



Media Statement

BUSINESS WELCOMES OFFICIAL CALL FOR PRIVATE SECTOR PARTICIPATION

Johannesburg, 24 March 2025: The private sector welcomes the three Requests for Information (RFIs) issued by the Department of Transport's Interim Private Sector Participation (PSP) Unit this past weekend.

The PSP Unit was conceptualised in the Rail Private Sector Participation Framework adopted by Cabinet in December 2023 and has since begun work focused on identifying, coordinating and directing much-needed capital investments and expertise by the private sector in critical rail and port projects. An agreement is currently being concluded to host the PSP Unit within the Development Bank of South Africa (DBSA).

The RFIs are the next major step in the structural reform process to secure significant private sector participation, and which go beyond just access to slots on the rail network for private rail operators as set out in the recently released Network Statement.

"Participation is likely to take many different forms, including investment, concessions and more, and will be guided by responses to the detailed questionnaire in the RFIs," explains Ian Bird, Senior Executive in the Transport & Logistics focal area, Business for South Africa (B4SA).

The RFI process facilitates the collection of information by the Department from potential private sector participants on possible projects and concession type models, which is then used to properly inform the next step in the process, which is the Request for Proposals (RFPs).

Information collection is scheduled to take place over approximately seven weeks, concluding on 9 May. Following this, the PSP Unit will carefully analyse all responses, share feedback with the market, and begin the development of the RFPs, which are anticipated to be issued to the market by the end of August 2025.

"We strongly encourage all interested and affected parties to take this opportunity to respond to the RFIs so that the PSP Unit has the highest quality data and information available to produce robust and appropriate RFPs," adds Bird.

"While this is an important step forward in the process, we recognise that this will not have an immediate impact on operational efficiencies," says Bird. "The appropriate governance and legal frameworks need to be in place for these partnerships, and there will likely be significant work needed to be done on infrastructure upgrades and equipment maintenance before any concessionaires can start operating effectively. The implication is that this will require a

substantial step up in investment levels, which will be contingent on the necessary conditions being in place to facilitate this.”

The PSP Unit has previously indicated that the timeline to commercial close could take up to two and a half years.

South Africa can demonstrate a successful track record of private public partnerships, with some of the largest having been in the country’s transport and energy sectors, which should assist in bolstering the confidence of potential investors and attract investment of expertise and capital that will revitalise the country’s rail and port sectors.

“This is an exciting time for all of us in the industry as we witness and experience concrete steps towards reform of the sector, which seemed an impossible goal not that long ago. We are grateful to the leadership of Operation Vulindlela within the Presidency, the Rail and Port teams within the Department of Transport, the Minister of Transport and the many private sector experts and leaders for the true collaboration that will ultimately boost economic growth and create much-needed employment in South Africa,” concludes Bird.

ENDS

NOTE TO EDITORS:

About Business for South Africa (B4SA)

B4SA is a BUSA platform, bringing together key South African business leaders to address urgent national challenges and drive economic recovery and growth. B4SA focuses on key priority areas and works in close collaboration with government counterparts to find innovative solutions and create a positive impact for all South Africans.

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