



CE's Forum : The Road Ahead for African Ports

TNPA Operating Model

Presented By : Adv Modjadji Phyllis Difeto

Presented To : Seychelles Maritime Week, CE's Forum

Date : 25 September 2024

Venue : Savoy Hotel Seychelles

Contents



01	TNPA Reimagined	Strategic Re-invention Journey
02	Operating Model	Reporting and Organization Structure
03	Strategic Framework	Desired End State
04	Achievements	
05	Operations Pump Up Performance	
06	Logistics Sector - Global Developments	
07	Initiatives to improve logistics efficiencies	
08	The Road Ahead Afrfrican Ports	



TNPA Reimagined Journey

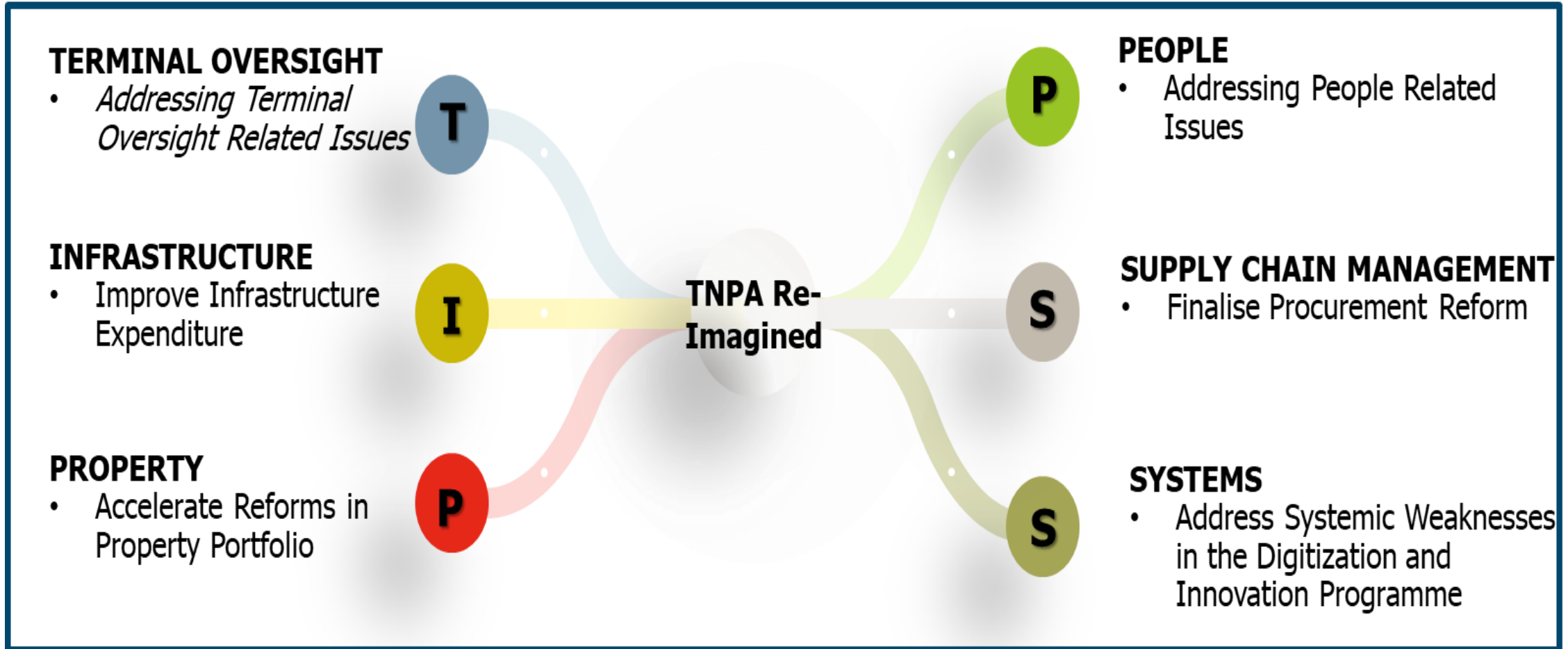


Strategic Re-invention of TNPA





TNPA Strategic Focus Areas (TIPPSS)



