MINERALS COUNCIL
SOUTH AFRICA

MEDIA STATEMENT

MINERALS COUNCIL SOUTH AFRICA WELCOMES THE NEW EXECUTIVE APPOINTMENTS AT TRANSNET AND TRANSNET FREIGHT RAIL TO STABILISE AND IMPROVE PERFORMANCE

Johannesburg, 29February 2024. The Minerals Council South Africa congratulates Michelle Phillips and Nosipho Maphumulo on their appointments in permanent executive roles within Transnet and it looks forward to continuing constructive engagements to stabilise the rail network and returning it to nameplate capacity.

The Minerals Council worked well with Ms Phillips in her acting CEO role, and based on its engagements to date with Ms Phillips, we expect to build on the good relationships it has established to continue collaborating to urgently address the challenges at the railways and ports, which are critical for the mining sector and the broader economy.

The Minerals Council welcomes Ms Maphumulo in her Chief Financial Officer role.

The Minerals Council notes Ms Phillips's commitment to implementing the Transnet Recovery Plan, which includes sustainable cooperation with the private sector to improve operational efficiencies. Mining accounts for about 80% of Transnet Freight Rail's annual revenue.

The Minerals Council and its bulk commodity members welcome the progress made in the National Logistics Crisis Committee under the leadership of the Presidency. The Minerals Council and its members are actively involved in four corridor optimisation processes to urgently stabilise the performances of the railways serving the coal, chrome, iron ore and manganese mines.

Mining companies have increasingly resorted to road transport to export their products, which is far more expensive and inefficient than using trains. Trucking is deleterious for the environment, communities, roads and safety. Returning bulk commodities to rail is a priority for the mining industry.

The Minerals Council, as part of the Business for South Africa team, is engaged in the NLCC where we have seen progress on the regulatory and policy front.

Cabinet's approval of the Freight Logistics Roadmap and the Rail Private Sector Participation (PSP) framework in December 2023, and the establishment of an Interim Infrastructure Manager by Transnet are significant developments in unlocking private sector participation in rail and port operations.

Green shoots are showing.

In terms of private sector assistance, collaboration with Transnet under Mutual Cooperation Agreements, which allow customers to assist TFR with the procurement of spare parts, Richards Bay Coal Terminal procured batteries and compressors to improve the reliability of locomotives delivering coal from Limpopo and Mpumalanga to the privately owned terminal.

Sasol will fund the repairs and maintenance by Transnet Engineering of a fleet of 128 dedicated rail tankers to deliver ammonia to its customers from its Secunda and Sasolburg plants in a five-year contract with TFR.

National Treasury has approved a R47 billion guarantee facility for Transnet by the National Treasury, while the private sector has deployed technical experts to Transnet, which has implemented global best practices at its operations.

For further queries:
Allan Seccombe
Head Communications
Tel: 064 650 4636
Email: aseccombe@mineralscouncil.org.za
Web: www.mineralscouncil.org.za