Key Trends and Future Outlook of the African Container Port Industry

Intermodal Africa – March 27-28th 2014
Lagos

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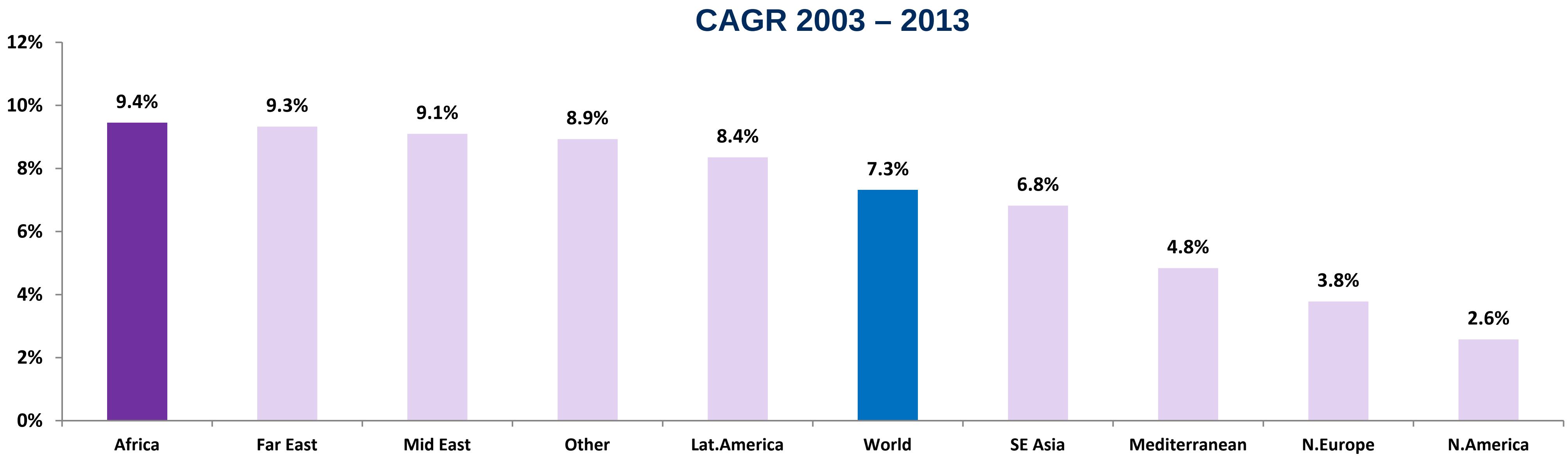
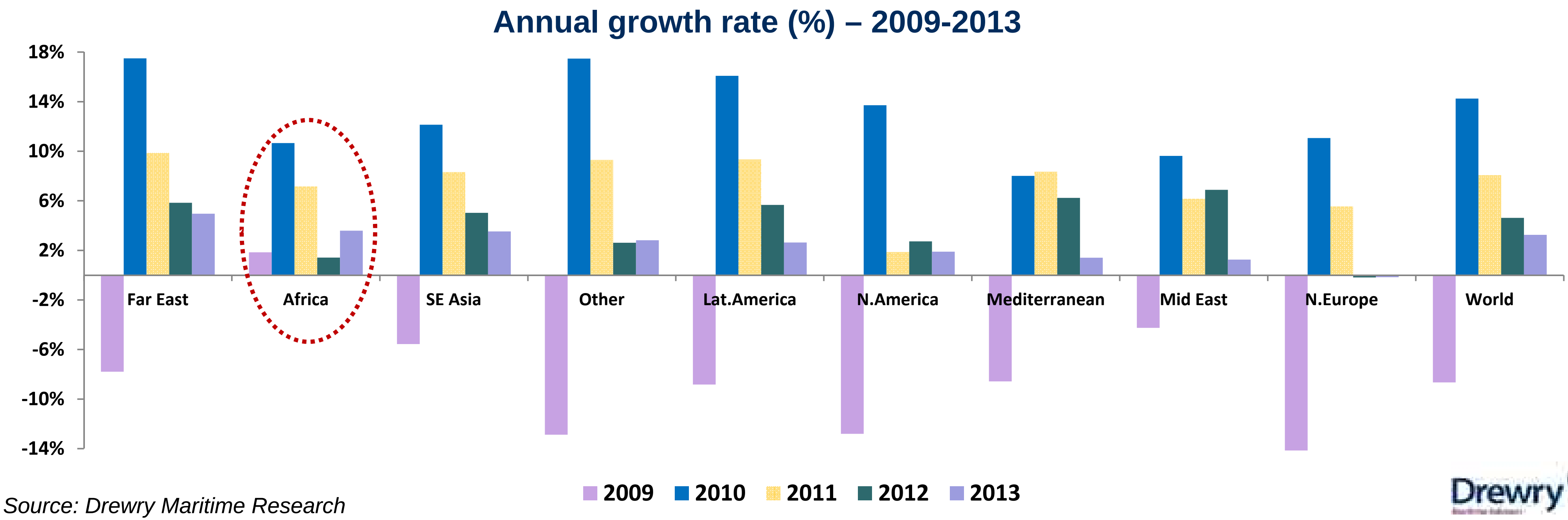
Agenda

