

# FreeFACTS

No 03/2024 | March 2024 | Issue 71

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## Figures reflect SA infrastructure decline

**South Africa is blessed with a number of attributes. These range from good weather, mineral wealth, to stoic and innovative people.**

But another area where South Africa is blessed is in the case of infrastructure. Much of South Africa's infrastructure is not only the envy of other countries in the developing world, but matches that of more developed countries, especially things such as our road network.

However, it's one thing to build infrastructure, but it's another to maintain it. In addition, infrastructure needs to be built almost continuously, to ensure that more and more people can benefit from the fruits of development.

This edition of *FreeFACTS* shows that this is an area where South Africa is failing at. Statistics around gross fixed capital formation (GFCF) – effectively the construction of infrastructure – shows that South Africa is spending less than it should.

In 2012 GFCF as a proportion of GDP was just below 20%, in 2022 it was 14%. It is a generally accepted rule that for a country to maintain existing infrastructure and build new infrastructure, this number should be closer to about 25%.

It is clear that South Africa is failing dismally to reach this target.

This edition of *FreeFACTS* also shows the breakdown of infrastructure spend by various entities, and it shows that the national government is spending far less than it should be and that this contribution is also declining.

This is a serious cause for concern. This has contributed to South Africa's deindustrialisation, with other figures in this edition reflecting that.

There are fewer aircraft movements at our national airports and the amount of fuel being used each year is slowly declining. These are all signs of an economy which is slowly but surely grinding to a halt.

It will take a great effort to get the economy growing to the extent that it will start making a real dent in our unacceptably high rates of poverty and unemployment but it is possible. And one place we can start is by ensuring that our infrastructure is maintained and expanded.

— Marius Roodt

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# Infrastructure

## Infrastructure spending

Capital expenditure by public sector institutions (actual numbers), 2019-21												
Institution	New construction works			Plant, machinery and equipment			Transport equipment			Land and existing buildings		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
—Rbn—												
National government <sup>a</sup>	5,45	4,68	4,43	3,31	2,86	2,42	2,35	1,92	2,06	3,69	2,56	2,35
Provincial government <sup>a</sup>	18,72	14,18	15,25	3,46	4,51	4,81	0,80	1,17	1,70	8,76	9,99	8,87
Extra-budgetary accounts and funds <sup>a</sup>	10,37	9,23	5,77	2,19	1,74	1,72	0,92	0,81	1,22	4,62	3,49	3,17
Municipalities <sup>b</sup>	52,62	45,42	47,88	4,96	4,26	3,68	2,16	2,64	2,18	0,85	1,39	2,75
Public corporations <sup>a</sup>	52,88	41,38	39,09	29,09	27,81	25,63	1,54	0,78	0,14	1,76	0,84	1,43
Higher education institutions <sup>c</sup>	1,67	1,55	2,37	2,22	1,79	2,53	0,12	0,06	0,07	2,66	2,02	2,17
<b>Total capital expenditure</b>	<b>141,71</b>	<b>116,43</b>	<b>114,78</b>	<b>45,22</b>	<b>42,96</b>	<b>40,79</b>	<b>7,89</b>	<b>7,36</b>	<b>7,40</b>	<b>22,34</b>	<b>20,28</b>	<b>20,74</b>

## Infrastructure spending

Capital expenditure by public sector institutions (actual numbers), 2019-21									
Institution	Other fixed assets			Leased assets and investment property			Total capital expenditure by the public sector		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
—Rbn—									
National government <sup>a</sup>	0,48	0,51	0,49	0,99	0,96	0,96	16,26	13,48	12,70
Provincial government <sup>a</sup>	0,20	0,30	0,33	1,24	1,56	1,42	33,18	31,70	32,38
Extra-budgetary accounts and funds <sup>a</sup>	0,98	0,93	1,74	1,04	1,99	1,60	20,10	18,17	15,22
Municipalities <sup>b</sup>	1,16	0,99	1,30	0,60	0,42	0,48	62,34	55,12	58,26
Public corporations <sup>a</sup>	3,32	3,12	2,12	1,15	1,93	2,40	89,74	75,86	70,80
Higher education institutions <sup>c</sup>	0,16	0,19	0,19	1,70	1,27	1,52	8,52	6,87	8,86
<b>Total capital expenditure</b>	<b>6,28</b>	<b>6,04</b>	<b>6,20</b>	<b>6,71</b>	<b>8,13</b>	<b>8,38</b>	<b>230,15</b>	<b>201,20</b>	<b>198,22</b>

Source: Stats SA, Capital expenditure by the public-sector for 2021, Statistical release P9101, 27 October 2022, p5

<sup>a</sup> Financial year ended 31 March.

