

PORT & CORRIDOR COOPERATION BUSINESS MISSION AMSTERDAM AND ROTTERDAM REGIONS, THE NETHERLANDS

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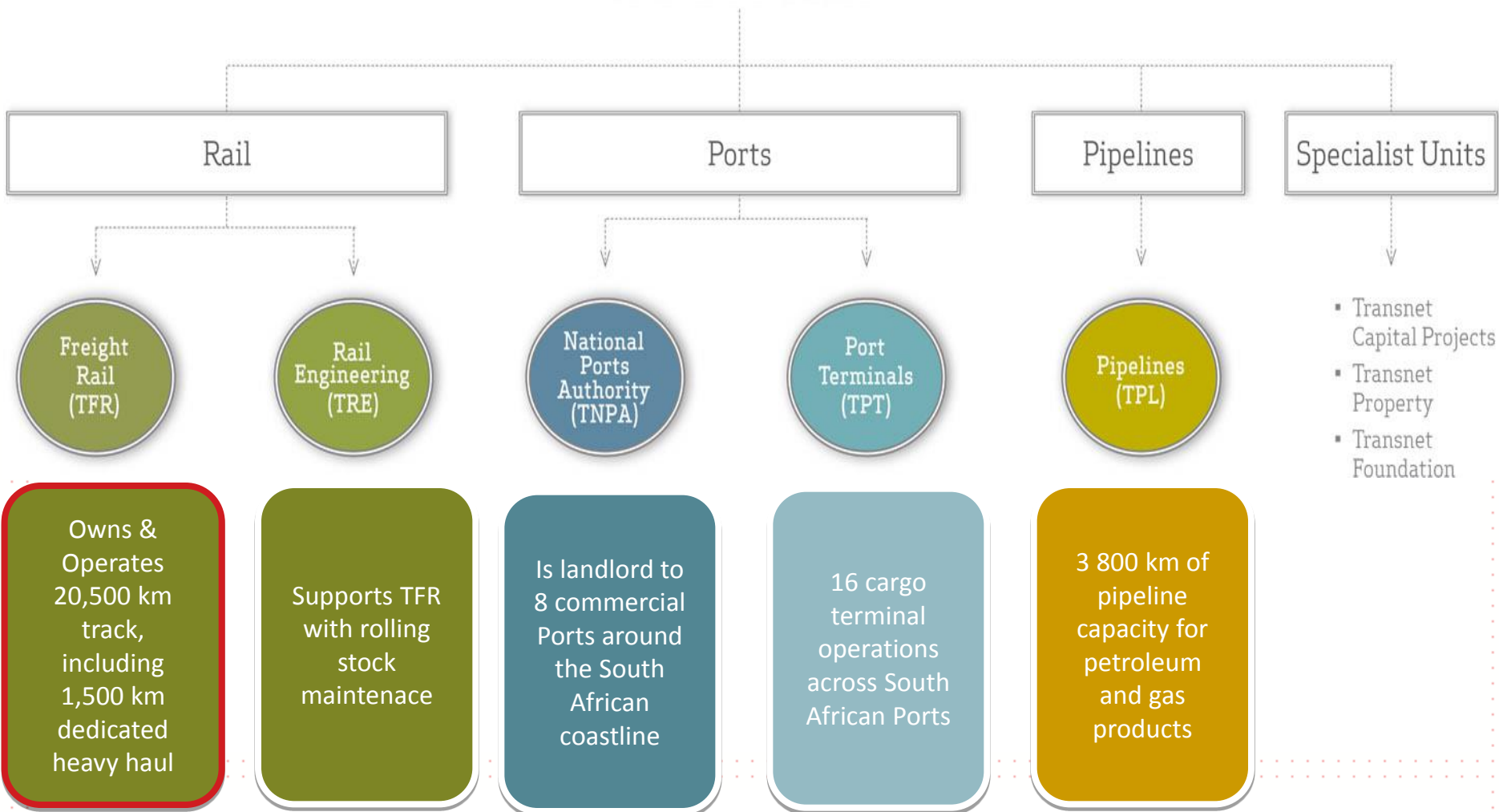
Transnet Port Infrastructure Development

November 2013

**Makhosini Shongwe, Executive Manager
Transnet Group Planning**

Transnet is the custodian of ports, rail and pipelines

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Transnet Connecting and Integrating the Region

