

TRANSNET



delivering on our commitment *to you*



**Transnet National Ports
Authority
Port Regulator Roadshows
November 2009**

PRESENTATION CONTENTS


TNPA OVERVIEW

TNPA VOLUMES

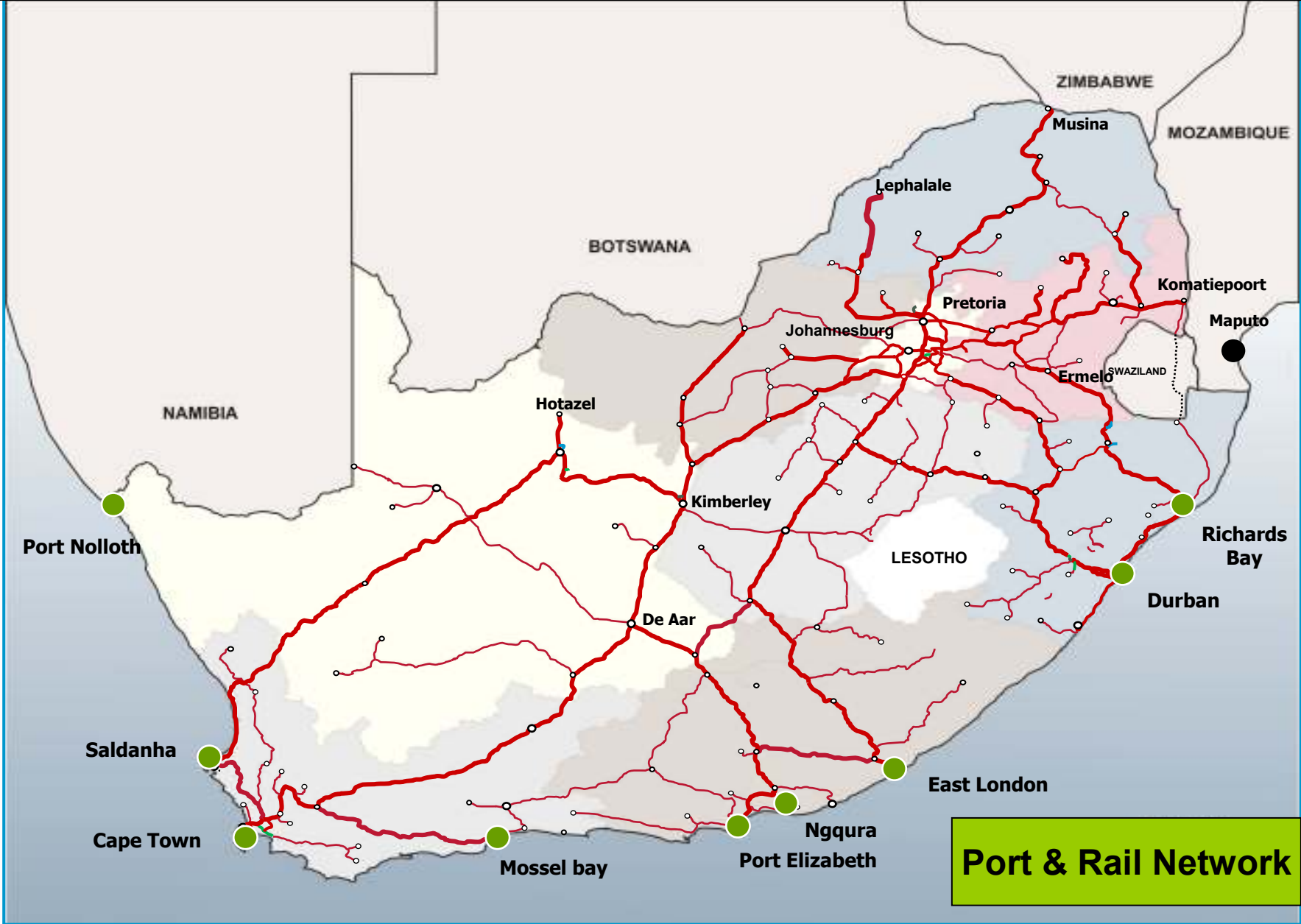
TNPA TARIFFS

TNPA RESPONSIBILITIES (PORTS ACT AND PORT RULES)

