

Cape Town Mayor urges private sector investment in port operations

Cape Town Mayor Geordin Hill-Lewis has welcomed Transport Minister Barbara Creecy's confirmation that a Request for Information (RFI) will be issued in March to gauge private sector interest in partnerships for ports and freight rail lines. He urged the Minister to ensure Cape Town's port is included in the process, emphasizing that private sector involvement is critical for major infrastructure investment.

Hill-Lewis highlighted the Port of Cape Town's inefficiency, ranking among the worst globally, and noted that the government lacks the funds to invest adequately in port infrastructure. He criticized past proposals, such as the failed 2% VAT hike, as unfeasible solutions. While new cranes are expected, he argued that private sector investment and operational expertise are necessary to transform port performance. He stressed that an efficient port would increase exports, particularly in the agricultural sector, and create jobs.



The Mayor expressed concerns over the lack of clarity regarding the government's plans for the Port of Cape Town, even as Transnet has announced intentions to seek private sector investment for the ports in Durban, Richards Bay, and Gqeberha.

Mayoral Committee Member for Economic Growth, Alderman James Vos, noted that inefficiencies at Cape Town's port have significantly affected businesses, particularly fresh produce exporters. He cited a major company reporting a 20% decline in fruit exports, such as grapes, due to delays at the port. Vos pointed out that while the global average for gross crane moves per hour (GCH) is between 25 and 30, Cape Town's terminal averages just 13, creating widespread disruptions in the supply chain. Given that the port handles 80% of the country's deciduous fruit exports from December to April, he emphasized the urgent need for operational improvements.

Vos also urged port authorities to prioritize acquiring equipment that can better handle adverse weather conditions. Strong winds frequently halt port operations, leading exporters to divert goods to Durban, Gqeberha, and other locations at high costs. He acknowledged recent efforts, such as new equipment and a booking system, but emphasized that Transnet must secure the necessary technical and management expertise. He noted that the private sector has the skills and willingness to contribute, but Transnet must collaborate with them to support economic growth and job creation.

Research from the Western Cape Department of Economic Development and Tourism indicates that private sector participation at the Port of Cape Town could add R6 billion in exports, create approximately 20,000 jobs, and generate over R1.6 billion in additional tax revenues within five years.

Hill-Lewis called for a clear and urgent deadline for private sector involvement and reaffirmed that his administration will closely monitor the RFI process. He stressed that a modernized and efficient port is essential for Cape Town's economy and the country's broader trade ambitions.

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www.capetown.gov.za (<https://www.polity.org.za/article/port-of-cape-town-private-partners-should-top-minister-creecys-agenda-2025-03-03>)

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