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TNPA Port Consultative Committee (PCC)
Port of Saldanha
Quarter 3 Port Performance Report

Period October – December 2015

Presented on 20 January 2016

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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

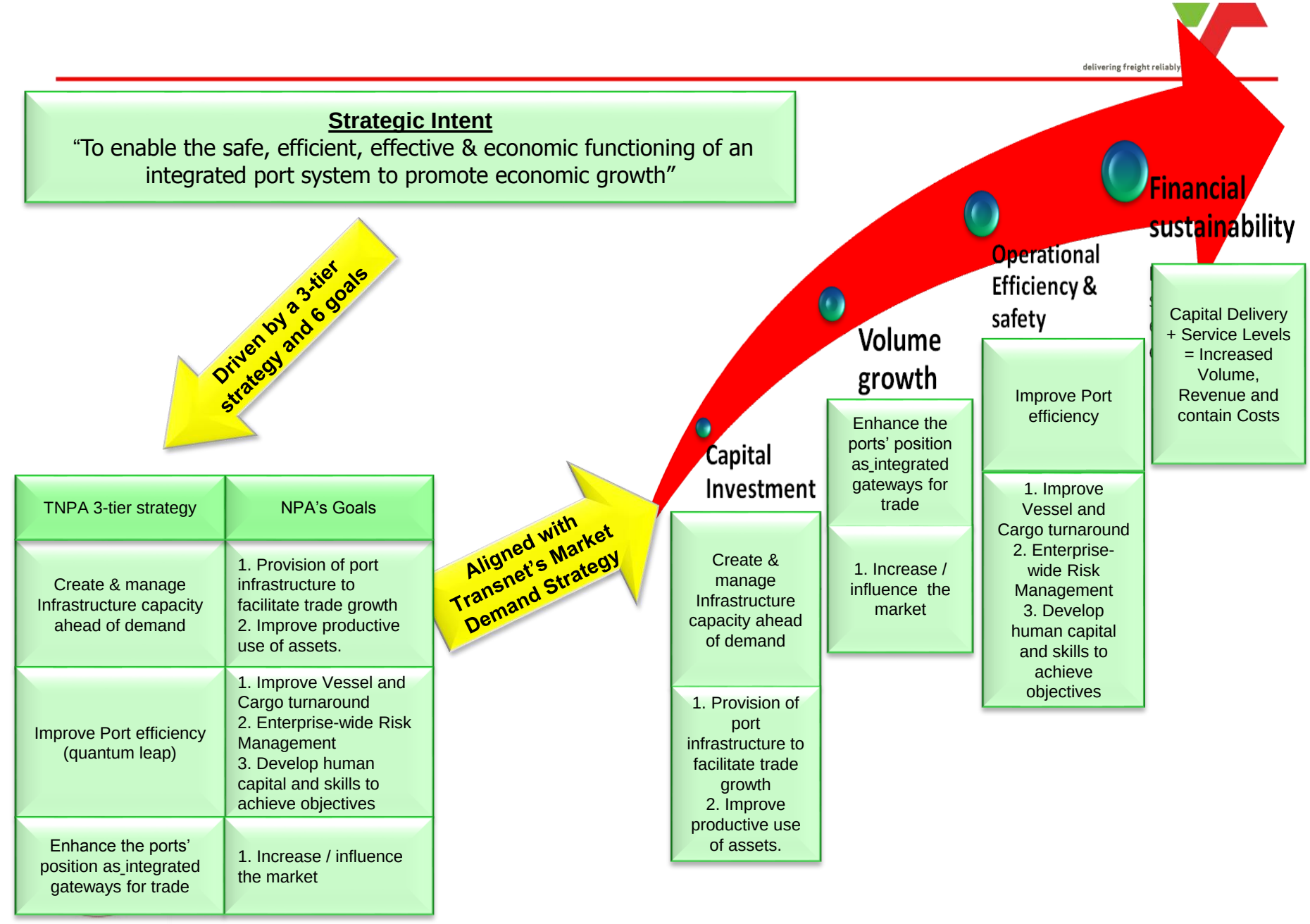
Strategic Intent

"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 2. Improve productive use of assets.
Improve Port efficiency (quantum leap)	1. Improve Vessel and Cargo turnaround 2. Enterprise-wide Risk Management 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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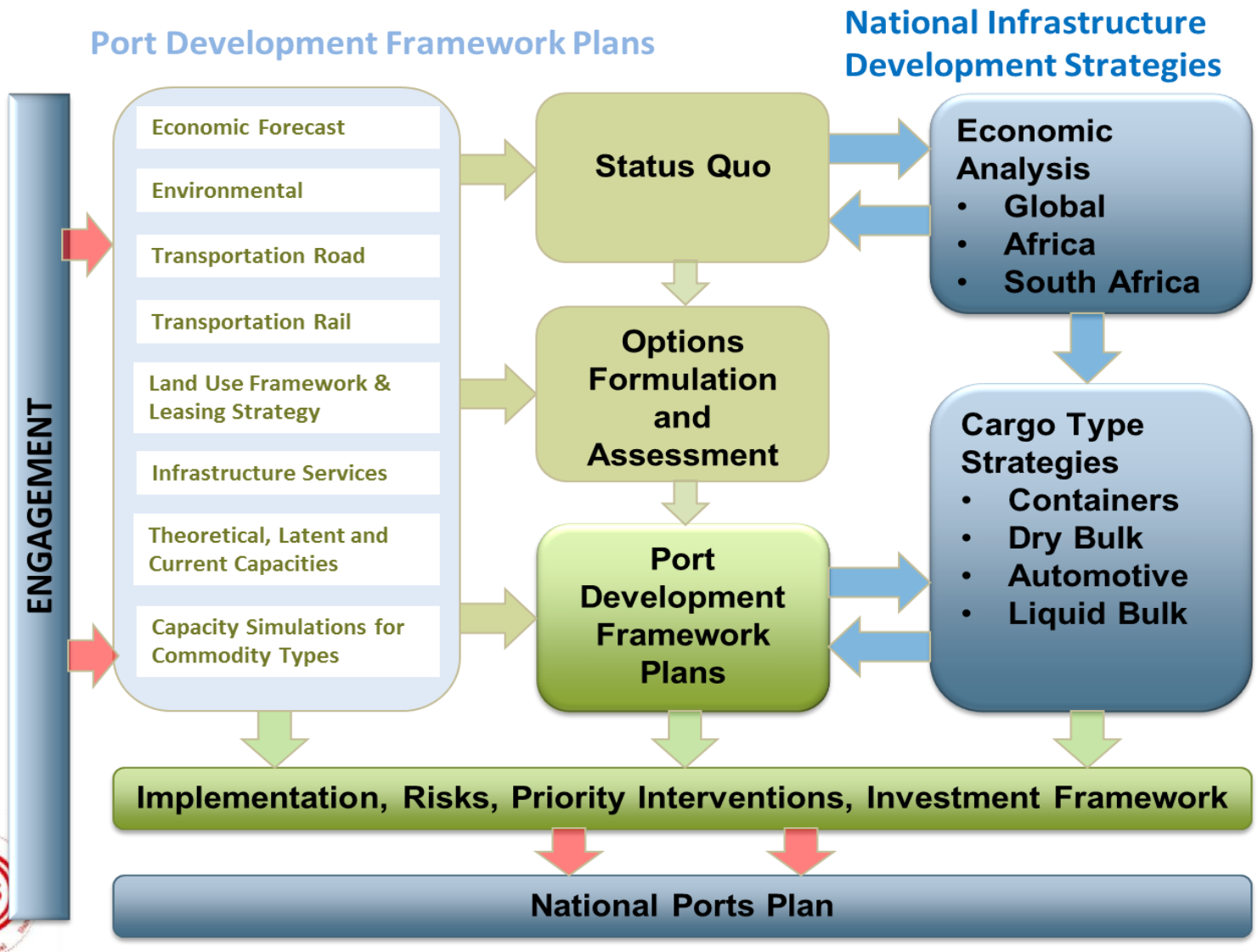
Port Development Framework Plans