Transnet National Ports Authority

 <p>TRANSNET national ports authority</p>	<p>Transnet National Ports Authority (“TNPA”) is responsible for the safe, efficient and effective economic functioning of the national ports system, which it manages in a landlord capacity. TNPA is also a provider of port infrastructure and marine services at all seven commercial ports in South Africa. The eighth port, and the newest, is the Port of Ngqura, which will be operational in 2009.</p>
<p>TNPA Services Provided</p>	<p>TNPA core services (as stipulated in Section 11 of the Ports Act) are:</p> <ul style="list-style-type: none"> • To plan, provide, maintain and improve port infrastructure; • To provide or arrange marine-related services; • To ensure the provision of port services, including the management of port activities and the port regulatory function at all South African ports; • To provide aids to navigation to assist the navigation of vessels within port limits and along the coast;
<p>Port Industry</p>	<p>TNPA operates within the port & broader logistics industry, providing its services to port users – terminal operators, shipping lines, ship agents, cargo owners , logistic players and the clearing & forwarding industry.</p>

The South African Port System



National Ports Authority : Core Functions (National Ports Act, Section 11)

Optimally serve the economy

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
Controller of ports navigation	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

TNPA Strategic Focus

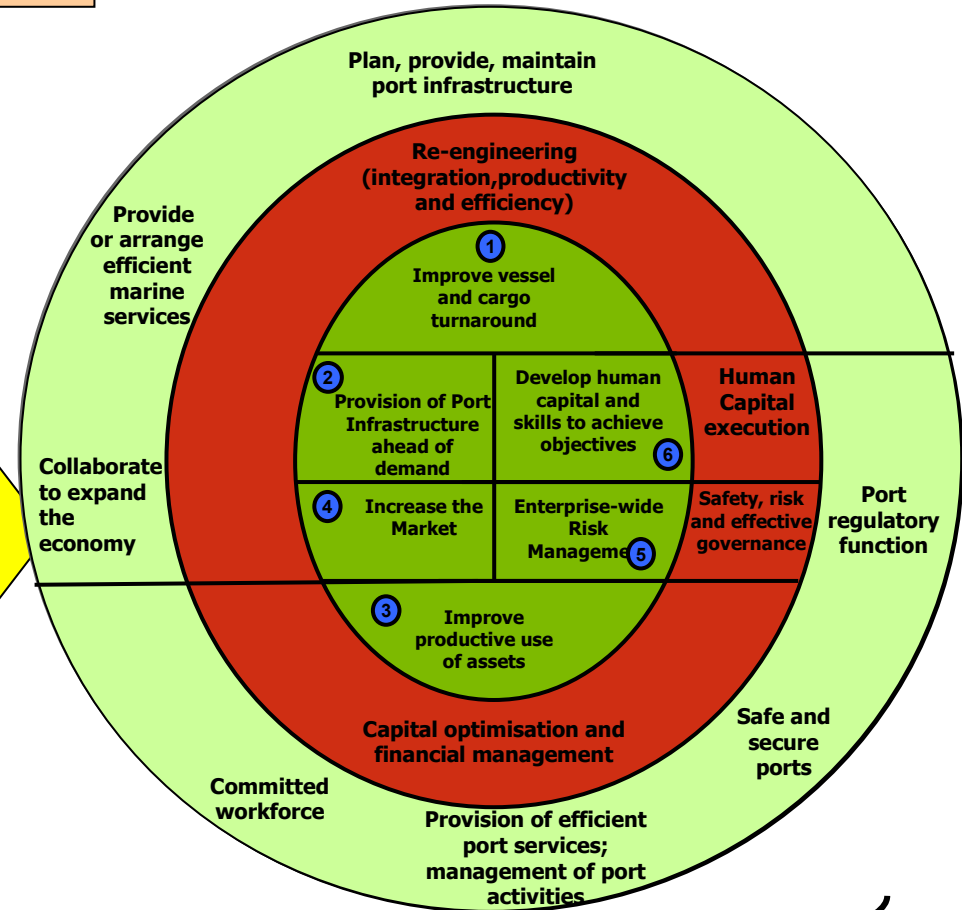
Strategic Intent

“To enable the safe, efficient, effective & economic functioning of an integrated ports system to promote economic growth”

