



# Transport Sector Report 2023

**LRS** Labour  
Research  
Service

**FRIEDRICH  
EBERT  
STIFTUNG**  
TRADE UNION COMPETENCE CENTRE  
SUB-SAHARAN AFRICA

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## Introduction

The South African Transport Sector is a diverse and integral part of the country's infrastructure, contributing significantly to its economy and connecting various regions within the nation and internationally. It serves as the primary conduit for both passenger travel and the movement of goods. Despite South Africa having superior infrastructure compared to most African countries, inadequate investment in recent times has led to high usage costs. The sample of companies in our report represent a mix of industrial transport and general retailers, all operating in the transport sector. These companies are:

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**ACSA (Airports Company South Africa)**

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**Grindrod**

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**Super Group**

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**Transnet**

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Each of these companies contributes uniquely to South Africa's transportation, logistics, and infrastructure sectors, playing crucial roles in facilitating trade, transportation, and economic development within the country and beyond.

The data extracted from the MNC Database of the LRS provides rich information that has allowed a thorough review of the financial performances of the companies listed in the sample. Following this, the data allows for an examination of the remuneration packages received by executive and non-executive directors in the companies listed under the Transport Sector.

## The Sector

The Transport Sector in South Africa stands as a critical pillar supporting the country's economy and connectivity between business, consumers, and markets.

Boasting a diverse network of transportation modes, including rail, air, road, and sea, the sector plays a pivotal role in facilitating trade and fostering economic development.

Like many other sectors, the Transport Sector in South Africa was severely affected by the COVID-19 pandemic, especially in terms of restrictions on operations and reduced demand for cargo and passenger services. The crisis led to significant decreases in the revenue of the sector due to government-imposed restrictions, travels bans, and reduced economic activity. Furthermore, the profit of the sector saw severe decreases due to low revenues and higher costs. In addition to having severely impacted the financial performance and development of the sector, the COVID-19 pandemic has also had lasting effects on consumer behaviour, regulatory trends, technology use, and the environment.

Although the sector was severely affected by the COVID-19 pandemic, the report shows some signs of resilience and recovery as travel restrictions are eased, the sector and consumers adapt, and passenger numbers increase<sup>1</sup>. The sector has also received government support and implemented cost-saving measures to improve its profitability and sustainability. Because the sector is diverse and multifaceted, the recovery of the sector is not only crucial for the sector itself, but also for the sectors that rely on it, such as mining, agriculture, and manufacturing. The sector is also a significant employer, creating around 37500 jobs<sup>1</sup>. Therefore, the recovery of the sector is also essential for economic growth and the social development of the country.

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<sup>1</sup> <https://publicsectorleaders.co.za/driving-economic-transformation-through-the-transport-sector/#:~:text=An%20efficient%20transport%20and%20logistics,key%20to%20maintaining%20economic%20activity.>

# Financials

## Revenue

As shown in *Figure 1* below, the state-owned company, Transnet, continues to be the largest company in our sample in terms of revenue. Although they reported a decrease in revenue from 2020 to 2021, the company has reported an increase of approximately 1,7% in revenue for 2022. Transnet is followed by Super Group who has reported a 22% increase in revenue from ZAR 39 billion in 2021 to ZAR 48 billion in 2022. Grindrod and Transnet both report increases in revenue and have reported revenues of ZAR5 5,8 billion and ZAR 3,8 billion respectively.

Figure 2 below shows that all four companies in the sample reported increases in revenue from 2021 to 2022, and on average, the companies reported an increase of 12% during the 2022 financial year.