1	Global throughput dynamics
2	Containership developments – implications for ports
3	The African market
4	Major port developments in Africa
5	Opportunities, challenges and conclusions

Subregional split necessary but artificial, as it needs to reflect very different realities

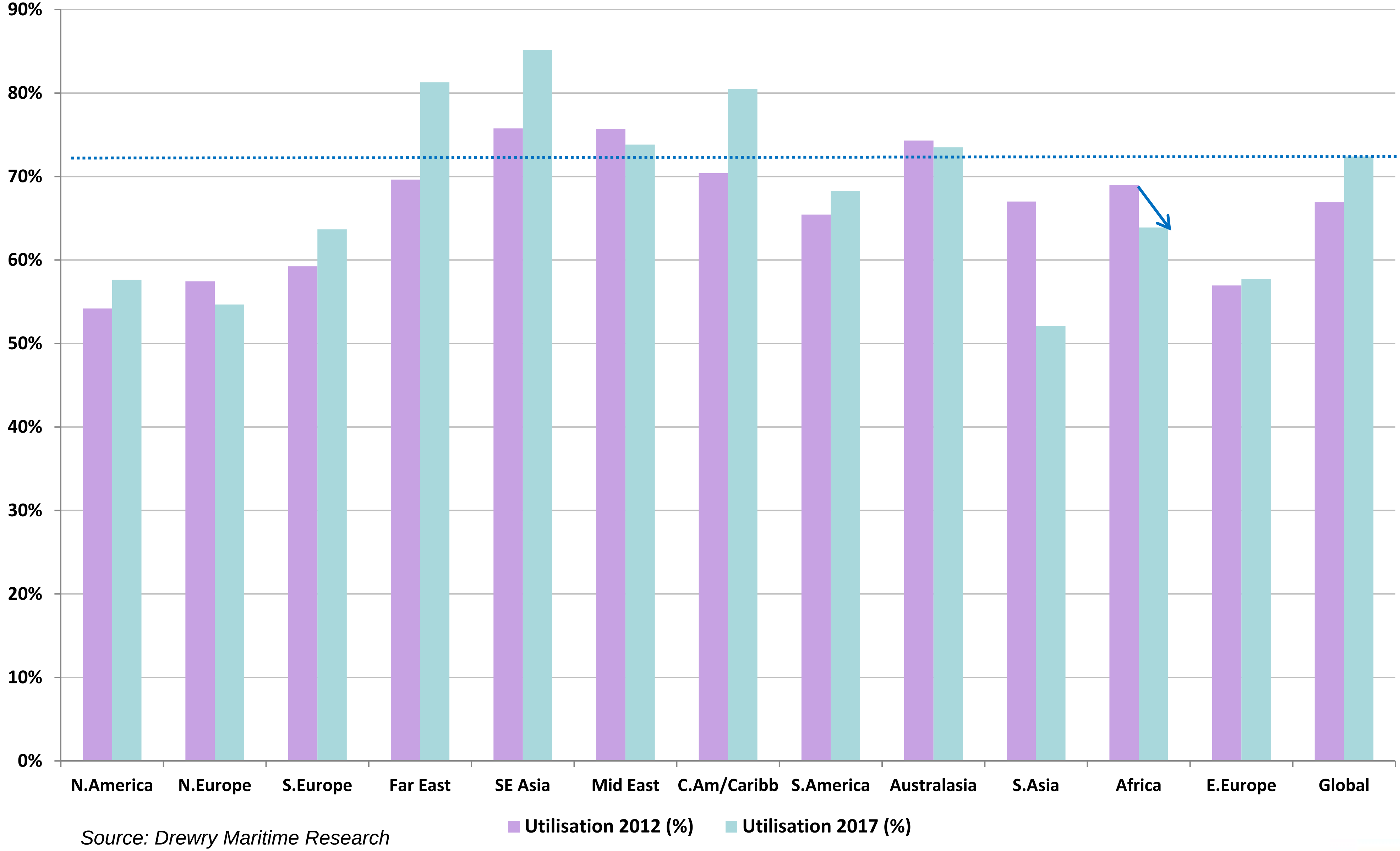
Regional throughput growth (teu)





