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# TNPA Port Consultative Committee (PCC)
# Port of Saldanha
# Quarter 2 Port Performance Report

October 2015

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# PORT LAYOUT

# MARKET DEMAND STRATEGY OVERVIEW

PORT OF SALDANHA

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## Capital Planning and **Execution**

- Increase capacity and capability to deliver on the Ports

  7 Year Capex plan:

  - ✓ Acquisition of three replacement tugs
  - ✓ Construct adequate ship repair and OSSB facilities
  - ✓ GMQ Extension by 210 metres
  - ✓ Berth 205
  - ✓ Mossgas Jetty
  - ✓ Road and rail upgrade
  - ✓ Provision of bulk services for lettable land

- Research & Development
  - ✓ LNG

## Operational effectiveness and productivity

- Joint Operation Centres
- Port Productivity
  - TOPS
  - MOPS
  - ROPS
- IPMS
- Ops Planning, Monitoring,
- Continuous Improvement initiatives
- Logistic Partner Engagement

## Target volumes and customer satisfaction

- MPT Diversification
- Value Added Maritime Services
- S56
- Ship Repair/RIGS

## Regulator and Key Stakeholder Engagement

- Implement Tariff Methodology and Pricing Strategy.

## Financial Sustainability

- Cost Optimization
- Revenue
- NBD

## Safety

- GSL and VFL
- Safety Competition

## Organisation strategy / readiness

- Ensure availability of required skills sets to develop internal capability and capacity in order to address competency gaps;
- Retention of skilled workforce to deliver on prioritized areas and continue to strengthen the development initiatives for core, critical and scarce skills as anchors and growth-enablers.

## HR strategy

- Optimal resourcing, Success Planning, Talent Management, T & D, Mentoring / Coaching, EAP

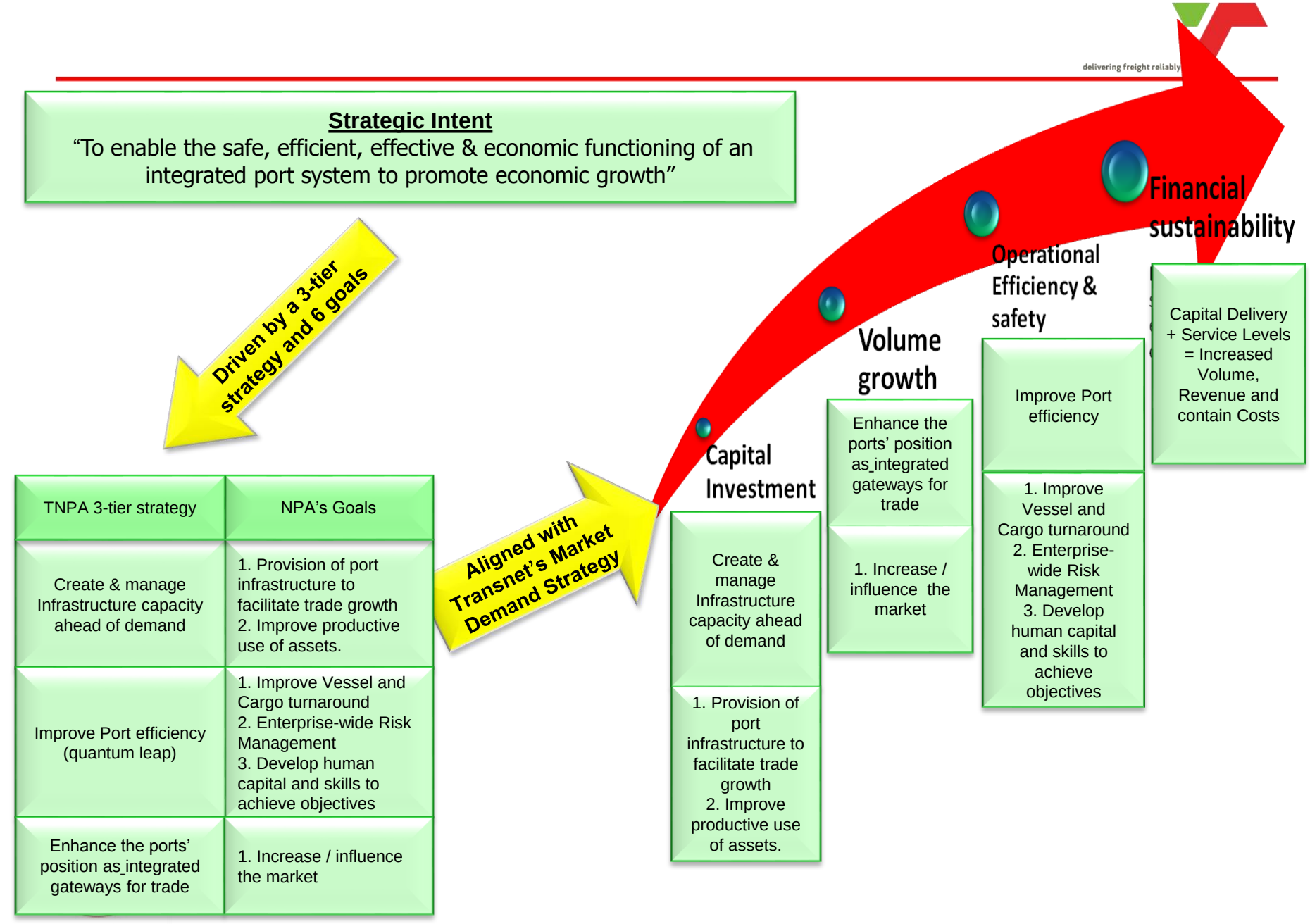
**Strategic Intent**

"To enable the safe, efficient, effective & economic functioning of an integrated port system to promote economic growth"

Driven by a 3-tier strategy and 6 goals

| TNPA 3-tier strategy | NPA's Goals |
|---|---|
| Create & manage Infrastructure capacity ahead of demand | 1. Provision of port infrastructure to facilitate trade growth<br>2. Improve productive use of assets. |
| Improve Port efficiency (quantum leap) | 1. Improve Vessel and Cargo turnaround<br>2. Enterprise-wide Risk Management<br>3. Develop human capital and skills to achieve objectives |
| Enhance the ports' position as integrated gateways for trade | 1. Increase / influence the market |

