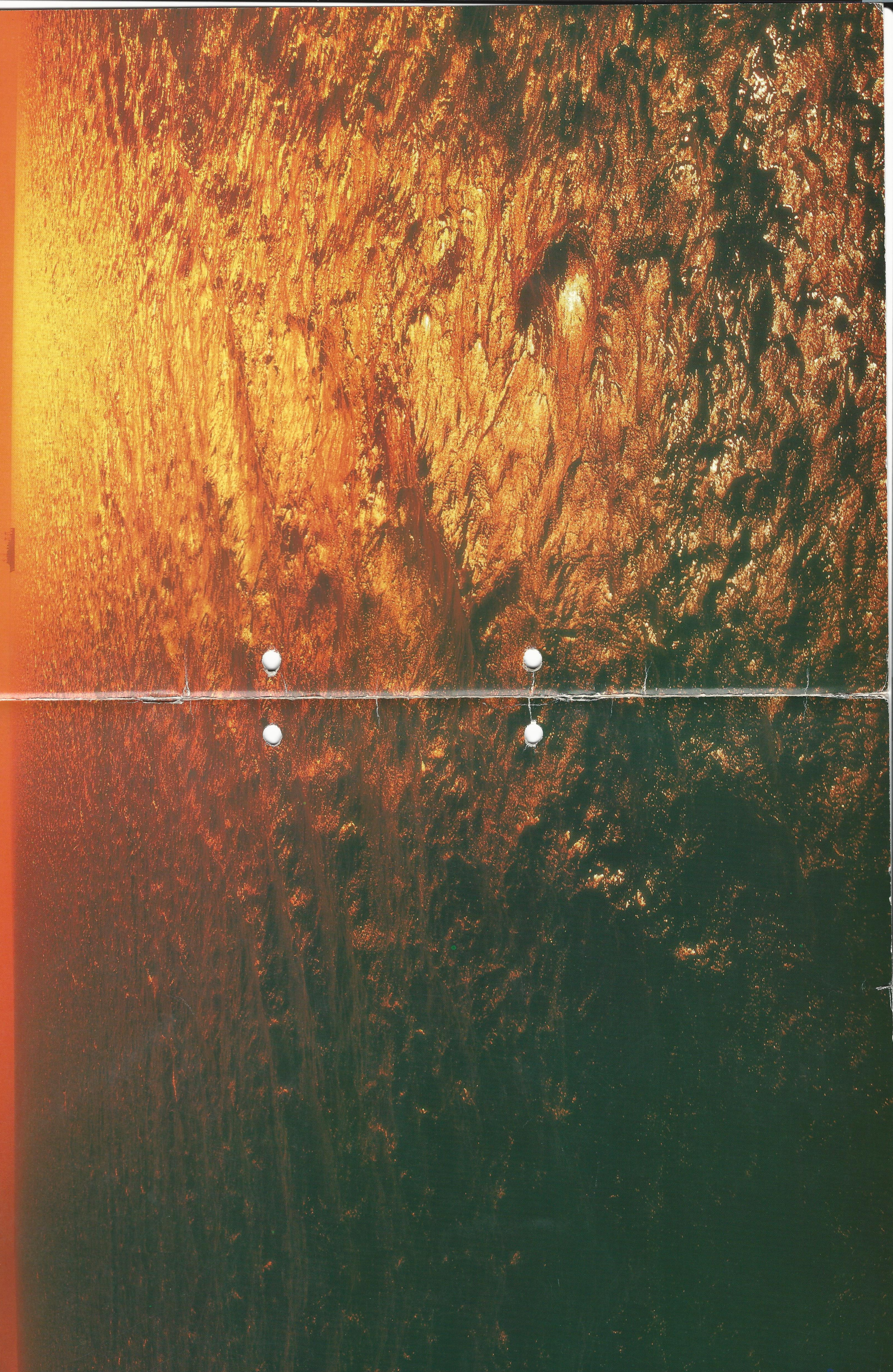




Annual Report 1996

Namibian Ports Authority

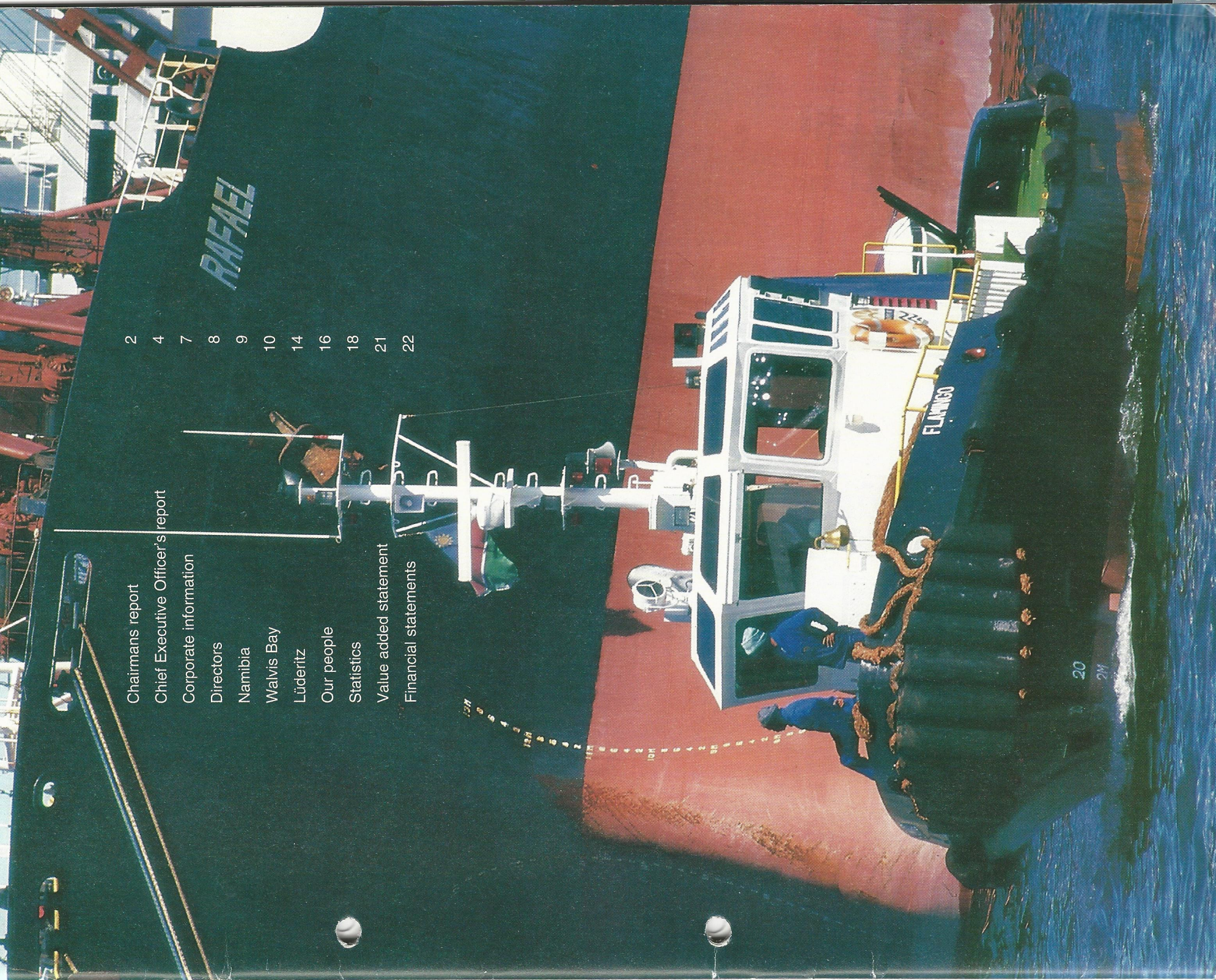




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It gives me great pleasure to be able to report that 1995/96 was a period of considerable strategic importance to Namport.

**Asset Transfer**

After prolonged negotiations, Namport paid Transnet N\$30 million in compensation for all of Transnet/Portnet assets in the Walvis Bay enclave. Registration of these assets into Namport's name is being processed by the Ministry of Works, Transport and Communication.

**Development Study for The Ports of Walvis Bay and Lüderitz**

The lengthy development study sponsored by the German development bank, Kreditanstalt für Wiederaufbau, and executed by a consortium of consultants was accepted in principle by the Namport Board early in 1996.

The relocation of the container terminal in conjunction with the acquisition of modern container handling equipment in Walvis Bay will have a major impact on port operations.

The dredging of the port of Walvis Bay to -12,8 meters is seen as an important step in the upgrading of the harbour to meet future demands by the increased use of the Western Corridor 1. The development of a 300 meter quay wall in the port of Lüderitz has made good progress and will pave the way for growth in the area - not only for

the fishing and offshore diamond industries but also for general cargo work.

It is pleasing to note that Namport was able to create substantial reserves indicating that the planned expansion is within its financial means if and when the soft loans become available.

