

TRANSNET



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MESSAGE FROM THE CBDO

What a year it's been. 2024 has seen major developments in the rail space through legislative changes which have a significant impact on our organisation and how we operate. Transnet is the custodian of South Africa's key network and transportation systems, and it plays a pivotal role in South Africa's competitiveness.


Significant milestones have been reached in the creation of the Transnet Infrastructure Manager (TRIM), with Mr. Moshe Motlohi, a more than capable professional appointed as the Acting Chief Executive. We wish him luck during his acting tenure.

Transnet SOC is now under the custodianship of the Department of Transport and since the dissolution of the Department of Public Enterprises, our new Minister, Hon Barbara Creecy has been visiting the various Ports across the country, engaging with the Operating Divisions on the challenges and strides being made whilst giving the much-needed support.

This, we all appreciate, given the impact of the work we do on the recovery and growth of South Africa's economy. Speaking of progress, over the past months we have received the much-anticipated equipment in our Ports. Whilst this might seem like a small step for man, it is indeed a giant leap for mankind.



YOLISA KANI
Transnet's Chief Business
Development Officer



This time last year Transnet had just unveiled its Recovery Plan, although our performance against this plan peaks and troughs, one can safely say that we have addressed the volume decline. The trajectory is pointing upwards; however, we continue to be challenged with security incidents and challenges on the network. We are cautiously optimistic that we are turning the corner. We are forever grateful to our 50 000 strong team for their dedication to the cause. That of making South Africa globally competitive, through our freight and logistics service offering which is rendered under very difficult conditions.

We are bringing back the culture of being “Obsessed with the Customer”, as such we have re-established Group Commercial, effective 1st October. All Operating Divisions working with Transnet Group will work in an integrated and seamless manner when it comes to customers. Customers will no longer have many points of contact; we are One Transnet after all. Our customers spoke and we listened, because there is no Transnet without our Customers. Sibamba ngazo zozibini for your patience.

Because we value our customers, we have also made a deliberate effort to engage our customers directly and indirectly through Business Chambers who represent our customers as a collective. This now happens on a quarterly basis, led by Advocate Michelle Phillips, our Group Chief Executive.

We are also proud to have hosted the second Connecting Africa Conference at Esselen Park in September, a one-day conference intended to deepen our collaborative efforts in integrating the African region through rail and port operations.

The event was a resounding success attended by DFIs, SOEs across the continent and miners. We believe now is an opportune time to position Africa as the next growth frontier. Collectively we can increase intra Africa trade.

Our Operating Divisions continue to contribute significantly to the areas in which they operate in pursuit of our multiple mandates, including the continued socioeconomic contribution to the broader SA Inc. economy. Transnet Property is making strides in the refurbishment of its buildings, including those within the City of Johannesburg such as the 96 Rissik Building and the Carlton Centre Building and precinct.

We are also proud of our socioeconomic contribution through the Phelophepa Health Care Trains run by the Transnet Foundation, which were honoured at the recent Health Excellence Awards. The Blue Train, a luxury train that we run, has been recognised as the Best Luxury Train in Africa at the 2024 World Luxury Travel Awards, held in Kenya. The past three months have been yet another testament that hard work pays, as we held our breaths as the S&P credit rating put us on CreditWatch. Whilst we are thrilled about not being downgraded, we do not take lightly, the amount of work required to maintain good credit ratings.

On that note, from my desk to yours, we wish you a fantastic, restful and peaceful festive season. We thank you for your support, direct and indirect and rest assured, we are hard at work and the numbers are starting to show.

Maz'enethole!!!

TRANSPORT MINISTER VISITS TRANSNET'S CAPE PORT OPERATIONS

The Minister of Transport, Barbara Creecy, recently conducted oversight visits at the Port of Cape Town and Port of Mossel Bay, where she met with the Transnet executive management team and key Port stakeholders.

The Minister and Port stakeholders received reports on the state of readiness for the deciduous and festive season operations for the Port of Cape Town and the Cape Town Container Terminal. They also received an update on operational improvement initiatives for both these ports in the Western Cape.

The Cape Town Container Terminal, a major export hub for a range of products such as agricultural produce, manufactured goods, and minerals, has put in place plans in preparation for the festive season. Additionally, they've also put plans in place to enhance customer experience through, among others, investment in equipment. This year, the terminal goes into the season with over 70 assortments of additional equipment.



Transnet National Ports Authority's (TNPA's) operational plan for the Port of Cape Town this festive season includes keeping all four tugs operational and fully prepared for peak days. Resource plans are in place for all departments, and maintenance contractors are set to avoid any disruptions and ensuring that supplementary services are activated to handle any additional demands during this period.

The Minister toured the Port and was briefed by Transnet management on initiatives to enhance operational efficiencies, and on the long-term plans to grow the Port and support the creation of economic opportunities in the area.

