



MINISTRY
PUBLIC ENTERPRISES
REPUBLIC OF SOUTH AFRICA

DPE RIGHT OF REPLY TO THE SOWETAN NEWSPAPER

PRETORIA, 4 December 2023 –

The Department of Public Enterprises (DPE) wishes to set the record straight by refuting the baseless claims in an article published on 29 November 2023 by the Sowetan, in which Mr Gavin Kelly, the chief executive officer of the Road Freight Association, said government and Transnet had done nothing to stabilize the ports and rail operations.

Mr Kelly is wrong on many fronts but what is of serious concern about his false assertions is that, rather than provide an honest, fair, and dispassionate assessment of the progress that has been achieved thus far, he chose to be antagonistic towards government and Transnet.

The DPE as the shareholder Ministry is committed to ensuring that Transnet is recalibrated so that it can deliver on its mandate as a key lever for our economic development and transformation.

The establishment of the National Logistics Crisis Committee (NLCC), which Mr Kelly downplayed, is providing critical support to efforts to resolve the freight logistics crisis and place Transnet on a firmer footing. This partnership involves critical input from business and other key stakeholders, including the mining industry.

The NLCC, overseen by the Presidency, is backed by government and business as a pivotal platform for resolving the country's logistics crisis and safeguarding of our national interest. This collaboration has resulted in the following interventions:

- Deployment of additional security to protect rail infrastructure on the coal line in a partnership with the SAPS, Transnet, and State Security.
- Reform of Transnet's procurement regime to expedite acquisition of equipment and other gear to resolve the logistics crisis.

- Agreement with the coal mining industry to help Transnet acquire compressors and batteries to bring to service additional locomotives on the coal line.
- Engagement with the University of Pretoria on behalf of business to develop an equipment maintenance strategy for Transnet.
- Facilitation of workshops between business and Transnet via an initiative known as “Action Labs” to develop action plans and synergies for improving performance of the coal and iron ore lines, as well as Pier 2 of the Durban Container Terminal.

Additionally, the DPE announced a new Transnet Board in July, which in no time has come up with a comprehensive Transnet Recovery Plan which again Mr Kelly decided to ignore in his comments to the Sowetan.

Moreover, the government has unveiled the Freight Logistics Roadmap, which will underpin the reforms necessary to open access to third party rail operators on the Transnet rail network starting in April 2024.

The government has acknowledged that private sector participation in Transnet is a key lever for attracting innovation, technology, and expertise to recover lost rail volumes, boost efficiencies, and encourage investment in critical infrastructure – especially in the operation of rail and port terminals.

The Transnet Board is seized with the opportunity to ensure Transnet is firing on all cylinders, hence the support that was announced this past Friday by National Treasury and the DPE for Transnet to resolve some of its most pressing debt refinancing hurdles.

On 1 September 2023, Minister Pravin Gordhan also issued a very clear injunction to the Board to demand accountability and ensure that Transnet is led by capable, experienced, and strategic leadership. All these factors dispel the false notion by Mr Kelly that nothing has been done, or that “ministers and management of Transnet allowed collapse of ports and rail”.

That assertion is patently false and is a disservice to the public and the readers of the Sowetan.

ENDS/

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