

A photograph of a train on tracks, with an orange locomotive in the foreground and several grey freight cars behind it. The image is overlaid with vertical semi-transparent bars in various colors (blue, green, yellow, orange, red, grey).

TRANSNET PRESENTATION TO THE PORT OF CAPE TOWN STAKEHOLDER DIALOGUE

DATE: 20 JANUARY 2023

TIME: 08:30 – 13:00

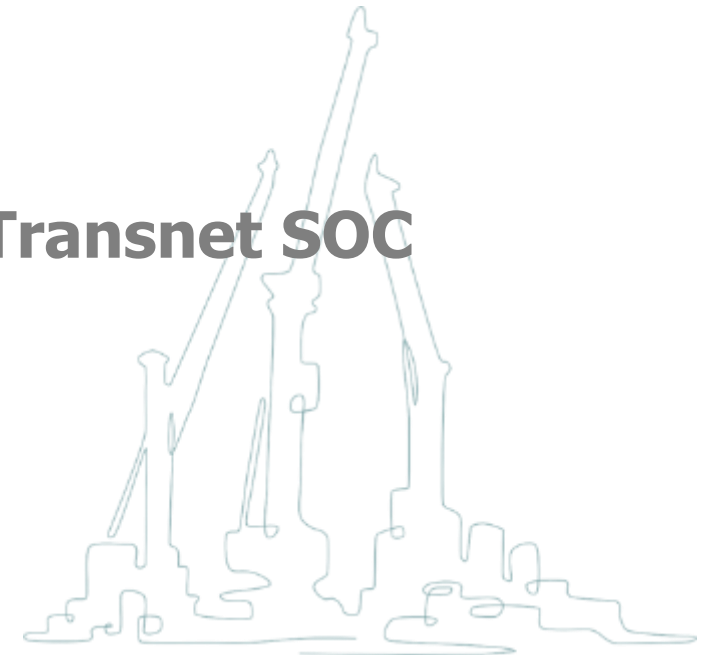
VENUE: AC HOTEL MARRIOTT, V & A
WATERFRONT



Transnet Segment Strategy for the Western Region

Presenter: Dr Andrew Shaw

Group Chief Strategy and Planning Officer, Transnet SOC



Transnet Segment Positioning

Statement of Strategic Intent



MINING

Iron Ore

Leverage private sector capital and operational capabilities **to stabilize delivery and support growth in the iron ore sector to ~67Mtpa**

Manganese

Migrate Mn exports from Gqeberha to Ngqura and introduce private sector capital & capabilities in terminal operations to **grow to ~22Mtpa**

Coal

Reduce the cost of logistics to competitively restore SA's export coal capacity at **~81Mtpa**

Chrome & Magnetite

Maintain SA's global position as **preferred chrome exporter** through partnerships and strengthen export channels via the Ports of Richards Bay and Maputo to deliver **~37mtpa**



CONTAINERS & AUTOMOTIVE

Partner to expand the **regional hub port system for clean commodities in the Port of Durban**

Leverage PSPs to reposition the auto & container rail & port terminal businesses



AGRICULTURE

Fruit

Partner to **maintain the integrity of the fruit export cold-chain** and grow fruit-on-rail to **~ 0.4m TEUs p.a.** in 5 years

Grain

Standardise & transform grain intermodal supply chain solutions to lower the cost of logistics and reinstate rail as preferred partner to the grain industry