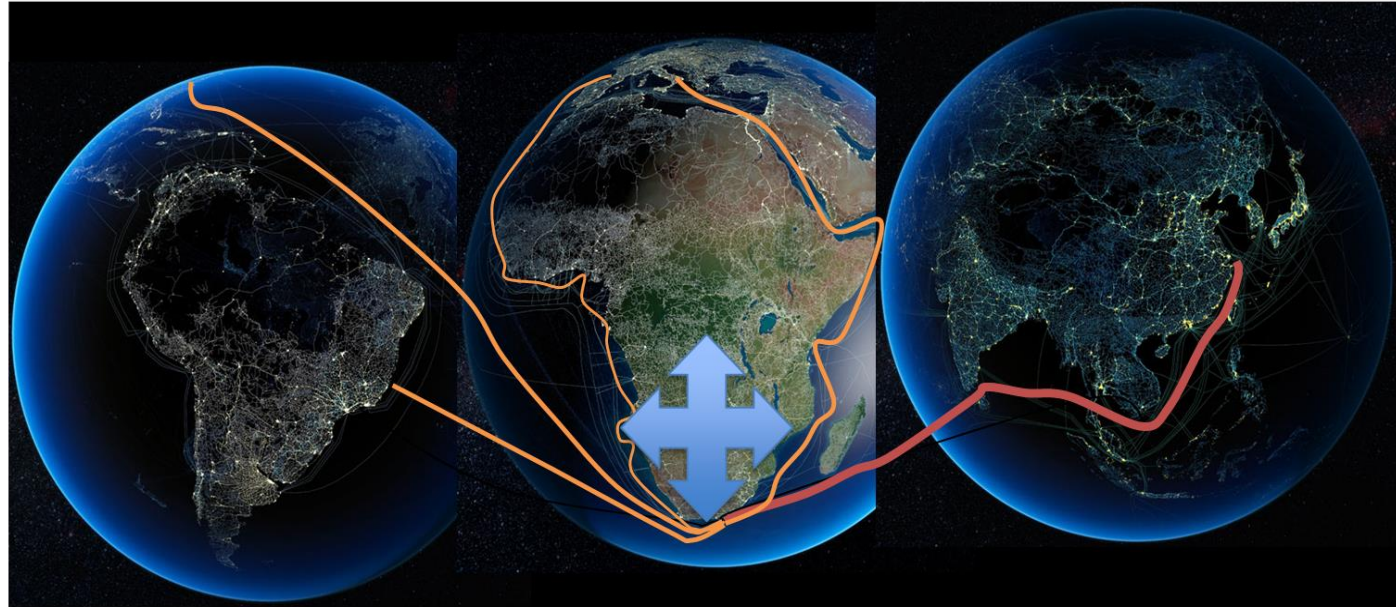
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Position of South Africa's ports system and connecting rail network enables access to:

- **South-South trade**
- **Far East trade**
- **Europe & USA**
- **East & West Africa regional trade**



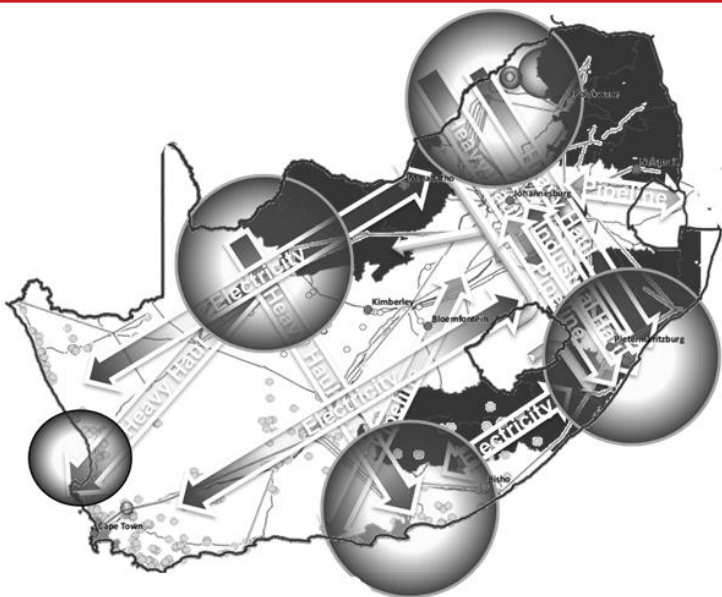
Key Port Planning Trends and Issues



- Worldwide trend towards greater specialisation, centralisation and economies of scale
- Exponential increases in vessel and parcel sizes due to economies of scale in transporting cargo
- Innovative regional and global port operational models such as hub and spoke system
- Advanced port operational systems and more efficient cargo handling equipment
- The need for sustainability in infrastructure solutions, as well as increased stakeholder engagement on issues such as carbon footprint, cleaner technologies, green and eco-ports, and end user costs

Enabling Programmes to achieve National Objectives through Strategic Integrated Projects (SIPs)

SIP Programmes



Catalytic Projects

- Waterberg Integrated Development
- Durban-Gauteng Development Region
- South Eastern Node & Corridor
- Saldanha-Northern Cape Corridor

