

Durban trade port is a gateway to Africa

In a few years, the Dube Trade Port - the "aerotropolis" taking root 35km north of Durban at King Shaka International Airport - should attract substantial investment at a faster rate than has been the case at other major airport sites, says Durban Chamber of Commerce and Industry acting CEO TC Chetty.

Yesterday, 16 August 2010, KwaZulu-Natal economic development and tourism MEC Mike Mabuyakhulu led a delegation, including economic development MECs from Mpumalanga and the Free State, to the trade port.

Grow, share benefits

They started talks on how to use the trade port to export goods to boost their economies, as well as KwaZulu-Natal's.

The aim is to use the trade port as a trade gateway to Africa, allowing the provinces that border KwaZulu-Natal to share the benefits.

The trade port opened on 1 May and already about 100000-200000 tons of cargo are lifted out of the airport every week. "From now, we need to make these cargoes grow," says Mabuyakhulu.

The trade port will consist of a cargo terminal, a trade zone and commercial property developments, including offices, hotels and conference and tourism facilities. Air cargo products may include electronics, automotive products, clothing and textiles, speciality chemicals, courier packages, processed foods and general cargo. There is also an agricultural zone for high-yielding crops such as cut flowers, pot plants and vegetables.

Historically, investors have been slow to participate in the country's industrial and trade promotion zones, and has been the case in SA's industrial development zones.

Good prospects

Chetty says the chamber is more confident about the trade port's prospects because of its potential trade and logistics linkages with the ports of Richards Bay and Durban, the rest of SA and Africa as a whole. However, he says that expecting the trade port to be fully operational overnight is overoptimistic.

University of KwaZulu-Natal economics professor Trevor Jones says the trade port makes "a great deal of sense" for valuable and time-sensitive products, using the facility as an inter modal transport hub.

The trade port will promote the transport of critical capital or equipment to Africa. For example, it may take 12 days to transport equipment by road from Durban to Zambia, whereas a flight from the trade port would be quicker.

Chetty says if global economic growth remains on track, the trade port may be able to attract "substantial investment over the next couple of years".

Possible property price problem

However rising property prices may hit the trade port, although "we have to accept market values are expected to go up, given the accessibility and infrastructure", says Chetty.

Free State MEC for economic development and tourism Mxolisi Dukwana says yesterday's talks with the KwaZulu- Natal provincial government are important because the trade port would present an opportunity for the Free State, an inland province, to use it as a trade gateway. Mr Mbuyakhulu says high land prices should not be a problem because the land is owned by Airports Company SA and the trade port.

He says "sensitive negotiations" are in progress on the subject of land prices with surrounding landowners

Strategy

The trade port has been developed with the view that air services do not appear overnight, so a five-year strategy has been adopted.

Construction of the agricultural zone started on 19 April and in Dube City, the name of the commercial property development, construction has started on the first building.

The cargo terminal will eventually be able to handle 200000 tons a year and have mechanised operations including large facilities for dry and cold perishables.

Agriculture in KwaZulu-Natal has largely been focused on sugar cane and cattle, but, says Mr Chetty, the trade port may provide the stimulus for other "higher intensity" crops.

"It is all really a question of how business perceives the trade port. Business has got to see it in a positive light."

Source: Business Day