

# Transnet signs \$1.5bn loan with international banks

Rail firm, Transnet has agreed upon a five-year loan worth \$1.5bn with a group of international lenders led by Deutsche Bank AG in its biggest funding transaction in seven years.



Source: Col André Kritzingier via [Wikimedia Commons](#)

Poor maintenance, a lack of spare parts for trains, copper cable theft and vandalism have disrupted Transnet's freight rail services. It reported a 14% decline in volumes hauled in its last financial year.

In April, Transnet declared force majeure, saying its capacity to provide services to mineral exporters was constrained by a lack of locomotives, large-scale theft of copper cables and vandalism of infrastructure.

Transnet will use the loan to fund its expansion projects and refinance existing debt, it said in a statement late on Tuesday.



## Transnet lifts force majeure on 9 coal exporters

Anait Mridzhanian 6 Jul 2022



"This is a significant milestone to stabilise Transnet's liquidity position in support of our financial sustainability," Transnet's Group Chief Financial Officer Nonkululeko Dlamini said.

The first draw-down of \$685m is scheduled for this month, Transnet said.

Africa Finance Corporation, African Export-Import Bank and Bahrain-headquartered Ahli United Bank were involved in the syndicated loan transaction alongside Deutsche Bank.

Last week, Transnet issued a veiled threat to coal exporters who had not agreed to amend transportation contracts, following its declaration of force majeure in April.

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