**The Road Ahead**

With the imminent development in both ports under Namport's control, care must be exercised not to over extend the financial resources of our young enterprise. Development and cargo throughput must go hand in hand for Namport to live up to its mandate of operating on sound business principles.

**Board Members**

In April 1996 Mr. John Rogers, General Manager of the Chamber of Mines of Namibia Ltd., and Mr. Dirk Conradie, partner in the legal firm of Karualhe & Conradie, were appointed to the Board and we look forward to a long and rewarding association with them. Mr. Rainer Gevers retired during the year and I thank him for his counsel, commitment and assistance.

**Appreciation**

I am retiring as Chairman after two and a half rewarding years and would like to express my thanks to my colleagues on the board and The Hon Mr. O. V. Plichta, Minister of Works,

Transport and Communication for their invaluable support during this period. I would furthermore like to take this opportunity of thanking Namport's clients and our employees for their counsel and commitment which together has resulted in a successful year for Namport.

A special word of thanks also goes to our Chief Executive Officer and Namport personnel who must be commended on achieving the high standards of performance demanded of them.

T. Mberirua  
Chairman  
2 August 1996



**Left:** T. Mberirua  
Chairman, Namport  
**Right:** Vessels undergoing  
maintenance at the Synchronlift  
facility.







**W**hile our first year was a year of transition from a small section of a large entity, to a self contained entity with additional responsibilities, the second year was a year of consolidation, a year where operational plans for the future were transformed into action plans and a year during which additional administrative and structural requirements were identified.

Port operations were satisfactory, both in levels of activity as well as financial results. Operating profit increased by 71%, mainly as a result of the inclusion of the financial results for the Port of Lüderitz. Positive financial results were achieved with reduced tariffs in real terms (tariff increases were below inflation for both 1994 and 1995). This could be achieved as a result of low management and administrative overheads, low debt payments and generally sound financial management and control.

**Port development**

The port development study for our ports was accepted by the Board of Directors early in 1996. Representatives of KfW have done an economic evaluation of the main proposed projects and approval to grant a soft loan to finance these projects is awaited from the German Ministry of Foreign Aid and

**Development.**

Namport invested N\$8.8 million on new capital items, including a 45 tonne reach stacker, 19 vehicles, 6 forklifts of 3 to 4 tonne capacity and one 16 tonne forklift during the financial year, and a second reach stacker is on order at present. The bulk terminal and the cold store was completed by private operators to the total cost of N\$40 million.

Namport obtained tenders for a mobile tower crane for the Port of Walvis Bay to the satisfaction of the development bank so that once the money becomes available, the order can be placed without delay. Our choice is a Liebherr 1300 model, with lifting capacity of 100 tonnes at 18 meter radius and 40 tonnes at 32 meters. This crane will enable us to handle containers from ship to shore, a facility previously not available at Walvis Bay.

Negotiations with the European Investment Bank (EIB) to finance a N\$50 million quay development in Lüderitz have reached an advanced stage. The Ministry of Finance and the Ministry of Works, Transport and Communication have been involved during the negotiations and are kept informed. If all goes according to plan, construction can start early in the 1997/98 financial year.

Deepening the Port of Walvis Bay to minus 12.80 meter below chart datum remains an issue under discussion with

the Ministry of Works, Transport and Communication as part of the SADC regional Western Corridor development. In order to attract trade directly to Walvis Bay, the port must be able to cater for vessels on their way to or from other ports.

**Budget 1996/97**

The budget for 1996/97 reflects a turnover of N\$77 million and an operating profit of N\$24 million. The capital budget of N\$41 million provides for the implementation of phase one of the port development study and the purchase of an additional small tugboat.

**Participation in Government sponsored events**

Namport has participated in a number of international promotional events sponsored by NDC to support Government efforts to attract investment in Namibia. Although a direct marketing approach is preferred for the Authority, the Authority views its participation in the promotion of Namibia, with the aim of increasing her economic activity, as a long term investment for Namport.



**Left:** Capt. Jens-Dieter Von Der Fecht  
Chief Executive Officer  
**Right:** Namport employees  
installing mooring buoy in harbour.



## Business climate

Although cargo volumes varied from one commodity to the other, the overall modest increase in traffic was mainly due to a 24% increase in petroleum products and a 15% increase in container handling, while coal and fluorspar volumes were well below budget.

## Personnel

In an effort to adjust salaries to market forces ruling in Namibia, posts in Namport were re-evaluated. Salary increases were above the official inflation rate.

Personnel turnover is lowest in the general worker ranks where voluntary resignations are non-existent. In the skilled and semi-skilled grades the loss was highest, but still within acceptable limits.

Numerous offers from overseas were received via the Ministry of Works, Transport and Communication for training of management staff. Due to the high level of work commitment of our managers full use could not be made of these offers. Once the management team has been strengthened, these offers can be exploited.

## Tariffs

Tariffs for Walvis Bay were increased by only 7% on average and the tariff book was simplified to make it more user friendly. Changes were discussed with the Port Users Association who made a number of recommendations, most of which could be accommodated.

The tariffs for Lüderitz were not increased and will be subject to a tariff investigation. A two month notice period will be granted should the tariffs change before 1 April 1997. Berth dues for Lüderitz were reduced by 33% as they were considerably higher than in Walvis Bay.

## Highlights

The two main highlights of the year must be mentioned as milestones in the history of our young organisation which paved the way for future developments. These were the takeover of the Port of Lüderitz on 1 April 1995 and the settlement agreement reached with Transnet on the transfer of the Port of Walvis Bay on 30 December 1995.

The Authority took over the management of the Port of Lüderitz on 1 April 1995. The takeover of Lüderitz was smooth and all initial problems were resolved.

An agreement was reached with Transnet in December 1995 regarding the settlement of debt in respect of Walvis Bay. The Authority agreed to pay Transnet N\$30 million. This debt was financed through a loan from a commercial bank.

## Vote of thanks

To our clients, I wish to express my thanks for their support in the hope that Namport's accommodating approach to tariffs in time of need will pay dividends in the long run. I trust that the fruitful relationship between the Walvis Bay Port Users Association and Namport will continue.

It is with pride that I can express my unqualified thanks not only to the Board of Directors of Namport, but also to my fellow managers and all Namport employees in all departments in Walvis Bay and Lüderitz for their dedicated hard work and commitment shown throughout the year. It is this support which keeps Namport going from strength to strength for the benefit of all stakeholders.

Capt Jens-Dieter Von Der Fecht  
Chief Executive Officer  
2 August 1996

## Corporate information

### Background

The Namibian Ports Authority was established through the promulgation of the Namibian Ports Authority Act, with the following responsibilities:

- (a) the berthing and dry-docking of ships;
- (b) the storing, warehousing, sorting, weighing, loading, offloading, lighterage and handling of goods and the embarking or disembarking of passengers on or from ships within the Authority's area of jurisdiction;
- (c) the construction and operation of lighthouses and the

- (d) the provision and maintenance of surveillance aids and other equipment to monitor the movement of ships;
- (e) the provision and maintenance of lifeboats and other lifesaving equipment;
- (f) the provision and maintenance of search and rescue services;
- (g) dredging in ports and approach channels;
- (h) tug and pilotage services;
- (i) the protection of the environment within the areas of jurisdiction.

### Ports of Namibia, managed by Namport

The Authority, trading as Namport, took over the management of the Port of Walvis Bay and the Synchronlift in Walvis Bay on 1 March 1994, and on 1 April 1995 Namport took over the management of the Port of Lüderitz.

### Mission Statement

*Namport is committed to providing, facilitating and promoting efficient and effective port and related services for seaborne trade between Namibia, its neighbours and their international trading partners as well as for the Namibian fishing and other offshore industries.*

*Our goals will be to achieve excellent customer care. We aim to operate cost effectively whilst generating sufficient funds to make a reasonable return on investment for long-term sustainable growth.*

*We promote and encourage the active participation of all personnel and other stakeholders in achieving our goals. In this process, Namport will provide competitive conditions of service and a safe working environment while standing for equal opportunity for all our employees.*

*Namport strives to facilitate economic growth in Namibia by promoting foreign trade.*

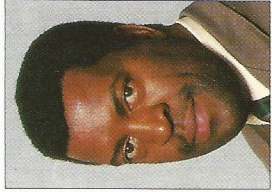


Left: Tug Ondjaba at the tug basin.



Right: Walvis Bay  
Your effective gateway to southern Africa.





**Chairman, Theofelus Mberirua**, born 12 February 1962, was appointed as a member of the Authority's board of directors in March 1994 as deputy chairman. In April 1995, he succeeded Dr Frieda Nela Williams as chairman of the authority. He is the General Manager: Finance at Telecom Namibia. He holds a Namibian citizenship.



