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Keynote Address : 12th Intermodal Africa 2014
Tau Morwe, Chief Executive, TNPA
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Africa Numbers (1)

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- Africa is the world's second largest continent – approximately 1/5 of the total surface area of the Earth (surface area of 43 million km);
- Approximately 97% of Africa's import and export cargo is transported via sea - this equates to 6% of worldwide waterborne cargo. Containers shipped to and from Africa equates to approximately 3% of global container traffic.
- Africa's maritime economy is estimated at US\$1 trillion a year, about 90% of Africa's total commerce;
- African-owned ships account for 1.2% of world shipping by number and 0.9% by gross tonnage.



Africa Numbers (2)

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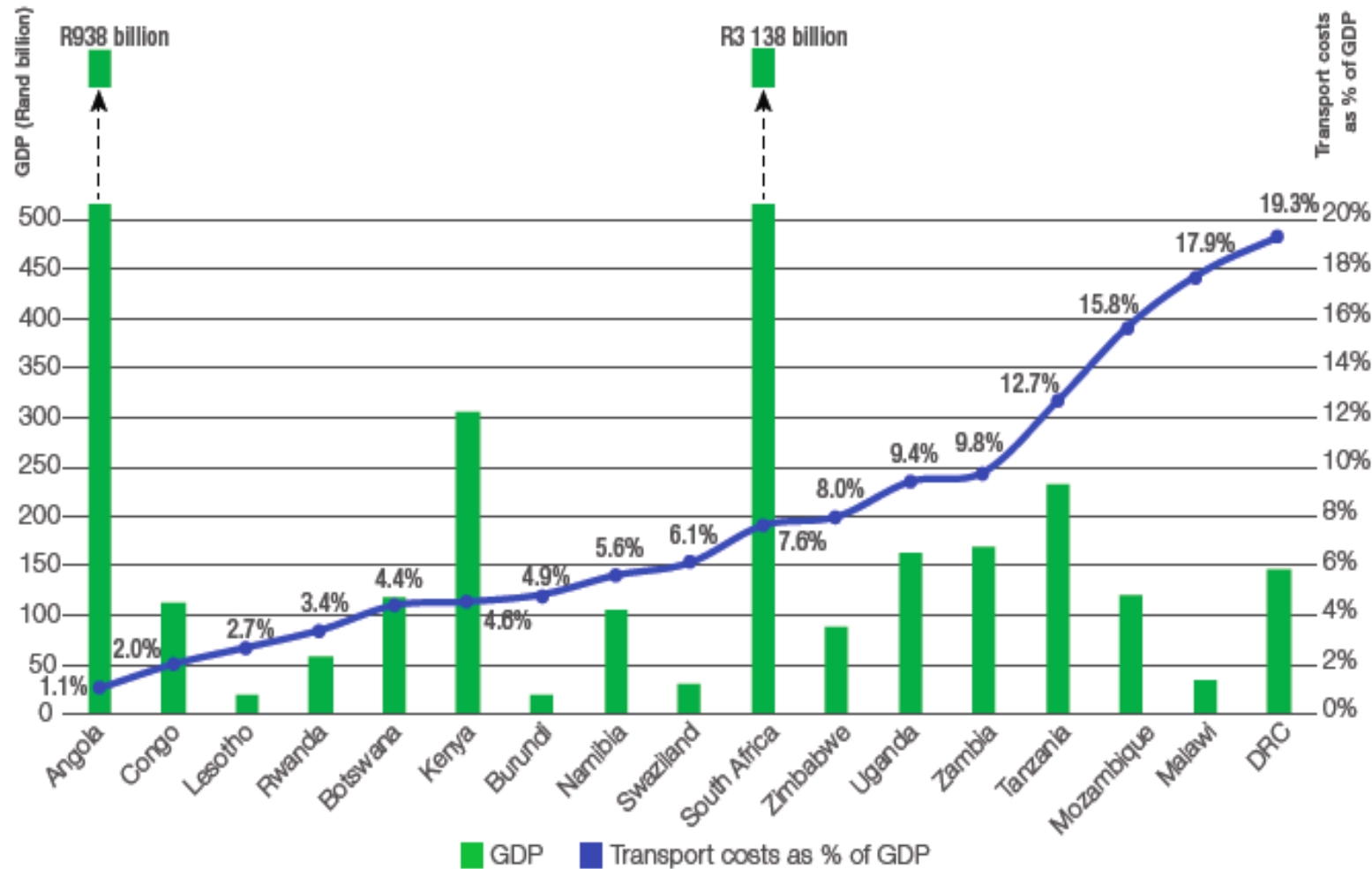
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- African Ports hardly feature among the 70 most productive in the world, although approximately 90% of imports/exports pass through these ports;
- Of the 59 ports in Africa, approximately 75% are still plagued with the following challenges:
 - Lack of deep water berths;
 - Poor equipment and lack of maintenance of infrastructure;
 - Limited or no training; and
 - Limited capital to modernise port infrastructure.
- Lack of adequate port facilities also leads to congestion and idle time for vessels servicing the ports – this leads to congestion surcharges with a resultant increase in the overall transport logistic costs.



