



Open Letter

Mr President, it is time to talk about rail

Dear President Ramaphosa,

As you highlighted in your presentation of the Economic Reconstruction and Recovery Plan (ERRP) to parliament in October last year, rail lies at the heart of reviving South Africa's economy. Your introduction of third party access to the country's railway network is, in our view, the most significant policy development in years.

Rail is the backbone of the South African logistics and transport value chain, and will become even more critical in a post COVID-19 environment. It is cheaper, cleaner and more efficient than road transport, and lends itself to carrying cargo in a sanitised, minimal-contact environment.

The case for rail, we believe, is clear and compelling. Rail remains the most viable option for the transportation of grain, automotive components and fully built car units and minerals. It will reduce congestion on our roads and free them up to carry commuter traffic and sensitive cargo like perishables and cold storage items.

Rail infrastructure has been a neglected area of infrastructure investment for decades. It has lagged behind areas such as energy, which has seen the construction of new power stations, and has had to compete with other infrastructure sectors for investment.

In the meantime, the continent is looking to South Africa for leadership. At the African Union's 24th ordinary session in Addis Ababa in 2015, South Africa was identified as a manufacturing hub for railway and rolling stock equipment. The formation and operationalisation of the African Continental Free Trade Agreement of the African (AfCFTA) will require the support of a vibrant rail sector to be fully realised. It is time for us to lead.

Today, we at the African Rail Industry Association (ARIA) are calling on you to restart an overdue conversation about railway infrastructure. ARIA represents a range of rail industry stakeholders, including original equipment manufacturers, rail component manufacturers, operators and services companies.

To facilitate this conversation, we suggest creating a formal structure, the Rail Advisory Committee (RAC), which would bring together the rail industry, government, development and the private finance community, as well as labour and the skills development and training fraternity.

The RAC would support government's efforts in areas to shape policy and legislation to guide the evolution of rail operations and safety standards. It would address legacy issues affecting the size and structure of the rail industry in South Africa, and obstacles to the growth of the industry. It would boost Transnet and the Passenger Rail Agency of South Africa's (PRASA) ability to drive economic growth and transformation. It would assist in ensuring freight's 3rd party access to Transnet's network – a key element of your Economic Reconstruction and becomes a reality.

It is time to get all stakeholders around the table to get our rail industry driving our economy forward. It is a conversation we cannot afford to delay.



Open Letter

Yours sincerely,

Mesela Nhlapo
CEO, ARIA

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About ARIA

The African Rail Industry Association (ARIA), formerly The Rail Road Association of South Africa (RRA), is the pre-eminent body in South Africa representing the players in the railway industry. We believe that a stronger and united railways industry has the potential to grow the sector and propel railways to play their rightful role as a mode of choice. We are a representative of companies that are Original Equipment Manufacturers, Rail operators, or Rail Services Companies in the rail sector associated industries. ARIA is a fully-fledged Export Council acknowledged and supported by the Department of Trade, Industry and Competition. We are open to strategic partnerships that will help us forge a path for a greater and connected African Rail Network.

www.aria.org.za