**Deputy Chairman, Dr. Jan David Jurgens**, born 31 August 1936, was appointed as a member of the board of directors in October 1994 in his capacity as Permanent Secretary to the Ministry of Fisheries and Marine Resources. In April 1995, he was appointed deputy chairman. He holds a Namibian citizenship.



**Chief Executive Officer, Capt Jens-Dieter von der Fecht**, born 24 November 1934, was appointed as a member of the board and as Chief Executive Officer in March 1994. He is also director of African Portland Industrial Holdings Ltd Namibia and Walvis Bay Bulk Terminal (Pty) Ltd. He holds a German citizenship.



**Dr Peingeondjabi Shipoh**, born 31 December 1957, was appointed as a member of the board of directors in March 1995 in his capacity as Permanent Secretary to the Ministry of Works, Transport and Communication. He holds a Namibian citizenship.



**Godfrey Goaseb**, born 17 September 1941, was appointed as a member of the board of directors in March 1994 in his capacity as Permanent Secretary to the Ministry of Finance. He holds a Namibian citizenship.



**Rainer Gevers**, born 22 May 1932, was appointed as a member of the board of directors in March 1994 and resigned his position in April 1996. He held the position of General Manager at the Chamber of Mines of Namibia until his retirement on 1 April 1996. He holds a Namibian citizenship.



**Harold Teresinski Dennewill**, born 12 February 1941, was appointed as a member of the board of directors in March 1995. He is the Chief Executive Officer of Manica Group (Namibia) (Pty) Ltd and holds a Namibian citizenship.



**Capt Ian Alistair Wingate**, born 28 February 1947, was appointed as a member of the board of directors in March 1995. He is a retired master mariner and holds a British citizenship.



**John Crute Rogers**, born 23 September 1944, was appointed as a member of the board of directors in April 1996. He is a General Manager at the Chamber of Mines of Namibia and holds a British citizenship.



**Dirk Hendrik Conradie**, born 2 May 1959, was appointed as a member of the board of directors in April 1996. He is a partner in the legal firm of Karuaihe & Conradie and holds a Namibian citizenship.



**O**n March 21, 1990, Namibia became an independent democratic republic. Namibia, a vast and sparsely populated country on the southwestern coast of Africa, is bordered by Botswana in the east, Angola and Zambia in the north and South Africa on the south, with Zimbabwe at the eastern extremity.

Namibia is mainly arid or semi-arid. The Namib Desert which extends along the entire Atlantic coastline, covers 15% of the total area. A semi-arid mountainous plateau, which covers the central part of the interior, merges into the vast Kalahari desert and the Karoo desert. Namibia has a diverse population, consisting of several ethnic groups. Most of the people live in the north, where they depend upon

agriculture for their livelihood. Unemployment is high and the majority of the people are poor. Namibia's economy is based on mainly diamond mining, agriculture and fisheries products. Economic ties with South Africa are strong. Namibia's leaders declared their support for a mixed economy and seek foreign investment to reduce the economic dependence on South Africa.

Area	824,290 sq. km	Official language:	English
Population (1994 est.)	1,595,500	Capital	Windhoek
Distribution	30% urban	Annual growth	3.5%

Gross Domestic Product (1995 Provisional)	N\$11,267 Million	Inflation rate	8.7%
Agriculture	10%	Interest rate	19%
Fishing	5%	Principal trade partners:	South Africa
Mining	10%		United States
Manufacturing	9%		Germany
Commerce & industry	27%	Currency: (30/4/96)	= 1 SA Rand
Government	39%	1 Namibian dollar =	= 0.2247 US\$
		100 cents	= 0.3402 DM

(1995 Provisional)	N\$4,966 Million	Imports	N\$5,321 Million
Food	36%	(1995 Provisional)	
Diamonds	35%	Food	23%
Minerals	18%	Vehicles	17%
Manufactured products	9%	Fuels	12%
Other	2%	Machinery & equipment	11%
		Other	2%

(1995 Provisional)	N\$5,321 Million
Food	23%
Vehicles	17%
Fuels	12%
Machinery & equipment	11%
Other	2%





**W**alvis Bay is on the western coast of Africa, midway between the northern and southern borders of Namibia, and some 720 nautical miles north of Cape Town in the Republic of South Africa.

When Namibia gained independence in 1990, the enclave of Walvis Bay remained under the control of South Africa. On 1 March 1994, Walvis Bay was incorporated into Namibia, giving Namibia ownership of their only deep sea harbour.

Walvis Bay has a population of over 55,000 people. It has modern telephone, postal and hospital facilities. The road and rail infrastructure links Walvis Bay with the rest of the country and the African hinterland. A modern airport is situated 17 km from the center of town. The Trans-Caprivi Highway will link Walvis Bay with Zambia and Zimbabwe, while the Trans-Kalahari Highway will soon link Walvis Bay with Botswana and Gauteng - the economic powerhouse of southern Africa.

The fishing and salt industries, as well as the commercial port form the backbone of the local economy. More investment opportunities are opening up with the establishment of the Export Processing Zone and the fast growing tourism industry.

## The Port of Walvis Bay

Walvis Bay, sheltered from the

ocean by the Walvis peninsula, is a natural safe and secure harbour serving on the west coast of Africa. It is a quay for fast sea and land cargo transfers to the expanding markets of the world. It is situated ideally to become a transmission centre for exports and imports to the markets of West and Central Africa with Europe. Because of its infrastructure and location, the Port of Walvis Bay is well situated to also serve Zimbabwe, Western Botswana, Southern Angola and Zambia.

The Port of Walvis Bay was operated by South African Railways and Harbours, and later Portnet, from 1920 to 1994, when Walvis Bay was integrated into Namibia. The Namibian Ports Authority then came into being and took over the operations. The Namibian Ports Authority, trading as Namport, is well known for its proficient service which is complemented by well established road and rail links to its hinterland. ± 800 ships call at the Port of Walvis Bay per annum, discharging 1/2 a million tonnes and loading 650,000 tonnes of dry cargo, while tankers landed in excess of 700,000 tonnes of petroleum products during the 1995/96 financial year. A marked increase of containers to 23,000 TEU's was recorded in the 1995/96 financial year with no delays experienced in dispatch. The port comprises eight berths, stretching over a length of 1,405 meters with depth of minus 10 meters. The berths are served by 10

cranes of 4 tonnes and by 2 cranes of 15 tonnes.

With the development of the newly planned free trade zone, and the completion of the Trans-Kalahari and Trans-Caprivi Highways, the Port of Walvis Bay offers foreign investors the great potential of accessing the markets of Africa and Europe.

## Container terminal

The container terminal is situated at berth 7 and 8. Ship's gear is used at all berths for the handling of containers from vessels. The main terminal has 216 ground slots and is serviced by 2 x 25 tonne gantry stacking cranes stacking 4 high. Adjacent to the main terminal is an additional stacking area with 102 ground slots, serviced by reach stacker. 48 Reefer plug points are available.

## Bulk handling facilities

A bulk terminal at berth 8 caters for export and import cargo. It is operated by Walvis Bay Bulk Terminal (Pty) Ltd, a subsidiary of African Portland Industrial Holdings Ltd Namibia. The terminal is capable of handling cargo at the rate of 500 tonnes per hour.

A bulk appliance at berth 3 caters for the export of bulk salt. It is operated by Tsumeb Corporation Ltd. and is capable of handling 500 tonnes per hour.

## Cold store

A 14,000 metric tonne commercial cold storage facility is situated at berths

**Left:** Bulk handling facility capable of handling cargo at the rate of 500 tonnes per hour.

**Right:** The synchrolift can handle vessels of up to 2000 tonnes displacement with a maximum length of 70m.







4 and 5. This quayside operation is designed to stringent international standards, being EU approved for meat and fish storage and export.

Computerised temperature control systems monitor product temperature regimes at -24° Celsius. Palletized cargo is stored on mobile racking systems to maximise cube utilization.

Enclosed loading bays cater for road, rail and refrigerated reefer container loading and distribution. Bulk blast-freezing is also provided for perishable frozen products exported from or imported into Namibia.

#### Synchrolift

A synchrolift with 5 bays is situated at the south-western end of the fishing harbour for the dry-docking and repair of vessels.

Maximum draught: 6m  
Maximum displacement: 2000 tonnes  
Maximum length: 70m  
Maximum beam: 12m

#### Tug services

Namport operates 2 large tugs with 23 tonnes and 28 tonnes bollard pull, with fire-fighting equipment and one small tug with 10 tonnes bollard pull in the Port of Walvis Bay.

#### Off-shore oil industry

Dedicated berth facilities are available for the off-shore oil industry to cater for the Namibian oil exploration program.

#### The Western Corridor group 1

Walvis Bay is connected to Namibia's rail and road network, and as such, the Port of Walvis Bay is well situated to service Zambia, Zimbabwe, Western Botswana and Southern

Angola. The Namibian Government has launched 2 projects aimed at improving Namibia's road links with southern African countries. The Trans-Caprivi Highway links Namibia with Zambia and Zimbabwe and the Trans-Kalahari Highway will link Namibia with the Gauteng area in South Africa via Botswana on completion, projected for 1998.

