

TRANSNET SUSPENDS PLANS FOR COAL TERMINAL

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South Africa - Transnet has decided not to go ahead with its plans to build a new coal terminal at the port of Richards Bay to accommodate emerging black empowered mining companies.

The parastatal has reached a deal with large stakeholders of the Richards Bay Coal Terminal in this sector who have agreed to provide more capacity to junior miners. Last year Brian Molefe, Transnet Group CEO, criticised the Richards Bay Coal Terminal for not providing access to smaller black-owned miners and singled out BHP Billiton amongst the terminal's other shareholders, as unfairly treating emerging companies by purchasing their export grade coal at less than market value.

Transnet has recorded a drop in first-half profit of 25% due to an 18% increase in finance costs and ageing equipment write-downs. After-tax profit decreased to R2.14bn in the six months to end-September, compared with R2.85bn in 2013. Revenue though, was up 6.4% to R30.3bn.