



MAPUTO PORT DEVELOPMENT COMPANY

PORT OVERVIEW

MAY 2017

Location & Hinterland



Main Ports in Mozambique



- **The Port of Maputo is situated in the southern region of the country**
- **The Port is the biggest and busiest Port in Mozambique**
- **The Geographical location of the port makes it an attractive alternative option for export business from South African, Zimbabwe and Zambia companies**

Geographical advantage

	Maputo	Richards Bay	Durban
Comparative road distances			
Johannesburg (SA)	555	640	780
Witbank (SA)	395	622	533
Nelspruit (SA)	180	689	585
Comparative rail distances			
Witbank (SA)	437	819	627
Polokwane (SA)	550	935	802
Gweru (Zim)	967	1764	1684
Bulawayo (Zim)	1083	1880	1800
Matsapa (Swa)	228	544	371

- Closest Port to Gauteng industrial hub, as well as Limpopo & Mpumalanga mining regions
- Excellent connectivity to Zimbabwe & Zambia
- New customs tariff regime reduces cost of transit export from neighbouring countries



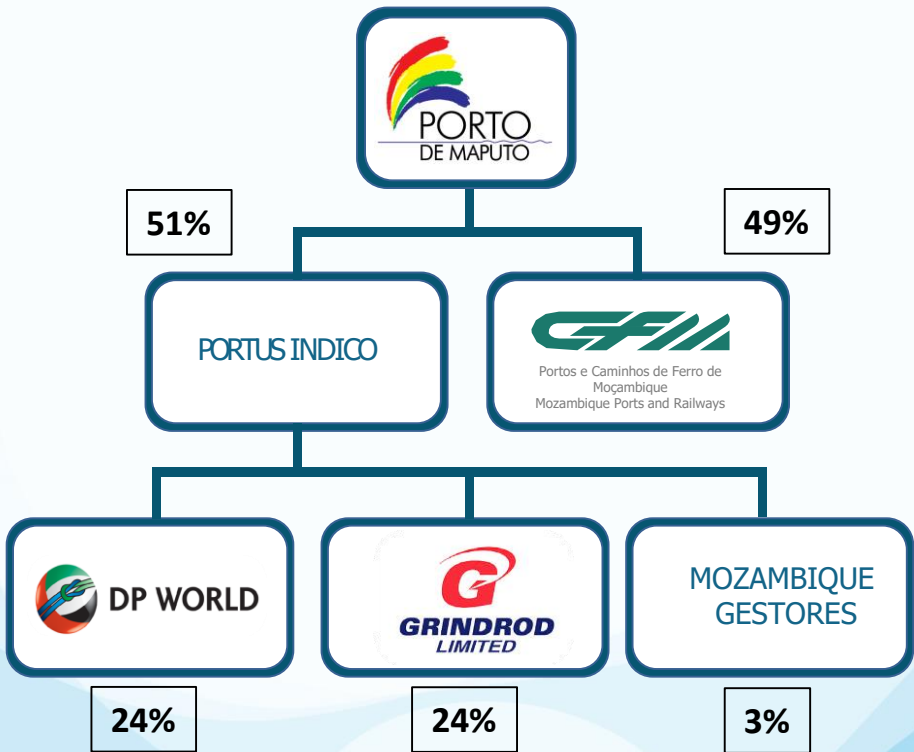
Maputo Port Concession

- MPDC has the concession rights to operate the Port of Maputo and the approved ***concession period ends in 2033*** with an option to extend for a further 10 years
- Concession agreement was approved by Decree 20/2000 25th July, **under a Master Lease** regime, and extended for additional 15 years by Decree 21/2010 30th June.
- An ***approved Port Master Plan is in place*** to ensures that growth initiatives are implemented in a planned and structured manner. The master plan foresees a growth of the port up to 40 million tons.
- A ***Rail Master Plan have been developed*** to enable the growth initiatives contained in the Port Master Plan



