

# Quayside Bulletin

October 2022



## Namport set to benefit from the appointed Concessionaire



Earlier this month, the successful bidder for the concessioning of the New Container Terminal was announced to staff members and to the country at large. The CEO of Namport, Mr Andrew Kanime accompanied by the Board Chairperson, Nangula Hamunyela and the Namport EXCO team announced the Terminal Investment Limited as the approved preferred bidder. The Terminal Investment Limited (TIL) is a company based in Geneva, Switzerland and its majority shareholder is, the Mediterranean Shipping Company or MSC, the largest shipping line in the world by container capacity. Terminal Investment Limited has interest in more than sixty terminals, handles at least 60 million TEU's per annum and operates in thirty one (31) countries across five (5) continents.

TIL proposed a more acceptable business case as compared to its contender who submitted bid proposals to the We are happy with the business case proposed by TIL and are confident that this is aligned to the fundamental objectives we have set for the concession of the NCT.

The next stage of the process will be to commence with negotiations between Namport and TIL on the Concession Agreement, focusing on the detailed operational matters, including but not limited to the exact terms and conditions of the personnel to be taken over by the operator. This will culminate in the formal award of the concession, the signing of



the Concession Agreement and the handover of the cargo handling operations to the private operator or concessionaire. The finalization of the negotiation and the handover process is expected to be concluded by the first quarter of 2023 if both parties involved agree on all proposed terms and conditions.

Mr Andrew Kanime emphasized that the primary objective of the concessioning process remains to safeguard current employment at the NCT and better still, to create additional jobs for the Namibian nation.

The CEO concluded in indicating that the successful bidder has surpassed the expectations of the Ports Authority in terms of the objectives it set out to attain. With this said, "we are confident that the upcoming concession of the NCT, places us on a strong path to achieving our ultimate goal to generate the best value for our shareholder and to be the best performing seaports in Africa", the CEO said.



## Interview With Andrew Kanime, CEO, Namibian Ports Authority (Namport)

**Prisma Reports (PR):** Namport's bold vision of transforming its two ports at Walvis Bay and Lüderitz into Africa's best performing ports is supported by a strategic plan that focuses on four themes: building institutional capacity, driving operational efficiencies, enhancing customer and stakeholder value, and optimizing sustainable growth. Can you give us an overview of Namport's operations and Namibia's strategic role as logistics and infrastructure hub for the region?

**Andrew Kanime (AK):** Namport's vision is to be the best performing seaports in Africa. That complements the Namibian government's vision of positioning the country as the logistics hub for the Southern African Development Community (SADC). It's a grand vision with multiple players. As ports, we play a very critical role in the realization of this vision as we serve as a critical node between not only Namibia, but the region and the rest of the world. Therefore, we play a vital role in facilitating trade and regional economic integration in order to link landlocked southern African countries to international markets. From a port perspective, for Namibia to achieve its vision we must ensure that we have efficient and state-of-the-art port infrastructure to handle all types of cargo at our ports. Namport operates two ports, the main one being the Port of Walvis Bay, where we have several terminals responsible for handling different types of cargo, and the Port of Lüderitz is our other facility. In September 2019, we commissioned a state-of-the-art container terminal facility at the Port of Walvis Bay, which doubled our throughput capacity from 350,000 TEUs to 750,000 TEUs per annum.

As part of that project, we also commissioned four state-of-the-art ship-to-shore cranes to ensure that we provide an unparalleled customer experience and high levels of productivity to all our clients.

To be the best performing seaports in Africa that provide cost-effective port services, we are relentlessly ensuring that we have appropriate port infrastructure, suitable cargo handling equipment and the best human capital. Indeed, port



**Andrew Kanime**  
Namport Chief Executive Officer

infrastructure is important, but we must also ensure that we have appropriate cargo handling equipment — that must be supported by the best people we can get and I believe that we have some of the best people in Namibia. This combination enables us to deliver high levels of productivity to our clients. We facilitate trade in the region and we're in the business of selling efficiencies. That's how we attract new cargo and clients to the Ports of Walvis Bay and Lüderitz.

To summarize, the four pillars of our Integrated Strategic Business Plan speak to our people: Namport has embarked on a company-wide Culture and Transformational Change initiative to produce a high-performance culture in our business with the ultimate aim of delivering an unparalleled customer experience to all stakeholders in our value chain. In our industry, high productivity and efficiency levels are key. Hence, we've made it a key strategic focus area for ourselves to ensure that we compete with the best in terms of operational efficiency.

We believe that if we have highly competent, engaged and happy people, our customers would delight in high levels of productivity, which would attract new businesses to the ports. We have processes in place to ensure that we can build a sustainable business for Namibia, the region and for future generations.