Aligned with Transnet's Market Demand Strategy



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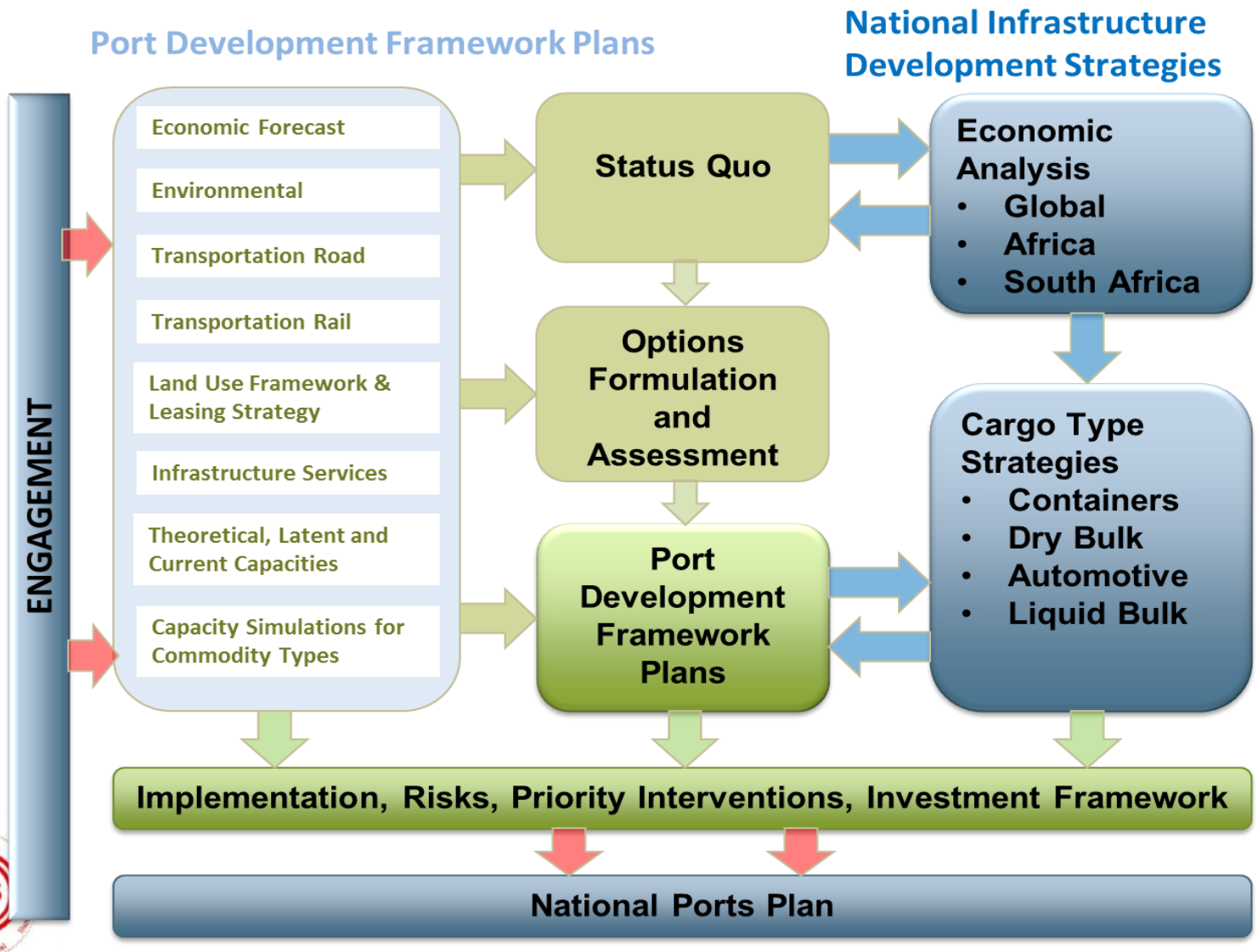
# Port Development Framework Plans

# Port Development Framework Plans

- TNPA draws its mandatory functions from the National Ports Act 2005, one of which being to prepare and periodically update the port development framework plans for each port.
- The port plans have been fully revised over the past year to re-establish government and industry requirements; confirm and amend infrastructure use and capacity and identify capacity creation in the ports' system.
- The PDFPs form part of the TNPA National Ports Plan which co-ordinates the port system.
- The annual update of these plans are published every year on the following website: http://www.transnetnationalportsauthority.net

# National Ports Plan Methodology



# Overarching Infrastructure Planning Principles

- The **Transnet Freight Demand Model** forecast is the basis of demand planning
- Fit with **global; regional and national policies**.
- Integrate and **align port, rail and road capacity planning**
- Optimise **capital investment** across all ports (ensuring ports are complementary) to ensure capacity meets demand
- **Port specialisation** through planned complementarity
- Ensure a **sustainable** response to environmental opportunities and constraints
- Utilize available port space to **maximise freight capacity**
- **Improve** infrastructural and operational **efficiencies** and **reduce transport and logistics costs**
- Ensure world class freight handling services in terms of **reliability, safety, cost-effectiveness**
- Maintain **flexibility** in order to respond to changing technological and economic conditions
- Minimize the disruption to existing port activities
- Ensure adequate provision for **non-freight services** and facilities
- Align with the requirements of stakeholders
- PDF Plans are **annually updated**

# PDFP Process and Multi-Criteria Analysis

The primary driver of port development is **demand in the region or hinterland of that port**. If the volume forecast exceeds capacity in a certain port then the following **multi-criteria analysis** were used to determine how best to plan port development. The multi-criteria analysis is especially important for '**regional ports**' such as Ngqura and PE, Richards Bay and Durban, and Cape Town and Saldanha Bay where ports share a similar hinterland/demand.

| Criteria group | Details |
|---|---|
| **Technical** | **Port Planning:** Flexibility, Expansion potential, Back of quay<br>**Maritime Engineering:** Navigation, Vessel size increase, Geotech, Ease of construction, Disruption<br>**Transportation:** Port Access, Staging/parking, Road connectivity, Rail connectivity, Pipe connectivity. |
| **Environmental** | **Biophysical Impacts:** Terrestrial habitat destruction, Marine habitat destruction (port), Marine habitat destruction (offshore), Marine water and sediment quality, Shoreline stability, Surface and ground water.<br>**Social Impacts:** Air quality, Visual, Recreational use access, Heritage Resources, Green Economy, Job creation. |
| **Economic** | **Phasing:** Option lends itself to phasing?<br>**Capital Costs:** Land acquisition, Construction , Services infrastructure, Environmental offset.<br>**Operating Costs:** Maintenance, Transportation, Congestion, and Environmental management.<br>**Socio-economic benefit** |
| **Legal/Statutory/Regulatory** | **Land acquisition**<br>**Permit approvals** |
| **Land use** | **Metropolitan Issues:** Meshes with Vision of the City, Extent of Port boundary extensions, In line with SDF and City urban regeneration.<br>**Back of port integration:** Portside land uses are compatible with land uses in adjoining, Municipal precincts, Urban Renewal initiatives, Promotion of City and Port integration, interface, Heritage and cultural issues into account,7 Year capital projects between Port and Municipality. |