About MPDC

Our shareholding structure since 2007

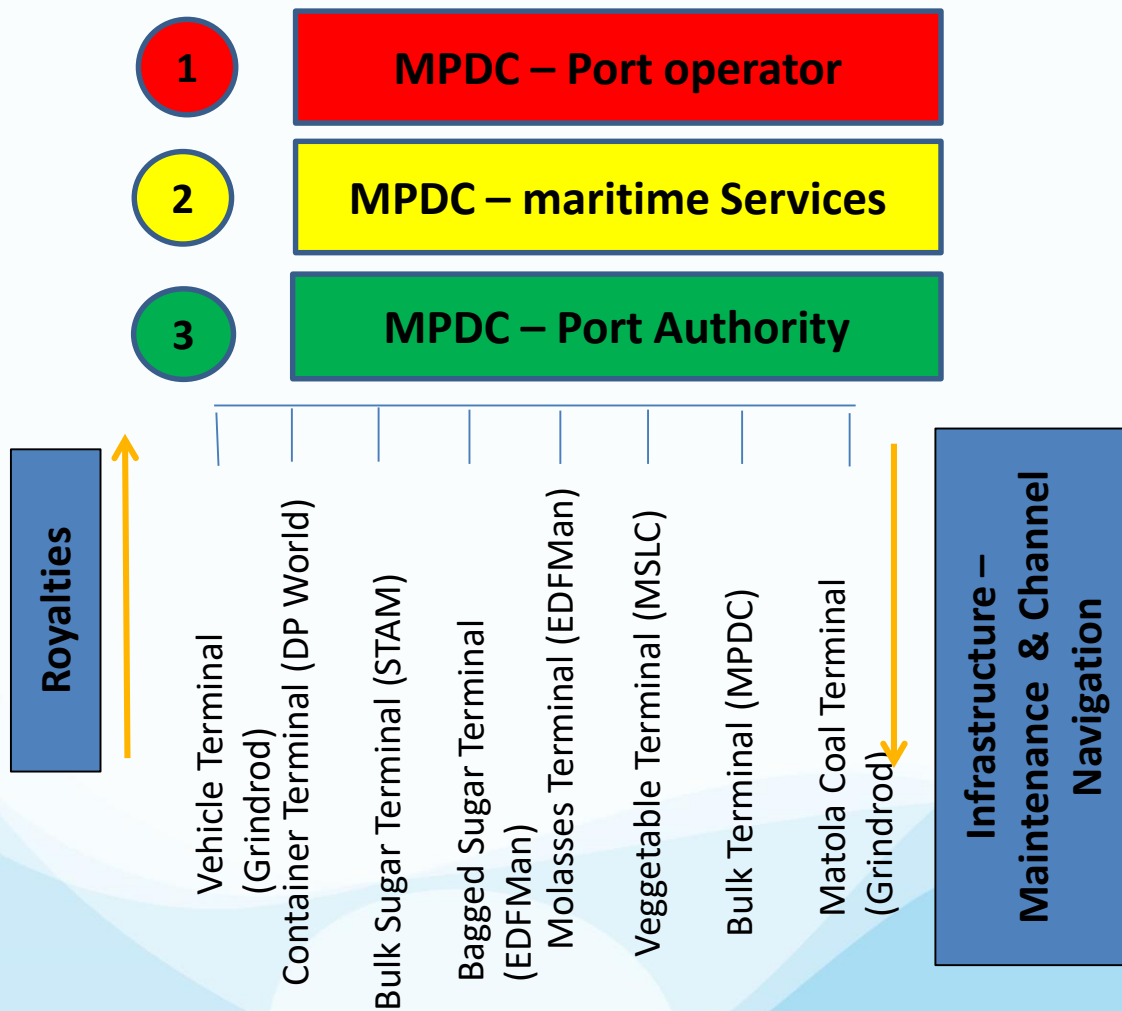


- 1992** Destabilization ends
- 2003** MPDC formed (Mersey Docks, Skanska, Liscont)
- 2006** Grindrod buys 12.5% share
- 2007** Portus Indico was acquired by Grindrod and DP World
- 2010** Concession term extended from 2018 to 2033
- 2014** Cargo handling record (19 mil ton)



