

## MEDIA STATEMENT

18 November 2021

### Business backs third-party rail freight access

**Johannesburg, Thursday 18 November 2021** - The push to allow third-party rail freight operators onto South Africa's rail network gained momentum this week with an endorsement from Business Unity South Africa (BUSA).

BUSA is the formally recognised representative of business at the National Economic Development and Labour Council (NEDLAC).

BUSA CEO, Cas Coovadia stated: "Third-party access to our national rail network is one of the several structural reforms that business has advocated, and which we believe will contribute to a strengthening of our logistics network. This is critical in enabling a sustained economic recovery as we seek to emerge from the pandemic-induced economic shock"

This endorsement follows President Cyril Ramaphosa's Economic Reconstruction and Recovery Plan announced in October 2020 which proposes allowing third-party access to the South African rail system with the aim of supplementing Transnet's capacity, migrate freight volumes from the road to rail and stimulate broader economic growth.

African Rail Industry Association (ARIA) CEO Mesela Nhlapo says early projections by ARIA suggest that additional parties using the rail network will create numerous upstream jobs by enabling industry to become internationally competitive. Similarly, rail corridors into Africa would create cost-effective gateways to take South African goods into these markets.

"The government's proposed structural reforms to the rail sector, which will see private rail operators operating on the country's core rail network, will breathe new life into an industry which is currently under severe pressure. Importantly, no new regulation is required to enable third-party access. Regional trading partners have already moved to this model, supporting interoperability and regional trade for pan-African operations," she says.

Third-party rail access to the South African rail network will mean that millions of tons of freight could be moved off the roads of the country and onto a faster, cleaner transport system.

Third-party Operators would pay Access Fees to Transnet – similar to a toll fee – for the use of the rail system.

This is yet another example of economically sound intentions, but significant delays in implementation. We urge government to follow through on the President's intention and enable third party operators as soon as possible!

ENDS

**Cas Coovadia**  
**Business Unity SA CEO**

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