

**TRANSNET**



delivering freight reliably



**Durban B2B**  
**MDS and Ports Act Implementation**  
30 November 2015



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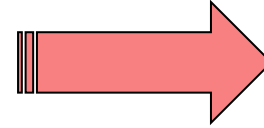




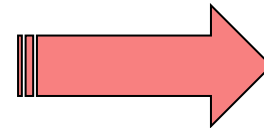
# The National Commercial Ports Policy

## *A new Vision for South African Ports*

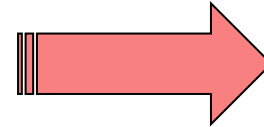
“A **system of ports**, seamlessly **integrated** in the **logistics network** that is jointly and individually **self-sustainable** through delivery of high levels of service and **increasing efficiency** for a **growing customer base**, **enhancing** South Africa’s global **competitiveness** and facilitating the **expansion** of the South African **economy** through socially and environmentally **sustainable port development**”



Integrated Port System



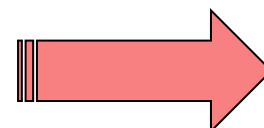
Self-sustainable Port System



Efficient and Competitive Ports



Growing (expanding) Port System



Economic Growth

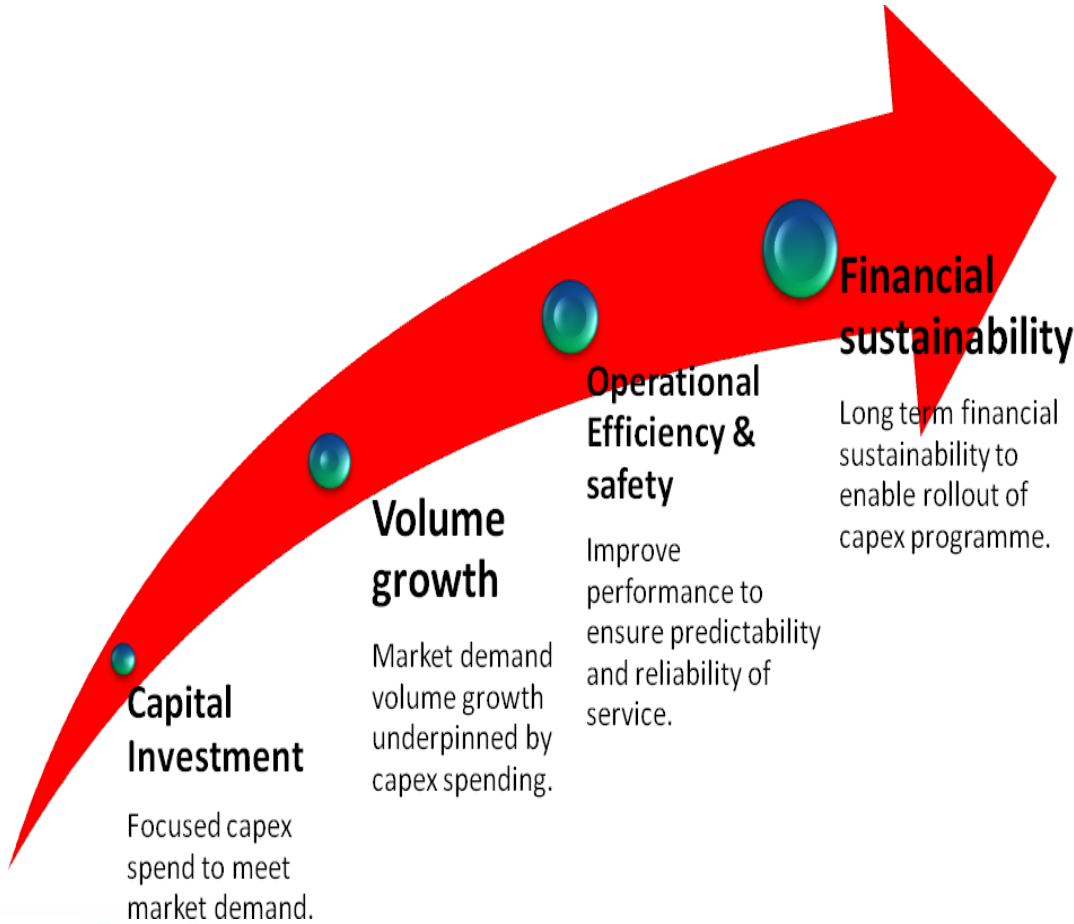
Port Development : Infrastructure Provision





