



Private Bag X84, PRETORIA, 0001, the dtic Campus, 77 Meintjies Street, Sunnyside, 0002, Tel: (012) 394 0000
the dtic Customer Contact Centre local: 0861 843 384 International: +27 12 394 9500, www.thedtic.gov.za

1. INFORMATION ON RAIL PERMANENT WAY DESIGNATION

- 1.1 A permanent way is the structure consisting of the rails, fasteners, railroad ties (sleepers) and ballast or slab track, plus the underlying subgrade. It enables trains to move by providing a dependable surface for their wheels to roll.
- 1.2 The Rail Permanent Way sector system/subsystem and components have been recommended for designation.
- 1.3 Rail permanent way sector system/ subsystem and components refers to:
 - 1.3.1 **Rails** which are widely used in the making of rail tracks and consist of two parallel steel tracks and lies steadily on the railway sleepers. These will also include rail joints.
 - 1.3.2 **Ballasts** refer to gravel or coarse stone used to form the bed of a railway track.
 - 1.3.3 **Ballastless track** consists of steel rail resting on concrete supports via rubberised cork absorption pads with galvanised steel tie beams which wrap around the concrete members rather than being cast into the concrete as with other ladder tracks.
 - 1.3.4 **Turnouts, crossings and accessories** comprise of mechanical installations enabling railway plays an important role is as afar as safety is concerned, it allows the train to switch from one track to another. This will also include frogs and blades.
 - 1.3.5 **Railway sleepers** support and restrain the rails. They transfer and spread the vertical load from the bottom of the rail to the ballast. Sleepers can be made of steel, concrete or wood, plastics or other materials.
 - 1.3.6 **Rail fastening system and accessories** is used to fix rails to railway sleeper or railroad ties, which is usually comprised of rail anchors, rail tie plates, fishplate, chairs, fasteners, spikes, track bolt, nut and bolt, oval neck, diamond neck, button-head, cast iron shoulders, pressed mild steel shoulders, elastic clips, gage tie bar, check rail, screw & track spike, etc.
 - 1.3.7 **Maintenance of way plant & equipment** includes railway track maintenance and construction machines for 1067mm and 1435mm gauge, both rail-bound and road rail. These include track maintenance equipment (i.e. sleeper, rail drilling, rail grinding, ballast tamping, ballast screener, ballast regulator and drain cleaning machines) as well as conditioning monitoring machinery, track safety equipment and track lubricators, cranes and material handlers.



Private Bag X84, PRETORIA, 0001, the dtic Campus, 77 Meintjies Street, Sunnyside, 0002, Tel: (012) 394 0000
the dtic Customer Contact Centre local: 0861 843 384 International: +27 12 394 9500, www.thedtic.gov.za

- 1.4 Table 1 indicates the stipulated minimum local content rail permanent sector

Table 1: Rail Permanent Sector

System/ Sub-systems and Component	Local content threshold
Rail Permanent Way sector	90%

- 1.5 Table 2 provides the stipulated minimum threshold for local content for Rail Permanent Way Sector. To ensure that the minimum local content designated is applied on manufacturing activities, the following system/ subsystem and components which have been designated must also be included in bid invitations of bids for CAPEX & OPEX:

Table 2: Rail Permanent Way Sector system/ subsystem and components

No	System/ Sub-systems and Components	Local content threshold
1.	Rails and rail joints	100%
2.	Ballasts	100%
3.	Ballastless	100%
4.	Turnouts/ switches and crossings	100%
5.	Railway sleepers	100%
6.	Rail fastening and accessories	100%
7.	Railway maintenance of way plant & equipment	70%
8.	Assembly and testing of fully built units	100%

- 1.6 All primary steel related products: flat products (plates, coils and seamless tubes) and long products (rounds, forged, angles, sections and wire related products) are included in this designation and must be manufactured and sourced locally. This is to support and sustain the existing local steelmaking capacity.

- 1.7 All castings and forgings related products made of ductile iron; aluminium; stainless steel; and mild steel, related to the assembly and manufacturing of Rail permanent way sector (system/subsystem and components as indicated in paragraph 3.2 to 3.5) are included in this designation and must be manufactured and sourced locally. This is to support and sustain the existing local foundry industry and the creation of additional castings and forging capabilities.



Private Bag X84, PRETORIA, 0001, the dtic Campus, 77 Meintjies Street, Sunnyside, 0002, Tel: (012) 394 0000
the dtic Customer Contact Centre local: 0861 843 384 International: +27 12 394 9500, www.thedtic.gov.za

- 1.8 In this designation, imported input raw materials (i.e concrete products additives, steel products additives, coke – refractories, raw copper rod, paper and boards for insulation; aluminium billets and rod; ceramics, porcelain, reinforced fibre glass, polymers (i.e Hytrel) and epoxy resins are deemed as locally manufactured input materials. These inputs should be imported in raw material form for further fabrication in South Africa.
- 1.9 The imported input raw materials and finished components indicated in 3.8 used for the assembly and manufacture of Rail Permanent Way Sector will be deemed to have been sourced locally for purposes of calculating local content.
- 1.10 For further information, bidders and procuring state organs may contact the Metal Fabrication, Capital and Transport Equipment Unit within the Department of trade and Industry (**the dtic**) at telephone 012 394 1356/3138/3522 or email localcontent@thedtic.gov.za.