

# Tolling boosts economic growth, business - SANRAL

The South African National Roads Agency (SANRAL) claims tolling makes transport easier, boosts economic growth and individual businesses and also makes travelling much more pleasant for private citizens.



It also claims tolling relieves government of the burden of direct funding and that tolling is necessary on some roads.

"The very first and direct advantage of tolling, or even better, the open-road tolling system where traffic flows and does not have to stop for tolling, is that only people and businesses pay for the road that actually use it.

"The other is that road improvement projects will be implemented more rapidly than would otherwise be the case - waiting for the fiscus to fund when there are so many needs other than roads, might take too long. [This] is based on a 2010 study by the Graduate School of Business at the University of Cape Town" says SANRAL Communications Manager Vusi Mona.

The study did state that exceptions would be necessary for public transport and frequent users, for example. And that has been done.

"International research experience suggests that in addition to normal accessibility improvements, businesses in a growing economy like Gauteng would benefit from increased efficiency in their labour markets. This may add 30 to 50% extra to conventionally assessed benefits," says the study.

Almost a quarter of South Africa's people live in Gauteng and it is vital that this economic heart of the country and thus of the continent, grows said the study.

The improved roads do just that, says the UCT report: there will be additional growth and "as a result there would be substantial job and business creation impacts over and above those associated with the construction contracts themselves".

At a time when economies globally are faltering and South Africa is no exception, every bit of extra advantage for businessmen is a matter of great importance. So it is with the improvement of the inner-Gauteng highways.

Another way of looking at this is to consider what the situation would have been had the roads not been upgraded and their

management streamlined, it said.

The UCT report says that the Gauteng freeway network was based on sound economic principles and it will return to society a positive net present value of R210bn over the next 20 years.

Most important is that for each rand of cost, initial capital works, ongoing maintenance and costs, society benefits by R8.40.

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