



## **MINISTER GORDHAN TO MEET WITH CHINESE GOVERNMENT ON TRANSNET-CRRC IMPASSE**

**[Johannesburg, 28 March 2023]** Public Enterprises Minister Pravin Gordhan (MP) will lead a delegation to the People's Republic of China next month to meet with his counterparts in the Chinese government as part of efforts to fast-track the delivery of locomotives and spare parts by Chinese state-owned CRRC e-LoCo Supply to Transnet.

The intervention by the Minister follows the impasse between the two SOCs earlier this year, and a meeting held with the President of the Republic of South Africa, His Excellency Cyril Ramaphosa, on Tuesday, 28 March 2023, during which the declining performance of the freight rail division was raised sharply as a key challenge, and a constraint to the performance of the economy.

The CRRC locomotives directly impact the performance of three key rail corridors (North, North-East and Cape corridors). These corridors account for approximately 50% of Transnet Freight Rail's revenue, and support three mining sector segments: export coal, chrome and manganese.

A key requirement for CRRC to continue doing business in South Africa, is the normalisation of its relationship with key regulatory authorities – the South African Reserve Bank (SARB) and the South African Revenue Service (SARS). Up to now, the Chinese OEM has declined to do so.

Minister Gordhan remains hopeful that talks with his Chinese counterparts will yield positive results, in the interest of both SOCs and relations between the two countries.

**Issued on behalf of Transnet SOC**