

Derailment to terminal worries exporters

Reuters

A DERAILMENT on rail lines to the Richards Bay Coal Terminal (RBCT) on Wednesday lost about 500 000 tons of export coal, industry sources revealed on Friday.

The accident, which took place on the line near Ermelo in the northeastern province of Mpumalanga, shut two lines that link coal mines to the export terminal.

RBCT said exports would not be affected as the terminal had enough stockpiles to maintain exports for now.

"From the terminal's point of view, there is no impact, we have adequate stocks at the moment," RBCT chief executive Raymond Chirwa said.

But the significance of another derailment was not its impact on immediate shipments but the further doubt it cast on the country's ability to export its targeted 65 million tons this year, exporters said.

"Transnet have had a good performance for the past few weeks but just when you start to think things are okay, something else happens," one exporter said.

"So 65 million tons is looking rather unlikely and we haven't even got to the maintenance period or scheduled



Exporters say the derailment on the rail line to the Richards Bay Coal Terminal on Wednesday lost about 500 000 tons of export coal, though the terminal says it has enough stock.

PHOTO: SIMPHWE
MBOKAZI

pay talks which could lead to another strike."

There had been a series of derailments between December and February, which cut more than 3 million tons from exportable coal.

Freight logistics utility Transnet said on Friday that it had reopened one of the two lines linking coal mines with the coal terminal but could not confirm when the other would reopen.

"The first line reopened this morning. We will inform you as soon as there is some indication about the second line," spokesman Sandile Simelane said on Friday.

The rail lines near Ermelo are particularly prone to derailments.

Besides the immediate negative impact, the derailment also means that trains have to be rerouted, causing further disruption to the

transport of coal.

An investigation into the cause of the derailment was ongoing, Transnet said. South Africa is a major exporter of coal to power stations in Europe and Asia, but exporters have failed to ship all of their product because of bottlenecks on the lines approaching the huge RBCT.

South Africa exported 63.43 million tons of coal last year, boosted by rapidly

growing demand from China and India, but far less than the terminal's expanded capacity of 91 million tons.

Transnet is investing heavily in new and improved infrastructure, but it will take years before a substantial increase in transported tonnages is seen.

Companies in the coal sector include Anglo American, Xstrata, BHP Billiton, Optimum Coal and Exxaro.