



Minister Fikile Mbalula's Opening Address on the Occasion of the Africa Rail Conference, Wednesday, 19 June 2019

Ladies and Gentlemen,

I am deeply honoured to be invited to open this year's Africa Rail Conference, arguably the grandest gathering of rail operators, governments and buyers on the African continent. It is an exciting platform to share ideas and experiences and shape the future of rail.

It is fitting that this gathering takes place at the backdrop of our Youth Month and days after we commemorated 43 years of the June 16 uprising, when we remember the heroic struggles of the 1976 generation who confronted impossible odds against state brutality and paid with their lives so we can take our place at the table amongst the nations of the world.

As we share invaluable insights, we must remain mindful of our obligation to create opportunities for our youth and create exciting career prospects for them in our railways. The United Nations has stated that "with 200 million people aged between 15 and 24, Africa has the largest population of young people in the world". Indeed, ours is a young continent alive with immeasurable possibilities to use rail as a catalyst for innovation and growth.

Today's fast growing economies across the continent are upgrading colonial rail infrastructure and investing heavily in technologies and infrastructure of the future to support improved regional trade and rapid transit both within their borders and across national borders. According to the African Development Bank, the poor condition of rail infrastructure and rolling stock in many African countries undermines the potential of rail systems to contribute to economic development in a meaningful way.

Many countries are responding positively by ensuring that ambitious rail projects are planned and implemented to meet requirements for growth.

In sustaining our passenger rail system alongside the implementation of the Rolling Stock Fleet Renewal Programme, the largest rolling stock procurement programme in the continent, we have to make hard choices. Such choices include specific actions to optimise the existing rail network and rail system to improve the quality of the existing rail system and increase rail ridership.

We will equally aggressively implement the modernization programme with specific focus on accelerating infrastructure rollout that will enable full deployment of the new

rolling stock.

My Department embarked on the development of a rail policy framework for South Africa and the draft Policy is now in the form of a Draft White Paper. This Policy lays the foundation for rail as an affordable, competitive, effective, integrated, reliable, safe and sustainable mode.

The fundamental purpose of the National Rail Policy is therefore to enable revitalisation of South Africa's rail industry through implementing the following strategically focussed policy interventions:

- Invest in a relatively small high performance new network that can set extra-urban railways on a renaissance trajectory,
- Recapture rail's proper share of the national transport task in a developing economy.
- Expand funding sources by inviting private sector participation in profitable opportunities with manageable risk.
- Promote private sector participation; third party access to the rail network is anticipated to be negotiated with the infrastructure owner under the oversight of the Transport Economic Regulator.

In October 2018, President Ramaphosa launched our very first passenger train manufacturing plant at Dunnotar Park in Nigel. Those of you who joined PRASA at the Pre-Event workshop yesterday will no doubt know that this is a truly state of the art manufacturing facility that firmly positions South Africa as a manufacturer of new generation passenger trains.

This manufacturing capability will not only serve as a platform to export rolling stock to the world, but will also serve as an innovation hub to propel Africa's rail engineering capacity to new heights.

At the centre of this innovation are the opportunities brought about by the advent of the fourth industrialisation revolution in rail manufacturing and operations. We have entered an era of digitalisation, which is changing the relationship with the customer in ways we have never imagined.

Technologies such as the Internet of Things (IoT) supported by advanced analytical capabilities are providing improved asset utilisation by enhancing capacity management and equipment maintenance. Opportunities at our disposal includes:

- a) Development and deployment of more informative and user friendly websites and mobile application tools that enhance customer experience;
- b) Mobile applications that offer real-time information on train movements and e-ticket sales;
- c) On-board infotainment;
- d) Dynamic passenger and timetable information at stations and other train stops.

As an integral part of our rail modernisation drive, we embarked on an ambitious plan to procure 600 new trains over a 10-year period. 22 of these new trains have already been delivered, with 4 of these having been manufactured locally at the plant in Nigel. This programme is ramping up with approximately 60 new trains to be delivered over the two next years. To date, 18 of these new trains have been deployed to operate between Pienaarspoort and Pretoria in Gauteng.

Another key component to PRASA's modernization is the signalling programme. This programme aims to improve the operational safety of the Metrorail system and increase operational efficiencies. This investment is expected to reach R10 billion, and is well underway. PRASA has already commissioned certain key Metrorail corridors with the new signalling system, such as the southern line in the Western Cape, the Pinetown line in Kwa-Zulu Natal and Tembisa line in Gauteng. Over the period ahead, PRASA will be undertaking an Automatic Train Protection project to further enhance train driving safety features.

Over the next 3 years, we are investing approximately R38 billion, with the investment largely driven by the procurement of new trainsets, signalling, depots, perway, and station modernization. This expenditure will ensure that the current Metrorail system is modernised to deliver a safe, reliable and efficient passenger rail service.

Railway safety remains a critical element of any railway operation. Our railway safety model is coming of age and has proven to be robust and an important driver of efficiency in operations. The Railway Safety Regulator (RSR) continues to position itself as a safety assurer through the development of safety standards, inspections and investigations that continues to raise the bar in improving safety and security in our railways.

It is equally becoming an increasingly important institution in improving rail operations in the SADC region and remains an active member of the Southern African Rail Association (SARA). It is therefore with a great sense of pride that I announce that through SARA, we have harmonised 9 rail standards that were adopted by the SADC Standards Authority, SADCSTAN.

These standards assists in providing safety management requirements for safe railway operations and enhancing interoperability across the region.

Ladies and Gentlemen, it will be remiss of me to downplay the fact that like any other mode of transport, rail has its challenges too, particularly in the region. In the absence of a regional rail regulator, we are constrained in ensuring that all these harmonised and adopted standards are implemented and most importantly, complied with in the region.

It is against this backdrop that the RSR is at the forefront, as tasked by the SADC Railways Sub-Sectoral Committee, to develop a framework to support the establishment of a SADC Regional Regulatory Authority. Only a week ago, RSR officials were in Dar Es Salaam, to meet with the Tanzanian Surface and Maritime Transport Regulatory Authority (SUMATRA) on the same.

Even though this endeavour is still at a conceptual stage, I am confident that it will yield the desired outcomes that will enhance the rail industry across the continent.

Ladies and Gentlemen, the Ministers of Transport are monitoring progress on the Pilot Project regarding the Implementation of the Regional Railways Revitalisation Initiative on the North-South Corridor (NSC). The priority projects being developed will span the following categories: infrastructure rehabilitation, rolling stock, signalling and communications, rail terminals/dry ports, maintenance facilities and equipment, and training and skills development.

Through this pilot project, a series of priority projects will be developed for short-to-long term implementation. It is important to point out that the African Union Heads of State and Government have already agreed to the designation of South Africa as the manufacturing hub for regional locomotives.

Transnet has been championing this process in the region.

In conclusion, the Africa Rail platform offers a unique opportunity to collaborate and innovate and allow us the opportunity to learn from the experiences of others in the continent.

More importantly, it offers us a platform to execute our plans with renewed vigour and urgency and position Africa as a new frontier in rail innovation. I wish you well in your deliberations and trust that both the conference and the exhibition will result in sustainable partnerships that will change the face of rail on the continent and the world.

I Thank you.

**ISSUED BY:
MINISTRY OF TRANSPORT**

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