

Citrus industry backs Transnet guarantee, PSP progress

The citrus industry welcomes the South African government's authorisation of a R51 billion guarantee facility for Transnet. It is also encouraging that in recent months, Transnet has moved forward with official processes regarding a number of future Public Sector Partnerships (PSPs). The citrus industry is hopeful that the recent series of PSP announcements signal a turning point in thinking about how South Africa's logistics landscape should function.

The R51 billion guarantee will assist in Transnet's recovery, of which a significant element is "Strong collaboration with customers and industry partners", as stated by the state-owned enterprise. Growth in the export economy requires collaboration between Transnet and private players.

With oranges now starting to move to export markets, the 2025 citrus season is approaching its peak weeks. The Citrus Growers' Association of Southern Africa (CGA) is appreciative of preparational steps taken by Transnet Port Terminals (TPT) over the past few months, which includes the recruiting of 256 additional resources on fixed term contracts, conducting maintenance on all reefer (refrigerated shipping container) plug points and adding 100 pieces of new equipment.

"There are challenges on the horizon, but if all goes well, Southern Africa is expected to export 171,3 million 15kg cartons of citrus, according to the latest figures," said Boitshoko Ntshabele, CEO of the CGA. "Shifting produce in an efficient and timely way is essential to the profitability of our industry. The season has started smoothly, but the real test will be the peak over the next two months," he added.

The CGA maintains that the only way inefficiencies in logistics and related costs can be avoided in the long term is through large-scale PSPs at the ports and in the rail network. While recent policy shifts towards PSPs are promising, the citrus industry is yet to experience the benefits of actual, operating PSPs. Partnering

with businesses brings faster upgrades, specialised knowledge, a performance-driven culture, and constant innovation, which almost immediately stimulates employment growth.

"The progress made over the past few months in opening the rail network to private players is encouraging. Urgency on this front, as well as ensuring attractive options for the private sector, will unlock growth opportunities in the citrus sector, which currently only moves 10% of its citrus to the ports by rail," said Ntshabele.

He pointed out that although some PSP projects at ports are moving forward, the PSP that would have been a game-changer for citrus - the upgrading and management of Durban Container Terminal Pier 2 - is still tied up in a court battle.

"As we look towards the future, and our industry's ability to create 100,000 jobs by 2032, we appreciate Transnet's commitment to PSPs and we hope the momentum is kept and that more projects are urgently pursued," said Ntshabele.

© CGA SA For more information:

Loftus Marais

Citrus Growers' Association of Southern Africa

Tel: +27 (0) 72 833 0717

Email: loftus@resolvecommunications.co.za

www.cga.co.za (<https://www.cga.co.za/>)

Frontpage photo: © Максим Плотников | Dreamstime

Publication date: Tue 27 May 2025

•

