



The Tambo Springs Logistic Gateway is Finally Here

[Johannesburg; 05 June 2019] Transnet SOC Ltd and Southern Palace Joint Venture Consortium today announced a historic public and private sector partnership for a twenty-year concession for the construction of the Tambo Springs Intermodal Terminal in Gauteng.

Southern Palace Joint Venture Consortium has been awarded the concession by Transnet for the design, financing, construction, operation and maintenance of the intermodal container terminal forming part of the Tambo Springs Logistics Gateway development.

The consortium is made up of Southern Palace, the lead concessionaire; Ferrovie dello Stato Italiane, the technical partner; Makoya, the logistics and marketing partner. The consortium will be supported by Concor, AECOM and Italferr.

The project is a result of a partnership between the public and private sector and includes the Tambo Springs Development Company as the land owner and Master Developer. The City of Ekurhuleni will provide major bulk services for the development.

At an estimated investment of R2.5 billion, the Tambo Springs Intermodal Terminal is also aligned to government's Strategic Infrastructure Project 2 (SIP2) which centres around the Durban-Free State-Gauteng Corridor. The intermodal terminal also forms part of the Gauteng Integrated Transport Master plan.

The planned Tambo Springs Intermodal Terminal will be developed as part of a next generation Logistics Gateway, combining direct terminal handling facilities as well as back-of-terminal property development and related value add logistics services and activities.

The terminal development is a catalytic investment that forms part of the Tambo Springs Logistics Gateway project being developed by Tambo Springs Development Company. This development covers 607 hectares and will comprise a range of property development components that have a mutually beneficial symbiotic relationship with the terminal such as transportation, processing, manufacturing, warehousing,

distribution, commercial and retail functions. The existing Natcor dual directional freight rail line runs directly to the Tambo Springs Intermodal terminal. Consequently, Transnet will not incur significant additional costs for new rail infrastructure to connect to the new terminal, but rather, leverage on the existing infrastructure.

The Tambo Springs Logistics Gateway is strategically located on the southern border of the Johannesburg and Ekurhuleni metropolis and within the road freight and rail corridor between Johannesburg, Durban, Port Elizabeth and Ngqura.

Once completed, the inland terminal will have easy access to major road and rail networks linking strategic sea ports, the OR Tambo International Airport and industries in the province. The Department of Roads and Transport in Gauteng plans to construct a road network linking the Tambo Springs development directly to the N3 and other locations via a new link road and an interchange.

As South Africa's economic hub, Gauteng handles approximately 60% of the country's import and export goods. A development of such magnitude will ease road traffic by diverting road cargo to rail networks linked to the country's sea ports. Container movement to and from Gauteng is expected to grow to 4 million Twenty-Foot Equivalent Unit (TEUs) per annum by 2021, from 3 million TEUs currently. The new terminal will ease the strain on the existing inland container terminal, City Deep.

The development of the Tambo Springs Intermodal Terminal will ensure that the current and future container volume traffic is efficiently and appropriately serviced by rail, thus alleviating the existing and projected pressure on the N3 road infrastructure.

Transnet's Chief Business Development Officer, Gert De Beer said: "The Tambo Springs inland terminal has been on the government's plans for a number of years now. Witnessing it coming to fruition is indeed a historical moment for many South Africans. Once completed, the in-land terminal will completely change the face of Gauteng."

Southern Palace Deputy Chairman, Lucas Tseki said: "The development of Tambo Springs Inland Port represents a significant milestone in the group's progression to becoming a leading provider of infrastructure solutions and provider of logistics services in South Africa and across the African continent.

Southern Palace Group has established that an attractive long term commercial opportunity exists and has already embarked on a strategic business decision to create a new operating division targeting the ports and terminals infrastructure concessions sector across the continent."

A total of 191 000 permanent and construction jobs will be created during the construction of the intermodal facility. The breakdown is as follows:

- 81 000 jobs will be created during the construction of the Tambo Springs Intermodal Terminal.
- 110 000 permanent jobs will be come from transport, manufacturing and logistics operations.

The Tambo Springs Intermodal Terminal will consist of 2 intermodal platforms equipped with 6 transtainer cranes on Burbak rails among other developments.

The terminal is expected to be fully operational between 2022/23 with projected throughput estimated at 189 600 TEU during that period.

The estimated investment in the development equates to a 0.81% annual increase in Gauteng's GGP (Gross Geographic Product) over 15 years, or a 12% increase to the initial GGP bases.

**Issued on behalf of Transnet SOC Ltd
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