



PORT EXPANSION: HOW TO SURVIVE IN A RAPID GROWING ENVIRONMENT

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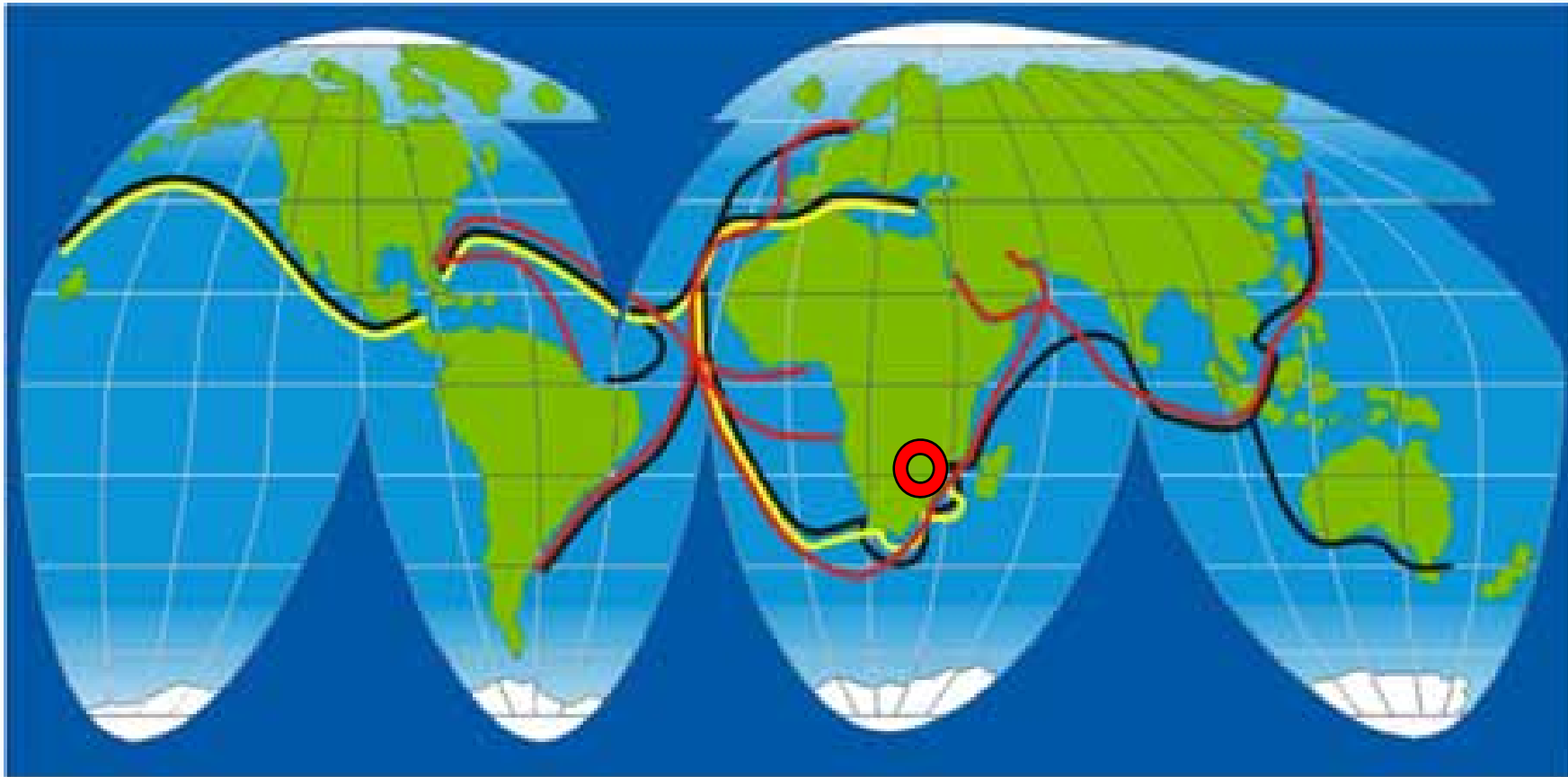
2015

Location & Overview



1.2

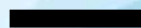
From a macro perspective, the port of Maputo is well placed along the major shipping routes



