

The background of the slide is a photograph of a port at night. It shows several large yellow and white shipping containers stacked on a ship's deck. In the foreground, there are orange and yellow port vehicles, including a truck with a yellow container labeled "m sc" and another with "TRANSNET" on its side. The scene is illuminated by bright port lights, and a large blue gantry crane is visible in the background.

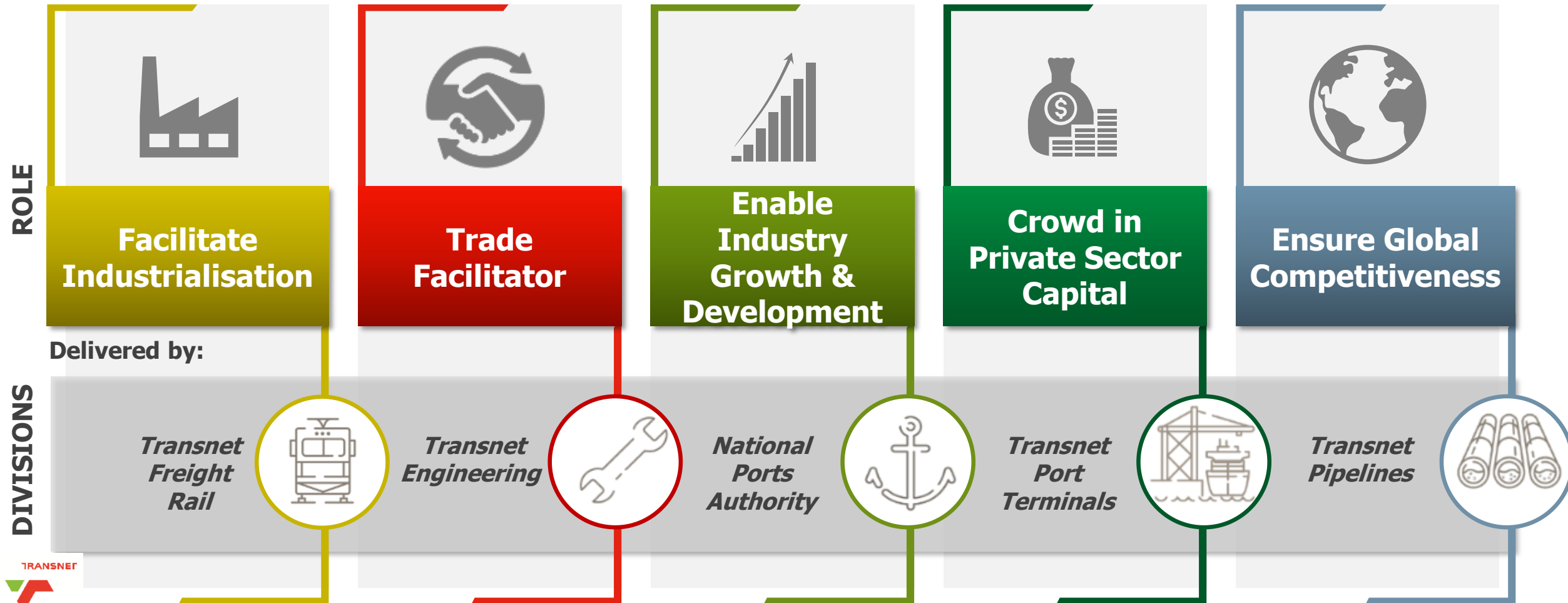
CITRUS GROWERS' ASSOCIATION SUMMIT

TRANSNET'S VISION TO SUPPORT INDUSTRY GROWTH

Presentation By: Portia Derby, Group Chief Executive

15 MARCH 2023

The role of Transnet in South Africa is critical in enabling SA's transport intensive economy and overall economic activity



Strengthening all components in the supply chain is required to create an efficient logistics network for citrus (perishable) exports



Harvesting



Pre-cooling



Pack
house



Cold
storage



Rail
transport



Cold
storage



Container
terminal



Ship

— Areas of focus in the supply chain — New Capability/Capacity shortfall — Performance & Capacity Gap vs. demand — Absence of capacity & commercially viable solution

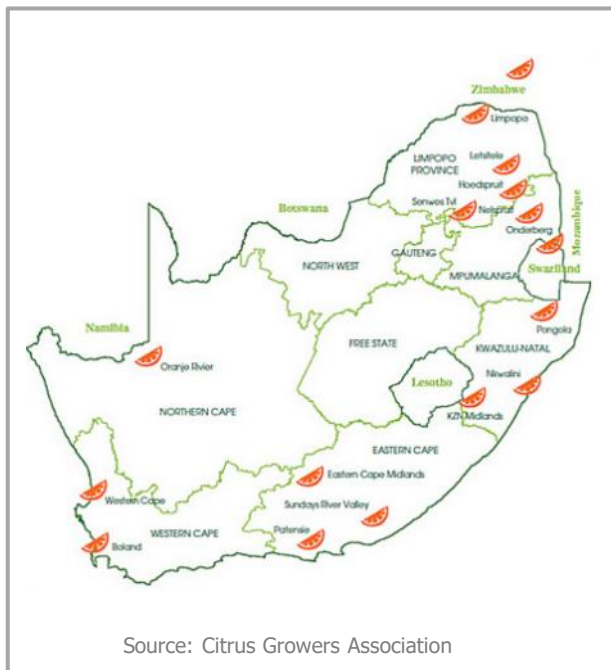
WHAT IS REQUIRED:

- **Mandatory cold treatment processes** and **precooling** steps for specific periods prior to exportation
- **Rail-linked inland terminals** with **cold storage capacity** (origin & destination)
- **Reefer capacity** in the rail and port
- **Integrated ICT solutions** to maintain cold chain integrity

CGA's Scorecard of Transnet Highlights Areas of Improvement to Strengthen the Value Chain



PERFORMANCE SCORECARD: Aug.2022

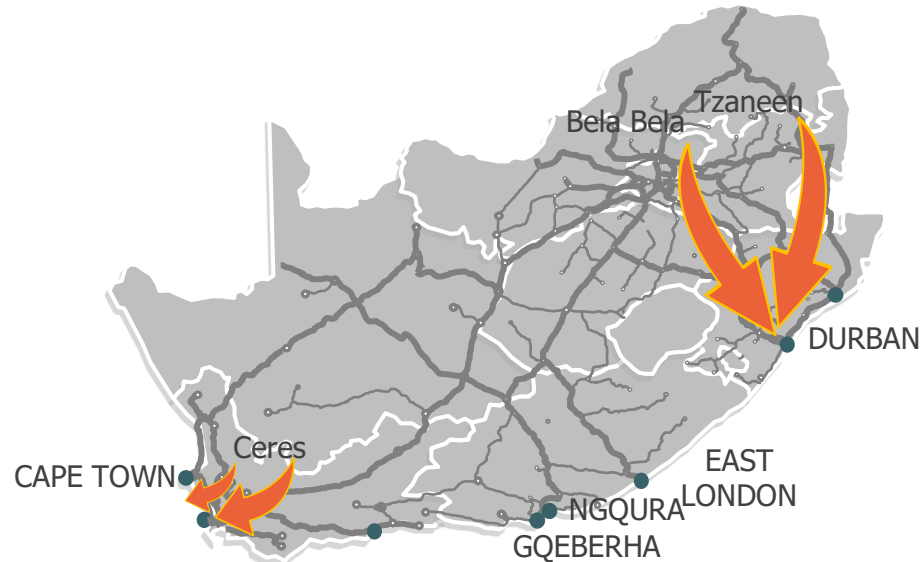


Cape Town Container Terminal			<p>Terminals regarded as 'working well' in areas of planning, communication, operations, recovery, etc.</p>
Ngqura Container Terminal			
Port Elizabeth Container Terminal			
Durban Container Terminal – Pier 1 & 2			Truck delays
Rail			Absence of viable rail solutions impede ability to reduce reliance on road

Port and Rail Reefer Volumes



REEFER RAIL FLOWS



PORT VOLUMES (TEU, 2021/22)

Landed, Shipped, Tranships

CAPE TOWN MPT: 19 885
DURBAN POINT: 16 691

TOTAL: 500 392

188 367



CAPE TOWN

27 090



GQEBERHA

59 918



NGQURA

137 702



PIER 2

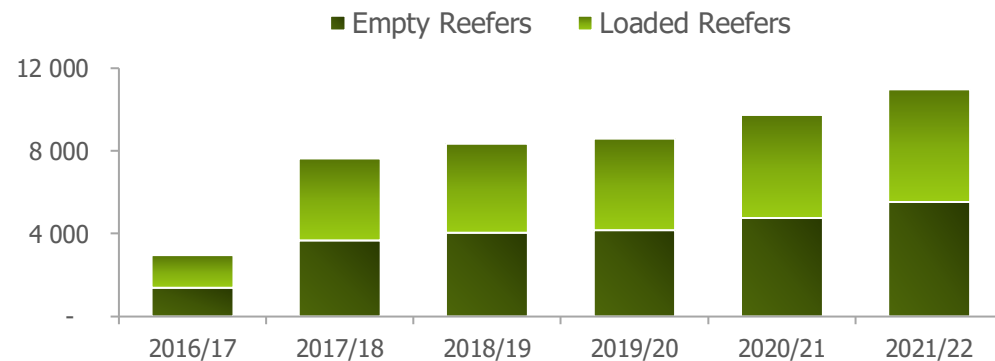
DURBAN

50 724

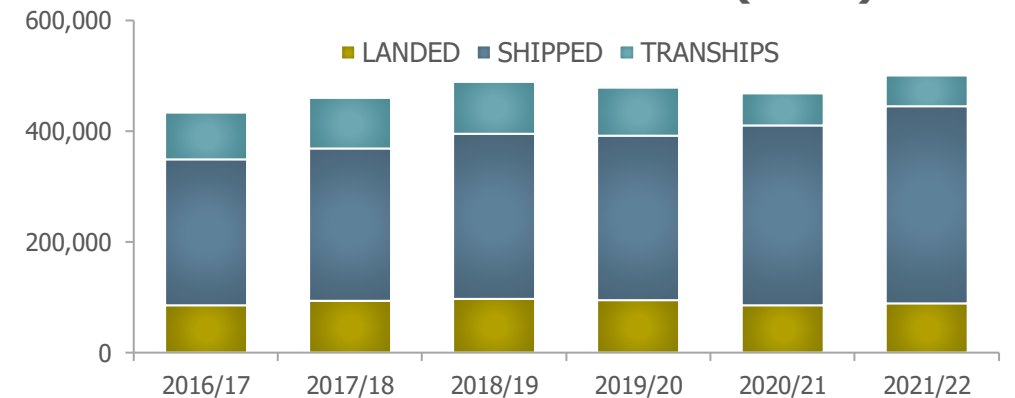


PIER 1

REEFER RAIL VOLUMES (TEUs)



