



**Address by Mr Andrew Kanime on the occasion of the Namibian Ports
Authority Port Users Breakfast
26 November 2021, at the Walvis Bay, Municipality of Walvis Bay
Civic Centre**

- Valued clients
- Namport directors here present
- Namport colleagues
- Members of the media
- Ladies and gentlemen

A very good morning to you all and thank you so much for taking time to join us this morning for our annual Port Users year end engagement.

How time moves so fast. It is exactly one year since I introduced myself to you as the incoming Chief Executive Officer of the Namibian Ports Authority.

I must say it has been a very eventful, fulfilling and admittedly, no easy walk.

But because of you all here this morning and our numerous wide-ranging respective engagements and experiences throughout the year, I can only assure you that the maritime and logistics bug has also bitten me.

I can thus confirm that I am up to the task, confident and assured of the strong prospects of what the future holds for all of us and equally importantly, the strategic role that we as an industry are set to continue delivering to our country and the region going forward.

In my inaugural address to you on the 27th of November 2020, I underlined the need for us to maximise on the value that we deliver as a business to our various stakeholders.

I specifically emphasized the need to enhance the efficiency of our services, the rationalization of our operational costs, the streamlining of our processes across the whole logistics chain so as to enhance our turnaround times and competitiveness and leverage off partnerships to roll out the much-needed infrastructure and facilities in our ports and trade corridors.

Since assuming duty last year, I had an opportunity to, alongside the Namport Board and Management, review the Namport Corporate Strategy. The review resulted in us setting out our strategic initiatives for the next five (5) years which are premised on four key strategic themes, namely:

- i. Build Institutional Capacity
- ii. Drive Operational Efficiencies
- iii. Enhance Customer and Stakeholder Value and
- iv. Optimise Sustainable Growth

These are the themes that we are focusing on over the next five (5) years to enable us to achieve our vision of becoming “the Best Performing Seaports in Africa”. The themes are supported by specific strategic objectives and initiatives which we are aggressively executing.

Briefly, the respective focus areas of the themes are as follows:

On the first theme of Building Institutional Capacity,

We need to position ourselves to be better placed to render services to our clients to the expected level of quality and timelines. This requires that our employees are appropriately trained and have correct work ethos and the right attitudes towards clients.

We have taken note of concerns raised on certain aspects of the culture amongst some of our employees which is not consistent with our values of commitment to, and care for, our customers.

We subscribe to the ethos that customer service should be the cornerstone of our business and have therefore embarked on an organizational culture transformation programme. This was launched in July 2021 and upon completion and embedment we are confident that it would enable us to entrench a positive culture across the organisation and amongst all our employees.

Complementing the focused drive towards culture transformation will be investments in the development and upskilling of our people. We have identified skills that are critical to the delivery of services to our customers and have put in place a programme to adequately train and capacitate our personnel. This is already being rolled out across the organisation.

The second theme focuses on Driving Operational Efficiencies.

It is common cause that all of you here today, as our valued port users, are increasingly demanding quick turnaround times in ports and reduced port costs. This can only be achieved if we live by the value that superior client service is the foundation of our operations. The higher the efficacy with which we handle cargo through the ports, the faster the turnaround times and the cheaper the costs.

We are aware of the current challenges which we have been facing on the turnaround times and this has largely been attributable to the need to upskill ourselves, realign our culture and invest in additional and new cargo handling equipment.

I have highlighted in our first strategic theme, the interventions which we have embarked on to address the people related gaps.

In terms of equipment and systems, over the period from 2014 until 2019 we have invested most of our financial resources onto the watershed project of the New Container terminal. Unfortunately, this created a gap in the investments towards cargo handling equipment especially yard equipment and we are now bearing the brunt of this. The very depressed economic environment and constrained financial resources have thus not allowed us to roll out these acquisitions at a fast pace as we would have wanted to. In the meantime, we have been burdened with equipment breakdowns and shortages.

While there are still very significant and onerous competing financial demands on the business, we have taken a conscious decision to replace our cargo handling equipment and we will do this gradually starting with those areas where the requirements are more precarious.