# PDFP Port of Saldanha
# Current Layout

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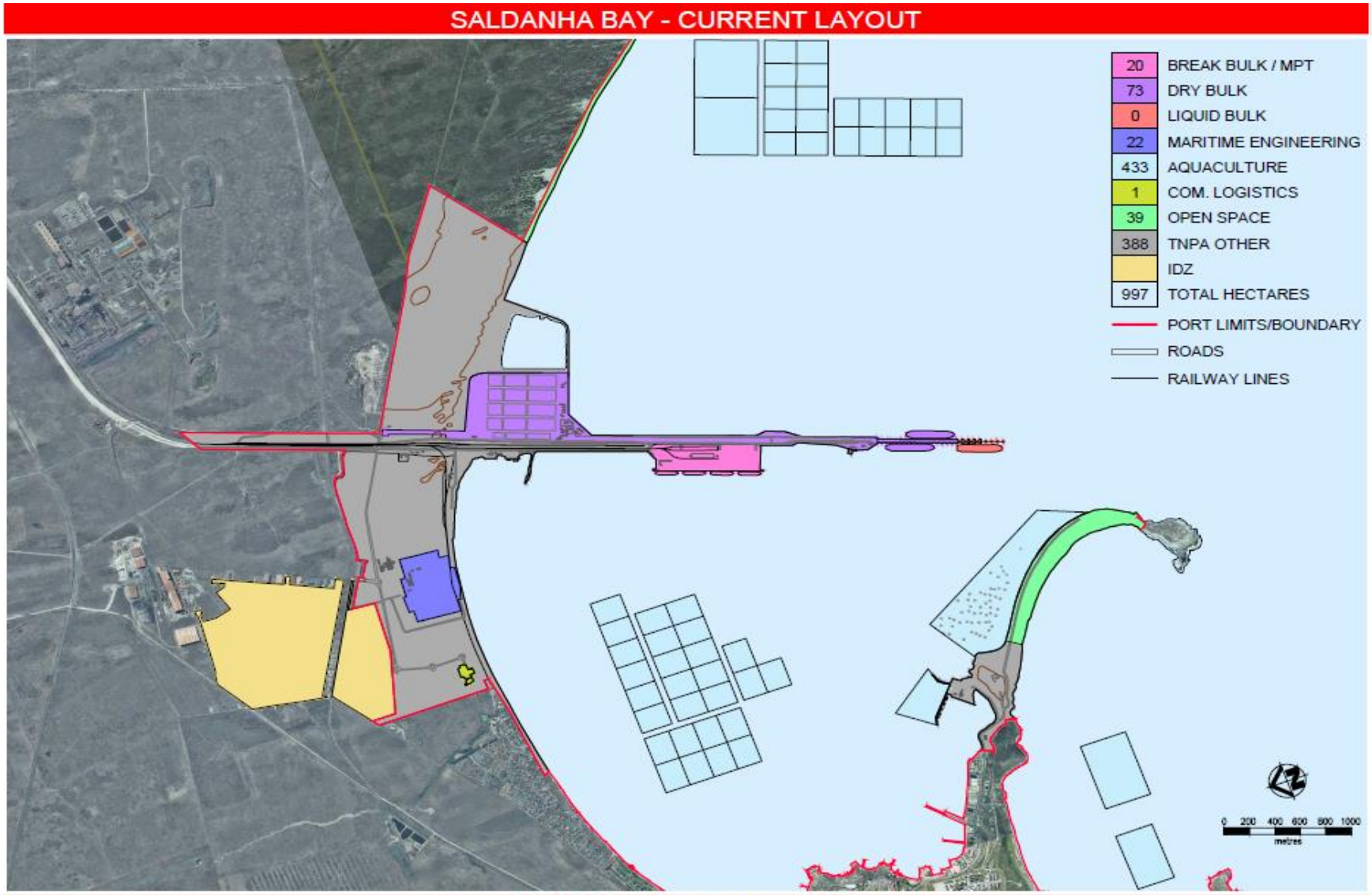
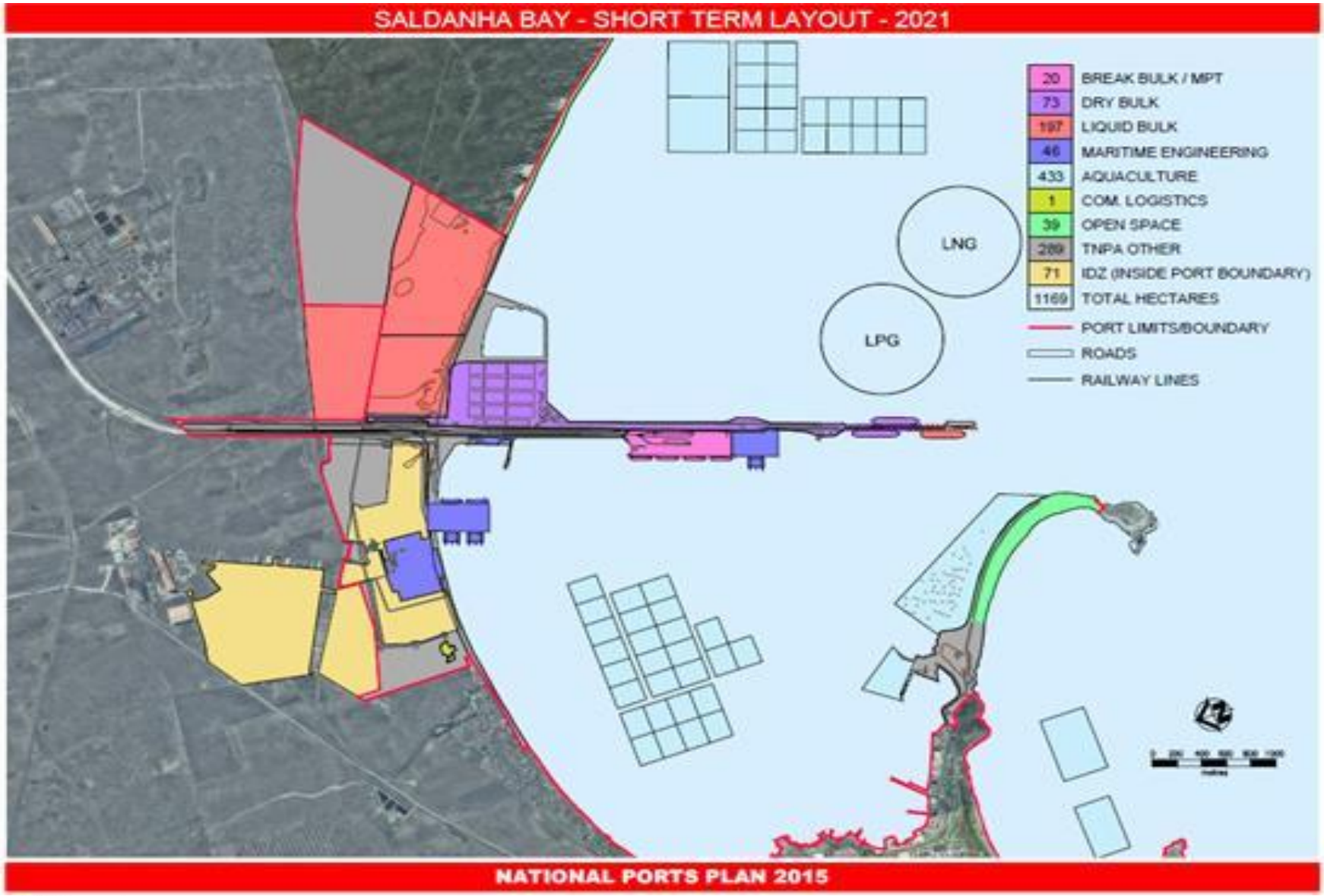


