TRANSNET

BRIEFING TO THE STANDING COMMITTEE ON FINANCE, ECONOMIC OPPORTUNITIES AND TOURISM

INITIATIVES TO IMPROVE EFFICIENCIES AT THE PORT OF CAPE TOWN

Venue: Chamber, 6th Floor, 7 Wale Street, Cape Town &
Via Ms Teams

Date: 22 February 2024

Transnet National Ports Authority

Vernal Jones
Acting Managing Executive

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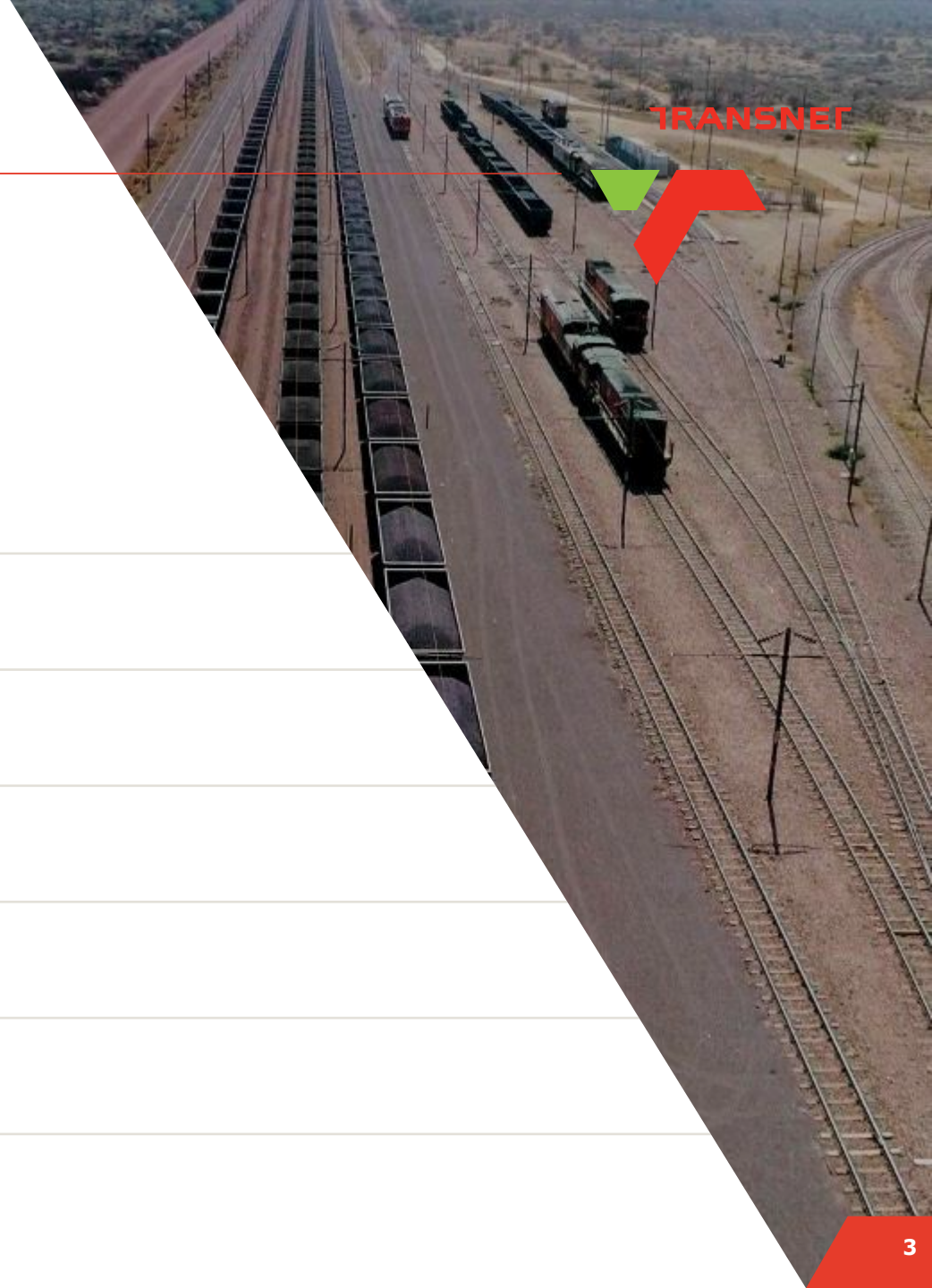


1. PORT OVERVIEW

CAPE TOWN– BUSINESS PARAMETERS

Sustainable World Class Smart People's Port of choice

A Premium Fruit Export and Agriculture Hub

- **R15.8 bn Total assets**
- **Total Port Area 9350ha**
  Land Area 620ha
  Water Area 8730ha
- **Distance around the port is 20km**
- **42 Berths**
- **3 Ship Repair Facilities**
- **Marine fleet (4 tugs, 2 pilot boats, 2 launches & 2 work boats)**
- **11 Licensed Terminal Operators (1 Container, 2 MPT, 6 Liquid bulk, 1 Cruise & 1 Breakbulk)**
- **Port Users (20 Bunkering, 13 Stevedoring, 12 Waste disposal, 7 diving Licences & 55 Vessel Agents registration, 2 Hull cleaning permits)**

CAPE TOWN- PORT ACTIVITIES

Freight Traffic

Containers
Deepsea import, export and transhipment and coastwise containers

Liquid Bulk
Import and export of petroleum products
Other liquid bulk commodities including edible oils

Dry Bulk
Import of agricultural products, grain, fertilizer

Break Bulk
Imports of cement and steel
Export fruit, steel and fish transshipments

Other Services

Licenced Operators
Offering stevedoring, bunkering, waste disposal, diving and hull cleaning services

Fishing
Resident trawlers & fish processing plants

Maritime Engineering
2 Dry dock facilities
1 Syncrolift – elevated platform facility with 5 lanes, maximum lifting capacity of 1750 tons, caters primarily for repairs of fishing trawlers up to 64 m length

Tourism and Recreational
Dedicated cruise terminal
Yacht Club for recreational boating activities
Close proximity to V&A Waterfront

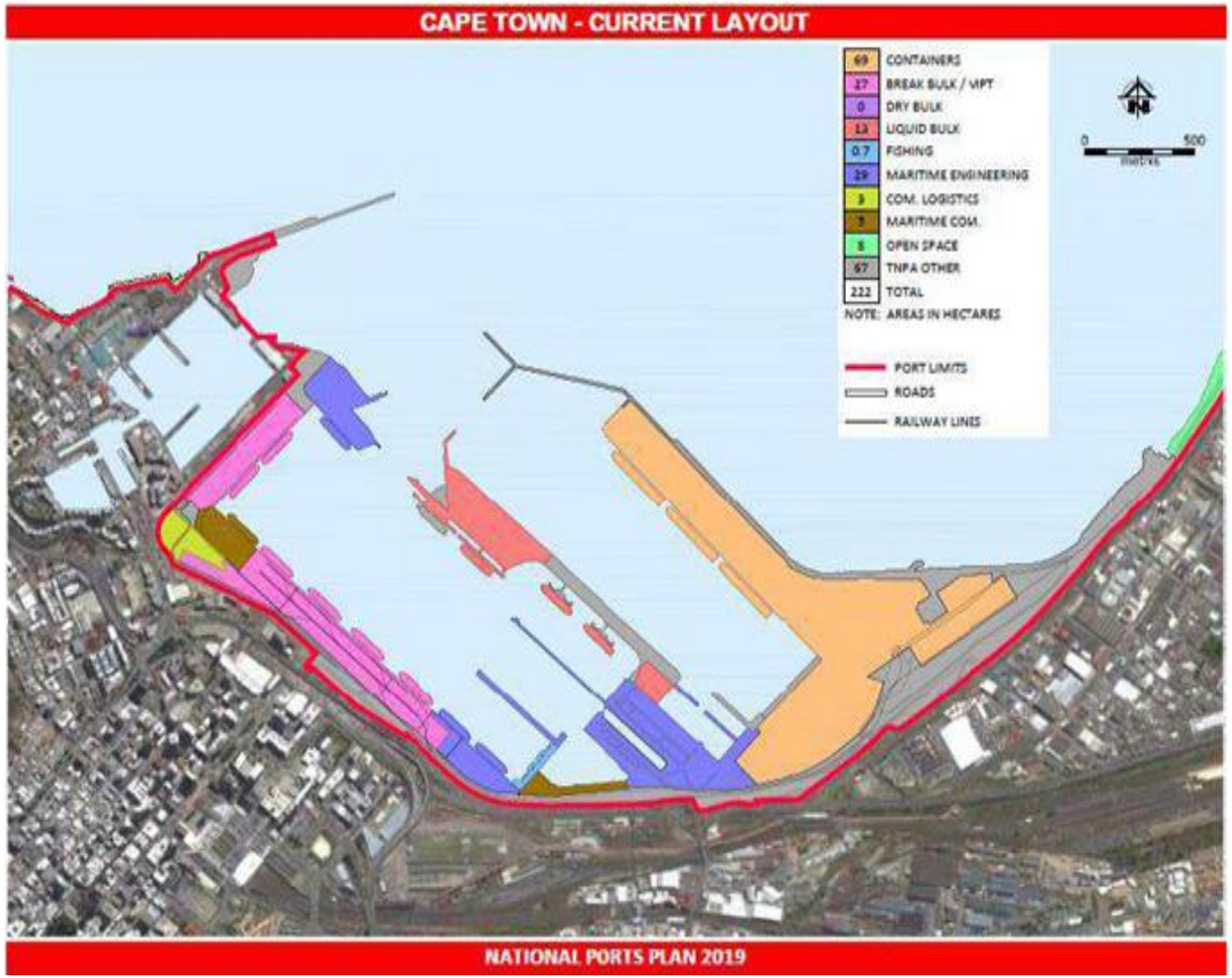
Source: Transnet National Ports Authority, 2024

1. PORT OF CAPE TOWN LAYOUT & TERMINAL CAPACITY

TOTAL LAND AREA	BERTHS:	MARINE CRAFT:
620ha	CONTAINER = 3	TUGS = 4
	DRY BULK = 0	PILOT BOAT = 2
	BREAK BULK = 7	LAUNCHES = 2
	LIQUID BULK = 3	WORKBOAT = 2
	AUTOMOTIVE = 0	FLOATING DOCK = 0
	PASSENGER = 1	

CONTAINER	1.0 million TEU
AUTOMOTIVE	0.0 units
DRY BULK	2.1 million tons
BREAK BULK	1.5 million tons
LIQUID BULK	3.4 million kl
SHIP REPAIR	3 facilities