We presently have, amongst others, the purchase of new reach stackers, rubber tyre gantry cranes, forklifts, wharf cranes, spreaders, docking blocks and cradle wheels for the Syncrolift at various stages of procurement.

We are also rolling out a new terminal operating system for general cargo and the Syncrolift and this will go a long way in streamlining the paper-based processes and enhancing the timeliness of our billing.

We believe that upon being brought on stream these equipment and assets will go a long way in addressing the current challenges we face in our ports with equipment unavailability and downtimes.

The third theme of our strategy requires of us to focus on enhancing customer and stakeholder value.

Successful companies are those that can adapt themselves to changing market conditions, changing technologies and a consistently changing environment.

Namport is not immune to this reality, and in fact given the ever-changing industry in which we operate, change is but a constant occurrence in our company. This reality presents immense challenges to us, given that you, our port users and our customers constantly demand increased and improved cost-effective services to enable you to adapt to these changing circumstances. In responding to these demands, rest assured that our mantra going forward is to strive constantly for relevance, excellence, and for continuous improvement.

We are rolling out digitization as part of our focus towards enriching the customers' experience and streamlining processes and operating costs.

This will see a lot of our current processes being automated so that from the comfort of your offices and without incurring running costs, you can have your documentation processed through the ports. The first phase which will migrate the physical orders which we presently receive and process through the customer care desks to a virtual environment is already undergoing trial testing ahead of full implementation. Thereafter we will continue with other phases covering amongst others the cargo gating processes and truck bookings.

On a broader scale I am sure you are all aware that Namport has been appointed as the implementing agency for the National Single Window and upon implementation this will see the integration of all role players in the logistics industry so that the end-to-end processes are migrated to a paperless environment, further enhancing the ease of doing business within the logistics and maritime industry and the country as a whole. The process of securing a partner for the National Single Window is currently in progress.

The last theme of our strategy focuses on sustainability.

As a business, it is critical that we operate efficiently, generate adequate returns to sustain our operations, earn a return to our shareholder and

ensure consistent, high quality and reliable service delivery to our customers.

To this end, we have embarked on various strategic initiatives towards the attainment of self-sustenance and an across-the-board review of our operations to determine any areas where there are wastages and inefficiencies so that these can be addressed. We aim to generate the best returns with the maximum efficiency in the utilization of resources.

As part of the roadmap towards sustainability, we are also pursuing public private partnerships in the rollout of critical infrastructure and facilities in our ports.

This will provide external capital for the upgrade and expansion of amongst others, warehouses and other cargo handling facilities in our ports whilst simultaneously allowing Namport to focus on other much needed investments in equipment, systems and other common user core infrastructure.

Amongst the notable PPP initiatives being considered or in the process of implementation are:

- The development of the common user manganese export terminal at the Port of Luderitz;
- The development of the common user bulk terminal at the Port of Walvis Bay;
- The possible concessioning of the Walvis Bay New Container Terminal;
- The construction and operation of the LPG and LNG terminals at North Port here in Walvis Bay; and
- Green hydrogen production and export from both North Port and the Port of Luderitz.

As regard the current year's operational and economic environment, I must admit that it has been an extremely challenging year for all of us.

While we were all positive that the advent of the new year would see the pandemic subsiding, the infections spiraled well into the year 2021 with the resultant lock downs which were imposed as part of the broader efforts towards curtailing the spread of the pandemic.

With the only meaningful mitigation from the pandemic being vaccination against the virus, Africa and Namibia's positions remain precarious on the back of the very low uptake of the vaccine. **At present a worryingly low 11.6% of Namibia's population is fully vaccinated against COVID-19 in comparison to the global average of 42.7%.**

This unfortunately means we are not out of the woods and should the new variants we hear strike again, we may find ourselves back to square one.

So, ladies and gentlemen, my clarion call to you, as very important stakeholders to Namport and to the economic development of our country is that we need to voluntarily take the vaccine.

