

Transnet moves to expedite review process for Durban container terminal contract

Transnet SOC Ltd ("Transnet") will move with speed to ensure Part B of the review process into the Durban Container Terminal Pier 2 matter proceeds without undue delay. Transnet will soon approach the Court to secure a preferent date for the hearing of the review application.

The judgment handed down on Wednesday 9 October 2024 is an interim interdict, and it does not set aside the awarding of the DCT Pier 2 contract to International Container Terminal Services Incorporated (ICTSI). In Part A of its application, APMT sought an urgent order interdicting Transnet, in short, from negotiating, concluding, and implementing the contract award to revitalize Pier 2 at the Durban Container Terminal. In Part B, which is yet to be heard in court, APMT (the unsuccessful bidder) essentially seeks to set aside Transnet's decision to select ICTSI as the preferred bidder. It would, therefore, be premature to make any determination in this regard. Transnet will abide by the interim interdict, as part of building public trust in the organization's governance and procurement processes as well as to further expedite the conclusion of the matter. The organization's commitment to the highest standards of accountability and transparency through good governance is unwavering.

Transnet is taking actionable steps to crowd in the private sector into areas of the business to improve efficiencies, increase competition, and stimulate the economy. Both the Board and executives remain committed to this objective, as evidenced by the 18-month Recovery Plan that Transnet is currently implementing. The appointment of a partner to operate DCT Pier 2 is the cornerstone of corporate strategy, alongside many other initiatives in different parts of the business already underway.

Transnet is already taking steps to stabilize port container volumes. These include the implementation of a fleet renewal plan in the short, medium, and long term, aimed at significantly reducing the backlog in maintenance and catching up with the historical underinvestment in equipment and maintenance. Replacement and refurbishment of key equipment such as ship-to-shore cranes (STS), rubber-tired

gantry cranes (RTGs), rail-mounted gantry cranes, and tugboats at various ports is well underway. Long-term collaboration with Original Equipment Manufacturers (OEMs) across the business is already beginning to yield the desired results, as evidenced by improved equipment performance and reliability, spare support, asset life cycle management, innovation as well as equipment, spares, and component standardization. Investment in critical equipment is crucial to maintain operational efficiency and competitiveness.

Transnet appreciates the partnership and collaboration with the National Logistics Crisis Committee and B4SA in helping drive the implementation of the Recovery Plan and economic reform agenda of the government. Significant progress is being made in both rail and port reforms, and Transnet is on course to meet set targets in this regard.

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(<https://www.transnet.net/Media/Press%20Release%20Office/Transnet%20Outlines%20Next%20Steps%20Following%20DCT%20Pier%20202%20Court%20Judgement.pdf>)

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