

# 2023

## AFRICA RAIL CONFERENCE **REPORT**

FROM THE PRESIDENT'S DESK

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The Transportation Diversity Council (TDC) recently participated in the Africa Rail Conference which was held over two days, June 26 & 27th in Sandton Convention Center, Johannesburg, South Africa. This annual conference brings together over 4000 attendees including transportation rail executives and industry experts from across the globe including congressmen/congresswomen from African countries.

I was indeed delighted to be part of the esteemed guests and had an opportunity to network with a few of notable speakers in between the sessions.

The conference attracted 100 speakers who were part of different panels that addressed multiple topics. One notable panel session was facilitated by Mr Mlamuli Buthelezi who I've had a pleasure to meet in 2022 during my previous trip in Johannesburg.

There were 100 exhibitors from different countries who are part of the train manufacturing ecosystem. The conference offered networking opportunities for industry leaders. It was through the first day's networking session where I met Mr Freeborn Okhiria: Managing Director of Nigerian Railway Corporation.

Day one started with an opening and welcome address by Advocate James Mlawua; Director General at South Africa's Ministry of Transport who gave remarks on the status of the South African's rail and current railinfrastructure. He went on to reference the Gautrain<sup>1</sup> which is part of Gauteng's public transport and the first high speed rail system in South Africa. The Gautrain was built for the 2010 World Cup with a top speed of 100 mph and a network which has 10 stations and a total length of 50 miles from OR Tambo International Airport to major tourists attractions like Sandton City.

[1] Gautrain <https://www.gautrain.co.za/>

Sandton City is the richest sq mile in Africa<sup>2</sup> and is located at the heart of South Africa's economic hub of Johannesburg<sup>3</sup>

South Africa's rail network is the eleventh-largest in the world at 13910 route- miles or 18889 track-miles. It comprises 7954 miles of national network, 4522mof branch lines and 1384miles of narrow gauge urban network, as well as 50m of standard gauge regional rapid transit network.

South Africa is also home to luxury cruise trains Rovos Rail and Shosholoza Meyl.

The first session was a FIRESIDE CHAT titled "Introducing high speed rail to Africa: a promise to connect the continents major cities whilst providing fast, safe, and affordable transport" was made up of a panel of industry experts that included Mr Tshepo Kgobe: Gautrain Management Agency; Mr Sighs Nzimande: Business Optimization Consultant and Mr Das Mootanah: Metro Express Mauritius. Both Das and Tshepo were introduced as Professional Engineers with extensive experience working on large complex projects.

The panel started by unpacking the African Union's plan of high speed train network rail which forms part of AGENDA 2063. The plan aims to facilitate freemovement of goods and passengers which will benefit the African Continental Free Trade Agreement (AfCFTA). The benefits of the high speed train networkinclude: Lots of social and cultural benefits when you have a high speed railgoing through many countries. It will shorten the time to travel between countries. Will bring efficiency into traveling across African countries and it will bring different countries together and encourage collaboration and skills sharing.

Tshepo argued that the high speed train is part of the integration of Africa. Africa must integrate. There's plan but no implementation strategy. There must be a master plan, a blueprint for the African continent. Africa's population is expected to reach 1,2billion by 2030.

[2] Sandton <https://joburg.co.za/makes-wealthiest-square-mile-africa-tick/#:~:text=Known%20for%20being%20the%20wealthiest%20square%20mile%20on,companies%20listed%20on%20the%20Johannesburg%20Stock%20Exchange%20%28JSE%29.>

[3] Johannesburg [https://www.joburg.org.za/about\\_/Pages/About%20the%20City/About%20the%20City%202/Economy-and-infrastructure.aspx](https://www.joburg.org.za/about_/Pages/About%20the%20City/About%20the%20City%202/Economy-and-infrastructure.aspx)

During the second session Ms Makgalo Makololo; Managing Director of Alstom Group presented on their wide range of services and projects carried in Africa. Alstom Group is a French company, a global leader and pure player in rail transport and sustainable mobility. Their services include manufacture of high-speed trains, metros, monorails, trams, build turnkey systems, services, infrastructure, signalling and digital mobility. Alstom Group has project sites across Africa, Europe, America and Asia. They built the first high speed train in Africa which was built in Morocco and is 186.41 miles long connecting Cassablanca to the coastal city of Tangier. It's a double decker with 500 seating to cater to different classes. It was announced that Egypt is also building a high speed train.

From her presentation we got to learn that Africa is facing rapid urbanization, and the decline in quality public transportation across the continent. Currently each country relies on air and road transportation and there's no rail route that connects all African countries. Rail remains largely underdeveloped.

Makgalo announced that Alstom Group will build a high-speed train from Johannesburg, Gauteng to Musina, Limpopo. When asked about the challenges and threats posed by blackouts on her projects since the country has faced continuous the blackout that has costly impacts on the country's economy. She responded by saying she doesn't take loadshedding (term used for blackouts) as a long term view and that they will soon end. Government will resolve the electricity issue in South Africa. Alstom Group is always looking for opportunities to partner with governments and other role plays to build smart cities.



