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## **MEDIA RELEASE**

### **UNTU welcomes Transnet Freight Rail CEO's resignation.**

The United National Transport Union (UNTU) has taken note of and welcomes the resignation of Transnet Freight Rail (TFR) Chief Executive Officer (CEO), Siza Mzimela, amidst the ongoing poor performance of TFR and the outcries from the Mining industry and the Business community. UNTU is not surprised by Mzimela's decision to step down given the reported pressure from the Board, the industry at large, and the mining industries. The underperformance of TFR has created the threat of the retrenchment of thousands of workers as a result of the logistical challenges caused by TFR's poor performance. Export volumes have plummeted to their lowest in years.

It is worth noting that Mzimela's appointment was questionable, given that she was leading the collapsed SA Express Airline before being appointed to TFR. SA Express had run out of cash and was unable to pay salaries to workers. It makes no sense that someone who was leading a collapsing SA Express under her leadership and someone with mostly aviation experience was chosen to lead TFR, the largest Transnet Operating Division. The decision to hire Mzimela lacked foresight and should be questioned.

Mzimela listed several legacy challenges facing TFR which have hampered service delivery and efficiencies, including the lack of locomotives, spares, and vandalism and cable theft on the TFR network. UNTU has maintained that the Government, as the only shareholder, must provide the necessary "tools of trade" and support for Executives to perform their duties effectively, without sufficient support from the Shareholders, whoever is placed at the helm of TFR will ultimately fail.

Although the exodus of Transnet Executives is concerning, it presents an opportunity for the Government and the Transnet Board to break the cycle of political appointments and cadre deployment and provides an opportunity to appoint competent, experienced candidates who understand the rail industry, has a proven track record of delivering results and turning around businesses. The successful import and exportation of goods by Transnet is critical to our Country's economy since the import and export market contributes 68% of the Country's GDP. The time for putting politics before the wellbeing of the Country and the wellbeing of our People is over, we urge Government to place our People and our Country at the forefront of their decisions.

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