

PORT & HARBOURS

Durban Container Terminal

The June Logistics Newsletter reported TEU volume declines for the period January to May 2009. It was reported that imports and exports have declined by 31.2% and 18.4%, respectively, when compared with the same period in 2008. The August statistics show that there has been no material change during the subsequent three months, however, import volumes have increased by 31.4% and exports showed a slight improvement of a 17.6% decline.

TEU'S	Actual JAN - AUG 2008	Actual JAN - AUG 2009	Dev %
Deepsea Landed Full	557,927	438,944	-21.33%
Deepsea Landed MT	101,017	132,816	31.48%
Deepsea Shipped Full	461,505	380,284	-17.60%
Deepsea Shipped MT	219,454	158,161	-27.93%
Coastwise Landed Full	4,540	3,436	-24.32%
Coastwise Landed MT	4,791	2,950	-38.43%
Coastwise Shipped Full	8,702	9,780	12.39%
Coastwise Shipped MT	13,650	8,667	-36.51%
Transhipments Full	281,456	295,465	4.98%
Transhipments MT	88,154	96,554	9.53%
TOTAL Number of Teus:	1,741,196	1,527,057	-12.30%

Source Transnet National Port Authority

The operations at the DCT are still being impacted by construction work, both at the entrance gate and stack areas. Considering this, the Terminal continues to have difficulty in reaching its own productivity targets. The August statistics were disappointing, with vessel turnaround times and crane operations continuing to be an ongoing issue.

The transfer of Solly Letsoalo, Transnet Port Terminals COO, to the private sector, is yet to display or have any impact on service delivery.

DAC

DURBAN AUTOMOTIVE CLUSTER

FBU Traffic

Considering ongoing reports of a moribund market for new vehicles, the import data for August 2009 displays a surprising amount of 18,720 units, which is in excess of the average for the year. However, export data reveals an amount of 6,806 units. This is disappointing and the lowest since November 2008, with the exception of May 2009 which was impacted by the April 2009 shut downs.

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	6,951	10,065	18,270					89,942
Deepsea Exports	7,328	14,728	11,205	9,276	5,050	9,516	7,114	6,806					71,023
Coastwise	-	-	-	-	-	-	-	-					-
Transhipped	1,095	555	862	1,569	506	866	1,056	899					7,408
Total	23,757	26,798	21,502	19,385	15,388	17,333	18,235	25,975	-	-	-	-	168,373

Graphs source: Transnet National Port Authority

OCEAN FREIGHT

In August 2009, the Mediterranean Shipping Company announced a General Rate Increase (GRI) of \$200 per TEU on the Europe/Mediterranean – Southern Africa South bound Trade route. The GRI's have been applied to sailings from mid September 2009.

It should be noted that General Rate Increases do apply to Cluster contract rates negotiated with MSC.

LOCAL NEWS

Port Regulator

After a considerable delay, regulations allowing the statutory Port Regulator to commence work was gazetted in August 2009. The Regulator, Mr Riad Khan, was appointed a few months ago and is now in a position to act on complaints, approve tariffs and hear appeals concerning the Transnet National Port Authority (TNPA). As a division of Transnet, TNPA have overall control of almost all port activity in South Africa and act as landlords of all harbour facilities. With Transnet also controlling Transnet Port



Terminals (TPT) and Transnet Freight Rail (TPT) the Regulator has the task of ensuring that port services are provided for on a fair and equitable basis and that the impact of the port monopoly which exists in South Africa is ameliorated as far as possible.

Carrier Costs

As the recession continues to impact on all forms of transport, carriers are attempting to reduce costs whilst increasing unit income. International airlines have reduced capacity by approximately 7% in 2009 as flight schedules are curtailed and aircraft mothballed. Although some fares remain low, any opportunity to increase income such as meal and drink charges, fuel surcharges and the \$15 checked baggage fee, are being taken. Reportedly, the latter fee amounted to a gross income amount of \$690 million for US Airlines in the second quarter of 2009.

It appears that ocean carriers are not immune to looking for additional income. Lines on the South African trade have introduced an 'across the board' container damage surcharge of \$30 per TEU, even though repairs are charged in Rands and the surcharge is raised irrespective of container damage.

Demurrage and storage charges for overstay or late turn containers are also being raised in US Dollars and are often in excess of the actual cost incurred by carriers. Cluster members should pay careful attention to ensuring that empty containers are turned in promptly and importantly, to the correct depot and that all charges raised by carriers and intermediaries are checked carefully.

INTERNATIONAL NEWS

The US government's "Car Allowance Rebate System", better known as "Cash for Clunkers", ended on the 24th of August 2009, with almost 700,000 new vehicles sold in two months and an equivalent number of old "gas guzzlers" scrapped.

The US Department of Transport described the programme as "enormously successful" with the bulk of new vehicles sold being manufactured in the US, even if by foreign owned companies such as Toyota and Honda. A total of \$2.87 billion was outlaid, marginally short of the authorised \$3 billion.

Amongst the conditions for the programme, it was stated that "trade ins" to be scrapped had to have an average fuel consumption of 18 miles per US Gallon (+-13l per 100km) or worse, meaning that the programme should have an impact on overall vehicle emissions.

Honda, Ford and GM all announced production increases as a result of the increased demand, which is estimated to boost US GDP by between 0.3 to 0.4% for 2009.

CUSTOMS

Mandatory Electronic Submission of Declarations

The following is an extract taken from an announcement from Customs, dated the 2nd of September 2009.



DAC

DURBAN AUTOMOTIVE CLUSTER

Cluster members involved in international trade should ensure that their service suppliers have the relevant capacity for electronic submission of Cargo declarations by the 1st of October 2009.

1. In terms of Government Notice R.814 dated 31 July 2009, the following declarations and reports are, with effect from 1 August 2009, required to be sent electronically:

1.5. Imported goods or goods for export required to be entered on a SAD form in terms of any provision of the Act, by the importer, exporter or agent who is:

1.5.1. Accredited in terms of section 64E of the Act; or

1.5.2. Not accredited in terms of section 64E of the Act, but delivers a total in excess of 20 bills of entry per calendar month to any Controller or the Commissioner.

2. Based on the applications for extension received, it has been decided to enforce the above mentioned requirements:

2.1. In respect of Cargo and related declarations, with effect from 1 October 2009;

2.2. In respect of international import and export goods declarations, with effect from 1 October 2009, and

2.3. In respect of Cross-border declarations (BLNS) with effect from 1 April 2010.

3. Any application for further extension and/or exemption from the above requirements should be fully motivated and forwarded to Ms. Emelia Holtzhausen at eholtzhausen@sars.gov.za

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