During 1995 Namport paved the way for maximising trade opportunities with Namibia's regional neighbours by creating the Western Corridor alliance group. The secretariat function has been held by Namport for the first year with the aim of coordinating cross border cargo through the Port of Walvis Bay and to encourage use of this alternative western trade route.

#### The Walvis Bay Port Users Association

The Walvis Bay Port Users Association was inaugurated in September 1994 with the main aim of creating a unified body to encourage trade through the port of Walvis Bay. The objectives of the Association include the introduction of a Code of Conduct and Ethics for all members of the Association, to promote the use of the port of Walvis Bay both locally, nationally and internationally, to represent members in negotiations with the Authorities and most importantly to represent the interest of the members' clients.

The Association encompasses the majority of companies who are involved in the stevedoring, clearing and forwarding, road transportation, bulk handling, cold storage, ships agency and export industries.

#### The Association

- is recognised as a stakeholder in the development of the port of Walvis Bay;
- continually addresses issues such as customs, synchrolift, sales tax, port tariffs and immigration matters;
- ensures that minimum delays are encountered with the movement of cargo through the ports of Walvis Bay

#### The Members

- represent clients' interests by addressing issues such as security and costs
- are committed to enhancing industry service levels and efficiency through the introduction of training programs

#### For further information please contact:

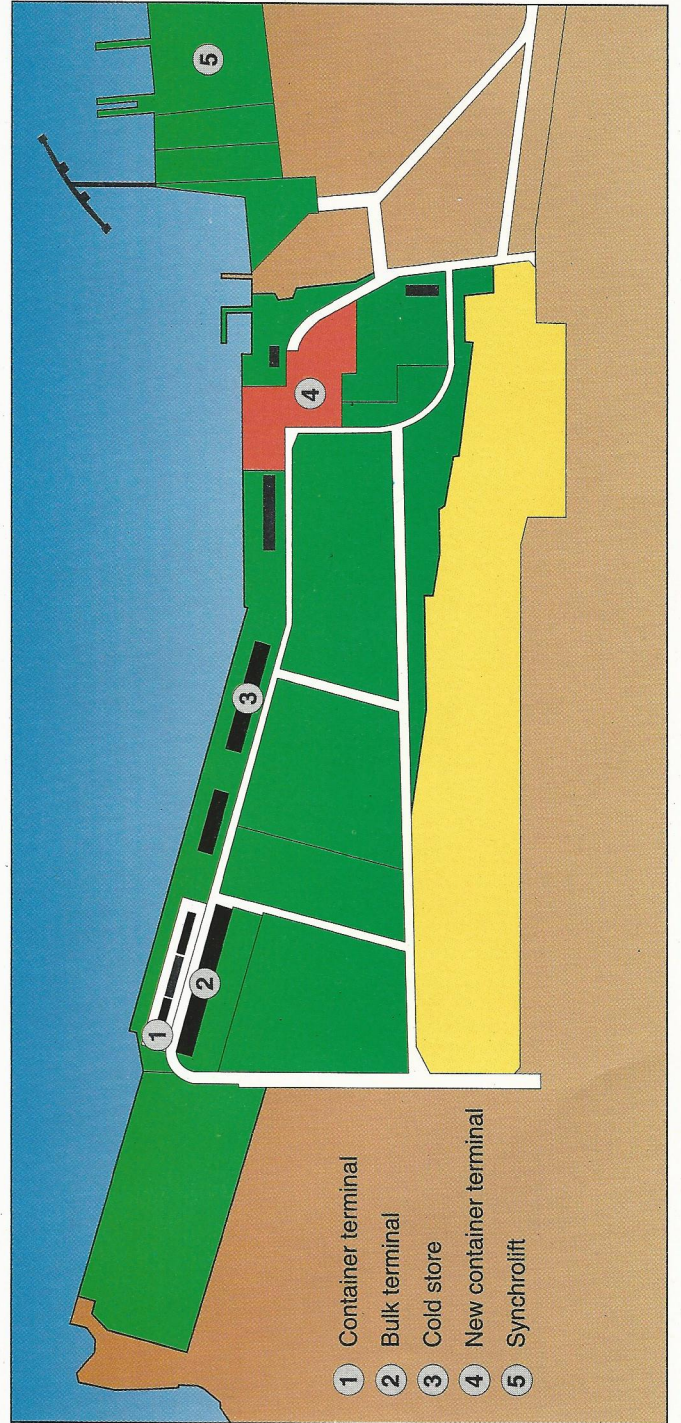
The Chairman  
Walvis Bay Port Users Association  
P.O. Box 2303  
Walvis Bay  
Tel: (+264 64) 202293  
Fax: (+264 64) 205539

#### Port development plan

Container terminal. The increase in container traffic in the Port of Walvis Bay is expected to continue. With the Trans-Caprivi nearing completion, container throughput is forecasted to reach 50,000 TEUs by the turn of the century. The handling equipment will be upgraded to include 4 reach stackers and 2 mobile tower cranes. Phase one of this project will commence during 1996 at an estimated cost of N\$27 million. The second phase will commence in 1998 at an additional estimated cost of N\$14 million.



General view of Walvis Bay Quayside  
Inset: Stacked Containers at Container terminal







Lüderitz is the focal development point for the south of Namibia. It is situated 440 km south of Walvis Bay, with a population of approximately 5,000 inhabitants. The Diaz peninsula forms Lüderitz Bay, with Robert Bay to the north, protected against the ocean by three small islands. The town of Lüderitz was established on the rocky slopes of the Diamandberg and is totally surrounded by the Namib desert.

Employment in Lüderitz is provided mainly by the diamond mining, fishing and tourism industries. Through its history, Lüderitz had many economic ups and downs. Currently it is experiencing a prolonged upwards phase, caused mainly by the relocation of certain fishing factories to Lüderitz.

Keetmanshoop, 360 km to the west, is the nearest major town. Lüderitz is 850 km South of Namibia's capital, Windhoek. A small airport connects Lüderitz to Windhoek, Walvis Bay and Cape Town.

minus 6.1 meters to minus 4.7 meters. It is served by two rail mounted wharf cranes of 4 tonne capacity each. Bunker fuel, fresh water and electric power is available on the jetty. The wooden jetty is 8 meters wide and 168 meters long. It is mainly a lay-up and maintenance facility for smaller craft of the fishing and diamond industry.

Fresh water and electricity is available only in limited supply. The port has a 970 m<sup>2</sup> cargo shed and 40,000 m<sup>2</sup> open storage available. Equipment consists of 1 small tug, 1 launch, 3 lighters and two forklift trucks.

The port mainly provides berthing for the fishing industry (78%) and the diamond industry (13%). An increase in cargo of 33% was experienced during the 1995/96 financial year, resulting in high congestion in the port. This increase was experienced mainly in the fishing industry.

It is expected that the fishing industry will continue to play a major role in the future. The growth rate of

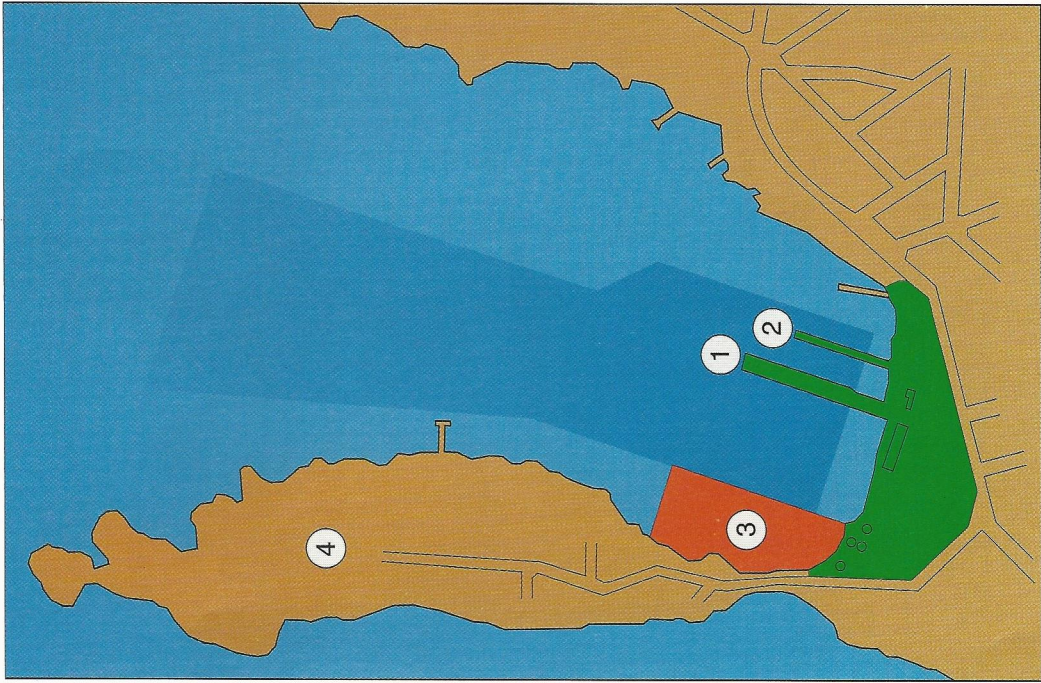
this industry is dependent on expected increases in fishing quotas. The diamond industry is also expected to commission new vessels in the Lüderitz area. Oil explorations in the Kudu gas field nearby Lüderitz may soon start major developments. At present Lüderitz has the potential as a supply base for provisions and light machinery, while Walvis Bay will remain the supply base for heavy equipment. With the berth utilization on the concrete jetty of 90% and over 100% on the wooden jetty, the development of additional quay space has become a high priority.

