

Cape Town's port problems cause citrus exports to be redirected

BY: FRED MEINTJES

7 JUL 2020

The recent announcement that shipping lines are cancelling calls at the port of Cape Town or implementing a Cape Town congestion surcharge from July, and that large volumes of citrus and other exports are being redirected to Eastern Cape ports, is reverberating at provincial and national government levels in South Africa.


Daily industry news



Operational issues at the port

The Western Cape minister of finance and economic opportunities, David Maynier says: "We cannot go on like this, and so I have written to the minister of public enterprises, Pravin Gordhan, requesting a meeting with himself and the Transnet management team to discuss interventions to address the challenges in the Port of Cape Town.

"The efficient and effective performance of the port of Cape Town is critical to economic recovery and growth for the Western Cape. We are very concerned about the operational issues currently being experienced at the port," he says.

"With the announcement that three shipping lines are cancelling calls to Cape Town or implementing a Cape Town congestion surcharge, and that large volumes of citrus exports are being redirected to Eastern Cape ports to ensure continuity in supply to markets, it is clear that urgency and resources are needed if we are to resolve the current operational issues at the port of Cape Town."

Challenges are well documented

Painting a bleak picture of what is currently happening, he says the challenges at the port of Cape Town are well documented.

"But with the added impact of Covid-19 infections, service levels have further deteriorated since the beginning of April," Maynier points out. "Two weeks ago, the service level was only 42% of the average for last year in terms of containers moved."

"In the last month or so, vessels have been waiting outside the port for two weeks before they could berth, some export orders from three months ago have not been shipped yet, and several importers have been waiting for more than a month after the delivery date to receive their containers. Transporters are often able to deliver or collect only one container per day, which is not financially sustainable."

Collaborative efforts are underwa



The Western Cape is working hard to assist where it can and to address these challenges at the highest level, he notes.

"We have forged strong partnerships with Michelle Phillips, the acting CEO of Transnet Port Terminals, and her Cape Town management team. The Western Cape Department of Health has also supported interventions to implement health and safety measures in the workplace to stop the spread of Covid-19. Some service level improvements have started to come through since last week and are beginning to gather momentum."

Maynier emphasises that the national government needs to address the operational inefficiencies that are leading to significant delays, such as increasing the number of teams operating to get all cranes working in the port, addressing structural challenges, and providing a sufficient equipment fleet over the short to medium term to reach the service levels required to meet importer-exporter needs.

This article was originally published on [Fruitnet](#). [Click here](#) to read the original article.

Copyright © 2020 Bizcommunity.

