

## **MEDIA RELEASE – FEBURARY 2003**

KwaZulu-Natal Minister of Economic Development and Tourism, Mr Roger Burrows has pleasure in announcing the outcome of the tender for financial transaction advisor for the implementation of the Dube TradePort at La Mercy, north of Durban.

The contract has been awarded to PricewaterhouseCoopers Corporate Finance, who will provide the core financial advice and manage the overall service provision.

In addition, London-based Steer Davies Gleave will take responsibility for the traffic and revenue work stream as well as the economic cost benefit analysis. The export market potential study and traffic modelling support will be undertaken by Kaiser Associates, a global strategy consulting firm with offices in Cape Town, London, Washington, San Francisco, Sao Paulo and Dubai. The senior economist on the team is Bongani Gigaba of Iklwa Structured Financial Products in Johannesburg. Another Gauteng-based company, EC Harris, will lead the technical work stream, while TPS Consult of the United Kingdom will take responsibility for the planning and design elements. Alan Grey will provide support to EC Harris and Durban-based law firm Siwendu Ngakane & Partners will perform the legal analysis.

“The financial transaction advisors are required to establish the optimum model for the construction of the Dube TradePort through a public private partnership. Once this process is complete it will be necessary to obtain treasury approval for the feasibility study. This is in line with the treasury regulations regarding public private partnerships for government departments,” Minister Burrows said.

The financial transaction advisor was required to establish a project team that included a financial analyst, transport economist, airport planner, airport designer, costing specialist, environmental specialist, legal expert and a social development expert. The promotion of black economic empowerment in the process was also a requirement. In addition, the financial transaction advisor was required to have an internationally reputable partner in the airport or tradeport business who would be prepared to sign off reports.

The announcement by Minister Burrows comes only days after President Thabo Mbeki referred to the establishment of the Dube TradePort in his State of the Nation address. President Mbeki said details should be finalised for the private sector to be invited to take part in the project within eight months.

Minister Burrows said that the announcement by President Mbeki was in line with the time frames currently being followed in the province. It is anticipated that the procurement process for private sector bids will begin in about six months.

“The public private partnership created on the basis of the model recommended by the financial transaction advisors will be the first of its kind for an African airport. The King Shaka International Airport will also be the first international airport in South Africa outside of the ACSA stable,” said Minister Burrows.

The Dube TradePort initiative is being driven by the newly established Dube TradePort (Pty) Ltd. The company is responsible for driving the detailed feasibility processes, developing the competitive strategy and creating branding for the project. The company is a wholly owned subsidiary of Ithala Development Finance Corporation Limited (Ithala), which is in turn a wholly owned subsidiary of the KwaZulu-Natal government. Ithala falls under the Department of Economic Development and Tourism.

Board members of Dube TradePort (Pty) Ltd are:

- Mel Clark (head of the Department of Economic Development and Tourism)
- Siphon Nyembezi (Chief Executive of Ithala)
- Vishnu Padayachee (Deputy Chairperson of Ithala)
- Senzele Mhlungu (Director: Ithala)
- Zee Cele (Director: Ithala)