



Infrastructure Investment and Development

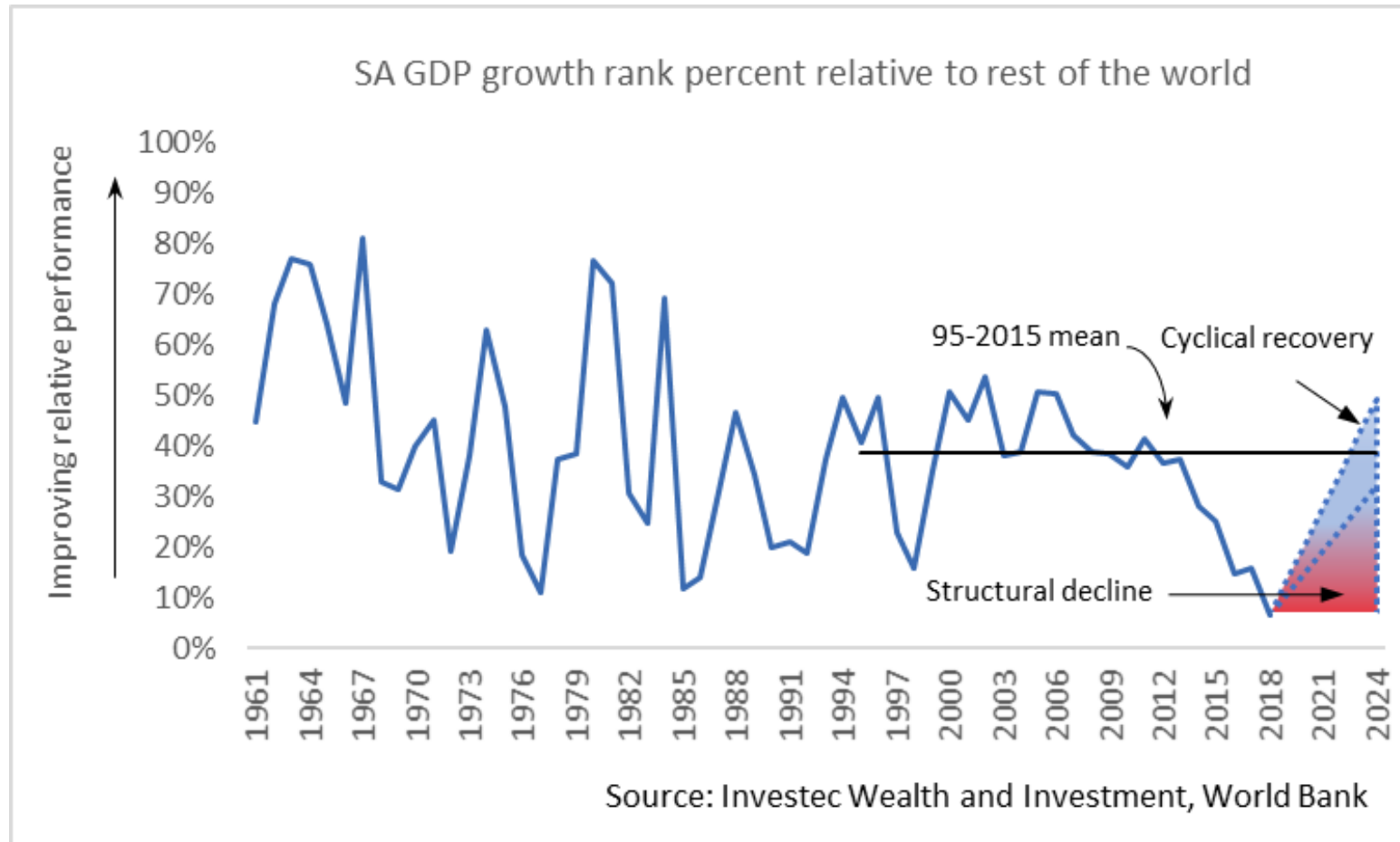
Chris Holdsworth

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