



South African Citrus growers ask finance minister to support Transnet



The Citrus Growers' Association of Southern Africa (CGA) calls on the South African minister of finance to make the financial recovery of Transnet a priority, says Justin Chadwick, CEO of the Citrus Growers' Association of Southern Africa. The Minister of Finance, Enoch Godongwana, will deliver his Medium Term Budget Policy Statement (MTBPS) tomorrow.

Transnet has requested a bail-out of R100 billion 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.

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. "We have welcomed such 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. Freight rail offers citrus growers tremendous advantages in getting their sought-after 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.

“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 our orchards to the ports. That would mean a job creation figure of 100 000 and an additional R20 billion in revenue. 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. Well-operating ports are crucial as well. The dysfunction at our harbours is likewise a threat to growth. Currently, in South African ports an average of 16 containers are moved 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,” concludes Chadwick.

For more information:

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