

Sappi commits itself to Maputo's container terminal

South Africa-based global pulp, paper and chemical cellulose maker Sappi is to ship all of its dissolving wood pulp exports originating at its Ngodwana mill in Mpumalanga, through DP World Maputo's dedicated container terminal in Mozambique.

By [Mark Alix](#) 17 Dec 2013



The Ngodwana plant has been converted to produce dissolving wood pulp and this raw material will now be exported via Maputo. Image: [Tracks 4 Africa](#)

The group, the world's largest manufacturer of dissolving wood pulp, also known as chemical cellulose, is moving away from a reliance on paper packaging and office paper into pulp-derived chemical cellulose, which is used in textiles, pharmaceuticals, foodstuffs and cigarette filters.

Sappi said containers would be transported by rail for 250km between the plant and Maputo. The route is part of the Maputo Development Corridor, and involves co-ordination between parties including Transnet, CFM (Mozambican Railways), shipping lines and the Maputo Port Development Company.

"Sappi is pleased to have found a strong partner in DP World Maputo to ensure the reliable and cost-effective delivery of our new specialised cellulose products to our global customers," said Sappi Southern Africa's chief executive, Alex Thiel.

DP World Maputo also plays a big role in linking industrial, mining and commercial hubs in Gauteng, Swaziland, Botswana, Zimbabwe and Malawi, to markets in South-east Asia.

Significant growth in the pipeline

DP World was formed in 2005 from the operations of the Dubai Ports Authority and Dubai Ports International.

Sappi had just finished a partial conversion of its Ngodwana mill from Kraft pulp, used in making paper and cardboard, to chemical cellulose. This was part of a more than US\$300m investment to add 210,000 tons a year to its specialised cellulose product portfolio.

In announcing its third-quarter results to June, Sappi highlighted the start-up of its new "high-margin" US and South Africa chemical cellulose projects, as it continued to make losses in tough paper environments, especially in Europe, its biggest market.

Sappi's chief executive Ralph Boëtger said last week: "Dissolving wood pulp accounted for 12% of sales in fiscal 2013 and 95% of operating profit excluding special items."

According to the Maputo Port Development Company, the port experienced a 50% rise in cargo handled between 2010 and 2012, and this year exports will reach 17m tons. By 2020 the MPDC expects exports to rise to 40m tons.

"We are delighted that Sappi has chosen DP World Maputo to handle its Ngodwana mill production. Their decision

demonstrates confidence in the value that DP World Maputo offers in terms of service excellence at a competitive price," said the company's chief executive Junaid Zamir. "We are experienced in handling Sappi products," he added.

Source: Business Day via I-Net Bridge

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