Driven by a 3-tier strategy and 6 goals

TNPA 3-tier strategy	NPA's Goals
Creating Infrastructure capacity ahead of demand	1. Provision of port infrastructure ahead of demand 2. Improve productive use of assets
Improving Port efficiency	1. Improve Vessel and Cargo turnaround 2. Enterprise-wide Risk Management 3. Develop human capital and skills to achieve objectives
Enhancing the ports' position as integrated gateways for trade	1. Increase / influence the market

Aligned with Transnet's growth strategy & Ports Act



Focus remains on three delivery areas

Port Infrastructure and capacity creation and expansion	Efficiency and Competitiveness	Volume Growth
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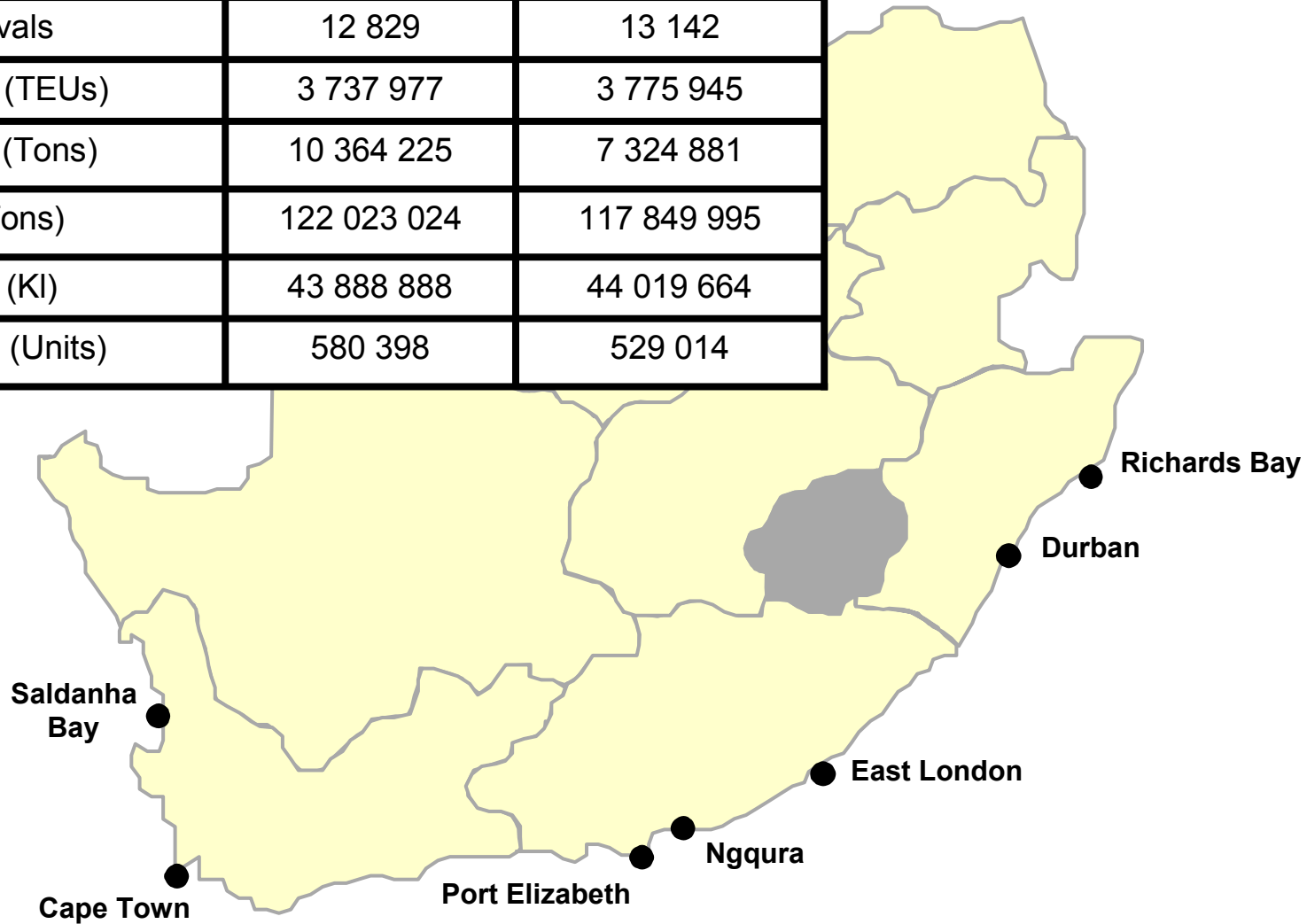
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The South African Port System