Transnet Involvement

Geographic SIPs

- 1 Unlocking the Northern Mineral Belt (Waterberg)
- 2 Durban-Free State-Gauteng Logistics & Industrial Corridor
- 3 South Eastern node and corridor development
- 4 Unlock Economic Opportunities in North West Province
- 5 Saldanha-Northern Cape Development Corridor

Spatial SIPs

- 11 Agri-logistics and rural infrastructure

Regional Infra SIPs

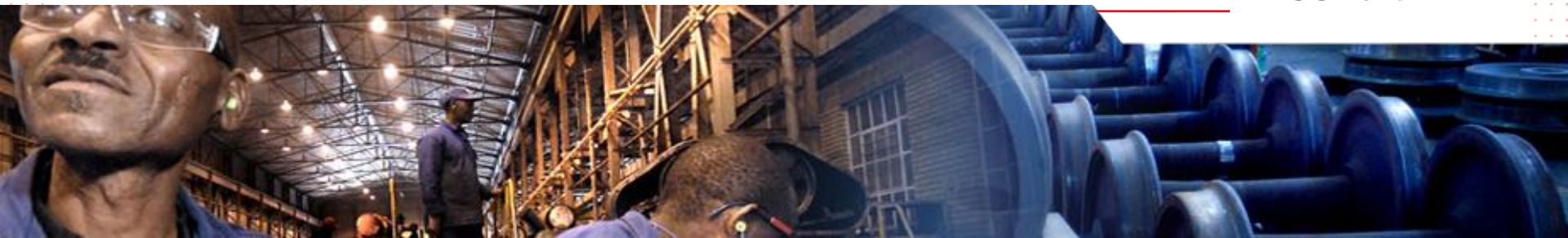
- 17 Regional Integration for African cooperation and development



|||| Market Demand Strategy



Market Demand Strategy



- **Increase** in capacity to meet market demand
- **R307.5bn** capital investment programme
- Expanding **rail, port and pipeline infrastructure**
- Significant **productivity and operational efficiency** improvements
- **Shift from road to rail** – reducing the cost of doing business and carbon emissions
- Enabling **economic growth**
- Continued **financial stability** and strength
- **Job creation**, skills development, **localisation**, empowerment and transformation opportunities

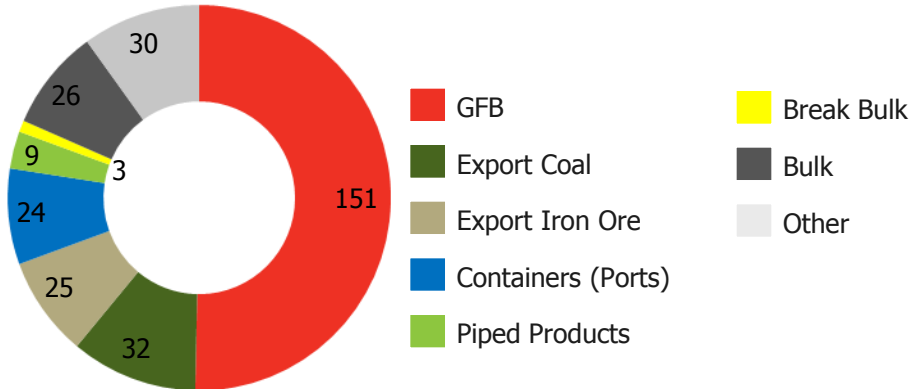


Capital Spend and Major Programmes

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Commodity Split (Rbn)



Major Programmes



GFB rail capacity growth to meet market demand volumes from 82mt to 180mt



Increase export coal to 97.5mt – including Waterberg



Increase export iron ore to 82.5mt

Increase in fleet & improvement to infrastructure

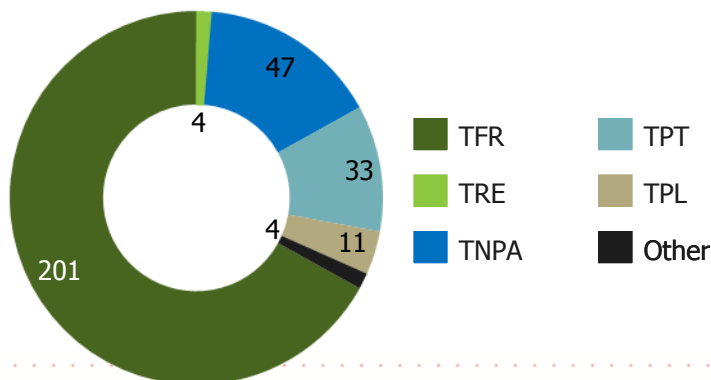


Increase export manganese to 16mt



Completion of the New Multi-Product Pipeline (NMPP)