FUEL & GAS

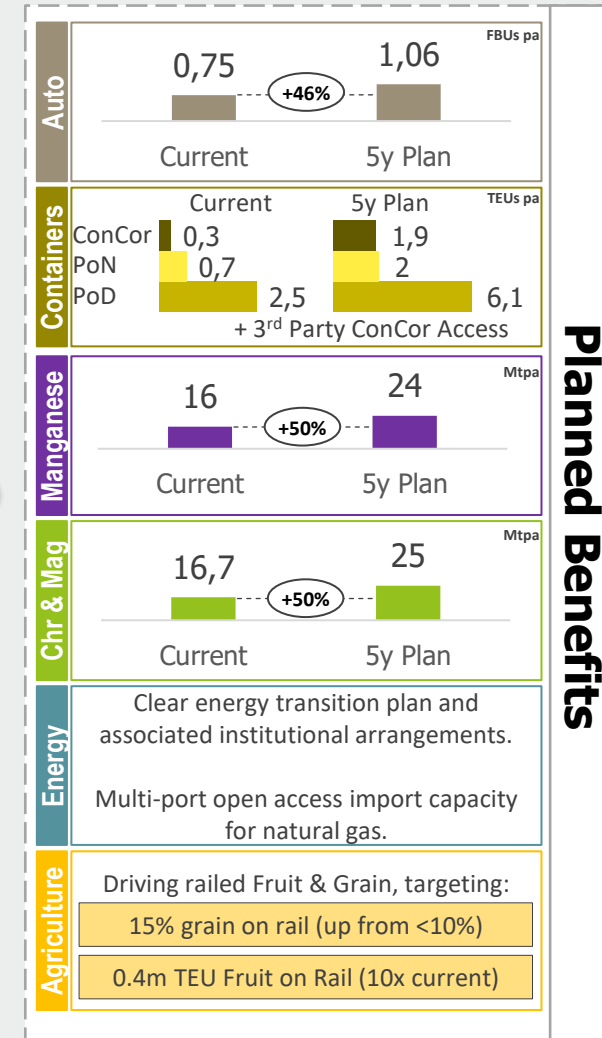
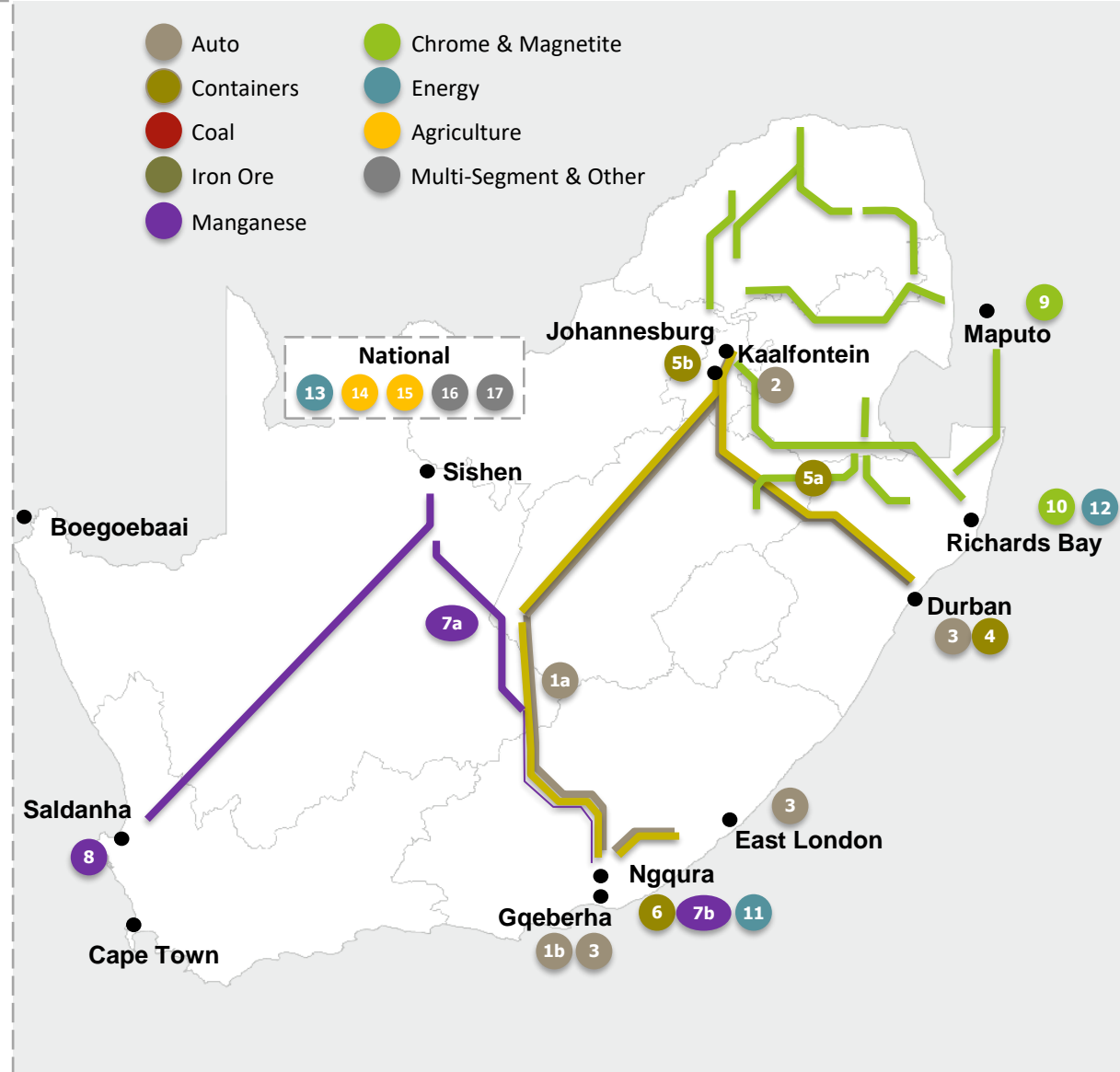
Use public/ private partnerships **to grow refined fuel import capacity & new entrant access** and **develop the gas infrastructure network** as building blocks towards a **Sustainable Energy Portfolio**

