Unlocking African Investments by Building Partnerships and Creating Opportunities Through the Land, Sea, and Rail Sectors “The Walvis Bay Experience”

Elias Mwenyo
Executive: Commercial Services

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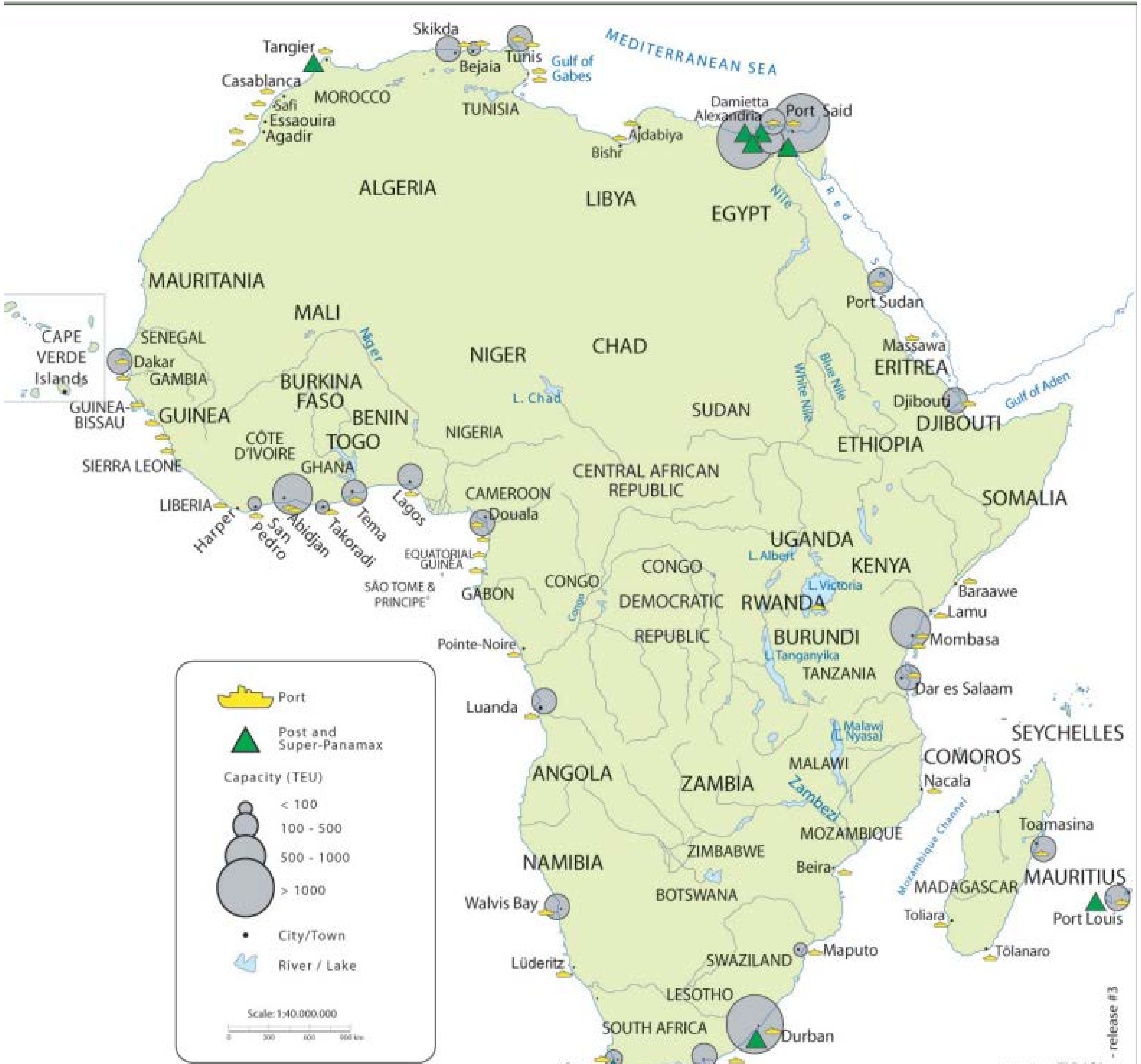
PORTS IN AFRICA