REEFER PORT VOLUMES (TEUs)



Locomotives Availability

1064 CONTRACTED QUANTITIES

OEM	LOCO TYPE	QUANTITY	DELIVERED	OUTSTANDING
CSR	22E	359	260	99
BT/ALSTOM	23E	240	90	150
WABTEC (GE)	44D	233	233	0
CNR	45D	232	22	Cancel

NEW GENERATION LOCOS <12 YEARS

OEM	QUANTITY
CRRC	477 (20E, 21E & 22E =455) (D45 =22)
WABTEC (GE)	436 (D43 x 203 & D44 x 233)
BT/ALSTOM	90 (23E)
TOSHIBA	176 (19E & 15E)
TOTAL	1179



*Note: 260 x 22E delivered to date up to contract suspension. A further 5 x 23E expected before the close of the financial year

TOTAL LOCOS

TOTAL FLEET	1895
LONG STANDING (As of 27 February 2023)	353
AVAILABLE	1542

Wabtec: 43D x 51; 44D x 65 = **116**

CNR: 45D x 17 = **17**

Mitsui: 15E x 6; 19E x 30 = **36**

CRRC: 20E x 51; 21E x 27; 22E x 96 = **174**

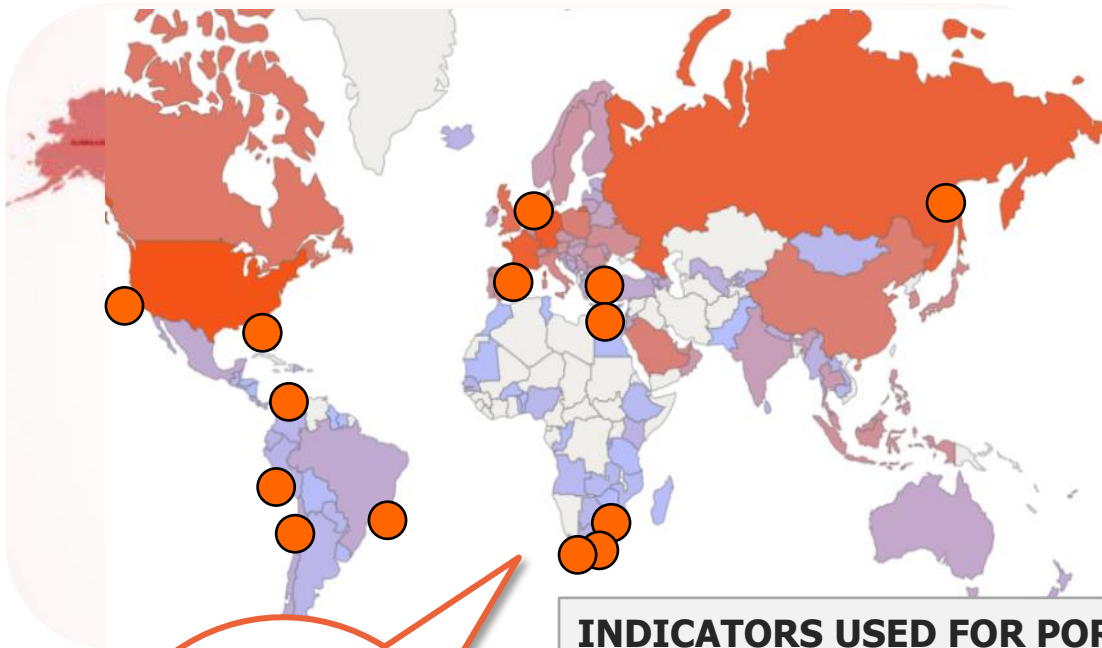
BT/Alstom: 23E x 10 = **10**

*Note: Legacy fleet is unreliable = 722

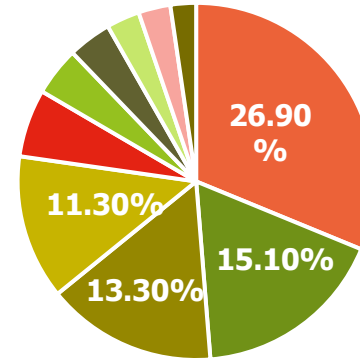
- A tender for the repairs of long-standing locomotives was issued on the 19th of January 2023. Tender to close on 14th April 2023
- A tender for a step-in OEM for the CRRC locomotives was issued on the 23rd of January 2023. The tender to close on 2nd May 2023.

