

South Africa under construction



South African President Cyril Ramaphosa's plans to turn the country into a giant construction site are gathering pace, with the government ramping up spending on roads, power plants, dams and ports.

The annual budget released in Cape Town on Wednesday allocates R1.07 trillion toward the buildout over the next three fiscal years.

State companies are projected to spend R445.5 billion, provincial administrations R217.8 billion and municipalities R205.7 billion, the Budget Review shows.

Inadequate infrastructure has been a binding constraint on growth in Africa's largest economy.

The country endured rolling power outages for more than a decade before they eased last year because the state electricity company couldn't keep pace with demand, while port and rail logjams have crimped exports.

Johannesburg and other cities have meanwhile been dogged by water shortages because municipal utilities have failed to maintain reservoirs, pipelines and pumping stations or build sufficient new ones.

These are among the planned developments that are set to transform the South African landscape and fix frayed infrastructure:

Transport and logistics



- Three-year budget allocation: R417.6 billion

The focus is on upgrading road infrastructure and restoring the country's passenger and freight-rail networks.

Transnet SOC Ltd., the state port and rail operator, plans to spend R76.6 billion to make the logistics system more reliable and efficient, an investment expected to attract private capital and boost the iron ore, manganese, coal, chrome, and automotive industries.

The Passenger Rail Agency of South Africa will prioritise improving its rail signalling and telecommunications infrastructure and invest in new trains to improve services.

The South African National Roads Agency Ltd. will invest in new roads and improve existing ones, while provincial authorities have been allocated funds to rehabilitate and reseal roads.

Energy



- Three-year budget allocation: R213.6 billion

Generation capacity is being expanded, battery storage is being increased and the transmission network is being strengthened to improve security of supply and draw in private investment, according to the National Treasury.

Agreements have been signed with independent power producers to deliver almost 10 gigawatts of renewable energy generation and battery energy storage capacity, and a further 1 gigawatt of peaking power capacity.

The bulk of those projects are already operational, and others are being built.

The procurement of 2 gigawatts of new gas-fired generation capacity is underway, with bid submissions set to close in late May.

The government has also begun the process of appointing contractors to lay about 1,164 kilometres of new electricity transmission lines.

Water and sanitation



- Three-year budget allocation: R185.2 billion

Investments will focus on augmenting the bulk water supply and boosting services.

The second phase of the Lesotho Highlands Water Project, which will bring water from the mountain kingdom of Lesotho to Johannesburg and the surrounding Gauteng province, is underway and is expected to be completed between September 2029 and June 2031.

Two supply projects in the northern Limpopo province are scheduled to finish in 2030, and another in KwaZulu-Natal province two years later.

Education



- Three-year budget allocation: R58.5 billion

The Treasury allocated R50.4 billion toward upgrading and building schools and supplying them with electricity and proper sanitation.

Money was also set aside to maintain and modernise equipment at 50 technical and vocational education colleges and for infrastructure projects at universities.

Health



- Three-year budget allocation: R43.5 billion

Money will be spent on repairing and refurbishing existing hospitals and clinics, and building new ones.

A 488-bed hospital in the city of Polokwane is expected to be completed in 2028 and will provide specialised medical services for the province.

A 224-bed hospital in Limpopo is being replaced, while two hospitals are under construction in the Western Cape province.