

Transport Infrastructure and Economic Growth in South Africa

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Abstract : The aim of this study is to analyse the impact of transport infrastructure on economic growth in South Africa through Engle Granger two step approach using the data from 1970 to 2013. GDP is used as a proxy for economic growth whilst rail transport (rail lines, rail goods transported) and air transport (air passengers carried, air freight) are used as proxies for transport infrastructure. The results showed that there is a positive long-run relationship between transport infrastructure and economic growth. The results show that South Africa's economic growth can be boosted by providing transport infrastructure. The estimated models were simulated and the results that the model is a good fit. The findings of this research will be beneficial to policy makers, academics and it will also enhance the ability of the investors to make informed decisions about investing in South Africa.

Keywords : transport, infrastructure, economic growth, South Africa

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