Source: Drewry Maritime Research

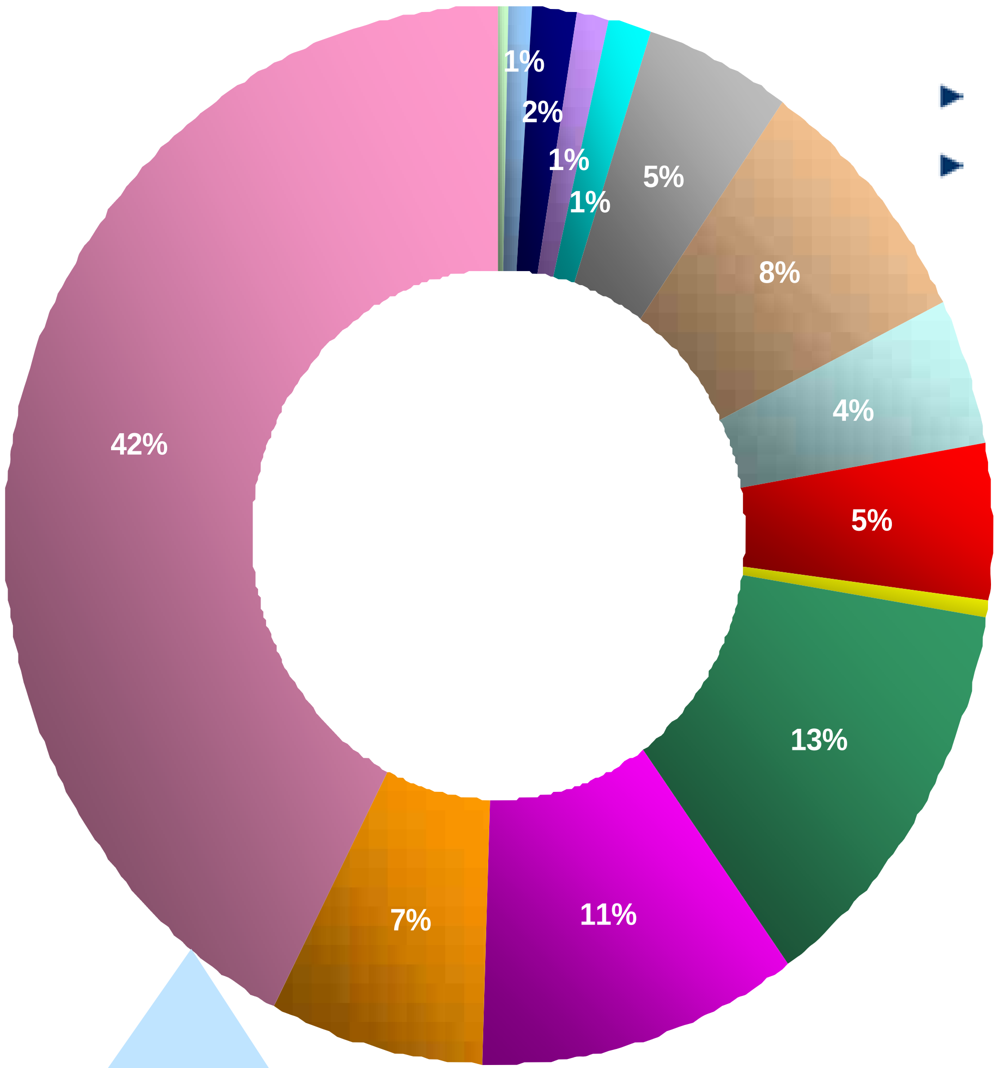
Current and forecasted regional capacity utilisation
(2012 & 2017, in %)



Source: Drewry Maritime Research

Containership orderbook

- ¾ of total orderbook = 8,000+ TEU ships
- Half of total orderbook = 10,000+ TEU ships



*Before long, **all** Asia-North Europe strings will be deploying **12,000 teu+** ships*

Source: Drewry Maritime Research

Vessel cascading

Largest deployed vessels, Sept 2013:

Asia-N Europe: Maersk Mc-Kinney Moller (18,270 teu)
Asia-Med: MSC Bari (14,000 teu)
Asia-USWC: MSC Altair (13,100 teu)
Europe-ECSA: MSC Agadir (8,762 teu)
Asia-WCSA: MSC Candice (9,178 teu)
Asia-Mid-East: CSCL Neptune (14,074 teu)

Asia-ECSA (via S.Afr.): Cap San Augustin (9,814 teu) (*)
South Africa - Europe: MSC Susanna (9,178 teu)
West Africa - Asia: Maersk Cadiz (4,496 teu) (*)

(*) purpose-built wide-beam design

Largest vessels deployed across all global trade lanes (Sep 2013) – there will eventually be a tipping point and scale economies will diminish

Bigger Asia-North Europe ships →
More cascading to other routes →
More alliances on other routes (e.g. G6 Asia-USEC, P3 east-west routes) →
Port/terminal choice shake ups