# PDFP Port of Saldanha
# Short Term Layout



# PDFP Port of Saldanha
# Port Development Initiatives – 7 Year

1. Construction of deep water berth (205) for repairs of Oil Rigs
2. Construction of a 500m long Jetty at Mossgas for vessel repairs
3. Extension of the General Maintenance Quay (OSSB)
4. Electrical Refurbishment of the Oil Jetty
5. Development of an LNG Terminal and Regasification Plant
6. Development of LPG Terminal and storage facility

# Port of Saldanha
# Medium Term Layout

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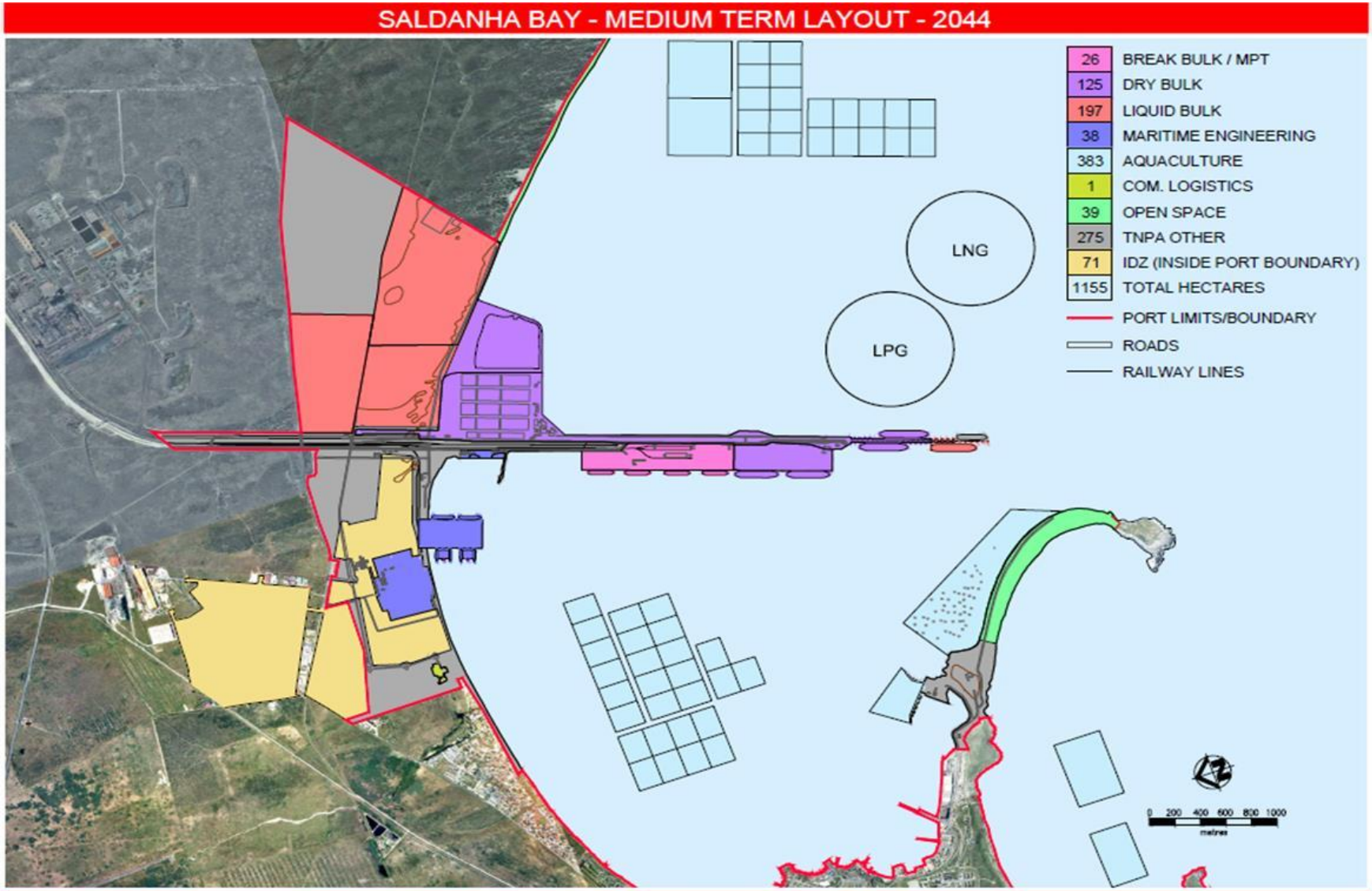
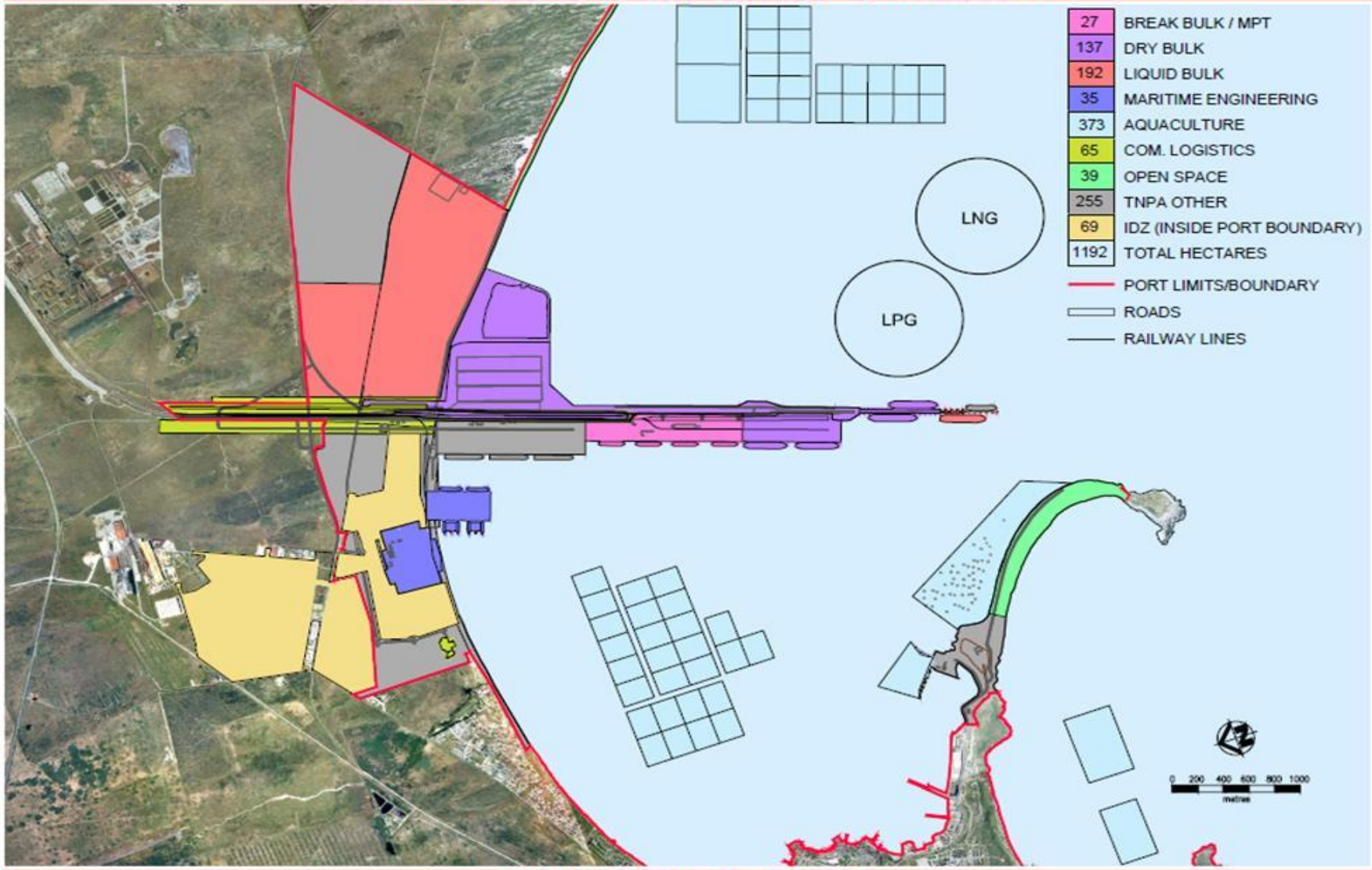


