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*Richards Bay:
gateway to Africa*

GRAHAM LINSCOTT

With more than three million people, the Durban Functional Region is one of the fastest-growing urban agglomerations in the world – much of it sprawling, crime-ridden shackland. The land available for formal housing is critically short and the steep terrain makes building, and provision of water and sanitation services, more difficult and expensive than anywhere else in South Africa.

With a high population growth rate, 50% of the black population is estimated to be younger than 15 – and unemployment in many areas is already at 50%.

Add to these grim statistics the ingredient of violent and uncompromising political competition between the Inkatha Freedom Party and the African National Congress and the priority of Natal/KwaZulu as a problem region becomes apparent.

Natal / KwaZulu cannot be ignored or cut adrift from the rest of South Africa. It is home to too many people and is strategically placed. It has the country's main export and import harbours. It has large and important industrial growth points. And it has an explosive political potential. IFP / ANC conflict has already transported itself to the Pretoria / Witwatersrand / Vereeniging industrial region, to devastating effect. Unless the problems of Natal / KwaZulu are addressed, they are likely to ripple out over the rest of the country.

If political solutions are to be found, they

will emerge from the current exercise in constitutional negotiations. However, the most innovative and ingenious political arrangement has to be anchored in a sound and growing economy. That is as true of South Africa today as it was of Kerensky's Russia or Weimar Germany. Healthy political institutions will not flourish in conditions of economic depression, unemployment and poverty – this is the habitat of the demagogue and potential dictator.

It follows, if this is true, that for South Africa as a whole to create conditions for a successful transition to a healthy democracy, it will have to create such conditions in Natal / KwaZulu as well, where 25% of the national population is crowded together in a relatively small area, many communities living under conditions of the most abject and brutalising poverty.

What has happened up to now? The sad truth is that Natal/KwaZulu has been so badly neglected over decades that much of the region's current predicament has to be laid directly at the door of Government for a discriminatory disbursement policy. The Natal/KwaZulu Joint Executive Authority (JEA) recently commissioned an investigation by management consultants Deloitte & Touche, whose findings are staggering.





Natal/KwaZulu

In just three areas – health, roads and education – the region should be getting an extra R1,2 billion a year from Central Government to bring it into line with what the rest of the country receives per capita. Natal/KwaZulu has the country's second largest regional population – 25,9% of the overall total – yet it gets only 19,6% of the total health

budget. The gap is enormous. The consultants say this gross underfunding costs the region about 90 000 jobs which would have been created under a fair allocation. The people of the region have been denied about R500 million a year in wages and, with a dependency ratio of up to 12 people for each worker, about three-quarters of a million people have gone hungry and without adequate shelter – all because of the Government's skewed allocation of finances.

That is the quantifiable part of it. Who can calculate the economic effect of a workforce with inferior education and poor health?

The neglect has been extraordinary and has, as the consultants said, caused a "deep sense of dissatisfaction" among the people of the region. One can only conjecture as to the reasons. One theory is that KwaZulu was punished for refusing to accept "independence" in terms of the grand apartheid design, and Natal for consistently rejecting the ruling party at the polls. A slightly more charitable theory has it that Central Government policy discriminated in favour of whites nation-wide, and because there were proportionately fewer whites in Natal/KwaZulu than elsewhere, the region as a whole suffered. But it is a theory only slightly more charitable. The fact is that at least a portion of the region's current travail is attributable to the policies of previous national governments.

And if that is so, the region's future prospects could hinge greatly on the form of government adopted in constitutional negotiations. A new government, operating still under the highly centralised system we have now, need not necessarily feel any compulsion to provide Natal/KwaZulu the funding which is its due in terms of numbers of population, much less make up the backlog. It might have other priorities, just as governments up until now did. But, conversely, such a government might see the region's teeming numbers as potential political support and deliberately pour in funding to gain that support. Either way, at this stage it can be no more than conjecture.

However, it seems the major players have decided at least some regional federal elements will have to be built into the new constitution. Much will then depend on how this operates. Will regions/provinces have the authority to levy their

own income taxes, as they did until the 1960s? This would certainly give them a high degree of autonomy in deciding how they should spend the money raised by themselves from their own people, but it would not address the question of transferring wealth from the more prosperous regions to the deprived (still less making up backlogs). This would presumably still be a function of the central/federal government, and much would depend on whether and how such formulae were built into the new constitution. Natal/KwaZulu would certainly benefit from any requirement that government expenditure in the regions be accurately calculated on a per capita basis.

