

Rolling into recovery: SA's railways on the path to revitalisation

South Africa's rail sector is moving from diagnosis to delivery. The challenges are well documented: a shortage of operational trains, ageing infrastructure, widespread theft and vandalism and operational inefficiencies, creating bottlenecks that spill into port. Shifting trade routes, geopolitical instability and environmental concerns add further complexity.

By [Mvien Chaplin and Haafizah Khota](#) 13 Nov 2025

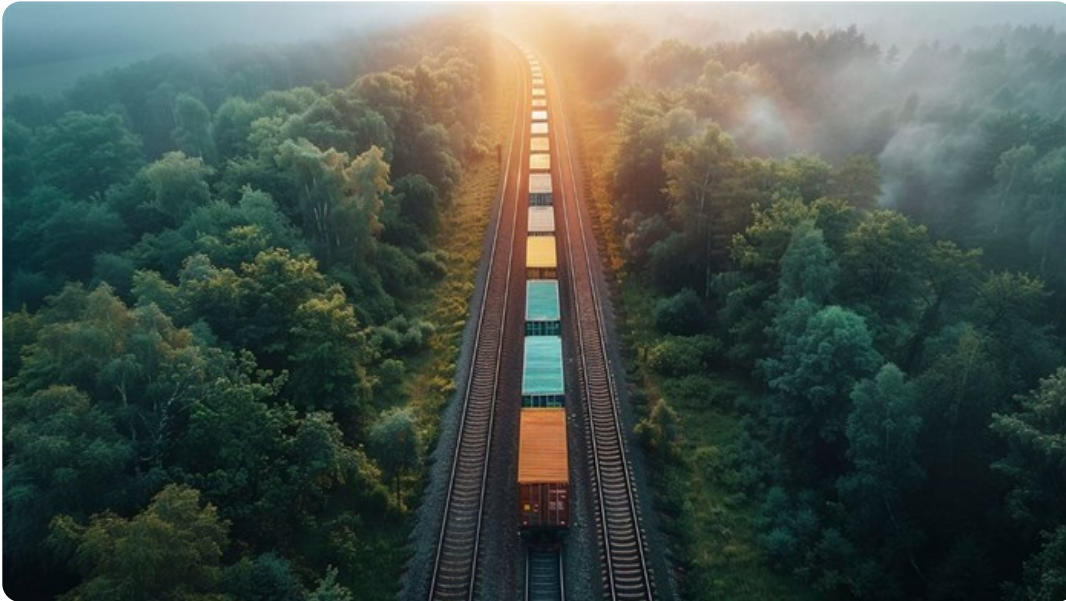


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Yet opportunities are emerging as the African Continental Free Trade Area takes effect. The United Nations Economic Commission for Africa projects about a 50% increase in intra-African transport demand and a 28% rise in freight demand by 2030, making efficient movement of people and cargo across the continent critical for economic growth.

Rail on the move

In contrast to last year's audit of constraints, significant progress can be reported this Transport Month. The rail network is at the centre of reform. With evolving policy, active industry involvement and increased access to capital, the focus now is on disciplined execution that delivers reliable passenger and cargo services.

The policy direction was set in 2020 under the Economic Reconstruction and Recovery Plan, when government committed to enabling third-party access to the core rail network.

The National Rail Policy followed in 2022 and mapped out the priorities. This included the creation of a national Rail Planning Function, tasked to develop an integrated Rail Master Plan, promotion of third-party access through a private sector participation (PSP) framework, independent economic regulation of rail access and a shift of passenger demand from road to rail.



Luxembourg Rail Protocol and ERT Act

Further momentum came with South Africa's signature to the Luxembourg Rail Protocol in March 2022 (subsequently ratified in January 2025 and effective from May 2025), pending domestication. The protocol supplements the Cape Town Convention by creating a global registry for security interests in railway rolling stock and strengthening cross-border creditor and lessor rights. Practically, it reduces legal uncertainty and is a financing enabler for the PSP pipeline.

Policy advanced again in December 2024 with the enactment of the Economic Regulation of Transport Act (ERT Act).

In a phased commencement, effective from April 2025, the ERT Act establishes a single Transport Economic Regulator, responsible for fair, nondiscriminatory access and pricing across rail, ports, roads and airports. In parallel, Transnet's infrastructure manager released the final Network Statement, outlining the operating rules and tariff methodology underpinning open access to the rail network.

Interest in participation

Planning moved to market engagement in March 2025 when the Department of Transport issued a Request for Information to test the appetite for PSP across rail and port projects. The process closed with 162 formal submissions, a strong signal of investor interest.

By August 2025, concept turned to allocation as 11 of 25 applicants qualified for slots across 41 routes. The remaining intention is to augment, not displace, Transnet's haulage.



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Around the same time, the Export Credit Insurance Corporation of South Africa announced that once the Luxembourg Rail Protocol is in force in the debtor's state, it will discount its risk premium by up to 20% for rolling stock finance. While subject to South African content and compliance requirements, it will make financing for rail more attractive for all PSP participants.

Early signs of recovery are evident. Transnet reported a 10.7% increase in port container handling and modest improvements in rail reliability by mid-2025. On the passenger side, Prasa is restoring priority corridors, improving safety and rebuilding reliability.

About 35 of 40 corridors are back in service to some degree, including Cape Town's Central Line and further engagement for PSP participation is also expected.

In summary, South Africa's rail sector has turned a corner. The critical challenge now is disciplined execution – turning plans into contracts and contracts into continuous improvement so rail shifts from constraint to a

catalyst for growth.

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