Tender dispute at Durban Container Terminal nears resolution

By Fred Meintjes | 29 April 2025

D-day for Durban container port battle has finally arrived with the contesting parties back in port

The hearing in Maersk's case against International Container Terminal Services (ICTSI) and Transnet over the Durban Container Terminal Pier 2 (DCT2) concession process, is back in the Durban High Court today (29 April) and tomorrow.

Exporters in general, and specifically South Africa's citrus export industry, are hoping that the matter will now finally be brought to an end.

They pointed out that the court battle between two international companies and South Africa's port operator, Transnet, had delayed the much-needed joint venture in the port of Durban for more than three years.

ICTSI said thi[illegible]ing that it had full confidence in the integrity, fairness and transparency of the process, run by Transnet.

“The challenge by losing bidder Maersk risks delaying critical upgrades to one of South Africa’s most strategic trade gateways,” said Hans-Ole Madsen, regional head for ICTSI.

”Unlike Maersk, ICTSI is not vertically integrated into shipping and port operations, allowing it to serve all shipping lines impartially.”

ICTSI was named the preferred bidder for the DCT2 concession on 11 April 2023, following what it called a ”thorough, competitive tender process” that began in August 2021 and progressed through multiple stages of evaluation.

“After ICTSI was announced as the preferred bidder, ICTSI was submitted to a further evaluation by an independent financial consultancy, a step which is over and above standard tender processes,” he continued.

Madsen said the resulting report concluded that ICTSI was a financially strong, well-diversified company with global capabilities to operate and improve the terminal, stating in the report that ICTSI was “expected to be a robust participant”.

The implementation of the 25-year public-private partnership between ICTSI and Transnet remains stalled due to a legal challenge brought by APM Terminals, a subsidiary of Maersk.

The challenge was lodged nearly a year after the preferred bidder was publicly announced and was based on their interpretation of the financial solvency ratio, according to ICTSI.

The South African citrus industry has long been promoting private-public partnerships in South Africa’s ports where inefficiencies and lack of development have hamstrung export operations.

Durban’s Container Terminal was the first of a series of joint ventures which is expected to bring substantial change to South Africa’s port infrastructure.