TRANSNET PORT TERMINALS
Transnet Port Terminals capacity expansion master plan

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25 June 2013
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- Transnet Market Demand Strategy
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Transnet – State Owned Company Limited

**Ports**
- Transnet National Ports Authority (TNPA)
  - 8 Commercial ports along 2943km of coastline
  - Revenue R8.4bn
  - Assets R56 bn
  - 3558 employees
- Transnet Port Terminals (TPT)
  - 16 Cargo Terminals operating across 7 SA ports
  - Revenue 7 bn
  - Assets R13.5 bn
  - 6 324 employees
- Transnet Engineering (TE)
  - Support TFR for rolling stock and TPT for lifting equipment maintenance
  - Revenue 9.8 bn
  - Assets R8.6 bn
  - 13 020 employees

**Rail**
- Transnet Freight Rail (TFR)
  - 20 500 km of railway track
  - 182 million tons of freight
  - General freight & 2 heavy haul export lines
  - Revenue 22.2 bn
  - Assets R54.7 bn
  - 24 177 employees

**Pipelines**
- Transnet Pipelines (TPL)
  - 18 billion litres of petroleum products and gas through 3 000 km of pipelines, mainly to Gauteng
  - Revenue 1.3 bn
  - Assets R20.1 bn
  - 600 employees

**Supporting**
- Capital Projects
- Transnet Foundation
- Property Management
- R300 billion of capital investments over next 6 years
- CSI in Education, Health, Sport, Arts & Agriculture
- Property Management
Transnet’s role to BRICS
– The Southern Hub for World Shipping Routes

Shortest Trade Route between Shanghai and Santos is via South Africa 10,972nm = 21 days @ 21 knots via Panama Canal 12,967nm = 26 days + transit fee via Suez Canal 13,544nm = 28 days + transit fee

Source: http://www.searates.com/reference/portdistance/
Transnet’s role to Africa
- Enabling Regional Integration

Source: Team analysis
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TPT 10yr CAPEX HISTORY (Rm)

Investment climbed from R492m in 2002/03, peaking at R3.2bn in 2008/09

TPT Investment (R3,972m)
(5 years: 2002/03 to 2006/07)

Port concessioning dilemma

TPT Investment (R10,745m)
(5 years: 2007/08 to 2011/12)

Infrastructure backlog catchup & expansion drive

Global recession & investment cutbacks

<table>
<thead>
<tr>
<th>Year</th>
<th>Port Concessioning Dilemma</th>
<th>Infrastructure Backlog Catchup &amp; Expansion Drive</th>
<th>Global Recession &amp; Investment Cutbacks</th>
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<tbody>
<tr>
<td>2002/03</td>
<td>492</td>
<td>1740</td>
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OVERVIEW OF TPT MEGA PROJECTS

• **Pier 1**: 720K TEU RTG/RMG Terminal, commissioned in Durban [R1.9bn]
• **DCT (P2)**: Expansion and Re-configuration up to 2.9M TEUs [R1.5bn]
• **CTCT**: Expansion up to 1.0M TEUs and conversion to RTGs [R4.3bn]
• **Ngqura**: Greenfields port and terminal development. 800K TEUs, 2-berth, deep water CT [R8bn]
• **SLD IOT**: Expansion up to 60mpta. Transnet investment is R8.1bn, TPT’s investment is [R1.2bn]
• **RCB DBT**: Partial refurbishment programme, limited by terminal viability [R800m]
• **PE Bulk**: Refurbishment of manganese plant to 4.2mtpa. [R600m]
The Port of Ngqura is the first new commercial port to be developed in South Africa since Richards Bay.

The new container terminal at Ngqura commenced operations in October 2009.

The port is capable of serving post-Panamax dry and liquid bulkers and the new generation mega-max class container ships.

The port is ideally situated to serve as a transhipment facility for traffic from the East, South America & West African markets.

Terminal Capacity (800kTEUs)
- 2 deepwater berths
- 6 mega-max STS cranes
- Navis N4 and Camco Autogate
The Cape Town Terminal benefitted from this investment with the deepening the container basin and berths to 15.5 meters.

The terminal increased its stack footprint and its capacity to 1.4 million TEU’s.

Added Terminal Capacity (1000kTEUs)
- 4 deepwater berths
- 6 mega-max STS cranes
- Navis N4
- 500 Reefers power points
The R 1.9 billion development of Pier 1 has boosted the container capacity in Durban by a further 700,000 TEUs.

The existing facility has been completely repaved and, unlike at DCT (which features one of the largest straddle carrier operations in the world), TPT has introduced a RTG system at Pier 1.

Landside operations also include a Rail Terminal, featuring three parallel rail tracks and 2 Rail Mounted Gantry Cranes (RMGs).

Terminal Capacity (700k TEUs)
- 2 berths
- 6 super-post panamax STS cranes
- Navis N4 and Camco Autogate
- Increase DCT capacity to 2.9 million TEUs
- Re-position service facilities to create additional stacking areas
- Construct new workshops and parking facilities
- Total cost R 1.5bn.
Richards Bay DBT Refurbishment

- R800m
PE Manganese Bulk Plant Refurbishment

- R600m

Reclaimer Slew

Reclaimer MCC

Old Control Room

New Control Room

Rebuilt Reclaimer A
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Market Demand Strategy
- 2013 to 2020

- **R300bn** Transnet-wide capital investment programme over next 7-years
- Expanding rail, port and pipeline infrastructure
- Increase in capacity to meet market demand
- Continued financial stability and strength
- Significant productivity and operational efficiency improvements
- Shift from road to rail – reducing the cost of doing business and carbon emissions
- Enabling economic growth
- Job creation, skills development, localisation, empowerment and transformation opportunities
- TPT will invest **R30bn**
Market Demand Strategy

