

# State plan aims to net up to 100 000 jobs in construction

Government is hoping to sustain between 50 000 and 100 000 jobs in the construction sector as it rolls out the country's large scale infrastructure plan announced by President Jacob Zuma during the State of the Nation Address, earlier this month.



(Image: GCIS)

Over the next three years, government plans to invest billions of rands in infrastructure projects that include the building of dams, construction of roads, schools and rail systems with Finance Minister Pravin Gordhan last week listing 43 major projects adding up to R3.2 trillion in expenditure in the next three years.

A massive overhaul of the country's public transport system is also on the cards as infrastructure is expected to double over the same period in line with the country's new growth path.

Government and state enterprises are expected to allocate funding estimated at R262bn over the next three years to transport and logistics infrastructure including Transnet's spending on pipelines.

While a big chunk of the money is expected to come from the national fiscus, especially for public service facilities, Transport Minister Sibusiso Ndebele said today that the private sector will be called upon to ensure that various forms of financing were explored to fund the build process.

## Meeting soon

He said government will soon meet with the private sector and social partners to map out alternative funding models through an infrastructure summit to be convened by President Jacob Zuma.

Speaking during an Infrastructure Development Cluster briefing in Cape Town, Ndebele said public entities such as Eskom and Transnet will finance their investments from internally generated surpluses and borrowing from capital markets. In some cases a mix of tax finance and cost recovery measures will be imposed.

"We make budget contributions to the cost of commuter transport services and electricity and water service delivery to low income communities, for example," Ndebele said.

As part of the reforms in the rail sector, the acquisition of new passenger coaches will be prioritised in the next 20 years into two 10-year batches with 3600 vehicles expected to be purchased in each batch.

Government wants to replace the entire existing fleet over this period with a feasibility study to explore the project scope already done last year. The Treasury has set aside R1bn for the upgrade of signalling and the building of depots ahead of the arrival of the new fleet.

Ndebele said at this stage it is anticipated that a minimum of five new depots will be required for the new trains at a total cost of R4.6bn. Furthermore, infrastructure interventions amounting to R13.5bn will be made on the existing networks to enhance the technological benefits of the new coaches.



(Image: GCIS)

## Local manufacturing to create jobs

It was envisaged that the establishment of local manufacturing industries will result in substantial number of jobs over the 20-year period while authorities also hope to recover rail skills that have been lost over the over decades.

To stimulate economic growth between South Africa's provinces, the plans will include beefing up the Durban-Gauteng transport corridor and improving the industrial and agricultural development and export capacity of the Eastern Cape and expand the provinces economic linkages with KwaZulu-Natal and Northern Cape.

On the public transport strategy, introduced in 2009, he said so far the bus transit system has recorded 45 000 passenger trips in Johannesburg and 100 000 in Nelson Mandela Bay. While the system has thus far been operating fully only in Gauteng, the national budget makes provisions for the development of integrated public transport networks in five cities by 2015.

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