Divisional Split (Rbn)





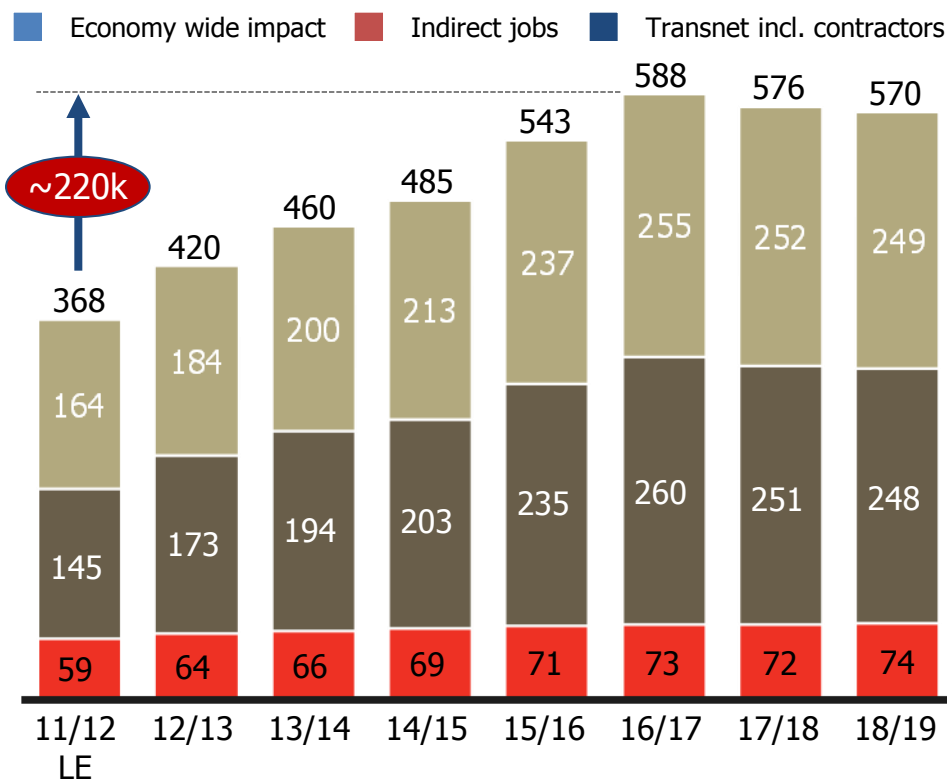
Transnet Developmental Objectives

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Job creation impact of MDS on South Africa '000 people



R7,6bn to be spent on training over the next 7 years

Additional 15,000 direct jobs

Increased intake in schools of excellence

- R4,6bn spent on bursaries and grants
- 317 technicians in training by 2018/19

Step up recruitment in critical skills and expand annual intake

- 2 000 apprentices at all times
- Increase engineering bursar intake to 543 students in 2018/19

MDS is expected to create 588,000 job opportunities at its peak with a large focus on skills and capacity building



Impact of the MDS in the context of Ports and Rail

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Catalyst for Economic Growth