## Interview With Andrew Kanime, CEO, Namibian Ports Authority (Namport) (continued)

**PR:** The global pandemic posed several challenges for port operators, including fluctuating commodity prices, ongoing supply chain issues, border lockdowns and work disruptions. Despite all of this, Namport saw gains in several of its key indicators, including total cargo handled and total vessel visits. Can you bring us up to date on Namport's performance over the past two years, compared to its previous expectations, and how would you evaluate Namport's resilience during the pandemic?

**AK:** Like any other business, Namport was significantly impacted by the pandemic. Yet, despite this negative impact on our business, we managed to perform better than expected. Our last financial year, which ended on March 31 2022, recorded robust growth compared to the previous financial year when COVID-19 hit us hard. This performance is attributed to the excellent customer experience that we provide as well as our aggressive marketing efforts toward capturing regional cargo destined to and from our ports to international markets.

Undoubtedly, COVID-19 has had a mixed impact on the business. The New Container Terminal facility at the Port of Walvis Bay was negatively affected by the pandemic because we experienced a lack of equipment due to the shortage of containers that are required to ship cargo. This was a worldwide phenomenon caused by disruptions in supply chains and congestion experienced inland and at ports. Shortage of space onboard vessels and, more particularly, blank sailings, also impacted our business greatly.

However, we remain grateful for the hinterland business development initiatives that sustained our ports. In other instances, sadly, customers had to reroute some of their cargo to other ports in the region, which had better connectivity due to blank sailing. As a result, instead of seeing growth in the

container terminal business, growth remained stagnant — for the year ending March 2020, we recorded a throughput of 155,000 TEUs but, for the year ending March 2022, the figure only grew modestly to 168,000 TEUs. If it were not for blank sailing and the shortage of containers, we would have certainly done much better.

We've also experienced positive impacts. For instance, non-containerized cargo volumes recorded double-digit growth due to an increase in commodity prices — most specifically for copper and manganese, as those are the key commodities that we export through our ports. The surge in demand for copper originating from Zambia and the Democratic Republic of the Congo (DRC), plus manganese from South Africa, at the Port of Lüderitz contributed to that double-digit growth.

In terms of imports, Namport recently commissioned a fuel terminal facility at the Port of Walvis Bay, thus increasing our fuel handling capacity not only for Namibia but the SADC region as well. In line with our strategic focus toward driving operational efficiencies, we further invested in a cargo-handling-equipment replacement program to complement our existing fleet that has, to a great extent, reached the peak of its lifespan, which had caused breakdowns during operations. This intervention has subsequently enabled us to increase our levels of productivity at both ports.

The Namport Culture and Transformational Change initiative has also enabled us to instill pride and ownership among our people to enable us to drive an unparalleled customer experience. Therefore, all in all, despite the negative impacts of the COVID-19 pandemic, we've weathered the storm and recorded growth across several indicators within our business.



## Interview With Andrew Kanime, CEO, Namibian Ports Authority (Namport) (continued)

**PR:** Namibia has continued to make several parallel infrastructure investments along its four main trade corridors that connect SADC markets to Europe, Asia and the Americas. These include expanding infrastructure and upgrading road, rail and logistics zones. What current projects is Namport investing in that you would like to highlight?

**AK:** As far as the port sector is concerned, some of the key investments that we're making are premised on positioning ourselves as the export hub for green hydrogen. Namibia is rated among the top-three countries in the world for green hydrogen as it is blessed with an abundant resource of renewable energy and, as a port entity, we're investing in the necessary infrastructure to ensure that, as and when Namibia is ready to export green hydrogen, we're also ready. The Port of Walvis Bay and Lüderitz are the only points of entry and exit for seaborne imports and exports into and out of the country, and so this is our top priority at present.

We are also positioning ourselves to service the oil and gas industry — not only in terms of providing supplies to vessels, but also in ensuring that we're able to be a one-stop shop for the entire industry. In the pipeline, we're looking at developing a dedicated terminal for the oil and gas industry — at the moment, we use multi-purpose berths to service this particular sector and yet we believe that, with the recent oil and gas finds, there will be more activities and, therefore, the need to invest in a dedicated terminal.

One of our other projects concerning both our ports involves developing increased capacity for handling dry bulk cargo. South Africa holds about 80% of the world's manganese reserves and most of the mining houses in South Africa are looking for port facilities to export manganese to the rest of the world. This also applies to the DRC and Zambia for their copper exports. Namport is increasing its capacity to handle dry bulk cargo volumes from the region for export through our ports.

