

# THE CAPE

Feature by Liesl Venter

## TPT hatches major improvement plan for terminals

The Cape Town Container Terminal (CTCT) has seen a major improvement in operations, according to Dawn Sayster, Transnet Port Terminals (TPT) planning manager for the Cape terminals.

The terminal has been bedevilled by delays and ageing equipment, leading to congestion on a large scale – so much so that at times, shipping lines have opted to bypass the Port of Cape Town completely.

Speaking at the Transport Forum recently, Sayster said the CTCT in particular had seen a 52% improvement in operations for the year to date as various strategies had been implemented to address the congestion.

Regarding the Cape's terminals – which include the container terminal at the Port of Ngqura (NCT), the container and automotive terminals at the Port of Gqeberha (PECT and PE Auto), the automotive terminal at the East London Port (ELS Auto) and the CTCT – Sayster said berthing delays had been a serious challenge, but that this was starting

to improve at all the terminals in the Western and Eastern Cape.

According to Sayster, volumes at all the ports had been down the past two years, mostly due to the outbreak of Covid-19 and the impact this had had on global trade.

“As economic activity returns, we are hopeful that we will see volumes increase again,” she said.

Sayster highlighted another major challenge for Cape Town: the weather. Wind surging adversely affected the CTCT, bringing operations to a complete standstill at times.

“Surging is quite challenging as it impacts on our ability to work vessels. In Cape Town, we have seen an increase of 11% in our weather delays,” she said.

“In January this year, only seven days were not impacted by the weather. In the same month, we lost 24 hours of operations at one point.

In essence, we have lost 67.7 days for the year to date because of weather alone.”

The wind wasn't the only issue. Often, fog prohibited operations and weather issues had also impacted the NCT, she said.

Sayster admitted that ageing equipment had affected the

Cape terminals' operations, especially at the CTCT.

Despite this, she said, “we have developed an operational efficiency improvement programme to improve the flow of containers into and

out of the container terminal. This programme addresses issues on both the water and landside.

“The goal is to improve the availability and reliability of equipment, and to improve our planned maintenance and response time to breakdowns.”

The plan also included increasing the number of RTGs in the operation and looking at ways to improve yard and vessel planning capabilities, she told the Transport Forum.

“We are also calling on customers to make more use of the night shift. We have already seen an increase in the uptake of that, and more cargo is being moved on the landside during the night.”

Improvements were being made to the mandatory truck appointment system and TPT was also collaborating with original equipment manufacturers to address some of the issues around crane and RTG maintenance.

This was an approach taken by TPT across the country to address the equipment challenges it was experiencing, said Sayster. It spoke to the reduction of critical spares lead time on equipment and reduced downtime.

“We are continuously looking at ways of how we can do it better. A wind strategy is also in place to address the issues around the weather.”

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Ageing equipment has affected the Cape terminals' operations, especially at the CTCT.

– DAWN SAYSTER

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## Name change for Exporters Western Cape

**E**xporters Western Cape is in the process of changing its name, according to chairman Terry Gale.

He says the organisation will soon be known as Exporters Association Western Cape.

“We have a new, young and very vibrant committee on board who are hungry to see our economy grow.”

Established more than 40 years ago, the organisation has played an important role

in helping the exporter and business community by providing information, both commercial and financial, and keeping its members up to date regarding current events taking place within the global market.

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We have a new, young and very vibrant committee on board who are hungry to see our economy grow.

– TERRY GALE

According to Gale, the organisation also acts as a forum for members to voice their concerns or offer input on a variety of topics relating to the export industry. And its monthly events serve as an important networking tool for major role

players in the industry.

More importantly, says Gale, the association allows for collaboration and co-operation in the Western Cape not just for the private sector but also for local, provincial and national government.

“Because it is when we collaborate, co-operate and all work together towards a common goal that we can achieve greatness. It is out there, just waiting.”

## Scoring a first in US trade relations

The United States is officially the Western Cape’s largest export market for the first time.

This follows exports totalling close on R17 billion in 2021 – an increase of 57.5% on 2020’s value of R10.8 billion, and a significant 88.5% higher than the R9 billion recorded in 2019.

