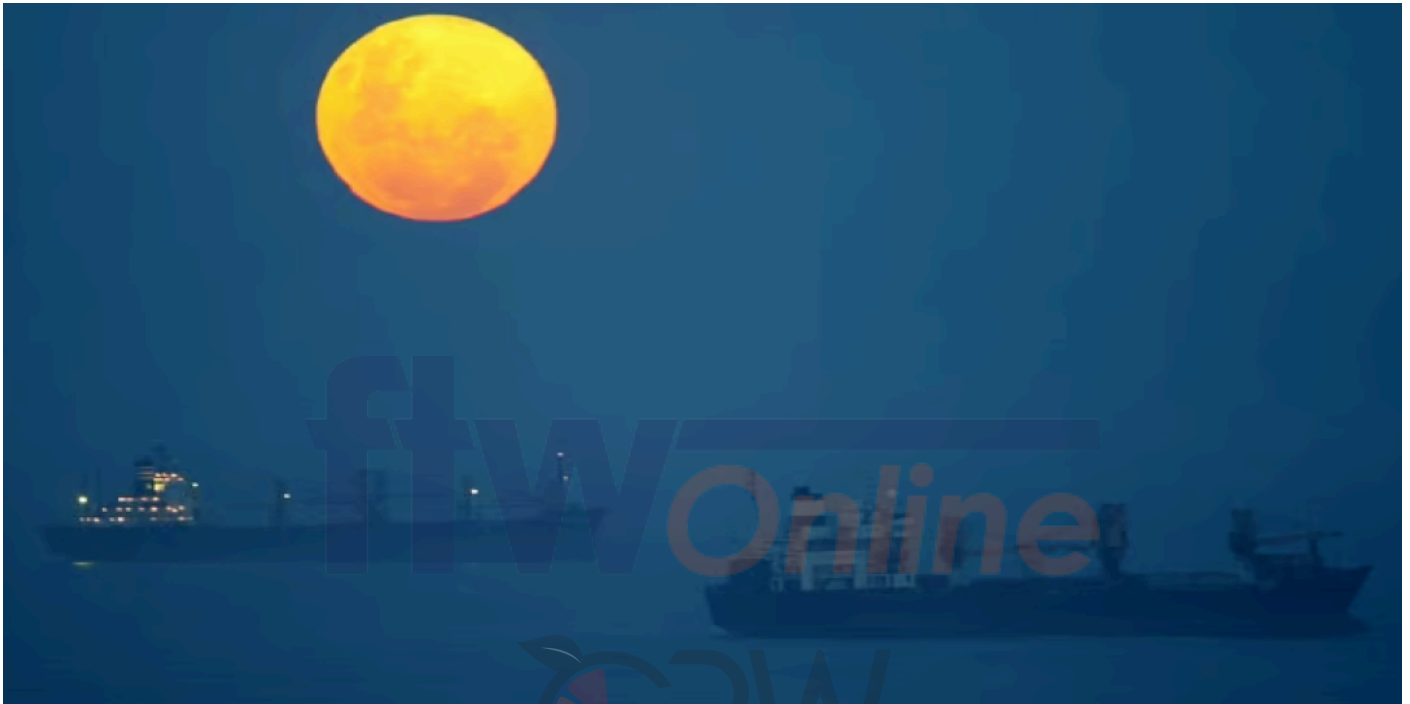


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Citrus growers urge Godongwana to intervene in Transnet crisis

31 Oct 2023 - by Staff reporter



The waiting game... ships at anchor wait to enter the Port of Durban under a super moon, the only appealing aspect of this photo. Source: Howard Burditt, Reuters.

The Citrus Growers' Association of Southern Africa (CGA) has called on Minister of Finance Enoch Godongwana to prioritise the financial recovery of Transnet, burdened by debt of R130 billion.

Association CEO Justin Chadwick made the call on Tuesday ahead of Godongwana's delivery of his Medium Term Budget Policy Statement (MTBPS) tomorrow.

Transnet has already requested a R100 billion bailout from Treasury to fund its ambitious recovery plan.

"While the government has injudiciously bailed out state-owned enterprises in the past, Transnet is the backbone of our country's export economy and deserves immediate attention from the government," Chadwick said.

"The CGA calls for Treasury's support of Transnet's recovery plan, but this support should be conditioned on the further expansion of public-private partnerships in rail and port projects."

He said the association had welcomed these projects in the past, including the selection of International Container Terminal Services (ICTSI) for the development and upgrading of the Durban Container Terminal Pier 2.

“More private sector involvement, and speedier processes through which such involvement is secured, is essential if there is to be a true turnaround at Transnet. The CGA wants to underscore the urgency with which Transnet needs to be revived,” Chadwick said.

He said freight rail offers citrus growers “tremendous advantages” in getting produce to ports. “Unfortunately, due to the decay of our rail network, 95% of all fruit in South Africa is currently transported to ports on roads with trucks,” he said.

Chadwick said if all local role-players work together, projections are that over the next nine years an additional 100 million 15kg-cartons of citrus can move from orchards to the ports.

“That would mean a job creation figure of 100 000 and an additional R20 billion in revenue,” Chadwick said.

“Without a functional rail network, this growth will not materialise. Our roads simply can't handle the additional volumes – which translates into about 900 truck trips per week to Durban port alone in peak season.”

He added that operational dysfunction at ports threatens economic growth. South African ports move on average 16 containers per hour, while the European average is 33 and the Middle Eastern average, 43.

“We hope Minister Godongwana's policy statement will be clear on Transnet's central role in our economy, and that government will provide the entity with the support it requires, with the understanding that public-private partnerships should be expanded without delay.”

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