

## High-tech trains to hit SA track

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State-of-the-art trains, which are set to restore confidence in public transport, will hit the South African railway tracks towards the end of 2015.



"The manufacturing of the first 20 trains has started in the Alstom Lapa (Brazilian) plant. We are likely to see the first body shell in October. The first of these trains will arrive in South Africa in the fourth quarter of 2015," Transport Minister Dipuo Peters announced on Wednesday.

Minister Peters was unveiling the final design of the new modern trains of the Passenger Rail Agency of South Africa (Prasa), in Johannesburg.

She further announced that work to manufacture the new blue, grey and silver trains started effectively from 26 April this year.

A few years ago, Prasa had been embarked on one of the biggest international Rolling Stock Fleet Renewal Programmes in the continent, if not the world.

As a result, Prasa signed a R51 billion contract with Gibela Rail Transport Consortium which includes the construction of a local train manufacturing plant in Nigel.

Gibela is led by Alstom, a French world leader in transport infrastructure and equipment, power generation and electrical grids, which has a presence in 100 countries.

Minister Peters said: "We are looking forward to the arrival of the new trains. As government, we are excited that today marks yet another significant milestone in the long journey we have been on so far, a journey of transforming and modernising our passenger rail system.

"After Prasa and Gibela reached financial close in April, we can look forward to the creation of much-needed jobs, Prasa's contribution to government's socio-economic policies to uplift the poor and the delivery of the 600 trains over the next 10 years.

"The first phase of the procurement process for the acquisition of the New Rolling Stock Fleet has now been concluded and it is time to start the hard work".

As part of the deal, Gibela will provide technical support to Prasa and supply the spare parts over an 18-year period.

Minister Peters said the reach of the financial close means the industrialisation of the South African economy is in full swing.

## Training, job creation

The minister said more than 500 South African technicians, engineers and other professionals will be trained in the skills and competencies required to build and deliver the modern trains.

Gibela will spend R1bn to manufacture the plant in Dunnottar, 10km north of the town of Nigel, to produce the 580 trains which will be manufactured in South Africa.

The 600,000m<sup>2</sup> manufacturing facility is also designed to house an engineering centre and training facility.

Prasa Group CEO, Lucky Montana said: "These are the beautiful trains for all South Africans, they will remain affordable. These are modern trains in a true sense of the word, the trains that are safe, reliable and comfortable that even exceeds some of the standards you can find in certain trains in the world. It is a modern train which will restore confidence on public transport in the country."

Through the contract, Montana said they have set to deliver 3 600 coaches over a 10 year period, from 2015 to 2025, with a cost implication of R51 billion. This will include the maintenance, spares supply and technical support on vehicles over 18 year period 2015 to 2033.

This, he said, will also result in 33,000 direct and indirect jobs. He said 30% of ownership will be set aside for BBBEE Equity Partners.

## The contract preferential procurement includes:

- R32.8 billion to be spent on subcontracting to black empowered entities;
- R5.3 billion to be spent on subcontracting to Qualifying Small Enterprises and Exempted Micro Enterprises (SMMEs);
- R1.6 billion to be spent on subcontracting to entities owned by black women;
- R746 million on the development of enterprises in the rail sector; and
- R273 million on Socio-Economic Development contributions.

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