<sup>b</sup> Financial year ended 30 June.

<sup>c</sup> Financial year ended 31 December.

## Infrastructure

### Real gross fixed capital formation (GFCF), 1960-2022

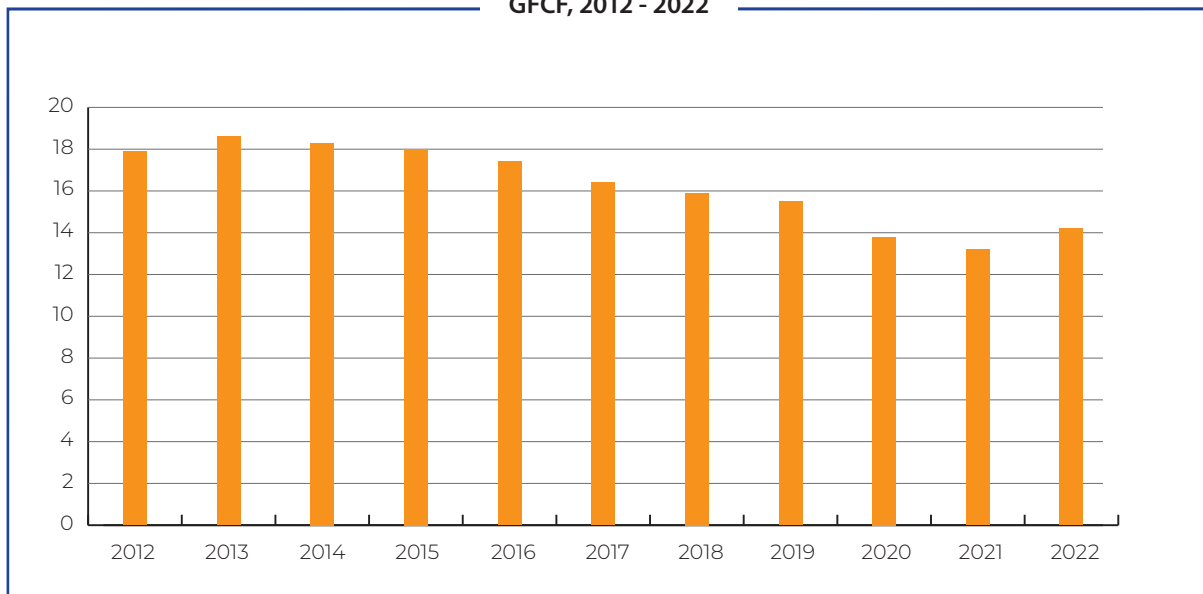
Year	Total <sup>a</sup> Rbn	Change	GFCF as a proportion of GDP <sup>b</sup>
2012	755,5	1,8%	17,9%
2013	796,0	5,4%	18,6%
2014	785,5	-1,3%	18,3%
2015	796,1	1,3%	18,0%
2016	780,8	-1,9%	17,4%
2017	764,9	-2,0%	16,4%
2018	755,6	-1,2%	15,9%
2019	742,4	-1,7%	15,5%
2020	633,8	-14,6%	13,8%
2021	637,9	0,6%	13,2%
2022	668,5	4,8%	14,2%

Source: SARB, www.resbank.co.za, time series data, accessed 3 November 2023

*a* At constant 2015 prices.

*b* At current prices.

### GFCF, 2012 - 2022



## Infrastructure

### Capital expenditure by public sector institutions (proportions), 2021

Institution	New construction works	Plant, machinery and equipment	Transport equipment	Land and existing buildings	Other fixed assets	Leased assets and investment property
National government <sup>a</sup>	3,9%	5,9%	27,8%	12,6%	7,9%	11,5%
Provincial government <sup>a</sup>	13,3%	11,8%	23,0%	49,2%	5,3%	16,9%
Extra-budgetary accounts and funds <sup>a</sup>	5,0%	4,2%	16,5%	17,2%	28,1%	19,1%
Municipalities <sup>b</sup>	41,7%	9,0%	29,5%	6,9%	21,0%	5,7%
Public corporations <sup>a</sup>	34,1%	62,8%	1,9%	4,1%	34,2%	28,6%
Higher education institutions <sup>c</sup>	2,1%	6,2%	0,9%	10,0%	3,1%	18,1%
<b>Total capital expenditure</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

Source: Stats SA, *Capital expenditure by the public-sector for 2021*, Statistical release P9101, 27 October 2022, p5

<sup>a</sup> Financial year ended 31 March.