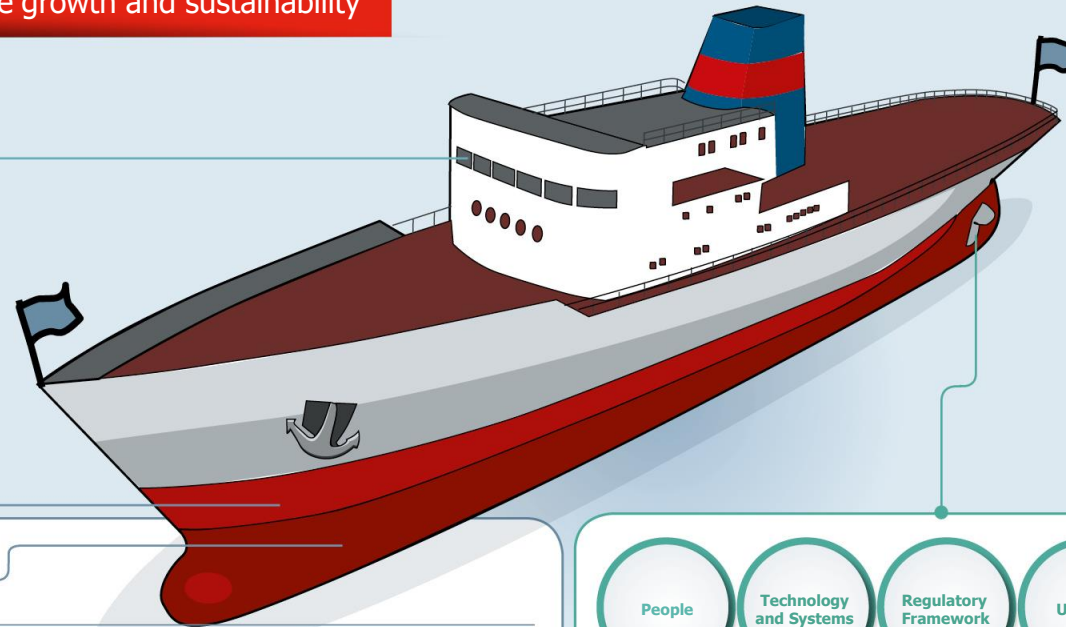
TNPA will focus on the following sectors to ensure growth and sustainability



LEVEL 1 THE BRIDGE

STRATEGIC DIRECTION

Strategy based on the needs of the economy, stakeholders and customers, driven by strategic goals/objectives, roles and responsibilities, Governance, Systems and effective Oversight



LEVEL 2 THE KEEL & HULL



- ICT solutions
- Energy solutions
- Port Authority advisory service
- Planning
- Utilities
- Business incubation (new ideas)
- Integrated Logistics solutions



- Port land – portfolio optimization
- Capital delivery
- Maintenance
- Ship repair facilities
- Dredging – Maintenance
- Asset Management
- Terminal Operations



- Marine services
- Vessel Traffic Management Services
- Aids to navigation
- Marine manufacturing services
- Port Security
- Port Integrator - Seamless logistics
- Real Estate, Property Development
- Dredging - Capital & Maintenance

OPERATIONAL SECTORS

Defining each product or service offered by TNPA.

The service offering is:

1. Port land and infrastructure
2. Maritime services
3. Terminal operations and services
4. Value-added products/services (warehousing, storage, truck-staging etc.)
5. Dredging
6. Utilities
7. Real estate development
8. Connected logistics



LEVEL 3 THE PROPELLER & RUDDER

ENABLERS

Structure which supports and monitors controls across all operational activities, making the operational teams efficient and effective driving: Growth and Transformation

TNPA Operating Model

Three Layers of Management

OPERATIONAL

- Activities



REGIONAL

- Proximity of authority to the epicenter of Port Management and Authority
- Sub-systems



NATIONAL

- Systems



PORT MANAGEMENT

8 Commercial Ports

REGIONAL OFFICE

3 Regional Offices

HEAD OFFICE

Operational Level structures to be more capacitated.