### Port development plan

Additional quay space is urgently required due to the high berth utilization in the port. The proposed new quay will provide 300 meters additional quay space, with provision made for future extensions. Provision is made for storage areas, fresh water supply, sewerage and safety equipment. Total cost is expected to be N\$50 million and work will start in 1997. In addition, cargo handling equipment will be upgraded to include rubber tyre mobile cranes.

### The Port of Lüderitz

The Port of Lüderitz is situated inside Robert Bay, protected against the ocean by Shark Island. The port has two jetties. The concrete jetty is 19 meters wide and 180 meters long with depth ranging from



- Key:**
- ① Concrete Jetty
  - ② Wooden Jetty
  - ③ New Quay
  - ④ Shark Island

**Left:** Lüderitz harbour showing existing and planned development.

**Right:** View of Lüderitz harbour from port captain's office.

**Right Inset:** View of concrete jetty and town.







## Social welfare

All employees of the Authority are required to become members of the Namport Retirement Fund which is a defined contribution fund governed by the Pension Funds Act and administered independently of the Authority.

The escalation in the cost of essential medical services demands an innovative approach to the provision of applicable and affordable health care for all staff and the current medical scheme benefits are among the best in the country. Attention is being devoted to the changes to the medical benefit scheme legislation, which provides an opportunity to achieve improvements. Currently benefits are provided to 378 employees, together with 455 dependants. Namport is unconditionally committed to the health and safety of its employees and welcomes the proposed Occupational Health and Safety Guidelines to be promulgated under the Labour Act, 1992 (Act 6 of 1992).

Namport, in conjunction with various financial institutions, developed home loan packages which enables the Authority to assist staff members to acquire homes within the constraints of their financial capabilities. A low cost housing program has been developed with National Housing Enterprise providing finance to employees in the lower income categories for the purchase of houses.

## Training

Namport continues to provide literacy training and this will eventually intensify as career paths are developed, offering employees currently in low level positions access to more stimulating opportunities.

Recognizing the need to advance the interest of those employees with disadvantaged education and social background, management, in line with its affirmative action

## Age profile of personnel

Age group	Number	Percent
18-25	37	9
26-35	110	29
36-45	134	35
46-55	87	23
56-65	17	4
Total	385	100

policy, will devote increased time and effort to the development of the capabilities and roles of such personnel.

Formal training courses remain an important aspect of a development program. Computer literacy and specific technology skills are prerequisites for productivity in our technological environment. Significant advances have been made in the field of multi-skills training which will ensure a more flexible and efficient use of our human resource and give employees much more job satisfaction.

The development of our human resources - their knowledge, skills and abilities is a vital part of our overall business strategy.

## Industrial relations

The substantive negotiations for 1995/96 were conducted in a positive atmosphere and settled in one day without any industrial action. Namport is committed to fostering a constructive relationship with all its employees.

A performance management system will be implemented following the recent job evaluation exercise.

This evaluation exercise will form the

base for a market related salary structure according to which all employees will be remunerated.

## Loss control policy

Namport is committed to safety and health in the workplace and acknowledges the right of the worker to a safe and healthy environment. Unsafe and unsatisfactory circumstances at work as well as faults cause losses. We support all endeavours to eliminate such losses and unsafe circumstances and will allocate the required funds for such projects.

Namport expects every employee to regard his/her safety and that of the public and fellow workers as top priority and to reduce and eliminate all losses caused by the misuse of personnel, material, machinery and equipment.

## Human Resources

Total number of personnel

1990	390
1991	372
1992	363
1993	352
1994	318
1995	393
1996	385

*The increase in employees in 1995 has been due to the take over of the Synchrolift personnel and the Port of Lüderitz.*

## Environmental management policy

While promoting national and international trade, Namport is committed to consider the environment in every phase of the Authority's planning and operating processes.

Namport strives to protect the environment through sound management practices and compliance with legal requirements set by the relevant authorities and reasonable requirements set by the community.

## Personnel strengths per job category

Category	Walvis Bay	Lüderitz
Management	7	1
Middle Management	10	0
Supervision (non-middle management)	23	5
Administrative/Clerical	27	1
Technical (skilled)	50	6
Technical (semi-skilled)	44	8
Operational (skilled)	55	8
Operational (semi-skilled)	7	0
General worker	124	9
Total	347	38

**Right:** Pilot boarding vessel.

**Right Inset:** Port control office.







Key financial indicators

	12 Months 1995/96 N\$000	14 Months 1994/95 N\$000
Turnover	67,991	57,461
Operating profit	24,609	14,410
Retained profit	13,265	4,558
Return on assets	19%	14%
Return on equity	19%	8%
Operating profit margin	36%	25%
Total assets	128,645	103,854
Shareholder's interest	68,167	54,902
Borrowings	35,994	34,991
Debt: Equity ratio	0.53	0.64
Liquidity ratio	1.69	2.56
Number of employees	385	393
Turnover per employee (N\$1000) *	177	159
Assets per employee (N\$1000) *	334	279

\* 1994/95 excludes Lüderitz employees, as only one month results for Lüderitz was included.

Dry cargo handled at the Port of Walvis Bay (Freight tonnes)

	91/92	92/93	93/94	94/95	95/96
Cargo landed	157,347	356,879	323,079	361,648	311,735
Bulk and Breakbulk	137,527	108,556	143,717	168,677	183,740
Containerized	294,874	465,435	466,796	530,325	495,475
Cargo shipped	511,615	451,351	448,840	502,692	501,870
Bulk and Breakbulk	143,612	162,380	173,302	162,424	151,528
Containerized	655,227	613,731	622,142	665,116	653,398
Cargo trans-shipped	36,848	54,465	92,740	30,213	29,232
Bulk and Breakbulk	817	8,140	2,616	1,834	8,424
Containerized	37,665	62,605	95,356	32,047	37,656
<b>Total dry cargo</b>	<b>987,766</b>	<b>1,141,771</b>	<b>1,184,294</b>	<b>1,227,488</b>	<b>1,186,529</b>

Petroleum landed	N/A	459,231	435,384	580,059	719,414
Petroleum shipped	-	3,951	-	-	-

Containers handled at the Port of Walvis Bay (Twenty-foot Equivalent Units)

	91/92	92/93	93/94	94/95	95/96
Landed	8,501	9,536	9,323	10,307	11,540
Shipped	7,886	9,291	10,046	9,743	11,569
<b>Total</b>	<b>16,387</b>	<b>18,827</b>	<b>19,369</b>	<b>20,050</b>	<b>23,109</b>

N/A = Data not available

Number of vessel visits to the Port of Walvis Bay, by type of vessel

	91/92	92/93	93/94	94/95	95/96
Container	60	64	56	49	66
Reefer	99	105	87	107	89
Fishing vessels	325	329	441	394	371
Tankers	19	22	23	20	27
Other cargo vessels	148	165	125	139	151
Other	157	194	91	101	74
<b>Total</b>	<b>808</b>	<b>879</b>	<b>823</b>	<b>810</b>	<b>778</b>

Main commodities handled at the Port of Walvis Bay (Freight tonnes)

	91/92	92/93	93/94	94/95	95/96
<b>Landed</b>					
Fish products	48,114	61,744	61,291	106,650	108,062
Wheat	10,865	32,126	34,828	44,774	62,794
Maize	17,967	138,896	44,915	17,326	67,046
Sugar	41,070	38,989	39,344	45,045	50,741
Coal	14,803	81,104	147,859	154,315	47,070
Vehicles	4,146	4,080	4,226	10,609	19,129
Copper & lead	35,304	10,039	4,386	17,479	14,855
Cement	9,256	10,508	18,728	19,835	18,863
Malt	6,990	8,100	7,150	9,050	11,254
Wine	18,714	10,333	15,487	15,523	10,432
Other	87,645	69,516	88,582	89,718	85,229
<b>Total</b>	<b>294,874</b>	<b>465,435</b>	<b>466,796</b>	<b>530,324</b>	<b>495,475</b>
<b>Shipped</b>					
Salt	395,779	356,120	351,500	370,206	296,905
Manganese ore	-	-	-	29,360	104,096
Fish products	75,891	84,371	103,774	108,981	76,326
Copper & lead	67,471	56,738	50,956	38,516	37,844
Fluorspar	33,168	43,345	32,434	52,782	34,732
Flat cartons	6,290	7,250	10,130	11,200	19,152
Marble & granite	19,284	14,945	20,169	13,760	11,244
Charcoal	-	-	2,820	5,400	14,191
Skins & hides	7,716	8,379	9,623	6,851	10,521
Fertilizer (guano)	2,588	1,569	3,271	1,764	2,412
Other	47,040	41,014	37,465	26,296	45,975
<b>Total</b>	<b>655,227</b>	<b>613,731</b>	<b>622,142</b>	<b>665,116</b>	<b>653,398</b>