- It is estimated that 90% of the traffic towards Africa is maritime

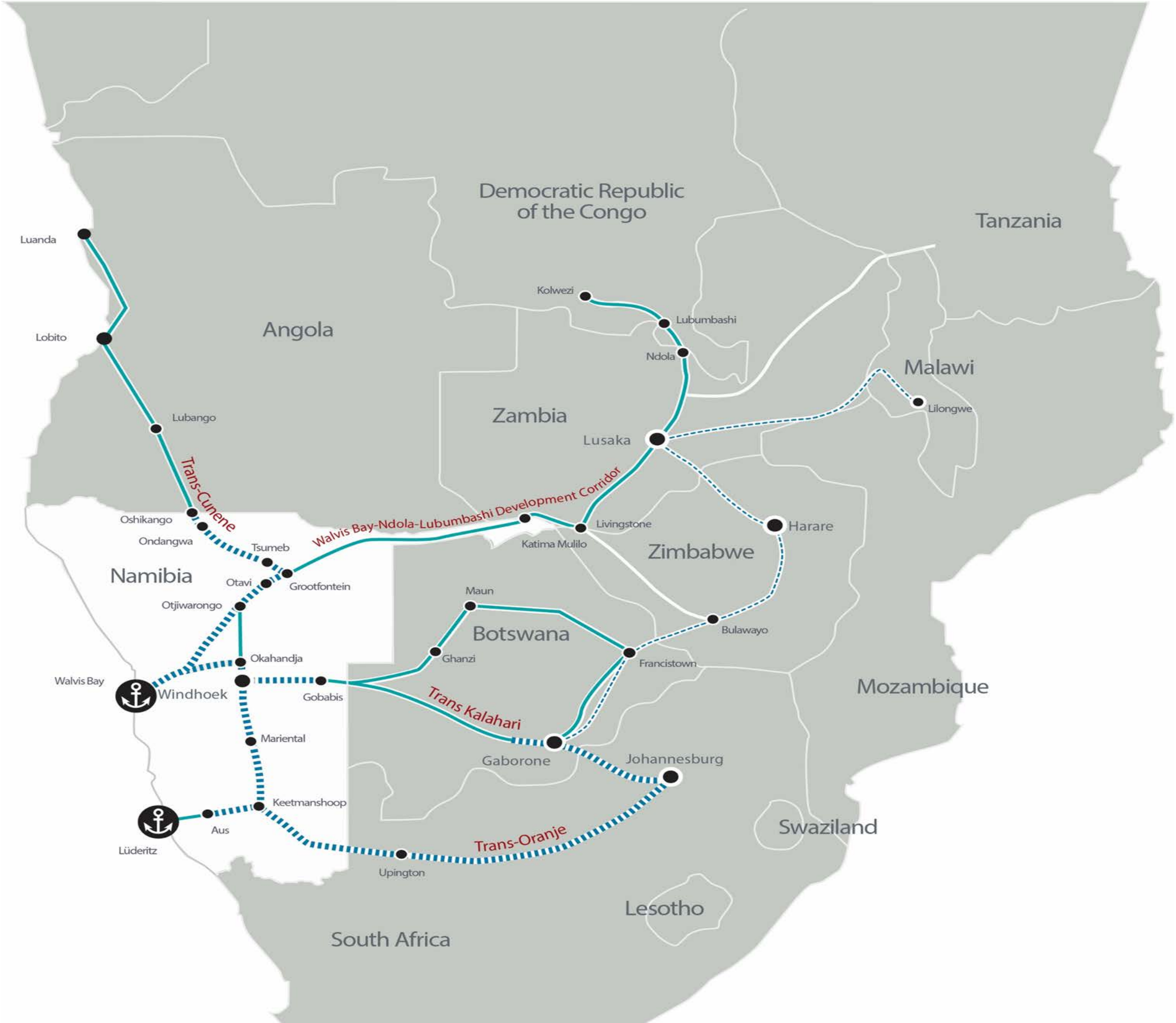
- The continent has a 7% growth rate in maritime trade and represents 5% of global traffic, and 2% of container traffic