# Transnet's Market Demand Strategy (MDS)

MDS was launched in 2012 :



**Create/expanding port infrastructure to create capacity ahead of demand**

**Grow volume through capacity created and new business opportunities**

**Increase port efficiency**

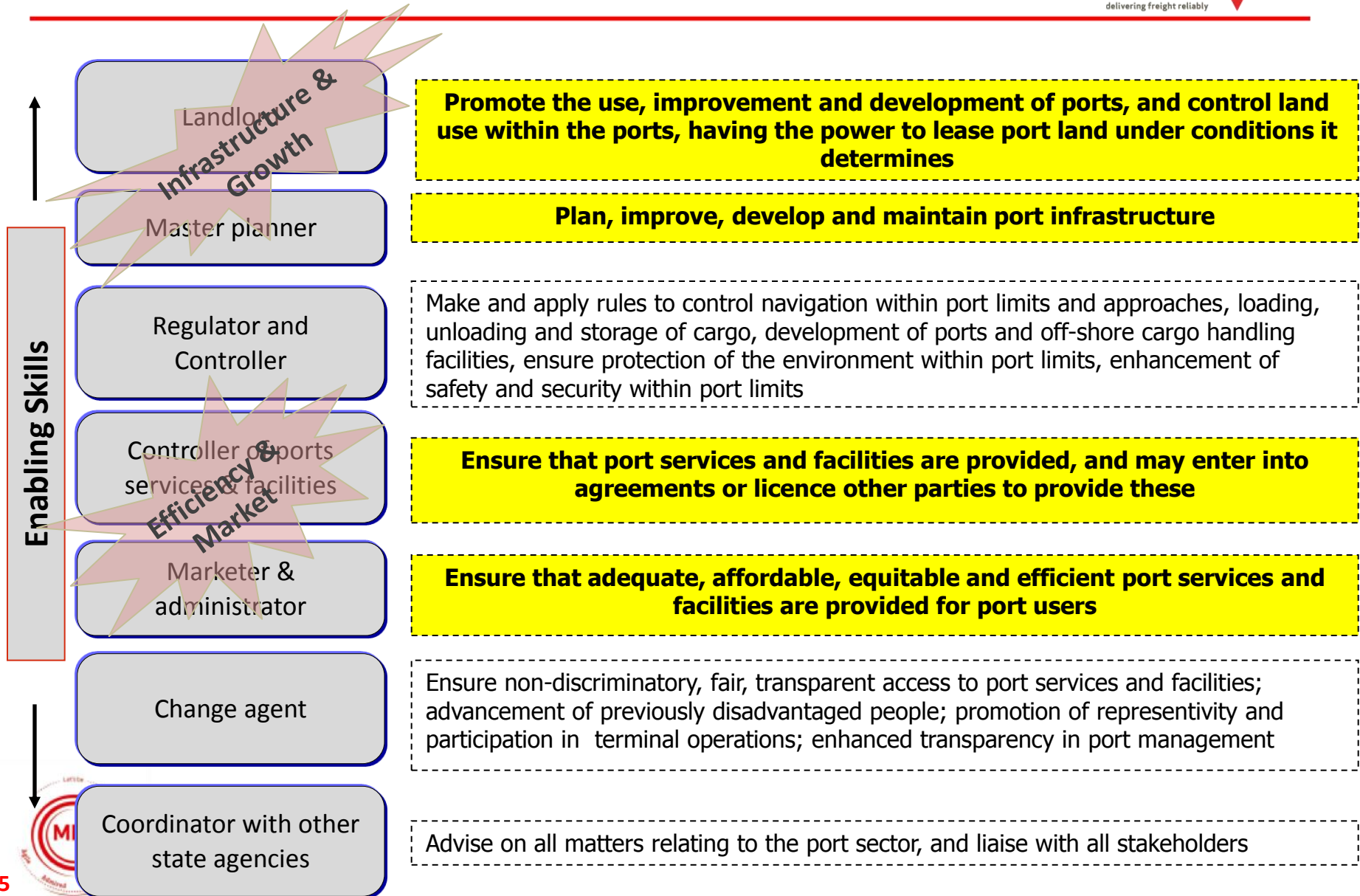
**Self-sustainable port system**

**Economic growth and job creation**





# Core functions (National Ports Act Section 11)





## TNPA's Strategic Focus

**“A Landlord Port Authority that manages, controls and administers the South African Port System on behalf of the State”**

**Driven by a 3-tier strategy**

### Infrastructure