# Port of Saldanha
# Long Term Layout



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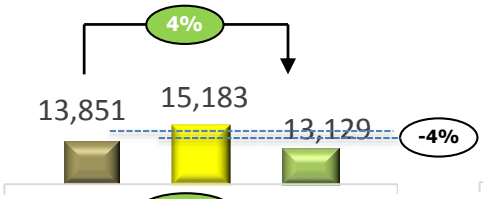
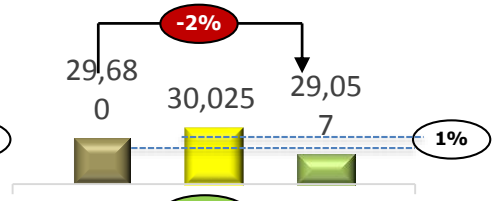
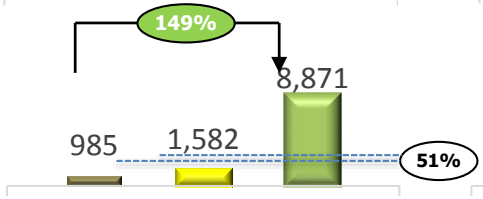
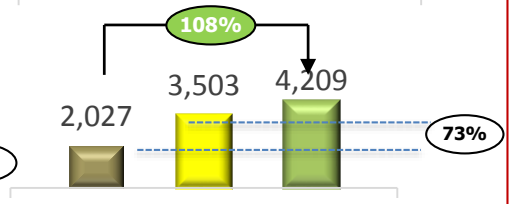
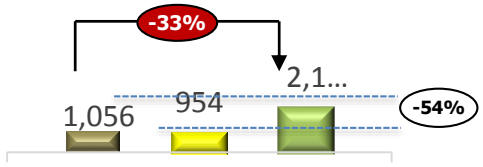
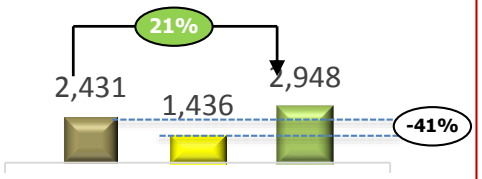
# Operations Performance

# OPERATIONAL PERFORMANCE

## VOLUMES

Budget
Actual
Committed

| | Jul - Sep PERFORMANCE | YTD PERFORMANCE |
|---|---|---|
| **Dry Bulk (Mn)** (Tons) |  |  |
| **Break Bulk (Tons)** |  |  |
| **Liquid Bulk** (Kiloliters) |  |  |













**Dry Bulk:**
Iron ore markets are experiencing downward pressure on price as a result of the slowing demand from China. Saldanha experienced a lag in that demand and showed a positive performance in the first Quarter ,however we are down 2% by the end of the second quarter.
Volumes up from Apr-Jun by 4% but YTD down by 2%

**Break-bulk : Terminal Analysis**

Volumes are up from Apr-Jun by 149% and YTD BY 108%
Contributing commodities are mainly Steel HR Coils and Iron Ore. There has been a number of vessels moving

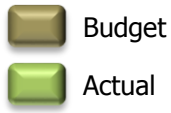
YTD : 30 Iron Ore vessels or 1 852 575 tons of Iron Ore handled at MPT from April 2015.

**Liquid Bulk:**
Volumes are down from Apr-Jun by 33% as a result of the slow upstart of the Chevron Refinery in Cape Town after their annual shutdown in April .

YTD up by 21% due SFF handling more vessels than anticipated as movement of the crude to internal market.
SFF has handled 9 vessels and Chevron 8 YTD.

# OPERATIONAL PERFORMANCE

## SHIP TURNAROUND TIME

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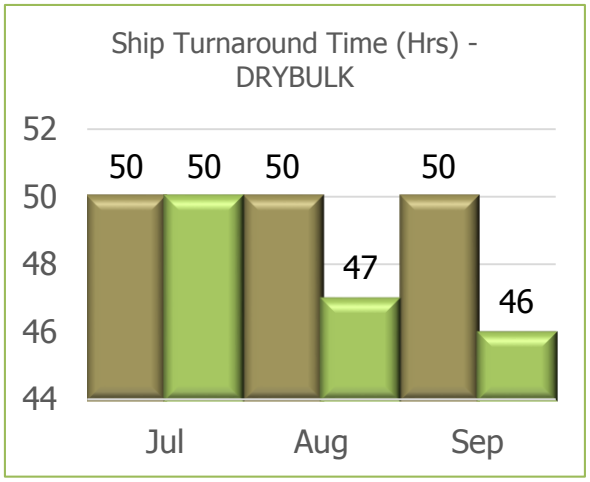