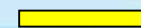
CRUDE OIL



RAW MATERIALS



CEREALS, FRUITS, FOOD PRODUCTS



1.3

Maputo serves a regional hinterland of other African countries



1.4

Ports in Mozambique



- The Port of Maputo is situated in the southern region of the country
- The Port is the biggest and busiest Port in Mozambique
- The Geographical location of the port makes it an attractive alternative option for export business from South African companies



1.5

Geographical advantage

	Maputo	Richards Bay	Durban
Comparative road distances			
Johannesburg (SA)	555	640	780
Witbank (SA)	395	622	533
Nelspruit (SA)	180	689	585
Comparative rail distances			
Witbank (SA)	437	819	627
Polokwane (SA)	550	935	802
Gweru (Zim)	967	1764	1684
Bulawayo (Zim)	1083	1880	1800
Matsapa (Swa)	228	544	371

- Closest Port to Gauteng industrial hub, as well as Limpopo & Mpumalanga mining regions
- Excellent connectivity to Zimbabwe & Zambia
- New customs tariff regime reduces cost of transit export from neighbouring countries



1.6

About MPDC Concession Information

Our shareholding structure
since 2007



- 1992 Destabilization ends
- 1998 Commencement of negotiation for Port Management Concession
- 2003 MPDC formed (Mersey Docks, Skanska, Liscont)
- 2006 Grindrod buys 12.5% share
- 2007 Portus Indico was acquired by Grindrod and DP World
- 2010 Concession term extended from 2018 to 2033
- 2012 Cargo handling record (15 mil ton)

