

# TPA has come of Age

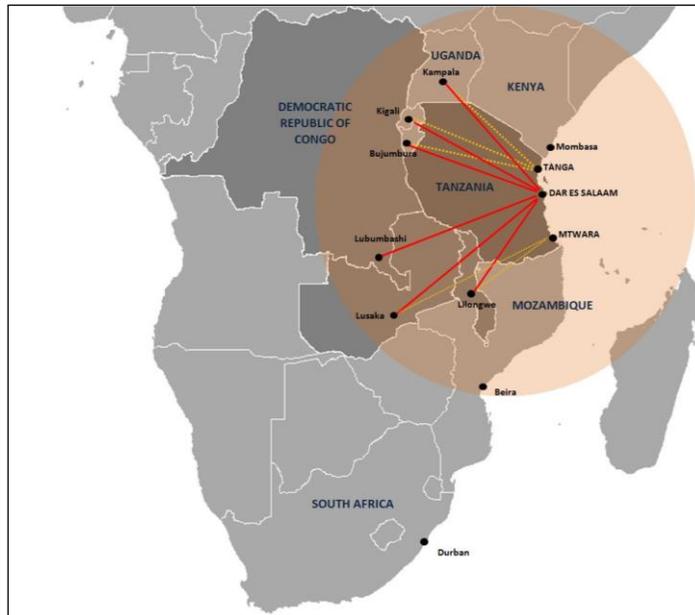
**Tanzania Ports Authority (TPA) is one of the institutions that have made Tanzania proud since before independence. Looking at its history, it is crystal clear that a lot has been done towards strengthening it for the benefit of the people of this nation and neighboring countries. Obviously, there are challenges but this Authority has come of age. Our Correspondent revisits the history, the present and future prospects of this Authority as it celebrates 50 years of our Independence. Read on...**

A port is a crucial infrastructure when you talk of land and water transportation and the fact that over 85 per cent of business is transported via various ports in the world speaks, volume.

As a country, Tanzania's geographical position is blessed to be strategically located in an area stretching to over 960 Km coastline with major three ports of Dar es Salaam, Tanga and Mtwara.

The country also possess three major lakes which also have ports in Mwanza, Bukoba, Musoma and Kemono in Lake Victoria; Kigoma and Kasanga in Lake Tanganyika and Itungi and Mbambabay in Lake Nyasa. All these ports are under the ownership and managed by TPA.

Tanzania's ports are very instrumental in servicing imports and exports of goods in and outside the country respectively and also offering similar services for the neighboring Burundi, Rwanda, DR Congo, Uganda, Zambia and Malawi.



## Datebacks

The historical background of the port of Dar es Salaam, sometimes referred to as the Heaven of Peace dates back to 1867 when the then ruler of Zanzibar Sultan Seyyid Majid selected the site to be the port of a major caravan terminus and Commercial centre.



Twenty years later in 1887 the Germans who had superseded the Arabs and obtained a concession to further coin Dar es Salaam as a trading centre echoed the decision. The Germans gradually installed key structures of the port, which included a Lighthouse, Floating Dock, Lighter wharf and construction of the Central Railway line from Tanga in 1893 and that of Dar es Salaam in 1905. The reign of the Germans ended in 1916 when the British occupied Dar es Salaam who from 1919 administered the country under the mandate of the United nations for 45 years.

In the course of the British administration some other key features were added to the port. These included the construction of a bulk cement facility, three deep water berths and an oil jetty.

### **East African Community era**

Between 1947 and 1967 ports were under East African Railways and Harbours Corporation up to 1967 when The East African Harbours Corporation came in for ten years functioning under the umbrella of the East African Community (EAC).