Figure 1 Transport Sector Revenue 2022

## Transport Sector Revenue 2012 - 2022

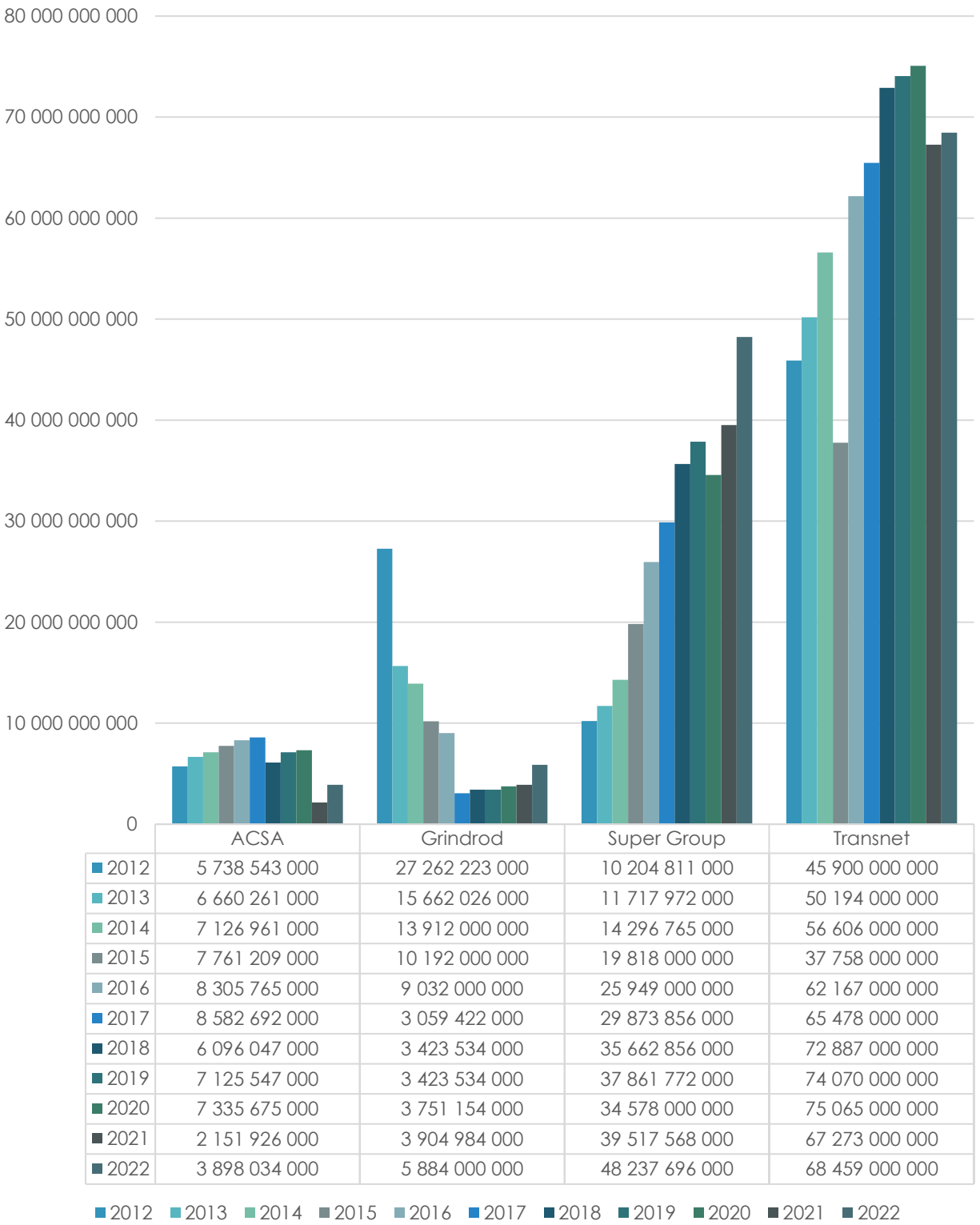


Figure 2 Transport Sector Revenue 2012 to 2022

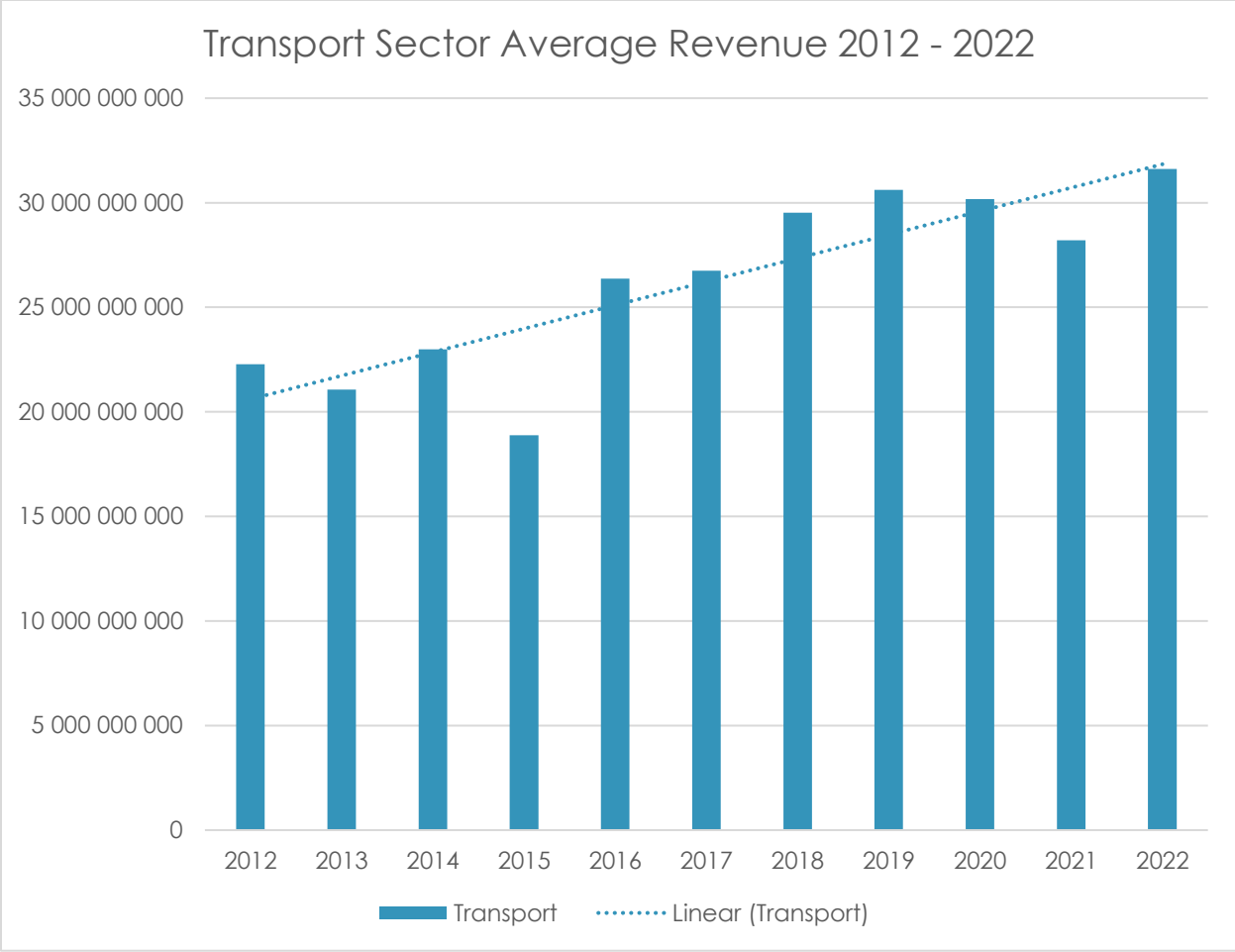


Figure 3 Transport Sector Average Revenue 2012 to 2022

### Profit before Tax

In the sample, Transnet is the biggest company in terms of PBT. Despite having reported a loss of ZAR 10,8 billion in 2021, the company reported a PBT of ZAR 5 billion in 2022. Transnet is again followed by Super Group, which has reported an increase of 41% in PBT from a PBT of ZAR 1,7 billion in 2021, to a PBT of ZAR 2,5 billion in 2022. Although both the largest companies in the sample have reported increase in PBT, their current PBTs are still far from pre-pandemic numbers. Behind Super Group is Grindrod which has reported an increase in PBT of over 200% from a PBT of ZAR 352 million in 2021, to a PBT of ZAR 1 billion in 2022. This increase is said to be attributed to the fact that the port exported a record 10 million tonnes,

while its terminals also handled a record 16 million tonnes in the year ended 31 December 2022<sup>2</sup>. Finally, ACSA reported a loss of ZAR 1,5 billion in 2022.

As seen in Figure 5 below, only three out of the four companies in the sample reported increases in PBT for the 2022 financial year.