**Create and Manage Infrastructure capacity ahead of demand**

### Operations

**Improving port efficiency through increased productivity and operations oversight**

### Integrated Port System

**To facilitate an integrated logistics chain that will establish the port system as an integrated gateway for trade**

**In support of meeting Shareholder's objectives of improving operating efficiencies, regional integration and optimising investment in the port system**





## MDS Pillars : Infrastructure

### Infrastructure

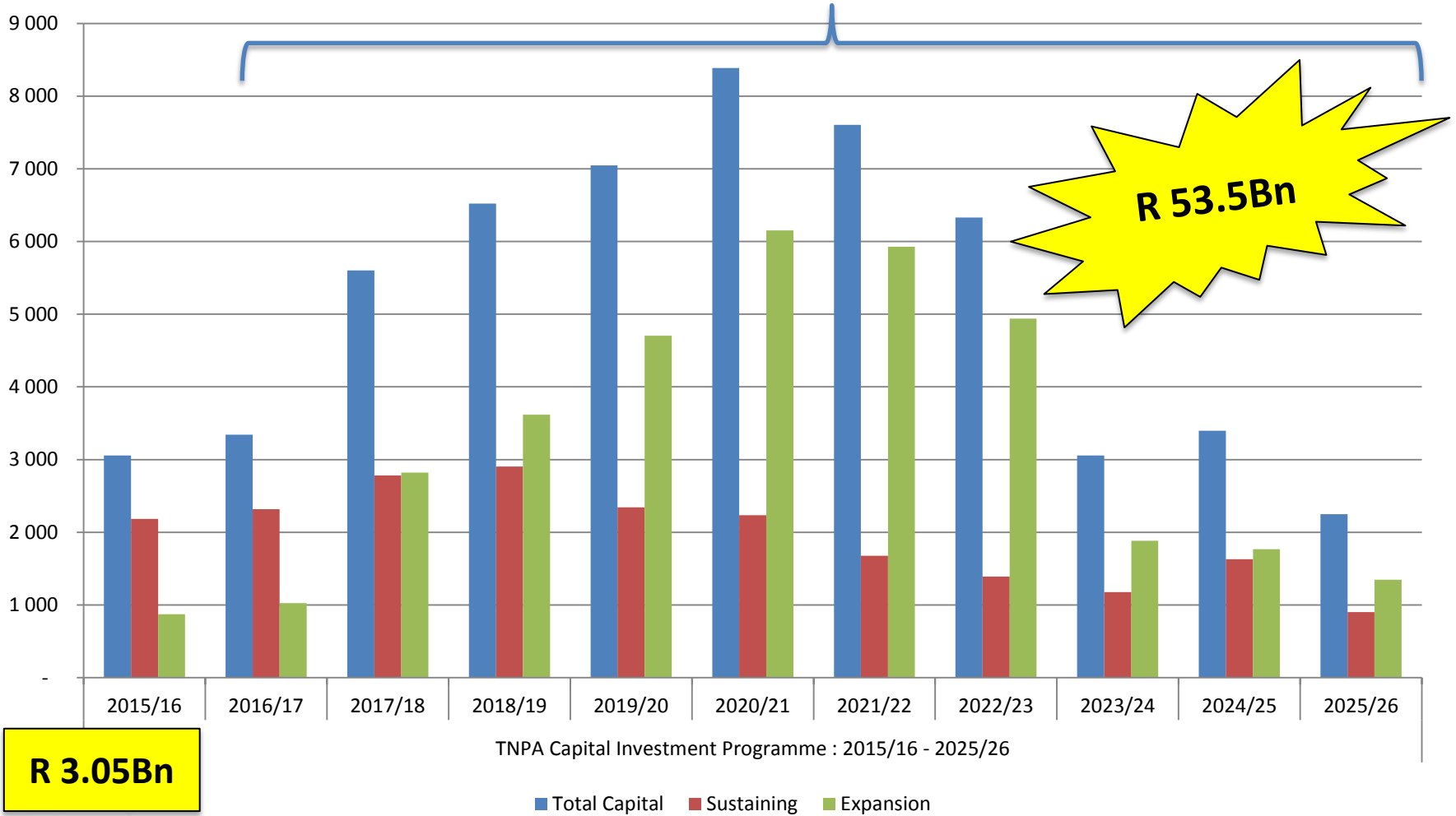
Create and Manage Infrastructure capacity ahead of demand

