

Transnet says its firmly on growth path

Transnet's three-year turnaround strategy had worked well to create a strong foundation for the transport utility's new four-point Growth Strategy, says Group Chief Executive Maria Ramos.

Briefing the media on Transnet's 2008 financial results in Johannesburg on Monday, 30 June 2008, Ramos said an era of upheaval marked by low profitability was now a part of the company's history.

"We are confident that we will achieve our growth plans in the next financial year through improving our building capacity. We are now firmly on the growth path."

She said the four-point Growth Strategy was focussed on growing volumes, improving customer service, creating capacity and optimising financial and capital management.

The combination of volume growth, productivity and efficiency gains on revenue increased to R30.1 billion by 11.9% last year.

Ramos said the growth was driven by productivity improvements and cost-saving initiatives.

"It is pleasing to see the benefits of the turnaround, especially as reflected in better asset utilisation which is behind the productivity improvements in action.

"We have ticked off all the boxes in the turnaround strategy, the results happened in the face of many challenges that the business has had to face during the financial year."

Shareholder's wealth grew to R51.2 billion over the same period, reflecting a 38.2% improvement on the preceding period, giving further proof to the financial strength of the company.

The Group Chief Executive said Transnet was committed to maintaining its financial strength, which was one of the pillars of their Growth Strategy by staying within the targeted gearing range of 50%.

Ramos was optimistic that Transnet would achieve the R20 billion it plans to spend on capital investment in the new financial year.

Most of the money would be used to expand the company's infrastructure.

Transnet Chairman, Fred Phaswana commended the executive team for successfully completing the turnaround strategy.

“Considering the many challenges faced by the business, we are satisfied that we have the right team.

More importantly, the success we're witnessing reflects the continued relevance of the strategic choices we've made,” he said.

Both Ramos and Phaswana confirmed they had identified safety as a priority and a vital ingredient to the company's future successes.

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