

01 July 2022

Industry statement

Update: Industry logistics – Port of Cape Town

After the disastrous 2021/22 fruit exporting season from a pome, stone and table grape perspective, a joint decision as previously communicated was taken to follow a consolidated approach regarding Cape Town port. Multiple engagements have taken place through various forums. Industry representatives again met with the Western Cape Transnet Management Team regarding progress made to date in terms of the Cape Town port on 25 May 2022.

The purpose of the meeting was to further share information and discuss progress on strategic industry matters pertaining to the port of Cape Town, including both the multipurpose terminal (MPT) and Cape Town container terminal (CTCT).

AgBiz CEO Theo Boshoff represented all FSA members and in attendance were Anton Kruger and Werner van Rooyen (FPEF), Anton Rabe and Jacques du Preez (Hortgro), AJ Griesel and Jacques Ferreira (SATI). Angelo Petersen acted as consultant and facilitated the meeting.

The discussions were constructive, positive, and with open dialogue and a clear commitment from all parties to learn and rectify the challenges of the past season. Presentations done by the various industry bodies highlighting key trends and volume projections over the next five years to again inform the Transnet team of the fruit export realities.

Herewith, of the most pertinent plans and proposals presented by Transnet to be implemented over the short- to medium-term:

- Move from a two- to three-berth operation at CTCT
 - Extra STS (Shore-To-Ship) crane relocation (en route from Durban) which will bring cranes available up to nine to create redundancy for planned maintenance and STS midlife refurbishment. The reality is that due to the length of the container terminal, a three-berth operation will not always be possible due to the size of the vessels, but when possible 3 vessels will be worked simultaneously. (Timeline for 9th crane relocation: July 2022)
 - Industry believes that a 10th STS crane is required as back-up and will look at financing with back-back rental options. This is a medium-term project as

procurement of such a crane has quite a lead time and a contractual agreement must be reached with Transnet.

- Deployment of extra gangs/teams (labour). (Timeline-Labour: Ramp up to 42 x DAV and 32 OLE under training on 4 July; Timeline-Gangs: 7 waterside gangs full on and 8 gangs on recovery depending on availability resources from Nov 2022 until 30 March 2023)
- Increased use of and refinement night shifts/runs – Industry's commitment required.
- Extra berth at the multipurpose terminal (moving from one to two). So, depending on the size of ships (draft/length), up to two vessels should be able to be loaded at the same time if all equipment and labour are in place. However, for operating a two-berth system at MPT, vessels making use of the MPT will preferably also have to be fitted with their own loading gear. Maintenance of land-side equipment (rubber-tyred gantries, trailers, etc.) to keep the plant feed STS cranes, is ongoing. (Timeline: Increased availability to 22 RTG's in May and ramp-up RTG availability to 24 + 1 (Maintenance))
- Arrangement to sharing/exchanging gangs between CTCT and MPT aligned with operational requirements. (Timeline: Before October 2022)
- Additional mooring equipment (one shore tensioner set to mitigate vessel ranging) installed. (A function of TNPA)
- Equipment maintenance – Advance acquisition of spares to keep in stock and maintenance contracts now in place. (Timeline: 12months RTG spares contract awarded with 3x RTG engines on 27 May; Timeline-STC cranes: LC8 window installed 21 May and 2xspare hoist motors delivered; Timeline-Spreader refurbishment: four spreaders completed with two spreaders sent for refurbishment on 31 May 2022 and another two spreaders sent in June 2022; Timeline-Hauliers: 3 year spares supply contract awarded on 1 June 2022; Timeline-Reach stackers: Spares supply contract awarded on 31 May 2022; Timeline-Forklifts: Hiring of three forklifts on 30 July 2022)
- Productivity incentive now in place for the labour force.
- Leave and absenteeism over the December-January 2022/23 holidays to be scrutinised and managed to avoid a recurrence of the unacceptable situation experienced during the same period this past season.
- Working on Belcon (inland container terminal) costs and operations to feed containers directly to shipside seamlessly/cost-effectively. (Timeline: Before October 2022)

- Special/dedicated lanes for fruit containers/trucks into and out of the port.
- Problems with port congestion and truck booking system being addressed.
- Truck staging area being planned. (Timeline: 2x Reefer lanes and 2x GP lanes before November 2022)

Port of Cape Town – current state of play

Currently berthing delays have largely been resolved, which is great, but it should be kept in mind that the stone fruit and table grape seasons are finished, the pome fruit peaks are passed, and the citrus season are slightly late whilst the worst of the wind delays are over. Vessels for certain routes are also still omitting CT, so the pressure has been slightly released over the last month or so.

Way Forward

A follow-up meeting is scheduled for July to monitor progress and to assess/agree possible further interventions to ensure readiness for the 2022/23 deciduous season. The longer-term processes and national solutions are being driven via AgBiz. We await feedback on a proposed strategic collaboration framework to be signed off by both Transnet and industry stakeholders, in the not-too-distant future.

Although there is still a mountain to climb to finance and procure the new equipment so desperately needed, the short-term plans and proposals put forward, and the constructive approach and continued engagements with industry role players by the top management of the CT Port and Transnet is encouraging and highly welcomed. Should all these be implemented, we can look forward to a much more efficiently functioning port, servicing the growing needs of fruit industries.

- **Jointly issued by Hortgro, SATI and FPEF**