MPDC Main Responsibilities

As principais responsabilidades da MPDC

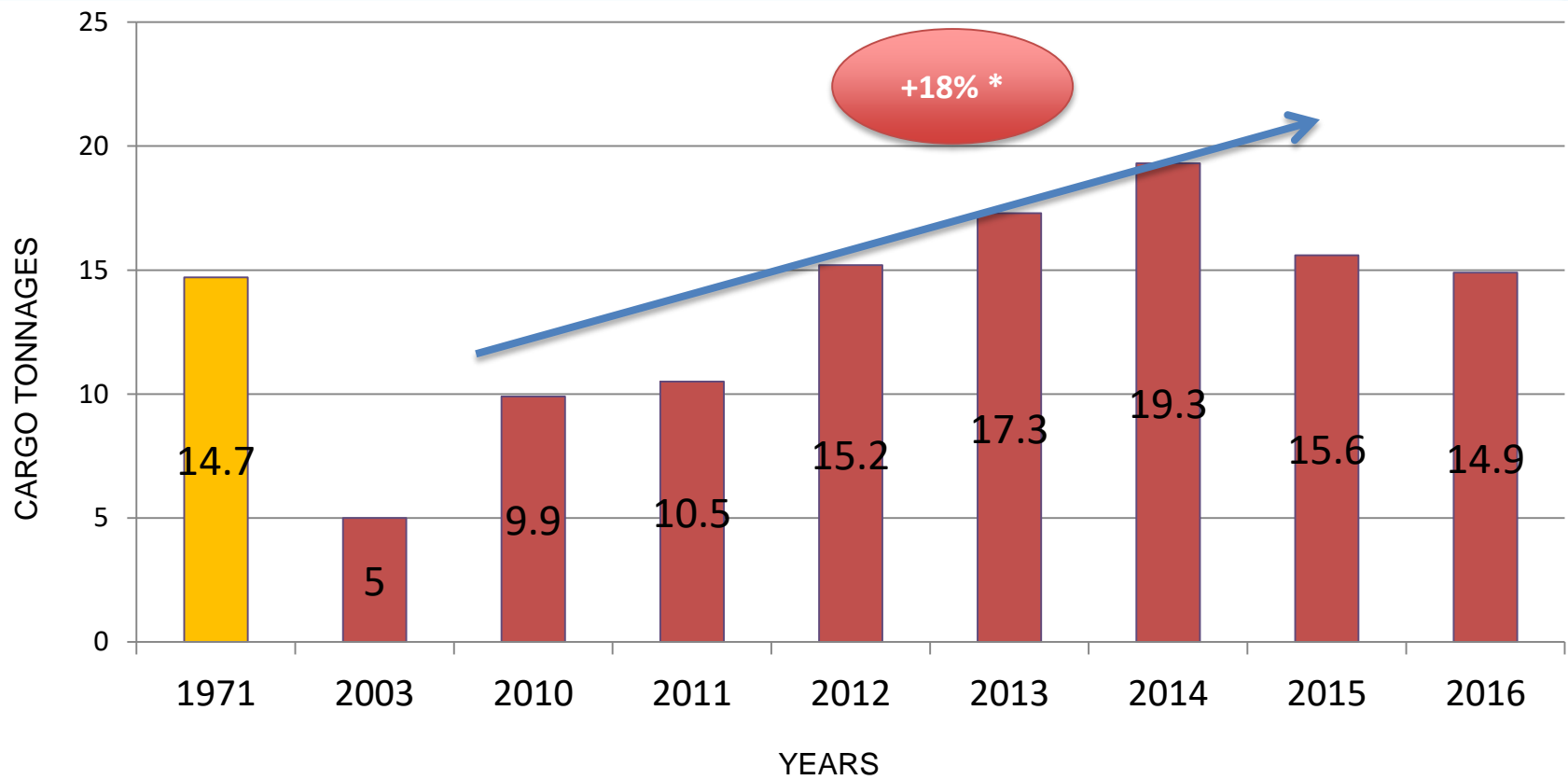


Port Layout : 2001





Historical Volume Growth



2003-2014 → **212% GROWTH**

* CARG – Compounded Average Growth



Port Layout : 2016



Port of Maputo - Successes

MPDC achieved numerous successes since commencement of the concession period:

- **Volume growth** of 188%
- **Investment to date** of US\$735m
 - Dredging, Sheds, Slabs, Roads, Gates, IT Systems & Equipment
- **Dredging of the Channel** from -9m to -11m, and in January to -14m
- **Dredging of berths** allowing for vessel loading capacity to increase from 50 000t to 120 000t
- **Efficiency improvement** of cargo handling rates with the acquisition of 2 x Mobile Harbour Cranes
- **Human Capital development** contributing to efficiency gains (crane moves per hour increased from 10 to 22)



