



# UNITED REPUBLIC OF TANZANIA



## TANZANIA PORTS AUTHORITY

### **Port Modernisation in Creating Business Competitiveness and Managing Port Infrastructure to Further Expand Regional Trade - The Case of Dar es Salaam Port**

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# INTRODUCTION

- Ports require considerable infrastructure in order to fulfill their function and compete successfully
- The necessary infrastructure is large, lumpy in an economic sense, and expensive.
- Traditionally, the development of ports has relied on public investment

# MARITIME TRANSPORT AND PORT SITES

## Maritime Transport

- Maritime transport is **the backbone of international trade and the global economy**
- Maritime transport accounts about **80% of global trade by volume and 70% by value**
- All these are **carried by sea and handled by ports.**
- Global seaborne trade has been **increasing at an average of 3.6% annually**

# MARITIME TRANSPORT AND PORT SITES ...

## Ports

- **Maritime access**, which refers to the physical capacity of the site to accommodate ship operations
- **Maritime interface**. Indicates the amount of space that is available to support maritime access, namely the amount of shoreline that has good maritime access
- **Infrastructures and equipment**. The port site must have infrastructures such as piers, basins, stacking or storage areas, warehouses, and equipment such as cranes, all of which involving high levels of capital investment
- **Land access**. Access from the port to industrial complexes and markets ensure its growth and importance

# ROLE OF PORTS

- i. Trade facilitation
  - Over 80% of the trade is sea borne
- ii. Provide services to domestic and land linked countries
- iii. Transshipment points on sea routes.
- iv. Catalyst of value adding activities such as SEZ, EDZ, etc.
- v. Logistic points for global trade
- v. Fishing industry support systems
- vi. Platform for Cruise Tourism
- vii. Water fronts
  - Marinas
  - Recreational Areas
- ix. Environmental Enhancement
- x. Provide employment opportunities

