



ADDITIONAL NORTHCOR TRAINS BOOST EFFORTS TO REDUCE RICHARDS BAY PORT CONGESTION

Transnet SOC Ltd. (Transnet) is implementing key measures to improve the performance of the North Corridor (NorthCor), with the primary objective of decongesting the Port of Richards Bay. This is part of the overall Transnet Recovery Plan, which is being implemented to improve the operational and financial performance of the company.

The NorthCor handles roughly 41% of total Transnet Freight Rail (TFR) volumes, generates 38% of TFR revenue and supports critical markets that contribute approximately 3% of South Africa's GDP. The Corridor, which runs from Lephalale to the Port of Richards Bay, and rails commodities such as export coal and chrome, has experienced significant challenges in recent years which have hampered its performance. These include locomotive availability and reliability, and the high levels of cable theft and infrastructure vandalism.

In the immediate, TFR is ramping up the coal service to the Port by seven (7) trains per week by mid-December 2023, bringing the total number of trains to 28 per week. This equates to volume of about 15 400 tons per week, and an annualized tempo of 739 200 tons per annum, which is equivalent to 452 road truck trips per week, and 21 747 road truck trips per annum. The first four locomotives will be deployed over the next few days. Between December 2023 and March 2024, TFR will bring in an additional seven (7) trains, resulting in 35 trains per week to the Port. This will support efforts underway to decongest the Port.

The increase in the number of locomotives available is partly as a result of additional locomotive capacity which has been repaired and is being deployed to the corridor. Improvements in cable theft incident also mean that TFR is able to turn trains around faster, for a more efficient service. As part of efforts to improve the condition of the network and increase slot capacity, TFR is reinstalling some signalling equipment, with most expected to be functional by February 2024.

Transnet will continue to work with the road carriers and the local municipality in Richards Bay to reduce congestion into the Port. In this regard, the company is working on a plan to implement a last-mile strategy, where road carriers will haul cargo to inland terminals and Transnet conduct a shuttle service into the Port. If successful, Transnet anticipates having the strategy operational by March 2024.

Issued on behalf of the Chairperson of the Board of Directors, Mr Andile Sangqu

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