Historical Investment

2033 Forecast

2016 Invested

US\$ 2Bn

US\$700m

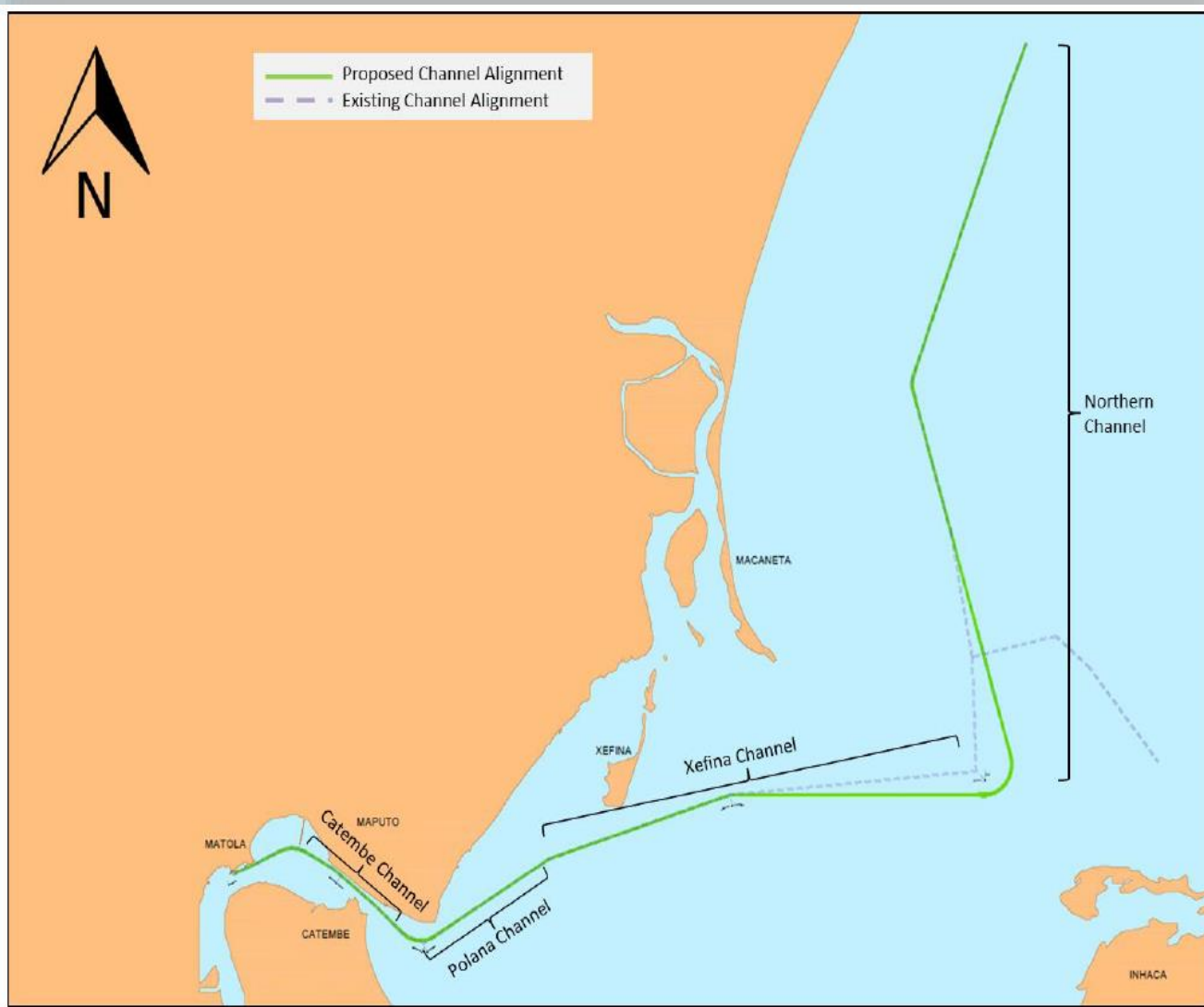
2003
Indication

US \$ 56m



- At the beginning of the concession period, MPDC forecasted an investment of **US\$ 56m**.
- Until today (2016), a **total of US\$ 700m** were invested in the port.
- The current Port Master Plan includes **investment plans of US\$ 2.0 billion** by MPDC and its sub-concessionaires (until 2033).

Port Initiative - channel dredging



Channel improvements

Depth

- Previous -11m
- Current -14.2m

Width

- Previous 100m
- Current 110m
- Northern channel 150m
- Bends 165m

Length Overall (LOA)

- Previous 250m
- Current 300m

DWT

- Previous 60k t
- Current 120k t

Sand removal – 12 mil cube

Dredging Impact



- ➔ Allow vessels with a DWT of up to 120 000 tons or drafft of 14.2
- ➔ Allow for a direct connection between Port of Maputo and the main international Ports of calls, since vessels will now be able to load full cargo.
- ➔ Increase of Government and CFM fixed, variable fee and tax income.
Potential increase of rail cargo (income for CFM).
- ➔ Increase the volumes handled through Port of Maputo as well as the incomes resulting from the volume increase.

Port Initiatives

Expansion of the DPW Container Terminal and the Construction of a new Rail Terminal

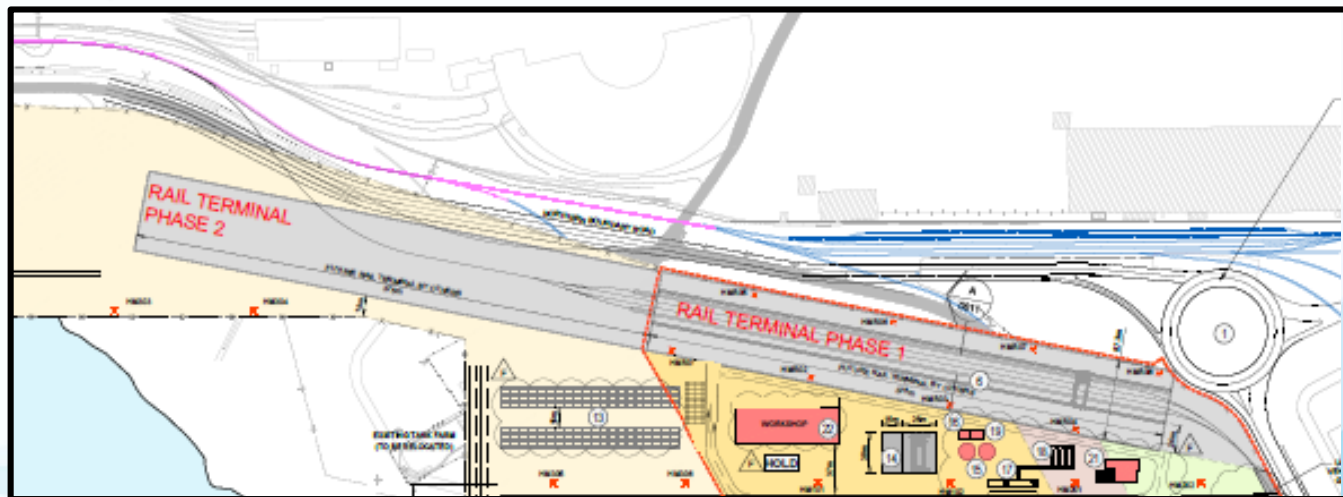
Rail Terminal

- 2 x lines of 375m each
- Completion = November 2016

Expansion (Phase 1 & 2)

- New capacity = 300k teu's
- Completion = October 2017

New rail terminal



Port Initiatives

Expansion of the Grindrod Bulk Terminal at Matola

Total capex (Berth deepening)	US\$17.9 million
Timeline	Completion - March 2017

OPPORTUNITIES

- Immediate focus is on berth deepening and quay offset aligned to the Port channel dredge project
- Terminal expansion in line with volume commitment:
Phase 4A – increase capacity to 8 mtpa

