

TFR Export Coal update

[Johannesburg, 27 June 2023] Transnet Freight Rail (TFR) has always been transparent on the critical challenges that has impacted the export coal line. The export coal line has been severely constrained by the locomotive challenges, historic underinvestment in the rail network infrastructure, and crippling theft and vandalism.

TFR is, however, responding with determination to these challenges and has embarked on decisive interventions. We are confident that through the range of initiatives that include partnerships with the private sector and industry at large, we are well on track to exceed last year's performance on the export coal line despite the challenges.

The tender process to return to service the long-standing locomotives is in its final stages. We are also engaging with other original equipment manufacturers for the speedy return to service of their locomotives - this while negotiations with CRRC E-loco continues at government level. The impact of reduced locomotive availability is estimated to cost TFR approximately 16m tons in volume capacity per annum.

With effect from 1 August 2023, TFR will introduce an outcomes-based security contract. Performance management of the outcomes-based contracting is different in that it will incorporate penalties for substandard performance. Incentives are only offered if the agreed performance targets are met and or exceeded.

Our coal customer collaboration initiative includes the funding of security which comprises an additional 86 security task teams and 35 drones. Since the deployment of coal customer funded security interventions, there has been a 34% reduction of security-related incidents per week on the coal line. However, it must be borne in mind that the coal line continues to be challenged by cable theft at critical bypasses and this impacts train movements.

TFR is firm in its resolve to address the challenges it faces on the export coal line.

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ISSUED ON BEHALF OF TRANSNET FREIGHT RAIL

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