

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 706**

**QUESTION:**

**Mr N E Dlamini (ANC) to ask the Minister of Public Enterprises:**

(1) Whether, in light of the fact that Transnet entered into a R54 billion contract to procure 1 064 locomotives with four original equipment manufacturers, including the contract with the China North Rail which was declared unlawful and subsequently set aside, one of the cited reasons being that the chassis do not fit the body of the locomotives, there are any plans in place to repurpose the chassis to get value out of the money spent; if not, why not; if so, what are the relevant details;

(2) whether Transnet has identified new original equipment manufacturers to fill the gap left by the China North Rail; if not, what is the position in this regard; if so, what are the further relevant details? NW844E

**REPLY:**

**According to the information received from Transnet**

1. Transnet and the Special Investigating Unit (“the SIU”) have applied to the High Court to set aside the contract but no judgement has yet been delivered. China North Rail was contracted to deliver 232 diesel locomotives but only delivered 22 locomotives - Transnet suspended the contract in December 2019. The suspension is not due to any technical failures but followed evidence of kickback agreements with Gupta entities overseas.
2. In the review application by Transnet and the SIU, Transnet is tendering the return of the 22 locomotives delivered by China North Rail. These locomotives were defective and were never taken into service by Transnet. Currently, Transnet is exploring all options to acquire as many locomotives as it can to meet the demand in the country.