Job Creation



Regional Integration

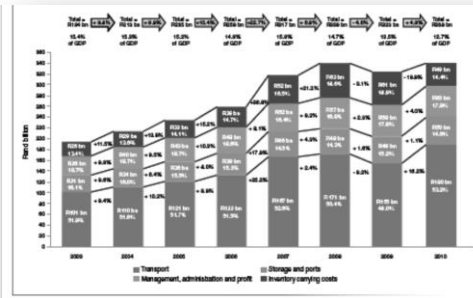


Market Demand Strategy

Road-Rail Freight Industry Imbalance-



Reducing the Cost of Logistics



Meet Customer Demand & Improve Service Delivery

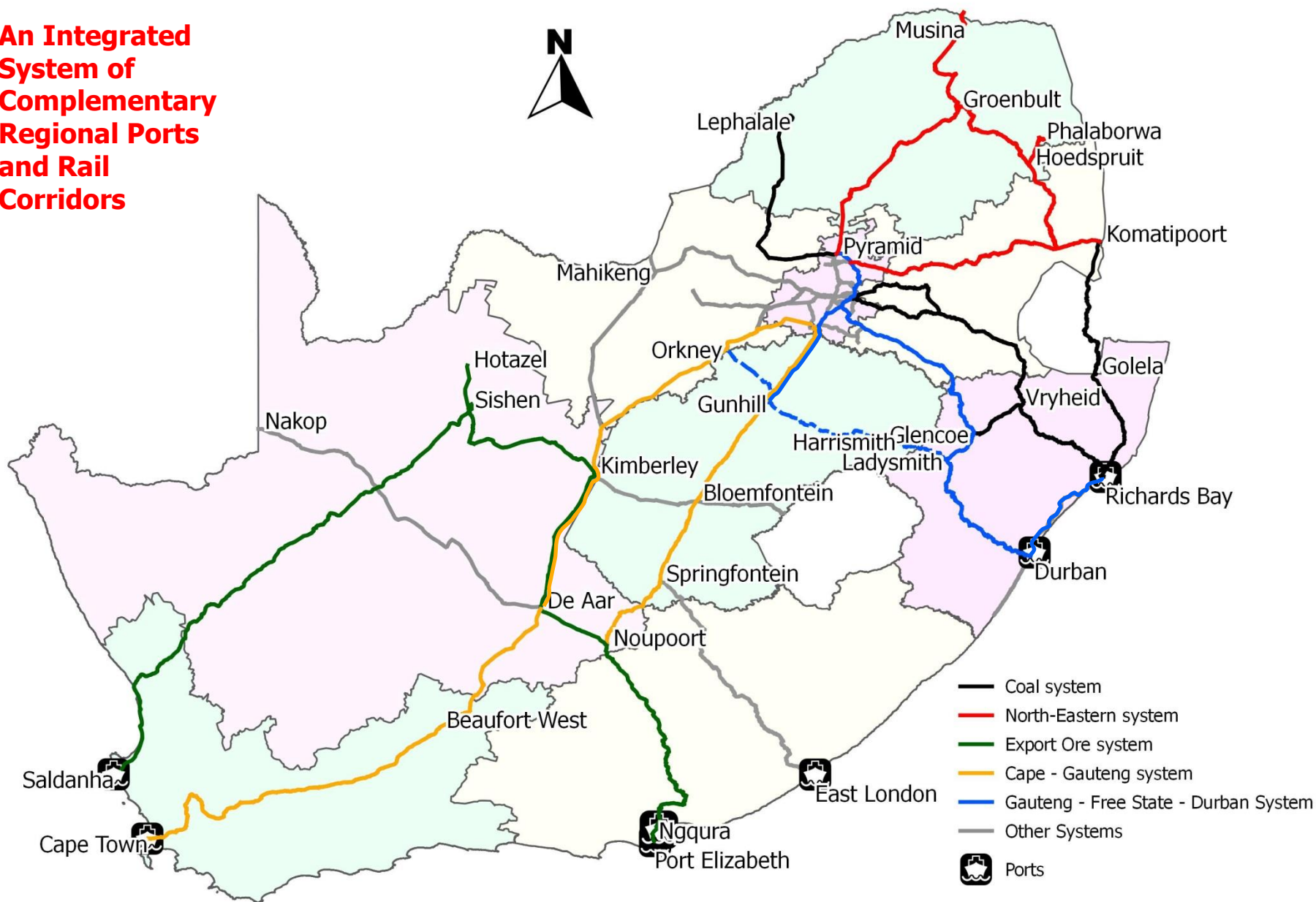


Network Plans: core network systems

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**An Integrated
System of
Complementary
Regional Ports
and Rail
Corridors**





South African Ports

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WESTERN PORTS



Saldanha Bay



Cape Town



Mossel Bay

CENTRAL PORTS



Port Elizabeth



Ngqura



East London

EASTERN PORTS



Durban



New Durban Dig-Out Port



Richards Bay



Ports Infrastructure Provision Role

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Types of Port Infrastructure

Port Land and Terminals

- Lease port land to terminal operators and other port service and port facility providers in the ports
- Undertake environmental management and land use planning

Wet Infrastructure

- Lighthouse services infrastructure - lighthouses, buoys, beacons and electronic / radio navigation equipment
- Port control and safety
- Entrance channels, breakwaters, turning basins, aids to navigation within port limits, vessel traffic services, maintenance dredging within ports.

Dry Infrastructure

- Quay walls, roads, rail lines, buildings, fencing, port security, lighting (outside terminals), bulk services and in certain cases terminal infrastructure

Ship Repair Services

- To provide and maintain repair facilities as well as the cranes utilised in such facilities

Marine Services Dredging

- Pilotage, tug assistance, berthing, running of lines, floating cranes, dredgers.