<sup>b</sup> Financial year ended 30 June.

<sup>c</sup> Financial year ended 31 December.

### Electricity generation by fuel type, 2023

Fuel type	Gigawatt hours (GWh)	Proportion <sup>a</sup> of total
Coal	171 131	89,5%
Nuclear power	9 803	5,1%
Pumped storage stations	4 081	2,1%
Hydro stations	3 060	1,6%
Open-cycle gas turbines	3 018	1,6%
Wind	214	0,1%
<b>Total</b>	<b>191 307</b>	<b>100,0%</b>

Source: Eskom, *Integrated Report 2023*, 31 March 2023, p13

<sup>a</sup> IRR calculations.

## Infrastructure

Petroleum consumption, 1991-2021						
Year	Petrol	Diesel	Paraffin <sup>a</sup>	Jet fuel	Fuel oil <sup>b</sup>	LPG <sup>c</sup>
—Million litres—						
1991	8 906	5 130	725	861	526	464
1994	9 630	5 110	875	1 193	633	485
1997	10 798	5 875	970	1 777	635	502
2000	10 396	6 254	857	2 020	555	567
2003	10 667	7 263	769	2 099	528	558
2006	11 279	8 708	738	2 260	476	605
2009	11 321	9 437	551	2 349	724	554
2010	11 455	10 170	545	2 308	468	612
2011	11 963	11 225	581	2 434	477	717
2012	11 714	11 262	470	2 367	568	656
2013	11 153	11 890	530	2 223	523	485
2014	11 344	13 169	558	2 197	487	398
2015	12 072	14 178	573	2 441	591	588
2016	10 160	10 846	558	2 121	562	557
2017	11 174	12 147	648	2 713	523	551
2018	11 142	12 539	702	2 346	552	504
2019	10 773	12 909	620	2 439	410	495
2020	8 761	11 690	702	1 091	486	448
2021	9 302	12 946	1 078	1 048	491	308

Source: SAPIA, *Annual Report 2018*, accessed 11 December 2019, p35; *Annual Report 2019*, p32; *Annual Report 2020*, p34; *Annual Report 2021*, p36

<sup>a</sup> Includes power paraffin and illuminating paraffin.

<sup>b</sup> Oil used as fuel in an engine or furnace.

<sup>c</sup> Liquefied petroleum gas.

Aircraft landings at South Africa's nine major airports <sup>a</sup> , 2015/16-2021/22				
Year	Domestic	Regional	International	Total <sup>b</sup>
2015/16	141 978	13 080	36 803	284 285
2016/17	142 230	13 138	37 722	281 703
2017/18	140 784	13 064	38 632	264 457
2018/19	135 738	12 613	38 948	259 169
2019/20	130 693	11 620	38 524	248 519
2020/21	43 557	2 543	10 217	86 434
2021/22	91 026	6 732	22 792	176 816

Source: Airports Company of South Africa (ACSA), *Integrated Annual Report 2022*, p104

<sup>a</sup> These are the nine airports run by Acsa, namely O.R. Tambo International (Johannesburg), Cape Town International, King Shaka International (Durban), Bram Fischer International (Mangaung), Port Elizabeth International, East London, Upington, Kimberley and George.

<sup>b</sup> Figures will not add up, as unscheduled movements are included in the final tally.

