

# No bid for Durban cruise terminal

The latest Request for Proposals from Transnet National Ports Authority (TNPA) for the development of a new passenger terminal in the Port of Durban ended in a non-award.



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Richard Vallihu, chief executive at TNPA, said: "In terms of section 56 of the National Ports Act 12 of 2005, Transnet National Ports Authority is mandated to enter into agreements with companies to design, develop, construct, maintain and operate facilities to ensure the provision of port services. "In conformance with this process and our own Guidelines and Implementation Manual, we embarked on two consecutive rounds of RFPs, the latest of which has demonstrated that there may currently be limited appetite in the market for a private player to pursue this project," he said.

Lauriette Modipane, general manager commercial and marketing at TNPA, explained: "The latest Request for Proposals was advertised on 24 July 2015 and 1 August 2015. Twenty-five RFP documents were sold, however, 23 companies were represented at the briefing session which took place on 11 August 2015. The closing date for the submission of bids was 2 October 2015 and a multi-disciplinary bid evaluation took place on 12 October 2015. A single bid was received which was declared administratively and substantively non-responsive, hence the non-award."

TNPA said it would embark on a third open bid process within six months and would also review the scope of the project.

## Cruise tourism growing fast

The development of cruise terminals in Durban and Cape Town is in response to the tremendous growth that the cruise industry has enjoyed in recent years. Cruise tourism is the fastest-growing sector in the global tourism industry, and is set for continued growth. For example, in 2006 Durban handled 50 cruise liners and 67,017 passengers. By 2014 cruise vessel calls had grown by 48% to 74 vessels while passenger growth was just under 224% or 217,000 passengers. For the first two months of the 2015/16 cruise season which ends early May 2016, Durban had already received 51 vessel calls with 123,719 passengers.

The Durban cruise terminal is one of the section 56 initiatives that Transnet National Ports Authority has identified to encourage private sector participation as a key element of the company's Market Demand Strategy (MDS). The MDS aims to significantly contribute to the growth of the South African economy. Transnet would spend in excess of R300bn in capital investment over seven years from 2012 to 2019.

TNPA's existing cruise terminal - situated at N Shed in the Port of Durban, off Margaret Mncadi Avenue - was recently upgraded through a joint initiative between TNPA and MSC to bring it more in line with international standards.

However, Transnet and the eThekweni Municipality have proposed a new, larger, world-class Durban passenger terminal for development along the North Pier just inside the harbour with the aim of supporting the growth of the local tourism sector. It is envisaged that the terminal would dovetail with planned development around the Durban Point Waterfront and tourist attractions such as uShaka Marine World.

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