

## Local rail companies urged to 'hunt as a pack' when chasing Africa business

South African companies in the rail sector are failing to coordinate sufficiently in order to adequately compete with international players for large African rail projects. Companies needed to "hunt as a pack" in order to provide a united front to government and financing institutions, Rail Roads Association of SA CEO Bongani Mankewu said on Tuesday.



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Mankewu said individual South African companies were unable to offer the kind of comprehensive development projects being looked for by countries on the continent. "Even the African Union agrees that SA must be the rail manufacturing hub for the African continent, and we are not doing that. We are not doing that at all," Mankewu said during a roads and ports indaba in Johannesburg.

The government was desperate for export capacity including in the rail sector, but SA's industry needed to coordinate in presenting viable large-scale offers as Africa gears up for large infrastructure projects.

African states looking for comprehensive development projects were faced with offers from consortia of companies from Asia, the Americas or Europe that ranged from construction to rail services to financial services, with local companies operating individually, he said. The "gap was widening" between business and government on these issues, he said.

Coordination towards consortiums would require, among other things, an understanding of how the state could support

export efforts without violation of either World Trade Organisation rules or SA's own competition regulations.

The CEO of engineering firm Dorbyl, Sibusiso Maphatiane, said on Tuesday South African companies would first need to establish cooperation in SA. "If external businesses are coming in here and taking business from us here, because we are not organised internally, there is no way we can be organised externally in Africa," he said.

Transnet has begun procuring 1,064 locomotives being built by four international manufacturers - Bombardier, General Electric and China North Rail and China South Rail Zhuzhou - which have agreements for local suppliers.

Mankewu said SA had the technology to coordinate a bid that might have rendered ongoing issues of local content and verification less contentious.

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