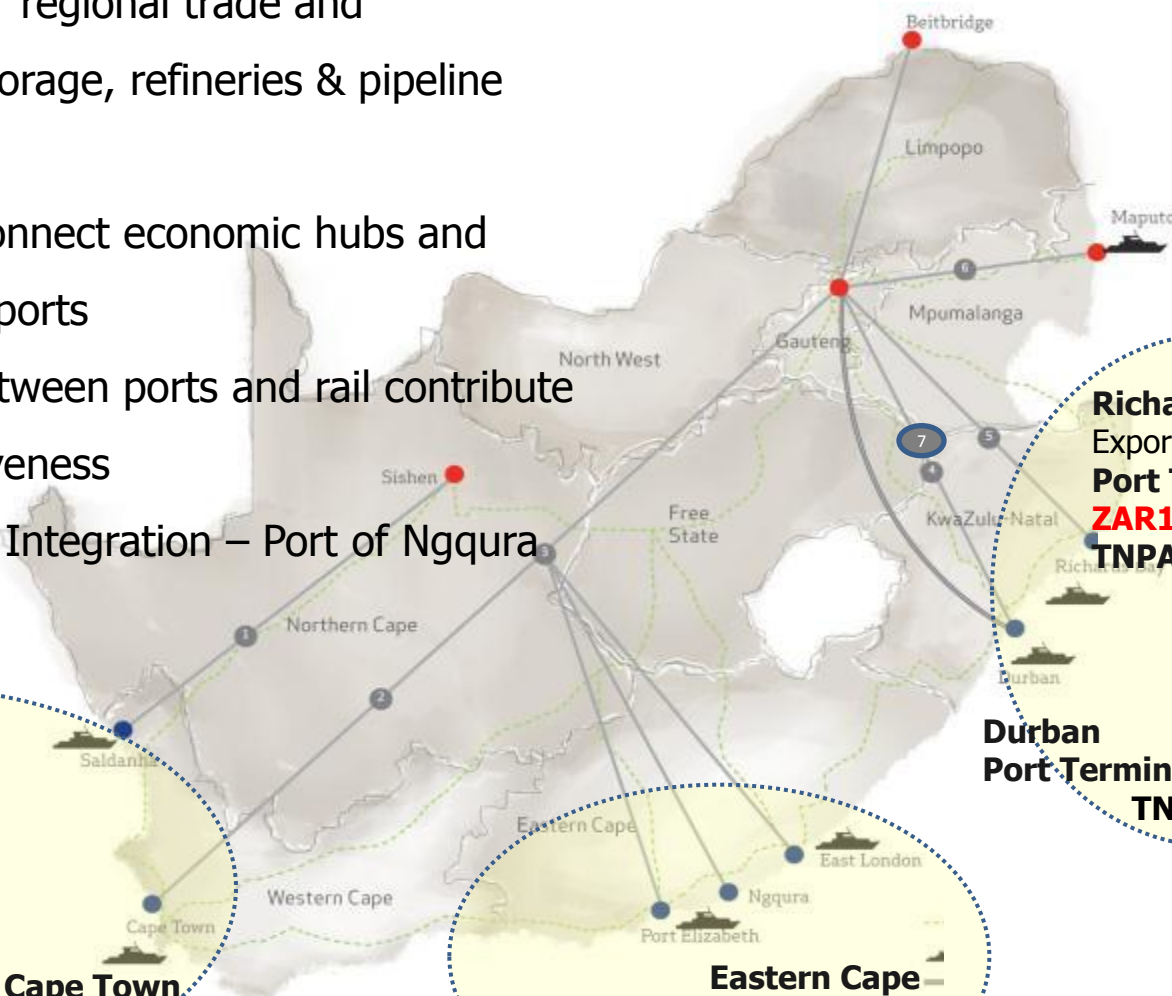
Investment in Ports & Port Terminals

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- Ports – Gateway for regional trade and transshipment, oil storage, refineries & pipeline origin
- Key rail corridors connect economic hubs and mining deposits to ports
- The relationship between ports and rail contribute to global competitiveness
- Unlocking Regional Integration – Port of Ngqura for trans-shipment