Bigger ships and the pressure on ports infrastructure

Source : Datamar/Porto de Itajai

Source: Port of Itajai

MSC Loretta, at 304m LOA and 40m beam 6750 teu

Source APMT Buenos Aires

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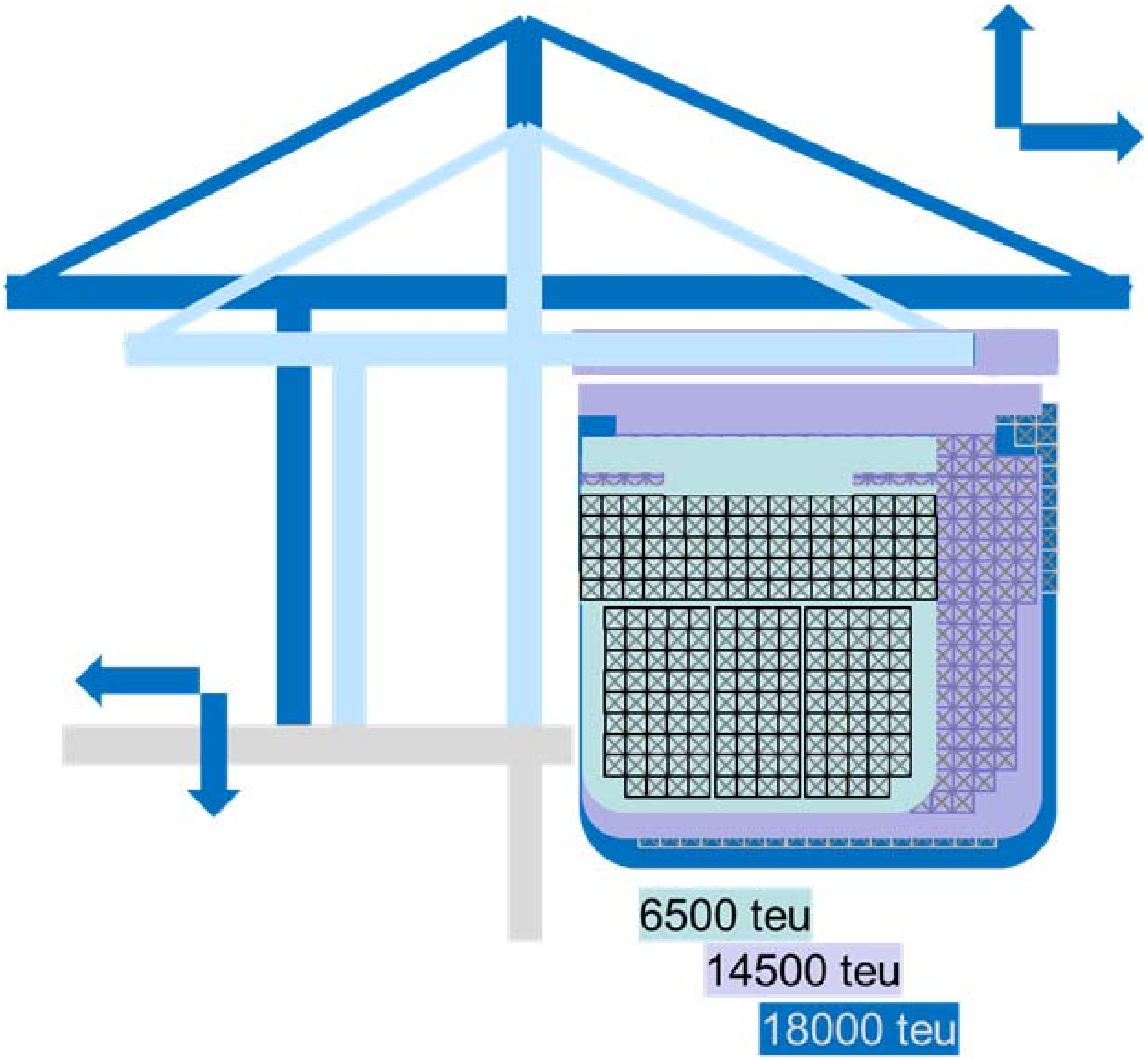
The challenge of ship size growth

- Mega vessels = mega cranes
- Berth length and depth
- Air draft
- Outreach
- Intermodal capacity
- Crane and berth productivity



Berth productivity issues

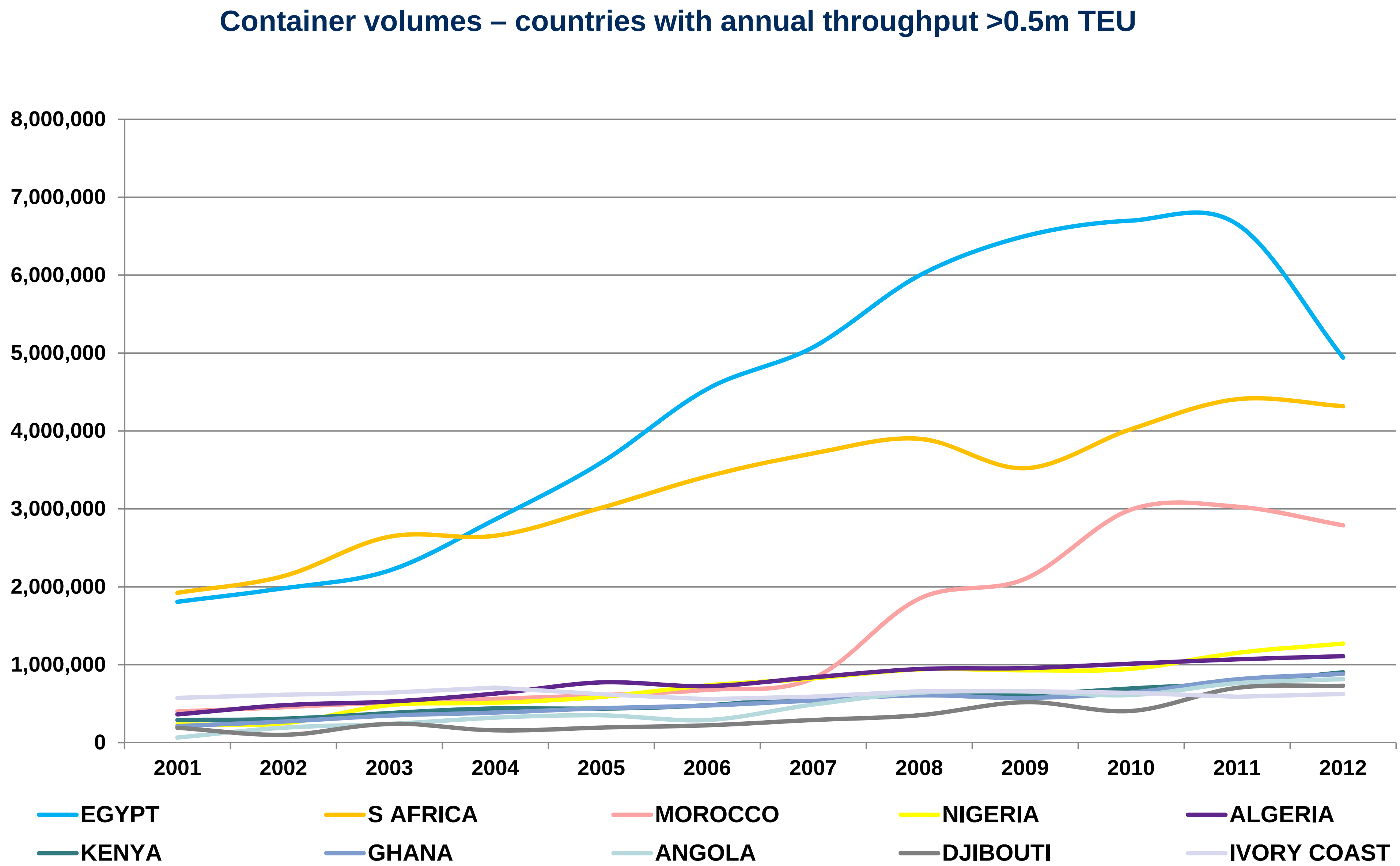
Berth productivity is a combination of crane speed and crane intensity