THREE AREAS OF STRATEGIC THRUST

STRATEGIC INTENT	NPA REQUIREMENTS
Product/Service Innovation	<ul style="list-style-type: none"> • Create new/leading edge products/services faster than competitors • Build in-depth research and development expertise • Nurture an innovation-enabling organisational culture
Operational Excellence	<ul style="list-style-type: none"> • Aim to be a low-cost producer (TNPA: least cost port system) • Continuous process efficiency improvement
Customer Centricity	<ul style="list-style-type: none"> • Build long-term relationship with customers • Grow repeat business (financially sustainability) • Deliver high levels of customer satisfaction • Customise products/services on request • Cross-sell and bundle products/services

NPA PRODUCT LINES

MARINE SERVICES

For the marine services the strategic focus is on **Operational Excellence** as a primary focus area and **Product Leadership** as secondary focus areas. The desired end state for NPA is to provide on-time marine services for all vessel calls thus ensuring global competitiveness.

INFRASTRUCTURE AND LANDLORD

TNPA Re-Imagined focuses on creating a world class port which adequately maintained. To support this vision, NPA is focusing on **Operational Excellence** and to have better relationship with customer, focus on **Customer Intimacy**.

AUTHORITY AND REGULATORY

The authority and regulatory is part of the primary function of TNPA as per the Ports Act. To ensure that TNPA is effective in its role and thrives towards being a product leader in Africa as a whole, TNPA is focusing on **Operational Excellence** and **Product Leadership** as a secondary focus area.

Source: The Discipline of Market Leaders, Fred Wiersema & Michael Tracey, 1995

Strategic Framework



Overview

Operating Model

Vision: Enablement of a transformed and sustainable World Class Port System

Mission: To stimulate a transformed maritime economy through adaptable infrastructure that is fit for purpose.

Shared values: Service Excellence, Honesty, Innovation, Freedom of Expression, Trust, Accountability, Integrity, Mutual Respect
[SHIFT AIM]

5yr End State

Desired End State: A financially sustainable least cost Smart Port System enabled by empowered workforce and a seamless value chain strategically positioned to unlock economic growth in an environmentally sustainable manner.

PILLARS OF DES **[FELOW-SP]**

Financially Sustainable Least Cost Port System	Environmentally Sustainability Port System	Landlord Port Authority	Operationally Excellent Port Authority	World Class Port Infrastructure	Smart Port System	People-Centric Employer
Cost Optimization	Green Port Operations	Asset Management	Strategy	Deliver Safe and Reliable Infrastructure	Smart Port Technologies	Culture
Financial Sustainability	Environmental Sustainability	Change Agent	High Performance Work Team	Terminal Oversight		Skilled Workforce
Public and Private Partnerships		Lease Management	Process Excellence	Maintenance		
		Debtor's Management	Performance Excellence			



Q1 ACHIEVEMENTS

01 Marine Equipment

- Fleet availability improvement from 77% to 85%, as of 30 June 2024
- Acquisition of new craft, 7 tugs and helicopter replacement
- Acquisition of 2 Launches for the PoCT
- Acquisition of Hydraulic Tension Mooring system for combating adverse weather
- The new helicopter spares supply contract has been awarded, signed and is in effect.

