

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 655**

**QUESTION:**

**655. Mr A G Whitfield (DA) to ask the Minister of Public Enterprises:** (1) With reference to the Waterfront development of the Transnet National Ports Authority in the Port of Port Elizabeth, what (a) is the current timeline for the completion of each phase of the development and (b) are the relevant details of how the development will be financed; (2) whether his department plans to renegotiate the Southernport lease of land within the development footprint; if not, what is the position in this regard; if so, what is the current (a) value of each parcel of land leased to Southernport and (b) rental paid to Transnet by Southernport; (3) whether Southernport has submitted any proposals for the development of any of the parcels of land; if not, what is the position in this regard; if so, what are the relevant details?

**REPLY**

**According to the information received from Transnet**

1. **Waterfront Development**
2. The timelines for completion of the Waterfront development would be based on the business case, market demand and appetite, which will only be ascertained once a Request for Proposal (RFP) has been issued to the market. The development is scheduled in terms of phases commencing with the development of bulk infrastructure, which is common user infrastructure, the benefit of which should be accessible to all Port Users and phase II, which is constituted by the development of commercial top structures. Based on the bulk services required for the development, Phase 1 is envisaged to be completed within 5 -10 years and Phase 2 within 10 -15 years of commencement.
3. The provision of bulk services required in Phase 1 will be financed by TNPA. It is envisaged that the development, operation, and maintenance of the Waterfront facilities will be financed by the developer/s that will be appointed by way of a competitive tender.
4. **Southernport Lease**
5. TNPA is not able to publish the values of the land parcels because these values are issued in negotiations with third parties. Publishing such information would be commercially prejudicial to Transnet’s commercial obligations.
6. Southernport has not paid any rental to Transnet, due to the fact they have not taken occupation of the leased land.
7. **Southernport submission of proposal for the development**
8. In 2014, Southernport submitted a draft site development plan to TNPA for consideration. TNPA was not satisfied with the information contained therein and accordingly responded calling for further information from Southernport in this regard which was not responded to positively.
9. In April 2021, Transnet, through its operating division, Transnet Properties, sought to find an amicable solution to the impasse with Southernport, by tabling to Southernport, a proposal for co–development of the Waterfront and provided them with a copy of the Master Plans for the proposed Waterfront development. TNPA and Transnet Properties requested Southernport to provide their proposed development plans, which to date have not been provided, reasons of which have not been shared with Transnet.