



**TRANSPORT MINISTRY  
REPUBLIC OF SOUTH AFRICA**

**SPEAKING NOTES FOR THE MINISTER AT THE LAUNCH OF THE  
REQUEST FOR INFORMATION TO INTERESTED AND AFFECTED  
PARTIES IN POTENTIAL PRIVATE SECTOR PARTICIPATION IN RAIL  
AND PORT FREIGHT LOGISTICS PROJECTS, 23 MAY 2025**

Programme Director;  
Members of the media;

Thank you for accepting the invitation to this launch, marking a pivotal milestone in the government's efforts to collaborate with the private sector to ensure our rail network and our ports resume their rightful place in promoting trade and economic growth.

The Roadmap for The Freight Logistics System in South Africa clarifies that strategic infrastructure such as rail lines and ports will remain in public ownership, as assets belonging to South African people.

At the same time, it paves the way for greater competition in rail and port terminal operations, which will attract private investment and improve our infrastructure to world-class standards. In this context, I believe that the efficiency of the logistics systems is integral to the functioning of all economies

Today, I am launching an online Request For Information (RFI) to develop an enabling environment for private sector participation and enhanced investment in rail and port infrastructure and operations.

As you are all aware, South Africa's rail and port infrastructure faces substantial challenges, including declining performance; theft and vandalism; under-investment, and operational inefficiencies. All of these hinder trade and economic growth.

The limited availability of state resources to fund infrastructure development and address backlogs has intensified these challenges, severely restricting the ability of state-owned entities to fulfill their critical mandates.

Together with Transnet, Government has received numerous unsolicited proposals from the private sector offering investment, skills, and expertise to support the rehabilitation and reform of our struggling rail and port systems.

This overwhelming interest has made it clear that the Department and Transnet must engage in broad and inclusive market engagement before issuing Requests for Proposals (RFPs) in August this year. These are not

formal procurement processes in themselves but a mechanism to understand and source information from the market.

To ensure these RFPs are well responded to, government recognises the importance of understanding the freight logistics landscape through the perspective of interested and affected parties, so that our solutions that are both effective and sustainable.

In this initial phase of Private Sector Participation, the RFI focuses on the following corridors:

- Northern-Cape to Saldanha Bulk Minerals Corridor primarily for iron ore and manganese exports, and the Northern-Cape to Nelson Mandela Bay Corridor, primarily for manganese exports.

This includes the complete pit-to-port rail, port, terminal infrastructure, and equipment supporting the transport of iron ore from mines in the greater Sishen–Postmasburg region to the Port of Saldanha, as well as the movement of manganese from mines located between Hotazel and Postmasburg to the Port of Saldanha, and to the ports of Port Elizabeth and Ngqura in Nelson Mandela Bay, and the back of port arrangements.

- Limpopo and Mpumalanga to Richards Bay Bulk Minerals Corridor PSP Project for coal and chrome exports, including provision for magnetite exports in port.

This includes the full pit-to-port rail, port, and terminal infrastructure and equipment supporting coal exports from mines in Lephalale,

Limpopo; chrome exports from the ‘Western Limb’ mines in the Rustenburg-Brits region in North West; and coal exports from various mines across Mpumalanga and KwaZulu-Natal to the Port of Richards Bay. Particular attention is given to the Bayvue precinct, where non-RBCT coal, chrome, and magnetite are handled through the Dry Bulk and Multi-Purpose Terminals, and the back of port arrangements.

- Intermodal Supply Chain PSP Project focused on the container and automotive sectors, including the potential designation of the South African container port system as a regional transshipment hub for major shipping lines.

This includes the port, container and automotive port terminals, back-of-port arrangements, and railway and inland terminals for the Gauteng—Durban port (KZN), Gauteng—Eastern Cape (East London, Port Elizabeth, Ngqura), and Gauteng—Western Cape (Cape Town) corridors.

The RFI represents a pivotal step forward in our shared commitment to building a 21st-century transport system that goes beyond mobility to strengthen industrial competitiveness, deepen regional integration, and drive inclusive economic growth.

It will enable us to articulate the challenges in a structured and coherent way, clearly defining their scope, context, and impact to inform the development of focused, strategic, and sustainable solutions. In this regard, the DoT will ensure that the views of a range of other stakeholders are brought into the deliberations, including organised labour.

## **Capacitating the Department for Private Sector Participation**

In line with the Private Sector Participation envisioned in the White Paper on the National Rail Policy, Cabinet approved a PSP Framework in 2023 to guide private sector involvement across the logistics sector value chain. The Framework mandates the Department of Transport (DoT) to establish a dedicated PSP Unit to enhance state capacity and provide support to Transnet and PRASA in the procurement of potential PSP projects.