Wealth & Investment

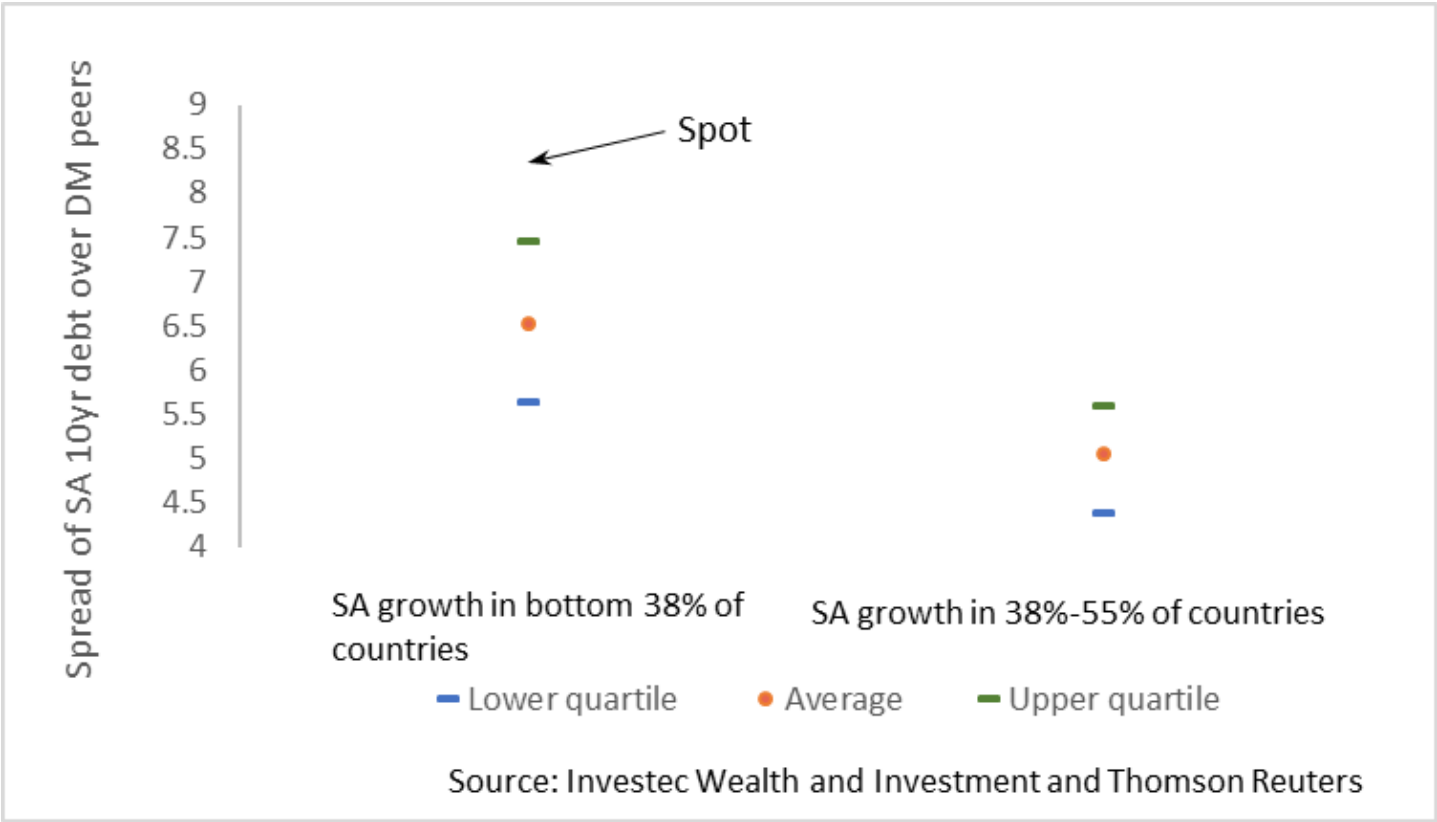
SA GDP growth relative to the rest of the world