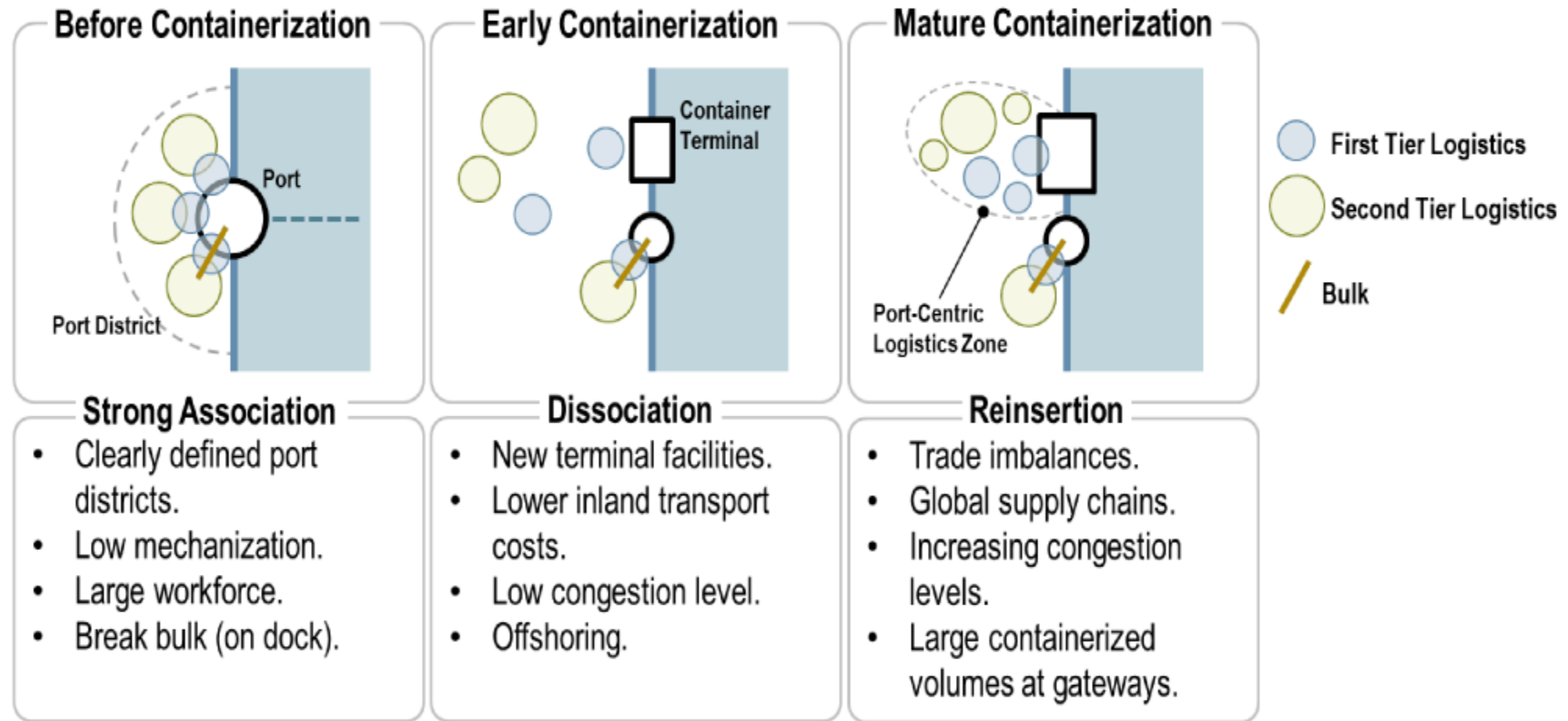
# PORT EVOLUTION AND TECHNOLOGY CHANGE

## Port Evolution

- Port development can be perceived within a sequential perspective, where each phase builds upon the previous, from port cities of the 19th century to the emerging port logistics network of the 21st century,
- The impacts of port infrastructure investments are expected of a positive influence of port throughput on local economic development,
- Ports **expand the market opportunity** of both national and international firms
- Ports are capital intensive infrastructures that are associated with a wide array of economic impacts.
- Significant increases in port throughput, particularly in the containerized sector, have put pressures for the development of new port infrastructures on existing facilities, and for entirely new developments when additional capacity cannot be developed on existing sites

# PORT EVOLUTION AND TECHNOLOGY CHANGE ...

## Port Evolution





# PORT EVOLUTION AND TECHNOLOGY CHANGE ...

## Changing Technology

- Major technology changes are taking place in the ocean shipping sector that affect requirements for port infrastructure and services.
- The most obvious is the increasing containerization of global trade, a trend that is widely expected to continue into the future
- The ocean transport industry is employing increasingly sophisticated information technology (IT) to manage logistics; and ports, if they are to remain competitive, must be key players in future IT logistics networks

# CHALLENGES FACING PORTS

## Challenges Facing Ports of Today

- Increase in Cargo volumes
- Challenge in cargo types
- Changes in Vessel Fleets
- Inland connections constrains
- Changing physical conditions
- Increased environmental impacts

# PORTS COMPETITIVE

## Radical Changes in the Business Base underlying Port Operations

- Increasingly, intense global competition forces changes in the way all players in the international logistics chain, including ports, conduct business in the future.
- Innovative systems and new technology radically change requirements for port infrastructure and increase the degree of specialization, raising the financial stakes of port investments and the need for a highly specialized workforce.
- Realignments and consolidations among port users and port service providers continues, creating a fluid base of players with whom ports do business.
- Changes in distribution patterns and in the structure of the maritime geography increasingly create a hierarchy of ports and some historical port-related activities will be shifted to inland sites.
- Environmental, safety, and security concerns forces ports to impose regulations and provide facilities that may have no commercial return on investment

# PORTS COMPETITIVE

## Forces Shaping the Competitive

### Five forces that shape the competitive landscape facing port

1. Rivalry among existing competitors
2. Threat of new competitors
3. Bargaining power of port users
4. Bargaining power of port service providers
5. Potential for global substitutes

These forces impact ports of all sizes, driving requirements for port expansion, service improvement, pricing decisions, and other management actions. Winners and losers will emerge in the global port sector, largely dependent on how port managers strategically position themselves in the evolving competitive landscape

# DRIVERS OF INFRASTRUCTURE INVESTMENTS IN PORTS

- **Drivers of infrastructure investments in ports**
  - Investments in infrastructure are needed for ports to enhance their efficiency, to address the challenges of the growing and changing needs of production and supply chains.
  - The challenges driving such investments include:
    - Increased size and complexity of the Maritime fleet
    - Growth of volumes handled in ports
    - Pressure towards urbanisation of coastal zones
    - A strong digitalisation of virtually all parts of the economy
    - Abrupt rise in e-commerce
  - Various external factors create a need for investments in port infrastructure.