“Transnet has identified several priority initiatives in preparation for the festive season and beyond. These are supported by strong customer relationships to foster collaboration and shared goals, leading to increased operational efficiency. This is in line with the customer centric approach we are pursuing to respond to the evolving market conditions and meet the expectations of our customer base,” said Transnet Chief Operating Officer, Solly Letsoalo.



The Port of Mossel Bay is the smallest of the eight commercial ports along the South African coast. The Port is situated halfway between Cape Town and Gqeberha, approximately 400km East of Cape Town.

The port has experienced declining volumes over the years, and TNPA is exploring several growth areas, with strategic focus areas including sustainable energy, marine and coastal tourism, and fishing.



DURBAN CONTAINER TERMINALS RECEIVE CRITICAL EQUIPMENT FOR ENHANCED EFFICIENCY

The Durban Container Terminal (DCT) Pier 2 in early December, received the first four of 20 diesel-electric straddle carriers for assembly and commissioning onsite. The straddle carriers will be handed over to operations to start their endurance testing towards the end of December 2024 and will be fully operational in mid-January 2025.

The terminal is renewing its fleet as part of its Recovery plan, having invested in haulers and reach stackers earlier in the year. Valued at over R440 million, all 20 straddle carriers will be in full operation at the end of May 2025. Earle Peters, Managing Executive for Durban Terminals said:

“This delivery marks a crucial investment in the future of DCT Pier 2 and a major step forward in enhancing our operational efficiency. The addition of these modern, diesel-electric straddle carriers will improve container handling capabilities and foster recovery.”

Original equipment manufacturer, Konecranes Noells loaded the components of the straddle carriers aboard MV MSC Carole from Würzburg, Germany five weeks ago. The components will be assembled and undergo endurance testing onsite before handover to operations.





Straddle carriers are a critical part of DCT Pier 2's direct operations, supporting the loading and unloading of containers aboard vessels with enhanced precision and speed.

The arrival of the straddle carriers follows the recent delivery of the first nine of 16 Liebherr rubber-tyred gantry crane (RTG) components, that were transported by the MV United Heavy Lift Fresh vessel to DCT Pier 1. They form part of the Durban Terminals' fleet replacement strategy to improve reliability and efficiency of port equipment.

The assembly of the nine RTG will be on-site, with handover to operations planned for May 2025. Rubber-tyred gantry cranes are necessary for DCT Pier 1 operations as they enable the efficient movement and stacking of containers, both for inbound deliveries to the terminal and outbound shipments for loading onto vessels. Efficient container handling reduces turnaround times and improves overall Port efficiency.

As part of a strategy to enhance operational performance across its terminals, Transnet Port Terminals has invested over R744 million in the procurement of these 16 RTGs and another R1 374 million in the procurement of 28 RTGs for the Cape Town Container Terminal.

The final batch of seven RTG components will arrive in March 2026, with full deployment set for August 2026. As part of a strategy to enhance operational performance across its terminals, Transnet Port Terminals has invested over R744 million in the procurement of these 16 RTGs and another R1 374 million in the procurement of 28 RTGs for the Cape Town Container Terminal.

TRANSNET PORT TERMINALS IN RICHARDS BAY COMPLETES REPAIRS ON THE FOSKOR CONVEYOR BELT

The Richards Bay Terminal has made significant progress towards returning into full operation, two conveyor belts that were damaged by fire in 2021. The Foskor Conveyor belt was recently cold commissioned and will be used to convey Sulphur from the vessel to harbour-bound Foskor, one of the industries located in Richard's Bay. While the belt was being repaired, the fertiliser producer relied on trucks to transport Sulphur. This resulted in the increase of trucks in the terminals precinct, causing congestion on the region's road network.

Reacting to this new development, Richards Bay Terminals Managing executive Thulasizwe Dlamini, heaped praise on all teams that worked on the project to revive the equipment.



"We are incredibly grateful that we have lived up to the promises we have been making to all our stakeholders. We therefore thank all of them for their patience. This is part of our aggressive efforts aimed at alleviating truck traffic congestion in our terminals," said Dlamini.



The belt will be fully commissioned in mid-December with a vessel planned for this period. Last December, the region commissioned the Grindrod export coal conveyor belt.

This helped to remove over 400 trucks inside the terminals that the coal exporter used to transport coal from its back of port operation to the terminals for shipment.

Work is also progressing as planned to the repairs of the ArcelorMittal (AMSA) conveyor belt. It will be transporting Coking coal from the vessel to the steel maker's shed. Plans are to commission it early next year.



Another initiative aimed at alleviating traffic congestion, is the launch of the Gate Zero Truck staging facility, which launched on 2 December 2024. This staging area is a product of collaboration between Transnet, private sector, and the City of Umhlathuze. With a capacity of over 400 trucks, it is also going to reduce traffic congestion in the City of Umhlathuze. Dlamini commended the progressive initiative.

