

Transnet swings to heavy loss as rail volumes decline

State-owned logistics company Transnet slumped to an annual loss of R5.7bn (\$304m) in its last financial year, it said on Friday, citing continued declines in rail freight volumes and higher borrowing costs.



File photo: A Transnet Freight Rail train is seen next to tons of coal mined from the nearby Khanye Colliery mine, at the Bronkhorstspuit station, in Bronkhorstspuit, South Africa, 26 April 2022. Reuters/Siphiwe Sibeko/File Photo

The loss for the year ended 31 March compares with a R5bn profit the year before, largely driven by a huge property valuation gain.

Transnet said its freight rail operations were adversely affected by floods in the KwaZulu Natal province in April 2022, as well as cable theft, vandalism of infrastructure and operational inefficiencies in the general freight and coal export segments.

CEO Portia Derby said cable theft had reached "crisis levels", with 1,000km of cable having been stolen between April 2022 and March 2023.

"While it is an improvement on the 1,500km stolen the previous year, this still translates to over 3,500 events, each creating significant bottlenecks and sizeable backlogs that can take days to clear," Derby said.



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Katja Hamilton 22 Aug 2023



Cable theft increases costs and results in lost freight volumes and frequent, unscheduled maintenance to replace the cables, she added.

During the financial year, Transnet also suffered an 11-day strike which impacted its rail and port operations.

Revenue in the year to 31 March was flat at R68.9bn, compared with R68.5bn the year before, as improved port and pipeline performances helped offset the impact of a 13.6% decline in rail volumes.

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