Benchmarking of Global Reefer Ports guides further areas of value chain improvement to meet future demand

INTERNATIONAL REEFER PORTS



GLOBAL SHARE OF ORANGE SALES (USD)



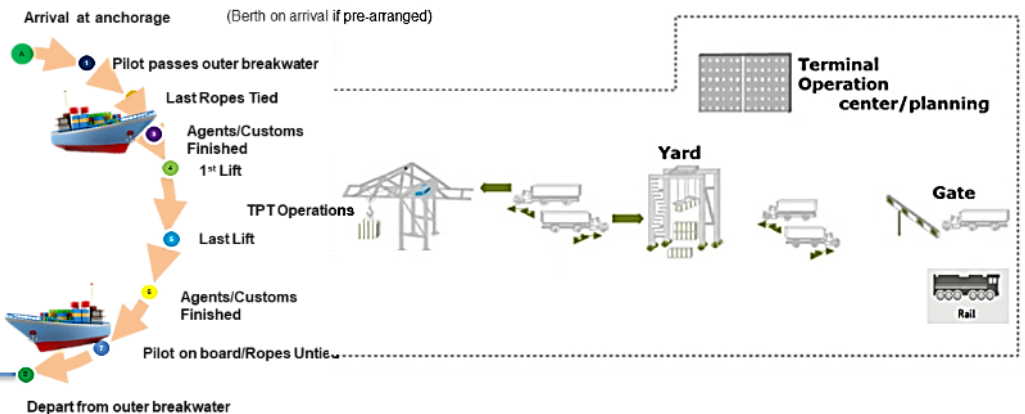
Spain
Egypt
Netherlands
Greece
South Africa
United States
Australia
China

WORLD BANK RANKING: CONTAINER TERMINALS (2021)

Country	Ranking
Spain, Valencia	200
Brazil, Santos	135
United States, Miami	40
Turkey, Izmir	245
Egypt, Alexandria	281
Netherlands, Rotterdam	302
South Africa, Durban	363





INDICATORS USED FOR PORT RANKINGS:

Time ships are waiting at outer anchorage	TNPA
Time to bring ship in to berth	TNPA
Operating time of ship	TPT
Time to take ship past breakwater	TNPA

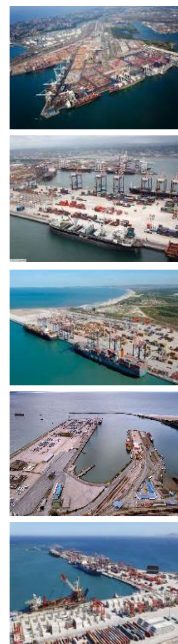


Transnet is undertaking a number of initiatives to ensure it is globally competitive



Key Port Rankings Indicators		Transnet Initiatives	Operating Division
	Operating time of ship	<ol style="list-style-type: none"> Investment to increase capacity: Ship-to-shore Cranes; Rubber-tyred Gantry Cranes; Ancillary equipment and Plug points. Transnet engages with CGA to plan for capacity in collaboration. Resources to increase capacity: Gangs to ramp up, esp. during peak (using contract employees to handle the fluctuation for peak) Processes: Receiving containers in most optimal manner to promote cost effective and prompt turnaround of reefers via improved planning; improved communications and reducing turnaround times. 	TPT
	Time ships are waiting at outer anchorage	<ol style="list-style-type: none"> Procurement of three 3 new tugs: Tender Award = 31 Mar 2023; Commissioning = 31 Mar 2026 Procurement of five 5 secondhand tugs: Delivery by August 2023 Repair out of commission tugs: Delivery by August 2023 Terminal Operators (TOPS) Directive implementation inclusive of Incentive/Penalty Model: Delivery by March 2024 Dynamic Ship Turnaround across the port system – Management & embedding: Delivery by March 2024 	TNPA
	Time to bring ship in to berth		
	Time to take ship past breakwater		

TPT Equipment Investment Plan



EQUIPMENT	TOTAL	PLAN	STATUS	DELIVERY
STS Cranes	5	PECT: 1 DCT Pier2: 4 (SQ)	Bid evaluation Business Case	2024 2025/2026
Straddle Carriers	47	DCT Pier2: 35 PECT: 12	Business Case Approval Business Case Approval	2024/2025 2025/2026
RTGs	44	DCT Pier1: 16 CTCT: 28	Business Case Approval	2024 to 2026
Haulers/Trailer	144	EC & WC: 97 Haulers CTCT: 47 Trailers	Final Award approval Delivery	2023/2024 2022/2023

CHALLENGES



- 1. Procurement delays** related to equipment, spares and other key goods and services
- 2. Technical, Engineering and Project Management skills**

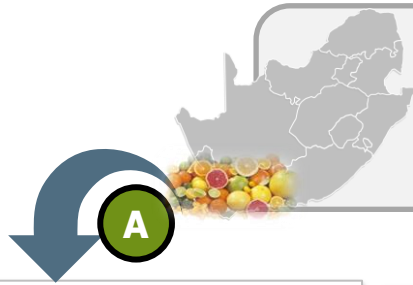


MITIGATIONS

- 1. Collaboration with Port Equipment OEMs to shorten lead times of parts & services** (RFP close 31 March 2023; Contract award August 2023)
- Enhanced **Development Training Programmes**
- Projects at TPT to be implemented on a turnkey basis