- **Transnet in the 3<sup>rd</sup> year of MDS implementation**
  - Port investments over this period has been R 5.78Bn;
  - TNPA's estimated investment over the next 10 years of R 53.5Bn;
- **Oceans Economy will be a major driver to invest in the port system**
  - Investment of R 252m in 2015/16 and estimated R 2Bn over the next 5 years to refurbish existing ship repair facilities across all ports;
  - Investment of estimated R 13-15Bn in creating new repair facilities at the SA ports – Saldanha, Richards Bay, East London;
- **Fleet Replacement Programme**
  - Tug Build : 9 tugs, first tug delivered on 11 November 2015;
  - Dredgers : TSHD Ilembe in January 2016, Plough Tug and Cutter Suction planned Q1 2017;





# Capital Programme 2015/16 – 2025/26



**R 3.05Bn**

**R 53.5Bn**

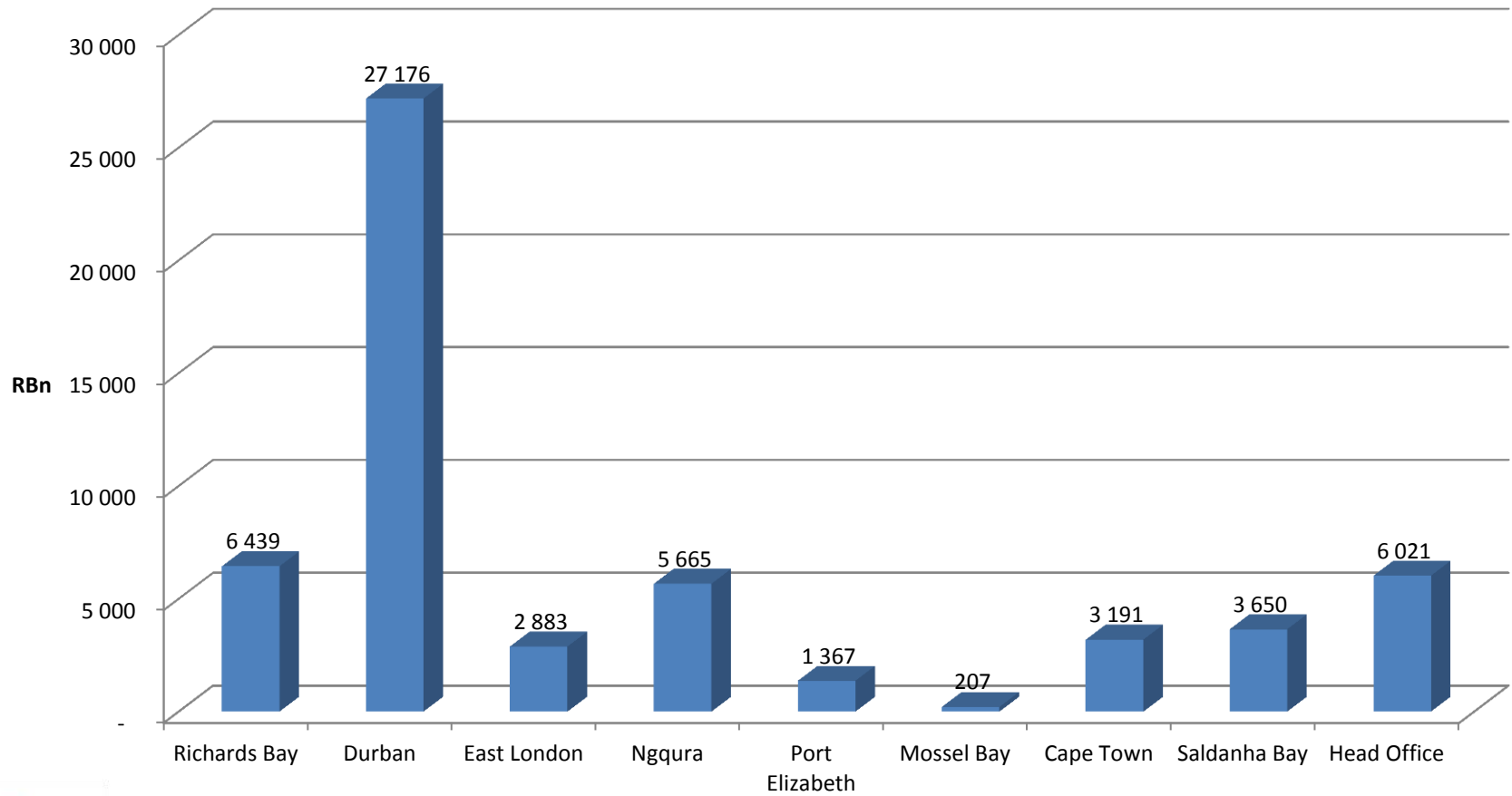
**Estimated R 56.6Bn : 2015/16 – 2025/26**





# Capital Programme 2015/16 – 2025/26

## TNPA Capital Investment per Port : 2015/16 - 2025/26





## Major Infrastructure Projects

### Durban Container Terminal



- Berth Deepening and Lengthening Pier 2 (Berth 203 - 205)
- Salisbury Island Infill (Pier 1 Phase 2)

### Port of Ngqura



- Operationalisation of the Port

### Bulk



- 16mtpa Manganese Terminal at the Port of Ngqura
- Tank Farm Berth A100, roads, port entrance and services at Ngqura
- LNG Terminal and additional Bulk Liquid at RCB (envisaged completion FY 2022/2023)

### Break Bulk



- Reconstruct sheet pile quay walls at DBN Maydon Wharf (Berths 1,2, 13 & 14)

### Fleet Management



- Acquisition of tug boats, pilot boats, launches, dredgers (all ports)

### Helicopters



- Acquisition of replacement helicopters for DBN & RCB

### Operation Phakisa



- Operation Phakisa Initiatives at DBN, EL, PLZ, SLD, CPT



# Saldanha : Oil and Gas Supply Base (Artist Impression)





# Saldanha : New Jetty (Artist Impression)





# Saldanha : Rig Repair Berth 205 (Artist Impression)





# Richards Bay : Ship Repair (Artist Impression)





## MDS Pillars : Efficiency

### Operations

Improving port efficiency through increased productivity and operations oversight