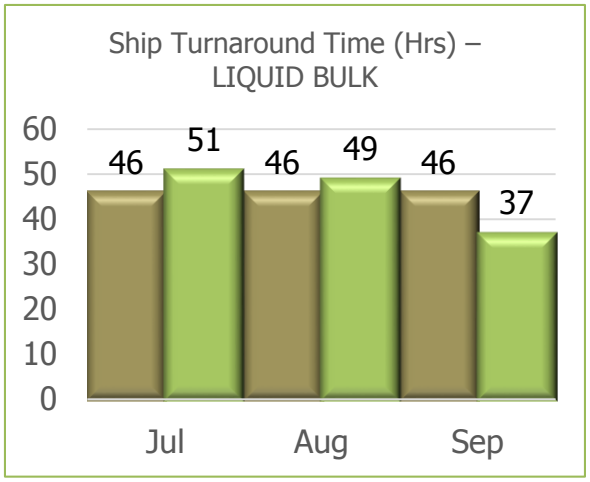


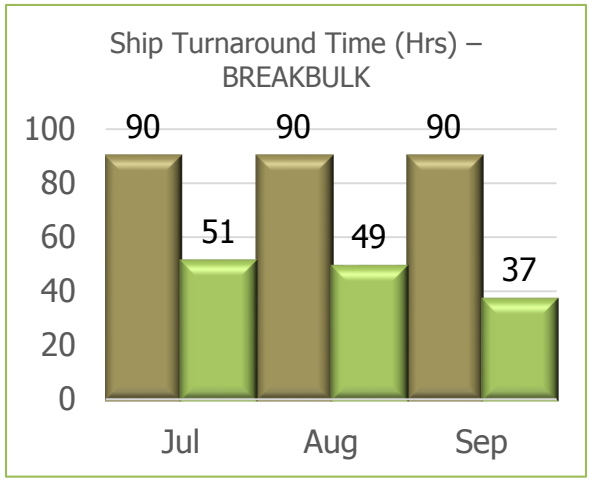

# OPERATIONAL PERFORMANCE

MARINE

Budget
Actual

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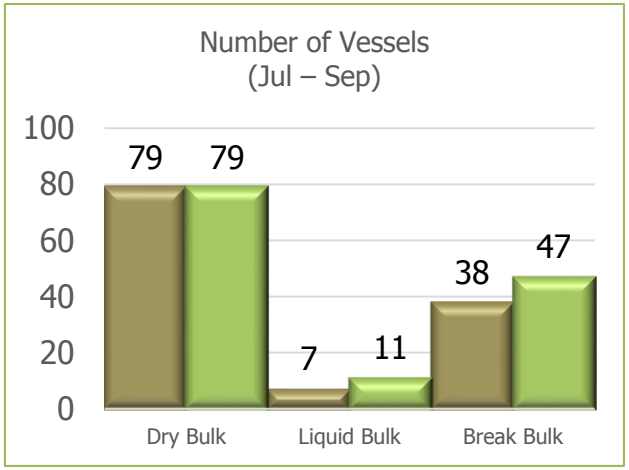
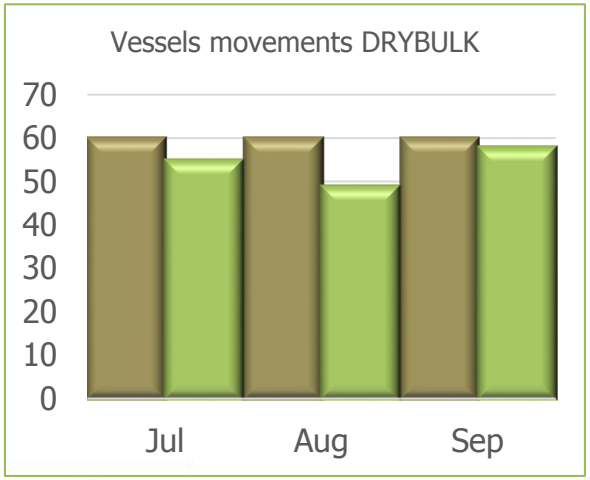
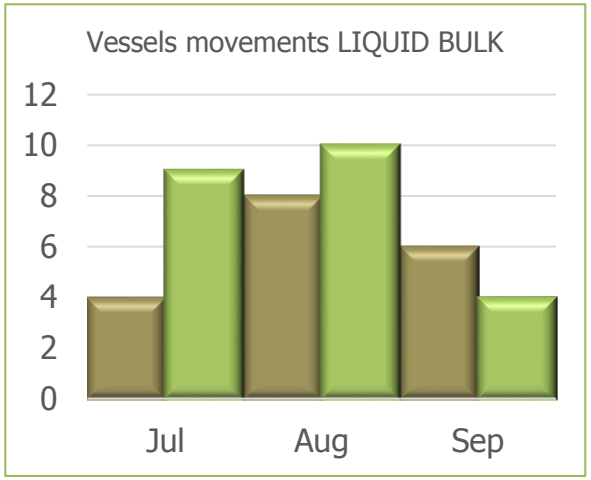
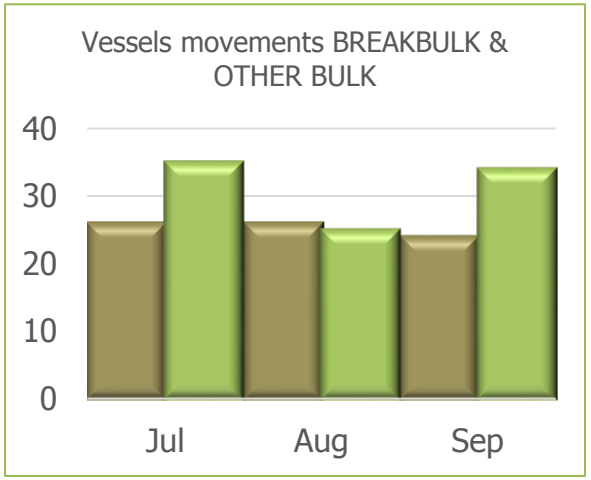


