

# Transnet needs R100bn from private sector

By [Linda Ensor](#)

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Transnet is looking for R100bn from the private sector for investment in freight infrastructure over the next seven years, Transnet Freight Rail's Chief Executive Siyabonga Gama said at a media function.



Transnet's Siyabonga Gama is confident the company will raise R100bn in private investment to improve the railways infrastructure in South Africa. Image: [Railways Africa](#)

Transnet's aim is to leverage private-sector capital to strengthen the logistics system through investments in rapid loading systems and consolidated terminals, which would enhance efficiencies and turnaround times.

The R100bn would be in addition to the R312bn the freight arm of the Transnet group planned to invest in infrastructure in this period. About one-third of the R312bn would be raised on the capital markets, with the remainder generated from operations.

"Transnet Freight Rail is working with business and industry for value-chain development and growth in order to create competitive supply chains through alliances and close collaborations with customers, the private sector and government," Gama said.

"Supplier industries for all transport modes are under-developed. So what is needed is for the state to retain strategic control of the network in order to lead and direct infrastructure investment and the development of the supplier industry as is evidenced by our R312bn capital investment programme," Gama said.

Another key objective of the company's seven-year market demand strategy would be to continue the shift from road to rail.

Of the 590m tons of rail-friendly cargo transported currently, 210m is carried by rail, a figure Gama would like to see increased.

Transnet Freight Rail has already made significant gains in the transport of containers. Over the past four years, its share of the container cargo market has increased from 14% to 35%, growing by about 20% a year since 2009.

Gama said the key projects that had been identified for expansion were the unlocking the northern mineral belt in the Waterberg district; developing the Durban-Free State-Gauteng logistics and industrial corridor and the south eastern node and corridor development; unlocking economic opportunities in the North West; expanding the Saldanha-Northern Cape Development Corridor; and contributing to the regional integration for African cooperation and development.

"The organisation will leverage the strengths of all Transnet operating divisions to develop markets and build logistics solutions to retain traditional customers, attract new customers and grow market share in new markets. The new positioning for rail requires a paradigm shift in that rail is reaching out to cooperate with traditional competitors," he added.

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