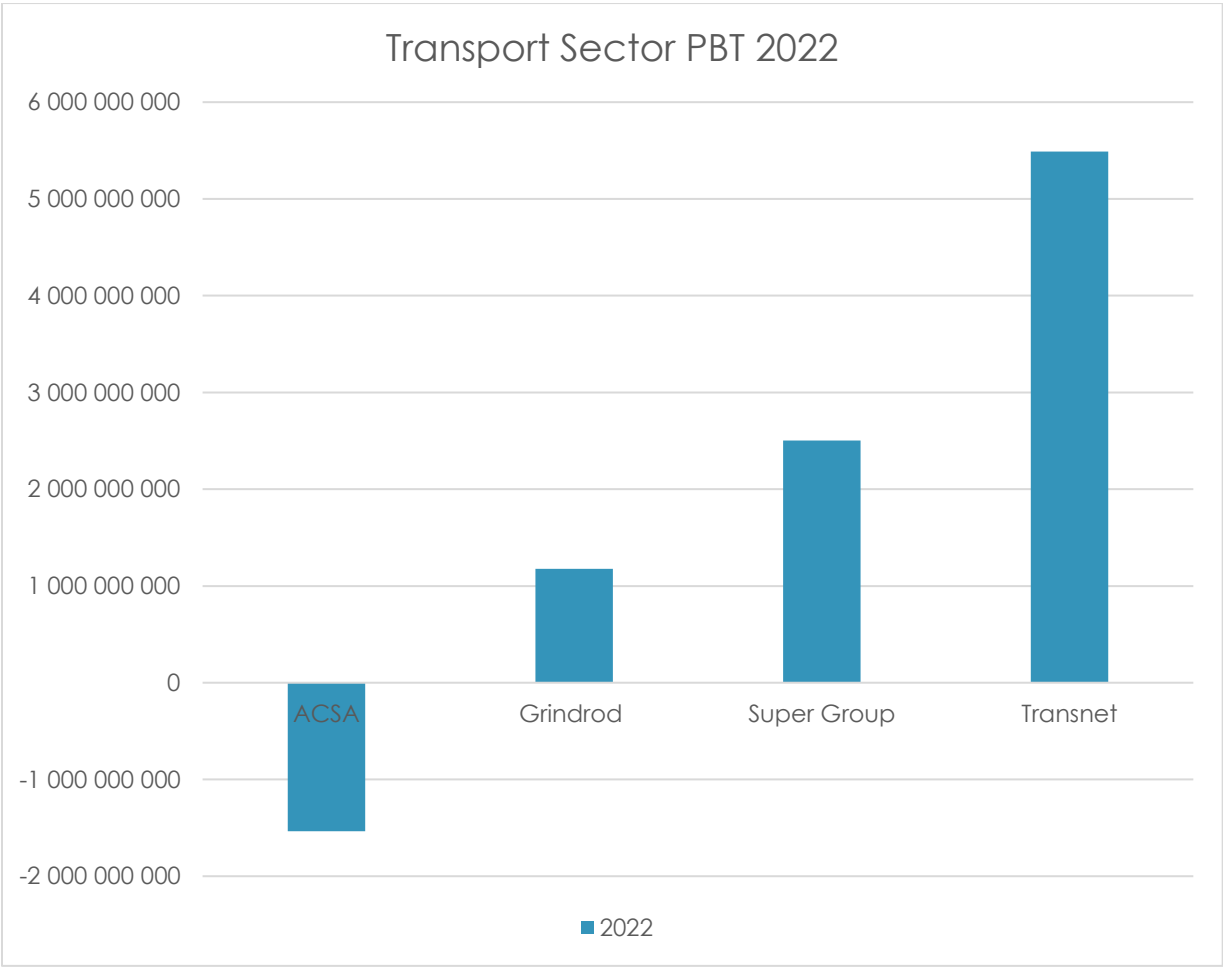


Figure 4 Transport sector Profit before Tax 2022

<sup>2</sup> <https://grindrod.com/press-release/30194-grindrod-limited-2022-financial-results#:~:text=DURBAN%2C%20SOUTH%20AFRICA%2C%202%20March,37%25%20on%20the%20prior%20period.>



