Transnet is a "threat to RSA citrus industry"

South Africa's port agency is broke, according to the country's citrus industry

The situation at South Africa's ports has become so bad that the citrus industry has said that the Transnet organisation is "perhaps the biggest threat to the country's citrus industry".

Operations at the port authority and terminals division of Transnet have declined so severely that the citrus industry is now witnessing "massive delays" to ships calling at the country's ports.

While the latest attack on Transnet comes from the citrus industry, it is understood that other industries are experiencing similar problems. These are by far the most serious accusations aimed at Transnet to date.

The South African citrus industry is now in its crucial Valencia shipping period. The Valencia crop is estimated at 55.7m cartons, of which only slightly more than 50 per cent have been shipped according to the latest CGA estimates.

The South African Citrus Growers' Association (CGA) said it had emerged that Transnet was "broke due to corruption, with millions of rands having been lost in the process".

"We understand that there are operational issues prevailing within the Transnet Group, but this past week we've come to learn that the situation is much worse than originally thought," said Mitchell Brooke, senior CGA executive. "Transnet has been in a rapid state of decline in recent years.

"Notwithstanding the disruptions from the Covid pandemic in 2020, the recent KZN looting and the Cyber Attack on Transnet's IT systems in July 2021, the present issues go way beyond that," he continued.

"We now know that Transnet has been the subject of mass corruption as a result of state capture," Brooke said. "Millions of rands have been embezzled out of Transnet – where to we will hopefully find out. Transnet have conceded they are broke and do not have enough capital (or access to capital) to inject into the business to sustain its operations.

"During the period of state capture, capital that should have been allocated to procure or replace items such as tugboats, pilot boats, helicopters, ship-to-shore cranes, mobile harbour cranes, straddle carriers, rubber tire gantry cranes, reach stackers and hauliers, disappeared. Maintenance and mid-life refurbishment of the current fleet of machinery and equipment in the ports was mostly ignored.

"So, in essence what we are finding is that the machinery and equipment necessary to service the ports adequately is just not there," he outlined." What is there is mostly past the serviceable lifespan and now failing and breaking down continuously.

"The situation at the South African ports is so bad that ships spend days or weeks before calling ports and in some cases months on the coast before finally departing South Africa after completing the full port rotation."

This has, Brooke said, led to shipping lines pulling services from some of the ports and in many cases refusing to call at ports due to the severity of the delays ships are encountering.

"Over the past few months this situation has resulted in massive bottlenecks and congestion at the ports cold stores," he added. "Considerable amounts of fruit spent a long time waiting before finally being shipped.

"Another issue that the ship delays caused, was the limitation in shipping lines being able to bring in empty reefer containers on time to ensure there was enough stock to export the fruit."

The availability of empty reefer containers was an immense battle this past export season, hampering not only citrus exports, but exports of all South African fruit and other freight.

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