02 Port Congestion

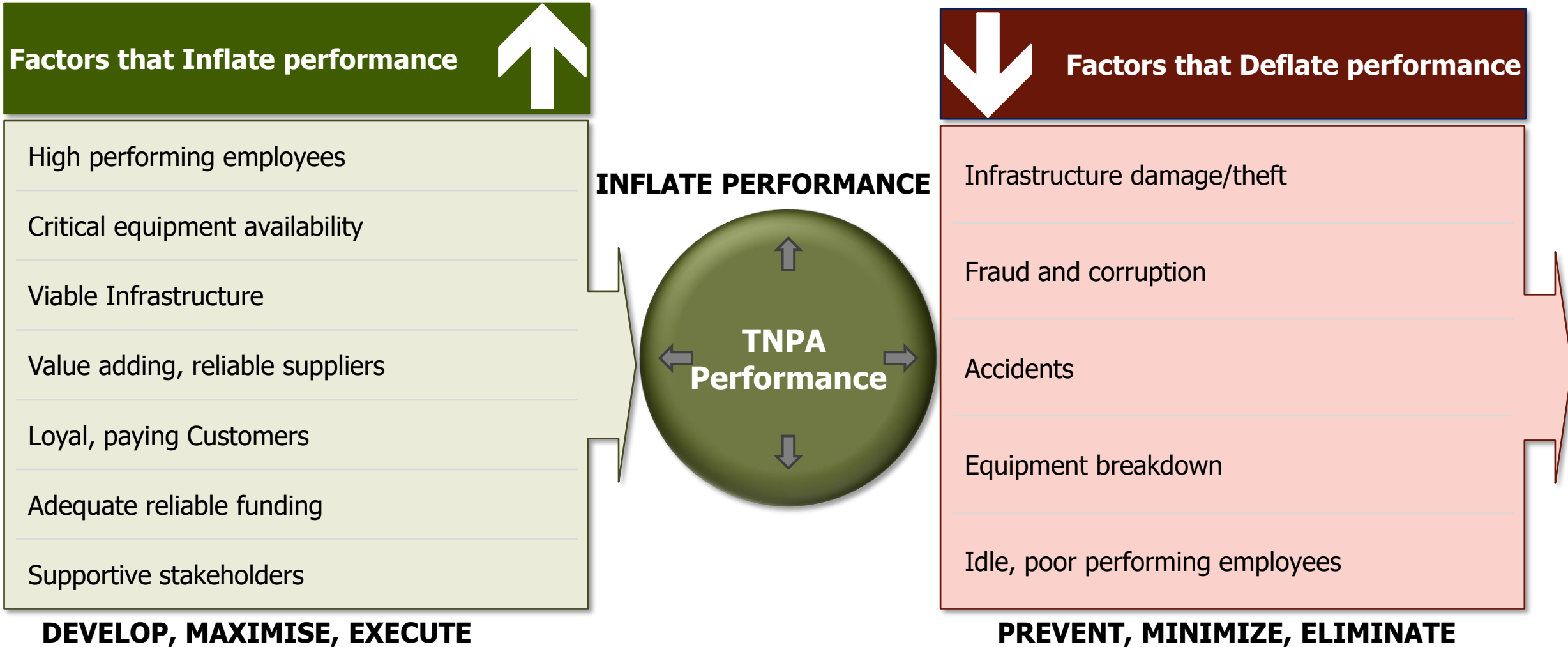
- Truck staging areas – Cape Town, Durban and Richards Bay
- Rehabilitation of Bayhead Park and Maydon Wharf Roads
- Established and implemented Decongestion Task Team
- Enhanced Government Stakeholder Partnership to improve traffic management and reduce traffic congestion

03 Appointment of Preferred bidders for:

- LNG Terminal in Richards Bay
- Container Handling Facility in Richards Bay
- Bunkering in Richards Bay
- Lot 100 LPG in Durban



MEDIA: TNPA acting Chief Executive is the Leading Spokesperson in Q1 – volume & tonality of 100% positive, coverage on the significance of the R60ml seawater desalination project at the Port of East London as a strategic step to enhance the port system's resilience and reduce reliance on external freshwater.





PRIORITIES

1

Marine Services

- Marine fleet
- Staff deployment system
- Operating Model

3

Landlord and Infrastructure

- Infrastructure delivery model
- Skilling of technical workforce

2

Authority and Regulatory

- Terminal Oversight
- Performance culture and appropriate support systems
- Terminal Operator agreements

4

Finance

- Tariff strategy methodology
- Debtor collections
- Reduction of clawback

5

People

- Organizational Culture Programme
- Filling of critical vacancies
- Skills development

