

# Private sector the only remedy to right-size SA's rail network – Minerals Council

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Source: iAfrica

South Africa's rail freight sector has seen some signs of improvement, particularly in coal and iron ore exports, but overall tonnages remain well below target levels.

While there are positive trends, experts remain sceptical about Transnet's ability to meet its ambitious freight targets without greater private sector participation.

According to the Minerals Council of SA, the ailing logistics network continues to be a major challenge for the mining sector.

"The mining industry faces constrained rail and port logistics, high input costs for electricity and water, as well as increasing security concerns at mining operations and the products they mine," said the council's CEO Mzila Mthenjane.

Some improvement has been seen in logistics over the past few months.

Transnet Freight Rail railed more than 50 million tonnes of coal in 2024, up from 48 million tons the previous year. Iron ore exports also held steady, with total shipments

reflecting a more stable performance. However, despite these sector-specific gains, Transnet's broader freight volumes continue to struggle.

Transnet's total freight performance remains well below historical levels.

According to Hugo Pienaar, chief economist of the council, two financial years ago, total volumes were under 150 million tons, and while the current target has been set at 170 million tons, it is doubtful that this figure will be achieved.

The long-term goal of 250 million tons appears increasingly difficult to attain without significant structural changes.

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