Transnet Segment Strategies Initiative Roadmap

Short Term Major Strategic Initiatives - 5 Year View

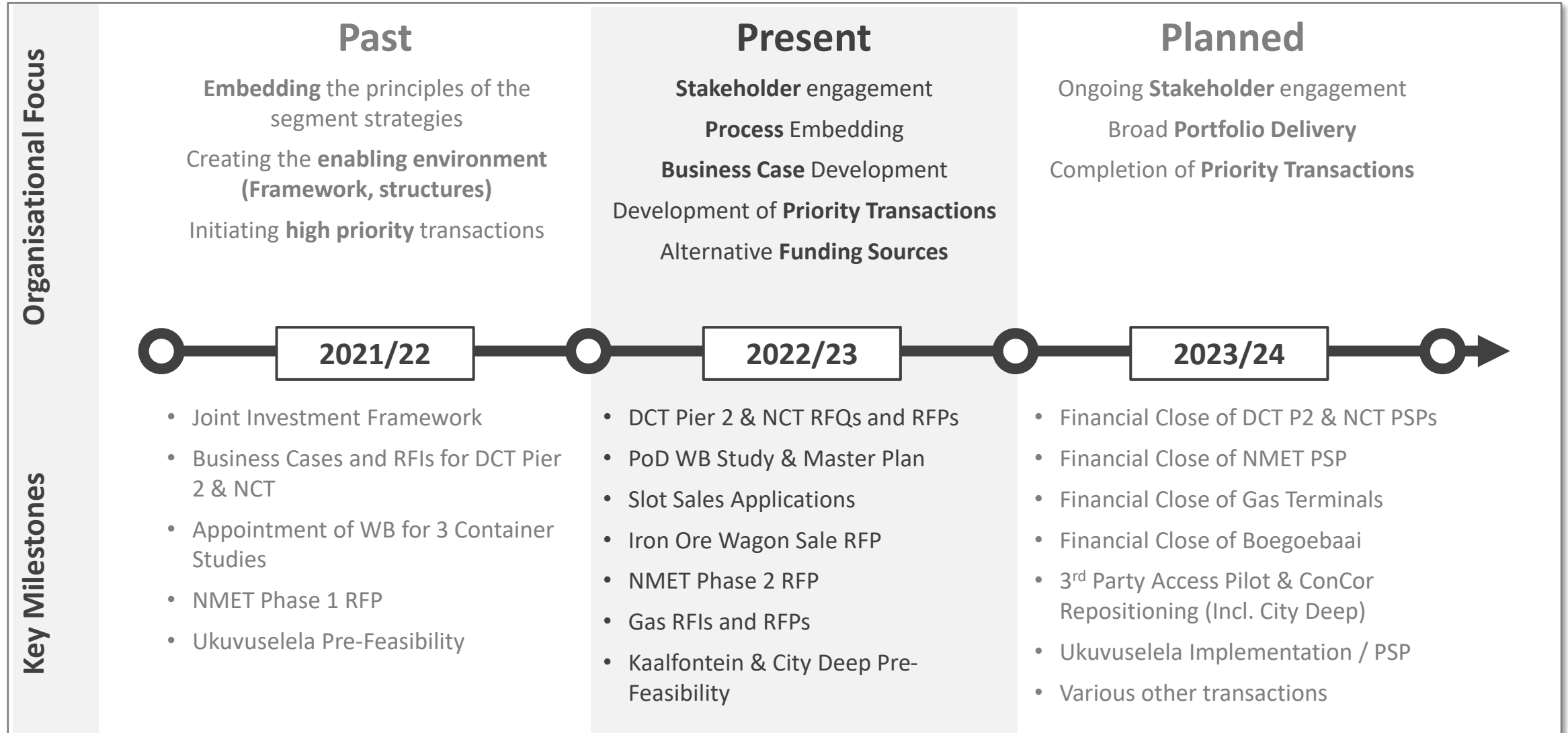


1 a&b	High-Capacity Corridor for Automotive Volumes via SouthCor & Gqeberha	TFR TPT
2	Kaalfontein Supply Chain Integration	TFR
3	Auto Export Capacity & Operating Model at the Ports of Durban, Port Elizabeth & East London	TPT
4	Port of Durban Hub Port: • Point Container Terminal • Durban Container Terminal Pier 2	TPT TNPA
5	ConCor & City Deep Repositioning	TFR
6	International Transshipment Hub Development at the Port of Ngqura	TPT
7 a&b	Ngqura Manganese Corridor expansion (rail & export terminal)	TPT
8	Saldanha Manganese Export Capacity	TFR TPT TNPA
9	Strengthening the Secondary Export Channel via the Port of Maputo	TFR
10	Expansion of Bulk Export Capacity via the Port of Richards Bay	TFR TPT TNPA
11	Develop an LNG Terminal & Facilities at the Port of Ngqura	TNPA
12	Develop an LNG Terminal & Facilities at the Port of Richards Bay	TNPA
13	Develop a Transnet Energy Transition Strategy	TPL
14	Concession various branch lines supporting agricultural activities	TFR
15	Develop inland terminal / consolidation facilities supporting rail supply chains	TFR
16	3rd Party Access Rail Operations	TFR
17	Various Wagon Sales	TFR

