



Monday, 19 April 2021

Dear Fellow South African,

Last week, I visited the Port of Durban to see for myself the work being done to make the port more efficient and competitive.

After a briefing with the senior management of Transnet, I toured the harbour in a pilot boat, which is usually used to guide large ships through the entrance channel to the pier.

Seeing the workings of the port from the water, one is reminded of its vast scale and complexity. As we left the pier, we watched the African Finch, an enormous vessel laden with over 30,000 tonnes of timber, depart from the terminal. A vessel of this size carries immense economic value, and many such vessels pass through the port every day.

If the port does not function efficiently, the entire economy suffers, from importers and exporters to consumers.

On the other hand, if the port works well it can drive economic growth and position our country as a gateway to the region and the continent.

When I visited Durban in October 2019, many local businesses and port users raised concerns with me about the performance of the Durban Port. Shipping companies in particular expressed concern about truck congestion and waiting times, ship berthing delays and anchorage times, poor maintenance of equipment and generally low productivity in the port.

My visit to the port last week was to check whether the commitments made in response to these concerns had been implemented.

There has indeed been great progress over the past year in turning around the performance of the port, despite the impact of COVID-19. These efforts are already showing results in improved maintenance of equipment, reduced congestion, quicker turnaround times and increased use of rail instead of road transport.

While this is important progress, there is still much work to be done to position Durban as a world-class port and as a hub port for the Southern Hemisphere.

In recent years, the port has slipped from its position as first in Africa to third, behind Tangier in Morocco and Port Said in Egypt.

Truck turnaround times have greatly improved. Similarly, the reliability of cargo handling equipment has improved to 80%, and is heading towards at least 95% to meet international benchmarks. Ship waiting times have reduced to impressive levels.

These statistics may seem technical and obscure, but they have a direct impact on the growth of our economy and on the prices we pay as consumers.

We have made improving the efficiency of our ports a priority of Operation Vulindlela, and have focused on rebuilding Transnet, which is one of our valued state owned enterprises. The new management of Transnet and its operating divisions are resolutely focused on turning the performance of the port around.

The management has ambitious and exciting expansion plans for all five of the port's precincts. These include the deepening of the Maydon Wharf channel to allow larger, modern vessels to enter the port, the infill of Pier 1 and Pier 2 to create additional capacity for containers, and the development of a new container terminal in the Point Precinct

Altogether, the expansion of infrastructure at the port will require R100 billion in new investment over the next decade and more. This will completely transform the port, expanding its capacity for container handling from 2.9 million units to more than 11 million units.

These ambitious plans will require greater private sector participation and investment. Transnet, including the Durban Port, is an important national asset belonging to the people of South Africa.

Partnerships with the private sector are crucial to bring new investment, technology and expertise to port operations and to modernise equipment and infrastructure. Transnet is planning, for example, to advertise a concession later this year to build and operate the new Point Terminal. This will bring in private investment and improve the efficiency of container handling.

Through our reform process we are steadily improving the efficiency of our ports and railways and unlocking massive investment in infrastructure. This will not only lower costs and improve the competitiveness of our exports, but will create thousands of new jobs in the process.

Through both operational improvements and structural reforms, Durban Port will reclaim its place as the best-performing port in Africa.

As part of our Reconstruction and Recovery Plan, we will continue to work tirelessly to expand infrastructure investment and transform our network industries.

If my visit to Durban left one thing in my mind, it is that we South Africans are capable of succeeding in projects of vast importance and scale.

Our ambitions should match the size of our challenges.

With the progress we are making at the Durban port, with the reinvigorated skills and capabilities that we have in Transnet, we now have the wind in our sails. And we are moving at a rate of knots towards our destination.

Best wishes,

A handwritten signature in black ink, reading "Cyril Ramaphosa". The signature is written in a cursive, flowing style.