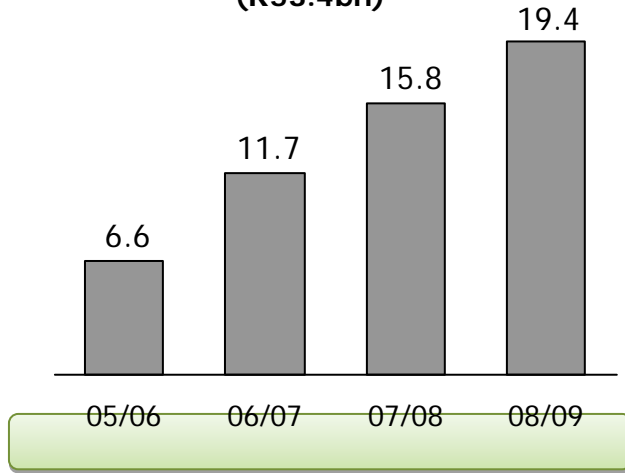
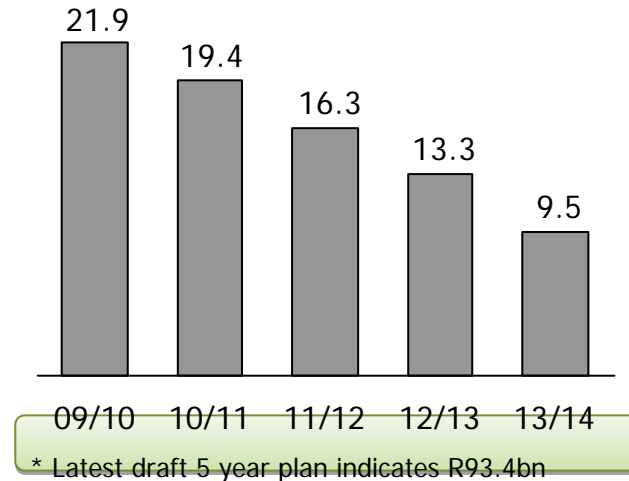


# 1. Introduction

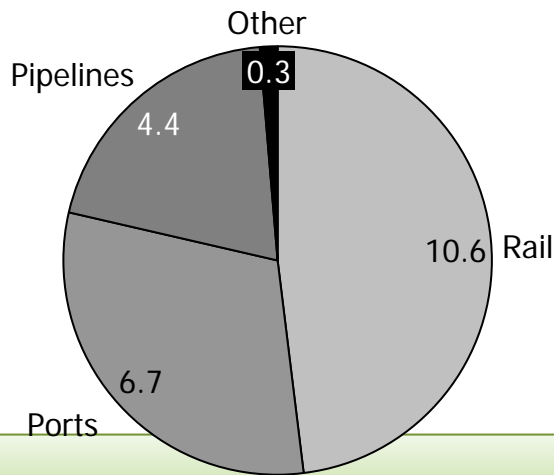
**Historical Investment: Past 4 years  
(R53.4bn)**



**Capital Investment Plan:  
2009/10 to 2013/14 (R80.5bn)\***



**2009/10 Capital Investment (R21.9bn)**



**Funding Plan 2009/10**

Cash available from operations R9.6bn

Funds Raised in market:

- Transnet Bonds R7.76bn
- Club Loan R1.15bn
- Locomotives (142) R1.27bn
- Finnvera R0.67bn
- JBIC R1.93bn
- AFLAC R1.25bn
- Commercial Paper R3.80bn