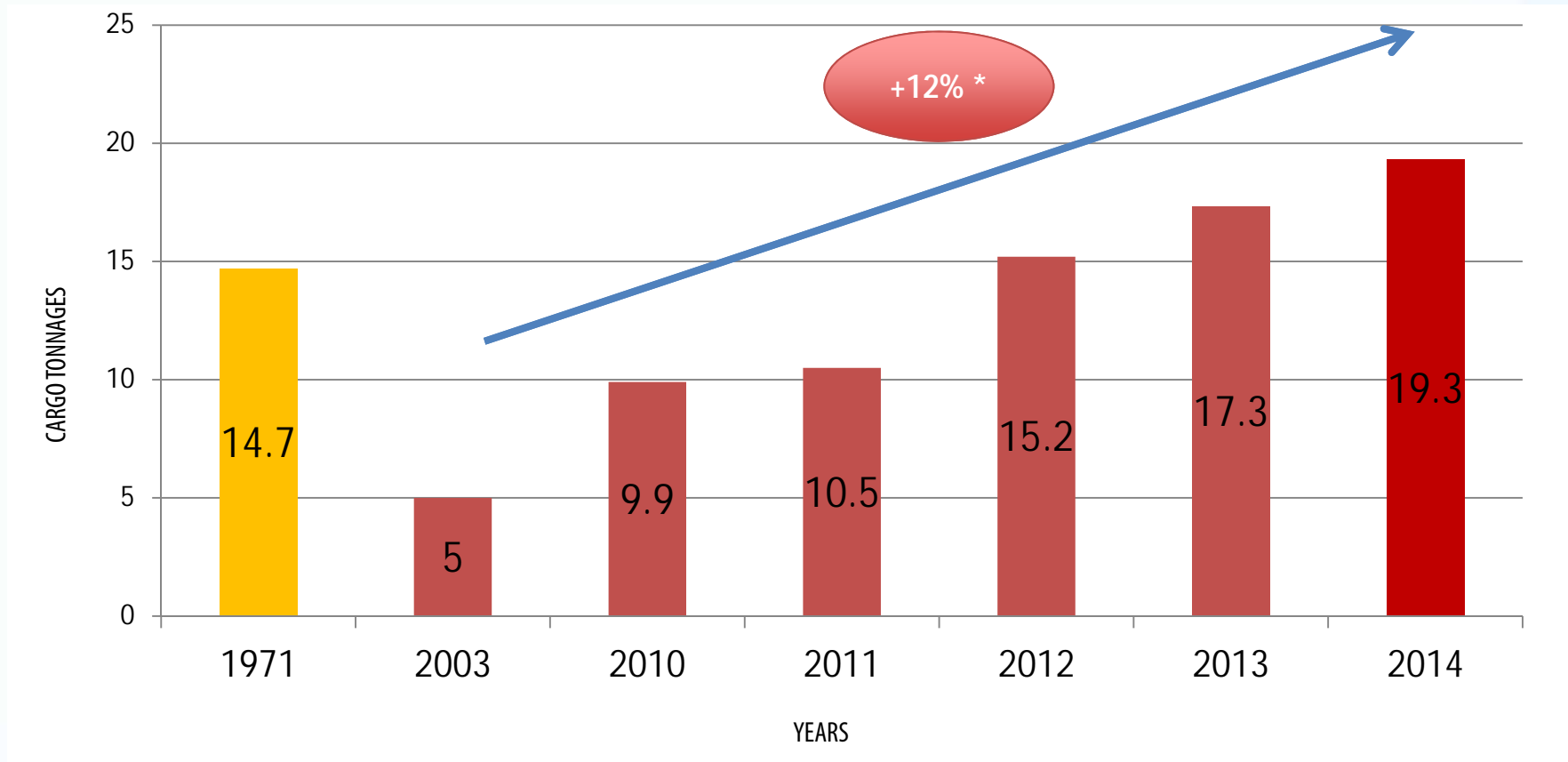
1.6

About MPDC Concession Information

- MPDC has the concession rights to operate the Port of Maputo and the approved ***concession period ends in 2033*** with an option to extend for a further 10 years
- The ***total concession area is 140.6 ha*** with an additional 5 500 ha jurisdiction area
- An ***approved Port Master Plan is in place*** to ensures that growth initiatives are implemented in a planned and structured manner
- A ***Rail Master Plan have been developed*** to enable the growth initiatives contained in the Port Master Plan

