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Introduction

- TNPA is a business division of Transnet SOC Ltd
- TNPA owns, manages, controls and operates South Africa’s commercial ports as an integrated and complementary system of ports
Role of the Transnet National Ports Authority

- **Landlord**: Promote the use, improvement and development of ports, and control land use within the ports, having the power to lease port land under conditions it determines.

- **Master planner**: Plan, improve, develop and maintain port infrastructure.

- **Regulator and Controller**: Make and apply rules to control navigation within port limits and approaches, ensure protection of the environment and ensure safety and security within port limits.

- **Controller of ports services & facilities**: Ensure that port services and facilities are provided, and may enter into agreements or licence other parties to provide these.

- **Marketer & administrator**: Ensure that adequate, affordable, equitable and efficient port services and facilities are provided for port users.

- **Change agent**: Ensure non-discriminatory, fair, transparent access to port services and facilities; advancement of previously disadvantaged people; promotion of representivity and participation in terminal operations; enhanced transparency in port management.

- **Coordinator with other state agencies**: Advise on all matters relating to the port sector, and liaise with all stakeholders.

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Strictly private and confidential
Potential of the Oceans Economy
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- **Growth potential of the Oceans Economy at SA Ports supported by:**
  - Potential demand from a dense shipping corridor around the South African coast, the south-south trade route and the recovering offshore oil and gas exploration market
  - Upgrade of existing TNPA owned and managed Ship Repair facilities
  - Expansion of existing cargo facilities, improving port efficiencies and technology uptake
  - Marine manufacturing capability to service vessels and building marine craft up to 140m.
  - Naturally deeper water and land availability at Ports of Richards Bay, Ngqura and Saldanha Bay
  - Government incentives for marine manufacturing (designated sector) and aquaculture
  - Industrial Development Zones support supply chains
  - Emerging offshore oil and gas sector

**R177bn in potential GDP growth and potential 1 million jobs by 2030**
Investment opportunities at SA ports

Denotes concessions / licences awarded.
Investment opportunities exist in the supply chains and IDZ’s associated with these facilities

1. Mossgas Jetty and Berth
2. Offshore Supply Base
3. Aquaculture
4. LPG Terminal

1. Offshore bunkering
2. Aquaculture
3. Port redevelopment – Waterfront

1. Marine manufacturing leases / boat building
2. Proposed Ship Recycling

1. New Floating Dock

1. Deepening and lengthening of main Container Berths
2. Cruise Terminal
3. New Liquid Fuels Terminal

1. Cruise Terminal
2. New Liquid Fuels Terminal
Specific projects: Saldanha Bay Mossgas Jetty and Berth 205 Marine Manufacturing Facilities

**Objective:**
To develop a marine manufacturing and offshore oil and gas support hub.

**Project scope:**
New developments: (1) Mossgas Jetty Marine Manufacturing Facility and (2) Berth 205 Marine Manufacturing Facility to support ship repair, rig repair, marine fabrication and potential ship building.

**Investment opportunity:**
- Full private sector investment to fund, build, own and operate the above facilities.
- RFP (approach to market) planned for mid 2019
Specific Projects: OTGC (Liquid Bulk Facilities – Port of Ngqura)

**Objective:**
To develop a liquid bulk facility that will replace the PE Tank farm, and free up PE land for future development.

**Project scope:**
OTGC was appointed as the preferred bidder to plan, design, fund, construct and operate a new liquid bulk facility at the Port of Ngqura.

This include the pipeline connections, loading arms and piperack structures to handle cargo across the liquid bulk berth.

**Investment opportunity:**
Full private sector investment to fund, build, own and operate the above facilities.

TNPA OTGC agreement was signed in December 2016.

OTGC started commercial discussions with the Oil Majors that is using the PE Tank Farm.
Specific projects: Richards Bay Floating Dock

Objective:
To establish ship repair capacity at the Port of Richards Bay.

Project scope:
New development: Install a Floating Dock along with the marine and landside infrastructure works required.

Investment opportunity:
- TNPA will fund and execute the marine and landside infrastructure works
- Full private sector investment to fund, install and operate a large capacity floating dock.
- RFP (approach to market) planned for first quarter of 2019
Specific projects: Durban Reconstruction, Deepening and Lengthening of Container Berths

**Objective:**
To improve operational capability, accommodate larger vessels and modern container cranes.
- Depth increase by 3.7m
- Length of berth to increase from 914m to 1210m to accommodate 3x350m vessels

**Project scope:**
Reconstructing, deepening and lengthening the prime container handling berths at the Port of Durban.

**Investment opportunity:**
- Project managed by TNPA.
- Main marine construction tender awarded.
- Various remaining tenders for infrastructure and operating support works will be issued during 2019.
Cruise tourism

TNPA has recently awarded two port concessions to the private sector to fund, build, own and operate cruise terminals:

Port of Durban: Concession for a New Cruise Terminal at “A” and “B” berths at Point Precinct awarded to KZN Cruise Terminal

Concession for the Cape Town Cruise Terminal awarded to the Cape Town V&A Waterfront Holdings (Pty) Ltd
Growth Strategy Essentials

- Balance **automation & skills** required to operate complex systems.
- Consider **landside transportation investment**
- Focus on **quality of infrastructure** along the main hinterland corridors.
- Consider **dry ports / intermodal terminals** on land outside city boundaries to alleviate congestion.
- **Deepen ports** to accommodate large ships as a priority.
- Vessel sizes will continue to increase and shipping liners will decide which ports provide **efficient connectivity options**.
- Drive a stronger agenda towards **private sector involvement** in new port investments and operations.
- Ensure port authorities **respond appropriately** to international market forces & logistics **efficiency demands**.
- Focus investment on **adjustment in ownership and operating models, AND incentives improving managerial and operational efficiency**.

### Port Infrastructure

- Developing port infrastructure ahead of demand, focusing on the ports with the greatest volume potential (the ‘hub’ ports of the future) and improving their **overall functioning** so that through productivity gains they are increasingly attractive as destinations for global trade.
- Without adequate port infrastructure, Africa runs the risk of sacrificing about 2% of GDP

### Corridor Connections

- Ports are an integral part of the overall transport and logistics chain and as a node in a transport system, their efficiency is linked to overall transport infrastructure capacity.
- **Logistics costs remain high as a percentage of total production costs** and limit economic growth opportunities. High transport costs add 75% to the price of African goods.
Requirements for Investors

- Port concessions and tenders follow an open, fair and transparent process

- Transformative growth and empowerment:
  - Local ownership and operation targets
  - Affirming Black, Women and Youth groups
  - Supplier Development

- Local content and designation supported by incentives


- TNPA Operations Phakisa Executive, Mr. Ricky Bhikraj  27 0833094834
Thank you