Ship turnaround time is driven by:

Individual crane cycle speeds

Crane intensity across the ship

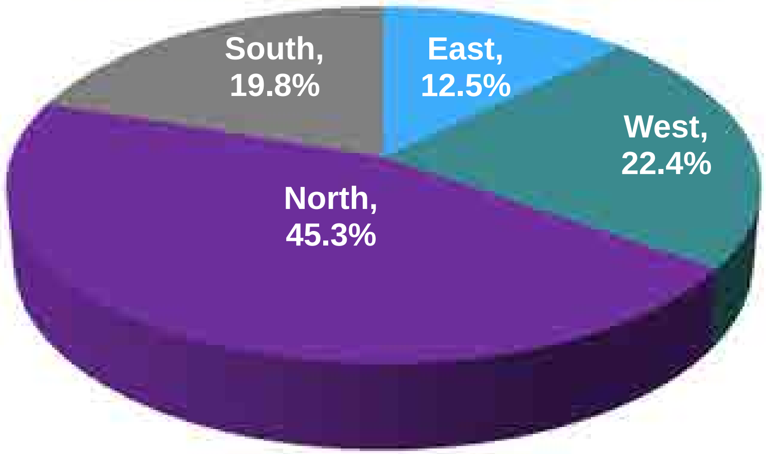
African – container volumes (TEU)