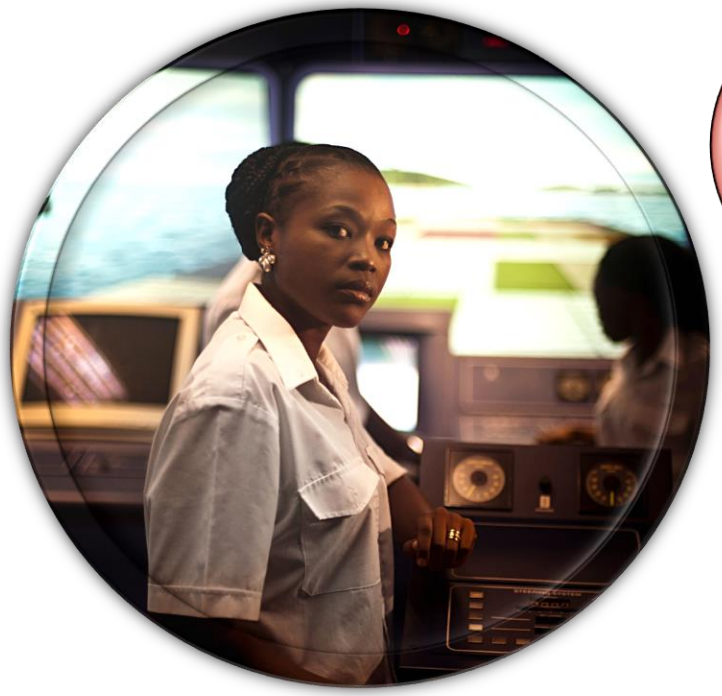
PRIVATE TERMINAL OPERATORS	9
PUBLIC TERMINAL OPERATORS	2

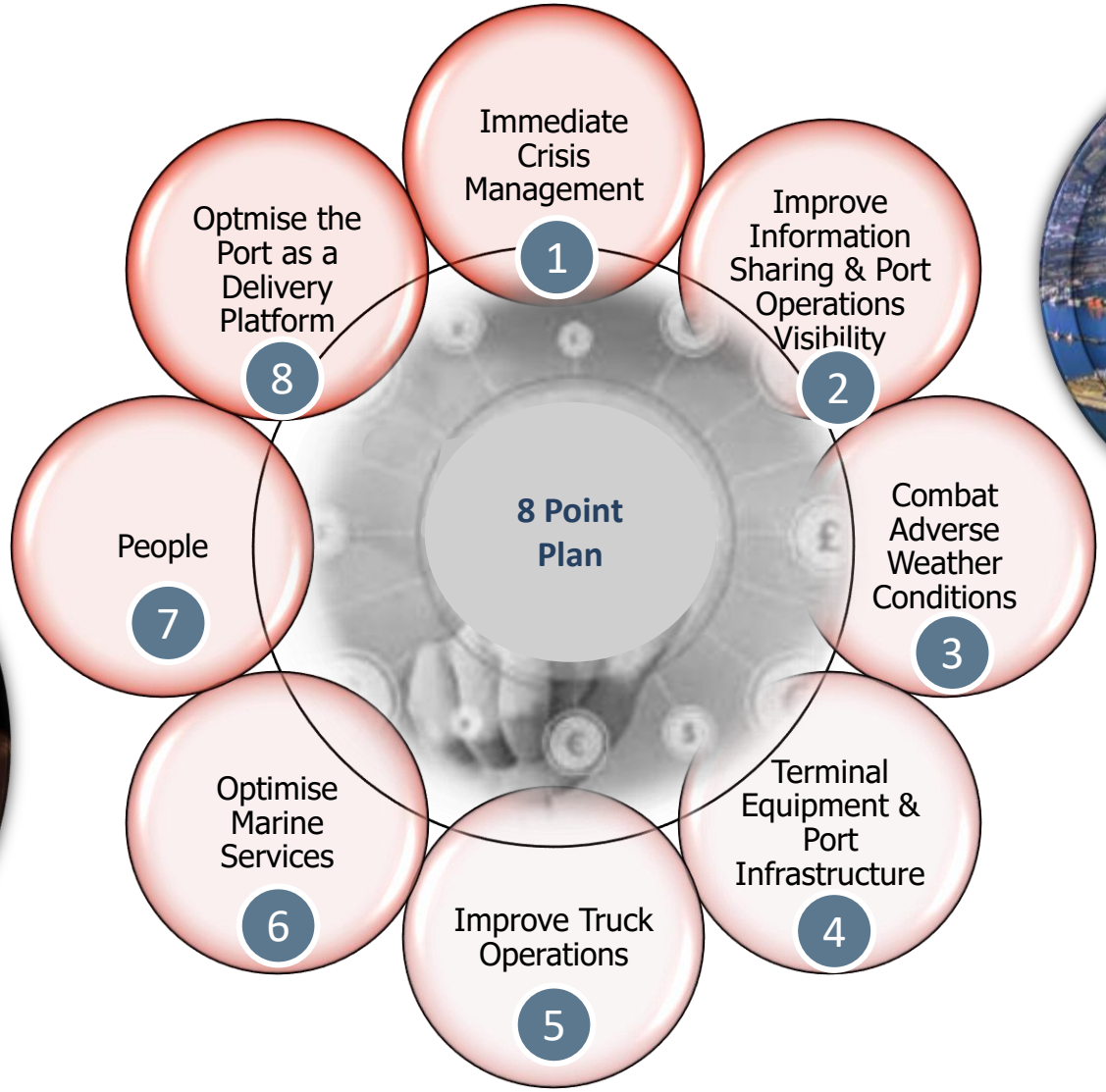


Source: Transnet National Ports Authority, 2024

2. PORT EFFICIENCY IMPROVEMENT PLAN

8-Point Port Plan Initiatives dealing with the Current Situation





Source: Transnet National Ports Authority, 2024

2. PORT OF CAPE TOWN 8-POINT PLAN

Focus Areas	Initiatives / Strategic Projects	Status
1 **Immediate Crisis Management**	1. Integrated Port Management System (IPMS) for Port control - to plan, book and monitor vessel movements, for usage by vessel agents and shipping lines.	Completed
	2. Detailed monitoring of vessels at anchorage.	Ongoing
	3. Detailed investigation into container vessels bypassing the port.	Ongoing
	4. Host TNPA Integrated Operations Alignment Meeting ahead of each shift.	Ongoing
	5. Monitor TPT Performance Improvement Plan (CTCT).	Ongoing
	6. Conduct Terminal Equipment Condition Assessment. Assessment completed and monitoring actions emanating therefrom.	In-Progress
	7. Participate in pre and post Citrus, Deciduous, Cruise Liner Season Meetings with industry partners	Ongoing

Source: Transnet National Ports Authority, 2024

2. PORT OF CAPE TOWN 8-POINT PLAN

Focus Areas	Initiatives / Strategic Projects	Status
2 **Improve Information Sharing & Port Operations Visibility**	1. Weekly Stakeholder Engagement Meeting.	Ongoing
	2. Quarterly Stakeholder Workshop.	Ongoing
	3. SMS / Email Notifications regarding weather, berth planning & shipping.	Ongoing
	4. TNPA Dashboard Reports per shift.	Ongoing
	5. Host Daily Berth Planning Meetings	Ongoing
	6. National "Daily OPS Meeting" with customers.	Ongoing
	7. TNPA to host monthly meetings with SAASOA / Shipping Lines	Ongoing

Source: Transnet National Ports Authority, 2024

2. PORT OF CAPE TOWN 8-POINT PLAN

Focus Areas	Initiatives / Strategic Projects	Status
3 **Combat Adverse Weather Conditions**	1. Long Wave – Shore Tension (1 x set active). Secured 16 additional units for the port.	Complete/Ongoing
	2. High Swell – Helicopter for Pilot Deployment in 2025. Tender advertised and governance processes to follow.	In-progress
	3. Wind – MOU Concluded with CSIR to investigate predictive model, potential infrastructure engineering solution/s, equipment which are more resilient to wind, and optimal recovery plan. a) Conduct Bi- Annual Stakeholder Update Workshop b) Implement preliminary findings / recommendations	In-progress
	4. Fog – Investigate impact on Marine & Cargo Operations and explore possible mitigation.	In-progress

Source: Transnet National Ports Authority, 2024

2. PORT OF CAPE TOWN 8-POINT PLAN

Focus Areas	Initiatives / Strategic Projects	Status
4 **Terminal Equipment & Port Infrastructure**	1. Create additional container capacity (CTCT Phase 2b – increase capacity from 1m to 1.4m TEUs): a) Increase Container Stack Capacity (TPT). b) Increase capacity of rail marshalling yard (from 40 to 50 wagon trains). c) Create a permanent Truck Staging Facility.	In-progress
	2. Monitor the implementation of the Terminal Operators capital investment, maintenance, and refurbishment plans (Transnet Port Terminals (TPT) and Fruit Produce Terminal (FPT), and other terminals).	Ongoing
	3. F-Berth Refurbishment.	Completed
	4. J-berth Refurbishment	Completed
	5. Dredge CTCT Berths 601 to 604	Completed/Ongoing
	6. Design and construct traffic circle in Duncan Road	In-Progress

Source: Transnet National Ports Authority, 2024

2. PORT OF CAPE TOWN 8-POINT PLAN

Focus Areas	Initiatives / Strategic Projects	Status
5 **Improve Truck Operations**	1. Interim Truck Staging Facility operational from June 2022. Maintenance Contract concluded to maintain the facility.	Completed/Ongoing
	2. Reduce truck terminal inflow during peaks ahead of stack closure, through introduction of additional Interim Truck Staging Areas.	In-progress
	3. Increase Port utilisation on 24/7 basis ("night runs").	Ongoing
	4. Support the enhancement of the Truck Booking System (TPT – NAVIS: Gate Expert) and integration thereof with TNPA perimeter access control.	In-progress
	5. Implement Resolution from Truck industry workshop held in August 2023.	In-Progress
	6. Smart Traffic Management through enhanced Infrastructure, Systems and Operations.	Ongoing
	7. Facilitate the construction of the City of Cape Town (CoCT) Truck Stops [CoCT].	In- Progress
	8. Facilitate the formal establishment of "umbrella trucking association" and subsequent compilation of a Working Document [WCG].	In- Progress