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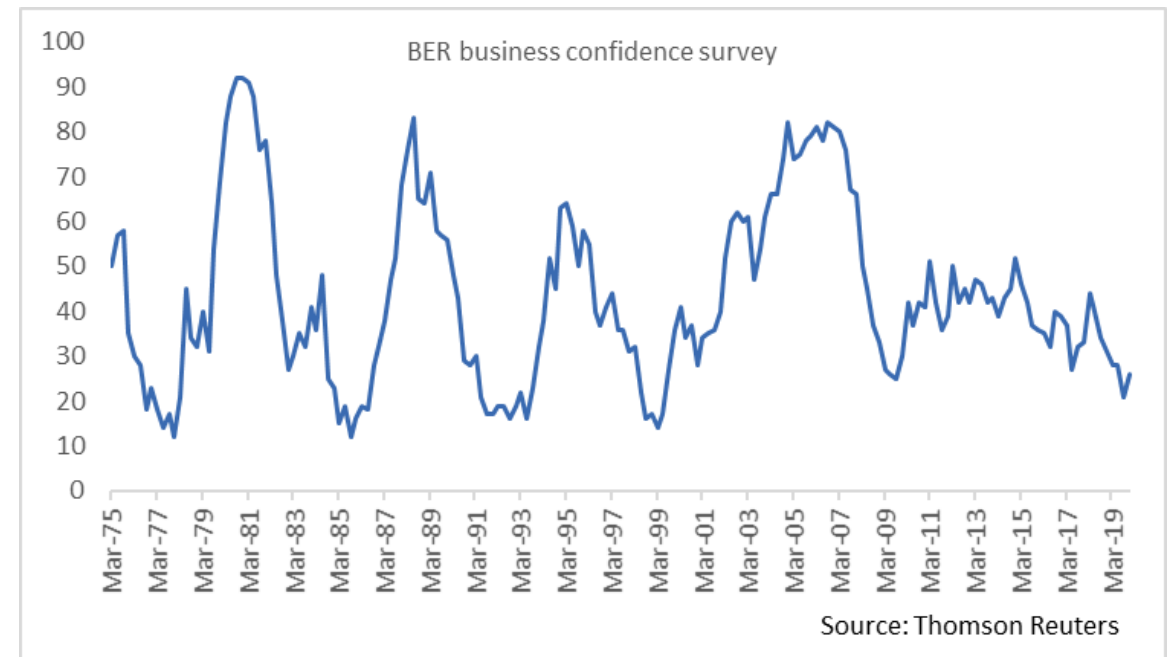
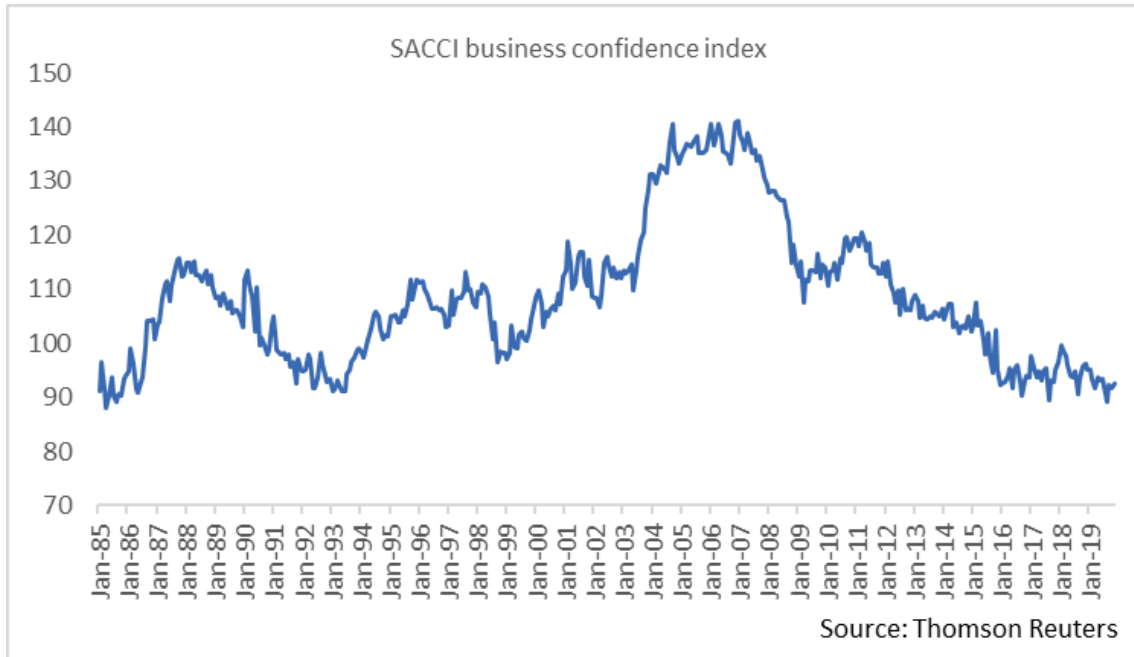
Our rank matters for the bond market

