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the department of economic
development, tourism and
environmental affairs
FREE STATE PROVINCE

MEDIA STATEMENT

FREE STATE LAUNCHES THE CONTAINERIZED MANGANESE PROJECT IN BLOEMFONTEIN

23 SEPTEMBER 2011

BLOEMFONTEIN: The Free State Rail Initiatives announced during the Budget Vote Speech by the Free State MEC for Economic Development, Tourism and Environmental Affairs, MEC Mxolisi Dukwana earlier this year, have already started bearing fruits. The initiatives entail establishing freight hubs taking advantage of a number of available branch lines in the Free State.

Resulting from discussions between the MEC, the Free State Development Corporation and Transnet, a Memorandum of Understanding was signed on Friday 23 September, among others, with the aim of creating an intermodal facility in the Free State. The re-commissioning of the branch lines will not only benefit the province economically but will alleviate the road networks of the burden of heavy haulage that leads to damage on roads resulting in high and costly maintenance.

MEC Mxolisi Dukwana said "As the province in the heart of South Africa, we should take a strategic advantage of geographic location to contribute towards the growth and development of other provinces".

Amongst the speakers at the event was the Chief Executive of Transnet Freight Rail, Mr. Siyabonga Gama who stated that Transnet has branch lines to which they have expressed interest and this project has added impetus to achieve their objective. This project, he said, will make a huge impact on the carbon footprint in the climate.

Christo Lubbe, the Operations Manager of Kalahari Mining Logistics and the Project managers of the Manganese stated that they are responsible for bringing the manganese cargo from the PMG Mining Pty Ltd in the Northern Cape, containerize it, sent it to the Durban port by rail where it is then shipped to China where it's hardened into steel.

Launching the first phase of the project, the Premier of the Free State Ace Magashule, emphasized the importance of compensating other job losses in other sectors in the province. The Premier also impressed on the project manager to ensure local communities should also benefit from this initiative.

COMMUNICATION & ICT

34 Bojanala Building
Markgraaf Street
Bloemfontein
9300

Private Bag X 20801
Bloemfontein
9300

Tel +27 (0)51 400 9542
Fax +27 (0)51 400 9541
e-mail: tauk@detea.fs.gov.za

www.dtea.fs.gov.za

In total, the project represent an investment of R220 Million and will create approximately 400 direct job opportunities and further 300 to 500 indirect jobs in various support industries feeding this project.

The implementstion of the Bloemfontein Consolidation Hub Initiative will ensure successful displacing of volumes from road to rail with the following benefits:

A) Quantitative Benefits

- Transnet Freight Rail (TFR) has estimated that transportation costs to the industry will be reduced by 20% if rail is utilized.
- Rail offering is >90% eco-friendly than road offering i.e. Bloemfontein to Port of Ngqura is 1,404kms (round-trip) and road emits 656.25 tons compared to 26.25 tons emitted by road.
- The number of road trucks transporting manganese from Northern Cape, through the Free State to the ports will be reduced by 58,823 trips annually.
- At least 727 annual train loads will be achieved as a result of a 1 million metric tons modal shift.

B) Qualitative Benefits

- Eradication of demurrage costs by time management at ports.
- Faster evacuation from the ports means no late storage charges.
- Road usage is therefore minimized and reduces the wear of roads.
- Integration of rail and port allows for better service delivery to containers on rail.
- TFR have implemented tighter security control on the rail network therefore security risks are reduced.
- Rail load capacity has no restriction and therefore security can be maximised on containers.
- Railed consignments are tracked from loading to destination and therefore customers can plan capacity usage and schedules more thoroughly.

END

**Compiled jointly by:
Department of Economic Development, Tourism and Environmental Affairs and
Transnet Freight Rail
Enquiries: Kgotso Tau
Tel: 051 400 9542
Cell: 082 833 9595**