

R2-trillion needed to keep SA running

 By [Paddy Hartdegen](#)

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The Development Bank of South Africa says that South Africa will spend almost R2-trillion over the next five years on meeting the country's social, enabling and economic infrastructure requirements.

According to Luther Mashaba, head of South African operations at the DBSA, social infrastructure comprises health, housing, education and municipal infrastructure while the enabling infrastructure involves energy, water, transport (air, ports, railways and roads) and information and communications technology.

The economic infrastructure comprises the entrepreneurial, agricultural, mining, manufacturing and tourism sectors of the country's economy. Expenditure on social infrastructure projects is estimated at R617-billion but there is a funding shortfall of R419-billion in this sector.

For the enabling infrastructure the planned projects are worth R883-billion but there is a financing gap of about R600-billion while the economic infrastructure projects are planned at R380-billion and the financing gap is R360-billion of that.

Mashaba warns that South African municipalities are spending less than 5% of their operational expenditure on maintenance while the spending should actually be equivalent to five times the original cost of installing and commissioning that infrastructure.

He says that while almost R2-trillion is needed for critical infrastructure work, the actual amount that South Africa needs to spend is R3,3-trillion, money that it currently does not have and would have to raise through various debt instruments, additional taxes or levies based on the "user-pays" principle applied to toll roads.

View the [DBSA Annual Report](#).

Read the [full article](#) on www.iol.co.za.

ABOUT PADDY HARTDEGEN

Paddy Hartdegen has been working as a journalist and writer for the past 40 years since his first article was published in the *Sunday Tribune* when he was just 16-years-old. He has written 13 books, edited a plethora of business-to-business publications and written for most of the major newspapers in South Africa.

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