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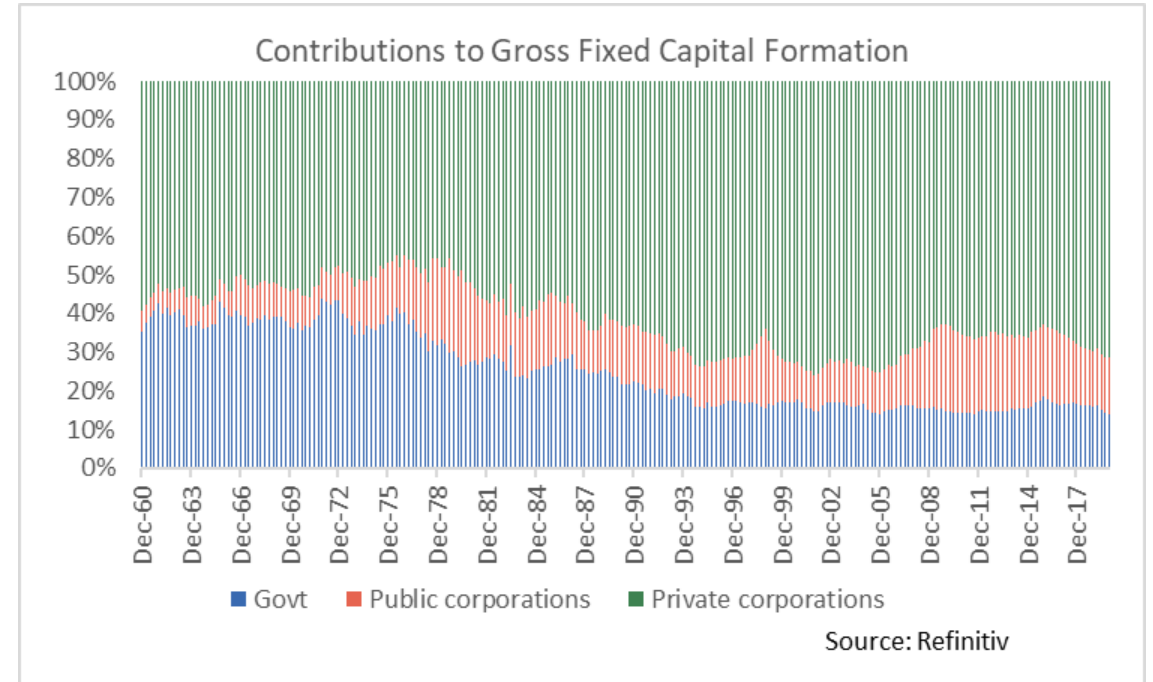
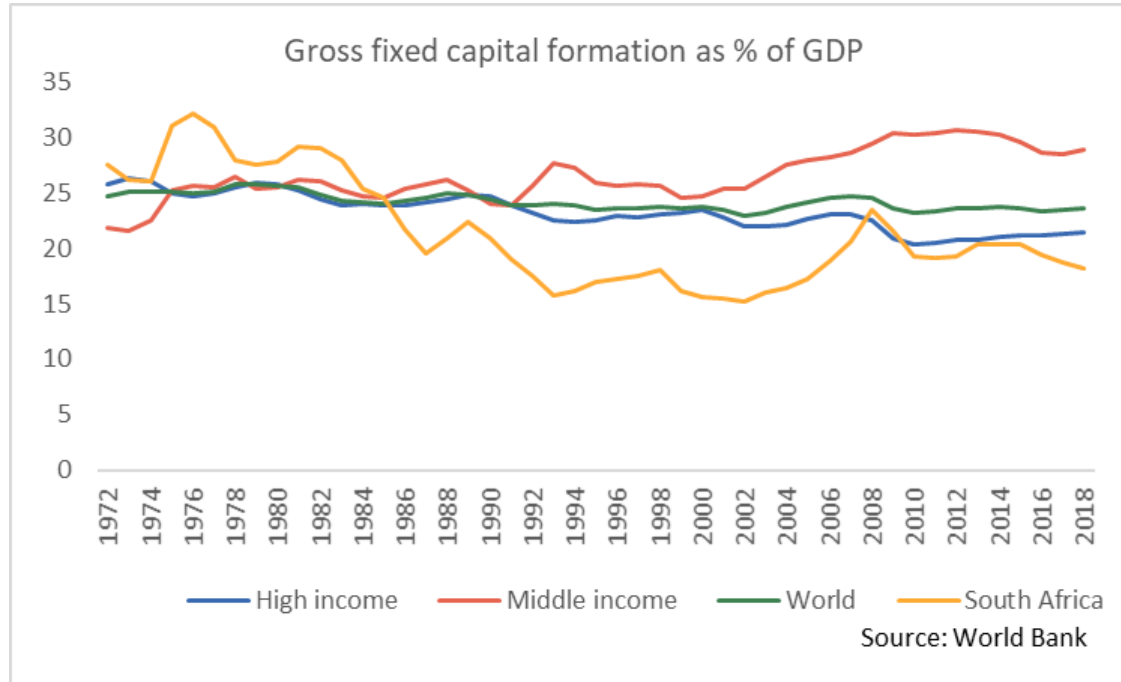
Business confidence depressed

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Gross fixed capital formation low as % of GDP