It is important for us all, for the attainment of herd immunity and for our future preparedness to confront the virus should it rear up in a strong way again.

The skyrocketing demand in North America for imported goods and mainly from the Far East, driven by the stimulus package and improved disposable incomes, has created immense capacity for shipping and the diversion of vessels to service the North American market. Suffice to say this has been at the expense of less lucrative and relatively smaller markets such as ourselves here in Africa.

Therefore, we have, since the first quarter of this year, seen a serious increase in blank sailings, very low turn times and shortage of containers especially the twenty footers which we use for exports of mineral ores and as dictated by the laws of supply and demand, a steep increase in freight rates.

I see some of our colleagues from CLOF here and I apologize that I will have to put you on the spot. Ladies and gentlemen, amidst this turmoil in the shipping industry, global shipping lines are going to declare combined profits in excess of approximately a massive N\$200 billion. The implication of that is importers and exporters and ultimately the consumers are paying more, and this speaks to sustainability.

The short-term prospects hence remain very tough, and we must all continue striving towards supporting our customers across all industries that they remain in business for all our sustainability.

Indications are that the current equipment shortages will subsist well into the new year 2023 and possibly into 2024. While previously the main challenge for us all was cargo, we have done fairly well as an industry to grow the cargo volumes from our trade corridors, and we have seen very positive movements over the past few years.

However, we are now faced with an unprecedented challenge which is the shortage of ships and containers.

Our latest test is to think out of the box and sustain these volumes amidst the storm and I must say I am encouraged by the resilience, the collaboration and resourcefulness that we have seen. For example, we have seen customers resorting to exporting copper in bulk which was previously unheard of.

This is the kind of never surrender spirit that we are advocating for! We must make it work at all costs and remain focused through these temporary setbacks and thereafter we will certainly reap the fruits of our investments and hard work.

On a positive note, we have seen increases in the volumes we are handling through our ports year on year, albeit marginal. Total TEUs have increased by 2% while bulk and break-bulk volumes have increased by 10%.

Again, yesterday we received the first passenger vessel at the Port of Walvis Bay, the Europa, after the last call in the first quarter of 2020 and where after we banned all calls because of the devastating pandemic.

It was quite heartwarming yesterday to see our brothers and sisters who earn a living from selling various artifacts to the tourists, lining up the Namport Port of Walvis Bay South gate in anticipation of making the first sales in almost 20 months.

I wish to take this opportunity to reassure all port users and the nation that the decision to reopen the ports to passenger liners was not a light one and in fact followed thorough planning and in-depth engagements with all role players and authorities to ensure that we do not open ourselves to the risk of new infections.

Amongst some of the measures we have implemented are pre-arrival notifications and documentation on the COVID-19 status of all passengers and crew on board and the testing of passengers for the virus by the Port Health Officials and Medical staff aboard the vessels before being allowed to disembark from the vessel.

We are confident that these measures will effectively guard against the transmission of the virus from the crew and passengers arriving on the cruise liners.

In closing, ladies and gentlemen, kindly therefore allow me to express my heartfelt and deep appreciation to you all for the warm welcome and support since I joined the industry.

The support that you continued to give to Namport especially in these very turbulent times is evident in our fairly consistent business volumes and I can only rest assure you that with such a unity of purpose and positive collaboration, we will weather the storm.

I appreciate your patience as we work on straightening those angles which have been affecting the performance you expect of us.

I also thank our new Board of Directors who took office on the 1st of April 2021 for literally hitting the ground running and the resolute support and guidance that they have been giving us amidst the challenging business environment. I note that two of our Directors, Mrs Amanda Pick and Mr Alfeus Kathindi are present here this morning. May I kindly request that you stand up to be seen by our valued clients?

I also wish to extend my appreciation to my team at Namport for the welcome, the support and sharing the determination that together we will achieve great success for this great organisation.

I wish you all a pleasant and safe festive season as we take a break to reflect and reinvigorate ahead of another challenging year ahead.

I thank you very much and may you have a blessed day ahead!