###### National Assembly

Question Number: 852

**Mr T E Mulaudzi (EFF) to ask the Minister of Transport:**

1. What is the total debt, including interest, of the SA National Roads Agency Limited (SANRAL) for the Gauteng Freeway Improvements Project to date;
2. (a) what total amount has SANRAL paid towards servicing the specified project to date and (b) what is the breakdown of payment towards capital debt and interest?

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**REPLY**

1. SANRAL’s toll portfolio had a debt, as at 31 March 2015, of R 46.4 billion (audited). This represents the total toll portfolio of over 3100km. GFIP, comprising a mere 201km of this portfolio, had an Initial Construction Cost (ICC) of R20billion when construction was completed in early 2011. Interest was capitalised until toll commencement in December 2013. The normal repayment period of road infrastructure projects are between 15 and 30 years, depending on the set tariff, traffic, maintenance and upgrades during that period. This is called the J-curve effect, where borrowing continues for a period of time until the projects’ net cash inflow exceeds debt servicing, after which it turns towards being positive. GFIP was forecasted to take approximately 22 years to turn positive, or when the full debt is repaid, given continuous maintenance of the road. This extended payback period is as a result of the low tariff and extensive discounts provided to commuters and public transport operators.
2. See (1) above.

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