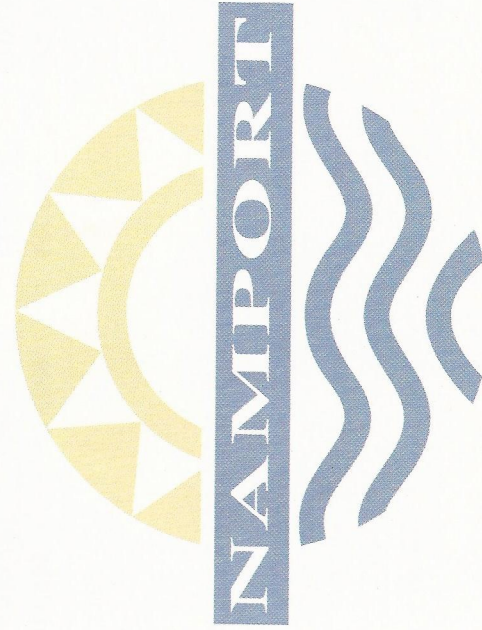


### Cargo handled at the Port of Lüderitz (Freight tonnes)

	* 91/92	* 92/93	* 93/94	* 94/95	95/96
<b>Cargo landed</b>					
Fuel	10,790	13,601	16,510	21,257	32,518
Fish	9,515	6,684	10,393	14,959	8,850
Other	680	1,991	1,855	3,511	117
	<b>20,985</b>	<b>22,276</b>	<b>28,758</b>	<b>39,727</b>	<b>41,485</b>
<b>Cargo shipped</b>					
Fish & bait	9,945	5,135	4,027	11,916	6,836
Ice	-	2,142	6,510	10,753	7,992
Other	3	-	-	-	409
	<b>9,948</b>	<b>7,277</b>	<b>10,537</b>	<b>22,669</b>	<b>15,237</b>
<b>Cargo trans-shipped</b>					
Fish	6,349	15,188	12,216	8,566	32,407
Other	1,299	-	-	4	5,836
	<b>7,648</b>	<b>15,188</b>	<b>12,216</b>	<b>8,570</b>	<b>38,243</b>
<b>Total</b>	<b>38,581</b>	<b>44,741</b>	<b>51,511</b>	<b>70,966</b>	<b>94,965</b>
Number of vessel visits	N/A	N/A	N/A	N/A	827

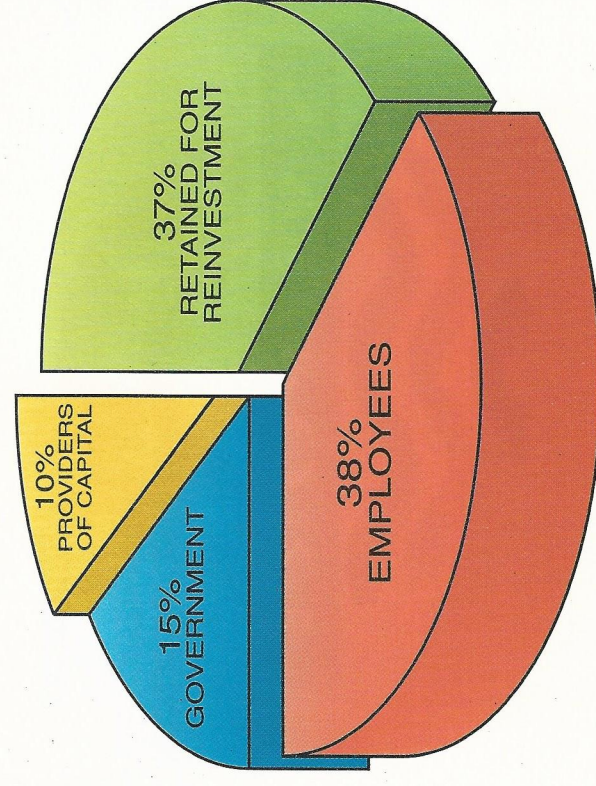
N/A = Data not available

\* 1991/92 to 1994/95 statistics are shown courtesy of TransNamib Limited. TransNamib Limited calculated annual statistics for the periods April to March so as to conform with their financial year, while the statistics for 1995/96 are calculated for the period May to April, so as to conform to the financial year end of the Namibian Ports Authority.



### Value added statement

	1996 N\$000	%	1995 N\$000	%
<b>Value added:</b>				
Turnover	67,991		57,461	
Paid to suppliers of materials and services	12,317		11,778	
	<b>55,674</b>	<b>100</b>	<b>45,683</b>	<b>100</b>
<b>Value distributed:</b>				
<b>Employees</b>	21,321	38	19,319	42
Salaries, wages and related benefits				
<b>Providers of capital</b>	5,438	10	5,691	12
Interest on borrowings				
<b>Government</b>	8,156	15	5,318	12
Direct taxes on profit				
	<b>34,915</b>	<b>63</b>	<b>30,328</b>	<b>66</b>
<b>Retained for reinvestment</b>				
Depreciation	4,922	9	8,543	19
Provision for dredging	2,572	4	2,254	5
Retained profit	13,265	24	4,558	10
	20,759	37	15,355	34
	<b>55,674</b>	<b>100</b>	<b>45,683</b>	<b>100</b>





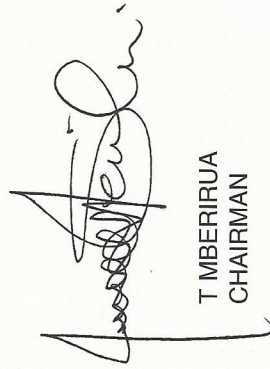


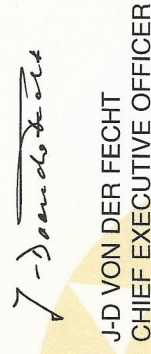
FOR THE YEAR ENDED 30 APRIL 1996

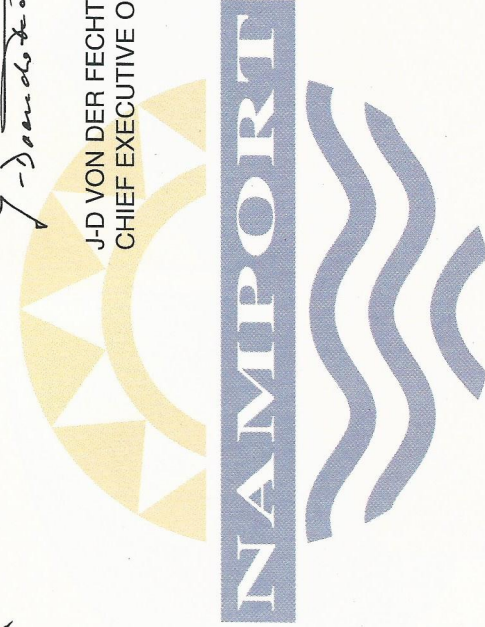
The report and statements set out below comprise the annual financial statements of the Namibian Ports Authority

	Page
Report of the independent Auditors	23
Directors' report	24
Accounting policies	25
Balance sheet	26
Income statement	27
Cash flow statement	28
Notes to the financial statements	29

The financial statements set out on pages 23 to 32 were approved by the Board of Directors on 2 August 1996 and signed on their behalf.

  
 T MBERIRUA  
 CHAIRMAN

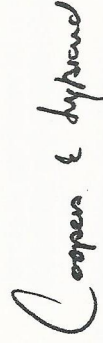
  
 J-D VON DER FECHT  
 CHIEF EXECUTIVE OFFICER



We have audited the financial statements set out on pages 23 to 32. These financial statements are the responsibility of the Authority's directors. Our responsibility is to report on these financial statements.