Transport costs as % of GDP for some African countries

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- The 10th State of Logistics' Survey for South Africa stated the following :
 - Logistics will play a pivotal role in making South Africa (and Africa) more globally as well as regionally competitive;
 - Transport infrastructure remains the key determinant of performance in the transport sector;
- Companies ranked (amongst others) the following as the top supply chain and logistics constraints :
 - Efficiency of ports and harbours;
 - Cost of transport; and
 - Ineffective processes and systems.



Considering these comments, Africa still faces significant challenges to address :

- 1. Transport Infrastructure**
 - 2. Port Efficiencies**
 - 3. Transport Costs**
 - 4. Processes and Systems**
-



- Over the next 2 days, Intermodal Africa has created an opportunity for African countries to gather, discuss these issues and celebrate Africa's successes.
- African ports will be able to deliberate on :
 - Port opportunities and regional developments to unpack port capacity and demand and to understand the role each of the ports can play in the region;
 - Financing port infrastructure developments;
 - Logistics developments and solutions;
 - Port Efficiencies and Technology Infrastructure;



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- 1. These challenges have led to TNPA adopting “Best Practice” processes.**
 - 2. TNPA also learnt important lessons in setting port performance norms and by investing in port infrastructure.**
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Best Practices

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Optimally serve the economy

Landlord

Master planner

Regulator and
Controller

Controller of ports
services & facilities

Marketer &
administrator

Change agent

Coordinator with other
state agencies

- **Port Planning**

- Annual Port Development Framework Plans (per port);
- Forward-looking capital investment plans;
- Infrastructure and Fleet Maintenance;
- Project Prioritisation and Project Management Protocol;
- Monitoring mechanisms (PMO & EPMO);

- **A sound regulatory framework to effect the required controls**

- Port Performance Monitoring;
- Port Services and Terminal Oversight;
- Licencing regime (all port services and facilities);

- **Economic Regulation**

- Tariff Methodology;

- **A Port System Marketing Strategy;**

- **A Business Development Strategy;**

- **A Lease manual and Lease transformation policy;**

- Guidelines for entering into agreements and to issue licences/permits;
- Enabling procurement processes;

- **Stakeholder engagements;**

- e.g. Industry Associations, Consultative Committees, Government Bilateral, Community Projects, etc.;