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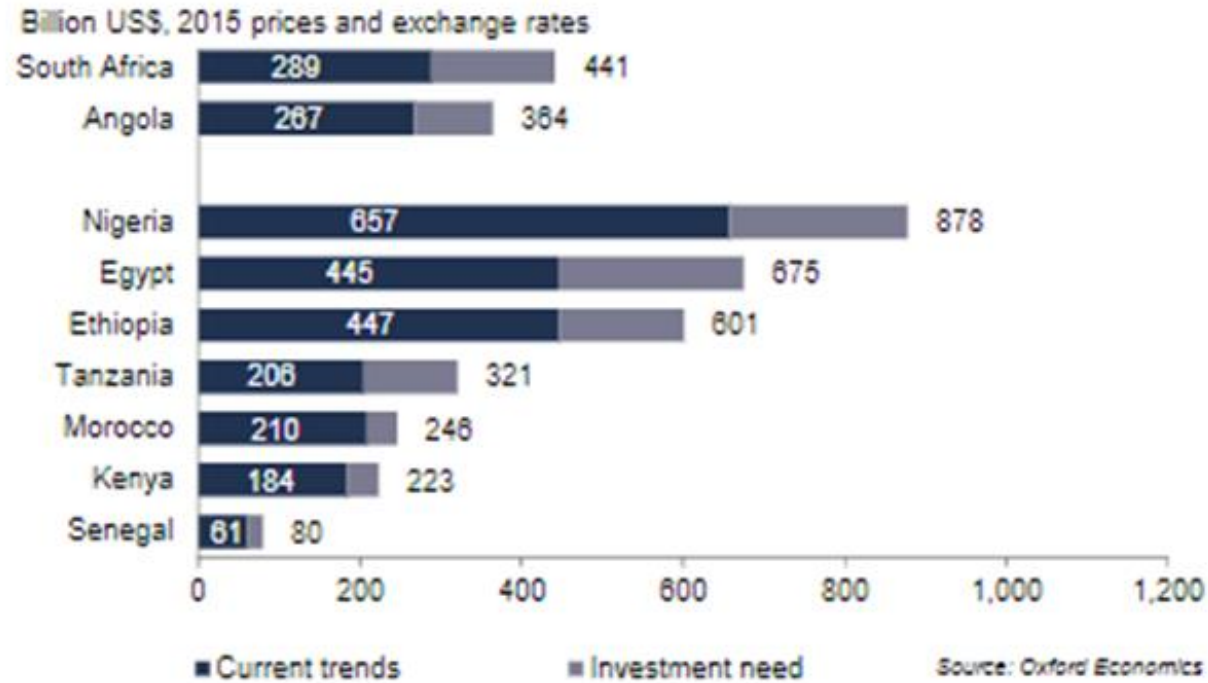


SA needs to spend more but we're not the only one

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Fig. 46. Africa infrastructure spending needs, 2016-2040 cumulative



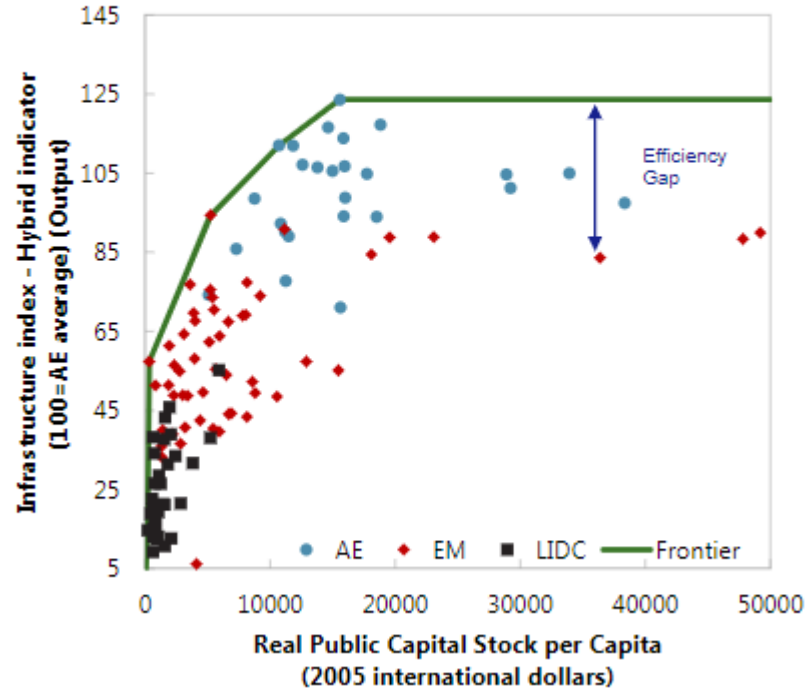
Source: Global Infrastructure Outlook, Oxford Economics