Port of Cape Town

Expansions Supporting the Container (Reefer) Sector



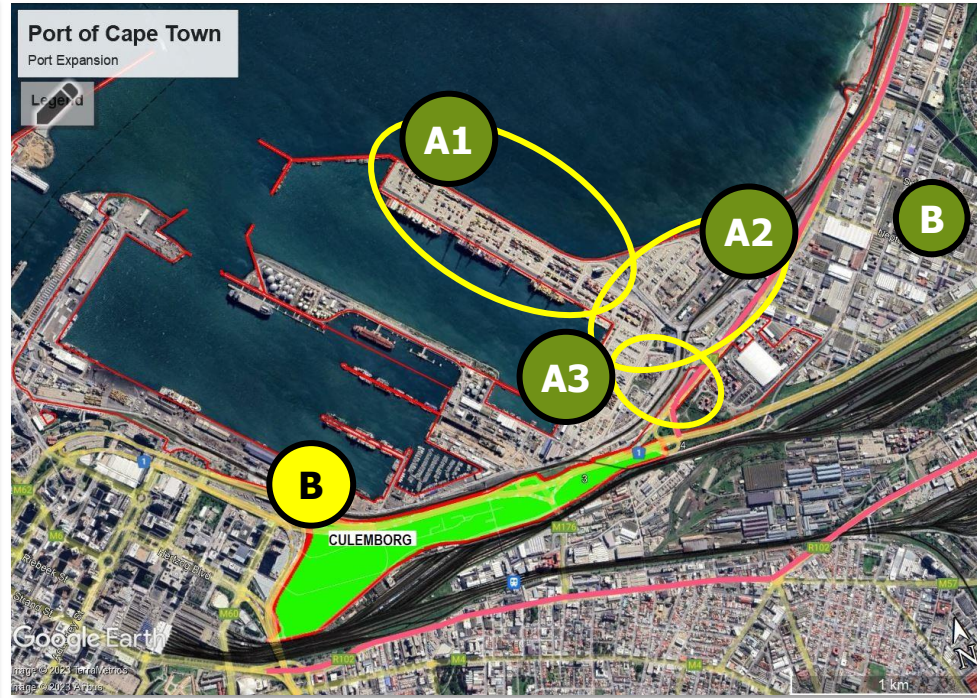
Positioning the Port of Cape Town as THE Premium Fruit Export & Agricultural Hub

Key to future sustainability of Port of Cape Town and its positioning as Reefer Platform

INCREASE CTCT TERMINAL CAPACITY

(1.0M TO 1.4M TEUS)

1. Container stack upgrade
2. Rail infrastructure upgrade
3. Truck staging area & automation



CULEMBORG PRECINCT

BACK OF PORT LOGISTICS PARK

Culemborg precinct development (46ha) earmarked for **Cool Port services**:

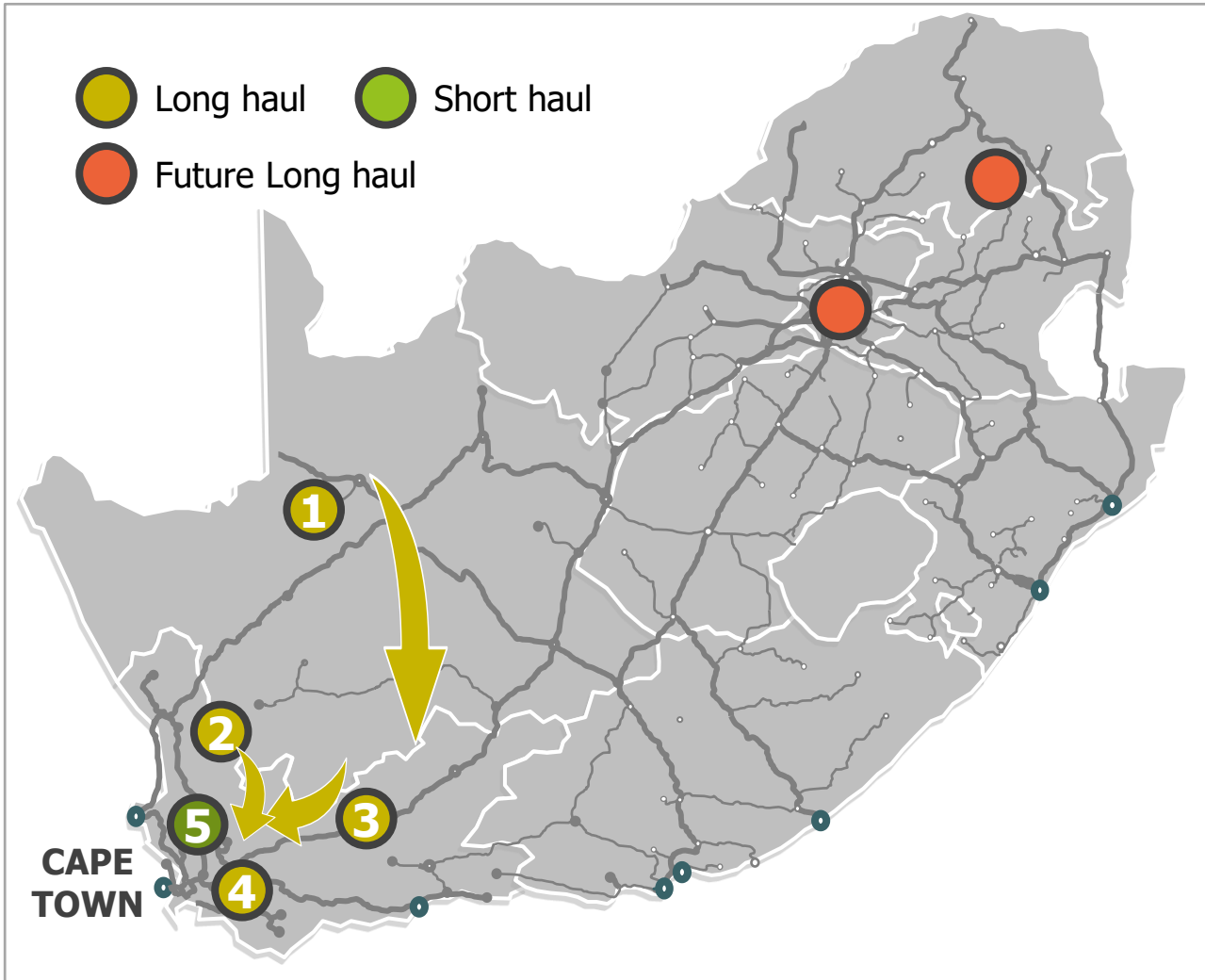
- **Value Added Logistics**
 - * Inventory Management
 - * Distribution centre
 - * Warehousing & cold storage
- **Maintenance and repair:**
 - * Containers and Reefer units
 - * Other related services

