

Durban cruise terminal could be just what the African cruise industry needs

While Africa is becoming increasingly attractive for foreign investors, the cruise ship industry mostly passes the continent by. The opening of the new Durban cruise terminal, hopefully in 2019, is set to change this.



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“There isn’t a large cruise ship industry around Africa, largely because of poor facilities. Other than Cape Town, which has its own modern cruise terminal, most African ports are commercial and not geared for tourism, so there aren’t a lot of places where cruise ships can call. An attraction like the Durban cruise terminal could be just what the African cruise industry needs,” says Andrew Pike, head of the ports, terminals and logistics group at pan-African law firm Bowmans.

He leads the Bowmans team that is advising Kwa-Zulu Cruise Terminal Pty Ltd (KCT), the preferred bidder for the tender to develop, construct and operate the new state-of-the-art facility at the Port of Durban. Bowmans has worked on numerous African port projects, including the proposed Durban Dig-out Port and major port facilities in Mozambique’s Port of Nacala, Ghana’s Freeport of Atuabo and Tanzania’s Dar es Salaam Port.

Africa needs world-class facilities

“This won’t be any old cruise terminal, it will be a new and iconic structure in Durban, with international-class cruise facilities that link up with existing tourist attractions such as uShaka Marine World, offering cruise ship passengers a ‘whole’ experience,” Pike says.

A world-class experience is essential if Africa is to increase its share of the lucrative, but highly competitive international cruise industry. “In Africa, this is an industry with underserved tourism potential. Although the number of visitors to Durban has been increasing, to around 191,000 in 2016, the hope is that this will grow with the advent of the Durban cruise terminal, which is anticipated to be operational early in 2019.”

The preferred bidder, KCT, is a joint venture between MSC Cruises SA and Africa Armada Consortium, a black empowerment partner. MSC Cruises is the world’s leading privately held cruise company and the fourth largest overall.

Negotiating a win-win concession

Pike says that KCT will receive a 25-year concession agreement with Transnet National Ports Authority. The process for the awarding of such a concession is relatively new, carried out under section 56 of the National Ports Act.

“To date, only a handful of concessions have been granted in South Africa under the section 56 process and each concession agreement is signed after a period of negotiation,” he says. “As port specialists, we see our most important role as facilitating win-win solutions between the parties.”

The Durban cruise terminal has widespread support among the public, government and private sector, says Pike. “The sentiment is that this project makes sense, gives Durban credibility as a tourist destination and is good for the cruise industry.”

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