“We are elated that this facility is a result of all stakeholders putting their differences aside and working together for a common goal. We are appealing to our customers to make use of this facility because it is going to solve many problems we have been experiencing because of the influx of trucks to our terminals”, said Dlamini.

Plans are on the cards to extend this truck staging area up to a capacity of 1000 trucks.

HIGH COMMISSION OF THE REPUBLIC OF SINGAPORE VISITS CITY DEEP CONTAINER TERMINAL



Last month, the City Deep Management Team welcomed representatives from Enterprise Singapore, the organisation that supports the growth of Singapore as a hub for global trading and startups. As the national standards and accreditation body, the company continues to build trust in Singapore's products and services in the Middle East and Africa.

Through the assistance of the High Commission of the Republic of Singapore, Enterprise Singapore sought to understand the developments of the inland terminal in City Deep and explore the opportunity for Singapore to participate in the back-of-port operations. Furthermore, the delegation was pleased by a session and site visit where the management team briefed them on the nexus between rail and the City Deep inland terminal.

Tseki Rathebe, Manager of the Container Terminal, explained Transnet's responsibilities in relation to the procedures involved in handling container traffic coming in and out of the Port of Durban on the South African coast. In his presentation, Rathebe also explained the dynamics of managing the terminal, the relationships with other role players that are in the business of handling cargo, as well as the terminal's position in the market.

The visit to City Deep Container Terminal shared insights into the handling of some of the hazardous goods coming in and out of the terminal and how the terminal is managed in accordance with Transnet's Standard Operating Procedures (SOPs) and other recognised national and international benchmarks.

Rathebe concluded the dialogue session by emphasising the importance of collaborations and the benefits that collaborative efforts bring for achieving remarkable results. He also explained Transnet's commitment to promoting regional trade and integration, which are essential for economic growth and industrialisation in Africa. - *Article by Yonela Ketyana*

PORT OF DURBAN'S MODERN TUGS EFFICIENTLY BERTH WORLD'S LARGEST CAR CARRIER



Transnet National Ports Authority (TNPA) has achieved a major milestone in its journey to recovery with the on-time and seamless berthing of the Höegh Aurora, the world's largest car carrier, on her maiden voyage at the Port of Durban. This operational highlight was made possible by the Port's newly injected marine fleet of state-of-the-art tugs, displaying TNPA's commitment in enabling volume recovery and operational efficiency.

The Höegh Aurora, a next-generation vessel known for its advanced green energy solutions, signifies a new era in sustainable shipping. The vessel is powered by Liquefied Natural Gas (LNG), equipped with solar panels, and designed for future conversion to Methanol or Ammonia fuel once the engines are ready. Its timely and safe berthing at the Port of Durban reflects Transnet's commitment to improving service delivery and responding to industry demands.



"The on time berthing of the Höegh Aurora demonstrates our responsiveness to ensuring volumes are efficiently handled at our Port. This operational milestone also highlights the impact of our new tug fleet. These tugs represent a significant enhancement to our marine services, enabling us to meet the demands of global shipping with efficiency, reliability, and sustainability," said Nkumbuzi Ben-Mazwi, TNPA Port Manager at the Port of Durban.



As part of the ongoing turnaround plan, the Port of Durban continues to collaborate with terminal operators and customers to enable volume recovery, operational efficiency, and ensure fit for purpose infrastructure. The seamless berthing of the Höegh Aurora demonstrates Durban's capacity to handle the world's largest and most advanced vessels, reaffirming its status as a premier gateway for maritime trade.

TRANSNET PARTNERS WITH THE AUTOMOTIVE BUSINESS COUNCIL

Transnet and the Automotive Business Council (NAAMSA) have signed a groundbreaking three-year collaboration agreement. This strategic partnership aims to facilitate the import of critical production components and export of assembled vehicles to global markets, both entities play a critical role in the promotion and expansion of international trade for South Africa.

Through this partnership, both entities will jointly constitute a bi-lateral engagement committee “War Room” to assess, advise, resource, and implement key initiatives to support activities of mutual benefit. Through the regular engagement of senior leadership and key representatives from both organisations, it is expected that a robust information-sharing hub/platform will support strategic initiatives to drive improved outcomes for both entities.

NAAMSA and Transnet will jointly develop and implement a Crisis Mitigation Standard Operating Procedure (SOP) which both entities will implement when specific urgent challenges are encountered and allocating appropriate human resources to address potential bottlenecks.



This agreement entails, amongst other initiatives, collaboration on potential public-private sector partnerships; joint investment considerations; and related opportunities to fully develop the South Corridor (Reef and Gqeberha). All these primarily intended to enable movement of automotive units and parts on rail, thus easing congestion at the ports and reducing reliance on road transportation. This is in line with the Gqeberha/Ngqura Port Masterplan.