6

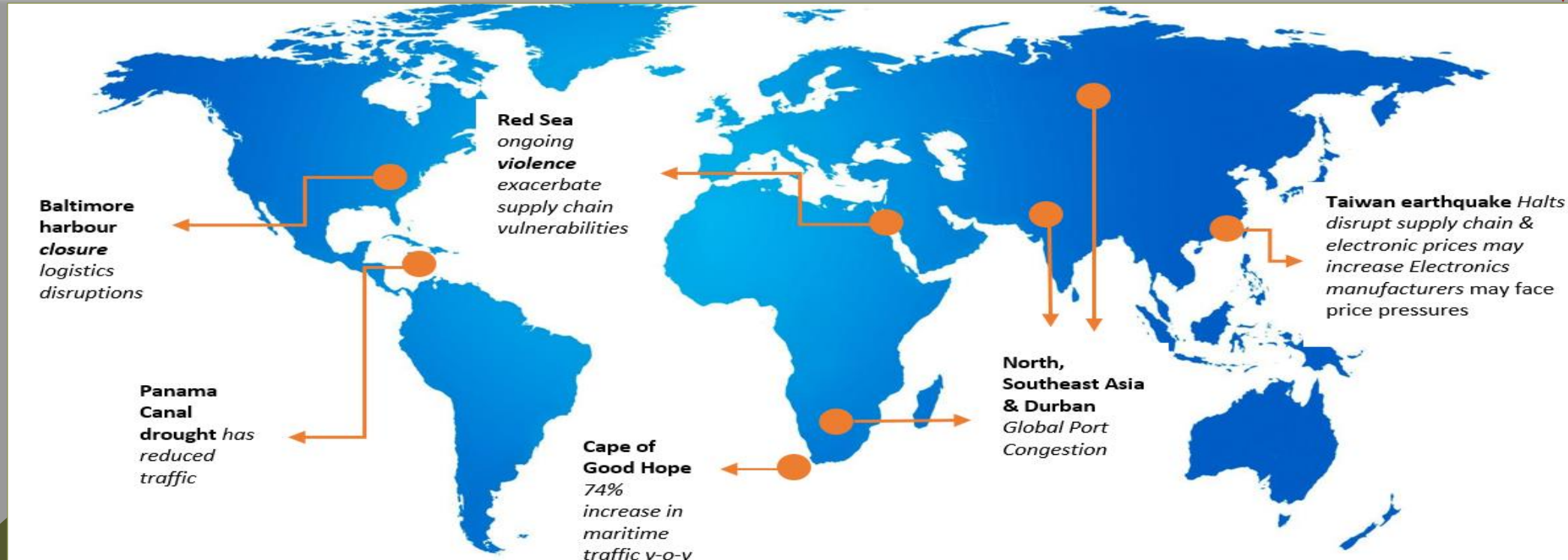
Safety Culture

- Reduce LTIFR through implementation of health and safety initiatives geared to improve safety performance and instill a positive health and safety culture

Logistics Sector - Global Developments Overview



2024 Analysis



- Recent events in the international market have affected supply chain globally.
- Collapse of the Baltimore bridge redirects cargo affecting companies like Ford and General Motors, while Taiwan's semiconductor production suffers from the earthquake.
- Bloomberg's Trade Tracker indicates a slight decline in trade performance for April 2024, with Taiwan's export orders notably down.
- Logistics and 3PL industry grapples with a glaring issue: global labour shortage that persists. This shortage significantly contributes to higher costs of goods, affecting their production and delivery. To combat the labour shortage, manufacturers and logistics providers turn to automation.
- Less Than Truckload (LTL) Demand (multiple smaller orders from various companies are placed on one carrier—creating a full load with numerous delivery stops).

Strategic initiatives to improve logistics efficiencies



Back of Port Development

Improve operational efficiencies

Foster collaboration and partnerships

Digital Transformation

Promote environmental sustainability

- Acquisition of strategic land parcels for expansion of the port
- Back of port development may be attractive for logistics related investment (improved operations, attraction of new business, improve infrastructure connectivity)
- Alignment and partner with TP, TFR and TPT on Port of Durban Back of Port Logistics Hub Development (Old Airport) & Cato Ridge Intermodal Hub
- Culemborg Back of Port Logistics Facility Development for Port of Cape Town
- Expansion of Automotive footprint at Charl Malan for Port of Port Elizabeth

- Repair and deploy 4 helicopters to Eastern Region Ports
- Additional two Helicopter night captains
- Improve the marine fleet maintenance and availability through marine framework contracts
- Acquisition of 7 second-hand Tugs
- Restoration of 4 Pilot Boats
- Acquisition of 3 Helicopters for the PoCT, PoRCB and PoDBN
- Acquisition of 2 Launches for the PoCT
- Terminal oversight and operational improvements
- Implementation of the Port Road and Traffic Management Strategy / Programme
- Implement and operationalize additional truck staging at PoDBN & PoRCB
- Implement digital transformation initiatives

- Review and finalise partnerships & governance structures with Municipal & Provincial stakeholders to promote integrated planning, traffic and security management
- Implement the Customer Engagement Strategy to proactively engage customers
- Collaboration on R&D
- Improved co-ordination of projects
- Adoption of holistic approaches
- (Industry Associations, RFA, SAAFF, Academia)