“What I would have liked to see was more discussion on commercial opportunities for vendors and collaboration as well as Africa’s plan on creating the future workforce that will provide technical capabilities. Perhaps this could be an opportunity for TDC to have a footprint in the African continent as there will be ample need for workforce development with the required technical skills.”

A photo of Nondumiso Mdize a TDC employee, Khanyo Ngwenya a SME employee and Dwayne Sampson visiting the Alstom Group exhibition stand.

Mr Hishaam Emeran; CEO of PRASA led the third session where he presented on the future of passenger rail in South Africa. PRASA is a state-owned passenger rail company which move commuters from townships into urban areas across South Africa. PRASA owns and lease out assets eg: buildings to generate revenue. The recently took delivery of 146 new trains which are currently in use, and will add 50 more. PRASA want to SA to become the manufacturer of trains and develop a thriving connected train ecosystem.

Yellow and grey trains which are the old trains that have be replaced with the new are going through GO Program to refurbish and will move to rural areas where there’s already established railway infrastructure. Once refurbished they’re like a new train which will be in use for 12 years before heavy maintenance is required. He highlighted some of the key challenges faced by the organization which touched on issues of vandalism as amongst the key challenges faced by PRASA. He emphasized the issue of good governance and leadership stability which is important for the organisation.

The fourth session was presented by Ms Nthabiseng Kubheka the CEO of Bombela Operating Company which is a division of RATP DEV, a French company. They're a maintenance service provider to the Gautrain and also operate buses and minibuses that feed commuters into the Gautrain stations. The company has been recognized for a number of awards with the most recent being from TOPCO as a the Top Empowered Company in 2022. Nthabiseng spoke their service offers including the incredible work they're doing in transportation sector. They aim for efficiency and timekeeping schedule when transporting commuters as penalties apply if they happen to be 3 minutes late. This requires concerted effort from all role players within the ecosystem and building a culture of accountability and openness understood by all employees to ensure they deliver on their contractual obligations. Bombela Operation Company is aware of the communities in which they operate in and it committed to assist addressing social issue; they run a morning and after school feeding scheme in Alexander township where they feed about 200 children daily to ensure the students get nutritious meals.

During the networking session I got an opportunity to meet Ms Makgalo Makololo; Managing Director of Alstom Group who invited the TDC team to her exhibition stand where we got to see the 3D models of their trains and also experience being a passenger on the train through the 3D virtual world.

## **Day 2**

Day 2 started with a panel discussion on "Modernization, tech development and interconnectivity for destination 2040: a new lease of life for African rail". The panelist included Honorable Andy Appiah-Kubi; Ministry Railways Development of Ghana and Member of Parliament, a lawyer by profession who started the session by arguing on the reality of Africa. The challenges on different countries building on narrow gauge while others are standard gauge. The gauge differences. He argued this is a problem with a solution and suggested Building a multi gauge system that will allow standard and narrow gauge so uniformity will be there.

He further argued that there is too many protocols, but making them work is an issue since those protocols haven't been working. He emphasized that the plan made today will be obsolete by 2063 and we should work to bring those plans forward to be realized in a near future. He further alluded that we cannot discuss the rail without the consideration of the rest of ecosystem that complements the rail, which is sustainable electricity.

There were comments around Africa's failure to provide security intelligence like the China, US, and Europe who plant intelligence into African countries in the interests of their states and companies operating within that African country and region. There's no African intelligence in Africa. SA was particularly blamed for not leading the way as they have an advanced National Intelligence with world-class capabilities. The room was in agreement that security is a very serious issue and threat for modern society.

The issue around safety, efficiency and sustainability of rail transportation was discussed at great length. The focus should be to cover all these when the rail system is built. An example of sustainability was used as having pedestrians walks and minibus taxis that feed into the train stations to ensure safety and sustainability for passengers to use the rail system as their mode of transport.

Transportation accounts for 30% of Co2 emissions globally. That means that needs to a reduction to safeguard the planet and move towards a net zero. There's needs to be a framework that will allow all role players to move towards net zero and the commitment that won't add additional costs to the transition.

The last session was titled "CREATING FUNDING AND FINANCIAL MODELS FOR PROJECT SUCCESS" Malume Buthelezi; a Rail and Marine Consultant started his opening remarks alluding to how it's often said that there is financing for good infrastructure projects. The discussion focused on the role of rail in Africa, and the need to renew existing infrastructure.

A question was posed on what are the reasons of lack of financing for these projects. There were many comments around policy and the wrong financing models being applied. A banker from ABSA explained the current funding models and outlined the role where investors and banks can play a collaborative approach on funding for large infrastructure projects.

