

Durban port investment hits roadblock

By [Fred Meintjes](#) | 17 October 2024

Hopes that private investment in South African ports will be accelerated are dashed by a court order

A deal between South Africa's state-owned logistics company, Transnet, and a company owned by Filipino billionaire Enrique Razon to expand and run sub-Saharan Africa's biggest container port in Durban has been put on hold.

The decision in the Durban High Court was taken in response to an urgent application after AP Moller-Maersk challenged the awarding of the deal to ICTSI, the Filipino port operator.

Last week, the Durban High Court issued an interim interdict that prevents port owner Transnet from negotiating, concluding and implementing the contract with ICTSI.

Observers said this would delay the biggest attempt yet to bring in private expertise to revive Transnet's ports, which rank among the least-efficient in the world according to a World Bank study.

The so-called interim interdict against Transnet will remain in place until the court hears the second part of the challenge brought by APM Terminals.

Maersk subsidiary APM Terminals was the runner-up in the process, according to media sources. Transnet shortlisted the firm along with companies including Cosco Shipping Ports, DP World and China Harbour Engineering Company and Guangzhou Port.

South Africa's fruit industries have long argued that private investment in South African ports is the only way to turn facilities around.

Observers have said that given the potential for contracts of this nature to be contested, Transnet should have anticipated such a challenge.

According to media sources, APM claimed the awarding of the tender to ICTSI was riddled with irregularities, "not least because the winner was assisted over the finish line by a concession that allowed it to fudge its proof of solvency".

EUROFRUIT that Transnet allowed ICTSI to use market capitalisation rather than balance sheet equity to prove solvency, painting a flattering portrait of its financial muscle. No other bidder was granted this concession.

It is not certain when the second round will be heard in the Durban High Court.

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