# OPPORTUNITIES FOR INVESTMENTS

## 1. Maritime access:

- capital and maintenance dredging of entrance channels or rivers,
- breakwaters, that protect ships in ports, and sea locks

## 2. Basic port infrastructure

- Infrastructure and facilities for the provision of transport-related port services, such as berths used for the mooring of ships, quay walls, jetties and floating pontoon ramps in tidal areas, internal basins, backfills and land reclamation.

## 3. Equipment and superstructure

- Surface arrangements (such as for storage), fixed equipment (such as warehouses and terminal buildings) as well as mobile equipment (such as cranes) located in a port for the provision of transport related port services.

## 4. Infrastructure for smooth transport flows within the port area (Road, and rail infrastructure inside the port, as well as parking lots)

# OPPORTUNITIES FOR INVESTMENTS ...

- 5. Energy-related infrastructure**
- 6. Road and Rail transport connection from port to main line**
  - Road and Rail infrastructure from maritime terminals in ports to the main network
- 7. ICT/digital infrastructure for efficient port, secured port & hinterland operations**
- 8. Intermodal/multimodal terminals in the port area and/or dry ports outside the port area**
- 9. Sites for port-related logistic and manufacturing activities in the port area (Logistic Parks, SEZ etc.)**
- 10. Infrastructure for reducing the environmental footprint of port and shipping operations**

# PORT DEVELOPMENT AND EXPANSION IN DAR ES SALAAM

## History of the Authority





# PORT DEVELOPMENT AND EXPANSION IN DAR ES SALAAM ...

## TPA Establishment

**TPA was established by Act of parliament (the Ports Act No. 17 of 2004) as landlord port authority**

Develop

Management

Promote Ports

Licencing/  
Concession of  
port services

TPA performs the role of both a Landlord and Operator with the main functions of:

- Use, improve and develop ports

- Protection of the environment
- Safety and security within port limits

- Provision of port services and facilities
- Enter into Agreements or Licence

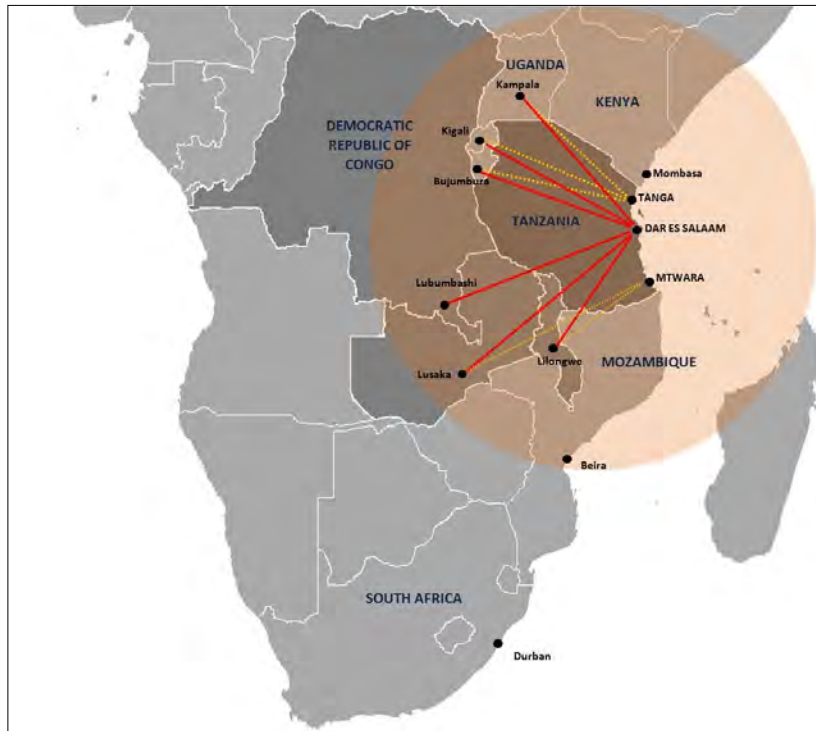
- Adequate, affordable, equitable and efficient port services and facilities