Our Port Masterplan clearly aligns to our vision for the future. One of the goals in our Port Masterplan is the establishment of a Logistics Hub Center. In the next few months, we will be focusing on attracting an anchor tenant that can help set up that Logistics Hub Center at the Port of Walvis Bay, to contribute towards a seamless logistics value-chain process while addressing efficiency and cost-related challenges. We believe that once we've established the Logistics Hub Center at the Port of Walvis Bay, we can position Namibia as a distribution hub for the rest of the region. We know that many anchor tenants are currently based in other ports within the region. However, with the congestion and inefficiencies being experienced at other ports in the region, we believe that this is the right opportunity for us to provide an alternative route for imports and exports.

We're also working with other players, especially the government, to advocate for the implementation of new rail links, which will help us grow and become that Logistics Hub Center. We do pride ourselves on the fact that we have some of the safest and most secure corridors within the region. Our efficiency levels are also different as compared to the rest of the region and we believe that we have the right ingredients in place to be a logistics hub.

**PR:** Namibia's ports play a very significant role in the region, serving several landlocked countries such as Botswana, Zambia and Zimbabwe and better connecting key markets in neighboring South Africa, DRC and Angola. Following the latest economic trends, where do you see the biggest growth in regional trade coming from, both in terms of imports and exports?

**AK:** There are two areas. Firstly, the region is endowed with significant reserves of mineral ores. With increasing commodity prices and demand for technological gadgets, combined with the move toward green vehicles, where copper and manganese are critical components, we expect a significant increase in demand and growth for these commodities within the region and we expect to benefit from this growth.

Secondly, the agricultural sector also contains opportunities for growth. There is a significant demand for fertilizers in the agricultural sector and, as a port entity, we're the gateway for these imports. While agriculture is subject to weather patterns, we believe that it's a sector that will provide further opportunity for growth.

Everybody is looking to Africa for growth opportunities these days. When you look at the population within the region, there's a huge and growing middle class, which is the segment that drives growth across several areas like retail and technology. China is a powerhouse when it comes to manufacturing most of these goods — therefore, an increase in the number of middle-class families in the region will give a significant rise to the demand for retail and technological products. We believe we will be able to play a role in facilitating this trade in the region. These are the critical sectors where we expect the biggest growth.

**PR:** Namport launched its first-ever Environmental Week from June 6-10 this year, signaling a fresh and renewed commitment to sustainable operations. What were the main outcomes of this initiative and how will Namport aim for the sustainable scaling of its operations moving forward?

**AK:** Sustainability is a key component of Namport's business strategy and we've integrated it into all aspects of our business.



## Interview With Andrew Kanime, CEO, Namibian Ports Authority (Namport) (continued)

The first area is geared toward environmental preservation and protection, which is very important to us. That's why we've launched the environmental week: to mobilize the port community to create awareness around the need to protect our environment and transition our ports to becoming green ports. One of the key priorities on our agenda is to reduce carbon emissions from port operations by 10% by 2026. We're pursuing various initiatives as part of that strategy including transitioning to green energy. While we're fully dependent on the grid now, we are, as a port entity, exploring options to leverage renewable energy, which includes setting up our own solar power plant.

Additionally, we're exploring the possibility of replacing our cargo handling equipment with equipment that's green and energy efficient. We want to ensure that, by the time green hydrogen is produced in Namibia, we can source cargo equipment that uses green energy. We've put in place specific measures to manage carbon emissions from our shipping-line clients as well, and we're also enforcing compliance to the International Maritime Organization's regulations on water-ballast management for shipping lines at the Port of Walvis Bay to protect our marine ecosystems. We look at sustainability across four pillars essentially. The first pillar is environmental stewardship and protection, and the second is corporate social investment. We seek to contribute to the social economic development of the communities in which we operate by sharing the resources with them. The third pillar is to contribute to economic prosperity. As our ports grow, the industries associated with the port must also grow, allowing us to contribute to the creation of employment opportunities and to the government's revenues. The fourth pillar is governance: ensuring that our activities comply with good corporate governance. For example, we've implemented the United Nations' Sustainable Development Goals as key measures in our sustainability strategy.

**PR: As you mentioned, under your leadership, Namport is undergoing an organizational Culture and Transformational Change initiative as part of its strategic plan, with customer service being a cornerstone of your ports' future development. Can you elaborate on how this transformation will affect overall service at the Ports of Walvis Bay and Lüderitz, and where can customers already see and feel the change?**

**AK:** One of the key drivers in our Culture and Transformational Change program is the fact that there was a consensus among our people and stakeholders that our service was not at the required level. Hence, we had to engage our staff to understand which activities were not

contributing to our vision of being the best seaports in Africa in order to stop these activities. Through staff engagements, focus groups and interviews, we identified cultural drivers and activities that we needed to stop, plus new attributes or behaviors that we needed to introduce and start practicing going forward.

