NATIONAL

Business ‘elated’ at choice of Michelle Phillips as Transnet CEO

Appointment of Nosipho Maphumulo as group CFO also announced

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by DENENE ERASMUS

Michelle Phillips. Picture: WERNER HILLS

Minister of public enterprises Pravin Gordhan announced on Wednesday that Transnet veteran Michelle Phillips had been appointed to lead the state-owned rail, port and pipeline company.

Phillips, who has more than 20 years’ experience working at Transnet, most recently as CEO of Transnet Pipelines, was appointed acting CEO after several high-level resignations last year. These included former CEO Portia Derby, CFO Nonkululeko Dlamini, chair Popo Molefe and Transnet Freight Rail CEO Siza Mzimela.

Gordhan also announced the appointment of Nosipho Maphumulo as the group CFO.

“These are critical appointments which represent our steadfast commitment as government to equip Transnet with a competent and experienced executive leadership team to drive the strategic interventions that the board has put in place as part of the Transnet recovery plan,” Gordhan said.

Busisiwe Mavuso, CEO of Business Leadership SA (BLSA), told Business Day she was “relieved, elated and happy” with Phillips’ appointment.

“We are fully supportive and stand behind her as the business community. Since she has been in this position [in an acting capacity] we have worked extraordinarily well with her.

“She has been part of the critical work that we are doing on the transport logistics workstream and she has fully embraced ‘business’ as a partner. This is someone who understands that for the critical turnaround of the entity, government and Transnet can’t do it on its own,” Mavuso said.

BLSA had no doubt that Phillips was “fully committed” to implementing the freight logistics road map, she said. “She is the right person for the job, and we are fully behind her as the business community. We stand ready to give her whatever support she needs from us.”

Cas Coovadia, CEO of Business Unity SA, said they welcomed the appointment.

“We have been working with [Phillips] since she was appointed acting CEO and her commitment to working with the private sector to begin to turn things around [at Transnet] has been good, and we have worked well with her.”

Coovadia said he was reassured by public statements made by Phillips that Transnet needed to open up more space for private sector participation.

Phillips faces the daunting task of turning around the cash-strapped logistics company and implementing wide-reaching reforms, including bringing in private partners to help bolster its ailing port and rail services that have hamstrung the country’s exports as miners struggled to move commodities from their operations to ports for export.

The National Treasury has provided Transnet with an R47bn guarantee facility to support its recovery plan and to meet its debt obligations, but it provided for no bailout in the 2024/25 budget.

With Thando Maeko

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This story now has comment and more information.

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