Ensure that these are bankable projects that make a great investment case. Question was posed on how The rules for repossession for each country are different the bank are busy lobbying for one repossession policy across all countries which can allow them to finance across multiple countries. Insurance of those assets is also important. Mlamuli argued that there should be a balance between rail and road investment. There's lot of investment road infrastructure and less on rail infrastructure. There's complaints that rail transportation is becoming more expensive than road transportation.

There were a lot sessions hosted by the banks and investors who are funders and facilitate equity transactions on rail projects. The conference was informative and a learning experience for me as I got to understand the current rail infrastructure in South Africa and the continent as well as learn about the future plans. I can proudly say " Africa is alive with possibilities". What I would have loved to see was more discussions on commercial opportunities for vendors and collaboration as well as Africa's plan on creating the future workforce that will provide technical capabilities to. Perhaps this could be an opportunity for TDC to have a footprint in the African continent as there will be ample need for workforce development with the required technical skills.

It's worth noting that South Africa is facing many political and socioeconomic challenges. According to Gini Coefficient Stats; South Africa is the most unequally society in the world<sup>4</sup>, with over 55% of its population living below poverty lines. This equates to 30,3 million people living in poverty<sup>5</sup>

[4] Statista Research Department, "Gini Index - countries with the biggest inequality in income distribution 2021"  
<https://www.statista.com/statistics/264627/ranking-of-the-20-countries-with-the-biggest-inequality-in-income-distribution/>  
[5] World Bank "Poverty and Equity Board April 2020"  
[https://databankfiles.worldbank.org/public/ddpext\\_download/poverty/33EF03BB-9722-4AE2-ABC7](https://databankfiles.worldbank.org/public/ddpext_download/poverty/33EF03BB-9722-4AE2-ABC7)



The South African economy has been growing at below 1%<sup>6</sup> which has contributed to the high unemployment rates currently sitting at 34,5 % with 63,9% of that being youth between ages 15 to 34 years of age. <sup>7</sup>

The current load shedding rollout has put a strain on the economy and the businesses who're the drivers of the economy. Some have had to implement layoffs to keep operational costs low. In spite of all this challenges, there's still hope in South Africa. And I'm reminded of this every time I visit the country. The resilience spirit and high work ethic of South Africans is sure unmissable.

2024 Africa Rail Conference is set to take place between 25-26 June 2024<sup>8</sup> at Sandton Convention Centre in Johannesburg, South Africa.

THE END



Mr. Dwayne Sampson is President and Founder of Transportation Diversity Council.

The Transportation Diversity Council<sup>9</sup> "is a 501 (C) (3) not-for-profit corporation" and is led by seasoned executives from the worlds of transportation, education and construction who are dedicated to ensuring that every individual and company has the opportunity to fully contribute to America's future.

TDC was formed in 2010 to meet the growing need for leaders, technical professionals, educators and construction workers in the transportation and construction industries. Those needs can only be met by engaging and developing a large and diverse workforce. TDC reaches out to students of all ages to provide exposure to engineering and construction trades. We provide development programs to individuals, companies and agencies to ensure that all talents are recognized and nurtured, and helping to bridge the gaps between needs and opportunities for the entire industry.

[6] Stats SA "South African economy expands by 0,4%" 06 June 2023 <https://www.statssa.gov.za/?p=16379#:~:text=After contracting by a revised,an estimated 0,4%>.

[7] Stats SA "South Africa's youth continues to bear the burden of unemployment." <https://www.statssa.gov.za/?p=15407>

[8] African Rail Conference 2024 <https://www.terrapinn.com/exhibition/africa-rail/>

[9] Transportation Diversity Council <https://tdc-ntl.org/about-us/>



A picture of the list of some sponsors at the conference



Alstom Group exhibition stand



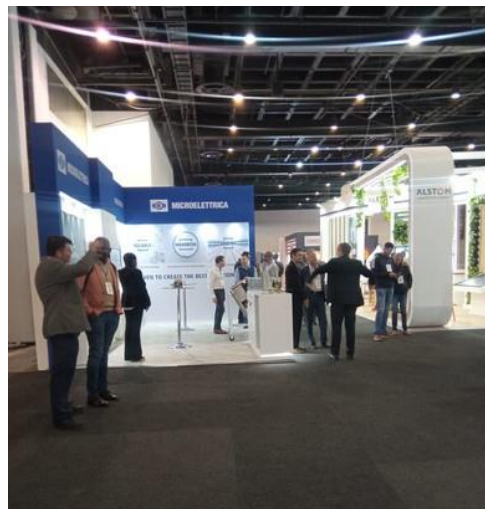
Dr Buyiswa Mncono-Liwani, Corporate Services and Traction Motors Executive, Gibela Rail Consortium giving a presentation.



Panelists discussing creating funding financial models for business success



Prasa exhibition stand



MICROELETTRICA SCIENTIFICA exhibition stand



YNF Engineering Stand