

PORT & HARBOURS

Durban Container Terminal and Pier 1

As reported in the media, the global financial crisis is now impacting materially on all levels of Port activity. The January 2009 import and export container volumes experienced the largest year on year decline since the commencement of operations at the Durban Container Terminal.

The table below provides a clear depiction of the situation. The drop in “Deepsea Shipped Full” (export) volumes is of particular concern and reflects the overall decline in demand for South Africa’s commodities and products.

The drop in comparative volumes for the same period in 2008 may be due to factories and importers extending year end closing dates or operating on short time.

TEU'S	Actual JAN - JAN 2008	Actual JAN - JAN 2009	Dev %
Deepsea Landed Full	73,286	52,345	-28.57%
Deepsea Landed MT	9,481	8,026	-15.35%
Deepsea Shipped Full	46,347	28,400	-38.72%
Deepsea Shipped MT	37,443	26,298	-29.77%
Coastwise Landed Full	497	179	-63.98%
Coastwise Landed MT	192	274	42.71%
Coastwise Shipped Full	1,200	1,069	-10.92%
Coastwise Shipped MT	1,852	969	-47.68%
Transshipments Full	39,657	37,674	-5.00%
Transshipments MT	12,873	21,228	64.90%
TOTAL Number of Teus:	222,828	176,462	-20.81%

Table source: Transnet Port Authority

The national figures covering all ports are analogous to those being experienced in Durban.

The decrease in volumes has allowed both Durban terminals to operate without congestion at sea or land side. The DCT had reported that they will be making best use of this opportunity to bring forward a number of maintenance schedules.

In addition, Pier 1 has been closed for landside operations during weekends. This has occurred for a few weeks.

The paper-less “Auto Gate” process, which has been under trial at Pier 1 for some months, became mandatory on the 15th February 2009. This means that all containers entering or leaving the facility, with the exception of hazardous or oversized containers, must now be processed electronically. This results in the end of the ubiquitous Container Terminal Order (CTO) at Pier 1. The intention is to launch the “Auto Gate” process throughout the country during 2009. The necessary Portals are already under construction at the DCT.



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DURBAN AUTOMOTIVE CLUSTER

FBU Traffic:

The table provided by the TNPA, for the Durban Port, does not provide comparative figures for year on year FBU volume changes; however, the figures for January 2008 were as follows:

Deepsea Imports - 22257
Deepsea Exports - 9663

The average monthly volumes in 2008 were:

Deepsea Imports - 18033
Deepsea Exports - 15700

The drop in export volumes is as expected yet there still appears to be demand for imported units.

Description	Jan 2009	Feb 2009	Mar 2009	Apr 2009	May 2009	Jun 2009	Jul 2009	Aug 2009	Sep 2009	Oct 2009	Nov 2009	Dec 2009	TOTAL 2009
Deepsea Imports	15,334												15,334
Deepsea Exports	7,328												7,328
Coastwise	-												-
Transhipped	1,095												1,095
Total	23,757	-	-	-	-	-	-	-	-	-	-	-	23,757

Table Source: Transnet National Port Authority

OCEAN FREIGHT:

Port of Le Havre:

Officials from the French port of Le Havre recently visited Durban in an effort to increase the use of the port by South African shippers. Le Havre is an alternative option for imports from Europe including the industrial centres of France, Southern Germany and Northern Italy.

Le Havre has the advantage of being the last acceptance port on most south bound services and therefore offers the shortest sailing time to South Africa. However, at present only a few northbound services call first at the port.

The port is investing in a substantial amount of additional facilities and has improved access into Western Europe via road, rail and river. More information on this can be obtained from the port web site, www.havre-port.fr

LOCAL NEWS:

GM Parts distribution centre:

In February, General Motors South Africa (GMSA) will commence with the construction of a R200 million Pan-African parts distribution centre. The centre will be situated in the Coega Industrial Development Zone (IDZ) and will be the biggest investment in automotive logistics in that area. The centre is scheduled to be completed in the second quarter of 2010.

Source: Automotive Logistics

Customs:

Customs Reorganization

The reorganization of SARS / Customs administration is in progress. In future, Customs management will be based on "Modalities" rather than the current regional basis. The modalities are air, ocean and rail/road. Senior managers have been appointed for each of these sections. In addition, support teams are being formed. This should result in greater consistency throughout the country with regards to procedures, decision making and office performance. It will mean that, in the near future, the Air and Sea office in Durban will operate under separate management.

The following application for Industrial Rebate is open for comment until the 13th March 2009

The rebate of the full rate of customs duty (duty) on insulated electric cable has been satisfied on condition that the cable is not manufactured in the Southern African Customs Union (SACU). The insulated electric cable must not exceed a voltage of 80V, must be used in the manufacturing of automotive wiring sets in such quantities, at such times and under such conditions as allowed by the International Trade Administration Commission of South Africa (Itac) by specific permit.

For further information relating to this edition of the newsletter or previous editions, please contact the DAC Logistics team.