We want to build a high-performance culture and instill a sense of pride and ownership among our people, so that we can prioritize our customers. We're in the business of selling efficiencies: we can have the best equipment and technology in the world, but they are being operated by our people — therefore, the only thing that can set us apart from our competitors is our culture and service. At Namport, we want to give our best in all we do at the first opportunity, thus ensuring that our interactions with customers create a positive experience.

There have been instances where some of our employees were in the middle of providing service to clients, but they had to stop in order to take lunch. We want to move away from that and instill a sense of ownership to ensure that our employees prioritize our customers. We want to be aligned on our five core values — committed, connected, caring, creative and collaborative — which is our winning formula to providing the best customer experience and efficient service. Currently, there is a general sense of belonging, alignment and direction in the team. We know where the company wants to go and we've come to the realization that we are, in fact, the differentiator. Therefore, collaboration between teams and the extent to which they are going out of their way to service clients have greatly improved. That energy and positivity around the port is an indication that our people are aligned and ready for change. I'm very optimistic that we will achieve our vision of being the best performing seaports in Africa by 2026, because our people are ready to drive that change.

**PR: What would be your final message for our readers?**

**AK:** Namibia is a shining star in Africa. We have the best infrastructure, roads, state-of-the-art ports and the friendliest people in the world. We're open for business.

The logistics industry is the heartbeat of any economy. Namibia has a winning formula that would enable us to play our role in integrating the southern African region and the international market — we have everything it takes to provide the type of services that are required. If investors are looking for the most efficient and secure gateway into the southern African region, they will find that at the Port of Walvis Bay.

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# Namport enters into a tripartite agreement with Sonangol and the National Petroleum Corporation of Namibia (NAMCOR)

Sonangol, National Petroleum Corporation of Namibia (NAMCOR) and the Namibian Ports Authority (Namport) recently signed a memorandum of understanding for developing an integrated logistics base to support the oil and gas industry in Namibia, similar to Sonils Base.

The project that is of strategic importance was signed by the Chairman of the Board of Directors of Sonangol, Gaspar Martins, the MD of Namcor, Immanuel Mulunga and the CEO of Namport, Andrew Kanime, witnessed by the Secretary of State for Oil and Gas of Angola, José Barroso.



*From left to right: The Managing Director of Namcor, Immanuel Mulunga, Chairman of the Board of Directors of Sonangol, Gaspar Martins and the CEO of Namport, Andrew Kanime, witnessed by the Secretary of State for Oil and Gas of Angola, José Barroso.*

## BULK COMMODITIES HANDLED AT THE PORT OF WALVIS BAY

### 1. 54,719 tonnes of Lithium destined to the People's Republic of China via the Port of Walvis Bay

The Namibian Ports Authority earlier this month facilitated the exportation of 54,719 tonnes of Lithium Ore via the Port at Walvis Bay.

The mineral which is destined for the Republic of China is being mined at the Xingfeng Investment (PTY) LTD's Lithium Mine in Omaruru, Erongo region. Lithium concentrate are used in the production of batteries, glass, greases and air treatment. According to Benchmark Mineral Intelligence, "the overall market for Lithium is currently at 200,000 tonnes and estimates a growth in demand of 800,000 tonnes by 2025". The batteries segment is forecasted to grow to 65 – 70%. Currently the major lithium producing areas of the world are Western Australia (for hard rock) and South America (for brine) and much of this ends up in China for further processing into battery grade lithium chemicals."

### 2. Namibia records its largest consignment of bulk Coal export via the Port of Walvis Bay

The Namibian Ports Authority (Namport) recently handled the exportation of 48 000 tonnes of bulk Coal destined for the Republic of Germany. This is the largest consignment of bulk Coal handled via the Port of Walvis Bay to date and this speaks directly to Namport's commitment of providing world class services to its clients and in so doing working towards attaining its vision of being the "Best Performing Seaports in Africa".



Speaking to Business Development Partner, Mr Tautinge Festus, "these type of volumes handled at the Port of Walvis Bay indeed bears testimony to the unrelenting marketing and business development efforts that the Port is pursuing vigorously, but more so due to the clients' confidence in the Port's ability to handle their cargo safely and efficiently".

The Namibian Ports Authority projects to handle 300,000 tonnes of bulk Coal destined to different international markets within the next 12 months due to the increased demand experienced.

The largest shipment of bulk Coal was 30,000 tonnes was handled earlier this year at the Port of Walvis Bay. The consignment which was stock piled by Walvis Bay Bulk Terminal and the Bigen Kuumba Port Services Terminal originated from Botswana, South Africa and Zimbabwe was transported via road