Sishen -Saldanha
Export iron ore
Port Terminals:
ZAR5.82bn
TNPA: ZAR4.4bn

Cape Town
Port Terminals:
ZAR465ml
TNPA: ZAR3.4bn

Eastern Cape
Port Terminals: **ZAR6.7bn**
TNPA: ZAR11.9bn

Durban
Port Terminals: **ZAR7.4bn**
TNPA: ZAR21.5bn

Richards Bay corridor
Export Coal
Port Terminals:
ZAR12.4bn
TNPA: ZAR5.7bn



Infrastructure Projects

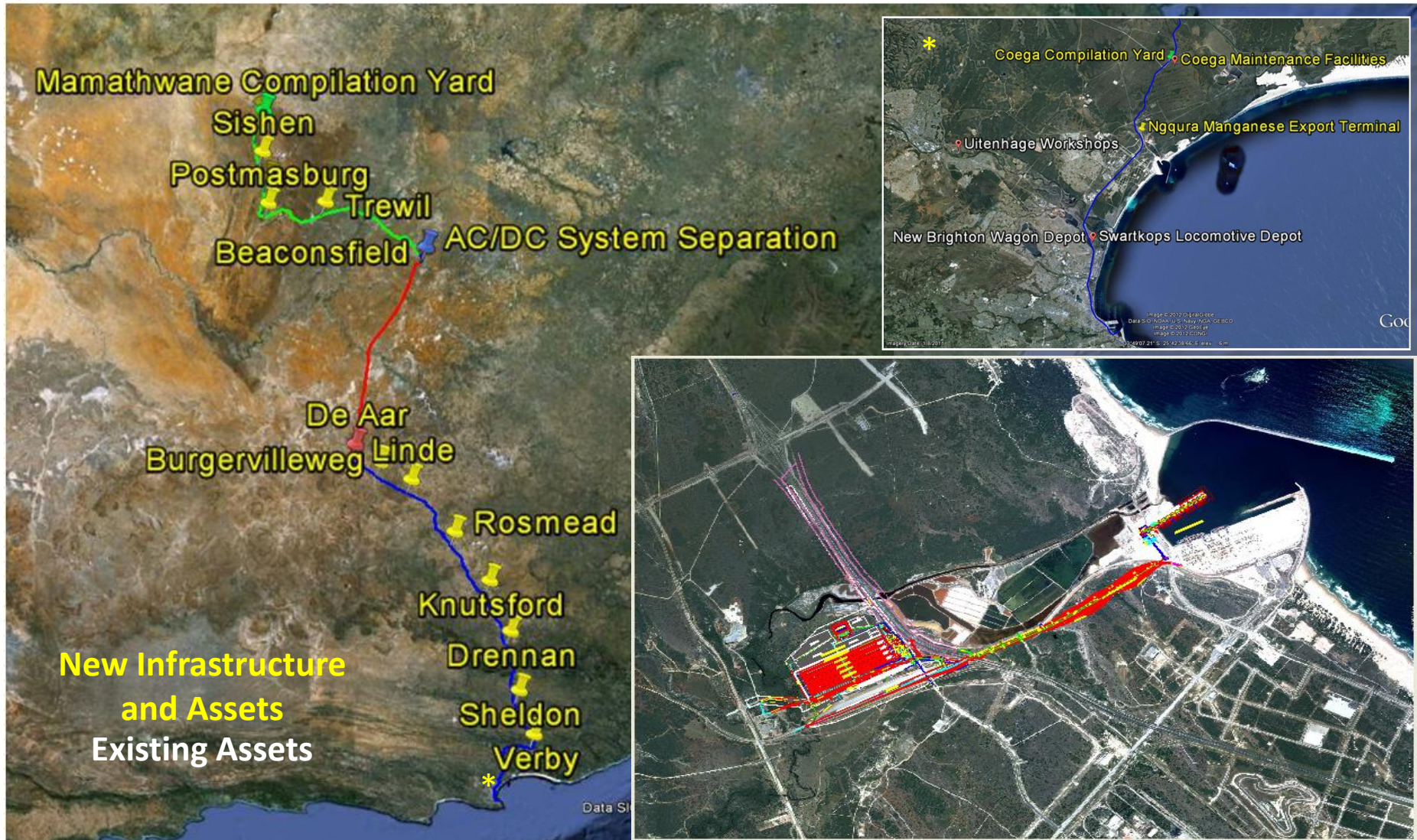


Manganese expansion programme

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Ore line: Sishen - Saldanha

Project Description:

Rail and port development required to increase the iron ore exported through the port of Saldanha to ~82 Mtpa

Project Description:

- Rail and port development required to increase the iron ore exported through the port of Saldanha to about 82 Mtpa

Project Scope:

- Upgrade the existing rail network to accommodate these increased tonnages. This includes:
 - Addition of new crossing loops
 - New operating regimes and train control systems
 - Electrification and signaling upgrades

Project Schedule:

- Scheduled to be completed by 2018





Richards Bay General freight capacity expansion to 60.5 mtpa



- Expansion of the port terminals' capacity to support the immediate capacity constraints and the medium to long term growth in General Freight
- FEL 2 business case in progress to approve FEL 3
- The terminal designs are required to meet future General Freight demand increasing from 22.6 mtpa in 2010/11 to 60.5 Mtpa in 2040.
- Immediate works such as creation of stockpile space, slabs and/or paving and replacement of some loading/offloading equipment in progress