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 **Maritime Engineering:** Navigation, Vessel size increase, Geotech, Ease of construction, Disruption **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. **Social Impacts:** Air quality, Visual, Recreational use access, Heritage Resources, Green Economy, Job creation.
Economic	**Phasing:** Option lends itself to phasing? **Capital Costs:** Land acquisition, Construction , Services infrastructure, Environmental offset. **Operating Costs:** Maintenance, Transportation, Congestion, and Environmental management. **Socio-economic benefit**
Legal/Statutory/Regulatory	**Land acquisition** **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. **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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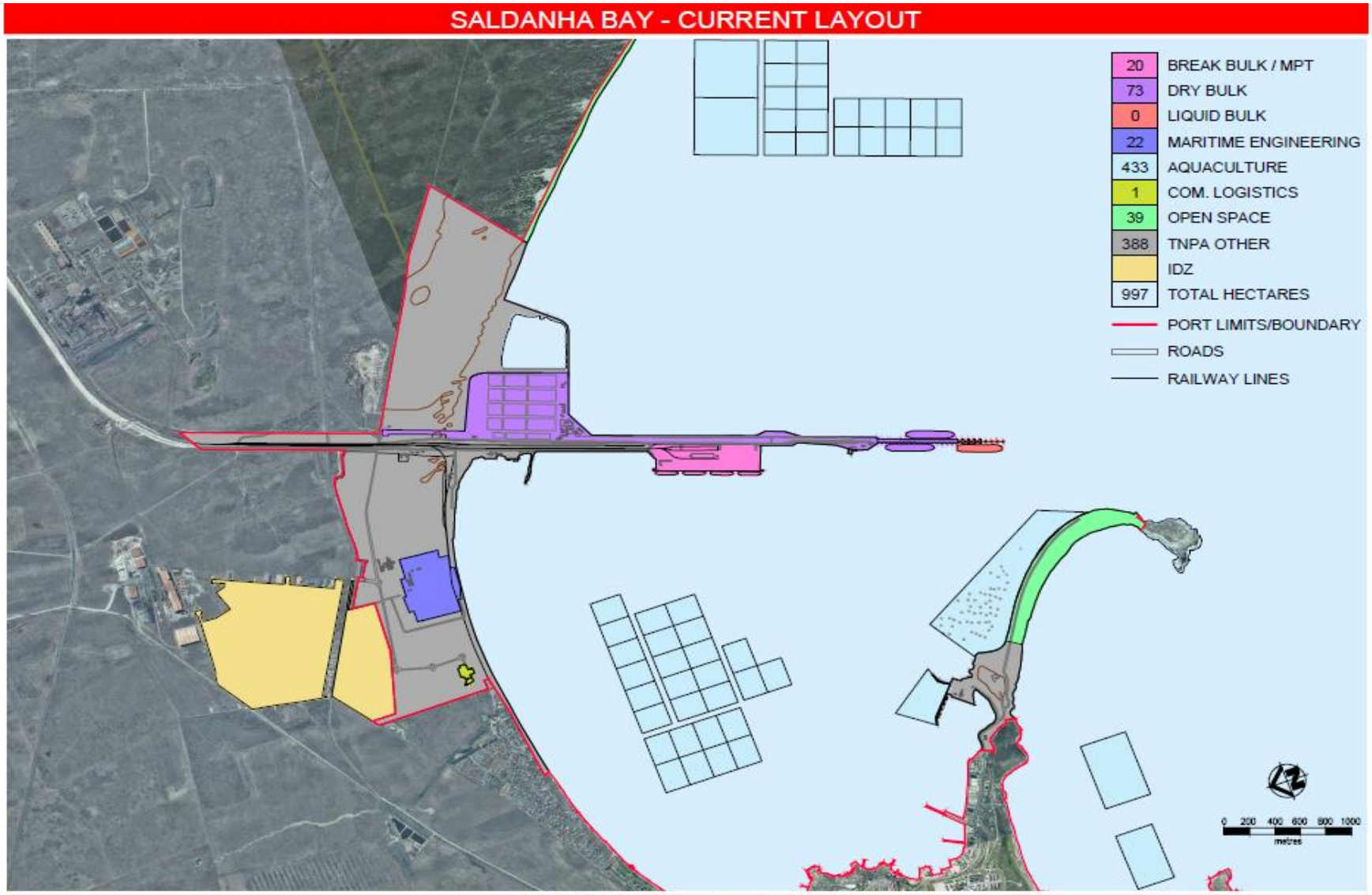
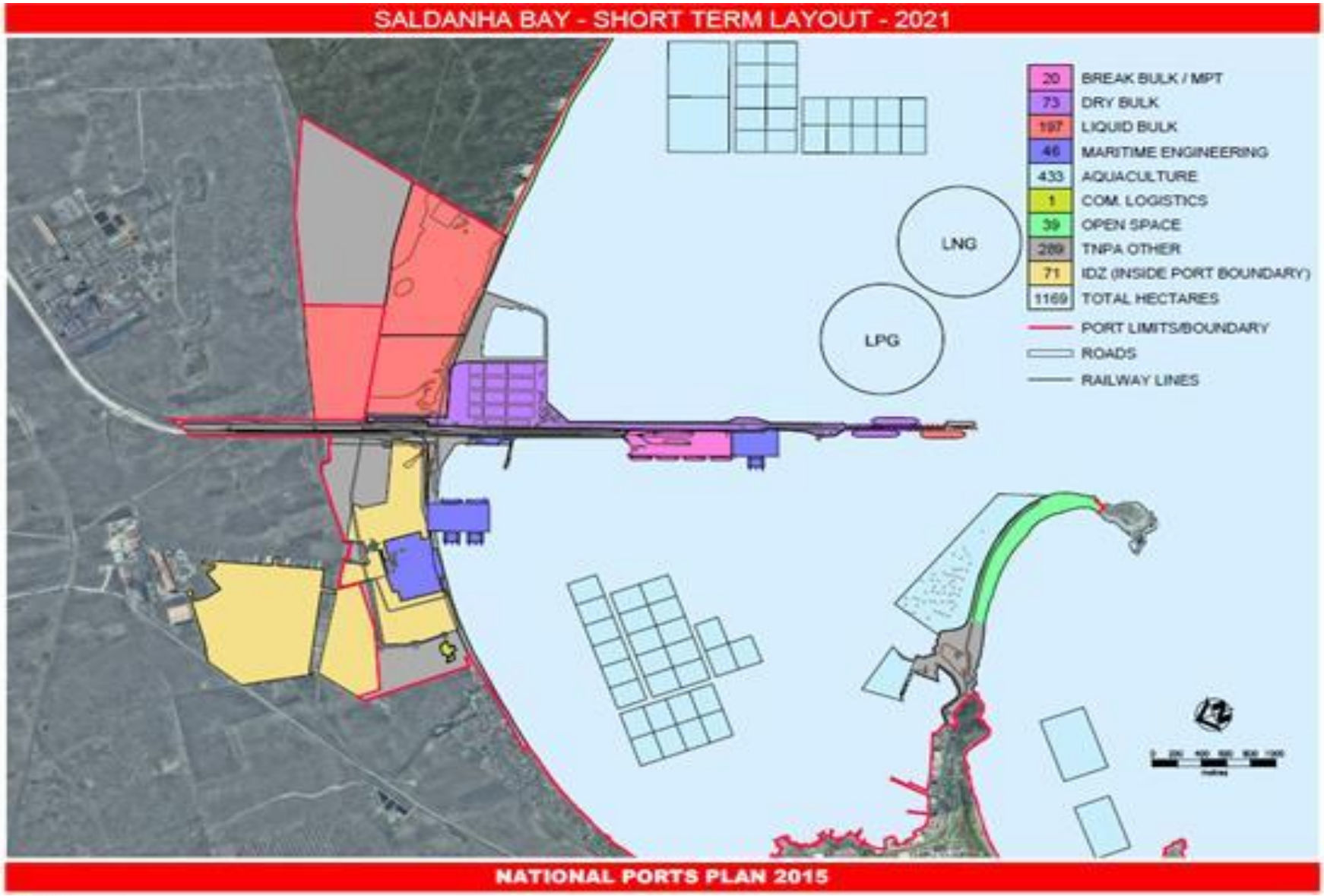