1.7

Historical Volume Growth

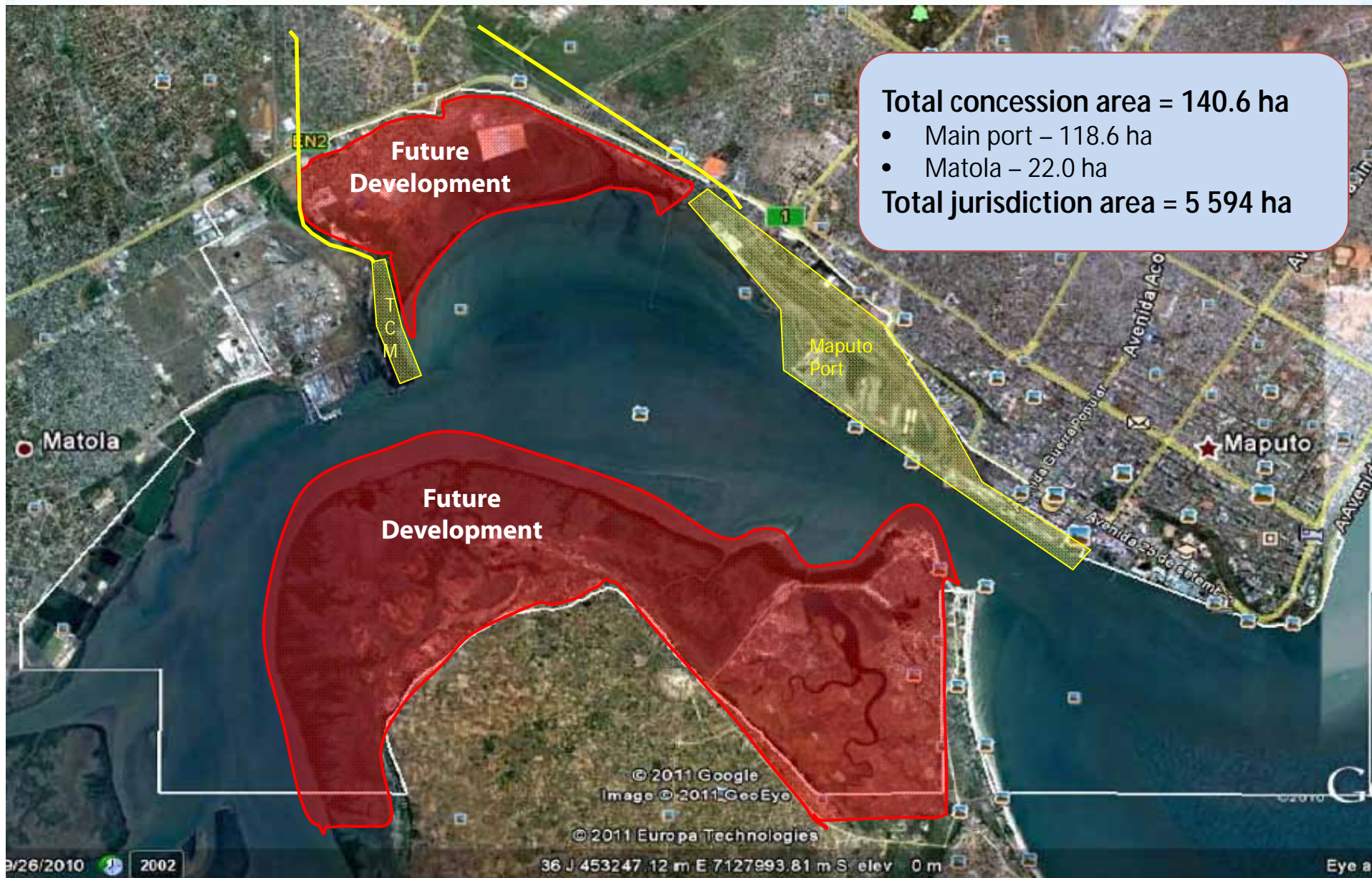


2003-2014 → 286% GROWTH

* CAG – Compounded Average Growth

1.8

Current and Future footprint



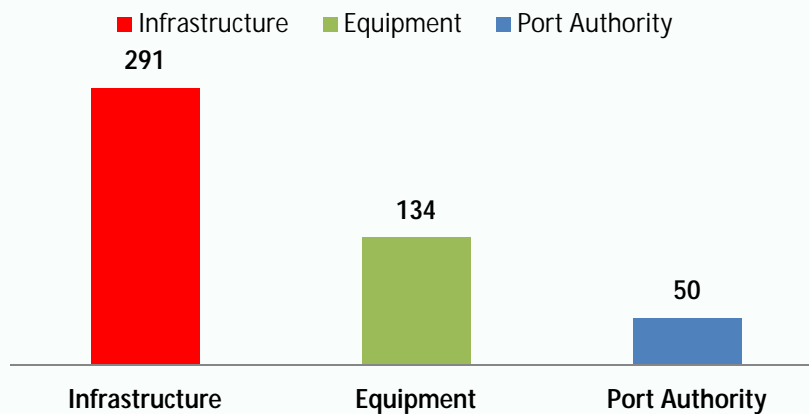
A look at our investments



2.0

Investment

Investments 2003 - 2013 (US \$ Millions)



- At the beginning of the concession period, MPDC forecasted an investment of **US\$ 56m**.
- After 12 years (2014), a **total of US\$ 475m** were invested in the port.
- The current Port Master Plan includes **additional investment plans of US\$ 2 billion** by MPDC and its sub-concessionnaires (until 2033).



Car Terminal Expansion

- Previous capacity: 52.000 units
- Current capacity: 202.000 units
- Total Area at present: 83,109 m²





Chrome Terminal Expansion – Ferrochrome, Chrome ore and Chrome Fines

- Current capacity: 3 m/tons (116,395m²)
- Capacity upon conclusion of Phase 5 (ongoing): 4.5 m/tons (Total port slab area 150.000 m²)





