



# MEDIA RELEASE

## MoU Heralds a New Dawn for uMhlathuze

**[Richards Bay, South Africa, 05 July 2018]** A Memorandum of Understanding was signed on Thursday, 5 July 2018, between the uMhlathuze Municipality, Transnet National Ports Authority (TNPA) and the Richards Bay Industrial Development Zone (RBIDZ), establishing a framework for the parties to engage effectively with one another on strategic issues of mutual significance.

The MoU will remain in place for a period of five years. Its aim is to encourage interactive and long-term oriented planning to promote economic growth and development in the City of Umhlathuze for the overall benefit of the people of the city.

Deputy Mayor of the City of uMhlathuze, Councillor Dudu Sibiya, said: "This high level of cooperation emanated from engagements we have had with Transnet as well as the Richards Bay IDZ with the sole objective to facilitate all economic and investment opportunities that will give rise to business and job opportunities, thus resulting in changing our people's lives for the better. We are looking forward to executing this agreement and to more engagements at various levels as we forge ahead with the government mission to develop the socio-economic lives of our communities."

Issues to be covered under the MOU include transportation planning, traffic management, tourism, environmental management, financing, safety and security and essential services provision, among others.

Chief Executive of Transnet SOC Ltd, Siyabonga Gama, said the vision of Operation Phakisa would propel the country to leverage its marine heritage through beneficiation, oil and gas industries, fishing and equipment manufacturing - to name but a few activities.

"Through various mechanisms outlined in today's MoU, we can begin to address some binding constraints and to unlock the potential of the local economy – with the commensurate projected growth in our GDP and job creation along our coastal cities and towns. We can do so through an inclusive process involving both the public and private sector."

He added: "With the Richards Bay Industrial Development Zone, we can work closely to attract local and foreign investors who will benefit our country's raw materials. This will aid in diversifying the port's service offering to the market beyond its current core capability of handling and shipping of mining commodities. Our country will then be able to better market our services to the global community."

Chief Executive of TNPA, Shulami Qalinge, said Transnet's planned R7.5 billion investments in Richards Bay over the five year period from 2018 to 2022 would open up significant opportunities for for the three parties to work together.

"Transnet will be investing R145.4 billion over the next five years nationally into existing port, rail and pipeline operations in order to sustain existing freight transportation capacity and create new capacity ahead of demand to facilitate growth in the South African economy. Of this total infrastructure investment, R18.9 billion is allocated to KZN, of which R7.5 billion is for projects in Richards Bay," said Qalinge.

Transnet has budgeted for a total of forty-five projects in Richards Bay over the next five years. These include the Richards Bay expansion project, the conversion of Berth 702, the Bayview rail yard expansion, improvements to the export coal line transporting coal from Mpumalanga to the Port of Richards Bay, as well as Permanent Way maintenance.

"Our mandate is to use these projects as opportunities to drive economic and social transformation, supporting government policies and initiatives contained in the Competitive Supplier Development Programme and the New Growth Path strategy," she said.

Qalinge explained that Supplier Development is an important element of these contracts. Among the focus areas are localised procurement, job creation and retention, and skills development and transfer, where the objectives are to facilitate training opportunities to create capacity and to ensure that trained individuals are then able to participate in future projects.

Richards Bay IDZ Chief Executive Officer, Pumi Motsoahae, said the relationship would provide a unique platform for a new approach to fundamentally shape the future envisaged by the partners. "It will assist the three partners to collectively focus on development projects taking place in the City by allowing the exchange of information, intelligence and best practices that will drive the growth of the City into an active industrial hub," he said.

Motsoahae added: "The ease of doing business in the City will also assist in driving and attracting domestic and Foreign Direct Investments (FDIs), significantly looking into the wide scope of urban development, facilitation of the oceans economy, import and export orientation and broadly for the cohesive planning in driving Richards Bay to be the sought after industrial hub utilising the competitive advantages surrounding the area."

He further stated: "We are excited about this partnership and the commitment that all partners are bringing, and moreover the infrastructure projects that Transnet has in the pipeline which are geared towards aggressively activating the oceans economy. We are certain that these projects will completely change the landscape of the Richards Bay area and allow alignment to the needs of the investors, thereby priming the City as an ideal destination for various investments."

Motsoahae said the partnership would require an active interplay of the partners and actions where progress is dependent on the other. "We are all tasked with a huge responsibility of expediting the development in the region, that is aimed at fast-tracking the economic growth and opening vast opportunities for people emancipation," he concluded.

Gama agreed: "By working together with all our partners, I am confident that the successful completion of this project will bring meaningful participation of many of our previously disadvantaged people in this community into the economy."

**ENDS**

### **Image Gallery**

**Below:** Pictured with the signed MoU were (front left to right) Chief Executive of Transnet National Ports Authority, Shulami Qalinge; Deputy Mayor of the City of uMhlathuze, Councillor Dudu Sibiya; Richards Bay IDZ Chief Executive Officer, Pumi Motsoahae, and (back left to right) Chief Executive of Transnet SOC Ltd, Siyabonga Gama; Chief Operating Officer of Transnet SOC Ltd, Mlamuli Buthelezi; City of uMhlathuze Chief Financial Officer Mxolisi Kunene; uMhlathuze Municipal Manager, Dr Nhlanhla Sibeko; Richards Bay IDZ Chief Financial Officer Mzamo Khuzwayo and Legal Manager, Keith Harvey.



**Below:** Pictured at the signing of the MoU were (left to right): Richards Bay IDZ Chief Executive Officer, Pumi Motsoahae; immediate past President of Zululand Chamber of Commerce & Industry, Sizwe Khumalo; Chief Executive of Transnet SOC Ltd, Siyabonga Gama; Deputy Mayor of the City of uMhlathuze, Councillor Dudu Sibiyi; Chief Operating Officer of Transnet SOC Ltd, Mlamuli Buthelezi; CEO of Zululand Chamber of Commerce & Industry, Thabani Shale; Chief Executive of Transnet National Ports Authority, Shulami Qalinge; and Port Manager for the Port of Richards Bay, Thami Sithole.



### **About Transnet National Ports Authority**

Transnet National Ports Authority (TNPA) is one of five operating divisions of Transnet SOC Ltd. The National Ports Authority is responsible for the safe, effective and efficient economic functioning of the national port system, which it manages in a landlord capacity. It provides port infrastructure and marine services at the eight commercial seaports in South Africa – Richards Bay, Durban, Saldanha, Cape Town, Port Elizabeth, East London, Mossel Bay and Ngqura. It operates within a legislative and regulatory environment and is governed by the National Ports Act (Act No. 12 of 2005). For more information visit [www.transnetnationalportsauthority.net](http://www.transnetnationalportsauthority.net).

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