

12 September 2022

Industry statement

## Ports and Industry Logistics

Ensuring effective and efficient operations at Cape Town port is highly reliant on the improvement of processes, attention to infrastructure and the commitment of people. Through a collaborative process, numerous industry role-players have engaged stakeholders to raise awareness of the importance of port efficiency progress to ensure our industry and Transnet are better prepared to handle our product. Currently, operations at the Cape Town Port are at satisfactory levels and progressing relatively smoothly (weather permitting), although it is a quieter time of the year.

Reefer readiness preparations started earlier than previous seasons, with discussions ongoing with the Transnet management at both strategic and operational levels. The financial impact of the delays encountered earlier this year is now evident in the poor prices received and quality claims.

Planning for the upcoming season is already underway and we are hopeful for a much-improved service, specifically from the container terminal. We are far from the ideal situation but according to information supplied by Transnet Port Terminals and Transnet National Ports Authority we will hopefully return to a "normal" shipping schedule. Global shipping is showing some signs of normality but still fragile. It will take a couple of years to completely recover. Shipping rates are still high but early signs are appearing that rates may stabilise and even decrease in the short to medium term.

The following operational plans have been communicated by Transnet:

### Equipment

- A 9th Shore-To-Ship Crane is being repositioned from Durban to Cape Town (Sept 2022).
- Increase the operational fleet of RTGs (Rubber Tyred Gantry Cranes) to 24 (Oct 2022).
- Increase the fleet of haulers to 49, and 7 more will be brought in from PE (Oct 2022).
- 3 Mobile cranes will be operational and available at the Multi-Purpose Terminal
- Maintenance, technical and spare parts contracts on all equipment have been awarded, which was not the case during the 2021/22 season.
- A second set of shore tensioners to be installed to increase loading efficiency during high swells (Sept 2022).
- Optimized utilisation of antisway RTG's will reduce the mean time to recover post the weather delay.

## Systems & Processes

- Permanent 7x gangs (teams) / 8 x cranes to be deployed, as and when, to recover after delays (Oct 2022).
- 2 x lanes dedicated for reefers (Done).
- An additional 200 plug points have been added at CTCT, bringing the total to 3 200 (Oct 2022).
- Plug points: 100 are available at Belcon.
- Truck staging areas: Phase 1 at MPT (Done), Phase 2 at CTCT (Sept 2022).
- Pro-active scenario planning required to manage weather induced disruptions to the deciduous supply chain.

## Industry collaboration

- Flexibility in the truck booking system being explored.
- A commercial operator was awarded the contract to operate a depot at Belcon.
- A night run project is currently underway with the intention of utilising the night shift at the port. **Industry will HAVE to assist through utilising night runs.** This is a collaborative effort to increase efficiency in the port and industry will need to commit as well.
- Stack openings: **Industry must make optimal use of the stack dates, especially utilising night runs as this may relieve congestion at the gates and improve efficiency.**

## Others

- The utilisation of freight rail is being investigated, with talks between exporters and Transnet Freight Rail ongoing. This is being explored as a medium to long-term initiative.
- Rail logistics between Belcon, Hex River (and others) and the port will provide mass delivery system for reefers. This will further decongest peak road traffic into the port.
- Deliberate initiatives to increase information sharing and coordination amongst industry stakeholders along the value chain are underway.
- Consistent weekly shipping schedules to major markets were re-iterated as a key logistics requirement for exporters and producer.
- Transnet committed to have staff to work on public holidays during the deciduous season. **We urge industry to utilise these days (as well as Saturdays and Sundays) to improve efficiency of the port.**
- Transnet engaging shipping lines with contract negotiations to bring back vessels to Cape Town, for certain markets like Africa and the East, currently omitting. Line services will be pro-actively planned for CTMPT during the peak season to create berthing redundancy at CTCT and assist with post weather delay recovery.
- Readiness of tug-, pilot-, workboats being addressed.

- PPECB announced the going “live” of TITAN 2.0 which is the PPECB online export booking (Q67) system. PPECB to schedule consultation sessions with industry.
- Transnet will be less lenient with trucks that do not comply with port regulations.

### Additional agreements made between industry and Transnet

- The weekly Transnet logistics integration meetings during the season will change to a bi-weekly logistics integration platform-co chaired between the Fruit Associations and Transnet. First kick off session is expected on 15 Nov followed by bi-weekly sessions from 15 Dec 2022
- Industry and Transnet agreed to a joint monthly newsletter circular, updating industry on season progress, with the first edition from end Dec until end March 2023
- A Windbound Task Force team was established to develop and maintain wind mitigation strategies for landside operation and provide an early alert to industry.

If all the above are implemented successfully we can expect a much-improved season from a logistical perspective.

Please find below a snapshot of Transnet operational readiness plan providing commitment from TPT for the deciduous fruit season:

| 2. TPT Ops Readiness           |   | STAKEHOLDER FEEDBACK | TRANSNET |
|--------------------------------|---|----------------------|----------|
| EQUIPMENT                      | READINESS : WHAT DID WE DO  | STATUS               |          |
| 9 <sup>th</sup> Crane          | The crane will be repositioned from Durban, & would assist in redundancy during maintenance & refurbishment of cranes next year | Sep 2022             |          |
| RTGS                           | Increased fleet to 24   | Oct 2022             |          |
| Haulers                        | Increased fleet to 49   | Oct 2022             |          |
| Mobile cranes @ CT MPT         | 3 x Mobile cranes operational   | Done                 |          |
| Spare Parts /Contracts         | Contracts for spare parts : RTGs, Haulers & Reach Stackers  | Awarded              |          |
| OEM Partnership                | Technical Support (STS)   | Awarded              |          |
| Shore Tensioners               | The 2 <sup>nd</sup> unit to be installed (TNPA)   | Sep 2022             |          |
| SYSTEMS & PROCESSES            |   |                      |          |
| No. of gangs                   | Permanent 7 x gangs / 8 x cranes to be deployed, as and when, to recover after delays   | Oct 2022             |          |
| Reefer Lanes                   | 2 x lanes dedicated for reefers   | Done                 |          |
| Block 80 conversion to reefers | Increased number of plug points by 200, to a grand total of 3 200   | Oct 2022             |          |
| Truck Staging Area             | Phase 1 @ CT MPT : Capacity to stage 28 trucks<br>Phase 2 @ CTCT : Capacity to stage 37 trucks                                  | Done<br>Sep 2022     |          |
| INDUSTRY COLLABORATION         |   |                      |          |
| Truck Booking system           | CTCT slots 24hours : 06:00 – 06:00 // CT MPT slots 06:00 – 22:00, & 24hrs based on demand                                       | Done                 |          |
| Night runs                     | Fully resourced to service trucks at night, to decongest the terminal. Currently limited uptake                                 | Support required     |          |
| CT MPT                         | Fully resourced & full use of Terminal  | Done                 |          |
| Belcon                         | 100 x reefer points installed<br>Maersk has received the tender to operate a depot  | Done                 |          |

- Jointly issued by Hortgro, SATI and FPEF