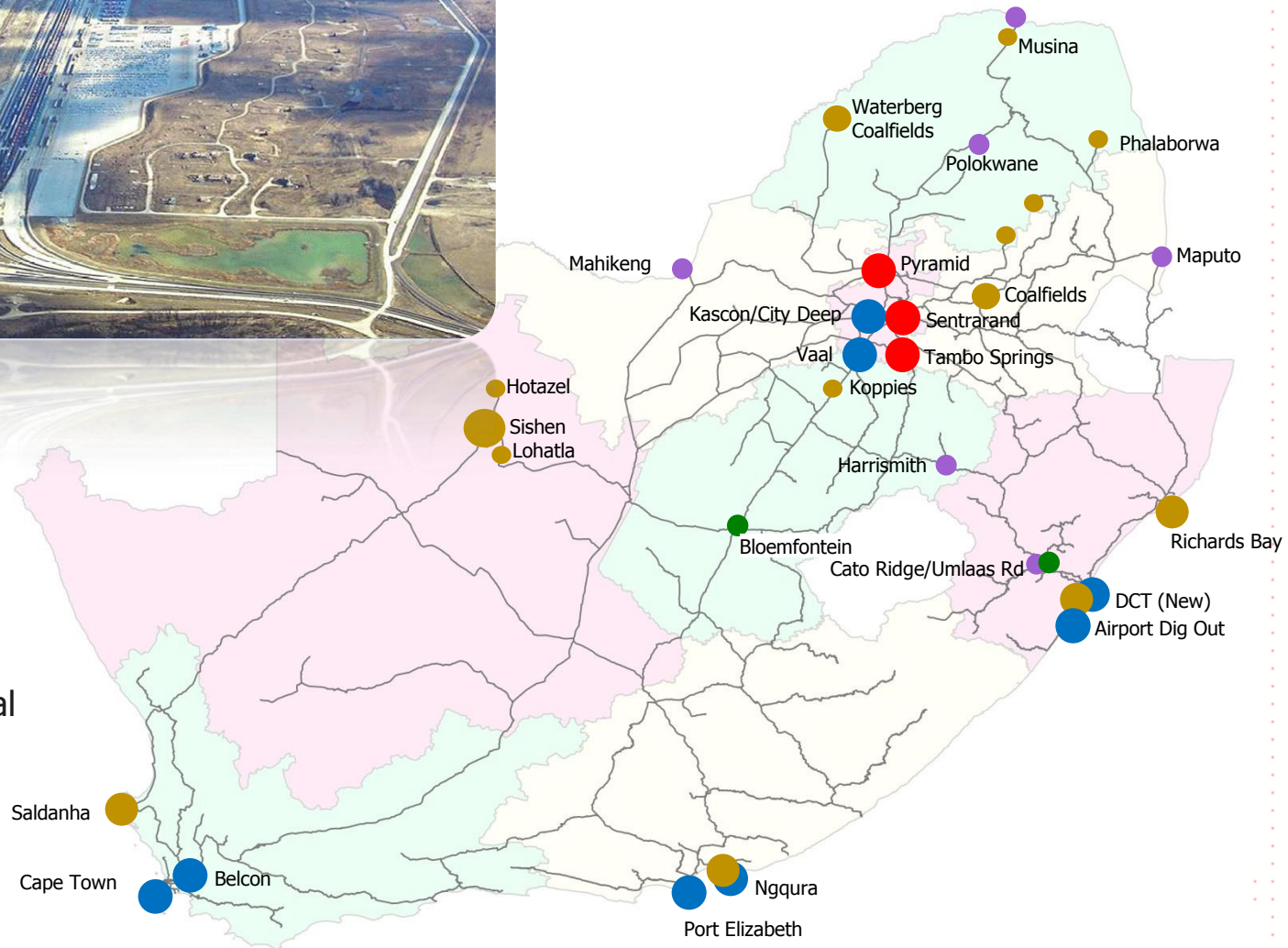


Logistics Terminals and Hubs

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- Super terminal
- Intermodal terminal
- Freight nodes
- Mineral nodes
- General freight terminal





Major Capital Projects 2013/14 - 2019/20

Durban Container Terminal

- Deepening of Pier 2 berths -16 CD
- Reclamation of 17 ha between Pier 1 and Salisbury Island
- Construction of quay wall on eastern side of Pier 1 Container Terminal;

Cape Town Container Terminal

- Expansion of terminal to 1.4m TEUs and provide platform for further expansion

Port of Ngqura

- Operationalisation of the port

Bulk

- Increase Saldanha Iron Ore capacity from 60 to 82mtpa
- 12mtpa Manganese Terminal at the port of Ngqura
- Richards Bay Replacement and Refurbishment program- additional stack capacity
- Coal handling facility at Port of East London
- LNG Terminal at Ngqura
- LPG Terminal at Saldanha

Break Bulk

- Reconstruct sheetpile quay walls at DBN Maydon wharf
- MPT berthing capacity in Richards Bay
- Extension of Mossgas quay including dredging works

Fleet Replacement

- Fleet Replacement ito Tug Boats, Pilot Boats, Launches
- Acquisition of new Dredgers

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||||| Thank You