According to trade promotion

agency Wesgro, flat-rolled products of iron or non-alloy steel were the largest exported products to the US, increasing by R1.6 billion since 2019 to the value of R2.5 billion in 2021.

This was followed by articles of jewellery at R2.2 billion, citrus fruit (fresh or dried) at R1.8 billion, and yachts and

other vessels for pleasure or sports at R1 billion in 2021.

A 24.5% increase in citrus exports and a 41.6% increase in wine exports to the US from 2020 to 2021 were also notable.

For the past decade, the US has also been the largest investor in the Western Cape by capex, with US companies investing

R2.9 billion and R4.4 billion into the Western Cape in 2020 and 2021, respectively. This has resulted in the creation of thousands of jobs, as well as in training and skills development opportunities and support for local communities through outreach and humanitarian programmes in the province.

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# Cape Town Port reports an increase in trade volumes despite challenges

**T**he Cape has experienced an upsurge in inbound and outbound volumes, according to Tracie Pelser, SACO CFR Cape Town branch manager.

With the reefer season currently upon the region, it has been a busy time for the Cape, she told *Freight News*.

Michelle Horner, SACO CFR trade manager, agreed. She said that during this time, dry FAK cargo could see some delays as export volumes increased and reefer containers moving fruit got priority loading status.

This, she said, highlighted the importance of a neutral consolidation service as it provided stable and regular loadings of FAK cargo during these times, when carrier capacity was constrained.

Pelser said that although the existing global supply chain challenges continued to impact the

industry, the Cape region had been fortunate in terms of volumes.

Wine continued to be the most beneficial commodity for the groupage operator from an export point of view, whilst the inbound commodities were mostly retail cargoes.

Improvements in terms of terminal services at the Port of Cape Town still needed to take place.

“The region still faces some challenges related to manpower shortages and equipment constraints, and whilst the port has standardised the booking system to improve efficiencies, there are still challenges, resulting in trucker delays compounded by high traffic volumes within the terminal. These challenges, however, are presently being addressed.”

Added Horner: “Vessel delays and vessel schedule amendments continue to impact the transit time for cargo moving into and out of Cape Town,



The Cape Town Container Terminal has seen a surge in volumes.

as both the port challenges and the weather create extended berthing delays, thereby increasing transit times into Cape Town.

“We still see a high number of vessels continuing to bypass the Port of Cape Town, adding more days and pressure to the already hindered supply chain.”

During these times, she said, communication remained key.

“We look as much as possible to share information with our clients and to keep them informed about conditions, changes and delays as they become known.

“Strong relationships with the shipping lines and our clients ensure that we are able to work around the challenges and plan our services accordingly, moving cargo in the most efficient manner available.”

## Ngqura and Saldanha ports earmarked for greater iron ore, manganese exports

Transnet Port Terminals (TPT) is working towards increasing iron ore export capacity out of the Port of Saldanha.

According to Earl Peters, TPT executive manager for iron ore at Saldanha Terminals, the port accounts for roughly 96% of all iron ore exports out of the country, mainly through two berths.

“The ore arrives via train in Saldanha, where it is offloaded via two tipplers and transferred to the stock yard through a conveyor network. The terminal makes use of dual loading operations, with the two ship loaders working over one berth. The operation is incredibly efficient and very little time is lost when we move from one vessel to another.

“It is also possible to load directly to the vessels from the tipplers for higher throughput.”

Currently, the capacity of the bulk terminal is capped at 60 million tons of iron ore per year, and the Port of Saldanha has an air emissions licence from the West Coast authorities for only

60 million tons per annum.

“Our long-term goal is to grow our capacity out of Saldanha,” said Peters during a presentation to the Transport Forum. “We want to obtain an extension of the Air Emission Licence in Saldanha from 60 million tons to 76 million tons per annum, so as to enable growth and expansion of the iron ore export system, explore a bulk ore solution at Saldanha and expand quayside capacity at the Saldanha multi-purpose terminal to handle an additional seven million tons of iron ore.”

He described the multi-purpose terminal in Saldanha and the one in Cape Town as complementary facilities to Saldanha.

In Cape Town, the multi-purpose terminal handles about 500 000 tons of manganese at present.