- Critical Infrastructure for Land Linked Countries

Container handling performance runs **below 20 moves per hour** in Africa compared to 25-30 moves elsewhere

Handling costs are around 50% higher than in other parts of the word

NAMIBIAN PORTS AUTHORITY



Port of Walvis Bay

- Comprises 1,500 hectares of land
- Current land capacity deemed sufficient to cater for demand over the next 30-50 years
- Longer term (>50 years)
  - ❑ land reclamation projects planned for both the South and North Ports

Port of Lüderitz

- Comprises 25 hectares of land
- Current port land nearly fully occupied
- Short to medium term (5 years) - additional capacity to be created through optimization of the existing land.
- Long term (> 5 years - new port required at Angra Point (Lüderitz) with 886 hectares of land.

WALVIS BAY NEW CONTAINER TERMINAL

- The decision to embark on this watershed project followed various studies which
- pointed at the capacity of the old container terminal, 350,000 TEU
- Commencement – May 2014 and commissioned in August 2019
- 40 Hectors of reclaimed land with two additional berth
- Dredged to -16m
- Equipped with 4 Post Panamax Shore Cranes
- Throughput Capacity of 750,000 TEU
- Reefer Plug Points

PRIVATE PUBLIC PARTNERSHIP

- During the construction period, unfortunately, the dynamics in the shipping industry significantly shifted.

- On the back of depressed macro-economic conditions which negatively impacted industries across all sectors with attendant decreases in imports and exports handled through Namibian, and other, ports across the region.

- shipping lines moved to larger size vessel deployment as part of their own drive towards cost rationalization.

- The cumulative effect of these unforeseen and unfortunate developments a significantly decreased the volumes throughput through the new container terminal since commissioning.

PRIVATE PUBLIC PARTNERSHIP

The decision to concession is premised on the following:

1. Generate sustainable volumes

Operator should consolidate and help facilitate organic growth of transshipment, corridor and domestic volumes

2. Improve the NCT’s operational efficiencies

Operator should improve efficiencies in line with the standards of a transshipment terminal

3. Attract investment to the NCT

Operator should be prepared to bring investments to a combination of three (3) fronts:

- purchase new cargo handling equipment to improve operations efficiencies;
- deepen the channel to accommodate larger vessels and drive transhipment volumes growth; and
- expansion of the quay wall to allow for the simultaneous docking of 300 – 350 LOA sized vessels and yard expansion to accommodate additional volumes

PRIVATE PUBLIC PARTNERSHIP

The decision to concession is premised on the following (*continue*):

4. Protect employment

- Protect the employment of the current personnel at the NCT based on expected high growth in container throughput

