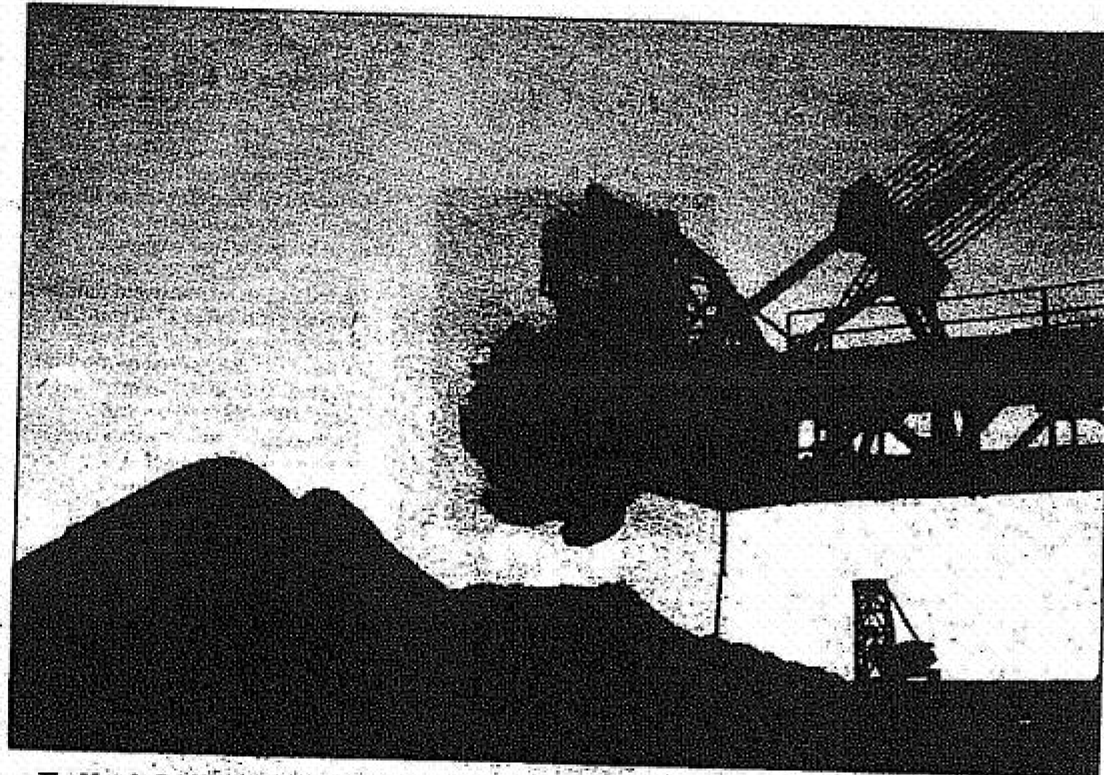
Gateway potential of port exploited

The port of Maputo is emerging as an increasingly attractive alternative to Durban, writes Nicola Jenvey



The Matola Coal Terminal at Maputo port. Investors see the port as having substantial expansion potential.

SHIPPING and logistics group Grindrod has evolved from a local shipping company struggling against the adverse international shipping charter market a decade ago to a powerful entity holding substantial investments on the high seas and quaysides around the world.

Earlier this year Grindrod announced a multimillion-rand venture in which the Durban-based company joined forces with the international group, Dubai Ports World (DPW), to give both entities a substantial influence in running the port of Maputo.

That investment shifted Grindrod's capital expenditure in Maputo over the $100m mark.

Since the Mozambique government paved the way for private investment into the country and the dilapidated port became the recipient of international capital, billions of dollars have been pumped into the facility. Strengthened by the shorter distance to the Mozambique coastline, significant marketing and investment has been made into developing the transport route between Gauteng and Maputo as an alternative to the Durban-Gauteng pipeline, and Maputo has advanced into one of the fastest-growing harbours in southern Africa. The port also has substantial expansion potential — unlike Durban, which battles against the built environment constraints.

Grindrod Freight Services CEO Dave Rennie says the group partnered with DPW as the international corporation was already invested in the port and is a global port operator concentrating on Africa.

DPW runs the Maputo container terminal as well as 41 other terminals around the world.

In December Grindrod acquired shareholdings in the Maputo Port Development Company (MPDC), the public-private partnership entity charged with redeveloping the port, via Portus Indico, from British port operator Mersey Docks and Portuguese terminal operator Liscont. Grindrod bought a 12% stake held by Swedish company Skanska the previous month. The final shareholding sees Grindrod and DPW each holding 48,5% of Portus Indico, with the 3% balance held by a Mozambican shareholder. Portus Indico, which has a 51% stake in MPDC, runs the port. The balance of MPDC is owned by the Mozambique government and railway operator CFM.

Last year Rennie said Grindrod would be investing around $80m in the port over the following three years to double its capacity, with a special focus on the new car terminal and the Matola Coal Terminal. He says the Maputo port experience, including the container and coal terminals, provides Grindrod with the platform from which to generate substantial returns while earning kudos for operating a port and developing terminals.

He echoes comments made by DPW CEO Mohammed Sharaf that Maputo is one of the main corridors for the southern African hinterland. As such, DPW plans to invest further in container handling facilities in the port. That can only mean Grindrod will be playing an increasingly important role in Maputo, too.