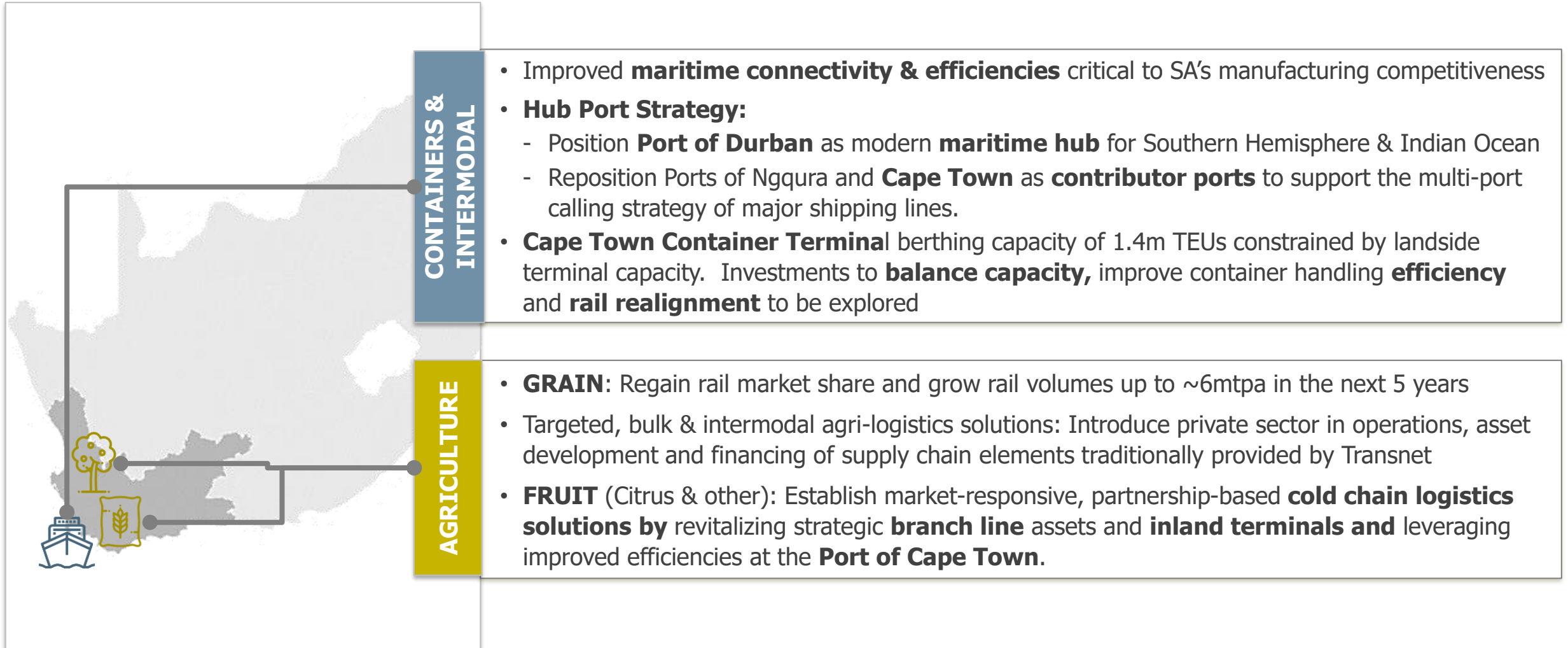


Planned Benefits

Segment Strategy Roadmap



Transnet Consolidated Segments Initiatives in the Western Cape



Port of Cape Town and Rail: Strategic Initiative Progress



		Concept	Feasibility	Implementation / PSP
Port	• Cape Town Container Terminal			Feasibility study in progress, interim truck staging facility operational. Funding for future phases under discussion.
	• Branch Lines			Various parallel processes underway with the majority in active partner procurement.
Rail	• Belcon			Shuttle service implemented and first train run on 02 Nov 2022. Infrastructure improvement partner procurement underway.

CTCT



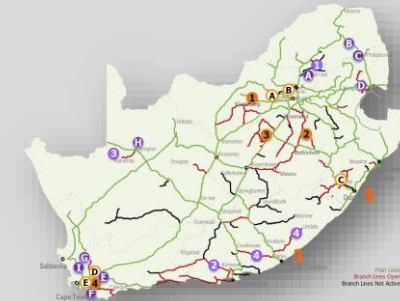
Alignment of landside container terminal capacity to the upgraded marine capacity of 1.4m TEUs, including upgrades to container stack area, rail and truck interfaces.

Belcon



Develop underutilised Transnet terminal space ~24km from Cape Town Container Terminal and implement rail shuttle service to enable the near-port decongestant benefits.

Branch Lines



Concession selected branch lines and partner / lease development of inland agri terminals to support fruit and grain initiatives

Transnet Segment Strategies implementation is progressing well





We however have to accelerate certain initiatives and PSP transactions

Key Focus Areas & Strategic Objectives

- 1 Restore the rail and port asset base and improve utilisation** to deliver on revenue commitments
- 2 Prioritise** Transnet's investments towards growth in **high margin flows** such as bulk mining commodities
- 3 Accelerate targeted initiatives and transactions** critical to improve the **operational and financial position** of the organisation

Improve Operational and Financial Position

-  **Short term** initiatives
-  **Immediate cash injection and high impact** initiatives aligned to the overall **strategy**

“Fund the journey” initiatives undertaken internally and via partnerships **to build confidence in Transnet** and secure a financially and operationally stable base

Growth and Renewal Planning

-  **Medium to long term** initiatives
-  **Strategic partnerships, develop capacity, reform & reposition**

Investments and transactions to **achieve sustained growth and structural reform objectives** driven by the Segment Strategies



TNPA Western Region Growth Strategy Initiatives Port of Cape Town Efficiency Improvement Initiatives and Capex Plan

Presenter: Adv Phyllis Difeto

**Managing Executive: Western Region, Transnet National
Ports Authority (TNPA)**



TNPA Mandate: Policy, Legislative Directive



PORT POLICY

A system of ports, **seamlessly integrated** in the **logistics network** that is jointly and individually self-sustainable through delivery of high levels of service and increasing **efficiency** for a growing customer base, enhancing South Africa’s global **competitiveness** and facilitating the **expansion** of the South African **economy** through socially and environmentally sustainable port development”



MARITIME TRANSPORT POLICY

Ensure the **competitiveness** of South Africa’s **international trade** by providing customer focused **maritime transport infrastructure** and **services** through an innovative, safe, secured, **reliable**, effective, profitable and **integrated** maritime supply chain, infrastructure and systems including **safety of navigation**.



PORTS ACT

1. Promote the **development** of an effective and **productive** South African **Ports industry** that is capable of contributing to the **economic growth and development** of the country;
2. Promote and improve **efficiency** and performance in the management and operation of **ports**;
3. **Ports** are to ensure **infrastructure development**, especially **industrial development**, is well **connected** to harness the opportunities for export.