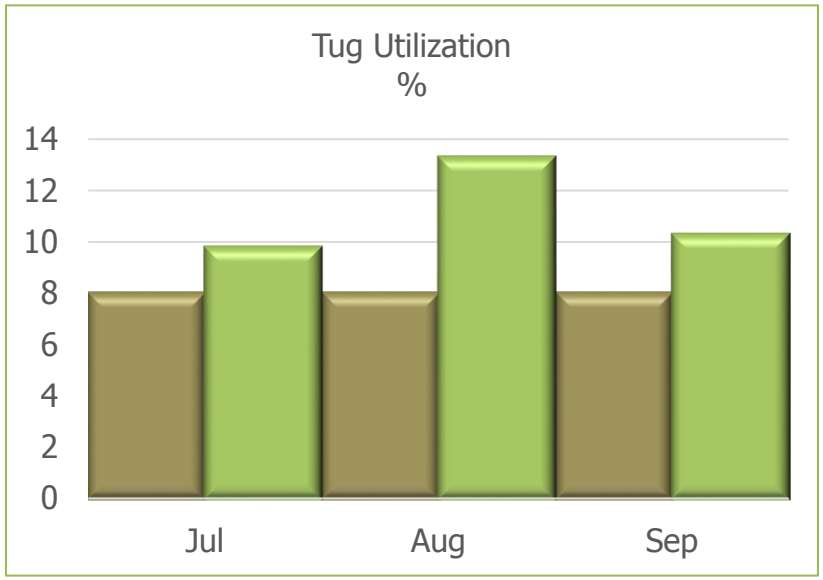



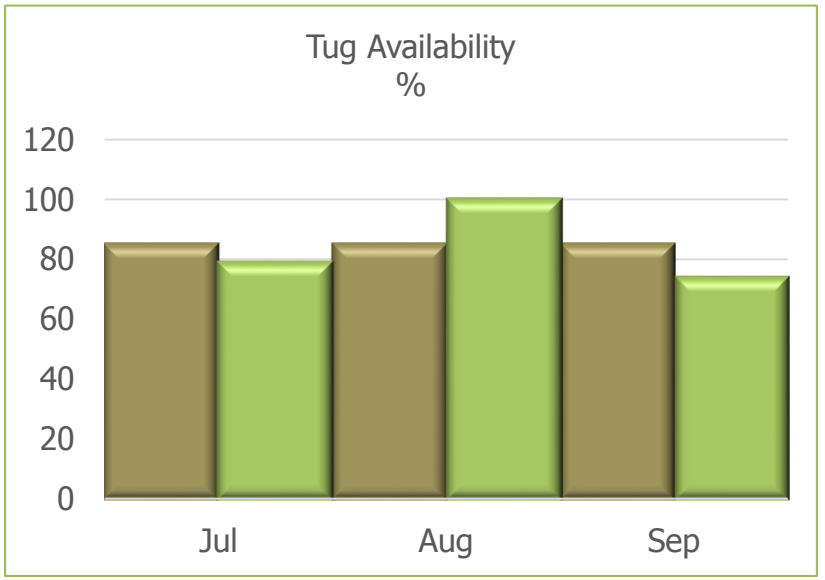
# OPERATIONAL PERFORMANCE

MARINE

Budget

Actual



# TOPS PERFORMANCE

LIQUID BULK: STRATEGIC FUEL FUND ASSOCIATION

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PART 1 OF 2

**TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:**

**STRATEGIC FUEL FUND ASSOCIATION**

**LICENCE NUMBER:** TOL/SB/01

**ASSESSMENT PERIOD:** From: 01 April 2015 To: 30 June 2015

| PERFORMANCE MEASURE | TERMINAL DESIGN NORM | ACTUAL TOPS Year 1 | TARGET FOR TOPS Year 2 (ANNUAL) | TARGET FOR THE 3rd QUARTER | ACTUAL FOR THE 3rd QUARTER | % DEVIATION FOR THE 3rd QUARTER | SUMMARY REASONS FOR NON ACHIVEMENT OF TOPS IN BULLETTED FORMAT (DETAILED REASONS TO BE SUPPLIED IN PART 2 OF THIS REPORT) |
|---|---|---|---|---|---|---|---|
| 1. Terminal Berthing Delays | 0 Hours | 0,7 hrs | 0Hours | 0 Hours | 0 Hours | | |
| 2. Berth Productivity | | | 4500 KL | 4500 KL | 3917 KL | | VESSEL MT ELIZA |

# TOPS PERFORMANCE

LIQUID BULK: STRATEGIC FUEL FUND ASSOCIATION

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3. Ship Working Hour | 7000 KL | 5062 KL | 6 000 KL | 5500 KL | 4822 KL | 88% | VESSEL MT ELIZA |
| 4. Truck Turnaround Time in Terminal | | | | | | | |
| 5. Rail Turnaround Time | | | | | | | |
| 6. Cargo Dwell Time in Terminal | | | | | | | |
| 7. Terminal Throughput | 4 100 000 KL | 4 100 000 KL | 4 100 000 KL | 4 100 000 KL | 1112 896 KL | 27% | CRUDE OIL PRICES/MARKETS |

# TOPS PERFORMANCE

TPT: DRY BULK TERMINAL

**PART 1 OF 2**

**TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:**

**SALDANHA DRY BULK TERMINAL**

**LICENCE NUMBER:** **TOL/SB/02**

**ASSESSMENT PERIOD:** **From:** **01 April 2015** **To:** **30 June 2015**

| PERFORMANCE MEASURE | TERMINAL DESIGN NORM | ACTUAL TOPS Year 1 | TARGET FOR TOPS Year 2 (ANNUAL) | TARGET FOR THE 3rd QUARTER | ACTUAL FOR THE 3rd QUARTER | % DEVIATION FOR THE 3rd QUARTER | SUMMARY REASONS FOR NON ACHIVEMENT OF TOPS IN BULLETTED FORMAT (DETAILED REASONS TO BE SUPPLIED IN PART 2 OF THIS REPORT) |
|---|---|---|---|---|---|---|---|
| 1. Terminal Berthing Delays | 2 Hours | 1 Hours | 2 Hours | 2 Hours | 0 Hours | 100% | Target achieved |
| 2. Berth Productivity | Year 3 | None | 3900 t/h<br>6400 t/h | 3900 t/h<br>6400 t/h | 3910t/h | | Berth Productivity is presented by one calculated loading rate, as agreed with TNPA. |

# TOPS PERFORMANCE

TPT: DRY BULK

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3. Ship Working Hour<br>Single Loading (15%):<br>Dual Loading (85%): | <br>4400 t/h<br>8500 t/h | <br>4840 t/h<br>8294 t/h | <br>4400 t/h<br>7800 t/h | <br>4400 t/h<br>7800 t/h | <br>5945<br>8213 | <br>35%<br>5% | <br>Target Achieved<br>Target Achieved |
| 4. Rail Turnaround Time | Year 3 | None | 6 Hours | 6 Hours | 1.78 | 70% | Target Achieved |
| 5. Cargo Dwell Time in Terminal | Year 3 | 27 days | 27 days | 27 days | 20 | 26% | Target Achieved |
| 6. Terminal Throughput | 58 000 000 Tons | 40 092 600 Tons (9 months) | 55 000 000 Tons | 14 100 000 Tons | 14 837 589 | 5% | Target Achieved |