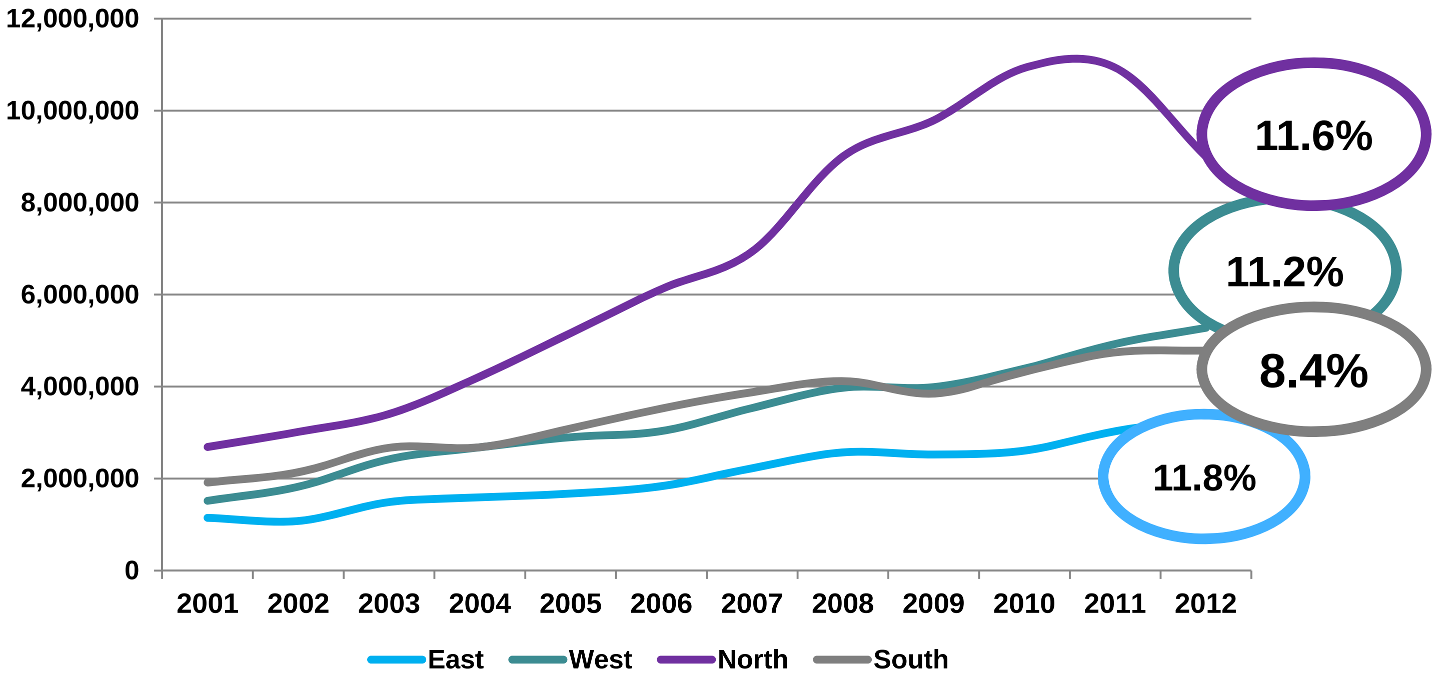
Source: Drewry Maritime Research

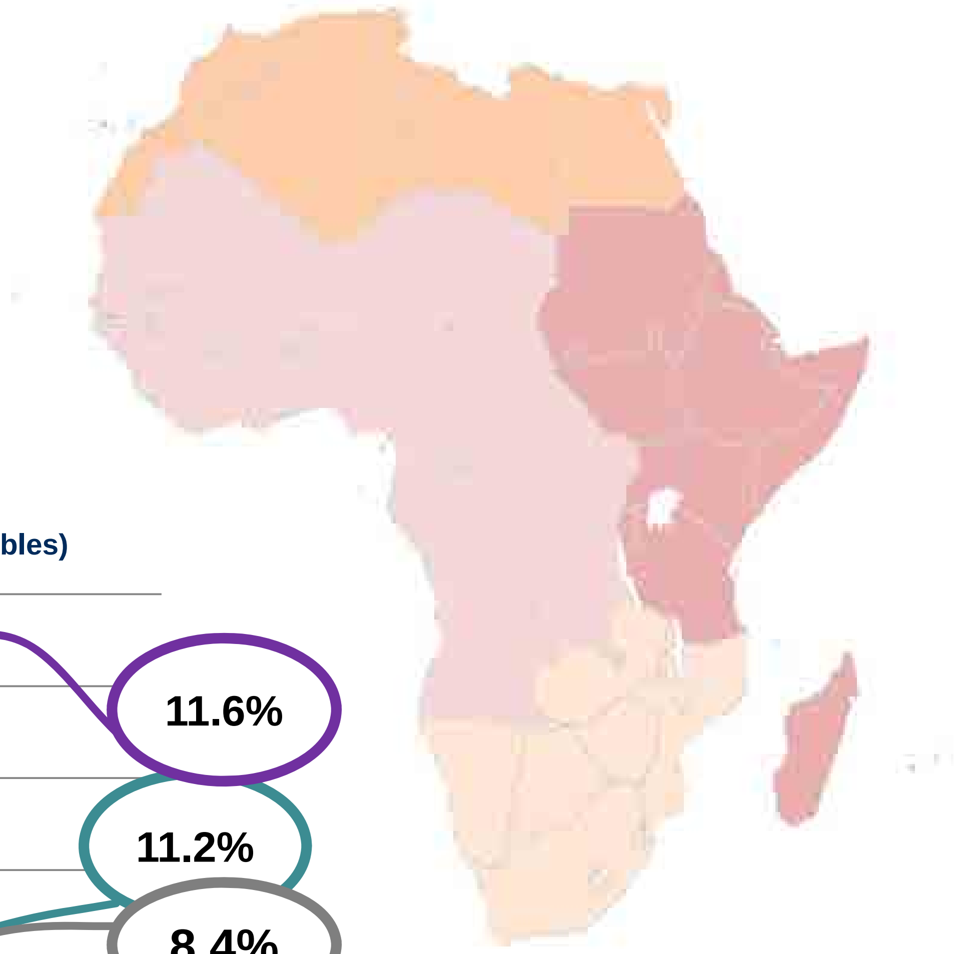
African – regional split (local and Transhipment)

African regional market share (%)



