, Musoma, and Mwanza. In addition, there is a general tyre factory in Arusha just to mention a few. It has also undertaken residential and commercial projects such as, the Soil Conservation Centre at Shinyanga, NBC Bank Building at Tanga, Police Housing Scheme at Tanga for Tanzania Harbours Authority, as well as the 'NIC Investment and Staff flats at Arusha and Dar es Salaam.

Italframe also built staff flats for the Tanzania National Parks at Arusha, Mhasibu House for the National Board of Accountants and Auditors in Dar es Salaam, Administration Block and Cafeteria Complex for the Institute of Accountancy at Arusha, Haven of Peace Academy, Indian School and Shree Hindu Mandal Secondary School all in Dar es Salaam and the Notre Dam Sisters Primary School in Arusha. And just recently the construction of the Serengeti Breweries Plant in Mwanza was completed. And the company is still not yet done, as Tognetti explains. "Currently we are undertaking prestigious projects such as the vertical extension to Harbour View Towers Hotel in Dar es Salaam, The Highlands Students camp in Morogoro and we have recently been awarded prestigious projects like the rehabilitation of national game-park lodges in the Serengeti and Ngorongoro conservation areas."

Italframe has a staff composition of locals and expatriates. Mr. Tognetti affirms that they are all very well equipped in terms of construction plant and equipment. "As in any other business, as and when our scope of work increases, additional plant and equipment is purchased to cater for the same. Just recently the company invested in the purchase of new concrete mixers, dumpers, hoists, trucks and steel formwork for enabling infrastructure. Furthermore, we plan to develop into a turnkey service provider for construction. With our latest venture into property development, and our plans to launch construction equipment and commodities supply systems, we plan to diversify into a building industry conglomerate," he explains.



Mr. Tognetti explains that in his view, many local companies in developing countries currently lack the necessary experience, expertise and infrastructure to carry out major projects especially those concerned with developing infrastructure. "I don't believe that foreign-owned companies are doing over 60 percent of the available building contracts in Tanzania. Possibly over 60 percent of the volume of construction work expressed turnover may be carried out by the foreign companies. Tanzania is a developing country, and as such a lot of work that is currently being carried out is in the improvement of its infrastructure from road networks to water reticulation, sewerage and electrification. As in any developing country, local companies are unable to carry out such projects," said Massimo Tognetti in an interview with Construction Review.

He also blames local financial institutions for contributing to the current situation by denying local contractors the necessary support that would enable them compete head on with international firms. According to Mr. Tognetti, this problem can be addressed through a mutually beneficial arrangement whereby a margin of preference is given to companies who are tendering as Joint Ventures between Foreign and Local companies, thus encouraging foreign companies to join hands with their local counterparts. "A collaboration of this nature would be founded on the benefits of a locally based building contractor together with the specialized expertise and financial resources of an international partner. But certainly over the next five to ten years, we will witness the rise of local contractors competing with foreigners," Tognetti avers.

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