BIZCOMMUNITY

Quay role for Transnet at Maputo

Transnet National Ports Authority (TNPA) is gearing up to be a service provider to South Africa's neighbouring ports. After assisting with the dredging of Walvis Bay harbour in Namibia, TNPA chief executive Tau Morwe says the organisation is likely to tender for dredging work at Maputo harbour.

TNPA signed a memorandum of understanding with the Maputo Port Development Company (MPDC) last week, to pave the way for better co-operation. Despite Maputo's growth and its intentions to increase the port's capacity even further, Morwe says competition won't be the main driver of the relationship between the two.

With Maputo's development steaming ahead, local ports have been criticised for failing to keep up. Maputo's master plan puts its expected handling capacity by 2050 at 50Mt, most of which will be coal.

Morwe concedes that as Maputo grows South Africa could lose out on cargo from Mpumalanga and Gauteng. Transnet's rail division could also lose out if the capacity to export coal from Richards Bay does not increase. The Richards Bay coal terminal is privately owned.

"If we sleep and don't create extra capacity, we will lose out. We need to act ahead of a rise in demand," Morwe said.

But the relationship that Morwe wants to pursue with Maputo goes beyond that and is part of regional efforts to build co-operation. Under the mantle of the Port Management Association of Eastern & Southern Africa, of which Morwe is chairman, relationships will be set up with other regional ports, including Beira in Mozambique and Mombasa in Kenya.

The fruits of these relationships could be immediate. Durban harbour, he says, will be under severe pressure when it begins deepening its berths as part of its upgrade programme. During this time, Transnet may deliberately divert cargo to Maputo to ease the pressure on Durban.

The possibility of dredging Maputo harbour could be part of the "low-hanging fruit" that comes out of further discussion between the two, Morwe says.

MPDC chief executive Osório Lucas also disputes the competitive nature of the relationship. "Our market assessment indicates there is enough space for complementary growth that will best serve the market," Lucas says.

Maputo harbour will benefit from the link in a number of ways. Transnet has undertaken to assist in the training of Maputo's operational and engineering staff. It will also help the Mozambican authorities improve their procurement practices.

MPDC, which is privately owned by Mozambican Ports & Rail, Grindrod and DP World, acts as a port operator as well as the port landlord. It hopes to take guidance from Transnet about how to keep these functions separate. In South Africa, Transnet Port Terminals operates eight commercial ports while TNPA is the landlord that provides the port infrastructure and marine-related services.

With terminals for the export of cars, grain, coal, containers, sugar, citrus, cold storage, ferrochrome and liquids like oil, Maputo's growth will benefit from its proximity to South Africa, particularly the Gauteng region. That many of South African ports are struggling with congestion will also work in its favour.

The port handled 12Mt of cargo in 2011, which is double its 2005 capacity. By 2016, the MPDC will target 36Mt, though this will depend on a more efficient rail system. Most cargo is transported to the port by road.

To address this, the MPDC recently signed an agreement with Mozambican Ports & Rail, Transnet Freight Rail and Swaziland Railway. With this initiative, it hopes to improve co-ordination and planning between each authority's rail lines to increase efficiency.

Maputo's approach to running its terminals contrasts with South Africa's as private companies operate its terminals on a concession basis.

Source: *Financial Mail* via I-Net Bridge