- Non-discriminatory, fair, transparent access to port services and facilities

# PORT DEVELOPMENT AND EXPANSION IN DAR ES SALAAM ...

## TPA'S Ports and Hinterland

- **Gateway to International Trade-** over 80% of the trade is sea borne for Domestic and Land Linked Countries (Tanzania, Malawi, Zambia, DR Congo, Burundi, Rwanda, Uganda, Zimbabwe , South Sudan and Other Landlinked countries)
- The Corridor is Served by Roads and Railway System



The Hinterland



TPA's Ports

### Dar es Salaam Maritime Gateway Project

- The Dar es Salaam Maritime Gateway Project (DSMGP) is a project financed by the World Bank with the aim of improving its effectiveness and efficiency for the benefit of public and private stakeholders
- ***Component 1 of the DSMGP will improve physical infrastructure***
  - ✓ Deepening and strengthening of existing Berths 1 to 7 to 14.5 m, and the construction of a new multipurpose berth at Gerezani Creek;
  - ✓ Deepening and widening the entrance channel and turning basin in the port to the end of Berth 11 to 15.5 m;
  - ✓ Improving the rail linkages and platform in the port;
  - ✓ Deepening and strengthening of existing Berths 8-11, to 14.5 m
- ***Component 2 will support the institutional strengthening of the TPA***



## 9. Integration

### PHASE I

### PHASE II

Land reclamation Gerezani Creek for new RoRo berth

New RoRo berth

Renovated road and other basic infrastructure

New set up of business cases for container terminals and bulk terminals

Expand and strengthen berths 1-4

Dredging works for deepening entrance channel and harbour basin

New traffic management Green Port Policy

Expand and strengthen berths 5-7

Improved port productivity processes

Expand and strengthen berths 8-11

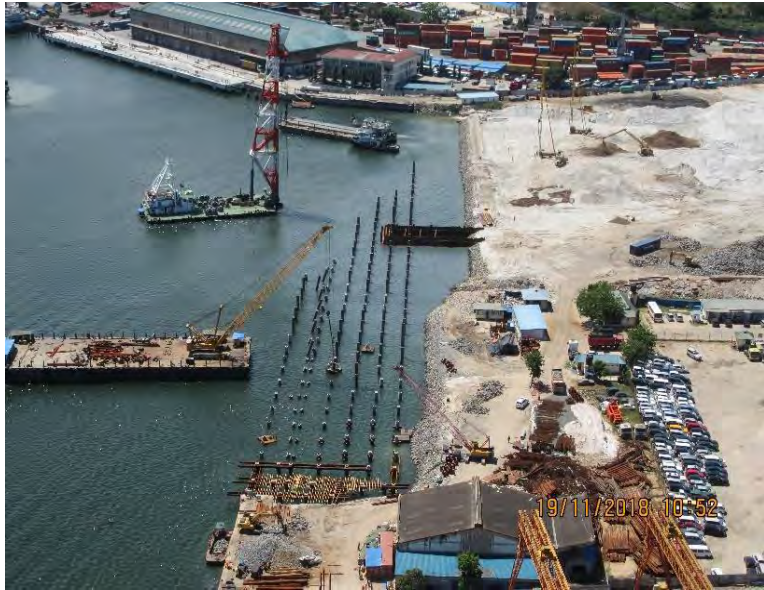
Demolish and Relocate KOJ and constr. of new Oil Terminal