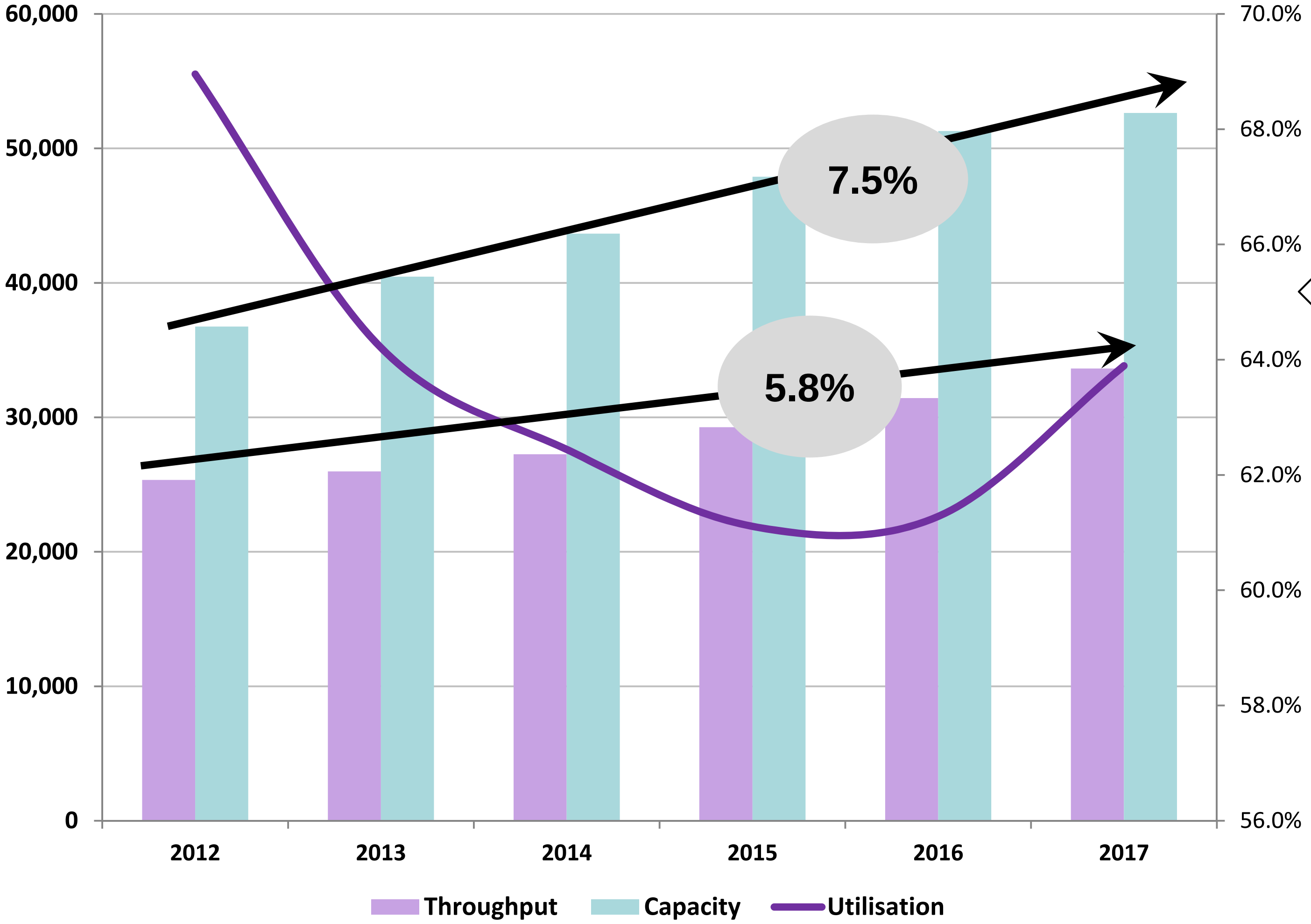
African historical total port throughput (CAGR in bubbles)





Source: Drewry Maritime Research

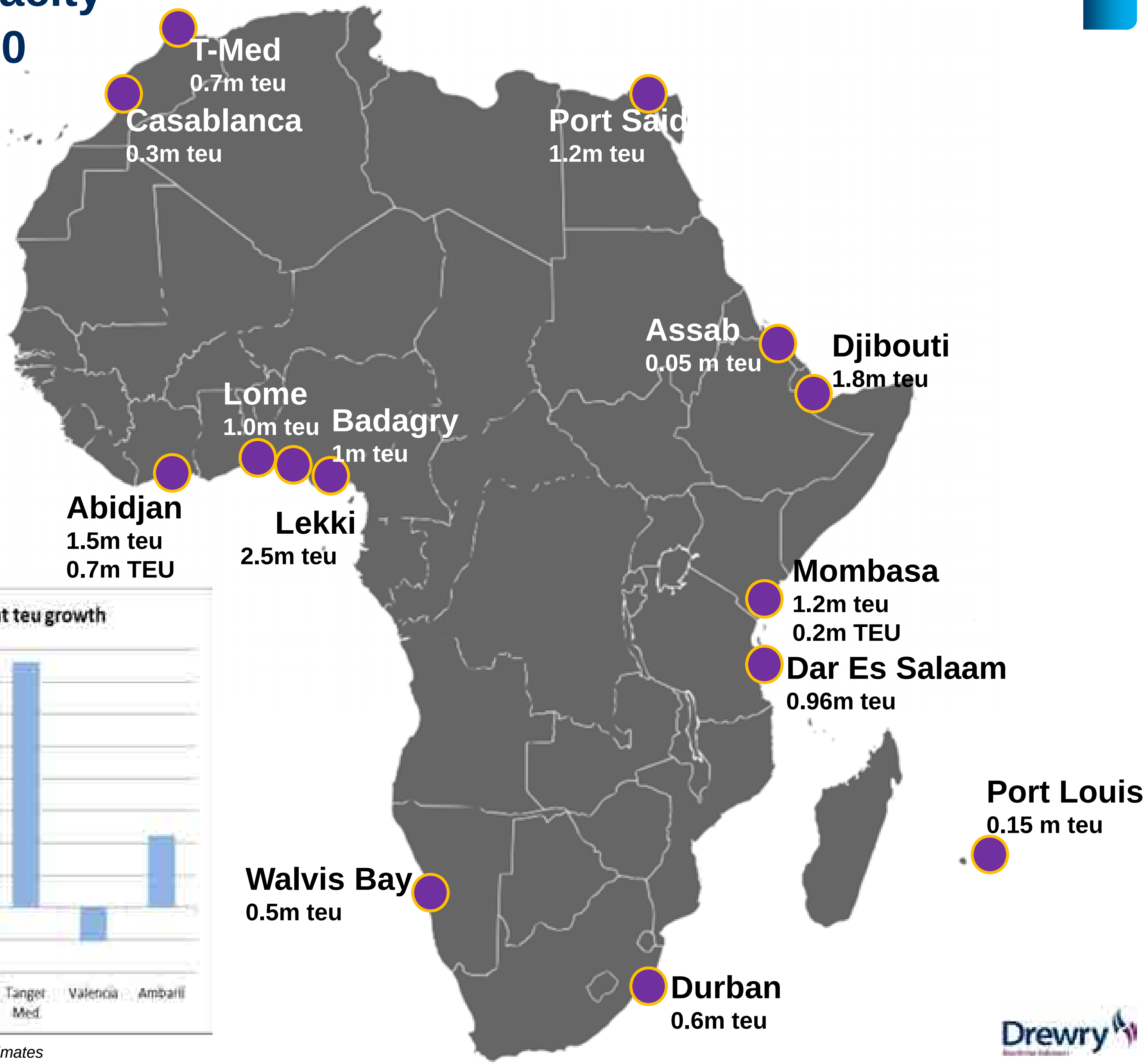
Africa ports – Demand and capacity ('000 TEU) 2012-2017

