

Transnet announces growth in revenue

PRETORIA: Transnet's revenue for the financial year ended 31 March 2015 and grew by 8 percent to R61.2 billion, Transnet acting group chief executive, Siyabonga Gama, said on Tuesday.



Increase in rail volumes

The growth was driven by an increase in rail volumes by 7.7 percent, particularly in iron ore and manganese, coal and mineral mining as well as chrome exports. "Vigorous growth in rail volumes powered Transnet to a strong financial and operational performance as intense focus on efficiencies and market share gains bear fruit," Gama said. Bulk and breakbulk volumes at the ports increased by 8.1 percent while pipelines' petroleum volumes rose by 3.6 percent.

Transnet Engineering increased its sales to customers other than Freight Rail by 6.3 percent to R1.7 billion, mainly driven by a strong focus on the sales of locomotives and wagons to the rest of the continent.

"Both the coal and iron ore export lines recorded their highest weekly tempos of 1.7 million tons and 1.4 million mt respectively, thanks to an improvement in cycle times from 67 hours to 60 hours for the coal line and 86 hours to 78 hours for iron," he said.

Improvement in operational efficiency

The company achieved a remarkable 16.6 percent improvement in operational efficiency gains across the business. On the mineral mining and chrome line, it optimised its value chain, including coordinating operations between customers, the ports and the railways.

Gama said Freight Rail achieved a 4.7 percent energy efficiency gain, while the company achieved an overall 8.6 percent energy efficiency improvement. "As a result of the solid operational performance across the company, Transnet's key measure of profitability - earnings before interest, taxation, depreciation and amortisation (EBITDA) - soared to R25.6 billion from last year's R23.6 billion, an improvement of 8.2 percent," said Gama.

He added that a stringent focus on cost control yielded an impressive saving of R1.3 billion.

Investment and expansion

Capital investment for the year increased by 5.7 percent to an unparalleled R33.6 billion. Rail accounted for 74 percent of the total spend as Transnet accelerates its spend on modernising its rail infrastructure. Transnet invested R14.5 billion on growing capacity and R19.1 billion in maintenance of existing capacity.

Some of Transnet's infrastructure investments included 147 new electric locomotives, 2,700 wagons for freight rail and R411 million invested on the coal line expansion to 81mt for upgrading yards, lines and electrical equipment.

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