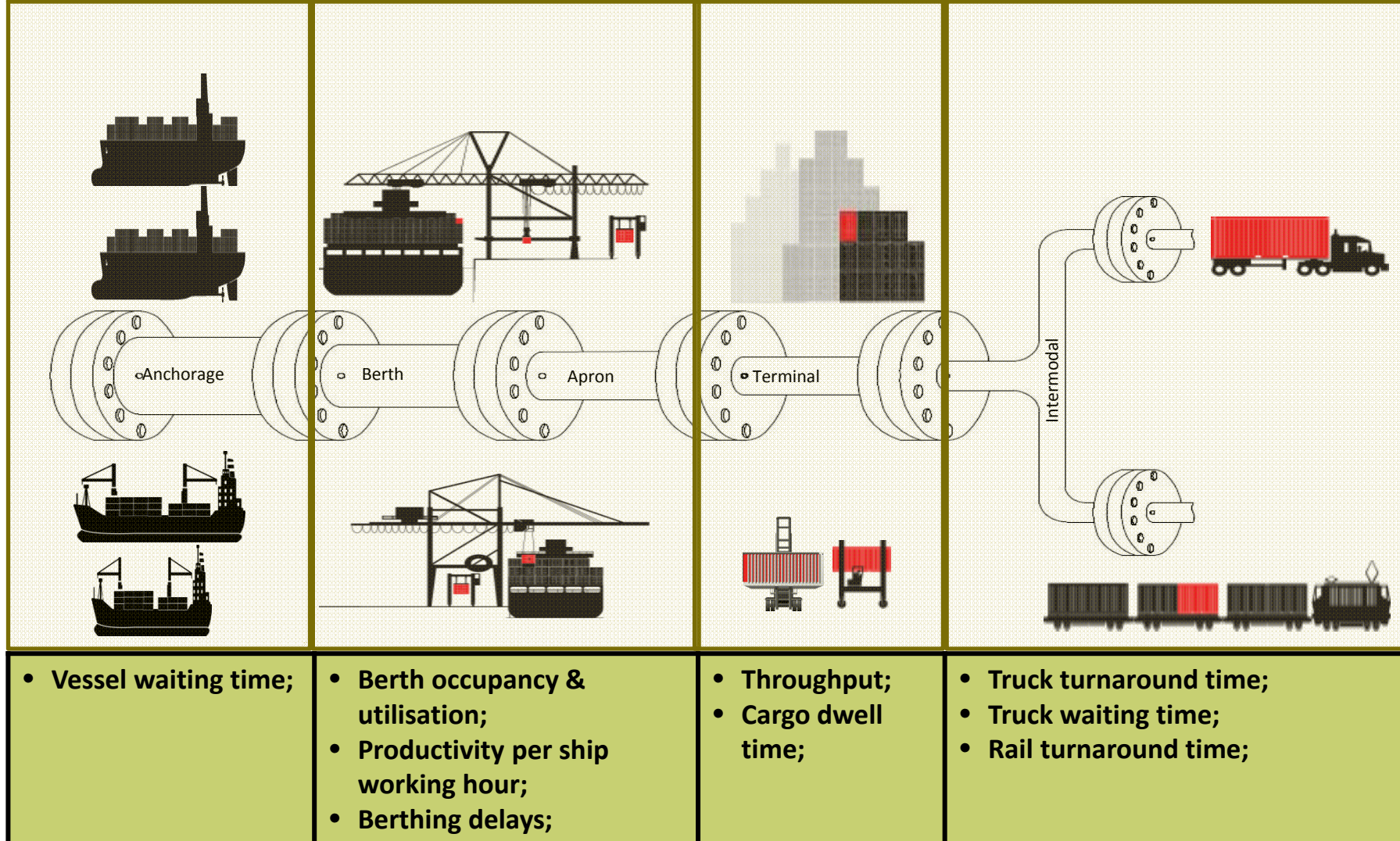


Focus on Port Performance across the Port Supply Chain and Introduction of Port Performance Norms

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Ship Turnaround Time : Performance Targets and Monitoring





Port Infrastructure Lessons Learnt

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To effectively implement port infrastructure projects, there must be :

- A sound project execution methodology;
- Governance structures to enable decision-making;
- Project prioritisation (e.g. mandatory, bulk services, discretionary, external/internal policy driven);
- Project Tracking and monitoring;
- Dedicated Resources and project management skills;
- Enabling procurement processes;





In closing, I welcome you at the 12th Intermodal Africa Conference. May your deliberations be fruitful and lead to building a better Africa.

“If you want to go quickly, go alone. If you want to go far, go together” - African proverb

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Thank you

