

# **Xstrata Alloys**

## **MCLI - Presentation**

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**Xstrata Alloys**

# General

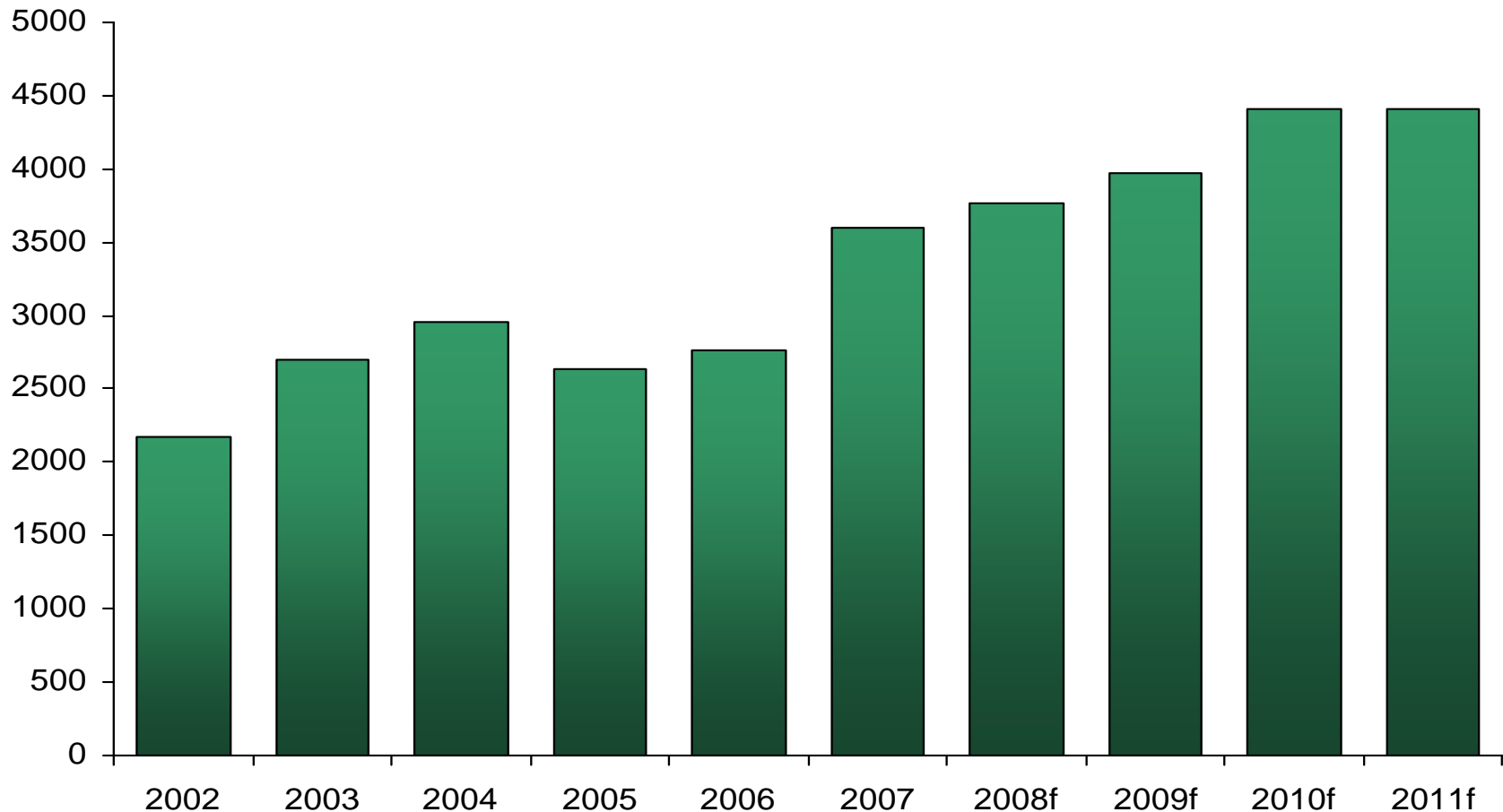
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- **Xstrata's involvement in Mozambique dates back to 1977**
  - CMI Lydenburg plant built with the intention to export solely via this port
- **Since 1994 importing bentonite at a rate of 12,000tpa to 24,000tpa**
- **Trial shipment Ferrochrome 8 Aug 1997- 1000t by rail**
  - **Problems**
    - Tar pad
    - Trucks misplaced
    - Offloading very slow