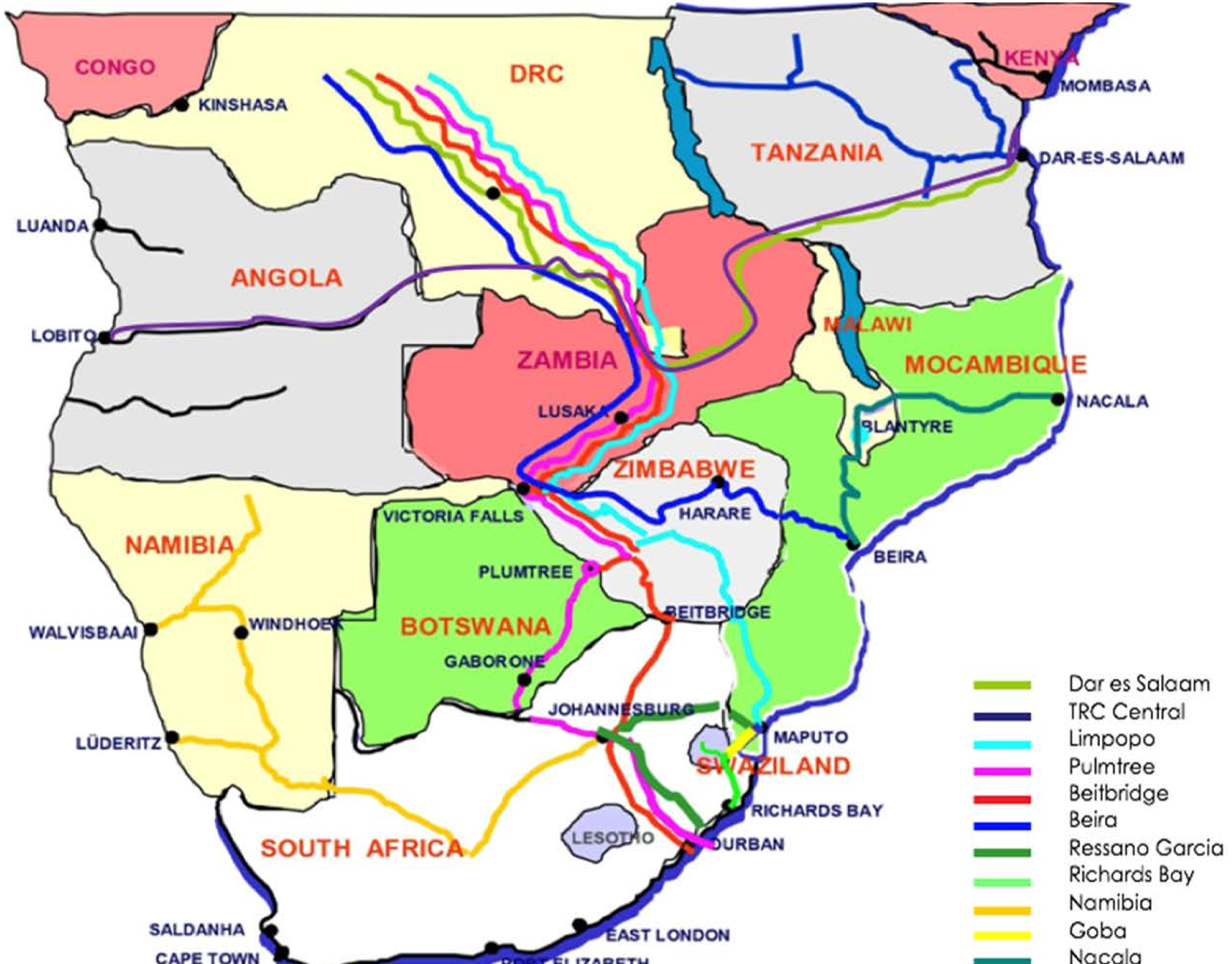
5**. Generate sufficient income to service financial obligation and return on investment**

PRIVATE PUBLIC PARTNERSHIP

Namport has since, appointed Maritime Business and Transport Solutions (or
MTBS), an international consultancy firm as transactional advisors in the
envisaged concession exercise drawn up, and issued, a request for proposal (RFP)'s to participants who expressed interest to manage and
operate the NCT.

The RFP was issued on the 8th of April 2022 and following an extensive procurement process Namport selected Terminal Investment Limited (or TIL)to manage and operate the new container Terminal at the port of Walvis Bay.

HINTERLAND CONSTRAINTS – ROAD / RAIL



The absence of a rail connection poses a material risk in the ability of Namport to effectively service the region

HINTERLAND CONSTRAINTS – ROAD / RAIL

100% of freight carried by road (Walvis Bay channel), of which some sections are in a bad condition. Road density is among the world's lowest. And just 800,000km of the total of 2.8m in sub-Saharan Africa are paved.

HINTERLAND CONSTRAINTS – ROAD / RAIL

Border Crossing - hidden costs incurred by cargo owners, mostly resulting from variability in time delays

CONCLUSION

1. **Addressing the challenges of transport infrastructure development and forming partnerships remain very key in the smoothening of cargo flow.**

2. Overall, the key message is the need for collaboration for an integrated effort between the private and public sector

All efforts should continue to be deployed to bring down the cost of doing business through ports and corridors in Africa.

Cost streamlining measures should remain strongly in place.

THANK YOU!

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