Funding Raised R17.83bn

Outstanding Drawdown/  
Facilities

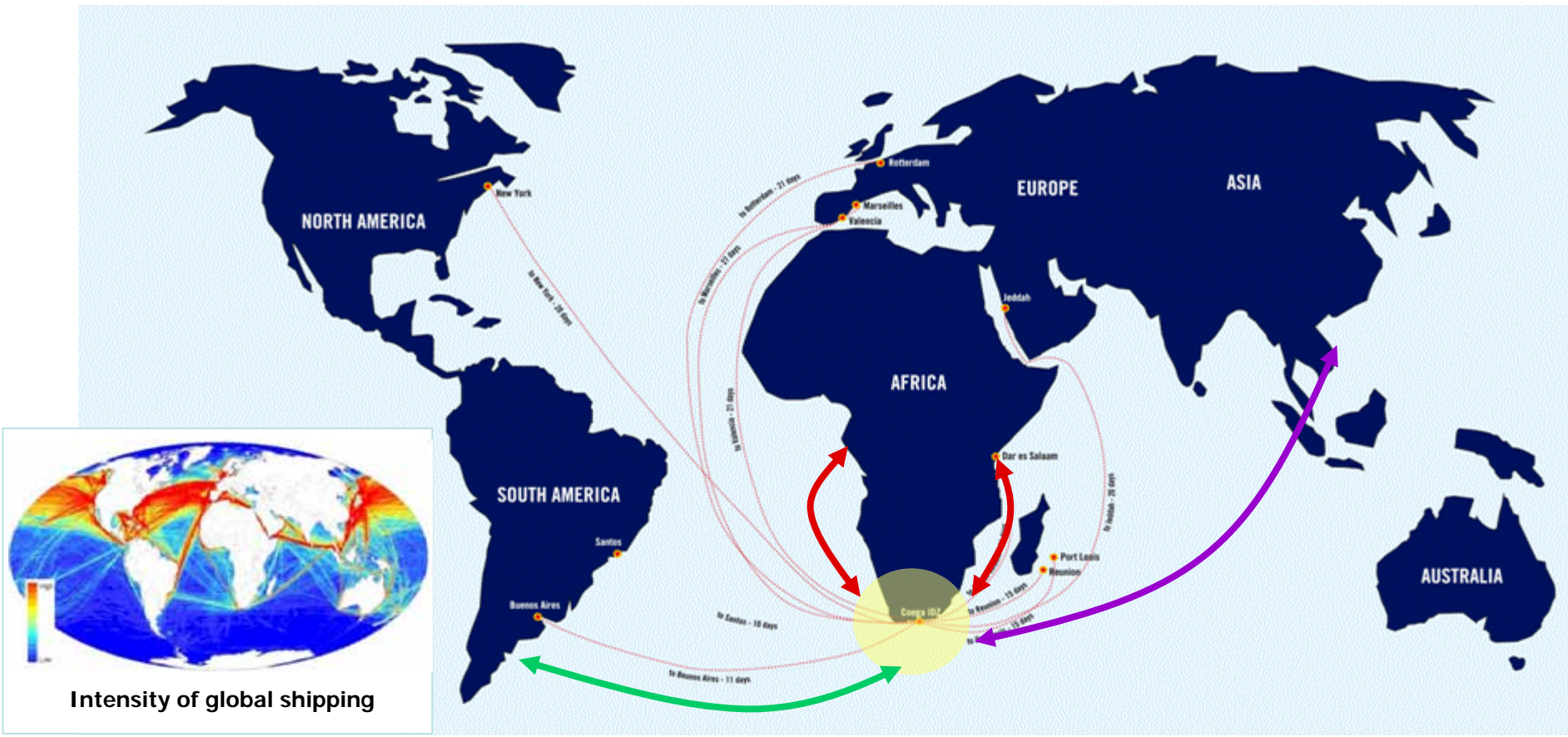
R0.74bn

Total Funding Available R18.57bn

**Funding strategy and sources**

- Global Medium Term Notes
- Export Credit Agencies
- Bonds
- Bank Loans
- Development Financial Institutions
- Commercial Paper

# 1. Introduction



- South Africa is distant from its key trading partners
- Maritime transport costs is a significant component of total transport costs
- South Africa is strategically placed to service Southern African, Asian and South American trade routes
- SA can establish itself as a global transshipment hub focused on certain trade routes