PDFP Port of Saldanha
Short Term Layout



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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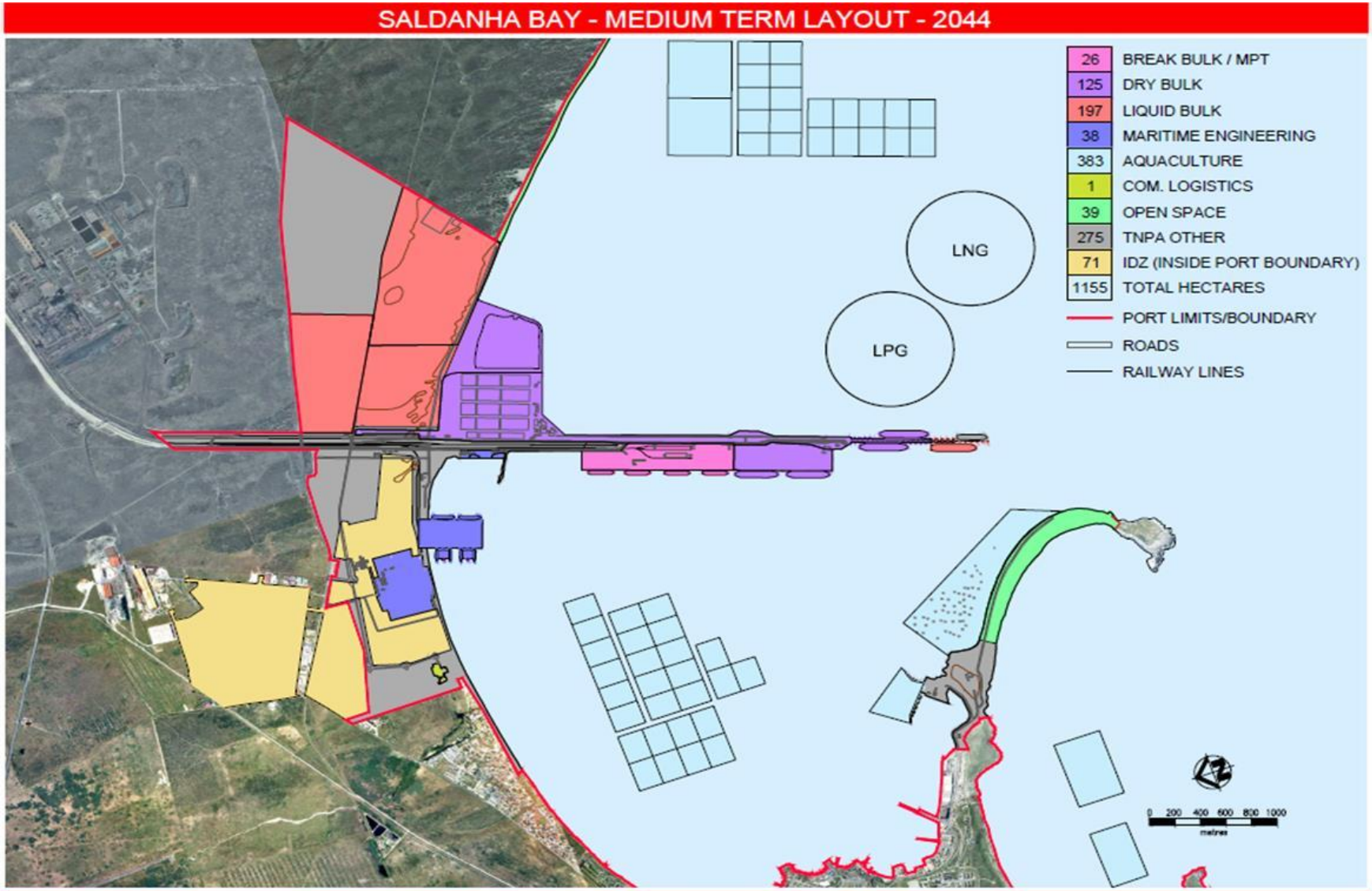
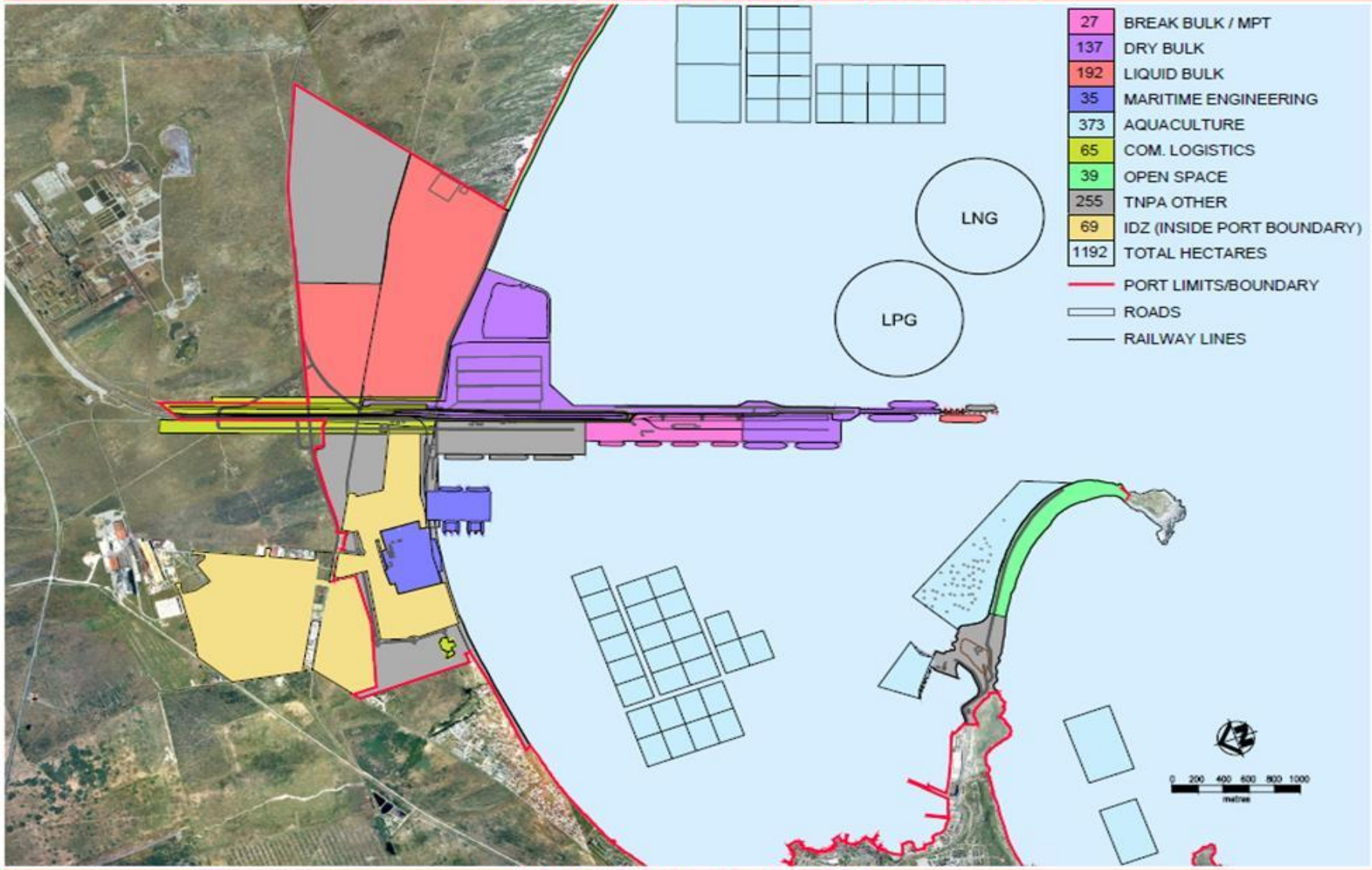


Port of Saldanha
Long Term Layout



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Operations Performance

OPERATIONAL PERFORMANCE

VOLUMES

Budget
Actual
Committed

