

Project Summary for Public Disclosure

Project Overview	
Project Name	The Durban Container Terminal Berth Reconstruction Project
Country	The Republic of South Africa
Sector	Transport Infrastructure
Approval Date (by the Board)	28 May 2018
Total Project Cost	USD 643 million(Rand 8.4 billion)
Loan Amount	USD 200 million
Borrower	Transnet State Owned Company Ltd
Implementation Agency	Transnet State Owned Company Ltd

I. Introduction

Over the last two decades, South Africa has become a major role player in the economic development of Sub-Saharan Africa as a service and manufacturing hub. The economic forecast underpinning the freight demand forecasts is based on a belief that South Africa will enhance this role in future. This will not only affect the volume of exports, but the composition of exports as well. The freight demand will also have an important bearing on the infrastructure of the South African harbours such as Durban Port. Durban is the main gateway and hub-port for Africa, accounting for 65% of the South African container throughput. Durban Port plays an important role in the South African economy, with Durban being one of the largest South African metropolitan areas on its own and the gateway to the largest metropolitan area Johannesburg. However the existing demand from larger container vessels challenges the Durban Port container operations. Existing infrastructure requires expansion to sustain and increase container handling volumes. In this context, the Project is designed with financing from NDB to enhance the Durban Port's capacity and improve the port's competitiveness. The Project is in close alignment with NDB's mandate of supporting sustainable infrastructure development.

II. Project Description

The objective of the Project is to support the development and rehabilitation of a maritime and onshore infrastructure of the Durban Container Terminal. In particular, the Project seeks to expand and modernize existing facilities, to permit an improved mode of operation and to develop an infrastructure that fits the global shipping industry trends. NDB will provide a loan of USD 200 million to support the Project.

The successful implementation of the Project will allow the Durban Port to accept larger vessels with gross tonnage of more than 100,000 tons or 9,000 TEUs (twenty-foot equivalent unit) capacity. The existing three berths of the Durban Container Terminal will be lengthened and deepened to create additional slots for berthing of larger container vessels. With container ship's upscaling trend, the Project fits the global maritime industry trend of an increasing number of Post-Panamax vessels calling at ports worldwide.

III. Environmental and Social Aspects

The Project's socio-economic benefits include significant and direct expansion of business sales for the local businesses, the construction sector and manufacturing sector. The Project will also contribute to the regional labor market, as expansions of capacity of the Durban Container Terminal are significant generators of employment, both in the capital expenditure and operational phases. Furthermore the sub tidal fishing communities will benefit from increased fish stocks due to the ecological enhancements from the Project, as extension of the Central Sandbank will in turn enhance positive nursery impacts due to increased intertidal and subtidal habitat.

The Project is categorized as "A" in accordance with the NDB Environment and Social Framework. The environmental and social impacts of the Project are contained in the Environment Management Program (EMP) which includes proposed mitigations to ensure minimal negative impact. Transnet shall monitor and ensure implementation of the EMP while ensuring full compliance with South African legislative requirements and the NDB's Environmental and Social Framework.

IV. Financials

The total cost of the Project is estimated to be Rand 8.4 billion or USD 643 million. NDB will support the Project through a Non-Sovereign Project Loan of USD 200 million. The balance will be financed by Transnet.

Financier	Amount (\$ million)
New Development Bank	200
Transnet	443

V. Implementation

The Project is estimated to be implemented over 8 years between 2018 and 2026. Suppliers for the Project will be selected through a competitive and transparent bidding process.

VI. Contact

New Development Bank: projects@ndb.int