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Desperate shippers losing patience with Transnet's inefficiency

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Citrus Growers' Association logistics development manager, Mitchell Brooke.

The time for talk is over, shippers are demanding action from Transnet after another week of frustration.

In a hard-hitting opinion piece on the Citrus Growers' Association website, logistics development manager Mitchell Brooke raises the question: is the state-run logistics entity the biggest threat to the fruit export industry?

Transnet executives last week met key sector associations – ranging from the CGA and Agriculture Business Chamber, to the SA Association of Freight Forwarders, SA Association of Ship Operators and Agents and Naamsa - to discuss the current situation.

Transnet has agreed to reconvene in a week's time to outline what actions will be undertaken to remedy the situation.

“The poor state of Transnet's operations is seriously compromising the South African agriculture and manufacturing industries and is a huge threat to the local economy,” says Brooke.

“Businesses are losing millions of rands as manufacturing and production plants have had to stop due to the backlog in supply of components - notwithstanding the losses the fruit export industry is facing as a result of the additional cost of logistics and quality compromised due to high dwell times.

“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 direr than originally thought,” he adds.

Transnet’s rapid state of decline in recent years has been well documented.

“Operations at the port authority and terminals division have declined so severely that we are now witnessing massive delays to ships calling across the South African ports.

“Notwithstanding the disruptions from the Covid pandemic in 2020, the recent KZN looting and the cyberattack on Transnet’s IT systems in July, the present issues go way beyond that. We now know that Transnet has been the subject of mass corruption as a result of state capture.”

The litany of complaints from the industry has in no way been addressed and new leadership has done little to appease the shipping community.

“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 tyre 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.”

The bottom line is that the machinery and equipment necessary to service the ports adequately is just not there. “What is there is mostly past the serviceable lifespan and now failing and breaking down continuously.”

Ships are spending 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, Brooke points out. “This has led to shipping lines pulling services from some of the ports, and in many cases, omitting to call ports due to the severity of the delays ships are encountering.” The result over the past few months has been massive bottlenecks and congestion at the port’s cold stores. Considerable amounts of fruit spent a long time waiting before finally being shipped.

The delays further limited the ability of shipping lines to bring in empty reefer containers on time to ensure there was enough stock to export the fruit, resulting in a massive shortage of empties.

There’s no room for more promises. Transnet is threatening the very lifeblood of South Africa’s already fragile economy – and its inaction could just tip it off the precipice.

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