# TOPS PERFORMANCE

TPT: MULT-PURPOSE TERMINAL

PART 1 OF 2

**TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:**

**SALDANHA MULTI - PURPOSE TERMINAL**

**LICENCE NUMBER:** TOL/SB/03

**ASSESSMENT PERIOD:** From: 01 April 2015 To: 30 June 2015

| PERFORMANCE MEASURE | TERMINAL DESIGN NORM | ACTUAL TOPS Year 1 | TARGET FOR TOPS Year 2 (ANNUAL) | TARGET FOR THE 3rd QUARTER | ACTUAL FOR THE 3rd QUARTER | % DEVIATION FOR THE 3rd QUARTER | SUMMARY REASONS FOR NON ACHIVEMENT OF TOPS IN BULLETTED FORMAT (DETAILED REASONS TO BE SUPPLIED IN PART 2 OF THIS REPORT) |
|---|---|---|---|---|---|---|---|
| 1. Terminal Berthing Delays | 0 Hours | 14.9 Hours | 2 Hours | 2 Hours | 0.49 | 75.5% | Target Achieved |
| 2. Berth Productivity | Year 3 | Year 3 | Year 3 | Year 3 | Year 3 | Year 3 | |
| 3. Ship Working Hour | 170 t/h | 157 t/h | 160 t/h | 160 t/h | 382 | 139% | Target Achieved |

# TOPS PERFORMANCE

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## TPT: MULT-PURPOSE TERMINAL

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4. Truck Turnaround Time in Terminal | 20 mins | 20 mins | 20 mins | 20 mins | 20 | 0% | Target Achieved |
| 5. Rail Turnaround Time | 24 Hours | 24 Hours | 24 Hours | 24 Hours | 15 | 38% | Target Achieved |
| 6. Cargo Dwell Time in Terminal | Year 3 | None | | | | | |
| Steel: | | | 4 weeks | 4 weeks | 2.4 | 40% | Target Achieved |
| Manganese: | | | 5 weeks | 5 weeks | 2.4 | 52% | Target Achieved |
| 7. Terminal Throughput | 3 300 000 Tons | 2 533 775 Tons | 3 130 847 Tons | 641 990 Tons | 2 369 715 | 269% | Target Achieved |

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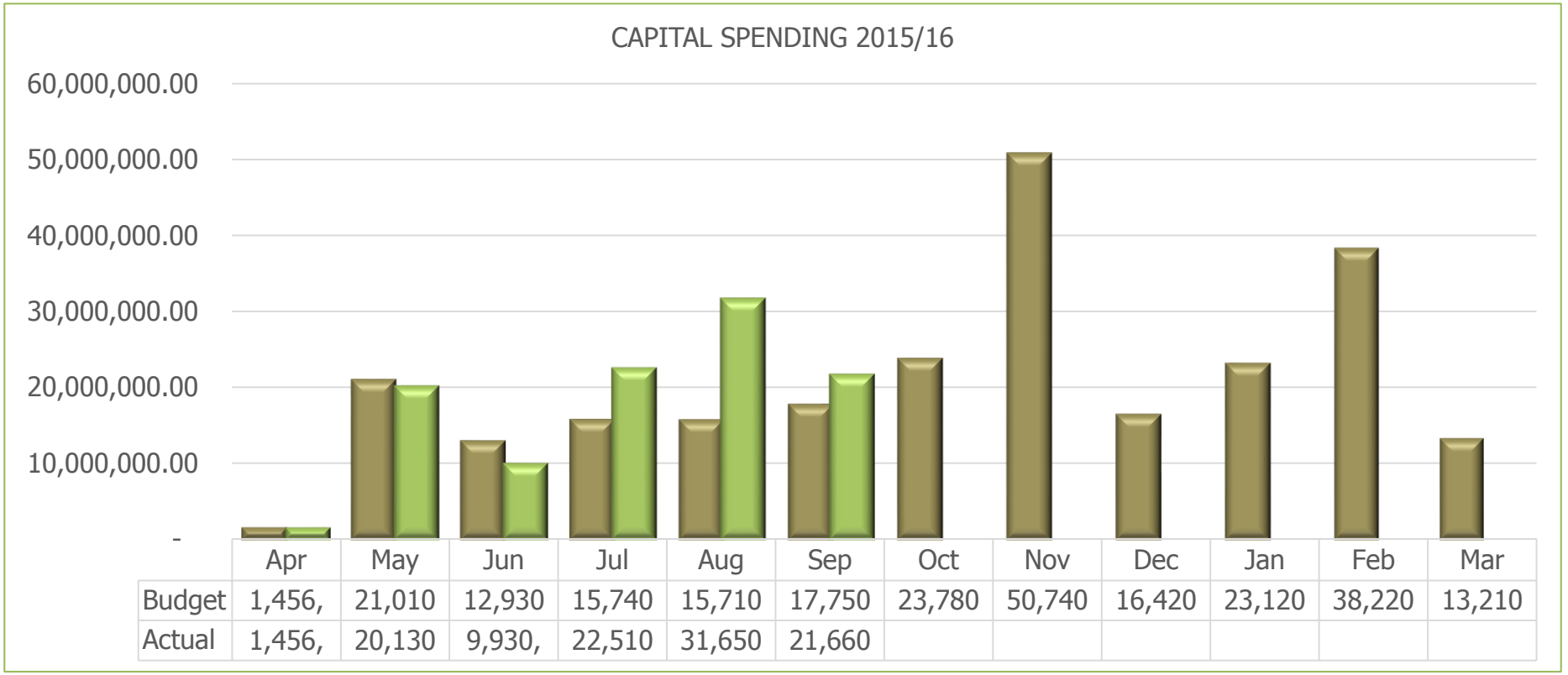
# Approved Capital Program 2015/16

# APPROVED CAPITAL FUNDING

2015/16




| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Budget | 1,456, | 21,010 | 12,930 | 15,740 | 15,710 | 17,750 | 23,780 | 50,740 | 16,420 | 23,120 | 38,220 | 13,210 |
| Actual | 1,456, | 20,130 | 9,930, | 22,510 | 31,650 | 21,660 | | | | | | |

# CAPITAL PROGRAMME 2015/16

| Project Name | Status | FEL Stage | Purpose | Progress |
|---|---|---|---|---|
| Ore Expansion Phase 2 Berth Construction | Existing | 2 | Expansion | FEL 2 study completed |
| Rig Repair Berth | Existing | 3 | Expansion | FEL 2 study completed |
| Extension to Mossgas Jetty (to 500m) | Existing | 2 | Expansion | FEL 2 in progress |
| Extension & Development of the General Maintenance Quay | Existing | 4 | Refurbish | Construction in progress |
| Upgrade to Road Leading to Mossgas Quay | Existing | 3 | Expansion | FEL 3 Completed |
| Port Logistics Park | New | 1 | Expansion | Concept Phase |
| Strategic Land Acquisition | Existing | 1 | Expansion | Land Parcels being identified |
| Reconfiguration of the Oil Jetty | New | 1 | Expansion | In concept phase |
| Electrical Refurbishment of the Oil Jetty | New | 1 | Replacement | In concept phase |
| Berthing Facilities for Marine Fleet | New | 2 | Safety | FEL 2 in progress |
| Provision of Infrastructure & Bulk Services for Lettable Land | Existing | 2 | Expansion | Stormwater Upgrade in FEL 3 |

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# Discussion

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# Thank You