However, government expenditure can be only part of the equation. Job creation is the region's most pressing need, especially in the DFR, and this can be accomplished only by a combination of mobilising private investment and by a fostering of the entrepreneurial spirit, in both the formal and informal sectors. Pettifogging regulations need to be jettisoned, the would-be small trader needs easy access to the small amounts of capital he requires.

Initiatives such as the Durban Interim Development Committee promise a harnessing of all kinds of innovative and constructive thinking in mobilising development capital. The Durban Point development project promises a massive bustle of investment and employment, with all the secondary spin-offs.

And if, by an outside chance, Durban should succeed in its bid to play host to the 2004 Olympic Games – and it managed to raise the capital to build the necessary infrastructure – much of the DFR would be put to work for the next decade – and some of the housing backlog would be eliminated once the Games were over.

As a region, Natal/KwaZulu faces daunting challenges. But it also has certain unique attributes.

It has the ports of Durban and Richards Bay, which are already economic dynamos and could be con-

verted into Export Processing Zones – free ports along the lines of Hong Kong or Singapore.

The region has vast, unexploited water resources, particularly in the Tugela Basin. It has vast reserves of available labour. Add entrepreneurial capital to the factors of water and labour and the “problem” of the army of unemployed suddenly becomes part of the solution.

Natal/KwaZulu also has an important demographic component not found elsewhere in South Africa. The Indian community – generally well-educated, industrious and commercially enterprising – are significant regional generators of wealth and employment.

And with its magnificent mountains, coastline and game reserves – plus the sophisticated First World entry point of Durban – Natal/KwaZulu is excellently placed for eco-tourism, for which there is increasing demand worldwide. Eco-tourism is likely to become an increasingly important area of activity and a sustainable earner of foreign exchange.

If the potential is to be realised, the political leaders will have to provide the framework within which free enterprises can operate. But the two are mutually dependent, a successful political system needs to be rooted in an expanding economy.

In that case, the economic impulse is surely needed sooner rather than later.



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DEVELOPMENT OF RICHARDS BAY

This harbour town,
described as the most
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... striving to combine its
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In 1879 British naval commander Frederick William Richards – later to become Admiral Richards – selected the Mhlatuze mouth on the wild, isolated Zululand coast for the establishment of a beachhead, to assist with the relief of Eshowe after the battle of Isandhlwana.

Following the mission, his ship surveyed this coastal strip and the resultant map was the first to plot the Mhlatuze Lagoon as Richards Bay.



Today that lagoon forms the deepest harbour on the African continent, with Richards Bay setting its sights on becoming the metaphorical industrial gateway to Africa.

This harbour town, described as the most perfectly planned industrial node in the world today, is, according to Town Clerk, Mr Theo Tolmay, striving to combine its many attributes to, in time, develop into a unique metropolitan city.

"There is no doubt in my mind that Richards Bay will ultimately become a city of metropolitan dimensions," he said.

Rejecting any notion that Richards Bay could develop to rival the city of Durban, Mr Tolmay said: "We don't want to



Theo Tolmay, Town Clerk

be another Durban, we want Richards Bay to develop with its own unique characteristics and ambience."

Richards Bay, a youthful town born almost 25 years ago as a result of an identified national need, now boasts a population of almost 30 000 people.

Before developing the concept of Richards Bay, a number of scientific surveys were completed, culminating in the generation of a model of the port and town, which was researched and tested by the University of Stellenbosch.

The result proved to be a blueprint for a modern, well structured city – the optimal urban structure. Municipal leaders were fortunate to be able to learn from the mistakes of others, while "picking-up" on valid strong points.

And just as Richards Bay's short

history related to national economic need, so too will the town's future development be linked to the needs of the national economy especially with regard to imports and exports.

Richards Bay which presently covers 382 km², has undertaken a major drive to enter the global market and to increase foreign earnings, while providing the international market with direct access to the rest of Africa.

In the past this access has largely revolved around electricity and rail services. However, Mr Tolmay maintains: "Now we are talking about trade in the true sense."

Richards Bay has grown to become an integral part of Natal/KwaZulu and of



An industrial development node at Richards Bay

South and Southern Africa. Initially, great emphasis was placed on the attraction of primary industry to Richards Bay, in a bold effort to open up the isolated area. "Following this the service sector moved in to assist the industrial sector where they were not self-sufficient," explains Mr Tolmay.