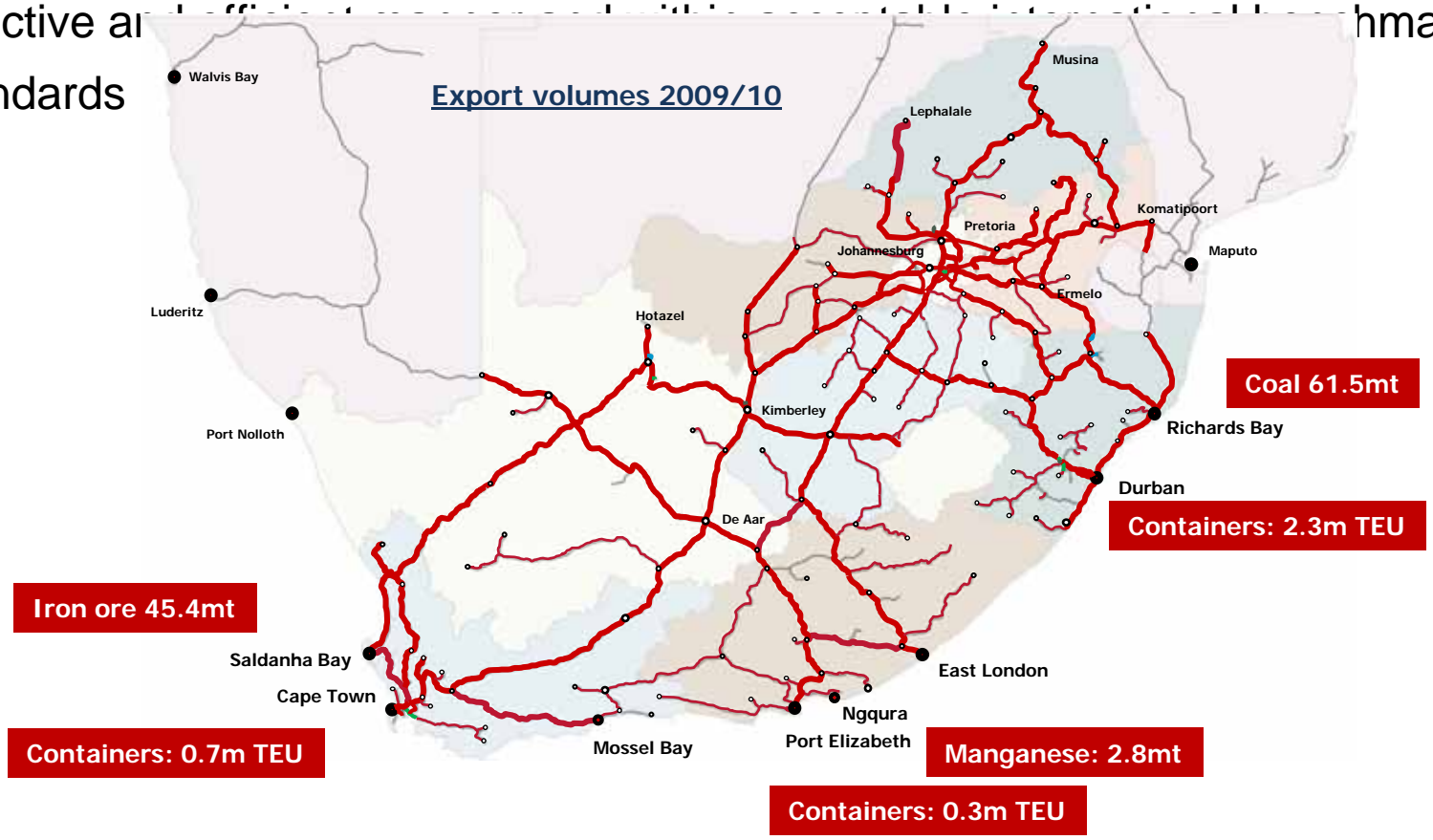
# 1. Introduction

- South Africa is well positioned to serve East and West Coasts by sea
- The Rail network provides strategic lines to landlocked countries (all on similar gauge)
- SADC partnerships to stimulate and sustain regional growth