Western Region Ports Overview

Port of Cape Town

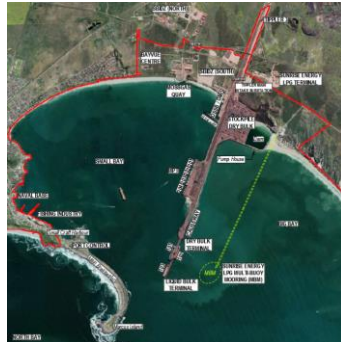


- Asset Base R15.8Bn
- Total Port Area 9350ha
- 42 Berths
- 3 Ship Repair Facilities
- Marine Fleet 10 (4 tugs, 2 pilot boats, 2 launches & 2 workboats)
- 11 Licensed Terminal Operators (1 Container, 2 MPT, 1 Liquid Bulk, 1 Cruise and 1 Breakbulk) and over 300 licensed port operators

VISION OF THE PORT

Premium, Smart, competitive, customer centric, people's port providing world class infrastructure and delivering premium maritime services.

Port of Saldanha

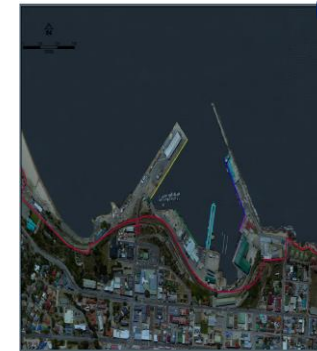


- Asset Base R5.2Bn
- Total Port Area 19300ha
- 9 Berths
- Marine Fleet 6 (4 tugs, 1 pilot boat & 1 workboat)
- 4 Licensed Terminal Operators (1 MPT, 1 Bulk, 1 LPG and 1 Liquid Bulk) and 33 licensed port operators

VISION OF THE PORT

To be Africa's top-rated dry bulk port and Southern Africa's energy supply services hub operating with reliable connectivity and excellent efficiency .

Port of Mossel Bay



- Asset Base R1.062Bn
- Total Port Area 25ha
- 8 Berths
- 1 Slipway Repair Facility,
- Marine Fleet 2 (1 launch & 1 workboat)
- 1 Licensed Terminal Operator (1 Offshore Liquid Bulk services) and 32 licensed port operators

VISION OF THE PORT

A world class, transformed, smart, efficient, safe, secure, people centric, financially, and environmentally sustainable port in the Southern Cape and South Africa.

Growth Strategy Initiatives

Port	Top 6 Strategic Projects	Focus Area
 Saldanha	<ol style="list-style-type: none"> 1. Iron ore expansion phase 2: Berth construction 2. LNG Import Infrastructure [FSRU and import terminal] 3. Berth 205: Provision of dedicated facilities for rig repair 4. Mossgas: Marine manufacturing facility 5. Reconfiguration of Oil Jetty 6. MPT extension: additional Berth 200 for Break Bulk 	<ul style="list-style-type: none"> Commodity Growth Sustainability Ship repair Infrastructure Capacity creation Volume growth
 Mossel Bay	<ol style="list-style-type: none"> 1. Rehabilitation of Quay Three 2. Deepening of the Port & Development of ex I & J Site 3. Breakwater Refurbishment 4. Upgrade of Water Network (Feasibility Design) 5. Upgrade of the Slipway 6. Port of Entry Facility 	<ul style="list-style-type: none"> Safe infrastructure Capacity creation Safety Smart Ports Sustainability Revenue diversification

Port of Cape Town Strategic Focus



VISION OF THE PORT

Premium, Smart, competitive, customer centric, people's port providing world class infrastructure and delivering premium maritime services.

VALUE PROPOSITION

A geographically well-positioned Port with world class infrastructure, offering one stop auxiliary services to achieve excellent customer satisfaction and global competitiveness.

Progress on Short-term Efficiency Improvement Initiatives

Interim Truck Holding Area

- Interim Truck Holding Area in operation
- Currently utilized for MPT & CTCT Traffic

Hydraulic ShoreTension Units

- Support equipment on-site
- Units operational at CTCT

Optimize Marine Services

- Full resources available each shift
- Minimal Marine Delays

Port Infrastructure

- F-Berth repairs completed on schedule
- F-Berth currently in commission

Information Access

- Weekly Stakeholder Meetings
- Proactive Stakeholder Engagement

Update on Long-term Strategic Capital Projects

CTCT Phase 2B Expansion

- Phase 2B Detailed Design – Rail Infrastructure Upgrade: 30 June 2023
- Phase 2B Detailed Design – Truck Staging and Automation: 31 August 2023
- Commence Construction: June 2024
- Project Close-out (Commissioning): December 2026

Culemborg Land Use Optimization

- Validation of 2012 study including detailed market analysis
- Refinement of SDF in line with market aligned uses
- Conclude on market & development approach

Truck Staging & Automation

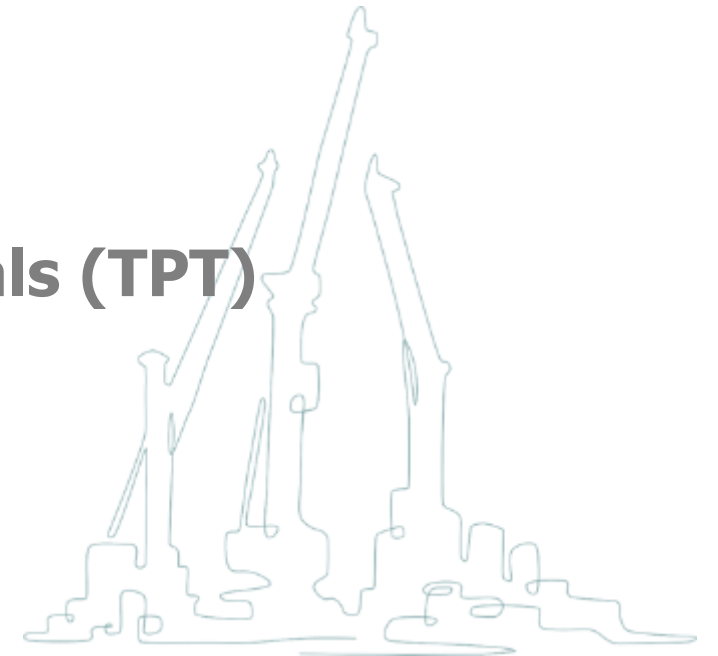
- Truck Staging & Automation part of CTCT phase 2B scope
- Detailed Design – 31 August 2023
- Total capacity of 220 trucks destined for CTCT



