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Logistics reforms deliver results, but momentum must accelerate – Mavuso

18TH MAY 2026 BY: SABRINA JARDIM - SENIOR ONLINE WRITER



Busi Mavuso

As South Africa continues to grapple with the issue of

unemployment, competitive logistics is required to drive economic growth and job creation.

In her latest newsletter, Business Leadership South Africa (BLSA) CEO **Busi Mavuso** describes the reform of the local logistics sector as critical to future economic success.

“We cannot be a competitive exporting nation without efficient ports and efficient access to them. Our farms, factories and mines need to be able to get their output to markets around the world at

prices that are competitive with other producers,” she says, describing the matter as urgent.

Mavuso points out that last week’s unemployment figures show an increase to 32.7% in the first quarter, up from 31.4% in the previous quarter, bringing the number of unemployed to 8.1-million people, while the economy shed about 345 000 jobs in the quarter.

“I agree with the Congress of South African Trade Unions (Cosatu) that these figures are ‘beyond depressing’. But I hope we can spring into action to implement the reforms that will turn it around.

“Growth is the only path to creating the jobs we desperately need,” she says, adding that growth requires competitive logistics that enable local exporters to succeed in global markets.

Mavuso says organised business has had a sharp focus on reform of this critical economic infrastructure, noting that BLSA contributed funding and expertise to the National Logistics Crisis Committee (NLCC) and continues to support Business for South Africa’s (B4SA’s) efforts to partner with government in turning around the performance of South Africa’s logistics system.

While there has been progress, Mavuso says it has been slower than expected.

She argues that the plans drawn up by the NLCC are clear, noting that considerable new investment in the logistics system is needed, which can only be achieved through greater private sector participation.

“That has been adopted into policy, but the process of enabling private access to the rail network and concessioning of port

operations has not gone smoothly.”

As BLSA's Reform Tracker noted in its quarterly update last month, Mavuso says transaction terms push risk disproportionately onto private providers while State-owned Transnet continues to design the terms on which private investors are given access to operate public infrastructure.

Nonetheless, Mavuso says there are encouraging signs of progress.

She points out that statistics reported last week for freight volumes through South Africa's ports in 2025 show a genuine recovery, with a total of 8 630 vessels called at the country's ports, a level not seen for 15 years.

“That is key to the success of export industries, including our citrus industry, which overtook Spain last year to become the biggest citrus exporter by volume in the world.”

Mavuso notes that those volumes are set to increase owing to reforms that have enabled private investment.

She highlights that Philippines-based International Container Terminal Services, a global port operator, took over the Durban Gateway Terminal in January and is investing R11-billion to boost capacity by 40%.

She adds that independent bulk liquid storage providers FFS Tank Terminals is taking over the Cape Town Liquid Bulk Terminal, investing close to R200-million to modernise infrastructure and double terminal capacity.

In Durban, Mavuso notes that Transnet has signed a 20-year agreement with FPT Group for the Durban Fresh Produce

Terminal.

Additionally, the Richards Bay Dry Bulk Terminal and Ngqura Manganese Export Corridor are also being prepared for private participation.

Mavuso adds that Transnet's own investment has contributed to capacity gains, including upgrades of container handling at Durban and Cape Town, with plans for further expansion.

She notes, however, that sustainable growth requires genuine competition, adding that Transnet will have to guard against constraining private participation.

“These port wins prove what's possible when government enables rather than obstructs private investment. This approach must become the norm”.

Mavuso says another win last week was the finalisation of contracts between 11 private rail operators and Transnet Freight Rail Infrastructure to operate various routes on the network.

After difficult negotiations to ensure projects were bankable, Mavuso says these operators are expected to add 24-million tonnes of freight capacity across coal, manganese, containers, fuel and general freight.

Some are expected to begin operating before the end of this year, though most will begin next year.

Moreover, to ensure the open access rail system now envisaged by policy continues to boost volumes and efficiencies, Mavuso notes the urgent need for the fourth Network Statement, which the

Transnet Rail Logistics Manager says is at an advanced stage of finalisation.

“Delays mean ongoing losses in competitiveness. We’re making progress, but we’re still years behind where we should be,” she says.

“Transport Minister **Barbara Creecy** and Transnet CEO **Michelle Phillips** (and her team) deserve credit for this progress,” she adds.

Mavuso says the Minister’s leadership extends beyond ports and rail.

She points out that Creecy last week announced a new legislative framework for the Road Accident Fund (RAF), which has faced severe governance and financial challenges for years and is technically insolvent.

The Minister dissolved the RAF board last year and is planning a hybrid funding model through a Road Accident Benefit Scheme Bill to be introduced to Parliament later this year.

“These logistics and transport wins demonstrate what decisive leadership can achieve. The reforms are delivering measurable results – record vessel volumes, billions in private investment, new rail capacity, progress on long-neglected problems.

“This is how we create the conditions for exporters to compete, for businesses to grow, and for jobs to be created. With 8.1-million South Africans unemployed, we cannot afford delays or half-measures,” says Mavuso.

Hence, she argues that momentum must accelerate, noting the need for the Network Statement to be completed.

“We need more port concessions finalised. We need transaction terms that genuinely enable private investment rather than protecting Transnet’s monopoly.

“Ultimately, South African business needs a choice of port operators and rail providers, competing to offer the best service and prices. We’re moving in that direction, where growth and jobs await.” 🇿🇦

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