New Chrome Terminal – Chrome Fines & Concentrate

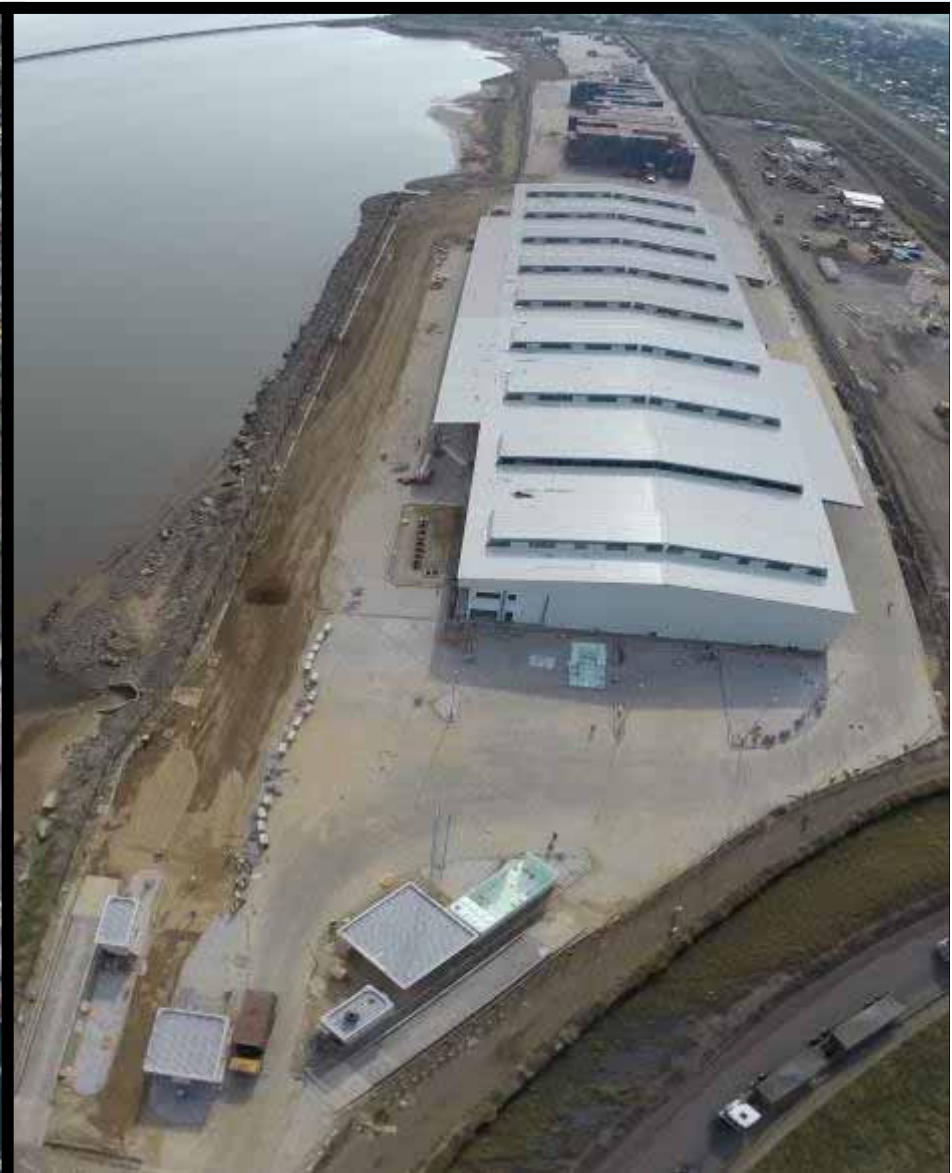
Chrome Concentrate

- Additional capacity provided: 0,7 m/tons (21 000 m²)
- Future additional capacity : 1.0 m/tons (34 000 m²)





New Container Depot - MICD



- Warehouse 8 000 m²
- Empty container stack area: 2 000 TEU's
- Full containers stack area: 300 TEU's
- Bulk stack area : 9 000m²