The multi-purpose terminal in Saldanha exports both manganese and iron ore and has a capacity of 8.5 million tons.

Growing manganese capacity was also high on the agenda for TPT, said Peters.

“The goal is to implement the strategy for the long term (2026/27), whereby the Ngqura and Saldanha channels will provide 22 million tons per annum and eight million tons per annum of capacity, respectively.”

Currently, all manganese in the Eastern Cape is being exported out of the Port of Gqeberha, the largest manganese ore export facility in Africa. However, this single berth terminal operation, with its six million-ton capacity, is in the process of being migrated to the Port of Ngqura,

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At present, demand for manganese and iron ore exports exceeds our capacity, and growing facilities to accommodate demand is important.

– EARL PETERS



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# Meet the new port manager

Rajesh Dana was recently appointed as manager of the Port of Cape Town (PoCT) and has been at the helm since December. He has more than 25 years' experience in the South African port industry. No stranger to the Cape, he was previously the port's financial services manager as well as its corporate services manager. He chats to *Freight News* features editor Liesl Venter about his plans.



Rajesh Dana

**LV:** Congratulations on your appointment. Can you share some of your journey to this position with our readers?

**RD:** I was port manager at the Port of Port Elizabeth for 10 years prior to leading the PoCT. I have led many key strategic projects, including the development of the TNPA Tariff financial model. I was also a co-project manager during the establishment of Port Operations Centres across all South African ports.

**LV:** It is no secret that the PoCT has been under pressure. What, in your opinion, are the port's biggest challenges?

**RD:** The main challenge is to ensure integrated transport logistics (including port operations) planning, execution, monitoring and deviation management. The greatest challenge currently facing the PoCT is adverse weather conditions (i.e. wind, long waves, high swell and fog), with high winds sadly coinciding with the peak citrus export season and long waves (which result in vessels surging whilst on berth) coinciding with the deciduous export season. This is compounded by sub-optimal human resources and ageing terminal facilities, equipment and port infrastructure, all of which lead to port delays and get expressed as truck congestion and anchorage waiting time.

TNPA has co-created an eight-point intervention plan with port stakeholders which aims to do

the following: improve the flow of information and communication as well as improving equipment, multi-purpose terminal operations and people management; to combat adverse weather effects; to optimise the port as a delivery platform; and to optimise truck operations and marine services. The PoCT has recently taken delivery of two hydraulic shore tension units in order to mitigate the severity of long wave effects on container vessels berthed at the Cape Town Container Terminal.

The port will be introducing a helicopter piloting service to mitigate high swells, and various engineering solutions are being investigated to combat the wind and fog challenges. As part of our efforts to alleviate the truck congestion, a truck booking system was implemented by the Cape Town Container Terminal, and an interim Truck Holding Area is under development for delivery by April this year, with a permanent stage area set to be completed by 2023/24. Terminal oversight remains critical to ensure the effective monitoring of all terminal operator efficiencies.

**LV:** What is your outlook for the port?

**RD:** By providing connectivity and facilitating and enabling trade, ports play an important role in regional, national and international economic development. Whilst the port has shown an improvement, this must be sustained and grown to ensure that the PoCT becomes one of the leading ports in the world.

The strategy for the PoCT is centred on new business development, stakeholder engagement, port authority oversight, human capital management in all its facets, and harnessing technological improvements in port operations. The PoCT vision is to be a premium, smart, competitive and customer-centric people's port, providing world-class infrastructure and delivering premium maritime services.

**LV:** What are your goals and aspirations for the port?

**RD:** To reposition the PoCT as a world-class port, delivering on efficient maritime logistics. This entails positioning the PoCT as a global premium fruit export hub, a multi-commodity mix port specialising in the handling of dry bulk and breakbulk commodities, a leading boat-building and ship repair hub for sub-Saharan Africa and a tourism, recreation and real estate hub focusing on mixed precinct use and land acquisition.

**LV:** What motivates you, and how do you motivate staff?

**RD:** I draw my inspiration and motivation from the rich South African ubuntu culture and have embraced the challenge by Nelson Mandela, that "it's in your hands to make a difference".