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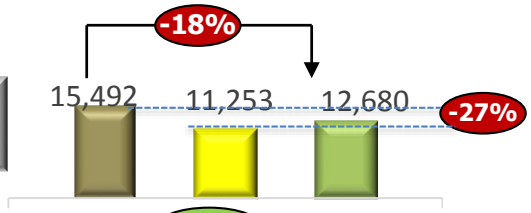
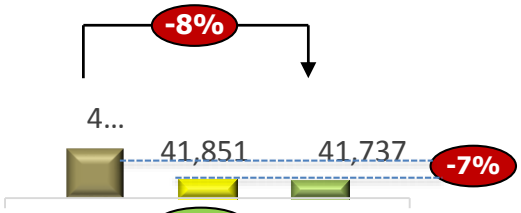
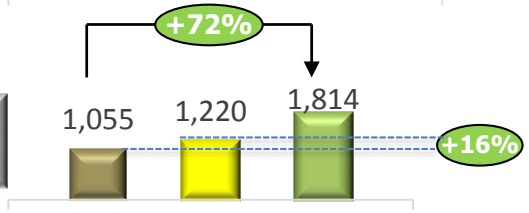
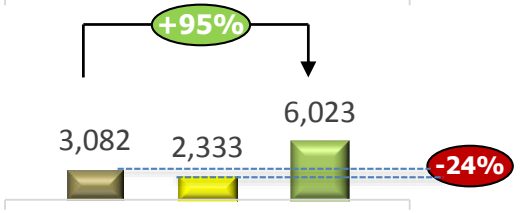
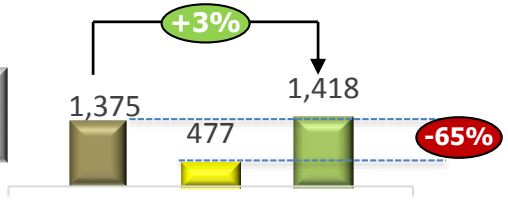
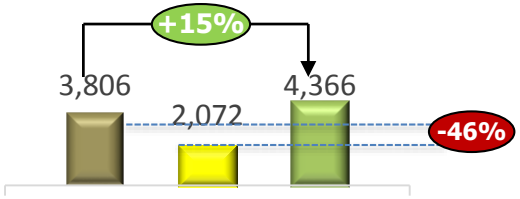
	Oct - Dec PERFORMANCE	YTD PERFORMANCE
Dry Bulk (Mn) (Tons)		
Break Bulk (Tons)		
Liquid Bulk (Kiloliters)		

