



## **MEDIA STATEMENT**

### **RAIL REFORM ACHIEVES CRITICAL MILESTONE AS DRAFT NETWORK STATEMENT IS PUBLISHED**

**[Johannesburg, 15 March 2024]** Transnet SOC Ltd. ("Transnet") has today published the draft Network Statement, a critical milestone in the rail reform process and the successful introduction of third-party access onto South Africa's rail network.

The draft Network Statement, published by Transnet's interim Infrastructure Manager (TRIM), will be gazetted in the next few days by the Interim Rail Economic Regulatory Capacity (IRERC) for public comments.

The draft Network Statement contains - inter alia - rules, time limits, timelines, procedures, services, charging principles, and terms and conditions governing the use of the railway infrastructure by Train Operating Companies (TOCs). Furthermore, it contains information regarding Transnet's operational corridors which make up the network; and Service Level Agreements to be entered into between the Infrastructure Manager and the TOCs.

Rail Reform, which has been brought about by the White Paper on National Rail Policy, given expression in the Economic Regulation of Transport (ERT) Bill, and further articulated in the Freight Logistics Roadmap, entails vertical separation of the infrastructure and the train operating businesses of Transnet Freight Rail (TFR).

The Rail Policy's vision is to position rail as an affordable, competitive, reliable, sustainable and valued transport mode that provides the backbone of the South African freight logistics and strengthen the country's economic growth and social development by 2050.

"Transnet is committed to the creation of a financially viable core network, which will culminate in the successful introduction of competition in freight rail operations. Through this rail reform process, we are going to witness a significant transformation in the sector which will see Transnet become both a provider of world-class infrastructure and a user of the infrastructure," said Transnet Group Chief Executive, Michelle Phillips.

"The rail reform programme is an integral part of our Recovery Plan. We are confident that these changes in the freight logistics sector will ultimately increase exports, economic growth, and jobs, while we provide much-needed support to critical sectors of the South African economy," said Phillips.

To give effect to the reform process, in October 2023 Transnet announced the establishment of an interim Infrastructure Manager (TRIM), to assume ownership of the rail infrastructure, capacity allocation, train scheduling and access charges. Since then, work has been underway to develop the draft Network Statement, in consultation with key stakeholders. The publishing of the draft Network Statement today is the culmination of this work. Engagements with stakeholders continue.

In the 2024/25 financial year, the Network Statement will be finalised, and it is expected that the process for third party-access will then commence in the second half of the year.

The draft Network Statement is available on the Transnet website (<https://www.transnet.net/Pages/Network-Statement.aspx>).

**Issued on behalf of the Group Chief Executive, Adv. Michelle Phillips.**

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