Once a strong service industrial sector had been established, the town set out to market itself to general industries – the smaller, manufacturing industries which, because of a lack of in-house capabilities, require the back-up of service industries.

Now, Mr Tolmay maintains, Richards Bay is set to undertake the next phase of the town's development, which entails becoming a more prominent role-player when it comes to the international

trade market. Already the Richards Bay Municipality is a member of the KwaZulu Marketing Initiative, KMI.

Commenting on the international perspective of the development of Richards Bay, Mr Tolmay said local economic welfare was inextricably linked to national economic welfare and the town was banking on a four-year period for South Africa to develop "a firm direction" on a national basis, both politically and economically.

The international spotlight is currently focussed on South Africa and Mr Tolmay disclosed that great interest was being shown in Richards Bay.

"But the industrial trade world is awaiting stability and political direction in this country," he said.

external environment, both national and international, opens up, the town has the potential to become a major role-player in job creation.

"We have the ability to create many more jobs and once the external environment opens up to us, we will be able to perform much better than we are currently," he added.

Richards Bay is geared to developing a balanced community, an urban structure which is not biased to industry alone.

Mr Tolmay believes the town has the potential to play a crucial role in developing tourism trade within Zululand and Maputoland.

"We hope to involve ourselves in both the national and international tourism market," he stresses.



Although a wait-and-see attitude exists, International industrialists have indicated intense interest in Richards Bay because of its location, infrastructure and maintenance of infrastructure. There are other spin-off benefits such as the town's competitive tariff structures, strong labour force and the availability of land – tailor-made industrial properties are often made available to investors.

"It is, to us, important to remain in the forefront when it comes to the provision of infrastructure, and the provision of innovative approaches to ensure an effective and efficient urban structure," said Mr Tolmay.

Importantly, Richards Bay does not consider its development in isolation.

"We realise that we are part of a greater region. It is in our own interest and in the interest of the region that we develop in tandem," he maintains.

Richards Bay is striving to create a diversified primary economic base and once the

Many tourism developments have been created both north and south of Richards Bay, but little has been done to attract tourists to Richards Bay and its immediate surrounds – until now.

The reason behind this, Mr Tolmay says, is because the town was initially involved with "opening up the area" and installing basic infrastructure in order to create tourism opportunities.

This achieved, the town is in a position to address the issue of providing "tourist frills", significantly expanding Richards Bay from a purely industrial and commercial node into a tourist mecca for the region.

In looking for the fine balance of town development, Mr Tolmay said: "Our planning success is rooted in the fact that we do not regard any planning document as a rigid document." Adding that flexibility is the key to Richards Bay's basic philosophy.

A gift from the sea, that waited to be developed...

RICHARDS BAY SA's SUPER PORT



11

A secluded, natural bay, first mapped in 1879 by Sir Frederick Richards, Richards Bay is, today, Africa's deepest harbour and is set to become South Africa's first super-port.

The potential of Richards Bay was first realised as long ago as 1897 when a thorough hydrographic survey was undertaken along the coast of Northern Natal because Britain wished to link an inland coal source, by rail, with Richards Bay, where it was planned to construct a bunker station for the Royal Navy. The plan was never implemented.

Some 86 years later it was announced that a major port was to be developed at Richards Bay, seen to be ideally situated to service the Southern African interior, initially specialising in the field of bulk raw materials, including coal and manganese.

In 1976, when the port opened, only six berths had been developed, four of which formed the coal terminal berthing area. A total of 82 ships, carrying about 4 million tons of cargo, utilised the new port that year.

By 1991 Richards Bay was handling an estimated 60 million tons, or more than half of all cargo passing through South African ports. A total of 1 148 vessels anchored at the port's 16 berths during this period.

Although initially developed to service the vast network of Transvaal coalfields, which are about 500 km away, Richards Bay has embarked on an ambitious diversification and growth strategy.

For the first 15 years of its existence, Richards Bay served as South Africa's primary bulk-



handling facility. Today the handling of cargo is split between five specialist terminals namely, the Bulk Mineral Terminal; the Combi Terminal and the Bulk Metal Terminal, together with two privately operated facilities including the Richards Bay Coal Terminal and Richards Bay Bulk Storage, a bulk liquid terminal.

12 Portnet's Bulk Mineral Terminal handles a range of dry bulk commodities, including rock phosphate, zircon, rutile, titania slag, chrome, wood-chips, vanadium slag, andalusite and fertilizer – all of which are exports. Imports include potash, sulphur, alumina, coking coal and petroleum coke.