Comments

Dry Bulk:
Iron Ore volumes reflect a negative deviation from Oct-Dec by 18% due to shutdown from 29 Sept to 6 Oct 2015, and YTD down by 8%. 74 vessels handled against the target of 90 for the quarter. The target on volumes was met in November, the negative performance of Oct and Dec contributed to the overall deviation on volumes for the quarter. Vessels carried low parcel size in Dec although 28 vessels handled against the target of 30 with a negative deviation of 885 000tons.
Market conditions negatively influence Iron Ore trading now at 68USD per metric ton compared to 128USD per metric ton a year ago.

Break-bulk :
Volumes are up from Oct-Dec by 72% and YTD BY 95%
Contributing commodities are mainly Iron Ore and Manganese. 52 vessels handled for the quarter against the target of 37 vessels which contributed to the positive deviation on volumes for the quarter.

YTD : 54 Iron Ore vessels or 2 990 262 tons of Iron Ore handled at MPT from April 2015. 37 Manganese vessels handled at 1 467 982 tons.

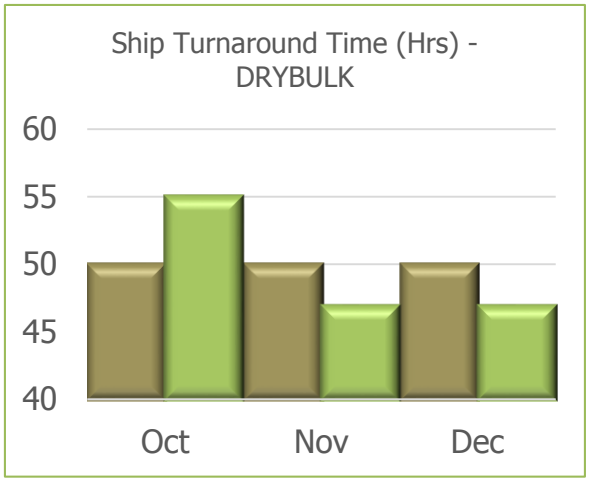
Liquid Bulk:
Volumes are up from Oct-Dec by 3%
2 Chevron Tankers were handled in Oct 2015, 1 unanticipated SFF Tank to Tank transfer contributed to the positive variance. Crude that was in tanks was sold to Chevron

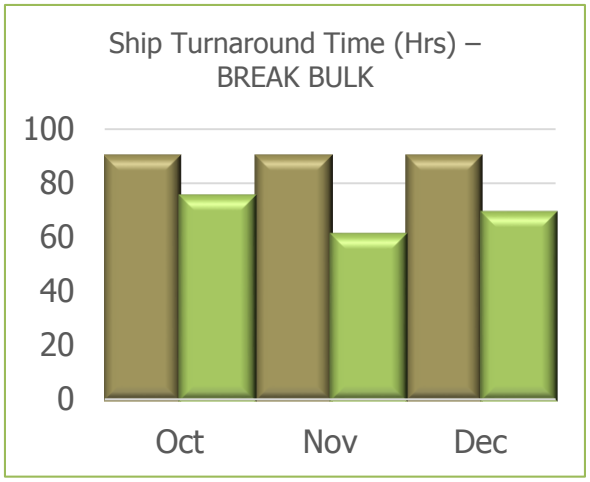
YTD up by 15% due SFF and Chevron handling more vessels than anticipated.
SFF has handled 10 vessels and Chevron 13 YTD.