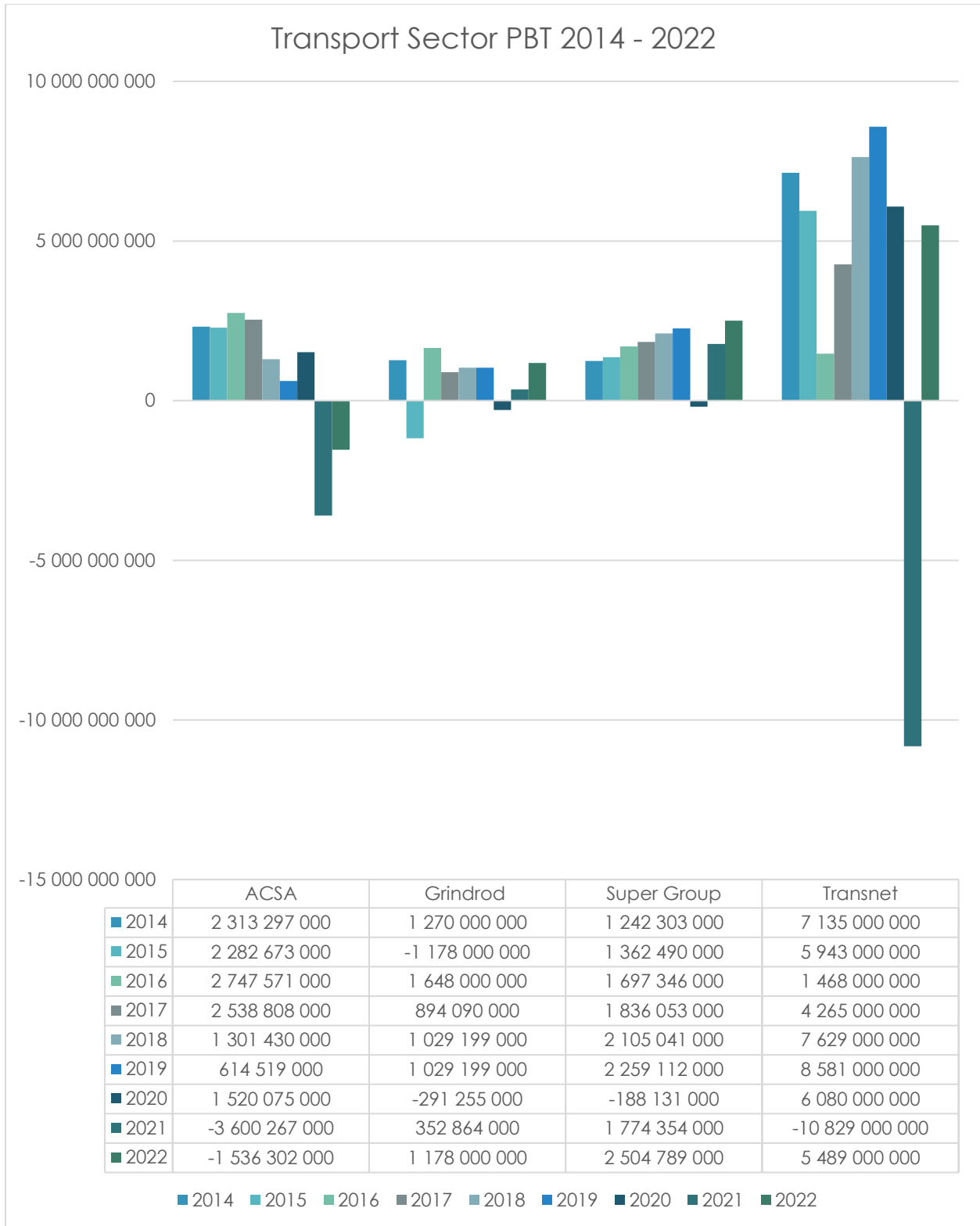


Figure 5 Transport sector Profit before Tax 2014 to 2022

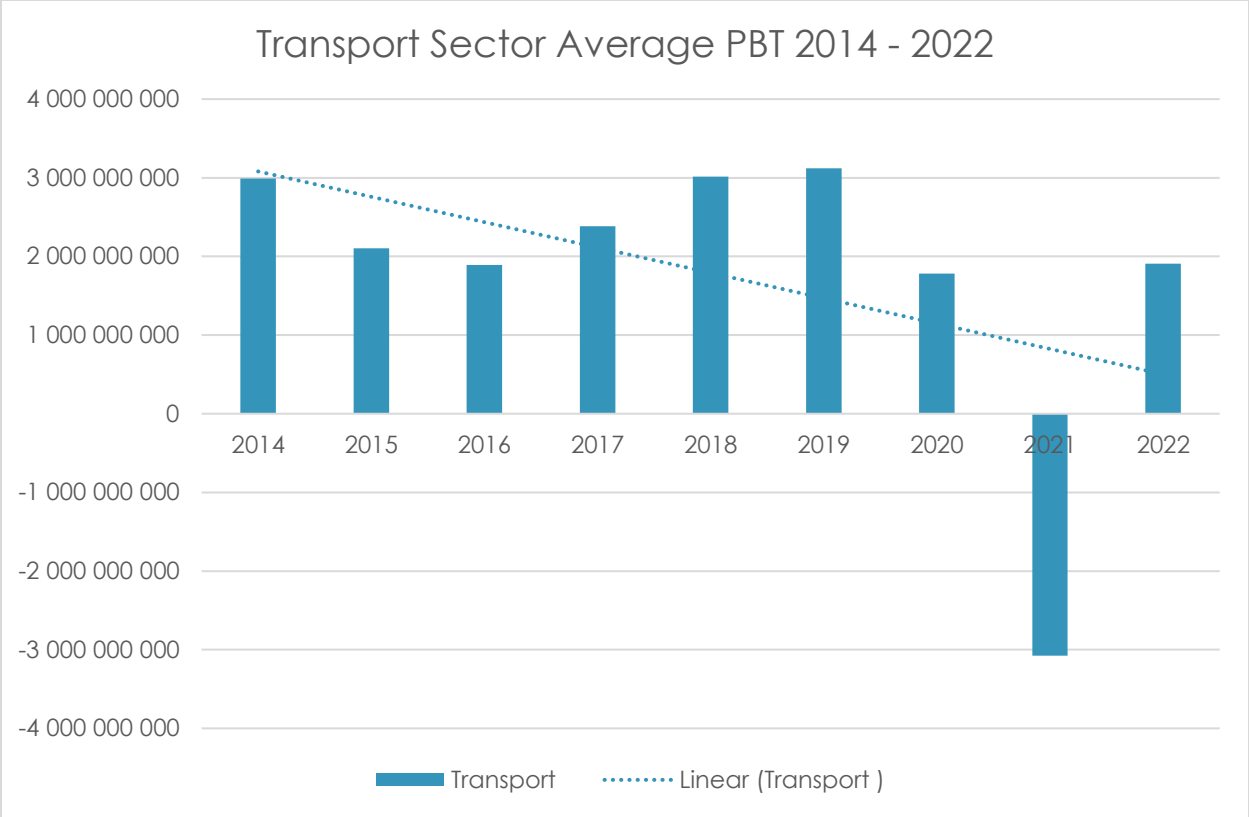


Figure 6 Transport Sector Average PBT 2014 to 2022

## Directors' Remuneration

The LRS MNC database allows us to look at CEO remuneration over the course of the last twelve years. Although the companies listed in the sample saw significant increases in CEO remuneration during the 2021 financial year, Figure 7 below shows a sharp decrease in total remuneration.

