

R1.4tn for SA infrastructure

PRETORIA: South Africa is investing R1.4tn into infrastructure projects, says Gauteng MEC for Economic Development, Environment, Agriculture and Rural Development, Lebogang Maile.



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"What is more encouraging is that unlike previously; growth in the construction sector is no longer just a by-product of mining activity as we witness investments in mega projects in energy, Information and Communication Technology, rail, hospitality and transport infrastructure," MEC Maile said.

Addressing delegates on Tuesday, 15 September, at the Bauma CONEXPO Africa in Johannesburg, he said public sector investment in infrastructure was increasing.

"With a growing middle class that is estimated to increase to 107-million by 2030 and increasing emphasis on addressing the 'infrastructure deficit', it is clear that Africa's attractiveness for the global construction industry investment will experience massive growth," he said.

According to KPMG's construction Survey Africa, investments in real estate now account for 43.8% of capital investments and generate 33.6% of foreign direct investments jobs in the continent.

The report also notes that Africa ranks high as an investment destination for construction companies, with nearly half of the 165 global leaders in construction and engineering industries surveyed in 2013, indicating the desire to venture into the continent.

"This investment affinity towards the continent is strongest amongst smaller companies with a turnover of less than \$5bn - meaning that small companies, especially those located in Europe and the Middle East, see a dynamic link between their growth prospects and Africa's future," MEC Maile said.

He said the construction industry is fast proving itself to be Africa's treasure trove.

