

PRESENTATION ON

**INFRASTRUCTURE PROJECTS IMPACT: POVERTY
REDUCTION, EMPLOYMENT CREATION AND CLOSING THE
INEQUALITY GAPS**

CESA VIRTUAL INDABA

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SOUTH AFRICAN CURRENT STATUS



- South Africa like most of other Countries in the World is battling with Covid-19 pandemic crisis;
- While South African Government have put in place the crisis management plans, more than 87 200 South Africans have lost their lives. It is believed this could have been worse;
- The South African economy has been severely affected with the most South Africans loosing their employment, 600 000 due to Covid-19 pandemic and further 105 000 due to the July 2021 looting;
- The World Bank projects a Gross Domestic Product (GDP) growth of 4% in 2021, 2.1% in 2022, and 1.5% in 2023. The impact of this putting more pressure in the public finance which is already not looking good;
- For the first time ever, the public debt is now almost 80% of the GDP and under the current trajectory, debt levels will not stabilize until 2026.



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SOUTH AFRICAN CURRENT STATUS CONT.



- Out of the working age population of 40 million people, only 15 million South Africans are employed of which 3 million is in the Public Sector. The impact the private sector is making should be applauded. It is believed there is still a great room for further improvement;
- The low-wage workers suffered the most in terms of the job losses than a higher-wage workers;
- The negative side of the above created more inequality gap within the South African citizens.



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WHAT CAN BE DONE COLLECTIVELY TO IMPROVE THE STATUS QUO?



- South African Government in response to coronavirus is investing in more than 50 special infrastructure projects to boost jobs in the country (Strategic Integrated Projects (SIPs));
- These plans were presented by the Minister of Public Works in July 2021 and believed to be the most effective and significant parts of Government's economic growth strategy to grow the economy while at the same time respond to the Socio-Economic needs of the South African people;
- The Private Sector is the biggest South African hope to solve the job crisis;
- Young entrepreneurs and self employment highly encouraged. This requiring the support of Government as well as large Private Sector companies;

STRATEGIC INTEGRATED PROJECTS



SIDSSA PROJECT PIPELINE

51 STRATEGIC INTEGRATED PROJECTS (SIPS)

TRANSPORT	WATER & SANITATION	HUMAN SETTLEMENT	AGRICULTURE & AGRO PROCESSING	DIGITAL	ENERGY
15	11	18	2	1	3
R47BN	R106BN	R138BN	R7 BN	R4 BN	R58BN
> 50 000	> 25 000	> 190 000	> 4 000	> 700	> 6 000



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STRATEGIC INTEGRATED PROJECTS



STRATEGIC INTEGRATED PROJECT NO 26 & 27

RURAL & TOWNSHIP ROADS UPGRADE PROGRAMMES

OVER
200KM



Rural road upgrades

DIRECT JOBS
4 000



30
INDIRECT JOBS

NATIONAL
UPGRADES



Road upgrades across 5 provinces

FUTURE
R700M



Investment

MORE
BENEFITS



- Localisation
- Skills Transfer
- Improved Roads
- Job Creation
- Local Contractors



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STRATEGIC INTEGRATED PROJECTS



STRATEGIC INTEGRATED PROJECT NO 21

TRANSPORT

DIRECT JOBS
>50 000



SPECIFIED
PROVINCES



- Free State
- KZN
- Limpopo
- Northern Cape

ESTIMATED
R47BN



Investment

PROPOSED
PROJECTS

- N1 Windburg Interchange to Windburg Station
- N1 Musina Ring Road
- N1 Polokwane Eastern Ring Rd Phase 2
- N1 Ventersburg to Kroonstad
- N2 Mtunzini Toll Plaza to Empangeni T - Junction
- N3 Cato Ridge to Dardenelles
- N3 Dardenelles to Lynnfield Park
- N3 Paradise Valley to Mariannhill Toll Plaza
- N2 Edwin Swales to South of EB Cloete Interchange
- N3 Ashburton Interchange to Murray Road
- N3 Mariannhill Toll Plaza to Key Ridge
- N2 EB Cloete Interchange
- Small Harbours Development
- N3 New alignment via De Beers Pass
- Boegoebaai Port & Rail Infrastructure Project



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SOUTH AFRICA: UNEMPLOYMENT RATE

- Year 2018 = 26.91%
- Year 2019 = 28.47%
- Year 2020 = 28.74%
- **Q2 of 2021 = 34.4%**
- This is the above the highest 33.47% unemployment rate in 2002;
- If nothing is done, the above **34.4%** could be worse;
- Between 2002 to 2008, the unemployment rate dropped to 22.43%. This is during the time when huge capital infrastructure investment was injected in preparation for 2010 Soccer World Cup.

“capital infrastructure investment plays a very important role in terms of dealing with poverty, employment creation, however we still need to find a way to deal with inequality”



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INEQUALITY GAP

- Top 1% holds 40.8% of the South African economy;
- Top 5% holds 27.7%
- Top 10% holds 11.4%
- The rest of the South Africans which is 90% of population holds only 20.1% of the economy.
- This shows that a lot still need to be done;
- The recent looting according to the stats added 105 000 jobs losses to the 600 000 jobs losses due to Covid-19 pandemic



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Thank you.



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Improving Quality of Life and Enhancing Sustainable Economic Development.