

# INSTITUTIONALIZATION OF PORTS: THE SOUTH AFRICAN STORY

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## ABSTRACT

This presentation provides for a clear and definitive understanding of ports and their role in any economy. It then reviews the different ownership models that exist under the World Bank's classification and includes critique to the port toolkit as developed. The paper then review example ports and their ownership models by splitting administration, operations, and regulatory functions. It considers impacts on port efficiency, stakeholders, supply chain optimization and economic growth as review factors. Other areas that are highlighted are impacts on infrastructure investment and trade volumes by the implementation of a specific port ownership model. This is then brought to the South African port system and competition is included from a supply-demand ruling perspective. This is then applied to the ports under review as to determine how their port infrastructure investments have impacted their adherence to supply-demand rules. The paper analyses then the South African port ownership model, including providing areas of exploration into the ratio of success/failure the country has experienced with adopting the current port ownership model. It then brings in the element of possibly transitioning to a situation where this model is to be reconsidered and propose a possible alternative by addressing the current model in a way that allows for a transition into a newly proposed model. The paper also indicates how that transition process may be crafted and what would be the key elements to its success. To support the proposed transition process into an alternative port ownership model, the paper reviews seven different ports from seven different geographical locations, but all from developing countries, that have made that transition into the proposed port ownership model successfully. Lastly, the paper makes some conclusions and provides some recommendations for a way forward.