It's not just about money

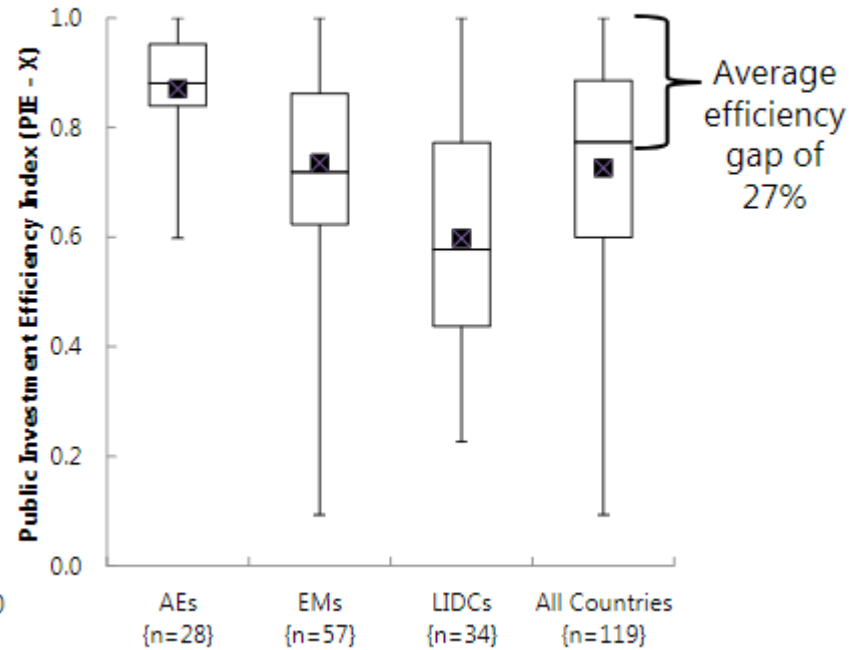
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Public Capital Stock and Infrastructure Performance



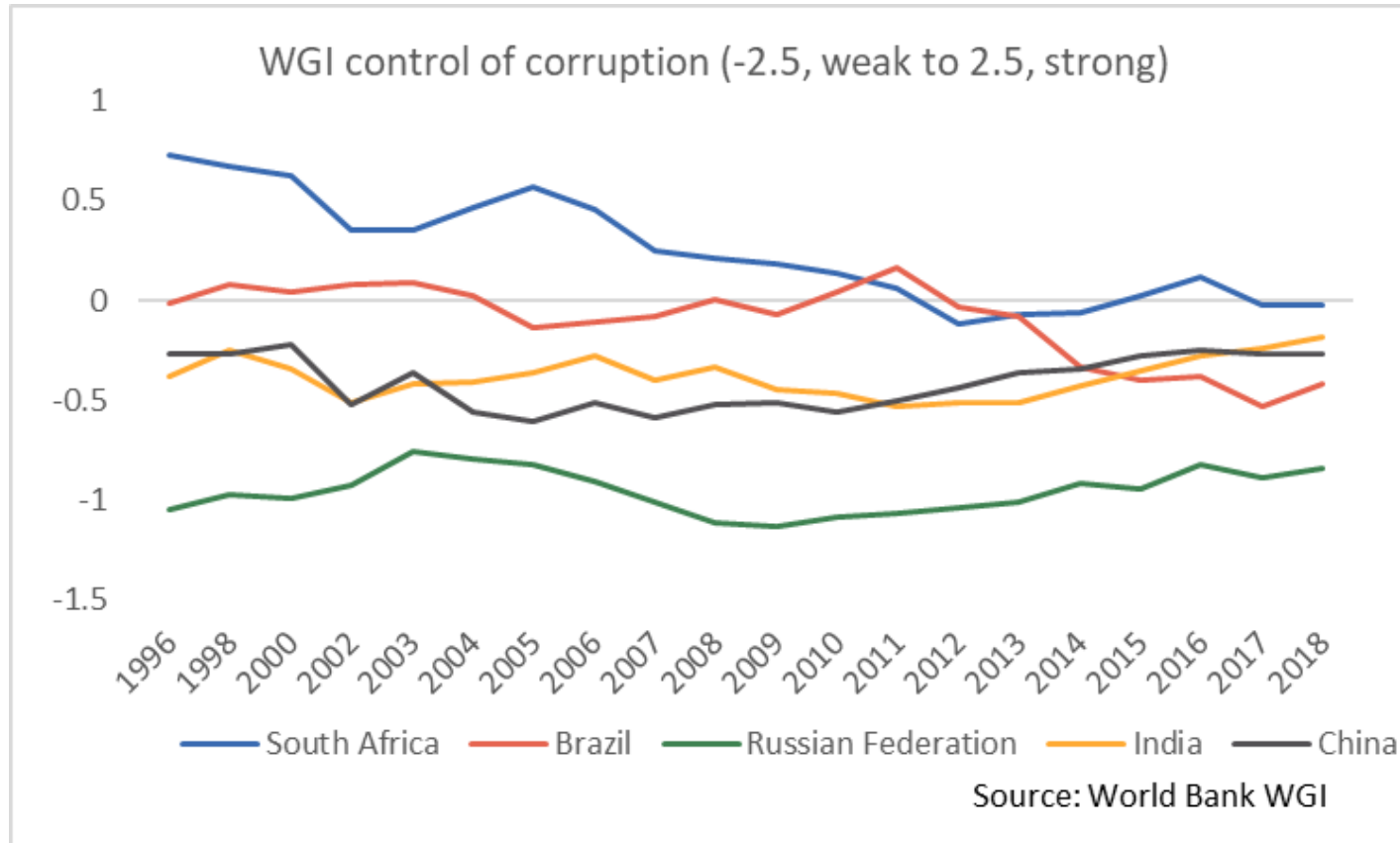
Public Investment Efficiency Index (PIE-X)



