

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 2472**

**QUESTION:**

**2472. Mr G K Y Cachalia (DA) to ask the Minister of Public Enterprises:**

1. Whether he will furnish Mr G K Y Cachalia with an update of the outcome of the freight rail plan of Transnet; if not, why not; if so, what are the relevant details;
2. What are the (a) relevant details of the progress that has been made in fast-tracking the participation of the private sector in its major corridors and (b) details of the (i) time frames and (ii) interested parties? **NW2813E**

**REPLY:**

**According to the information received from Transnet**

1. Transnet SOC has presented its full plan covering all the Operating Divisions including Freight Rail to the Select Committee of the National Council of Provinces (NCOP) on Public Enterprises 31 May 2023, chaired by the Honorable Mr Zolani Mkiva and to the Portfolio Committee on Public Enterprises. This plan provides details on the Turnaround Strategy for Transnet Freight Rail. The plan is anchored principally on partnerships with the private sector in dealing with the challenges associated with infrastructure investment, addressing security and vandalism of infrastructure and provision of efficient operations for the benefit of the economy.

(2)(a) Transnet Freight Rail (TFR) has commenced with the separation of its accounting of rail infrastructure management activities from its rail operations to create the transparency and visibility of accounting information required for regulation by the economic regulator and has made strides in defining an interim access regime and fees model. The process of accounting separation is aimed to be completed by October 2023. TFR has done a lot of work in this regard and is currently getting systems in place to meet this date. Transnet commenced with slot sales as a pilot that will enable the seamless implementation of third-party slots (3PA). The implementation of the trial is currently being concluded, and the successful bidder has indicated that it will commence operations on **01 July 2023**. Thereafter, Transnet will publish a network statement and commence with the next round of slot sales, which is envisaged to be open to the market by **01 April 2024.**

The following provides detailed inputs to the progress that has been made in fast-tracking the participation of the private sector across Transnet Freight Rail’s major corridors:

**Table 1:** Corridor performance for private sector participation and timeframes, 2023.

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| **CORRIDOR**  |  **(a)** **PRIVATE-SECTOR PARTICIPATION PROGRESS** | **(b)****TIMEFRAMES** |
| **CapeCor** | **Phase 1 Slot Sales:*** Kroonstad to Berlin conditionally awarded on 01 November 2022.
* Currently in the contract negotiation phase.
 | The contract Start date is delayed, pending the conclusion of the contracting process and Traxtion’s application for RSR permit to operate. |
| Phase 2 Slot Sales | 01 April 2024 |
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| **ContainerCor** | Estcourt Intermodal Terminal | **Complete** - 2022 |
| Catoridge Inland Port | Awarded Terminal Operations – 2022 |
| Container Corridor Operating Lease | RFQ closed on 31 May 2023 (evaluations to follow). |
| Development of intermodal Agrihubs in Bethlehem and Durban and investment in specialized wagons. | Opportunity development is underway. |
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| **CentralCor**  | Kaalfontein PSP Project | As per the project plan timeline of the Container Corridor Operating Lease transaction. |
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| **NorthCor** | Development of LP Gas Terminal and investment in specialized tank wagons | Facility design and environmental assessment are underway. Wagons identified and condition assessment conducted to conclude Sale Agreement. |
| Strategic customer collaboration on wagons to address volume growth plans for Ammonia. | Contract negotiations are underway.  |
| Provision of revised rail logistics solutions for the Timber industry. | Commercial contract. |
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(2)(b)(ii) The details of the interested parties for private sector participation are commercially sensitive. This information will be shared once processes have been successfully concluded.

**Remarks: Reply: Approved / Not Approved**

**Jacky Molisane P J Gordhan, MP**

**Acting Director-General Minister**

**Date: Date:**