Container Terminal

- Current capacity: 150 000Teus
- Future capacity: 300 000Teus





TCM – Matola Coal

- Current capacity: 7.3 million tons
- Future capacity: 20 million tons





Sugar Terminal



- Current capacity: 1.2 m/tons
- Future capacity: 1,7 m/tons



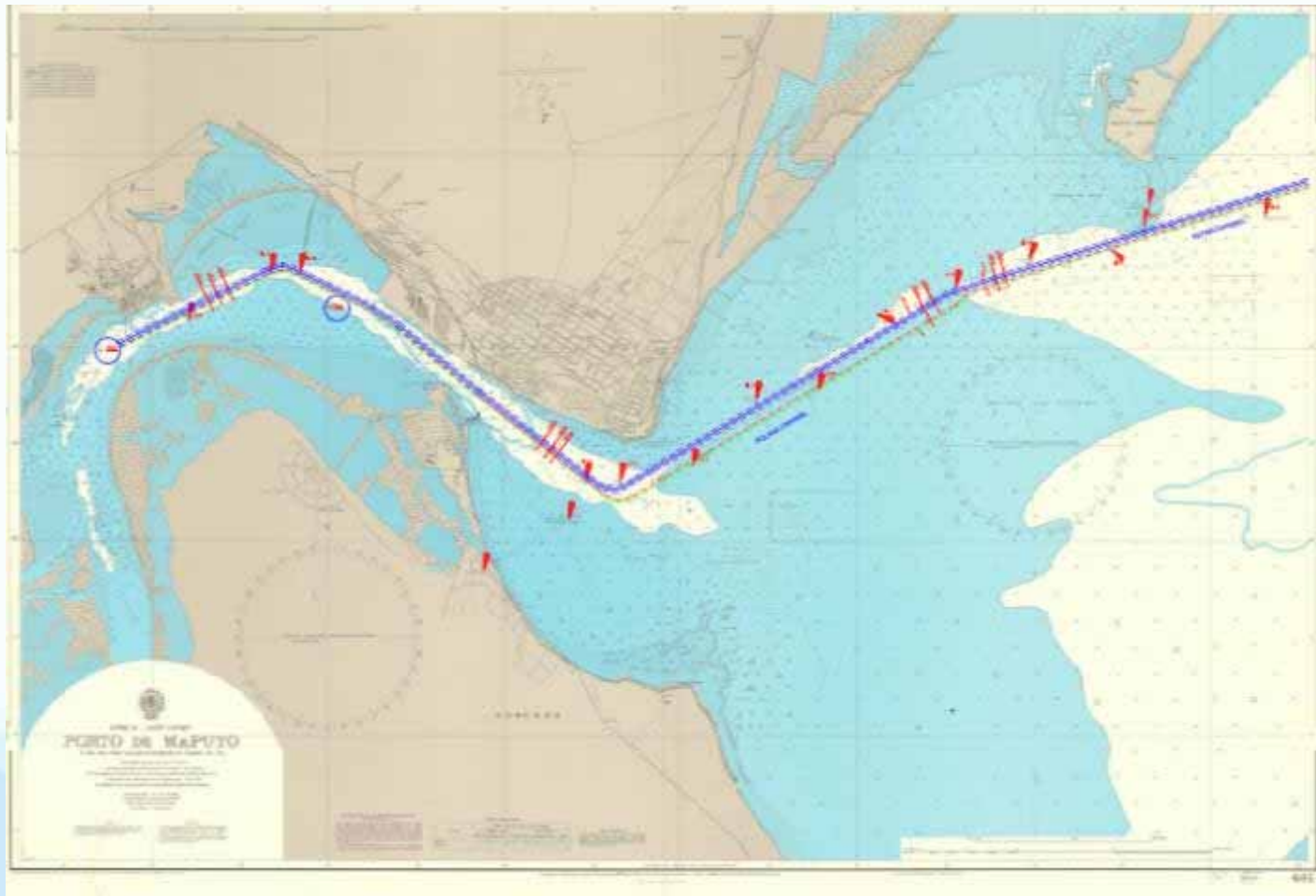
Challenges to cope with a rapid growing environment



3.1

Capital dredging

- Remaining competitive means dredging channel from the current -11 meters to -14 meters
- Capital dredging to take place in the second half of 2015



3.2 Human Capital

- Lack of a port school
- Initiated an extensive training program for young professionals (more than 150 trainees in 2014)
- MOU with TNPA includes training at the Maritime School of Excellence
- Work in progress with ILO to build a port school