TPT Strategy to Manage Growth in Containerised Cargo in CTCT and CTMPT

Presenter: Mr Jabu Mdaki

Chief Executive, Transnet Port Terminals (TPT)



The Container Segment Strategy

Cape Town Container Terminal Landside Capacity Expansion



Initiative Overview

Currently, berthing capacity of 1.4m TEUs at the Cape Town Container Terminal exceeds landside terminal capacity of 1m TEUs.

With significant demand for capacity at the terminal, Transnet will be aligning terminal and berthing capacity to 1.4m TEUs, and in line with this, enabling functions such as truck staging facilities and associated processes will be upgraded, modernized and capacity expanded.

This will support Transnet's strategy, with the Port of Cape Town supporting and playing a feed role to the hub port at the Port of Durban.

Re-alignment of the rail infrastructure to support efficiencies driving the migration of volumes to rail is a key consideration.



Brief Scope / Benefits

Partner drives investment in container stacking area upgrades, rail infrastructure realignment and truck staging area upgrades.

- Road to Rail Migration
- Improving the Cost of Logistics
- Unlocking container capacity
- Improved supply chain integration

Capacity

Current Installed Planned



Project Status

Feasibility study and project engineering development is underway, planned for completion in 2023/24

Various options are under assessment as part of the feasibility study to fast track the currently forecast 48-month detailed engineering and construction period.

Item #	Project Description	Responsibility
1	Expansion of existing stack area	Transnet Port Terminals
2	Rail Expansion	TNPA and TPT
3	Truck Staging Area	TNPA and TPT

Currently in Detailed Design Phase, which is expected to be completed by end of 2023/24 Financial Year, after which execution will commence.

Cape Town MPT Strategy

- Exclusive TPT berth
- TNPA berths
- Utilised by fishing vessels



OPERATING MODEL

- Developing an Agricultural hub
 - Barley
 - Wheat
 - Grain
 - Rice
- Fish
- Grow Container business and sustain complementary container capability\operations to CTCT to service agricultural citrus and deciduous fruit linked to hinterland
- Increase reefer capacity on the combi side , F and G berth
- Manganese exports as an interim measure