The Department is in the final stages of concluding a Memorandum of Agreement with the Development Bank of Southern Africa (DBSA) and the National Treasury, appointing DBSA as the hosting institution for the Unit.

We have set up an interim PSP Unit within the Department, comprising a team with extensive expertise in structuring PSP contracts and procurement. In collaboration with Transnet, the interim PSP Unit has developed the Rail Freight and Port RFIs.

### **What happens next in the RFI phase?**

As the RFI is part of a research and consultation process, all information submitted will be treated with strict confidentiality and used exclusively to inform the development of potential PSP projects. Participation in the RFI offers a valuable opportunity to help shape future initiatives.

The RFI must be completed online and can be accessed through the Department of Transport's website or directly at [www.psp-rfi.co.za](http://www.psp-rfi.co.za). The portal will remain open for eight weeks, from 24 March to 9 May 2025. Submitted responses will be reviewed and feedback will be provided.

Following the conclusion of the RFI phase, the Request for Proposal (RFP) will be undertaken through the PSP Unit. The PSP Unit and Transnet will develop the policy-aligned PSP Programme, which will enter the formal procurement phase from the end of August 2025.

This work is guided by the following principles:

- Reform Transnet in accordance with the Cabinet-approved Roadmap for Freight Logistics;
- Ensure a just transition to a reformed rail and port logistics system, prioritising maximum job retention for employees of Transnet and PRASA and in this regard we have set up a joint work stream to consult organised labour as the process unfolds;
- Safeguard immovable assets by retaining them under state ownership for the benefit of future generations and preventing the balkanisation of the rail and port system as has occurred in other countries;
- Actively promote localisation, industrialisation, and support for key sectors such as steel production and local rail manufacturing;
- Demonstrate our commitment to Broad-Based Black Economic Empowerment and gender equality by providing strong support to new

and emerging players in the rail and port sectors, including SMEs and SMMEs.

## **In Closing**

I encourage all Interested and Affected Parties to actively engage in this RFI process, contributing to the PSP Unit's efforts in shaping the potential PSP Programme of Projects and designing future bid packages for procurement. In May 2025, the Department will release the second batch of the RFI which will be focused on passenger rail initiatives, together we can achieve more.

I thank you.

## **Note to Editors**

### **Government's Reform Agenda for the Transport Sector**

The government has recently created a supportive environment for sector reforms through updated policies, frameworks, and legislation. This builds on the foundation laid by the Legal Succession to the South African Transport Services Act, 9 of 1989, which initially led to the establishment of Transnet and PRASA in their current forms.

As the policy department, and now also the shareholder ministry of Transnet, we have developed a number of instruments to reform the ailing rail and port sector. This includes the 2022 White Paper on the National Rail Policy, the 2002 White Paper on National Commercial Ports Policy, the 2023 Roadmap for the Freight Logistics System in South Africa, the 2023, Private Sector Participation Framework, the National Ports Act, 12 of 2005, the Economic Regulation of Transport Act, 6 of 2024.

The National Rail Policy enables the introduction of open access and private sector participation in the national rail network, fostering effective competition to enhance both the quantity and quality of rail services. Likewise, the National Commercial Ports Policy mandates the vertical separation of infrastructure and operations to ensure fair competition in terminal operations.

The underlying premise on which open access and private sector participation are based is that the rail-network and port infrastructure will remain state owned.

### **What do we do in the interim about immediate rehabilitation of the ailing rail and port infrastructure and equipment?**

To sustain our economy, we cannot afford to wait until the PSPs reach financial close in before launching an ambitious programme to rehabilitate Transnet's rail network and rolling stock, as well as port infrastructure and equipment.



In collaboration with the private sector, we successfully completed order-of-magnitude Independent Technical Assessments (ITAs) in 2024 for the export coal rail network from Mpumalanga mines to the Port of Richards Bay in KwaZulu-Natal, as well as the iron ore corridor from Sishen (near Kathu) in the Northern Cape to Saldanha in the Western Cape.

The latter assessment covered the rail network, locomotive and wagon fleets, and associated port and terminal infrastructure. We are currently engaging with potential funders to conduct similar ITAs for the Lephalale coal line, the greater Rustenburg chrome corridor, and the vital intermodal corridor between Gauteng and the Port of Durban in KwaZulu-Natal.

Funding sources for immediate rehabilitation of these corridors include:

- Current Transnet budget for rail and rolling stock maintenance and purchase of port equipment
- Submission by Transnet of project proposals for maintenance of rail and ports to the National Treasury's Budget Facility for infrastructure; and
- Private investment in refurbishing or expanding line capacity through existing customer agreements.