- MDS will enable growth in key commodities and will position South Africa globally as…

...a key thermal coal exporter

...an increasingly important 4th largest supplier of iron ore to China

...the leading manganese exporter globally

...the leading logistics hub for sub-Saharan Africa

...a globally recognised benchmark for container and heavy haul operations
Market Demand Strategy
- Total Transnet ZAR300bn, TPT ZAR30bn

Boom-time
Ends

Global recession

Market Demand Strategy
R30bn TPT 7yr Investment Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>Cape Town</th>
<th>Durban</th>
<th>Eastern Cape</th>
<th>Richards Bay</th>
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<tbody>
<tr>
<td>08/09</td>
<td>R 1.266bn</td>
<td>R 11.791bn</td>
<td>R 1.642bn</td>
<td>R 10.013bn</td>
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<td></td>
<td>Containers: R 1,085m</td>
<td>Containers: R 11.170bn</td>
<td>NCT Expansion: R 948m</td>
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<tr>
<td></td>
<td>Bulk: R 180m</td>
<td>Automotive: R 343m</td>
<td>PE / EL: R 694m</td>
<td></td>
</tr>
</tbody>
</table>

Sishen – Saldanha: R 4.965bn
Iron Ore Expansion (60-80mtpa): R 4.911bn
Other (Bulk): R 54m

Richards Bay corridor: R 10.013bn

Durban: R 11.791bn:
Containers: R 11.170bn
Automotive: R 343m
Bulk: R 278m

Eastern Cape: R 1.642bn
NCT Expansion: R 948m
PE / EL: R 694m

Cape Town: R 1.266bn
Containers: R 1,085m
Bulk: R 180m

Latest 7yr plan revision
MDS roll-out start

Global recession

Boom-time Ends

Source: Africa Team analysis
Market Demand Strategy
- MDS INVESTMENTS FOR TPT

Port View, Replacement Vs Expansion, Infra Vs Equipment

TPT 7-year Capex Programme (R 29.677bn):

<table>
<thead>
<tr>
<th></th>
<th>Total ETC 7 Year Plan</th>
<th>Year 1 2013/14</th>
<th>Year 2 2014/15</th>
<th>Year 3 2015/16</th>
<th>Year 4 2016/17</th>
<th>Year 5 2017/18</th>
<th>Year 6 2018/19</th>
<th>Year 7 2019/20</th>
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<tbody>
<tr>
<td>TPT</td>
<td>29 677</td>
<td>1 859</td>
<td>2 827</td>
<td>4 772</td>
<td>5 496</td>
<td>5 247</td>
<td>5 241</td>
<td>4 235</td>
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</tbody>
</table>

TPT Year 1 (2013/14) Forecasted spend (R 1,859m):
Infra vs. Equipment, Port View, Replacement vs. Expansion

Civil / Infrastructure vs Cargo Handling Equipment
- Civil / Infrastructure: R 489m (26%)
- Cargo Handling Equipment: R 1,369m (74%)

Port View
- CTN: R 106m (6%)
- SLD: R 116m (6%)
- NGQURA: R 528m (28%)
- DBN: R 513m (28%)

Replacement vs. Expansion
- Expansion: R 789m (43%)
- Replacement: R 1,069m (57%)

PE / EL
- RBY: R 550m (30%)
- PE / EL: R 45m (2%)
Market Demand Strategy

Port Of Durban
Market Demand Strategy

Port Of Durban

New 7x Tandem Lift Cranes on DCT North Quay – May 2013 R700m

UPCOMING: Staff facilities (Berth 107, 108 & Central) and Admin Building – Oct 2015 R138m
DURBAN CONTAINERS
- CURRENT LAYOUT

Salisbury Island Navy Base

DCT Pier 1

DCT Pier 2
Market Demand Strategy

Port Of Richards Bay

Richards Bay, South Africa
Market Demand Strategy
Port Of Richards Bay

New Pneumatic Ship Unloader – Oct 2012
R136m

New Ship Loader –
May 2013
R136m

Upcoming Project:
CD West Development for Chrome
(New open stack yard) – March 2015
Market Demand Strategy

Port Of Richards Bay – EXPANSION PLANS
Feasibility Studies Underway – R12.4bn investments expected
Market Demand Strategy

Port Of Ngqura – R1bn, 2014

Infrastructure
1. 4 x New deep water berths
2. New Stack Area
3. Workshop, Mess & Ablution Facility
Market Demand Strategy

Port Of Saldanha Bay
Market Demand Strategy

Port Of Saldanha Bay

Aerial view of the Port of Saldhana Bay

- New Dry Bulk Stacking Area
  - 2017

- 1 x New berth for Break Bulk Cargo
  - 2017
Market Demand Strategy

Port Of Port of Cape Town
Market Demand Strategy

Port Of Cape Town

Additional stacking equipment including:
- 4 x RTGs
- 4 X Straddle Carries
Market Demand Strategy

Port Of Port of Port Elizabeth
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Source of picture: www.newstimeafrica.com
DURBAN CONTAINERS
- FUTURE LAYOUT - 2020

Consolidated Salisbury Island Navy Base

Interim upgrade of Pier 1 + 2 Rail Terminals

Pier 1 with new Salisbury Island infill and deep-water berths
Total cost: R 6.3b

Pier 2 with deepened berths 203–205 and lengthening of north quay
Total cost: R 5.6b
NGQURA CONTAINER TERMINAL
– Futuristic Expansion
End – Thank You