Capacity Development

Current Capacity

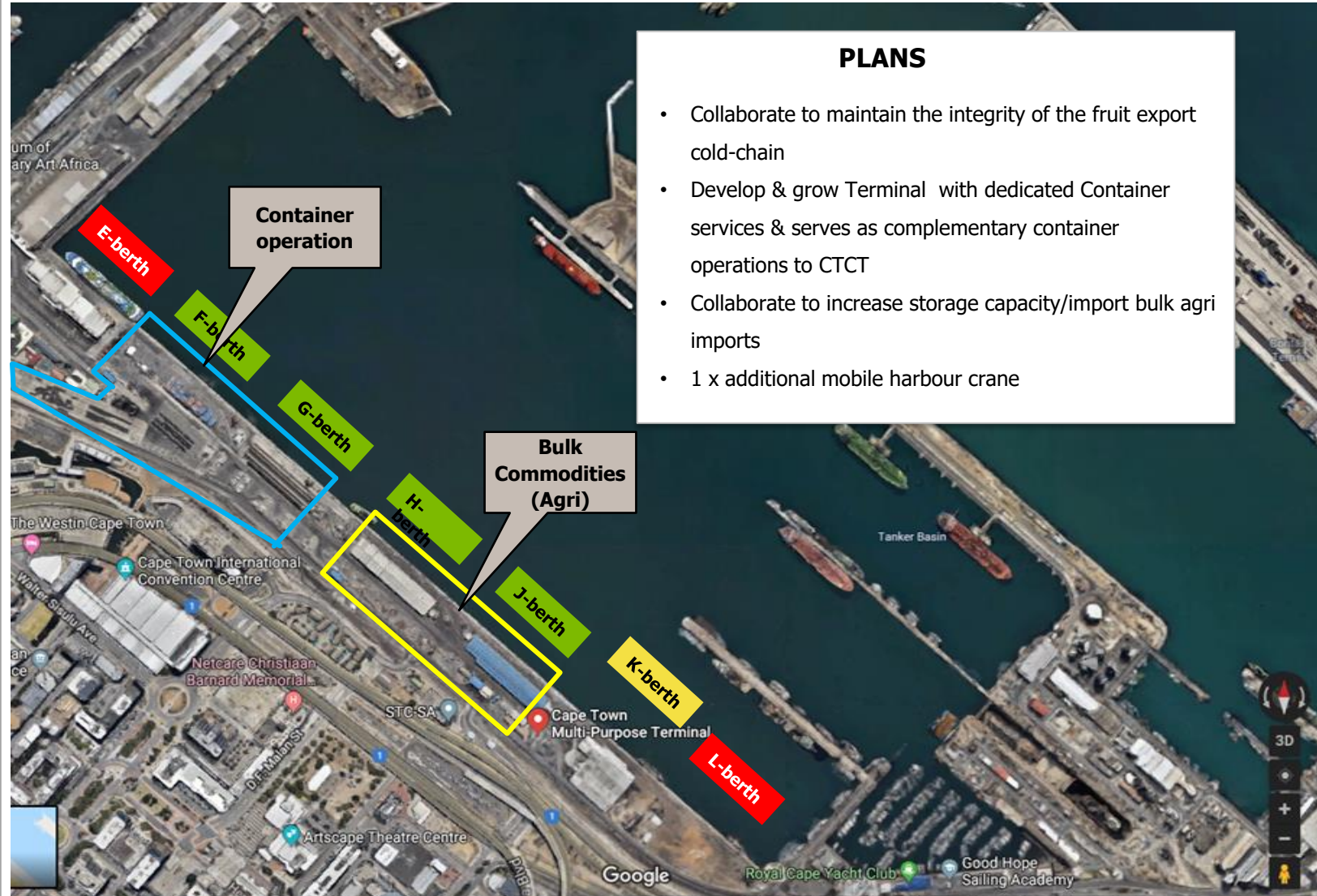
500 ktpa

100 kTeu

Planned Capacity

1,0 mtpa

125 kTeu



PLANS

- Collaborate to maintain the integrity of the fruit export cold-chain
- Develop & grow Terminal with dedicated Container services & serves as complementary container operations to CTCT
- Collaborate to increase storage capacity/import bulk agri imports
- 1 x additional mobile harbour crane

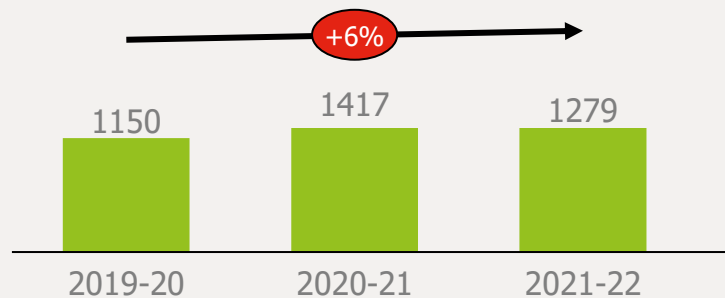
Operational Challenges - CTCT

Weather Delays

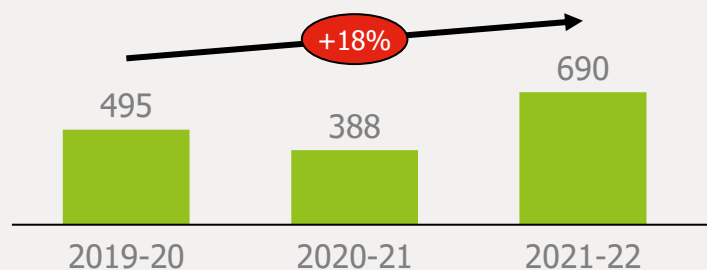


Highly Impacted by:

Wind & Fog (Hours)



Vessel Movement (Hours) (Ranging of a vessel when moored alongside)