- IPMS Enhancement
- Implement Traffic Management System/ITS (WIM, sensors, Real-time traffic monitoring, adaptive traffic signal control, data analytics, RFID)
- Maritime Single Window
- Smart Devices (IoT)
- SAP Upgrade and Modernisation
- eLTE Wireless Broadband Network

- Introduce Green Logistics Indicators for improved monitoring & response to Sustainable Development Goals
- Implementation Green Port Toolkit
- Introduction of sustainability requirements to port lessees and terminals



Role of Ports for Economic Growth

- ✓ Since the start of maritime trade in many centuries ago (1600s), ports have played a central role in the economic and social development of countries.
- ✓ As we embark on an exploration of this vital sector, it is essential to recognize its profound impact on the global economy, the environment, and the cultural exchanges that have defined human history.
- ✓ As we chart new waters and driven by a shared vision in acknowledging some of the great strides the sector has achieved in managing to transport **approximately 90% of global trade**, making it a linchpin of the global economy.
- ✓ Ports remain one of the most critical logistic value chain component and catalysts for economic development as they enable trade and support supply chains.



The Road Ahead for African Ports

Port System Challenges

- Despite significant developments in port systems over the years, African ports in particular still face logistical value chain challenges. These challenges manifest themselves in various forms such as port **inefficiencies, lack of provision of port capacity ahead of demand, lack of integrated infrastructure investment plans, shortage of required critical skills and low cargo volume growth.**
- A poorly functioning or inefficient port can hinder trade growth, with a profound impact on developing and emerging economies. Such challenges result in higher costs, reduced competitiveness, and lower trade volumes.
- Annual publication by the World Bank and S&P Global has been tracking port performance for nearly 350 global ports to measure port competitiveness. According to observations, the bulk of ports on the African continent have been performing worse over time due to deterioration of port infrastructure and related equipment.



The Road Ahead for African Ports

Port Investment Plans

- ✓ The development of high-quality port infrastructure, operated efficiently, has often been a prerequisite for successful growth strategies, particularly those driven by exports. **When the port investment plan is well executed, it fosters the necessary confidence to attract investment in production and distribution systems, supporting the growth of manufacturing and logistics, creating employment, and increasing income levels.**
- ✓ The port, along with the access infrastructure (such as inland waterways, railways, or roads) to the hinterland, is a vital link to the global marketplace and needs to operate efficiently.
- ✓ Efficient port infrastructure has also been identified as a key contributor to overall port competitiveness and cost of doing business particularly for developing and emerging economies.



The Road Ahead for African Ports

Trade Opportunities: AfCFTA | AGOA

African countries need to expand and diversify their participation in international trade and global value chains to transform their economies. To capitalise on the demand and innovation along the supply chain, the African continent needs to connect its production and trade to the global economy and move beyond trading in raw commodities.

Though there have been some notable developments in trade growth, Africa's proportion of global exports and imports has remained largely stable at below 4%. While the intra-Africa trade has seen very little growth, averaging just 0.4% in the last 10 years.

Deepening regional integration to scale up supply capacity and build regional value chains is essential to the continent's economic transformation. For decades, Africa has been striving to achieve regional integration, and the African Continental Free Trade Area (AfCFTA) is a significant achievement in this regard. The establishment of the African Continental Free Trade Area (AfCFTA) presents major opportunities to boost intra-African trade, strengthen the complementarities of production, and exports of commodity and skills.

The African continent has the opportunity to enhance its trade agreements through the African Growth and Opportunity Act (AGOA) which is currently in a process of further renewal.

The Road Ahead for African Ports



Program Director, to sum up, our Road Ahead of Efficient and Growing African Ports is summarized into eight (8) PMAESA Strategic Objectives:

- Promote Regional Integration and Collaboration;
- Sustain the Association's Operations and Growth;
- Enhance Human Resources Capacity Development;
- Offer Value and Service Excellence to Members;
- Promote Sustainable Port Development and Operations/Environmental Sustainability;
- Good Governance and Improved Labour Productivity;
- Innovation and Knowledge Management; and
- Adhere to Gender Equality and Disability Policies

TRANSNET



Thank you

Ke a Leboga