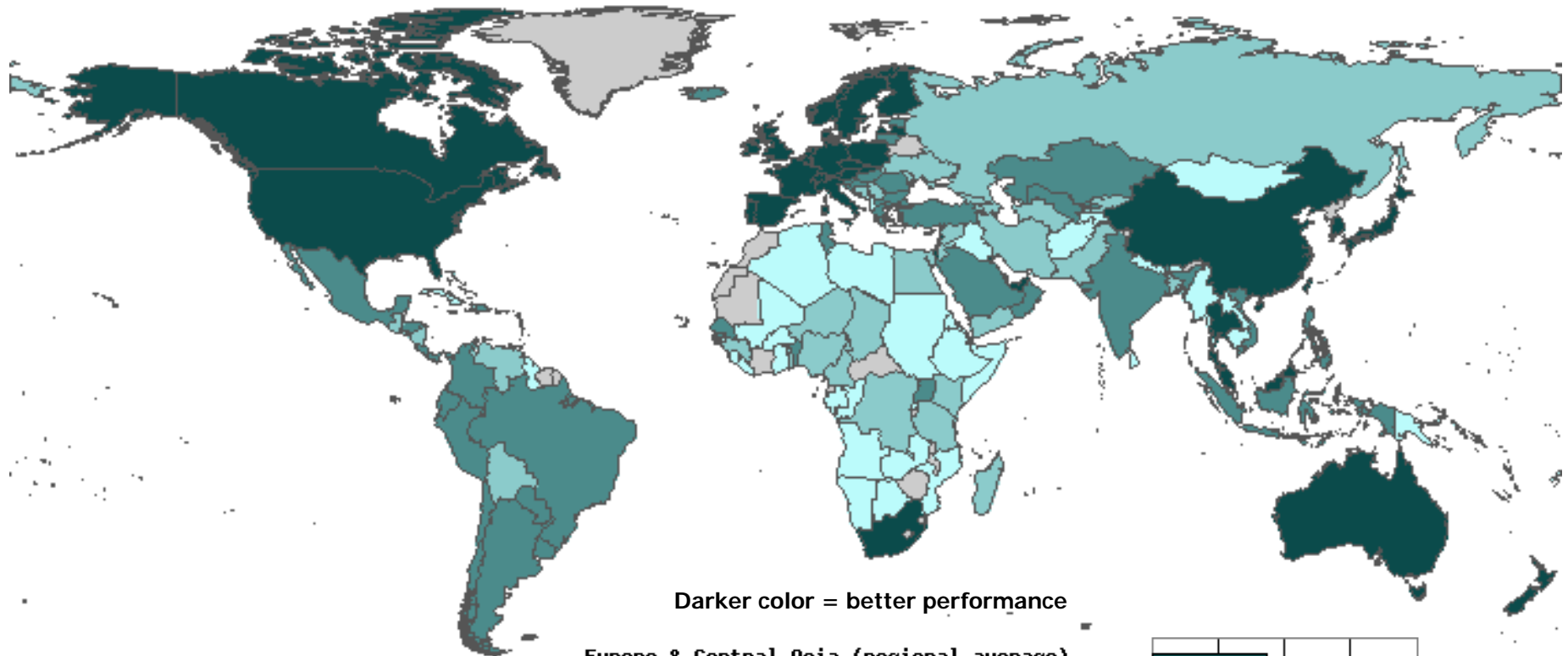
# 1. Introduction

- Gauteng acts as regional hub for production and consumption
- Industrial hub (Gauteng) and mining activities far from ports
- SA contributes 0.4% to world GDP but accounts for 2.2% of world surface tonne km.
- Transnet's key role is to assist in economic growth through providing appropriate port, rail and pipeline infrastructure and operations in a cost effective and benchmark standards



# 1. Introduction

## WORLD BANK: "CONNECTING TO COMPETE (2010)": SOUTH ARICA IS A POCKET OF EXCELLENCE IN THE REGIONAL FREIGHT SYSTEM



Darker color = better performance

Europe & Central Asia (regional average)

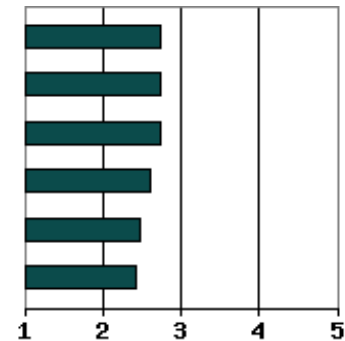
Latin America & Caribbean (regional average)

East Asia & Pacific (regional average)

Middle East & North Africa (regional average)

South Asia (regional average)

