

GE eyes Transnet tender for diesel locomotives

By <u>Siseko Njobeni</u> 14 Nov 2012

General Electric (GE) Transportation, which manufactures equipment for the railroad, marine, mining, drilling and energy generation industries, is eyeing Transnet's tender for 465 diesel locomotives, Tim Schweikert, GE Transportation chief executive for sub-Saharan Africa and China said this week.

TRANSNET



Transnet and GE earlier this year signed a contract for 43 new Model C30ACi locomotives for South Africa, bringing to 143, the total number of GE locomotives ordered since December 2009.

The acquisition was part of Transnet's fleet renewal programme.

Schweikert said the company has built 95 of the locomotives. "We have had good success in terms of finding quality suppliers who can compete on global standards. This is a tribute to the skills in South Africa. The locomotives are as good as those built in the US," Schweikert said.

In addition to executing the current existing locomotives contract, GE has also set its eye on the new diesel locomotives contract. In line with its R300bn seven-year investment programme, Transnet has invited proposals for the supply of 1,064 locomotives - 465 diesel locomotives and 599 electric locomotives.

"GE, like many its competitors, will bid on that," he said.

He said the company would complete its current locomotives contract with Transnet in the first half of next year.

He said the company was also exploring railways infrastructure opportunities into the rest of Africa. Countries ideal for investment were those with rapidly growing populations and those rich in minerals.

Schweikert said the company was "equally excited" about power generation opportunities in other African countries. "In oil and gas, we have big projects in Nigeria and Angola. We have signed a memorandum of understanding on electricity generation in Nigeria and Kenya. We are excited about what we can bring," he said.

GE and the Nigerian government earlier this year signed a memorandum of understanding for US\$10bn power projects. In terms of the agreement, the US\$10bn would be invested in various power plants with combined capacity of 10,000MW with GE taking 15% equity in each of the power plants to be constructed. Nigeria has a generation target of 40,000MW by 2020.

The company has also partnered with the Kenyan government to develop 1,000MW power station in the east African country. GE president and chief executive for Africa, Jay Ireland, said the company was in discussions with Kenya Power Limited regarding a power-purchase agreement. Kenya's Energy Regulatory Commission said that electricity demand was forecast to reach 16,905MW by 2031, up from 1,520MW.

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