- Terminal Operator Standards (TOPS) for year 3 issued;
- Marine Operations Standards (MOPS) issued at all ports;
- Next focus on roll-out of Rail Operator (ROPS) and Hauler (HOPS) efficiency standards;
  - ROPS pilot on Durban;
  - HOPS engagement of stakeholders on model and process;
- Integrated Port Management System (IPMS) : Implemented at all ports;





## MDS Pillars : Trade Gateway

### Integrated Port System

To facilitate an integrated logistics chain that will establish the port system as an integrated gateway for trade

- **Passenger Terminals : Durban, Cape Town;**
- **Liquid Bulk : Richards Bay, East London, Durban (Lot 100);**
- **LPG : Saldanha;**
- **LNG : Richards Bay;**
- **Manganese : Ngqura;**
- **General Cargo : Ngqura;**
- **Containers : DDOP, Salisbury Island;**





# The TNPA Ports Act Journey

## Implementing the Ports Act

2015 - 2019

### MDS

- Marketing port capacities and attract new business opportunities;
- Efficient port operations and logistics chain visibility;
- Ports as gateways for trade;

### Capital Commitments

- Deliver capacity creating and sustaining port infrastructure aligned with port development plans;
- 7-year investment of R 43Bn;

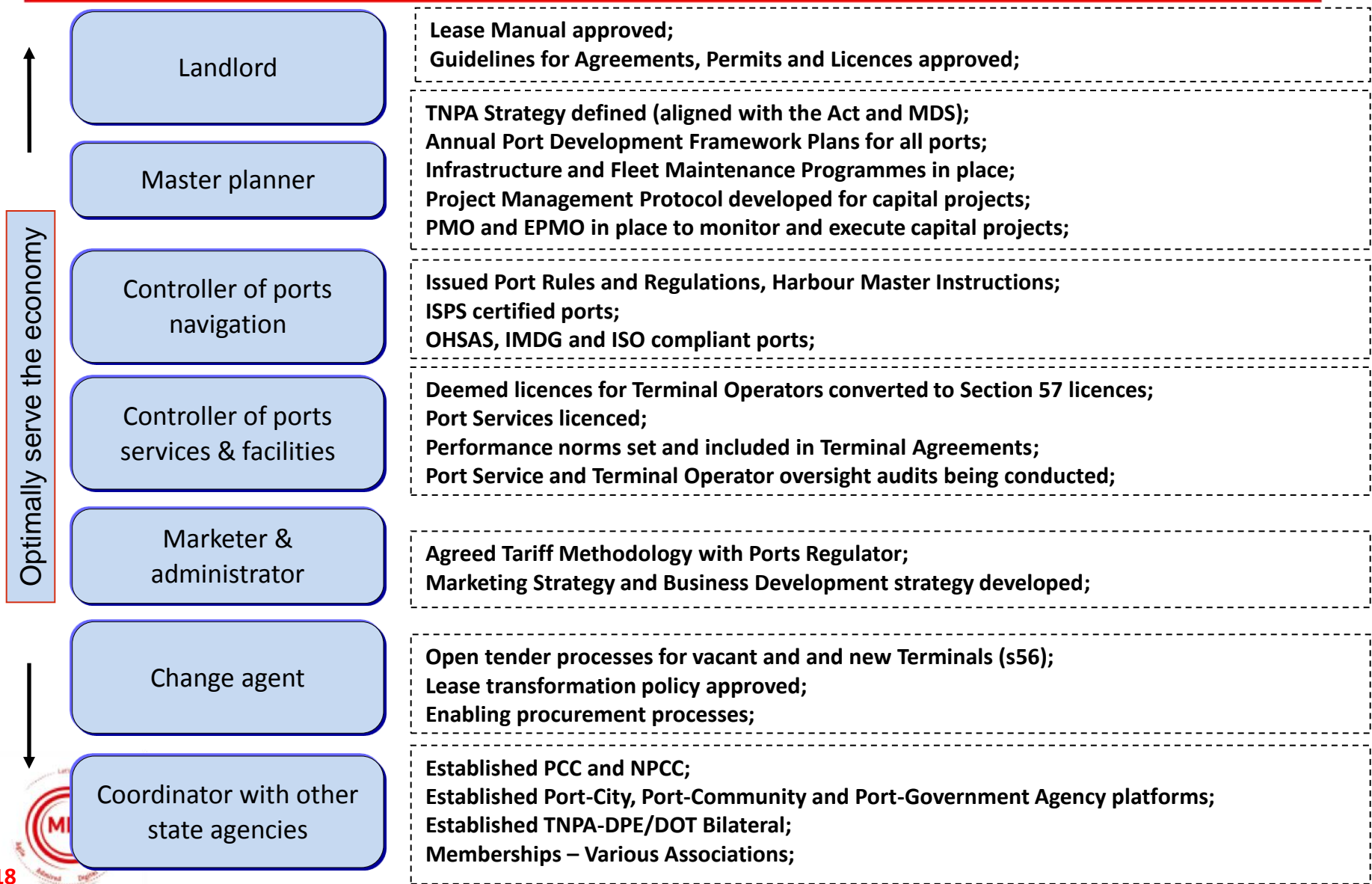
### Implementing the Ports Act

- Embedding the 5-year Port Safety, security and environmental oversight strategy;
- Licencing new port service and facility providers;
- Transformation in port operations - precinct strategies and section 56 projects;
- Integrated planning : ports and cities;
- People-port concept;
- Embed Tariff Methodology and Implement Pricing Strategy;
- An enabling governance framework for TNPA;
  - Integrated national planning;
  - International obligations/Port Marketing;





