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**UK companies urged to share in South African building boom**

***UK Trade & Investment launches new report: 'Building South Africa: Opportunities for the UK Construction Sector'***

British construction firms are being encouraged to take advantage of the multi billion pound infrastructure opportunities in South Africa, according to a report released today by UK Trade & Investment.

Launched in London today, the report, titled '*Building South Africa: Opportunities for the UK Construction Sector*', highlights infrastructure opportunities in both the public and private sectors stemming from the Government's £33billion infrastructure plans and events like the 2010 World Cup.

UK Trade & Investment Chief Executive Officer Andrew Cahn said:

"South Africa is a fast growth economy with infrastructure plans to match. With investment opportunities in both private and public sectors, coupled with a severe skills shortage now is the time for UK companies to take advantage of the construction boom."

"The Government's infrastructure spending plan is set to accelerate the annual growth of the economy between 4.5 per cent and 6.0 per cent. Its ambitious plans for mass transport, water projects, prisons, hospital and prison upgrades provide plenty of opportunities for UK companies.

"This investment and events like the 2010 Football World Cup are acting as a catalyst for growth in the private construction sector. Opportunities include hotel and residential development as well as urban regeneration projects.

"By establishing a business in South Africa, UK companies can gain a foothold into sub-Saharan Africa"

This latest report follows on from recent research by UK Trade & Investment which revealed South Africa to be one of tomorrow's most exciting investment destinations.

In recent research South Africa was ranked as number eight in the top ten list of 'new wave' markets. The *Tomorrow's Markets* report gives new insights into where companies will go next in emerging markets and why. The results are based on the opinions of global business leaders headquartered all over the world and gives credible insights into their future business plans.

Several UK companies are already actively involved in major infrastructure projects for South Africa, including Bombardier Transportation UK Ltd which is providing the new train fleet for the Gautrain project, and Mott MacDonald which is involved in Transnet's rail and port expansion programme.

UK Trade & Investment's presence in South Africa is stronger than ever, with 34 staff based in Johannesburg, Cape Town and Durban to support these opportunities and expansions.

Copies of the report: *Building South Africa* are available from today. To request a copy please contact Peter Cain from the UKTI Construction Unit on 0207 215 4802 or [peter.cain@ukti.gsi.gov.uk](mailto:peter.cain@ukti.gsi.gov.uk)

## **Ends**

### **Press Contact:**

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### **Notes to Editors:**

#### **UK Trade & Investment**

(1) UK Trade & Investment is the UK Government's international business development organisation, supporting businesses seeking to establish in the UK and helping UK companies grow internationally. The services offered by UK Trade & Investment bring together a network of business sector specialists and support teams in British embassies and Foreign and Commonwealth Office (FCO) posts all around the world, as well as key experts in government departments across the UK. UK Trade & Investment works with a wide range of partner organisations in the UK, including Regional Development Agencies and the Devolved Administrations, Business Links, Chambers of Commerce and trade associations. For more information, visit the web site at: [www.uktradeinvest.gov.uk](http://www.uktradeinvest.gov.uk). For latest press releases, visit the online newsroom at <http://www.newsroom.uktradeinvest.gov.uk>.

#### ***Building South Africa***

(2) UK Trade & Investment seconded Gary King from Mott MacDonald on a Short Term Business Attachment (STBA) to investigate the South African construction industry and to identify potential opportunities for British construction firms in working in South Africa.

Gary King is a chartered civil engineer, but has spent the last 26 years of his career working as a construction project manager on a wide range of projects for both public and private sector clients. Immediately prior to undertaking this assignment he spent 20 months working on a major infrastructure project in the Port of Durban, so came to the task with some prior knowledge of the South African construction industry.

### **Tomorrow's Markets**

(3) Tomorrow's Markets is a UK Trade & Investment report written in co-operation with the Economist Intelligence Unit, which examines global business attitudes to opportunities and risk within the BRIC countries - Brazil, Russia, India and China - and other, newer emerging markets. The Economist Intelligence Unit carried out a survey of executives in 561 companies from 19 business sectors around the world in August 2008. Just under 200 of those executives surveyed work for companies headquartered in emerging markets; the remainder are from companies headquartered in developed countries.

Almost half (47%) surveyed were small- and medium-sized companies, with annual global revenues below \$500m; one-fifth had global annual revenues of over \$10bn. The surveyed executives, 58% of whom were C-suite or board members, were employed in a wide range of business functions.

### **The next wave: priority markets for expansion**

Country	Priority market for expansion (no. of companies)*	Population (m)	GDP/head (\$) a 2007	Real GDP growth 2008-12 (%)b	FDI 2008-12 (% of GDP)b	EIU Business Environment Ranking (2008-12)**
<b>Vietnam</b>	51	85.9	823	7.2	8.5	5.87
<b>Mexico</b>	48	108.7	8,219	2.9	2.0	7.18
<b>United Arab Emirates</b>	46	5.2	37,895	7.2	3.9	7.62
<b>Ukraine</b>	32	46.2	3,056	6.2	4.5	5.51
<b>Indonesia</b>	30	234.7	1,845	5.8	1.1	6.23
<b>Singapore</b>	30	4.5	35,956	4.8	14.0	8.72
<b>Poland</b>	26	38.1	11,068	4.4	2.8	7.11
<b>South Africa</b>	25	47.6	5,943	4.0	1.5	6.86
<b>Argentina</b>	25	39.4	6,669	4.3	1.6	6.08
<b>Saudi Arabia</b>	23	24.3	15,708	5.9	2.9	6.54

Source: Economist Intelligence Unit

\* of a total 557 survey respondents

\*\* Score out of maximum of 10.

a. at market exchange rate

b. Average annual forecast