From 2021 to 2022, average total CEO remuneration decreased by 23% from ZAR 13,5 million in 2021 to ZAR 10,4 million in 2022. From 2020, there has been no gap between average total remuneration and average total including LTI. This means that during these years, no LTI payments were received.

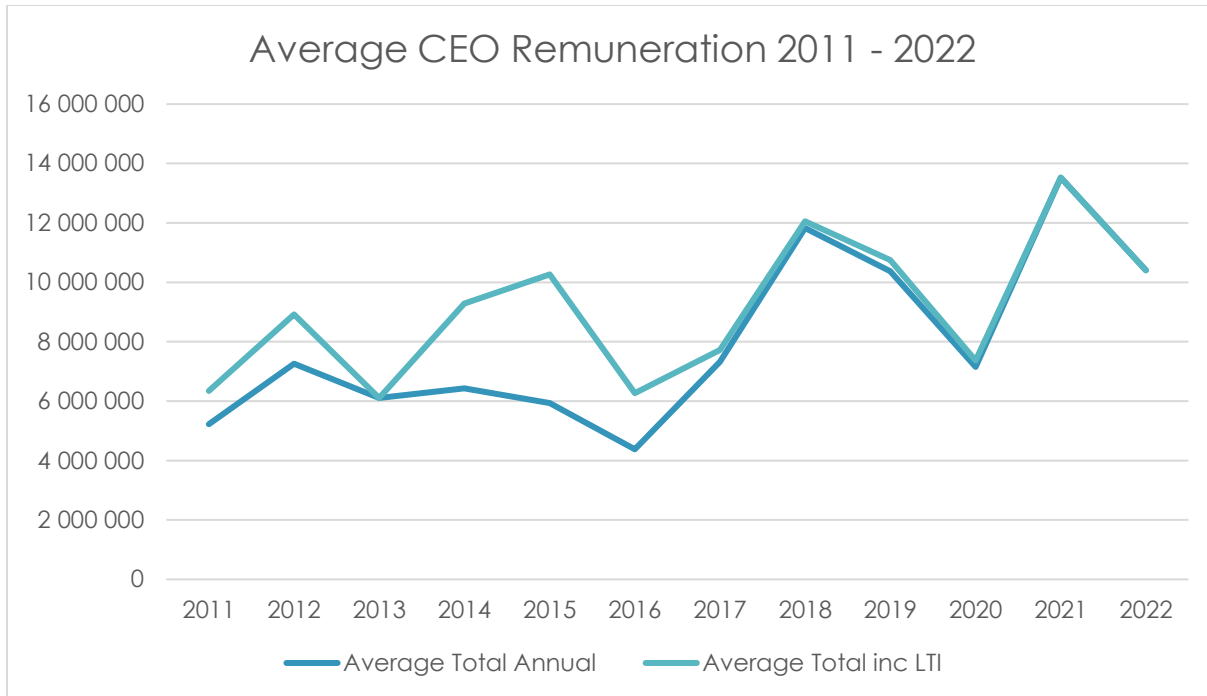


Figure 7 Transport Sector CEO Remuneration 2011 to 2022

## CEO Remuneration 2020

In 2022, the highest earner in the sample is the CEO of Super Group, Peter Mountford. He received a remuneration package that includes a salary of ZAR 6,7 million, a cash bonus of ZAR 9 million, and ZAR 1 million in other income consisting of healthcare cover, funeral benefits, fuel, and travel allowances.

Following Mountford is the CEO of Grindrod, Xolani Mbambo. Mbambo received a remuneration package that includes a salary of ZAR 5,1 million, a cash bonus of ZAR 6 million, and ZAR 1 million in other income consisting of retirement and medical benefits.

Finally, the two lowest paid CEOs in the sample are Portia Derby, the CEO of Transnet, with a remuneration package of ZAR 8,5 million, and Mpumi Mpofu, the CEO of ACSA, with a remuneration of ZAR 4,7 million.

On average, from 2021 to 2022, the total executive director's including LTI decreased by 3,5 % while the non-executive director's remuneration decreased by 15,6% (see Figure 9 and 10).