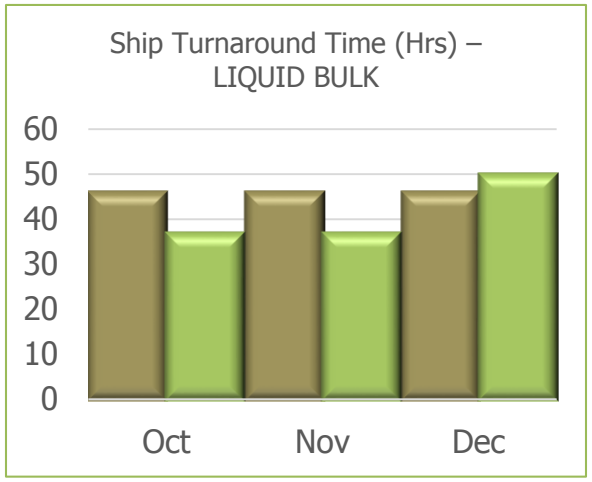
OPERATIONAL PERFORMANCE

SHIP TURNAROUND TIME

Budget
Actual

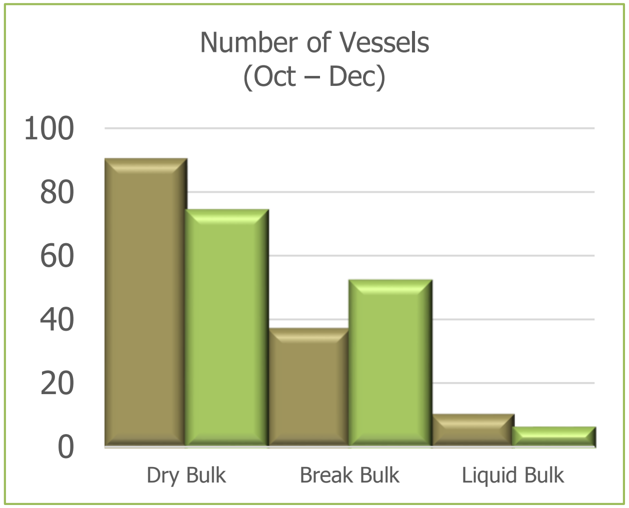


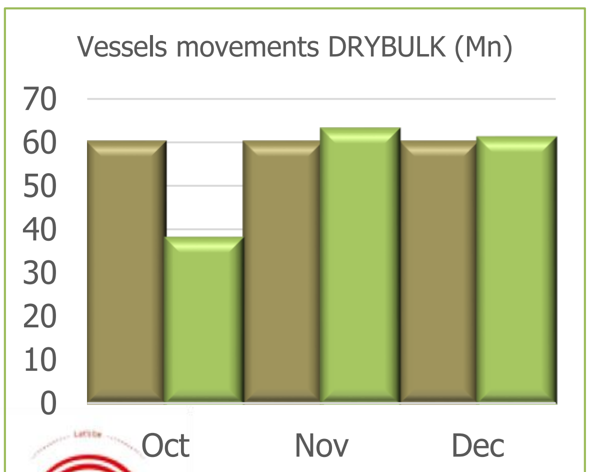


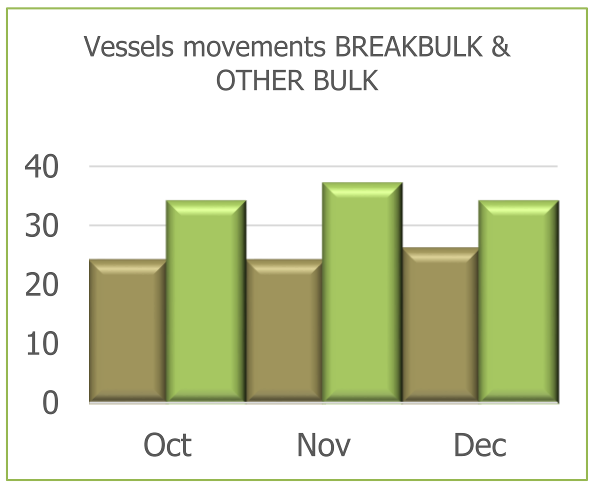


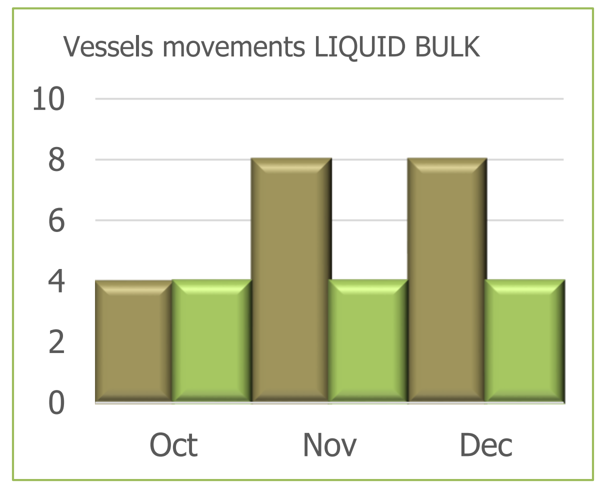
OPERATIONAL PERFORMANCE

MARINE





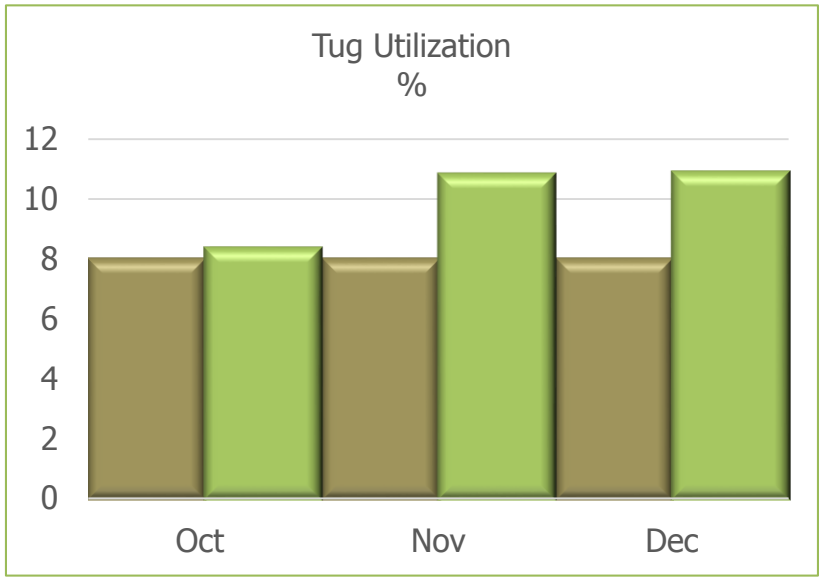


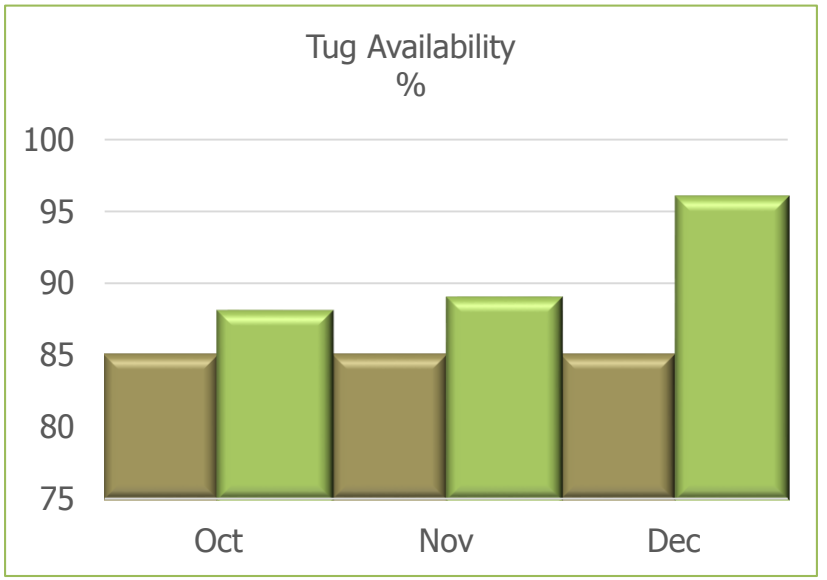


OPERATIONAL PERFORMANCE

MARINE

Budget
Actual





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TOPS PERFORMANCE

STRATEGIC FUEL FUND ASSOCIATION

TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:

STRATEGIC FUEL FUND ASSOCIATION

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

ASSESSMENT PERIOD: **From: 01 July 2015** **To: 30 September 2015**

PERFORMANCE MEASURE	INSTALLED NORM	ACTUAL TOPS YEAR 2	TARGET FOR TOPS YEAR 3 (ANNUAL)	TARGET FOR THE 1ST QUARTER	ACTUAL FOR THE 1ST QUARTER	% DEVIATION FOR THE 1ST QUARTER	SUMMARY REASONS FOR NON ACHIEVEMENT OF TOPS IN BULLETTED FORMAT (DETAILED REASONS TO BE SUPPLIED IN PART 2 OF THIS REPORT)
1. Terminal Berthing Delays	0 hrs	28:02 hrs	0 hrs	0 hrs	0 hrs		
2. Berth Productivity	Year 3	3 655 kl	4 500 kl	4 500 kl	3 912 kl/h		Vessel Front Loki took 68h52 min
3. Ship Working Hour	7 000 kl/h	6 247 kl/h	6 000 kl/h	6 000 kl/h	4 812 kl/h		Vessel Front Loki took 60h12 min
4. Terminal Throughput	6 711 600 kl	2 963 776 kl	4 997 000 kl	1 249 250 kl	2 035 576 kl		

