

Commodities boom

opens up opportunities in Dar

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BY Alan Peat

AFRICA IS a complex market, but one with definite future prospects, according to Dave Rennie, MD of Grindrod Freight Services.

Experience in handling African countries' regulatory requirements, transferring operational skills and establishing solid relationships are three of the major contributors to any successful dealings on the continent, he added.

The Grindrod group as a whole – in its four guises of shipping, trading, freight services and financial services – has extensive representation in Africa.

The freight service division, meantime, is focused on the southern African region – having invested significantly in Mozambique, Namibia and Tanzania.

“For instance,” Rennie told FTW, “Grindrod has an effective 24.7% interest in the Maputo Port Development Corporation (MPDC), which runs the Maputo port.”

The port development, Rennie emphasised, was progressing well – with investments of in excess of US\$70-million being injected since 2003 for the rehabilitation of the infrastructure

of the port.

The Maputo Port is chasing the significant tonnages that it handled in its heydays in 1970s – when it moved 17-million tons of cargo each year. In 2002 it handled 4.43-mt, increased this to 6.7-mt in 2007, and management are expecting to continue this upward trend and break the previous record in the next few years.

“We have also made significant investments in the port's Matola coal terminal (which will increase export capacity to 4-million tons per annum by the end of this year), the ferro / ore terminal and the car terminal – with a tank terminal being the latest addition,” said Rennie.

While Africa continues to pose challenges, especially regarding infrastructure – with debilitated railway lines and roads creating a challenge in moving cargo to and from the ports – Rennie is confident they will continue to grow their work on the African continent.

With commodity exports flowing out of southern Africa to China and India, the company has various projects under way to develop this trade, for example the import and export of commodities and minerals via



A car carrier towering above the railway station in down-town Maputo ... The Grindrod Group has invested significantly in Mozambique.

Dar es Salaam, Tanzania.

Grindrod is also working on projects in Nacala and Beira.

“We are also looking at developing business in West Africa,” Rennie told FTW,

“with a focus on Angola and Ghana.”

With the various projects under way, Rennie said he was confident that the freight services division would continue to increase its contribution to the group's earnings.