Source: Transnet National Ports Authority, 2024

2. PORT OF CAPE TOWN 8-POINT PLAN

Focus Areas	Initiatives / Strategic Projects	Status
6 **Optimise Marine Services**	1. Implement a 3x Tugs and 3x Berthing Gang operation.	Completed / Ongoing
	2. Monitor Marine Operations Performance Standards (MOPS) to minimise vessel service delays.	Ongoing
	3. Marine Fleet Upgrade (2 x Workboats by 2025 & 2 x Launches by 2024).	In-progress
	4. Implement Long term Fleet Maintenance Contracts	In-progress

Source: Transnet National Ports Authority, 2024

2. PORT OF CAPE TOWN 8-POINT PLAN

Focus Areas	Initiatives / Strategic Projects	Status
7 **People**	1. Develop a pipeline line for critical skills (Marine & Engineering services).	Ongoing
	2. Fill critical vacancies in port operations.	Ongoing
	3. Implement TNPA Incentive Scheme.	Completed
	4. Drive a culture of service excellence & customer centricity. Call to Action, doing more faster, "All Hands of Deck".	Ongoing

Source: Transnet National Ports Authority, 2024

2. PORT OF CAPE TOWN 8-POINT PLAN

Focus Areas	Initiatives / Strategic Projects	Status
8 **Optimize the Port as a Delivery Platform**	1. Continued use of A Berth for Cargo Operations.	In-Progress
	2. Development of Back of Port facilities (PIP Site & Culemborg) to address port congestion.	In-progress
	3. Conduct International Terminal (CTCT & FPT) Benchmark Study & Implement International Best Practice	In-progress
	4. Support enhancement of TPT Operating System (Navis) [TPT] a) Prime Route b) Expert Decking	In-progress
	5. Facilitate the compilations of process flow / mapping of fruit through the transport logistic chains (from farm onto vessel) and report the demanded capacity, available capacity, actual volume at each node (i.e. plantation, pack house, cold shed, terminal stack, vessel) [FPEF]	In-Progress
	6. Facilitate the documentation of the process flow to opening and close Terminal Stacks [EWC]	In-Progress

Source: Transnet National Ports Authority, 2024

3. GROWTH STRATEGY

PoCT Strategic Focus Areas

01 Revenue Diversification

- LPG
- Small/Medium Scale LNG
- Slops Processing
- Film & advertising

02 Capacity Creation

- CTCT Phase 2b expansion
- MPT optimization
- A-berth
- Additional cruise capacity
- Culemborg back of port logistics

03 Financial Sustainability

- Bitumen (Increase volumes)
- Renewal of S56 concessions (FFS, JBS, Astron Energy)
- In-house Grit and sand blasting

04 Operational Excellence

- Replacement of Marine fleet
- 10 Portal Harbour Cranes
- Ship Repair Infrastructure Upgrades
- In-House Diving Services

Source: Transnet National Ports Authority, 2024

4. CONCLUSION

Port strategy enablement of growth in key commodities and will position the PoCT as;

a Global Premium Fruit and Agriculture Export Hub.

a diversified Energy hub for the Western Cape complementing the Port of Saldanha.

a Container Terminal for the Western Cape.
a multi commodity mix (MPT) port specializing in handling of dry bulk and break bulk.

a leading boat building and Ship Repair hub for Sub Saharan Africa.

a "SMART People's Port" focusing on cruise, real estate development, recreational and tourism

Source: Transnet National Ports Authority, 2024

Transnet Port Terminals

Oscar Borchards
Acting Managing Executive

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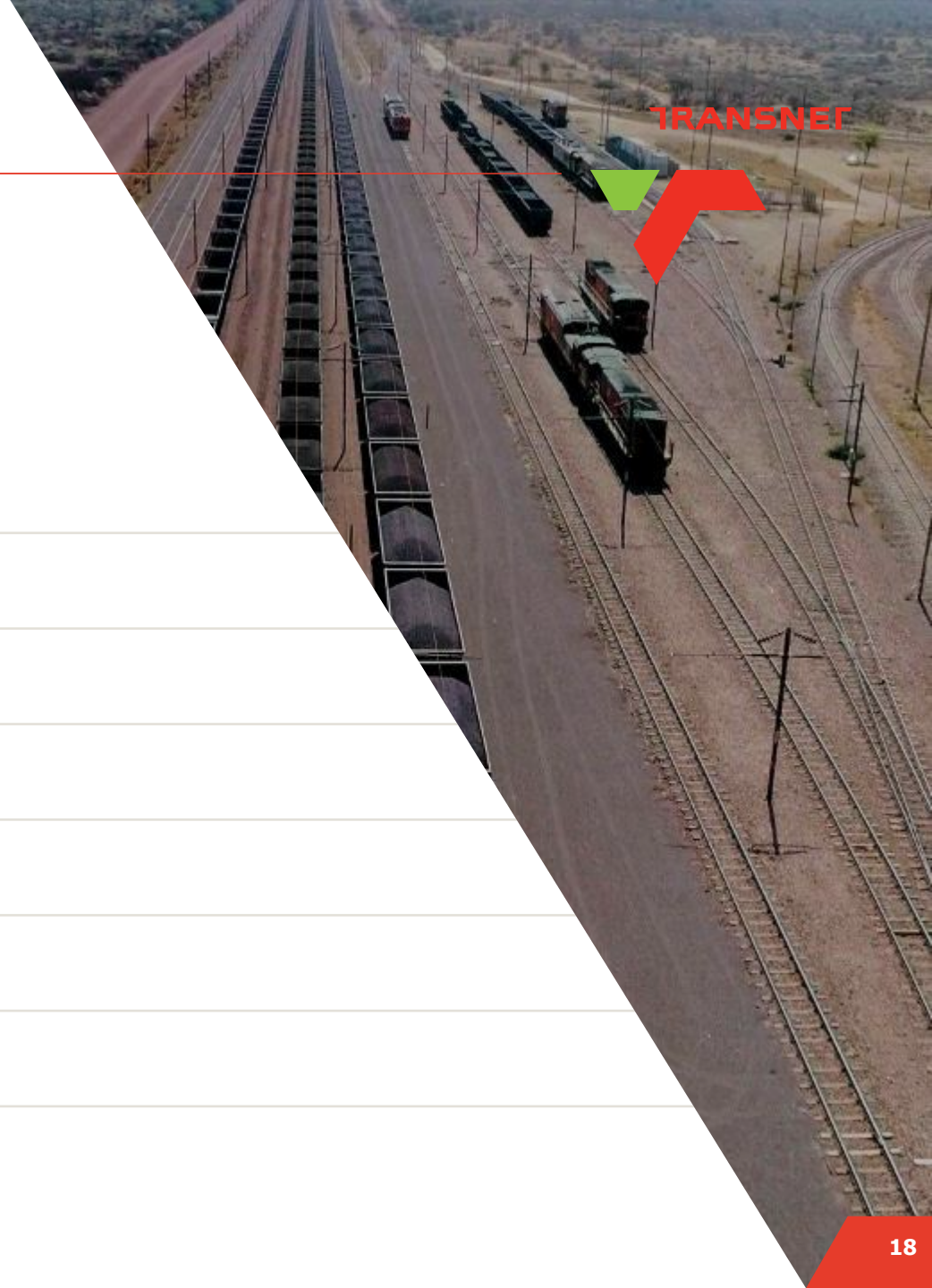


OVERVIEW OF RESPONSES

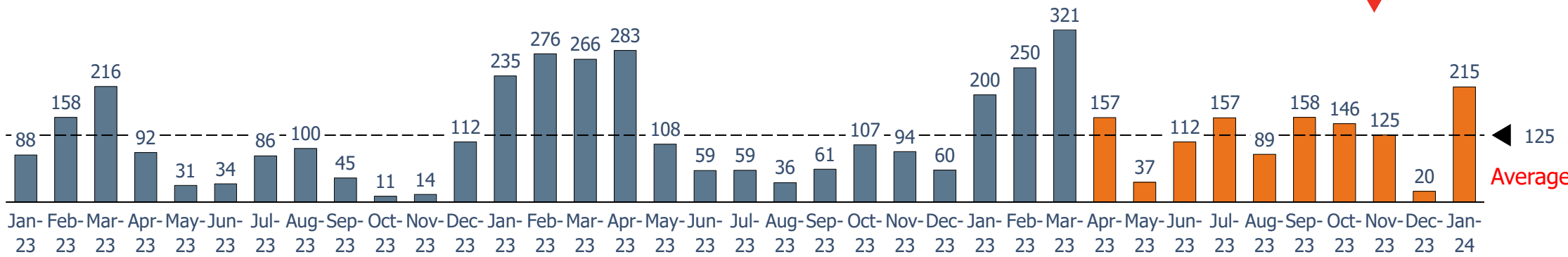
Question posed	How the question was addressed
1. What was the average waiting time for berth utilisation and occupancy for container ships for that month and what was the target for that month	Slide included reflecting: • Average waiting time for berth and • Berth Occupancy
2. What was the average number of Twenty-foot Equivalent Unit (TEU) containers (a) loaded and (b) unloaded for that month and what was the target for that month	Slide included reflecting: • Average Volumes per month split between imports, exports and transhipments, including monthly target
3. What was the average waiting time for trucks being (a) loaded and (b) unloaded at the Port for that month and what was the target for that month	Slide included reflecting: • Average Truck Turnaround Time, including target
4. What was the average ship turnaround time for that month and what was the target for that month	Slide included reflecting: • Average Vessel Turnaround Time (TPT), including target
5. What was the average anchorage waiting time for the month and what was the target for that month	Slide included reflecting: • Average Anchorage Time
6. What was the average container dwell time for that month and what was the target for that month?	Slide included reflecting: • Container Dwell Times split between imports, exports and transhipments, including target

Source: Transnet Port Terminals, 2024

1. WAITING FOR BERTH AND BERTH OCCUPANCY

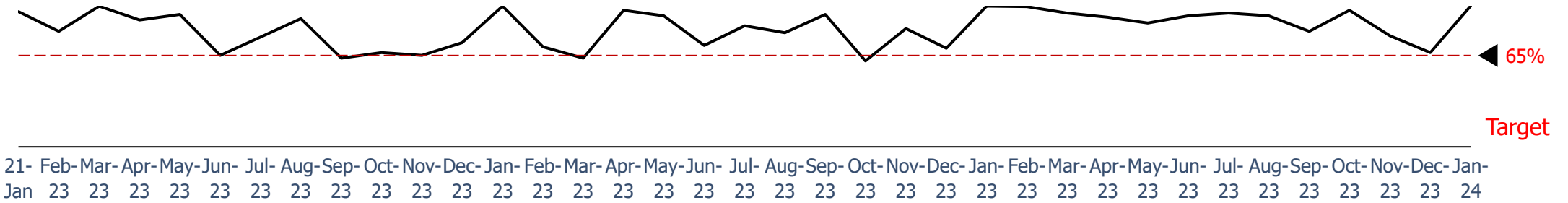
Unaudited Numbers

Average Waiting Time for Berth (Hrs.)