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TOPS PERFORMANCE

SALDANHA DRY BULK (IRON ORE) TERMINAL

TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:

SALDANHA DRY BULK (IRON ORE) TERMINAL

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

ASSESSMENT PERIOD: **From: 01 July 2015** **To: 30 September 2015**

PERFORMANCE MEASURE		INSTALLED NORM	ACTUAL TOPS YEAR 2	TARGET FOR TOPS YEAR 3 (ANNUAL)	TARGET FOR THE 1ST QUARTER	ACTUAL FOR THE 1ST QUARTER	% DEVIATION FOR THE 1ST 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 hrs	0 hrs	0 hrs	0 hrs	0 hrs	0%	Target Achieved
2. Berth Productivity		5677 tons/h	3809 tons/h	3880 tons/h	3880 tons/h	3788 tons/h	-2%	Product Shortage; Shut down 105
3. Ship Working Hour	Single loading	7096 tons/h	5642 tons/h	6800 tons/h	4400 tons/h	6026 tons/h	37%	Target Achieved
	Dual loading		8514 tons/h t/h		7800 tons/h	8178 tons/h	5%	Target Achieved
4. Rail Turnaround Time		6 hrs	6 hrs	6 hrs	6 hrs	5.25 hrs	13%	Target Achieved
5. Cargo Dwell Time		48 days	24 days	27 days	27 days	23 days	15%	Target Achieved
6. Terminal Throughput		60 000 000 tons	14 735 254 tons	58 500 000 tons	13 850 975 tons	13 989 905 tons	1%	Target Achieved

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TOPS PERFORMANCE

SALDANHA MULTI -PURPOSE TERMINAL

TERMINAL OPERATOR PERFORMANCE STANDARDS (TOPS) REPORT FOR:
SALDANHA MULTI- PURPOSE TERMINAL

LICENCE NUMBER: TOL/SB/03
ASSESSMENT PERIOD: From: 01 July 2015 To: 30 September 2015

PERFORMANCE MEASURE		INSTALLED NORM	ACTUAL TOPS YEAR 2	TARGET FOR TOPS YEAR 3 (ANNUAL)	TARGET FOR THE 1ST QUARTER	ACTUAL FOR THE 1ST QUARTER	% DEVIATION FOR THE 1ST 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 hrs	21.9 hrs	0 hrs	0 hrs	0 hrs	0%	Target Achieved
2. Berth Productivity		331 tons/h	Not measured	203 tons/h	203 tons/h	375 tons/h	85%	Target Achieved
3. Ship Working Hour	Single loading	414 tons/h	295 tons/h	254 tons/h	254 tons/h	405 tons/h		Target Achieved
	Dual loading			198 tons/h	198 tons/h			Terminal does not measure dry and break bulk rates separately.
4. Truck Turnaround Time		30 min	31 min	30 min	30 min	73 min	143%	Equipment breakdowns created operational delays. In some instances the terminal did direct loading (vessels are loaded directly from the trucks) which takes longer as the truck has a longer travel distance. In other instances trucks were offloaded via forklifts –pre assembly.
5. Rail Turnaround Time		13 hrs	15.65 hrs	13 hrs	13 hrs	10.7 hrs	18%	Target Achieved
6. Cargo Dwell Time	Dry Bulk	20 days	17.5 days	28 days	28 days	24 days	14%	Target Achieved
	Break Bulk	20 days	20.3 days	N/A *	N/A *	N/A *	N/A *	Only Manganese is currently stored at terminal
7. Terminal Throughput		4 255 503 tons	1 837 276 tons	5 4000 000 tons	1 350 000 tons	1 541 602 tons	14%	Target Achieved

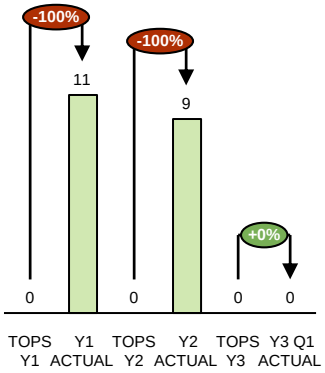
MDS

Transnet National Ports Authority

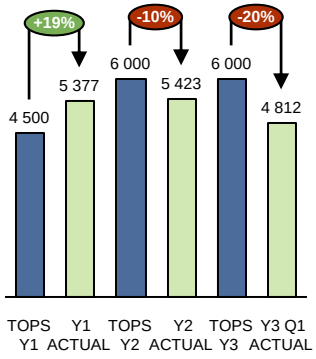
TOPS PERFORMANCE – STRATEGIC FUEL FUND TOL/SB/01

Target
Actual

Terminal Berthing Delays (Hours)



Ship Working Hour (Kl/hour)

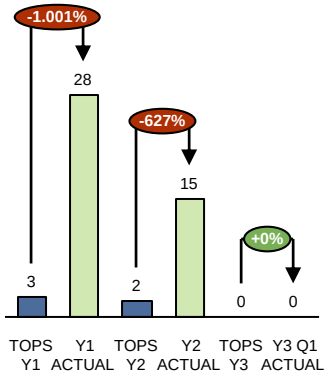


Comments:

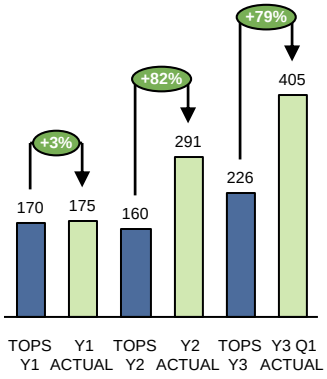
The terminal is not performing well regarding the SWH, this depends on the vessels pump rates.