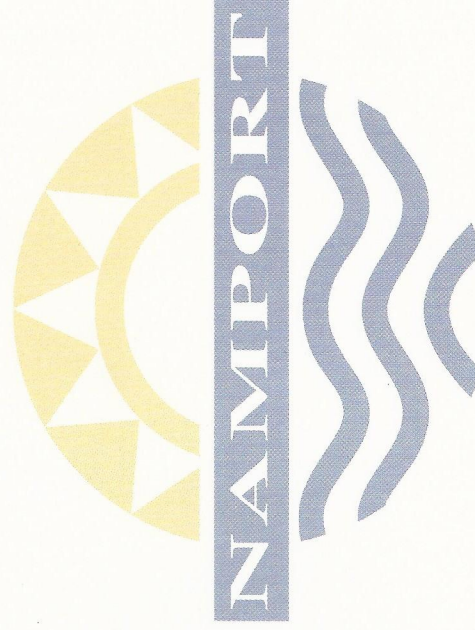
We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the financial statements. An audit includes an evaluation of the appropriateness of the accounting policies, an examination, on a test basis, of evidence supporting the amounts and disclosures included in the financial statements, an assessment of the reasonableness of significant estimates and a consideration of the appropriateness of the overall financial statement presentation. We consider that our audit procedures were appropriate in the circumstances to express our opinion presented below.

In our opinion these financial statements fairly present the financial position of the Authority at 30 April 1996, and the results of its operations and cash flow information for the year then ended in conformity with generally accepted accounting practice in accordance with the Namibian Ports Authority Act, 1994.



COOPERS & LYBRAND  
 CHARTERED ACCOUNTANTS (NAMIBIA)

Walvis Bay  
 2 August 1996







The directors present their annual report, which forms part of the audited annual financial statements of the Authority, for the year ended 30 April 1996.

**Nature of business**

The Authority manages and exercises control over the operations of ports and lighthouses and other navigational aids in Namibia and its territorial waters and provides facilities and services normally related to the functioning of a port.

**Financial results**

The net profit for the Authority for the year was N\$13,265,892 (14 months 1995: N\$4,556,766) after deducting taxation of N\$8,155,701 (14 months 1995: N\$5,318,250) and the Authority's share of the retained loss of an associate of N\$147,719 (14 months 1995: Nil).

The increase in operating profit of 71% is mainly a result of the revenue from the Port of Lüderitz being included for the full year, while operating results were included in the previous period for one month only.

**Turnover**

The proportions of turnover attributable to the different categories of the Authority's business were:

	1996		1995	
	N\$000	% of total	N\$000	% of total
Wharfage	22,753	33%	20,114	35%
Port & berth dues	4,652	7%	2,709	5%
Marine services	17,421	26%	12,867	22%
Cargo services	17,646	26%	17,975	31%
Port Authority services	5,519	8%	3,796	7%
	<b>67,991</b>	<b>100%</b>	<b>57,461</b>	<b>100%</b>

**Ownership of land**

Land, as stated in note 4 to the financial statements, is in the process of being registered in the name of the Authority.

**Auditors**

Coopers & Lybrand will continue in office in terms of section 26(3) of the Namibian Ports Authority Act, 1994.

**Directors**

The following persons were directors of the Authority during the financial period:

	Date appointed	Date resigned
Mr T Mberirua	01/03/94	
Mr G Gauseb	01/03/94	
Capt J-D von der Fecht	01/03/94	
Mr R Gevers	01/03/94	01/04/96
Dr J D Jurgens	01/10/94	
Mr H T J Dennewill	01/03/95	
Capt I A Wingate	01/03/95	
Dr P Shipoh	21/03/95	
Mr J C Rogers	01/04/96	
Mr D H Conradie	01/04/96	



The financial statements are prepared on the historical cost basis and incorporate the following principle accounting policies which have been consistently applied in all material respects.

**1. Fixed Assets**

All assets are included at historical cost. Maintenance and repairs are expensed as and when incurred. Depreciation is calculated to write off the cost of fixed assets, excluding freehold land, on a straight-line basis over their estimated useful lives.

**2. Leased Assets**

Assets acquired under finance lease agreements that transfer to the Authority all the risks and rewards of ownership, are capitalised at their cash equivalent. The capital element of the leasing commitment is disclosed under long term liabilities. Lease instalments are apportioned between their capital and interest components, using the effective interest rate method.

Lease instalments in respect of assets leased under operating lease agreements are charged to income as and when incurred.

**3. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes transport and handling cost. Where necessary, provision is made for redundant and slow-moving inventories with regard to its age, condition and utility.

**4. Deferred Taxation**

The net tax effect of all material timing differences between the accounting results and taxable income is recognized as a deferred tax liability. Where the effects of timing differences result in deferred tax assets, these assets are accounted for only to the extent that they offset deferred tax liabilities.

**5. Associates**

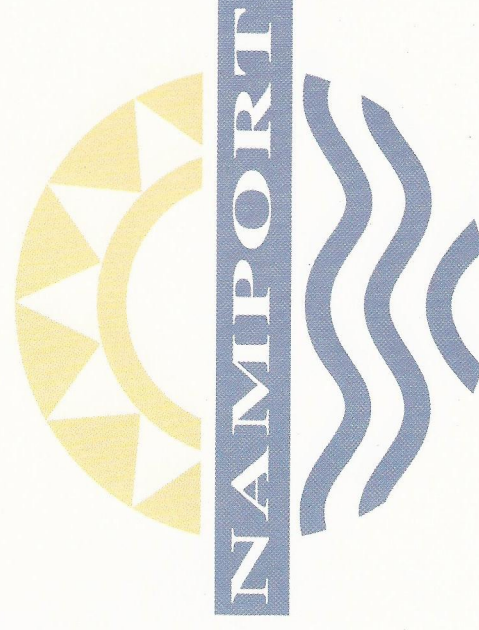
Associates are those investments, in which the Authority has a long term interest and over which it exercises significant influence, but not control. The Authority's share of post-acquisition results of associates is included in the financial statements using the equity method.

**6. Provision for dredging**

Provision for dredging is made at the current value of the expected cost to restore the harbours and access channels to required draft. Dredging is expected to be carried out at intervals of five to eight years.

**7. Revenue recognition**

Sales are recorded in the financial statements at the date services are provided to customers.

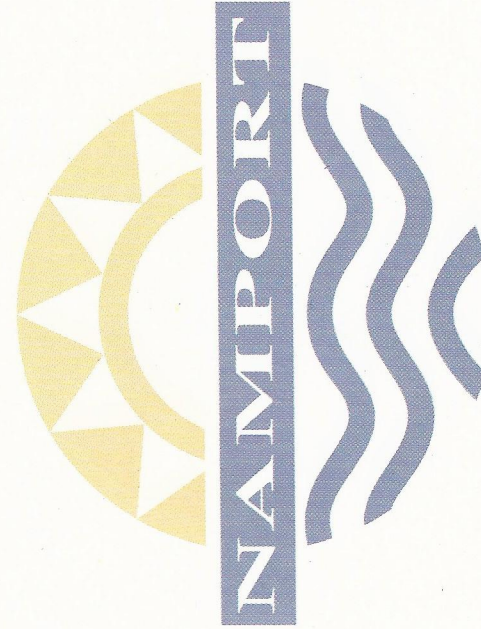






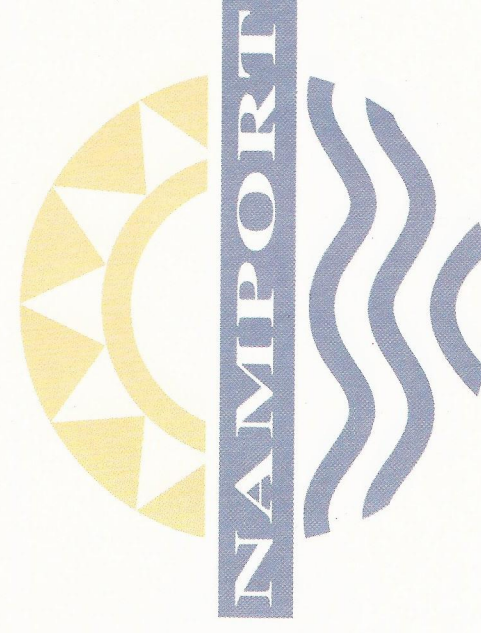
AT 30 APRIL 1996

	Notes	1996 N\$000	1995 N\$000
Capital employed			
Capital account	1	50,344	50,344
Retained profit		17,823	4,558
Shareholder's interest		68,167	54,902
Borrowings	2	35,994	34,991
Provision for dredging		4,826	2,254
Deferred taxation	3	4,676	1,723
		<b>113,663</b>	<b>93,870</b>
Employment of capital			
Fixed assets	4	78,605	75,005
Investment in associate	5	3,545	3,263
Investments	6	21,150	-
Net current assets		<b>10,363</b>	<b>15,602</b>
Current assets			
Inventories	7	483	513
Accounts receivable		8,832	7,766
Bank and cash balances		16,030	17,307
		<b>25,345</b>	<b>25,586</b>
Current liabilities			
Accounts payable		6,184	6,389
Taxation		8,798	3,595
		<b>14,982</b>	<b>9,984</b>
		<b>113,663</b>	<b>93,870</b>



