

SA rail boom could signify big win for all industry stakeholders

Speaking ahead of the virtual Mining Indaba, which starts this week, independent rail operator Traxion's chief executive, James Holley, said giving third-party operators access to the rail network would not only enable more efficient freight movements within the country, but unlock potential new export markets by providing capacity to freight goods to ports and the rest of the continent.



Image via [123RF](#)

Granting third-party access to the country's core rail network within the next 12 months is a key element of the Economic Reconstruction and Recovery Plan presented by President Ramaphosa last October. Under this policy, private freight rail operators will be allowed to operate on the state-owned rail infrastructure alongside Transnet.

Holley says there is a 'significant' body of cargo – including steel, agricultural products, hazardous chemicals, specialised products and general freight – that is well suited to rail transport but is not currently moved by rail. Providing additional rail capacity to service this demand would create an 'unprecedented' boom in the rail freight market.

"The rail industry in South Africa should be pursuing getting as many extra tonnes on rail as possible. One of the big winners would be Transnet, who would benefit from access fees generated from these new cargo flows. Increasing rail capacity will improve the competitiveness of South Africa's economy. This will stimulate growth and that means that jobs created are not limited just to those that would be created in the rail sector but many multiples more upstream," said Holley.



Third-party access to rail network will boost SA economy

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Global manufacturing powerhouses like Germany, which has built effective transport routes into key markets across Europe and the rest of the world, says Holly, has created a world-class rail network through state-owned rail operator Deutsche Bahn's long-standing partnerships with a range of third-party operators.

"We are already seeing strong demand from freight movers that are eager to access this new rail capacity. What's most exciting is that this will lead to new business and expansions to existing businesses who have needed this capacity to grow."

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