Source: IMF working paper (*"Making Public Investment More Efficient"*, 2015), UNESCAP.ORG

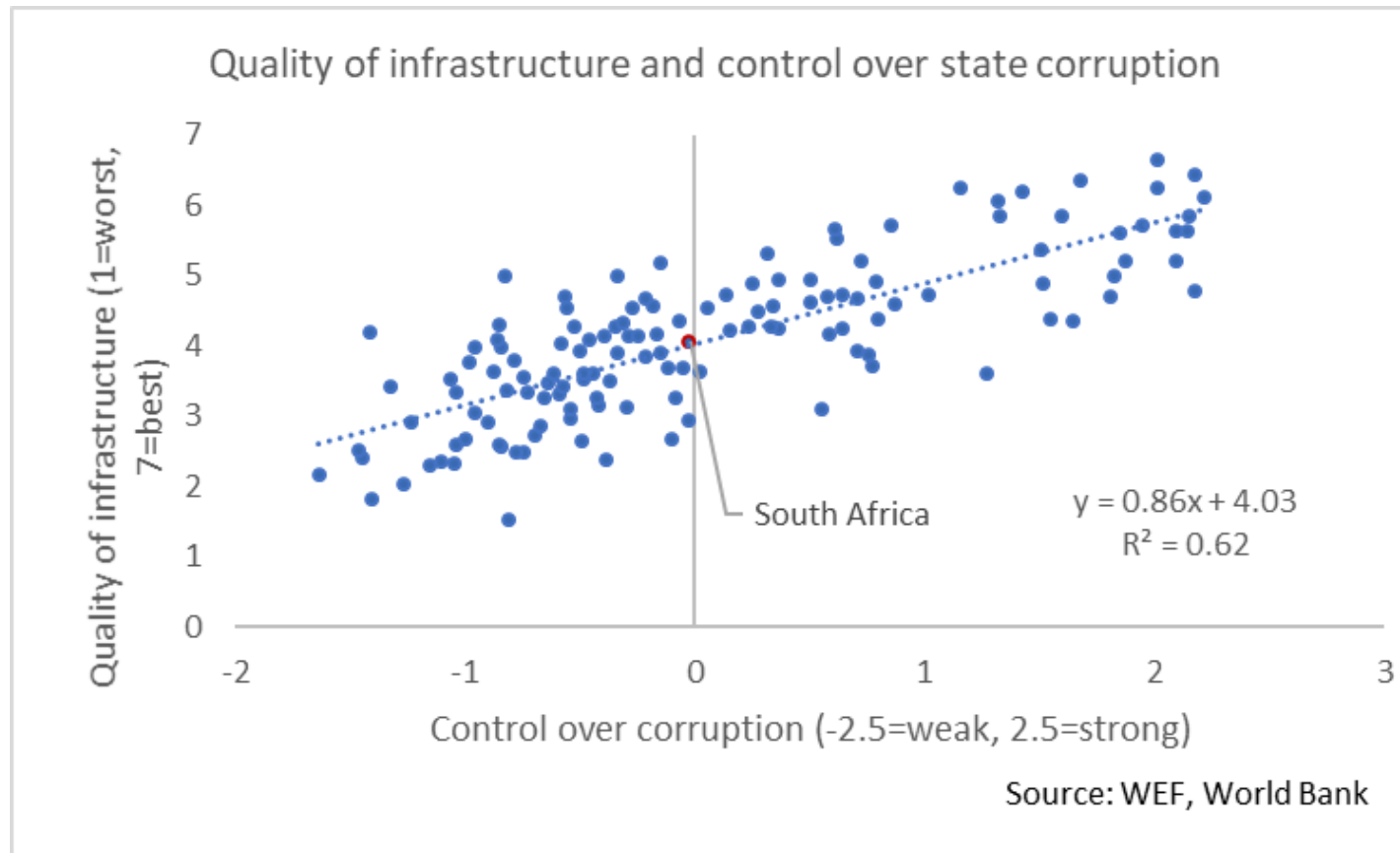
Governance in SA no longer special

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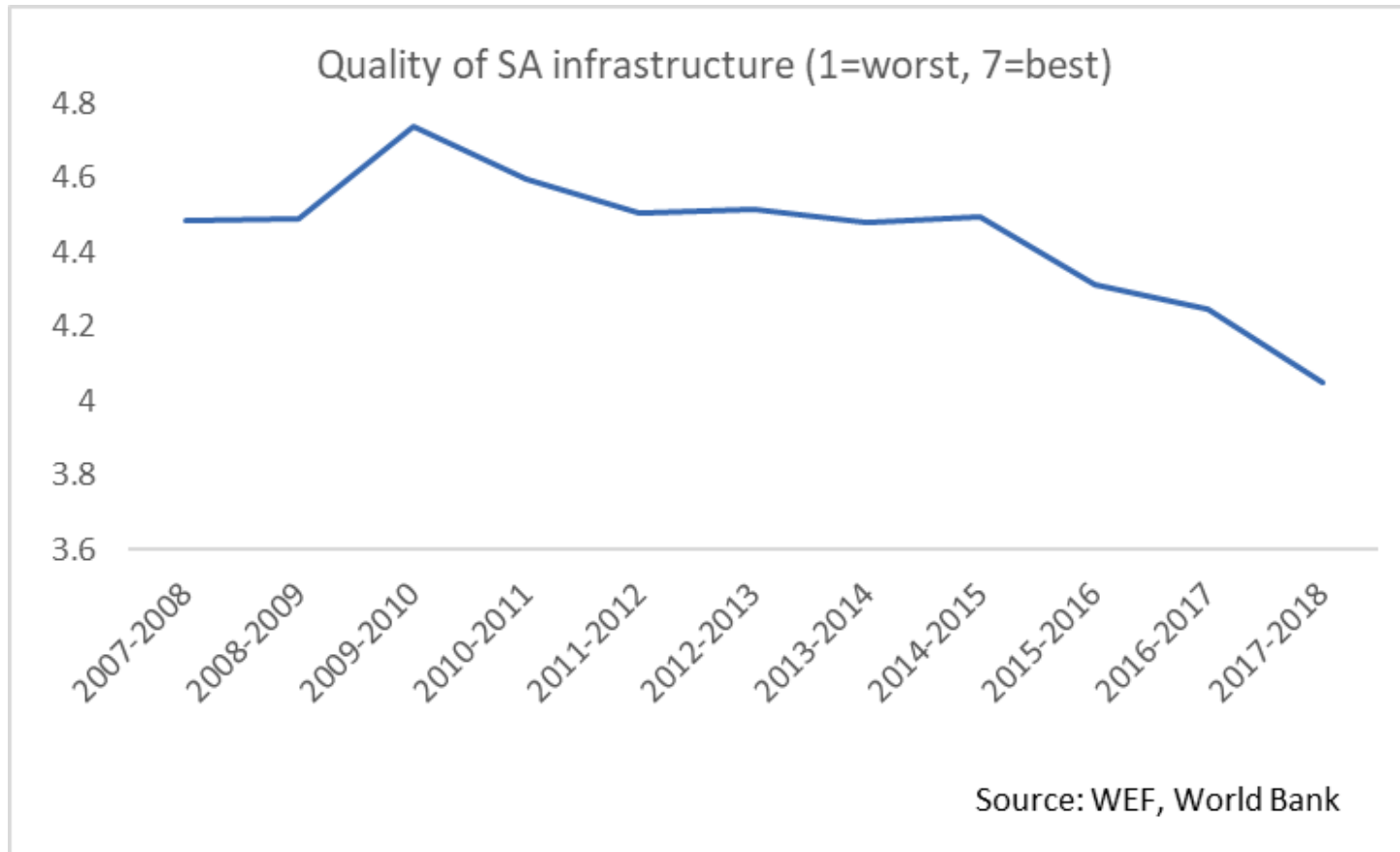
Governance and quality of infrastructure linked

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SA quality over time

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Key to improve governance as spend is increased.

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- Kornejew, Rentschler and Hallegate (“Well Spent, how governance determines the effectiveness of infrastructure Investments”, 2019, World Bank group) estimate that increasing infrastructure spend and improving governance is 6 times more effective at enhancing transport systems than simply raising spend alone.
- They estimate that in OECD countries every \$1 spent on infrastructure maintenance is as effective as \$1.5 of new infrastructure spend.

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