Feasibility Study

Completion 10/2023

Entrenching Rail in the Value Chain

TFR Western Region Hinterland Terminal Development for Reefers



1. Development of mothballed and under utilized TFR Rail Terminals i.e. 1) Kakamas; 2) Klawer; 3) Orchard; 4) Elgin; 5) Belcon for short and long haul of reefers
2. Creating value and reducing direct and indirect cost through supply chain integration

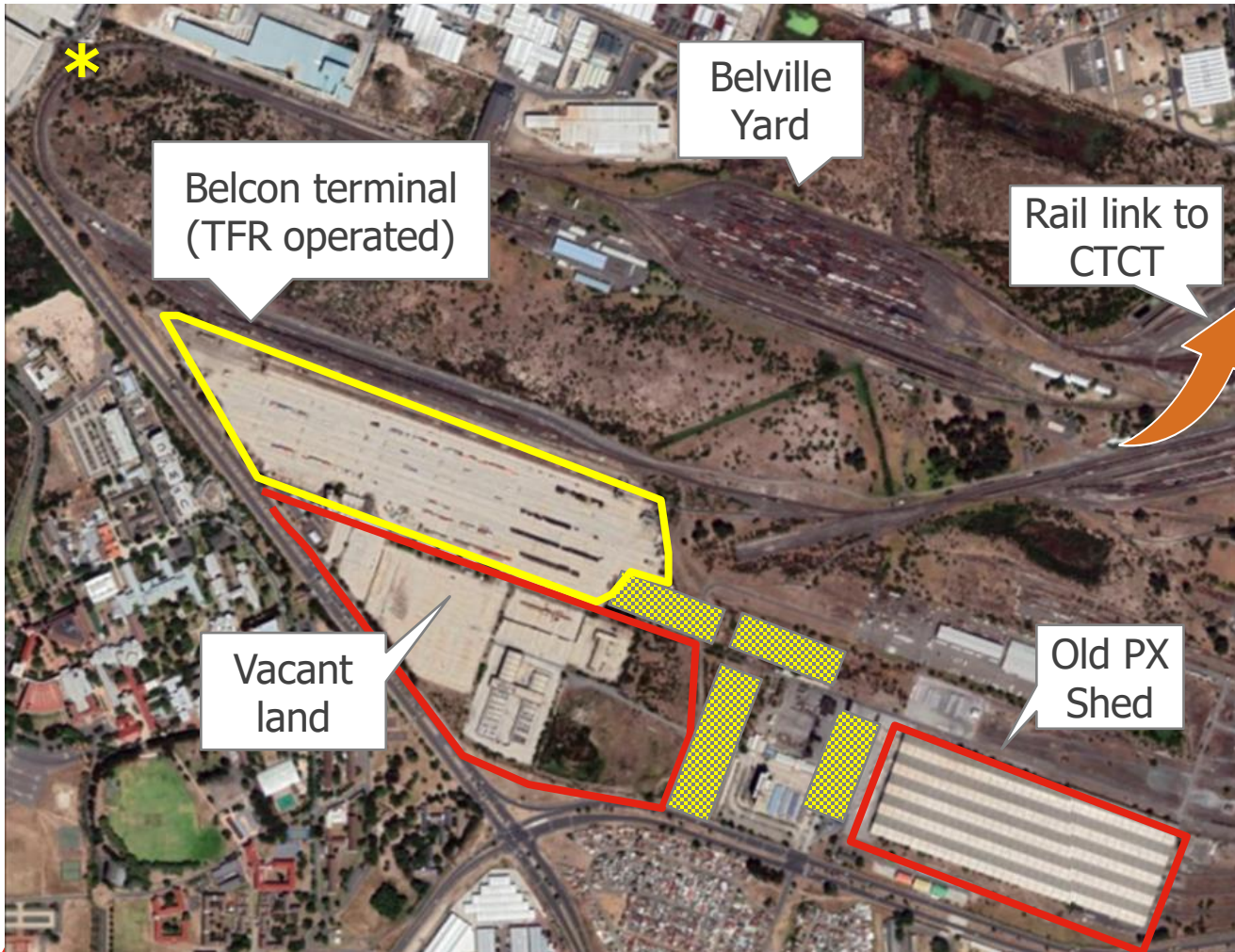
Value Add

- Terminals have a direct rail link to the Port of Cape Town
- Improve TFR asset & infrastructure utilization
- Reduce port congestion by improving traffic flow to the Port of Cape Town
- Reduce road congestion and deterioration by removing trucks from the road
- Reduce supply chain cost

