

Zuma invites BRICs countries to invest in SA

President Jacob Zuma has invited BRICs countries at the bloc's summit in New Delhi to explore the investment opportunities that exist in South Africa's infrastructure development projects.



(Image: GCIS)

Zuma also urged business to invest in skills development in their companies to promote youth training and empowerment.

Bolstering the country's position as a viable investment destination at a business breakfast session on Thursday, Zuma said his administration had singled out infrastructure because it was the bedrock of new growth on the African continent, which would stimulate economic development.

Zuma announced the country's infrastructure plan - which lays the foundation for 20 or more years of growth, improved service delivery and job creation - in February during the State of the Nation Address.

Government has already set aside in excess of R860 billion on infrastructure development by March 2014.

Zuma told the business representatives that the infrastructure drive was about providing housing, sanitation, public transport and running water for millions of South Africans.

Connecting rural communities to economic opportunities

"It is about connecting rural communities to economic opportunities through building dams and irrigation systems, connecting farms and villages to the energy grid and building schools and clinics. Our view is that cities should not be the only places with lights, roads or tap water."

Enhanced focus would also be placed on education and skills development, with the Presidential Infrastructure Coordinating Commission developing a skills plan for each major project. Work is being done with universities and further education and training colleges to speed up the production of the critical skills needed for the infrastructure projects.

This, according to the president, will set out the number of engineers, artisans, technicians and technologists needed to carry out the infrastructure projects.

"I invite you, as the business community of BRICs, to collaborate with us to explore these infrastructure opportunities ... We are convinced that we can negotiate new types of mutually beneficial developmental agreements with BRICs countries on infrastructure development," said Zuma.

Optimistic

The president was also optimistic about plans for the envisaged BRICs-led development bank, which would fund development projects and infrastructure in developing countries.

"The bank will reinforce the BRICs grouping by utilising surplus reserves. It will also encourage investment in a more sustainable and productive manner for the financing of infrastructure."

Although it is still in the planning stages, the leaders of the four countries are expected to make a commitment to setting up the bank, which is seen by many observers as a potential counterweight to other multilateral lenders such as the World Bank and the Asian Development Bank.

BRICs leaders are also expected to share views on many possible areas of cooperation, ranging from energy to construction and water provision, at the summit.

Zuma, who arrived in New Delhi on Wednesday - accompanied by a business delegation and Cabinet ministers - used the time to meet with his Brazilian and Russian counterparts, where he reiterated the desire to collaborate with them in key infrastructure projects.

According to a statement issued by his office, the president expressed interest in cooperating with Russia on engineering, especially with training of South Africans in Russia. He also raised interest in cooperation in mining, especially in the operation of the ore line from Sishen iron-ore deposit to Saldanha harbour.

Russia expressed interest in cooperating with South Africa in the construction of nuclear power plants.

Boosted trade with Brazil welcomed

South Africa's Integrated Resource Plan 2010 indicates that nuclear power should form part of the energy mix by 2030, with the first plant coming online as early as 2023.

During the meeting with President Dilma Rousseff of Brazil, President Zuma welcomed the growth in trade relations between the two countries.

Zuma promoted cooperation in rail and road transport and logistics infrastructure.

"We are very happy with the partnership between South Africa's Airports Company (ACSA) and INVEPAR of Brazil, to renew the lease of Brazil's most prominent international airport of Guarulhos for the next 20 years.

"More such ventures and opportunities could be created between South Africa and Brazil, to the benefit of both countries' industries. We are also happy that Brazil's largest construction company, Odebrecht, is due to establish an office in South Africa. This opens up possibilities for greater private sector collaboration," said Zuma.

South Africa was also seeking cooperation with Brazil in the energy industry to assist in the diversification of the country's energy portfolio, both in terms of sourcing and the mix of energy supply.

Brazil boasts some of the world's largest oil and gas reserves. It is the second largest producer of ethanol in the world. Sufficiency and diversification in energy supplies remain crucial to the development of South Africa.

For its part, Brazil offered to cooperate with South Africa in social development issues, especially in the fight against hunger as well as in defence matters.