

MEDIA RELEASE

No Bid Awarded for New Durban Cruise Terminal

[Durban, South Africa, 27 January 2016] Transnet National Ports Authority's (TNPA) latest Request for Proposals for development of a new passenger terminal in the Port of Durban has ended in a non-award, Transnet said on Wednesday.

Richard Vallihu, Chief Executive at TNPA, said: "In terms of section 56 of the National Ports Act 12 of 2005, Transnet National Ports Authority is mandated to enter into agreements with companies to design, develop, construct, maintain and operate facilities to ensure the provision of port services.

"In conformance with this process and our own Guidelines and Implementation Manual, we embarked on two consecutive rounds of RFPs, the latest of which has demonstrated that there may currently be limited appetite in the market for a private player to pursue this project," he said.

Lauriette Modipane, General Manager Commercial and Marketing at TNPA, explained: "The latest Request for Proposals was advertised on 24 July 2015 and 1 August 2015. Twenty five RFP documents were sold, however 23 companies were represented at the briefing session which took place on 11 August 2015. The closing date for the submission of bids was 2 October 2015 and a multi-disciplinary bid evaluation took place on 12 October 2015. A single bid was received which was declared administratively and substantively non-responsive, hence the non-award."

TNPA said it would embark on a third open bid process within six months and would also review the scope of the project.

The development of cruise terminals in Durban and Cape Town is in response to the tremendous growth that the cruise industry has enjoyed in recent years. Cruise tourism is the fastest-growing sector in the global tourism industry, and is set for continued growth. For example, in 2006 Durban handled 50 cruise liners and 67,017 passengers. By 2014 cruise vessel calls had grown by 48% to 74 vessels while passenger growth was just under 224% or 217 000 passengers. For the first two months of the 2015/16 cruise season which ends early May 2016, Durban had already received 51 vessel calls with 123 719 passengers.

The Durban cruise terminal is one of the section 56 initiatives that Transnet National Ports Authority has identified to encourage private sector participation as a key element of the company's Market Demand Strategy (MDS). The MDS aims to significantly contribute to the growth of the South African economy. Transnet would spend in excess of R300bn in capital investment over seven years from 2012 to 2019.

TNPA's existing cruise terminal – situated at N Shed in the Port of Durban, off Margaret Mncadi Avenue – was recently upgraded through a joint initiative between TNPA and MSC to bring it more in line with international standards.

However Transnet and the eThekweni Municipality have proposed a new, larger, world-class Durban passenger terminal for development along the North Pier just inside the harbour with the aim of supporting the growth of the local tourism sector. It is envisaged that the terminal would dovetail with planned development around the Durban Point Waterfront and tourist attractions such as uShaka Marine World.

Ends

About Transnet National Ports Authority

Transnet National Ports Authority (TNPA) is one of five operating divisions of Transnet SOC Ltd. The National Ports Authority is responsible for the safe, effective and efficient economic functioning of the national port system, which it manages in a landlord capacity. It provides port infrastructure and marine services at the eight commercial seaports in South Africa – Richards Bay, Durban, Saldanha, Cape Town, Port Elizabeth, East London, Mossel Bay and Ngqura. It operates within a legislative and regulatory environment and is governed by the National Ports Act (Act No. 12 of 2005). For more information visit www.transnetnationalportsauthority.net.

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