# TNPA : Achievements to Date





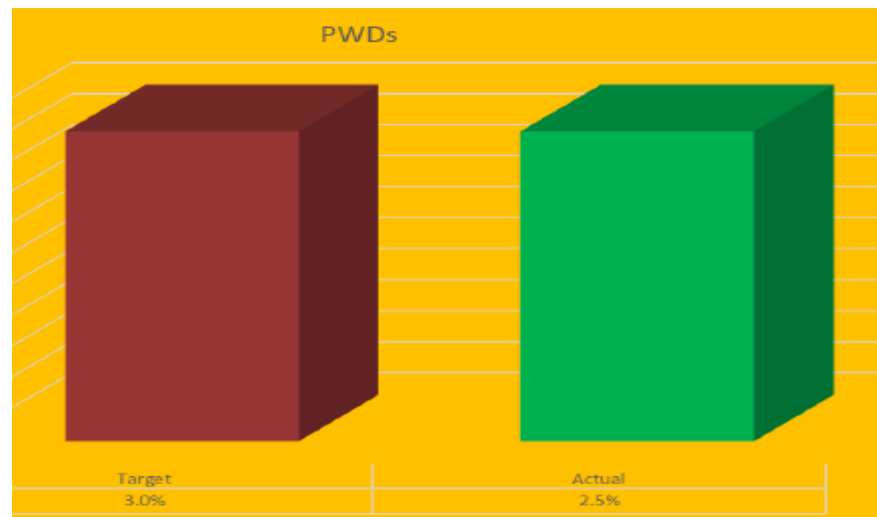
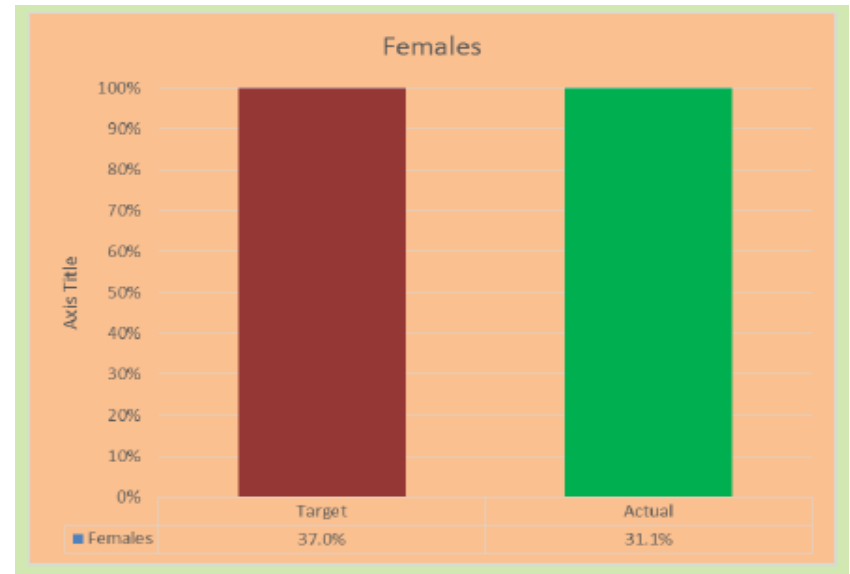
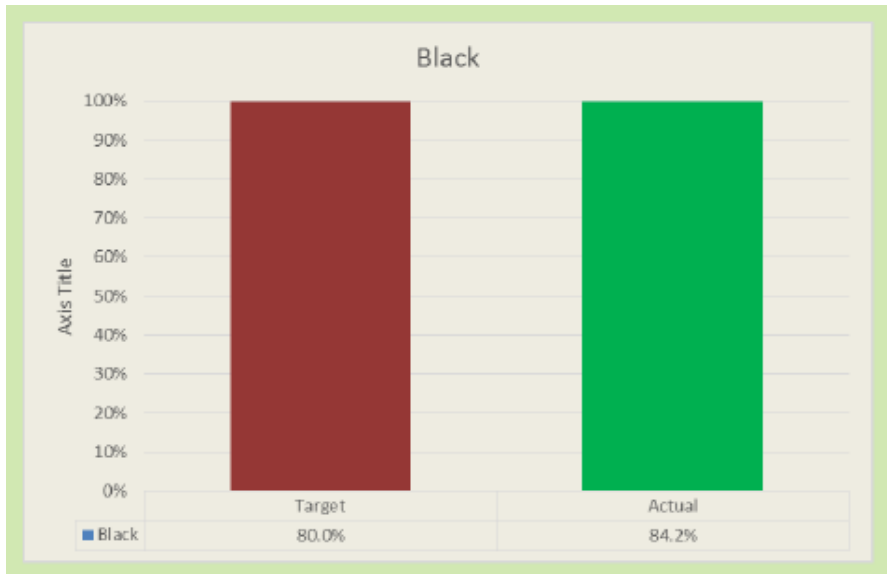
## Other Key Initiatives and Indicators

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- **Pricing Strategy**
  - **Submission to the Ports Regulator;**
  - **Roadshows completed;**
- **Regulatory and compliance oversight audits done annually;**
- **People**
  - **Transformation within Maritime;**
  - **First ever African and Female Marine pilots;**
  - **First ever African Female Dredge Master;**
  - **First ever African Harbour Master;**



# Transformation within TNPA : 2015





## Closing Remarks

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- **MDS is about growing the economy;**
- **The key driver to growth remains the creation of port capacity :**
  - **Oceans economy as a “new” driver for economic growth and job creation;**
  - **Continued investment in the port system to create capacity for growth;**
- **Oceans economy and TNPA’s capital programme :**
  - **Private sector Investment opportunities;**
  - **Supplier Development opportunities;**
- **Our focus remain on the development of an integrated port system to grow the economy and create visibility of the supply chain;**



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THANK YOU