

GPR Leasing Africa rail deal to benefit Mozambique, Malawi and South Africa

GPR Leasing Africa (GPR) has concluded a five-year lease of 100 grain hopper wagons to Corredor De Desenvolvimento Do Norte (CDN) in Mozambique.

CDN operates a part of the Nacala Corridor, which consists of the Port of Nacala in Mozambique, the Northern Railway network of Mozambique, and the railway system of Malawi (CEAR). The lease is supported by CDN's transport agreement with Bakhresa Malawi Limited, a Malawian company, which owns a grain terminal in Nacala and a milling and packing facility in Malawi and part of the Bakhresa Milling Group which has operations across eastern and southern Africa.

The wagons will be manufactured by and purchased from Galison Manufacturing from Welkom in South Africa. Galison has been manufacturing new and / or repairing existing rail freight wagons and other rolling stock for the past two decades with a comprehensive service offering and its own innovative designs.

"We are essentially supplying an African solution that will benefit three African countries," says GPR's Jacques de Klerk.

Willem Goosen, GPR's Commercial Executive adds that the deal is GPR's first innovative wagon lease in Africa and that the freight wagon lease pipeline is substantial, so many additional deals, all over Africa, will follow shortly. The agreement with CDN was signed in mid-October 2015 and the first wagons will be delivered in March 2016. "All 100 wagons are expected to be delivered before the end of Q4, 2016," he says. "We are also exploring further opportunities in the locomotive and wagon space with CDN."

André Soares, Director de Operações CDN, says that the benefits of the new wagons will be myriad. "The new wagons are built using the latest design and technology programs, which means they are lighter and will be more efficient and productive. We will gain payload (about 4-5 tons per wagon), enjoy fuel efficiencies and lower our operating costs while driving up revenue. The leasing agreement means the wagons are not on our balance sheet and we haven't had to spend any capital. This in turn improves our cash-flow and allows us to optimise our funds and concentrate on our core activities."

The Galison-designed wagons also incorporate the latest safety technology and will be more environmentally friendly to operate than older, heavier wagons.

"This is an Africa success story that we have the ability to replicate almost anywhere on the continent," says Willem Goosen. "GPR Leasing has built insurance into the lease rates of the wagons, which again enables CDN to focus on their core business and increase the profitability of their operations."

Notes to the editor:***About GPR Leasing***

GPR Leasing Africa, a joint venture between Grindrod Freight Services and the Pembani Remgro Infrastructure Fund (PRIF), specialises in providing flexible rolling stock leasing solutions in the southern Africa region. The company offers a range of solutions including wet and dry leasing, sale and lease back, flexible leasing options and value-added solutions. For more information, visit www.gprleasing.mu.

About CDN:

Corredor De Desenvolvimento Do Norte, SA is the concessionaire managing the Nacala Port and the Northern Mozambique Railway, which spans 871 Km in total from Nacala Port to Entre-Lagos and Cuamba-Lichinga. CDN is a rail and port logistic company established by Sociedade de Desenvolvimento do Corridor de Nacala, SA (SDCN) - 51% and Portos e Caminhos de Ferro de Moçambique, EP (CFM) - 49%, that oversees the railway system of Mozambique and its connected ports.

CON Corredor de Desenvolvimento do Norte is a company constituted and registered in Mozambique, its goal being the management, rehabilitation and commercial exploitation, in an environmentally sustainable manner, of the port and railway infrastructures in northern Mozambique.

CDN is integrated into the Project of the Nacala Corridor, which comprises the northern region of Mozambique, Malawi and Zambia. It interlinks the Port of Nacala with the railway systems of northern Mozambique and Malawi under a single management, creating a seamless, cost-efficient transportation system, in order to integrate synergies between the inter-modal transport systems.

About Galison Manufacturing:

Founded in 1977, Galison is a major manufacturer and supplier of mining equipment including underground and surface rolling stock, transfer chutes, hoppers, scrapers, grizzlies and general steelwork. For more information, visit www.galison.co.za.