The Combi Terminal is a rapidly developing segment of the port, currently handling in excess of 3,5 million tons of cargo a year. The purpose of the Combi Terminal is to enable the grouping of a

number of cargoes, in order to reduce the number of port movements that a vessel would otherwise have to undertake when loading, or discharging a variety of break-bulk cargo items.

The newly constructed Bulk Metal Terminal handles about 2,5 million tons of cargo a year comprising ferro alloys, pig iron and steel. The two privately-owned terminals focus on coal exports and the discharge and storage of liquid chemicals such as propylene, butene, butadiene and ammonia.

In a nutshell, Richards Bay is one of the most diverse and multi-purpose orientated bulk-handling ports in the world.

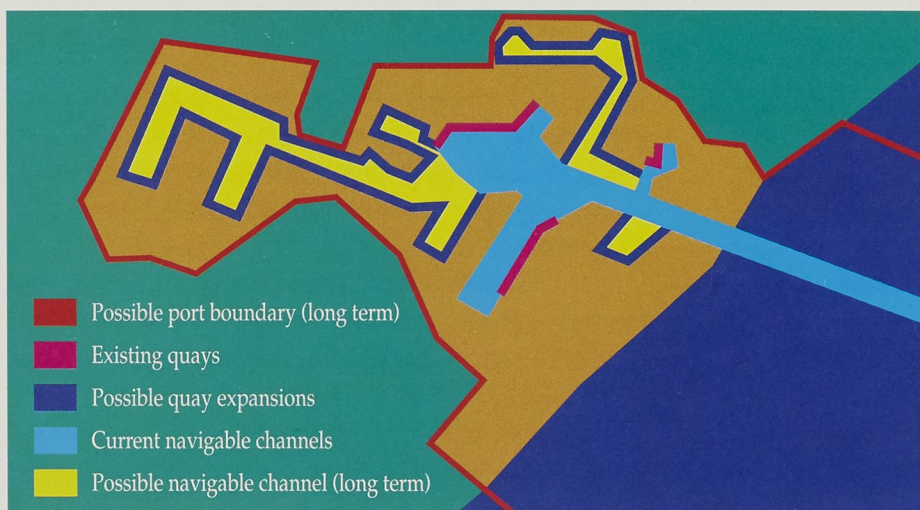
But a new era has dawned at Richards Bay – Super-port.

Portnet's Acting Port Manager at Richards Bay, Mr Glen Martin explains: "Richards Bay is

moving into the handling of general cargo, without deviating from the philosophy of high-speed, high-volume cargo handling".

Already approval has been granted for the multi-million rand investigation into the development of additional quays. Detailed planning for the construction of a further 650 m of quay facilities is currently at an advanced stage, while other future developments are likely to include the erection of coal storage facilities, together with grain,

The Port of Richards Bay; possible long term expansion



sugar and extended container terminals. However, the Super-port master-plan takes the port to yet another Platform.

Mr Martin said of the port, described as an uncut diamond on a sandy break – where people walk past and don't realise its value; "Richards Bay can make a significant contribution to the economic survival of South Africa".

Confirming that Richards Bay would develop beyond bulk-handling, Mr Martin added that a drive had been undertaken to win international investment support for, particularly, ship repairs within the port.

As the Super-port plan unfolds, Mr Martin said that it was conceivable that within the next 25 years, the harbour would be extensively extended up the Umhlatuze flats.

Currently Richards Bay covers 1 659 hectares of water area – larger than the ports of Durban, Cape Town, Port Elizabeth and East London combined.

The Super-port plan could see Richards Bay rivalling some of the biggest and busiest ports in the world.

The plan includes a substantial extension to the current coal terminal docking area, the provision of dedicated passenger liner docking facilities and the transformation of the entire port into an effective "handling and service centre", focussing on the rapid turn-around of ships.

Mr Martin indicated that Portnet's realisation of the Super-port plan would necessitate providing a range of services beyond the boundaries of the port; an electronic data interchange facility; and a close alliance between the town of Richards Bay and the port itself.

He added that it was envisaged that the port of Richards Bay would play an important role in the logistics chain.

"We envisage the port becoming the logistics platform for future trade," Mr Martin said.

Political stability, steady economic growth, international investment in South Africa – and especially the Richards Bay area, and the further opening-up of Africa to international trade could prove to be the pivot required to transform one of South Africa's busiest ports into the planned Super-port – the distribution point for all of Eastern Africa.

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