MILESTONES

- Berth deepening and quay offset - execution planned for Q2 of 2016 subject to volume commitments and in line with Port dredge
- Phase 4A – contingent on market recovery and contractual volumes



Port Initiatives

Automisation of the MPDC cargo Handling System also allowing customers full visibility & tracking throughout the supply chain

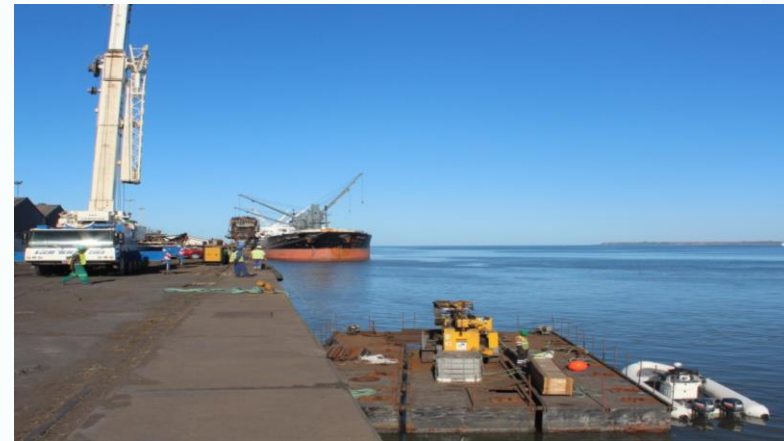
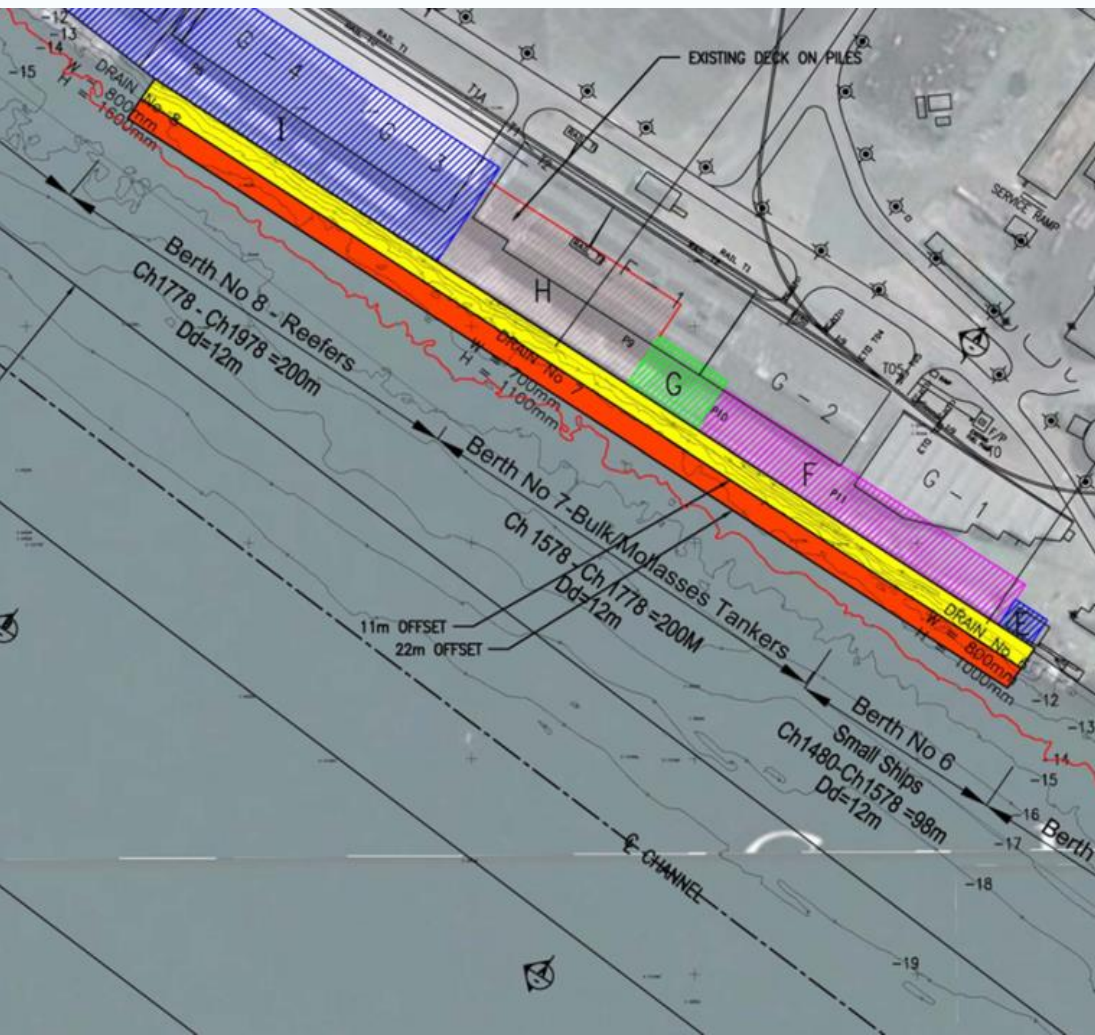


