

**ADDRESS BY THE KWAZULU-NATAL MEC FOR ECONOMIC DEVELOPMENT, TOURISM AND
ENVIRONMENTAL AFFAIRS, THE HONOURABLE MICHAEL MABUYAKHULU ON THE OCCASION OF THE
LOCAL GOVERNMENT BUSINESS NETWORK GALA DINNER**

04 JULY 2014

Programme Director,

Dignitaries Present;

Ladies and Gentlemen;

All protocol observed

On behalf of the provincial government of KwaZulu-Natal, we wish to once again express our greatest delight at the fact that we have been afforded the opportunity to address this august gathering this evening as we meet to break bread after today's deliberations about various matters pertaining to, among others, the sphere of local government and how we can, working together, put the country on a sound developmental footing.

We are humbled by the fact that we have been asked to step into the breach and address you this evening after the Minister of Transport, owing to other issues of national importance, could not make it. Programme Director we have been asked this evening to address, what we think is a pertinent topic in the context of the milestones that we have reached as a young democracy. The topic is: **celebrating 20 years of infrastructure development.**

When we were informed about the topic for today we were reminded of the visuals which we have no doubt that as followers of global news you have seen being beamed today around the world: the collapse of a bridge under construction in Belo Horizonte, in Brazil.

Ironically, the bridge which has so spectacularly collapsed when the collective eyes of the world are fixed on Brazil is one of the infrastructure improvement projects that was planned for the World Cup, only to crumble under the weight of global expectations, along, one might add, with

the reputation of the country. Predictably, the Western media and many others from the developed world have received the news with barely concealed self-righteous glee.

We, because of the position we occupy globally in the BRICS nations and the geo-political dynamics, can only commiserate with Brazil, and hope that this will not dampen what has been so far a successful world cup, which has seen countries which consider themselves as being at the summit of the global pecking order struggling on the field of play where all countries have to abide by the same soccer rules, regardless of their military might and their financial muscle..

As a developing country which at all times has to deal with Western stereotypes about the fact that because we are emerging economies we are, therefore, permanently incapable of hosting some of these big global events, this turn of events for Brazil is, indeed, unfortunate.

However, looking at the images, I was also reminded of the fact that Brazil was forced to request help from the Airports Company of South Africa to construct its airports in order for them to be ready in time for global sporting showpiece.

This incident shows that in South Africa we take our achievements for granted and we don't appreciate how far we have come as a country.

Programme Director we believe that in order to appreciate how far we have come in changing the infrastructural landscape of the country we need to look at both the global picture of infrastructure requirements, contrast that against the African situation as well as our own progress or lack thereof.

According a report, titled **Infrastructure 2013, Global Priorities, Global Insights**, global infrastructure demand requires \$57 trillion in investment by 2030.

The report further states that infrastructure is one of the key growth drivers in the world today, employing hundreds of thousands of workers who might be otherwise out of work, supporting myriad manufactures including steel companies , machine makers and sustaining regional and local government in the expansion of various, road, rail and subway projects.

It further states that China will continue to outpace most of the countries in infrastructure spending and building.

“ Indeed over the past twenty years trillions of dollars’ worth of infrastructure investment has transformed China into an exemplar of modern urban transit, expansive highways, vanguard high speed intercity rail and highly efficient ocean ports,” says the report, citing among other innovative projects spearheaded by China the longest high speed rail line from Beijing to Guangzhou (covering 1,200 miles in an eight hour ride) which was opened in 2012.

Closer to home, according to a report which was compiled by the World Bank on infrastructure, titled **Africa’s infrastructure: A time For Transformation**, Africa’s infrastructure networks increasingly lag behind those of other developing nations and are characterized by missing regional links.

The report further states that the cost of addressing Africa’s infrastructure needs is around \$93 billion a year, about one third of which is for maintenance. The report further notes that a large share of Africa’s infrastructure is domestically financed with central governments being the main driver of infrastructure development.

Programme Director these reports combined show clearly why we should commend our government for its proactive decision to spend massively on infrastructure development. This morning, we focused more on what our province is doing and plans to do to boost infrastructure development. For the purposes of this evening we wish to focus on what has been done and is to be done in the whole of South Africa to show why we should all be proud about the work that has been done by our government to boost infrastructure development.

As all of us know, Transnet has set aside R307, 5 billion in capital investment to boost infrastructure over the next seven years. This will be used to : expand rail, port and pipeline infrastructure.

Among other goals this will result in increasing capacity to meet market demand, grow volumes and improve market share, boost financial stability and strength, improve productivity and operational efficiencies, and enable regional integration.

It will also assist the country to shift from road to rail and thus reduce the cost of doing business and carbon emissions.

But, more importantly this massive infrastructure spend will enable economic growth, promote safety, job creation, skills development , localization, empowerment and is in line with our efforts to transform the economic landscape in the country. It will also promote sustainable growth, create regulatory certainty and drive research and deployment of new cutting edge technologies.

Programme Director to illustrate the importance of this investment government is spending R42 billion in Durban and R52. 7 billion in Richards Bay for ports' expansion.

Among other priority projects, is the development of the Waterberg region which holds 40% of South Africa's remaining coal reserves . This will unlock capacity for both export and domestic consumption for Eskom. We are also investing billions of rands in rolling stock acquisition and upgrades to facilitate the anticipated growth and development. This investment as we stated is aimed at migrating freight from road to rail to support volume growth.

Programme Director Transnet has also invested millions of rands in the new multipurpose pipeline which is a strategic investment to secure the supply of petroleum products to the inland markets over the long term.

The 24 inch trunk line from Durban to Gauteng covers a distance of 555 kilometers and replaces the existing pipeline which is now 47 years old and reaching the end of its lifecycle. This investment will increase capacity from the existing 4.4 billion litres per annum to 8.7 billion litres.

Programme Director we believe that this investment is not only an emphatic vote of confidence on the development and growth trajectory of the country, but shows that we can use infrastructure development as a springboard for economic development. This also shows that our government has the foresight not only to visualize the kind of a future we want to mould as a country, but is also working actively to build it, brick by brick.

In this regard, there is no better way to build the future for a South Africa that is globally competitive, for a South Africa that is a global player in the context of a world that is undergoing a tectonic shift than to use infrastructure development as the basis for that bright future.

I thank you.