Average waiting time for a Berth is impacted by the demand for container service versus the capacity of the terminal. This is also impacted by the productivity of the terminal operator (vessel turnaround time), the Marine Service levels by the National Ports Authority (time waiting for tugs and pilot boat to usher vessel to and from the berth) and the inclement weather. The waiting time reflects a downward (positive) trend for the last 6 months when compared to the last quarter of the 2022/23 financial year (i.e. April – Mar 2023). However, it reflects an increase compared to the same period in the prior year. This is as a result of Equipment breakdowns, which has impacted on equipment reliability / availability. TPT have taken delivery of 7 x 2nd hand RTGs in December. These are operational, although training is still being conducted for some operators on the newly delivered machines. CTCT has also replaced the engines of 7 RTGs, which has increased the equipment availability.

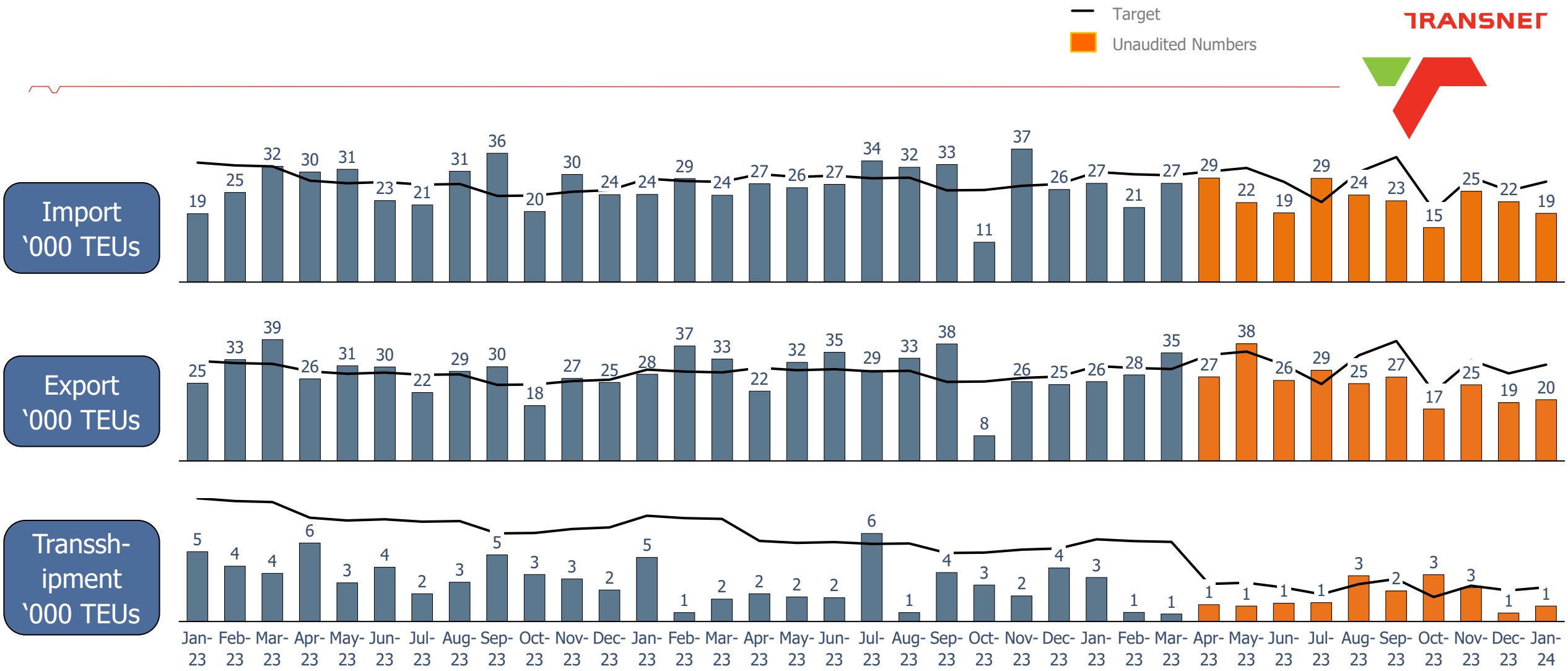
Berth Occupancy (%)



Berth Occupancy refers to the % of time that a vessel is alongside a berth. The target of 65% is an optimum number that balances adequate utilisation of the berth but avoids congestion due to high berth occupancy. This instance, Berth occupancy is higher than optimum, which is indicative of congestion, which will adversely impact the waiting time by vessels.

*All information for period the April 2023 to December 2023 is unaudited at this stage and is highlighted in **Orange** in the presentation. We have included this information to indicate the latest performance measures of TPT in order to avoid presenting outdated data. Despite being unaudited, the highlighted information still offers an insight into the present performance of TPT.

Source: Transnet Port Terminals, 2024



Import and Export volumes serviced on a monthly basis have remained fairly stable for the past few years. Transshipment volumes have declined due to volumes lost to competition (E.g. Walvis Bay)

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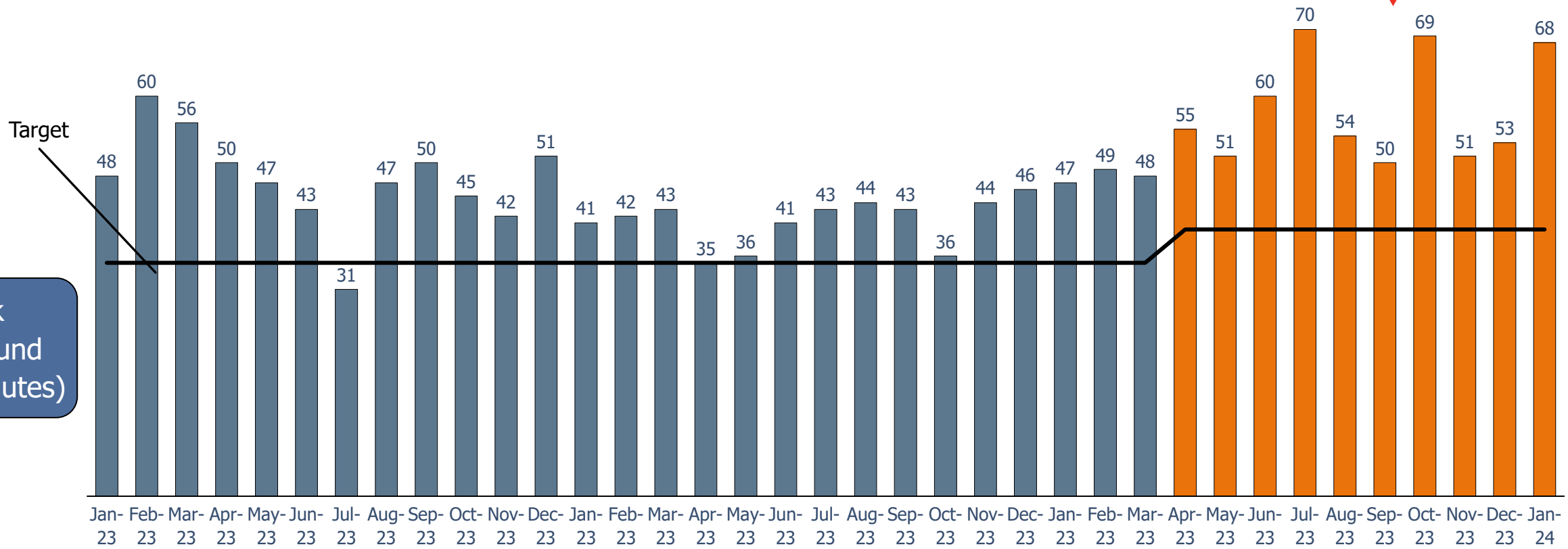
Source: Transnet Port Terminals, 2024

Unaudited Numbers

Truck Turnaround Time (Minutes)



Truck Turnaround time is higher than target, which is indicative of roadside congestion. Impacted by equipment availability and reliability on the landside. The terminal has been challenged with equipment breakdowns, specifically Rubber Tyre Gantry (RTG) Cranes. RTG availability has averaged 15 in the last 3 months, compared to the prior year average of 19. TPT has taken delivery of 7 x 2nd hand RTGs in December. These are operational, although training is still being conducted for some operators on the newly delivered machines. CTCT has also replaced the engines of 7 RTGs, which has increased the equipment availability.
The majority of trucks (approximately 60%) are serviced between 06:00 and 14:00. Approximately 35% are serviced between 14:00 and 22:00. The remaining 5% is serviced between 22:00 and 06:00.

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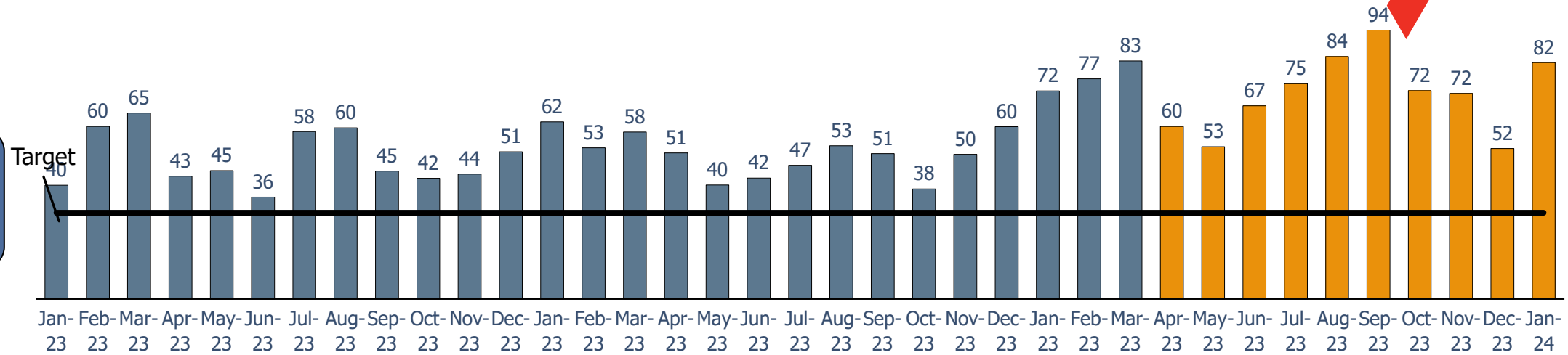
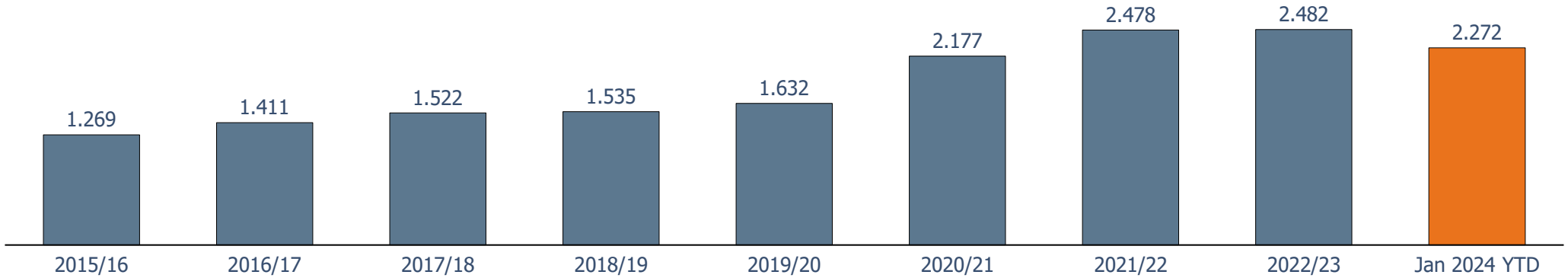
Source: Transnet Port Terminals, 2024

Unaudited Numbers

Vessel Turnaround Time (Hrs.)



