

STATEMENT

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ATTENTION: News Editors / Transport Reporters / All Reporters
For immediate use

MINISTER OF TRANSPORT URGES TRANSNET BOARD TO PRIOTIZE RECOVERY OF FREIGHT LOGISTICS

The Minister of Transport, Ms. Barbara Creecy, attended the Transnet Annual General Meeting (AGM) on Monday in her capacity as the new Shareholder Representative for the Government. At the AGM, the Minister underscored the urgent need for Transnet to intensify its efforts to revitalise the country's freight logistics sector.

To drive inclusive growth, the country needs an efficient freight rail network to carry minerals, agricultural produce and manufactured goods to market. In 2023, Transnet, faced with declining freight capacity and long waiting times for ships at underperforming ports, developed a recovery plan. This plan stabilized the sector and improved freight carrying capacity to 149 million tons and reduced waiting times at ports.

“Here in Transnet our recovery has plateaued, from achieving 149 million tons in 2023 to an expectation that we will not achieve more than 152 million tons this year. The private sector is clear we need to be achieving 250 million tons a year if we are to assist the country on its overall path to economic recovery” Said Minister Creecy.

“It thus requires us to interrogate the Transnet Recovery Plan and engage with its assumptions. While this might require steadfastness in our determination to improve operational efficiencies, we also require strategic and tactical agility to welcome an industry-wide collaboration” the Minister added.

The Minister highlighted the direct link between the national economy's underperformance and the current challenges faced by Transnet, urging the entity's leadership to take immediate and focused action in support of Cabinet's apex priority of rapid, inclusive, and sustainable economic growth which will create jobs and foster economic development.

In December 2023 under the auspices of the Freight Logistics Roadmap and Cabinet approved the development of a framework for private sector participation. This framework will identify suitable areas for private sector participation in rail and ports and outlines structural and contractual requirements to enable such participation.

The Department of Transport is working with the NLCC to finalise the development of a future PSP unit that will be established with the necessary skills and expertise in the design negotiation and contracting of projects. This will enable private sector investment and participation in ports and rail to increase competition and efficiency while ensuring that the infrastructure remains state-owned said the Minister.

In her address, the Minister stressed the urgency of recalibrating Transnet's performance targets to better align with the nation's economic needs and the necessity to pull out all the stops to achieve them.

Having visited the Ports of Cape Town, Saldanha, Durban, and Richards Bay, and having engaged directly with managers responsible for key corridors, terminals, and security, the Minister emphasized that Transnet's recovery efforts must align with national initiatives.

She particularly highlighted the support from the National Logistics Crisis Committee, part of a broader initiative led by the President to stabilize and revitalize the logistics sector.

"You cannot solve your current problems on your own or by returning to the past. You can only solve them by embracing the support the National Logistics Crisis Committee is offering and mainstreaming these initiatives in everything you do,"the Minister insisted.

The Minister congratulated the entity for achieving an unqualified audit opinion and reaffirmed her commitment to supporting Transnet in its recovery journey. She emphasized the need for decisive leadership and innovative solutions to reshape the freight logistics sector and the entity's role within it.

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