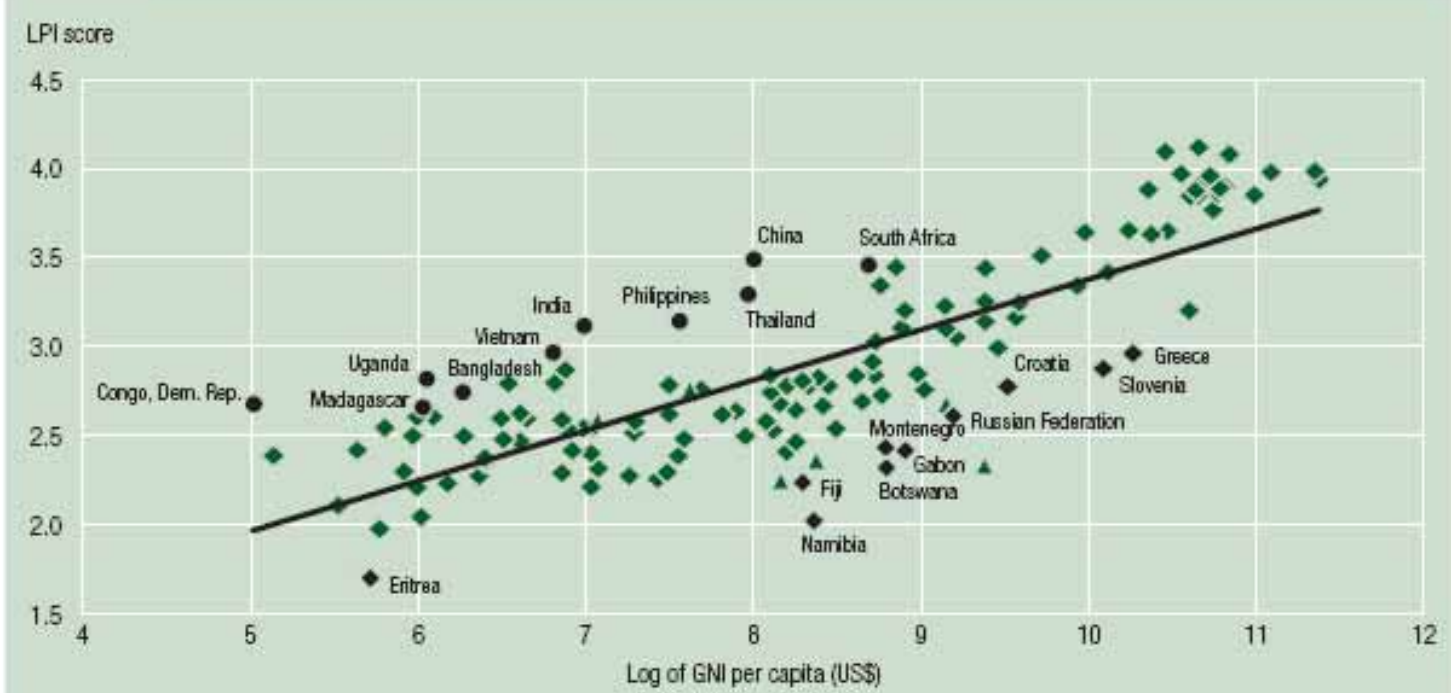
Sub-Saharan Africa (regional average)



# 1. Introduction

## SA IS RANKED 28<sup>TH</sup> OUT OF 155 COUNTRIES AND IS THE HIGHEST PERFORMER AMONGST UPPER MIDDLE INCOME COUNTRIES

Country	LPI	Customs	Infrastructure	International shipments	Logistics competence	Tracking & tracing	Timeliness
High income: all (income average)	3.55	3.36	3.56	3.28	3.5	3.65	3.98
South Africa	3.46	3.22	3.42	3.26	3.59	3.73	3.57
Upper middle income (income average)	2.82	2.49	2.54	2.86	2.71	2.89	3.36



- Upper middle income countries rankings:**
- South Africa - 28
  - Malaysia - 29
  - Poland - 30
  - Lebanon - 33
  - Latvia - 37
  - Turkey - 39
  - Brazil - 41
  - Lithuania - 45
  - Argentina - 48
  - Chile - 49
- China (lower middle income) is ranked 27.

Note: Fitted values are based on an ordinary least squares regression using data for all countries. Underperformers (black diamonds) are defined as the non-high income countries with the 10 smallest residuals. Overperformers (black circles) are defined as the non-high income countries with the 10 largest residuals. Other oil-producing countries are represented by triangles.  
 Source: Logistics Performance Index, 2010, and World Bank 2006b.