	2007/08	2008/09
Vessel Arrivals	12 829	13 142
Containers (TEUs)	3 737 977	3 775 945
Break-bulk (Tons)	10 364 225	7 324 881
Dry Bulk (Tons)	122 023 024	117 849 995
Liquid Bulk (KI)	43 888 888	44 019 664
Automotive (Units)	580 398	529 014



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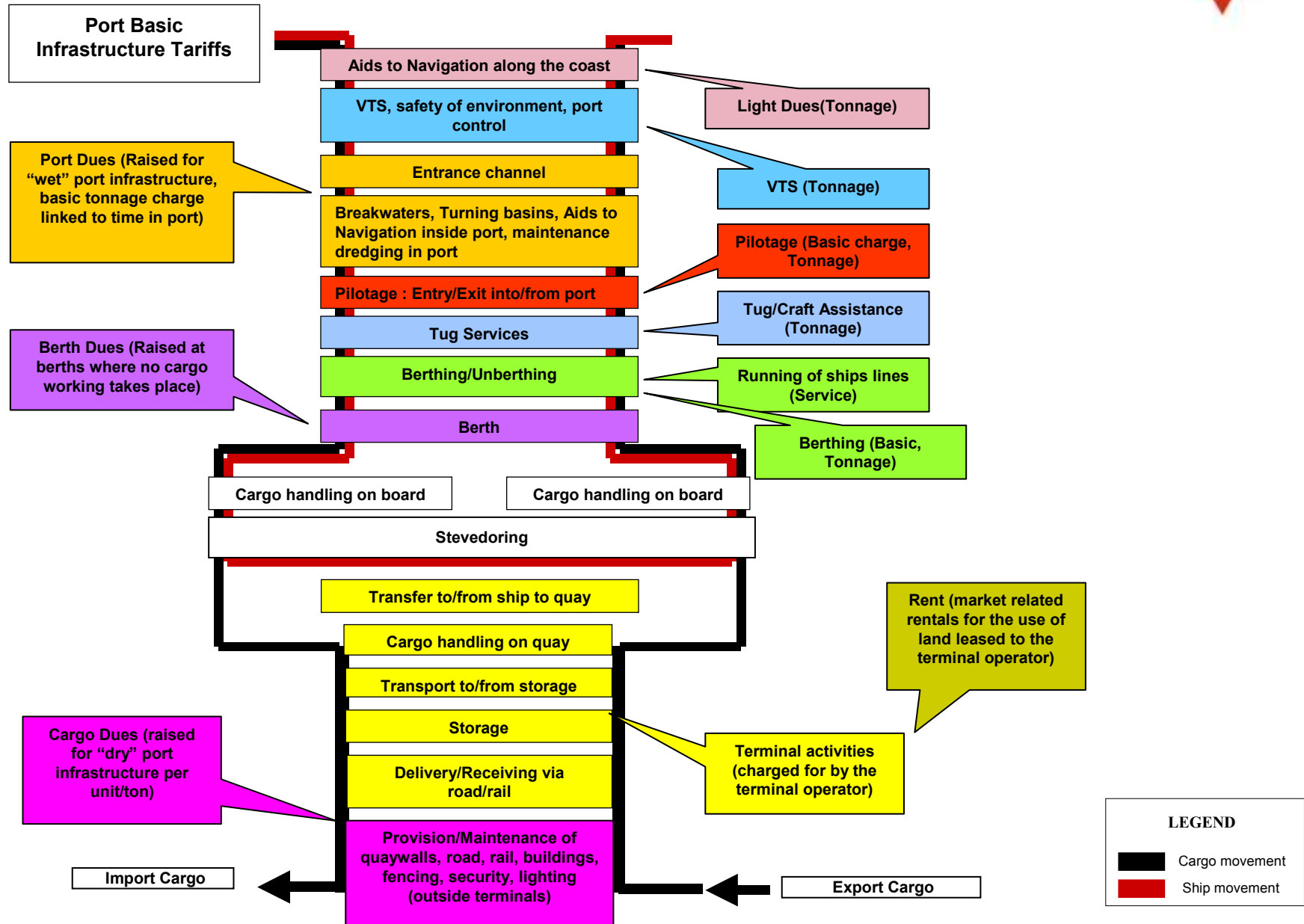
Port Pricing

