

# Freight Rail

A Strategic Investment Opportunity  
in Cape Town & the Western Cape

March 2026





Railway lines in South Africa

## Sector Overview

The Western Cape's freight rail system plays an important role in South Africa's export economy. Rail corridors link mineral production areas, agricultural regions, inland logistics hubs and international maritime gateways, enabling the efficient movement of high-volume freight across long distances.

The province hosts key rail infrastructure that supports bulk commodity transport and intermodal freight flows. Dedicated heavy haul operations connect inland mining regions to export terminals on the coast, while container and general freight services support agricultural exports, manufacturing and domestic distribution. Together these corridors strengthen the Western Cape's function as a logistics gateway for trade within Southern Africa and with global markets.

Shifts in global supply chains and expanding intra-African trade under the African Continental Free Trade Area are increasing demand for reliable and scalable logistics systems. Rail freight provides a cost-effective and lower-emission option for long-distance transport, complementing road and maritime logistics. Against this backdrop, the Western Cape's rail network strengthens export competitiveness, supports industrial growth, and fuels infrastructure-led job creation under the province's Growth for Jobs Strategy.

### Opening the Network to Private Capital

South Africa's rail reform agenda represents one of the most consequential infrastructure investment opportunities in a generation. The government has committed to opening the network to third-party operators, cargo owners and logistics service providers, fundamentally restructuring how rail capacity is accessed and financed. Transnet has already initiated a competitive process for private-sector entities to bid for operating and investment rights across siding facilities on ten-year terms, marking a concrete first step in this transition. Further unbundling across the network is expected to follow, creating a growing pipeline of commercial opportunities for experienced operators and investors.

### The Ore Corridor: Sishen-Saldanha

The Sishen-Saldanha line is a cornerstone of South Africa's heavy haul rail network. Spanning 861 kilometres, it links the Northern Cape's iron ore fields to Africa's largest dedicated iron ore export terminal at Saldanha Bay, in the Western Cape. Trains on this corridor are among the longest in the world, moving up to 348 iron ore wagons or 375 manganese wagons per trip. This corridor exemplifies efficient, high-capacity freight movement from resource regions to global markets.



# WHY CAPE TOWN & THE WESTERN CAPE

## 1. World-Class Export Infrastructure

The province hosts the Saldanha Iron Ore Terminal and globally recognised heavy haul rail operations. The Western Cape also contains close to 3 000 kilometres of rail route infrastructure, representing roughly 14% of South Africa's network.

## 2. Strategic Port Links

Direct rail connections to the ports of Cape Town, Port of Saldanha and Port of Mossel Bay enable seamless import-export flows. Planned development of the Culemborg intermodal logistics precinct in Cape Town will further integrate port, road and rail systems and expand back-of-port logistics capacity.

## 3. Integrated Inland–Port Solutions

Bellville (Belcon) and Maersk cold storage facilities provide container consolidation and shuttle services, strengthening intermodal efficiency.

## 4. Scalable, Cost-Effective Logistics

Rail enables the movement of large freight volumes over long distances with lower unit transport costs than road, supporting competitive export supply chains.

## 5. Diversified Freight Base

Supports bulk minerals, agriculture, containers and automotive cargo, unlocking growth for fruit, perishables and industrial exports.

## 6. Low-Carbon Transport

Rail reduces road congestion and freight emissions, aligning with sustainability and decarbonisation targets.

## 7. Investment & Private-Sector Participation

Market reforms and Transnet initiatives create space for private-sector participation in rail operations, terminals and services.

## 8. Industrial & SEZ Enablement

Rail links industrial parks, agri-processing hubs, and Special Economic Zones to ports, boosting regional economic development.

## 9. Infrastructure-Led Job Creation

Rail investment drives employment across construction, operations, logistics services and downstream value chains.

## 10. Competitive Logistics Ecosystem

For a more in-depth insights into the Western Cape logistics ecosystem scan the QR-code:



# Freight Rail and Related Companies Shaping Cape Town and the Western Cape

MINRAIL



## Contact us for more information

For further information on setting up or expanding your business in Cape Town & the Western Cape please contact Wesgro's Investment Team

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