Entrenching Rail in the Value Chain

Belcon Precinct Value Proposition

BELCON PRECINCT



RAIL INITIATIVES

- **Extend CTCT reefer stack** to Belcon and increase port shuttle capacity
- Develop **vacant land** to offer Warehousing; Cold storage; Reefer capacity (plug points) and Container depots
- Develop **truck staging** areas to decongest Robert Sobukwe
- Construct **additional access road** from Kasselsvlei to ease traffic flow

COLLABORATE WITH
CITY OF CAPE TOWN

Entrenching Rail in the Value Chain

Belcon 'Reefer Stack' and Shuttle Overview



EXTENDING THE CTCT STACK



TERMINAL CAPACITY: 24X7 WORKING

Element	Current	24x7
# of wagons	50 wagons	
Stacking height	2X(F); 4X(E)	4X(F); 6X(E)
Ground slots	800 full; 400 empty	
Stacking (TEU)	1 600 Full	3 200 Full
Shuttle (TEU p/a)	96 000	201 600
Operations	06:00 - 22:30 X 5 days p/w	24X7

SUPPORTING THE 2022/23 REEFER SEASON



02/11/2022: First reefer shuttle departing for CTCT export season

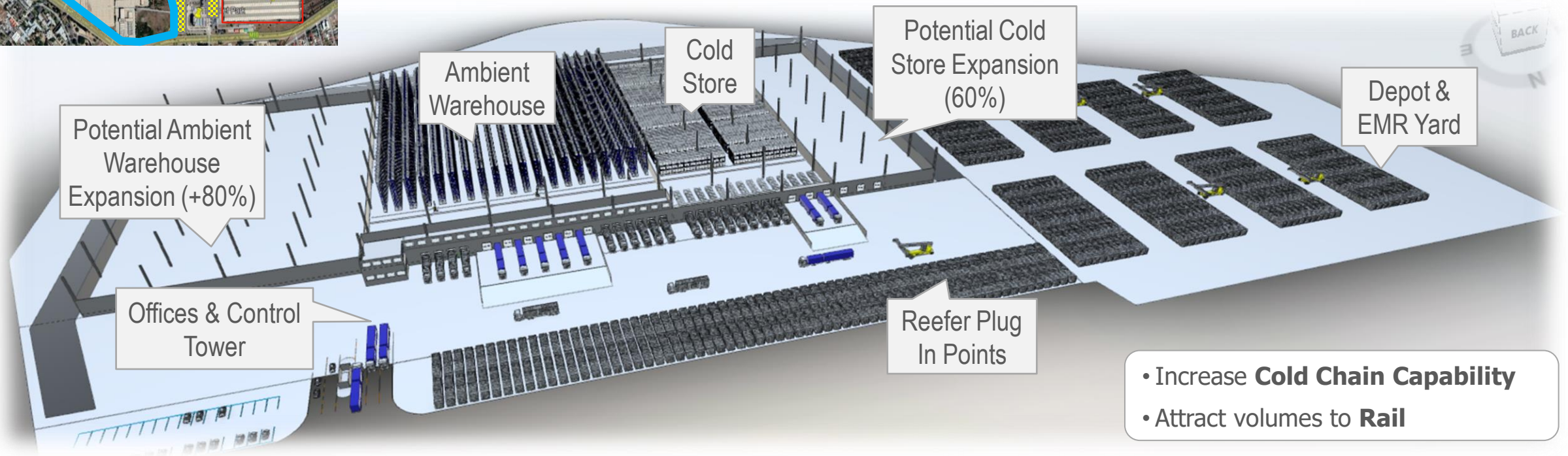


Entrenching Rail in the Value Chain

Development of Vacant Land to support the Coldchain



BELCON LOGISTICS PARK DEVELOPMENT (Maersk)



CREATING VALUE AND REDUCING COSTS THROUGH SUPPLY CHAIN INTEGRATION



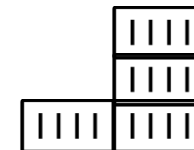
12,000 m2

Cold Store



20,000 m2

Complex fulfilment Warehouse



50,000 m2

Container depot & PTI facility

Container Corridor Operating Lease Overview

SCOPE



Transnet has approached the market seeking qualified parties interested in entering into an Operating Lease with Transnet for the operation of the Container Corridor

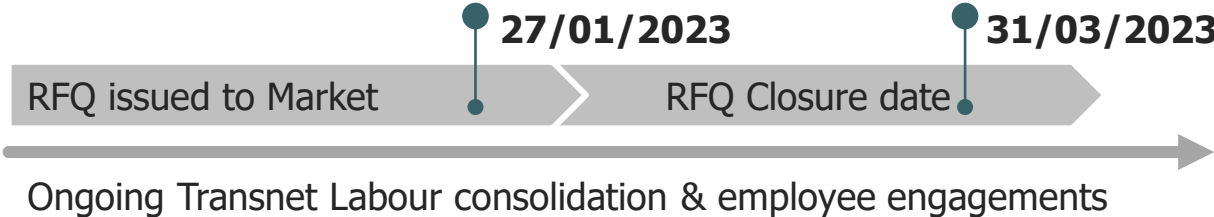
The Lessee will be :

- Responsible for the Container corridor operations from City Deep to Durban including the City Deep terminals
- Responsible for the train operations,, infrastructure and rolling Stock maintenance and investment.