Mitigation

2 x sets of Hydraulic Tensioners

- Second set received in October 2022

Replacement of Equipment

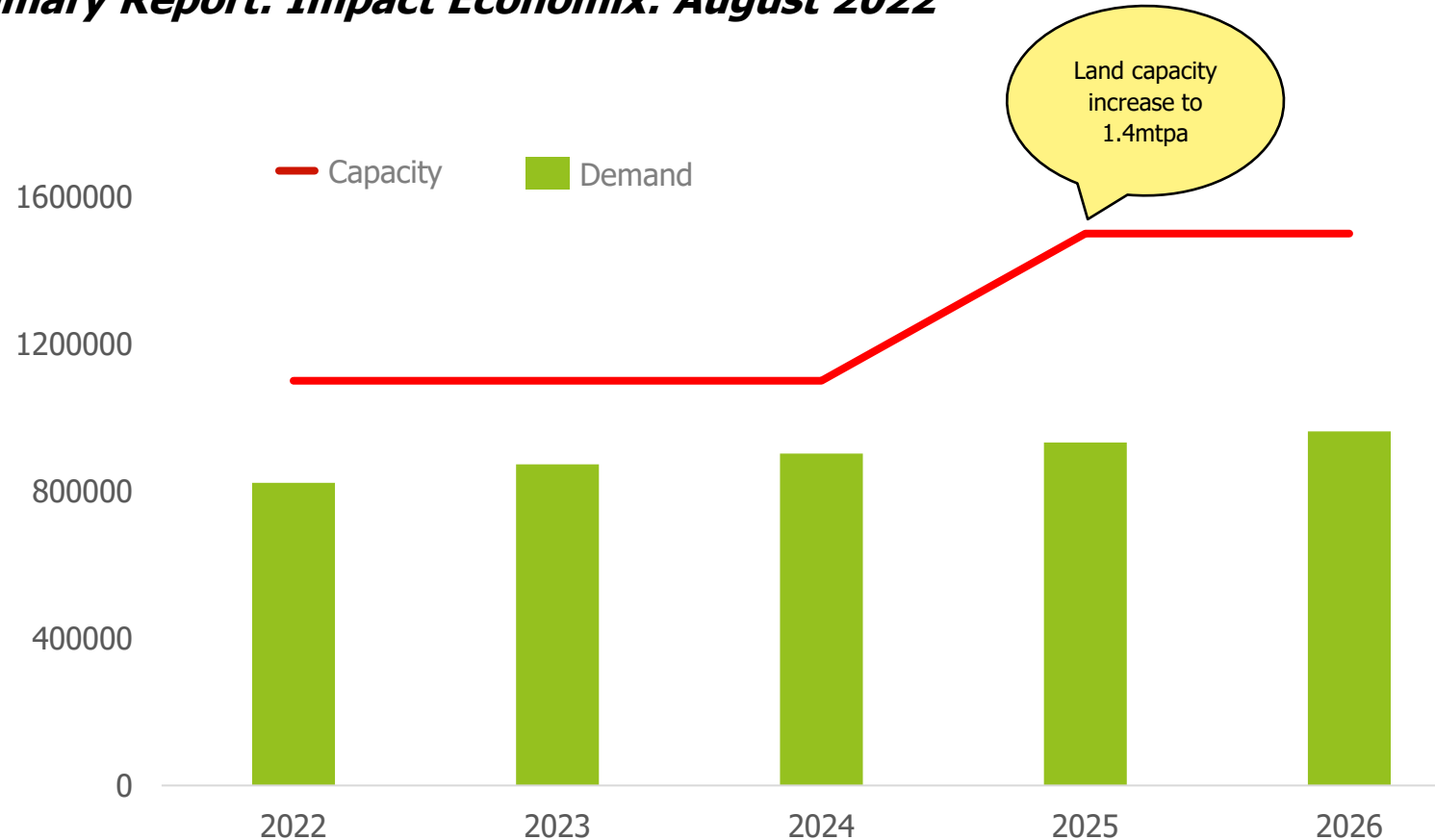
Remote working

Mitigation Strategy

Port of Cape Town – Creation of Capacity and Demand (teus)



Summary Report: Impact Economix: August 2022



To ensure increase in capacity

Infrastructure : Phase 2 B Expansion (Increase capacity from 1m to 1,4mtpa)

- Expansion of existing stack area
- Rail Expansion
- Truck Staging Area

Equipment Replacements

- Acquisition of 1 x RTG
- Replacement of RTGs
- Replacement of Haulers & Trailers
- Capital Spares

Automation

- Remote Operation

Imports % y-o-y	4.2%	9.6%	3.3%	3.4%	3.6%
Exports % y-o-y	4.4%	3.3%	3.4%	3.2%	2.9%

Mitigation Strategy

Investment: Cape Town Containers – Terminal Fleet



2022/23	2023/24	2024/25	2025/26
<ul style="list-style-type: none">8 x Spreader Refurbishment – Done	<ul style="list-style-type: none">STS Midlife refurbishment	<ul style="list-style-type: none">STS Midlife refurbishment	<ul style="list-style-type: none">10 x Replacement RTGSs (Delivery)
<ul style="list-style-type: none">Received 9th Crane from Durban	<ul style="list-style-type: none">47 Replacement trailers by Aug 2023 <i>(6 x received already)</i>	<ul style="list-style-type: none">18 x Replacement RTGSs (Delivery)	
<ul style="list-style-type: none">2 x Shore Tensioners: Received October 2022	<ul style="list-style-type: none">4 x Additional Straddles		
	<ul style="list-style-type: none">47 x Replacement Haulers		
	<ul style="list-style-type: none">2 x Replacement Empty Handlers		
	<ul style="list-style-type: none">2 x Replacement Reach Stackers		

**OEM PARTNERSHIP : - Key OEMs: Liebherr, Kalmar
(To shorten Lead times of parts & services)
RFP Issued, Implementation by August 2023**

Mitigation Strategy

Remote Operation : Status & Benefits



Milestones

- A remote operation specialist consultant has been appointed
 - A productivity benefit study has been concluded
 - A cost/benefit analysis is underway
 - Currently benchmarking with international ports
 - Implementation of remote operation project: Planned commission 2024/25
- Increase operational efficiency by an average of 3 crane moves per hour through remote crane operation
 - Reduce delays caused by high wind speeds from 80 days to less than 20 days per year
 - Reduce stoppages due to vessel fumes and shift changes from 290 hrs to less than 20hrs per year
 - Reduce traffic & Improve truck turnaround time from average 52 mins to less than 35 mins
 - Enable disabled people and women to become crane operators
 - Reduction of carbon footprint
 - Improve the operator safety and health

Port of Saldanha .. *Presenting Growth Opportunities*

Feasibility has started



Iron Ore (increase capacity : from 60m to 67mtpa)

Infrastructure/Capacity

Developmental Plan includes

- Stockyard : from 4,5m to 7,7mtons
- Additional Berth 100

Current capacity of Terminal is 58mtpa, compared to the demand of 60mtpa. The shortfall of 2m tons to be exported via SLD MPT

Additional Equipment

Plan includes

- Ability to use 3 x Tiplers simultaneously
- 2 x Additional Stacker Reclaimers (Total final state = 6)
- 1 x Additional Ship loaders (Total final state = 3)
- Additional fluid conveyor route of 13 km plus supporting structures

Air Emission Licence

- Application underway for a 76m licence
- Document already submitted
- Feedback expected on application by February 2023

Manganese Ore (from 6m to 8mtpa)

Infrastructure/Capacity

Developmental Plan includes

- Third warehouse to accommodate an additional 200, 000 tons
- Upgrading of Railway Infrastructure to Handle Higher Axle ton and Wider Wagons in the medium to long term strategy
- Additional Berth 205

Additional Equipment

Plan includes

- Material handling contract (dumper trucks & 4 x (FEL's); in order to fully utilize both Mobile Ship Loaders
- 1 x Mobile Ship Loader

Air Emission Licence & EIA

- The conditional approval of EIA has been received
- The appeals process was received and responded to by 7 December 2022
- Awaiting feedback, thereafter the AEL process will start.

TRANSNET



delivering freight reliably

THANK YOU, ENKOSI.