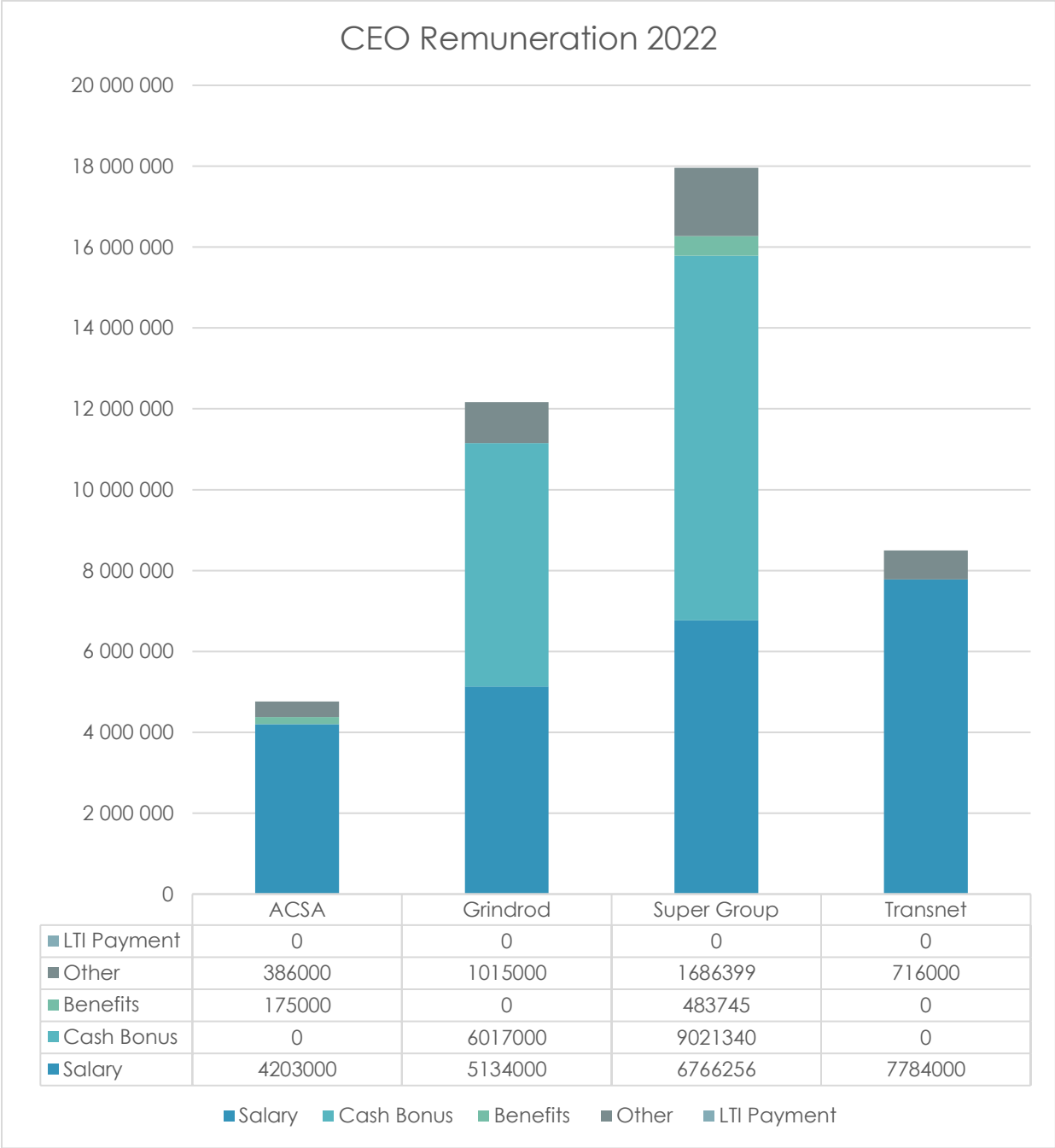


Figure 8 Transport Sector CEO Remuneration 2022

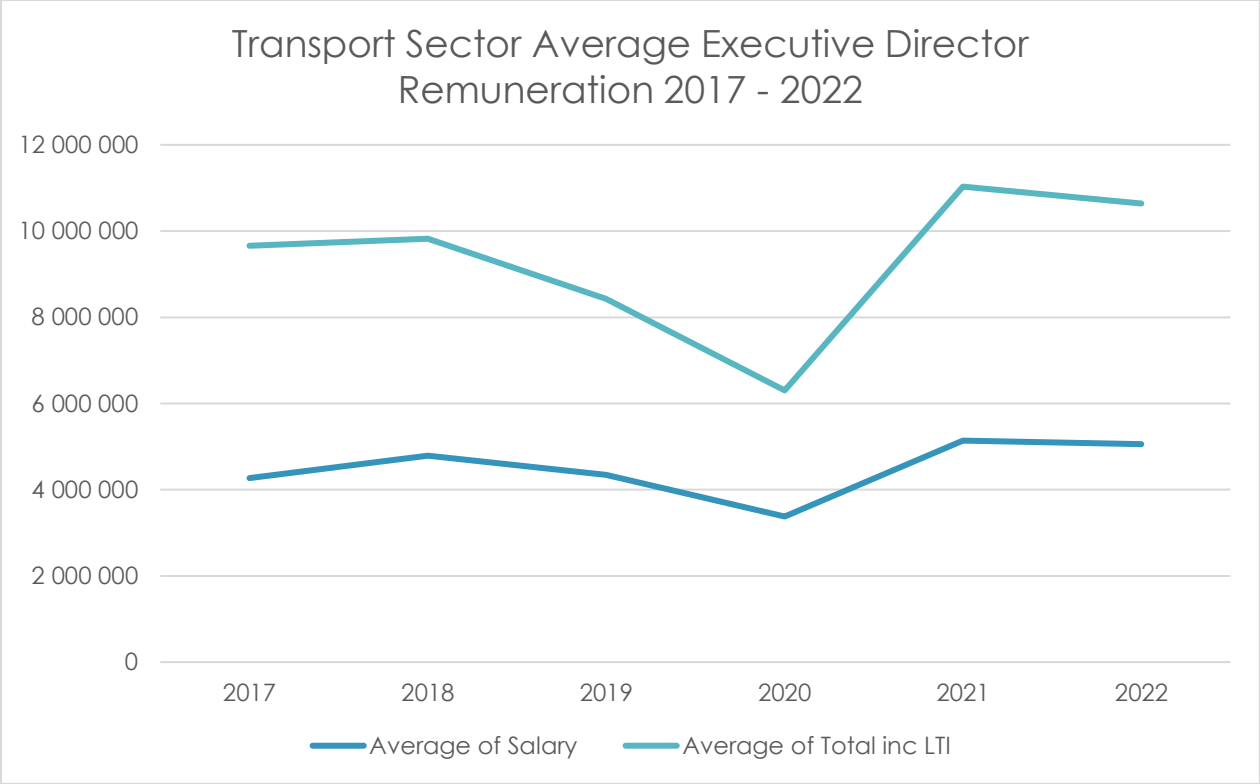


Figure 9 Transport Sector