

## PORT & HARBOURS

### Durban Container Terminal and Pier 1

The recent announcement that South Africa is in recession, came as no surprise to those of us in the automotive and logistics industries. These newsletters have reported the decline in shipping volumes that commenced during the second quarter of 2008.

The volume figures from the National Port Authority is still looking dismal, with import volumes down by 24% for the year. However, a sign of the tide turning could be the slight increase in exports of 5.7% in May 2009 as compared to May 2008.

The service levels at the Durban Container Terminal (DCT) is not optimum as various buildings and infrastructure developments are impinging on operations. Currently, the ongoing building work which allows for "auto gate" systems at some berths, are causing vehicle delays.

Transnet Port Terminals (TPT) and industry stakeholders are currently discussing an appropriate process for "auto gate" operations with regards to export traffic. "Auto gates" are in operation at Pier 1 and will be rolled out nationally to the major container terminals. Exporters will, most likely, be required to electronically "pre advise" container and seal numbers before vehicles under load reach the terminal gates. Cluster members will be kept informed of developments.

TEU'S	Actual JAN - MAY 2008	Actual JAN - MAY 2009	Dev %
Deepsea Landed Full	344,927	262,789	-23.81%
Deepsea Landed MT	51,757	67,905	31.20%
Deepsea Shipped Full	262,308	214,039	-18.40%
Deepsea Shipped MT	155,471	105,429	-32.19%
Coastwise Landed Full	3,442	2,513	-26.99%
Coastwise Landed MT	2,289	1,463	-36.09%
Coastwise Shipped Full	6,046	5,753	-4.85%
Coastwise Shipped MT	11,523	7,023	-39.05%
Transshipments Full	175,933	183,244	4.16%
Transshipments MT	56,895	76,314	34.13%
<b>TOTAL Number of Teus:</b>	<b>1,070,591</b>	<b>926,472</b>	<b>-13.46%</b>

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## DURBAN AUTOMOTIVE CLUSTER

### FBU Traffic

The levels of both import and export FBU shipments remain low and display no sign of recovery at present.

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	11,515	9,435	8,540	9,832								54,656
Deepsea Exports	7,328	14,728	11,205	9,276	5,050								47,587
Coastwise	-	-	-	-	-								-
Transhipped	1,095	555	862	1,569	506								4,587
<b>Total</b>	<b>23,757</b>	<b>26,798</b>	<b>21,502</b>	<b>19,385</b>	<b>15,388</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,830</b>

Graphs source: Transnet National Port Authority

### OCEAN FREIGHT

In what is turning up to be the worst year in modern liner shipping history, revenues of the main container carriers have dropped by 35% in the first quarter of 2009, with this being compared to the corresponding quarter in 2008.

According to a Paris-based consultancy, the total revenue of eleven of the Top 20 carriers that reported segment results for their liner business, decreased from US\$22.40 billion a year ago to US\$14.45 billion. This results in a decline of US\$7.95 billion. These eleven carriers control approximately 45% of the total liner capacity deployed.

Further revenue reductions for the remainder of the year are expected and liner operators could face a US\$40 billion to US\$50 billion combined revenue shortfall for 2009 versus 2008, with this being much larger than predicted.

Source: cargoinfo.com

## LOCAL NEWS

### Stormy Weather

The seas around the Cape are known to have been notorious for centuries as a graveyard for vessels. Wreckage scatters the shores and sea bed of the Southern Cape with the winter months being the most dangerous. Considering the number of incidents which have occurred over recent years, involving vessels under tow during winter storms, non mariners would have thought it would be sensible to avoid towing around the tip of Africa throughout the winter months. During the most recent storms, two large vessels came close running aground near Cape Town. As the picture below illustrates, an under-tow barge carrying stacked river barges, destined for Rotterdam, lost its tow and beached near Paternoster on the west coast providing some holiday home owners with a change in their sea views.



### Focus at Transnet

The failure of Transnet Freight Rail (TFR) to make inroads into traffic, moving between Durban and Gauteng over recent years, has seen a renewed focus on upgrading service levels both in pricing and operations. There have been increases in volumes handled and improvements in delivery times which are targeted at 72 hours from uplift at the DCT to door at City Deep.

The recent appointment of the well respected Mervin Chetty to General Manager of the Natal Corridor (Natcor), formally Chief of Strategy, Security, Safety, Health, Environment and Quality at Transnet Port Terminals (TPT), underlines the pressure TFR were under to rack up volume levels on rail.

In his new position, Chetty will serve as the strategic, single point of contact for customers using Transnet's intermodal transportation services along the route.

## INTERNATIONAL NEWS

### Scrapping Incentives: The Good and the Bad

Arthur Maher, Head of European Forecasting at J D Power and Associates, commented on the Europe wide scrapping incentive programmes implemented by several states including Germany, United Kingdom and Italy.

He points out that even though the programmes are a welcome boost at a time of severe recession, once the schemes end, there will be a payback hangover which will slow any recovery in the industry as the schemes bring forward sales into 2009 from 2010.

The German scheme has boosted sales in Germany which Maher forecasts to increase by 18% in 2009, and to drop by 30% in 2010.

Source: Automotive Logistics Magazine

## CUSTOMS

### Paperless Release Project

Customs have now confirmed that the paperless release project will go live on the 4th of July 2009.

In a document released to industry, the customs advised as follows:

*“The Paperless Release Initiative deals with the **electronic release of import and export goods declarations**, which will obviate the need for a paper release notification to be printed. During the last number of years, various electronic messaging initiatives have been implemented which moved SARS constantly closer to its ultimate goal, the paperless environment.*

*The objective of this initiative is to ensure that there is a formal and legal structure within which the electronic release note (CUSRES) may be utilized by Release Authorities (RA), the SARB and Other Government Agencies (OGA) for the purpose of releasing goods.”*

The system will impact on C&F Agents and carriers, both sea and air. However, the initial focus from Customs will be on ocean shipments. Both importers and exporters, unless they process their own clearances, will not be materially affected. The Cluster has further information available.

Customs is indicating that mandatory submission of cargo and goods declarations is in the pipeline. Cluster members should ensure their service supplier is or will be equipped to submit declarations via EDI.

The Protection and Security Services, formerly Border Police arm of SAPS have racked up their cargo scanning and searching capacity in Durban. They have mobile scanning and tail gate search capacity in and around the Port. During May 2009, over 4000 containers were scanned and 2800 containers searched. This is substantially more than Customs however Customs have also increased staffing and search capacity at the DCT scanner site and are now operating on a 24/7 basis. Traders can expect a material increase in the number of containers either scanned or searched during coming months.

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