## Infrastructure

Cargo handled <sup>a</sup> at South African ports, June 2022 and June 2023									
—June 2022—									
—Metric tonnes <sup>b</sup> —									
Landed									
Imports	430 940	449 568	6 171	49 500	9 010	—	46 783	—	991 972
Coastwise <sup>c</sup>	—	—	—	—	—	—	—	—	—
<b>Total cargo landed</b>	<b>430 940</b>	<b>449 568</b>	<b>6 171</b>	<b>49 500</b>	<b>9 010</b>	<b>—</b>	<b>46 783</b>	<b>—</b>	<b>991 972</b>
Shipped									
Exports	6 862 379	942 214	41 800	370 530	900 693	—	52 712	7 405 291	16 575 619
Coastwise <sup>c</sup>	—	—	—	—	—	—	—	12 000	12 000
<b>Total cargo shipped</b>	<b>6 862 379</b>	<b>942 214</b>	<b>41 800</b>	<b>370 530</b>	<b>900 693</b>	<b>—</b>	<b>52 712</b>	<b>7 417 291</b>	<b>16 587 619</b>
Transshipment cargo <sup>d</sup>	—	8 424	—	146 140	30 183	—	2 466	—	187 213
<b>Total cargo handled<sup>e</sup></b>	<b>7 752 596</b>	<b>3 482 935</b>	<b>130 603</b>	<b>566 170</b>	<b>1 045 015</b>	<b>84 209</b>	<b>654 716</b>	<b>7 462 176</b>	<b>21 178 418</b>
—June 2023—									
Cargo handled	Richards Bay	Durban	East London	Ngqura	Port Elizabeth	Mossel Bay	Cape Town	Saldanha	Total
—Metric tonnes <sup>b</sup> —									
Landed									
Imports	316 687	318 519	43 652	58 530	9 813	—	76 404	14 000	837 606
Coastwise <sup>c</sup>	—	—	—	—	—	—	—	—	—
<b>Total cargo landed</b>	<b>316 687</b>	<b>318 519</b>	<b>43 652</b>	<b>58 530</b>	<b>9 813</b>	<b>—</b>	<b>76 404</b>	<b>14 000</b>	<b>837 606</b>
Shipped									
Exports	7 152 736	930 869	—	619 903	948 200	—	—	3 932 589	13 584 296
Coastwise <sup>c</sup>	—	—	—	—	—	—	—	—	—
<b>Total cargo shipped</b>	<b>7 152 736</b>	<b>930 869</b>	<b>—</b>	<b>619 903</b>	<b>948 200</b>	<b>—</b>	<b>—</b>	<b>3 932 589</b>	<b>13 584 296</b>
Transshipment cargo <sup>d</sup>		33 296		113 199	26 024		2 903	1 502	173 920
<b>Total cargo handled<sup>e</sup></b>	<b>7 746 532</b>	<b>4 971 632</b>	<b>85 281</b>	<b>796 749</b>	<b>1 109 707</b>	<b>118 506</b>	<b>423 973</b>	<b>4 444 950</b>	<b>19 697 329</b>

Source: Transnet National Ports Authority, *Port statistics*, www.transnetnationalportsauthority.net, accessed 10 October 2023

<sup>a</sup> Latest available data in June 2023.

<sup>b</sup> One metric tonne = 1 000 kilograms.

<sup>c</sup> Or short sea shipping, is the transportation of merchandise between two seaports of the same country.

<sup>d</sup> The shipment of goods or containers to an intermediate destination, then to yet another destination excluding vehicles.

<sup>e</sup> Total cargo handled excluding vehicles.

## Infrastructure

Road and rail transportation payloads, 2013-22						
Year	Rail (thousand tons)	Value Rm	Road (thousand tons)	Value Rm	Total (thousand tons)	Value Rm
2013	213 584	32 976	520 793	71 015	734 377	103 992
2014	223 568	36 359	565 265	83 294	788 833	119 654
2015	222 229	37 107	550 372	87 208	772 601	123 315
2016	219 417	37 835	617 413	97 897	836 560	135 732
2017	226 058	41 761	687 894	110 265	913 952	152 026
2018	217 401	42 288	735 110	121 102	970 511	163 389
2019	215 740	44 133	696 972	121 525	912 708	165 656
2020	191 854	39 996	614 945	108 746	806 790	148 742
2021	178 771	37 959	688 364	127 782	867 135	165 742
2022	156 183	34 682	852 679	177 551	1 008 862	212 233

*Source:* Stats SA, *Land transport survey March 2014*, Statistical release P7162, 19 May 2014, Table 1 p4; *Land transport survey January 2015*, Statistical release P7162, 23 March 2015, Table 1 p4; *Land transport survey March 2016*, Statistical release P7162, 23 May 2016; *Land transport April 2019*, Statistical release P7162, 2 December 2019; *Land transport August 2020*, Statistical release P7162, 2 December 2019, Table 1, p5; *Land transport May 2021*, Statistical release P7162, 19 July 2021, Table 1, p5; *Land transport December 2021*, Statistical release P7162, 21 February 2022, Table 1, p5; *Land transport July 2023*, Statistical release P7162, 26 September 2023, Table 1, p5

*a* The volume of goods transported, quoted in tons.