- In South Africa, Government funding will not be available for the National Ports Authority
 - the South African ports system should remain financially autonomous and not require subsidisation from the State.
- TNPA provides basic port infrastructure (non-physical) and operational (physical) services to port users - to achieve financial autonomy, TNPA needs to charge for these services and tariffs are raised based on the principles of:
 - Identification of the users of services provided;
 - Determination of the costs of such services; and
 - Charging a tariff that recovers the cost, inclusive of a return on the infrastructure/investment provided.
- In the context of the South African ports, the revenue generated from tariffs charged for port authority services are utilised to:
 - Maintain basic port infrastructure,
 - Provide future port infrastructure, and
 - Maintain and provide the current and future marine fleet;

Port Pricing

- The National Ports Authority charges fees for the provision and maintenance of port infrastructure, as follows :
 - **land rentals** for the use of the land;
 - **port dues** for the provision and maintenance of entrance channels, breakwaters, basins, navigational aids and maintenance dredging inside port limits;
 - **cargo dues for the provision and maintenance of port infrastructure;**
 - **berth dues** for vessels occupying quays or repair quays while not engaging in the loading or unloading of cargo.
 - **light dues** for the provision of navigational aids along the coast of the Republic and within ports.
- The Authority also charges tariffs for marine services, i.e. pilotage, tug assistance and berthing services, as well as for the use of ship repair facilities (dock dues);
- The published tariff represents the **benchmark price;**
- Published tariff rates can be utilised as an effective and flexible marketing tool – to enable the authority to negotiate with port users;
- Any deviation from a published tariff rate will always be done on a written agreement basis and applied across affected Industries;

Application of TNPA's Tariffs



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Ports Act Responsibilities

Activity	Ports Act Section	
SA Police Services	✓ Section 13	<ul style="list-style-type: none"> • Co-operative agreements with organs of state;
Customs & Excise	✓ Section 13	
SA Maritime Safety Authority	✓ Section 13	
Other future Terminal Operators	✓ Section 56 Agreement	<ul style="list-style-type: none"> • Open Tender process;
Shiprepair Facilities	✓ Section 56 Agreement	
Tug services, Floating Crane, Berthing Services	✓ Section 57	<ul style="list-style-type: none"> • Licence for future service providers;
Fire fighting, Waste disposal	✓ Section 57	
Security for NPA or others in port	✓ Section 57	

Ports Act Responsibilities

Activity	Ports Act Section	
Rail services	✓ Freight Rail Section 65(5)	
Cargo handling on board vessel /stevedoring	✓ Section 65(4)	<ul style="list-style-type: none"> • Stevedore Licences at all ports have been issued;
Existing Terminal Operators	✓ Section 65	<ul style="list-style-type: none"> • Deemed licences process applies;
Off-shore cargo handling facilities	✓ Section 66 applies (Existing and Future Facilities)	<ul style="list-style-type: none"> • Licence for future service providers
Pilots	✓ Section 77 SAMSA	

Port Rules Responsibilities

Activity	Port Rule Provision	
Ships' agent/owner	✓ Registration only	<ul style="list-style-type: none"> • Registration process to commence shortly
Bunkers	✓ Port Rule Licence	<ul style="list-style-type: none"> • Licence process to commence shortly
Divers		
Fire protection and fire equipment	✓ Port Rule Licence	<ul style="list-style-type: none"> • Future licence process
Pollution control		
Pest control		

The End