OPERATING LEASE RESPONSIBILITY

PERIOD	Operating lease to be for a period of 20 years
PEOPLE	The Lessee will have to make use of the Container Corridor employees through a Personnel Service Agreement. Contracts of employment will remain with Transnet
FINANCIAL	A minimum investment obligation of R5.5b from 3 rd parties which is required for the rehabilitation and upgrade of the associated Rail Network (i.e. perway O/H, signals, tunnels, etc) and rolling stock assets.
VOLUME	Minimum commitment of 500 000 TEUs. The investments and the relationship with the 3 rd Party must result in a significant shift of containers from Road to Rai
LOGISTICS CAPABILITY	The value adds capability from the 3 rd Party of first/last mile, warehousing, C&F, technology, etc to enhance Rail with an end-to-end value chain service offering

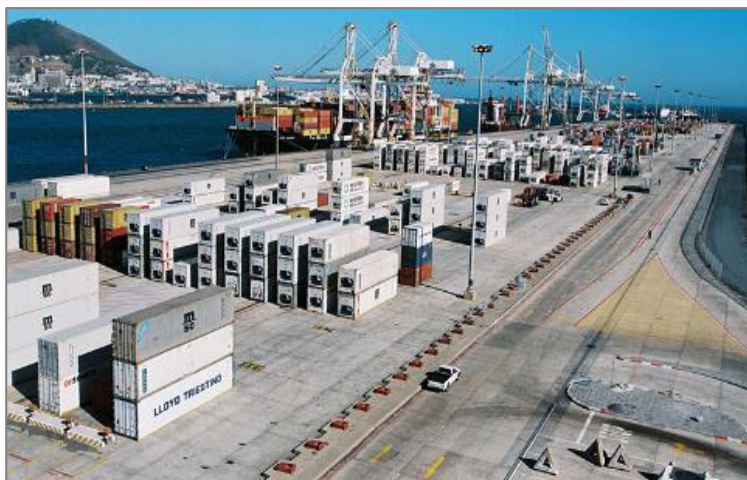
STATUS



TPT Remote Operation : CTCT & DCT Pier 1



Container Terminal Equipment
being considered for Remote
Operation



- **Ship-to-shore Cranes (STS)**
- **Rubber-tyred Gantry Cranes (RTG)**
- **Rail Mounted Gantry Cranes (RMG)**

Remote Operation Background & Status

- Design and implementation of Remote Operation of key TPT Container terminals is underway.
- CTCT will be the pilot site, followed soon thereafter by DCT Pier 1 CT.
- The initiative offers numerous benefits including:
 - improving terminal operational performance
 - increasing operational hours during high winds, and thereby increasing capacity
 - improving operator safety and health

Preliminary Outcomes of Prefeasibility / Inception Phase at CTCT

Diesel-hybrid RTG's are the preferred equipment for CTCT

- Combinations of remotely operating RTGs, STS Cranes & RMGs were considered
- The alternative of only remote operating CTCT RTGs yields the best project NPV & IRR combination

Next Steps

- Multi Criteria Analysis (MCA) using Quantitative and Qualitative Methodology to determine the most feasible solution for CTCT.
- Delivery of Business Case; Technical Specs and Implementation plan. TPT will follow a Turnkey solution on implementation.

Schedule Milestone

Terminal	Inception Phase	Preliminary Business Case	Technical Specs	Implementation Planning
CTCT	Nov '22 - Complete	17 Mar 23	10 Apr 23	8 Jun 23
DCT Pier 1	Feb '23 - Complete	16 May 23	7 Jun 23	4 Aug 23

We need to:



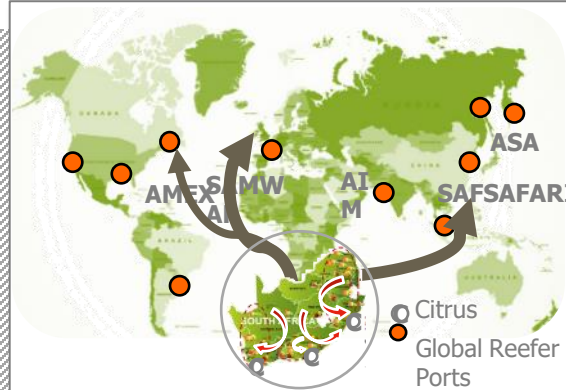
Improve Intermodal connectivity



- **Rail:** Private partnerships to optimise the use of rail to the ports
- **Road:** Reduce congestion via controlled access approach
- **Planning together:** Collaboration with CGA to look at innovative solutions to plan for anticipated growth in citrus



Improve Vessel networks: Shipping lines need to partner with the citrus growers



Reduce cost of logistics incl. delay costs for producers

- Provide **optimal (shortest) routes to market**
- **Encourage calls by new shipping line entrants** at smaller ports (NCT) for Eastern Cape
- Reduce '**forced**' transhipments & **associated congestion** in larger terminals (Durban & CTCT)

Partnerships and Collaboration in the Logistics Chain are Imperative to Citrus Export Growth



- **Build on the foundation** created via various collaboration structures
- **Jointly seek solutions to challenges and exploit future opportunities**



- **Partner in the port and rail value chain**
- Invest in infrastructure, equipment, technology and skills to make our **export systems world class**

TRANSNET



delivering freight reliably

THANK YOU, Enkosi.

