

**INFRASTRUKTUUR WAT TRANSAKSIEKOSTE
VERLAAG**

**INFRASTRUCTUREE WHICH DECREASES
TRANSACTION COSTS**

*AGRI SA KONGRES / AGRI SA CONGRESS
13 – 14 OKTOBER/OCTOBER 2011*



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AGRI SA ADVISEUR INFRASTRUKTUUR

Tuiste van die Suid-Afrikaanse boer • Home of the South African farmer

Agriculture is crucial for peace, stability & prosperity

Landbou is noodsaaklik vir vrede, stabiliteit & voorspoed

Contribution of agriculture dependent on its profitability & competitiveness

Rol van landbou berus op sy winsgewendheid & mededingendheid

Gunstige beleidsomgewing waarin ons kan presteer

Favourable policy environment in order to perform

Infrastructure a critical tool in stimulating growth

Infrastruktuur 'n noodsaaklike instrument om groei te stimuleer





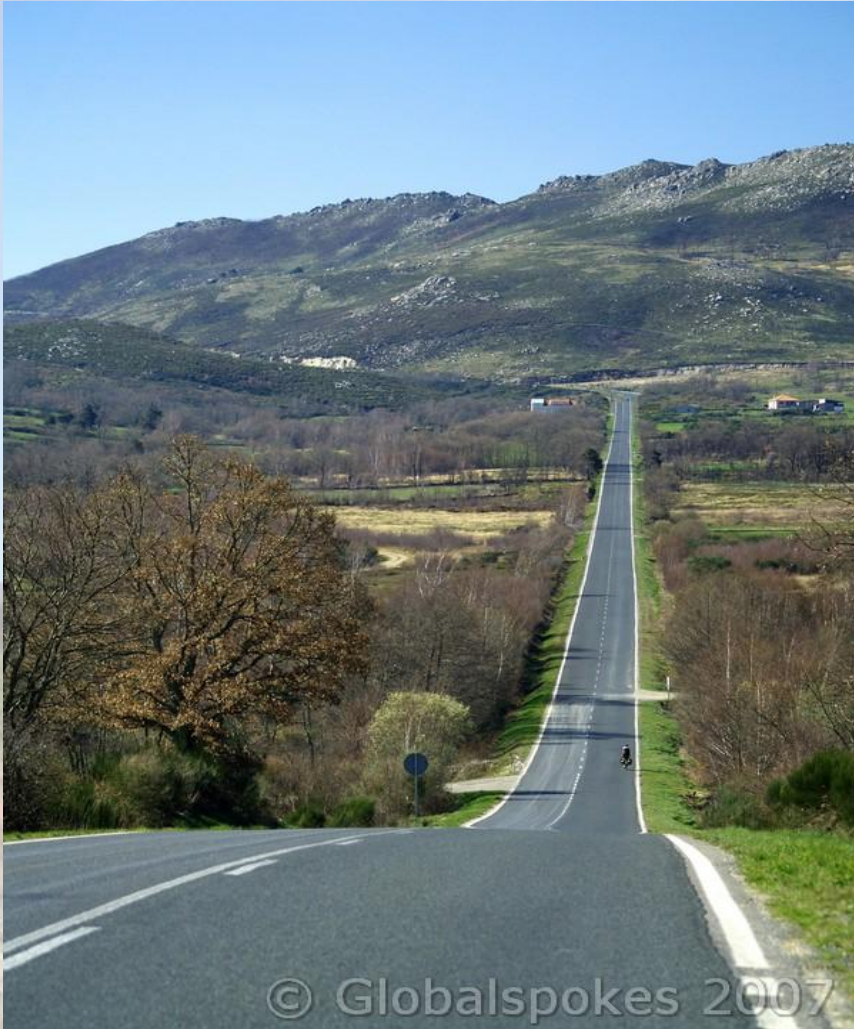
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AGRICULTURAL INFRASTRUCTURE INCLUDES

- Roads and road transport
- Rail & rail transport
- Ports and shipping
- Airports and aviation
- Inter-modal and integrated logistics
- Warehousing, distribution and value-added logistics
- Communication infrastructure (speech, fax, e-mail & internet)
- Energy infrastructure (generation / production & distribution)
- Fuel infrastructure (production, storage & distribution)
- Water infrastructure (storage & distribution)



ROAD INFRASTRUCTURE



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SURVEY: CONDITION OF ROADS IN MANY AREAS: “VERY BAD”, VIRTUALLY IMPASSABLE”, LIFE THREATENING”.