MPDC to implement an aggressive Training Plan aimed at delivering further efficiency level improvements



Port Initiatives – berth rehabilitation

Reconstruction of berths 6, 7 & 8 allowing for a draft of -14m

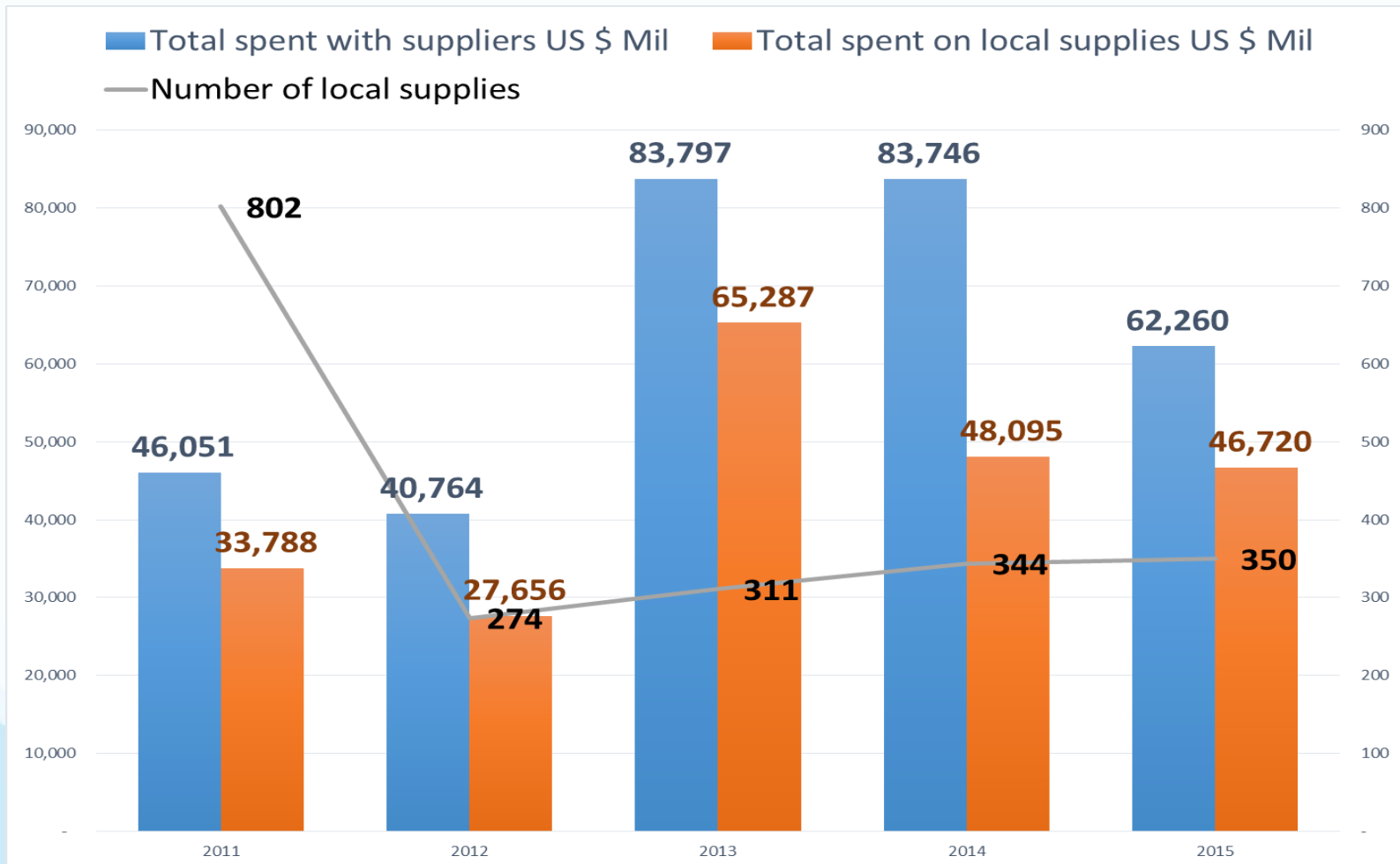


Berths 6, 7 & 8 rehabilitation to deliver 2 deep water berths (draft = 14m & LOA = 250m)