Average call sizes



Vessel Turnaround Time is higher than target, which is indicative of waterside congestion. Impacted by equipment availability and reliability on the quayside. This is indicative of challenges experienced with equipment breakdowns, specifically Rubber Tyre Gantry (RTG) Cranes. RTG availability has averaged 15 in the last 3 months, compared to the prior year average of 19. TPT has taken delivery of 7 x 2nd hand RTGs in December. These are operational, although training is still being conducted for some operators on the newly delivered machines. CTCT has also replaced the engines of 7 RTGs, which has increased the equipment availability.

It is important to note that, while volumes have reduced by approximately 20% in the last 5 years, the number of vessel calls have reduced by approximately 50% in the same period. Therefore, the average call size has increased significantly (by approximately 60%). Therefore, the target of 30 hours needs to be reviewed.

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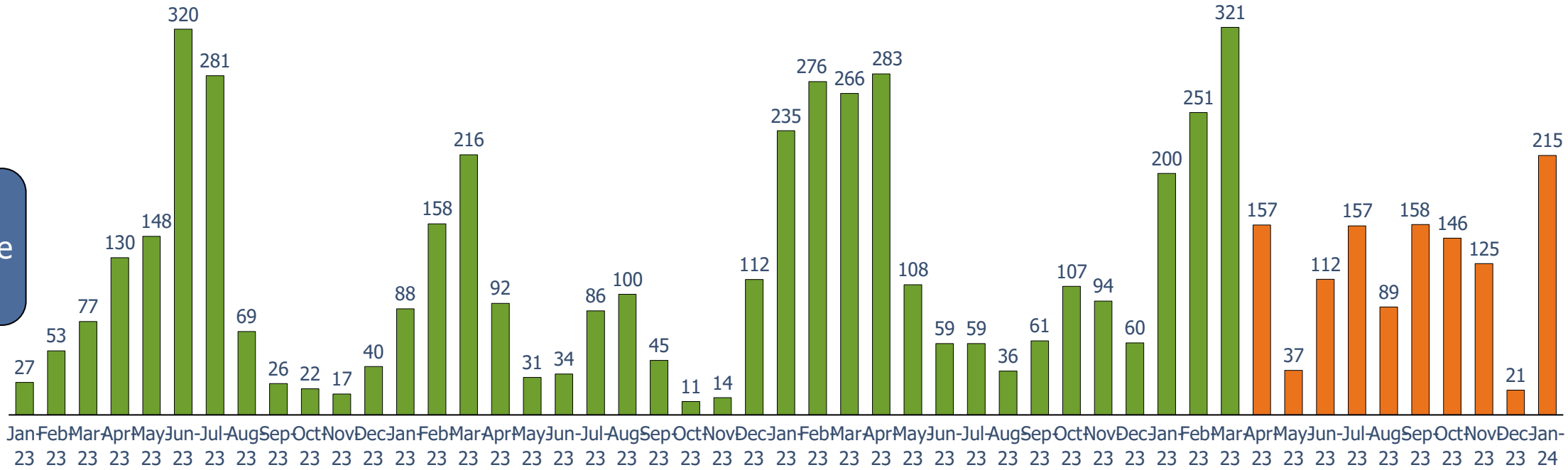
Source: Transnet Port Terminals, 2024

Unaudited Numbers

Average Anchorage Time (Hrs.)



Anchorage time reflects the average time a vessel is waiting at outer anchorage. Similar to Berth waiting time, this measure is impacted the productivity of the terminal operator (vessel turnaround time) and the Marine Service levels by the National Ports Authority (time waiting for tugs and pilot boat to usher vessel to and from the berth).

The waiting time reflects a downward (positive) trend for the last 6 months when compared to the last quarter of the 2022/23 financial year (i.e. April – Mar 2023). However, it reflects an increase compared to the same period in the prior year. This is as a result of Equipment breakdowns, which has impacted on equipment reliability / availability.

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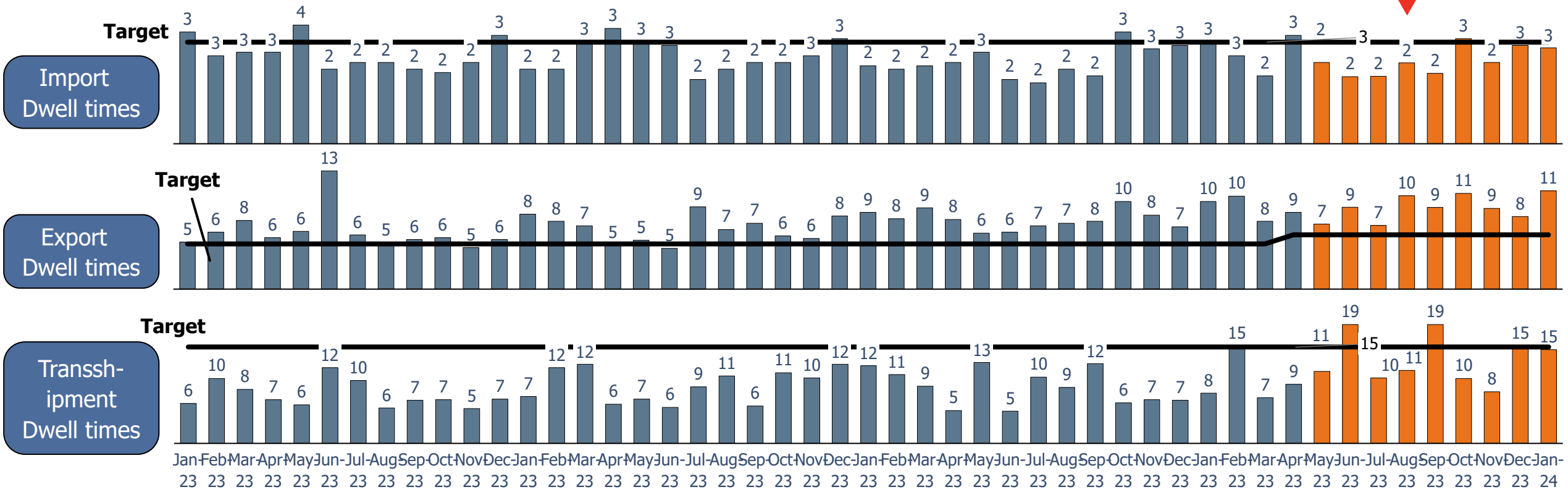
Source: Transnet Port Terminals, 2024

6. CONTAINER DWELL TIMES

Days

Unaudited Numbers



Dwell time reflects the average days a container is within a terminal from "time In" to Time Out". Export dwell time is typically longer than import dwell time as containers have to be on site 72 hours prior to the arrival of the vessel to facilitate planning for vessel activity.

Transshipment containers are not destined for Cape Town. Transshipment dwell time is usually longer, the container will remain in the terminal from the time that it is offloaded from a "mother vessel" until such time that the "feeder vessel" arrives for loading. Furthermore, dwell time is often used as an incentive to attract transhipments and many different terminal operators compete for the same transhipment cargo.

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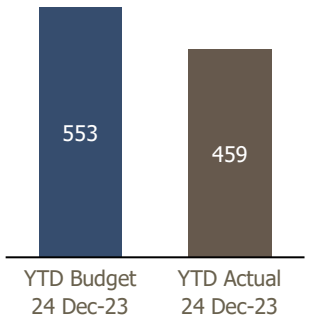
Source: Transnet Port Terminals, 2024

7. VOLUME AND VESSEL PERFORMANCE TRACKING

End of Dec 2023 to date

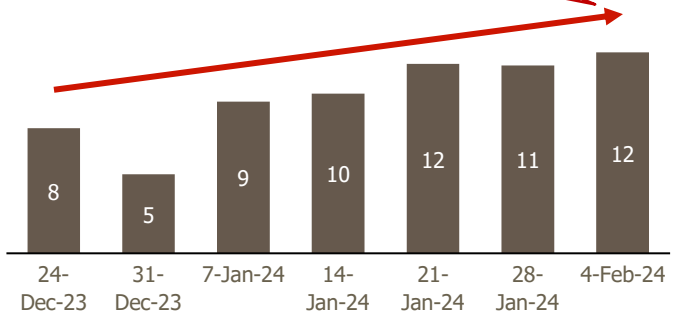
Volumes

YTD (up to 24 Dec 2023)

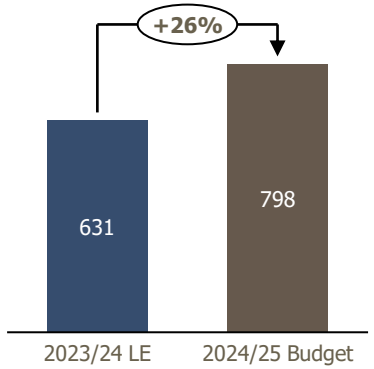


Average TEUs per week ('000 TEUs)

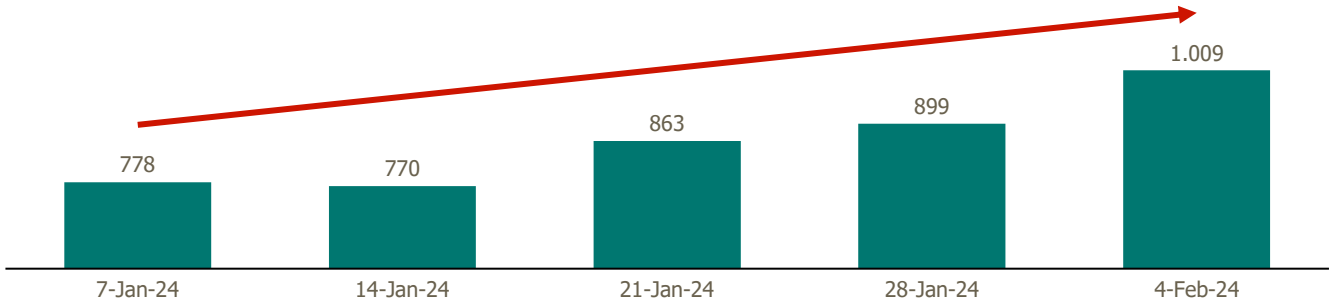
Targeting aver of 12,6 thousand TEUs / week to meet the LE of 631 000 teus.