Land reclamation for new berths 12 - 14

New berths 12 - 14

# PORT DEVELOPMENT AND EXPANSION IN DAR ES SALAAM ...

## Dar es Salaam Maritime Gateway Project ...

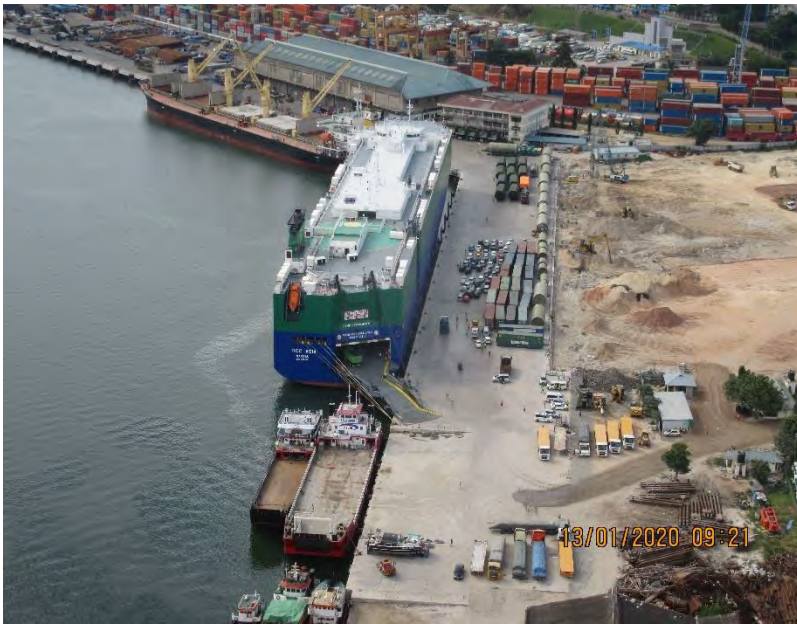


The construction of a new multipurpose berth at Gerezani Creek



# PORT DEVELOPMENT AND EXPANSION IN DAR ES SALAAM ...

## Dar es Salaam Maritime Gateway Project ...



The construction of a new multipurpose berth at Gerezani Creek



# PORT DEVELOPMENT AND EXPANSION IN DAR ES SALAAM ...

## Dar es Salaam Maritime Gateway Project ...



Deepening and strengthening of existing Berths 1 to 7 to 14.5 m,



# PORT DEVELOPMENT AND EXPANSION IN DAR ES SALAAM ...

## Dar es Salaam Maritime Gateway Project ...



Deepening and strengthening of existing Berths 1 to 7 to 14.5 m,





## PORT DEVELOPMENT AND EXPANSION IN DAR ES SALAAM ...

### Dar es Salaam Maritime Gateway Project ...

- The DSMGP is consistent with the national development strategy in Tanzania
- Project align with the World Bank Twin Goals of eliminating extreme poverty and boosting shared prosperity whose objectives are:
  - (a) promoting inclusive and sustainable private sector-led growth;
  - (b) building infrastructure and deliver services;
  - (c) strengthening human capital and safety nets; and
  - (d) to promote accountability and governance, as a crossing-cut outcome
- Improving the regional transport network is essential for both competitiveness and improved regional and global economic integration
- Improving the efficiency of the maritime gateway is a key element in the regional transport network

## PORT DEVELOPMENT AND EXPANSION IN DAR ES SALAAM ...

### Project transformational will ensure the highest returns

- Investment in the Port's expansion and improvement will bring down trade and intermediary costs for businesses, strengthening the competitiveness of the country and the entire region.
- The Project will help to unlock the enormous potential of this strategic Port and help generate robust revenues for the Government
- The Project's investments in hard infrastructure expansion and institutional capacity development will help towards the achievement of its development objectives and overall benefits for the country directly through:
  - ✓ Doubling the throughput capacity;
  - ✓ Halving vessel waiting time while also reducing berth occupancy; and
  - ✓ Increasing operational productivity

# FUTURE PROSPECTS/ WHAT IS OPPORTUNITY ENVELOPE

- Economic growth of the Region using Ports –
  - **GDP's expected** to grow between 6% – 9%.
- Political stability in the landlinked countries.
  - i.e. DRC Congo, Rwanda and Burundi
- Development of mining Industries in the region:
  - Copper mining in Zambia & DRC
  - Nickel mining in Tanzania
- Major Expansion program of local industries
  - Mushroom Industries
- Hinterland logistics improvements –
  - SGR Central Railway
  - Traffic diverted to our ports

## CONCLUDING REMARKS

- The competitive edge of the Infrastructure will be the ability to deliver a seamless service throughout the supply chain.
- Expansion of port capacity should always be in line with the expansion of inter-modal infrastructure.
- Success of the Port depends much on collaboration among member states and port stakeholders (Port Operators, Government Agencies, Shipping Agents, Clearing and Forwarding Agents)