

PRESS RELEASE

MOU signed to establish Transnet's Intermodal Terminal Facility in the Limpopo Eco-Industrial Park

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Eco-Industrial Solutions (Pty) Ltd and its Limpopo Eco-Industrial Park (Pty) Ltd Project have signed an MOU with Transnet Freight Rail to develop an Intermodal Terminal Facility located within the park. One of the critical links between Zimbabwe, Zambia and freight ports in South Africa, the Intermodal Terminal Facility (ITF) will be a multi-modal dry-port logistics hub, providing essential services to local and international customers and significantly reducing congestion at the Beitbridge border.

Launched in July 2018, the Limpopo Eco-Industrial Park (LEIP) is part of the Public Private Growth Initiative (PPGI) and is one of the Presidency's top 10 national priority projects with an estimated 289 251 new jobs to be created within the first five years of construction. Located on both sides of Transnet Freight Rail's (TFR) existing north-south rail corridor and the N1, it operates between Musina and Beitbridge – giving it strategic significance in enabling cross border and intra-Africa trade. This initiative is much closer to being realised with the signing of a MOU by TFR Acting CEO, Mr Lloyd Tobias and Ms Deshika Kathawaroo, CEO of EIS and LEIP today.

The MOU, which will see both parties work together in realising the ITF, sets the scene for the development of a multi-modal dry-port logistics facility that will provide essential services to heavy and light industrial tenants located within the LEIP, among others. It will receive bonded cargo directly from international customers, improving cross-border trade significantly.

"This private sector initiative will capitalise the LEIP's bankable feasibility and construction phases, with TFR having the first option to consider leasing or buying the facility at the end of the bankable feasibility study," notes Webster Mfebe, Non-Executive Chairman of Eco-Industrial Solutions (Pty) Ltd and the LEIP Project.

Design of the ITF will start before the end of this year, building on the initial design and cost engineering studies conducted by R&H Consultants with input from TFR. This will see the completion of plans for the first phase of the project – development of capacity to handle and store 50 000 containers. Subsequent phases will increase storage and handling capacity to 400 000 containers.

"This MoU provides an opportunity to explore and enter new niche industries that leverage off amongst other things, our investment in the region to create much needed jobs to alleviate poverty and improve the standards of living of our people. Transnet is part of inventing and creating a new South Africa; we are part of a national programme of action to reignite our economy and reimagine our country. This a prodigious initiative for the developers of Limpopo Eco-Industrial Park in Musina for initiating a project that can only be good for our country and environment. The Limpopo Eco-Industrial Park is going to be the world's first zero solid-waste eco-industrial park, ably demonstrating that industrial economy and environmental health can successfully co-exist. It is a lesson that is particularly close to the heart of Transnet as a state-owned company with a geographical footprint that covers our entire country", said Mr Lloyd Tobias, Acting CE, TFR.

As such, Transnet is inextricably involved in all aspects of life in South Africa. The company's role is to ensure that we play a pivotal role in enhancing the quality of life in all areas we operate. This extends not just to our employees, but to communities and environments as well. Transnet is pleased to undertake this memorandum of understanding between Transnet and the Limpopo Eco-Industrial Park.

"Transnet is taking advantage of the 4th Industrial Revolution, which is characterised by changes in traditional economic paradigms, and is transforming the manner and way we do business. It is transforming the form and content of our stakeholder responses and the impact we have on society. While these changes are exponential and disruptive on industry and society, they provide Transnet with opportunities to grow and diversify our business. We are repositioning Transnet as a globally integrated logistics solutions provider, focusing on geographic expansion, diversification, product and service innovation and advanced manufacturing", said Tobias

"Our new and renewed focus will provide a stimulus to the reindustrialisation of the domestic and regional economy", he concluded.

"Today brings the collective vision of the LEIP more sharply into focus at a critical time for South Africa," says Mfebe. "With the park set to attract over R10 billion in initial CAPEX investment, and a further R5.4 billion estimated to flow into the region



per year during the initial operation phase, it will fundamentally change the region's current growth trajectory bringing much needed economic stimulus and meaningful jobs. It will also create a new benchmark for sustainable industrial development as Africa's first zero solid-waste park with a zero to negative carbon footprint. We're therefore extremely excited about what the next six months hold as we now officially move into bankable feasibility," he concludes.

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