Current Year LE and 2024/25 Budget

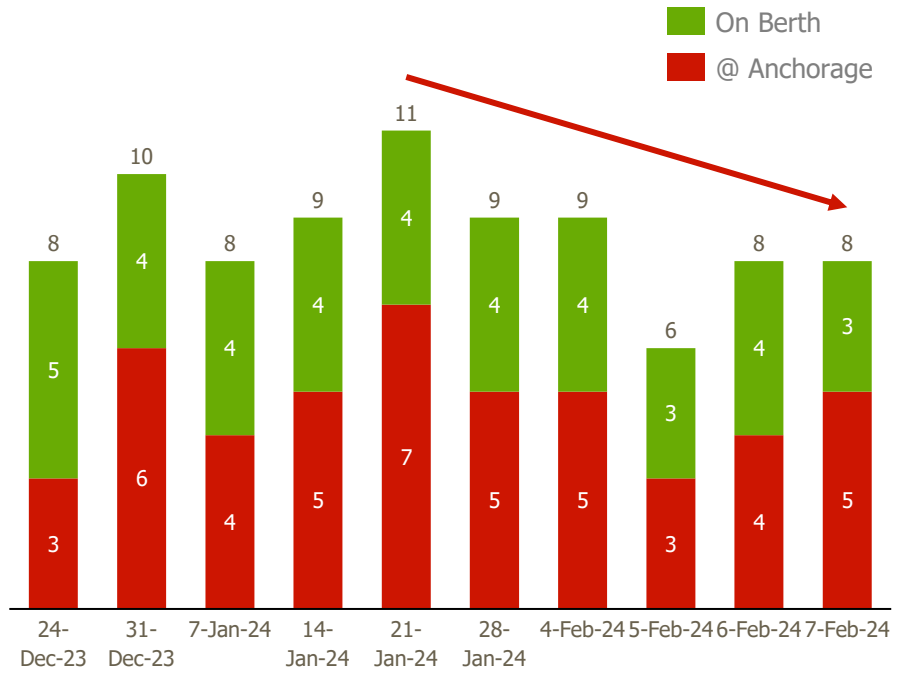


Average Daily Moves for the week



Target is to sustain at 1500 Container moves per Day and then to further ramp up to 1700 per day

Vessel Status (On Berth & Anchorage)



Target is to maintain vessels at anchorage to 3 or less

Source: Transnet Port Terminals, 2024

Transnet Freight Rail

Smah Khumalo (Head of Operations)
Charlene Lefleur (Head: Office of the Managing Executive)

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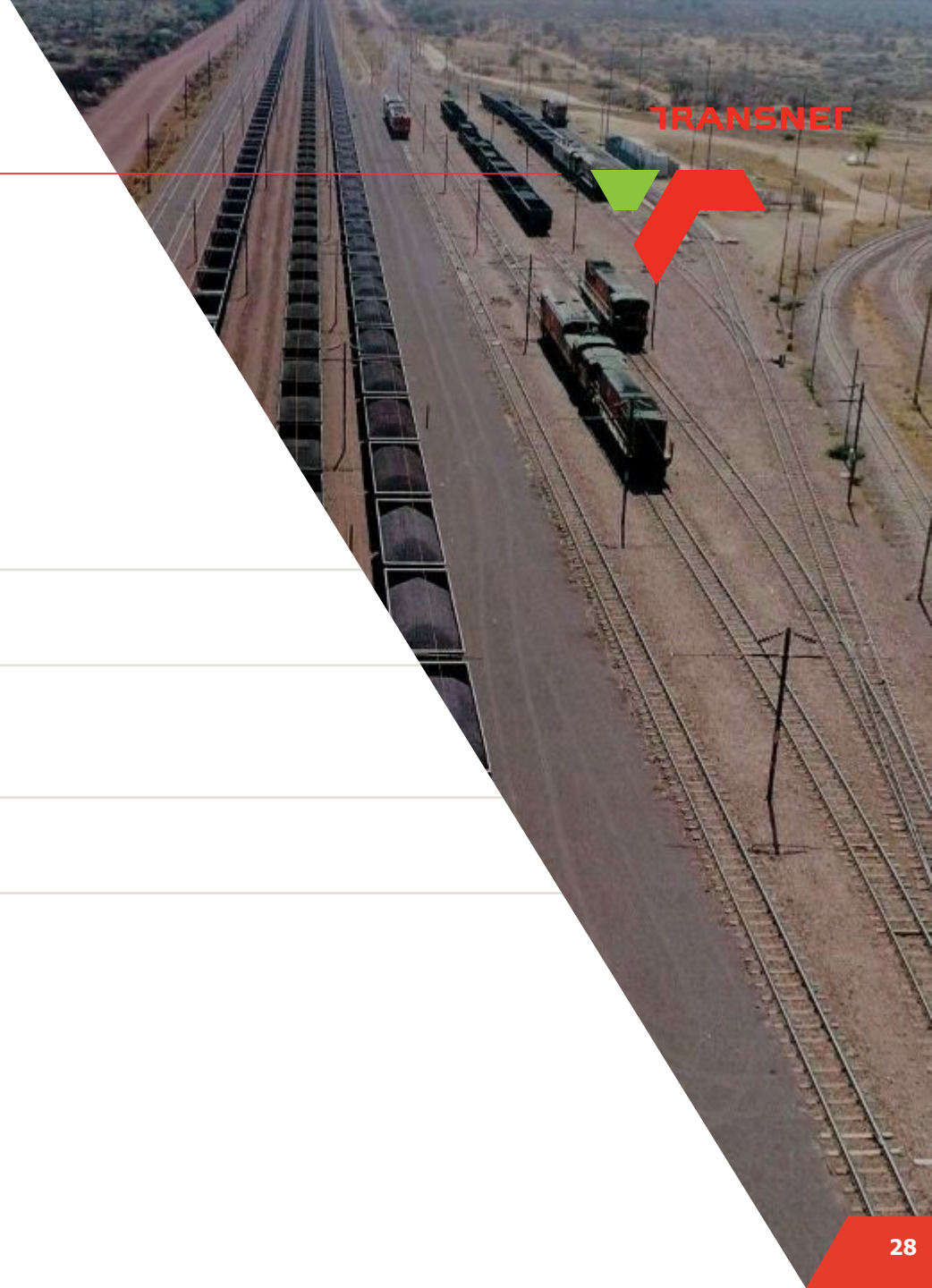
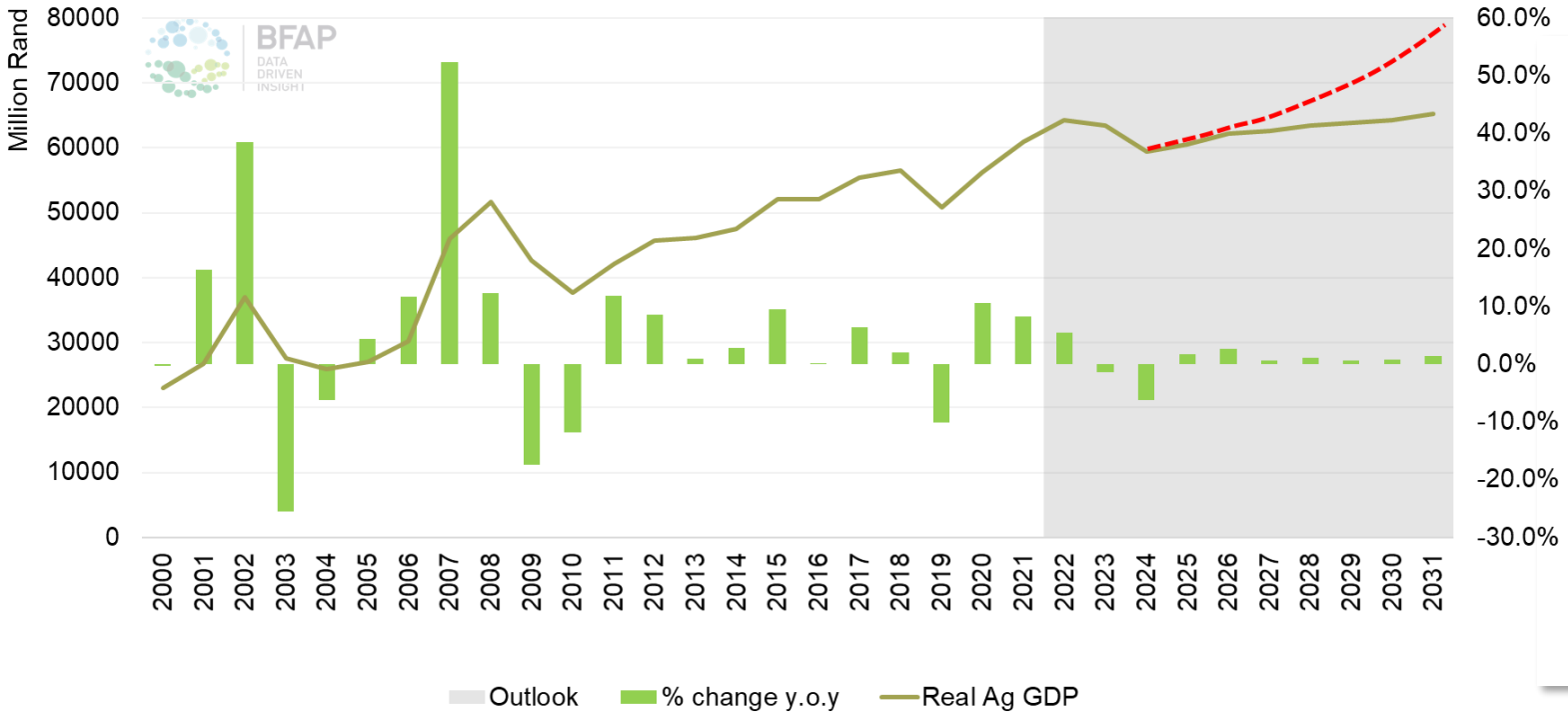