Damn Potholes!

Track depressions, dangerous potholes, dongas, collapsing road surfaces, blocked culverts, sagging bridges, faint road markings, rocks on road after grading / regravelling, vegetative growth, animals on roads





Pasop, hier kom probleme!

Mnr. Koos Swart van die Amersfoort-omgewing in Mpumalanga het dié bord by die ingang van die dorp aangebring om mense te waarsku. Hy het gesê slaggate in die dorp is so erg dat hy reeds sy nuwe motor, wat nog net 10 000 km afgelê het, se vier bande moes vervang. Foto: HILDA FOURSE

EXTENT OF THE PROBLEM

- Paved road network: 60 000 km
 - 18% in “good” condition
 - 20% increase in “poor” condition by 2020
- 75% of road network past its design life span of 20 years
 - 90% in case of provincial & district roads
- SANRAL: Impossible to wipe out backlog in 10 years
- 40% of provincial road network reached crisis point
- Total maintenance backlog: R126 billion
- Minister of Transport: R75 billion over 5 years
- Most provinces lost capacity to maintain roads efficiently
- Critical shortage of engineers
- Damages: Estimated cost to road users: R20 billion
- Up to 80% of freight moved by road – unbearable pressure on roads network



REASONS INCLUDE:

Heavy
traffic/trucks

Insufficient
funding

Lack of
upgrading

Lack of
maintanance

Lack of new
roads

Poor
workmanship

Rail
infrastructure in
disrepair



EFFECT ON AGRICULTURE:

- Cost of doing business:
 - *Products on market in damaged condition or late*
 - *Damage to vehicles*
 - *Contractors refuse to travel bad roads*
 - *Farmers have to change commodities*
- Safety & security & quality of life
- Rural development & economic growth



ORGANISED AGRICULTURE INVOLVED

- **Local level:**

- *Participate in local transport forums*
- *On occasion compelled to carry out urgent repairs on minor roads*
- *Act as service providers for maintenance & repairs*

- **Provincial level:**

- *Engage with provincial roads authorities & MEC's*

- **Agri SA:**

- *Engage with national departments & ministers*
- *Surveys & reports conveyed to DOT & DOA*
- *Supports dedicated road infrastructure maintenance fund & ringfencing*
- *BUSA: National Road Freight Strategy*

- **Government: Urgent action needed**



COMMUNICATION INFRASTRUCTURE

- Essential for market information, transacting, safety & security, social development (speech, fax, e-mail, internet)
- Poor service rendering in many areas:
 - *Producers without Telkom connections for months on end*
 - *Lack of automated telecommunication*
 - *Outdated technology & cable theft*
- Bad for business; security considerations
- Telkom still committed to service rendering in rural areas?





बिजली 100%
सहित सर्वोत्तम सेवा
शुभकाम

शक्ति साइकल केंद्र
शक्ति साइकल केंद्र
शक्ति साइकल केंद्र

NEORE
GARDAN SAREE
RAM DAYAL OM PA

DEAR STATION
सर्वोत्तम सेवा
सहित सर्वोत्तम सेवा

LATEST POSITIVE DEVELOPMENTS:

- Meeting on 12 August 2011 – Senior Delegation:
 - Fixed line technology in outlying rural areas on way out
 - New policy framework – service rendering: Rural areas
 - New satellite platform, broadband, data & speech, more affordable than “VSAT”
 - Interim: survey; alternative services
 - Dedicated unit for agricultural account
- Agri SA will continue to actively engage with Telkom & other organisations for best possible system(s) for agriculture



CONCLUSION

- Deteriorating rural infrastructure
- Verge of infrastructure crisis
- National infrastructure a critical tool in stimulating growth
- Presidential infrastructure coordinating commission:
 - *Can it deliver, or yet another institution?*
- Agri SA committed to constructive engagement



Thank you / Dankie



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