



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

**SOUTH AFRICA'S MINISTER OF TRANSPORT, MR JOE MASWANGANYI,
ADDRESS AT THE TRANSNET HANDING OVER OF THE RAIL ROLLING
STOCK TO THE NATIONAL RAILWAYS OF ZIMBABWE IN BULAWAYO,
ZIMBABWE**

21 February 2018

Your Excellency, President of the Republic of Zimbabwe, President Emmerson Mnangagwa;

Ministers and Members of the Executive, my Counterpart Minister – Minister Gumbo, The Diplomatic Corps;

Chairman of the Board of National Railways of Zimbabwe and its executive;

Southern Africa Railways Association 'SARA';

Transnet Consortium partners;

Diaspora Infrastructure Development Group 'DIDG';

Business delegations;

The Media;

Ladies and gentlemen;

It is a great honour and privilege for me to be here in Zimbabwe, joining you in this auspicious gathering.

Delivering his first State of the Nation Address; the President of South Africa, His Excellency President Cyril Ramaphosa said that this year South Africa and the people of the world will unite once more in celebrating the 100th anniversary of the birth of Nelson Rolihlahla Mandela.

We will be remembering the life of one of the most remarkable leaders this continent and indeed the world have produced.

We will recount Madiba's long walk to freedom, his wisdom, his unfailing humility, his abiding compassion and his essential integrity.

As the government of South Africa, we have dedicated this year to his memory and we will devote our every action, every effort and every utterance to the realisation of his vision of a democratic, just and equitable society.

Indeed, I dedicate my visit here today to Madiba and the long held view by the South Africa ruling party, the African National Congress and its government to forge and strengthen bilateral relations between South Africa and Zimbabwe.

This relation will improve and strengthen political and economic relations between our two countries by facilitating trade and remove impediments constraining bilateral trade and investments.

Your Excellency, Ladies and Gentlemen, the Department of Transport in South Africa is responsible for regulation and coordination of Transportation: that is **Public Transport, Rail Transportation, Civil Aviation, Maritime Transport and Road Transport. "Transport, the Heartbeat of Economic Growth and Social Development"**

Consistent with its Mission, the department aims to lead the development of efficient and integrated transport systems by creating a framework of sustainable

policies and regulations; and implementable models to support government strategies for economic, social and international development.

As South Africa, we have also started with our Passenger Fleet Renewal Programme which is the catalyst for the transformation of PRASA-Metrorail services and public transport as a whole. Coupled with this development is Train manufacturing and maintenance factory at Ekurhuleni, in Gauteng, which has a supply park.

Transnet Freight Rail (TFR) rail infrastructure represents approximately 80% of Africa's total rail infrastructure and connects with neighbouring sub-Saharan rail networks.

The Division has a strong and proud reputation for technological leadership both beyond Africa as well as within Africa – where it is active in ten countries TFR is a profitable and sustainable freight railway business, which contributes to the competitiveness of the South African economy.

The Division provides rail services to customers in key market segments through six business units:

- Agriculture and Bulk Liquids;
- Coal;
- Containers and Automotive Business;
- Iron Ore and Manganese;
- Steel and Cement; and
- Mineral Mining and Chrome.

With the extensive mineral and commercial wealth that exists within the SADC region and our wider African Continent, it is apparent that sound logistics network systems are critical to enabling the mining sector.

Efficient logistics are also fundamental to unlocking opportunities in the extensive agriculture footprint, positively contributing to economic growth, job creation and skills development.

The state of logistics systems generally reveal conditions that require:-

- Immediate emergency intervention to restore the networks;
- Simultaneous interventions linking to major ports, terminals, facilities to respond to mining opportunities, general freight, Fast Moving Consumer Goods ('FMCG') and agriculture.

However, key challenges hindering growth and trade remain: poor infrastructure, low density across transport networks, inefficient border processes and fragmented regulatory environments. Much of rail and port infrastructure was built for resource extraction rather than to facilitate trade.

Landlocked countries within the region require efficient transport links to and from the sea in order to enjoy competitive prices for imports and export markets. Most ports within the region currently operate near capacity and experience delays due to poor integration with other transport modes and slow clearance processes.

Therefore, if the region is to attain the goal of creating a seamless, cost-effective and a fully integrated solution; road, rail and ports systems are required to secure the future of the region.

Transnet strategic priority to build intra-regional trade corridors is well understood. In this regard, Transnet sought and was granted approval by the South African Government for the incorporation of Transnet International Holdings. This journey began as early as 2013 with the formulation and approval of the Transnet Africa Strategy and the Go-to-Market approach.

This entity is created to allow Transnet to partner on a range of opportunities on the continent and beyond. Transnet's challenge and indeed that of other railways in the region, including National Railways of Zimbabwe ('NRZ') is the availability of funding to implement commercially viable projects which could unleash the Region's logistics performance, bring down the cost of doing business to the benefit of our peoples.

Like Transnet, NRZ, seeks to be a dominant logistics player on the North South Corridor, NRZ is embarking on a journey to improve rolling stock capacity, operational capability and quality of infrastructure on the Corridor.

Rehabilitation of existing infrastructure supply and maintenance of rolling stock is critical towards the achievement of improved railways system that would unlock efficiencies, effectiveness and safe operating environment.

The continent requires transformational policies that includes the private sector participation, increase productivity levels and most of all create quality jobs. A robust economic transformation is the key to shaping Africa's ability to generate inclusive growth and tackle serious challenges, such as poverty and unemployment.

I am encouraged and indeed privileged to witness the long overdue partnerships on this corridor.

I believe that the NRZ/Transnet partnership will go a long way towards harmonising and supporting the safe movement of freight and passengers in the region. What is imperative for us as Ministers of Transport is to ensure that such opportunities contribute towards building intra-regional trade, contribute to increasing industrialisation in the target country and that the initiative is aligned with priority programmes in the host country, the region and the continent.

Allow me to close with the quote from Nelson Mandela when **addressing the Southern African Development Community (SADC) 15th anniversary summit, in Johannesburg on 13 September 1995, he said:**

“We owe it to all the peoples of the sub-continent to ensure that they see in us, not merely good leaders waxing lyrical about development, but as the front commanders in the blast furnaces of labour, productive investments and visible change”

I thank you