Average Executive Director Remuneration 2017 to 2022

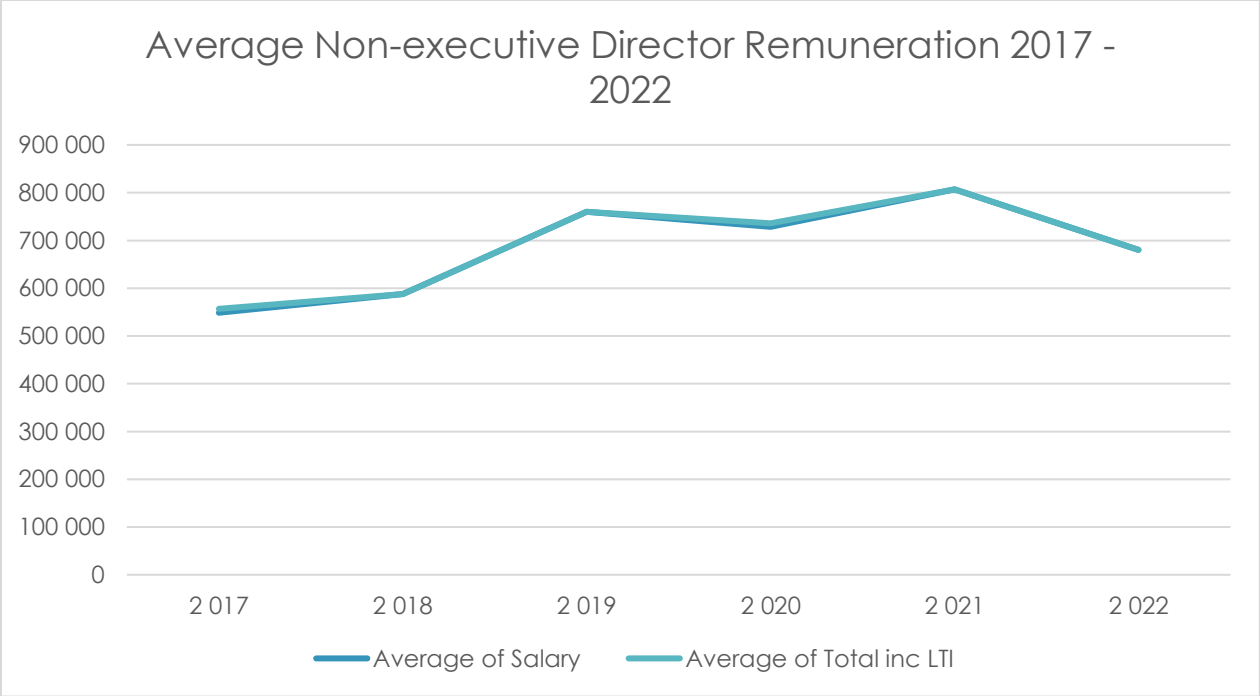


Figure 10 Transport sector NED Average Total Remuneration 2017 to 2022