3.3 Automated Operations

- Initiated extensive replacement of fleet
- Equipment acquired or to be acquired include:
 - ✓ 2 X Mobile Harbour Cranes
 - ✓ 2 x Excavators
 - ✓ Forklift replacement
 - ✓ Automated cargo systems
 - ✓ Mobile Ship Loaders
 - ✓ Link belts for stockpile area
 - ✓ 2 x Back-actors
 - ✓ 12 x tractor trailers
 - ✓ 24 x skips



MORE EFFICIENCY

OPERATIONS ENVIRONMENTALLY CONSCIOUS

3.3 Rail interface

- Strengthened relationship with rail operators CFM/Transnet
- Signed MOU between regional rail operators and the port originated efficiency improvements (JOC)
- Need for a bigger balance between rail cargo and road cargo
- Urgent rail investment is required



4.1 Future Port layout

Current layout



Layout in 2020



4.2 Northern Boundary Road



- Port traffic management
- Length: 2.5Km
- **Investment: US\$ 6m**

Socio-economic impacts of a growing port

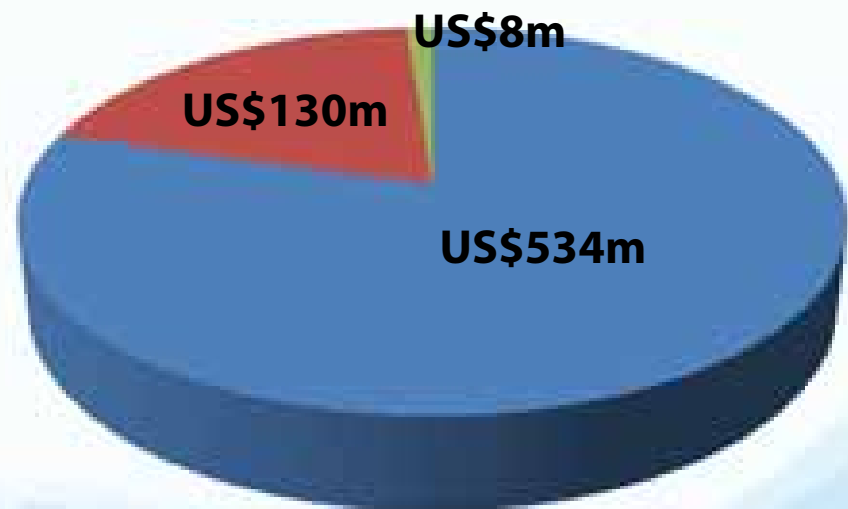


4.3

Contribution to the government

More than US\$100 million in fees paid to the Government of Mozambique (GoM)/CFM since 2003 (excluding the fees from the sub-concessions)

- **Total contributions to GoM/CFM > US\$100 million**
- **Payments based on the concession agreement:**
 - **Fixed fee** (US\$ 5m annual indexation)
 - **Variable fee** (15% of gross revenue, from 2013)
 - **IRPC**
- **Reimbursement to shareholders (CFM and Portus Indico) completed**

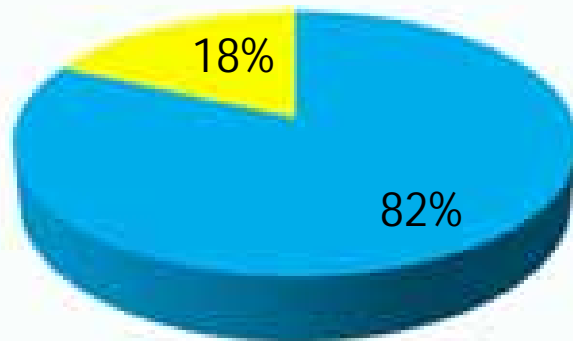


- MPDC Revenue
- Contribution GoM /CFM
- Reimbursement to shareholders

4.4 Socio-economic impact

The Port of Maputo contributes with 18% of the total customs revenue of the country and 26% of the South Region

Contributions from customs revenue



- Customs revenue
- Customs revenue from the port

- Fiscal contributions from MPDC and its subconcessions (IRPC, IRPS, IVA).
- Employment of more than 3000 permanent workers and almost 10 000 temp workers.
- Strengthening national SME's through complementary services supply to the port: stevedoring, meals, equipment maintenance, signage, fuel and lubricants, training, etc. (more than 300 national suppliers, \$US 42 million spent in 2014)