AGRICULTURE GROWTH POTENTIAL



Source: AGBIZ, Sept 2022

OBJECTIVES

- Shift volumes from **road to rail**
- Increase **density of under-utilised lines**
- Harness **market opportunities**
- **Optimise less than train load traffic**
- Improve **asset utilisation and efficiency**
- **Risk distribution / sharing - PSPs**
- Contribute to **growth of key agricultural sectors**

Source: Transnet Freight Rail, 2024

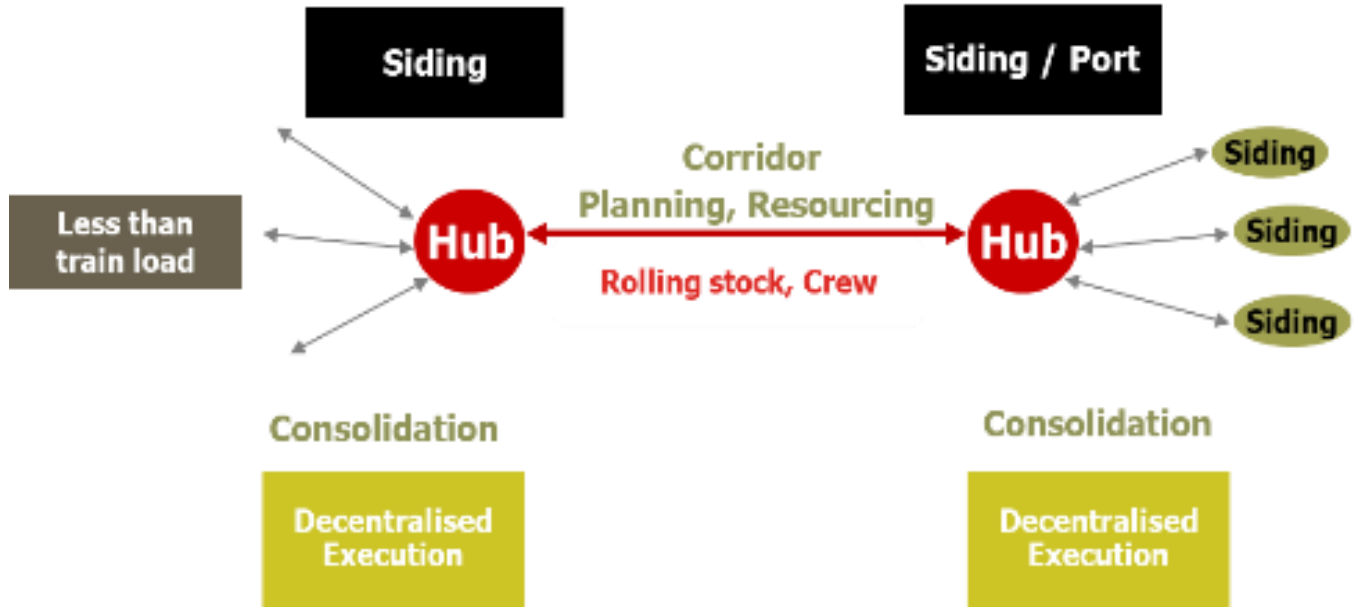
TFR VALUE PROPOSITION FOR THE WC AGRICULTURE INDUSTRY

A Cost Effective and Efficient Rail Service

CHALLENGES

- Low rail market share
- Need for containerised/ palletised & intermodal solutions to ship time-sensitive produce to target markets
- Seasonality of agricultural commodities
- Low train Utilisation
- High operational costs
- Low operations efficiencies
- Limited infrastructure investment
- Profitability of short distance traffic

OPPORTUNITIES TO GROW RAIL

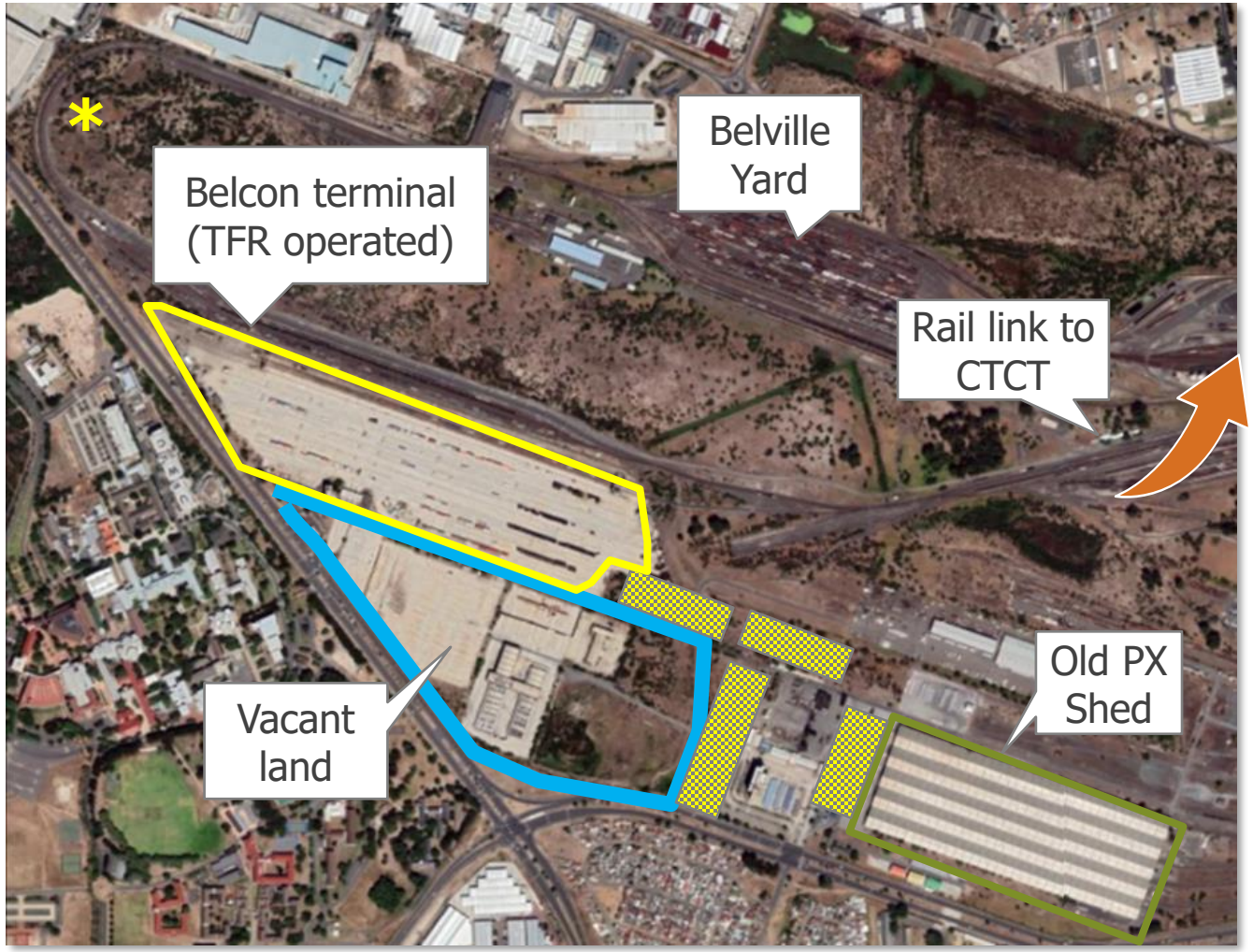


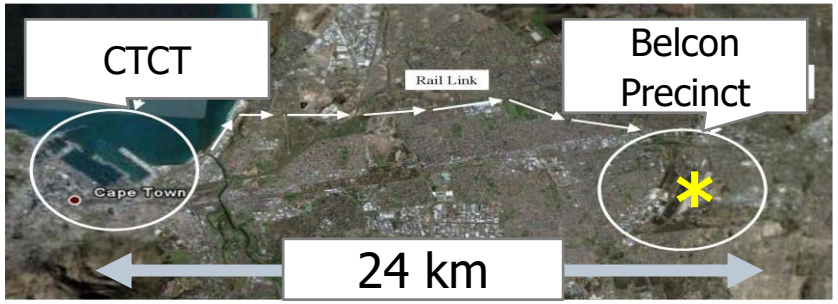
- Infrastructure access to branch lines/ consolidation hubs
- Significant improvement in operational performance
- New operation models :
  - Longer trains; Value chain integration
  - Maximum wagon payload
  - Increase train lengths

- Branchline & Siding concessions
- Locos : traction deployed, Conversion, maintenance
- Crewing methodologies between main points to improve utilisation of crew and rolling stock
- Integrated security solutions

Source: Transnet Freight Rail, 2024

BELCON PRECINCT





Develop **vacant land at Transnet Park to enhance rail volumes on shuttle service between Belcon & the Port of Cape Town**

- 160K m2 vacant land awarded to MAERSK to offer Warehousing; Cold storage; Reefer capacity (plug points) and Container depots. Phase 1 which includes the construction of wash bay and reefer towers to be completed and operational by end October 2023. Volume commitment of 140K TEUs pa. as from 2025/26 financial year.
- 90K m2 warehouse awarded to TITAN cargo which is in construction phase and earmarked to be operational by end 2023. Volume commitment of 36K TEUs pa. as from 2024/25 financial year