TOPS PERFORMANCE – MULTI PURPOSE TERMINAL TOL/SB/03

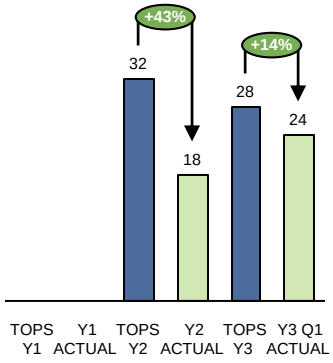
Terminal Berthing Delays (Hours)



Ship Working Hour (Tons/hour)



Cargo Dwell Time (Days)



Comments:

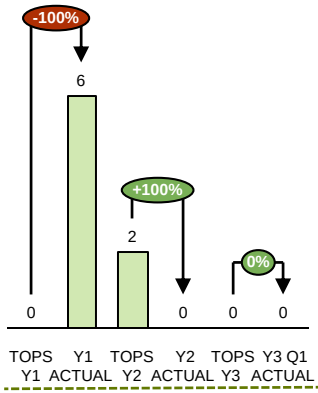
The terminal is performing well against the targets in all the categories.

Transnet National Ports Authority

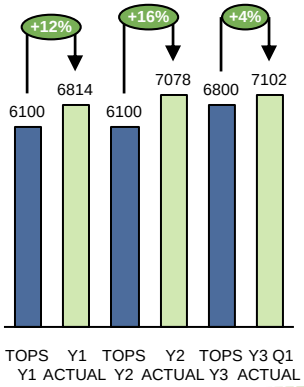
TOPS PERFORMANCE – IRON ORE TERMINAL

Target
Actual

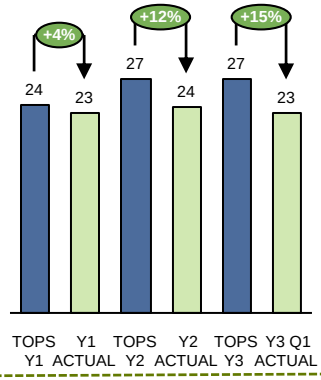
Terminal Berthing Delays (Hours)



Ship Working Hour (Tons/hour)



Cargo Dwell Time (Days)



Comments:

The terminal is performing well against the targets in all the categories.

MOPS PERFORMANCE

MOPS Summary Report

Report Date: 14 Jan 2016 09:20
Comments:

Port of Saldanha

Period: 26 Sep 2015 00:01 to 25 Dec 2015 23:59

Number of days	91.0

Slots	
Available	728
Efficiency	98%
Utilisation	40%

Adherence to Schedule		
Performance Measure	**% Adherence**	**# Vessels**
Marine Services	100%	283
Vessel	99%	282
Terminal	99%	281

Vessel Services			
Performance Measure	**# Vessels**	**% Serviced**	**Deviation**
Confirmed	289		
Serviced	283		
Serviced on Schedule	273	96%	
Serviced after Schedule	10	4%	
Marine Delay	0	0%	0:00
Vessel Delay	1	0%	6:24
Terminal Delay	2	1%	13:36
Weather Delay	7	2%	59:54

Dry Bulk:

- 5 vessels delayed due to weather, (2 vessels delayed due to fog, 2 vessels delayed due to wind, 1 vessel experienced high swells).
- 2 vessel experienced terminal delay (Ship loader obstruction).

Break Bulk:

- 2 vessels delayed due to weather, (wind).
- 1 vessel could not sail it was waiting for radio equipment.

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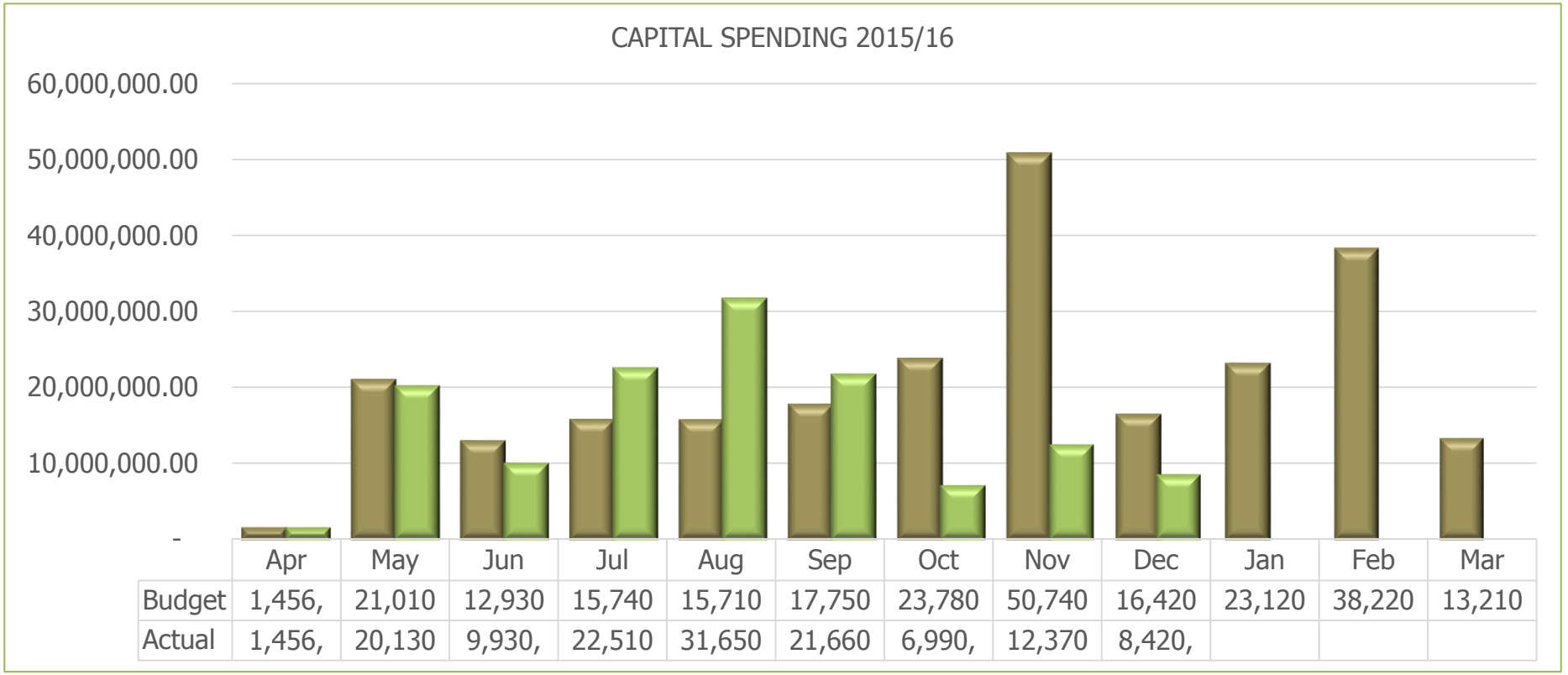
Approved Capital Program 2015/16

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	6,990,	12,370	8,420,			

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