

MEDIA STATEMENT

TNPA GIVES UMHLATHUZE A MAJOR ECONOMIC BOOST WITH TWO TERMINALS AT THE PORT OF RICHARDS BAY

[Richards Bay, 10 February 2025] Richards Bay is poised to be South Africa's liquid fuel industrial hub after Transnet National Ports Authority (TNPA) signed two strategic Terminal Operator Agreements for the development of the country's first Liquefied Natural Gas (LNG) import terminal and a liquid bulk terminal at the Port of Richards Bay's South Dunes precinct.

The initiative aligns with Transnet's strategic pursuit of partnerships with the private sector, and signifies a leap towards delivering Transnet's objectives to align its freight logistics business with key commodities of the South African economy. This roadmap expands the Port of Richards Bay's value proposition, positioning it as a critical node in the transport network. This move is set to increase the port's capacity for handling liquid bulk commodities and reinforce its status as a premier gateway for LNG imports.

Speaking at the signing ceremony, Acting TNPA Chief Executive, Phyllis Difeto said: "This milestone underscores our commitment to transforming the country's logistics sector and being responsive to national energy goals. Collectively, the projects contribute to the economic resilience of the uMhlathuze region, with significant job creation in construction, operations and port-related industries. These initiatives highlight our commitment to transformation and workforce empowerment."

The signed LNG Terminal Operator Agreement (TOA) with Zululand Energy Terminals for 25 years contributes to government's Just Transition programme, which aims to introduce at least 6 000 MW of gas-to-power projects to meet the country's limited and depleting energy supply. The operationalisation of this import terminal is essential in enabling gas-to-power initiatives for both Independent Power Producers and Eskom as outlined in SA's energy plans. With TNPA's investment boost of just over R7 billion, the projected volume throughput for the LNG import terminal is at least two million tons per annum (mtpa) and could potentially reach over five mtpa over the concession period.

TNPA has also clinched an agreement worth over R123 million with FFS Tank Terminals to build and

operate a liquid bulk terminal. This key development enhances the port's capability to handle liquid bulk cargo, particularly bunker fuels essential for maritime logistics. Following the commercial operationalisation of the terminal this February 2025, the agreement will result in a modernised liquid bulk facility that efficiently delivers bunkering services to various vessels inclusive of bulk carriers, container ships and tankers whilst ensuring a reliable fuel supply over a 25-year concession.

The development of these two terminals is a game changer in the economic landscape of the region. The LNG terminal alone is projected to create over 1,000 job opportunities during construction, operations including downstream business for communities surrounding the uMhlatuze region, while the bunkering services terminal aims to generate around 50 direct and indirect jobs from the project initiation phase.

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About Transnet National Ports Authority

Transnet National Ports Authority (TNPA) is responsible for the safe, effective, and efficient economic functioning of the national port system, which it manages in a landlord capacity. It provides port infrastructure and marine services at the eight commercial seaports in South Africa – Richards Bay, Durban, Saldanha, Cape Town, Port Elizabeth, East London, Mossel Bay and Ngqura. It operates within a legislative and regulatory environment and is governed by the National Ports Act (Act No. 12 of 2005).

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