

Ekurhuleni to get R2bn train factory

By [Nicky Smith](#)

28 Jun 2013

A R2bn state-of-the-art train factory will be built in the "rust belt", east of Johannesburg, as part of an agreement reached between the Passenger Rail Agency of SA (Prasa) and the Alstom-led consortium Gibela.



The factory will build modern commuter trains to replace existing and dilapidated rolling stock.

Prasa and Gibela have successfully concluded negotiations over the major elements of the R51bn contract to supply 3,600 coaches over the next 10 years and will sign all the contracts by the end of next month. The agreement is an important step for SA, which has ambitions to boost the economy through the use of state spending.

Under the original tender, state-owned freight and logistics company Transnet will build the new 35ha factory. This will be part of a larger industrial park in Ekurhuleni, where much of the country's heavy engineering firms are situated.

The successful conclusion of negotiations has contractually established the Gibela consortium as the designated supplier for Prasa's rolling stock fleet renewal programme. Prasa's chief executive Lucky Montana said the contract was an important milestone for SA, and provided the public sector with a model for leveraging procurement spending to achieve economic and industrial outcomes.

Manufacturing ability for Africa

Speaking at the Africa Rail conference in Sandton on Thursday (27 June), Alstom president Henri Poupart- Lafarge said the contract was the largest his company had ever signed. The deal created a platform for Alstom to establish a globally competitive manufacturing facility in Africa capable of producing trains for SA, and importantly, for export to the rest of Africa and other global rail markets.

"We see this as building a strong base for exporting in the future. We need this to become a worldwide base (for train production)," Poupart-Lafarge said, adding that the company was "extremely proud" to be part of a venture that will bring the much anticipated "rail renaissance" to SA.

Poupart-Lafarge said the new train was a "fantastic product" that Alstom had recently sold to Australia, which demonstrated that the new commuter trains in SA would be world class. "It is the best quality Alstom has," he said.

The final contracts will define and apportion the financial and execution risks in the contract, namely the escalation in cost of materials such as steel and copper, as well as the performance of the trains.

"These will be completed before the end of next month. Thereafter the contracts will be signed and presented to Prasa's board," Montana said.

Source: Business Day via I-Net Bridge

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