Both entities will also jointly pursue a solution through Maputo Port as the preferred avenue for used vehicle imports in transit to African countries which would ease congestion at the Durban Port. This initiative will further address the illegal vehicle imports entering the South African market which negatively impact the fiscus via lost vehicle taxes, and which constrain the new vehicle market.

THE 'BUILDING AFRICA TOGETHER' THEME LEADS DISCUSSIONS AT CONNECTING AFRICA CONFERENCE

Transnet facilitated dialogue between African state-owned railway and port companies and the private sector about the dynamic freight challenges they face, and the solutions they are implementing, in providing integrated logistics solutions in response to the African Continental Free Trade Area (ACFTA).

Transnet Group Chief Executive, Michelle Phillips reiterated the journey of embarking on a Turnaround Strategy and how Transnet is actively pursuing key initiatives to drive growth and diversify its core businesses through strategic transactions and partnerships.

This includes discussions on the rail reforms which will see the private sector operating their trains on Transnet's rail network.

This conference provided an opportunity for Transnet to highlight the broader Private Sector Partnerships that are currently being undertaken. Key initiatives for the 2024/25 FY include establishing a rolling stock company and other private sector participation opportunities (such as the Durban Container Terminal Pier 2, Manganese Rail Channel and Port Expansion, and Richards Bay LNG gas infrastructure project, among others).



Phillips concluded by emphasising Transnet's dedication to promoting regional trade and integration, which are essential for economic growth and industrialisation in Africa. She highlighted the importance of investing in infrastructure to enable industrial development, particularly in modern and integrated transportation networks, and called for unity in building the Africa that its people envision.

During the conference, a key moment was the signing ceremony between Phillips and Mr Solomon Adegbe-Quaynor, Vice President of the African Development Bank Group (AfDB), formalising the recently approved loan agreement from the AfDB. This loan will support Transnet's recovery and growth plans and fund the first phase of its five-year capital investment strategy. The investment will enhance Transnet's current capacity and prepare for future expansion across key segments of the transport value chain.



TRANSNET'S PHELOPHEPA HEALTHCARE TRAINS HONOURED AT HEALTH EXCELLENCE AWARDS



Transnet's global flagship project, the Phelophepa Healthcare Trains, were recently honoured by the African Health Excellence Organisation with an award for their 'Outstanding contribution to Healthcare in Africa'. The Phelophepa project turned 30 years this year, demonstrating commitment and caring to improve access to quality healthcare across South Africa. With a remarkable achievement of impacting the lives of 19 million beneficiaries to date and still going strong, the trains remain a symbol of hope and healing to many communities that they visit annually.

Shamona Kandia, Senior Manager of the Health Portfolio at the Transnet Foundation, accepted the

award alongside her Phelophepa team members. She said, "This award recognises the impact of Phelophepa and how the project continues on a journey each year committed to healthcare across the country. For many, a visit to Phelophepa is a life changing experience, whether through the gift of sight, medication or addressing long neglected health needs. Transnet prides itself with its community contribution through Phelophepa and considers it a privilege to be able to serve South Africa."

This prestigious recognition highlights the Foundation's unwavering dedication to uplifting communities and delivering impactful healthcare initiatives nationwide.

THE BLUE TRAIN ONCE AGAIN VOTED AFRICA'S LEADING LUXURY TRAIN

The Blue Train has been awarded as Best Luxury Train in Africa at the 2024 World Luxury Travel Awards, held in Kenya.

For a 14th consecutive year, the Transnet-run Blue Train has won in the category and is a past eight-time winner in the Best Luxury Train in the World category.

This prestigious accolade reflects the Blue Train's unwavering commitment to excellence, and it is a testament to the dedication of our incredible team—our butlers, engineers, kitchen staff, and the entire crew at Transnet. A heartfelt thank you to our dedicated team and cherished guests for making this achievement possible!

"Earning the esteemed World Luxury Travel Award is a resounding endorsement of The Blue Train's relentless pursuit of excellence in service delivery and guest satisfaction. Yet, we recognise



the potential for further refinement and remain dedicated to elevating our offerings," said The Blue Train's executive manager Godfrey Cader.

"We extend a heartfelt appreciation to our collaborative ecosystem, comprising various departments instrumental in our operation: Train Crew, CTC, Rail Network, Security, Transnet Engineering, People Management, Finance, Procurement, Employee Relations, and numerous others.

Special recognition goes to our onboard Crew, the embodiment of The Blue Train's spirit, consistently striving to surpass guest expectations, often under challenging conditions. Their tireless efforts are the cornerstone of our success.

The Blue Train continues to redefine luxury travel, and we are honoured to be recognised among the finest in the industry," he added.

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