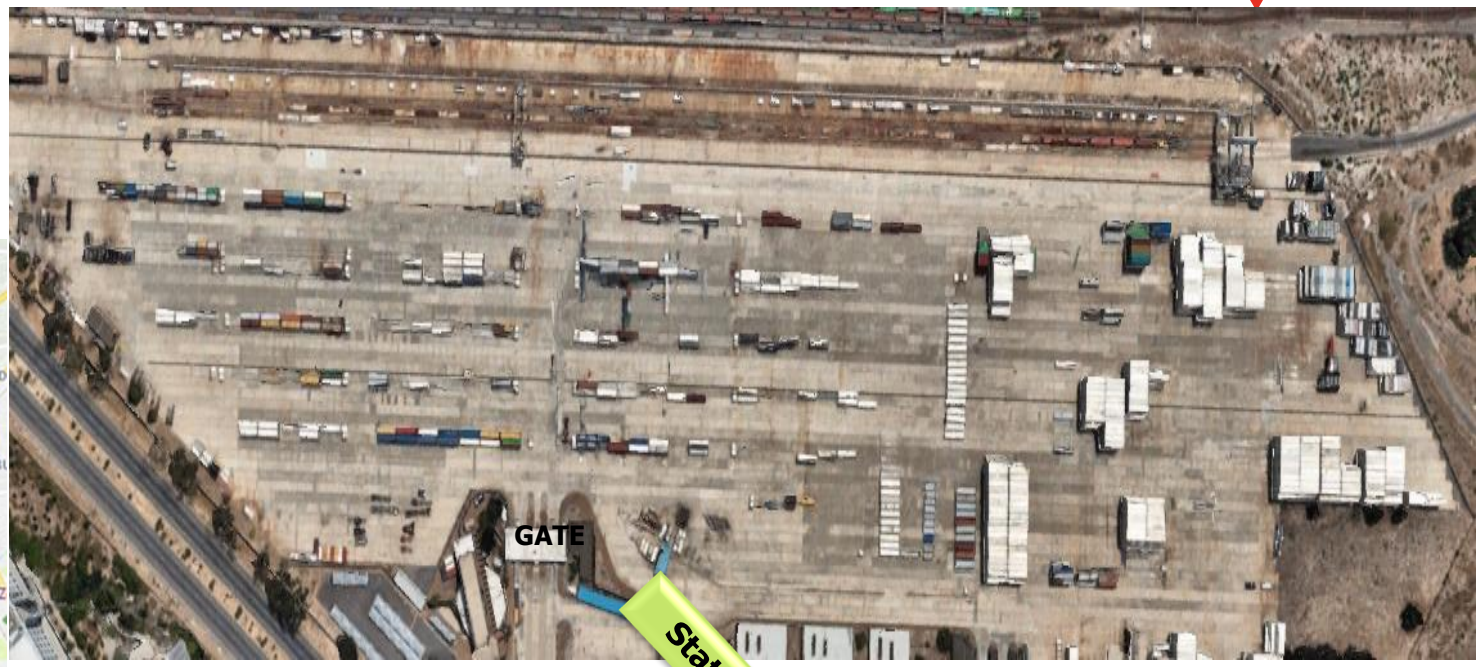
Source: Transnet Freight Rail, 2024

BELCON TERMINAL DEVELOPMENT

PSP Opportunities

TFR has awarded 160K m2 vacant land to MAERSK in the Belcon Precinct to offer Warehousing; Cold storage; Reefer capacity (plug points) and Container depots. The facilities are in construction phase, with a volumes realization for rail envisaged to yield in the 2025/26 financial year.

TFR/TPT Rail link



Status

RAIL INITIATIVES

Extend CTCT reefer stack to Belcon and increase port shuttle capacity

- Capacity for 3 reefer shuttles per day
- Plug point capacity increased from 96 to 144 to date
- Potential new Customers for reefer trains: Core Fruit, Go Reefers, Link Cargo, MAERSK

Source: Transnet Freight Rail, 2024

TERMINAL CAPACITY: 24X7 WORKING

Element	Current	24x7
# of wagons	50 wagons	
Stacking height	2X(F); 4X(E)	4X(F); 6X(E)
Ground slots	800 full; 400 empty	
Stacking (TEU)	1 600 Full	3 200 Full
Shuttle (TEU p/a)	96 000	201 600
Operations	O6:00 - 22:30 X 5 days p/w	24X7

Maersk

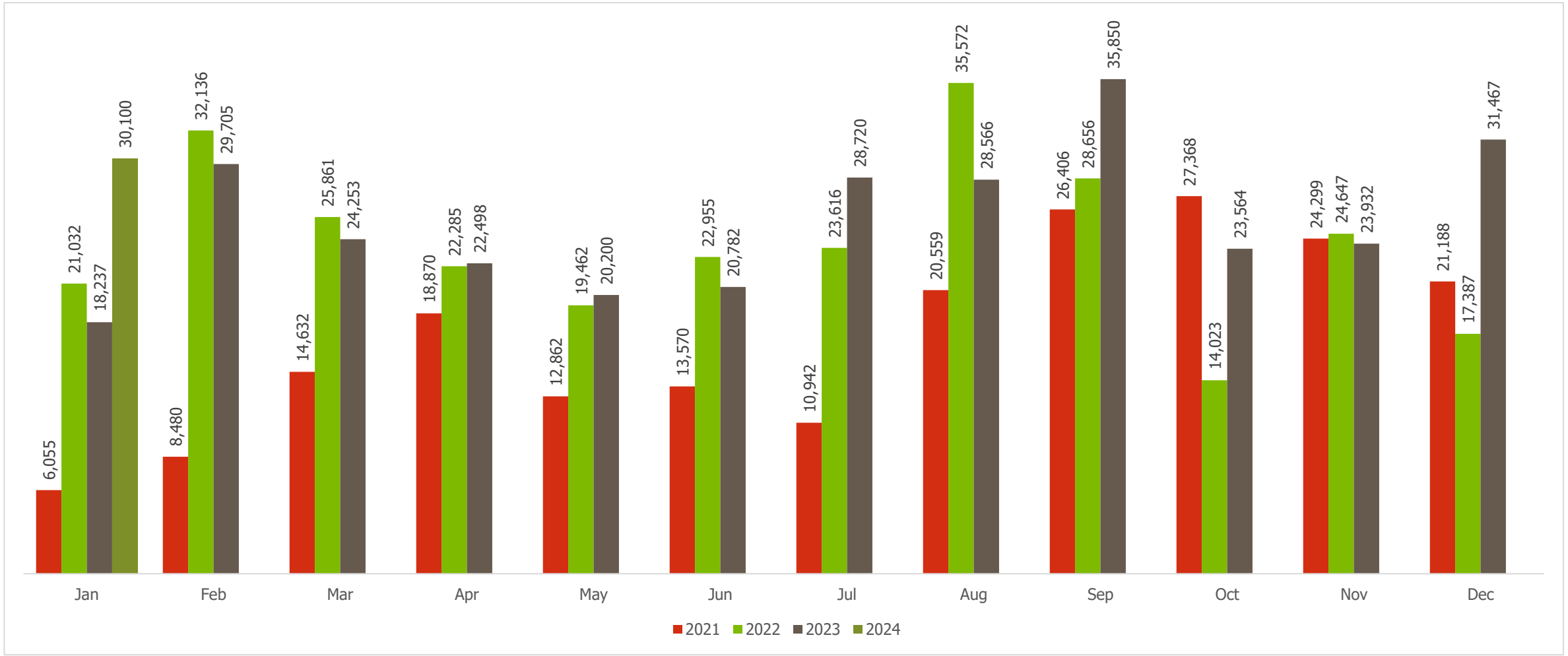
- Phase 1 completed - Washbay & reefer plugs
- Phase 2 – Construction of warehouse and cold store to be completed end December 2024

Titan

- Construction of warehouse – to be completed mid 2024

BELCON TERMINAL

Y-o-Y Volume Performance Comparison

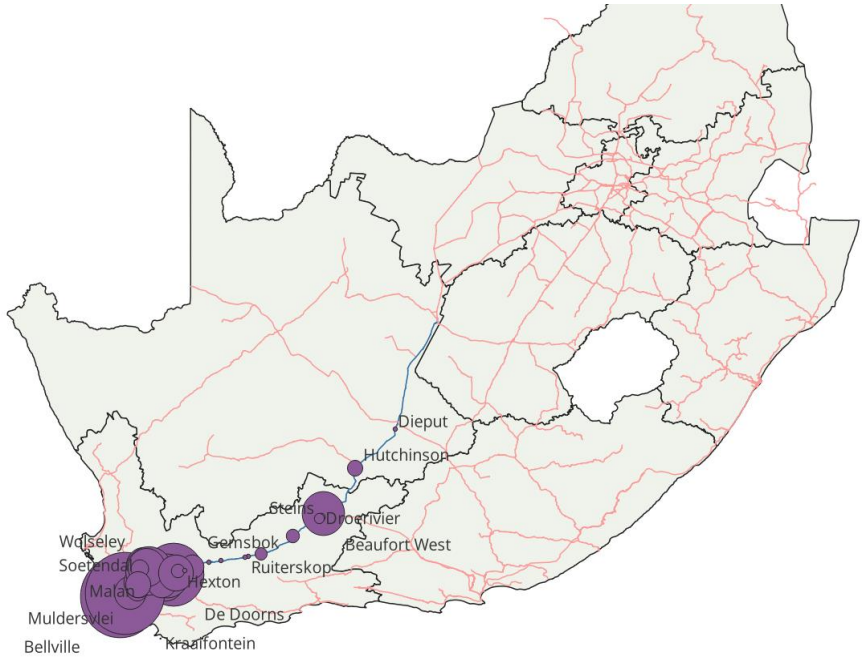


Growth represents volumes attracted from road to rail

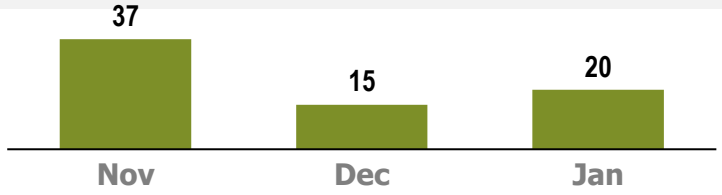
Source: Transnet Freight Rail, 2024

CHALLENGES

Security Incidents: Cable theft, Sabotage & Vandalism, General Theft



OHTE theft incidents have reduced substantially since the implementation of the OBS contract. A Joint Corridor Command Centre is being established to assist with real time monitoring and to enable quicker response times to security incidents.



New Location Description	Count
BELLVILLE	40
KRAAIFONTEIN	40
KLAPMUTS	31
DE DOORNS	30
WOLSELEY	23
BEAUFORT WEST	21
SANDHILLS	21
DE WET	19
ARTOIS	18
ROMANSRIVIER	18
ALMERIA	17
TULBAGHWEG	17
MULDERSVLEI	15
WELLINGTON	14
WORCESTER	14
DAL JOSAFAT	13
MBEKWENI	12
ORCHARD	11
TOUWSRIVIER	11
GOUDA	10
PAARL	10
VOELVLEI	8
HUTCHINSON	7
BREERIVIER	6
GOUDINIWEG	6
HERMON	6
LEEU-GAMKA	6
SALBAR	6
GEMSBOK	5
SOETENDAL	4
STEINS	4
DROERIVIER	3
HUGUENOT	3
BRACKENFELL	2
CHAVONNES	2

Source: Transnet Freight Rail, 2024


TRANSNET
Thank you