

# Transnet confident it can finance R200bn itself

Transnet will borrow at least R100bn to finance its capital expenditure plans and *News24* says that it will spend at least R300bn over the next seven years on major expansion and improvement of the railways network.



Brian Molefe, Transnet's chief executive says that the R300bn expansion plan will need only R100bn from external funding sources and this will be achieved by issuing bonds and through bilateral loans.

*Independent On Line* says Transnet's original capital expenditure plan was increased from R110bn to over R300bn and the money will be spent on improving the network, upgrading locomotives, improving passenger services and breaking bottlenecks at ports to boost economic growth.

About 55% of the R300bn budget will be spent on expansion while the balance will be used to maintain the existing facilities.

*Business Day* says that Transnet will raise its tariffs to fund some of the expansion. Last week the Ports Regulator approved a tariff increase of just 2,7% despite the fact that Transnet had applied for an increase of 18,06%.

Molefe says that the company is "quite happy" with the increase it has been granted.

## For more:

*Fin24*: [Transnet to borrow R100bn for new capex](#)

- *IOL*: [Transnet to borrow R100bn](#)
- *Business Day*: [Transnet confident it can borrow R100bn](#)