### **Formation of Tanzania Harbours Authority (THA)**

When the EAC broke in 1977, Tanzania Harbours Authority was established by Act of Parliament of 1977 charged with the responsibility of developing, operating, managing and maintaining of Tanzania's seaports. It is during this period that we saw major development of the port of Dar es Salaam as;

1977 Construction of berths 9, 10, 11 was completed

1988 Berths 9, 10, 11 were converted into a Container Terminal with a capacity to handle 1 million tons or 250,000 TEUs per annum

1989 Construction of Grain terminal completed with a rated capacity of 30,000 tons

1998 Dredging of the entrance Channel by widening, deepening and straightening to allow ships of maximum length sixe of 234 metres and a 24-hour navigation

2000 Leasing of the Container Terminal to TICTS and THA was Specified

2004 Repealing of THA Act and enactment of TPA Act, 2004 when the Parliament passed the Ports Act No. 17 which paved the way to a new Tanzania Ports Authority (TPA).

2006 despecifictaion of TPA

2009 Removal of TICTS Exclusivity Clause for handling container traffic in the TPA/TICTS contract

2010 Private Dry Port Operators

### **Tanzania Ports Authority (TPA)**

Tanzania Ports Authority assumed Landlord and operational roles in April 2005 through an Act of Parliament passed in 2004. With an additional of other duties, TPA inherited all responsibilities that were being handled by the then THA. The Authority is tasked to develop the port; operate it; promote; engage and managing private sector in running of the ports' activities.

This change was in line with the Government's privatization policy under which core activity of port operations, wherever possible, should be carried out by Private operators. TPA has been vested with the function of a Landlord port.

The mandate of TPA covers all the Coastal and Lake ports. As Landlords TPA provides among other Corporate roles, provision and maintainance of port infrastructure. However TPA as a Landlord can enter into contractual obligations with other bodies in order to secure the provision of port services, wether by means of concession, Joint Venture (JV), Public Private Partnership (PPP) or other means, and to this end to delegate its own function of providing port services to one or more Port Operators.

### **Private Sector Involvement**

Government policy is to retain 100% ownership of port major assets. Private sector is invited in port commercial activities through Lease/Concession and Joint Venture. The Ports Act, 2004 provides a legal framework for the private sector to participate in the financing of port projects.

The prosperity of any nation comes from trade and most trade is facilitated by ports. It is on this background that the Tanzania Parliament passed the law to facilitate the Public Private Partnership (PPP). The PPP legislation is warmly welcome as TPA strives to facilitate trade through better and cost effective services. Strategies to improve service delivery entail modernization of Port facilities and infrastructure. TPA views PPP as the most promising vehicle for sustainable development of ports. It is in this line that TPA has let some activities under its influence being run by private companies.

Vivid examples are the Dar es Salaam Container Terminal which is run by TICTS since year 2000, Gravimport Co. runs the cargo section at the Kigoma Port since 2008 and the Kasanga Port in Lake Tanganyika is being operated by Agro-Trucking Company of Sumbawanga since 2010.

In addition to that all ports under the Authority are being serviced by large ship companies which are East African Conference Lines, P&O Nedloyd, Maersk, Messina, MSC and Global Container Line.

### **Achievements**

In 1961 the major three ports in Tanzania of Dar es Salaam, Tanga and Mtwara handled goods totalling 1.185 million tons. Fifty years later, these ports are able to handle upto 10.168 million tons.

**Cargo Traffic handled by Tanzanian ports since 1961-2010**

<b>YEAR</b>	<b>1961</b>	<b>1985</b>	<b>1995</b>	<b>2005</b>	<b>2010</b>
Gen. Cargo (Tons)	1,185,000	3,574,607	4,583,407	7,253,904	10,167,568
Containers (TEUs)	-	46,507	99,708	249,310	425,181

The growth in volume of cargo handled over the 50 years period is mainly attributable to growth of economy in neighbouring countries, development of roads and railway transportation and strengthening of the ports infrastructure. Facilities for handling goods at the ports have been modernized to match technological advancement.

### **Dar es Salaam Port**

Just after the independence there were only three wharfs with a total of 600 meters. Fifty years later, there are a total of eleven berths with a total length of 2,018m. This increase has enabled

the port to serve more goods. Also, the capacity to off load petroleum products has increased after putting up in place necessary infrastructure in 1973.