Impact of the Port investments in the economy

Spending with suppliers

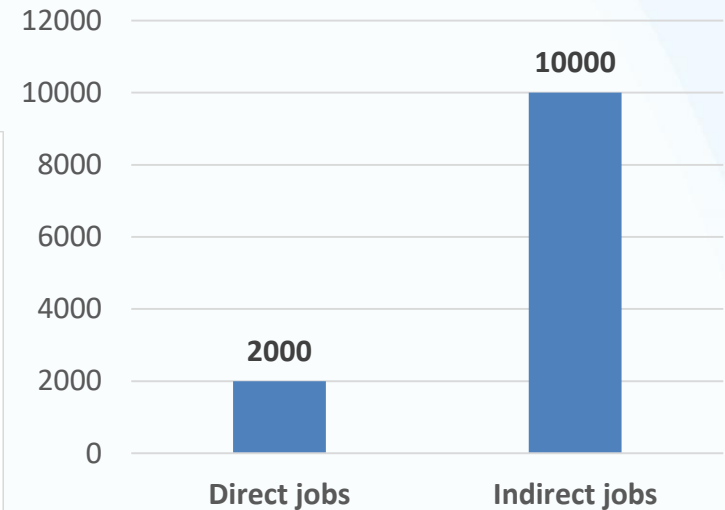
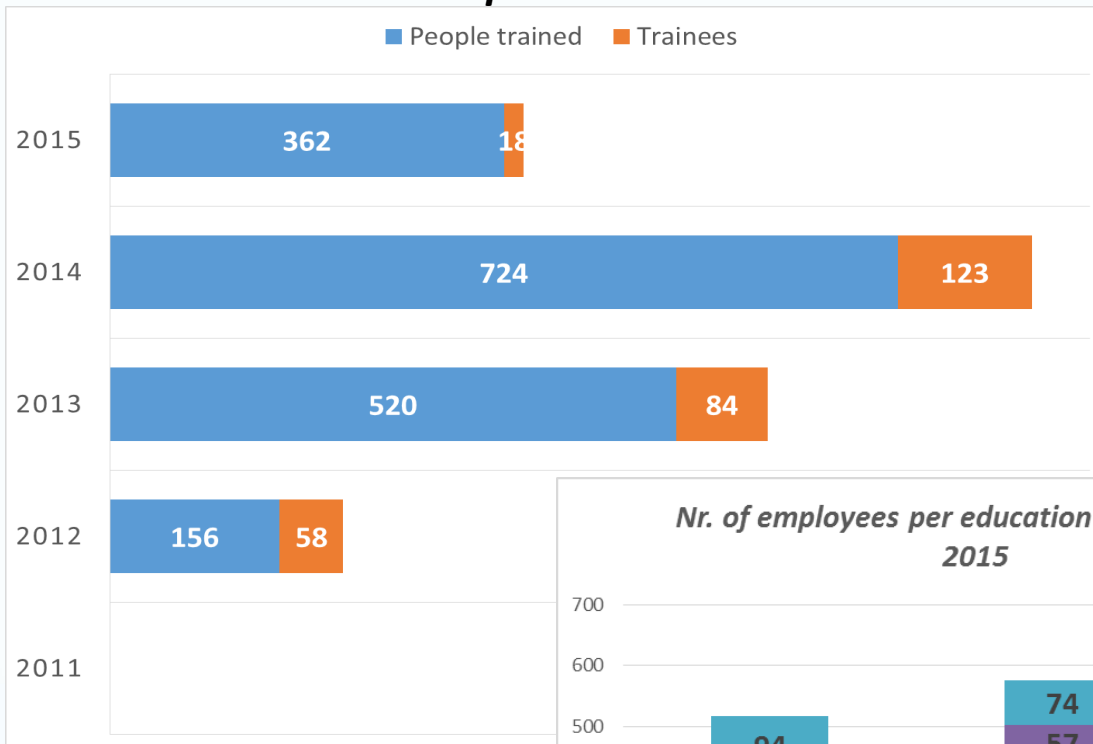
Aprox. 70% of the value on acquisition of goods and services is made through local companies



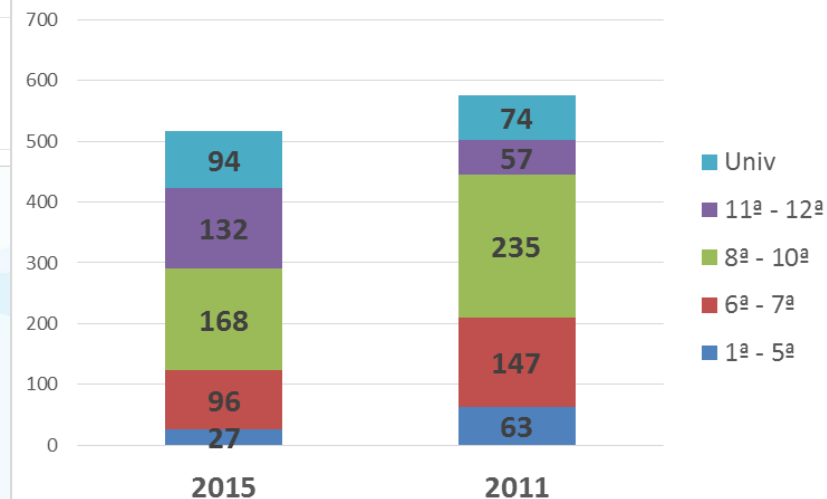
Impact of the Port investments in the economy