4.5

Socio-economic impact

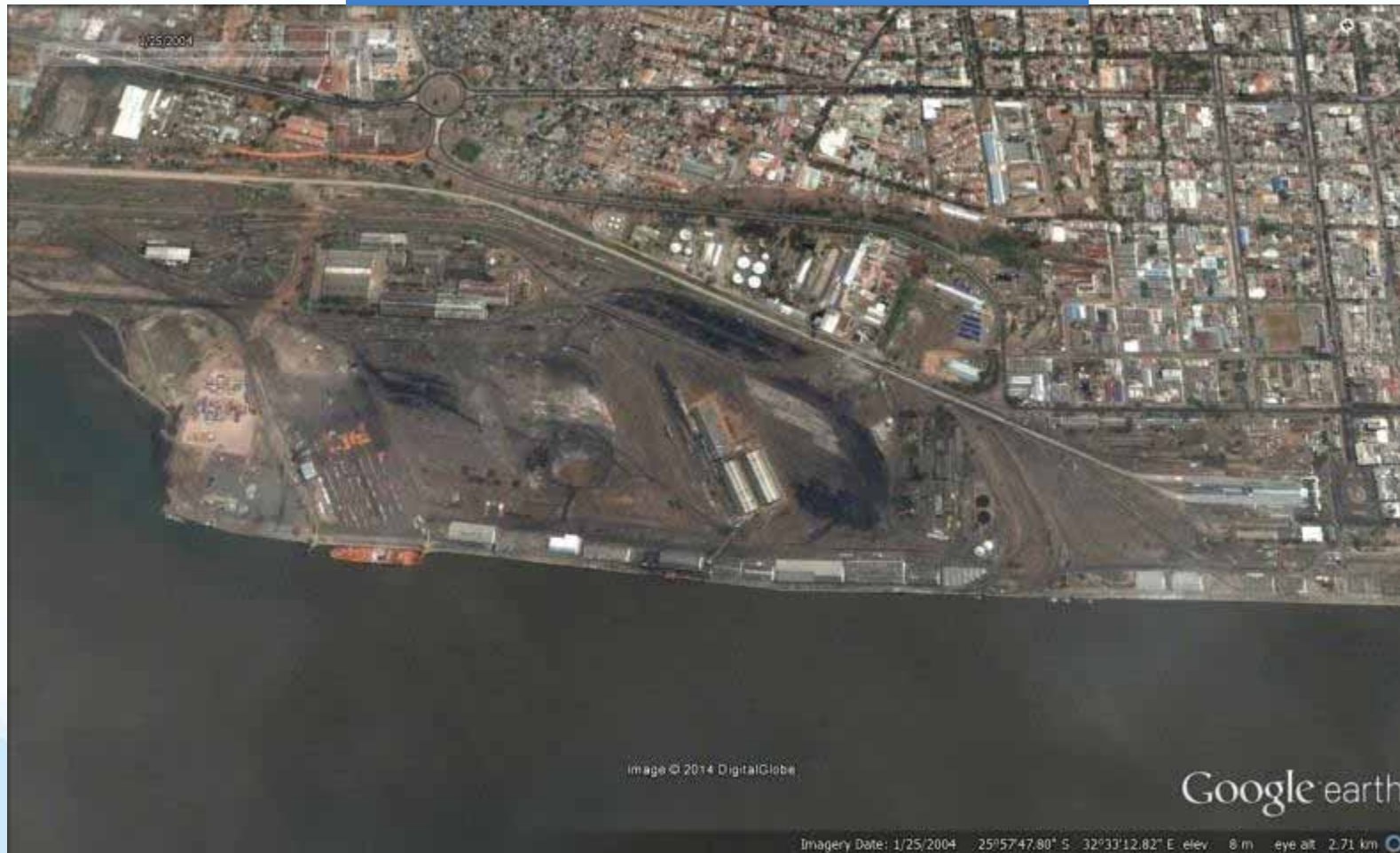
- Social investment in Education, Culture, Sports and community welfare



4.6

A change you can see

JANUARY 2004



4.6

A change you can see

OCTOBER 2014





***Our journey
continues....***

Muito Obrigado!