There have been considerable development in equipment used in off loading and loading of cargo since 1961. For example number of Cranes has increased from 6 to 91, there has been an increase of boats to offer service from 2 to 15, Trailers have increased from 26 to 150, Forklift Trucks have increased from 39 to 84.

Other equipment that were not available at the time of independence which are now present include Front loader; conveyors; grabs; spreaders; weighbridge; bucket elevator; grain hoppers; bagging scales; dust coll unit; bagging unit mobile and empty handler.

### **Tanga Port**

Tanga port had only one lighterage wharve; however 50 years after Independence the port has a total of two lighterage wharves with a total of 381 meter long. This development has led to the increase of goods passing through Tanga port year after year. For example, transit sheds have increased from 4 to 18, while Mobile Cranes” have increased from 3 to 6; and trailers from 13 to 22. Other equipment that were not there but are now available are boats; labour launches; portal cranes; Tower cranes; tractors; front loader; Reach Stacker. Tanga has annual capacity of 0.5million tons.

### **Mtwara Port**

Mtwara port has not registered considerable changes in terms of infrastructure and equipment. However, the wharf distance has increased from 385 meters in 1961 to 395 meters today with an annual capacity of 0.4million tons.

### **Financial Status**

Generally, TPA runs profitably with the total asset value of Tshs 484 billion.

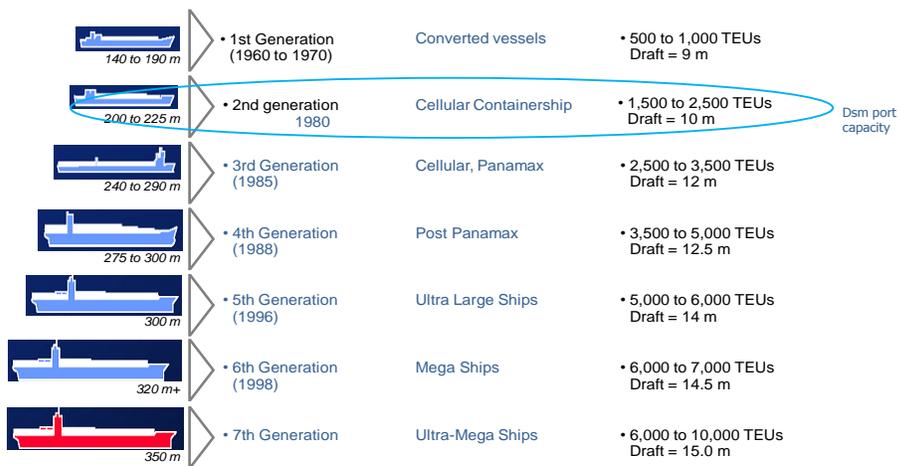
### **Challenges**

## Dar es Salaam Port

The changes that occur in shipping and ports industry has triggered development challenges in sea ports hence impeding achievement of the desired performance.

Ships are growing bigger in sizes and Ports are required to dredge the channels and berths and to procure equipment to handle big ships.

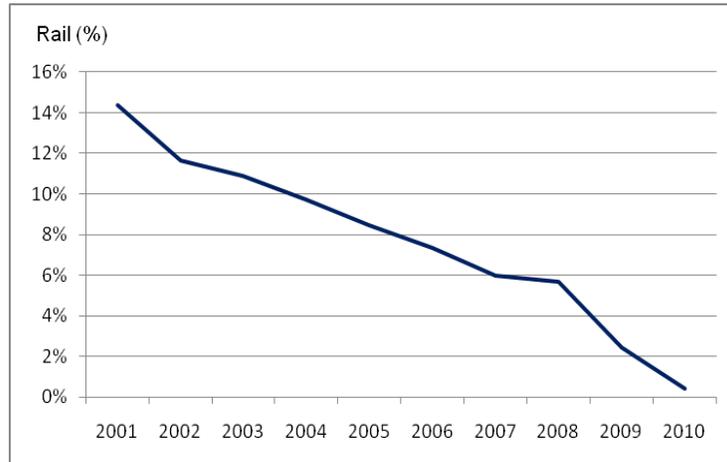
Dar es Salaam port has not been able to serve huge ships. TPA requires to deepen and widen channels, and deepen berth drafts to accommodate 7<sup>th</sup> generation ships which can carry up to 10,000 TEUs at once. Such ships require a draft of more than 15 meters.