# Production of FeCr in South Africa is expected to grow by 103% from 2002-2011



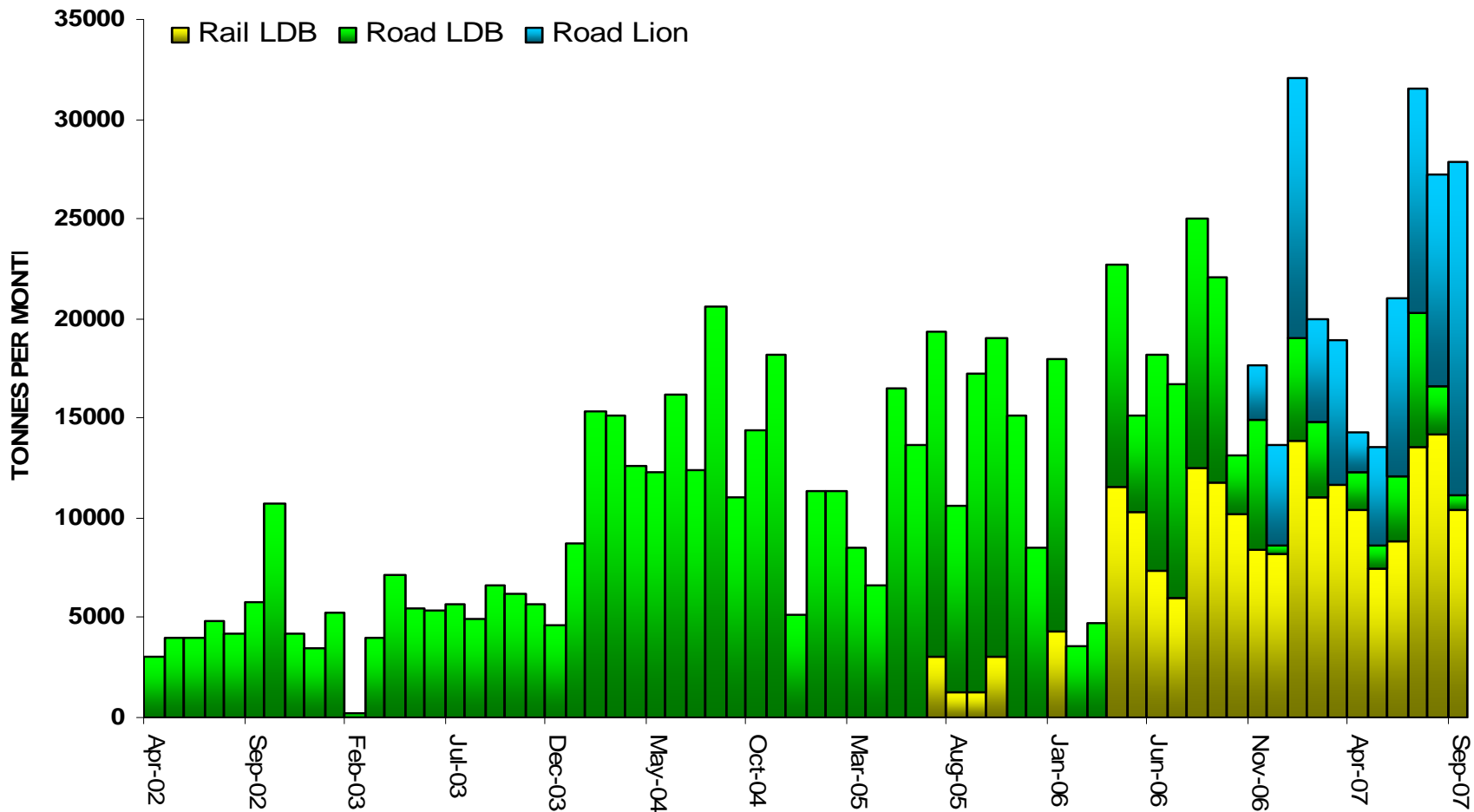
South African FeCr production, 2002-11, '000 t



# Exports via Maputo by Road and Rail have been steadily increasing since 2002



## Xstrata's exports via Maputo, 2002-07



# Challenges and Opportunities

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- **Shipping Lines**

- Initial difficulty securing vessels for bulk
- Current availability of containers

- **Equipment and Infrastructure**

- Insufficient to service both bulk and containers
- Current growth in export of commodities will potentially place strain on infrastructure

- **Rail Transport**

- Seamless integration between Transnet and CFM
  - Communication
  - Tracking of trucks
  - Placing of trucks

# Challenges and Opportunities

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- **Road & Rail**
  - Lion (Steelpoort) operations restricted to road transport
  - Road condition between Lydenburg & Bambi
- **Border Post**
  - Delays
  - Lack of discipline with regards to queuing
  - Lack of parking space and parking control
  - Costing effected by delays at border post
- **Accident Handling**
  - Impoundment of trucks
  - Imprisonment of Drivers and Legal Representation

# Positive aspects

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- **Positive approach of parties we deal with:**
  - Refreshing enthusiasm
  - Willingness to develop, change and adapt to rapidly changing circumstances
  - Vision of the senior management
- **MCLI interaction**
- **Effective Logistical Chain:**
  - Effective & Committed Transporter
  - Forwarding & Clearing Agent (Rohlig)
  - Port
    - MPDC
    - Naval- Efficiency outweighs Richardsbay & Durban
    - MIPS
    - Mocargo

# Way Forward

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- **Further growth depends on all parties involved**
  - Remove constraints
  - Continued development of port facilities
    - Equipment
    - Containerisation
      - **Global trend**
    - Continued interaction with parastatals
  - 24 Hr Border post for commercial traffic
  - Fast Lane approach for accredited exporters
  - Government and or Legal assistance in case of accidents

# Impressions After 5 years of Growth



- **Benefit to the whole Southern African Region**
  - Not only a benefit to South Africa or Mozambique but to the entire region
- **Exciting opportunities to grow with associated benefits of increased efficiency and effectiveness of trade**
- **Decreased congestion at overloaded ports currently restricting trade**

# Refurbishment Quayside



# Construction new Ferropad



# Recently acquired cranes



Now



# Impressions After 5 years of Growth



- **This is a real success Story**
- **With the attitude and energy demonstrated over the past 5 years I have no doubt that the opportunity to improve and continue the rapid growth will be realised**

Thank you for your Attention

Any Questions ?