FOR THE YEAR ENDED 30 APRIL 1996

	Notes	1996 N\$000	1995 N\$000
Revenue	9	67,991	57,461
Operating profit	10	24,609	14,410
Finance costs	11	3,040	4,534
Profit before taxation		21,569	9,876
Taxation	12	8,156	5,318
Profit after taxation		13,413	4,558
Share of deficit of associate		148	-
Retained profit for the year		13,265	4,558
Retained profit at beginning of year		4,558	-
Retained profit at end of the year		<b>17,823</b>	<b>4,558</b>







FOR THE PERIOD ENDED 30 APRIL 1996

	Notes	1996	1995
		N\$000	N\$000
<b>Cash flow from operating activities</b>			
Cash generated by operations	13	31,712	25,133
Utilised to increase working capital	14	(1,241)	(1,890)
Cash generated by operating activities		30,471	23,243
Finance costs		(3,040)	(4,534)
Cash available from operating activities		27,431	18,709
<b>Cash utilised in investment activities</b>			
Acquisition of fixed assets		(8,814)	(83,615)
Proceeds on disposal of fixed assets		683	141
Investments		(21,150)	(3,263)
Cash utilised in investment activities		(29,281)	(86,737)
<b>Cash generated from financing activities</b>			
Capital account		(1,850)	(68,028)
Loan advanced to associate		(430)	50,344
Borrowings raised		1,003	34,991
Increase/(decrease) in bank and cash balances		(1,277)	17,307

FOR THE PERIOD ENDED 30 APRIL 1996

	1996	1995
	N\$000	N\$000

**1. Capital account**

The capital account of the Authority is the net value of assets transferred from the shareholder on 1 March 1994.

**2. Borrowings**

Unsecured loan, bearing interest at 6.25% below the prime rate of the Standard Bank of South Africa. Interest is payable monthly in arrears. The loan was settled on 31 December 1995 but was refinanced immediately by a two year fixed rate loan.

Loan secured by cession over deposits at financial institutions to the amount of N\$14,150,000. The loan is a two year fixed rate loan (presently 15.8% per annum), renewable for a period or periods totalling 5 years with the option of a further 3 years at the discretion of the bank. Interest is payable monthly in arrears.

Unsecured loan, bearing no interest. No agreement has been reached in respect of the repayment thereof.

Liabilities under capitalised finance leases payable over three years at an interest rate of 2% below the prime interest rate of Namibia.

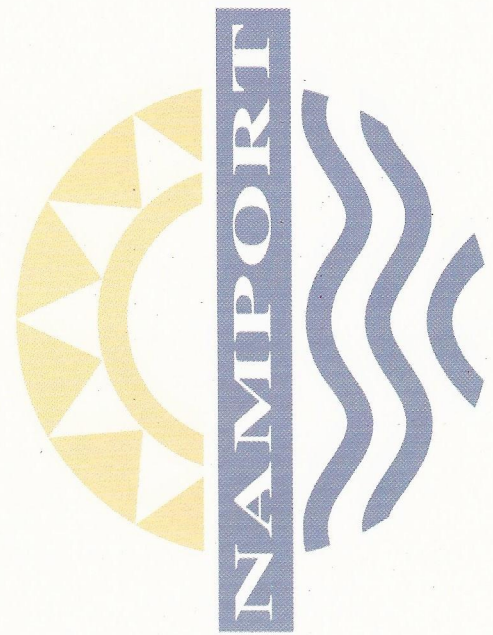
	30,000	-
	4,991	4,991
	1,264	-
	36,255	34,991
	(261)	-
	35,994	34,991
	1,723	-
	3,089	1,723
	(136)	-
	4,676	1,723

Current portion of financial leases included in accounts payable

**3. Deferred tax**

Balance at the beginning of the year  
Movement during the year attributable to:  
Timing differences  
Change in rate of tax

The balance comprises capital allowances





	Land, structures and buildings N\$000	Floating craft N\$000	Vehicles and equipment N\$000	Leased assets N\$000	Work in progress N\$000	Total N\$000
<b>4. Fixed assets</b>						
<b>1996 - Cost</b>						
Cost at 1/5/95	62,437	11,345	9,740	-	-	83,522
Additions	1,654	549	4,919	1,406	286	8,814
Disposals	(253)	-	(74)	-	-	(327)
Cost at 30/4/96	63,838	11,894	14,585	1,406	286	92,009
<b>1996 - Depreciation</b>						
Depreciation at 1/5/95	4,120	1,268	3,129	-	-	8,517
Charge for the year	2,112	1,162	1,478	170	-	4,922
Depreciation on disposals	(3)	-	(32)	-	-	(35)
Depreciation at 30/4/96	6,229	2,430	4,575	170	-	13,404
Net book value at 30/4/96	57,609	9,464	10,010	1,236	286	78,605
<b>1995 - Cost</b>						
Cost at 1/3/94	-	-	-	-	-	-
Additions	62,437	11,345	9,833	-	-	83,615
Disposals	-	-	(93)	-	-	(93)
Cost at 30/4/95	62,437	11,345	9,740	-	-	83,522
<b>1995 - Depreciation</b>						
Depreciation at 1/3/94	-	-	-	-	-	-
Charge for the year	4,120	1,268	3,155	-	-	8,543
Depreciation on disposals	-	-	(26)	-	-	(26)
Depreciation at 30/4/95	4,120	1,268	3,129	-	-	8,517
Net book value at 30/4/95	58,317	10,077	6,611	-	-	75,005

A register of land, buildings and structures is available for inspection by the member at the registered office of the Authority.



	1996 N\$000	1995 N\$000
<b>5. Investment in associate</b>		
Walvis Bay Bulk Terminal (Pty) Ltd	3,263	3,263
Unlisted shares at cost	(148)	-
Share of post-acquisition profits/(losses)	3,115	3,263
Unsecured loan	430	-
	3,545	3,263
Directors' valuation of shares	3,115	3,263
Number of shares held	251	251
Proportion owned	25.1%	25.1%

The company operates a bulk handling terminal.

Walvis Bay Bulk Terminal (Pty) Ltd prepares its financial statements to 31 December so as to conform with the financial year of its holding company. The results for the year ended 31 December 1995, so far as they relate to the Authority's interest, have been included on the equity basis of accounting.

Aggregate financial information:

**Balance sheet**

*Employment of capital*

Fixed assets	20,881	4,432
Net current assets/(liabilities)	(8,040)	8,568
<i>Capital employed</i>	12,841	13,000
Share capital and reserves	12,411	13,000
Long term liabilities	430	-
	12,841	13,000

**Income statement**

Revenue	1,655	-
Loss for the year	589	-

**6. Investments**

Long term deposits at financial institution  
Directors' valuation

	21,150	-
	22,215	-

**7. Inventories**

Inventory consists of consumable stores

	483	513
--	-----	-----

**8. Pension fund**

At the financial year end, all the permanent employees of the Authority were members of the Namibian Ports Authority Retirement Fund. During the financial year, the fund was changed from a defined benefit fund to a defined contribution fund, governed by the Pension Fund Act. Employees' contributions amount to 7.5% of basic salary and the Authority's contribution amounts to 12.5% of basic salary.

**9. Revenue**

Sales, which exclude general sales tax, represent the invoiced value of harbour related services provided.





	1996	1995
	N\$000	N\$000

**10. Operating profit before taxation**  
Operating profit is stated after charging:

Auditors' remuneration	122	77
Audit fees	37	23
Fees for services	159	100
Depreciation		
Land, structures and buildings	2,112	4,120
Floating craft	1,162	1,268
Vehicles and equipment	1,478	3,155
Leased assets	170	-
	4,922	8,543
and after crediting:		
Profit/(loss) on disposal of fixed assets	391	74

**11. Net financing cost**

Long term borrowings	5,297	5,691
Finance leases	139	-
Other	2	-
Interest received	5,438	5,691
	(2,398)	(1,157)
	3,040	4,534

**12. Taxation**

Namibian normal taxation	5,203	3,595
Deferred taxation - for current period	3,089	1,723
- for change in rate of taxation	(136)	-
	8,156	5,318

## Reconciliation of rate of taxation

Namibian normal tax rate	35.0%	38.0%
Disallowable expenditure	3.4%	15.9%
Change in rate of taxation	(0.6%)	
Effective tax rate	37.8%	53.9%

**13. Cash generated by operations**

Operating profit	24,609	14,410
Adjustment of non-cash items		
Depreciation	4,922	8,543
Provision for dredging	2,572	2,254
Profit on sale of fixed assets	(391)	(74)
	31,712	25,133

**14. Utilised to increase working capital**

Inventories	30	(513)
Accounts receivable	(1,066)	(7,766)
Accounts payable	(205)	6,389
	(1,241)	(1,890)

**15. Capital expenditure approved**

Amounts approved and contracted	2,626	-
Amounts approved but not contracted	5,894	-
	8,520	-