I am also a firm advocate of Peter Drucker's famous saying: "Organisational culture eats strategy for breakfast." Employees lie at the heart of the organisation and its

culture, and it is for this reason that I have adopted a people-centric approach to management. I embrace participative management and formulating a co-created, shared vision for the port. I firmly believe in treating people with human dignity and respect, and in empowering them to deliver. I also believe in training and development, in managing poor performance and in rewarding good performance.

**LV:** Transnet in general is working closely with industry. How important is this approach for you as port manager?

**RD:** Transport logistics is integrated by its very nature, with ports being an intermodal transfer node for goods and services. There are various role players within the transport logistics value chain operating under complex commercial and operational agreements. It is for this reason that I believe in building a culture of integrity and co-operation, and an environment of trust with all port stakeholders. Strategic partnerships and alignments are critical for a successful and integrated maritime logistics chain. The strength of the chain is dependent on all role players and is as strong as its weakest link. TNPA Cape Town would like to collaborate and partner with all stakeholders to optimise the value proposition of the port and the region. This can be achieved by "collaborating where we can and competing where we must".

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## Export-led growth a crucial aspect of Western Cape's economic recovery plan

The Western Cape's GDP is expected to grow by 1.8% in 2022 and by 1.9% the year after, with the top forecasted growth sectors being construction, finance and trade.

According to David Maynier, Minister of Finance and Economic Opportunities in the province, work has been ongoing to improve the economic outlook of the Western Cape, which was hit hard by Covid-19 – much like the rest of the country.

"In 2022, the Western Cape's economic recovery will exceed 2019 levels," he told *Freight News*.

In 2020, the GDP growth rate for the Western Cape dropped to -5.7% after the outbreak of the pandemic.

Immediate measures to mitigate the impact and improve the

economic situation were launched, and last year the province saw growth of 4.3%, showing strong signs of economic recovery.

According to Maynier, about 322 000 people lost their jobs between the first and second quarters of 2020. That same year, the tourism sector experienced a gross value added loss of 61% and 75 477 people were left jobless in this sector alone.

The alcohol and restaurant

industries were just as hard hit in the Western Cape; these industries are estimated to have lost R1.316 billion in sales and 3 972 jobs over the two-week ban imposed during the June 2021 lockdown level 4 period.

"To mitigate the impact of the Covid-19 pandemic and to improve the economic situation in the province, numerous initiatives were launched by both the Department of Economic Development and Tourism and the Western Cape

government," said Maynier.

"The official Western Cape Recovery Plan (first released in March 2021) has been ongoing and is about making the maximum amount of impact on crucial matters affecting our residents and businesses."

Five specific areas have been

targeted to make a difference during these difficult times: accelerating ease of doing business initiatives; boosting investment and exports; supporting an infrastructure drive; scaling up work opportunities and skills for people without jobs; and building economic resilience.

Maynier said the Western Cape Export Strategy, comprising a trade complexity study, had been well received across the Cape.

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Boosting exports is a key factor in increasing economic demand and employment creation through accessing global value chains and markets.

– DAVID MAYNIER



Growing exports such as wine and fruit remains a key strategy in the Cape.

"The strategy aims to guide export promotion and planning, and to help identify export growth diversification opportunities for the Western Cape.

"The outcome of the strategy is a clear approach to doubling exports over the next 10 years from the Western Cape, increasing the number of exporting firms and creating more job opportunities. The approach to support new and emerging exporters is a key lever over the short and medium term and entails matching these businesses with the overall support offered across multiple government partners."

However, Covid-19 has not been the only challenge hampering economic growth.

Maynier said energy and water insecurity remained a massive challenge for the Western Cape, which had been severely affected

by drought in recent years.

"Another major challenge has been logistics and port inefficiencies, impacting on our trade capability," said Maynier. "Slow reforms and policy uncertainty at a national level, as well as red tape, continue to impact the province as well."

He said efforts to reduce red tape in particular at local and provincial government level had been bearing fruit.

"Boosting exports is a key factor in increasing economic demand and employment creation through accessing global value chains and markets. Export growth leads to a favourable trade balance and economic growth as total output increases.

"A significant amount of empirical evidence suggests that the export-led growth approach is effective in increasing economic performance."



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