Port Employment

Skills Development



Nr. of employees per education profile 2011-2015

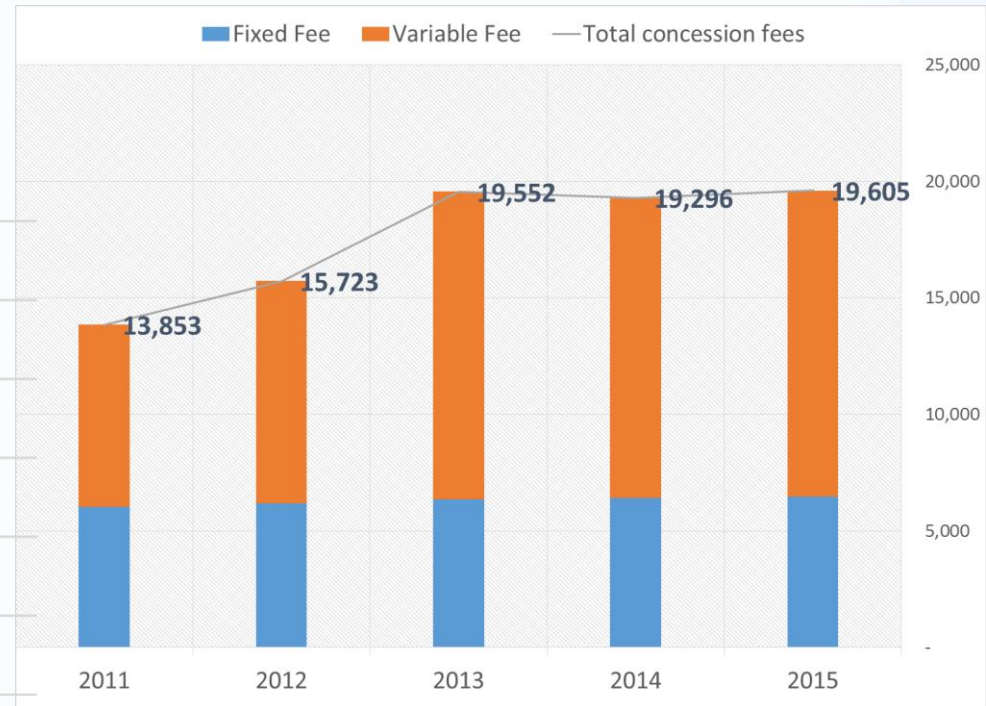
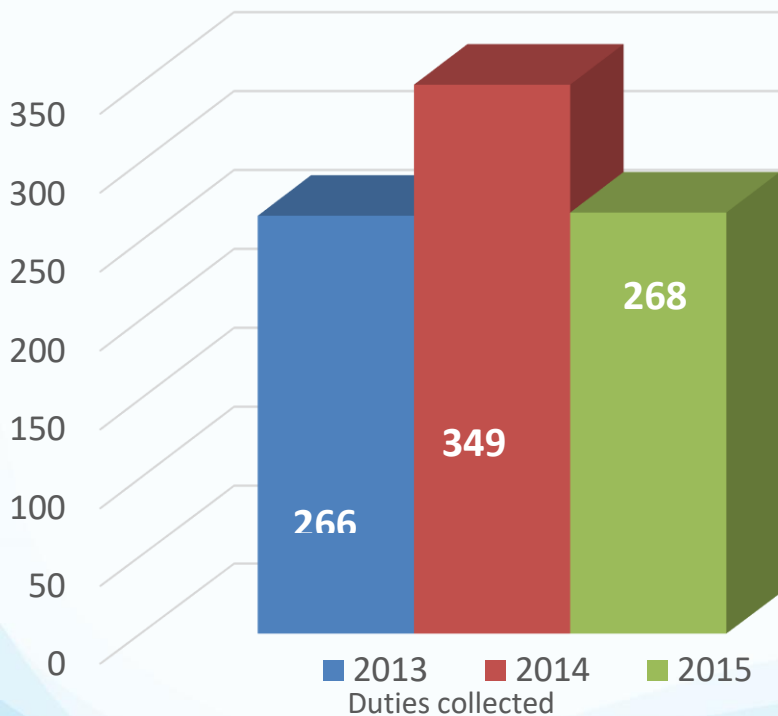


Source: MPDC data

Impact of the Port investments in the economy

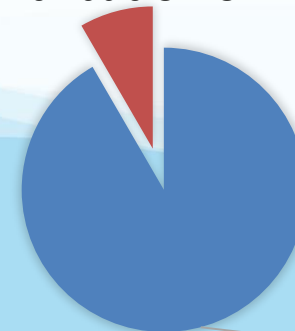
Concession fees

Duties collection at Maputo Port



Maputo duties contribution on Moz tax revenue

Maputo
duties
collection,
8%,



Other Moz
tax
collection,
92%,



Critical Success Factors



- **Alignment of port and rail capacity.**
- **Investment in rail infrastructure (Ressano Garcia) and rolling stock.**
- **Alignment with Transnet.**
- **Navigational Aids of the access channel.**
- **Single Border.**
- **Reduction of supply chain costs: Kudumba, JUE, Km4.**
- **Human capital development.**

An aerial photograph showing a large industrial port area on the left, with several large cargo ships docked at a pier. The port is filled with various structures, including warehouses, storage tanks, and a large paved area with many vehicles. To the right of the port is a dense urban area with numerous buildings, streets, and parking lots. The text "Our journey continues...." is overlaid in white, italicized font in the upper right quadrant of the image.

*Our journey
continues....*

Muito Obrigado!