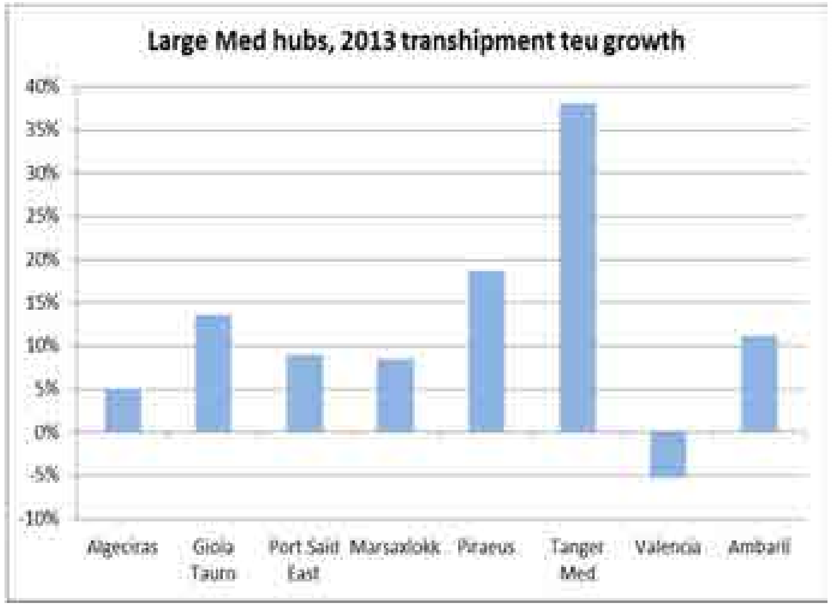


Average utilisation to remain stable at around 64-65%

Source: Drewry Maritime Research

Main confirmed capacity expansion 2016-2020
(Mteu)





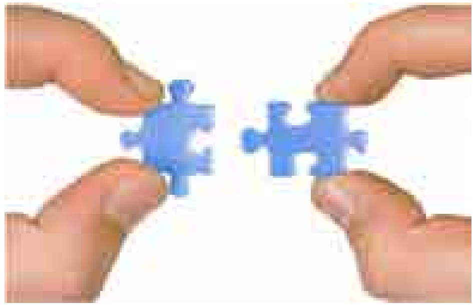
Source: Drewry Maritime Research. Includes some estimates

Opportunities AND Challenges

Conclusions

- New maritime routes and service patterns evolution and developments will depend of shipping lines maths (vessel sizes, network costs, alliances) and the availability of suitable/corresponding port infrastructure

- Impact of MED transhipment market growth
- Impact of Panama Canal expansion
- Need to look at the full supply chain, landside access to ports including socio-urban impact
- Role of bulk ports as catalyst for port complexes projects hosting medium-size container terminals with good water-depth



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Expertise / Market	Commercial	Supply Chain	Benchmar-king	Shipbuil-ding and repair	Due diligence	Market analysis
Oil tanker market	✓	✓	✓	✓	✓	✓
Dry bulk	✓	✓	✓	✓	✓	✓
Gas (LPG/LNG)	✓	✓	✓	✓	✓	✓
Chemical	✓	✓	✓	✓	✓	✓
Offshore	✓	✓	✓	✓	✓	✓
Container	✓	✓	✓	✓	✓	✓
Cruise/passenger/RoRo	✓	✓	✓	✓	✓	✓
Ports and terminals	✓	✓	✓		✓	✓

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- Steel companies
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- Shipyards