



Transnet to localize the manufacture and supply of rail to reindustrialise the economy

[Johannesburg; 24 August 2020] As part of its strategy to localise rail manufacturing, Transnet SOC Ltd. has issued a Request for Information (RFI) relating to the local manufacture and supply of rails on 10 July 2020.

The objective of the RFI is to assess the current market's capabilities and capacity to manufacture, as well as determine the timelines and investments required to meet Transnet's demand that is projected at approximately 77,000 tons per annum over the next twenty (20) years.

Transnet buys rails of a prescribed standard specification and lengths and has a continuous rail replacement programme that - amongst others - meets the requirements of the Railway Safety Regulator (RSR). The preferred specification for the entire system is the 60kg head hardened rails, as this enables interoperability of rolling stock and ensures that maintenance is optimised.

The entity must ensure that the right quantity and quality of rails are sourced from the most appropriate supplier/s and delivered to the right destination cost-effectively and in the shortest timelines possible. Clearly, a local manufacturer is most suited to this requirement.

A joint effort between the Department of Trade, Industry and Competition (DTIC), the Department of Enterprises (DPE) and Transnet has been established to drive this process. A process to assess the responses to the RFI will begin by the end of this month.

Among the benefits in the localisation of rail manufacturing would be job creation, local and economic development, as well as enterprise and supplier development.

In the interim, on 13 July 2020 Transnet went out to market on a global tender, to local and global manufacturers, for a two-year period for the supply of 60kg per meter (60E1) of R350LHT (head hardened rail). The two-year period is the minimum lead-time required for a brownfields rails investment.

This will ensure security of supply of rails, and enable Transnet to meet its maintenance schedule and ensure that the rail system is kept safe and reliable. The closing date for this tender is 26 August 2020.

Should the investment and subsequent operation of such a capability prove viable, this capability could be extended to serve other markets in sub-Saharan Africa.

NOTE TO EDITORS:

As custodians of the South African freight system, Transnet operates and maintains in excess of 30 000km of infrastructure (20 900-route km) for the South African Government. This is the largest rail network on the continent, where Transnet operates 40% of the network and accounts for 70% of the traffic on the 55 000km of track in sub-Saharan Africa.

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