

Freight Logistics Roadmap approved to be published

The Freight Logistics Roadmap – aimed at addressing the serious challenges in that industry – has been approved for publication by Cabinet.



Source: Col André Kritzinger via [Wikimedia Commons](#)

The roadmap sets out to reform the logistics system in the long run.

Over the past few weeks, Transnet – South Africa's government-owned freight rail, ports and logistics company – has been hard at work to resolve severe truck congestion challenges at its Richard's Bay port, including ramping up the number of locomotives available on its lines servicing the port.

Speaking during a post-Cabinet media briefing on Monday, Minister in the Presidency Khumbudzo Ntshavheni said the current challenges in the industry "pose a significant constraint" on the South African economy, its growth prospects and job creation. "The immediate priority is to stabilise and improve the operational performance of the freight rail network, which presents a severe constraint on exports.

"The main implementation mechanism for the short-term interventions will oversee operational improvement through five corridors, with full alignment with the Transnet board-approved turnaround plan which identifies short and medium-term actions to improve operations and stabilise the company's finances," she said.

The three areas of intervention proposed in the roadmap include

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- Operations and rolling stock improvements: This includes returning long-standing locomotives to service through agreements with Original Equipment Manufacturers (OEMs) to ensure a supply of spares, or through the appointment of a step-in OEM.

- Security and safety of the rail network: This includes collaboration with law enforcement agencies to ensure the safety of the network.
- A capital investment programme both for the expansion plans and also to sustain operations.

"In addition, the roadmap outlines a path to implement the commitments made in the National Rail Policy and the National Commercial Ports Policy and plans for the reform of the freight logistics system," she said.

Meanwhile, the Draft Rail Private Sector Participation (PSP) Framework has been considered and approved by cabinet.

According to Ntshavheni, the framework aims to "provide an interim approach to and a model for future decision-making to enable private sector participation in the railway infrastructure system".

"Given the current challenges within the railway infrastructure, the Rail PSP Framework proposes the commencement of private sector participation through opportunities that are aimed at fixing the railway infrastructure first.

"The Rail PSP Framework recommended the adoption of the cooperative governance and integrated approach to rail private sector participation for implementation.

"Accordingly, this approach is fully compliant with the PFMA and Company's Act and will require the PSP unit within the Department of Transport and the Rail SOC to publish a network statement for endorsement by the Rail Economic Regulatory Capacity (interim)," Ntshavheni said.

The Department of Transport is expected to establish a PSP unit to identify and prioritise projects and develop an implementation plan to facilitate PSP initiatives.

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