

How much of SA's R900bn infrastructure money is heading offshore?

According to *BDLive's* columnists Ron Derby, the rand's tilt towards the R9/\$ mark appears to coincide with the deadline for renewable energy contractors to hedge their purchases for South Africa's R100bn renewable energy Independent Power Producer Procurement Programme. As most of the technology required for the programme is going to be bought offshore, naturally the procurement would have an effect on the rand.

South Africa has to carry out the renewable energy programme as a condition for a World Bank loan for the building of one of our new coal-fired power stations. The programme depends on providers from overseas because South Africa doesn't have a renewable industry large enough to support a national programme involving windmills and solar plants.

Unfortunately, Derby says, companies from countries such as China and Germany stand to benefit much more from this programme, financially. Just how much of South Africa's planned R900bn infrastructure spending is heading offshore for technology, machinery and other expertise that this country no longer has?

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