Capacity to cope with increasing container traffic is another challenge the port faces as the growth rate per annum is 13.5% and 44% of total throughput is containers.

Inadequate Inland transport capacity especially rail has impede the flow of cargo to neighbouring countries of DR Congo, Zambia, Malawi, Uganda, Rwanda and Burundi. Because of this impediment, a lot of goods are transported by using roads which are affected by city congestion and long truck-turnround time and are highly costly. This has

reduced the Dar es Salaam port competitive edge with other regional ports in serving neighbouring countries.



### **Tanga Port**

The port is not able to serve big ships. Also there is a limited operational area coupled with poor roads to and from the port. The absence of railway services have caused a serious weakness to the functioning of Tanga port.

### **Mtwara Port**

The major problem with Mtwara port is high operational cost. The port depends on only one commodity which is cashewnuts. However, cashewnuts goods passing through Mtwara port has been dwindling as time goes on. Also, a number of cement and oil goods from Tanga passing through this port have been reduced. Other challenges have been poor infrastructure.

However, the port has the potential for expansion for it has over 2,600 hectares for port expansion and EPZ activities.

### **Lake Victoria and Tanganyika Ports**

These ports have been marred by obsolete infrastructure and reduction of goods as time goes by. Poor performance of TRL has had adverse effects on ports in Lake Victoria and Tanganyika.

## **TPA Vision in 50 years Ahead**

The Authority has prepared a Ports Master Plan (PMP) that seek to develop all ports in the country for the next 20 years. The aim is to have a road map for the development of all ports in the country up to 2028.

The Master Plan to develop infrastructure has been necessitated by an expected increase in traffic passing through all ports in the future.

The aim is to make Dar es Salaam port a 'hub port' and not a feeder port as is the case now. This will enable huge ships to come directly to the port and discharge cargo as well as use it as a point for shippers to ship goods to other destinations.

As it is now, Dar port is a feeder port for Dubai, Salalah and Sharjah where over 70 per cent of cargo coming to Dar es Salaam is from those ports.

For the port to become a hub, it should have a deep wharf of over 15 meters for it to serve huge Ultra Mega ships capable of carrying over 10,000 TEUs. As of now, the Dar es Salaam port has 10.4 depth and can serve ships capable of loading 2,000 with not more than 220 meters long. Having a hub port is crucial since there is a competition between our port and that of the neighbouring countries.



The government wants to make Tanga port a business gateway for Uganda and Southern Sudan. Construction of Mwambani port seek to serve the Ugandan market, Southern Sudan and possibly central African countries. The depth of the port will be more than 14 meters. However, the construction of the port should go hand in hand with the construction of Arusha-Musoma railway line, procurement of container barges in Lake Victoria between Musoma and Kampala. This project will be funded by Tanzania and Uganda.

Mtwara port is expected to become a Supply base for oil exploration and mining activities as well as serving as a catalyst for Mtwara Development Corridor and eventually act as a gateway for the countries of Malawi, Zambia and Mozambique.

The government also plans to make Mwanza port an important linkage between Dar es Salaam and Uganda. The strategy is to have a triangle system between Mwanza, Musoma and Port Bell Uganda where customers will have a choice to either use Mwambani port in Tanga or Dar es Salaam port.

The government through TPA want to make Kigoma port a gateway for goods to and from Great Lakes countries. The economies of Great Lakes nations grows fast following political stability in those countries.

The same strategy is for the Ports of Kasanga, Kiwira and Mbambabay where emphasis is put on fully utilization of growing markets in neighbouring countries. Kasanga port can be a gateway to DR Congo cargo while Kiwira port has the potential to serve goods for Malawi especially agricultural products and fertilizer. The vision is to make Kiwira port a 'Coal Port.'

**1961 – 2011**

**WE DARED, WE SUCCEEDED, WE ARE FORGING AHEAD**

